Goodling, Monica

From: Goodling, Monica
Sent: Wednesday, November 01, 2006 7:48 PM
To: Gorsuch, Neil M
Subject: Not read: RE: Name

Image not available for this document, ID: 0.7.10316.33335-000001

Image not available for this document, ID: 0.7.10316.33335-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, September 11, 2006 12:55 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN ARIZONA AND NEW YORK

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 11, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN ARIZONA AND NEW YORK

WASHINGTON - The Justice Department today announced that on Sept. 12, 2006, the federal government will monitor primary elections in Cochise County, Ariz. and in Kings, Queens, and Westchester Counties, N.Y., to ensure compliance with the Voting Rights Act.

Under the Voting Rights Act, the Justice Department is authorized to ask the Office of Personnel Management to send federal observers to areas that are specifically covered by the Act, itself, or by a federal court order. Federal observers will be assigned to monitor polling place activities in Kings County based on the special coverage provisions and in Westchester County pursuant to a federal court order entered in 2005.

The observers will watch and record activities during voting hours at polling locations in these counties. Civil Rights Division attorneys will coordinate the federal activities and maintain contact with local election officials.

In addition, Justice Department personnel will monitor the primary elections in Cochise County, Ariz. and Queens County, N.Y.

Each of the monitored counties has an obligation to provide all election information, ballots, and voting assistance information in one or more minority languages pursuant to Section 203 of the Voting Rights Act. The observers and monitors will gather information concerning compliance.

Each year, the Justice Department deploys hundreds of federal observers from the Office of Personnel Management, as well as department staff, to monitor elections across the country. In 2004, a record 1,463 federal observers and 533 Department personnel were sent to monitor 163 elections in 105 jurisdictions in 29 states. This compares to the 640 federal observers and 103 Department personnel deployed in 2000.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

DOJ_NMG_ 0167703

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

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06-607

DOJ_NMG_ 0167704

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Image not available for this document, ID: 0.7.10316.33305-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, September 11, 2006 1:20 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN JUSTICE DEPARTMENT'S 54TH ANNUAL ATTORNEY GENERAL AWARDS CEREMONY

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, SEPTEMBER 11, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN JUSTICE DEPARTMENT'S 54th ANNUAL ATTORNEY GENERAL AWARDS CEREMONY

WASHINGTON – Attorney General Alberto R. Gonzales will participate in the Justice Department's 54th Annual Attorney General's Awards Ceremony tomorrow, **TUESDAY, SEPTEMBER 12, 2006 at 2:00 PM. EDT.**

WHO: Attorney General Alberto R. Gonzales and other Justice Department officials

WHAT: 54th Annual Attorney General's Award Ceremony

WHEN: **TUESDAY, SEPTEMBER 12, 2006 at 2:00 P.M. EDT**

WHERE: DAR Constitution Hall
1776 D. Street NW
Washington, D.C. 20006

NOTE: Pre-set for the ceremony is **1:30 P.M. EDT.** All media must present valid photo ID and media credentials and must enter through the 18th street entrance. All questions regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-608

DOJ_NMG_ 0167707

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Image not available for this document, ID: 0.7.10316.33304-000002

autoreply@cod.uscourts.gov

From: autoreply@cod.uscourts.gov
Sent: Monday, September 11, 2006 1:30 PM
To: Gorsuch, Neil M
Subject: ECF Version 3.0 Installed

Good Morning,

Thank you for registering for the District of Colorado's Electronic Case Filing (ECF) system. As an ECF User, you will be sent periodic e-mail updates from the court regarding ECF issues we consider important.

The United States District Court for the District of Colorado began allowing electronic filing of civil documents on June 20, 2005, and criminal documents on December 5, 2005. To date, the court has registered 6139 attorneys for electronic filing. Since our live date, 3956 attorneys have filed 59,975 documents electronically. The court installed Version 3.0 of the ECF software this weekend. Certain enhancements to the system have been added. Listed below are some of the major changes:

(1) Court Information is now available to the public from the PACER opening screen. This information includes the court's ECF Live Date, maximum file size, and Help Desk contact phone numbers.

(2) The Notices of Electronic Filing have been altered. Beginning today, the encryption sequence for the documents will be shown after the notice list on the document.

(3) The way Electronic Notice is maintained on an account has changed. Attorneys now have more options regarding who receives what notices on which cases. Please review the new version of the ECF User Manual available here: http://www.co.uscourts.gov/forms/cm_user_man.pdf

ECF Users are strongly encouraged to review the changes mentioned above. Please contact the court's ECF Help Desk toll free at 1-866-365-6381 or 303-335-2050 with any questions or concerns. You may also e-mail the court at cod_cmecf@cod.uscourts.gov.

Thanks,

[redacted]
ECF Project Manager
United States District Court
District of Colorado

System Administrator

From:	System Administrator
Sent:	Monday, September 11, 2006 1:36 PM
To:	c=US;a= ;p=USDOJ-JCON;o=COAR;dda:SMTP=autoreply@cod.uscourts.gov;
Subject:	Undeliverable: Out of Office AutoReply: ECF Version 3.0 Installed
Attachments:	Out of Office AutoReply: ECF Version 3.0 Installed.msg

Gorsuch, Neil M

From: Gorsuch, Neil M
Sent: Monday, September 11, 2006 1:32 PM
To: autoreply@cod.uscourts.gov
Subject: Out of Office AutoReply: ECF Version 3.0 Installed

After August 4, I will be residing in Colorado. My successor as PDASG is [redacted]

I will continue checking this e-mail account periodically until the end of August. If you need to reach me promptly, please call my cell: [redacted]

My contact information in Colorado is:

U.S. Court of Appeals for the Tenth Circuit Byron White Court House 1823 Stout Street Denver, CO 80257 [redacted] Office email: [redacted]@ca10.uscourts.gov Home email: [redacted]@hotmail.com

System Administrator

From: System Administrator
Sent: Monday, September 11, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 503014 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Bennett, Catherine T

Subject:	Updated: Terrorism Litigation Meeting
Location:	Room 5228
Start:	Monday, September 11, 2006 3:45 PM
End:	Monday, September 11, 2006 4:15 PM
Show Time As:	Tentative
Recurrence:	Weekly
Recurrence Pattern:	every Monday from 4:00 PM to 5:00 PM
Meeting Status:	Not yet responded
Organizer:	Bennett, Catherine T
Required Attendees:	Elwood, Courtney; Marshall, C. Kevin; Cohn, Jonathan (CIV); Brown, Angela; Meron, Daniel (CIV); Bucholtz, Jeffrey (CIV); Katsas, Gregory (CIV); Nichols, Carl (CIV); Gorsuch, Neil M; Monheim, Thomas; Letter, Douglas (CIV); Calvert, Chris (CIV); Garre, Gregory G; Taylor, Jeffrey (OAG); Purpura, Michael M (ODAG); Toscas, George; Rowan, Patrick (ODAG); Cook, Elisebeth C
Optional Attendees:	'Reyes, Luis (SMO)'

When: Monday, September 11, 2006 3:45 PM-4:15 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Room 5228

~~*~*~*~*~*~*~*~*~*

TODAY's meeting will take place at 3:45pm until 4:15pm, due to an AG appointment on Courtney's calendar.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, September 11, 2006 2:37 PM
Subject: JCON BROADCAST, WEEK OF SEPTEMBER 11, 2006

JCON BROADCAST, WEEK OF SEPTEMBER 11, 2006

1. **Attorney General's 54th Annual Awards Ceremony, September 12**
2. **Celebrate Constitution Day, September 18**
3. **Research Classes Offered by Library Staff**

Attorney General's 54th Annual Awards Ceremony, September 12

DOJ employees in the Washington Metropolitan Area are invited to attend the Attorney General's 54th Annual Awards Ceremony which will be held at 2:00 p.m., Tuesday, September 12, 2006, at Constitution Hall. Departmental identification is required for entry. Shuttle service will be provided from the Constitution Avenue entrance of the Robert F. Kennedy Main Justice Building, beginning at 1:00 p.m. and returning following the ceremony. You may view a list of awards recipients at http://www.usdoj.gov/jmd/ps/guiawards.htm.

Celebrate Constitution Day, September 18

The Main Library will host a celebration of Constitution Day at 10:30 a.m., Monday, September 18, in the Main Library (5400 corridor). A speaker from the National Archives, Stacy Bredhoff, Senior Curator, will offer an armchair tour of "Charters of Freedom, A New World is at Hand". You may stop by the Main Library all day for book displays, a slide show, handouts, and materials containing facts and history on the Constitution. Also, you may view some related websites, online texts, and other resources on our website at http://10.173.2.12/jmd/lib/constitution.htm. For more details, contact Jan Oberla at 202-514-7767.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

Bennett, Catherine T

Subject:	Canceled: Terrorism Litigation Meeting
Location:	Room 5228
Start:	Monday, September 11, 2006 3:45 PM
End:	Monday, September 11, 2006 4:15 PM
Recurrence:	Weekly
Recurrence Pattern:	every Monday from 4:00 PM to 5:00 PM
Meeting Status:	Not yet responded
Organizer:	Bennett, Catherine T
Required Attendees:	Gorsuch, Neil M; Meron, Daniel (CIV); Bucholtz, Jeffrey (CIV)
Importance:	High

When: Monday, September 11, 2006 3:45 PM-4:15 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Room 5228

~~*~*~*~*~*~*~*~*~*

TODAY's meeting will take place at 3:45pm until 4:15pm, due to an AG appointment on Courtney's calendar.

Bennett, Catherine T

Subject:	Canceled: Terrorism Litigation Meeting
Location:	Room 5228
Start:	Monday, February 20, 2006 4:00 PM
End:	Monday, February 20, 2006 5:00 PM
Recurrence:	Weekly
Recurrence Pattern:	every Monday from 4:00 PM to 5:00 PM
Meeting Status:	Not yet responded
Organizer:	Bennett, Catherine T
Required Attendees:	Bucholtz, Jeffrey (CIV); Katsas, Gregory (CIV); Gorsuch, Neil M; Meron, Daniel (CIV)
Optional Attendees:	Reyes, Luis (SMO)
Importance:	High

When: Occurs every Monday effective 2/20/2006 from 4:00 PM to 5:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Room 5228

~~*~*~*~*~*~*~*~*~*

Elwood, Courtney

Subject:	Canceled: Terrorism Litigation Meeting
Location:	Room 5228
Start:	Monday, September 11, 2006 3:45 PM
End:	Monday, September 11, 2006 4:15 PM
Recurrence:	Weekly
Recurrence Pattern:	every Monday from 4:00 PM to 5:00 PM
Meeting Status:	Not yet responded
Organizer:	Elwood, Courtney
Required Attendees:	Elwood, Courtney; Marshall, C. Kevin; Cohn, Jonathan (CIV); Brown, Angela; Nichols, Carl (CIV); Monheim, Thomas; Letter, Douglas (CIV); Calvert, Chris (CIV); Garre, Gregory G; Taylor, Jeffrey (OAG); Purpura, Michael M (ODAG); Toscas, George; Rowan, Patrick (ODAG); Cook, Elisebeth C; Katsas, Gregory; Beckner, Rick (CIV)Elwood, Courtney; Marshall, C. Kevin; Cohn, Jonathan (CIV); Brown, Angela; Nichols, Carl (CIV); Monheim, Thomas; Letter, Douglas (CIV); Calvert, Chris (CIV); Garre, Gregory G; Taylor, Jeffrey (OAG); Purpura, Michael M (ODAG); Toscas, George; Rowan, Patrick (ODAG); Cook, Elisebeth C; Katsas, Gregory; Beckner, Rick (CIV)
Optional Attendees:	Reyes, Luis (SMO)Reyes, Luis (SMO)
Importance:	High

TODAY's meeting will take place at 3:45pm until 4:15pm, due to an AG appointment on Courtney's calendar.

System Administrator

From: System Administrator
Sent: Monday, September 11, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 502959 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, September 11, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 502960 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Monday, September 11, 2006 7:07 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 11, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TUESDAY'S EXPECTED NEWS STORIES:

Attorney General Gonzales Participated in Events Commemorating Fifth Anniversary of September 11 (OPA)

Today, the Attorney General participated in an event commemorating the fifth anniversary of September 11 at the Department of Justice with Department employees. B-roll footage was released to the media. He also participated in television interviews with CNN, Fox News, and MSNBC regarding the anniversary, and attended Radio Day at the Pentagon, where he participated in regional interviews.

FBI Assistant Director to Appear on *Nightline (FBI)*

Today, FBI Assistant Director John Miller will appear on ABC's *Nightline* regarding the FBI after Sept. 11, 2001.

United States Joins Suit Against Dey (Civil)

The United States has intervened in a whistleblower suit filed in the District of Massachusetts against Dey, Inc. alleging that the company violated the False Claims Act, the Justice Department announced today. In its complaint, the government alleges that Dey engaged in a scheme to report fraudulent and inflated prices for several pharmaceutical products, knowing that federal healthcare programs established reimbursement rates based on those reported prices.

Justice Department to Monitor Elections in Arizona and New York (Civil Rights)

The Justice Department today announced that on Sept. 12, 2006, the federal government will monitor primary elections in Cochise County, Ariz. and in Kings, Queens, and Westchester Counties, N.Y., to ensure compliance with the Voting Rights Act. Under the Voting Rights Act, the Justice Department is authorized to ask the Office of Personnel Management to send federal observers to areas that are specifically covered by the Act, itself, or by a federal court order. Federal observers will be assigned to monitor polling place activities in Kings County based on the special coverage provisions and in Westchester County pursuant to a federal court order entered in 2005.

National Institute of Justice Issues DNA Identification Report (OJP)

The Department of Justice today issued the report, *Lessons Learned from 9/11: DNA Identification in Mass Fatality Incidents*. The report is the result of the Kinship Data Analysis

Panel (KADAP), which the Department convened immediately after the terrorist attacks in 2001 to help the Office of the Chief Medical Examiner (OCME) in New York identify victims' remains so they could be returned to their families. The panel was assembled by the National Institute of Justice (NIJ), the research, development and evaluation arm of the Justice Department. The identification process following the attacks of September 11 was the largest effort of its kind in the United States to date and this report, published as part of The President's DNA Initiative, will serve as a valuable guide for localities that may be involved in similar identifications in the future. Drafts of the report have been requested and already sent to officials who responded to Hurricane Katrina and the southeast Asian tsunami.

TUESDAY'S EXPECTED EVENTS/RELEASES:

10:00 A.M. EDT Deputy Attorney General Paul J. McNulty will present testimony before the Senate Judiciary Committee at a hearing titled *The Thompson Memorandum's Effect on the Right to Counsel in Corporate Investigations*
Dirksen Senate Office Building
Room 226
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-225-3951.

2:00 P.M. EDT Attorney General Alberto R. Gonzales will participate in the Department of Justice's 54th Annual Awards Ceremony
DAR Constitution Hall
18th Street, N.W. between C and D Streets
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Andrew Ames of the Department of Justice at 202-305-5938.

4:00 P.M. EDT Acting Assistant Attorney General for the Office of Legal Counsel Steve Bradbury will testify before House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security regarding H.R. 5825, the "Electronic Surveillance Modernization Act."
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at 202-225-3951.

System Administrator

From: System Administrator
Sent: Monday, September 11, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 503395 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, September 11, 2006 8:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Lake Los Angeles, CA

From: AmberAlert-DOJ
Sent: Monday, September 11, 2006 8:35:17 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Lake Los Angeles, CA
Auto forwarded by a Rule

AMBER ALERT:Lake Los Angeles,CA VEH:89 Red Buick Regal CA 2MFC968 CHILD:5mos W/F 1FT 12LB Eye:Bla Hair:Bla SUSP:Hisp/M 5FT11 200LB Hair:Bla CALL661-272-2527

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2102

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 503398 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Tuesday, September 12, 2006 8:01 AM
To: Gorsuch, Neil M
Subject: BPM on SOA Webcast
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe821279766c0d7474-fdee17797463037d73127877-fef8177574610d

Business Process Management on a SOA Foundation Webcast

Agencies seeking to deliver business process management (BPM) on a service- oriented architecture (SOA) have traditionally been faced with one of two compromise solutions: a workflow approach with limited connectivity or an integration approach with limited BPM functionality.

Join this webcast to learn how TIBCO overcomes these limitations with a unified architecture for BPM in an SOA environment.

Date: Tuesday, August 8, 2006

Time: 11:00a.m EDT

Meeting Number: [redacted]

Password: bpmplus

Teleconference: dia[redacted]

Passcode: 485288 for audio

To Join the webcast:

1. At the meetings start time, either click the link or copy and paste it into your web browser.

2. Enter your name, your email address and the meeting password (if required), and then click to join.

3. If the meeting includes a teleconference, follow the instructions that automatically appears on your screen.

https://tibcomc.webex.com/tibcomc/j.php?ED=86461357&UID=0
https://tibcomc.webex.com/tibcomc/j.php?ED=86461357&UID=0

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3303 Hillview Ave
Palo Alto, CA, 94304-1204, USA

We respect your right to privacy - visit the following URL to view our policy.
(http://email.exacttarget.com/company-anti-sp-policy.asp)

Visit the following URL to manage your subscriptions.
(http://cl.exct.net/subscription_center.aspx?s=fe0616707665077b70167177&j=fe821279766c0d7474&mid=fef8177574610d)

Visit the following URL to update your profile.
(http://cl.exct.net/profile_center.aspx?s=fe0616707665077b70167177&mid=fef8177574610d&j=fe821279766c0d7474)

Visit the following URL to unsubscribe.
(http://cl.exct.net/unsub_center.aspx?s=fe0616707665077b70167177&j=fe821279766c0d7474&mid=fef8177574610d)

To view this email as a web page, go here.

To ensure proper delivery of TIBCO emails to your inbox, please add us to your Address Book.

Reminder

Business Process Management on a SOA Foundation Webcast: TIBCO's Solutions for the Department of Justice

Agencies seeking to deliver business process management (BPM) on a service-oriented architecture (SOA) have traditionally been faced with one of two compromise solutions: a workflow approach with limited connectivity or an integration approach with limited BPM functionality.

Join this webcast to learn how TIBCO overcomes these limitations with a unified architecture for BPM in an SOA environment.

Wednesday, September 13th, 2006

Time: 12:00 p.m EDT

To attend this meeting, you must first register for it. Please click this link to see more information, and register for this meeting.
https://tibcomc.webex.com/tibcomc/j.php?ED=86837607&RG=1

Once you have registered for the meeting, you will receive an email message confirming your registration. This message will provide the information that you need to join the meeting.

For Help or Support:
Go to https://tibcomc.webex.com/tibcomc/mc click Assistance, then Click Help or click Support.

TIBCO contac[redacted] email[redacted]@tibco.com

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System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 506850 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 12:43 PM
To: USDOJ- Office of Public Affairs
Subject: 'GIRLS GONE WILD' PLEADS GUILTY IN SEXUAL EXPLOITATION CASE

A copy of the criminal informations and deferred prosecution agreement are attached.

Department of Justice

FOR IMMEDIATE RELEASE — CRM
TUESDAY, SEPTEMBER 12, 2006 — (202) 514-2008
WWW.USDOJ.GOV — TDD (202) 514-1888

'GIRLS GONE WILD' PLEADS GUILTY IN SEXUAL EXPLOITATION CASE

Companies, Founder to Pay $2.1 Million in Fines and Restitution

WASHINGTON – A California company doing business under the name "Girls Gone Wild" has pleaded guilty to charges that it failed to create and maintain age and identity documents for performers in sexually explicit films that it produced and distributed, and that it failed to label its DVDs and videotapes as required by federal law, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Gregory R. Miller of the Northern District of Florida announced today.

Santa Monica-based Mantra Films, Inc. entered its plea agreement today before U.S. District Judge Richard Smoak at U.S. District Court in Panama City, Fla. A second related company, MRA Holdings, LLC, also entered into a deferred prosecution agreement.

Under the agreements, Joseph Francis, the founder of the two companies, agreed to plead guilty to offenses to be filed later in U.S. District Court in Los Angeles, and the companies and Francis agreed to pay fines and restitution totaling $2.1 million.

The charges in this case are believed to be the first to be filed under a law – often referred to as Section 2257 – passed by Congress to prevent the sexual exploitation of children. The law protects against the use of minors in the production of sexually explicit material by requiring producers to create and maintain age and identity records for every performer in sexually explicit movies and other media. Producers and distributors must also label their products with the name of the custodian of the records and their location.

"This case sends an important message about the Justice Department's commitment to protecting children from all forms of sexual exploitation," said Assistant Attorney General Alice S. Fisher. "Today's agreements ensure that Girls Gone Wild will comply with an important law designed to prevent the sexual exploitation of minors and puts other producers on notice that they must be in compliance as well."

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U.S. Attorney Gregory R. Miller noted, "This prosecution makes clear that those who seek to enrich themselves at the expense of our children's innocence in violation of the laws intended to protect them will be held to answer in federal court."

In statements filed in court today, Girls Gone Wild admitted filming performers and producing and distributing sexually explicit video materials during all of 2002 and part of 2003 while violating the record keeping and labeling laws.

Mantra Films, Inc. pleaded guilty to three counts of failing to keep the required records and seven labeling violations. Each count refers to a different film produced or distributed by Mantra. MRA Holding, LLC, entered into a deferred prosecution agreement concerning the information filed in court charging the company with 10 labeling violations. As part of that agreement, the government will dismiss the charges at the end of a three-year period if MRA Holding abides by all of its obligations under the agreement. MRA Holding's obligations include a public acknowledgment of criminal wrongdoing, cooperating with the government in future investigations, fully complying with the record keeping laws, and payment of fines and restitution.

MRA Holding also agreed that during the three-year deferral period it would employ an independent, outside monitor selected by the government and provide the monitor complete access to the books and records, production facilities and other locations required to ensure the company's compliance with federal law relating to the production of visual materials under the name Girls Gone Wild, or any other name.

Of the $2.1 million in fines and restitution, $1.6 million are to be paid by Mantra and MRA and $500,000 are to be paid by Francis.

In May 2006, Attorney General Alberto R. Gonzales – pursuant to "Project Safe Childhood" – asked the Federal Bureau of Investigation to begin conducting regular inspections of records kept by producers of sexually explicit materials pursuant to Title 18, United States Code, Section 2257. Producers are required to keep records on performers to include true name and date of birth and produce these records on demand. These regulations and resulting inspections are designed to prevent producers from hiring minors as performers, and carry criminal penalties for violations.

The cases are being prosecuted by Trial Attorney Sheila Phillips of the Obscenity Prosecution Task Force of the Department of Justice, U.S. Attorney Gregory Miller, and Assistant U.S. Attorney Dixie Morrow of the Northern District of Florida. The Justice Department's Obscenity Prosecution Task Force was formed to focus on the prosecution of adult obscenity nationwide. The Task Force is directed by Brent D. Ward. Investigation of the cases was conducted by the Adult Obscenity Squad of the Federal Bureau of Investigation, which is based in Washington, D.C.

###

06-610

FILED IN OPEN COURT THIS
9/12/06
CLERK, U.S. DISTRICT
COURT, NORTH. DIST. FLA.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
PANAMA CITY DIVISION

UNITED STATES OF AMERICA

vs. **CASE NO. 5:06CR79/RS**

MRA HOLDINGS, LLC

DEFERRED PROSECUTION AGREEMENT

Defendant **MRA HOLDING, LLC**, by its undersigned attorney, pursuant to authority granted by its Board of Directors, and the United States Attorneys Office for the Northern District of Florida and the Obscenity Prosecution Task Force of the Criminal Division of the Department of Justice (collectively the "Government"), enter into this Deferred Prosecution Agreement (hereinafter "the Agreement").

1. **MRA HOLDING, LLC** shall waive indictment and agree to the filing of a ten count Information (hereinafter "the Information") in the United States District Court for the Northern District of Florida charging it with ten counts of failing to label sexually explicit material as required by 18 U.S.C. § 2257(f)(4).

2. **MRA HOLDING, LLC** accepts and acknowledges responsibility for its behavior as set forth in the Statement of Facts attached hereto and incorporated by reference herein as **APPENDIX A** (hereinafter "Statement of Facts").

3. **MRA HOLDING, LLC** expressly agrees not to make, cause others to make, or acknowledge as true any factual statements inconsistent with the Statement

of Facts, provided, however, that nothing in this paragraph precludes **MRA HOLDING, LLC** from taking good faith positions in litigation with a private party. Any such contradictory statement by **MRA HOLDING, LLC,** its attorneys, board of directors, agents, officers, employees, or any other representative shall constitute a breach pursuant to paragraph 14 of this Agreement, and **MRA HOLDING, LLC** would thereafter be subject to prosecution pursuant to the terms of this Agreement. The decision whether **MRA HOLDING, LLC** has breached this Agreement based upon any statement by any person described in this paragraph which contradicts any information contained in the Statement of Facts shall be in the sole discretion of the Criminal Division of the United States Department of Justice. If and when the Criminal Division of the United States Department of Justice notifies **MRA HOLDING, LLC** of a public statement by any such person that in whole or in part contradicts any part of the Statement of Facts, **MRA HOLDING, LLC** may avoid breach of this Agreement by publicly repudiating such statement within 48 hours after notification by the Criminal Division of the United States Department of Justice. Paragraph 14 sets forth the terms and conditions applicable to any breach of this Agreement by **MRA HOLDING, LLC.**

4. **MRA HOLDING, LLC** agrees that it will ensure complete, full and timely compliance with all federal laws, including but not limited to record keeping and reporting requirements imposed upon it by 18 U.S.C. § 2257 and 28 C.F.R § 75 with respect to materials that are produced and/or distributed under the name "Girls Gone Wild", or any other name, and which contain one or more depictions of actual sexually explicit conduct (as defined by 18 U.S.C. § 2256(2)). **MRA HOLDING, LLC** further agrees that it shall provide to the United States Department of Justice, on request, any

document, electronic data, or other object concerning the record keeping requirements of 18 U.S.C. § 2257 and the regulations found at 28 C.F.R. § 75 and concerning any matter charged in the Information, subject to the Right to Financial Privacy Act and any other applicable laws and regulations.

5. **MRA HOLDING, LLC** shall pay the sum of $ 2.1 million minus any fines or restitution imposed by the Courts against defendants in the related cases of *United States v. MANTRA FILMS, INC.,* Case No. 5:06CR78/RS (N.D. Fl.), and *United States v. Joseph R. Francis* (C.D. Cal.) as a fine within 60 days of the last sentencing in those two cases.

6. **MRA HOLDING, LLC** shall issue a public statement within 48 hours after this Agreement is effected, in the form attached hereto as **APPENDIX B,** acknowledging that it failed to comply with 18 U.S.C. § 2257 and that its failure resulted in footage of at least two minors engaged in sexually explicit conduct being distributed. Neither **MRA HOLDING, LLC** nor any of its employees or principals shall disclose the name or identity of any such minors.

7. Neither **MRA HOLDING, LLC** nor any related entity shall sell, market or distribute any of the films contained in the accompanying information or in **APPENDIX C**. Moreover, **MRA HOLDING, LLC** agrees that it will not transfer the copyrights to another person or entity to sell, market or distribute the films listed in the information or **APPENDIX C**.

8. Based on **MRA HOLDING, LLC's** agreement to (a) acknowledge responsibility for its actions as set forth in the Statement of Facts; (b) cooperate with the United States Department of Justice, including timely and voluntarily making available

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all current employees for interview; to provide in a timely way all documents and other materials requested; and to provide in a timely way truthful, complete and accurate information as requested; (c) demonstrate its future good conduct and full compliance with 18 U.S.C. § 2257 and all of its implementing regulations; (d) demonstrate full compliance with any and all grand jury subpoenas issued to it by any state or federal grand jury; and (e) pay the sum set forth in paragraph 5 of this Agreement, to make the public statement set forth in paragraph 6 of this Agreement, and to refrain from selling, marketing or distributing the films contained in the information and **APPENDIX C** as set forth in paragraph 7 of this Agreement; the United States shall recommend to the Court, pursuant to 18 U.S.C. § 3161(h)(2), that prosecution of **MRA HOLDING, LLC** on the Information filed pursuant to paragraph 1 of this Agreement be deferred for a period of thirty-six (36) months (the "Deferral Period"). **MRA HOLDING, LLC** shall consent to a motion, the contents to be agreed by the parties, to be filed by the Government with the Court pursuant to 18 U.S.C. § 3161(h)(2), in which the Government will present this Agreement to the Court and move for a continuance of all further criminal proceedings, including trial, for a period of thirty-six (36) months, for speedy trial exclusion of all time covered by such a continuance, and for approval by the Court of this deferred prosecution. **MRA HOLDING, LLC** further agrees to waive and does hereby expressly waive any and all rights to a speedy trial pursuant to the Sixth Amendment of the United States Constitution, 18 U.S.C. § 3161, Federal Rule of Criminal Procedure 48(b), and any applicable Local Rules of the United States District Court for the Northern District of Florida for the time period that this Agreement is in effect.

9. **MRA HOLDING, LLC** hereby further expressly agrees that any violations of 18 U.S.C. § 2257 by MRA HOLDING, LLC that are not time-barred by the applicable statute of limitations on the date of this Agreement may, in the sole discretion of the Government, be charged against **MRA HOLDING, LLC**, notwithstanding the expiration of any applicable statute of limitations, if the Government determines that **MRA HOLDING, LLC** is in material breach of this Agreement subject to the cure provisions herein.

10. The Government agrees that if **MRA HOLDING, LLC** is in compliance with all of its obligations under this Agreement in all material respects throughout the Deferral Period, within thirty (30) days of the expiration of the Deferral Period the Government will seek dismissal with prejudice of the Information filed against **MRA HOLDING, LLC** pursuant to paragraph 1 of this Agreement. Upon such dismissal of the Information, this Agreement shall expire. The expiration of this Agreement does not relieve **MRA HOLDING, LLC** of the responsibility of complying with all applicable laws and regulations. The expiration of this Agreement does not alter or affect **MRA HOLDING, LLC** responsibility to any regulators who may have jurisdiction over **MRA HOLDING, LLC.**

11. **MRA HOLDING, LLC** and the United States understand that the Agreement to defer prosecution of **MRA HOLDING, LLC** must be approved by the Court, in accordance with 18 U.S.C. § 3161(h)(2). Should the Court decline to approve a deferred prosecution for any reason, or decline to follow the agreement of the parties in the plea agreement of Mantra Films, Inc., or should the District Court for the Central District of California decline to follow the agreement of the parties in the plea agreement

of Joseph R. Francis, both the Government and **MRA HOLDING, LLC** shall be released from any obligations imposed upon them by this Agreement, and this Agreement shall be null and void.

12. **MRA HOLDING, LLC** acknowledges that this Agreement is part of a negotiated arrangement in which the disposition of the charges against **MRA HOLDING, LLC** is tied to the disposition of charges against Mantra Films, Inc. in the Northern District of Florida and Joseph R. Francis in the Central District of California. **MRA HOLDING, LLC** acknowledges that it has directed its attorneys to negotiate this Agreement as part of that consolidated negotiation; has discussed with its attorneys, and carefully considered, the possible advantages and disadvantages of entering into this Agreement as part of such a consolidated negotiation; is entering into this Agreement as part of such a consolidated negotiation freely and voluntarily because it believes this Agreement and the consolidated negotiation to be in its best interests; and is not entering into this Agreement as part of the consolidated negotiation because of any threats, coercion, or undue influence by the Government or any of the parties to the consolidated negotiation or their counsel.

13. Should the Criminal Division of the United States Department of Justice, in its sole discretion, determine during the term of this Agreement that **MRA HOLDING, LLC** has committed any federal crime commenced subsequent to the date of this Agreement or given false and misleading information under this Agreement, **MRA HOLDING, LLC** shall thereafter be subject to prosecution for any federal crimes of which the Government has knowledge. It is the intention of the parties to this Agreement that, based on information currently available to it and except in the event of

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a breach of this Agreement by **MRA HOLDING, LLC**, the Government will not prosecute MRA HOLDING, LLC related to any violations of 18 U.S.C. § 2257(f)(1) or (f)(4) related to films that are no longer sold or distributed by **MRA HOLDING, LLC** and relating to which Mantra Films, Inc. was not in compliance with 18 U.S.C. § 2257(f)(1) or (f)(4), which films are listed in **APPENDIX C**, or for any violation of 18 U.S.C. §§ 1461-1466 related to the distribution of the films "Totally Exposed Uncensored and Beyond, Volumes 1-12," or other charges related to the production, distribution or labeling of "Ultimate Spring Break Vol. 3 and Vol. 4." Nothing in this Agreement shall protect **MRA HOLDING, LLC** from prosecution related to any other offense.

14. Should the Criminal Division of the United States Department of Justice, in its sole discretion, determine that **MRA HOLDING, LLC** has committed a breach of any provision of this Agreement, the Government shall provide written notice to **MRA HOLDING, LLC** of the alleged breach and provide **MRA HOLDING, LLC** with a two-week period in which to make a presentation to the Assistant Attorney General over the Criminal Division of the United States, or his or her designee, to demonstrate that no breach has occurred or, to the extent applicable, that the breach has been cured. The parties hereto expressly understand and agree that should **MRA HOLDING, LLC** fail to make a presentation within the said two-week period, it shall be conclusively presumed that **MRA HOLDING, LLC** is in willful and material breach of this Agreement. The parties further understand and agree that the Criminal Division's exercise of its discretion under this paragraph is not subject to review in any court or tribunal. In the event of a breach of this Agreement that results in a prosecution, such prosecution may be premised upon any information provided by or on behalf of **MRA HOLDING, LLC** to

the Government at any time. Further, in the event of a breach, the payment by **MRA HOLDING, LLC** pursuant to paragraph 5 will not be returned to **MRA HOLDING, LLC.**

15. **MRA HOLDING, LLC** agrees that if it sells or merges all or substantially all of its business operations as they exist as of the date of this Agreement, it shall include in any contract for sale or merger a provision binding the purchaser/successor to the obligations described in this Agreement.

16. It is further understood that this Agreement is binding on **MRA HOLDING, LLC** and the Government, but specifically does not bind any other federal agencies, or any state or local authorities, although the United States will bring the cooperation of **MRA HOLDING, LLC** and its compliance with its other obligations under this Agreement to the attention of state or local prosecuting offices or any state or federal regulatory agencies, if requested by **MRA HOLDING, LLC** or its attorneys.

17. It is further understood that this Agreement does not relate to or cover any civil or criminal conduct by **MRA HOLDING, LLC** other than the conduct described in, or arising from the facts contained in or involving the persons and/or accounts described in, the Agreement and its exhibits, including the Statement of Facts.

18. **MRA HOLDING, LLC** and the United States agree that, upon acceptance by the Court, this Agreement and a proposed Order deferring prosecution shall be filed in the United States District Court for the Northern District of Florida.

19. **MRA HOLDING, LLC** agrees that for a period of three years it will retain and pay for an outside, independent monitor selected by the United States (the "Monitor"), to which **MRA HOLDING, LLC** may object on reasonable grounds. With respect to communications between **MRA HOLDING, LLC** and the Monitor, **MRA**

HOLDING, LLC shall waive, as to the Department of Justice only, any applicable privilege pertaining to communications between **MRA HOLDING, LLC** and the Monitor. **MRA HOLDING, LLC** shall provide the monitor complete access to the books and records, production facilities for "Girls Gone Wild" products, and any other locations required to ensure **MRA HOLDING, LLC's** compliance with federal law and this Agreement. The Monitor shall monitor **MRA HOLDING, LLC's** compliance with this Agreement and with the requirements of 18 U.S.C. § 2257 and 28 C.F.R. § 75 relating to the production of all visual materials which contain depictions of actual sexually explicit conduct and which are produced under the name "Girls Gone Wild", or any other name, and report to the Department of Justice on at least a semi-annual basis as to **MRA HOLDING, LLC's** compliance with this Agreement and with such statutes and regulations.

20. This Agreement sets forth all the terms of the Deferred Prosecution Agreement between **MRA HOLDING, LLC** and the Government. No promises, agreements or conditions have been entered into other than those expressly set forth in this Agreement, and none shall be entered into and/or be binding upon **MRA HOLDING, LLC** or the Government unless expressly set forth in writing, signed by the Government, **MRA HOLDING, LLC's** attorneys, and a duly authorized representative of **MRA HOLDING, LLC** and physically attached to this Agreement. This Agreement

supersedes any prior promises, agreements or conditions between **MRA HOLDING, LLC,** and the Government.

RESPECTFULLY SUBMITTED this 12TH day of September, 2006.

GREGORY R. MILLER
United States Attorney
Northern District of Florida
Florida Bar No. 0284777

DIXIE A. MORROW
Assistant U.S. Attorney
Northern District of Florida
Florida Bar No. 354589
Georgia 525543
Texas 24034796
21 East Garden Street, Suite 400
Pensacola, Florida 32502
850-444-4000

BRENT D. WARD
Director
Obscenity Prosecution Task Force

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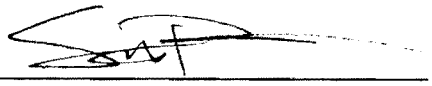
I, Scott Barbour, the duly authorized representative of **MRA HOLDING, LLC,** hereby expressly acknowledge the following: (1) that I have read this entire Deferred Prosecution Agreement and all attachments hereto and the other documents filed in the United States District Court for the Northern District of Florida in conjunction with this Agreement, including the Information; (2) that I have had an opportunity to discuss this Agreement with **MRA HOLDING, LLC** attorneys; (3) that **MRA HOLDING, LLC** fully and completely understands each and every one of the terms of this Agreement; (4) that **MRA HOLDING, LLC** is fully satisfied with the advice and representation provided to it by its attorneys; and (5) that **MRA HOLDING, LLC** has signed this Agreement voluntarily. In addition, **MRA HOLDING, LLC,** after an opportunity to consult with counsel, with respect to any actual or potential conflict between its interests and the interests of Mantra Films, Inc., and Scott Barbour, hereby waives any such actual or apparent conflicts.

THIS the 12TH day of September, 2006.



SCOTT BARBOUR
President
Defendant MRA HOLDING, LLC

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I, Aaron Dyer, the duly authorized counsel for **MRA HOLDING, LLC** hereby expressly acknowledge the following: (1) that I have read this entire Deferred Prosecution Agreement and all attachments hereto and the other documents filed in the United States District Court for the Northern District of Florida in conjunction with this Agreement, including the Information; (2) that I have had an opportunity to discuss this Agreement with **MRA HOLDING, LLC** representatives and outside defense counsel; (3) that **MRA HOLDING, LLC** fully and completely understands each and every one of its terms; (4) that **MRA HOLDING, LLC** is fully satisfied with the advice and representation provided to it by me and by its outside defense counsel; and (5) that **MRA HOLDING, LLC** has signed this Agreement voluntarily.

THIS the 12th day of September, 2006.

AARON DYER
Attorney for MRA HOLDING, LLC

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APPENDIX A

STIPULATION OF FACT

1. Joseph R. Francis was the founder, CEO and sole shareholder of Mantra Films, Inc., and **MRA HOLDING, LLC** ("the companies"). The companies produce, market and distribute "Girls Gone Wild" videos and DVDs. In the process of creating these videos, agents of the companies often film individuals engaged in actual sexually explicit conduct as defined in 18 U.S.C. § 2256(2). **MRA HOLDING, LLC** was located in Santa Monica, California.

2. As the CEO and sole shareholder of the companies, Francis was, during the relevant time period, involved in the day-to-day operations of the companies. As such, Francis (1) established the policies of the companies, (2) established budgets for productions, including monetary incentives to cameramen who film footage for the companies,(3) sometimes directed cameramen and other production staff acting on the companies' behalf in what type of footage they should obtain, (4) decided what venues camera operators would visit to obtain footage to include in the videos, and (5) made most major decisions on behalf of the companies. Francis was also personally involved in persuading performers to engage in sexually explicit conduct, reviewing footage obtained by cameramen, deciding which footage would be used in commercially marketed and released films and deciding how the companies' products would be packaged and marketed. As a result, Francis and the companies were producing, as that term is defined in 18 U.S.C. § 2256(3), material covered by 18 U.S.C. § 2257.

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3. **MRA HOLDING, LLC** produced for commercial sale "Girls Gone Wild" digital versatile disks ("DVDs"). Because the DVDs contained visual depictions of actual sexually explicit conduct, **MRA HOLDING, LLC** was required to create and to maintain documentation that the performers engaging in such conduct in the DVDs were at least eighteen (18) years of age, and to label the DVDs with a statement describing where the records required by 18 U.S.C. § 2257 may be located.

4. From on or about March 31, 2003 to on or about June 21, 2003, in the Northern District of Florida and elsewhere, **MRA HOLDING, LLC** knowingly sold and otherwise transferred and offered for sale and transfer, videos and other matter, that is, DVDs (as outlined below), which contained one or more visual depictions made after November 1, 1990 of actual sexually explicit conduct and which were produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce, which did not have affixed thereto a statement describing where the required age documentation records portrayed for all performers portrayed each visual depiction may be located.

5. These violations included but were not limited to:

"Totally Exposed Uncensored and Beyond"
"Totally Exposed Uncensored and Beyond, Volume 6"
"Totally Exposed Uncensored and Beyond, Volume 7"
"Totally Exposed Uncensored and Beyond, Volume 8"
"Totally Exposed Uncensored and Beyond, Volume 9"
"Totally Exposed Uncensored and Beyond, Volume 10"
"Totally Exposed Uncensored and Beyond, Volume 11"
"Totally Exposed Uncensored and Beyond, Volume 12"
"Girls Gone Wild On Campus Uncensored"
"Girls Gone Wild College Girls Exposed/Sexy Sorority Sweethearts"

6. Each of these videos was mailed or caused to be mailed into the Northern

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District of Florida. For purposes of this Agreement, **MRA HOLDING, LLC** is waiving any challenge to venue that it may have; however, nothing in this Agreement is to be construed as an admission that venue exists in the Northern District of Florida.

7. Since that time, **MRA HOLDING, LLC** has represented that it has implemented procedures intended to ensure that the records required by 18 U.S.C. § 2257 or 28 C.F.R. § 75 are obtained whenever agents of Francis or the companies obtain footage of individuals engaged in actual sexually explicit conduct and that all products containing actual sexually explicit conduct are labeled in compliance with 18 U.S.C. 2257(f)(4).

APPENDIX B

PUBLIC STATEMENT

My name is Joseph Francis and I am CEO of MANTRA FILMS, INC, and MRA HOLDING, LLC, both of which are based in Santa Monica, California. MANTRA FILMS, INC and MRA HOLDING, LLC, under my direction, produce, sell and distribute sexually explicit films under the name Girls Gone Wild.

Producers of sexually explicit films, such as MANTRA FILMS, INC, MRA HOLDING, LLC and me, are required by federal law to keep records of the identity and the age of the performers used in their films and to attach labels to their videotapes and DVDs identifying a custodian for these records. These laws are intended to prevent the filming of minors performing sexually explicit conduct. A violation of this law is a felony punishable by imprisonment for up to five years.

MANTRA FILMS, INC, MRA HOLDING, INC and I admit that during 2002 and at times in 2003, we produced and distributed videos and DVDs without obtaining the required records or attaching appropriate labeling. On September 12, 2006, MRA HOLDING, LLC and MANTRA FILMS, INC were charged with violations of the record keeping and labeling laws by the U.S. Justice Department and the U.S. Attorney for the Northern District of Florida in Pensacola. On September ___, 2006, I was charged with similar violations in federal court in Central District of California. MANTRA FILMS, INC, Inc., and I have entered guilty pleas to the charges against us and agreed to certain penalties. MRA HOLDING, LLC and the Justice Department have agreed to defer further action on the charges against MRA HOLDING, LLC for three years. As part of this agreement, MRA HOLDING, LLC has agreed to certain conditions, including hiring an independent monitor at our expense to ensure future compliance with the record keeping and labeling laws. The penalties and conditions to which MRA HOLDING, LLC, MANTRA FILMS, INC and I have agreed also include payment of $2.1 million in fines and to pay restitution.

My companies and I acknowledge that what we did was wrong and violated federal laws. We also acknowledge that as a result of these violations footage of minors engaged in actual sexually explicit conduct appeared in at least two DVDs that were commercially released for sale to the public by MANTRA FILMS, INC, MRA HOLDING, LLC and me. We regret that this occurred and will make sure that no other minors are used in "Girls Gone Wild" films.

APPENDIX C

FILMS SUBJECT TO PARAGRAPH THIRTEEN OF DEFERRED PROSECUTION AGREEMENT

MANTRA FILMS, INC/MRA HOLDING, LLC PRODUCED FOOTAGE

PLAYBOY'S CASTING CALLS DVD VOLUME 1-12
CAUGHT ON TAPE VOLUME 1-4
COLLEGE GIRLS EXPOSED VOL 1-2
SEXY SORORITY SWEETHEARTS VOL 1-2
TOTALLY EXPOSED UNCENSORED AND BEYOND Vol 1-12
GIRLS GONE WILD ENDLESS SPRING Vol 1-14
GIRLS GONE WILD DORM ROOM FANTASIES Vol 1-9
GIRLS GONE WILD ON TOUR VOL 1-8
GIRLS GONE WILD ULTIMATE SPRING BREAK Vol 1-12
GGW BEST OF ENDLESS SPRING BREAK Vol 1-3
GGW BEST OF ULTIMATE SPRING BREAK Vol 1-2
GIRLS GONE WILD: BEST ON TOUR Vol 1-4
GGW EXTREME UNCENSORED
GIRLS GONE WILD ON CAMPUS
GGW PARTY EXTREME
PRISON FILES Vol 1-2

MANTRA FILMS, INC/MRA HOLDING, LLC LICENSED AND CONSIGNMENT FOOTAGE

Playboy's Casting Calls (vol. 1-13)
Playboy Mansion Parties' Hottest Moments/Behind the Scenes Uncensored
Playboy Mansion Parties Uncensored
Caught on Tape (vol. 1-4)
Co-Ed Tryouts

Sex Around the House
Prison Files (vol. 1-2)
Party Extreme
Blind Date Uncensored
Blind Date Uncensored Deluxe
Blind Date Dates From Hell Uncensored
Blind Date Freaks and Weirdos
Erotic Seduction
Fantasy Fest 99 (vol. 1-4)
Mardi Gras 99 (vol. 1-3)
Memorial Weekend T&A 99 (vol. 1-3)
Naked in Daytona 99 (vol. 1-2)
Labor Day Wet T&A (vol. 1-3)
Flashing in Public
Girls of the Kentucky Derby
Just Add Water Spring Break Lake Havasu
Key to Bush Fantasy Fest
Naked Mile Run
Lesbian Lovers Caught on Tape
Lovers Caught on Tape (vol. 1-3)
More Lovers Caught on Tape
Charlie's Guide to Lovemaking
Playboy Celebrities
Playboy Girlfriends
Playboy Girls Next Door Naughty and Nice
Playboy Girls of Hedonism
Playboy Playmate Erotic Adventures
Toys for Sex
Undercover Strippers
What Women Want
The Complete Anna Nicole Smith (vol. 1-2)

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IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF FLORIDA PANAMA CITY DIVISION

FILED IN OPEN COURT THIS 9/12/06 CLERK, U.S. DISTRICT COURT, NORTH. DIST. FLA.

UNITED STATES OF AMERICA

v.

INFORMATION
CASE NO. 5:06CR78/RS

MANTRA FILMS, INC.
_____/

THE UNITED STATES ATTORNEY CHARGES:

A. INTRODUCTION

At all times material to this Information:

1. **MANTRA FILMS, INC.** was a business located in Santa Monica, California.

2. Joseph R. Francis was the Owner, President and Chief Executive Officer of **MANTRA FILMS, INC.**

3. **MANTRA FILMS, INC.** produced for commercial sale "Girls Gone Wild" digital versatile disks ("DVDs"). Because the DVDs contained visual depictions of actual sexually explicit conduct, **MANTRA FILMS, INC.** was required to create and to maintain documentation that performers in the DVDs were at least eighteen (18) years of age, and to label the DVDs with language identifying the location of information documenting the fact that all performers were eighteen (18) years of age or older.

B. CHARGES

COUNTS ONE THROUGH THREE

That from on or about March 31, 2002 to on or about January 9, 2004, in the Northern District of Florida and elsewhere, the defendant,

MANTRA FILMS, INC.,

aided, abetted, counseled and induced by others, known and unknown to the United States Attorney, did produce a film, videotape and other matter, that is, a DVD (as outlined below), which contained one or more visual depictions of actual sexually explicit conduct made after November 1, 1990 and which was produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce and which was intended for shipment in interstate and foreign commerce, without maintaining individually identifiable records pertaining to every performer portrayed in such visual depiction.

All in violation of Title 18, United States Code, Section 2257(f)(1) and Section 2.

COUNT ONE	"Ultimate Spring Break, Volume 3"
COUNT TWO	"Ultimate Spring Break, Volume 4"
COUNT THREE	"Girls Gone Wild On Campus Uncensored"

COUNTS FOUR THROUGH TEN

That from on or about March 31, 2003 to on or about June 21, 2003, in the Northern District of Florida and elsewhere, the defendant,

MANTRA FILMS, INC.,

aided, abetted, counseled and induced by others, known and unknown to the United States Attorney, did knowingly sell and otherwise transfer and offer for sale and transfer, any video and other matter, that is, a DVD (as outlined below), which contained one or more visual depictions made after November 1, 1990 of actual sexually explicit conduct and which was produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce, which did not have affixed thereto a statement describing where the required age documentation records portrayed for all performers portrayed each visual depiction may be

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located.

All in violation of Title 18, United States Code, Section 2257(f)(4) and Section 2.

COUNT FOUR	"Totally Exposed Uncensored and Beyond"
COUNT FIVE	"Totally Exposed Uncensored and Beyond, Volume 2"
COUNT SIX	"Totally Exposed Uncensored and Beyond, Volume 3"
COUNT SEVEN	"Totally Exposed Uncensored and Beyond, Volume 4"
COUNT EIGHT	"Totally Exposed Uncensored and Beyond, Volume 5"
COUNT NINE	"Girls Gone Wild On Campus Uncensored"
COUNT TEN	"Girls Gone Wild College Girls Exposed/Sexy Sorority Sweethearts"

THIS 12TH day of September, 2006.

GREGORY R. MILLER
United States Attorney

for DIXIE A. MORROW
Assistant United States Attorney

BRENT D. WARD
Director, Obscenity Prosecution Task Force

DOJ_NMG_ 0167754

FILED IN OPEN COURT THIS
9/12/06
CLERK, U.S. DISTRICT
COURT, NORTH. DIST. FLA.

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF FLORIDA PANAMA CITY DIVISION

UNITED STATES OF AMERICA

v.

INFORMATION
CASE NO. 5:06CR79/RS

MRA HOLDINGS, LLC.

THE UNITED STATES ATTORNEY CHARGES:

A. INTRODUCTION

At all times material to this Information:

1. **MRA HOLDING, LLC.**, was a business located in Santa Monica, California.

2. Joseph R. Francis was the Owner, President and Chief Executive Officer of **MRA HOLDING, LLC.**

3. **MRA HOLDING, LLC.**, produced for commercial sale "Girls Gone Wild" digital versatile disks ("DVDs"). Because the DVDs contained visual depictions of actual sexually explicit conduct, **MRA HOLDING, LLC.**, was required to create and to maintain documentation that performers in the DVDs were at least eighteen (18) years of age, and to label the DVDs with language identifying the location of information documenting the fact that all performers were eighteen (18) years of age or older.

B. CHARGES

COUNTS ONE THROUGH TEN

That from on or about March 31, 2003 to on or about June 21, 2003, in the Northern District of Florida and elsewhere, the defendant,

MRA HOLDING, LLC.,

aided, abetted, counseled and induced by others, known and unknown to the United States Attorney, did knowingly sell and otherwise transfer and offer for sale and transfer, any video and other matter, that is, a DVD (as outlined below), which contained one or more visual depictions made after November 1, 1990 of actual sexually explicit conduct and which was produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce, which failed to have affixed thereto a statement describing where the required age documentation records portrayed for all performers portrayed each visual depiction may be located.

COUNT ONE	"Totally Exposed Uncensored and Beyond"
COUNT TWO	"Totally Exposed Uncensored and Beyond, Volume 6"
COUNT THREE	"Totally Exposed Uncensored and Beyond, Volume 7"
COUNT FOUR	"Totally Exposed Uncensored and Beyond, Volume 8"
COUNT FIVE	"Totally Exposed Uncensored and Beyond, Volume 9"

DOJ_NMG_ 0167756

COUNT SIX	"Totally Exposed Uncensored and Beyond, Volume 10"
COUNT SEVEN	"Totally Exposed Uncensored and Beyond, Volume 11"
COUNT EIGHT	"Totally Exposed Uncensored and Beyond, Volume 12"
COUNT NINE	"Girls Gone Wild On Campus Uncensored"
COUNT TEN	"Girls Gone Wild College Girls Exposed/Sexy Sorority Sweethearts"

All in violation of Title 18, United States Code, Section 2257(f)(4) and Section 2.

This 12TH day of September, 2006.

GREGORY R. MILLER
United States Attorney

DIXIE A. MORROW
Assistant United States Attorney

BRENT D. WARD
Director, Obscenity Prosecution Task Force

DOJ_NMG_ 0167757

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Image not available for this document, ID: 0.7.10316.33106-000005

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 1:23 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT ANNOUNCES GUILTY PLEA IN PEER-TO-PEER PIRACY CRACKDOWN

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 12, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT ANNOUNCES GUILTY PLEA IN PEER-TO-PEER PIRACY CRACKDOWN

WASHINGTON – An Erie, Pa. man pleaded guilty to copyright infringement in U.S. District Court in Erie, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Mary Beth Buchanan of the Western District of Pennsylvania announced today.

Scott R. McCausland, 24, pleaded guilty to one count of conspiracy to commit copyright infringement and one count of criminal copyright infringement in violation of the Family Entertainment Copyright Act. His guilty plea stems from his involvement in the BitTorrent peer-to-peer (P2P) network previously known as Elite Torrents. The plea was entered before U.S. District Court Judge Sean J. McLaughlin for the Western District of Pennsylvania. McCausland, who is scheduled to be sentenced on Dec.12, 2006, faces up to five years in prison, a fine of $250,000, and three years of supervised release.

"This groundbreaking case demonstrates the commitment of the Department of Justice to prosecute individuals who use new technologies to undermine the copyright laws," said U.S. Attorney Buchanan. "It also serves as an example to those who believe that there is anonymity in cyberspace."

This is the first criminal enforcement action against copyright infringement on a P2P network using BitTorrent technology. McCausland's conviction is the third in a series of convictions arising from Operation D-Elite, a federal crackdown against the first providers (or suppliers) of pirated works to the technologically-sophisticated P2P network known as Elite Torrents. At its prime, the Elite Torrents network attracted more than 133,000 members and facilitated the illegal distribution of more than 2 million copies of movies, software, music, and games. On May 25, 2005, federal agents shut down the Elite Torrents network by seizing its main server and replacing its log-in web page with the following notice: "This Site Has Been Permanently Shut Down by the FBI and U.S. Immigration and Customs Enforcement (ICE)." Within the first week alone, this message was viewed over half a million times.

The Elite Torrents P2P network offered a virtually unlimited content selection, including illegal copies of copyrighted works before their availability in retail stores or movie theatres. For example, the defendant supplied the network with the final entry in the Star Wars series, "*Episode III: Revenge of the Sith*," more than

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six hours before it was first shown in theatres. In the next 24 hours, it was downloaded from the Elite Torrents network more than 10,000 times.

Operation D-Elite is a joint investigation by ICE and the FBI as part of the Computer and Technology Crime High-Tech Response Team (CATCH), a San Diego task force of specially trained prosecutors and law enforcement officers focused on high-tech crime. Federal and state member agencies of CATCH include ICE, the FBI, the Department of Justice, the San Diego District Attorney's Office, San Diego Police Department, the San Diego Sheriff's Department, and San Diego County Probation.

Andrea Sharrin, Senior Counsel for the Criminal Division's Computer Crime and Intellectual Property Section and Christian A. Trabold, Assistant U.S. Attorney for the Western District of Pennsylvania, prosecuted this case on behalf of the government. The Motion Picture Association of America also provided substantial assistance to this investigation.

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06-611

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Image not available for this document, ID: 0.7.10316.33064-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 12, 2006 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Lake Los Angeles, CA

From: AmberAlert-DOJ
Sent: Tuesday, September 12, 2006 1:35:19 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Lake Los Angeles, CA
Auto forwarded by a Rule

UPDATE AMBER ALERT:LakeLosAngeles,CA-VEH:'00Blk Chev pickup,CA 7D92423-VEH:'95Blu Merc Grand Marquis,CA 5RSK813-CHILD:W/F,5 mo SUSP:H/F,5'5,150-CALL661-272-2527
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2102

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 508329 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 12, 2006 2:02 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Avondale, AZ

From: AmberAlert-DOJ
Sent: Tuesday, September 12, 2006 2:01:31 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Avondale, AZ
Auto forwarded by a Rule

AMBER ALERT:Avondale,AZ VEH:'01 Wh Chev Malibu TAG:AZ 723TRY CHILD:2yo,Blk/As F,2'6,36 Hr:Brn SUSP:W/F,27yo,5'6,120 SUSP:30yo Blk/As M 5'6,175 CALL 623-478-3660
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2122

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 2:35 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE ATTORNEY GENERAL'S ANNUAL AWARDS CEREMONY

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 12, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE ATTORNEY GENERAL'S ANNUAL AWARDS CEREMONY

WASHINGTON, D.C.

Good afternoon. This is one of my favorite events of the year. It's a pleasure to be gathered here for this recognition, for this celebration of some of the Department's finest employees.

I want to thank Deputy Attorney General Paul McNulty and the Incentive Awards Board for their work to make this event possible. Recognition of outstanding service is an important and worthy mission, and I appreciate the fact that the awards panel goes the extra mile to make this day truly special for the recipients and their families.

We have a number of special guests sharing in this celebration, thank you all for taking the time to be here.

Today's award recipients make me proud to be their colleague. They make me proud to be an American. Their dedication and achievements remind me why it is an honor to serve at the Department of Justice.

Because this is not "just a job" – not for any of us.

Helping hurricane victims is not "just a job." Putting drug traffickers, terrorists, and would-be terrorists behind bars is not "just a job." Saving a child from a sexual predator is not "just a job."

What we do at the Department of Justice is answer a call of duty.

People who will be honored here today have gone far above and beyond that honorable call of duty – some have even put their lives at risk while enforcing our Nation's laws… while delivering justice.

And I imagine that each one of them would say that their accomplishments wouldn't have been possible without their colleagues and their families.

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So I want to acknowledge the colleagues and the families as well as the award recipients. Because these honors belong to them as well.

Yesterday's five year anniversary was a reminder of many things – one of which was the fact that so many of the victims of the September 11th attacks perished – or survived – alongside their co-workers.

In New York, co-workers joined together to carry colleagues in wheelchairs down countless flights of stairs.

At the Pentagon, military and civilian personnel alike helped each other out of the smoke, to safety.

And public servants – firefighters, police officers and emergency medical personnel – ran into the flames together to do their jobs.

These stories remind us: Our work as public servants at the Department of Justice isn't "just a job" and our colleagues aren't "just" co-workers.

We are a family at work. And sometimes it's our dedication to each other that leads to our success.

Like families, we care about each other. Like families, mutual respect helps us rise above any petty differences.

Sometimes our jobs require us to spend more waking hours with our professional families than our actual families, at home. And so it is with many of today's award recipients. That sacrifice is a two-way street: Justice employees are sacrificing time with loved ones for service to their country, and those loved ones are making a sacrifice for the public good as well.

So to the husbands and wives, children and parents and other loved ones in the audience today – thank you for your sacrifices. Thank you for understanding that what your husband, your wife, your mommy, your daddy was doing was worth the sacrifice.

We all need to remember that there remains nothing more important for a professional than the reward of going home at the end of the day, and nothing more fulfilling than the smile of a child or the embrace of a loving partner. Our goal is to create a better environment, a safer neighborhood for all our children. We risk all to maintain a country where the dreams of a little boy or girl can still come true.

We are better at work because of the love and encouragement that we receive at home. It is with that knowledge that I thank the friends and family who have gathered today, and with that knowledge that I remind all Department of Justice employees to take the time to be re-fueled and rewarded by relationships at home.

When you come to work in the morning, there are people who care about you, too. In fact, some of them are the ones who nominated you for your awards. Which makes this a day of family celebration all around.

There are so many wonderful stories to be told and heard today, so I won't take any more time. I am looking forward to the ceremony ahead, and I hope that everyone here is inspired by their colleagues, their family, their friends.

I know I am.

Thank you all for your outstanding service to this wonderful and blessed United States of America.

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Image not available for this document, ID: 0.7.10316.33059-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 509199 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 3:47 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE HURRICANE KATRINA ONE-YEAR ANNIVERSARY SYMPOSIUM

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, SEPTEMBER 12, 2006
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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE HURRICANE KATRINA ONE-YEAR ANNIVERSARY SYMPOSIUM

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks before the Hurricane Katrina One-year Anniversary Symposium regarding Department of Justice efforts to combat fraud in the aftermath of Hurricane Katrina on **WEDNESDAY, SEPTEMBER 13, 2006**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks before the Hurricane Katrina One-year Anniversary Symposium regarding Department of Justice efforts to combat fraud in the aftermath of Hurricane Katrina

WHEN: 1:15 P.M. CDT
Grand Ballroom
Sheraton New Orleans Hotel
500 Canal Street
New Orleans, La.
OPEN PRESS

Note: Pre-set for camera crews is **no later than 12:15 P.M. CDT**. Pre-set for print journalists is **no later than 12:45 P.M. EDT**. Press inquiries regarding logistics should be directed to Theresa Pagliocca at the Department of Justice at 202-532-3486.

# # #

06-613

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Image not available for this document, ID: 0.7.10316.32875-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 4:46 PM
To: USDOJ- Office of Public Affairs
Subject: ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT TO ADDRESS GEORGE MASON UNIVERSITY SCHOOL OF LAW SYMPOSIUM

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, SEPTEMBER 12, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT TO ADDRESS GEORGE MASON UNIVERSITY SCHOOL OF LAW SYMPOSIUM

WASHINGTON – Assistant Attorney General Thomas O. Barnett will address the George Mason University School of Law Symposium, "Managing Antitrust Issues in a Global Marketplace," tomorrow, **WEDNESDAY, SEPT. 13, 2006, at 12:30 P.M. EDT**. His speech is entitled, "Interoperability Between Antitrust and Intellectual Property."

WHO: Assistant Attorney General Thomas O. Barnett

WHAT: George Mason University School of Law Symposium, "Managing Antitrust Issues in a Global Marketplace"

WHEN: **WEDNESDAY, SEPT. 13, 2006, at 12:30 P.M. EDT**

WHERE: J.W. Marriott Hotel
Capitol Ballroom E
1331 Pennsylvania Ave NW
Washington, D.C. 20004

NOTE: This event is open to the media. A text of the speech will be available. All questions regarding logistics should be directed to Chris Pruitt at 703-993-8161. All other press inquiries should be directed to the Office of Public Affairs at 202-514-2007.

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06-614

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Image not available for this document, ID: 0.7.10316.32888-000002

Gunn, Currie (SMO)

Subject:	Updated: ENRD Bi-Weekly Meeting
Location:	5710
Start:	Wednesday, November 26, 2003 11:00 AM
End:	Wednesday, November 26, 2003 12:00 PM
Show Time As:	Tentative
Recurrence:	Weekly
Recurrence Pattern:	every 2 weeks on Wednesday from 11:00 AM to 12:00 PM
Meeting Status:	Not yet responded
Organizer:	Gunn, Currie (SMO)
Required Attendees:	McCallum, Robert (SMO); Sobeck, Eileen (ENRD); Cruden, John (ENRD); Gorsuch, Neil M; Pacold, Martha M; Wooldridge, Sue Ellen (ENRD); McKeown, Matt (ENRD); Senger, Jeffrey M; McCallum, Robert (SMO); Nelson, Ryan (ENRD); Katsas, Gregory; Masoudi, Gerald; Masoudi, Gerald F; Young, Evan
Optional Attendees:	'Newton, Cullen (ENRD)'; Owens, Angela (ENRD); Miranda, Gail (ENRD); 'Bogan, Shanedda (JMD)'; Gunn, Currie (SMO)

When: Occurs every 2 weeks on Wednesday effective 11/26/2003 until 8/30/2006 from 11:00 AM to 12:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: 5710

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Addition of Gerald Masoudi

We have been experiencing problems with the Outlook calendar. While hoping to correct the problems we will be doing updates to the recurring meetings.

Attendees: Associate AG Robert McCallum, Neil Gorsuch, Sue Ellen Wooldridge AAG ENRD, Matt McKeown, Eileen Sobeck, John Cruden, Jeff Senger, Martha Pacold-OAG

POC: Currie Gunn [redacted]

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER POLITICAL FUNDRAISER THOMAS NOE SENTENCED TO 27 MONTHS IN PRISON FOR ILLEGAL CAMPAIGN CONTRIBUTIONS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 12, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER POLITICAL FUNDRAISER THOMAS NOE SENTENCED TO 27 MONTHS IN PRISON FOR ILLEGAL CAMPAIGN CONTRIBUTIONS

WASHINGTON – Former political fundraiser Thomas W. Noe was sentenced to 27 months in prison for conspiring to make illegal campaign contributions, causing a false statement to the Federal Election Commission (FEC), and knowingly and willfully making $45,400 in illegal campaign contributions to President George W. Bush's 2004 re-election campaign, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Gregory A. White of the Northern District of Ohio announced today.

Noe, who pleaded guilty on May 31, 2006, was sentenced by the Hon. David A. Katz of the U.S. District Court for the Northern District of Ohio, Western Division, in Toledo. Judge Katz also imposed a fine of $136,200 and two years of supervised release.

At his plea hearing, Noe admitted that in October 2003, he made contributions to Bush-Cheney '04 Inc. over and above the limit established by the Federal Election Campaign Act (FECA). Noe admitted disguising these contributions by recruiting and providing money to friends and associates who then used Noe's money to make contributions in their own names. Noe contributed $45,400 of his own money through 24 such conduits. To avoid suspicion, he gave several conduits checks in amounts slightly less than the maximum allowable amount and instructed several conduits to falsely characterize his payments to them as loans.

Noe pleaded guilty to each of the three counts in an indictment. The first count charged Noe with conspiring to violate the FECA's anti-conduit provision by making contributions in the names of others, and with conspiring to fraudulently disrupt and impede the public disclosure and enforcement responsibilities of the FEC. The second count charged Noe with a substantive violation of the FECA's anti-conduit provision, and the third count charged him with causing the submission of a false statement to the FEC. The false statement occurred when Noe caused Bush-Cheney '04 Inc. to unknowingly submit a campaign finance report listing the conduit donors as contributors when the contributions actually came from Noe.

"Today marks an important step in bringing Thomas Noe to justice. Noe flagrantly violated our nation's campaign finance laws to further his personal ambitions and seriously undermined the public's right to know how much money he was injecting into the political process. For these actions, he has been vigorously

DOJ_NMG_ 0167780

investigated, aggressively prosecuted, and sentenced to a 27-month term of imprisonment that reflects the seriousness of his conduct," stated U.S. Attorney Gregory A. White.

This case was prosecuted by Assistant U.S. Attorneys Seth D. Uram and David O. Bauer of the U.S. Attorney's Office for the Northern District of Ohio, which is headed by U.S. Attorney Gregory A. White, and Trial Attorney John P. Pearson of the Criminal Division's Public Integrity Section, which is headed by Acting Section Chief Edward C. Nucci. The case was investigated by the Federal Bureau of Investigation.

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06-615

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Image not available for this document, ID: 0.7.10316.32873-000002

Gunn, Currie (SMO)

Subject:	Updated: Tax Bi-Weekly Meeting
Location:	5710
Start:	Thursday, October 28, 2004 10:00 AM
End:	Thursday, October 28, 2004 11:00 AM
Show Time As:	Tentative
Recurrence:	Weekly
Recurrence Pattern:	every 2 weeks on Thursday from 10:00 AM to 11:00 AM
Meeting Status:	Not yet responded
Organizer:	Gunn, Currie (SMO)
Required Attendees:	McCallum, Robert (SMO); O'Connor, Eileen J. (AAG/TAX); Fallon, Claire (TAX); Morrison, Richard T. (TAX); 'Hofer, Patrick F. (TAX)'; Gorsuch, Neil M; Boente, Dana J. (TAX); Oldham, Jeffrey L; Peabody, Payson R. (TAX); Senger, Jeffrey M; Shaw, Aloma A; Murray, Fred F. (TAX); Todd, Gordon (SMO); DiCicco, John A. (TAX); Katsas, Gregory (CIV); Katsas, Gregory; Masoudi, Gerald; Masoudi, Gerald F; Young, Evan

When: Occurs every 2 weeks on Thursday effective 10/28/2004 until 8/31/2006 from 10:00 AM to 11:00 AM (GMT-05:00) Eastern Time (US & Canada).
Where: 5710

~~*~*~*~*~*~*~*~*~*

Meeting series ended, new e-calendar will be sent updating meeting. 9/12/2006

Addition & Introduction of John DiCicco, Deputy Assistant AG

Attendees: ASG Robert McCallum, Neil Gorsuch-OASG, Eileen O'Connor-AAG Tax, Claire Fallon-Tax, Dana Boente-Tax, Fred Murray, Tax

POC: Currie Gunn [redacted]

Gunn, Currie (SMO)

Subject:	Updated: Tax Bi-Weekly Meeting
Location:	5710
Start:	Thursday, October 28, 2004 10:00 AM
End:	Thursday, October 28, 2004 11:00 AM
Show Time As:	Tentative
Recurrence:	Weekly
Recurrence Pattern:	every 2 weeks on Thursday from 10:00 AM to 11:00 AM
Meeting Status:	Not yet responded
Organizer:	Gunn, Currie (SMO)
Required Attendees:	McCallum, Robert (SMO); O'Connor, Eileen J. (AAG/TAX); Fallon, Claire (TAX); Morrison, Richard T. (TAX); 'Hofer, Patrick F. (TAX)'; Gorsuch, Neil M; Boente, Dana J. (TAX); Oldham, Jeffrey L; Peabody, Payson R. (TAX); Senger, Jeffrey M; Shaw, Aloma A; Murray, Fred F. (TAX); Todd, Gordon (SMO); DiCicco, John A. (TAX); Katsas, Gregory (CIV); Katsas, Gregory; Masoudi, Gerald; Masoudi, Gerald F; Young, EvanMcCallum, Robert (SMO); O'Connor, Eileen J. (AAG/TAX); Fallon, Claire (TAX); Morrison, Richard T. (TAX); 'Hofer, Patrick F. (TAX)'; Gorsuch, Neil M; Boente, Dana J. (TAX); Oldham, Jeffrey L; Peabody, Payson R. (TAX); Senger, Jeffrey M; Shaw, Aloma A; Murray, Fred F. (TAX); Todd, Gordon (SMO); DiCicco, John A. (TAX); Katsas, Gregory (CIV); Katsas, Gregory; Masoudi, Gerald; Masoudi, Gerald F; Young, Evan

Meeting series ended, new e-calendar will be sent updating meeting. 9/12/2006

Addition & Introduction of John DiCicco, Deputy Assistant AG

Attendees: ASG Robert McCallum, Neil Gorsuch-OASG, Eileen O'Connor-AAG Tax, Claire Fallon-Tax, Dana Boente-Tax, Fred Murray, Tax

POC: Currie Gunn [redacted]

System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 510492 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Immergut, Karin (USAOR)

From: Immergut, Karin (USAOR)
Sent: Tuesday, September 12, 2006 6:20 PM
Subject: Not read: A/C Survey
Attachments: ATTACHMENT.TXT

Your message

To: Meehan, Patrick (USAPAE); Immergut, Karin (USAOR)
Cc: Tenpas, Ronald J (ODAG)
Subject: RE: A/C Survey
Sent: Tue, 13 Dec 2005 12:53:13 -0700

was deleted without being read on Tue, 12 Sep 2006 15:20:22 -0700

Final-Recipient: RFC822; KImmergut@usa.doj.gov
Disposition: automatic-action/MDN-sent-automatically; deleted
X-MSExch-Correlation-Key: vEPJJoUm1EmXpSESdHFNWQ==

Immergut, Karin (USAOR)

From: Immergut, Karin (USAOR)
Sent: Tuesday, September 12, 2006 6:22 PM
Subject: Not read: [redacted] s Paper
Attachments: ATTACHMENT.TXT

Your message

To: Immergut, Karin (USAOR)
Cc:
Subject: RE: [redacted] s Paper
Sent: Wed, 30 Nov 2005 15:34:48 -0700

was deleted without being read on Tue, 12 Sep 2006 15:21:35 -0700

Final-Recipient: RFC822; KImmergut@usa.doj.gov
Disposition: automatic-action/MDN-sent-automatically; deleted
X-MSExch-Correlation-Key: u16qVwwJzkujZSXieGi7og==

System Administrator

From: System Administrator
Sent: Tuesday, September 12, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 510495 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 12, 2006 7:57 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 12, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

WEDNESDAY'S EXPECTED NEWS STORIES:

Attorney General Participates in Annual Awards Ceremony (OPA)
Today, the Attorney General participated in the Attorney General's 54th Annual Awards Ceremony, which was open to the press.

Twenty-eight People Indicted in Virginia on Cocaine Charges After Year-Long Investigation into Drug Activity on the "Block" (ATF)
Today, U.S. Attorney John L. Brownlee announced that 28 people have been indicted on charges related to an intricate web of cocaine distribution rings in the northern section of Winchester, Va. called the "Block." Twenty-eight people are charged in four separate indictments returned by a federal Grand Jury sitting in Charlottesville, Virginia. The investigation involved an eight-block area of Northern Winchester and focused on a group of Florida-based drug dealers who were importing cheap cocaine to Florida and bringing it to the Winchester area. The focal point of the "Block" was Cartwright's Recreation Center, where over two dozen conspirators actively sold crack cocaine.

Talking Points

- One of the Department's goals is to make the streets of our communities safer for our citizens and children and today's actions have helped us draw closer to that goal.

'Girls Gone Wild' Pleads Guilty In Sexual Exploitation Case (Criminal)
A California company doing business under the name "Girls Gone Wild" has pleaded guilty to charges that it failed to create and maintain age and identity documents for performers in sexually explicit films that it produced and distributed, and that it failed to label its DVDs and videotapes as required by federal law. Santa Monica-based Mantra Films, Inc. entered its plea agreement today before U.S. District Judge Richard Smoak at U.S. District Court in Panama City, Fla. A second related company, MRA Holdings, LLC, also entered into a deferred prosecution agreement. Under the agreements, Joseph Francis, the founder of the two companies, agreed to plead guilty to offenses to be filed later in U.S. District Court in Los Angeles, and the companies and Francis agreed to pay fines and restitution totaling $2.1 million.

Former Political Fundraiser Thomas Noe Sentenced to 27 Months in Prison For Illegal Campaign Contribution (Criminal)

Former political fundraiser Thomas W. Noe was sentenced to 27 months in prison for conspiring to make illegal campaign contributions, causing a false statement to the Federal Election Commission (FEC), and knowingly and willfully making $45,400 in illegal campaign contributions to President George W. Bush's 2004 re-election campaign. Noe, who pleaded guilty on May 31, 2006, was sentenced by the Hon. David A. Katz of the U.S. District Court for the Northern District of Ohio, Western Division, in Toledo. Judge Katz also imposed a fine of $136,200 and two years of supervised release.

Guilty Plea in Peer-to-Peer Piracy Crackdown (Criminal)

An Erie, Pa. man pleaded guilty to copyright infringement in U.S. District Court in Erie. Scott R. McCausland, 24, pleaded guilty to one count of conspiracy to commit copyright infringement and one count of criminal copyright infringement in violation of the Family Entertainment Copyright Act. His guilty plea stems from his involvement in the BitTorrent peer-to-peer (P2P) network previously known as Elite Torrents. The plea was entered before U.S. District Court Judge Sean J. McLaughlin for the Western District of Pennsylvania. McCausland, who is scheduled to be sentenced on Dec.12, 2006, faces up to five years in prison, a fine of $250,000, and three years of supervised release.

Magistrate Rules Cuban Exile Should Be Released After No Country Willing To Take Him (Civil)

Today, a U.S. Magistrate ruled that Cuban exile militant Luis Posada Carriles should be released from immigration custody because the Attorney General has not classified him as a terrorist and his continued detention runs counter to a 2001 Supreme Court ruling barring indefinite detention for foreign nationals who cannot be deported. Magistrate Norbert Garney wrote that U.S. Immigration and Customs Enforcement should put Posada under supervised release because the federal government had failed to find a country willing to take the 78-year-old exile, who has Venezuelan citizenship.

Posada has been in ICE custody since May 17, 2005, when federal immigration agents detained him in Miami-Dade County hours after appearing at an invitation-only news conference near Hialeah. Before his detention, Posada had been hiding in Miami-Dade after sneaking into the United States in March 2005. He arrived from Honduras where he had been hiding since being freed from jail in Panama where he had been convicted in connection with an alleged plot to kill Fidel Castro in 2000. The Cuban government has accused Posada of playing a role in bombings in tourist spots on the island, and in 1976 he was arrested and charged in Venezuela with the bombing of a Cuban jetliner.

Judge Rules CIA Must Turn Over Documents Related to Crash of TWA 800 (Civil)

A judge recently ruled that documents related to the explosion and crash into the Atlantic of TWA flight 800 must be turned over to H. Ray Lahr in his suit against the NTSB. Lahr has alleged that the plane was shot down by missiles, an assertion dismissed by the United States after an investigation conducted by the FBI and anaylsis by the CIA. TWA Flight 800 disintegrated over the Atlantic off Long Island, NY, while flying from John F. Kennedy International Airport (New York) to Charles de Gaulle International Airport (Paris) in 1996, killing all 230 aboard. A four-year investigation by the U.S. National Transportation Safety

Board concluded that fumes inside the center wing tank ignited, causing the explosion. The NTSB concluded that the spark was created by faulty wire insulation and an electrical arc. The theory was solidified upon investigating the poor condition of wiring on other Boeing 747 aircraft of the approximate age.

Talking Point:

- The court's decision is currently under review. The government has made no determination as to what its next step will be in this matter.

WEDNESDAY'S EXPECTED EVENTS/RELEASES:

12:30 P.M. EDT Assistant Attorney General Thomas O. Barnett will address the George Mason University School of Law Symposium, "Managing Antitrust Issues in a Global Marketplace." His speech is entitled, "Interoperability Between Antitrust and Intellectual Property."

J.W. Marriott Hotel
Capitol Ballroom E
1331 Pennsylvania Ave NW
Washington, D.C. 20004
OPEN PRESS

All questions regarding logistics should be directed to Chris Pruitt at 703-993-8161. All other press inquiries should be directed to the Office of Public Affairs at 202-514-2007.

1:15 P.M. CDT Attorney General Alberto R. Gonzales will deliver remarks regarding Department of Justice post-Hurricane Katrina law enforcement efforts at the Hurricane Katrina One-year Anniversary Symposium.

Sheraton New Orleans Hotel
500 Canal Street
New Orleans, Louisiana
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

2:30 P.M. EDT Mike Battle, Director, Executive Office of United States' Attorneys; and Susan Brooks, U.S. Attorney for the Southern District of Indiana, will testify before the Senate Judiciary Subcommittee on Crime and Drugs regarding *Challenges Facing Today's Federal Prosecutors*

Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-225-3951.

System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 510666 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Wednesday, September 13, 2006 9:00 AM
To: Gorsuch, Neil M
Subject: BPM on SOA Webcast
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe8a127972640c7877-fdee17797463037d73127877-fef8177574610d

Business Process Management on a SOA Foundation Webcast

Agencies seeking to deliver business process management (BPM) on a service- oriented architecture (SOA) have traditionally been faced with one of two compromise solutions: a workflow approach with limited connectivity or an integration approach with limited BPM functionality.

Join this webcast to learn how TIBCO overcomes these limitations with a unified architecture for BPM in an SOA environment.

Date: Tuesday, August 8, 2006

Time: 11:00a.m EDT

Meeting Number: [redacted]

Password: bpmplus

Teleconference: dial [redacted]

Passcode: 485288 for audio

To Join the webcast:

1. At the meetings start time, either click the link or copy and paste it into your web browser.

2. Enter your name, your email address and the meeting password (if required), and then click to join.

3. If the meeting includes a teleconference, follow the instructions that automatically appears on your screen.

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Reminder

Business Process Management on a SOA Foundation Webcast: TIBCO's Solutions for the Department of Justice

Agencies seeking to deliver business process management (BPM) on a service-oriented architecture (SOA) have traditionally been faced with one of two compromise solutions: a workflow approach with limited connectivity or an integration approach with limited BPM functionality.

Join this webcast to learn how TIBCO overcomes these limitations with a unified architecture for BPM in an SOA environment.

Wednesday, September 13th, 2006

Time: 12:00 p.m EDT

To attend this meeting, you must first register for it. Please click this link to see more information, and register for this meeting.
https://tibcomc.webex.com/tibcomc/j.php?ED=86837607&RG=1

Once you have registered for the meeting, you will receive an email message confirming your registration. This message will provide the information that you need to join the meeting.

For Help or Support:
Go to https://tibcomc.webex.com/tibcomc/mc click Assistance, then Click Help or click Support.

TIBCO contact [redacted], email [redacted]@tibco.com

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 10:06 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 13, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, September 13, 2006

ATTORNEY GENERAL

1:15 P.M. CDT Attorney General Alberto R. Gonzales will deliver remarks before the Hurricane Katrina One-Year Anniversary Symposium regarding Department of Justice efforts to combat fraud in the aftermath of Hurricane Katrina.

Sheraton New Orleans Hotel
500 Canal Street
New Orleans, Louisiana
OPEN PRESS

PRESS RELEASES

The Criminal Division will issue a press release on the first year report of the Hurricane Katrina Fraud Task Force. (Sierra)

EVENTS/HEARINGS

12:30 P.M. EDT Assistant Attorney General Thomas O. Barnett will address the George Mason University School of Law Symposium, "Managing Antitrust Issues in a Global Marketplace." His speech is entitled, "Interoperability Between Antitrust and Intellectual Property."

J.W. Marriott Hotel
Capitol Ballroom E
1331 Pennsylvania Ave NW
Washington, D.C. 20004
OPEN PRESS

A text of the speech will be available. All questions regarding logistics should be directed to Chris Pruitt at (703) 993-8161.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

DOJ_NMG_ 0167800

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0167801

Image not available for this document, ID: 0.7.10316.32780-000001

Image not available for this document, ID: 0.7.10316.32780-000002

Miller, Charles S

From: Miller, Charles S
Sent: Wednesday, September 13, 2006 10:30 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Figley, Paul; Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/13/06 Civil Division News

Lawsuit Challenges Use of Federal Aid for Bible-Based Counseling

Rowe seeking dismissal of lawsuit

Lawyer: Posada wants nothing to do with violence against Cuba

Judge orders Haitian with U.S. citizenship to be deported

Physician's fraud suit against drug maker fails

Philip Morris faces key ruling on 'lights'

U.S. Lumber Company Execs Appeal to Congress to Block Administration Plan Giving Preferential, Off-budget $500 Million Payments to Competitors

New York Times

September 13, 2006

Lawsuit Challenges Use of Federal Aid for Bible-Based Counseling

By NEELA BANERJEE

A group called Americans United for Separation of Church and State filed suit yesterday to block federal financing for an organization that provides marriage counseling based on the Bible.

The lawsuit is another challenge to the Bush administration's efforts to channel money for social services to religious organizations. While religious groups are not barred from getting public money, such financing

can only be used for secular purposes, not "worship, religious instruction or proselytization," according to government guidelines.

Americans United, a watchdog group based in Washington, D.C., filed the lawsuit in Federal District Court in Tacoma, Wash., on behalf of 13 state residents. They object to federal funds being used to support the Northwest Marriage Institute, which states in its newsletter that it offers "Bible-based premarital and marriage counseling." The institute, in Vancouver, Wash., received $97,750 in federal grants in 2005 from the Department of Health and Human Services.

The lawsuit argued that the institute uses federal funds for religious purposes, including developing materials with religious content, buying equipment for use in religiously based programming and paying part of the salaries of employees who do Bible-based counseling.

"This program trains people in how to make their marriages conform to one narrow interpretation of faith," said the Rev. Barry W. Lynn, executive director of Americans United, in a written statement. "The federal government has no business forcing the taxpayer to subsidize that."

A spokesman for the Health and Human Services Department declined to comment on the suit, saying that the agency generally does not comment on pending lawsuits.

Bob Whiddon Jr., director of the Northwest Marriage Institute, said he had not yet seen the lawsuit.

But he said the grants were meant to strengthen his organization by paying for consultants to improve its business practices and to buy equipment, not for programs.

"The grants say that I'm allowed to do things that will allow me to increase the capacity of my organization to serve the community," Dr. Whiddon said in a telephone interview. "None of what we do with the money is for religious purposes."

The administration has failed to provide clear guidelines about what federal funds can be used for, said Robert W. Tuttle, a law professor at George Washington University who is an expert on religion-based initiatives.

The government instructs organizations broadly that they are prohibited from using funds for religious purposes. But, he said, it does not answer the seemingly small, yet sometimes critical, questions that could occur in daily practice.

For example, could software bought with federal money be used for religious purposes? Or is it acceptable to give federal money to improve the management practices of an obviously religious organization like the Northwest Marriage Institute, when those changes would affect both its secular work and religious mission?

"The government studiously avoids clearing up these questions because it doesn't want to discourage people from applying and look hostile to faith groups," Professor Tuttle said. "I honestly don't think it would discourage people. Instead, it would give them a good sense of how to avoid being sued."

END

Portland, ME Press-Herald

Wednesday, September 13, 2006

Rowe seeking dismissal of lawsuit

By GREGORY D. KESICH, Staff Writer A Department of Justice lawsuit that seeks to stop a Maine Public Utilities Commission inquiry into Verizon Communications' role in warrantless surveillance programs should be dismissed, according to Maine's attorney general.

In a document filed Tuesday in U.S. District Court in Bangor, Attorney General Steven Rowe argued that the federal government's lawsuit is barred by the U.S. Constitution, and doesn't belong in court.

Rowe and Assistant Attorney General Linda Conti also denied the government's allegation that a PUC order, requiring a responsible Verizon executive to swear to the truth of assertions the company had previously made, would reveal state secrets and interfere with the government's war on terror.

Rowe's office would not elaborate on the document Tuesday.

"We're going to let it speak for itself," said Chuck Dow, Rowe's spokesman. "We hit the ball back. We are just proceeding by the rules."

But a leading proponent of an investigation of Verizon's activities in Maine praised the response for its thoroughness.

"The most important thing is that the state is going to take this fight seriously," said Zach Heiden, staff attorney for the Maine Civil Liberties Union.

"The state isn't simply going to roll over and let the federal government tell it what to do," he said. "It is going to stand up for the state's prerogative to investigate Verizon."

In May, 22 Verizon customers filed a complaint with the Maine PUC, requesting an investigation into whether the communications company had cooperated with the federal government in warrantless eavesdropping and data mining operations that were described in a series of national news stories.

The company filed a response in which it claimed it could not confirm or deny participation in the programs without revealing state secrets.

In its paperwork filed with the PUC, however, Verizon included two anonymous press releases in which it denied participation in any illegal activity.

On Aug. 7, the PUC declined to order an investigation, but issued an order requiring Verizon officials to swear to the truth of the statements. On the day Verizon's response was due at the PUC, the U.S. Department of Justice filed its lawsuit that seeks to block the inquiry.

Maine was the third state to be sued to prevent an investigation into the surveillance programs by public utility regulators, following New Jersey and Missouri. Last week, Connecticut became the fourth state to be sued by the U.S. Department of Justice. The state's Department of Public Utility Control had ordered Verizon to answer questions posed by Connecticut's American Civil Liberties Union chapter.

Verizon was also named as a defendant in the Maine suit, but has not yet filed a response.

Heiden said the MCLU would file a motion on behalf of the 22 Verizon customers, requesting to enter the lawsuit as intervenors.

END

AP

September 12, 2006

Lawyer: Posada wants nothing to do with violence against Cuba

MIAMI_The lawyer for Cuban militant Luis Posada Carriles says his client wants nothing more to do with violence against President Fidel Castro's communist government.

Posada has been in U-S immigration custody since May 2005 after surfacing in Miami, where he hopes to return to be with his family.

The 78-year-old Cuba native and naturalized Venezuelan citizen is wanted in Venezuela on charges that he plotted the deadly 1976 bombing of a Cuban jetliner from Caracas.

Although he was ordered deported because he entered the U-S illegally, an immigration judge also found that Posada could not be sent to either Cuba or Venezuela because he would likely be tortured there. U-S officials haven't found a country willing to take him. So a federal magistrate judge in El Paso, Texas, concluded that Posada should be released.

The recommendation will be reviewed by a federal district judge.

His lawyer says Posada would agree to virtually any conditions, including a prohibition against contact with Cuban exiles in Miami who still seek Castro's violent overthrow.

END

AP**Error! Hyperlink reference not valid.**September 13, 2006

Judge orders Haitian with U.S. citizenship to be deported

MIAMI_A Haitian-American restaurant owner, convicted of drug trafficking after his naturalization, was ordered to be deported today, but his attorney says it's not clear whether he will be sent back to Haiti.

Attorney Andre Pierre says Immigration Judge Kenneth Hurewitz told his client Lionel Jean-Baptiste that he may be able to stay in the U-S if the Haitian government refuses to take him back.

Pierre says the government of Haiti has informed U-S officials they would not provide travel documents for Jean-Baptiste because -- according to the Caribbean country's constitution -- Haitians who become citizens in another country are no longer considered to be citizens of Haiti.

Jean-Baptiste's case marked the first time federal officials sought to strip the citizenship of a naturalized person who was indicted, arrested and convicted after becoming a citizen.

He arrived in South Florida in 1980 and became a U-S citizen in April 1996. He was convicted in January 1997 of participating in a crack cocaine-distribution conspiracy and served seven years in prison.

END

CCH® Medicare

9/13/06

Physician's fraud suit against drug maker fails

A physician's *qui tam* action against a pharmaceutical company under the False Claims Act (FCA) was not prohibited by the FCA's public disclosure provision because the pharmaceutical company's prior disclosure to the government was not a public disclosure, and the physician qualified as an original source of the information on which the suit is based. The case was dismissed, however, because the physician failed to present a specific example of a violation of the federal and state fraud laws.

The physician alleged that the pharmaceutical company violated the FCA by engaging in illegal, off-label marketing of a drug and subsequently submitted those claims to federal and state health insurance programs. The pharmaceutical company claimed the court did not have jurisdiction to hear the case because the company voluntarily disclosed certain information to various government officials. A disclosure to a government official alone, however, did not constitute a public disclosure. A public disclosure is one that was made accessible to the general public.

Furthermore, the physician's action was was derived from his own independent investigation of the pharmaceutical company's activities. Finally, the complaint was not barred on jurisdictional grounds because the physician was an original source of the information on which the claim was based. Although there was no jurisdictional bar to the physician's claim, he failed to meet the heightened requirements for filing a FCA action. The FCA requires the filing of a false claim for reimbursement before a fraud can occur. The physician's complaint failed to identify even one false claim. The physician's suit was, therefore, dismissed.

END

Financial Times

Sept 13, 2006

Philip Morris faces key ruling on 'lights'

By Lauren Foster in New York

Philip Morris USA, the cigarette maker owned by Altria Group, faces a key hearing on Wednesday in a case that seeks class-action status for all US smokers who bought "light" cigarettes.

The Schwab case, filed in 2004, alleges the major US tobacco companies violated federal racketeering laws by falsely claiming "light" cigarettes were safer than regular ones. It is seeking damages in the tens of billions of dollars.

Investors are closely watching the case as it is one of the industry's more important remaining legal risks. Most analysts, however, do not believe the case will delay Altria's plans to spin off its 88.1 per cent stake in Kraft Foods.

"The lawsuit presents a risk principally because of its potential scale, and perhaps more importantly, because it is proceeding before Judge [Jack] Weinstein, who in the past – and in contrast to the overwhelming majority of other US judges – has allowed novel, large-scale aggregated tobacco claims to

proceed," said David Adelman, analyst at Morgan Stanley, in a report.

Judge Weinstein, who crafted class settlements in litigation over asbestos and Agent Orange, will on Wednesday hear arguments on class certification; the statute of limitations; and the effect, if any, of US District Judge Gladys Kessler's findings in the government's civil racketeering case against the industry, Mr Adelman added.

Because the Schwab case is being brought under the Racketeer Influenced Corrupt Organizations Act, or RICO, there is a four-year statute of limitations. That means the plaintiffs' lawyers have to show the class members were not aware "light" cigarettes were not safer than regular cigarettes until after 2000.

The federal RICO statute also requires the plaintiffs' attorney to prove "reliance" – that the class of smokers relied on the same false statements made by the cigarette companies when buying "light" cigarettes, and did so to their detriment.

"Reliance and statute of limitations are excellent examples of why class actions cannot work in tobacco cases," said William S. Ohlemeyer, Altria vice president and associate general counsel. "These issues can be resolved only by examining the particular and unique facts of each individual smoker – what they knew, when they knew it and how they made their decisions about smoking."

Judge Weinstein is not expected to rule on Wednesday on class certification but may give an indication of his likely decision. Even if the case is ultimately certified, the industry has the right to appeal against the decision to the US Court of Appeals for the Second Circuit before the start of the trial.

END

Canada Newswire English

September 13, 2006

U.S. Lumber Company Execs Appeal to Congress to Block Administration Plan Giving Preferential, Off-budget $500 Million Payments to Competitors

WASHINGTON, Sept. 13 /CNW/ -- Lumber manufacturers representing firms with operations in more than 16 states are in Washington, D.C. today to appeal to Members of Congress to intervene in the Administration's plans to provide preferential financial benefits of $500 million to a small portion of the U.S. industry. This cash in the hands of a few selected companies will destabilize the domestic lumber industry and circumvents the Congress through an off-budget escrow account.

"We have more than 30 companies that are petitioning the government to abandon its plan to refund duties collected on softwood lumber imports into an off-budget U.S. escrow account to be given to the U.S. Coalition for Fair Lumber Imports," said David Slaughter, spokesperson for Lumber Manufacturers for Ethics and Equality (LMEE). "This is wrong, creative accounting and mis- handling of Treasury funds, with no budget oversight from Congress."

Slaughter said that the LMEE is investigating possible legal action to block the total $500 million from being distributed or used without Congressional action and oversight. He said that, if the money can be legally handed back by Canada, it should be kept in the Treasury and used for construction of affordable homes throughout the country.

Canada and the U.S. have been in a decades-long dispute over softwood lumber imports. This summer, negotiators for the two countries reached an agreement that is designed to end the dispute for up to nine

years. Part of the deal, however, hands back to the U.S. lumber companies that brought the trade actions against Canada one-half billion of the five billion in duties collected since 2001.

"Giving the petitioners this money will allow them to undercut other competitor lumber companies and even buy out smaller companies, cutting jobs and raising home costs," Slaughter said. "It also appears to circumvent a U.S. Court of International Trade ruling that giving money to trade case petitioners under the Byrd Amendment would be a violation of the North American Free Trade Agreement (NAFTA). The Administration wants to give cash to a select group of U.S. companies, harming their competitors."

Slaughter also said that USTR failed to follow U.S. law requiring it to consider the public interest, and to consult with potentially affected domestic producers and workers. No effort was taken to communicate with or involve non-petitioner companies over the past five years.

END

System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 515009 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 12:19 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: PREPARED REMARKS OF ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT AT GEORGE MASON UNIVERSITY SCHOOL OF LAW SYMPOSIUM ON INTEROPERABILITY BETWEEN ANTITRUST AND INTELLECTUAL PROPERTY

EMBARGOED FOR RELEASE UNTIL 1:00 P.M EDT, WEDNESDAY, SEPTEMBER 13, 2006

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PREPARED REMARKS OF ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT AT GEORGE MASON UNIVERSITY SCHOOL OF LAW SYMPOSIUM ON INTEROPERABILITY BETWEEN ANTITRUST AND INTELLECTUAL PROPERTY

WASHINGTON, D.C.

Note: Footnotes in speech can be found in PDF attached below.

Good afternoon and thank you for inviting me today. I also extend a special thanks to our foreign guests for taking the time to come to today's event. Their presence does more to illustrate the importance of this conference's topic, antitrust issues in the global marketplace, than anything I might say this afternoon.

My remarks today focus on intellectual property in the global antitrust arena and certain difficulties with applying the concept of "dominance" to the market power that successful companies sometimes gain by creating new technologies and IP rights. In particular, regulatory second-guessing of private firms' solutions to technological problems, which I perceive to be on the increase, threatens to harm the very consumers it claims to help. To address this topic, I will start with some first principles on innovation and consumer welfare and then expand on the issues in the context of a specific example. Next, I will offer some general principles to guide the antitrust analysis of dominance and single-firm conduct. Finally, I will address what I consider to be a related topic: process integrity and the importance of carefully designing, and complying with, legal orders.

I. Intellectual Property and Dynamic Efficiency

Let me begin, briefly, with first principles and some basic innovation economics. Antitrust and intellectual property policy are complements in that both seek to create a set of incentives to encourage an innovative, vigorously competitive marketplace that enhances efficiency and improves consumer welfare.[1] This concept of efficiency is crucial to understanding how IP law interacts with the world of antitrust.[2] To some, "efficiency" can mean static efficiency, which occurs when firms compete within an existing technology to streamline their methods, cut costs, and drive the price of a product embodying that technology down to

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something close to the cost of unit production. Static efficiency is a powerful force for increasing consumer welfare, but economists tell us that an even greater driver of consumer welfare is dynamic efficiency. Dynamic efficiency refers to gains that result from entirely new ways of doing business. The Austrian economist Joseph Schumpeter explained dynamic efficiency as:

> . . . competition from the new commodity, the new technology, the new source of supply, the new organization . . . competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives.[3]

A more colloquial term for dynamic efficiency, but a helpful one, is leapfrog competition – competition that does not merely improve upon old methods, but leaps ahead into something new.

It follows from the Schumpeterian view that antitrust law, with its focus on improving consumer welfare, has a keen interest in protecting innovation. Fostering innovation requires recognition of the benefits of dynamic efficiency and the dangers of focusing myopically on static efficiency. The same forces that yield the benefits of static efficiency – conditions that encourage rivals quickly to adopt a new business method and drive their production toward marginal cost – can discourage innovation (and thus dynamic efficiency) if the drive toward marginal costs occurs at such an early stage that it makes innovation uneconomical. Where innovation requires substantial up-front research and development (R&D) costs, a rational firm will elect not to innovate if it anticipates a selling environment that too quickly resolves to marginal cost of production. This problem is sometimes described as the need to recoup R&D costs and an expected profit sufficient to induce firms to direct their capital to risky R&D ventures.

Seen in this light, strong intellectual property protection is not separate from competition principles, but rather, is an integral part of antitrust policy as a whole. Intellectual property rights should not be viewed as protecting their owners *from* competition; rather, IP rights should be seen as encouraging firms to engage *in* competition, particularly competition that involves risk and long-term investment. Properly applied, strong intellectual property protection creates the competitive environment necessary to permit firms to profit from their inventions, which encourages innovation effort and improves dynamic efficiency.

Such a competitive environment is, to use an old cliché, the goose that lays golden eggs. Nurturing such an environment has created innumerable golden eggs in the U.S.: the telephone, the phonograph, light bulbs, lasers, computers, television, and countless new drugs and medical devices. Once these breakthrough inventions exist, however, it can be tempting to carve up the benefits and spread them around the economy. When Christmas dinner approaches, it is tempting to think, why not carve up the goose itself? We can find fault with the goose: she ought to be laying more eggs, and she might even be keeping an egg or two for herself. But we all know the moral lesson to this story. When you kill the goose, you end up without the eggs, and you quickly learn that the one big meal was not worth the long term cost.

Even in a competitive economy with sound antitrust laws, we cannot take capital-intensive innovation for granted. In a speech called "Competition and the End of Geography,"[4] which I commend to you, my predecessor as Assistant Attorney General, Hew Pate, described a view that threatens to kill the proverbial goose. He explained that the traditional view of intellectual property as property, which he called the "asset faction," is under attack from the "access" and "redistribution" factions, which seek to limit or abolish copyrights and patents in order to make it easier to copy music, computer programs, drugs, and medical technology. Increasingly, these access and redistribution factions see "dominance" by successful innovators, meaning large market share, as a problem to be solved, and antitrust and consumer protection law as the solution.

II. A Cautionary Tale for Applying "Dominance" to IP Rights

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Access and redistribution can be a tempting "Christmas dinner" under a short term, static view, but this is ultimately misguided. The temptation persists even where the innovation has solved a vexing problem that everyone admits used to exist, and even where consumers flock to the innovation despite the availability of alternatives. I would like to illustrate this problem today with a discussion of Apple's iPod and iTunes, based on my general understanding without purporting to be an expert in the field.

A. Napster, Grokster, and the Rise of iTunes

Apple's iTunes music service has (for the moment) solved a problem that some observers, less than five years ago, predicted might never be solved: how to create a consumer-friendly, yet legal and profitable, system for downloading music and other entertainment from the Internet. It is instructive to review the history of the problem. The technical capability to offer digital music over the Internet has existed at least since the early 1990s; nevertheless, digital music first moved online in a significant way only in 1999 with the launch of the Napster centralized file-sharing service. There were major flaws with the early attempts to offer downloadable music: Napster[5] and Grokster[6] were based principally on piracy, while recording industry efforts such as "MusicNet" and "pressplay" never achieved wide use and, in addition, were attacked as risking a recording industry monopoly over not just the songs, but technological development as well.[7] While it battled the music pirates, the music industry suffered huge losses, including a 25% drop in sales from 2001 to 2002, which could be measured in the billions of dollars. Reviewing that bleak picture, the head of the Recording Industry Association of America said in 2002, "I wish I could tell you that there is a silver bullet that could resolve this very serious problem. There is not."[8]

There was no silver bullet – there was, however, a little white box called the Apple iPod. The iPod was not an immediate success. When Apple announced the iTunes music service in January 2001, it was a software service without a device to match, and it worked only with Apple's computers. It took Apple almost a year to ship the first iPods, in late fall 2001, and again, iPods worked only with Apple's products. Sales were small. Apple did not offer the first PC-compatible iPod until July 2002, and even then the devices worked only with Apple's preferred FireWire port, not the USB 2.0 ports that are far more common on PCs, and the PC-compatible iPods connected only to the MusicMatch music service, not Apple's iTunes. Compatibility problems plagued the PC-iPod and hurt its sales. So by early 2003 – four years after the launch of Napster – there still was no clear legal, consumer-friendly solution. Many were trying, including Microsoft, which announced in March 2003 that it was entering the market with its "Media2Go" portable video and audio players, but no one had achieved real success.

The real revolution began in April and May 2003 when Apple unveiled the "third generation" iPods, which were directly compatible to USB 2.0 ports, and provided software to offer the same capability to older models. Apple also made all the iPods work with iTunes. These changes were a reaction to the discipline of the market – customer complaints and unsatisfactory sales – and once they were implemented, the reward was swift: suddenly, iTunes passed the mark of one million songs downloaded. In June 2003, Apple sold its one-millionth iPod, and in September 2003, iTunes downloads passed the 10 million song mark. In January 2004, Apple introduced the iPod mini, and several variants followed; online music had truly arrived. But Apple was not the only game in town. Apple's success was a rising tide that lifted many boats, creating what one commentator has called "the iPod effect," meaning that it proved a concept that others quickly imitated:

> With the proven success of Apple, the digital download gold rush began. The Big Five [record labels] began licensing their content to a wide number of entities in the United States and abroad, removing many restrictive music licensing terms . . . . A vast array of companies including Amazon, BuyMusic.com, MTV, Wal-Mart, Coke, Dell, Microsoft, Musicmatch, Woolworth's, Virgin Music, Yahoo, Starbucks, and even Oxfam now boast digital music download services for PCs.[9]

So there you have it. There was a history of an intractable problem, characterized by rampant piracy and declining legal sales. After some missteps, Apple's iTunes solved these problems: legal sales boomed;

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competition against the largest players – the recording industry and Microsoft – increased; the recording industry dropped many restrictive licensing terms; and consumers can now choose from a number of music services and music playing devices, not just the iPod (devices from Dell, iRiver, SanDisk, Sony, and others already exist, and Microsoft recently announced another push for a rival to the iPod, the "Zune"[10]). Apple nonetheless enjoys the lion's share of sales. You might think that by creating a product to which consumers have flocked of their own free will and by mitigating the piracy problem, Apple would be cheered for pioneering greater access to music. But you would be wrong. Apple is cheered by many, but by no means all.

B. The "Dominance" and "Interoperability" Attack on Apple iTunes

Apple is now under assault in a number of jurisdictions on the grounds that iTunes is too dominant and does not "interoperate" with devices other than iPods.[11] One recent law, for example, may require sales of music or video to operate across a wide range of devices and creates a government body that can require a digital music provider to turn over information relating to its "technological measures" to the extent needed for interoperability with other devices. Some consumer protection agencies have announced that they are considering imposing similar measures through lawsuits.[12] Interestingly, the interoperable song format that is advocated – MP3 – is a compressed format of generally lower fidelity than iTunes files. So what consumer harm do these regulatory bodies seek to address?

One theory is that consumers are locked into buying songs only from the iTunes service and that they will have to pay too high a price for iTunes songs. But there are two problems with this theory. First, consumers can upload other formats (CD-ROMs and MP3 files) to Apple's devices, so they do not have to buy from iTunes. And while it is true that Apple's digital rights management (DRM) software ensures that the first recording of a song downloaded from iTunes can only play on an Apple device, consumers can re-record an iTunes song in an MP3 format and play it on other devices; in sum, it is hardly clear that they are locked in. Second, it appears that Apple has been depressing per-song prices, not raising them. A senior attorney from the Electronic Frontier Foundation, a proponent of the access faction who served as Grokster's lawyer before the Supreme Court, made the following claim:

> The [record] labels are pretty much locked into a system developed by Apple . . . They can't even raise prices beyond 99 cents per song – Steve Jobs simply said 'No.' [13]

That sounds like a benefit to consumers.

Another theory is that Apple is selling songs on the cheap but devices on the dear, and consumers are hurt because they are locked into buying the same expensive devices in the future. The cheap songs/expensive device model may indeed be Apple's strategy. But this type of business model has been criticized in the past because the cheap product was the one that was sold first – think cheap razors and expensive replacement blades or cheap printers and expensive replacement ink.[14] Apple's model is the opposite: consumers buy the expensive iPod device first, then have the option – not the obligation – to use the free iTunes software and buy the cheap iTunes songs.

A third theory is that, darn it, "information just wants to be free." That quote is so much in use on the Internet that I could not pin down its original source. Wikipedia attributes it first to a participant at a computer hacker's conference in 1984.[15] In any event, this argument is not based on competitive effects and consumer welfare. Information may want to be free, but information creators want to be paid – they will not create without rewards. Indeed, the difficulty of protecting digital information against easy, unlawful misappropriation underscores the need for measures to protect one's investments.

The fourth theory is that Apple may not be hurting consumers, but it is hurting competitors. Apple's products are so successful that competitors want in on the party and see Apple's property as the easiest way to get a piece of the pie. Let's examine this one in a little more detail.

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Antitrust law protects competition, not competitors.[16] There are real costs to using antitrust law to protect competitors rather than competition. There is the problem of deterring innovation by the target of the "dominance" attack: if a firm knows it will have to share its intellectual property or be managed by a committee of government regulators, it may not innovate in the first instance. Or, just as likely, it will reduce its further innovation once the product has arrived on the market – either because its returns are diminishing, or because its personnel are forced to spend their time playing defense against the regulators, rather than playing innovation offense in the marketplace.

And there is another problem, perhaps a larger and more pernicious one: if the government is too willing to step in as a regulator, rivals will devote their resources to legal challenges rather than business innovation. This is entirely rational from an individual rival's perspective: seeking government help to grab a share of your competitor's profit is likely to be low cost and low risk, whereas innovating on your own is a risky, expensive proposition. But it is entirely irrational as a matter of antitrust policy to encourage such efforts. Rather, rivals should be encouraged to innovate on their own – to engage in leapfrog or Schumpeterian competition. New innovation expands the pie for rivals and consumers alike. We would do well to heed Justice Scalia's observation in *Trinko*, that creating a legal avenue for such challenges can "distort investment" of both the dominant and the rival firms:

> Compelling such firms to share the source of their advantage is in some tension with the underlying purpose of antitrust law, since it may lessen the incentive for the monopolist, the rival, or both to invest in . . . economically beneficial facilities.[17]

Importantly, letting competition in the market drive technological development does not necessarily mean less "access." The market has already disciplined Apple: remember, the iPod and iTunes originally worked only with Apple machines and FireWire ports, but Apple responded to consumer demand and opened up its technology to work on PCs and USB 2.0. The videotape standards struggle between VHS and Sony's Betamax provides another example: when Sony tried to keep tight control over its proprietary Betamax technology, the marketplace swiftly declared VHS the winner. Market discipline can be a powerful force.

My purpose today is not to benefit Apple Corporation. Apple can defend itself. Indeed, I have not undertaken an investigation of Apple's activities. But Apple provides a useful illustration of how an attack on intellectual property rights can threaten dynamic innovation.

C. Dominance and Single Firm Conduct: Some General Principles

I said that I would suggest some general principles for applying antitrust analysis in dominance investigations. I start by acknowledging that the analysis of unilateral conduct is one of the most difficult issues under debate in the antitrust community today; so much so, in fact, that the Department of Justice and the Federal Trade Commission are holding a series of hearings this year with a view toward improving the state of our knowledge in this area.[18] In my remarks to open that conference, I set forth six general principles to keep in mind:

> First, individual firms with monopoly power can act anticompetitively and harm consumer welfare, and we should seek to identify and prosecute such conduct;
>
> Second, mere size does not demonstrate harm to competition or a violation of the antitrust laws; the proper focus of antitrust law is on anticompetitive conduct and effect, not just size or market share;
>
> Third, mere injury to a firm does not itself show that competition has suffered; indeed, a firm's inability to garner sales may indicate no more than the superiority of its competitors' products;

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Fourth, both consumers and the business community benefit from clear, administrable, and objective rules; ambiguous rules or rules depending on future unknown events can chill businesses from undertaking procompetitive conduct, such as cutting prices, investing, and innovating;

Fifth, we should construe Section 2 of the Sherman Act to avoid chilling procompetitive conduct because efficiencies are hard to measure and false positives easy to find, and every time a firm is kept from engaging in aggressive conduct because it fears an unnecessarily expansive interpretation of the antitrust laws, competition is harmed; and

Sixth, we should not act unless we can describe a clearly procompetitive, administrable remedy.[19]

To these I would add, in the context of a dominance claim against a firm that obtains high market share through superior technology and innovation, a few more specific points:

- We should apply greater skepticism when the complaint about a dominant firm comes almost exclusively from rivals, not consumers, and where the remedy would deprive consumers of a choice.

- We should increase that skepticism when the complaining parties engage in forum shopping, failing to make their case before the first, most obvious jurisdiction or government body before taking their case elsewhere.

- We should avoid involving the government in the detailed re-engineering of products produced by private firms, under the guise of antitrust policy; we should question any claim that government regulators are more competent than private firms and consumers to choose the "best" design for a product, particularly when the "best" design must evolve rapidly to meet changing consumer demands.

As a final consideration in this regard, in a globalized economy, antitrust authorities must be careful to consider the geographic scope of their actions. As the Antitrust Division advocated and the Supreme Court recognized in its 2004 *Empagran* decision, antitrust enforcement that reaches alleged harm outside a country's own borders "creates a serious risk of interference with a foreign nation's ability independently to regulate its own commercial affairs."[20] That risk is sometimes manageable, but it would be inappropriate for enforcement efforts against a global firm in one jurisdiction to effectively foreclose a choice of technology in another. To take a specific example, one jurisdiction might have the right to require Apple to strip its iPods of certain functionality, say, the higher fidelity of Apple's proprietary iTunes format. It is one thing for a jurisdiction to deny the benefits of innovation to its own consumers, but it is entirely another thing to seek to deny those benefits to consumers elsewhere.

III. The Importance of Process Integrity and Compliance

I have spent the last few minutes inveighing against certain kinds of government orders that would damage competition and harm consumer welfare. I turn now to a topic that at first blush might seem unrelated: process integrity. The topic is broader than I have time to cover, so I will focus on compliance issues. I will discuss four guiding principles and their application in three situations this past year.

The compliance process should be guided by four principles:

First, antitrust authorities should ensure that any order is procompetitive, administrable, and clear enough to put the defendant on fair notice of what is required;

Second, persons subject to the order must comply, even during an appeal;

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Third, all parties should periodically review the order and, where appropriate, request that it be updated to ensure that the order continues to serve the interests of competition and consumer welfare; and

Fourth, if violations occur, there should be a penalty, but one that is reasonable in light of the particular circumstances.

The Department of Justice has put these principles into practice at least three times just this year. The first example is a consent decree involving Rolex Watch U.S.A. Under a 1960 civil decree, Rolex had agreed to restrictions on its policies regarding the use, resale, and pricing of watch parts purchased from Rolex. The Department found that, despite this order, Rolex had created a written policy of refusing to sell watch parts to independent watch repair facilities or watchmakers unless the watchmakers agreed that they would not use the parts in any watch that had non-Rolex parts or accessories. Rolex's policy also prohibited watchmakers from reselling spare watch parts and from certain types of pricing. When this policy came to the Department's attention, the Department concluded that the policies violated the terms of the 1960 decree. Rolex agreed to a settlement that included a $750,000 payment. The Department also determined, however, that market conditions and antitrust law had changed so that the consent decree was no longer warranted. Rather than continue with an outdated decree, and notwithstanding the recent violations by Rolex, the Department recommended that the Court terminate the original 1960 decree.[21]

The second example is a gun-jumping matter. Qualcomm and Flarion announced a merger in July 2005 and closed in early 2006 after the Department of Justice declined to challenge the merger. As many of you know, the Hart-Scott-Rodino Act requires companies planning certain transactions to observe a mandatory waiting period before the parties merge. The Department learned that Qualcomm obtained operational control over Flarion without observing the waiting period. The companies' merger agreement required Flarion to seek Qualcomm's consent before undertaking certain basic business activities, such as making new proposals to customers, and Flarion also sought and followed Qualcomm's guidance before making routine decisions, such as hiring consultants and employees. In April, the Department announced a settlement under which the parties agreed to pay a $1.8 million dollar fine. This was a significant fine, reflecting the important principle that merging parties must continue to operate independently until the end of the premerger waiting period regardless of whether there is harm to competition. The penalty nevertheless represented a substantial reduction from the statutory maximum because the companies voluntarily reported the existence of gun jumping problems to the Department and took some measures to change their contract and their conduct.[22]

The third example is another consent decree violation, this time by the American Bar Association. In June 1995, the Department filed an antitrust lawsuit against the ABA, alleging that the ABA had allowed its law school accreditation process to be misused by law school personnel with a direct economic interest in the outcome of accreditation reviews. In 1996, the court entered an agreed-upon final judgment prohibiting the ABA from fixing faculty salaries and compensation, boycotting state-accredited law schools by restricting the ability of their students and graduates to enroll in ABA-approved schools, and boycotting for-profit law schools. The final judgment also required structural reforms and imposed compliance obligations. In Spring 2006, the Department concluded after an investigation that the ABA violated six structural and compliance provisions in the 1996 consent decree over an extended period of time. In a stipulation, the ABA acknowledged the violations and agreed to reimburse the United States $185,000 in fees and costs incurred in the Department's investigation.[23] At the same time, notwithstanding the violations, the Department did not seek to extend the term of the decree, which expired earlier this year.

Defendants certainly are entitled to defend themselves zealously and pursue all legal avenues to challenge or appeal an order. While the order is in force, however, the integrity of the process demands compliance. That said, reasonableness is important. An unduly severe penalty – whether in the form of an excessive fine or the extension of a decree that has outlived its purpose – can chill other procompetitive conduct and undermine the public confidence and support that is so vital to effective antitrust enforcement.

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IV. Conclusion

In closing, let me return to my theme of the complementarity of intellectual property and antitrust. Intellectual property is a true property right, and as the Supreme Court has observed, "like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation."[24] Profit is the reward that encourages firms to invest, innovate, and compete through the mechanism of dynamic efficiency, and in the words of an eminent American jurist, Learned Hand, "[t]he successful competitor, having been urged to compete, must not be turned upon when he wins."[25] To antitrust lawyers, an *ex post facto* tinkering with a firm's product designs may be an interesting intellectual exercise, but "[b]usiness does not run this way"[26]: firms making investment decisions seek clear, predictable rules as to how the intellectual property and antitrust regimes will function together – or interoperate. If a successful firm's rivals believe that a different product would create more consumer welfare, antitrust policy should encourage them to create that product – they should not find government regulators willing to eliminate the need to design it at all.

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DEPARTMENT OF JUSTICE

INTEROPERABILITY BETWEEN ANTITRUST AND INTELLECTUAL PROPERTY

THOMAS O. BARNETT
Assistant Attorney General
Antitrust Division
U.S. Department of Justice

Presentation to the

George Mason University School of Law Symposium
Managing Antitrust Issues in a Global Marketplace
Washington, DC

September 13, 2006

Good afternoon and thank you for inviting me today. I also extend a special thanks to our foreign guests for taking the time to come to today's event. Their presence does more to illustrate the importance of this conference's topic, antitrust issues in the global marketplace, than anything I might say this afternoon.

My remarks today focus on intellectual property in the global antitrust arena and certain difficulties with applying the concept of "dominance" to the market power that successful companies sometimes gain by creating new technologies and IP rights. In particular, regulatory second-guessing of private firms' solutions to technological problems, which I perceive to be on the increase, threatens to harm the very consumers it claims to help. To address this topic, I will start with some first principles on innovation and consumer welfare and then expand on the issues in the context of a specific example. Next, I will offer some general principles to guide the antitrust analysis of dominance and single-firm conduct. Finally, I will address what I consider to be a related topic: process integrity and the importance of carefully designing, and complying with, legal orders.

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[1] *See* U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, ANTITRUST GUIDELINES FOR THE LICENSING OF INTELLECTUAL PROPERTY § 1.0 (1995) ("The intellectual property laws and the antitrust laws share the common purpose of promoting innovation and enhancing consumer welfare."), *at* http://www.usdoj.gov/atr/public/guidelines/ipguide.pdf.

[2] *See generally* Gerald F. Masoudi, Intellectual Property and Competition: Four Principles for Encouraging Innovation, address at the Digital Americas 2006 meeting (Sao Paolo, Brazil, April 2006) 13-15, *at* http://www.usdoj.gov/atr/public/speeches/215645.pdf.

[3] JOSEPH SCHUMPETER, CAPITALISM, SOCIALISM AND DEMOCRACY 84 (Harper Perennial 1976) (1942).

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It follows from the Schumpeterian view that antitrust law, with its focus on improving consumer welfare, has a keen interest in protecting innovation. Fostering innovation requires recognition of the benefits of dynamic efficiency and the dangers of focusing myopically on static efficiency. The same forces that yield the benefits of static efficiency – conditions that encourage rivals quickly to adopt a new business method and drive their production toward marginal cost – can discourage innovation (and thus dynamic efficiency) if the drive toward marginal costs occurs at such an early stage that it makes innovation uneconomical. Where innovation requires substantial up-front research and development (R&D) costs, a rational firm will elect not to innovate if it anticipates a selling environment that too quickly resolves to marginal cost of production. This problem is sometimes described as the need to recoup R&D costs and an expected profit sufficient to induce firms to direct their capital to risky R&D ventures.

Seen in this light, strong intellectual property protection is not separate from competition principles, but rather, is an integral part of antitrust policy as a whole. Intellectual property rights should not be viewed as protecting their owners *from*

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[4] R. Hewitt Pate, Competition and the End of Geography, address before the Progress & Freedom Foundation (Aspen, Colorado, August 2005) 17-19, *at* http://www.usdoj.gov/atr/public/speeches/205153.pdf.

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A. Napster, Grokster, and the Rise of iTunes

Apple's iTunes music service has (for the moment) solved a problem that some observers, less than five years ago, predicted might never be solved: how to create a consumer-friendly, yet legal and profitable, system for downloading music and other entertainment from the Internet. It is instructive to review the history of the problem. The technical capability to offer digital music over the Internet has existed at least since the early 1990s; nevertheless, digital music first moved online in a significant way only in 1999 with the launch of the Napster centralized file-sharing service. There were major flaws with the early attempts to offer downloadable music: Napster[5] and Grokster[6] were based principally on piracy, while recording industry efforts such as "MusicNet" and "pressplay" never achieved wide use and, in addition, were attacked as risking a recording industry monopoly over not just the songs, but technological development as well.[7] While it battled the

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[5]*A&M Records, Inc. v. Napster, Inc.*, 284 F.3d 1091 (9th Cir. 2002).

[6]*Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.*, 545 U.S. 913, 125 S. Ct. 2764 (2005).

[7]A typical complaint was that the ventures were "[a] blatant monopoly . . . . allowing them to control the price, the technology, and the use of the music being downloaded." Kelly Donohoe, *MusicNet & PressPlay: To Trust or Antitrust?*, 2001 DUKE L. & TECH. REV. 39 (2001), *at* http://www.law.duke.edu/journals/dltr/articles/2001dltr0039.pdf. A federal district judge reviewing these ventures at an early stage said, "[e]ven if it passes antitrust analysis, it looks bad, sounds bad, smells bad." John Borland, Jim Hu & Rachel Konrad, *Music Industry's Plans Spark Concern*, C/NET NEWS.COM (Oct. 19, 2001), *at* http://news.com.com/2100-1023-274676.html. The Department of Justice opened an investigation but, after the rise of Apple iTunes and other

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music pirates, the music industry suffered huge losses, including a 25% drop in sales from 2001 to 2002, which could be measured in the billions of dollars. Reviewing that bleak picture, the head of the Recording Industry Association of America said in 2002, "I wish I could tell you that there is a silver bullet that could resolve this very serious problem. There is not."[8]

There was no silver bullet – there was, however, a little white box called the Apple iPod. The iPod was not an immediate success. When Apple announced the iTunes music service in January 2001, it was a software service without a device to match, and it worked only with Apple's computers. It took Apple almost a year to ship the first iPods, in late fall 2001, and again, iPods worked only with Apple's products. Sales were small. Apple did not offer the first PC-compatible iPod until July 2002, and even then the devices worked only with Apple's preferred FireWire port, not the USB 2.0 ports that are far more common on PCs, and the PC-compatible iPods connected only to the MusicMatch music service, not Apple's iTunes. Compatibility problems plagued the PC-iPod and hurt its sales. So by

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competing services, ultimately took no action and closed the investigation. *See* Press Release, U.S. Dept. of Justice, Statement by Assistant Attorney General R. Hewitt Pate Regarding the Closing of the Digital Music Investigation (Dec. 23, 2003), *at* http://www.atrnet.gov/subdocs/201946.pdf.

[8]CBS News, Online Music Sales Hit Sour Note (Nov. 2, 2002), *at* http://www.cbsnews.com/stories/2002/10/03/tech/main524304.shtml.

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early 2003 – four years after the launch of Napster – there still was no clear legal, consumer-friendly solution. Many were trying, including Microsoft, which announced in March 2003 that it was entering the market with its "Media2Go" portable video and audio players, but no one had achieved real success.

The real revolution began in April and May 2003 when Apple unveiled the "third generation" iPods, which were directly compatible to USB 2.0 ports, and provided software to offer the same capability to older models. Apple also made all the iPods work with iTunes. These changes were a reaction to the discipline of the market – customer complaints and unsatisfactory sales – and once they were implemented, the reward was swift: suddenly, iTunes passed the mark of one million songs downloaded. In June 2003, Apple sold its one-millionth iPod, and in September 2003, iTunes downloads passed the 10 million song mark. In January 2004, Apple introduced the iPod mini, and several variants followed; online music had truly arrived. But Apple was not the only game in town. Apple's success was a rising tide that lifted many boats, creating what one commentator has called "the iPod effect," meaning that it proved a concept that others quickly imitated:

> With the proven success of Apple, the digital download gold rush began. The Big Five [record labels] began licensing their content to a wide number of entities in the United States and abroad, removing many restrictive music licensing terms . . . . A vast array of companies including Amazon, BuyMusic.com, MTV, Wal-Mart, Coke, Dell, Microsoft, Musicmatch,

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> Woolworth's, Virgin Music, Yahoo, Starbucks, and even Oxfam now boast digital music download services for PCs.[9]

So there you have it. There was a history of an intractable problem, characterized by rampant piracy and declining legal sales. After some missteps, Apple's iTunes solved these problems: legal sales boomed; competition against the largest players – the recording industry and Microsoft – increased; the recording industry dropped many restrictive licensing terms; and consumers can now choose from a number of music services and music playing devices, not just the iPod (devices from Dell, iRiver, SanDisk, Sony, and others already exist, and Microsoft recently announced another push for a rival to the iPod, the "Zune"[10]). Apple nonetheless enjoys the lion's share of sales. You might think that by creating a product to which consumers have flocked of their own free will and by mitigating the piracy problem, Apple would be cheered for pioneering greater access to music. But you would be wrong. Apple is cheered by many, but by no means all.

B. The "Dominance" and "Interoperability" Attack on Apple iTunes

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[9]Cyrus Wadia, The Department of Justice's Investigation into Online Music (Jan. 1, 2005), *at* http://www.cwclaw.com/publications/articleDetail.aspx?id=56.

[10]Ina Fried & Daniel Terdiman, *Microsoft's Zune to Rival Apple's iPod*, C/NET NEWS.COM (July 21, 2006), *at* http://news.com.com/2100-1041_3-6097196.html.

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Apple is now under assault in a number of jurisdictions on the grounds that iTunes is too dominant and does not "interoperate" with devices other than iPods.[11] One recent law, for example, may require sales of music or video to operate across a wide range of devices and creates a government body that can require a digital music provider to turn over information relating to its "technological measures" to the extent needed for interoperability with other devices. Some consumer protection agencies have announced that they are considering imposing similar measures through lawsuits.[12] Interestingly, the interoperable song format that is advocated – MP3 – is a compressed format of generally lower fidelity than iTunes files. So what consumer harm do these regulatory bodies seek to address?

One theory is that consumers are locked into buying songs only from the iTunes service and that they will have to pay too high a price for iTunes songs. But there are two problems with this theory. First, consumers can upload other formats (CD-ROMs and MP3 files) to Apple's devices, so they do not have to buy from iTunes. And while it is true that Apple's digital rights management (DRM) software ensures that the first recording of a song downloaded from iTunes can only play on an Apple device, consumers can re-record an iTunes song in an MP3 format and

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[11] *See* Thomas Crampton, *For Apple, Europe Becoming a Tougher Customer*, INT'L HERALD TRIB., July 17, 2006, at 8.

[12] *Id.*

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play it on other devices; in sum, it is hardly clear that they are locked in. Second, it appears that Apple has been depressing per-song prices, not raising them. A senior attorney from the Electronic Frontier Foundation, a proponent of the access faction who served as Grokster's lawyer before the Supreme Court, made the following claim:

> The [record] labels are pretty much locked into a system developed by Apple . . . They can't even raise prices beyond 99 cents per song – Steve Jobs simply said 'No.' [13]

That sounds like a benefit to consumers.

Another theory is that Apple is selling songs on the cheap but devices on the dear, and consumers are hurt because they are locked into buying the same expensive devices in the future. The cheap songs/expensive device model may indeed be Apple's strategy. But this type of business model has been criticized in the past because the cheap product was the one that was sold first – think cheap razors and expensive replacement blades or cheap printers and expensive replacement ink.[14] Apple's model is the opposite: consumers buy the expensive iPod device first, then have the option – not the obligation – to use the free iTunes software and buy the cheap iTunes songs.

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[13]Wade Roush, *DRM Under Siege: the Yahoo Music Experiment*, TECHNOLOGY REVIEW, July 27, 2006, *at* http://www.technologyreview.com/read_article.aspx?id=17212&ch=infotech.

[14]*E.g.*, *Ill. Tool Works Inc. v. Indep. Ink, Inc.*, 126 S. Ct. 1281 (2006).

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A third theory is that, darn it, "information just wants to be free." That quote is so much in use on the Internet that I could not pin down its original source. Wikipedia attributes it first to a participant at a computer hacker's conference in 1984.[15] In any event, this argument is not based on competitive effects and consumer welfare. Information may want to be free, but information creators want to be paid – they will not create without rewards. Indeed, the difficulty of protecting digital information against easy, unlawful misappropriation underscores the need for measures to protect one's investments.

The fourth theory is that Apple may not be hurting consumers, but it is hurting competitors. Apple's products are so successful that competitors want in on the party and see Apple's property as the easiest way to get a piece of the pie. Let's examine this one in a little more detail.

Antitrust law protects competition, not competitors.[16] There are real costs to using antitrust law to protect competitors rather than competition. There is the problem of deterring innovation by the target of the "dominance" attack: if a firm knows it will have to share its intellectual property or be managed by a committee

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[15] WIKIPEDIA, *Information Wants to be Free*, *at* http://en.wikipedia.org/wiki/Information_wants_to_be_free (visited September 6, 2006).

[16] *Brooke Group Ltd. v. Brown & Williamson Tobacco Corp.*, 509 U.S. 209, 224 (1993) ("It is axiomatic that the antitrust laws were passed for 'the protection of competition, not competitors.'" (quoting *Brown Shoe Co. v. United States*, 370 U.S. 294, 320 (1962))).

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of government regulators, it may not innovate in the first instance. Or, just as likely, it will reduce its further innovation once the product has arrived on the market – either because its returns are diminishing, or because its personnel are forced to spend their time playing defense against the regulators, rather than playing innovation offense in the marketplace.

And there is another problem, perhaps a larger and more pernicious one: if the government is too willing to step in as a regulator, rivals will devote their resources to legal challenges rather than business innovation. This is entirely rational from an individual rival's perspective: seeking government help to grab a share of your competitor's profit is likely to be low cost and low risk, whereas innovating on your own is a risky, expensive proposition. But it is entirely irrational as a matter of antitrust policy to encourage such efforts. Rather, rivals should be encouraged to innovate on their own – to engage in leapfrog or Schumpeterian competition. New innovation expands the pie for rivals and consumers alike. We would do well to heed Justice Scalia's observation in *Trinko*, that creating a legal avenue for such challenges can "distort investment" of both the dominant and the rival firms:

> Compelling such firms to share the source of their advantage is in some tension with the underlying purpose of antitrust law, since it may lessen the

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> incentive for the monopolist, the rival, or both to invest in . . . economically beneficial facilities.[17]

Importantly, letting competition in the market drive technological development does not necessarily mean less "access." The market has already disciplined Apple: remember, the iPod and iTunes originally worked only with Apple machines and FireWire ports, but Apple responded to consumer demand and opened up its technology to work on PCs and USB 2.0. The videotape standards struggle between VHS and Sony's Betamax provides another example: when Sony tried to keep tight control over its proprietary Betamax technology, the marketplace swiftly declared VHS the winner. Market discipline can be a powerful force.

My purpose today is not to benefit Apple Corporation. Apple can defend itself. Indeed, I have not undertaken an investigation of Apple's activities. But Apple provides a useful illustration of how an attack on intellectual property rights can threaten dynamic innovation.

C. Dominance and Single Firm Conduct: Some General Principles

I said that I would suggest some general principles for applying antitrust analysis in dominance investigations. I start by acknowledging that the analysis of unilateral conduct is one of the most difficult issues under debate in the antitrust

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[17] *Verizon Commc'ns Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 407-08 (2004).

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community today; so much so, in fact, that the Department of Justice and the Federal Trade Commission are holding a series of hearings this year with a view toward improving the state of our knowledge in this area.[18] In my remarks to open that conference, I set forth six general principles to keep in mind:

> First, individual firms with monopoly power can act anticompetitively and harm consumer welfare, and we should seek to identify and prosecute such conduct;
>
> Second, mere size does not demonstrate harm to competition or a violation of the antitrust laws; the proper focus of antitrust law is on anticompetitive conduct and effect, not just size or market share;
>
> Third, mere injury to a firm does not itself show that competition has suffered; indeed, a firm's inability to garner sales may indicate no more than the superiority of its competitors' products;
>
> Fourth, both consumers and the business community benefit from clear, administrable, and objective rules; ambiguous rules or rules depending on future unknown events can chill businesses from undertaking procompetitive conduct, such as cutting prices, investing, and innovating;
>
> Fifth, we should construe Section 2 of the Sherman Act to avoid chilling procompetitive conduct because efficiencies are hard to measure and false positives easy to find, and every time a firm is kept from engaging in aggressive conduct because it fears an unnecessarily expansive interpretation of the antitrust laws, competition is harmed; and

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[18] *See generally* Hearings on Section 2 of the Sherman Act: Single Firm Conduct as Related to Competition, *at* http://www.ftc.gov/os/sectiontwohearings/index.htm.

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> Sixth, we should not act unless we can describe a clearly procompetitive, administrable remedy.[19]

To these I would add, in the context of a dominance claim against a firm that obtains high market share through superior technology and innovation, a few more specific points:

- We should apply greater skepticism when the complaint about a dominant firm comes almost exclusively from rivals, not consumers, and where the remedy would deprive consumers of a choice.

- We should increase that skepticism when the complaining parties engage in forum shopping, failing to make their case before the first, most obvious jurisdiction or government body before taking their case elsewhere.

- We should avoid involving the government in the detailed re-engineering of products produced by private firms, under the guise of antitrust policy; we should question any claim that government regulators are more competent than private firms and consumers to choose the "best" design for a product, particularly when the "best" design must evolve rapidly to meet changing consumer demands.

As a final consideration in this regard, in a globalized economy, antitrust authorities must be careful to consider the geographic scope of their actions. As the Antitrust Division advocated and the Supreme Court recognized in its 2004 *Empagran* decision, antitrust enforcement that reaches alleged harm outside a

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[19]Thomas O. Barnett, The Gales of Creative Destruction: the Need for Clear and Objective Standards for Enforcing Section 2 of the Sherman Act, address before the Hearings on Section 2 of the Sherman Act 16-17 (Washington, D.C., June 20, 2006), *at* http://www.usdoj.gov/atr/public/speeches/216738.pdf.

DOJ_NMG_ 0167838

country's own borders "creates a serious risk of interference with a foreign nation's ability independently to regulate its own commercial affairs."[20] That risk is sometimes manageable, but it would be inappropriate for enforcement efforts against a global firm in one jurisdiction to effectively foreclose a choice of technology in another. To take a specific example, one jurisdiction might have the right to require Apple to strip its iPods of certain functionality, say, the higher fidelity of Apple's proprietary iTunes format. It is one thing for a jurisdiction to deny the benefits of innovation to its own consumers, but it is entirely another thing to seek to deny those benefits to consumers elsewhere.

III. The Importance of Process Integrity and Compliance

I have spent the last few minutes inveighing against certain kinds of government orders that would damage competition and harm consumer welfare. I turn now to a topic that at first blush might seem unrelated: process integrity. The topic is broader than I have time to cover, so I will focus on compliance issues. I will discuss four guiding principles and their application in three situations this past year.

The compliance process should be guided by four principles:

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[20] *F. Hoffmann-La Roche Ltd. v. Empagran S.A.*, 542 U.S. 155, 165 (2004).

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First, antitrust authorities should ensure that any order is procompetitive, administrable, and clear enough to put the defendant on fair notice of what is required;

Second, persons subject to the order must comply, even during an appeal;

Third, all parties should periodically review the order and, where appropriate, request that it be updated to ensure that the order continues to serve the interests of competition and consumer welfare; and

Fourth, if violations occur, there should be a penalty, but one that is reasonable in light of the particular circumstances.

The Department of Justice has put these principles into practice at least three times just this year. The first example is a consent decree involving Rolex Watch U.S.A. Under a 1960 civil decree, Rolex had agreed to restrictions on its policies regarding the use, resale, and pricing of watch parts purchased from Rolex. The Department found that, despite this order, Rolex had created a written policy of refusing to sell watch parts to independent watch repair facilities or watchmakers unless the watchmakers agreed that they would not use the parts in any watch that had non-Rolex parts or accessories. Rolex's policy also prohibited watchmakers from reselling spare watch parts and from certain types of pricing. When this policy came to the Department's attention, the Department concluded that the policies violated the terms of the 1960 decree. Rolex agreed to a settlement that included a $750,000 payment. The Department also determined, however, that market conditions and antitrust law had changed so that the consent decree was no

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longer warranted. Rather than continue with an outdated decree, and notwithstanding the recent violations by Rolex, the Department recommended that the Court terminate the original 1960 decree.[21]

The second example is a gun-jumping matter. Qualcomm and Flarion announced a merger in July 2005 and closed in early 2006 after the Department of Justice declined to challenge the merger. As many of you know, the Hart-Scott-Rodino Act requires companies planning certain transactions to observe a mandatory waiting period before the parties merge. The Department learned that Qualcomm obtained operational control over Flarion without observing the waiting period. The companies' merger agreement required Flarion to seek Qualcomm's consent before undertaking certain basic business activities, such as making new proposals to customers, and Flarion also sought and followed Qualcomm's guidance before making routine decisions, such as hiring consultants and employees. In April, the Department announced a settlement under which the parties agreed to pay a $1.8 million dollar fine. This was a significant fine, reflecting the important principle that merging parties must continue to operate independently until the end of the premerger waiting period regardless of whether

[21] *See* Press Release, U.S. Dep't of Justice, Justice Department Settles Civil Contempt Claim Against Rolex Watch U.S.A. Inc. (February 28, 2006), *at* http://www.usdoj.gov/atr/public/press_releases/2006/214821.pdf.

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there is harm to competition. The penalty nevertheless represented a substantial reduction from the statutory maximum because the companies voluntarily reported the existence of gun jumping problems to the Department and took some measures to change their contract and their conduct.[22]

The third example is another consent decree violation, this time by the American Bar Association. In June 1995, the Department filed an antitrust lawsuit against the ABA, alleging that the ABA had allowed its law school accreditation process to be misused by law school personnel with a direct economic interest in the outcome of accreditation reviews. In 1996, the court entered an agreed-upon final judgment prohibiting the ABA from fixing faculty salaries and compensation, boycotting state-accredited law schools by restricting the ability of their students and graduates to enroll in ABA-approved schools, and boycotting for-profit law schools. The final judgment also required structural reforms and imposed compliance obligations. In Spring 2006, the Department concluded after an investigation that the ABA violated six structural and compliance provisions in the 1996 consent decree over an extended period of time. In a stipulation, the ABA acknowledged the violations and agreed to reimburse the United States $185,000 in

[22] *See* Press Release, U.S. Dep't of Justice, Qualcomm and Flarion Charged with Illegal Premerger Coordination (April 13, 2006), *at* http://www.usdoj.gov/atr/public/press_releases/2006/215617.pdf.

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fees and costs incurred in the Department's investigation.[23] At the same time, notwithstanding the violations, the Department did not seek to extend the term of the decree, which expired earlier this year.

Defendants certainly are entitled to defend themselves zealously and pursue all legal avenues to challenge or appeal an order. While the order is in force, however, the integrity of the process demands compliance. That said, reasonableness is important. An unduly severe penalty – whether in the form of an excessive fine or the extension of a decree that has outlived its purpose – can chill other procompetitive conduct and undermine the public confidence and support that is so vital to effective antitrust enforcement.

IV. Conclusion

In closing, let me return to my theme of the complementarity of intellectual property and antitrust. Intellectual property is a true property right, and as the Supreme Court has observed, "like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation."[24] Profit is the reward that encourages firms to invest,

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[23] *See* Press Release, U.S. Dep't of Justice, Justice Department Asks Court to Hold American Bar Association in Civil Contempt (June 23, 2006), *at* http://www.usdoj.gov/atr/public/press_releases/2006/216804.pdf.

[24] *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 730-31 (2002).

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innovate, and compete through the mechanism of dynamic efficiency, and in the words of an eminent American jurist, Learned Hand, "[t]he successful competitor, having been urged to compete, must not be turned upon when he wins."[25] To antitrust lawyers, an *ex post facto* tinkering with a firm's product designs may be an interesting intellectual exercise, but "[b]usiness does not run this way"[26]: firms making investment decisions seek clear, predictable rules as to how the intellectual property and antitrust regimes will function together – or interoperate. If a successful firm's rivals believe that a different product would create more consumer welfare, antitrust policy should encourage them to create that product – they should not find government regulators willing to eliminate the need to design it at all.

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[25] *United States v. Aluminum Co. of Am.*, 148 F.2d 416, 430 (2d Cir. 1945).

[26] Masoudi, *supra* note 2, at 3.

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System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 515908 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 2:20 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE PROTECT OUR CHILDREN CONFERENCE

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, SEPTEMBER 13, 2006
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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE PROTECT OUR CHILDREN CONFERENCE

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks before the Protect our Children conference regarding Department of Justice efforts to combat online child predators through Project Safe Childhood on **THURSDAY, SEPTEMBER 14, 2006**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks before the Protect our Children conference regarding Department of Justice efforts to combat online sex predators through Project Safe Childhood

WHEN: 12:45 P.M. CDT
Hilton Kansas City Airport Hotel
Shawnee Ballroom
8801 N.W. 112th Street
Kansas City, Mo.
OPEN PRESS

Note: Pre-set for the Attorney General's remarks is **12:00 P.M. CDT**. Press inquiries regarding logistics should be directed to Angela Williamson at the Department of Justice at 202-532-5349.

# # #

06-617

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Image not available for this document, ID: 0.7.10316.32684-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 2:31 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE HURRICANE KATRINA ONE-YEAR ANNIVERSARY SYMPOSIUM

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 13, 2006
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE HURRICANE KATRINA ONE-YEAR ANNIVERSARY SYMPOSIUM

NEW ORLEANS, LOUISIANA

Good afternoon. It's good to be back in New Orleans. I was here a few weeks ago to talk with many of you about a regional, multi-disciplinary approach to rebuilding the greater New Orleans criminal justice system, because this great city cannot return to its former glory if its neighborhoods are being held hostage by criminals.

So I want to begin today by commending law enforcement officials here in New Orleans and all across the gulf region for their tireless efforts to take back the region's cities. Much has been done but there is much more left to do.

I know it angers all of us that devastating natural disasters have been followed by hundreds of smaller, man-made ones. From violent crime to fraud, this region has been taken advantage of by criminal elements.

After Hurricanes left this region in ruins, with thousands of lives lost and dismantled, the vast majority of the nation responded with compassion. Government, private sector and individual efforts to help the people of the region were as unprecedented as Hurricane Katrina herself.

Yet while most Americans were sending donations and prayers, some chose to plot their own corrupt enrichment instead. And the problem became a national one – requiring a national response including this integrated task force.

The actions of those committing disaster-related fraud are shameful as well as illegal – and I know they aren't tolerated by anyone in this room today.

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In the past year, the Hurricane Katrina Fraud Task Force has proven that point, charging more than 400 defendants in 30 separate judicial districts around the country.

These cases have involved millions of dollars – and in fact, since the establishment of the Task Force, FEMA and the Red Cross report that more than $18.2 million has been returned by recipients of individual-assistance benefits. I see this as a sign that your efforts are making a difference in terms of deterrence as well, and that's extremely important. People need to know that they won't get away with these crimes, and that message is getting out there.

The people in this room today have cracked down criminal on activity ranging from charity and assistance fraud to identity theft, Internet fraud and public corruption involving federal or state contracts.

You've caught scores of people who, unaffected by the storms, tried to claim FEMA funds. One woman was living in Belleville, Illinois at the time of Hurricane Katrina. She defrauded FEMA by claiming she was displaced by the storm and even went so far as to tell FEMA that her two daughters had died during the flooding in New Orleans… and that she had watched their bodies float away.

This woman had no daughters. It was all an elaborate fabrication which resulted in her indictment by the Justice Department this summer.

Another defendant allegedly made and presented to FEMA a false claim for funds for individuals displaced by Hurricane Katrina, claiming home damage and essential need for food, clothing and shelter. With those funds, the defendant allegedly obtained rooms at seven different hotels in Las Vegas… and re-rented them to other individuals for the believed purposes of narcotics sales and prostitution.

Some fraudsters had the audacity to set up websites to collect charitable donations… but truly the money was for personal profit. Your investigations and indictments in those cases have put other would-be Internet thieves on notice.

The examples seem endless, and it is disturbing to see not only the volume of fraud but the lengths to which people would go to take advantage of others' suffering.

Through your work, you have protected private, taxpayer and charitable dollars and discouraged would-be criminals from taking advantage of the situation in the Gulf Coast.

In short: I applaud your outstanding efforts to stop hurricane-related fraud, an especially dishonorable form of theft.

Today we've gathered to look at the past year – and to share what we've learned with one another. Because the work of the Task Force is not yet done. Billions of dollars are headed to the Gulf Coast region for the rebuilding effort – and we know that fraud, sadly, follows dollars. The criminally-minded are watching that money with a scheming eye, so our continued vigilance is more important than ever

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We need to watch for those who may be creating fraudulent websites to solicit charitable donation or to phish for identity theft purposes.

We'll continue to crack down on "insiders" who are using their positions with disaster relief programs to commit fraud for themselves or others.

And our eyes will be sharp for future cases of bribery or extortion of public officials involved in the disaster relief or recovery efforts.

Because of the work we have done, we are smarter now and I predict that our efforts going forward will be even better than our success to date.

The report released today details the trends and patterns the Task Force has identified, and that is one of the things that will assist you in the considerable work that lies ahead.

Your report identifies the cycles of fraud after disasters – beginning with charity-fraud schemes, then moving into emergency-assistance schemes and later procurement and insurance fraud.

The Task Force has also identified, and detailed in its report, how systemic weaknesses are exploited by criminals. In short, when these criminals find a weak spot, an easy route to the money, they tend to return for more – giving law enforcement an opportunity to stop them.

I think that you will all find the "best practices" section of the report useful as well. It lays out steps like planning, training, outreach and coordination that have worked for you already, but I believe everyone will find good tips and ideas to keep in mind as this enormous job continues to unfold.

As you go forward with your work, remember that you play a key role in making the most of the money that is allocated to help this region. I know that you and I agree that every dollar that is directed for Hurricane relief and rebuilding of the Gulf Coast should be used in the affected communities - not to pad the bank accounts of criminals.

Together, we must ensure that the criminals who have exploited this time of human suffering are brought to justice, and that their crimes do not undermine the programs intended to rebuild the homes, businesses, and communities destroyed by Hurricanes Katrina, Rita and Wilma. The Department of Justice is absolutely dedicated to vigorously investigating and prosecuting fraud, in whatever form it may take, and we are proud to work with you – our partners – to prevent fraud in the future.

I am reassured to know that you are safeguarding the integrity of this rebuilding and recovery process.

Thank you again for your efforts and your service; may God bless you and the critical work ahead.

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Davis, Deborah J

From: Davis, Deborah J
Sent: Wednesday, September 13, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Read: Contact Information

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 3:17 PM
To: USDOJ- Office of Public Affairs
Subject: HURRICANE KATRINA FRAUD TASK FORCE RELEASES REPORT ON FIRST YEAR OF ACTIVITIES

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HURRICANE KATRINA FRAUD TASK FORCE RELEASES REPORT ON FIRST YEAR OF ACTIVITIES

WASHINGTON – Over 170 members of federal, state and local law enforcement met today in New Orleans for the first annual conference of the Hurricane Katrina Fraud Task Force, a multi-agency national task force led by the Department of Justice to deter, detect and prosecute cases of fraud in the aftermath of Hurricanes Katrina, Rita and Wilma.

In its first-year report given to Attorney General Alberto R. Gonzales at the conference today, the Hurricane Katrina Fraud Task Force reported that more than 400 people have been federally charged with hurricane-related fraud since the Attorney General created the Task Force on Sept. 8, 2005. Those federal charges were filed in 30 federal districts in all regions of the United States. State and local prosecutors' offices have also continued to bring criminal cases involving hurricane-related fraud.

The Task Force is chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division. In addition to prosecutors from the Department's Criminal Division, U.S. Attorney's Offices in the Gulf Coast region and throughout the country, and the Antitrust and Civil Divisions, members of the Task Force include the Federal Bureau of Investigation (FBI), the Internal Revenue Service Criminal Investigation Division, the U.S. Postal Inspection Service, the U.S. Secret Service, the U.S. Inspector General community (under the leadership of the Homeland Security Roundtable of the President's Council on Integrity and Efficiency), the Federal Trade Commission, and representatives of state and local law enforcement, such as the National Association of Attorneys General and the National District Attorneys Association.

"To take advantage of the devastation and recovery efforts in the Gulf Coast is both shameful and illegal," said Attorney General Gonzales. "We must ensure that the criminals who have exploited this time of human suffering are brought to justice, and that their crimes do not undermine the programs intended to rebuild the homes, businesses, and communities destroyed by Hurricanes Katrina, Rita and Wilma. The Department of Justice will continue to vigorously investigate and prosecute fraud, in whatever form it may take, and work with our partners to prevent fraud in the future."

The Task Force reported that as of Aug. 17, 2006, the Federal Emergency Management Agency (FEMA) had received more than 2.5 million applications for disaster assistance relating to Hurricanes Katrina

and Rita. While the vast majority of those applicants had legitimate need for the assistance they sought, the Task Force found that numerous people committed fraud in seeking benefits to which they were not entitled, and that "fraud follows the money" – meaning that criminals tended to exploit any situation with the prospect of personal financial gain. That included, in the first cycles immediately following the hurricane – charity fraud schemes,
emergency assistance schemes such as the false applications for FEMA benefits, and procurement and insurance fraud.

The Task Force is looking at several types of fraud in order to protect the billions of dollars going into the effort to rebuild the hurricane-ravaged region. That focus includes investigations into government-contract and procurement fraud, public corruption, government and private-sector benefit fraud, identity theft and false charities.

The Task Force's Joint Command Center, established in Baton Rouge, La., following Hurricanes Katrina and Rita and headed by U.S. Attorney David R. Dugas of the Middle District of Louisiana, has reviewed and analyzed more than 6,000 fraud-related tips and complaints in the one year since Katrina. Thirty-three agencies and DOJ components have representatives assigned to the Joint Command Center or designated as points of contact to fully integrate and coordinate the national law enforcement response to fraud and corruption. The Task Force reported indications that the prosecution of Katrina fraud cases was having a deterrent impact, with FEMA and the American Red Cross reporting the return of more than $18.2 million in funds by receptions of individual-assistance benefits.

The Task Force's First Year Report also included recommendations for suggested best practices for law enforcement after future disasters. These recommendations included pre-disaster preparation such as standardized training in disaster relief programs and the fraud typically associated with those programs, public outreach to prevent and deter fraud in the event of a natural disaster, the creation of district and multi-district working groups, protocols for data sharing and data management, and the establishment of Joint Command Centers to gather data, share information and coordinate fraud investigations.

Members of the public are encouraged to continue reporting instances of possible hurricane-related fraud. Reports can be sent to the FBI through a tipline at 1-800-CALL–FBI (800-225-5324), the Hurricane Fraud Hotline by phone at 1-866-720-5721 or by fax at 225-334-4704, by mail to the Hurricane Fraud Task Force, Baton Rouge, La., 70821-4909, or by email to HKFTF@leo.gov. Charity, benefit and other types of consumer fraud can be reported to the Federal Trade Commission at 1-877-FTC-HELP (1-877-382-4357), or by e-mail to the Internet Crime Complaint Center at http://ic3.gov. The FTC has an Identity Theft Hotline at 1-877-ID-THEFT (1-877-438-4338).

The Hurricane Katrina Fraud Task Force's First Year Report to the Attorney General is available online at http://www.usdoj.gov/katrina/Katrina_Fraud/docs/09-12-06AGprogressrpt.pdf.

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Department of Justice

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U.S. Department of Justice

Hurricane Katrina Fraud Task Force

First Year Report to the Attorney General

September 2006

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LETTER FROM ASSISTANT ATTORNEY GENERAL ALICE S. FISHER TO THE ATTORNEY GENERAL

The Honorable Alberto R. Gonzales
Attorney General

Dear Attorney General Gonzales:

I am pleased to submit the First Year Report of the Hurricane Katrina Fraud Task Force. Having recently passed the first year anniversary of your creation of the Task Force, the Task Force's mission remains the detection, deterrence, prevention and punishment of fraud related to the devastation caused by Hurricanes Katrina, and later Rita and Wilma. Although we have realized great success this year, after recently visiting the affected areas again I know that there is still considerable work to be done. I pledge that the Task Force will continue to investigate and prosecute fraud wherever we find it.

The dedication of all the Task Force members and United States Attorney's Offices across the country to the mission of the Task Force is demonstrated by the Task Force's prosecutions. Since the establishment of the Task Force in September 2005, 30 United States Attorneys across the country have charged more than 400 people with various hurricane fraud-related crimes involving millions of dollars. These prosecutions have sent a powerful message of deterrence to those who might otherwise seek to benefit from these disasters. Indeed, since your formation of the Task Force, the Federal Emergency Management Agency (FEMA) and the Red Cross report that more than $18.2 million has been returned by recipients of individual-assistance benefits, a sign that our prosecutions are deterring fraud.

These prosecutions are made possible by the exemplary investigation and cooperation among federal law enforcement, Inspectors General from impacted agencies, and state and local law enforcement. Working through the Task Force's Joint Command Center, which is led by David Dugas, the United States Attorney for the Middle District of Louisiana, the Department of Justice, investigative agencies, and Inspectors General are coordinating and cooperating in a wide range of operational and investigative matters. In particular, I want to recognize the contributions of the FBI, under the direction of Chip Burrus, Assistant Director of the Criminal Investigative Division, and the Department of Homeland Security Inspector General's office, under the direction of Inspector General Richard Skinner, both of which have been instrumental in establishing the Command Center. The Command Center has reviewed and analyzed more than 6,800 fraud-related tips and complaints, and investigative agencies working through the Command Center are tracking the disbursement of disaster-related funds in the affected areas in an attempt to identify and disrupt fraudulent schemes as quickly as possible.

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The Task Force is also working hard to ensure that disaster resources will flow only to those who are entitled to receive them. Although considerable amounts of individual assistance have already been disbursed, significant funds – to repair homes and neighborhoods, foster small businesses, and rebuild infrastructure – will be disbursed in the months ahead. The Task Force, in partnership with state and local officials, is encouraging the implementation of fraud-prevention measures in connection with these programs.

The Task Force has also prepared a list of Best Practices to guide the law enforcement responses to future natural disasters. These Best Practices, which are included in this report, set out the most important lessons learned by law enforcement in responding to Hurricanes Katrina, Rita, and Wilma, and should be an invaluable tool to prevent fraud in the wake of future natural disasters.

Thank you for your leadership in forming and then setting clear objectives for the Task Force. It is my privilege to work with you and so many dedicated and resourceful law enforcement representatives, at all levels of government, in this important endeavor. On behalf of all of our law enforcement partners, I assure you that we will continue to carry out the vital mission you have entrusted to us.

Sincerely,

Alice S. Fisher
Chairman
Hurricane Katrina Fraud Task Force

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TASK FORCE MEMBERS

The Hurricane Katrina Fraud Task Force includes the following members:

- The Federal Bureau of Investigation (FBI);
- The Criminal Division of the Department of Justice;
- The Executive Office for United States Attorneys;
- United States Attorney's Offices in the Gulf Coast region and throughout the country;
- The Antitrust Division of the Department of Justice;
- The Civil Division of the Department of Justice;
- The Internal Revenue Service Criminal Investigation Division;
- The United States Postal Inspection Service;
- The United States Secret Service;
- The Department of Homeland Security (DHS);
- The Federal Trade Commission (FTC);
- The Securities and Exchange Commission (SEC);
- The President's Council on Integrity and Efficiency, the Executive Council on Integrity and Efficiency, and numerous Inspectors General, including –

  · the Department of Agriculture;
  · the Department of Commerce;
  · the Department of Defense;
  · the Department of Education;
  · the Department of Energy;
  · the Department of Health and Human Services;
  · the Department of Homeland Security;
  · the Department of Housing and Urban Development;
  · the Department of Justice;
  · the Department of Labor;
  · the Department of Transportation;
  · the Department of the Treasury (for Tax Administration);

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- the Environmental Protection Agency;
- the Federal Deposit Insurance Corporation (FDIC);
- the General Services Administration;
- the National Aeronautics and Space Administration;
- the Small Business Administration;
- the Social Security Administration;
- the United States Postal Service;
- the Veterans Administration; and

- Representatives of state and local law enforcement, including –

  - the National Association of Attorneys General; and
  - the National District Attorneys Association.

The Task Force also operates in close partnership with the American Red Cross and a variety of private-sector organizations that have been assisting law enforcement in identifying new hurricane-related fraud schemes.

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I. TASK FORCE BACKGROUND AND MISSION STATEMENT

"To take advantage of the devastation and recovery efforts in the Gulf Coast is both shameful and illegal. We must ensure that the criminals who have exploited this time of human suffering are brought to justice, and that their crimes do not undermine the programs intended to rebuild the homes, businesses, and communities destroyed by Hurricanes Katrina, Rita and Wilma. The Department of Justice will continue to vigorously investigate and prosecute fraud, in whatever form it may take, and work with our partners to prevent fraud in the future."

Attorney General Alberto R. Gonzales

On September 8, 2005, in the immediate aftermath of Hurricane Katrina, United States Attorney General Alberto R. Gonzales established the Hurricane Katrina Fraud Task Force. The Task Force is charged with deterring, detecting, and prosecuting unscrupulous individuals who try to take advantage of the Katrina, Rita, and Wilma disasters. The overall goal is to stop people who seek to illegally take for themselves the money that is intended for the victims of the hurricanes and the rebuilding of the Gulf Coast region.

The Task Force has mobilized to send a strong message of deterrence by bringing prosecutions as quickly as possible. The Task Force tracks referrals of potential cases and complaints, coordinates with law enforcement agencies to initiate investigations, and works with the appropriate United States Attorney's Offices to ensure timely and effective prosecution of fraud cases related to Hurricanes Katrina, Rita, and Wilma. By casting a broad net and using the investigative assets of federal law enforcement agencies, federal Inspectors General, and state and local law enforcement – together with the prosecution resources of the 93 United States Attorney's Offices – the Task Force is positioned to act quickly and aggressively to bring to justice those who would further victimize the victims of these natural disasters.

Since Hurricane Katrina made landfall on August 29, 2005, vast numbers of people have needed help from government and private-sector entities. Throughout the Gulf Coast region, hundreds of thousands of people were displaced, hundreds of thousands of homes and other housing units were destroyed or damaged, and residents suffered tens of billions of dollars in

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losses because of storm damage.[1] As of August 17, 2006, FEMA had received more than 2.5 million applications for disaster assistance relating to Hurricanes Katrina and Rita.

The vast majority of these applicants have legitimate need for the assistance they are seeking. The Task Force's work to date, however, has shown that numerous people have committed fraud in seeking benefits to which they are not entitled. Disaster-relief organizations have reported to law enforcement that they have identified thousands of questionable or possibly fraudulent payments to purported hurricane victims. In addition, the Task Force is already prosecuting instances of contract fraud and public corruption.

The Task Force is combating all types of fraud relating to private-sector and government efforts to help victims of Hurricanes Katrina, Rita, and Wilma to rebuild their lives and their communities. The Task Force will adapt to combat whatever fraudulent schemes criminals may create to exploit the hurricanes' effects on the Gulf Coast region. The principal types of fraud on which the Task Force is now concentrating include:

- *Government-Contract and Procurement Fraud*: Cases in which individuals and companies engage in fraud relating to federal funds for the repair and restoration of infrastructure, businesses, and government agencies in the affected region;

- *Public Corruption*: Cases in which public officials participate in bribery, extortion, or fraud schemes involving federal funds for the repair and restoration of infrastructure, businesses, and government agencies in the affected region;

- *Government and Private-Sector Benefit Fraud*: Cases in which individuals file false applications seeking benefits to which they are not entitled, and file fraudulent claims for insurance;

- *Identity Theft*: Cases in which the identities of innocent victims are "stolen" and assumed by criminals who convert the funds of, or otherwise defraud, the victims; and

- *Fraudulent Charities*: Cases in which individuals falsely hold themselves out as agents of a legitimate charity or create a "charity" that is, in fact, a sham.

The Task Force has ongoing investigations and prosecutions in each of these areas.

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[1] *See* FEMA, Press Release, By the Numbers - One Year Later, August 2, 2006, *available at* http://www.fema.gov/news/newsrelease.fema?id=29109.

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The Task Force is committed to ensuring the integrity of relief and reconstruction efforts and guarding against the unlawful diversion of federal and charitable funds intended to rebuild the region and help its residents. Task Force members are working to keep the public informed about fraudulent schemes, and to give them the information they need to avoid becoming victims of fraud. Similarly, the Task Force is widely publicizing its criminal prosecutions, so that would-be fraudsters think twice about engaging in this type of criminal activity.

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II. TRENDS AND PATTERNS IN HURRICANE-RELATED FRAUD

In the year since Hurricane Katrina made landfall, the Task Force's Joint Command Center has reviewed and analyzed more than 6,000 fraud-related tips and complaints. Federal authorities have charged more than 400 individuals in fraud cases related to Hurricanes Katrina, Rita, and Wilma. State and local authorities have prosecuted additional cases throughout the country. Based on the Task Force's investigative and prosecutive experience to date, certain trends and recurring patterns of disaster-related criminal activity appear evident.

A. Cycles of Fraud After Disasters

It is a truism among fraud investigators that "fraud follows the money." Criminals tend to pursue opportunities for fraud in any situation where they observe that there is a prospect of significant personal gain, particularly where they believe that the risk of successful prosecution is low. In the case of disaster-related fraud, recent experience has shown that there are several distinct cycles of fraud after any major disaster.

The first cycle of fraud – charity-fraud schemes – begins at (or even shortly before) the time that a disaster strikes. With Katrina and Rita, for example, criminals exploited the outpouring of private and public support for hurricane victims by obtaining domain names for websites and then establishing fraudulent websites to which they tried to persuade the public to send their charitable donations for hurricane victims. The lifecycle for these charity-fraud schemes extends from the onset of the disasters for four to six weeks thereafter.

The second cycle of fraud – emergency-assistance schemes – begins as soon as the public is informed that the federal government and private entities are providing emergency-assistance funds for disaster victims, as well as funds for damage to their homes and businesses. This period may extend from the first day or two after the disaster subsides for a period of several months or more, depending on the eligibility criteria that public and private agencies establish and the deadlines they select for applications. FEMA, for example, disbursed more than $6 billion directly to Hurricane Katrina victims for housing and other needs assistance through the Individuals and Households Assistance Program, approved nearly $975 million in Community Disaster Loans for municipalities in Louisiana and Mississippi to help local authorities maintain essential services, and paid $650 million for hotel and motel rooms to provide hotel and motel rooms to tens of thousands of families affected by Hurricanes Katrina and Rita who were in need of short-term sheltering.[2]

The third cycle of fraud – procurement and insurance fraud – begins as soon as the public

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[2] *See* FEMA, Press Release, By the Numbers - One Year Later, August 2, 2006, *available at* http://www.fema.gov/news/newsrelease.fema?id=29109.

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is informed that funds are being made available for recovery and reconstruction of the affected areas. Even in the initial phases of recovery, such as debris removal (see Figure 1 below), criminals seek to develop opportunities for fraud. Just last month, for example, four individuals were indicted in the Southern District of Mississippi for conspiracy to defraud the United States in connection with the creation and submission of fraudulent debris removal load slips in the amount of $716,677. In this case, the load tickets were submitted even though the trucks at issue were not being used on the roadways or at the dumps indicated. In another case, the Task Force saw similar conduct when another debris hauler submitted falsified load tickets for trucks that were actually in another state at the time. Public corruption is often associated with procurement fraud, as schemes by contractors to submit false or fraudulent invoices or documentation often succeed only because they bribe or compromise the public employees and officials whose oversight is essential for the conduct of the program.

Figure 1 - Hydraulic Excavator Filling Debris-Removal Truck in Pass Christian, Mississippi

[Source: Mark Wolfe/FEMA]

B. Exploitation of Systemic Weaknesses

The Task Force prosecutions have shown that with disaster-related fraud, as with other types of fraud, criminals often seek out and exploit any perceived systemic weaknesses in oversight or internal controls associated with disaster relief programs. In a number of cases throughout the country, initial prosecutions of individuals who filed a single fraudulent claim for disaster relief soon led to evidence that individuals were filing multiple fraudulent claims for benefits, and in some cases even recruited neighbors, friends, and family members to participate

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in the scheme. This trend has held true in federally funded disaster relief programs, as well as private charitable relief programs. The experience gained by the Task Force member agencies over the past year, and the unprecedented information-sharing among those agencies, have enabled investigators to better identify and investigate these fraud rings.

C. Exploitation by Insiders

A particularly distressing pattern of criminal activity has involved individuals who use their positions with governmental agencies and charitable organizations to exploit the disaster relief programs that they are supposed to protect. The Task Force is prosecuting employees or contractors of FEMA, the Army Corps of Engineers, the Louisiana Department of Labor, and the American Red Cross for fraud committed by those individuals against the very programs that they were entrusted to administer.

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III. Suggested Best Practices for Law Enforcement After Future Disasters

The past year has provided Task Force members with numerous challenges in their efforts to combat disaster related fraud arising from Hurricanes Katrina, Rita, and Wilma. The Task Force has overcome those challenges through the implementation of innovative practices and techniques, through unprecedented inter-agency cooperation and through the sheer hard work and dedication of the members of the Task Force. This section is intended to memorialize some of the lessons learned by the Hurricane Katrina Fraud Task Force. It is not intended as an exhaustive statement of all potential anti-fraud measures that should be taken following a disaster.

Depending on the size and scope of the disaster, federal law enforcement and relief agencies will be faced with some or all of the following challenges. First, numerous federal agencies and private charities will respond with an outpouring of disaster relief aid. Fraudsters will exploit any weaknesses in disaster relief programs. Relief agencies will be faced with the challenge of providing assistance in a timely manner while adequately verifying eligibility and entitlement.

Second, the relief response will involve programs and procedures with which most United States Attorney's Offices (USAOs) and federal law enforcement agency field offices (Field Offices) have little or no experience. In order to deal with the fraud that will likely accompany the relief efforts, it will be necessary for supervisory and line personnel to quickly gain an understanding of how these relief programs work, the eligibility requirements for the programs, the legal and regulatory framework of the programs, the types of fraud typically associated with the programs, the evidence that will be needed to investigate and prosecute that fraud, and how that evidence can best be located and collected.

Third, the USAOs and the Field Offices impacted by the disaster will be the front line of the anti-fraud effort. Experience teaches that disaster related fraud begins even before the effects of the disaster itself begin to subside. The affected federal law enforcement offices will be faced with responding to that fraud while still recovering from the effect of the disaster on their offices and districts.

Fourth, auditors and investigators from various Inspectors General offices (OIG) will flood into the area and begin conducting audits and investigations. Most will be unfamiliar with the affected area and will not previously have dealt with the USAOs, the federal law enforcement field offices or the state and local law enforcement authorities in the area. They will be unaware of pending public corruption or other white collar crime investigations and will have little knowledge of how federal, state and local law enforcement historically interacts in the affected area. Their activities must be integrated into the pre-existing law enforcement structure in the affected area to avoid conflicting or redundant investigations.

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Finally, if the disaster is large enough, it will attract the attention and interest of criminals across the nation and even around the world. Information sharing, data gathering and coordination at the national level may be required.

To deal with these challenges, the following best practices should be considered:

A. Pre-Disaster Preparation

Assistance Pre-planning

- Best Practice: Disaster relief agencies should establish clear standards for assistance eligibility with verification procedures, including certification, where possible.

- Best Practice: Disaster relief agencies should establish protocols for coordination to avoid duplication of benefits.

Standardized Training

- Best Practice: The Department of Justice and other agencies with expertise in disaster-related fraud investigation should participate in training at the new OIG Institute.

- Best Practice: The Office of Legal Education should present disaster fraud training for Assistant United States Attorneys (AUSAs) at the National Advocacy Center. The training should be designed in coordination with the Criminal Division Fraud Section and the President's Counsel on Integrity and Efficiency (PCIE) Homeland Security Roundtable.

Pre-Packaged Training Modules

- Best Practice: The Office of Legal Education and the Criminal Division should work with the PCIE Homeland Security Roundtable to design pre-packaged training modules (both hard-copy and digital) that can be delivered to federal law enforcement in the affected areas to familiarize USAOs and federal agents with disaster relief programs.

B. Post-Disaster District Level Response

Public Outreach to Prevent and Deter Fraud

- Best Practice: The U.S. Attorney, Field Office supervisors, and OIG representatives should immediately conduct press conferences and press interviews to caution the public about post-disaster fraud and to establish a visible law enforcement response to potential fraudulent activity.

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Creation of District Anti-Fraud Working Group

- Best Practice: The U.S. Attorney should immediately establish a district anti-fraud working group. At a minimum, the working group should include representatives from any of the following federal agencies present in the district:

  - Federal Bureau of Investigation;
  - Department of Homeland Security, Office of Inspector General (DHS-OIG);
  - United States Secret Service;
  - Social Security Administration, OIG;
  - Department of Housing and Urban Development, OIG;
  - Department of Labor, OIG;
  - U.S. Postal Inspection Service;
  - U.S. Postal Inspection Service, OIG;
  - Internal Revenue Service, Criminal Investigative Division;
  - Treasury Inspector General for Tax Administration;
  - Department of Health and Human Services, OIG;
  - Environmental Protection Agency, OIG;
  - Environmental Protection Agency, Criminal Investigative Division;
  - Department of Agriculture, OIG;
  - Department of Commerce, OIG;
  - Department of Defense (OIG and Defense Criminal Investigative Service);
  - Department of Energy, OIG;
  - Department of Transportation, OIG;
  - General Services Administration, OIG; and
  - Small Business Administration, OIG.

The working group, once established, should consider the inclusion of representatives from state and local law enforcement agencies (and major charitable organizations such as the American Red Cross), and determine how best to coordinate activities with those agencies and organizations in order to ensure a cooperative and coordinated attack on disaster related fraud at all levels.

Establishment of Protocol for Data Access by the Working Group

- Best Practice: The District Working Group should, through the OIG representatives on the Working Group, contact all federal agencies providing relief services in the affected area and agree on protocols for the Working Group to obtain information on disaster relief programs and other information that will be useful in the investigation and prosecution of disaster related fraud. Similar outreach should be conducted by the USAO or FBI with charitable organizations and other non-governmental organizations operating in the affected area.

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Devising of Data Management System

- Best Practice: The District Working Group should devise a data management system that will hold and manage all disaster fraud information gathered by the Working Group and make that information available to members of the Working Group. Such a data management system will be particularly important to manage tips and leads provided by the public or gathered by investigative agencies and will also be needed to de-conflict law enforcement anti-fraud efforts.

C. Post-Disaster Multi-District or National Response

National Task Force

- Best Practice: If the post-disaster fraud is likely to be national in scope, the Attorney General may decide to establish a national task force similar to the Hurricane Katrina Fraud Task Force. If the disaster affects more than one district, but does not warrant the creation of a national task force, then the U.S. Attorneys in the affected districts should confer to decide whether a multi-district task force is warranted.

- Best Practice: Because local conditions in the affected areas may vary following a disaster, the U.S. Attorney and the local working group is best situated to determine how state and local law enforcement authorities should be integrated into the disaster fraud working group. If a national task force is established, then the Attorney General for each state affected by the disaster, the National Association of Attorneys General, the National District Attorneys Association, and other national and state level law enforcement associations should be asked to participate in those activities of the Task Force that will affect state and local law enforcement authorities.

Hotlines and Complaint Referral Procedure

- Best Practice: The public can be an excellent source of tips and leads about fraudulent activity, particularly if fraud is widespread following a disaster. Hotlines, if properly managed, can be useful in gathering information from the public. However, because fraud following a disaster will likely involve multiple disaster relief programs, a single hotline will not be effective unless the agency operating the hotline has the ability to refer hotline complaints to all agencies with jurisdiction over disaster related fraud. If referrals are made to multiple agencies, then the agency operating the hotline should maintain a record of the nature of each complaint and the agency to which the complaint has been referred.

- Best Practice: The Department of Justice should conduct outreach with the nonprofit sector, especially headquarters of charitable organizations most likely to be providing emergency assistance on a continuing basis in the affected region, to facilitate coordination and establish protocols for referral of possible criminal violations to law

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enforcement.

Referral and Deconfliction Database

- Best Practice: To properly log hotline complaints and track their referral, a standard complaint referral form should be used by hotline operators and the information recorded in the complaint referral form should be entered into a single database that can be used to de-conflict complaint referrals and maintain a record of complaint referrals for tracking purposes. This database should be accessible by law enforcement officers nationwide.

Command Center

- Best Practice: The Hurricane Katrina Fraud Task Force Joint Command Center has provided a centralized data-gathering, information-sharing, deconfliction, and coordination mechanism for the Task Force. Because of the number of agencies and programs involved in disaster relief, future national disaster fraud task forces should establish a joint command center with the ability to receive, screen, de-conflict and refer all complaints and leads related to disaster fraud.

Analytical Resources

- Best Practice: If a joint command center is established, then the command center can serve as a central collection point for information on disaster relief programs and data on potential fraudulent activity. If the command center is used for that purpose, then those agencies with primary jurisdiction over significant disaster related crimes should assign analysts or auditors to the command center in order to analyze the data to detect patterns or trends that may point investigators to evidence of fraudulent conduct.

- Best Practice: Because local conditions in the affected areas may vary following a disaster, the U.S. Attorney and the local working group is best situated to determine how state and local law enforcement authorities should be integrated into the disaster fraud working group. If a national task force is established, then the Attorney General for each state affected by the disaster, the National District Attorneys Association and other national and state level law enforcement associations should be asked to participate in those activities of the Task Force that will affect state and local law enforcement authorities.

D. Prosecution

Information-Sharing

- Best Practice: Access to disaster relief agencies files and databases is critical to investigation of disaster related fraud offenses. FEMA has provided law enforcement access to the National Emergency Management Information System database which has

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proven vital. Disaster relief agencies should provide a standard protocol for law enforcement to obtain information from the agencies and their files/databases.

Preservation of Evidence

- Best Practice: Disaster relief computer programs should be saved and protected. This is particularly important if the programs are upgraded or otherwise changed.

Standardization of Practices

- Best Practice: The Department of Justice should establish a comprehensive brief bank of indictments and other legal documents pertaining to all types of disaster fraud.

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IV. Accomplishments of the Task Force

A. Summary of Accomplishments

1. Prosecution and Enforcement

As of September 1, 2006, the Task Force has prosecuted more than 400 individuals in 30 districts throughout the country, and additional state and local prosecutions for disaster-related fraud have been brought.

2. Deterrence and Returned Funds

In the past year, FEMA and the American Red Cross (ARC) have had a total of more than $18.2 million in funds returned by recipients of individual-assistance benefits. FEMA received a total of $15.82 million, and ARC more than $2.4 million, in returned funds.

3. Increased Coordination

Investigative agencies and federal Inspectors General have expanded their cooperation and coordination on hurricane-related investigations. A vital component of coordination has been the Task Force's Joint Command Center, which has been in full operation in Baton Rouge, Louisiana for a number of months. The Command Center, to which the FBI has provided personnel and logistical support, has proved to be a major source of support for hurricane-related investigative efforts throughout the country. The Department of Justice and investigative agencies are making sound use of the Command Center for receipt, deconfliction, and referral of complaints; review and analysis of potentially fraudulent applications for disaster-related benefits; and timely information-sharing with relevant law enforcement agencies. The Department is also working closely with federal Offices of Inspectors General to advise them of systemic weaknesses and vulnerabilities that agents are identifying through their criminal investigations.

4. Training and Proactive Detection

The Command Center has continued to host training by Department of Justice prosecutors for federal agencies, and has conducted more extensive training for Gulf Coast-based Assistant United States Attorneys and other agencies at the Command Center. It continues to play a significant role in proactively identifying patterns of potentially fraudulent activity in applications for disaster-related benefits. The Department of Justice is also planning to publish a disaster-fraud manual for federal prosecutors.

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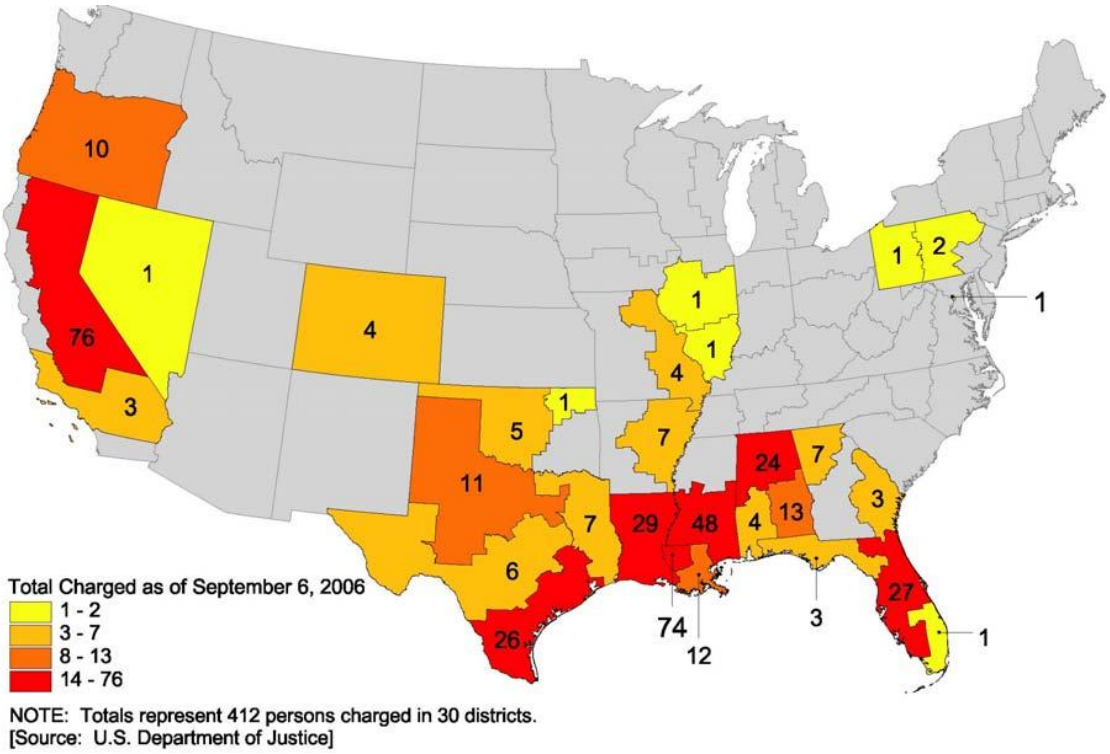
B. Prosecution and Enforcement

The most tangible proof of their commitment is the dramatic increase in the number of prosecutions stemming from Hurricanes Katrina and Rita. As of October 17, 2005, the date of the first progress report, the Task Force had charged 36 people in 17 separate cases with hurricane-related fraud. As of September 6, 2006, more than 400 people have been federally charged with hurricane-related fraud. (See Figure 2 below.)

Figure 2 - Federal Criminal Prosecutions, September 1, 2005 - September 6, 2006



NOTE: Totals represent 412 persons charged in 30 districts.
[Source: U.S. Department of Justice]

These prosecutions span 30 federal districts in all regions of the United States. State and local prosecutors' offices have also continued to bring criminal cases involving hurricane-related fraud.

While the majority of Task Force prosecutions in the past year still involve fraud to obtain individual assistance benefits from FEMA and the American Red Cross, the Task Force is seeing more cases involving identity theft, procurement fraud, and public corruption. The following summaries of recent disaster fraud-related cases from a variety of United States Attorney's Offices are offered as a sample of the fraudulent schemes being successfully

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investigated and prosecuted.

Alabama - Middle District (United States Attorney Leura Garrett Canary)
[13 Persons Charged]

- On March 1, 2006, a federal grand jury indicted a woman for fraudulently obtaining disaster assistance from FEMA in the wake of Hurricane Katrina and then threatening a witness who was to testify against her about her FEMA claims. The defendant is also charged with using a gun while threatening the witness.[3]

Alabama - Northern District (United States Attorney Alice H. Martin)
[24 Persons Charged]

- On August 28, 2006, a federal grand jury indicted 15 individuals on charges relating to filing false claims with FEMA. Six of the defendants, for example, filed with FEMA, claiming to be residents of Texas during the landfall of Hurricane Rita. They reported property damage on their claims for emergency relief funds. A $2,000 U.S. Treasury check was issued to each individual based on the fraudulent information provided. The defendants allegedly cashed the checks knowing the information they provided was false.[4]

- On August 17, 2006, a defendant was sentenced to 19 months imprisonment for defrauding FEMA, after posing as a Hurricane Katrina evacuee, stealing another woman's identity, and forging that woman's name to obtain $2,000 in disaster relief funds.[5]

Alabama - Southern District (United States Attorney Deborah J. Rhodes)
[4 Persons Charged]

- On July 27, 2006, a federal grand jury indicted a woman in an 66-count indictment alleging mail fraud, wire fraud and aggravated identity theft. The indictment alleges that from September 8, 2005 through May 11, 2006, the defendant applied for disaster

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[3] *See* United States Attorney's Office, Middle District of Alabama, Press Release, March 6, 2006, *available at* http://www.usdoj.gov/usao/alm/Press/willis_indictment.html.

[4] *See* United States Attorney's Office, Northern District of Alabama, Press Release, August 29, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-29-06USAO_ALN.pdf.

[5] *See* United States Attorney's Office, Northern District of Alabama, Press Release, August 17, 2006, *available at* http://www.usdoj.gov/usao/aln/Docs/August%202006/AUGUST%2017,%202006%20IMPRISONMENT%20GIVEN%20IN%20FEMA%20FRAUD%20CASE.html.

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benefits from FEMA using false Social Security numbers and variations of her name and address. As a result of the fraudulent claims, the defendant allegedly received from FEMA a total of $277,377, which she used to purchase real estate, a mobile home, automobiles, electronics and other personal property. The defendant allegedly lived in Jackson, Mississippi at the time of Hurricane Katrina. DHS-OIG, the FBI, and the U.S. Postal Inspection Service investigated the case.[6]

Arkansas - Eastern District (United States Attorney Bud Cummins)
[7 Persons Charged]

- On May 2, 2006, a federal grand jury returned a seventeen-count indictment against a defendant, alleging that the defendant, while entitled to lodging for himself, rented 17 hotel rooms and sublet them to other individuals. The defendant then allegedly caused 17 false claims to be submitted to FEMA. The FBI investigated the case.[7]

California - Eastern District (United States Attorney McGregor W. Scott)
[76 Persons Charged]

- The United States Attorney's Office for the Eastern District of California and the FBI have aggressively continued their ongoing investigation into a scheme to defraud the American Red Cross of funds intended for Hurricane Katrina victims by submitting or causing others to submit a fraudulent claim through the American Red Cross call center located in Bakersfield. To date, 72 persons have been federally charged in this investigation, 64 of those defendants have pleaded guilty (all to felonies), and 54 have been sentenced. According to the indictments, when a person contacted the call center to request assistance, call-center employees allegedly verified their personal information, including an address within the area affected by the hurricane. Once that information was verified, the caller was given instructions on how to obtain financial assistance from the American Red Cross and, on approval of financial assistance, how to obtain that assistance at the closest Western Union branch. The indictments further allege that a number of temporary contract employees at the Bakersfield call center, and some close associates of those temporary contract employees, obtained false claim information and, using that information, obtained payment from Western Union.[8] In a separate case, one

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[6] *See* United States Attorney's Office, Southern District of Alabama, Press Release, July 27, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jul/07-27-06_ALS.pdf.

[7] *See* United States Attorney's Office, Eastern District of Arkansas, Press Release, May 2, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/may/05-02-06andersonindicted.pdf.

[8] *See, e.g.,* United States Attorney's Office, Eastern District of California, Press Release, October 27, 2005, *available at* http://www.usdoj.gov/usao/cae/PRESS/pdf_2005/

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defendant was charged with fraudulently applying for and receiving thousands of dollars in hurricane assistance from the American Red Cross and other organizations. The FBI investigated the cases.

District of Columbia (United States Attorney Kenneth Wainstein)
[1 Person Charged]

- On August 28, 2006, a man pleaded guilty to charges of bank fraud, mail fraud, and money laundering from September to December of 2005, relating to a scheme to defraud FEMA of more than $100,000 in relief funds intended for victims of Hurricanes Katrina and Rita. According to the government's evidence, between about September 13, 2005, and about December 31, 2005, the defendant applied for emergency FEMA funds using the names, birth dates, and Social Security numbers of other individuals, none of whom had given him permission to apply for such benefits on their behalf. He obtained most of this information through the Martindale-Hubbell legal directory and various other public databases, as well as through his previous job at a construction company. The defendant admitted that on the portion of the application that asked for the address of a property damaged by Hurricane Katrina or Hurricane Rita, he would fill in addresses that he found on the Internet or that he made up.

  As a result of this scheme, FEMA mailed 38 United States Treasury checks, made out to the individuals the defendant specified, to motels where he was staying or private mailboxes that he had rented in the names of other individuals, using false identification in the names of those individuals, but bearing his own photograph. He then forged the signatures of the payees and deposited the checks into bank accounts that he had opened in the names of other people without their permission, but that he controlled. In particular, the defendant opened an account at an E*Trade Financial Corporation Branch in Northwest Washington, D.C., into which he deposited five of the fraudulently obtained checks, intending to withdraw the money and convert it to his own use at a later date. The U.S. Secret Service, the Postal Inspection Service, the Treasury Office of Inspector General, FEMA, and DHS-OIG investigated the case.[9]

10-27-05katrinarelease.pdf, Press Release, February 2, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/HKFTF_PressRoom/2-2-06USAOEDCA.pdf.

[9] *See* United States Attorney's Office, District of Columbia, Press Release, August 28, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-28-06Rothschild.pdf.

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Florida - Middle District (United States Attorney Paul I. Perez)
[27 Persons Charged]

- In May 2006, a total of 26 individuals were charged in 23 separate indictments and one information in connection with fraudulent claims for hurricane assistance. The 26 individuals charged allegedly submitted fraudulent claims to FEMA totaling more than $170,000. Of that amount, they were successful in obtaining more than $150,000 in FEMA funds. The U.S. Secret Service, the Postal Inspection Service, and DHS-OIG (with assistance from the U.S. Marshals Service) investigated the cases.[10]

Florida - Southern District (United States Attorney R. Alexander Acosta)
[1 Person Charged]

- On May 7, 2006, a defendant who had pleaded guilty to wire fraud in connection with his fraudulent solicitation of charitable donations supposedly intended for Hurricane Katrina relief was sentenced to 21 months imprisonment. According to the indictment, the defendant falsely claimed in conversations on the Internet, and ultimately via the website www.AirKatrina.com, that he was piloting flights to Louisiana to provide medical supplies to the areas affected by Hurricane Katrina and to evacuate children and others in critical medical condition. He further claimed that he had organized a group of Florida pilots to assist him in his supposed relief efforts. In just two days, the defendant received almost $40,000 in donations from 48 different victims from around the world. The FBI investigated the case.[11]

Illinois - Southern District (United States Attorney Randy Massey)
[1 Person Charged]

- On June 22, 2006, an indictment was unsealed against a defendant charged with various fraud offenses and aggravated identity theft. The indictment alleges that the defendant defrauded FEMA by claiming that she was displaced, even though she was residing in Belleville, Illinois at the time of Hurricane Katrina. The indictment further alleges that the defendant sent correspondence to FEMA representing that her two daughters, who did not exist, had died during the flooding in New Orleans and that she had seen them float away. The defendant allegedly represented that she would need burial money upon

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[10] *See* United States Attorney's Office, Middle District of Florida, Press Release, May 25, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/may/05-25-06FEMAOrlandopressrelease.pdf.

[11] *See* United States Attorney's Office, Southern District of Florida, Press Release, May 8, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/may/USAO_FLS_05082006.pdf, and Press Release, January 30, 2006, *available at* http://www.usdoj.gov/usao/fls/060130-01.html.

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finding her daughters and needed to be reimbursed for counseling, due to the loss of her daughters. The Postal Inspection Service, the U.S. Department of Labor Office of Inspector General, the Social Security Administration Office of Inspector General, the U.S. Department of Agriculture Office of Inspector General, the U.S. Department of Housing and Urban Development Office of Inspector General, the U.S. Department of Health and Human Services Office of Inspector General, the State of Illinois Healthcare and Family Services Office of Inspector General – Bureau of Investigations, DHS-OIG, and the Illinois State Police Medicaid Fraud Bureau investigated the case.[12]

Louisiana - Eastern District (United States Attorney Jim Letten)
[12 Persons Charged]

- On August 30, 2006, two FEMA officials working in New Orleans were sentenced to 21 months imprisonment and fined $20,000 for their roles in soliciting bribes as public officials. According to the criminal complaint by which they were first charged on January 27, 2006, the two officials approached a local contractor and solicited a bribe from the contractor in exchange for inflating the headcount for a $1 million meal service contract at the Algiers, Louisiana base camp. During this meeting, the two officials allegedly told the contractor that they could inflate the "headcount" for meals served and that they would require the contractor to kick back to them (the two FEMA officials) $20,000. During a subsequent meeting on January 19, 2006, one of the FEMA officials demanded $20,000 from the contractor to be split evenly between him and the other FEMA official, and indicated that the other official would continue to intentionally inflate the occupancy number at the base camp falsely.

  During a subsequent meeting on January 24, 2006, the $20,000 bribe that had been demanded was further discussed, and during the same meeting, the two officials allegedly discussed various ways and means that the contractor could use to inflate the meal service count. During the same meeting and a subsequent one on the same day, both charged defendants allegedly continued to discuss various ways and means to inflate the invoices for meal service counts, and made a further bribery demand for $2,500 per week for each of them. Finally, on the morning of January 27, 2006, the officials each took one envelope containing $10,000 from the contractor, after confirming that these two payments were for the inflated meal service count from December 3, 2005 through January 15, 2006. Thereafter, according to the complaint, both defendants and the contractor continued to discuss the mechanics of how to continue to fraudulently inflate

[12] *See* United States Attorney's Office, Southern District of Illinois, Press Release, June 22, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jun/06-22-06-WinstonCharged.pdf.

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the meal service count numbers. Federal agents arrested both immediately thereafter on the scene. The FBI and the DHS-OIG investigated the case.[13]

Louisiana - Middle District (United States Attorney David R. Dugas)
[74 Persons Charged]

- On July 17, 2006, an employee of a contractor pleaded guilty to a bill of information charging him with extortion under color of official right. The bill of information alleges that the defendant, at all times relevant, was working as an employee of IIF Data Solutions, Inc., a company contracted by the Louisiana National Guard to service the needs of the Guard, Reserve, and active duty personnel, and to screen people applying with the Louisiana Department of Labor (LDOL) for financial assistance for potential recruits to the National Guard. In this capacity, the defendant was assigned to assist people who came into the LDOL office in Baton Rouge seeking employment and unemployment assistance. According to the bill of information, the defendant allegedly facilitated numerous fraudulent claims for Disaster Unemployment Assistance (DUA) benefits, which are intended to provide financial assistance to individuals whose employment has been lost or interrupted as a result of a major disaster declared by the President of the United States. The bill of information alleges that the defendant unlawfully obtained money not due him from people whose false and fraudulent DUA claims were presented. This money was obtained with the person's consent, which was induced under color of official right.[14] To date, a total of 74 persons have been charged in the Middle District of Louisiana on charges relating to Hurricane Katrina relief funds.

Louisiana - Western District (United States Attorney Donald W. Washington)
[29 Persons Charged]

- On August 25, 2006, a federal grand jury indicted a federal correctional officer on charges of wire fraud and theft of public funds for claiming to be a hurricane victim in order to fraudulently obtain FEMA relief funds. The indictment alleges that in September 2005, the defendant applied for federal disaster relief, falsely claiming that due to Hurricane Katrina, his primary residence which he was purportedly renting in New Orleans, had been damaged and that his automobile had been damaged and could not be driven. He allegedly also falsely claimed in his application for federal disaster relief that

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[13] *See* United States Attorney's Office, Eastern District of Louisiana, Press Release, August 30, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-30-06twosent.pdf, and Press Release, January 27, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/HKFTF_PressRoom/1-27-06USAOEDLA.pdf.

[14] *See* United States Attorney's Office, Middle District of Louisiana, Press Release, July 17, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jul/07-17-06FEMAFraud-GuiltyPlea-Lawless.pdf

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he had lost work due to Hurricane Katrina. Based on the information provided to FEMA, the defendant allegedly received a wire transfer in the amount of $10,391. The indictment further alleges that in December 2005, the defendant falsely informed FEMA that he had spent all or part of the rental assistance which had been provided by FEMA on essential needs and he lacked sufficient additional funding to address those needs. Based on his request for additional funds from FEMA, he allegedly received a wire transfer of funds from FEMA in the amount of $2,028. The U.S. Department of Justice's Office of Inspector General and DHS-OIG investigated the case.[15]

- On April 26, 2006, a woman was sentenced to spend 3 months in prison and fined $1,000 and was ordered to pay restitution in the amount of $4,358. The defendant met an evacuee at a rescue shelter following Hurricane Katrina and gave that individual permission to use her address to receive mail. The defendant signed for a package to the evacuee using a fake name and then opened the mail, which contained two FEMA relief checks totaling $4,358. The defendant cashed one check and used the other one to purchase a car. The FBI and the U.S. Department of Homeland Security jointly investigated the case.

Mississippi - Southern District (United States Attorney Dunn Lampton)
[48 Persons Charged]

- On August 24, 2006, a federal grand jury indicted four individuals for conspiracy to defraud the United States involving the creation and submission of fraudulent debris removal load slips in the amount of $716,677. One of the defendants allegedly owned and operated a debris removal contracting company working as a sub-contractor in Pearl River County, Mississippi, and the other three defendants worked for a debris removal monitoring company operating in Pearl River County. Two of the defendants who were debris removal monitors allegedly signed false debris load slips misrepresenting that debris was loaded onto trucks on the roadway when they were not present at the loading site and, in most instances, created and signed the false load slips at their residences. The false debris load slips misrepresented that certain trucks, belonging to and under the control of the contractor defendant, were hauling loads of debris at a time when the trucks identified on the debris load slips were not in operation on the roadway or at the dump site listed on the load slips. The false debris load slips also misrepresented that loads of debris were delivered to a designated dump site in Pearl River County, Mississippi when in fact no debris was delivered to the dump site. The third debris-removal monitor defendant allegedly collected the false load slips from his co-conspirators and submitted them to the debris monitoring company who would, in turn, submit the false load slips to the prime contractor for payment to the contractor.

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[15] *See* United States Attorney's Office, Western District of Louisiana, Press Release, August 25, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-25-06pattersonindict.pdf.

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The indictment also charges that the contractor, in an effort to conceal the conspiracy, would deposit the funds obtained through the conspiracy into a bank account opened in the name of one of his employees and then write a check to an unindicted coconspirator who would then pay the contractor and one of the monitor defendants, who would then pay the other two defendants who were monitors for completing and signing the false load slips along with an extra amount of money for "hush money." The FBI and the U.S. Department of Homeland Security investigated this case.[16]

- On June 28, 2006, a U.S. Army Corps of Engineers (USACE) employee and a subcontractor were each sentenced to serve twelve months in prison and pay a $5,000 fine, followed by a two-year term of supervised release. Both defendants previously pleaded guilty to Conspiracy to Commit Bribery involving debris removal in Perry County, Mississippi. The USACE employee was a Quality Assurance Representative for the USACE, and the contractor was responsible for debris removal in Mississippi following Hurricane Katrina. The USACE employee accepted cash bribes in exchange for creating false loads that the contractor did not haul or dump.[17]

Missouri - Eastern District (United States Attorney Catherine L. Hanaway)
[4 Persons Charged]

- On May 22, 2006, a defendant pleaded guilty to filing a false claim with FEMA for hurricane relief funds. In September 2005, the defendant applied for and received two checks for $2,000 and $2,358 from FEMA for Katrina disaster relief, claiming an address in New Orleans. The defendant lives in St. Louis and never resided in New Orleans. In November 2005, the defendant assisted another defendant in the application which resulted in the receipt of $10,391 from FEMA. Neither of these defendants were victims of Katrina and were not entitled to any disaster assistance. The FBI investigated the case.[18]

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[16] *See* United States Attorney's Office, Southern District of Mississippi, Press Release, August 24, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-24-06-4indictjacksonmiss.pdf.

[17] *See* United States Attorney's Office, Southern District of Mississippi, Press Release, June 28, 2006.

[18] *See* United States Attorney's Office, Eastern District of Missouri, Press Release, May 22, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/may/05-22-06WomanPleadsGuilty.pdf.

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District of Nevada (United States Attorney Daniel G. Bogden)
[1 Person Charged]

- On April 26, 2006, a federal grand jury indicted an individual for making a false claim to FEMA in order to receive disaster assistance benefits. The defendant allegedly made and presented to FEMA a claim for funds for individuals displaced by Hurricane Katrina, claiming home damage and essential need for food, clothing and shelter, knowing that the claim was false. As a result, the defendant allegedly obtained rooms at seven different hotels in Las Vegas. The defendant did not stay in the rooms and instead, re-rented them to other individuals for the believed purposes of narcotics sales and prostitution. The DHS-OIG investigated the case.[19]

Oklahoma - Western District (United States Attorney John C. Richter)
[5 Persons Charged]

- On August 23, 2006, a defendant was sentenced to serve 24 months in prison, and to pay $18,000 in restitution to FEMA, for theft of FEMA Hurricane Katrina disaster relief funds. According to a superseding indictment filed on February 22, 2006, the defendant cashed a Hurricane Katrina disaster relief check made out in her name on September 16, 2005. When she entered a guilty plea on May 4, 2006, she admitted that she knew when she cashed the check that she was not entitled to any disaster relief money because she lived in Lawton at the time of Hurricane Katrina and did not live at the Louisiana address on her application for FEMA assistance. She has also admitted that she played a leadership role in the activities of others who received money from FEMA through fraud. The Oklahoma Economic Crime and Identity Theft Task Force, DHS-OIG, the U.S. Secret Service, and the U.S. Postal Inspection Service investigated the case.[20]

Oregon (United States Attorney Karin Immergut)
[10 Persons Charged]

- Between March 27, 2006 and April 6, 2006, eight Portland residents pleaded guilty in connection with the fraudulent receipt of Hurricane Katrina disaster relief funds. At his plea hearing, one of the defendants admitted that he recruited other people to allow their names to be used by himself and his girlfriend to apply for FEMA Katrina disaster relief checks, and that he would share in the proceeds of the FEMA checks. The girlfriend,

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[19] *See* United States Attorney's Office, District of Nevada, Press Release, April 26, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/apr/04-26-06hawkindict.pdf.

[20] *See* United States Attorney's Office, Western District of Oklahoma, Press Release, August 23, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-23-06perrysent.pdf.

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who also pleaded guilty, made similar admissions at her plea hearing. The other defendants each admitted to participating in the scheme and receiving the proceeds of at least one FEMA check knowing it was stolen.[21]

Texas - Eastern District (United States Attorney Matthew D. Orwig)
[7 Persons Charged]

- On August 7, 2006, a 64-year-old Texarkana hotel manager pleaded guilty to hurricane related fraud charges. According to the information in the case, the Red Cross entered into an agreement with the Ramada Inn in Texarkana and agreed to pay $54 per night for rooms provided to evacuees or their families. The defendant instructed employees to maintain evacuees for 14 days, whether they stayed that long or not. The Federal Bureau of Investigation investigated the case.[22]

- On June 16, 2006, a federal grand jury indicted a 68-year-old woman on charges relating to a false application to FEMA for disaster assistance related to Hurricanes Katrina and Rita. The defendant allegedly stated that she maintained her primary residence in Diberville, Mississippi, when Hurricane Katrina hit that area on August 29, 2005, when her primary residence on August 29, 2005 was in Gainsville, Texas, and not in any area affected by a hurricane.[23]

Texas - Northern District (United States Attorney Richard Roper)
[11 Persons Charged]

- On July 18, 2006, a federal jury in Fort Worth, Texas convicted a defendant for theft of government property and bank burglary, after only 90 minutes of deliberation. The government presented evidence at trial that the defendant opened a letter addressed to a hurricane evacuee that contained a check in the amount of $21,242.00. The defendant cashed the check without permission, depositing $10,000 into her daughter's account and

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[21] *See* United States Attorney's Office, District of Oregon, Press Release, April 7, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/apr/USAO_OR_04072006.pdf.

[22] *See* United States Attorney's Office, Eastern District of Texas, Press Release, August 7, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/aug/08-07-06fuselier_bryant_plea.pdf.

[23] *See* United States Attorney's Office, Eastern District of Texas, Press Release, June 16, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jun/06-16-06orangeindict.pdf.

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the remainder into her own account. The U.S. Secret Service and the Fort Worth Police Department investigated the case.[24]

- On July 26, 2006, two defendants (a brother and sister), who had pleaded guilty to fraudulent use of an access device after stealing and using at least 80 Red Cross debit cards intended for hurricane evacuees, were sentenced. The brother was sentenced to 30 months imprisonment and was ordered to pay $202,984.12 in restitution. The sister was sentenced to 26 months in this case (and 15 months in an unrelated federal case) and was ordered to pay $23,240.00 in restitution. The U.S. Secret Service and the Postal Inspection Service investigated the case.[25]

Texas - Southern District (United States Attorney Donald J. DeGabrielle, Jr.)
[26 Persons Charged]

- On June 5, 2006, a federal grand jury returned a 22-count indictment charging a 25-year old Houston man with fraudulently obtaining thousands of dollars in Hurricane Katrina and Hurricane Rita disaster assistance. The defendant allegedly filed 18 separate fraudulent applications for disaster assistance, using 18 difference social security numbers and 18 unique "damaged addresses" in various areas. Based upon alleged misrepresentations, the defendant received 18 different checks in the amount of $2,000. The General Accounting Office, DHS-OIG, and the U.S. Postal Inspection Service, with assistance from the Social Security Administration Office of Inspector General and the Small Business Administration Office of Inspector General, jointly investigated the case.[26]

- On July 17, 2006, two Houston residents were charged with operating a fraudulent website to accept donations for Hurricane Katrina relief. The two were charged in an nine-count indictment that alleged that they had established the fraudulent website

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[24] *See* United States Attorney's Office, Northern District of Texas, Press Release, July 18, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jul/07-18-06sharrisconvict.pdf.

[25] *See* United States Attorney's Office, Northern District of Texas, Press Release, July 27, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jul/07-27-06hinesredcrossfraudKatrina.pdf.

[26] *See* United States Attorney's Office, Southern District of Texas, Press Release, June 5, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jun/06-05-06greenindict.pdf.

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www.salvationarmyonline@yahoo.com. The defendants are accused of transferring more than $48,000 into their individual bank accounts. The FBI investigated the case.[27]

Other United States Attorney's Offices that have brought hurricane-related criminal prosecutions include: Central District of California (3); District of Colorado (4); Northern District of Florida (3); Northern District of Georgia (7); Central District of Illinois (1); Northern District of Oklahoma (1); Middle District of Pennsylvania (2); Western District of Pennsylvania (1); and Western District of Texas (6).

Examples of state and local prosecutions reported to the Task Force include the following:

Alabama

- On September 2, 2006, a contractor was reportedly arrested by the Baldwin County Sheriff's Office for allegedly bilking county residents out of about $500,000 in a series of construction-related frauds targeting the elderly, Hurricane Katrina victims, and others. The defendant allegedly made fraudulent construction deals and promised to do work, but never finished the jobs. He is charged with three counts of first-degree theft of property and two counts of second-degree theft of property.[28]

Florida

- The Florida Attorney General sued a company and its owner and president for increasing prices by as much as 300 percent after hurricanes; using high-pressured sales tactics and intimidation; not showing price lists or informing customers of costs; pressuring consumers into signing contracts without cancellation policies; bringing in extra equipment and leaving it in homes and billing customers for the devices; assuring consumers that costs would be covered by insurance when only a fraction of the inflated prices were covered; and placing liens on consumers' homes when consumers or the insurance companies did not pay the fees.[29]

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[27] *See* United States Attorney's Office, Southern District of Texas, Press Release, July 17, 2006, *available at* http://www.usdoj.gov/katrina/Katrina_Fraud/pr/press_releases/2006/jul/07-17-06SDTX_FEMAFraud_Stephens.pdf.

[28] *See* Josh Bean, *Contractor charged with fraud*, Mobile Press-Register, September 6, 2006, *available at* http://www.al.com/news/mobileregister/index.ssf?/base/news/1157534532221720.xml&coll=3.

[29] *See* Florida Attorney General, Press Release, June 23, 2006, *available at* http://myfloridalegal.com/newsrel.nsf/newsreleases/ED4C5CFA4CE25AF8852571960064456A.

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Louisiana

- The Insurance Fraud Unit of the Louisiana State Police (LSP) reports that it is continuing its efforts to vigorously investigate and prosecute insurance fraud relating to Hurricanes Katrina and Rita. For example, on March 16, 2006, the Unit arrested a New Orleans couple on felony insurance fraud warrants. The couple is believed to have intentionally attempted to defraud their insurer by claiming Hurricane Katrina caused damage to their roof. The investigation revealed, however, that the couple purposely created damage to their roof to activate the mold endorsement of their homeowner's insurance policy. The couple was arrested and charged with one count of insurance fraud each and booked into a parish jail.[30]

Mississippi

- The Mississippi Attorney General announced the arrest of an individual on charges that he accepted payments from Hurricane Katrina victims for home repairs, but failed to either begin the work or complete the work as promised.[31]

Texas

- The Texas Attorney General settled with an individual and a company, resolving allegations that they promoted a Web-based scheme through seminars during which they fraudulently promised victims of last year's hurricanes and others that they could eliminate their debt in exchange for a $5,000 up-front deposit.[32]

C. Deterrence and Returned Funds

According to FEMA and the American Red Cross, a total of more than $18.2 million in disaster-assistance funds has been voluntarily returned to those organizations. As of August 24, 2006, FEMA had $15.82 million in disaster-assistance checks and money orders returned to it. As of September 1, 2006, the American Red Cross had received $2,471,350 in returned disaster-assistance funds, including $2,401,787 in checks, $50,021 in client-assistance cards, and $19,542 in gift cards. While some of these returns may be due to mistaken overpayments by these organizations rather than fraud by the applicants, there are continuing indications that many of

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[30] *See* Louisiana State Police Insurance Fraud Unit, http://www.lsp.org/ifu.html#news.

[31] *See* Mississippi Attorney General, Press Release, April 5, 2006, *available at* http://www.ago.state.ms.us/pressreleases/contractorarrest.pdf.

[32] *See* Texas Attorney General, News Release, July 20, 2006, *available at* http://www.oag.state.tx.us/oagnews/release.php?id=1660.

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the recipients recognized that they were not entitled to the funds and wanted to avoid possible prosecution.

D. Increased Coordination

1. The 2006 New Orleans Conference

After a full year of vigorous activity, the Task Force has organized and scheduled its first annual conference to be held in New Orleans on September 13, 2006. The purpose of this conference will be to take stock of the year's activity, establish and review important lessons learned and discuss the future work of the Task Force. This conference will bring together close to 150 senior level and operational representatives of federal, state, and local law enforcement agencies including those represented last October and adding the offices of the Mississippi and Louisiana State Attorneys General, the Mississippi State Auditor's Office, the Louisiana Inspector General and other key state and local partners. The cross-cutting participation demonstrates the effectiveness of the Task Force's national response and its unprecedented effort in the fight against disaster-related assistance fraud.

2. The Joint Command Center

Since its creation in October 2005, the goal of the Joint Command Center has been to facilitate a fully integrated and coordinated nationwide law enforcement response to fraud and corruption associated with the unprecedented destruction of Hurricanes Katrina, Rita, and Wilma. The Joint Command Center operations, located at Louisiana State University in Baton Rouge, have steadily grown in scope and effectiveness, as federal law enforcement agencies and Inspectors General have dedicated investigative and analytical resources to the mission of the Task Force. [See Figure 3 below.] In this regard, the FBI, the DHS-OIG, the Department of Housing Office of Inspector General and the U.S. Postal Inspection Service deserve particular mention for their consistent provision of personnel and logistical support to the Command Center.

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Figure 3 - Federal Agents Confer at Joint Command Center, Baton Rouge

[Source: Lyman Thornton]

The following 33 agencies and Department of Justice components currently have representatives assigned to the Joint Command Center or designated as Points of Contact for the Joint Command Center:

- Department of Justice, Criminal Division;
- Department of Justice, Civil Division;
- Department of Justice, Antitrust Division;
- Department of Justice, Office of Inspector General;
- Federal Bureau of Investigation;
- DHS-OIG;
- United States Secret Service;
- Social Security Administration, Office of Inspector General;
- Department of Housing and Urban Development, Office of Inspector General;
- Department of Labor, Office of Inspector General;
- U.S. Postal Inspection Service;
- U.S. Postal Service, Office of Inspector General;

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- Internal Revenue Service, Criminal Investigation
- Treasury Inspector General for Tax Administration;
- Department of Health and Human Services, Office of Inspector General;
- Environmental Protection Agency, Office of Inspector General;
- Environmental Protection Agency, Criminal Investigative Division;
- Department of Agriculture, Office of Inspector General;
- Department of Commerce, Office of Inspector General;
- Department of Defense, Office of Inspector General (DoD-OIG) and Defense Criminal Investigative Service (DCIS);
- Department of Energy, Office of Inspector General;
- Department of Transportation, Office of Inspector General;
- National Aeronautics and Space Administration, Office of Inspector General;
- General Services Administration, Office of Inspector General;
- Small Business Administration, Office of Inspector General;
- Department of Veterans Affairs, Office of Inspector General;
- United States Attorney's Office for the Eastern District of Louisiana;
- United States Attorney's Office for the Middle District of Louisiana;
- United States Attorney's Office for the Western District of Louisiana;
- United States Attorney's Office for the Eastern District of Texas;
- United States Attorney's Office for the Southern District of Texas;
- United States Attorney's Office for the Southern District of Mississippi; and
- United States Attorney's Office for the Southern District of Alabama.

Significant Joint Command Center operational developments during the first eleven months of operation include:

- United States Attorney David R. Dugas continues to serve as the Executive Director of the Joint Command Center. In addition, through a cooperative agreement between the Department of Justice and Louisiana State University, Ms. Kathleen Wylie, the Director of the FBI's LEO National Support Center, now serves as the Deputy Director of the Joint Command Center.

- The Command Center has consolidated two national hotlines, an e-mail address, a fax number and a Post Office Box used by the Task Force to receive complaints and allegations of fraud from across the nation. The Command Center is currently receiving approximately 200 calls per week on the national hotlines.

- There has been a significant increase in the operational capacity of the Command Center through full-time staffing of 17 agents, analysts, and other staff from the FBI, DHS-OIG, HUD-OIG, the Postal Inspection Service, and the Department of Transportation Office of Inspector General, and two data entry personnel.

- A Hurricane Katrina Fraud Task Force Special Interest Group (SIG) was established on the Law Enforcement Online (LEO) website. The Task Force SIG allows the Joint

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Command Center to collect information from, and disseminate information to, Task Force members around the country in a secure electronic environment. The Task Force SIG currently has 287 participating members from 43 federal, state, and local agencies and Inspectors General offices.

- A standard Task Force Complaint Referral Form was developed and is used to transmit fraud complaints and investigative leads to the Joint Command Center for screening, deconfliction, and referral to appropriate law enforcement agencies and Task Force working groups for investigation. The Complaint Referral form is accessible from the general membership section of LEO and may be used by any law enforcement officer in the country with access to LEO.

- An interagency complaint index has been deployed to collect, screen, deconflict, and refer the Task Force Complaint Referral forms received by the Joint Command Center. The information contained on the Complaint Referral forms is posted on the LEO HKFTF SIG and is accessible to designated agency representatives.

- More than 6,800 complaints and allegations of fraud have been received, screened, and referred by the Command Center to federal law enforcement agency field offices across the nation.

- An innovative Referral and Deconfliction Database (RADD) has been developed, in conjunction with Department of Justice Criminal Division and FBI technical personnel. RADD now allows automatic deconfliction of complaints and leads, merger of duplicate complaints, referral of complaints to appropriate agencies and working groups, and tracking of complaints and referrals.

- Command Center staff have done preliminary analysis of fraud trends revealed by the information contained in the complaints received by the Joint Command Center, and Task Force members have developed investigative information and shared it through their Joint Command Center representatives. This analysis has resulted in the independent generation of investigative leads by the Command Center analysts for referral to investigative agencies.

- Points of Contact have been established between the United States Attorney's Offices in the affected areas and the Joint Command Center to facilitate coordination of Joint Command Center operations with the Task Force working groups in the affected districts, as well as ongoing relationships with all 93 United States Attorney's Offices.

- Regular Joint Command Center meetings and day-to-day interaction of the Joint Command Center staff and agency representatives have produced the onsite interagency exchange of information and trends. This interaction has been particularly valuable in alerting participating agencies to fraud indicia revealed by ongoing investigations. In addition, agency representatives share information on the programs used by their

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departments to disburse disaster relief assistance and discuss appropriate investigative methods to detect criminal activity related to those programs.

The LEO Support Center, located in the same building as the Joint Command Center, provides invaluable support and technical assistance to the Joint Command Center operations. For example, on August 24, 2006, the Chairman of the Task Force, Assistant Attorney General Alice S. Fisher, met with federal, state, and local members of the Southern Mississippi Working Group in Gulfport, Mississippi, to discuss ongoing enforcement activities and future plans for oversight of the disbursement of Community Development Block Grant (CDBG) funds in that state. [See Figure 4 below.]

Figure 4 - Southern Mississippi Working Group Meeting, August 24, 2006 [Left to Right: United States Attorney for the Southern District of Mississippi Dunn Lampton; Assistant Attorney General Alice S. Fisher; Criminal Division Chief for the Southern District of Mississippi John Dowdy; and Mississippi Attorney General Jim Hood]

3. Other Investigative Coordination and Assistance

a. Investigative Agencies

- **Federal Bureau of Investigation**

The FBI reports that to date, its field divisions have conducted more than 300 investigations involving fraud against the government and 24 public corruption investigations relating to Hurricanes Katrina, Rita, and Wilma. These investigations have resulted in more than 120 indictments and 30 convictions.

The FBI has played a leading role in the establishment and operation of the Hurricane Katrina Fraud Task Force's Joint Command Center in Baton Rouge, Louisiana. It has set aside more than $230,000 in support of the Command Center's Referral and Deconfliction Database and related systems. It has also provided additional funding to field offices for equipment and

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other operating costs associated with hurricane fraud investigations. Since Hurricane Katrina, the FBI has continued to supplement Public Corruption and Governmental Fraud squads in the Jackson and New Orleans Divisions with Special Agents and support personnel to address the fraud and public-corruption matters associated with the hurricanes.

The New Orleans and Jackson field divisions have also developed working relationships with numerous federal and state agencies to conduct hurricane-related public corruption and fraud investigations. The Jackson Division initiated a Memorandum of Understanding with the Mississippi State Auditor's Office, which is using a $5 million appropriation from the Mississippi State Legislature to combat fraud associated with Community Development Block Grants.

In the past year, the FBI Cyber Division reviewed more than 5,000 website referrals from a variety of sources, including the American Red Cross, Internet Crime Complaint Center (IC3) complaints and listserv postings, Name Protect, the National Cyber Forensic and Training Alliance, and PayPal. Of these 5,000, IC3 sent out 95 referrals to FBI field offices and FBI Legal Attaches abroad. Sixty-four of these 95 referrals have been closed out to date. These 64 referrals resulted in the shutdown of 13 websites, reports by two websites that they were complying with a case-and-desist letter that the American Red Cross sent to them, and two prosecutions that resulted in guilty pleas.

- **Postal Inspection Service**

As a member of the Department of Justice's Hurricane Katrina Fraud Task Force, the U.S. Postal Inspection Service initiated a consumer education campaign, in conjunction with the Task Force, to inform the public of fraud schemes related to Hurricane Katrina relief efforts. During September and October 2005, full page advertisements were placed in 13 newspapers and five magazines nationwide, with a combined readership of more than 21 million.

The Houston Division opened a National Coordination Case due to the scope, complexity, and long-term commitment of the Postal Inspection Service to Hurricane Katrina fraud-related investigations. National coordination of these investigations has facilitated the tracking of cases and the resolution of any conflicting issues between the numerous agencies involved. This also provides a focal point for coordination with the Katrina task forces around the country and creates an effective process to interact with the Task Force in Baton Rouge.

The Postal Inspection Service has conducted 100 criminal investigations of individuals who submitted false claims to FEMA and state government agencies. The results to date include 98 indictments, 103 arrests, 73 convictions, and 13 defendants sentenced.

- **United States Secret Service**

The Secret Service continues to participate as a member of the Task Force. To date, Secret Service investigations throughout the country have contributed to more than 60 federal

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arrests, with a potential fraud loss exceeding more than $2.5 million. Its New Orleans Field Office has contributed significantly to these accomplishments. The majority of Secret Service cases involve fraud to obtain emergency benefits from FEMA and the American Red Cross. To date, the Secret Service's accomplishments in the Task Force include 22 open investigative cases and 67 arrests.

The Secret Service has continued to work in conjunction with the private sector to shut down numerous fictitious websites. With private sector assistance, the Secret Service was able to detect and effectively shut down websites that were victimizing Hurricane Katrina victims, the American Red Cross, and various donors. These shutdowns included 16 "phishing" websites (i.e., websites that purport to be operated by legitimate corporate or non-profit entities, but that are created to harvest personal data from individuals for identity theft and fraud).

- **Internal Revenue Service-Criminal Investigation (IRS-CI)**

IRS-CI continues to be an active participant in the Task Force, with agents assigned to the Baton Rouge, Louisiana, Covington, Louisiana, and Hattiesburg, Mississippi task forces. IRS-CI agents are working closely with representatives from local, state, and federal agencies and lending their expertise in analyzing suspicious financial transactions related to the recovery efforts. In addition, the agency has expedited the clean up efforts in the New Orleans Field Office and has returned to full staffing and operations.

b. Inspectors General

The federal Inspectors General community continues to make vital contributions to the work of the Task Force. Department of Justice representatives of the Task Force continue to attend the regular meetings of the PCIE Homeland Security Roundtable and the Roundtable's Contract Audit Task Force and Individual Assistance Subgroup, as well as special meetings with Inspectors General on specific issues, and to participate in review of the PCIE reports to Congress on the response to Hurricanes Katrina, Rita, and Wilma.

Various Inspectors General have reported the following fraud-related activities to the Task Force:

- **Department of Homeland Security Office of Inspector General (DHS-OIG)**

The DHS-OIG Office of Investigations reports that it has opened offices in Baton Rouge, Louisiana, Biloxi and Hattiesburg, Mississippi and Mobile, Alabama, to exclusively investigate Katrina-related cases. It is working cases involving Hurricanes Katrina, Rita, and Wilma in virtually all of its offices nationwide. Its joint partners include the FBI, the Postal Inspection Service, TIGTA, SSA OIG, HUD OIG, DCIS, Army CID and others, in addition to state and local law enforcement entities.

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Figure 5 - DHS-OIG Office of Investigations Accomplishments Concerning Hurricanes Katrina, Rita, and Wilma

Disaster	*Arrests*	*Indictments*	*Open Investigations*	*Closed Investigations*
Hurricane Katrina	206	229	1,690	2,869
Hurricane Rita	42	37	599	3
Hurricane Wilma	0	0	35	594

[Source: DHS-OIG]

As summarized above in Figure 5, DHS-OIG currently has a total of 2,324 open investigations relating to Hurricanes Katrina, Rita, and Wilma. It also has 206 arrests and 229 indictments relating to Katrina and 42 arrests and 37 indictments relating to Rita.

- **Department of Defense - Office of Inspector General (DoD-OIG)/Defense Criminal Investigative Service (DCIS)**

The Defense Criminal Investigative Service (DCIS), the criminal investigative arm of the Inspector General of the Department of Defense (DoD-OIG), reports that as of August 11, 2006, it has received 17 criminal allegations related to Hurricane Katrina. DCIS agents reviewed the allegations, and have opened seven cases dealing with bribery, kickbacks, and possible product substitution. One of the open cases has resulted in a successful judicial action.

As part of its mission to combat fraud and corruption, DCIS has conducted 40 mission and fraud awareness briefings at the U.S. Army Corps of Engineers (USACE) debris collection and Blue Roof distribution sites. DCIS briefed Corps and contractor employees on the deterrence of potential fraud, bribery, and kickback schemes by informing them that law enforcement officials would be monitoring illegal activity and giving them a point of contact to report suspected fraud.

In regard to the Hurricane Katrina Fraud Task Force, DCIS reports that it attends bi-weekly meetings at the Command Center to brief the other task force members on investigative efforts. DCIS also serves as the liaison between law enforcement and the USACE. DCIS is currently conducting proactive data mining with a FBI intelligence analyst assigned to the Task Force using the USACE debris mission database. The data mining will try to identify indicators of fraud and other criminal activity. DCIS has one agent assigned to the Hurricane Katrina Fraud Working Group at the FBI New Orleans office; another agent participates in a working group in Hattiesburg, Mississippi.

- **Environmental Protection Agency Office of Inspector General (EPA-OIG)**

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The EPA-OIG reports that since September 2005, it has deployed six Special Agents on several missions to the affected Gulf States to participate in Hurricane Katrina Fraud Task Force efforts, meet with EPA officials, government contractors, federal prosecutors, local and state law enforcement officials, and conduct a variety of investigative steps in addressing allegations of fraud. EPA-OIG Agents are participants at the Hurricane Katrina Fraud Task Force Joint Command Center. Special Agents have access to Task Force databases, intelligence, and staff for operational support during investigations conducted in the affected Gulf States, and are engaged in periodic meetings with Task Force members to discuss investigative operations.

The EPA-OIG Financial Fraud Directorate and EPA-OIG Agents met with EPA Region 4 Response Team members to observe clean up activities, brief on-site EPA and contractor staff regarding investigative objectives and priorities, and discussed lessons learned from this response, so that future investigative efforts involving response contracts can be efficiently focused. Information was also gathered from several team members about tracking contract costs, contractor clean-up methods and billing procedures, and other areas susceptible to contract fraud. EPA-OIG Agents from EPA Region 6 have continued in the pursuit of several ongoing investigations.

To date, investigative efforts by the EPA-OIG have addressed several allegations of labor and equipment cost mischarging and the impersonation of EPA officials in furtherance of a scheme or artifice to defraud. While some allegations have been disproven or are currently pending prosecution, others have successfully resulted in administrative suspensions (pending debarment), cease and desist letters for wrongful activity, and recommendations for financial adjustments. EPA-OIG continues to aggressively pursue tips and leads concerning allegations of fraud, and is actively supported by the Task Force.

- **Department of Housing and Urban Development Office of Inspector General (HUD-OIG)**

HUD-OIG Office of Investigation reports that it established two new divisions as a result of its responsibilities to combating waste, fraud, and abuse in the Gulf Coast States - the Disaster Relief Oversight Division (DROD) in Washington, DC and the Hurricane Katrina Fraud Task Force in New Orleans, Louisiana. DROD is primarily responsible for liaison; research, analysis, and recommendations; monitoring, reporting, and dissemination; and strategic planning and implementation of HUD-OIG Office of Investigation directives and initiatives associated with disaster assistance and recovery. The Task Force has personnel assigned in Baton Rouge, Louisiana, Arlington and Houston, Texas, and Hattiesburg, Mississippi to support all HUD program fraud investigations relating to the hurricane disasters.

The Office of Investigation has developed and currently participates in a far-reaching fraud prevention program in the affected states of the Gulf Coast Region sponsoring training courses and workshops in Louisiana, Mississippi, Alabama, Florida, and Texas. These presentations and workshops are designed to educate their state agencies, as well as federal,

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state, and local law enforcement to identify fraud in Community Development Block Grant (CDBG) programs as well as other affected HUD-related programs.

To date, the Office of Investigation has opened 46 hurricane-related cases, which have resulted in 9 arrests, 9 indictments, and 3 convictions. In addition, the HUD-OIG Hotline has processed approximately 90 complaints related to the hurricanes. OIG forensic auditors have been assigned to review temporary housing programs and FEMA payments made to HUD-assisted housing residents. The Office of Investigation uses its forensic auditors to inspect and evaluate programs that have not been audited by the OIG Office of Audit.

The Office of Investigation created a "Suspicious Activity Report (SAR)" that will be given to HUD grantees, subgrantees, and others associated with the disbursement CDBG disaster recovery funding. The SAR was also used effectively early on in our efforts to detect fraud in the Katrina Housing Assistance Program with the dissemination to the FEMA and HUD Disaster Relief Centers. The SAR is a useful investigative tool to help notify HUD-OIG of suspected irregularities in the delivery of HUD program money.

The Office of Investigation sponsors meetings and training sessions with industry groups such as the Mortgage Bankers Association, the Public Housing Authorities Directors Association, the National Association of Housing and Redevelopment Officials, private insurance companies, multifamily owners, public housing executive directors, state governments, and economics development agencies. To date, the Office of Investigation has performed numerous significant outreach and liaison activities designed to detect and prevent waste, fraud, and abuse of HUD CDBG disaster recovery funding.

- **Department of Justice Office of Inspector General (DOJ-OIG)**

Since August 29, 2005, the Department of Justice Office of the Inspector General (DOJ-OIG) has opened seven cases concerning hurricane-related benefit fraud. Four of the cases have been referred to the appropriate United States Attorney's Offices and are pending a prosecution disposition. In the remaining three cases, either prosecution was declined or the case was closed because the allegations were not substantiated.

In addition, the DOJ-OIG has conducted oversight of the Department of Justice's expenditures related to hurricane recovery through three separate audits. In one case, involving a sole-source contract awarded by the Federal Bureau of Prisons to a construction company to repair or replace roofing damaged by Hurricane Rita, the DOJ-OIG found that the decision to use a sole-source contract was appropriate and that the BOP took adequate steps to ensure that the contract was fairly negotiated and reasonably priced. The DOJ-OIG also completed an audit concerning actions of the Bureau of Justice Assistance (BJA) in following internal control procedures in awarding disaster relief grants to state and local governments. The DOJ-OIG found that while BJA was proactive in providing additional grant funding to grantees in the Hurricane Katrina affected areas, it had no assurance that funding was going to the areas of greatest need. The DOJ-OIG is currently is performing an audit of the DOJ's purchase card

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expenditures related to hurricane relief and recovery efforts, to examine whether internal controls guard against improper and wasteful purchases.

- **Social Security Administration Office of Inspector General (SSA-OIG)**

The SSA-OIG Office of Audit (OA) reports that it has initiated a review to report on the status of SSA service delivery to individuals affected by Hurricanes Katrina and Rita. As part of this review, it will assess SSA's plans to ensure that payments made under emergency procedures were appropriate and properly safeguarded. As part of its immediate response to the disaster, SSA temporarily changed or eliminated several existing control procedures to ensure continued benefit payments in the affected area. SSA-OIG will assess SSA's plans to ensure that payments made are proper and that controls are sufficient to safeguard against fraud, waste, and mismanagement.

Since the establishment of the Katrina Task Force on August 29, 2005, the SSA-OIG Office of Investigations has opened 45 cases. There have been 16 indictments, 11 arrests, and 3 pleas/convictions. The pleas/convictions resulted in 3 sentencings. From August 29, 2005 to August 7, 2006, the SSA-OIG Office of Investigations Fraud Hotline has received 88 allegations of potential fraud related to Hurricanes Katrina and Rita.

Special agents from the Office of Investigations worked with local law enforcement in several additional capacities. For example, the agents, in preparation for setting up a temporary SSA office, accompanied SSA employees to the Houston Astrodome; escorted SSA employees to restricted areas to assess damage to SSA facilities; and, upon request from SSA, ascertained the status of SSA employees being temporarily housed after the hurricane. The Office of Investigations is actively pursuing allegations of fraud involving SSA's programs and operations, including allegations of Social Security number misuse.

- **Department of Transportation OIG (DoT-OIG)**

DoT-OIG addressed post-storm debris removal by developing pro-active complaints resulting in the arrested of a debris removal monitor contracted with the Department of Transportation and Development (DoTD). This person stopped work, demanded payments to approve work by signing load tickets, and was paid bribes by several truck drivers. His activities were discovered by his employer and he was removed from his position, only to return to the job site with the remaining load ticket books in his possession and then attempted to sell these books for $300. The books were given to a truck driver with the promise of payment and the driver turned the books over to another debris removal monitor. Had the ticket books been used to make claims for work, they could have been worth up to $22,000. Prosecution is pending in state court on state charges of theft and public bribery.

DoT-OIG and the Federal Highway Administration (FHWA) in Baton Rouge visited the Twin-Spans Bridge which crosses over Lake Pontchartrain from Slidell to New Orleans. It was heavily damaged during Hurricane Katrina and temporarily repaired pending a new bridge being

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built. During the visit the contracted maintenance crew reported the steel bolts securing the temporary spans were breaking faster than they could be replaced and they feared a serious traffic accident would soon occur. Some of the questioned bolts were recovered and it was arranged to have these bolts tested by Louisiana DoTD labs. Subsequent testing revealed the sample bolts were found not to be defective. DoT then coordinated with FHWA and the Federal Motor Carrier Safety Administration to have the Louisiana State Highway Patrol enforce speed and weight restrictions on the bridge. FHWA also agreed to pay the Highway Patrol overtime in support of their efforts. Subsequent maintenance efforts have revealed a substantial reduction in breakage of bolts, thus preventing failure of the temporary spans, and a potentially serious traffic accident. The bridge is scheduled to be replaced in three years at a cost of $800 million.

In its efforts to assure the integrity of its Disaster Relief efforts, DoT-OIG cross-checked its list of DoT contractors against the FBI database of complaints and found no criminal complaints had been received against the contractors on its list. It also provided its list to Department of Labor to review for indicators of organized crime activities. Results of their review are pending.

DoT-OIG conducted liaison with dozens of local, state, and federal agencies involved in the Disaster Relief Efforts to monitor appropriate usage of DoT emergency funding. It conducted fraud awareness briefings to make the contracting community alert to some of the criminal schemes DoT-OIG traditionally investigates and in particular, criminal activities the Hurricane Katrina Fraud Task Force was observing as ongoing trends.

- **General Services Administration Office of Inspector General (GSA-OIG)**

The GSA-OIG has participated in the Hurricane Katrina Fraud Task Force since November 2005. The GSA-OIG has provided the task force with information regarding contracts that were facilitated by GSA, via GSA contracting officers on behalf of FEMA and on GSA contracts. The GSA-OIG special agents began their assignment on-site at the Task Force command center to ensure effective liaison with the task force, and since then have attended most task force meetings.

The GSA-OIG has received four allegations of contract fraud related to Hurricane Katrina and Rita. Based on these allegations, the GSA-OIG has opened three investigations, which have been conducted with other agencies of the Task Force. The contracts being investigated involved procurements made by GSA contracting officials for FEMA. The first investigation resulted in administrative recoveries by FEMA of approximately $1.5 million in billing errors by the contractor. The second investigation resulted in the filing of a civil compliant and the garnishment of approximately $1.4 million from the contractor. The third investigation is still being actively worked.

c. Other Agencies and Organizations

- **Department of Labor Wage & Hour Division**

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The Department of Labor's Employment Standards Administration's Wage & Hour Division (WHD) has been a member of the Department of Justice Hurricane Katrina Fraud Task Force since April 3, 2006. The WHD's mission is to "promote and achieve compliance with labor standards to protect and enhance the welfare of the Nation's workforce." WHD enforces the labor standards contained in some of the most comprehensive and basic laws governing the employment relationship, including the minimum wage, overtime, and child labor provisions of the Fair Labor Standards Act (FLSA) and the prevailing wage requirements of the Davis-Bacon Act (DBA) and the Service Contract Act (SCA).

Immediately after the Gulf Coast hurricanes, WHD became concerned about the opportunity for violations of federal wage payment laws. WHD anticipated an influx of new workers in the region due to the many debris removal and reconstruction projects. The potential for exploitation of these workers is high, particularly due to the fact that many of them are recent immigrants and/or do not speak English; they are easily susceptible to non-payment of wages. In addition, due to the fact that the cleanup and rebuilding efforts currently underway in the Gulf Coast are, in large part, being completed pursuant to federally-funded contracts, WHD expected a high degree of DBA and SCA coverage of employees. Moreover, many of the contractors employ multiple tiers of subcontractors, some of whom are inexperienced with and/or unknowledgeable about the wage payment requirements under federally-funded contracts and may want to seize upon the post-hurricane conditions to exploit the situation.

As a result, WHD set up an internal Gulf Coast Task Force to deal with the anticipated problems of non-payment and underpayment of wages to workers in the Gulf Coast. WHD provided assistance to its existing staff in the Gulf Coast region by detailing additional investigators to WHD's New Orleans, Louisiana, and Gulfport, Mississippi, offices on a rotating basis. Since January 2006, WHD has deployed up to 11 additional investigators and managers in the Gulf Coast area to supplement the approximately twenty-six (26) staff members assigned on a permanent basis to its Gulf Coast offices in Mobile, Alabama; New Orleans, Baton Rouge, and Lafayette, Louisiana; and Gulfport, Jackson, and Hattiesburg, Mississippi.

As a result of the efforts of WHD's Gulf Coast team, since August 29, 2005, WHD has investigated nearly 300 employers in hurricane-related investigations, potentially impacting over 8,600 employees. WHD has concluded 111 of these cases and has recovered nearly $1.4 million in back wages. WHD's efforts include the following.

In January 2006, WHD recovered $141,887 in back wages for 106 employees of a debris removal subcontractor at the Naval Construction Battalion Center in Gulfport, Mississippi, following an investigation under the SCA and the Contract Work Hours Safety Standards Act. In June 2006, WHD collected $362,673 in back wages for 680 employees of three companies involved in the clean-up and reconstruction of casinos along the Mississippi Gulf Coast. In July 2006, WHD recovered a total of $181,689 in back wages for 164 employees who performed debris removal for three different companies in the Gulf Coast region. These three lower-tiered

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government subcontractors agreed to pay their workers back wages following investigations under the McNamara-O'Hara Service Contract Act.

In addition, WHD has requested that federal contracting agencies (e.g., FEMA, Army Corps of Engineers, Department of the Navy) withhold in excess of $2 million from federally-funded contracts, allowing WHD to ensure that employees of contractors and sub-contractors will be paid the wages they are due under the law. Finally, WHD has worked extensively to provide outreach and education about the laws it enforces to employers and employees of the Gulf Coast region to ensure employers are aware of their wage payment obligations and employees are aware of their rights.

- **Federal Trade Commission (FTC)**

As a member of the Task Force, the Federal Trade Commission reports that it continues to commit its expertise and resources to assist hurricane victims regain control of their financial lives and avoid scams, and to ensure that Americans' generous charitable donations are not siphoned off by bogus fundraisers. Since August 29, 2005, the Commission's principal contributions to the Task Force efforts have been: (1) to use its existing capabilities to provide a central repository for hurricane-related fraud and identity theft complaints, and making them available to state and federal criminal law enforcement agencies; and (2) to educate consumers on ways to avoid fraud and identity theft.

The Commission receives complaints through its toll-free hotline and online complaint forms, as well as from external database contributors. FTC staff has developed a code for hurricane-related complaints in Consumer Sentinel, its online fraud complaint database, to make it easy for FTC staff, Task Force members, and more than 1,400 other law enforcement agencies to identify these post-hurricane scam complaints. Between August 29, 2005 and July 20, 2006, the FTC has received 524 hurricane-related complaints. It also has received 777 identity theft complaints during this time period, the most common complaint relating to imposters applying for government benefits in the victim's name. To provide law enforcement with better access to the hurricane-related complaints, the FTC developed specialized data reports based on complaints related to post-hurricane scams and identity theft. It posted links to these custom reports on Consumer Sentinel, thus facilitating law enforcement access to these case leads. The FTC further reviews all complaints received to identify trends and possible targets for investigation or referral to criminal authorities.

When Hurricane Katrina hit, the FTC quickly drafted new education materials to address the many financial challenges faced by those affected by the storm, the heightened risk of identity theft, and the need for consumers to be on alert for scams involving, among other things: contractor and home repair, deceptive spam, job offers, rental listings, auto repair, and water treatment devices. Additionally, the FTC set up a Hurricane Recovery website. The website (in English and Spanish), created to provide important information to families and businesses affected by the hurricanes, has received more than 112,000 accesses since its launch in September. Agencies and organizations linking to the site include: MyMoney.gov; the Federal

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Reserve Board; the Federal Deposit Insurance Corporation; Consumers Union; and the JumpStart Coalition for Personal Financial Literacy.

The FTC also distributed a series of live-read public service announcements ("PSAs") to radio stations across the country. These PSAs use the DOJ Hurricane Fraud Task Force name. Two sets of PSAs were distributed: one, e-mailed to 584 radio stations in the states affected by Hurricanes Katrina and Rita, included three messages in 30-second and 15-second formats, in both English and Spanish: 1) Beware of charity fraud; 2) Beware of home repair fraud; and 3) Protect yourself against identity theft. The second set of PSAs was mailed to 5,712 stations in the states that were not directly impacted by either Hurricane. This package contained 30-second and 15-second PSAs in English and Spanish cautioning consumers to beware of charity fraud.

Based on responses from radio stations as of January 5, 2006, there were more than 17,900 reported airings of the English-language spots. The average number of airings per station was 89; the total audience impressions exceeded 38 million. The Spanish-language spots saw more than 6,270 reported airings; the average number of airings per station was 118; the total audience impressions exceeded 11 million.

Finally, the University of Houston Law School's Center for Consumer Law sponsored a workshop for hurricane evacuees and the FTC sent 850 pre-stuffed bags of materials (hurricane-related fraud alerts) which were distributed to the evacuees.

- **American Red Cross**

As part of concerted efforts to address system weaknesses discovered during the hurricanes of 2005, the American Red Cross reports that it continues to implement vigorous internal controls that will assist it in the detection and prevention of fraud, waste and abuse. Key examples of these controls are:

- Requiring background checks for all staff and volunteers to better protect Red Cross assets and the safety of disaster shelter residents;
- Encouraging whistleblowers to bring forward allegations of potential fraud, waste, abuse and wrong-doing by enhancing awareness of the features of the Concern Connection hotline and by standardizing the training module that new volunteers and staff receive regarding how to access and use the hotline;
- Creating and deploying a new staff unit dedicated to ensure that on-site controls are properly established at the beginning of large operations and that compliance with these controls is monitored throughout the disaster response;
- Clarifying and disseminating eligibility standards for financial assistance;
- Requiring supervisors, using analytical tools, to liberally review and sample caseworkers' files to audit the casework;
- Increasing controls training for staff in charge of all Red Cross service centers and disaster operations centers of a certain size; and

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· Providing training to all chapters on the use of Client Assistance Cards and the appropriate controls.

The Office of Investigations, Compliance and Ethics reports that it currently is investigating 8,440 allegations of wrongdoing (95 percent of which are allegations of client financial assistance fraud). Of the 8,440 total allegations, 2,937 are under investigation by law enforcement agencies, 1,609 are in the process of being turned over to law enforcement, and 3,894 are currently under review and investigation by the Office of Investigation, Compliance and Ethics. To date, the fraud allegations constitute less than one half of one percent of the financial assistance provided to hurricane victims.

E. Training and Proactive Detection

The Task Force's first New Orleans Conference, in October 2005 (see Figure 6), provided the Task Force with its first opportunity to provide training to federal prosecutors and agents on investigating and prosecuting disaster fraud-related cases. Since then, the Task Force has provided additional training at the Command Center for federal agents, prosecutors, and auditors on legal and practical issues stemming from disaster-related fraud. Experienced Department of Justice prosecutors from the Criminal and Antitrust Divisions highlighted key criminal offenses that could be applied in various fraud schemes, and Postal Inspectors from the Postal Inspection Service and Special Agents from the FBI and the U.S. Secret Service offered practical guidance on how to investigate these offenses. In addition, the Command Center has conducted more extensive training for Gulf Coast-based Assistant United States Attorneys and

Figure 6 - Attorney General Alberto R. Gonzales Addresses Hurricane Katrina Fraud Task Force Conference, New Orleans, October 20, 2005 [Right: Assistant Attorney General Alice S. Fisher, Chairman of the Task Force]

other agencies at the Command Center. It continues to play a significant role in proactively identifying patterns of potentially fraudulent activity in applications for disaster-related benefits.

Recently, the Department of Justice's Office of Legal Education decided to issue a manual for federal prosecutors on disaster-related fraud. This manual will have chapters written

by experienced federal prosecutors on all significant aspects of disaster-related fraud. The manual is expected to be published in late 2007.

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V. Future Plans and Responses

Figure 7 - Road in the Ninth Ward of New Orleans, Cleared of Debris After Hurricane Katrina

[Source: David Dugas]

Based on the Task Force's experience to date, it is clear that fraud will exist wherever significant funds are being distributed. Although considerable individual assistance funds have already been distributed, billions of dollars remain to be disbursed designed to repair damaged homes and rebuild infrastructure. When these amounts are disbursed, it is likely that many will attempt to obtain funds to which they are not entitled. Therefore, the Task Force has been working closely with administering agencies to ensure that adequate fraud-prevention measures are in place.

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A. CDBG Grants

In response to the devastation that last year's hurricanes caused for homeowners throughout the Gulf Coast Region (see Figure 8 below), Congress has authorized more than $15 billion in CDBG grants for the states affected by Hurricanes Katrina and Rita. The bulk of that money will go to Louisiana and Mississippi.

Figure 8 - Home in Waveland, Mississippi Destroyed by Hurricane Katrina

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The Hurricane Katrina Fraud Task Force, led by HUD-OIG and the U.S. Attorney's Offices in Louisiana and Mississippi, has used the experience gained through its investigations and prosecutions during the past year to provide advice to the Louisiana Recovery Authority and the Mississippi Development Authority to help design fraud prevention measures for the Community Development Block Grant (CDBG) programs that each state is implementing.

Both Louisiana and Mississippi have elected to spend approximately three-fourths of their CDBG grants to assist homeowners whose homes were destroyed or substantially damaged by the hurricanes. In each state, homeowners will be eligible for grants of up to $150,000. It is estimated that there are more than 130,000 eligible recipients in the two states. The potential for fraud in those programs is massive. However, each state has agreed to adopt anti-fraud measures recommended by the Task Force that should greatly reduce the fraud associated with those

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programs. In addition, each state has agreed to form anti-fraud task forces consisting of federal, state, and local prosecutors and investigators who will work together in conjunction with the Hurricane Katrina Fraud Task Force to investigate and prosecute any fraud that occurs.

The Task Force recognizes that, since fraud follows the money, successful anti-fraud measures that prevent theft or diversion of CDBG funds during the application and grant disbursement phases of the program will likely cause criminals to target the money after it is received by the individual grantees. To combat this, the Task Force is working with state authorities on public outreach and fraud awareness programs to educate grant recipients on how to protect themselves from these schemes. In addition, the Joint Command Center will track fraud complaints related to the CDBG programs and look for signs of consumer fraud related to the program.

B. Infrastructure Rebuilding and Public Assistance Grants

The Criminal Division of the Department of Justice is working closely with the FBI and with auditors and investigators of key Inspectors General offices to gather and analyze information on Infrastructure Rebuilding programs in order to detect, investigate and prosecute fraud and corruption related to those programs. The close collaboration of the member agencies of the Task Force will enable the Task Force to use the resources and expertise of each agency in a coordinated and effective manner for this purpose. In addition, the fraud exposed by Task Force investigations and prosecutions to date has led to closer scrutiny of grant applications and claims for reimbursement by both federal and state auditors and Inspectors General. In some cases, audits of invoices and claims for reimbursement are being conducted before payment is issued, rather than after payment has been made as has been the practice following previous disasters. The information gathered through these processes is being analyzed for indicia of fraud or corruption and any leads are referred for investigation by the appropriate agency field office and U.S. Attorney's Office.

C. SBA Loans

The SBA has approved more than $10 billion in disaster assistance loans to businesses and individuals affected by Hurricanes Katrina and Rita. SBA-OIG has actively participated in the Task Force work to date and will continue to work with the Task Force to investigate and prosecute fraud related to its disaster loans.

* * *

As each of these programs moves forward, the Task Force will continue its vigorous pursuit of procurement fraud, benefit fraud, and the other forms of disaster-related fraud that have consistently been the focus of its efforts.

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Reporting Hurricane-Related Fraud

- Government Fraud and Public Corruption:

  - Call the FBI's tipline at 1-800-CALL FBI (1-800-225-5324)
  - Call the Hurricane Fraud Hotline at 1-866-720-5721
  - Email HKFTF@leo.gov
  - Fax the Hurricane Fraud Hotline at 225-334-4707
  - Write to Hurricane Fraud Task Force, Baton Rouge, LA 70821-4909

- Charity Fraud, Emergency-Benefit Fraud, and Other Types of Consumer Fraud:

  - Call the FTC's Consumer Response Center, toll-free, at 1-877-FTC-HELP (1-877-382-4357), or
  - File an online complaint with the Internet Crime Complaint Center (a joint project of the FBI and the National White Collar Crime Center) at http://ic3.gov

- Identity Theft:

  - Call the FTC's Identity Theft Hotline, toll-free, at 1-877-ID-THEFT (1-877-438-4338), or
  - File an online complaint with the FTC at http://www.consumer.gov/idtheft/

* * *

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Image not available for this document, ID: 0.7.10316.32805-000003

System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 518885 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 5:45 PM
To: USDOJ- Office of Public Affairs
Subject: LEADERS OF NATIONWIDE ILLEGAL ALIEN EMPLOYEE-LEASING CONSPIRACY PLEAD GUILTY, ONE DEFENDANT SENTENCED

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 13, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

LEADERS OF NATIONWIDE ILLEGAL ALIEN EMPLOYEE-LEASING CONSPIRACY PLEAD GUILTY, ONE DEFENDANT SENTENCED

WASHINGTON – Two leaders of a nationwide employee-leasing conspiracy that used hundreds of illegal aliens throughout the United States pleaded guilty before U.S. District Judge Kenneth Marra in the Southern District of Florida, and a third defendant was sentenced, the Justice Department announced today.

Jaroslaw Sawczuk, 39, a Polish citizen formerly of Coral Springs, Fla. and Jozef Bronislaw Bogacki, 43, a native of Poland and naturalized U.S. citizen residing in Clearwater, Fla. pleaded guilty to charges of conspiracy to transport, house and otherwise encourage illegal aliens to remain in the United States, and to commit visa, wire, mail, and tax fraud, and money laundering.

Judge Marra sentenced a third defendant, Pavel Preus, 39, a Polish citizen residing in Pompano Beach, Fla., who pleaded guilty to similar charges on September 13, 2005. Preus was sentenced to 37 months in prison, 36 months of supervised release, and ordered to pay $950,000 for unpaid payroll taxes.

Remaining defendants Lucia Kanis, 31, a Slovak citizen; Ivan Kanis, 39, a Slovak citizen residing in the Slovak Republic; and Andor Pikali, 37, a Slovak citizen who resided in Coral Springs, are federal fugitives, at large, and believed to be overseas.

"The Department of Justice will not allow our immigration system to be exploited by those who violate our laws to simply generate profit for themselves," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "We will work vigorously with our law enforcement partners to identify and shut down illegal employee-leasing operations such as this to preserve the integrity of our immigration system and the security of our nation."

Bogacki pleaded guilty to all six counts in which he was named and Sawczuk pleaded to three major counts of a 26-count indictment. The indictment alleges that from 1995 to the present, the defendants conspired to provide unauthorized workers, mostly East Europeans who had entered the United States on tourist visas, to American companies with whom the defendants had contracted to provide legally authorized foreign workers. The indictment alleges that more than 550 illegal aliens were brought into the United States by the defendants. According to the indictment, the alien workers obtained tourist visas to enter the United States and were

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employed illegally in the midwest and southeastern United States on farms, in dairies and in factories. The defendants contracted with American employers to provide workers, for whom the defendants were to pay payroll taxes and workers' compensation deductions. During the course of the conspiracy, the defendants failed to pay $6 million in payroll taxes and laundered in excess of $20 million.

The remaining defendants face maximum penalties of up to 20 years in prison and fines of up to $500,000. In addition, the government is seeking forfeiture of defendant Bogacki's assets. A forfeiture hearing is scheduled for Tuesday, Nov. 28, 2006 at 9 a.m. Bogacki and Sawczuk's sentencing is scheduled for Friday, Dec. 15, 2006.

"The defendants, as charged, chose profits over compliance with our country's immigration and employment laws," said U.S. Attorney Alex Acosta of the Southern District of Florida. "In using illegal aliens to generate their profits, the defendants not only took advantage of these individuals, but also potentially compromised the safety of our citizens. I commend the hard work and dedication of the prosecutors and our law enforcement partners in piercing this criminal enterprise."

"We will not allow criminal organizations to exploit America's immigration system for profit. In this case, the defendants laundered roughly $20 million and failed to pay $6 million in taxes as part of this illegal employee leasing scheme," said Julie Myers, Department of Homeland Assistant Secretary for Immigration and Customs Enforcement (ICE). "ICE is working to restore integrity to the nation's immigration system by targeting violators and working to promote lawful hiring practices."

The joint investigation, known as Operation Pisces, started in 2002. The investigation was led by the Kansas City Office of U.S. Immigration and Customs Enforcement, Group Supervisor Doug Bemiss; the Department of Labor, Office of the Inspector General; Labor Racketeering and Fraud Investigations, Special Agent Sean Kilcoyne; and the Miami IRS field office, Special Agent Kenneth Murphy. The Miami Office of the U.S. Postal Inspection Service also provided support for the investigation. The case was prosecuted by Senior Trial Attorneys Michael E. Barr and Judith O'Sullivan of the Criminal Division's Domestic Security Section, and by Assistant U.S. Attorney Jeffrey H. Kay of the U.S. Attorney's Office for the Southern District of Florida, Ft. Lauderdale office.

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Image not available for this document, ID: 0.7.10316.32674-000002

System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 519359 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 13, 2006 6:58 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 13, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

THURSDAY'S EXPECTED NEWS STORIES:

Attorney General Delivers Remarks Before Hurricane Katrina One-Year Anniversary Symposium (OPA)
Today, the Attorney General delivered remarks before the Hurricane Katrina One-Year Anniversary Symposium in New Orleans regarding Justice Department efforts to combat fraud in the aftermath of Hurricane Katrina.

FBI Assistant Director to Appear on CNN Tonight (FBI)
FBI Assistant Director John Miller is scheduled to appear on CNN's *Paula Zahn Live* this evening to discuss home-grown terrorism.

FBI Issued Release Announcing Sentencing of Two Individuals Responsible for Zotob Computer Work (FBI)
Today, the FBI issued a press release announcing the sentencing of two individuals in Morocco who were responsible for authoring the Zotob computer worm in 2005.

Leaders of Nationwide Illegal Alien Employee-Leasing Conspiracy Plead Guilty, One Defendant Sentenced (Criminal)
Two leaders of a nationwide employee-leasing conspiracy that used hundreds of illegal aliens throughout the United States pleaded guilty before U.S. District Judge Kenneth Marra in the Southern District of Florida, and a third defendant was sentenced. Jaroslaw Sawczuk, 39, a Polish citizen formerly of Coral Springs, Fla. and Jozef Bronislaw Bogacki, 43, a native of Poland and naturalized U.S. citizen residing in Clearwater, Fla. pleaded guilty to charges of conspiracy to transport, house and otherwise encourage illegal aliens to remain in the United States, and to commit visa, wire, mail, and tax fraud, and money laundering. Judge Marra sentenced a third defendant, Pavel Preus, 39, a Polish citizen residing in Pompano Beach, Fla., who pleaded guilty to similar charges on September 13, 2005. Preus was sentenced to 37 months in prison, 36 months of supervised release, and ordered to pay $950,000 for unpaid payroll taxes.

Talking Points

- The Department of Justice will not allow our immigration system to be exploited by those who violate our laws to simply generate profit for themselves.

- We will work vigorously with our law enforcement partners to identify and shut down illegal employee-leasing operations such as this to preserve the integrity of our immigration system and the security of our nation.

Hurricane Katrina Fraud Task Force Releases Report on First Year of Activities (Criminal)

Over 170 members of federal, state and local law enforcement met today in New Orleans for the first annual conference of the Hurricane Katrina Fraud Task Force, a multi-agency national task force led by the Department of Justice to deter, detect and prosecute cases of fraud in the aftermath of Hurricanes Katrina, Rita and Wilma. In its first-year report given to Attorney General Alberto R. Gonzales at the conference today, the Hurricane Katrina Fraud Task Force reported that more than 400 people have been federally charged with hurricane-related fraud since the Attorney General created the Task Force on Sept. 8, 2005. Those federal charges were filed in 30 federal districts in all regions of the United States. State and local prosecutors' offices have also continued to bring criminal cases involving hurricane-related fraud.

Talking Points

- We must ensure that the criminals who have exploited this time of human suffering are brought to justice, and that their crimes do not undermine the programs intended to rebuild the homes, businesses, and communities destroyed by Hurricanes Katrina, Rita and Wilma.

- The Department of Justice will continue to vigorously investigate and prosecute fraud, in whatever form it may take, and work with our partners to prevent fraud in the future."

THURSDAY'S EXPECTED EVENTS/RELEASES:

12:45 P.M. CDT Attorney General Alberto R. Gonzales will deliver remarks regarding Department of Justice efforts to fight child exploitation at the Protect Our Children Conference.
Hilton Kansas City Airport Hotel
Shawnee Ballroom
8801 N.W. 112th Street
Kansas City, Missouri
OPEN PRESS

Press inquiries regarding logistics should be directed to Angela Williamson at the Department of Justice at 202-532-5349.

1:30 P.M. CDT Federal Bureau of Investigation Director Robert Mueller and Inspector General Glenn Fine will testify before the House Appropriations Subcommittee on Science, the Departments of State,

Justice, and Commerce and Related Agencies regarding FBI Oversight.
Rayburn House Office Building
Room 2359
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Appropriations Committee at 202-225-2771.

2:30 P.M. EDT

Lee Lofthus, Acting Assistant Attorney General for the Justice Management Division, will testify before the Senate Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management, Government Information, and International Security regarding Department of Justice policies on conference attendance and support, budget ceilings, and overall trends in conference spending.
Dirksen Senate Office Building
Room 342
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Homeland Security and Government Affairs Committee at 202-224-4751.

System Administrator

From: System Administrator
Sent: Wednesday, September 13, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 519387 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 519388 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: AAG THOMAS O. BARNETT ADDRESSES FORDHAM COMPETITION LAW INSTITUTE'S 33RD ANNUAL CONFERENCE ON INTERNATIONAL ANTITRUST LAW & POLICY

(PDF version is attached.)

DEPARTMENT OF JUSTICE

Criminal Enforcement Of
Antitrust Laws: The U.S. Model

Address by

Thomas O. Barnett
Assistant Attorney General
Antitrust Division
U.S. Department of Justice

Presented at the
Fordham Competition Law Institute's
Annual Conference on International Antitrust Law and Policy
New York, New York

September 14, 2006

Introduction

I am greatly honored to participate today in the Fordham Competition Law Institute's thirty-third annual Conference on International Antitrust Law and Policy. It is a great tribute to Barry Hawk's vision and energy that this conference has thrived for so long, and that it continues to prove its usefulness year after year.

In my time with you today I will talk about the United States' experience in criminal antitrust prosecutions and highlight the characteristics of the U.S. model that I believe have led to our successes. I will also explain why I believe that the expansion of criminal antitrust enforcement in other jurisdictions, when done

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well, benefits United States consumers, and I will highlight some of the excellent work that antitrust prosecutors are doing in other jurisdictions.

I. The U.S. Experience in Cartel Enforcement

Our Supreme Court has accurately labeled cartels "the supreme evil of antitrust." *Verizon Communications Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 408 (2004). The fixing of prices, bids, output, and markets by cartels has no plausible efficiency justification; therefore, antitrust authorities properly regard cartel behavior as *per se* illegal and a "hard core" violation of the competition laws.

The United States has long experience prosecuting cartels, and its efforts have yielded solid results. Some of those results are quantifiable: in fiscal years 2004 and 2005, and so far in 2006, the Antitrust Division of the Department of Justice has obtained fines of $360 million, $338 million, and $473 million, respectively, and has brought criminal cases against 69 firms. Some of the results are less tangible, but no less real: the Division has uncovered evidence that some cartelists choose to compete in the United States, even while continuing cartel behavior in other nations, due to the fear of U.S. prosecution.

The Antitrust Division's anti-cartel enforcement program has been built over many years of dedicated effort. Based on our experience, I will discuss seven practices that have contributed to the success of the program: (i) focus prosecutors on "hard core" collusive activity; (ii) treat cartels as serious crimes; (iii) provide an amnesty program and "amnesty plus"; (iv) vigorously prosecute obstruction of justice; (v) charge cartels in conjunction with other offenses; (vi) provide transparency and predictability; and (vii) publicize these enforcement efforts. Together these practices serve to emphasize the importance of cartel enforcement, change the cost-benefit calculation to cause firms to avoid or withdraw from cartel activity, and draw public attention to the harm that cartels cause and the public benefits from stopping them.

I will briefly discuss each of these practices to show why we think they are so critical.

First, prosecutors should focus on "hard core" collusive activity. The most important step in prosecuting cartels, and particularly in deterring them, is to make clear to all that anti-cartel enforcement should be and is a priority. One way we have done this in the United States is by separating criminal from civil enforcement. Creating a specialized criminal enforcement team has allowed us to attract, train, and retain people whose passion is criminal enforcement.

At the same time, the Division focuses its criminal enforcement only on hard core violations. By focusing narrowly on price fixing, bid-rigging, and market allocations, as opposed to the "rule of reason" or monopolization analyses used in civil antitrust law, we have established clear, predictable boundaries for businesses. This narrow focus also helps conserve prosecution and judicial resources by reducing the number of potential cases and also by reducing the complexity of proof: proving the existence of an agreement establishes the violation without the need for the detailed economic testimony common in civil antitrust actions.

Second, the penalty for cartel violations should fit the crime. Penalties should reflect the fact that cartels inflict enormous consumer harm with no corresponding efficiency gains. Because cartelists are capable of making a cost/benefit decision that discounts a possible fine as merely a cost of doing business illegally, cartel penalties not only should be large enough to negate financial incentives to conspire, but also should include substantial jail time for responsible individuals. Nothing is a greater deterrent and nothing is a greater incentive for a cartelist, once exposed, to cooperate in the investigation of his co-conspirators than the threat of substantial incarceration in a U.S. prison. Keeping our criminal cases focused on hard core conduct that has no plausible business justification – and that usually occurs in secret, accompanied by coverups and lies – also makes judges and juries feel more comfortable in sending these defendants to jail.

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Third, a criminal antitrust program should provide for an amnesty or leniency option and for "amnesty plus." Amnesty programs are invaluable in detecting cartels and in collecting the evidence necessary to obtain a conviction. It is notoriously difficult to discover cartel behavior or, once discovered, to compile sufficient evidence to successfully prosecute cartel members in court. To penetrate the elaborate concealment strategies cartels use, prosecutors must have a tool to convert cartel members into cooperative witnesses, so that prosecutors can gain access to background information, testimony, and the documents that otherwise might be destroyed. Amnesty programs are such a tool.

Amnesty programs work by changing the cost/benefit calculation of cartelization. To do this properly, an amnesty program requires three elements.

- There must be severe sanctions for firms and individuals that do not obtain amnesty — not only severe as a general matter, but also severe as a relative matter, in terms of what is lost by not cooperating. An amnesty program must provide significant benefits as compared with the alternative strategies of staying in a cartel or withdrawing but remaining silent.

- There must also be a genuine fear of detection. Antitrust authorities must have a credible threat to discover cartel behavior. If firms perceive that the risk of being caught by antitrust authorities is very small, stiff maximum penalties will not be sufficient to deter cartel activity or to cause firms to report their wrongdoing to authorities in exchange for amnesty. Once that credible threat exists, the threat of being turned in by one's fellow corporate cartelists will increase. It is also very helpful to have an individual leniency policy, which creates the potential for an amnesty race between a corporation and its own culpable employees.

- There must be predictability and transparency to the amnesty program. The United States program is set forth in two documents — the Corporate Leniency Policy and the Individual Leniency Policy — that give potential applicants a high degree of assurance that, if they take the risk of coming forward, they will get the reward. Transparency in the amnesty program thus makes it more likely that applicants will come in, and that the cartel will be broken up.

The Division's "Amnesty Plus" program serves the same purpose. "Amnesty Plus" refers to benefits that prosecutors can offer to a cartel member who discloses previously undetected antitrust offenses involving a cartel *different* from the one that first brought that cartelist to the prosecutors' attention. Amnesty Plus induces firms that are already under investigation to clean house and report violations in which it may be involved in other markets. Roughly half of the Division's current international cartel investigations were initiated by evidence obtained as a result of an investigation of a completely separate market. Most of the corporate defendants in international cartel cases are multinational companies selling hundreds of different products. The Division's experience is that if a company is fixing prices in one market, the chances are good that it is doing so in other markets, and that the executives involved in one cartel have likely been involved in others, or have worked with other executives who taught them the tricks of the collusion trade. The Division has had great success pursuing a strategy of "cartel profiling," in which one investigation eventually gives root to prosecutions in a half-dozen or more different markets. Through Amnesty Plus, exposure of a single member of a single cartel has the potential to bring a series of cartels tumbling down like a house of cards.

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Division's commitment to the program. At the same time, however, the importance of our amnesty program requires that we protect the integrity of the process. If, for example, amnesty applicants misrepresent facts to us, fail to stop their cartel activities promptly once they are discovered, or fail to cooperate, then the Division must protect the integrity of the program.

Fourth, to protect the integrity of their investigations prosecutors should vigorously prosecute obstruction of justice. Cartelists are frequently adept at concealment, which can include actively obstructing a prosecutor's investigation. To address this concern, the Cartels Working Group of the International Competition Network recommended in May 2006 that the punishment imposed for impeding a cartel investigation should be on par with punishment for the original offense. I endorse that view and commend the ICN's report as important reading.

Fifth, enforcers should charge antitrust crimes in conjunction with other offenses. Just as punishing obstruction of antitrust investigations emphasizes the importance of the antitrust offense being investigated, prosecutors should not hesitate to combine antitrust charges with charges of other crimes. Prosecutors frequently combine embezzlement charges with claims for illegal wire transfers or evidence destruction, for example, and the same approach is appropriate for cartel offenses. The Division has uncovered cartel activity in conjunction with crimes such as mail and wire fraud, bribery, money laundering, and tax offenses, to name just a few. Antitrust prosecutors should have the power and the inclination to pursue a cartelist for each and every criminal violation, both to vindicate such proscriptions on their own merits and to induce cooperation against other members of the cartel.

Sixth, the success thus far of the U.S. model suggests that jurisdictions should provide transparency and predictability in cartel enforcement. Informing market participants of the rules and likely consequences provides a critical foundation for effective deterrence. Businesses need to know where the line has been drawn so that they have an opportunity to conform their behavior to the law. Further, as discussed above, the success of an amnesty program depends on potential applicants having confidence that they will obtain the benefits of amnesty if they comply with a set of clear requirements. In the United States' experience, cooperating parties come forward in direct proportion to the predictability and certainty of their treatment following cooperation. Moreover, establishing transparent standards for other aspects of the criminal enforcement process, such as the decision to open a cartel investigation or the decision to bring charges makes prosecutors' jobs easier: they have a clear procedure to follow internally and a basis for explaining the fairness of their actions.

Finally, antitrust enforcers should publicize their anti-cartel efforts in order to maximize deterrence. Deterrence is preferable to prosecution, both in terms of preventing competitive harm in the first place, and in terms of conserving enforcement resources. Companies who have been invited to join a cartel will think long and hard about whether it is worth it if they know they will face harsh penalties and if they know that their co-conspirators have strong incentives to turn them in. And if publicity is particularly effective, it can lead both to more complaints and to complaints that are more actionable, as cartel victims and amnesty applicants learn to give enforcers the specific information necessary to make a case.

II. The Mutual Benefits of Vigorous Cartel Enforcement in Other Jurisdictions

Although I have focused on how we do things in the United States, in a moment I will take a few minutes to draw attention to the efforts and successes of cartel prosecutions in other jurisdictions. It is important for all of us here to take note of this good work being done elsewhere because the benefits of vigorous, principled cartel enforcement flow across borders. In a number of ways, cartel enforcement in one country benefits citizens of another.

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Of course, these benefits will flow only if cartels know they will face vigorous prosecution. Such prosecutions are increasing, and I am pleased to observe the criminal enforcement accomplishments of a number of other jurisdictions.

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United Kingdom: I am pleased to observe that, over the last six years, our colleagues in the United Kingdom have become among the strongest advocates in the international fight against cartels. In 2000, the British government implemented a new competition law that prohibited cartels and other anti-competitive behavior, giving the Office of Fair Trading new investigative powers and expanding resources for detecting cartel activity. The new powers included the creation of a corporate leniency program modeled after the Division's Leniency Program. The Competition Act also imposed stiff fines for companies involved in cartels. In 2001, the United Kingdom removed a side letter provision that had excluded antitrust assistance from the U.S.-U.K. Mutual Legal Assistance Treaty. Then, in 2002, the U.K. Enterprise Act was passed, introducing criminal sanctions of up to five years in prison and an unlimited fine, effective in June 2003, for individuals who engage in hard-core cartels.

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Conclusion

Thank you for your attention. I look forward to the remarks of my fellow panelists and the discussion to follow.

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DEPARTMENT OF JUSTICE

Criminal Enforcement Of Antitrust Laws: The U.S. Model

Address by

Thomas O. Barnett
Assistant Attorney General
Antitrust Division
U.S. Department of Justice

Presented at the
Fordham Competition Law Institute's
Annual Conference on International Antitrust Law and Policy
New York, New York

September 14, 2006

Introduction

I am greatly honored to participate today in the Fordham Competition Law Institute's thirty-third annual Conference on International Antitrust Law and Policy. It is a great tribute to Barry Hawk's vision and energy that this conference has thrived for so long, and that it continues to prove its usefulness year after year.

In my time with you today I will talk about the United States' experience in criminal antitrust prosecutions and highlight the characteristics of the U.S. model that I believe have led to our successes. I will also explain why I believe that the expansion of criminal antitrust enforcement in other jurisdictions, when done well, benefits United States consumers, and I will highlight some of the excellent work that antitrust prosecutors are doing in other jurisdictions.

I. The U.S. Experience in Cartel Enforcement

Our Supreme Court has accurately labeled cartels "the supreme evil of antitrust." *Verizon Communications Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 408 (2004). The fixing of prices, bids, output, and markets by cartels has no plausible efficiency justification; therefore, antitrust authorities properly regard cartel behavior as *per se* illegal and a "hard core" violation of the competition laws.

The United States has long experience prosecuting cartels, and its efforts have yielded solid results. Some of those results are quantifiable: in fiscal years 2004 and 2005, and so far in 2006, the Antitrust Division of the Department of Justice has obtained fines of $360 million, $338 million, and $473 million, respectively, and has brought criminal cases against 69 firms. Some of the results are less tangible, but no less real: the Division has uncovered evidence that some cartelists choose to compete in the United States, even while continuing cartel behavior in other nations, due to the fear of U.S. prosecution.

The Antitrust Division's anti-cartel enforcement program has been built over many years of dedicated effort. Based on our experience, I will discuss seven practices that have contributed to the success of the program: (i) focus prosecutors on "hard core" collusive activity; (ii) treat cartels as serious crimes; (iii) provide an amnesty program and "amnesty plus"; (iv) vigorously prosecute obstruction of justice; (v) charge cartels in conjunction with other offenses; (vi) provide transparency and predictability; and (vii) publicize these enforcement efforts. Together these practices serve to emphasize the importance of cartel enforcement, change the cost-benefit calculation to cause firms to avoid or withdraw from cartel activity, and draw public attention to the harm that cartels cause and the public benefits from stopping them.

I will briefly discuss each of these practices to show why we think they are so critical.

First, prosecutors should focus on "hard core" collusive activity. The most important step in prosecuting cartels, and particularly in deterring them, is to make clear to all that anti-cartel enforcement should be and is a priority. One way we have done this in the United States is by separating criminal from civil enforcement. Creating a specialized criminal enforcement team has allowed us to attract, train, and retain people whose passion is criminal enforcement.

At the same time, the Division focuses its criminal enforcement only on hard core violations. By focusing narrowly on price fixing, bid-rigging, and market allocations, as opposed to the "rule of reason" or monopolization analyses used in civil antitrust law, we have established clear, predictable boundaries for businesses. This narrow focus also helps conserve prosecution and judicial resources by reducing the number of potential cases and also by reducing the complexity of proof: proving the existence of an agreement establishes the violation without the need for the detailed economic testimony common in civil antitrust actions.

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Second, the penalty for cartel violations should fit the crime. Penalties should reflect the fact that cartels inflict enormous consumer harm with no corresponding efficiency gains. Because cartelists are capable of making a cost/benefit decision that discounts a possible fine as merely a cost of doing business illegally, cartel penalties not only should be large enough to negate financial incentives to conspire, but also should include substantial jail time for responsible individuals. Nothing is a greater deterrent and nothing is a greater incentive for a cartelist, once exposed, to cooperate in the investigation of his co-conspirators than the threat of substantial incarceration in a U.S. prison. Keeping our criminal cases focused on hard core conduct that has no plausible business justification – and that usually occurs in secret, accompanied by coverups and lies – also makes judges and juries feel more comfortable in sending these defendants to jail.

Third, a criminal antitrust program should provide for an amnesty or leniency option and for "amnesty plus." Amnesty programs are invaluable in detecting cartels and in collecting the evidence necessary to obtain a conviction. It is notoriously difficult to discover cartel behavior or, once discovered, to compile sufficient evidence to successfully prosecute cartel members in court. To penetrate the elaborate concealment strategies cartels use, prosecutors must have a tool to convert cartel members into cooperative witnesses, so that prosecutors can gain access to background information, testimony, and the documents that otherwise might be destroyed. Amnesty programs are such a tool.

Amnesty programs work by changing the cost/benefit calculation of cartelization. To do this properly, an amnesty program requires three elements.

- There must be severe sanctions for firms and individuals that do not obtain

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amnesty — not only severe as a general matter, but also severe as a relative matter, in terms of what is lost by not cooperating. An amnesty program must provide significant benefits as compared with the alternative strategies of staying in a cartel or withdrawing but remaining silent.

- There must also be a genuine fear of detection. Antitrust authorities must have a credible threat to discover cartel behavior. If firms perceive that the risk of being caught by antitrust authorities is very small, stiff maximum penalties will not be sufficient to deter cartel activity or to cause firms to report their wrongdoing to authorities in exchange for amnesty. Once that credible threat exists, the threat of being turned in by one's fellow corporate cartelists will increase. It is also very helpful to have an individual leniency policy, which creates the potential for an amnesty race between a corporation and its own culpable employees.
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Fourth, to protect the integrity of their investigations prosecutors should vigorously prosecute obstruction of justice. Cartelists are frequently adept at concealment, which can include actively obstructing a prosecutor's investigation. To address this concern, the Cartels Working Group of the International Competition Network recommended in May 2006 that the punishment imposed for impeding a cartel investigation should be on par with punishment for the original offense. I endorse that view and commend the ICN's report as important reading.

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Conclusion

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Image not available for this document, ID: 0.7.10316.32667-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 10:03 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 14, 2006

Department of Justice

PRESS GUIDANCE
Thursday, September 14, 2006

ATTORNEY GENERAL

12:45 P.M. CDT Attorney General Alberto R. Gonzales will deliver remarks before the Protect our Children conference regarding Department of Justice efforts to combat online child predators through Project Safe Childhood.
Hilton Kansas City Airport Hotel
Shawnee Ballroom
8801 N.W. 112th Street
Kansas City, Missouri
OPEN PRESS

PRESS RELEASES

The Antitrust Division will release the prepared remarks of Assistant Attorney General Thomas O. Barnett delivered before the Fordham Competition Law Institute's Annual Conference on International Antitrust Law and Policy.

EVENTS/HEARINGS

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
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System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 523743 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Thursday, September 14, 2006 10:50 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/14/2006 Civil Division News

Plame sues Armitage over CIA leak

Anthrax victim's widow says government may know who killed husband

Nurses sue hospital for overbilling Medicare

Opinion: How can U.S. let this terrorist go?

AP

September 14, 2006

Plame sues Armitage over CIA leak

By MATT APUZZO, Associated Press Writer

WASHINGTON - One-time covert CIA officer Valerie Plame sued the former No. 2 official at the State Department on Wednesday, accusing him of violating her privacy rights.

Plame added Armitage's name to a civil suit in U.S. District Court against Vice President Dick Cheney , his former chief of staff I. Lewis "Scooter" Libby and White House adviser Karl Rove.

Plame and her husband, former Ambassador Joseph Wilson, say the White House leaked Plame's identity as retribution for Wilson's criticisms of prewar intelligence on Iraq .

Armitage said he knew of no plan to leak Plame's identity.

Armitage is accused of violating Plame's privacy rights. He is not accused of violating the Wilsons'

constitutional rights to equal protection and freedom of speech — allegations that remain against the White House officials.

Wilson discounted reports that then-Iraqi leader Saddam Hussein had tried to buy yellowcake uranium from Niger to make a nuclear weapon. Such a claim wound up in President Bush ‘s 2003 State of the Union address.

Still, Novak said Armitage‘s comments didn‘t fit into "the left-wing fantasy of a well-crafted White House conspiracy."

Special Prosecutor Patrick Fitzgerald has investigated the leak for years and has not charged anyone with intentionally leaking Plame‘s identity. Libby is under indictment, charged with lying to authorities about his conversations with reporters.

END

Palm Beach Post

Sept. 13. 2006

Anthrax victim's widow says government may know who killed husband

By Eliot Kleinberg

Palm Beach Post Staff Writer

WEST PALM BEACH — Maureen Stevens says the federal government probably knows who killed her husband.

She believes they're not telling because that might reveal things the government doesn't want revealed.

Nearly five years after Bob Stevens' death, the first in the anthrax attacks that terrified a nation, "I want to know what happened," his widow, who's sued the government, said Wednesday from her lawyer's office. "I want to go into court and find out what happened. What information's obviously there. The truth is there."

Bob Stevens of Lantana, a photo editor for Boca Raton-based tabloid *The Sun*, died in October 2001, after he apparently opened mail laced with the deadly substance.

The government said in February of 2002 that it had a "short list" of 18 to 20 people who had the knowledge, equipment, access, and motive to obtain and "weaponize" anthrax. Richard Schuler, Stevens' attorney, said Wednesday it might be fewer than a dozen.

Stevens filed suit in December 2003, alleging security lapses at the U.S. Army Medical Research Institute for Infectious Diseases in Fort Detrick, Md., led to her husband's death. A federal judge refused to dismiss the case and it has been in front of a federal appeals court for nearly a year. The government has argued proceeding with the suit would jeopardize the ongoing search for the killer.

In Washington, Justice Department spokesman Charles Miller said he could not comment because the suit is still active.

Stevens said she's had only two contacts with the FBI since shortly after her husband's death. Agents talked with her in West Palm Beach in July 2003.

And she and families of the other four people confirmed killed by anthrax met with the agency in Washington in November of last year.

Stevens said the agents told the families they were getting close to solving the case and that she felt positive after that meeting. But, she said Wednesday, "it was just lip service. I don't want to say things like this, but I do feel that."

And Schuler said, "To only get with families once in five years, and to give what's only window dressing, I believe is a disgrace."

Stevens said she still believes the case will be solved.

"I have to be patient," Stevens said.

But, she said of her suit, "What else do I have?" she said. "Do I stand on a street corner and ask everybody to ask the government for answers? It's not going to happen."

END

The GW Hatchet

9/14/06

Nurses sue hospital for overbilling Medicare

David Ceasar
Senior News Editor

A group of four former anesthesiology nurses at GW Hospital sued the University for overbilling the federal government in Medicare charges.

The nurses alleged that the hospital overcharged at least $100 million by assessing physician rates for procedures performed by nurses or residents in training, said Alan Grayson, the group's attorney. They initially filed a False Claims Act lawsuit in federal court over a decade ago on behalf on the U.S. government, but the most recent complaint was filed earlier this month.

Linda Dent, a spokesperson for GW Hospital, said the University has acted legally in its billing process.

"We believe GW and its physicians acted appropriately, and the matter is being challenged," Dent said in an interview Tuesday.

A lawsuit can be filed under the False Claims Act when a person "knowingly presents ... to an officer or employee of the United States Government ... a false or fraudulent claim for payment or approval," according to U.S. Code 31.

Grayson said he's currently investigating five issues in the suit's amended complaint, which was filed earlier this month. He requested from the hospital about 10,000 Medicare documents, which he said have not yet been turned over.

The attorney said the University threw away the documents.

"GW destroyed all of their records of billing to the government while the hearing was pending," Grayson said in a phone interview Friday.

Dent refused comment on the allegation of destroyed evidence and on other specifics of the case because of a hospital policy prohibiting speaking about pending litigation.

In several examples cited in the suit, physicians were playing computer games, resting in the hospital's lounge and studying for exams instead of performing procedures that were billed to Medicare, according to The Washington Times. GW attorneys called the allegations that the anesthesiologists were not involved in billed treatment as "bald-faced distortions" in court records.

The next hearing in the case is scheduled for Nov. 2 in the U.S. District Court for D.C.

The GW Hospital is jointly owned and operated by the University and a subsidiary of Universal Health Services, Inc., one of the country's largest hospital managements companies. The partnership began in July 1997, according to the hospital's Web site.

END

New York Daily News

Sept. 14, 2006

Opinion: How can U.S. let this terrorist go?

Forget the war on terror. According to a federal judge, a man with a lengthy rap sheet that includes terrorist acts in several countries, Luis Posada Carriles, should be set free on the streets of America.

As if to add insult to injury, Judge Norbert Garney recommended releasing him on Monday, Sept. 11, the fifth anniversary of the attack on New York.

No matter that Posada Carriles - born in Cuba and a naturalized Venezuelan - is accused of, among other crimes, planning the bombing in 1976 of a Cuban passenger jetliner over Barbados that killed 73 civilians.

Posada Carriles has been in an immigration jail in Texas since he entered the U.S. illegally last year. Also, last year, an immigration judge decided that he should be deported - but not to Venezuela or Cuba, where, the judge said, he could be tortured.

Yet Garney wants to free him.

"The court recommends that petitioner's request for habeas corpus be granted and that petitioner be released subject to terms and conditions of supervised release," he wrote.

If Garney's recommendation is approved by the Justice Department, Posada Carriles could be free in about 30 days. It would be a slap on the faces of the families of the Cuban airliner victims. And it would make a mockery of President Bush's war on terror.

Even more so considering that on March 22, U.S. Immigration and Customs Enforcement (ICE) denied his release for very specific reasons: Posada Carriles, ICE said then, was a "danger to the community" and "a risk to the national security of the U.S."

It wasn't the first time. The former Immigration and Naturalization Service also had deemed him a danger to the U.S., but President George H.W. Bush granted him resident status anyway.

Posada Carriles is 78, but he is no kindly grandfather. Actually, blowing up an airliner was only one of many terrorist acts in which the former CIA operative is said to have participated. His denial is not surprising.

In Aug. 26, 2004, he was released from a Panama jail after Mireya Moscoso, that country's outgoing president, pardoned him. He had been in prison, accused of plotting to assassinate Cuban dictator Fidel Castro at a summit of Latin American leaders in 2000.

He wanted to use 33 pounds of explosives - enough to destroy an armored car and damage everything within 220 yards. He was sentenced to eight years for endangering public safety.

From Panama, he went into hiding in Central America. He's also still a fugitive from Venezuela, where in 1985 he escaped from jail. He is wanted there for his role in the bombing of the Cuban jetliner.

The South American country has an extradition treaty with the U.S., but with the tense relations between Washington and Caracas, no one expects the suspected terrorist to be sent back.

Posada Carriles also has boasted of having planned six Havana hotel bombings in 1997 in which an Italian tourist died and 11 people were wounded.

Yet Garney is recommending his release. Hard as they try, federal authorities cannot find any country willing to take in such an unsavory character, including Canada, Mexico, Guatemala, Costa Rica and El Salvador.

President Bush has said, "If you harbor a terrorist, you are a terrorist." And if the war on terror is real and not a political ploy, all terrorists, even the ones who agree with U.S. foreign policy, must be prosecuted.

The case of Posada Carriles is one more argument for freeing the Cuban Five, who are serving long sentences for trying to stop terror attacks to their homeland.

"The outrage of five Cuban anti-terrorists being imprisoned while the notorious terrorist Luis Posada Carriles is recommended for release makes an absolute mockery of justice," said Gloria La Riva, national coordinator of the Committee to Free the Cuban Five.

A recommendation issued, as if to add insult to injury, on the fifth anniversary of the worst terrorist attack in U.S. history.

END

[redacted]@globalsp.org

From: [redacted]@globalsp.org
Sent: Thursday, September 14, 2006 11:24 AM
Subject: Post-Reception TM Happy Hour- Monday, Sept 18, 8:30 pm
Attachments: tmp.htm

POST-RECEPTION Term Member Happy Hour Monday, September 18th, 8:30 at CLOUD (1 Dupont Circle) I hope youre well. I will be hosting a term member happy hour that begins at 8:30 pm, on Monday, September 18th, immediately after the conclusion of the new term-member reception on Monday. The gathering will take place at CLOUD (1 Dupont Circle corner of the circle and New Hamsphire Ave). Feel free to bring along any friends or guests For all those term members (or former term members) not attending the new term member reception on Monday, please join us at CLOUD starting from 8:30 pm. Please note that this is NOT an official CFR event.

I look forward to seeing you there. Best regards, [redacted]

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[redacted]

System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 523753 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 1:57 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROTECT OUR CHILDREN CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 14, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROTECT OUR CHILDREN CONFERENCE

KANSAS CITY, MISSOURI

Good morning.

It's good to be in Kansas City, and I'm especially glad to have the opportunity to discuss the protection of our kids.

When President Bush talks about the strength of America, he sometimes refers to Armies of Compassion rising up to fight the evils of society. The rise in the number of sexual predators should be heard as a call to arms.

This is a topic close to my heart and I know that all of you feel as strongly as I do on this matter. To us, the battle lines are clear and we know why we fight.

We fight for our children, that they may enjoy the promise of America. We fight for their innocence and their dreams. It is a fight for our future.

I think for everyone here today it's true that we have a calling and are on a mission to protect children. This is our responsibility . . . our motivation . . . our daily objective.

Unfortunately, the daily objective of others is dark and sinister. Harming our children, preying upon their innocence, is the aim of sexual predators.

Make no mistake, sexual predators are a determined and desperate brand of criminal.

It is a wrenching reality that, every day, children are sexually solicited online.

Every day.

DOJ_NMG_ 0167958

Every day, these criminals are looking for children to hurt. Every day, they are visiting chat rooms where our children think they are safe. Every day, they look at child pornography with hopes of performing those sick acts themselves, and perhaps documenting their crimes for bragging rights with other depraved individuals.

The only response to their horrific ambitions is to respond with greater perseverance:

Every day, we must re-dedicate ourselves to investigating, catching and prosecuting these sick individuals.

Every day, we must educate children and parents about the threat.

And every day, we must talk to our own kids about what they are seeing, what they are hearing, and who they are communicating with on the Internet.

The Internet has made the global responsibility of protecting our kids even more challenging. While being perhaps the greatest invention of our generation, this tool has also, unfortunately, provided elements that criminals love: a cloak of anonymity, speed of communication, and global access to potential victims. The Internet has provided pedophiles with limitless back rooms, dark shadows, and escape routes. It has made it hard to find the criminal but terribly easy to see the crime.

The internet also allows them to brag about their crimes, creating a sick field of competition to see who can produce the most unthinkable photos or videos of rape and molestation. In their perverse eyes, this means the younger, the better.

Most images today of child pornography depict actual sexual abuse of real children. Each image literally documents a crime scene. These are not just "pornographic" pictures or videos. They are images of graphic sexual and physical abuse of innocent children, sometimes even babies. We need to get the public—as well as government officials—to start thinking about it in the right terms. It is brutal, it is heinous, and it is criminal.

The challenge we face in cyberspace was underscored by a new national survey, released a few weeks ago, conducted by University of New Hampshire researchers for the National Center for Missing and Exploited Children. The study revealed that a full third of all kids aged 10 to 17 who used the Internet were exposed to unwanted sexual material. Much of it was extremely graphic.

There was some good news in the survey. It found that there has been some reduction in the number of children who have received an online sexual solicitation. One in seven children surveyed this time had received an online sexual solicitation, which is a six percent improvement over the one in five children who received such solicitations in the last survey, conducted five years ago. This likely means that parents and kids are becoming more aware of the dangers online, and more responsible in the way they use the Internet.

That said, we still have a lot of work to do. One in seven kids getting solicited is one in seven too many.

And this most recent survey showed that there has been no letting up of aggressive online sexual solicitations, where many pedophiles actually try to make in-person contact with a child.

Which leads me back to my first point: every day. Every day they try to hurt our kids, and every day we work to stop them.

The haunting message that these criminal acts against children occur every day in America has been echoed effectively in the Ad Council's Public Service Announcements on the subject.

DOJ_NMG_ 0167959

I'm very proud that the Department of Justice is partnering with the National Center for Missing and Exploited Children and the Ad Council on a new series of PSAs.

This new campaign of PSAs will build on the great work already done by NCMEC and the Ad Council to raise awareness about the dangers of online sexual exploitation of kids, and to help parents and kids protect against online sexual predators.

With advertising campaigns like these, we will continue to raise the profile of these issues, while sending the message to teens and parents about online dangers. The new series of PSAs will be distributed in early 2007, and we are proud to partner with NCMEC and the Ad Council on this important effort.

I also want to talk about what we are doing at the Justice Department, and in partnership with all of you, to protect our children, but I think it's important to mention, first, some of the victims who we are fighting for. Because ultimately we fight to prevent future crimes, but we do so in the name of those who have already suffered so much.

We fight for the nine-year-old girl who was molested by a hotel camp counselor on a family vacation. In the state of shock, hurt and confusion over what had happened to her, she actually feared that her parents might love her less because of what had happened.

We fight in honor of Jessica Lunsford, who was raped, wrapped in plastic bags and buried alive, left holding a stuffed dolphin, alone, to die by asphyxiation when she was just nine years old.

We fight for Jetseta Gage, who was 10 years old when a family friend abducted her, took her to an abandoned mobile home southwest of Iowa City, and raped and killed her.

We know that we can't bring back Jessica or Jetseta, but we can do everything in our power to protect every innocent child … today and every day going forward.

Our ultimate goal, again, is prevention.

Because a child who has been abused sexually bears a scar so deep, all the justice in the world can never heal it completely. We can never make things quite right, ever again. There is no moment when we can say, "It's all better."

As a law-enforcement official, and as a parent, I am dedicated to preventing these horrific crimes. I know that all of you feel the same way. We want to be able to tell America's children, our children, "you're safe."

***

The Adam Walsh Child Protection and Safety Act of 2006, signed by the President in July, will help us keep our children safe by preventing these crimes. It requires sex offender registrations and those requirements have teeth. It enhances penalties and helps us keep sex offenders away from our kids after they've been released from prison.

I also want to specifically mention two things that this historic legislation did to bolster our efforts at the Department of Justice to protect children:

First, the new law establishes the Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking Office, and it assigns the Office numerous important functions relating to the sex offender registry.

The SMART Office will be led by a Presidentially-appointed Director. We are working now to establish this Office, and it will be critical to our ongoing efforts to protect kids.

Second, the Justice Department's "Project Safe Childhood," launched earlier this year, was also given statutory authority by the Adam Walsh bill. As all of you know, it is the centerpiece of the Department's efforts to protect America's children.

I see the campaign to protect our children as a strong, three-legged stool: one leg is the federal contribution led by U.S. Attorneys; another is state and local law enforcement, including the outstanding work of the Internet Crimes Against Children task forces funded by the Department's Office of Justice Programs; and the third is non-governmental organizations, like the National Center for Missing and Exploited Children -- without which we wouldn't have the Cybertipline and victim advocates.

None of our efforts can stand alone. All must involve high levels of sharing and coordination. And that's what Project Safe Childhood is all about.

This important initiative promises more federal resources, but my hope is that its greatest achievement will be that of increased collaboration and cooperation.

I know that you all are the experts, so I want to thank you for your hard work and dedication. But I also ask for your partnership, because Project Safe Childhood is all about bringing together a blend of expertise, joined by a shared solidarity of commitment to protecting kids.

Project Safe Childhood aims to be comprehensive – covering all the things you do, from investigations to prosecutions, to prevention, to the treatment of abused or exploited children. But it won't work without you.

Already, the project has helped us identify some trends and needs, and that's good. For example, we've heard from people like you, working at the state and local level, that a greater federal presence was needed in some states and localities because of insufficient criminal laws, weak sentencing structures, or inadequate resources to provide meaningful punishment to child exploiters and abusers.

So while we will do all we can at the federal level, and utilize partnerships to their fullest, we also strongly encourage state legislatures to look at the laws they have on the books and make them stronger if need be. The vast majority of states have done this, and legislators are to be commended, but adequate protections are not universal and they need to be.

I encourage legislatures to look at whether officers and prosecutors in their jurisdiction have sufficient subpoena powers for child exploitation cases.

In states where it is not already the law, the possession of child pornography – even without the intent to distribute – should be made a felony.

And some states need to increase the sentences available for certain kinds of abuse and exploitation.

When it comes to strengthening state law, we must, once again, work together. Our united efforts can bring about positive change in state laws governing child exploitation offenses. This will allow us to attack sexual predators in a comprehensive fashion, maximizing punishment and deterrence at both the federal and state levels throughout the entire Nation.

DOJ_NMG_ 0167961

Our fight against the proliferation of child pornography and abuse doesn't stop at our borders, either. It demands a global strategy. This makes it imperative that we pay attention to the laws governing child sexual exploitation in other nations.

Many countries have astonishingly lenient punishments for child pornography offenses. For instance, in several nations the production of child pornography is punished with only a fine or imprisonment of less than six months or a year. Simple possession is punishable merely by a fine. Just as we need some states to strengthen their laws to punish child sex offenders, we must encourage some foreign lawmakers to strengthen their laws as well.

On a law enforcement level, the Justice Department is already actively involved in fighting child pornography worldwide. We participate in international law enforcement groups such as Interpol, we station federal law enforcement agents from the FBI and other agencies abroad, and we work closely with foreign law enforcement officers to investigate and prosecute cases. With many of you, we are committed to waging this battle against child predators in every corner of the world.

***

I know that everyone in this room today is working on tough, innovative approaches to protecting children, and I want to thank all of you again for your efforts and your partnership. The more we work together, the more children we will protect from the crimes that cause wounds that never heal.

There is a vast and frightening network of criminals or would-be criminals who seek to hurt our children. But we have a network, too. And it, too, is vast. It stretches from coast to coast, from city to city, and includes every parent, every school, every police station, every courthouse, every victim's advocate and every volunteer. Our network, when used to its greatest potential, can defeat these predators who crush the very souls of their victims.

Together, we can get the dangerous pedophiles off of our streets, out of our neighborhoods, and off of the Internet.

I thank you for your dedication to this cause and I look forward to continuing this fight, together. I am but one soldier in the armies of compassion I mentioned earlier. But you can count on me to be by your side, fighting shoulder to shoulder—our voices united as one.

May God bless and guide your important work, and may he continue to bless this great nation. Thank you.

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Image not available for this document, ID: 0.7.10316.32504-000001

Image not available for this document, ID: 0.7.10316.32504-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 1:58 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROTECT OUR CHILDREN CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 14, 2006
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The haunting message that these criminal acts against children occur every day in America has been echoed effectively in the Ad Council's Public Service Announcements on the subject.

DOJ_NMG_ 0167966

I'm very proud that the Department of Justice is partnering with the National Center for Missing and Exploited Children and the Ad Council on a new series of PSAs.

This new campaign of PSAs will build on the great work already done by NCMEC and the Ad Council to raise awareness about the dangers of online sexual exploitation of kids, and to help parents and kids protect against online sexual predators.

With advertising campaigns like these, we will continue to raise the profile of these issues, while sending the message to teens and parents about online dangers. The new series of PSAs will be distributed in early 2007, and we are proud to partner with NCMEC and the Ad Council on this important effort.

I also want to talk about what we are doing at the Justice Department, and in partnership with all of you, to protect our children, but I think it's important to mention, first, some of the victims who we are fighting for. Because ultimately we fight to prevent future crimes, but we do so in the name of those who have already suffered so much.

We fight for the nine-year-old girl who was molested by a hotel camp counselor on a family vacation. In the state of shock, hurt and confusion over what had happened to her, she actually feared that her parents might love her less because of what had happened.

We fight in honor of Jessica Lunsford, who was raped, wrapped in plastic bags and buried alive, left holding a stuffed dolphin, alone, to die by asphyxiation when she was just nine years old.

We fight for Jetseta Gage, who was 10 years old when a family friend abducted her, took her to an abandoned mobile home southwest of Iowa City, and raped and killed her.

We know that we can't bring back Jessica or Jetseta, but we can do everything in our power to protect every innocent child … today and every day going forward.

Our ultimate goal, again, is prevention.

Because a child who has been abused sexually bears a scar so deep, all the justice in the world can never heal it completely. We can never make things quite right, ever again. There is no moment when we can say, "It's all better."

As a law-enforcement official, and as a parent, I am dedicated to preventing these horrific crimes. I know that all of you feel the same way. We want to be able to tell America's children, our children, "you're safe."

***

The Adam Walsh Child Protection and Safety Act of 2006, signed by the President in July, will help us keep our children safe by preventing these crimes. It requires sex offender registrations and those requirements have teeth. It enhances penalties and helps us keep sex offenders away from our kids after they've been released from prison.

I also want to specifically mention two things that this historic legislation did to bolster our efforts at the Department of Justice to protect children:

First, the new law establishes the Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking Office, and it assigns the Office numerous important functions relating to the sex offender registry.

The SMART Office will be led by a Presidentially-appointed Director. We are working now to establish this Office, and it will be critical to our ongoing efforts to protect kids.

Second, the Justice Department's "Project Safe Childhood," launched earlier this year, was also given statutory authority by the Adam Walsh bill. As all of you know, it is the centerpiece of the Department's efforts to protect America's children.

I see the campaign to protect our children as a strong, three-legged stool: one leg is the federal contribution led by U.S. Attorneys; another is state and local law enforcement, including the outstanding work of the Internet Crimes Against Children task forces funded by the Department's Office of Justice Programs; and the third is non-governmental organizations, like the National Center for Missing and Exploited Children -- without which we wouldn't have the Cybertipline and victim advocates.

None of our efforts can stand alone. All must involve high levels of sharing and coordination. And that's what Project Safe Childhood is all about.

This important initiative promises more federal resources, but my hope is that its greatest achievement will be that of increased collaboration and cooperation.

I know that you all are the experts, so I want to thank you for your hard work and dedication. But I also ask for your partnership, because Project Safe Childhood is all about bringing together a blend of expertise, joined by a shared solidarity of commitment to protecting kids.

Project Safe Childhood aims to be comprehensive – covering all the things you do, from investigations to prosecutions, to prevention, to the treatment of abused or exploited children. But it won't work without you.

Already, the project has helped us identify some trends and needs, and that's good. For example, we've heard from people like you, working at the state and local level, that a greater federal presence was needed in some states and localities because of insufficient criminal laws, weak sentencing structures, or inadequate resources to provide meaningful punishment to child exploiters and abusers.

So while we will do all we can at the federal level, and utilize partnerships to their fullest, we also strongly encourage state legislatures to look at the laws they have on the books and make them stronger if need be. The vast majority of states have done this, and legislators are to be commended, but adequate protections are not universal and they need to be.

I encourage legislatures to look at whether officers and prosecutors in their jurisdiction have sufficient subpoena powers for child exploitation cases.

In states where it is not already the law, the possession of child pornography – even without the intent to distribute – should be made a felony.

And some states need to increase the sentences available for certain kinds of abuse and exploitation.

When it comes to strengthening state law, we must, once again, work together. Our united efforts can bring about positive change in state laws governing child exploitation offenses. This will allow us to attack sexual predators in a comprehensive fashion, maximizing punishment and deterrence at both the federal and state levels throughout the entire Nation.

DOJ_NMG_ 0167968

Our fight against the proliferation of child pornography and abuse doesn't stop at our borders, either. It demands a global strategy. This makes it imperative that we pay attention to the laws governing child sexual exploitation in other nations.

Many countries have astonishingly lenient punishments for child pornography offenses. For instance, in several nations the production of child pornography is punished with only a fine or imprisonment of less than six months or a year. Simple possession is punishable merely by a fine. Just as we need some states to strengthen their laws to punish child sex offenders, we must encourage some foreign lawmakers to strengthen their laws as well.

On a law enforcement level, the Justice Department is already actively involved in fighting child pornography worldwide. We participate in international law enforcement groups such as Interpol, we station federal law enforcement agents from the FBI and other agencies abroad, and we work closely with foreign law enforcement officers to investigate and prosecute cases. With many of you, we are committed to waging this battle against child predators in every corner of the world.

***

I know that everyone in this room today is working on tough, innovative approaches to protecting children, and I want to thank all of you again for your efforts and your partnership. The more we work together, the more children we will protect from the crimes that cause wounds that never heal.

There is a vast and frightening network of criminals or would-be criminals who seek to hurt our children. But we have a network, too. And it, too, is vast. It stretches from coast to coast, from city to city, and includes every parent, every school, every police station, every courthouse, every victim's advocate and every volunteer. Our network, when used to its greatest potential, can defeat these predators who crush the very souls of their victims.

Together, we can get the dangerous pedophiles off of our streets, out of our neighborhoods, and off of the Internet.

I thank you for your dedication to this cause and I look forward to continuing this fight, together. I am but one soldier in the armies of compassion I mentioned earlier. But you can count on me to be by your side, fighting shoulder to shoulder—our voices united as one.

May God bless and guide your important work, and may he continue to bless this great nation. Thank you.

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DOJ_NMG_ 0167969

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Image not available for this document, ID: 0.7.10316.32496-000002

System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 525052 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 3:46 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT CLOSES INVESTIGATION INTO DEATH OF NOAH JAMAHL JONES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 14, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT CLOSES INVESTIGATION INTO DEATH OF NOAH JAMAHL JONES

WASHINGTON – The Civil Rights Division of the U.S. Department of Justice, the U.S. Attorney's Office for the District of Maryland, and the Federal Bureau of Investigation (FBI) announced today that there is insufficient evidence to pursue federal criminal civil rights charges against six white men involved in a July 24, 2004, altercation which resulted in the death of Noah Jamahl Jones, an African-American teenager.

The Criminal Section of the Civil Rights Division, in conjunction with the FBI, opened this investigation based on allegations that Mr. Jones' death may have resulted from a racially-motivated attack. The U.S. Attorney's Office assisted in the investigation.

During the federal investigation, the FBI interviewed witnesses and reviewed investigative reports, an autopsy report, and records from a state investigation and prosecution. In May 2005, the state of Maryland tried Jacob Fortney, one of the six white men involved in the incident, for voluntary manslaughter. After a four-day trial, a jury acquitted Fortney of that charge.

Experienced civil rights prosecutors reviewed the voluminous transcripts from the state investigation and criminal trial. Based on careful review and analysis of all of the evidence related to Mr. Jones' death, the Civil Rights Division and the U.S. Attorney's Office determined that the evidence was insufficient to support a federal criminal civil rights prosecution.

In order to prove a violation of federal criminal civil rights law, the United States would have to meet a high burden of proof that cannot be met in this case. The two relevant civil rights statutes require the government to prove, beyond a reasonable doubt, that Mr. Jones was killed both because of his race and because he was exercising a specific federally-protected right, such as the right to enjoy a home, a public education, or a public facility.

The available testimonial and physical evidence in this case is insufficient to prove beyond a reasonable doubt that the subjects' actions were motivated by the victim's race. Moreover, the evidence is insufficient to prove beyond a reasonable doubt that the violence was intended to interfere with any of Mr. Jones' federally-protected rights. The evidence is insufficient to prove that it involved a willful violation of federal criminal civil rights laws. Accordingly, the Department of Justice has no choice but to close this matter without prosecution.

DOJ_NMG_ 0167973

The U.S. Attorney's Office, the Civil Rights Division of the Department of Justice, and the FBI devoted many hours and significant resources to a complete and careful review of the events surrounding Mr. Jones' tragic death. The decision not to pursue criminal charges is based on painstaking analysis of the facts developed during a lengthy and thorough investigation. The Department of Justice remains committed to investigations of this kind and stands ready to devote the resources required to ensure that all allegations of serious civil rights violations are fully and completely investigated. The Department of Justice aggressively prosecutes criminal civil rights violations whenever the evidence developed in these investigations warrants doing so.

Officials from the U.S. Attorney's Office, the Civil Rights Division, and the FBI met earlier today with representatives of Mr. Jones' family to advise them of this decision.

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06-619

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Image not available for this document, ID: 0.7.10316.32471-000003

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 5:17 PM
To: USDOJ- Office of Public Affairs
Subject: TACOMA COUPLE INDICTED ON FORCED LABOR CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 14, 2006
WWW.USDOJ.GOV

CRT
(202) 616-2777
TDD (202) 514-1888

TACOMA COUPLE INDICTED ON FORCED LABOR CHARGES

WASHINGTON – A Tacoma, Wash., couple was charged today with forcing a Filipino woman into servitude for over a year at their former residence in Culver City, Calif., the Justice Department announced.

According to the seven-count indictment, Elizabeth Jackson and James Jackson, who currently reside in Tacoma, violated federal law in 2001 and 2002 by compelling a Filipino woman to work as their domestic servant under inhumane conditions and with grossly inadequate compensation. The couple used physical force, threats of deportation, and unfairly imputed debts to extract the victim's labor. The indictment, announced by Wan J. Kim, Assistant Attorney General of the Civil Rights Division, further states that the couple repeatedly lied to federal investigators in order to conceal their crimes.

The Jacksons each face charges of conspiracy to engage in human trafficking, peonage, forced labor, withholding identification documents for the purpose of human trafficking, alien harboring for commercial advantage and private financial gain, and two charges of making false statements to federal investigators. If convicted of all charges, the Jacksons each face up to 65 years in prison. Additionally, each charge carries a maximum fine of $250,000 and a maximum sentence of post-release supervision of three years.

An indictment is an accusation, and a defendant is presumed innocent unless and until proven guilty.

The prosecution of individuals involved in human trafficking is a top priority of the Justice Department. Since 2001, the Justice Department has charged more than 300 human traffickers and secured more than 200 convictions. From 2001 through 2005, the Justice Department convicted over twice as many persons for trafficking compared to the previous five years.

The case was investigated by Special Agents of the United States Bureau of Immigration and Customs Enforcement, the Department of Labor, and the Federal Bureau of Investigation. The case is being prosecuted by attorneys from the Civil Rights Division of the United States Department of Justice.

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Image not available for this document, ID: 0.7.10316.32457-000002

System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 525399 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 5:46 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER EXECUTIVE OF WILLBROS SUBSIDIARY PLEADS GUILTY TO CONSPIRING TO BRIBE FOREIGN OFFICIALS IN NIGERIA AND ECUADOR

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 14, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER EXECUTIVE OF WILLBROS SUBSIDIARY PLEADS GUILTY TO CONSPIRING TO BRIBE FOREIGN OFFICIALS IN NIGERIA AND ECUADOR

WASHINGTON – Jim Bob Brown, a former executive of a subsidiary of Houston-based Willbros Group Inc. who worked in Nigeria and South America, has pleaded guilty to violating the Foreign Corrupt Practices Act (FCPA) by conspiring with others to bribe officials of the governments of Nigeria and Ecuador, the Department of Justice announced today.

The plea was accepted this afternoon at the federal courthouse in Houston by Judge Sim Lake of the U.S. District Court for the Southern District of Texas. The court set a sentencing date of November 30, 2006.

Willbros, a publicly traded company that provides construction, engineering and other services in the oil and gas industry, conducts international operations through a subsidiary known as Willbros International Inc. (WII). During his guilty plea hearing, Brown, 45, admitted that in February 2005, he and another Nigeria-based WII executive arranged for the payment of approximately $1.5 million in cash in Nigeria as part of a conspiracy to make corrupt payments to, among others, officials of Nigerian National Petroleum Corporation (the Nigerian government-owned oil company) and a joint venture effectively controlled by that company, in order to obtain and retain gas pipeline construction business in Nigeria. The payment was part of a larger, multi-million dollar foreign bribery scheme involving, among others, a former senior Willbros executive officer, a U.S. national acting as a purported "consultant" to Willbros, and Nigeria-based employees of a major German engineering, and construction company. Brown also admitted that, from at least 1996 to early 2005, he and other mid and senior-level WII executives approved of a scheme in which WII's Nigerian operations submitted fictitious invoices for payment by Willbros. These funds were used, in part, to make corrupt payments to officials of the Nigerian revenue agencies and courts in order to lower taxes that would otherwise have been assessed, and to influence favorably litigation in Nigeria affecting the business of Willbros.

Brown further admitted that, in June 2004, he conspired with the former senior Willbros executive officer and the "consultant," in addition to local WII Ecuador employees, to pay at least $300,000 to officials of PetroEcuador, the Ecuadorian government oil company, to obtain a gas pipeline rehabilitation contract and potential future business.

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Brown is cooperating with the government's ongoing investigation as part of his plea agreement. The maximum sentence for a charge of conspiring to violate the FCPA is not more than five years in prison and a fine of not more than the greater of $250,000, or twice the gross gain or twice the gross loss.

The case is being prosecuted by Fraud Section Deputy Chief Mark F. Mendelsohn and Trial Attorney Thomas E. Stevens of the Criminal Division, Department of Justice. The case continues to be investigated by the Washington Field Office of the Federal Bureau of Investigation.

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06-621

DOJ_NMG_ 0167984

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Image not available for this document, ID: 0.7.10316.32308-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 14, 2006 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 14, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

FRIDAY'S EXPECTED NEWS STORIES:

Attorney General Travels to Kansas City to Highlight Project Safe Childhood (OPA)
Today, the Attorney General delivered remarks in Kansas City, Mo. to highlight Department of Justice efforts to combat online child predators through Project Safe Childhood. He also participated in an editorial board meeting with *The Kansas City Star* and interviews with local television affiliates.

Former Executive of Willbros Subsidiary Pleads Guilty to Conspiring to Bribe Foreign Officials in Nigeria and Ecuador (Criminal)
Jim Bob Brown, a former executive of a subsidiary of Houston-based Willbros Group Inc. who worked in Nigeria and South America, has pleaded guilty to violating the Foreign Corrupt Practices Act (FCPA) by conspiring with others to bribe officials of the governments of Nigeria and Ecuador, the Department of Justice announced today.

Justice Department Closes Investigation Into Death Of Noah Jamahl Jones (Civil Rights)
The Civil Rights Division of the U.S. Department of Justice, the U.S. Attorney's Office for the District of Maryland, and the Federal Bureau of Investigation (FBI) announced today that there is insufficient evidence to pursue federal criminal civil rights charges against six white men involved in a July 24, 2004, altercation which resulted in the death of Noah Jamahl Jones, an African-American teenager. The Criminal Section of the Civil Rights Division, in conjunction with the FBI, opened this investigation based on allegations that Mr. Jones' death may have resulted from a racially-motivated attack. The U.S. Attorney's Office assisted in the investigation. During the federal investigation, the FBI interviewed witnesses and reviewed investigative reports, an autopsy report, and records from a state investigation and prosecution. In May 2005, the state of Maryland tried Jacob Fortney, one of the six white men involved in the incident, for voluntary manslaughter. After a four-day trial, a jury acquitted Fortney of that charge.

Tacoma Couple Indicted on Forced Labor Charges (Civil Rights)
A Tacoma, Wash., couple was charged today with forcing a Filipino woman into servitude for over a year at their former residence in Culver City, Calif. According to the seven-count indictment, Elizabeth Jackson and James Jackson, who currently reside in Tacoma, violated

federal law in 2001 and 2002 by compelling a Filipino woman to work as their domestic servant under inhumane conditions and with grossly inadequate compensation. The couple used physical force, threats of deportation, and unfairly imputed debts to extract the victim's labor. The indictment, announced by Wan J. Kim, Assistant Attorney General of the Civil Rights Division, further states that the couple repeatedly lied to federal investigators in order to conceal their crimes.

Assistant Attorney General Addresses Fordham University School of Law (Antitrust)
Thomas O. Barnett, Assistant Attorney General for Antitrust, spoke today at the Fordham Competition Law Institute's Annual Conference on International Antitrust Law and Policy. His address, "Criminal Enforcement of Antitrust Laws: The U.S. Model," focused on criminal antitrust prosecutions in the United States.

***Los Angeles Times* Interviews FBI Chief Information Officer (FBI)**
Today, *Los Angeles Times* reporter Rick Schmitt interviewed Chief Information Officer Zal Azmi on the transformation of the FBI as it relates to information technology.

***Scripps Howard News* Interviews FBI Assistant Director Miller (FBI)**
Today, Brian Duggan of *Scripps Howard News* interviewed FBI Assistant Director John Miller regarding the transformation of the FBI following September 11.

TSA Contract Employee Arrested for Traveling Across State Lines to Have Sex with Minor (FBI)
Today, FBI officials arrested William Wesley Franse, 25, a Transportation Security Administration (TSA) contract employee for allegedly traveling across state lines to have sex with a minor. He was arrested yesterday, September 13, and is currently being processed on state charges. Franse advised arresting authorities that he possessed a government laptop on which was stored sensitive government information at his Atlanta hotel. The computer was secured by FBI personnel.

FRIDAY'S EXPECTED EVENTS/RELEASES:

No events/releases scheduled.

System Administrator

From: System Administrator
Sent: Thursday, September 14, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 525898 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, September 15, 2006 6:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 525899 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 9:10 AM
To: USDOJ- Office of Public Affairs
Subject: ASSISTANT ATTORNEY GENERAL ALICE S. FISHER TO MAKE STATEMENT ON PUBLIC CORRUPTION CASE

Department of Justice

FOR PLANNING PURPOSE ONLY
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ASSISTANT ATTORNEY GENERAL ALICE S. FISHER TO MAKE STATEMENT ON PUBLIC CORRUPTION CASE

WASHINGTON – Assistant Attorney General Alice S. Fisher will make a statement on a public corruption case on **FRIDAY, SEPTEMBER 15, 2006 at 10:30 A.M. EDT.** A background briefing will immediately follow the statement.

WHO: Assistant Attorney General Alice S. Fisher

WHAT: Statement followed by a background briefing

WHEN: **FRIDAY, SEPTEMBER 15, 2006**
10:30 A.M. EDT

WHERE: Robert F. Kennedy (Main Justice) Building Courtyard
950 Constitution Avenue
Washington, DC 20530

NOTE: Pre-set for the statement is **10:00 A.M. EDT**. A background only, off-camera media availability with Justice Department officials will immediately follow Assistant Attorney General Fisher's statement. The background briefing will be held in the Criminal Division's Conference Room, 2107, inside the Main Justice building. Press inquiries regarding logistics should be directed to Jaclyn Lesch at (202) 514-2007.

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06-623

DOJ_NMG_ 0167991

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Image not available for this document, ID: 0.7.10316.32262-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 10:10 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 15, 2006

Department of Justice

PRESS GUIDANCE
Friday, September 15, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Environmental and Natural Resources Division will issue release on a civil matter. (Magnuson)

EVENTS/HEARINGS

10:00 A.M. EDT Assistant Attorney General Wan Kim will deliver remarks at a National Press Club event on *Enhancing America's Security: American Arab, Muslim and South Asian Communities and Law Enforcement Since 9/11*.
National Press Club
Broadcast Operations Center
Fourth Floor
529 14th Street, N.W.
Washington, D.C.
OPEN PRESS

10:30 A.M. EDT Assistant Attorney General Alice S. Fisher will make a statement on a public corruption case.
Center Courtyard
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

A background only, off-camera media availability with Justice Department officials will immediately follow Assistant Attorney General Fisher's statement in room 2107 of the Main Justice building.

DOJ_NMG_ 0167994

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0167995

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Image not available for this document, ID: 0.7.10316.32270-000002

System Administrator

From: System Administrator
Sent: Friday, September 15, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 529458 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 10:45 AM
To: USDOJ- Office of Public Affairs
Subject: CONGRESSMAN ROBERT W. NEY AGREES TO PLEAD GUILTY TO CHARGES INVOLVING CORRUPTION AND FALSE STATEMENTS

A copy of the plea agreement, criminal information, and statement of facts can be found below.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

CONGRESSMAN ROBERT W. NEY AGREES TO PLEAD GUILTY TO CHARGES INVOLVING CORRUPTION AND FALSE STATEMENTS

WASHINGTON – Congressman Robert W. Ney has agreed to plead guilty to a two-count criminal information charging him with conspiracy to commit multiple offenses—including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban—and with making false statements to the U.S. House of Representatives, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The government filed the information today in U.S. District Court for the District of Columbia, along with an agreement signed by Ney to plead guilty to the two charges. Ney, 52, will appear before Judge Ellen Segal Huvelle on Oct. 13, 2006 at 10 a.m. to enter his plea. Based on the filed charges, Ney faces a maximum sentence of ten years in prison, a fine of $500,000, and supervised release following his incarceration. The plea agreement with the government includes a recommendation of a sentencing guidelines sentence of 27 months in prison.

Ney's named co-conspirators in the information include former lobbyist Jack Abramoff, former public relations specialist Michael Scanlon, former lobbyist Tony Rudy, and Ney's former chief of staff, Neil Volz. All have previously pleaded guilty in this investigation and are cooperating with law enforcement officials.

"Congressman Ney and his co-conspirators engaged in a long-term pattern of defrauding the public of his unbiased, honest services as an elected official. Congressman Ney admits that he corruptly solicited and accepted a stream of benefits, valued at tens of thousands of dollars, in exchange for agreeing to perform, and performing, a series of official acts. He also admitted deceiving the public and the U.S. House of Representatives about his actions. In doing so, the Congressman was acting in his own best interests, and not in the best interests of his constituents," said Assistant Attorney General Fisher. "People must have faith in their elected representatives. The Department of Justice will enforce the laws that protect the integrity of our government."

DOJ_NMG_ 0167999

According to the information, Ney was a Congressman representing the 18th District of Ohio from 1995 through the present. In 2001, Ney became chairman of the House Committee on Administration, a position he held until January 2006. According to the information, Ney engaged in a conspiracy beginning in approximately 2000 and continuing through April 2004, wherein he corruptly solicited and accepted a stream of things of value from Abramoff, his lobbyists, and a foreign businessman in exchange for repeatedly agreeing to take and taking official action to benefit Abramoff, his clients, and the businessman.

Ney admitted in his signed agreement that he corruptly solicited and accepted the following things of value among others from Abramoff and his lobbyists, all with the intent to be influenced and induced to take official action:

- international and domestic trips including a trip to play golf in Scotland in August 2002, with total trip costs exceeding $160,000, paid for by Abramoff and his clients; a trip to gamble and vacation in New Orleans in May 2003, with total trip costs of approximately $7,200, paid for by Abramoff and his clients; and a trip to vacation at Lake George, N.Y., in August 2003, with costs paid by lobbyists exceeding $3,500;

- frequent meals and drinks with total costs exceeding many thousands of dollars, primarily at Abramoff's restaurant, Signatures, in Washington;

- tickets to concerts and sporting events using Abramoff's box suites at venues in the Washington and Baltimore areas, such as the MCI Center (now known as the Verizon Center), FedEx Field, and Camden Yards;

- tens of thousands of dollars of campaign contributions; and

- in-kind campaign contributions in the form of free fundraisers.

Ney admitted that during the same time period, and in exchange for the stream of things of value he received from Abramoff and his lobbyists, Ney agreed to take and took the following actions:

- supporting and/or opposing legislation at Abramoff's request, including attempting to insert four separate, non election-related amendments sought by Abramoff and his clients into election reform legislation known as the Help America Vote Act;

- inserting two statements into the Congressional Record at Scanlon's request;

- supporting the application of and issuing a license to one of Abramoff's clients involving a multi-million-dollar contract to install wireless telephone infrastructure in the House of Representatives; and

- contacting personnel in federal agencies in an effort to influence the decisions of those agencies, including telling the Secretary of Housing and Urban Development that Ney's number one priority was Native American Indian Tribal housing because that was an issue important to Abramoff's clients.

In his plea agreement, Ney also admitted to charges that he had accepted thousands of dollars worth of gambling chips from a foreign businessman. According to the documents filed today in court, in February 2003 and again in August 2003, Ney made two trips to London, during each of which he and members of his staff met with a foreign businessman who was hoping to sell U.S.-made airplanes and airplane parts in a foreign country. Ney agreed to help the businessman with obtaining an exemption to the U.S. laws prohibiting the sale of these goods to the foreign country, and Ney also agreed to help the businessman obtain a visa to travel to the

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United States. On February 21 and 22 and again on August 29, Ney and the staff members accompanying him each received thousands of dollars worth of gambling chips from the businessman for use at private casinos in London. As a result, Ney eventually pocketed more than $50,000. Ney admitted that he never returned any of the free chips to the businessman and never shared with the businessman any of the money he had won as a result of the free chips.

Ney also admitted in the plea documents that he intentionally concealed his receipt of the things of value from Abramoff and the foreign businessman, which was in excess of the limits established by the House of Representatives. Ney's concealment involved, among other things, filing a false U.S. Customs disclosure form, false Travel Disclosure Forms, and false Annual Financial Disclosure Statements. As part of his efforts to conceal the full amount of money he received from the businessman, Ney admitted that on his return to the United States from London in August 2003, he gave a staff member approximately $5,000 worth of British pounds so that the staffer could carry that amount through the U.S. Customs Service checkpoint and Ney could carry and report a lower dollar amount to Customs officials. Ney admitted to the second count of the criminal information, which charges that he intentionally omitted from his 2002 and 2003 Annual Financial Disclosure Statements gifts from Abramoff and the foreign businessman, including trips from Abramoff and thousands of dollars from the businessman. Ney also admitted that he mischaracterized the Scotland golf trip in his 2002 Annual Financial Disclosure Statement because he underreported the costs and mischaracterized the trip's purpose.

Ney also admitted that he conspired to aid and abet violations of the federal one-year lobbying ban by Volz, his former chief of staff, in that he allowed and encouraged Volz to lobby Ney, the staff in Ney's personal office, and the staff on the House Administration Committee. Ney admitted to knowing that Volz was prohibited from doing so for a period of one year following Volz's resignation from Ney's office.

This case is being prosecuted by Trial Attorneys Mary K. Butler, M. Kendall Day, and James A. Crowell IV of the Public Integrity Section. The prosecution has received substantial assistance from the Fraud Section, as well as the U.S. Attorney's Office for the Southern District of Florida. The case is being investigated by a task force of federal agents including Special Agents of the Federal Bureau of Investigation, the Department of the Interior Office of the Inspector General, the General Services Administration Office of the Inspector General, the Criminal Investigation branch of the Internal Revenue Service, and prosecutors in the Public Integrity, Fraud, and Criminal Tax Sections of the Department of Justice.

# # #

06-622

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	:	**Criminal Number:**
	:	
	:	**VIOLATION:**
	:	
v.	:	**Count One**
	:	**18 U.S.C. § 371**
	:	**(Conspiracy)**
ROBERT W. NEY,	:	
	:	**Count Two**
Defendant.	:	**18 U.S.C. §§ 1001 and 2**
	:	**(False Statement)**

INFORMATION

The United States charges that:

COUNT ONE
18 U.S.C. § 371 - Conspiracy

GENERAL ALLEGATIONS

Congressman Robert W. Ney

1. From January 1995 to the present, Defendant ROBERT W. NEY served as an elected member of the U.S. House of Representatives for the 18th Congressional District in Ohio. From January 2001 until mid-January 2006, NEY served as the appointed Chairman of the House Committee on Administration ("House Administration Committee"). Beginning in or about January 2003, NEY also served as Chairman of the Housing and Community Opportunity Subcommittee of the House Financial Services Committee ("Housing Subcommittee") and the Chairman of the Joint Committee on Printing.

Ney's Staff

2. From in or about January 1995 through in or about February 2002, Neil Volz was employed as Communications Director and then Chief of Staff to NEY. From January

2001 until February 2002, Volz was also the Staff Director for the House Administration Committee. In February 2002, Volz left the public sector and went to work with Jack Abramoff as a lobbyist.

3. From in or about September 2001 until in or about February 2002, a Congressional staffer ("Staffer C") worked as NEY's Executive Assistant on the House Administration Committee. Beginning in or about February 2002, Staffer C succeeded Volz as NEY's Chief of Staff.

The Lobbyists and Their Clients

4. Beginning in or about 1994 and continuing until March 2004, Jack Abramoff was a lobbyist in Washington, D.C. Abramoff represented Native American Indian Tribes, Commonwealths, foreign governments, businesses, and individuals, primarily in matters involving the United States Congress and federal departments and agencies. A significant portion of his work involved lobbying Members of Congress on behalf of Native American Indian Tribes operating or interested in operating gambling casinos throughout the United States. At various times from 2000 to approximately 2005, Abramoff owned or controlled a number of business interests, including a boat-based casino business in Florida and a Washington, D.C. restaurant, Signatures. During the same time, Abramoff controlled luxury box suites in the MCI Center Arena in Washington, D.C. (now known as the Verizon Center), FedEx Field in Maryland, and Camden Yards Stadium in Maryland.

5. In 1998, Michael Scanlon left his job as the Communications Director for a Member of the House of Representatives and began working for a company providing grass roots

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and public relations services. In or about March 2000, Scanlon joined Abramoff working for the Washington D.C. office of a law and lobbying firm. In or about March 2001, Scanlon formed his own company, Capital Campaign Strategies, through which he and Abramoff sought clients for both lobbying and grass roots services.

6. From 1998 until December 2000, Tony Rudy worked as the Deputy Chief of Staff in the leadership office of a Member of the House of Representatives. In or about January 2001, Rudy left the public sector to work as a lobbyist with Abramoff, a position he held through July 2002.

The Foreign Businessman

7. Beginning at least as early as January 2003, a foreign businessman (the "Foreign Businessman") owned and operated a business with offices in London, England, and through which the Foreign Businessman sought to sell U.S.-made airplanes and airplane parts to a certain foreign country. U.S. laws prohibited, at all times relevant to this Information, the exportation or sale of U.S.-made airplanes and airplane parts to this foreign country. The Foreign Businessman sought an exemption to or modification of these laws as well as a visa for travel to the United States.

Rules of the House of Representatives

8. At all relevant times, the Rules of the House of Representatives:

   a. prohibited gifts to Members of Congress and staff members of more than $50 at one time, and a total of $100 per year from one source, except under limited circumstances;

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b. required that an exemption be sought from the Ethics Committee to receive more than $250 worth of gifts annually from a person the member considered a personal friend. NEY neither sought nor received such an exemption for gifts from Abramoff, his lobbyists, or the Foreign Businessman;

c. required that Members of the House and staff members at or above a certain salary threshold publicly file and certify as true and accurate Annual Financial Disclosure Statements with the Clerk of the House reporting detailed financial information;

d. prohibited trips paid for by private sources, unless the trip had an official purpose, and prohibited all trips paid for by lobbyists regardless of the purpose; and

e. required that Travel Disclosure Forms containing detailed information about the purpose, cost and sponsor of any trip paid for by private sources be publicly filed with the Clerk of the House within 30 days after any trips taken by Members of Congress or their staff and paid for by private entities or persons. The Rules also required that each Travel Disclosure Form be signed by the Member for Member travel or by the staffer and Member for staff travel, with a certification that the trip was in connection with official duties and that it "would not create the appearance ... of using public office for private gain."

Federal Election Commission Filings

9. From at least in or about January 2000 through at least in or about August 2006, NEY controlled an election committee known as "Bob Ney for Congress."

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10. From on or about April 13, 2001 through at least in or about August 2006, NEY controlled a political action committee known as "American Liberty PAC."

11. The Federal Election Campaign Act of 1971 as amended (the "FECA") requires that federal candidates and political action committees file periodic reports of their financial and fundraising activity with the Federal Election Commission ("FEC"). Specifically, the FECA requires committees to report both monetary and in-kind contributions. "In-kind" contributions are payments by third parties for things of value that benefit a committee, such as the facility rental and catering costs paid for by a third party hosting a fundraiser for a committee. The FECA establishes limits on the value of contributions, both monetary and in-kind, that a committee may receive from any one source.

12. Both Bob Ney for Congress and American Liberty PAC filed periodic reports of their financial and fundraising activity. NEY exercised final control and authority over the FEC filings for both entities by, among other things, requiring that his staff provide draft filings for his review and obtain his approval before filing FEC reports.

THE CONSPIRACY AND ITS OBJECTS

13. From in or about January 2000 through at least in or about April 2004, in the District of Columbia and elsewhere, the Defendant,

ROBERT W. NEY,

did knowingly conspire, confederate and agree with Abramoff, Staffer C, Rudy, Scanlon, Volz, the Foreign Businessman, and other persons known and unknown to the United States to commit offenses against the United States, that is, to:

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a. devise a scheme and artifice to defraud and deprive the House of Representatives, the citizens of the 18th Congressional District of Ohio, and the people of the United States of their right to the honest services of Representative NEY, as well as the honest services of Staffer C and Volz while they worked for NEY, performed free from deceit, fraud, concealment, bias, conflict of interest, self-enrichment and self-dealing, and to use the mails and interstate wires in furtherance, in that NEY and his staff accepted from Abramoff and lobbyists working with Abramoff (collectively referred to as "his lobbyists"), and the Foreign Businessman a stream of things of value intending to be influenced to take and to be rewarded for taking a stream of favorable official action by NEY and his staff, in violation of 18 U.S.C. §§ 1341, 1343, 1346 and 2;

b. knowingly and willfully make false statements to the U.S. House of Representatives regarding the things of value NEY received from Abramoff, his lobbyists, and the Foreign Businessman in violation of 18 U.S.C. §§ 1001 and 2; and

c. knowingly and willfully cause Volz to violate the one-year ban against lobbying by former Congressional employees by encouraging, soliciting and permitting him to lobby NEY and his staff, and staff members of the House Administration Committee of which NEY was chairman, within one year of having been employed by the House Administration Committee and the Office of Representative NEY, knowing that Volz intended to influence them to take official action on behalf of other persons, in violation of 18 U.S.C. §§ 207 and 2.

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PURPOSE OF THE CONSPIRACY

14. It was a purpose of the conspiracy for NEY, Staffer C, and Volz to enrich themselves and NEY's staff by using and agreeing to use their official positions and by performing and agreeing to perform official acts in return for a stream of things of value flowing to NEY and his staff by Abramoff, his lobbyists, and the Foreign Businessman.

15. It was a further purpose of the conspiracy for NEY and his staff to enrich Abramoff, his lobbyists, and the Foreign Businessman by providing favorable action to them and their clients.

16. It was a further purpose of the conspiracy to conceal from the House of Representatives, the citizens of the 18th Congressional District of Ohio, and the people of the United States the things of value NEY and his staff received from Abramoff, his lobbyists and the Foreign Businessman, to conceal the manner and the degree to which NEY and his staff were enriched by Abramoff, his lobbyists, and the Foreign Businessman, and to conceal the ways in which NEY and his staff had used and offered to use their official positions to benefit Abramoff, his lobbyists, and the Foreign Businessman.

MANNER AND MEANS

17. The conspiracy was carried out through the following manner and means:

a. NEY, Staffer C, and Volz when he worked for NEY, solicited and accepted a stream of things of value from Abramoff and his lobbyists, including overseas and domestic trips, meals and drinks, golf, tickets to professional sporting events and concerts, a job for Volz as a lobbyist, and monetary and in-kind campaign contributions from Abramoff, his lobbyists, and their clients. After joining

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Abramoff's law and lobbying firm, Volz provided things of value to NEY and Staffer C. NEY controlled the receipt of things of value by his personal office staff and the House Administration Committee staff as a way to reward and punish staff by approving their receipt of things of value or by taking things of value and redistributing them to others.

b. In exchange for this stream of things of value, NEY and his staff provided and agreed to provide a stream of favorable official action to, and to use their influence on behalf of, Abramoff, his lobbyists, and their clients, none of whom were Ohio-based.

c. NEY, intending to be influenced to perform official acts, solicited and accepted things of value from the Foreign Businessman, including thousands of dollars worth of gambling chips.

d. NEY and his staff concealed the things of value they received from Abramoff, his lobbyists, and the Foreign Businessman by failing to report them or by misrepresenting their nature and value, in contravention of the disclosure requirements contained in federal statutes and the Rules of the House of Representatives, and by NEY's failure to report fully and accurately the in-kind campaign contributions Abramoff and his lobbyists gave.

e. Within one year of having served as NEY's chief of staff and the staff director to the House Administration Committee, Volz joined Abramoff's lobbying practice and provided things of value to NEY and Staffer C, and asked them and other members of the staff in NEY's personal office as well as the House

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Administration Committee to provide official support and influence to aid the clients of Volz, Rudy, and Abramoff.

OVERT ACTS

In furtherance of the conspiracy and to achieve its purposes, NEY and the co-conspirators committed the following overt acts, among others, in the District of Columbia and elsewhere:

NEY Solicited and Accepted a Stream of Things of Value from Abramoff and His Lobbyist Associates with the Intent to be Influenced

18. From in or about January 2000 until March 2004, NEY and his staff regularly accepted meals and drinks paid for by Abramoff and his lobbyists. For example, from March 2002 through October 2002, which is the time during which NEY repeatedly agreed to take official action to insert various amendments into election reform legislation at Abramoff's request, Volz treated NEY and his staff to more than $6,400 worth of meals and drinks at Signatures. Volz sought and received reimbursement from Abramoff's lobbying firm for his expenses.

19. From in or about January 2000 until March 2004, NEY and his staff received numerous expensive tickets to sports and entertainment events in the Washington, D.C., area. For example, from March 2002 through October 2002, which is the time during which NEY repeatedly agreed to take official action to insert various amendments into election reform legislation at Abramoff's request, NEY received two tickets to a classical music concert and NEY and his staff received tickets to a sought-after rock music concert, with the total costs for the tickets on those two occasions exceeding $1,100. NEY controlled the receipt and use of the rock concert tickets by his staff.

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20. From in or about June 2000 until March 2004, NEY and the election committees he controlled received tens of thousands of dollars in campaign contributions from Abramoff and his clients, for whom NEY had agreed to or would agree to perform official acts. For example, in exchange for NEY's agreement to insert language into legislation that would allow a Native American Indian Tribal client of Abramoff's ("Texas Tribe #1") to open a casino in Texas, Abramoff caused Texas Tribe #1 to contribute $32,000 in campaign contributions to NEY, including a $25,000 contribution to the soft money account of the American Liberty PAC, a $5,000 contribution to the hard money account of the American Liberty PAC, and a $2,000 contribution to Bob Ney for Congress.

21. From approximately January 2001 until March 2004, NEY and the election committees he controlled received in-kind campaign contributions in the form of free use of and catering for Abramoff's luxury box suites at the MCI Center Arena and Camden Yards Stadium or Signatures restaurant on at least eight occasions for political fundraisers, which use was not properly reported to the FEC as required by law. For example, on or about April 10, 2002, which is during the time when NEY repeatedly agreed to take official action to insert various amendments into election reform legislation at Abramoff's request, NEY and his American Liberty PAC received free use of a private room at Signatures for a fundraiser, the $2,000 cost for which was paid by Volz, reimbursed through Abramoff's firm, and not reported to the FEC.

22. From on or about August 3 through on or about August 9, 2002, NEY, Staffer C and another NEY staff member joined Abramoff, Volz and four others on an all-expense-paid

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trip to Scotland to play golf on world famous courses. As NEY knew, the all-expense-paid trip was a golf vacation paid for in part by funds raised by Texas Tribe #1. The trip included a private jet from Maryland to Scotland and from Scotland to London, commercial airline tickets to return to Washington, D.C., from London, luxury accommodations in Scotland and London, daily golf at St. Andrews and other famous courses in Scotland, meals, drinks, and local transportation. The trip costs for the entire group exceeded $160,000, without including the airline tickets NEY purchased with government funds to fly from near his home in Ohio to the Washington, D.C. area, where NEY boarded the private jet for Scotland.

23. From on or about May 9, 2003 through on or about May 12, 2003, NEY and Staffer C traveled with Volz and another lobbyist to New Orleans for an all-expense-paid, three-night stay, which included a visit on the final day to the reservation of one of Abramoff's Native American Tribal clients in Louisiana. The trip costs for the group exceeded $7,200, the cost of which was reimbursed through Abramoff's lobbying firm.

24. From on or about August 24, 2003 through on or about August 27, 2003, NEY, Staffer C, and another NEY staff member spent a two-night vacation at the Sagamore Resort in Lake George, New York, with Volz and another lobbyist paying for more than $3,500 in expenses incurred for lodging, a boat rental, a chartered town car, meals, drinks, and golf. Volz's share of the costs was reimbursed through Abramoff's lobbying firm.

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NEY Took a Series of Official Acts, In Exchange for the Stream of Things of Value, to Assist Abramoff, His Lobbyists, and Their Clients

25. In or about March 2000 and in or about October 2000, NEY agreed to insert statements into the Congressional Record at Scanlon's request, which supported Abramoff's business interests.

26. From in or about April 2001 through in or about November 2002, NEY supported the application of and ultimately issued a license to one of Abramoff's lobbying clients, allowing that client to win a multi-million dollar contract with wireless telephone companies to install wireless telephone infrastructure in the House of Representatives. NEY took a variety of official action to aid Abramoff's wireless services client, including meeting with representatives of the client on or about May 10, 2001, leaking to Abramoff a copy of a letter from the client's competitor complaining about the selection process in or about September 2002, and issuing a licence to Abramoff's client on or about November 26, 2002.

27. On repeated occasions in 2002 and 2003, NEY contacted personnel in United States Executive Branch agencies and offices in an effort to influence decisions of those agencies and offices at the request of Abramoff and his lobbyists, including advancing the interests of Abramoff's Native American Indian Tribal clients to the Secretary of Housing and Urban Development ("HUD") in a meeting in or about January 2003, wherein NEY told the HUD Secretary that NEY's number one priority as the newly installed Chairman of the Housing Subcommittee was Native American Indian Tribal housing.

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28. From on or about March 20, 2002, through at least on or about October 4, 2002, NEY agreed that, as the Co-Chairman of a Conference Committee of House and Senate Members of Congress involving election reform legislation known as the Help America Vote Act ("HAVA"), he would insert a variety of amendments into the HAVA at Abramoff's request as follows:

a. on or about March 20, 2002, NEY agreed to insert an amendment to lift an existing federal ban against commercial gaming by a Texas Native American Tribal client of Abramoff ("Texas Tribe #1");

b. in or about July 2002, NEY agreed to insert an amendment to lift an existing federal ban against commercial gaming by another Texas Native American Tribe ("Texas Tribe #2");

c. in or about June 2002, NEY agreed to insert an amendment to allow a foreign-beverage-distiller client of Abramoff's lobbying firm to label its product as "Made in Russia" when that client's product was to be distilled in a former Soviet Republic; and

d. in or about July 2002, NEY agreed to insert an amendment causing the General Services Administration to transfer property in its inventory to a religious school founded by Abramoff.

29. As part of his agreement to insert an amendment into the HAVA on behalf of Texas Tribe #1, NEY agreed to take and took a variety of official action to aid Texas Tribe #1, including on or about August 14, 2002, returning to Washington, D.C., from Ohio during the August Congressional recess and at tax-payer expense in order to meet with

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representatives of Texas Tribe #1 and assure them that he was continuing to work to insert their amendment into the HAVA; on or about October 8, 2002, participating in an interstate telephone conference call with representatives of Texas Tribe #1 in order to assure them that he would continue to support their pursuit of an amendment to another piece of legislation; and in or about February 2003, agreeing to ask the chairman of another committee of the House of Representatives to insert into different legislation the amendment lifting the gaming ban for Texas Tribe #1.

NEY Solicited and Accepted Things of Value from the Foreign Businessman Intending to be Influenced and Took Official Action In Return

30. From in or about February 20, 2003, through in or about February 23, 2003, NEY and one of his staff members traveled to London to meet with the Foreign Businessman and others to discuss their need for official assistance to obtain an exemption from or an amendment to the United States laws making it illegal to do business with a foreign country, which thwarted the Foreign Businessman's ability to engage in lucrative sales of U.S.-made airplanes and airplane parts. NEY and his staff member were treated by the Foreign Businessman to free luxury accommodations, airfare, and entertainment.

31. On or about February 21, 2003, NEY met with the Foreign Businessman and others and discussed obtaining an exemption to the laws prohibiting the sale of U.S.-made airplanes and airplane parts to a foreign country as well as the Foreign Businessman's need for a visa to enter the United States. NEY agreed to help the Foreign Businessman with both the exemption and the visa.

32. On or about February 21, 2003, and again on or about February 22, 2003, the Foreign Businessman provided to NEY, his staff member, and others on multiple occasions

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thousands of dollars worth of gambling chips for use at various private casinos of which the Foreign Businessman was a member and to which the Foreign Businessman accompanied NEY and his staff member. NEY never returned any of the free chips to the Foreign Businessman and never shared with the Foreign Businessman any of the money NEY had won as a result of the thousands of dollars worth of chips that the Foreign Businessman had given to NEY. NEY carried into the United States at least $3,250 worth of British pounds he had obtained during the February trip.

33. During the February trip, the Foreign Businessman also gave NEY and his staff member a free membership to one of the private casinos.

34. Following the February 2003 trip, at the request of the Foreign Businessman, NEY contacted the State Department to inquire about obtaining a visa for travel to the United States on behalf of the Foreign Businessman.

35. Following the February 2003 trip, at the request of the Foreign Businessman, NEY contacted the State Department to inquire about an exemption to the United States embargo against doing business with a foreign country.

36. In or about July or August 2003, NEY arranged for himself, the same staff member from the February 2003 London trip, and Staffer C to meet with the Foreign Businessman during a stopover in London so that they could gamble with the Foreign Businessman and receive chips from him.

37. On or about August 29, 2003, NEY traveled to London with Staffer C and the other staff member and the Foreign Businessman again provided to both NEY and his staff thousands of dollars worth of gambling chips for use at various private casinos. NEY

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never returned any of the free chips to the Foreign Businessman and never shared with the Foreign Businessman any of the money NEY had won as a result of the thousands of dollars worth of chips that the Foreign Businessman had given to NEY. NEY imported into the United States approximately $47,000 worth of British pounds he had obtained from gambling with the Foreign Businessman on August 29, 2003.

NEY Intentionally Concealed his Relationship with Abramoff and the Foreign Businessman from the U.S. House of Representatives and the Public

38. On or about September 9, 2002, NEY caused to be prepared and signed his Member Travel Disclosure Form for the August 2002 Scotland golf trip, substantially under reporting the costs paid by a private source for transportation, lodging and meals, and failing to report any costs paid for by a third party for golf expenses. Even though the trip was a golfing vacation, NEY reported that the purpose of the trip was a "speech to Scottish parliamentarians; attend Edinburgh Military Tattoo; visit British Parliament." NEY never gave a speech to Scottish Parliamentarians, did not visit British Parliament, and attended the Edinburgh Military Tattoo only as a tourist with no official duties or responsibilities.

39. On or about March 11, 2003, NEY signed and caused to be filed a Member Travel Disclosure Form for the February 2003 London trip in which he falsely reported that no other expenses had been paid by private sources, notwithstanding his receipt of thousands of dollars worth of gambling chips from the Foreign Businessman.

40. On or about May 15, 2003, NEY caused to be filed his Annual Financial Disclosure Statement for calendar year 2002 in which he misrepresented the Scotland golf trip as

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being for an official purpose. NEY also failed to disclose as gifts the golf expenses from the Scotland trip as well as the tickets, meals and entertainment provided by Abramoff, Volz, and other lobbyists working with Abramoff.

41. On or about August 30, 2003, to conceal the true amount of money obtained by NEY during his August 2003 trip to gamble with the Foreign Businessman in London, NEY gave approximately $5,000 worth of British pounds to a staff member to carry through customs so that NEY could carry and report a lower dollar amount to U.S. Customs Officials upon reentry into the United States.

42. On or about August 30, 2003, NEY completed a Customs Service Form 4790, Report of International Transportation of Currency or Monetary Instruments, in which he reported importing $32,000, failing to include thousands of additional dollars he had received and was carrying as well as approximately $5,000 in British pounds that NEY had given to his staff member to carry through U.S. Customs.

43. On or about May 15, 2004, NEY caused to be filed his Annual Financial Disclosure Statement for 2003 in which he failed to disclose the tickets, meals and entertainment provided by Abramoff, Volz, and other lobbyists working with Abramoff, including the gifts of free travel, accommodations, and other expenses associated with the trip that NEY took to Lake George, New York, and the trip to New Orleans, Louisiana. The Statement also understated and misrepresented his receipt of gifts from the Foreign Businessman by reporting that he won $34,000 from a "Game of Chance[,] Casino[,] Ambassador's Club," but failed to disclose thousands of dollars worth of gambling chips among other gifts from the Foreign Businessman as well as the approximately $5,000 that he had given to his staff member to carry through customs on August 30, 2003.

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NEY Knowingly and Willfully Aided and Abetted Volz's One-Year Ban Violation

44. In or about November 2001, NEY reviewed with Volz the clients Volz told Abramoff that Volz could bring to Abramoff's lobbying firm. NEY encouraged Volz to add as a potential client a company with business before the Joint Committee on Printing, which NEY chaired.

45. Beginning in or about mid-August 2002 and continuing at various times throughout his one-year ban, Volz contacted NEY and senior staff members of the House Administration Committee to seek support for transferring property held by the General Services Administration to a private school Abramoff operated. NEY agreed to help Abramoff with that effort, including by agreeing to insert an amendment into the HAVA and later by offering to call a senior official at GSA.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
18 U.S.C. § 1001
False Statements on 2002 and 2003 Annual Financial Disclosure Forms

46. Paragraphs 1 through 12, and 18 through 45 of Count One are realleged as though fully stated herein.

47. On or about May 15, 2003, and on or about May 17, 2004, in the District of Columbia and elsewhere, in a matter within the administrative jurisdiction of the legislative branch of the United States, including the jurisdiction of the United States House of Representatives, the Defendant,

ROBERT W. NEY,

aided and abetted by Abramoff, Staffer C, Volz, and others, knowingly and willfully made materially false, fictitious and fraudulent statements and representations to the House of Representatives in NEY's Annual Financial Disclosure Statement for calendar years 2002 and 2003 regarding the things of value he had received from Abramoff, his lobbyists, and the Foreign Businessman in that:

a. Annual Financial Disclosure Statement for 2002: (1) NEY wrote that the source of travel payments and reimbursements for his August 2002 golf trip to Scotland was the "National Center for Public Policy" when, as NEY then and there well knew and believed, Abramoff and his clients had paid for NEY's expenses; and (2) NEY omitted the reporting of gifts totaling $285 or more from any source, including gifts from Abramoff and his lobbyists, writing that NEY had received "-NONE-" when, as NEY then and there well knew and believed, Abramoff and Volz had each given to NEY gifts valued at well more than $285 in 2002; and

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b. Annual Financial Disclosure Statement for 2003: (1) NEY failed to report gifts totaling $285 or more from Abramoff and Volz when, as NEY knew and believed, Abramoff and Volz had each given to NEY gifts valued at well more than $285 in 2003; and (2) NEY wrote that he had received $34,000 as a gift from "Game of Chance[,] Casino[,] Ambassador's Club" when, as NEY knew and believed, NEY had received more than $34,000 in gambling chips and winnings and the true source of the money NEY received was the Foreign Businessman.

All in violation of Title 18, U.S.C. §§ 1001(a)(2), (c)(1) and 2.

EDWARD C. NUCCI
Acting Chief, Public Integrity Section

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M. Kendall Day

Date: September 15, 2005

Mary K. Butler
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Trial Attorneys

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	:	**Criminal Number:**
	:	
	:	**VIOLATIONS:**
	:	
v.	:	**Count One**
	:	**18 U.S.C. § 371**
	:	**(Conspiracy)**
	:	
ROBERT W. NEY,	:	**Count Two**
	:	**18 U.S.C. § 1001**
Defendant.	:	**(False Statements)**

PLEA AGREEMENT

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, the United States of America and the defendant, Robert W. Ney, agree as follows:

1. The defendant is competent to enter into this agreement and is pleading guilty freely and voluntarily without promise or benefit of any kind, other than contained herein, and without threats, force, intimidation, or coercion of any kind.

2. The defendant knowingly, voluntarily and truthfully admits the facts contained in the attached Factual Basis for Plea.

3. The defendant agrees to waive indictment and plead guilty to the charges contained in the Information which are:

   a. one count of conspiracy to violate the following federal laws in violation of 18 U.S.C. § 371:

      i. honest services wire and mail fraud, in violation of Title 18 U.S.C. §§ 1341, 1343 and 1346,

ii. making false statements in violation of 18 U.S.C. § 1001, and

iii. post-employment restrictions for former Congressional staff members, in violation of 18 U.S.C. § 207(e).

b. one count of making false statements in violation of 18 U.S.C. § 1001.

The defendant admits that he is guilty of these crimes, and the defendant understands that he will be adjudicated guilty of these offenses if the Court accepts his guilty pleas.

4. The defendant understands the nature of the offenses to which he is pleading guilty, and the elements thereof, including the penalties provided by law. The maximum penalty for violating the law specified in the Information is:

a. Count 1 (Conspiracy): five years of imprisonment, a fine of $250,000 or not more than the greater of twice the gross gain or twice the gross loss, and a mandatory special assessment of $100; and

b. Count 2 (Making False Statements): five years of imprisonment, a fine of $250,000 or not more than the greater of twice the gross gain or twice the gross loss, and a mandatory special assessment of $100.

The parties understand that the statutory maximum term of imprisonment for the two offenses charged in the Information is 10 years. The defendant understands that the Court may impose a term of supervised release to follow any incarceration, in accordance with 18 U.S.C. § 3583, and that if the Court imposes a term of supervised release and the defendant violates the terms of his release, then the defendant may be sentenced to not more than an additional three years of incarceration. The authorized term of supervised release for each

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of the counts is not more than three years. The defendant also understands that the Court may impose restitution as well as costs of incarceration, supervision and prosecution.

5. If the Court accepts the defendant's pleas of guilty and the defendant fulfills each of the terms and conditions of this agreement, the United States agrees that it will not further prosecute the defendant for any crimes described in the factual basis attached as Exhibit A. Nothing in this agreement is intended to provide any limitation of liability arising out of any acts of violence.

6. The defendant understands and agrees that federal sentencing law requires the Court to impose a sentence which is reasonable and that the Court must consider the advisory U.S. Sentencing Guidelines in effect at the time of the sentencing in determining a reasonable sentence. Defendant also understands that sentencing is within the discretion of the Court and that the Court is not bound by this agreement. Defendant understands that facts that determine the offense level will be found by the Court at sentencing and that in making those determinations the Court may consider any reliable evidence, including hearsay, as well as provisions or stipulations in this plea agreement. Both parties agree to recommend that the sentencing guidelines should apply pursuant to United States v. Booker and the final Sentencing Guidelines term of imprisonment as calculated herein provides for a reasonable sentence. Defendant further understands the obligation of the United States to provide all relevant information regarding the defendant, including charged and uncharged criminal offenses, to the United States Probation Office.

7. Except to the extent it would be inconsistent with other provisions of this agreement, the United States and the defendant reserve, at the time of sentencing, the right of allocution,

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that is the right to describe fully, both orally and in writing, to the Court the nature, seriousness and impact of the defendant's misconduct related to the charges against him or to any factor lawfully pertinent to the sentence in this case. The United States will also advise the Court of the nature, extent and timing of the defendant's acceptance of responsibility. The defendant further understands and agrees that in exercising this right, the United States may solicit and make known the views of the law enforcement agencies which investigated this matter.

8. The defendant and the United States agree that the United States Sentencing Guidelines ("U.S.S.G.") apply based upon the facts of this case. Specifically, the parties agree as follows:

a. The parties agree that the 2003 Sentencing Guidelines Manual governs the guideline calculations in this case. The parties disagree about whether §§ 3B1.1(b) or (c) applies, and each party reserves the right to argue at the time of sentencing that either §§ 3B1.1(b) or (c) applies. Accordingly, the parties agree that the defendant's sentence shall be determined as follows:

i.	Combined Offense Level (after grouping under § 3D1.4)	
	Base Offense Level § 2C1.7(a)	10
	§ 2C1.7(b)(2)(B) involving a high level public official	+8
		18
ii.	Enhancement for Role in the Offense	
	Parties disagree whether §§ 3B1.1(b) or (c) applies.	
	Parties agree that Role Enhancement is either 2 or 3.	+2 or +3
		20 or 21
iii.	Expected Adjustment under § 3E1.1	-3
iv.	Final Offense Level	Either 17 or 18

b. The parties further understand that, provided the defendant qualifies for a reduction in his combined total offense level under U.S.S.G. § 3E1.1, the final sentence of imprisonment the United States will recommend to the Court is 27 months incarceration regardless of what enhancement the Court may apply under § 3B1.1.

c. The United States, however, will not be required to recommend a reduction in the defendant's combined offense level under § 3E1.1 if any of the following occurs: (1) defendant fails or refuses to make a full, accurate and complete disclosure to this office or the probation office of the circumstances surrounding the relevant offense conduct and his present financial condition; (2) defendant is found to have misrepresented facts to the United States prior to entering this plea agreement; (3) defendant commits any misconduct after entering into this plea agreement, including but not limited to, committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official; or (4) defendant fails to comply with any terms of this plea agreement. If the United States does not recommend a reduction under § 3E1.1, then the United States may recommend any sentence within the range specified by the Guidelines for the defendant's combined offense level as determined by the Court.

d. The defendant understands that his Criminal History Category will be determined by the Court after the completion of a Pre-Sentence Investigation by the U.S. Probation Office. The defendant acknowledges that the United States has not promised or agreed that the defendant will or will not fall within any particular criminal history

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category and that such determinations could affect his guideline range and/or offense level as well as his final sentence.

9. The defendant and the United States agree that neither party will seek or advocate for or suggest in any way an adjustment to or a departure or variance from the sentencing guidelines other than those explicitly set forth in this agreement or for a sentence outside of the range determined to be applicable under the advisory Sentencing Guidelines, provided that those guidelines are calculated as set forth above. In the event that the defendant breaches any term of the plea agreement, the United States may move for enhancements or upward departures based on any grounds the United States deems appropriate.

10. The parties agree that U.S.S.G. § 5E1.2 provides that the Court shall impose a fine, unless the Court finds that the defendant is unable to pay a fine.

11. The United States cannot and does not make any promise or representation as to what sentence the defendant will receive or what fines or restitution the defendant may be ordered to pay. The defendant understands that the sentence in this case will be determined solely by the Court, with the assistance of the United States Probation Office and that the Court may impose the maximum sentence permitted by the law. The Court is not obligated to follow the recommendations of either party at the time of sentencing. The defendant will not be permitted to withdraw his pleas regardless of the sentence recommended by the Probation Office or the sentence imposed by the Court.

12. The defendant, knowing and understanding all of the facts set out herein, including the maximum possible penalty that could be imposed, and knowing and understanding his right to appeal the sentence as provided in 18 U.S.C. § 3742, hereby expressly waives the right to

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appeal any sentence within the maximum provided in the statutes of conviction or the manner in which that sentence was determined and imposed, including on the grounds set forth in 18 U.S.C. § 3742, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b).

13. The defendant hereby expressly waives the right to contest the admissibility at sentencing of any material privileged by the Speech or Debate Clause of the U. S. Constitution, art. I, § 6, cl. 1, in exchange for the concessions made by the United States in this plea agreement.

14. If the defendant fails to enter pleas of guilty or otherwise comply with any of the terms and conditions set forth in this agreement, the United States may fully prosecute the defendant on all criminal charges that can be brought against the defendant. With respect to such a prosecution:

a. The defendant shall assert no claim under the United States Constitution, including under the Speech or Debate Clause, art. I, § 6, cl. 1, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure, or any other federal rule, that the defendant's statements pursuant to this agreement, including the attached factual basis, or any leads derived therefrom should be suppressed or are inadmissible;

b. The defendant waives any right to claim that evidence presented in such prosecution is tainted by virtue of the statements the defendant has made; and

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c. The defendant waives any and all defenses based on the statute of limitations with respect to any such prosecution that is not time-barred on the date that this agreement is signed by the parties.

15. If a dispute arises as to whether defendant has knowingly committed any material breach of this agreement, and the United States chooses to exercise its rights under Paragraph 14, at the defendant's request, the matter shall be submitted to the Court for its determination in an appropriate proceeding. At such proceeding, the defendant's disclosures and documents shall be admissible and the United States shall have the burden to establish the defendant's breach by a preponderance of the evidence.

16. The parties agree that if the Court does not accept the defendant's pleas of guilty, then this agreement shall be null and void.

17. The defendant understands that this agreement is binding only upon the Criminal Division of the United States Department of Justice. This agreement does not bind any other prosecutor's office or agency. It does not bar or compromise any civil claim that has been or may be made against the defendant.

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18. This agreement and the attached Factual Basis for Plea constitute the entire agreement between the United States and the defendant. No other promises, agreements, or representations exist or have been made to the defendant or the defendant's attorneys by the Department of Justice in connection with this case. This agreement may be amended only by a writing signed by all parties.

FOR THE DEFENDANT

Dated: September 13, 2006

ROBERT W. NEY
Defendant

MARK H. TUOHEY, ESQ.
WILLIAM E. LAWLER, III, ESQ.
CRAIG D. MARGOLIS, ESQ.
DAVID HAWKINS, ESQ.
Counsel for Defendant

FOR THE UNITED STATES

Dated: September 15, 2006

EDWARD C. NUCCI
Acting Chief, Public Integrity Section

PAUL E. PELLETIER
Acting Chief, Fraud Section

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Trial Attorneys

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ATTACHMENT A

FACTUAL BASIS FOR THE PLEA
OF ROBERT W. NEY

This statement is submitted to provide a factual basis for my plea of guilty to the conspiracy and false statement charges filed against me.

Congressman Robert W. Ney

1. From January 1995 to the present, ROBERT W. NEY, served as an elected member of the U.S. House of Representatives for the 18th Congressional District in Ohio. From January 2001 until he resigned as Chairman in mid-January 2006, NEY served as the appointed Chairman of the House Committee on Administration ("House Administration Committee"). Beginning in January 2003, NEY also served as Chairman of the Housing and Community Opportunity Subcommittee of the House Financial Services Committee and the Chairman of the Joint Committee on Printing. On repeated occasions from in or about 2000 through at least April 2004, NEY communicated with his coconspirators in furtherance of their conspiracy using interstate electronic email, interstate telephone calls, and government and commercial mail carriers.

NEY's Staff

2. From January 1995 through February 2002, Neil Volz was employed as Communications Director and then Chief of Staff for NEY. From January 2001 until February 2002, Volz was also the Staff Director for the House Administration Committee. In February 2002, Volz left the public sector and went to work with Jack Abramoff as a lobbyist.

3. From September 2001 until February 2002, a Congressional staffer worked as NEY's Executive Assistant on the House Administration Committee ("Staffer C"). Beginning in February 2002, Staffer C succeeded Volz as NEY's Chief of Staff.

The Lobbyists and Their Clients

4. Beginning in 1994 and continuing until March 2004, Jack Abramoff was a lobbyist in Washington, D.C. Abramoff represented Native American Indian Tribes, Commonwealths, foreign governments, businesses, and individuals, primarily in matters involving the United States Congress and federal departments and agencies. A significant portion of Abramoff's work involved lobbying Members of Congress on behalf of Native American Indian Tribes operating or interested in operating gambling casinos throughout the United States. At various times from 2000 until approximately 2005, Abramoff owned or controlled a number of other business interests, including a boat-based casino business in Florida and a Washington, D.C. restaurant, Signatures. Abramoff also controlled luxury box suites at the MCI Center Arena in Washington, D.C. (now known as the Verizon Center), FedEx Field in Maryland, and Camden Yards Stadium in Maryland.

5. In 1998, Michael P.S. Scanlon left his job as the Communications Director for a Member of the House of Representatives and began working for a company providing grass roots and public relations services. In March 2000, Scanlon joined Abramoff at the Washington, D.C., office of a law and lobbying firm. In or about March 2001, Scanlon formed his own company, Capital Campaign Services, through which he and Abramoff sought clients for both lobbying and grass roots services.

6. From 1998 until December 2000, Tony C. Rudy worked as the Deputy Chief of Staff in the leadership office of a Member of the House of Representatives. In January 2001, Rudy began working with Abramoff as a lobbyist, a position he held through July 2002.

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The Foreign Businessman

7. Beginning at least as early as January 2003, a foreign businessman (the "Foreign Businessman") owned and operated a business with offices in London, England, and through which the Foreign Businessman sought to sell U.S.-made airplanes and airplane parts abroad. The Foreign Businessman hired Washington, D.C., based lobbyists to pursue an exemption to or modification of United States laws prohibiting the sale of these planes and parts to businesses in a foreign country. He also sought a visa to enter the United States.

NEY's Scheme to Defraud the House of Representatives and the Public of His Honest Services

8. Beginning in or about 2000 and continuing through April 2004, NEY and his coconspirators, using mail and interstate wire communications, engaged in a conspiracy to deprive the public of the honest services of NEY and members of his staff, to commit false statements, and to aid and abet Volz's violation of his one-year lobbying ban. That is, NEY and members of his staff corruptly solicited and accepted a stream of things of value from Abramoff, Scanlon, Volz, Rudy, and other lobbyists working for Abramoff (collectively referred to as "Abramoff and his lobbyists") and the Foreign Businessman with the intent to be influenced and induced to take a series of official actions and to agree to perform a series of official actions. Abramoff and his lobbyists, the Foreign Businessman, and others provided the stream of things of value knowing that it was received by NEY and members of his staff with the intent to be influenced and induced to take official action.

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9. As part of the conspiracy described in paragraph 8, the stream of things of value solicited and accepted by NEY and paid for by Abramoff and his lobbyists and their clients in exchange for the stream of official action, included, but was not limited to, the following:

a. all-expense-paid and reduced-price trips to play golf with seven others in Scotland in August 2002, with total trip costs exceeding $160,000; to gamble and vacation with three others in New Orleans in May 2003, with total trip costs of approximately $7,200; and to vacation with four others at Lake George, New York in August 2003, with trip costs paid by the lobbyists exceeding $3,500;

b. numerous meals and drinks at Washington, D.C., area restaurants, primarily at Signatures;

c. numerous tickets for NEY and his staff to use Abramoff's box suites to attend sporting events and concerts in the Washington, D.C., area. NEY controlled the receipt and use of tickets by his staff;

d. substantial campaign contributions from Abramoff's clients for whom NEY had agreed to perform official acts; and

e. in-kind campaign contributions in the form of the free use of, catering for, and tickets to Abramoff's luxury box suites at the MCI Center Arena and Camden Yards Stadium or Signatures restaurant on at least eight occasions for political fundraisers, which use was not properly reported to the Federal Election Commission as required by law.

10. As part of the conspiracy described in paragraph 8 and in exchange for the stream of things of value, NEY took and agreed to take a stream of official action benefitting

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Abramoff and his lobbyists and their clients, none of whom were Ohio-based. The stream of official action taken or agreed to be taken by NEY included, but was not limited to, the following:

a. NEY agreed to and did garner support for, support, and oppose legislation at Abramoff's request, including agreeing to insert amendments at Abramoff's request into the election reform legislation known as the Help America Vote Act ("HAVA"), specifically the following:

   i. on March 20, 2002, an amendment to lift an existing federal ban against commercial gaming by a Texas Native American Tribal client of Abramoff ("Texas Tribe #1");

   ii. in July 2002, an amendment to lift an existing federal ban against commercial gaming by another Texas Native American Tribe ("Texas Tribe #2");

   iii. in June 2002, an amendment to allow a foreign-beverage-distiller client of Abramoff's lobbying firm to label its product as "Made in Russia" when that client's product was to be distilled in a former Soviet Republic; and

   iv. in July 2002, an amendment causing the General Services Administration to transfer property in its inventory to a religious school founded by Abramoff; and

b. In March 2000 and again in October 2000, NEY agreed to and did insert statements into the Congressional Record at Scanlon's request;

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c. From April 2001 through November 2002, NEY supported the application of and ultimately issued a license to one of Abramoff's lobbying clients, allowing that client to win a multi-million dollar contract with wireless telephone companies to install wireless telephone infrastructure in the House of Representatives;

d. At various times from 2001 through 2003, NEY contacted personnel in United States Executive Branch agencies and offices in an effort to influence decisions of those agencies and offices at the request of Abramoff and his lobbyists, including meeting with the Secretary of Housing and Urban Development and identifying as NEY's number one priority Native American Indian Tribal housing; and

e. From 2001 through 2003, NEY met with and praised Abramoff and his lobbyists to clients, both actual and potential, in an effort to maintain and enhance Abramoff's lobbying practice.

11. As part of the conspiracy described in paragraph 8, the things of value solicited and accepted by NEY from the Foreign Businessman and the official action agreed to and taken by NEY on behalf of the Foreign Businessman included, but were not limited to, the following:

a. From February 20, 2003, through February 23, 2003, NEY and one of his staff members traveled to London to meet with the Foreign Businessman, his partner, and others. The round-trip airfare, luxury accommodations, meals and entertainment for NEY and his staff member was paid for by the Foreign Businessman's company.

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b. On February 21, 2003, NEY and his staff member met with the Foreign Businessman and discussed various strategies to alter the United States laws prohibiting the Foreign Businessman from selling airplanes and parts in a foreign country. NEY also discussed with the Foreign Businessman his need for a visa to enter the United States.

c. On February 21 and again on February 22, 2003, NEY and his staff member each received from the Foreign Businessman thousands of dollars worth of gambling chips for use at various private casinos of which the Foreign Businessman was a member and to which the Foreign Businessman accompanied NEY and his staff member. NEY and his staff member also received free membership to one of the private casinos. NEY never returned any of the free chips to the Foreign Businessman and never shared with the Foreign Businessman any of the money NEY had won as a result of the thousands of dollars worth of chips that the Foreign Businessman had given to NEY. NEY received at least $3,250 worth of British pounds during the February trip.

d. Following the February 2003 trip, on behalf of the Foreign Businessman, NEY contacted the State Department to inquire about obtaining a visa for travel to the United States on behalf of the Foreign Businessman.

e. Following the February 2003 trip, on behalf of the Foreign Businessman, NEY contacted the State Department to inquire about the status of U.S. laws prohibiting the sale of U.S.-made airplanes and airplane parts to a foreign country.

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f. In July or August 2003, NEY arranged for himself, the same staff member from the February 2003 London trip, and Staffer C to meet with the Foreign Businessman during a stopover in London so that they could gamble with him and receive free chips from him.

g. On August 29, 2003, NEY, Staffer C, and the other staff member traveled to London for a one-night stopover and the Foreign Businessman again furnished NEY and each of his staff members with thousands of dollars worth of gambling chips for use at various private casinos. NEY never returned any of the free chips to the Foreign Businessman and never shared with the Foreign Businessman any of the money NEY won as a result of the thousands of dollars worth of chips that the Foreign Businessman had given to NEY. At the end of the evening, NEY received approximately $47,000 worth of British pounds.

h. On August 30, 2003, to conceal the true amount of money NEY had received, NEY gave approximately $5,000 worth of British pounds to a staff member to carry through the U.S. Customs Service checkpoint so that NEY could carry and report a lower dollar amount to Customs Service officials upon reentry into the United States.

i. On August 30, 2003, NEY completed a Customs Service Form 4790, Report of International Transportation of Currency or Monetary Instruments, on which NEY reported importing $32,000, which failed to include thousands of additional dollars that NEY had received in London, including approximately $5,000 worth of British pounds that NEY had given to his staff member to carry through Customs.

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NEY's Concealment of His Corrupt Scheme
from the House of Representatives and the Public

12. As part of the conspiracy described in paragraphs 8 through 11 and the substantive false statement violations set forth in counts 2 and 3 of the Information, NEY knowingly concealed and misrepresented his receipt of the stream of things of value from Abramoff, Volz, Rudy, Scanlon, the Foreign Businessman, and others by, among other things, falsifying the following forms:

a. Travel Disclosure Forms

i. NEY's August 2002 trip to Scotland: On September 9, 2002, NEY signed and eventually caused to be filed his Member Travel Disclosure Form for the August 2002 Scotland golf trip. On that form, NEY substantially under reported the costs paid by Abramoff and his clients and mischaracterized the purpose of the trip.

ii. NEY's February 2003 trip to London: On March 11, 2003, NEY signed and caused to be filed a Member Travel Disclosure Form for the February 2003 London trip in which NEY falsely reported that no other expenses had been paid by private sources, notwithstanding NEY's receipt of thousands of dollars worth of gambling chips from the Foreign Businessman.

b. Annual Financial Disclosure Forms

i. NEY's 2002 Financial Disclosure Form: On May 15, 2003, NEY signed and caused to be filed his Annual Financial Disclosure Statement for calendar year 2002 in which NEY mischaracterized the purpose of the

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trip, and failed to disclose as gifts the golf expenses from the Scotland trip as well as the tickets, meals and entertainment provided by Abramoff, Volz, and other lobbyists working with Abramoff. On June 2, 2003, and again on June 18, 2004, NEY filed amended financial disclosure forms for calendar year 2002, in which NEY made the same material false statements and omissions as with the original filing.

ii. NEY's 2003 Financial Disclosure Form: On May 15, 2004, NEY signed and caused to be filed an Annual Financial Disclosure Statement for 2003 in which NEY failed to disclose the trips, tickets, meals and entertainment provided by Abramoff, Volz, and other lobbyists working with Abramoff, including the gifts of free travel, accommodations, and other expenses associated with the trips that NEY took to Lake George, New York; and New Orleans, Louisiana. NEY also understated his receipt of gifts and omitted as the source of those gifts the Foreign Businessman by reporting that he won $34,000 from "Game of Chance[,] Casino[,] Ambassador's Club." NEY intentionally failed to include thousands of additional dollars he received, including an additional $3,250 he received in February 2003 and $5,000 worth of British pounds carried through the U.S. Customs Service checkpoint by his staff member.

NEY's Aiding and Abetting Volz's One-Year Lobbying Ban Violation

13. As part of the conspiracy described in paragraphs 8 through 11, NEY allowed and encouraged Volz to lobby NEY, the staff in NEY's personal office, and the staff on the

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House Administration Committee on a variety of issues from February 2002 through February 2003, knowing that Volz was barred by law from lobbying NEY, NEY's personal office staff, and the staff of the House Administration Committee for one year following Volz's resignation from Congress in February 2002. The actions that NEY encouraged Volz to take in violation of Volz's one-year lobbying ban included but are not limited to the following:

a. In approximately November 2001, NEY reviewed with Volz the clients Volz had told Abramoff that Volz could bring to Abramoff's lobbying firm. NEY encouraged Volz to add as a potential client a company with business before the Joint Committee on Printing, which NEY chaired.

b. Beginning in or about July 2002 and continuing at various times throughout his one-year lobbying ban, Volz contacted NEY and senior staff members of the House Administration Committee to seek support for transferring property held by the General Services Administration to a private school Abramoff operated. NEY agreed to help Abramoff with that effort, including by inserting an amendment into the HAVA and later by offering to call a senior official at GSA.

The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea to the charges against me. It does not include all of the facts known to me concerning criminal activity in which I and others engaged. I am competent to make this statement and I do so knowingly and voluntarily and because I am in fact guilty of the crimes charged. I have discussed this factual basis with my attorneys, and I understand that

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under the terms of the plea agreement this statement is admissible as evidence against me if my plea of guilty is not entered or if I otherwise fail to comply with the plea agreement.

DATE: September 13, 2006

Robert W. Ney

Mark H. Tuohey, Esq.
William E. Lawler III, Esq.
Craig D. Margolis, Esq.
David Hawkins, Esq.
Attorneys for Defendant

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From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 11:36 AM
To: USDOJ- Office of Public Affairs
Subject: GOVERNMENT REACHES SETTLEMENTS WITH SEABOARD FOODS AND PIC USA

Department of Justice

ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMEBER 15, 2006
WWW.USDOJ.GOV

DOJ (202) 514-2007
EPA (202) 564-4355
TDD (202) 514-1888

GOVERNMENT REACHES SETTLEMENTS WITH SEABOARD FOODS AND PIC USA

WASHINGTON — Under two related settlements, Seaboard Foods LP and PIC USA Inc., will take significant steps at many of their facilities to ensure future compliance with environmental laws and to resolve allegations that the companies contaminated groundwater and surface waters near several of their facilities, the Justice Department and the Environmental Protection Agency (EPA) announced today. Seaboard Foods LP, one of the nation's largest vertically integrated pork producers, is the current owner of more than 200 farms in Oklahoma, Kansas, Texas, and Colorado, and PIC USA, Inc. is the former owner and operator of several of the farms located in Oklahoma now operated by Seaboard.

Under the first consent decree, Seaboard Foods and PIC USA, Inc will pay a civil penalty of $240,000 for violations of the Resource Conservation and Recovery Act (RCRA), the federal hazardous waste statute, dating back to 2001. In the second settlement, Seaboard will pay a civil penalty of $205,000 for failure to comply with the Clean Water Act (CWA) and the Clean Air Act (CAA), and for failure to comply with the continuous release reporting requirements of Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Emergency Planning and Community Right to Know Act (EPCRA). Payment of a $100,000 civil penalty by Seaboard in a separate Air Compliance Agreement with the EPA will be credited toward this amount.

"Today's settlements represent an excellent result for the people of Oklahoma and a significant commitment by the companies to address the impacts of their operations and to remedy their impacts on ground water and surface waters, said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. In securing an extensive program of injunctive relief, we are confident that today's settlement will help to ensure the protection of drinking water sources in Oklahoma."

"This settlement represents a significant effort to address the impacts of animal waste handling practices and to bring operations into compliance with all applicable environmental regulations," said Granta Y. Nakayama, the EPA's Assistant Administrator for Enforcement and Compliance Assurance.

"People know the value of clean water and air. This settlement represents a significant effort by two major companies to bring their waste handling operations into compliance," EPA Regional Administrator Richard E. Greene said. "We are pleased with these efforts, which will ensure better air and water near the farms."

The government's complaints, filed in conjunction with the settlements, allege that Seaboard Foods LP and PIC USA Inc., an international swine producer, contaminated the ground water near five farms in Oklahoma, and failed to properly investigate or remediate the source of the contamination, in violation of an EPA Order issued under RCRA. As part of this settlement, the companies have agreed to clean and close leaking lagoons, implement measures to ensure any future leaking pipes or lagoons are identified and addressed promptly, and take steps to ensure that the area ground water is cleaned up. In addition, Seaboard Foods LP and PIC USA Inc., have agreed that when manure is used for crop fertilization purposes, it will be applied at appropriate rates, so to prevent future soil or ground water contamination.

As part of a separate settlement, Seaboard Foods will be required to implement various erosion control measures at 16 farms to prevent any future runoff of soils and sediments to nearby rivers or streams, and to establish protective buffer zones around sensitive wetland areas at 17 of its farms. Seaboard Foods further certified its compliance with the continuous release reporting requirements of CERCLA and EPCRA at all of its 239 farms.

The Department of Justice lodged both consent decrees today in the U.S. District Court for the Western District of Oklahoma. The consent decrees will be subject to a 30-day public comment period and subsequent judicial approval and are available on the Justice Department website at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 1:03 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF ASSISTANT ATTORNEY GENERAL ALICE S. FISHER OF THE CRIMINAL DIVISION REGARDING CONGRESSMAN ROBERT W. NEY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

STATEMENT OF ASSISTANT ATTORNEY GENERAL ALICE S. FISHER OF THE CRIMINAL DIVISION REGARDING CONGRESSMAN ROBERT W. NEY

WASHINGTON, D.C.

Good morning. I am joined this morning by Michael Mason, Executive Assistant Director of the Federal Bureau of Investigation, and Earl Devaney, Inspector General of the Department of Interior.

This morning, federal prosecutors filed a two-count information and signed plea documents in the U.S. District Court for the District of Columbia. Ohio Congressman Robert W. Ney has agreed to plead guilty to one count of conspiracy to commit honest services fraud, violating the one-year lobbying ban on congressional officials and making material false statements, and to one count of making false statements.

As he admits in the plea documents, Congressman Ney and his co-conspirators engaged in a long-term pattern of defrauding the public of his unbiased, honest services as an elected official. Congressman Ney admits that he corruptly solicited and accepted a stream of benefits, valued in the tens of thousands of dollars, in exchange for agreeing to perform, and performing, a series of official acts. He also illegally deceived the public and the House of Representatives about his actions. In doing so, the Congressman was acting in his own best interests, and not in the best interests of his constituents.

DOJ_NMG_ 0168050

Specifically, Congressman Ney admits that he corruptly solicited and accepted a stream of benefits from Jack Abramoff and other lobbyists, including:

- international and domestic trips, such as a trip Scotland with others costing $160,000; a $7000 trip to New Orleans and a $3500 vacation at Lake George, New York all paid for by lobbyists and their clients; and

- Thousands of dollars worth of meals, drinks, tickets to concerts and sporting events and free use of box suites to conduct fundraisers.

In exchange, as Congressman Ney admits, he agreed to take and he took a series of official actions. For example, he

- Agreed to insert four separate unrelated amendments to an election reform legislation at Abramoff's request;

- Agreed to insert statements into the Congressional Record ; and

- supported Abramoff's efforts to get a multi million dollar contract for his client

Then, to conceal this illegal conduct from the public, he failed to accurately report these benefits and lied on his Annual Financial Disclosure Statements filed with the House of Representatives.

In addition, as part of the conspiracy to deprive the public of his honest services, and with the intent to be influenced, Congressman Ney took thousands of dollars in free gambling chips from a foreign businessman. This foreign businessman was seeking an exemption to the U.S. export laws prohibiting the sale of his goods to a foreign country, and a visa to the United States. Congressman Ney traveled to London, took free gambling money and, then, Congressman Ney agreed to help, and indeed made efforts to help when he returned home to the United States.

Congressman Ney admits that he intentionally concealed the amount of gambling proceeds by filing a false U.S. Customs disclosure form and false annual financial disclosure statements. And Congressman Ney had a staff member carry approximately $5,000 through Customs so the Congressman could falsely report a smaller amount to Customs officials.

People must have faith and confidence in their elected representatives. We will enforce the laws that protect the integrity of our government.

* * *

The parties will present the plea to the Court on October 13, 2006.

I would like to acknowledge the hard work and dedication of the attorneys prosecuting this case, Mary Butler, Kendall Day and Jim Crowell from the Public Integrity Section of the Criminal Division; Ed Nucci, Acting Chief of Public Integrity, Paul Pelletier, Acting Chief of the Fraud Section; Lee O'Connor, Assistant Attorney General of the Tax Division; Alex Acosta, U.S. Attorney for the Southern District of Florida and prosecutors from his office; The Federal Bureau of Investigation, including Michael Mason, Executive Assistant Director of the FBI, Chip Burrus, Assistant Director, and agents Maria Borsuk, Jeff Reising, Lonna Johnson, Ron Miller; Inspector General of Interior Earl Devaney and agents Pat Murphy and Michelle Pinkerton; Inspector General of the GSA Brian Miller and the Criminal Investigative Division of the I.R.S.

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06-626

DOJ_NMG_ 0168052

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Image not available for this document, ID: 0.7.10316.32251-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 1:32 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL CIVIL RIGHTS INVESTIGATION CLOSED

Department of Justice

United States Attorney Anthony J. Jenkins
District of the Virgin Islands

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV/USAO/VI

CRT
(202) 514-2007
TDD (202) 514-1888

FEDERAL CIVIL RIGHTS INVESTIGATION CLOSED

ST. THOMAS, Virgin Islands – The Department of Justice and the Federal Bureau of Investigation (FBI) announced today that there was insufficient evidence to support additional criminal civil rights charges with respect to allegations that a Saint John resident was the subject of federal civil rights violations during June-August 2005.

The Civil Rights Division of the U.S. Department of Justice, the U.S. Attorney's Office for the District of the Virgin Islands, and the FBI conducted a vigorous and comprehensive independent investigation and carefully considered all the evidence. A thorough investigation revealed that this matter does not involve a prosecutable violation of federal criminal civil rights statutes.

Substantial federal resources were devoted to this investigative effort, including eight Special Agents of the FBI; agents of the Bureau of Alcohol, Tobacco and Firearms; and resources of the National Park Service. As part of the investigation, the FBI obtained the investigative files of the U.S. Virgin Islands Police Department and the U.S. Virgin Islands Attorney General, which included the incident reports, witness statements, photographs, evidence records, and forensic evidence analysis. The FBI also conducted numerous witness interviews, evidence collection, and extensive forensic analysis of the available physical evidence.

In order to prove a violation of the potentially applicable federal criminal civil rights laws, prosecutors must establish beyond a reasonable doubt that a person acted with the intent to violate a federally protected right on the basis of race, gender or some other form of bias that is prohibited by federal law. One individual has been convicted and sentenced in the Virgin Islands courts for engaging in a bias-motivated assault of the victim, and federal policy precludes the re-prosecution of individuals who have been the subject of a successful local prosecution that substantially vindicates the federal interest in the underlying matter. The available testimonial and physical evidence was insufficient to prove, beyond a reasonable doubt, other potential violations of the applicable federal criminal civil rights statutes by this individual or any other person. Accordingly, the Department is closing this matter.

The U.S. Attorney's Office, the Civil Rights Division of the Department of Justice, and the FBI devoted many hours and significant resources to conduct a complete and thorough investigation of these allegations.

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The decision not to pursue criminal charges is based on the facts developed by that lengthy and thorough investigation.

Federal privacy law, the Code of Federal Regulations, and Department of Justice policy limit the ability of federal employees to disclose the details of information they obtain in the course of an investigation. These limitations are intended as a protection of the privacy of all citizens who are involved in the matter, whether as a victim, subject or witness.

The Justice Department is committed to the vigorous enforcement of every federal criminal civil rights statute. The Civil Rights Division has compiled a significant record on criminal civil rights prosecutions in the last five years. The Division has filed a record number of criminal civil rights cases in FY 2004, and charged a record number of such defendants since FY 2001. The total number of civil rights cases filed over the past five years is comparable to the total number filed during the previous five years. Likewise, the total number of defendants charged with civil rights offenses from FY 2001 through FY 2005 is greater than the total number charged from FY 1996 through FY 2000.

The Justice Department is committed to the vigorous enforcement of every federal criminal civil rights statute. The Civil Rights Division has compiled a significant record on criminal civil rights prosecutions in the last five years. The Division has filed a record number of criminal civil rights cases in FY 2004, and charged a record number of such defendants since FY 2001. The total number of defendants charged with civil rights offenses from FY 2001 through FY 2005 is greater than the total number charged from FY 1996 through FY 2000.

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DOJ_NMG_ 0168056

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Image not available for this document, ID: 0.7.10316.32242-000002

System Administrator

From: System Administrator
Sent: Friday, September 15, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 532680 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, September 15, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 532685 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Friday, September 15, 2006 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Lonedell, MO

From: AmberAlert-DOJ
Sent: Friday, September 15, 2006 4:35:25 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Lonedell, MO
Auto forwarded by a Rule

UPDATE AMBER ALERT:Lonedell,MO CHILD:7 Days White F 19 Inches 6LBS Eyes:Blue Hair:Black SUSPECT:White F 5FT8 200LBS Hair:Dark CALL 636-583-2567
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2142

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Friday, September 15, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 532688 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 6:01 PM
To: USDOJ- Office of Public Affairs
Subject: COORDINATED EFFORTS IN UTAH, ILLINOIS LEAD TO ARREST OF REGISTERED SEX OFFENDER IN UTAH

Department of Justice

United States Attorney Brett L. Tolman
District of Utah

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV

CONTACT: MELODIE RYDALCH
PHONE: (801) 325-3206
CELL: (801) 243-6475

COORDINATED EFFORTS IN UTAH, ILLINOIS LEAD TO ARREST OF REGISTERED SEX OFFENDER IN UTAH

Federal Charges Filed Alleging Production of Child Pornography

SALT LAKE CITY – A complaint unsealed Friday in federal court charges a registered sex offender in Salt Lake City with enticing and coercing a minor child in Illinois to engage in sexually explicit conduct for the purpose of producing visual depictions of the conduct. The defendant allegedly told the child he needed the pictures for "modeling" and on another occasion offered the child a modeling contract.

U.S. Attorney Brett L. Tolman of the District of Utah, FBI Special Agent in Charge Timothy J. Fuhrman of the Salt Lake Field Office and Utah Attorney General Mark Shurtleff today announced the arrest of Gerald Wheeler, 40, of Salt Lake City.

"Unfortunately, this case is a graphic example of the kinds of computer-facilitated sexual exploitation crimes against children we are seeing in Utah and across the nation," said U.S. Attorney

DOJ_NMG_ 0168063

Tolman. "Investigating and prosecuting Internet predators who target children is a priority for all of us. We will use the significant federal tools we have to aggressively prosecute these cases and see that convicted offenders get the maximum amount of jail time possible."

Wheeler was arrested Wednesday afternoon in Salt Lake City. He had an initial appearance in federal court Friday morning. He will remain in custody. Wheeler, who has a previous conviction for attempted forcible sexual abuse of a minor child, faces a mandatory-minimum sentence of 25 years in federal prison if he is convicted of the charge in the complaint. The sentence could go as high as 50 years.

According to the federal complaint, in July 2006 an individual identified in the complaint as "Parent A" contacted law enforcement authorities in Naperville, Ill. Parent A said that his 13-year-old daughter, "Child H," had been receiving obscene, lewd, and sexual messages on her "My Space" computer site and her Tagged.com account from individuals known as "Mike" and "Brian." The messages included requests for the child to engage in various sexual acts. In addition, Child H was asked to fly to New York to engage in sexual conduct in exchange for a modeling contract.

Continuing the investigation with the help of Parent A, law enforcement officers discovered several photographs of Child H in sexual poses. Parent A also told law enforcement officers that "Mike" had contacted Child H from a cell phone. The Naperville Police Department was able to determine the phone subscriber's name in Salt Lake City.

Using My Space records, detectives were able to trace an IP address to an Internet café and gaming facility in Salt Lake City. According to the complaint, the owner of the café compared the log-in times to possible users at the café at 3:16 A.M. on Aug. 15, 2006. Because the café is not a 24-hour facility, the owner confirmed the only individual with access to the IP address at 3:15 A.M. would be the facility manager, Jerry. The owner also confirmed that he knew that the cell number "Brian" had used to call Child H belonged to a former employee of the facility, who was close to Jerry.

Jerry was identified as Gerald Wheeler. The owner of the café confirmed that a computer recovered from the basement of the internet café was used primarily by Wheeler prior to August 2006.

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The FBI and Utah Internet Crimes Against Children Task Force participated in the investigation. Investigative agencies in Illinois included the Naperville Police Department, the Illinois Attorney General's Office, the Illinois Internet Crimes Against Children Task Force, and the FBI.

Defendants charged in complaints are presumed innocent unless or until proven guilty in court.

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Image not available for this document, ID: 0.7.10316.32206-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 6:07 PM
To: USDOJ- Office of Public Affairs
Subject: ONE PLEADS GUILTY, THREE MORE SENTENCED IN BATON ROUGE, LOUISIANA, ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ONE PLEADS GUILTY, THREE MORE SENTENCED IN BATON ROUGE, LOUISIANA, ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE, La. – One Louisiana resident pleaded guilty and three Louisiana residents were sentenced in federal court on fraud charges related to hurricane disaster relief programs, U.S. Attorney David R. Dugas announced today.

Kim M. Cummings, 38, of Baton Rouge, La., pleaded guilty today before U.S. District Court Judge John V. Parker to count one of an indictment charging her with making a false and fraudulent claim for Hurricane Katrina disaster assistance benefits. The case was investigated by U.S. Department of Homeland Security's Office of the Inspector General. As a result of her guilty plea, Cummings faces a maximum sentence of five years in prison, a $250,000 fine, or both. As part of the plea agreement, the U.S. Attorney's Office will dismiss count two of the indictment when Cummings is sentenced.

Vinita S. Lane, 28, of Baton Rouge, La., pleaded guilty on June 14, 2006, to count one of an indictment charging her with making a false and fraudulent claim for Hurricane Katrina disaster

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assistance benefits. She was sentenced by U.S. District Court Judge Frank J. Polozola today to three years probation and $2,000 in restitution. The U.S. Department of Homeland Security's Office of the Inspector General and the U.S. Postal Inspection Service conducted the investigation of this matter.

Jenny L. Lowery, 22, of Baton Rouge, La., pleaded guilty on May 23, 2006, to count one of an indictment charging her with making a false and fraudulent claim for Hurricane Katrina disaster assistance benefits. She was sentenced by U.S. District Court Judge Frank J. Polozola today to three years probation and $1,916 in restitution. The U.S. Department of Homeland Security's Office of the Inspector General, and the FBI conducted the investigation of this matter.

Whitney R. Paul, of Donaldsonville, La., pleaded guilty on May 25, 2006, to count one of an indictment charging her with making a false and fraudulent claim for Hurricane Katrina disaster assistance benefits. She was sentenced by U.S. District Court Judge Frank J. Polozola today to five years probation and $2,000 in restitution. The U.S. Department of Homeland Security's Office of the Inspector General, and the FBI conducted the investigation of this matter.

Seventy-four individuals in total have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at (225) 389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at

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HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 7:03 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 15, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

MONDAY'S EXPECTED NEWS STORIES:

Attorney General Gonzales Participates in Media Events Regarding Proposed Military Commission Legislation (OPA)
Today, the Attorney General participated in a pen-and-pad briefing with Justice Department beat reporters regarding the President's proposed legislation on military commissions. He also participated in an interview with WFLA-AM, a Florida radio station, on the same topic.

Public Affairs Director Interviewed by *Frontline* (OPA)
Today, Tasia Scolinos, Director of Public Affairs, was interviewed by Lowell Bergman of PBS's *Frontline* program. The interview will be included in a four part series on the state of the news media.

Congressman Robert W. Ney Agrees to Plead Guilty to Charges Involving Corruption and False Statements (Criminal)
Congressman Robert W. Ney has agreed to plead guilty to a two-count criminal information charging him with conspiracy to commit multiple offenses—including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban—and with making false statements to the U.S. House of Representatives, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. The government filed the information today in U.S. District Court for the District of Columbia, along with an agreement signed by Ney to plead guilty to the two charges. Ney, 52, will appear before Judge Ellen Segal Huvelle on Oct. 13, 2006 at 10 a.m. to enter his plea. Based on the filed charges, Ney faces a maximum sentence of ten years in prison, a fine of $500,000, and supervised release following his incarceration. The plea agreement with the government includes a recommendation of a sentencing guidelines sentence of 27 months in prison. Ney's named co-conspirators in the information include former lobbyist Jack Abramoff, former public relations specialist Michael Scanlon, former lobbyist Tony Rudy, and Ney's former chief of staff, Neil Volz. All have previously pleaded guilty in this investigation and are cooperating with law enforcement officials.

Talking Points

- Congressman Ney and his co-conspirators engaged in a long-term pattern of defrauding the public of his unbiased, honest services as an elected official.

- Congressman Ney admits that he corruptly solicited and accepted a stream of benefits, valued at tens of thousands of dollars, in exchange for agreeing to perform, and performing, a series of official acts. He also admitted deceiving the public and the U.S. House of Representatives about his actions.

- In doing so, the Congressman was acting in his own best interests, and not in the best interests of his constituents.

- People must have faith in their elected representatives. The Department of Justice will enforce the laws that protect the integrity of our government.

Federal Civil Rights Investigation Closed (Civil Rights)
The Department of Justice and the Federal Bureau of Investigation (FBI) announced today that there was insufficient evidence to support additional criminal civil rights charges with respect to allegations that a Saint John resident was the subject of federal civil rights violations during June-August 2005. The Civil Rights Division of the U.S. Department of Justice, the U.S. Attorney's Office for the District of the Virgin Islands, and the FBI conducted a vigorous and comprehensive independent investigation and carefully considered all the evidence. A thorough investigation revealed that this matter does not involve a prosecutable violation of federal criminal civil rights statutes.
Substantial federal resources were devoted to this investigative effort, including eight Special Agents of the FBI; agents of the Bureau of Alcohol, Tobacco and Firearms; and resources of the National Park Service.

Government Reaches Settlements with Seaboard Foods and PIC USA (Environmental and Natural Resources Division)
Under two related settlements, Seaboard Foods LP and PIC USA Inc., will take significant steps at many of their facilities to ensure future compliance with environmental laws and to resolve allegations that the companies contaminated groundwater and surface waters near several of their facilities, the Justice Department and the Environmental Protection Agency (EPA) announced today. Seaboard Foods LP, one of the nation's largest vertically integrated pork producers, is the current owner of more than 200 farms in Oklahoma, Kansas, Texas, and Colorado, and PIC USA, Inc. is the former owner and operator of several of the farms located in Oklahoma now operated by Seaboard.

Public Affairs Director Interviewed by *Frontline* (FBI)
Today, FBI Assistant Director John Miller was interviewed by Lowell Bergman of PBS's *Frontline* program. The interview will be included in a four part series on the state of the news media.

FBI 2005 Uniform Crime Report to be Released on Monday (FBI)
The FBI's Uniform Crime Report will be released at 9:00 A.M. on Monday, September 18. The report will only be available on the Internet.

***Time Magazine* Provided with Information Regarding Organized Retail Theft Rings (FBI)**
Today, *Time Magazine* reporter Chris Maag was provided with information from the Terrorist Financing Operations Section regarding organized retail theft rings which fund terror groups. An article on this topic is expected to run in next issue of *Time*.

MONDAY'S EXPECTED EVENTS/RELEASES:

10:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks before the National Conference on Citizenship.
Marriott at Metro Center
The Ballroom
775 12th Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to David Sandak of the National Conference on Citizenship at (202) 467-8833.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 15, 2006 7:20 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR SEPTEMBER 18-22, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, SEPTEMBER 15, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR September 18 – September 22, 2006

Monday, September 18

10:00 A.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks at the National Conference on Citizenship.
Marriott at Metro Center
Ballroom
775 12th Street N.W.
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Tuesday, September 19

10:00 A.M. EDT

Attorney General Alberto R. Gonzales will testify before the Senate Committee on Banking, Housing and Urban Affairs at a hearing entitled *Combating Child Pornography by Eliminating Pornographers' Access to the Financial Payment System.*
Dirksen Senate Office Building
Room 538
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Committee on Banking, Housing and Urban Affairs at 202-224-7391.

10:30 A.M. EDT

Harley Lappin, Director, Bureau of Prisons and Jeff Sedgwick, Director, Bureau of Justice Statistics will testify before the Senate Judiciary Committee at a hearing

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entitled *The Cost of Crime: Understanding the Financial and Human Impact of Criminal Activity.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:30 P.M. EDT Alice Fisher, Assistant Attorney General for the Criminal Division will testify before the Senate Committee on Commerce, Science, and Transportation on sexual exploitation of children via the Internet.
Russell Senate Office Building
Room 253
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Committee on Commerce, Science, and Transportation at 202-224-5115.

Wednesday, September 20

9:30 A.M. EDT Deputy Attorney General Paul J. McNulty will testify before the Senate Judiciary Committee at a hearing on Senate Bill 2831, the Free Flow of Information Act of 2006.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

10:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the Library of Congress' 2006 Observance of National Hispanic Heritage Month.
James Madison Building
Mumford Room, 6th Floor
101 Independence Avenue
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

2:00 P.M. EDT Rachel Brand, Assistant Attorney General for Office of Legal Policy will testify before the Senate Judiciary Committee at a hearing entitled *Examining the Proposal to Restructure the Ninth Circuit.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

DOJ_NMG_ 0168077

Thursday, September 21

2:30 P.M. EDT Regina Schofield, Assistant Attorney General for Office of Justice Programs will testify before the Senate Subcommittee on Corrections and Rehabilitation at a hearing entitled *Oversight of Federal Assistance for Prisoner Rehabilitation and Reentry in Our States.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

Friday, September 22

Events TBD

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Image not available for this document, ID: 0.7.10316.32203-000002

System Administrator

From: System Administrator
Sent: Friday, September 15, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533113 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533114 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533115 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, September 16, 2006 11:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Parsons, KS

From: AmberAlert-DOJ
Sent: Saturday, September 16, 2006 11:35:36 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Parsons, KS
Auto forwarded by a Rule

AMBER ALERT:Parsons,KS VEHICLE:White 4D car CHILD:W/M, 8 months, Eyes:Brn Hair:Brn SUSPECT:W/M, 23 years, 6'1 165lbs Eyes:Haz Hair:Brn CALL 620-421-7060
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2162

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533118 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533118 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533119 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 16, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533120 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533121 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, September 17, 2006 9:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Deer River, MN

From: AmberAlert-DOJ
Sent: Sunday, September 17, 2006 9:35:35 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Deer River, MN
Auto forwarded by a Rule

AMBER ALERT:Deer River,MN VEH:'02 Blu Ford Windstar TAG:MN HSF-487 CHILD:W/M,4yrs,3'3,32lb Hair:Shaved blnd SUSP:B/M,44yrs,5'11,179lb Hair:Blk CALL 218-326-3477
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2182

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533123 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

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System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533124 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533125 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

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System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533126 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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System Administrator

From: System Administrator
Sent: Sunday, September 17, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, September 18, 2006 1:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Cairo, GA

From: AmberAlert-DOJ
Sent: Monday, September 18, 2006 1:35:33 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Cairo, GA
Auto forwarded by a Rule

AMBER ALERT:Cairo,GA VEHICLE:Green Sedan Toyota Camry TAG:FL CHILD:4 months SUSPECT:30 Hispanic M 5'3" 140 lbs Eyes:Brown Hair:Black CALL (229) 378-3096
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2183

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 533129 KB.

Mailbox size limits:
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You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON SEPTEMBER 26

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON SEPTEMBER 26

Session to be Held in Washington, D.C. to Focus on Empirical Perspectives

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the fifth in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on September 26, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panel on September 26 will examine existing empirical work regarding single-firm conduct and address areas where future work would be helpful. The session will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room C.

Further information is provided below:

Understanding Single-Firm Behavior: Empirical Perspectives Session (9:00 AM - 12:30 PM):

F. Michael Scherer is Professor Emeritus of Public Policy and Corporate Management in the Aetna Chair, John F. Kennedy School of Government, Harvard University, and former Director of the FTC's Bureau of Economics.

Luke M. Froeb is the William C. and Margaret W. Oehmig Associate Professor in Entrepreneurship and Free Enterprise, Owen Graduate School of Management, Vanderbilt University, and former Director of the FTC's Bureau of Economics.

Wally Mullin is an Associate Professor of Economics, George Washington University.

DOJ_NMG_ 0168098

Jonathan B. Baker is a Professor of Law, Washington College of Law, American University, and former Director of the FTC's Bureau of Economics.

Clifford Winston is a Senior Fellow in Economic Studies, The Brookings Institution.

David Reitman is a Principal at CRA International Inc.

Robert C. Marshall is Head of the Department of Economics and Co-Director of the Center for the Study of Auctions, Procurements, and Competition Policy, Pennsylvania State University (currently on leave), and Partner, Bates White LLC.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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06-627

DOJ_NMG_ 0168099

Department of Justice

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06-627

Image not available for this document, ID: 0.7.10316.31848-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, September 18, 2006 10:02 AM
Subject: Service Interruption: Email

Outlook Outage

Some customers in the Senior Management Offices and Justice Management Division are currently experiencing an Outlook outage. Mail will be held and delivered as soon as services are restored.

We will notify you as soon as services are restored.

Check the Intranet, DOJNet, at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 10:12 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 18, 2006

Department of Justice

PRESS GUIDANCE
Monday, September 18, 2006

ATTORNEY GENERAL

10:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the National Conference on Citizenship.
Marriott at Metro Center
Ballroom
775 12th Street N.W.
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

PRESS RELEASES

The Antitrust Division will issue a release on a merger-related matter. (Talamona)

The Antitrust Division will issue a release regarding the upcoming Section Two hearings held jointly with the Federal Trade Commission. (Talamona)

The Tax Division will issue a release on a sentencing matter. (Miller)

EVENTS/HEARINGS

No public events scheduled.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice

DOJ_NMG_ 0168104

Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0168105

Image not available for this document, ID: 0.7.10316.31807-000001

Image not available for this document, ID: 0.7.10316.31807-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 10:26 AM
To: USDOJ- Office of Public Affairs
Subject: CORRECTION (DATE CHANGE): DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON SEPTEMBER 26

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

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Luke M. Froeb is the William C. and Margaret W. Oehmig Associate Professor in Entrepreneurship and Free Enterprise, Owen Graduate School of Management, Vanderbilt University, and former Director of the FTC's Bureau of Economics.

DOJ_NMG_ 0168108

Wally Mullin is an Associate Professor of Economics, George Washington University.

Jonathan B. Baker is a Professor of Law, Washington College of Law, American University, and former Director of the FTC's Bureau of Economics.

Clifford Winston is a Senior Fellow in Economic Studies, The Brookings Institution.

David Reitman is a Principal at CRA International Inc.

Robert C. Marshall is Head of the Department of Economics and Co-Director of the Center for the Study of Auctions, Procurements, and Competition Policy, Pennsylvania State University (currently on leave), and Partner, Bates White LLC.

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06-627

DOJ_NMG_ 0168109

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

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DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON SEPTEMBER 26

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06-627

Image not available for this document, ID: 0.7.10316.31805-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 10:32 AM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO HOLD PEN-AND-PAD BRIEFING WITH DEPARTMENT OF JUSTICE BEAT REPORTERS

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO HOLD PEN-AND-PAD BRIEFING WITH DEPARTMENT OF JUSTICE BEAT REPORTERS

WASHINGTON – Deputy Attorney General Paul J. McNulty will hold a pen-and-pad briefing with Department of Justice beat reporters regarding the FBI's Uniform Crime Report **TODAY, SEPTEMBER 18, 2006 at 1:30 P.M. EDT.**

WHO: Deputy Attorney General Paul J. McNulty

WHAT: Pen-and-Pad briefing with Department of Justice beat reporters
(No cameras)

WHEN: **TODAY, SEPTEMBER 18, 2006**
1:30 P.M. EDT

WHERE: Deputy Attorney General's Conference Room (Room 4111)
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.

NOTE: Pen-and-Pad briefing only (no cameras). All questions regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-628

DOJ_NMG_ 0168113

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Image not available for this document, ID: 0.7.10316.31798-000002

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, September 18, 2006 11:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Lonedell, MO

From: AmberAlert-DOJ
Sent: Monday, September 18, 2006 11:35:01 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Lonedell, MO
Auto forwarded by a Rule

UPDATE AMBER ALERT:Lonedell,MO CHILD:7 Days White F 19 Inches 6LBS Eyes:Blue Hair:Black SUSPECT:White F 5FT8 200LBS Hair:Dark CALL 888-265-8639
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2142

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, September 18, 2006 11:57 AM
Subject: JCON BROADCAST, WEEK OF SEPTEMBER 18, 2006

JCON BROADCAST, WEEK OF SEPTEMBER 18, 2006

1. **2006 Federal Human Capital Survey**
2. **Research Classes Offered by Library Staff**

2006 Federal Human Capital Survey

A special thanks to those DOJ employees who participated in the 2006 Federal Human Capital Survey. Your confidential responses will provide valuable information on how well we are doing to support all DOJ employees.

The Office of Personnel Management is expected to release DOJ-wide Survey results in December 2006. Upon receiving results, the Department will carefully review and communicate plans for sharing the survey results and address those issues of most concern to DOJ employees.

Thank you again for taking the time to share your opinions on important workforce issues!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 12:56 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN CALIFORNIA AND MASSACHUSETTS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN CALIFORNIA AND MASSACHUSETTS

WASHINGTON - The Justice Department today announced that on Tuesday, Sept. 19, 2006, the federal government will monitor a special recall election in Rosemead, Calif., and primary elections in Boston and Springfield, Mass., to ensure compliance with the Voting Rights Act.

Under the Voting Rights Act, the Justice Department is authorized to ask the Office of Personnel Management to send federal observers to areas that are specially covered in the Act itself or by a federal court order. Federal observers will be assigned to monitor polling place activities pursuant to federal court orders entered in 2005 for Rosemead and Boston and pursuant to a federal court order entered last month for Springfield.

The observers will watch and record activities during voting hours at polling locations in these counties. Civil Rights Division attorneys will coordinate the federal activities and maintain contact with local election officials.

Each of the monitored cities has an obligation to provide all election information, ballots and voting assistance information in one or more minority languages pursuant to Section 203 of the Voting Rights Act. The observers and monitors will gather information concerning compliance.

Each year, the Justice Department deploys hundreds of federal observers from the Office of Personnel Management, as well as departmental staff, to monitor elections across the country. In 2004, a record 1,463 federal observers and 533 Department personnel were sent to monitor 163 elections in 105 jurisdictions in 29 states. This compares to the 640 federal observers and 103 Department personnel deployed in 2000.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

DOJ_NMG_ 0168120

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06-630

DOJ_NMG_ 0168121

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Image not available for this document, ID: 0.7.10316.31559-000002

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 545982 KB.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 2:02 PM
To: USDOJ- Office of Public Affairs
Subject: FIVE INDICTED FOR $14 MILLION FRAUDULENT TAX PREPARATION SCHEME

Department of Justice

FOR IMMEDIATE RELEASE TAX
MONDAY, SEPTEMBER 18, 2006 (202) 514-2007
WWW.USDOJ.GOV TDD (202) 514-1888

FIVE INDICTED FOR $14 MILLION FRAUDULENT TAX PREPARATION SCHEME

Four Individuals Prepared Over 11,000 False Returns Since 1999

WASHINGTON — A federal grand jury in Los Angeles, Wednesday, indicted five individuals for orchestrating a $14 million tax fraud scheme, the Department of Justice and Internal Revenue Service (IRS) announced today. The defendants are Matthew Berry, Karen Berry, Carla Berry, Ivan Johnson and Valerie Dixon, all from San Bernardino County, Calif. The indictment charges all five defendants with conspiracy to defraud the United States and four defendants with aiding and assisting the filing of false tax returns. In addition, all of the defendants are charged with either failure to file an income tax return or filing a false income tax return as to their personal taxes during the years of the conspiracy.

The indictment alleges that the scheme to defraud operated simultaneously on three tracks: preparing thousands of fraudulent income tax returns, creating false documentation to use in IRS audits, and failing to report to the IRS the more than $1.5 million earned from the conspiracy. The indictment alleges that all of the defendants except, for Matthew Berry, prepared income tax returns that contained false "Schedule A" deductions for mortgage interest, real estate taxes, or un-reimbursed expenses. Further, the indictment alleges the defendants prepared more than 6,000 fraudulent income tax returns in 2003. The indictment also alleges that the entire scheme resulted in a tax loss that exceeds $14.4 million. Documents filed in a civil case against the defendants estimate a total tax loss in excess of $25 million.

Karen Berry, Carla Berry, and Ivan Johnson are also charged with making false statements to a financial institution for submitting mortgage applications that contained false statements about income. The defendants also filed false tax returns or Forms W-2 in support of the mortgage applications. Johnson is charged with submitting false documents to the IRS in 2005 during an audit of his 2003 taxes.

Earlier this year, the United States obtained a stipulated preliminary injunction against defendants Karen Berry, Carla Berry and Ivan Johnson, which barred them from continuing to prepare tax returns. Defendant Valerie Dixon also consented to an injunction and a final order barring her from continuing to prepare tax returns for ten years.

If convicted, the defendants face maximum potential sentences of five years' imprisonment and a fine of $250,000 for the conspiracy, and three years' imprisonment and a fine of $100,000 for each false preparation

DOJ_NMG_ 0168125

and false filing charge. Each of the failure-to-file counts and submitting-false-documents to IRS counts carries a maximum penalty of one year in prison and fines of $25,000 and $10,000, respectively. Each of the false statement to financial institution counts carries a maximum penalty of 30 years in prison and a fine of $1 million.

The charges contained in the indictment are only allegations. A defendant is entitled to a fair trial in which it will be the government's burden to prove the defendants guilty beyond a reasonable doubt.

The stipulated preliminary injunction obtained against the defendants can be found at http://www.usdoj.gov/tax/txdv06146.htm. More information about the Justice Department's efforts against tax scheme promoters can be found at http://www.usdoj.gov/tax/taxpress2006.htm. Information about the Justice Department's Tax Division can be found at http://www.usdoj.gov/tax.

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06-631

DOJ_NMG_ 0168126

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Image not available for this document, ID: 0.7.10316.31560-000002

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 546127 KB.

Mailbox size limits:
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 4:06 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT DISMISSES ANTITRUST LAWSUIT AGAINST INCO LTD. AND FALCONBRIDGE LTD.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT DISMISSES ANTITRUST LAWSUIT AGAINST INCO LTD. AND FALCONBRIDGE LTD.

Inco Abandons Efforts to Acquire Falconbridge

WASHINGTON — The Department of Justice today announced that it filed a notice with the U.S. District Court for the District of Columbia to dismiss its antitrust complaint regarding the potential acquisition of Falconbridge Limited by Inco Limited since Inco has formally abandoned its effort to acquire Falconbridge. The Department said that the lawsuit and proposed consent decree are no longer necessary since Falconbridge was instead acquired by Xstrata plc, a Swiss mining company, in August 2006. The Department said that Xstrata's acquisition of Falconbridge does not pose any competitive problems.

Background

On June 23, 2006, the Department filed an antitrust lawsuit in U.S. District Court for the District of Columbia alleging that the acquisition would harm competition in the market for high-purity nickel. At the same time, the Department filed a proposed settlement of the lawsuit that would preserve competition by requiring Inco to divest a Norway nickel refinery and other related assets owned by Falconbridge in order to proceed with its more than $15 billion acquisition of Falconbridge.

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06-632

DOJ_NMG_ 0168130

Image not available for this document, ID: 0.7.10316.31542-000001

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 5:27 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE WITH FTC CHAIRMAN DEBORAH PLATT MAJORAS

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, SEPTEMBER 18, 2006
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE WITH FTC CHAIRMAN DEBORAH PLATT MAJORAS

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at a press conference with Federal Trade Commission (FTC) Chairman Deborah Platt Majoras following a meeting of the President's Task Force on Identity Theft on **TUESDAY, SEPTEMBER 19, 2006 at 3:00 P.M. EDT.**

WHO: Attorney General Alberto R. Gonzales
Deborah Platt Majoras, Chairman, Federal Trade Commission

WHAT: Press Conference following meeting of the President's Task Force on Identity Theft

WHEN: **TUESDAY, SEPTEMBER 19, 2006**
3:00 P.M. EDT

WHERE: Seventh Floor Conference Center
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.

NOTE: Pre-set for open press coverage of the press conference will be at **2:30 P.M. EDT**. **All media should arrive no later than 2:45 P.M. EDT.** All media should enter through the Visitor's Center at Constitution Avenue and must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-634

DOJ_NMG_ 0168132

DOJ_NMG_ 0168133

Image not available for this document, ID: 0.7.10316.31549-000001

Image not available for this document, ID: 0.7.10316.31549-000002

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 546946 KB.

Mailbox size limits:

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See client Help for more information.

[redacted] **(DHS)**

Subject: National Pandemic Plan Action Items
Location: GSA bldg., 7th & D Streets, Room 3915

Start: Friday, September 22, 2006 11:00 AM
End: Friday, September 22, 2006 12:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [redacted] (DHS)
Required Attendees: [redacted]

[redacted] Gorsuch, Neil (DOJ) [redacted]

[redacted]

Importance: High

When: Friday, September 22, 2006 11:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA bldg., 7th & D Streets, Room 3915

~~*~*~*~*~*~*~*~*~*

All-

This is a preliminary meeting to discuss several Action Items from the National Pandemic Plan that have economic/modeling issues. I know that I have reached out to several of you over the past few weeks asking similar questions. This is a follow-up to those discussions. Please see the attached document that lists the eight Action Items to be discussed at this meeting. Again, this is just a preliminary meeting with everyone at the table to discuss and potentially outline other stakeholders and/or path forward for the items.

For those without DHS badges, we will be down at the main entrance across from L'Enfant Plaza signing people in. Please utilize this center entrance with the wheelchair access ramp and weather overhang as it is the best point of entry for visitors.

I am waiting on conference call information at this time for those who are unable to attend. I will disseminate as soon as I receive it.

If there are any questions about this meeting, please do not hesitate to call/email me. We look forward to seeing you at the meeting.

Regards,
[redacted]

[redacted] (DHS)

Subject: Updated: National Pandemic Plan Action Items
Location: GSA bldg., 7th & D Streets, Room 3915

Start: Friday, September 22, 2006 11:00 AM
End: Friday, September 22, 2006 12:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [redacted] (DHS)
Required Attendees: [redacted]
Gorsuch, Neil (DOJ); [redacted]

[redacted]

Attachments: PANFLU Action Items.xls

Importance: High

When: Friday, September 22, 2006 11:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA bldg., 7th & D Streets, Room 3915

~~*~*~*~*~*~*~*~*~*

FILE ATTACHED NOW.

All-

This is a preliminary meeting to discuss several Action Items from the National Pandemic Plan that have economic/modeling issues. I know that I have reached out to several of you over the past few weeks asking similar questions. This is a follow-up to those discussions. Please see the attached document that lists the eight Action Items to be discussed at this meeting. Again, this is just a preliminary meeting with everyone at the table to discuss and potentially outline other stakeholders and/or path forward for the items.

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I am waiting on conference call information at this time for those who are unable to attend. I will disseminate as soon as I receive it.

If there are any questions about this meeting, please do not hesitate to call/email me. We look forward to seeing you at the meeting.

Regards,
[redacted]

Action Item	Action Item Description	Primary Agency	POC
5.1.1.2	HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities.	HHS DHS	
5.1.3.2	DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services.	DHS	
5.3.4.4	DHS and DOT, in coordination with USDA, DOI, DOC and DOS, shall consult with the domestic and international travel industry (e.g., carriers, hospitality industry, and travel agents) and freight transportation partners to discuss travel and border options under consideration and assess potential economic and international ramifications prior to implementation. Measure of performance: Initial stakeholder contacts and solicitation for inputs conducted within 48 hours of an outbreak and re-established if additional countries affected.	DHS DOT	

5.3.5.6	DOT and DHS, in coordination with NEC, Treasury, DOC, HHS, DOS, and the interagency modeling group, shall assess the economic, safety, and security related effects of the pandemic on the transportation sector, including movement restrictions, closures and quarantine, and develop strategies to support long-term recovery of the sector, within 6 months of the end of a pandemic. Measure of performance: Economic and other assessments completed and strategies implemented to support long-term recovery of the sector.	DOT DHS
6.1.10.2	HHS, in coordination with DHS, DOD, VA, DOC, DOJ, and Treasury, shall assess within whether use of the Defense Production Act or other authorities would provide sustained advantages in procuring medical countermeasures, within 6 months. Measure of performance: analytical report completed on the advantages/disadvantages of invoking the Defense Production Act to facilitate medical countermeasure production and procurement.	HHS DHS
6.2.5.1	HHS, in coordination with DOD and DHS, shall develop and maintain a real-time epidemic analysis and modeling hub that will explore and characterize response options as a support to policy and decision makers within 6 months. Measure of performance: modeling center with real-time epidemic analysis capabilities established.	HHS DHS DOD
6.3.2.3	HHS, in coordination with DHS and DOD and in collaboration with mathematical modelers, shall complete research identifying optimal strategies for using voluntary home quarantine, school closure, snow day restrictions, and other community infection control measures, within 12 months. Measure of performance: guidance developed and disseminated on the use of community control.	HHS DHS DOD
7.1.5.6	USDA, in coordination with DHS, DOI and DOD, shall partner with State and tribal authorities to refine disease mitigation strategies for avian influenza in poultry or other animals through outbreak simulation modeling, within 6 months. Measure of performance: simulation models produced and reports issued on the results of influenza outbreak scenario modeling.	USDA DHS DOI

Status

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 6:24 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY BRIEFING REPORTERS REGARDING THE UNIFORM CRIME REPORTS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 18, 2006
WWW.USDOJ.GOV

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TRANSCRIPT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY BRIEFING REPORTERS REGARDING THE UNIFORM CRIME REPORTS

WASHINGTON, D.C.

1:35 P.M. EDT

MR. McNULTY: Thank you all for coming here. We want to talk to you about today's numbers on the UCR data, talk a little bit about the Crime Victimization Survey from a couple of weeks ago and how that relates to the UCR data and anything else you want to talk about in this area.

I have four main points I'll make right up front before we go to your questions and concerns about all this.

The first point I'd say is that today's numbers with the UCR data overall is good news. If you look at the rate of crime, and that's a very important way of understanding what's happening in our country concerning public safety, the amount of crime per 100,000 people. The overall rate of crime is at its lowest since UCR, in the UCR study, in more than 30 years. That's the overall crime rate.

And we see that number, the overall crime rate as having two pieces to it, the property crime rate; the property crime rate decreased 2.4 percent. But the violent crime rate increased 1.3 percent. So overall, when you look at just the crime rate, it's 3,899 offenses per 100,000. And that's the lowest crime rate measured by UCR in more than 30 years.

Now the UCR numbers are generally talked about in FBI's materials in relation to volume of crime. And there, the volume of crime is up. The volume of crime is up in the area of violent crime by 2.3 percent, but it is down in the area of property crime by 1.5 percent. So you have the volume of violent crime, 2.3 percent, the rate of violent crime 1.3 percent.

With regard to that volume, that volume, is less than what it was in '01. It's about 3.4 percent less than what it was in '01. It's about equal to, almost equal to what it was in '03. And other than last year, that volume is lower than every year since 1985.

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So even when you look at the volume, it is not a substantial increase in comparison to the past 20 years. It remains one of the lower volumes, but it is up in relation to violent crime, as I said, 2.3 percent.

Now looking at the violent crime rate more closely, secondly, the violent crime rate was 469.2 per 100,000, and that's slightly more than last year. That's up 1.3 from last year. But that violent crime rate is lower than 2002, 2001 -- excuse me, 2003, 2002, 2001, 2000, and every year since 1977.

So the violent crime rate, slight uptick from last year, but among the lowest two over the past 30 years.

It was quite high, for example, in the 1990s. It rose to 523 per 100,000 by 1999.

QUESTION: I'm sorry. What tape -- where are you?

MR. McNULTY: Well, I'm kind of all over the place, Terry.

QUESTION: All right. I'm sorry.

MR. McNULTY: This is stuff taken from the report, so I'm not sure if it corresponds to anything you might have from the website. But hopefully you'll be able to find the crime rates pretty well listed.

QUESTION: I'm sorry.

MR. McNULTY: Okay. All right. That's the second point. Third point, let me talk about how it compares to the Crime Victimization Survey that we saw a couple of weeks ago. It's largely consistent with the data reported last week or two weeks ago by BJS in the Crime Victimization Survey. That Crime Victimization Survey indicated that violent and property crime rates were at the lowest levels since the survey began in 1973.

And overall, the violent crime rate, according to the Victimization survey, was basically unchanged from '04 to '05, though we noted a significant rise in gun crime within that overall statistical equality with the previous year. So the pie didn't get any bigger, but the slice relating to gun crime did.

And that Victimization Survey showed the same kind of significant drops in violent crime. From 2000 to 2005, according to that Victimization Survey, violent crime decreased from 24 percent. And the -- from 1993 to 2005, even if you look at that rate of firearm violence, it decreased very significantly from 5.9 victimizations per 1,000. That's a little confusing there. The Victimization Survey looks at it per 1,000 versus per 100,000 in terms of some of these numbers, but 5.9 per 1,000 to 2 victimizations per 1,000 from '93 to 2005 on the gun violence side. So even though we had an increase in that number from '04 to '05, overall that gun violence is down from what it was a decade ago.

So that's the third point. The relationship between UCR data and NCVS. Generally the same report, though historically, again, they've had their differences and they always will, because of just a different way of measuring the crime problem, there is real consistency there.

Finally, I'd say this, that it's too soon to whether or not this slight increase of 1.3 percent crime rate -- excuse me, of violent crime rate -- is -- what that trend would tell or what that would tell us, but it certainly causes us to remain vigilant, especially when we take into consideration that anecdotal information and preliminary information about what's happening this year in 2006, indicates that there may be a rise in violent crime in several jurisdictions.

And so, when we look at 2004, we see that was an extraordinarily good year. 2005, a slight uptick from that, still among the all time low numbers.

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But that slight uptick and the information we're getting about what is happening in '06, compels us to be all the more vigilant about what we're doing and to maintain our close communication with state and local law enforcement so we understand what they're seeing and what they're experiencing and that we can be as responsive to that as possible.

So those are some observations generally that I wanted to make about today's numbers, and I'm happy to answer any questions you might have about that.

QUESTION: The numbers, just in terms of individual cities, many individual cities, I think they would take issue with the fact that they see this as sort of a -- as good news. I think that they're, at least some of the ones we've been talking to over a period of, you know, a few months now, are seeing individual categories of crime -- murder, robbery -- increasing in dramatic ways in their cities.

And I'm wondering whether or not you see this -- I mean, while the rate may still be at an all time low, do you see this as sort of indicative, emblematic of anything that we haven't seen in, say, the past ten years? I mean, many people lay it off on a resurgence of gang activity, reentry from prison and so on. Where do you see the sources of this or their concern?

MR. McNULTY: Well, first of all, let me repeat what I said and make sure there's no misunderstanding. When I refer to good news, I'm referring to 2005 information, which by the way, is overall information, national data, so I don't have -- the report provides city-by-city information.

QUESTION: Right.

MR. McNULTY: And so for a city looking at its 2005 data, there might not be good news for that particular locality. So I'm talking about 2005 overall numbers. And I'm not talking about 2006 experience. So I assume what you just said was in reference to what you're hearing them say about what they're experiencing right now.

QUESTION: This is 2005 to 2006, yeah.

MR. McNULTY: In that transition, right. So, I just want to make it clear that I understand that there is some significant concern out there about what's happening right now and whether or not it's going to, a year from now when we talk about the 2006 numbers, whether or not there's even a more significant increase than what we saw from '04 to '05.

But with regard to where we are now and what may be happening, there are a number of ideas circulating as to what's going on. And it's hard to say whether or not one idea or a couple ideas would explain it from a national perspective, or if there are different things happening in different places.

I think gangs and the increase in gangs and the increase in the membership of gangs -- membership in gangs -- would have to be cited as one thing that could be causing an increase in violent crime right now.

Certainly anecdotally, I am hearing that gang membership is up in many different places, and that gangs have made their way to jurisdictions that didn't have gang problems before, that there's a more national movement among gangs. And if that's true, then it's not surprising that jurisdictions a year or two ago or maybe ten years ago, which didn't have a substantial presence of gangs and do now, would be experiencing more crime from that activity.

So that's one thing. Methamphetamine is another thing that seems to be spreading geographically in areas where it wasn't present five to ten years ago or even more recently. As the U.S. Attorney in Virginia, I saw methamphetamine coming into Eastern Virginia where it historically hadn't been. And so that was a new challenge we are facing. But that's going to bring a lot of different types of crime with it.

DOJ_NMG_ 0168146

Demographically, we may have an increase in the crime -- the largest crime cohort, which would be males 18 to 24. That's generally speaking the age group that is most -- that commits the most crime. And I haven't seen those numbers myself, but I've heard that that population has increased over the last several years substantially. And it makes sense when you look at the baby boomers and the children of baby boomers and why that population may be growing.

So, they were just some of the factors I've heard cited as to why in 2006 and perhaps even an uptick in 2005 from 2004, violent crime is growing. We're going to have to learn much more about that and understand more about that, and I'm anxious to spend more time with the police chiefs and hear what it gets down to in terms of our '06 numbers, if there was an increase in homicides, where was that, why was that the case?

QUESTION: You recently got a chance to hear quite a bit from police chiefs and a sprinkling of mayors at that so-called crime summit. And while you were a great diplomat, there were a lot of pretty unhappy people in that room, of course. And it's always easy to blame the federal government, but I do have a couple of specific questions relating to that.

One memorable comment was that terrorism and homeland security has become the monster that ate traditional crime or helped for traditional crime. And I don't know if it's related to that directly, but the second question is that the police chiefs who are concerned by an apparent spike in violent crime want more flexibility on the part of the federal government, and I think it's a Justice Department program specifically, or maybe it's DHS, programs which provide help in the way of equipment, technology, resources, but prohibit the police from using the funds as they see fit for overtime and more police and human resources. Is that true? And can you do anything to help them on that front?

MR. McNULTY: Yeah, I think those two things are related. The first point is that there has been a significant increase in domestic preparedness money being allocated to the federal government to state and local jurisdictions in relationship to the threat of terrorism. And that reflects a priority of the battle against terrorism that is also a reflection of the overall limitation or strain to provide assistance to state and local law enforcement.

So you have, or we have a problem of limited resources because of the strains to meet the challenges that we face internationally and domestically in relationship to national security, and the difficulty to have enough funding to provide traditional law enforcement grants the way that the Office of Justice programs here at DOJ had funded them a few years back. And you have an increase in the money that's going to out to state and locals for domestic preparedness.

And there's a concern among the police chiefs that that money isn't as flexible and available to deal with some of their traditional law enforcement needs. And I definitely have heard it that day, and I heard it in addition to that day.

Now some jurisdictions are large enough and receive a lot of that domestic preparedness money and can make multiple use of the money. So if, for example, money is received to build a fusion center for receiving law enforcement information and an analyzing it, that fusion center can also help fight gangs, and so they get more than one purpose served by a grant that provides infrastructure and so forth for fighting terrorism.

Other jurisdictions don't have that kind of benefit, and some of those police chiefs have voiced their concerns very clearly recently about that. You know, I think that that mission to be prepared is very important. I'm not sure if we can be prepared enough when it comes to having what's necessary to combat terrorism at home. So, it's an important priority as far as domestic preparedness goes. But it has come at a time when they received less funding for their other law enforcement activity, and that's a big a concern to them.

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So, we tried to make up for that a bit by looking at ways of providing funding for specific priority areas, like fighting methamphetamine or gangs, and by really increasing our relationship on a practical, day-to-day and strategic level with police chiefs.

And that morning, Terry, when I was there, I made reference to that a couple times, that as I looked around the room, I saw a number of police chiefs who I knew personally, and I knew that in the jurisdictions of those chiefs, we had a very active program identifying gun violators and gang members, and we were actively working together to prosecute them and get them off the street.

And that kind of strategic partnership doesn't come in the form of grant money, which is very well appreciated by locals, and I understand that. But it also has a benefit in itself, and I was trying to make the point that morning that we have accomplished a lot in many places together, and we at the very least have to continue to try and do that well.

QUESTION: How much of a problem, though, is that these local agencies may have been feeding at the federal trough for too long? I mean, what's your sense of that? I mean, they certainly got a stream of money since the COPS program started. Did they get too dependent on that?

MR. McNULTY: I don't know if they got too dependent on that. Those programs have been up and down over the years, and I've tracked them very closely professionally since about the mid-eighties when I got involved in the first days of the Byrne grant. But you have going back into the seventies even. LACC money, hit a high point then tailed off. There was a period of decline where there was virtually no funding. Then the Byrne grant got started in the -- really the late eighties. By the time Byrne grant going, it's '88, '89. That money came along, stayed pretty steady throughout the nineties and at the start of this decade, but that local law enforcement block grant only came into existence in about '96.

For those years that it got up to the count of over 100,000 police officers, the way in which that was calculated. So I don't know if there was a dependence on it at all.

There was great appreciation for it, and I can understand that because with local law-enforcement block grant, for example, police chiefs in particular got direct funds not through the state capital, which was something they really appreciated, and it allowed them to use the money get technology, things like computers for police cars and so forth. And it just really helped them, and it would be great if those kinds of things can keep on going if there's the funding for them. It's just very difficult, in tight fiscal times, to do it.

QUESTION: One of the things you specifically had been targeting this Administration has been gun crime with Project Safe Neighborhoods and the experience from Richmond and other places was -- Boston -- I think was used different places, but the bad news is -- I think it's bad news -- is that murders this year, last year, 2005, were -- murders were up four-point-something percent, and arrests of juveniles for murder was up, according to this report, almost 20 percent. Now that's really bad news.

Why is gun crime -- why did gun crime escalate so much last year, and murder?

MR. McNULTY: It's hard, very hard, to say why gun crime continues or has at least recently gone up. You're right in the first instance that the number of gun prosecutions, federal gun prosecutions in the past four or five years has increased dramatically. I was looking for that number, Rob, and it was like 60,000 or 58,000. What was that number?

DOJ OFFICIAL: It's increased 73 percent since 2000.

MR. McNULTY: Yes, since 2000. The overall number is just really kind of amazing, the number --

DOJ_NMG_ 0168148

DOJ OFFICIAL: The overall number from 2000 to 2005 is 48,039 cases against 58,540 defendants.

MR. McNULTY: Yes, 58,540 defendants from 2001 to 2005 -- 58,000 defendants, I mean that's --

DOJ OFFICIAL: Hundred percent increase.

MR. McNULTY: What's that?

DOJ OFFICIAL: Hundred percent increase.

MR. McNULTY: Hundred percent increase, yes. I mean that's an amazing number, so I would certainly strongly suggest that it's not for lack of effort in terms of making this a priority. It has been the top domestic priority for the Department of Justice.

Now it continues to rise. What's going on? Well, I guess with the growth of gang violence comes perhaps the growth of gun violence. Those two are probably connected.

I can answer it perhaps in my own experience, as U.S. Attorney in a place like Richmond, Virginia, which has struggled with gun violence for a long time, that we saw gun violence going back up again in 2004 and our guess was that some of the offenders who had been prosecuted previously under project exile were cycling back through -- they had been released, they did their three to five years or whatever their sentence might have been; they were returned to the streets again, and unfortunately our recidivism numbers are such that they continue to commit violence crime.

As an aside, our gang-violence effort involves a prisoner-reentry effort to try to do something about that. But returning gun criminals, gang violence, juvenile violence, generally speaking -- beyond that, it's hard to say.

It just shows how much we have to keep up that effort because for every one of those gun offenders that we prosecute, we are undoubtedly averting some amount of violent crime. It's just common sense, and it's statistically valid. We avert violent crime by prosecuting these violent criminals and incapacitating them. And that's one of the things we just have to keep up.

DOJ OFFICIAL: One or two more. Anything else?

QUESTION: Do you worry though that the resources for terrorism, the international effort that you all have going, will overwhelm or have overwhelmed sort of that local connection that you talked about earlier that the federal government needs to establish with -- I mean on local crime issues. I mean do you worry that the other interests of the Department have outpaced that?

MR. McNULTY: No, I don't. I really don't, and I hope this doesn't sound like spin because it's as sincere as I can say it. I really think that since 9/11, the relationships that we have with local law enforcement have been strengthened because they're forced to deal together in ways that we didn't necessarily have to do before.

Now PSN, Project Safe Neighborhoods, did require active outreach to local law enforcement, but 9/11 just threw U.S. Attorneys into a connection with the law enforcement community for purposes of knowing who's out there and what they're up to in a way that we didn't have before, we didn't have quite bearing down on us the same way.

And I believe, in talking to chiefs and talking to district attorneys, that the relationship between federal law enforcement and local law enforcement is much stronger today than what it was before. The FBI, for example, always had a Safe Streets Task Force program, but didn't -- historically, it had limited and up-and-down

relationships. But since 9/11, because they're -- task forces and -- has really worked hard at strengthening local law-enforcement relationships. And that's just one agency.

So I think that the terrorism mission has not cost us anything when it comes to our relationships but has given us an opportunity to be more closely connected.

QUESTION: Over the weekend, there was some conversation about the possibility of compromise in the military commission's legislation. Can you give any sense for where there might be room for conversation or for compromise in the Administration's position?

MR. McNULTY: I don't want to comment on it right now because those discussions are going on and I'll just let that process continue to work itself out. But there's still a lot of discussion going on at this time.

QUESTION: Do you feel there is room for the possibility of compromise?

MR. McNULTY: I'd just defer to Steve Hadley's comments about that yesterday.

DOJ OFFICIAL: Any other questions? Okay.

MR. McNULTY: Thank you.

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Image not available for this document, ID: 0.7.10316.31551-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Monday, September 18, 2006 7:08 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 18, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TUESDAY'S EXPECTED NEWS STORIES:

Attorney General Delivers Remarks before National Conference on Citizenship (OPA)
Today, the Attorney General delivered remarks before the National Conference on Citizenship in Washington regarding the importance of American citizenship. During his remarks, he also mentioned the President's military commission legislation, which generated news coverage.

Deputy Attorney General Participated in Pen-and-Pad Briefing with Justice Department Beat Reporters (OPA)
Today, Deputy Attorney General Paul J. McNulty participated in a pen-and-pad briefing with Justice Department beat reporters regarding the FBI's Uniform Crime Report.

Canadian Commission Investigating Arar Affairs Releases Report (Civil)
The official Canadian inquiry into the September 2002 arrest of Maher Arar, a Canadian citizen who was deported to Syria by U.S. officials, was released today. The report states that Canadian police wrongly identified Arar as an Islamic extremist, prompting U.S. agents to deport him to Syria, where he says he was tortured.

Talking Point:

- We have not seen the commission's report and have no comment at this time.

Justice Department to Monitor Elections in California and Massachusetts (Civil Rights)
The Justice Department today announced that on Tuesday, Sept. 19, 2006, the federal government will monitor a special recall election in Rosemead, Calif., and primary elections in Boston and Springfield, Mass., to ensure compliance with the Voting Rights Act. Under the Voting Rights Act, the Justice Department is authorized to ask the Office of Personnel Management to send federal observers to areas that are specially covered in the Act itself or by a federal court order. Federal observers will be assigned to monitor polling place activities pursuant to federal court orders entered in 2005 for Rosemead and Boston and pursuant to a federal court order entered last month for Springfield.

***Washington Post* Expected to Publish Story on Hate Crimes against Muslims and Arabs (Civil Rights)**

The Washington Post is expected to publish a story regarding the 2006 annual report issued by the Council on American-Islamic Relations regarding hate crimes against Muslims and Arabs after Sept. 11, 2001. It is unclear when the story will run.

Talking Points:

- The Department of Justice is working hard to protect the rights of all Americans.
- After the terrorist attacks of September 11, we saw an increase in bias crimes and discrimination against Muslim and Arab Americans.
- The Justice Department quickly responded by condemning the violence, and we have subsequently worked closely with the FBI and local officials to bring the criminals to justice.
- The Justice Department has investigated every complaint it has received regarding bias and discrimination crimes against Arabs and Muslims after Sept. 11, 2001.
- We do not tolerate such violence or threats of violence and will continue to vigorously pursue this criminal conduct.

Justice Department Dismisses Antitrust Lawsuit against Inco Ltd. and Falconbridge Ltd. (Antitrust)

The Department of Justice today announced that it filed a notice with the U.S. District Court for the District of Columbia to dismiss its antitrust complaint regarding the potential acquisition of Falconbridge Limited by Inco Limited since Inco has formally abandoned its effort to acquire Falconbridge. The Department said that the lawsuit and proposed consent decree are no longer necessary since Falconbridge was instead acquired by Xstrata plc, a Swiss mining company, in August 2006. The Department said that Xstrata's acquisition of Falconbridge does not pose any competitive problems.

Department of Justice/Federal Trade Commission Hearings on Single-Firm Conduct to Continue on September 26 (Antitrust)

The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the fifth in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on September 26, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months. The panel on September 26 will examine existing empirical work regarding single-firm conduct and address areas where future work would be helpful. The session will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room C.

Five Indicted for $14 Million Fraudulent Tax Preparation Scheme (Tax)
A federal grand jury in Los Angeles, Wednesday, indicted five individuals for orchestrating a $14 million tax fraud scheme, the Department of Justice and Internal Revenue Service (IRS) announced today. The defendants are Matthew Berry, Karen Berry, Carla Berry, Ivan Johnson and Valerie Dixon, all from San Bernardino County, Calif. The indictment charges all five defendants with conspiracy to defraud the United States and four defendants with aiding and assisting the filing of false tax returns. In addition, all of the defendants are charged with either failure to file an income tax return or filing a false income tax return as to their personal taxes during the years of the conspiracy. The indictment alleges that the scheme to defraud operated simultaneously on three tracks: preparing thousands of fraudulent income tax returns, creating false documentation to use in IRS audits, and failing to report to the IRS the more than $1.5 million earned from the conspiracy. The indictment alleges that all of the defendants, except for Matthew Berry, prepared income tax returns that contained false "Schedule A" deductions for mortgage interest, real estate taxes, or un-reimbursed expenses. Further, the indictment alleges the defendants prepared more than 6,000 fraudulent income tax returns in 2003. The indictment also alleges that the entire scheme resulted in a tax loss that exceeds $14.4 million. Documents filed in a civil case against the defendants estimate a total tax loss in excess of $25 million.

***USA Today* interviews FBI Assistant Director (FBI)**
Today, *USA Today* reporter Donna Leinwand interviewed FBI Assistant Director Chip Burrus on bank robbery trends and statistics. It is unclear when the story will run.

***New York Daily News* interviews FBI Assistant Director (FBI)**
Today, *New York Daily News* reporter James Meek interviewed FBI Assistant Director Chip Burrus regarding public corruption trends and statistics. It is unclear when the story will run.

***Associated Press* Interviews FBI Official (FBI)**
Today, *Associated Press* reporter Ann Sanner interviewed Supervisory Special Agent Ann Todd regarding the FBI laboratory discontinuing latent fingerprint examinations for state and local law enforcement. It is unclear when the story will run.

ABC News Inquires Regarding FBI Involvement in Missouri Kidnapping Case (FBI)
Today, ABC News producer Jason Ryan inquired regarding the Behavioral Analysis Unit's (BAU) involvement in the investigation into the kidnapping of Abigail Woods, a 10 day old infant who was taken from her home in Missouri. The BAU is assisting the local police department and the FBI field office in this case. They are providing crime scene analysis and other behaviorally-based investigative assistance.

TUESDAY'S EXPECTED EVENTS/RELEASES:

10:00 A.M. EDT Attorney General Alberto R. Gonzales will testify before the Senate Committee on Banking, Housing and Urban Affairs at a hearing entitled *Combating Child Pornography by Eliminating Pornographers' Access to the Financial Payment System*.
Dirksen Senate Office Building
Room 538

Washington, D.C.
OPEN PRESS

10:30 A.M. EDT

Harley Lappin, Director, Bureau of Prisons and Jeff Sedgwick, Director, Bureau of Justice Statistics will testify before the Senate Judiciary Committee at a hearing entitled *The Cost of Crime: Understanding the Financial and Human Impact of Criminal Activity.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

2:30 P.M. EDT

Alice Fisher, Assistant Attorney General for the Criminal Division, will testify before the Senate Committee on Commerce, Science, and Transportation on sexual exploitation of children via the Internet.
Russell Senate Office Building
Room 253
Washington, D.C.
OPEN PRESS

3:00 P.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks at a press conference with Federal Trade Commission (FTC) Chairman Deborah Platt Majoras following a meeting of the President's Task Force on Identity Theft.
Seventh Floor Conference Center
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

System Administrator

From: System Administrator
Sent: Monday, September 18, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 547726 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 19, 2006 3:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Lonedell, MO

From: AmberAlert-DOJ
Sent: Tuesday, September 19, 2006 3:35:01 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Lonedell, MO
Auto forwarded by a Rule

UPDATE AMBER ALERT:Lonedell,MO CHILD:7 Days White F 19 Inches 6LBS Eyes:Blue Hair:Black SUSPECT:30-40 White F 5FT8 200LBS Hair:Dark CALL 888-265-8639
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2142

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 547728 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 19, 2006 9:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Cairo, GA

From: AmberAlert-DOJ
Sent: Tuesday, September 19, 2006 9:01:15 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Cairo, GA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Cairo,GA VEHICLE:Green Sedan Toyota Camry TAG:FL CHILD:4 months SUSPECT:30 Hispanic M 5'3" 140 lbs Eyes:Brown Hair:Black CALL (229) 378-3096
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2183

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 10:14 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 19, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, September 19, 2006

ATTORNEY GENERAL

10:00 A.M. EDT

Attorney General Alberto R. Gonzales will testify before the Senate Committee on Banking, Housing and Urban Affairs at a hearing entitled *Combating Child Pornography by Eliminating Pornographers' Access to the Financial Payment System.*
Dirksen Senate Office Building
Room 538
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Committee on Banking, Housing and Urban Affairs at 202-224-7391.

2:00 P.M. EDT

Attorney General Alberto R. Gonzales will host a meeting of the President's Identity Theft Task Force.
Attorney General's Conference Room (Fifth Floor)
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
POOL COVERAGE AT TOP

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

3:00 P.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks at a press conference with Federal Trade Commission (FTC) Chairman Deborah Platt Majoras following a meeting of the President's Identity Theft Task Force.
Seventh Floor Conference Center
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0168161

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Criminal Division will issue a release from the Office of Special Investigations. (Sierra)

EVENTS/HEARINGS

10:30 A.M. EDT Harley Lappin, Director, Bureau of Prisons and Jeff Sedgwick, Director, Bureau of Justice Statistics will testify before the Senate Judiciary Committee at a hearing entitled *The Cost of Crime: Understanding the Financial and Human Impact of Criminal Activity.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:30 P.M. EDT Alice Fisher, Assistant Attorney General for the Criminal Division, will testify before the Senate Committee on Commerce, Science, and Transportation on sexual exploitation of children via the Internet.
Russell Senate Office Building
Room 253
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Committee on Commerce, Science, and Transportation at 202-224-5115..

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0168162

Image not available for this document, ID: 0.7.10316.31502-000001

Image not available for this document, ID: 0.7.10316.31502-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 10:36 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES BEFORE THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS CONCERNING SEXUAL EXPLOITATION OF CHILDREN ON THE INTERNET

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 19, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES BEFORE THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS CONCERNING SEXUAL EXPLOITATION OF CHILDREN ON THE INTERNET

WASHINGTON, D.C.

Mr. Chairman, Senator Sarbanes, and distinguished Members of the Committee, thank you for having me here today to discuss this vital issue of protecting our children from exploitation on the Internet.

As all of you know, none of us can under-estimate the importance, or the urgency, of this threat against our kids.

Every day, pedophiles troll the Internet to see and sell images of child abuse. They also look for ways to contact our children over the Internet. They are hoping to make contact with the very young, the very innocent, to commit unthinkable acts and potentially sell images of those crimes to other pedophiles.

It is unfortunate that one of the greatest inventions of our generation – the Internet – is providing a building ground for these heinous crimes. That is why parents, volunteers and law enforcement must make the Internet a battleground. We must fight every day because predators seek to hurt our kids every day.

As the father of two young boys, this issue is one that I take extremely seriously on both personal and professional levels. I know the same is true for members of this committee. We are all aware that a society's ability to protect its children is a critical marker of that society. That is why protecting our children from sexual exploitation on the Internet is a high priority of the Department of Justice.

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I know that the issue of child molestation, rape and pornography can be difficult for people to focus on because it is, simply, so terrible. But we cannot turn away to preserve our comfort level. We must confront the brutal facts. For example:

- Virtually all images of child pornography depict the actual sexual abuse of real children. In other words, each image literally documents a crime scene.
- These are not just "pornographic" pictures or videos. They are images of graphic sexual and physical abuse – rape, sodomy and forced oral sex – of innocent children, sometimes even babies.
- The Internet has created a shocking field of competition to see who can produce the most unthinkable photos or videos of rape and molestation. In the perverse eyes of pedophiles and predators, this means the younger, the better.

Working with federal investigators and advocacy groups, I have seen just how horrific these images can be. I have seen a young toddler tied up with towels, desperately crying in pain, while she is being brutally raped and sodomized by an adult man. I have seen videos of very young daughters forced to have intercourse and oral sex with their fathers and pictures of older men forcing naked young girls to have anal sex. These are shocking images that cry out for the strongest law enforcement response possible.

Moreover, these disturbing images are only the beginning of a cycle of abuse. Once created, they become permanent records of the abuse they depict, and can haunt the victims literally forever once they are posted on the Internet. Unfortunately, advances in technology have also made it easier and easier for offenders both to profit from these images and to distribute them to each other. Once images are posted on the Internet, it becomes very difficult to remove them from circulation. Even more disturbing is the fact offenders rely on these images to develop a plan of action for targeting their next victims, and then use the images to groom victims into submission.

The challenge we face in cyberspace was illustrated by a new national survey, released in August 2006, conducted by University of New Hampshire researchers for the National Center for Missing & Exploited Children. The study revealed that a full third of all kids aged 10 to 17 who used the Internet were exposed to unwanted sexual material. Much of it was extremely graphic.

As I mentioned, this battle against child exploitation is a top priority. Earlier this year we launched a program called "Project Safe Childhood" that is helping to coordinate the good efforts of U.S. Attorneys offices, law enforcement and advocacy groups. Through Project Safe Childhood we are constantly expanding our efforts to address the sexual exploitation of children on the Internet and the financial underpinnings of this exploitation. The program is helping law enforcement and community leaders develop a coordinated strategy to prevent, investigate, and prosecute sexual predators, abusers, and pornographers who target our children.

As we've looked at ways to improve the law enforcement response to the problem of online exploitation and abuse of children, one thing we've continuously heard from state and local investigators and prosecutors is that many Internet Service Providers don't retain records for a sufficient period of time. Several months ago, I asked

DOJ_NMG_ 0168166

a working group within the Department to look at this issue, and we're working hard on ways to remedy this problem.

I see the initiative to protect our children as a strong, three-legged stool: one leg is the federal contribution led by United States Attorneys around the country; another is state and local law enforcement, including the outstanding work of the Internet Crimes Against Children task forces funded by the Department's Office of Justice Programs; and the third is non-governmental organizations, like the Financial Coalition Against Child Pornography and the National Center for Missing and Exploited Children -- without which we would not have the Cybertipline.

I want to note that the Financial Coalition would not exist without the leadership and vision of the Chairman of this Committee, Senator Shelby, who was the catalyst in bringing industry leaders together to address this serious problem.

Congress has also provided invaluable support for our efforts by passing the Adam Walsh Child Protection and Safety Act of 2006. The Adam Walsh Act, signed by the President in July, will help us keep our children safe by preventing these crimes and by enhancing penalties for these crimes across the board.

None of our efforts can stand alone. All must involve high levels of sharing and coordination. That is what Project Safe Childhood is all about.

One final note that I'd like to share with the Committee today is that our fight against the proliferation of child sexual exploitation on the Internet does not stop at our borders. It demands a global strategy. This makes it imperative that we pay attention to the laws governing child sexual exploitation in other nations. Many countries have astonishingly lenient punishments for child pornography offenses. For instance, in several nations the production of child pornography is punished with only a fine or imprisonment of less than six months or a year. Simple possession is punishable merely by a fine. Just as we need some states to strengthen their laws to punish child sex offenders, we must encourage some foreign lawmakers to strengthen their laws as well, including those concerning the financial components of these crimes.

I am grateful that the Committee shares the Department's commitment to protecting our children. Again, I want to thank Chairman Shelby for establishing the Financial Coalition Against Child Pornography. I also want to thank Senator Santorum for authoring the provision in the Adam Walsh Act that authorized the Department's Project Safe Childhood initiative. Senators, your exemplary actions have truly shown the depth of your commitment to protecting our children from abuse that no human being should have to endure.

Mr. Chairman, thank you and the Committee for the opportunity to speak to you today, and I would be pleased to answer any questions the Committee might have.

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DOJ_NMG_ 0168167

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Image not available for this document, ID: 0.7.10316.31519-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 554069 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, September 19, 2006 11:01 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/19/06 Civil Division News

How Canada failed citizen Maher Arar

Panel Exonerates Terror Suspect

Lawyers go to court for Guantanamo detainee, saying he is being mistreated

Senators hear claims against Halliburton; An Orlando attorney pushes Democrats for a probe of reports of misused funds in Iraq.

Anthrax Investigation A 'Cold Case?'

Press Release: Pfizer Goes to Court to Stop 'The Whistleblower - Confessions of a Healthcare Hitman'

Globe and Mail

POSTED AT 3:30 AM EDT ON 19/09/06

How Canada failed citizen Maher Arar

JEFF SALLOT

From Tuesday's Globe and Mail

OTTAWA — Maher Arar is an innocent victim of inaccurate RCMP intelligence reports and deliberate smears by Canadian officials, a commission of inquiry says in a report that also recommends the federal government pay him compensation.

Mr. Arar, a Canadian citizen who was deported from the United States to Syria -- where he was tortured as a terrorist

suspect -- has suffered "devastating" mental and economic consequences as a result of his ordeal, Mr. Justice Dennis O'Connor says in a report released yesterday.

"I am able to say categorically that there is no evidence to indicate that Mr. Arar has committed any offence or that his activities constitute a threat to the security of Canada," the judge says.

Mr. Arar, 36, said he had tears in his eyes when he first saw those words jumping out from the report.

Maher Arar, house husband and torture survivor, has moved from Ottawa to Kamloops seen here near his new home in Kamloops September 15, 2006. (John Lehmann/Globe and Mail)

The judge, he said, "has cleared my name and restored my reputation."

The report says there is no doubt Mr. Arar was tortured in a Syrian military intelligence prison soon after his deportation from the United States in 2002.

Judge O'Connor said he wants to personally thank Mr. Arar for his patience and co-operation during the long inquiry process. "I take my hat off to him."

The 822-page report, which has been censored because of government concerns about national security, also calls for the further independent investigation of the cases of three other Canadian Muslim men -- Abdullah Almalki, Ahmad El Maati and Muyyed Nurredin -- who were imprisoned in the Middle East under similar circumstances.

They also say they were tortured.

The RCMP should never share intelligence reports with other countries without written conditions about how that information is used, Judge O'Connor writes.

He also says Canadian government information should never be provided to a foreign country if there is a risk of it being used to torture people.

The report, the result of more than two years of hearings, some of them secret, clears federal officials of any direct involvement in the U.S. government's decision to deport Mr. Arar to the Middle East. Mr. Arar was arrested at Kennedy Airport in New York while travelling on his Canadian passport.

Judge O'Connor blasts the RCMP for providing U.S. authorities with inaccurate intelligence that resulted in Mr. Arar, and his wife Monia Mazigh, being put on a border watch list as dangerous al-Qaeda terrorist suspects.

RCMP antiterrorism investigators violated the force's existing policy when they gave U.S. officials three CD-ROM discs with raw intelligence that had not been analyzed for accuracy.

The Mounties, the report continues, should have flagged the material as being from unproven sources and should have taken precautions to make sure it was not used in U.S. deportation proceedings.

Senior RCMP officers failed to properly supervise the newly created antiterrorism unit to make sure policies were being enforced.

Even after Mr. Arar's return to Canada, the RCMP was causing problems for Mr. Arar. The Mounties, the report says, misled the Privy Council Office at an important meeting, by failing to disclose "certain key facts that could have reflected adversely on the force."

The details of the meeting and who specifically from the RCMP was responsible are not included in the public version of the O'Connor report.

Paul Cavalluzzo, the commission's chief lawyer, declined to say how much material was cut from the public version of the report. But, he said, the commission disagrees with the government on some of its national-security claims and may have to fight it out in the federal courts for the eventual release of evidence that Judge O'Connor believes should be known by the public.

Some of that censored information could be relevant to the cases of the three other Muslim men.

Mr. Cavalluzzo said the commission is not recommending another full-blown inquiry. But the other cases should be examined by an independent fact-finder.

The minority Conservative government, which inherited the Arar file from the Liberals, was cautious and non-committal in its first reaction to Judge O'Connor's report.

What happened to Mr. Arar was "very regrettable," Public Safety Minister Stockwell Day said.

The government will study the report before responding in detail, Mr. Day said, delaying further discussion of compensation or possible disciplinary action against the Mounties.

Prime Minister Stephen Harper said later in the day that he will bring in new measures within weeks to respond to the recommendations.

The Canadian Security Intelligence Service, which reports to Mr. Day, escapes relatively unscathed. CSIS did not share intelligence about Mr. Arar with the Americans.

U.S. officials refused to testify at the Canadian inquiry. But the report says it "is very likely" they relied on the faulty RCMP intelligence when they decided to send Mr. Arar to Syria, the country of his birth, rather than home to Canada.

"The RCMP provided American authorities with information about Mr. Arar which was inaccurate, portrayed him in an unfair fashion and overstated his importance to the investigation," the report says, referring to the Mountie probe of possible al-Qaeda terrorist activities in Ottawa after the Sept. 11, 2001, terrorist attacks.

The RCMP asked the Americans to put Mr. Arar and Dr. Mazigh on a watch list as "Islamic extremist individuals suspected of being linked to the al-Qaeda terrorist movement," the report says.

"The RCMP had no basis for this description, which had the potential to create serious consequences for Mr. Arar in light of American attitudes and practices" at that time, the report says.

The Mounties also erroneously told the Americans Mr. Arar was in the Washington area on Sept. 11, 2001, when, in fact, he was in San Diego.

Mr. Arar was the victim of a smear by Canadian government sources even after his return to Canada after a year in Damascus prisons.

"Canadian officials leaked confidential and sometimes inaccurate information about the case to the media for the purpose of damaging Mr. Arar's reputation or protecting their self-interest or government interests," the report says.

Judge O'Connor referred to "leaks" to the Ottawa Citizen newspaper and CTV News that Mr. Arar had admitted training at an al-Qaeda terrorist camp in Afghanistan, a country he's never seen.

The "confession" was obtained by Syrian torturers.

Judge O'Connor says that the Mounties went to extraordinary lengths to investigate Mr. Arar, even after his return to Canada. "They found nothing."

The Arar case cast a shadow over diplomatic relations with Washington until former prime minister Paul Martin obtained assurances from the White House that this would never happen again. The Liberals also set up the Arar inquiry.

Judge O'Connor, the Associate Chief Justice of Ontario, does not recommend a specific dollar sum for compensation. Mr. Arar is suing Ottawa.

Judge O'Connor suggests that the Canadian government and Mr. Arar try to negotiate compensation and Ottawa should take into consideration the Arar family's suffering.

"Psychologically, Mr. Arar's experiences in Syria were devastating," the report says. Economically, "Mr. Arar went from being a middle-class engineer to having to rely on social assistance to help feed, clothe and house his family."

Mr. Arar said that after his return to Canada there were several times when he was ready to throw in the towel.

But the strength of his wife kept him going in a search for justice.

"My life has been ruined," he said of the smears by government officials and other parts of his ordeal.

"I wanted the people responsible for what happened to me to be held accountable. Justice requires no less. I call on the government of Canada to accept the findings of this report and hold people accountable," Mr. Arar told reporters. He declined to name names, but said the government has the report and can see who in the RCMP needs to be disciplined.

Asked if Canadians should have confidence in the Mounties, Mr. Arar paused for several seconds then said he's looking forward to the second part of Judge O'Connor's report -- this winter -- dealing with recommendations for civilian oversight of the federal police force.

The Arar family recently moved from Ottawa to Kamloops, B.C., where Dr. Mazigh received a university teaching appointment.

THE FINDINGS OF THE COMMISSION OF INQUIRY BY MR. JUSTICE DENNIS O'CONNOR

1. RCMP GAVE THE U.S. WRONG INFORMATION ABOUT TERRORIST LEANINGS

'One aspect of the Canadian and American lookout requests that is highly alarming is the most unfair way in which Project A-O Canada described Mr. Arar . . . The requests indicated [he was] part of a group of Islamic extremist individuals suspected of being linked to the Al Qaeda terrorist movement, a description that was inaccurate, without any basis and potentially extremely inflammatory in the United States in the fall of 2001. The provision of this inaccurate information, particularly without a caveat, at what turned out to be a critically important time in Mr. Arar's ordeal was unfortunate, to put it mildly, and totally unacceptable.'

2. SENIOR RCMP OFFICIALS FAILED TO MONITOR INEXPERIENCED OFFICERS

'It was incumbent upon the RCMP and its senior officers to ensure that Project A-O Canada received clear and accurate direction with regard to how information was to be shared and to exercise sufficient oversight to rectify any unacceptable practices. I observe that, given that Project A-O Canada had few officers with experience or training in national security investigations, I would have expected CID [Criminal Investigations Division] to exercise more, rather than less oversight. That did not happen.'

3. OFFICIALS SHOULD HAVE KNOWN ARAR WAS BEING TORTURED

'Leo Martel, the Canadian consul in Damascus, visited Mr. Arar the next day in an office at the Palestine Branch. He did not observe any physical signs of torture on Mr. Arar and indicated in his report of the meeting that Mr. Arar had appeared healthy but added, "of course it is difficult to assess." 'There were actually many indications that all was not well. . . . I am satisfied that the October 23 consular visit should have alerted Canadian officials to the likelihood that Mr. Arar had been tortured when interrogated while held incommunicado by the SMI [Syrian Military Intelligence]. Some Canadian officials did operate under the working assumption that Mr. Arar had been tortured. Others, including the Ambassador, were not prepared to go that far based on the information available. In my view, after the first consular visit, all Canadian officials dealing with Mr. Arar in any way should have proceeded on the assumption that he had been tortured during the initial stages of his imprisonment and, equally of importance, that the "statement" he had made to the SMI had been the product of that torture.'

4. DEPARTMENTS FAILED TO CO-OPERATE TO SECURE ARAR'S EARLY RELEASE

'I conclude that the RCMP and CSIS should have supported DFAIT's [department of foreign affairs] efforts to obtain a "one voice" letter, because of a number of factors. Had the RCMP and CSIS put their minds to the task and approached it with a view to offering real support, they could have done so. In the end, proposing a letter that inaccurately said that Mr. Arar was a subject of a national security investigation was not helpful.'

5. OFFICIALS SHOULD HAVE BELIEVED ARAR HAD BEEN TORTURED

'After Mr. Arar's return, some officials in the Canadian government did not believe Mr. Arar's public statements that he had been beaten or tortured. As it turns out, their conclusions were wrong. Mr. Arar had indeed been beaten and physically tortured during the first two weeks of his imprisonment in Syria. Inaccurate memoranda and other written communications such as those I refer to above can contribute

to and support false conclusions.'

6. OFFICIALS LEAKED DAMAGING INFORMATION TO THE MEDIA

'When Mr. Arar returned to Canada, his torment did not end, as some government officials took it upon themselves to leak information to the media, much of which was unfair to Mr. Arar and damaging to his reputation. . . . At least one leak sought to downplay the mistreatment and torture Mr. Arar had suffered in Syria. Quite predictably, the leaks had a devastating effect on Mr. Arar's reputation and on him personally. . . . Mr. Arar, an educated, hard-working engineer,has had great difficulty finding employment. It seems likely that the smear of his reputation by the leakors has taken its toll.'

7. RCMP FAILED TO INFORM THE GOVERNMENT PROPERLY

'On November 14, the RCMP produced a timeline that omitted several significant facts . . . These omissions were serious and the effect of the timeline was to downplay the potential problems with the RCMP investigation. In the circumstances that existed in November, 2003, it was very important that the RCMP accurately brief the government on what had occurred, to enable the government to make an informed decision on how to proceed.'

END

New York Times

Sept. 19, 2006

Panel Exonerates Terror Suspect

By IAN AUSTEN The New York Times

OTTAWA - A government commission on Monday exonerated a Canadian computer engineer of any ties to terrorism and issued a scathing report that faulted Canada and the United States for his deportation four years ago to Syria, where he was imprisoned and tortured.

The report on the engineer, Maher Arar, said American officials had apparently acted on inaccurate information from Canadian investigators and then misled Canadian authorities before sending Arar to Syria.

"I am able to say categorically that there is no evidence to indicate that Mr. Arar has committed any offense or that his activities constituted a threat to the security of Canada," Justice Dennis R. O'Connor, head of the commission, said.

The report's findings could reverberate heavily through the leadership of the Royal Canadian Mounted Police, which handled the initial intelligence on Arar that led security officials in Canada and the United States to assume he was a suspected al-Qaida terrorist.

The report is aimed primarily at Canada's own government and activities, rather than the U.S. government, which refused to cooperate in the inquiry. Its conclusions draw more attention to the Bush administration's handling of terrorism suspects at a time that the White House and Congress are contesting legislation that would set standards for the treatment and interrogation of prisoners.

"The American authorities who handled Mr. Arar's case treated Mr. Arar in a most regrettable fashion," O'Connor wrote in a three-volume report, not all of which was made public. "They removed him to Syria against his wishes and in the face of his statements that he would be tortured if sent there. Moreover, they dealt with Canadian officials involved with Mr. Arar's case in a less than forthcoming manner."

A spokesman for the U.S. Justice Department, Charles Miller, said officials had not seen the report and could not comment.The Syrian-born Arar was seized on Sept. 26, 2002, after he landed at Kennedy Airport in New York on his way home from a vacation in Tunisia. On Oct. 8, he was flown to Jordan and taken overland to Syria, where he says he was held for 10 months in a tiny cell and beaten repeatedly

with a metal cable. He was freed in October 2003 after Syrian officials concluded that he had no connection to terrorism and returned him to Canada.

The commission supports that view, describing a mounted police force that was ill-prepared to assume the intelligence duties assigned to it after the Sept. 11 attacks.

Arar, speaking at a news conference with tears in his eyes, praised the findings.

"Today Justice O'Connor has cleared my name and restored my reputation," said Arar, who has been unemployed since his return to Canada in 2003. "I call on the government of Canada to accept the findings of this report and hold these people responsible."

END

AP

September 18, 2006

Lawyers go to court for Guantanamo detainee, saying he is being mistreated

By ANDREW SELSKY

Associated Press Writer

GUANTANAMO BAY NAVAL BASE, Cuba_A Saudi has been held in solitary confinement for a year at the Guantanamo Bay prison and is now so mentally unbalanced he considers insects his friends, lawyers said in a motion filed Monday seeking the man's removal from isolation.

Shaker Aamer, a 37-year-old resident of Britain, was placed in isolated confinement Sept. 24, 2005, and has been beaten by guards, deprived of sleep and subjected to temperature extremes, according to the motion filed in U.S. District Court for the District of Columbia.

Aamer, however, has said he had contact with fellow prisoners as recently as early June, one of his lawyers, Zachary Katznelson, said in a declaration to the court. Aamer's attorneys could not be immediately contacted to elaborate.

The treatment violates Geneva Conventions protections, Aamer's lawyers argued. The U.S. military denied he is being mistreated.

The allegations surfaced as President Bush and Congress wrestle over legislation to set rules for interrogating and trying terror suspects. Bush officials argue they need to establish ground rules so suspects can be interrogated to prevent horrors like the Sept. 11 attacks.

In the 16-page filing, Aamer's lawyers said that since he was put into isolation 360 days ago, except for infrequent meetings with his attorneys, he has had contact only with the Americans running the prison on this U.S. Navy base in southeastern Cuba.

"His only consistent contact with living beings beside his captors is with the ants in his cell. He feeds them and considers them his friends," Katznelson said in a statement filed with the court.

"There is no question in my mind that he is mentally unstable," he added.

The motion, a copy of which was provided to The Associated Press, said Aamer lives in a 6-by-8-foot cell

containing a steel bunk, steel toilet, steel sink, a Quran and a thin mattress. The cell is contained entirely within a wooden shack.

Katznelson said that on June 9 _ the day before three Guantanamo detainees committed suicide by hanging themselves in their cells _ military police beat Aamer because he resisted providing a retina scan and fingerprints.

"They choked him," the lawyer said. "They bent his nose repeatedly so hard to the side he thought it would break. ... They gouged his eyes. They held his eyes open and shined a mag-lite in them for minutes on end, generating intense heat. They bent his fingers until he screamed. When he screamed, they cut off his airway, then put a mask on him so he could not cry out."

The motion said the treatment of Aamer, who is fluent in English and is known to military guards as "the Professor," violates Article Three of the Geneva Conventions, which states prisoners "shall in all circumstances be treated humanely."

Army Capt. Dan Byer, a Guantanamo spokesman, denied any of the roughly 450 Guantanamo detainees are subjected to such treatment. He said regulations prevent him from speaking about individual detainees, but that detainees are treated in conformance with the Geneva Conventions.

He discounted the allegation that Aamer was kept in solitary confinement.

"No detainee is in a situation where they do not have available human contact 24 hours a day," Byer said, but he declined to discuss whether Aamer has been kept apart from other detainees\I "I" for a year.

Aamer told his lawyer the air conditioner in his cell is often turned off, leaving him sweltering in the tropical heat, or turned up full blast "so the cell is freezing cold."

Aamer claims he was working for a charity organization when he was captured in Afghanistan after the Sept. 11 attacks.

The detainee won a measure of fame at the prison last year when he met with Army Col. Mike Bumgarner, who was then the warden, to end a hunger strike by detainees.

Aamer brought together a six-man prisoners council that attempted to negotiate improved conditions and advocated that detainees be tried or sent home, his lawyers said, but the talks failed and Aamer was put in solitary confinement.

END

Orlando Sentinel

Sept. 19, 2006

Senators hear claims against Halliburton; An Orlando attorney pushes Democrats for a probe of reports of misused funds in Iraq.

Mark K. Matthews
Washington Bureau

WASHINGTON -- An Orlando attorney urged Senate Democrats on Monday to investigate claims that energy giant Halliburton misused government funds in Iraq, including an overseas Super Bowl party for its employees.

"There have been countless reports of government contractors in Iraq undermining the mission, wasting money and stealing money," said Alan Grayson, who represents a whistle-blower in a civil suit against the Houston-based company.

Grayson was among several witnesses who told top Democrats, including Senate Minority Leader Harry Reid, D-Nevada, that Halliburton had cheated the government out of money or unnecessarily put its own employees in danger.

They also accused the Bush administration of stalling investigations into these claims. A spokesman for the Department of Justice said investigators "are committed to bringing criminals to justice who have engaged in contract fraud." Halliburton did not return calls seeking comment.

The testimonies came during a hearing of the Democratic Policy Committee, an official arm of the party. No Republican senators attended.

Grayson recently lost a bid to become the Democratic challenger to Rep. Ric Keller, R-Orlando.

He also is the attorney for Julie McBride, who worked in Iraq for a Halliburton subsidiary as a self-described "Camp Mom." McBride helped run a recreation station for troops near Fallujah, Iraq, and accused the company of inflating the cost of this service.

She also alleged in the lawsuit that Halliburton employees used taxpayer money to hold a Super Bowl party in Iraq last year. On the menu were "10 large metal tubs full of tacos, chicken wings (and) cheese sticks," according to court records.

The suit was filed under an arcane law called the False Claims Act, in which citizens can sue businesses or people they suspect of defrauding the U.S. government. If successful, these whistle-blowers receive a share of the damages.

This is not the first time Grayson has taken aim at war profiteers.

Earlier this year, he won a $10 million civil suit against another military contractor on claims it inflated invoices to the government.

END

CBS News

Sept. 18, 2006

Anthrax Investigation A 'Cold Case?'

(CBS) Three years ago, FBI agents slogged through the woods to a fishing pond in suburban Maryland, where they hoped to find the hidden lab equipment used in the 2001 anthrax attacks. But, as CBS News correspondent Jim Stewart reports, they pumped the pond dry and even sifted through the mud at the bottom ... and found nothing

Five years, 53,000 leads, and 6,000 subpoenas after those attacks, they *still* have no arrests.

Things are so cold, law enforcement officials tell CBS News, that barring the discovery of new evidence,

the anthrax investigation could be declared a "Cold Case" and put in the inactive files.

So who did it? Former Attorney General John Ashcroft once singled out Dr. Steven Hatfill, a bioweapons specialist, as a "person of interest." But there have been no charges.

Former FBI counter-terrorism executive and now CBS News consultant Mike Rolince says no case has frustrated the FBI more.

"We now know that someone, or ones, can conduct an attack like this and for least the first five years, get away with it," Rolince says.

The FBI says it remains committed to solving the crime. In a written statement, Joseph Persichini, Jr., acting assistant director of the FBI's Washington field office said: "Today, the FBI's commitment to solving this case is undiminished ... While no arrests have been made, the dedicated investigators who have worked tirelessly on this case, day-in and day-out, continue to go the extra mile in pursuit of every lead."

The bureau never had more than scant physical evidence, like the envelopes the anthrax was mailed in, and the terse letters inside - "Death to America" read one - and the spores themselves. But they were never able to trace the anthrax back to the attacker.

"It's true that a vast majority of the investigation early on was figuring out the science," Rolince says.

Nor did the administration ever entirely figure out what to do in case of another such attack. Despite a $5.6 billion effort to stockpile vaccines, just a small amount is available. Only the Pentagon has enough on hand for the troops.

Homeland Security Secretary Michael Chertoff hints no one may ever be indicted.

"There are times that we may know a lot about a crime or an event that occurred, but we may not have the admissible evidence that we need to prove it in court," Chertoff says.

But the thinking among investigators is more stark: If we can't agree among ourselves who did it, they reason, how could we ever convince a jury?

END

PRNewswire

Sept. 19, 2006

Press Release: Pfizer Goes to Court to Stop 'The Whistleblower - Confessions of a Healthcare Hitman'

NEW YORK, September 19, 2006 /PRNewswire/ -- Dr. Peter Rost, author of "The Whistleblower -- Confessions of a Healthcare Hitman," today revealed that Pfizer has asked the U.S. District Court, NY, to advise on relief and for sanctions against Dr. Rost for writing "The Whistleblower," per recently released court records, case no. 05-CV-10384.

In a separate legal communique, Pfizer's lawyer writes, "Be advised that we are in the process of evaluating the extent to which this book likewise violates the Protective Order." Pfizer has also requested "Confidential" designation of virtually all documents used to write "The Whistleblower."

"Pfizer's attempt to stop 'The Whistleblower' and deny the public the right to view associated documents

may not be surprising considering the explosive content and Pfizer's infamous history as the only drug company forced by the government to sign not just one, but two separate Corporate Integrity Agreements," said Dr. Rost.

The New York Post wrote the following review, "A drug company executive is about to blow the lid off the pharmaceutical industry...revealing everything from sex in the corner office to private investigators spying on employees, company phone surveillance, FBI investigations and financial shenanigans resulting in million-dollar payouts."

And L Magazine stated, "In this Enron-esque expose of the healthcare industry, an...executive reveals everything you should already be assuming about most multinational corporations. You know, greed, spying, million-dollar payouts, and sex in the corner office."

Medical Marketing & Media, a drug industry publication, concluded that "The Whistleblower" is "a scathing account of the allegedly 'insidious' practices of the industry that once paid [Dr. Rost's] salary and of the U.S. healthcare system. The media is sure to lap it up."

END

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Tuesday, September 19, 2006 12:15 PM
Subject: E-mail Interruption
Importance: High

E-mail Interruption

Outbound and Inter-Component e-mail is backlogged for several hours at this time for some SMO/JMD JCON customers. We will notify you when the situation is resolved.

Check **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 1:35 PM
To: USDOJ- Office of Public Affairs
Subject: SAN FRANCISCO WOMAN WHO SERVED AS NAZI CONCENTRATION CAMP GUARD IS DEPORTED TO GERMANY

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 19, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

SAN FRANCISCO WOMAN WHO SERVED AS NAZI CONCENTRATION CAMP GUARD IS DEPORTED TO GERMANY

WASHINGTON – A San Francisco woman has been removed to Germany based on her participation in Nazi-sponsored acts of persecution while serving during World War II as a guard of female prisoners at the infamous Nazi-operated Ravensbrück Concentration Camp in Germany, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

A charging document filed in U.S. immigration court in San Francisco by the Justice Department's Office of Special Investigations (OSI), which investigated the case, and the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE) alleges that Elfriede Lina Rinkel, 83, a native and citizen of Germany, served as a guard at Ravensbrück from June 1944 until the camp was abandoned in the closing weeks of the war.

"Concentration camp guards such as Elfriede Rinkel played a vital role in the Nazi regime's horrific mistreatment of innocent victims," said Assistant Attorney General Fisher. "This case reflects the Government's unwavering commitment to remove Nazi persecutors from this country."

In a settlement agreement reached with the Government, Rinkel admitted that she served as a guard at Ravensbrück, admitted that she was deportable from the United States under a federal law that mandates the removal of aliens who participated in acts of Nazi-sponsored persecution, and agreed to the entry of an immigration court order directing her removal to Germany by September 30, 2006. Rinkel returned to Germany earlier this month pursuant to that order.

When it was established in 1939, Ravensbrück was the only Nazi concentration camp operated exclusively for the internment of female prisoners. The charging document states that while serving at Ravensbrück, Rinkel used a trained attack dog to carry out her guard duties. At Ravensbrück, SS female guards armed with attack dogs forced malnourished women inmates to march to slave labor sites each day, guarded them while they performed manual labor, and then force-marched them back to the concentration camp, where they were held under notoriously inhumane conditions. The charging document alleges that Rinkel's activities

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at Ravensbrück assisted the Nazis in persecuting civilians on the basis of their race, religion, national origin, or political opinion, and that her removal from the United States is required by federal law.

Rinkel immigrated to the United States from Germany in 1959. The charging document alleges that she concealed her concentration camp service from U.S. immigration authorities when she applied for her entry visa. Rinkel never applied for U.S. citizenship.

"Thousands of innocent women were brutalized and murdered at Ravensbrück through the active participation of Elfriede Rinkel and other guards, whose principal function was to prevent prisoners from escaping the abominable conditions inside the camp," said OSI Director Eli M. Rosenbaum. "Her presence in the United States was an affront to surviving Holocaust victims who have made new homes in this country."

The case is a result of OSI's ongoing efforts to identify, investigate and take legal action against former participants in Nazi persecution who reside in the United States. Since OSI began operations in 1979, it has won cases against 102 individuals who assisted in Nazi persecution. In addition, more than 175 individuals who sought to enter the United States in recent years have been blocked from doing so as a result of OSI's "Watchlist" program, which is enforced in cooperation with the Department of Homeland Security.

# # #

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Image not available for this document, ID: 0.7.10316.31461-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 554422 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Tuesday, September 19, 2006 1:51 PM
Subject: Resolved: E-mail Traffic Flowing Normally
Importance: High

E-mail Flowing Normally

Outbound and Inter-Component e-mail is now flowing normally.

Check **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100

[redacted](DHS)

Subject: Updated: National Pandemic Plan Action Items
Location: GSA bldg., 7th & D Streets, Room 3915

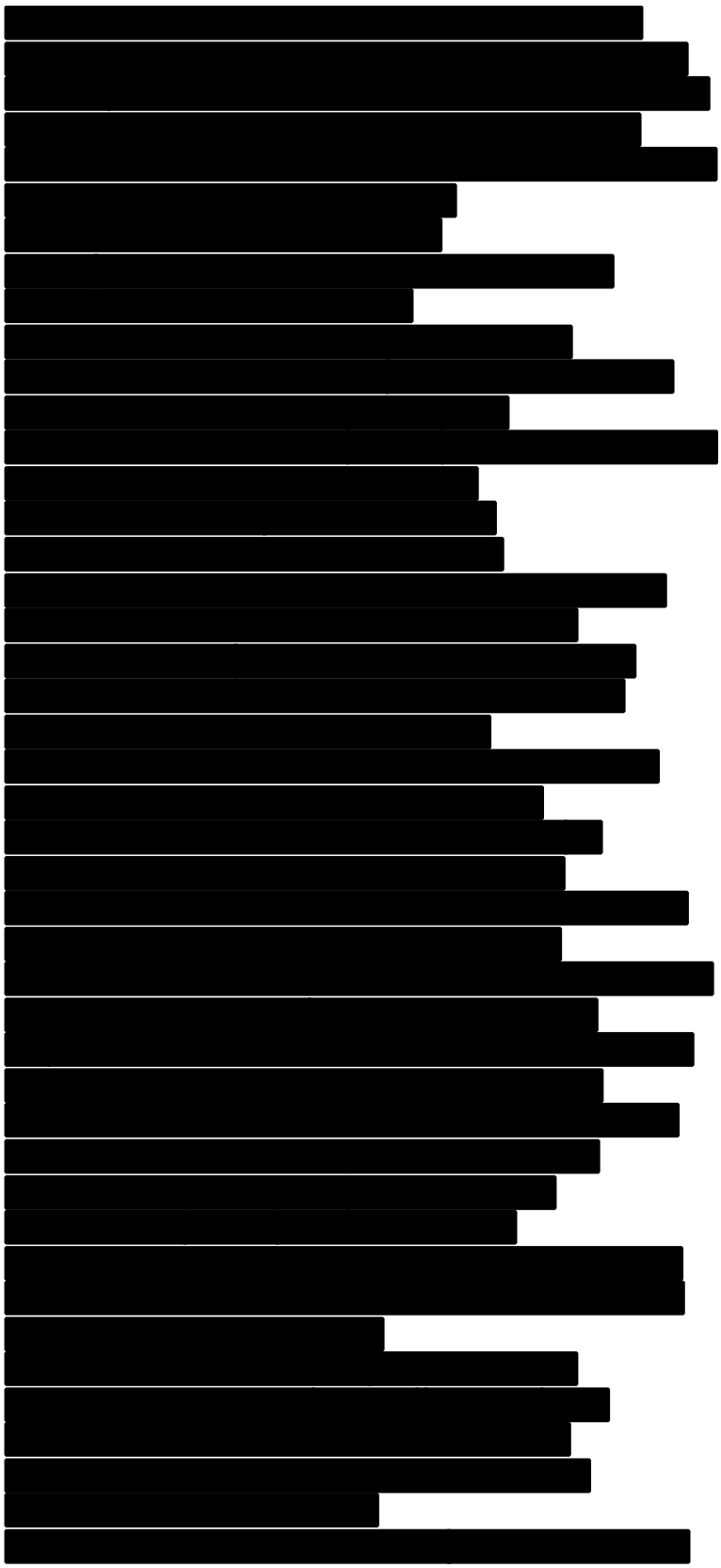
Start: Friday, September 22, 2006 11:00 AM
End: Friday, September 22, 2006 12:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [redacted](DHS)
Required Attendees: [redacted]

Gorsuch, Neil (DOJ); [redacted]



[redacted]

Attachments: PANFLU Action Items.xls

Importance: High

FILE ATTACHED NOW.

All-

This is a preliminary meeting to discuss several Action Items from the National Pandemic Plan that have economic/modeling issues. I know that I have reached out to several of you over the past few weeks asking similar questions. This is a follow-up to those discussions. Please see the attached document that lists the eight Action Items to be discussed at this meeting. Again, this is just a preliminary meeting with everyone at the table to discuss and potentially outline other stakeholders and/or path forward for the items.

For those without DHS badges, we will be down at the main entrance across from L'Enfant Plaza signing people in. Please utilize this center entrance with the wheelchair access ramp and weather overhang as it is the best point of entry for visitors.

I am waiting on conference call information at this time for those who are unable to attend. I will disseminate as soon as I receive it.

If there are any questions about this meeting, please do not hesitate to call/email me. We look forward to seeing you at the meeting.

Regards,
[redacted]

Action Item	Action Item Description	Primary Agency	POC
5.1.1.2	HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities.	HHS DHS	
5.1.3.2	DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services.	DHS	
5.3.4.4	DHS and DOT, in coordination with USDA, DOI, DOC and DOS, shall consult with the domestic and international travel industry (e.g., carriers, hospitality industry, and travel agents) and freight transportation partners to discuss travel and border options under consideration and assess potential economic and international ramifications prior to implementation. Measure of performance: Initial stakeholder contacts and solicitation for inputs conducted within 48 hours of an outbreak and re-established if additional countries affected.	DHS DOT	

5.3.5.6	DOT and DHS, in coordination with NEC, Treasury, DOC, HHS, DOS, and the interagency modeling group, shall assess the economic, safety, and security related effects of the pandemic on the transportation sector, including movement restrictions, closures and quarantine, and develop strategies to support long-term recovery of the sector, within 6 months of the end of a pandemic. Measure of performance: Economic and other assessments completed and strategies implemented to support long-term recovery of the sector.	DOT DHS
6.1.10.2	HHS, in coordination with DHS, DOD, VA, DOC, DOJ, and Treasury, shall assess within whether use of the Defense Production Act or other authorities would provide sustained advantages in procuring medical countermeasures, within 6 months. Measure of performance: analytical report completed on the advantages/disadvantages of invoking the Defense Production Act to facilitate medical countermeasure production and procurement.	HHS DHS
6.2.5.1	HHS, in coordination with DOD and DHS, shall develop and maintain a real-time epidemic analysis and modeling hub that will explore and characterize response options as a support to policy and decision makers within 6 months. Measure of performance: modeling center with real-time epidemic analysis capabilities established.	HHS DHS DOD
6.3.2.3	HHS, in coordination with DHS and DOD and in collaboration with mathematical modelers, shall complete research identifying optimal strategies for using voluntary home quarantine, school closure, snow day restrictions, and other community infection control measures, within 12 months. Measure of performance: guidance developed and disseminated on the use of community control.	HHS DHS DOD
7.1.5.6	USDA, in coordination with DHS, DOI and DOD, shall partner with State and tribal authorities to refine disease mitigation strategies for avian influenza in poultry or other animals through outbreak simulation modeling, within 6 months. Measure of performance: simulation models produced and reports issued on the results of influenza outbreak scenario modeling.	USDA DHS DOI

Status

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 3:06 PM
To: USDOJ- Office of Public Affairs
Subject: IDENTITY THEFT TASK FORCE ANNOUNCES INTERIM RECOMMENDATIONS

RECOMMENDATIONS CAN BE FOUND IN ATTACHMENT BELOW

Department of Justice
Federal Trade Commission

FOR IMMEDIATE RELEASE — AG
TUESDAY, SEPTEMBER 19, 2006 — (202) 514-2007
WWW.USDOJ.GOV — TDD (202) 514-1888

IDENTITY THEFT TASK FORCE ANNOUNCES INTERIM RECOMMENDATIONS

Recommendations Come in Advance of Final Report Set for November

WASHINGTON – The President's Identity Theft Task Force has adopted interim recommendations on measures that can be implemented immediately to help address the problem of identity theft, Attorney General Alberto R. Gonzales and Federal Trade Commission Chairman Deborah Platt Majoras announced today. The Identity Theft Task Force, which was established by Executive Order of the President on May 10, 2006, and is now comprised of 17 federal agencies and departments, will deliver a final strategic plan to the President in November.

The interim recommendations of the Identity Theft Task Force were announced following a meeting of the Task Force today at the Justice Department.

"As with any crime, victims of identity theft suffer feelings of violation and stress, but in these cases, victims have the added burden of cleaning up the mess that the identity thieves leave behind," said Attorney General Gonzales. "The President created the Identity Theft Task Force to oversee the implementation of real and practical solutions at the federal level to defeat this ongoing intrusion into the lives of law-abiding Americans. Today's recommendations move that process forward."

"Conquering identity theft demands that we work as a team to develop tools that strengthen law enforcement, practices that enhance data security, and programs that help consumers in prevention and recovery," said FTC Chairman Majoras. "Through these initiatives, we are taking solid steps toward eradicating this persistent consumer problem."

The Identity Theft Task Force's interim recommendations to the Administration include the following:

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Data Breach Guidance to Agencies

In light of several, large data breaches suffered in recent months by government agencies, the Task Force recommends that the Office of Management and Budget (OMB) issue to all federal agencies a Task Force memorandum, which covers the factors that should govern whether and how to give notice to affected individuals in the event of a government agency data breach, and the factors that should be considered in deciding whether to offer services such as free credit monitoring. Such guidance is the first comprehensive road map of the steps that agencies should take to respond to a breach and to mitigate the risk of identity theft.

Development of Universal Police Report for Identity Theft Victims

To ensure that identity theft victims have easy access to police reports documenting the misuse of their personal information – which are necessary in order for the victims to, for example, request that fraudulent information on their credit report be blocked, or to obtain a seven-year fraud alert on their credit file – the Task Force recommends the development of a "universal police report" that an identity theft victim can complete online, print and take to a local law enforcement agency for verification and incorporation into the police department's report system. The use of universal police reports will also ensure that identity theft complaints will flow into the FTC's ID Theft Data Clearinghouse, and thereby will assist law enforcement officers in responding to such complaints.

Extending Restitution for Victims of Identity Theft

To allow identity theft victims to recover for the value of the time that they spend attempting to make themselves whole – for example, the hours spent disputing fraudulent accounts with creditors that may be compromised or spent correcting credit reports – the Task Force recommends that Congress amend the criminal restitution statutes, 18 U.S.C. 3663(b) and 3663A(b), to require that defendants pay identity theft victims for the value of their lost time.

Reducing Access of Identity Thieves to Social Security Numbers

In order to limit the unnecessary use in the public sector of Social Security Numbers (SSNs) – which are the most valuable pieces of consumer information for identity thieves – the Task Force recommends the following:

$ The Office of Personnel Management (OPM) should accelerate its review of the use of SSNs, and take steps to eliminate, restrict or conceal their use, including assignment of employee identification numbers where practicable.

$ OPM should develop and issue policy guidance to the federal human capital management community on the appropriate and inappropriate use of an employee's SSN in employee records, including the appropriate way to restrict, conceal and/or mask SSNs in employee records and human resource management information systems.

$ OMB should require all federal agencies to review their use of SSNs to determine where such use can be eliminated, restricted or concealed in agency business processes, systems and paper and electronic forms.

Developing Alternative Methods of "Authenticating" Identities

Developing reliable methods of authenticating the identities of individuals, such as "biometrics," would make it more difficult for identity thieves to misuse existing accounts or open new accounts using other individuals' information. The Task Force recommends that agencies gather together academics, industry experts and entrepreneurs who are exploring ways to encourage greater development and use of authentication systems, and hold a workshop or workshops focused on developing and promoting improved means of authenticating the identities of individuals.

Improving Data Security in the Government

To ensure that government agencies improve their data security programs, the Task Force recommends

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that OMB and the Department of Homeland Security (DHS), through the interagency effort already underway to identify ways to strengthen the ability of all agencies to identify and defend against threats, correct vulnerabilities, and manage risks: (a) outline best practices in the areas of automated tools, training, processes, and standards that would enable agencies to improve their security and privacy programs, and (b) develop a list of the top 10 or 20 "mistakes" to avoid in order to protect government information.

Improving Agencies' Ability to Respond to Data Breaches in the Government

In order to allow agencies to quickly respond to any data breaches, including by sharing information about those who may be affected with other agencies and entities that can assist in the response to the breach, all federal agencies should publish a "routine use" for their systems of records under the Privacy Act that would allow for the disclosure of such information in the course of responding to a breach of federal data.

Anyone wishing to ask a question about identity theft or to report identity theft may call 1-877-ID-THEFT, or visit the FTC's Web site, http://www.ftc.gov/idtheft, or the Department of Justice's Web site, http://www.usdoj.gov/criminal/fraud/idtheft.html.

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PRESIDENT'S IDENTITY THEFT TASK FORCE
SUMMARY OF INTERIM RECOMMENDATIONS

PREVENTION

Improving Government Handling of Sensitive Personal Data

Recommendation 1: The Task Force recommends that the Office of Management and Budget (OMB) issue to all federal agencies the attached Task Force guidance that covers (a) the factors that should govern whether and how to give notice to affected individuals in the event of a government agency data breach that poses a risk of identity theft, and (b) the factors that should be considered in deciding whether to offer services such as free credit monitoring.

Recommendation 2: To ensure that government agencies improve their data security programs, the Task Force recommends that OMB and the Department of Homeland Security (DHS), through the interagency effort already underway to identify ways to strengthen the ability of all agencies to identify and defend against threats, correct vulnerabilities, and manage risks: (a) outline best practices in the areas of automated tools, training, processes, and standards that would enable agencies to improve their security and privacy programs, and (b) develop a list of the top 10 or 20 "mistakes" to avoid in order to protect government information.

Recommendation 3: To limit the unnecessary use in the public sector of Social Security numbers (SSNs), the most valuable consumer information for identity thieves, the Task Force recommends the following:

- The Office of Personnel Management (OPM), in conjunction with other agencies, should accelerate its review of the use of SSNs in its collection of human resource data from agencies and on OPM-issued papers and electronic forms, and take steps to eliminate, restrict, or conceal their use (including the assignment of employee identification numbers, where practicable).

- OPM should develop and issue policy guidance to the federal human capital management community on the appropriate and inappropriate use of an employee's SSN in employee records, including the proper way to restrict, conceal, or mask SSNs in employee records and human resource management information systems.

- OMB should require all federal agencies to review their use of SSNs to determine where such use can be eliminated, restricted, or concealed in agency business processes, systems, and paper and electronic forms.

Recommendation 4: To allow agencies to respond quickly to data breaches, including by sharing information about potentially affected individuals with other agencies and entities that can assist in the response, the Task Force recommends that all federal agencies, to the extent consistent with applicable law, publish a new "routine use" for their systems of records under the Privacy Act,

modeled after the attached "routine use" recently drafted by the Department of Justice, that would facilitate the disclosure of information in the course of responding to a breach of federal data.

Improved Authentication Methods

Recommendation 5: Because developing reliable methods of authenticating the identities of individuals would make it harder for identity thieves to access existing accounts and open new accounts using other individuals' information, the Task Force should hold a workshop or series of workshops, involving academics, industry, and entrepreneurs, focused on developing and promoting improved means of authenticating the identities of individuals.

VICTIM ASSISTANCE

Recommendation 6: To allow identity theft victims to recover for the value of time they spend in attempting to remediate the harms suffered, the Task Force recommends that Congress amend the criminal restitution statutes to allow for restitution from a criminal defendant to an identity theft victim, in an amount equal to the value of time reasonably spent by the victim attempting to remediate the intended or actual harm incurred from the identity theft offense.

LAW ENFORCEMENT

Recommendation 7: To ensure that victims can readily obtain the police reports that they need to take steps to prevent the misuse of their personal information by identity thieves, and to ensure that their complaint data is entered in a standardized format that will allow complaints to flow into a central complaint database and that thereby would assist law enforcement officers in responding to such complaints, the FTC, with support from the Task Force, will develop a universal police report, which an identity theft victim can complete, print, and take to any local law enforcement agency for verification and incorporation into the police department's report system.

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PRESIDENT'S IDENTITY THEFT TASK FORCE
INTERIM RECOMMENDATIONS

PREVENTION

Improving Government Handling of Sensitive Personal Data

1. Establishing a Data Breach Policy for the Public Sector

Identity theft and related harms are a consequence of sensitive information about consumers that criminals obtain through theft or other improper means. In many cases, providing notice to the affected individuals can help prevent or mitigate the harms to consumers. Notice permits consumers to take protective actions, while also allowing relevant private sector entities to assist the consumers. Appropriate notice can also enable law enforcement to investigate, punish, and deter crime. At the same time, however, unnecessary or excessive breach notification can overwhelm the public and impose undue burdens and costs on consumers, as well as on government agencies.

Several federal government agencies have suffered high-profile security breaches involving sensitive consumer data over the past several months. These and other agencies have faced difficult decisions about when and how to notify the public of such incidents, and whether the agencies should offer free credit monitoring or other services to those who may be affected. Federal agencies need guidance in how to make these important decisions.

Recommendation 1: The Task Force recommends that the Office of Management and Budget (OMB) issue the attached guidance memorandum, advising federal agencies on steps to take in the event of a compromise of data. The Task Force has developed and formally approved a set of guidelines, produced in Attachment A, that provides the factors that should be considered in deciding whether, how, and when to inform affected individuals of the loss of personal data that can contribute to identity theft, and whether to offer services such as free credit monitoring to the persons affected.

2. Improving Data Security in the Public Sector

The high-profile data breaches suffered by several federal agencies have focused attention on whether the government is doing enough to secure the massive amounts of data held by federal agencies as part of their core missions. The President's Management Agenda (PMA) Scorecard, OMB reports to Congress, Congress' annual security report card, Government Accountability Office reports, and many agency Inspector General (IG) reports show that agency performance in both information privacy and security is uneven. Common findings are that agencies would benefit from increased sharing of best practices, group purchases of automated tools and training courses, and development of a more effective common curriculum for training. OMB and the Department of Homeland Security (DHS) are already leading an interagency Information Systems Security Line of Business (ISS LOB) effort to explore ways to address these issues, including to identify and defend against threats, correct vulnerabilities, and manage risks. The ISS LOB can be a useful forum for

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developing best practices and a list of practices that should be avoided in order to protect government information.

Recommendation 2: To ensure that government agencies improve their data security programs, the Task Force recommends that OMB and DHS enhance the activities of the ISS LOB. Specifically, the Task Force recommends that the ISS LOB should (a) outline best practices in the area of automated tools, training, processes, and standards that would enable agencies to improve their security and privacy programs, and (b) develop a list of the top 10 or 20 "mistakes" to avoid in order to protect information held by the government.

3. Decreasing the Use of Social Security Numbers by the Public Sector

One way to reduce the incidence of identity theft is to make it more difficult for criminals to obtain consumer information. Currently, the most valuable consumer information identity thieves can find is the Social Security Number (SSN). SSNs are key to assuming another's identity because they are used to match consumers with their credit histories and many government benefits. Consequently, if federal agencies were to eliminate unnecessary uses of SSNs, they could reduce the opportunities for unauthorized use by identity thieves. The Office of Personnel Management (OPM), which issues or approves many of the federal forms and procedures using the SSN, and OMB, which oversees the management and administrative practices of federal agencies, can play pivotal roles in restricting the unnecessary use of SSNs, offering guidance on potential substitutes that would be of equal use to the agencies but of no use to identity thieves, and establishing greater consistency when the use of SSNs is unavoidable.

Recommendation 3: To limit the unnecessary use in the public sector of SSNs, the most valuable consumer information for identity thieves, the Task Force recommends the following:

Recommendation 3a: OPM should accelerate its review of the use of SSNs in its collection of human resource data from agencies and on OPM-based papers and electronic forms, and take steps to eliminate, restrict, or conceal their use (including the assignment of employee identification numbers, where practicable). If necessary to implement this recommendation, Executive Order 9397, effective 11/23/1943, which requires federal agencies to use SSNs in "any system of permanent account numbers pertaining to individuals," should be partially rescinded.

It should also be noted that steps are already being taken to facilitate implementation of this recommendation. This month, each OPM program office designated staff to review the use of SSNs in that office, and OPM is prepared to complete its inventory of forms, procedures, and systems that currently display SSNs by October 13, 2006. This new inventory will be the basis for OPM's actions to change, eliminate, or mask the use of SSNs on OPM approved/authorized forms.

Recommendation 3b: OPM should develop and issue policy guidance to the federal human capital management community on the appropriate and inappropriate use of an employee's SSN in

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employee records, including the appropriate way to restrict, conceal, or mask SSNs in employee records and human resource management information systems.

OPM already has begun work to implement this recommendation, such as by working to establish a unique employee identifier that can be used in human resource and payroll systems rather than SSNs. Pursuant to the Task Force's recommendation, OPM is also prepared in September 2006 to begin consulting with a working group of agencies to develop a new OPM policy regarding the use of a unique employee identifier and limitations on the use of SSNs. The policy would include instructions on when SSNs can be displayed, when SSNs must be masked in employee records, and when SSNs must be masked on human resource and payroll system computer screens. The policy could be drafted by November 1, 2006 and would be issued by May 2007, following internal coordination and comment by agencies. OPM would then be prepared to work with the various human resource and payroll systems to implement the changes required by any new policy, with a phased-in implementation expected to take up to 18 months to complete.

Recommendation 3c: OMB should require all federal agencies to review their use of SSNs to determine the circumstances under which such use can be eliminated, restricted, or concealed in agency business processes, systems, and paper and electronic forms, other than those authorized or approved by OPM.

Already, OMB has developed a survey instrument to be in a position to implement this recommendation, which OMB could issue to all agencies this year. To add to this effort, and to ensure consistency, the Task Force will identify factors that agencies should take into consideration in determining whether the use of the SSN is essential to the agency's mission and necessary to ensure program integrity or to maintain national security. The Task Force will also evaluate the availability of practical alternatives to use of the SSN.

4. Publication of a "Routine Use" for Disclosure of Information Following a Breach

A federal agency's ability to respond quickly and effectively in the event of a breach of sensitive personal data is critical to its efforts to prevent or minimize any consequent harms. An effective response may include disclosure of information regarding the breach to those individuals affected by it. Similarly, expeditiously notifying persons and entities in a position to cooperate (either by assisting in informing affected individuals or by actively preventing or minimizing harms from the breach) will help mitigate consequences of a breach. However, the very information that may be most necessary to disclose to such persons and entities will often be information maintained by federal agencies that is subject to the Privacy Act of 1974, 5 U.S.C. § 552a. Critically, the Privacy Act prohibits the disclosure of any record in a system of records, by any means of communication to any person or agency, unless the subject individual has given written consent or unless the disclosure falls within one of twelve statutory exceptions. See 5 U.S.C. §§ 552a(b)(1)-(12).

To address this issue, federal agencies could, in accordance with the Privacy Act exception set forth in subsection § 552a(b)(3), publish a "routine use" that specifically permits the disclosure of information in connection with response and remedial efforts in the event of a data breach. Such

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a "routine use" would serve to protect the interests of the people whose information is at risk by allowing agencies to take appropriate steps to facilitate a timely and effective response, thereby improving their ability to prevent, minimize, or remedy any harms that may result from a compromise of data maintained in their systems of records. For example, such a routine use would permit an agency that has lost data such as bank account numbers to quickly share that information with the appropriate financial institutions, which could assist in monitoring for bank fraud and in identifying the account holders, thereby facilitating the agency's ability promptly to notify the affected individuals. The Department of Justice recently drafted such a "routine use," which is reproduced in Attachment B, and which the Task Force offers as a model for other federal agencies to use in developing and publishing their own "routine uses" as soon as practicable.

Recommendation 4: To allow agencies to respond quickly to data breaches, including by sharing information about potentially affected individuals with other agencies and entities that can assist in the response, the Task Force recommends that all federal agencies, to the extent consistent with applicable law, publish a new "routine use" for their systems of records under the Privacy Act, modeled after the attached "routine use" recently drafted by the Department of Justice, that would facilitate the disclosure of information to other agencies, entities, and persons in the course of responding to a breach of federal data.[1]

Improved Authentication Methods

5. Developing Alternate Means of Authenticating Identities

In addition to its widespread use by government, the SSN is used throughout the private sector. In particular, the SSN often is used for the dual purposes of identification (to match individuals to records of their information) and authentication (to prove that individuals are who they say they are).[2] Two factors combine to heighten the risk of identity theft: the ready availability of SSNs to identity thieves as a result of their ubiquitous use, and the SSN's use as a sole or primary means of authenticating individuals to open new accounts or obtain other benefits.

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[1]The Task Force is aware that for a limited number of agencies, the publication of this routine use will not eliminate all barriers to information sharing. For example, some of the information maintained by the federal banking agencies is bank customer information from financial records. Federal agencies and departments are subject to the Right to Financial Privacy Act, 12 U.S.C. § 3401 et seq., which imposes additional requirements on any federal agency or department wishing to share financial records with another agency or department.

[2] Identification or verification is the process of determining the identity of an individual at the onset of the relationship between the individual and the verifying entity. Authentication is the process of ensuring that the individual is the same as the individual whose identity was initially verified. Thus, verification occurs once with respect to the verifying entity, but authentication can be recurrent, depending on the nature of the relationship between the individual and the authenticating entity.

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Both the private and public sectors have made strides in developing improved means of verification and authentication. For example, the Customer Identification Program already requires financial institutions regulated by the federal banking agencies and the SEC to develop and implement procedures for verifying customers' identities when opening new accounts. Technology also can substantially improve the authentication process by, for example, the use of biometrics to authenticate the consumer's identity, making it less likely that a criminal can gain access to another's account. However, many questions remain about emerging technologies, consumer acceptance, and system implementation.

One way to sharpen the focus on improving the means for authenticating the identities of individuals would be to hold public workshops that bring together academics, industry, and entrepreneurs who are developing better authentication systems. These experts can discuss the existing problem, examine the limitations of current processes of authentication, and probe viable solutions that will reduce identity fraud. As an initial step, the FTC and other Task Force member agencies are prepared to announce in the fall of 2006 that they will host such a workshop in the early part of 2007.

Recommendation 5: Because developing reliable methods of authenticating the identities of individuals would make it harder for identity thieves to open new accounts or access existing accounts using other individuals' information, the Task Force should hold a workshop or series of workshops, involving academics, industry, and entrepreneurs, focused on developing and promoting improved means of authenticating the identities of individuals.

VICTIM ASSISTANCE

6. Restitution for Identity Theft Victims

One reason that identity theft can be so destructive to its victims is the sheer amount of time and energy often required to remediate the consequences of the offense. This may be time spent clearing credit reports with credit-reporting agencies, disputing charges with individual creditors, or monitoring credit reports for additional impacts of the theft. The FTC estimated in 2003, based on the results of its Identity Theft Survey Report, that the average identity theft victim spends 30 hours resolving the problems created by identity theft. Those individuals who were victimized most seriously (from both the false opening of new accounts in their names *and* the unauthorized use of their validly-issued credit cards) spent an average of 60 hours resolving the problems. Overall, according to the survey, approximately 297 million hours were expended in one year by consumers attempting to resolve identity theft-related problems.[3]

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[3] The FTC recently commissioned a new national survey. Although the analysis of the results has not yet been completed and there were some methodological differences from the 2003 survey, it appears that both the number of hours that individual victims spent in recovering from identity theft, and the aggregate hours across the population, have decreased. We note that, in the intervening years, Congress passed the Fair and Accurate Credit Transactions Act,

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While restitution is available for direct pecuniary costs of identity theft offenses, the federal restitution statutes, 18 U.S.C. § § 3663(b) and 3663A(b), do not provide for compensation for this time spent by consumers rectifying accounts and avoiding more harm. Moreover, courts have interpreted the restitution statutes in such a way that would likely preclude the recovery of such amounts from criminal defendants, absent explicit statutory authorization.

In order to better remediate the harm caused by identity theft, the Department of Justice has drafted amendments to the restitution statutes, reproduced in Attachment C, that would allow a victim to obtain restitution from a criminal defendant for the time reasonably spent trying to rectify the consequences of the offense. Under these proposed amendments, the district court judge would determine the amount of time reasonably spent and the value of the victim's time. The Department of Justice can propose that Congress adopt these amendments immediately.

Recommendation 6: The Task Force recommends that Congress amend the criminal restitution statutes, 18 U.S.C. §§ 3663(b) and 3663A(b), based on the attached proposal developed by the Department of Justice, to allow for restitution from a criminal defendant to an identity theft victim, in an amount equal to the value of time reasonably spent by the victim attempting to remediate the intended or actual harm incurred from the identity theft offense.

LAW ENFORCEMENT

7. Development of a Universal Police Report

Victims of identity theft often need police reports documenting the misuse of their information in order to recover fully from the effects of the crime. For example, identity theft victims can use a detailed police report as an "identity theft report" under the Fair and Accurate Credit Transactions Act to request that fraudulent information on their credit report be blocked, or to obtain a seven-year fraud alert on their credit file. Further, identity theft victims also must have a police report to obtain documents relating to fraudulent applications and transactions, and creditors may require a police report before establishing the victim's *bona fides* in challenging a fraudulent account or purchase. Filing a police report also makes it more likely that law enforcement will pursue an investigation of the identity theft.

Some victims report, however, that they are unable to get a police report. FTC complaint data show that during the last three years, about 25% of victims of new-account fraud who sought police reports were not able to obtain them, in part because of overtaxed local police departments and the time involved in preparing what often can be a highly detailed document. Simplifying the process of writing and receiving a police report would both relieve the burden on local law enforcement and allow victims to more easily repair the damage to their credit from the crime. A universal law enforcement report that the victim could complete online and take to the local police department would help achieve this goal. Additionally, the data from such standardized reports would be in a

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granting consumers new rights and tools for remediating the consequences of identity theft.

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format that is used by the FTC's Identity Theft Data Clearinghouse, increasing the ability of law enforcement to effectively spot significant patterns of criminal activity.

At present, the FTC has an online complaint form that is used to enter data into its Identity Theft Data Clearinghouse, which is in turn made available to law enforcement nationwide through Consumer Sentinel. The FTC is also prepared to develop a revised online complaint form at www.ftc.gov/idtheft that victims can complete, print, and take to a local law enforcement agency for verification and incorporation into the police department's report system. The victim will then have a valid, detailed police report; the police department will have a record of the crime; and the victim's complaint information will have been entered into the FTC's Identity Theft Data Clearinghouse. The Public Sector Liaison Committee of the International Association of Chiefs of Police supports and has been involved in this effort.

Recommendation 7: To ensure that victims can readily file the police reports necessary to allow them to prevent the continued misuse of their personal information, and to assist law enforcement in analyzing significant patterns of criminal activity in investigating identity theft complaints, the FTC, with support from Task Force members, should develop a universal police report, which an identity theft victim can complete, print, and take to any local law enforcement agency for verification and incorporation into the police department's report system.

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ATTACHMENT A

MEMORANDUM FROM THE IDENTITY THEFT TASK FORCE

Chair, Attorney General Alberto R. Gonzales
Co-Chair, Federal Trade Commission Chairman Deborah Platt Majoras

SUBJECT: Identity Theft Related Data Security Breach Notification Guidance

The Identity Theft Task Force ("Task Force") has considered the steps that a Department or agency should take in responding to a theft, loss, or unauthorized acquisition of personal information that poses a risk of subsequent identity theft. This memorandum reports the Task Force's recommended approach to such situations, without addressing other notification issues that may arise under the Privacy Act or other federal statutes when the data loss involves sensitive information that does not pose an identity theft risk.

I. Background

Identity theft, a pernicious crime that harms consumers and our economy, occurs when individuals' identifying information is used without authorization in an attempt to commit fraud or other crimes.[1] There are two primary forms of identity theft. First, identity thieves can use financial account identifiers, such as credit card or bank account numbers, to commandeer an individual's existing accounts to make unauthorized charges or withdraw money. Second, thieves can use accepted identifiers like social security numbers ("SSNs") to open new financial accounts and incur charges and credit in an individual's name, but without that person's knowledge.

This memorandum describes three related recommendations: (1) Agencies should immediately identify a core response group that can be convened in the event of a breach; (2) If an incident occurs, the core response group should engage in a risk analysis to determine whether the incident poses problems related to identity theft; (3) If it is determined that an identity theft risk is present, the agency should tailor its response (which may include advice to those potentially affected, services the agency may provide to those affected, and public notice) to the nature and scope of the risk presented. The memorandum provides a menu of steps for an agency to consider, so that it may pursue such a risk-based, tailored response. Ultimately, the precise steps to take must be decided in light of the particular facts presented, as there is no single response for all breaches. This memorandum is intended simply to assist those confronting such issues in developing an appropriate response.

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[1]Federal laws define "identifying information" broadly. *See, e.g.,* The 1998 Identity Theft Assumption and Deterrence Act (Pub. L. No. 105-318, 112 Stat. 3007 (1998) (codified at 18 U.S.C. § 1028)) and the Fair and Accurate Credit Transactions Act (15 U.S.C. §§ 1681-1681x, as amended). This memorandum focuses on the type of identifying information generally used to commit identity theft.

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II. Data Breach Planning

Given the volume of personal information appropriately collected to carry out myriad government functions, it is almost inevitable that some agencies will, on occasion, lose control of such information. Thus, an important first step in responding to a breach is for agencies to engage in advance planning for this contingency. We therefore recommend that each agency identify in advance a core management group that will be convened upon the identification of a potential loss of personal information. This core group would initially evaluate the situation to help guide any further response. Our experience suggests that such a core group should include, at minimum, an agency's chief information officer, chief legal officer, chief privacy officer (or their designees), a senior management official from the agency, and the agency's inspector general (or equivalent or designee). Such a group should ensure that the agency has brought together many of the basic competencies needed to respond, including expertise in information technology, legal authorities, the Privacy Act, and law enforcement. We recommend that this core group convene at least annually to review this memorandum and discuss likely actions should an incident occur.

III. Identifying an Incident That Presents Identity Theft Risk and the Level of Risk Involved

A loss of control over personal information, may, but need not necessarily, present a risk of identity theft. For example, a data report showing the name "John Smith," with little or no further identifying information related to John Smith, presents little or no risk of identity theft. Thus, the first steps in considering whether there is a risk of identity theft, and hence whether an "identity theft response" is necessary, are understanding the kind of information most typically used to commit identity theft and then determining whether that kind of information has been potentially compromised in the incident being examined. Because circumstances will differ from case to case, agencies should draw upon law enforcement expertise, including that of the agency Inspector General, in assessing the risk of identity theft from a data compromise and the likelihood that the incident is the result of or could lead to criminal activity.

An SSN standing alone can generate identity theft. Combinations of information can have the same effect. With a name, address, or telephone number, identity theft becomes possible, for instance, with any of the following: (1) any government-issued identification number (such as a driver's license number if the thief cannot obtain the SSN); (2) a biometric record; (3) a financial account number, together with a PIN or security code, if a PIN or security code is necessary to access the account; or (4) any additional, specific factor that adds to the personally identifying profile of a specific individual, such as a relationship with a specific financial institution or membership in a club. For further purposes of this memorandum, information posing a risk of identity theft will be described as "covered information." If a particular data loss or breach does not involve this type of

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information, the identity theft risk is minimal, and it is unlikely that further steps designed to address identity theft risks are necessary.[2]

Even where covered information has been compromised, various other factors should be considered in determining whether the information accessed could result in identity theft. Our experience suggests that in determining the level of risk of identity theft, the agency should consider not simply the data that was compromised, but all of the circumstances of the data loss, including

- how easy or difficult it would be for an unauthorized person to access the covered information in light of the manner in which the covered information was protected;[3]
- the means by which the loss occurred, including whether the incident might be the result of a criminal act or is likely to result in criminal activity;[4]
- the ability of the agency to mitigate the identity theft;[5] and
- evidence that the compromised information is actually being used to commit identity theft.

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[2]OMB has promulgated guidance requiring certain notifications within the government, most notably to the United States Computer Emergency Readiness Team (US-CERT), whenever personal information is compromised, and which applies even where there is no identity theft risk. That reporting guidance remains in full effect.

[3]For example, information on a computer laptop that is adequately protected by encryption is less likely to be accessed, while "hard copies" of printed-out data are essentially unprotected.

[4]For example, as a general matter, the risk of identity theft is greater if the covered information was stolen by a thief who was targeting the data (such as a computer hacker) than if the information was inadvertently left unprotected in a public location, such as in a briefcase in a hotel lobby. Similarly, in some cases of theft, the circumstances might indicate that the data-storage device, such as a computer left in a car, rather than the information itself, was the target of the theft. An opportunistic criminal, of course, may exploit information once it comes into his possession, and this possibility must be considered when fashioning an agency response, along with the recognition that risks vary with the circumstances under which incidents occur. In making this assessment, it is crucial that federal law enforcement (which may include the agency's Inspector General) be consulted.

[5]The ability of an agency or other affected entities to monitor for and prevent attempts to misuse the covered information can be a factor in determining the risk of identity theft. For example, if the compromised information relates to disability beneficiaries, the agency can monitor its beneficiary database for requests for change of address, which may signal attempts to misuse the information, and take steps to prevent the fraud. Likewise, alerting financial institutions in cases of a data breach involving financial account information can allow them to monitor for fraud or close the compromised accounts.

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Considering these factors together should permit the agency to develop an overall sense of where along the continuum of identity-theft risk the risk created by the particular incident falls. That assessment, in turn, should guide the agency's further actions.

IV. Reducing Risk After Disclosure

While assessing the level of risk in a given situation, the agency should simultaneously consider options for attenuating that risk. It is important in this regard for the agency to understand certain standard options available to agencies and individuals to help protect potential victims:

A. Actions that Individuals Can Routinely Take

The steps that individuals can take to protect themselves will depend on the type of information that is compromised. In notifying the potentially affected individuals about steps they can take following a data breach, agencies should focus on the steps that are relevant to those individuals' particular circumstances, which may include the following:

- Contact their financial institution to determine whether their account(s) should be closed. This option is relevant only when financial account information is part of the breach.
- Monitor their financial account statements and immediately report any suspicious or unusual activity to their financial institution.
- Request a free credit report at www.AnnualCreditReport.com or by calling 1-877-322-8228. It might take a few months for most signs of fraudulent accounts to appear on the credit report, and this option is most useful when the data breach involves information that can be used to open new accounts. Consumers are entitled by law to obtain one free credit report per year from each of the three major credit bureaus – Equifax, Experian, and TransUnion – for a total of three reports every year. The annual free credit report can be used by individuals, along with the free report provided when placing a fraud alert (which is discussed below), to self-monitor for identity theft. The annual report also can be used as an alternative for those individuals who want to check their credit report, but do not want to place a fraud alert. Contact information for the credit bureaus should be provided, which can be found on the FTC's website.
- Place an initial fraud alert[6] on credit reports maintained by the three major credit bureaus noted above. This option is most useful when the breach includes information that can be used to open a new account, such as SSNs. After placing an

[6]A fraud alert is a mechanism that signals to credit issuers who obtain credit reports on a consumer that they must take reasonable steps to verify the consumer's identity before issuing credit, making it harder for identity thieves to secure new credit lines. It should be noted that, although fraud alerts can help prevent fraudulent credit accounts from being opened in an individual's name, they also can delay that individual's own legitimate attempts to secure credit.

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initial fraud alert, individuals are entitled to a free credit report, which they should obtain beginning a few months after the breach and review for signs of suspicious activity.

- For residents of states in which state law authorizes a credit freeze, consider placing a credit freeze on their credit file.[7] This option is most useful when the breach includes information that can be used to open a new account, such as SSNs. A credit freeze cuts off third party access to a consumer's credit report, thereby effectively preventing the issuance of new credit in the consumer's name.
- For deployed members of the military, consider placing an active duty alert on their credit file.[8] This option is most useful when the breach includes information that can be used to open a new account, such as SSNs. Such active duty alerts serve a similar function as initial fraud alerts, causing creditors to be more cautious in extending new credit. However, unlike initial fraud alerts, they last for one year instead of 90 days. In addition, active duty alerts do not entitle the individual to a free credit report. Therefore, those placing an active duty alert should combine this option with a request for obtaining the annual free credit reports to which all individuals are entitled.
- Review resources provided on the FTC identity theft website, www.ftc.gov/idtheft. The FTC maintains a variety of consumer publications providing comprehensive information on breaches and identity theft.
- Be aware that the public announcement of the breach could itself cause criminals engaged in fraud, under the guise of providing legitimate assistance, to use various techniques, including email or the telephone, to deceive individuals affected by the breach into disclosing their credit card numbers, bank account information, SSNs, passwords, or other sensitive personal information. One common such technique is "phishing," a scam involving an email that appears to come from a bank or other organization that asks the individual to verify account information, and then directs him to a fake website whose only purpose is to trick the victim into divulging his personal information. Advice on avoiding such frauds is available on the FTC's web site http://www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt166.htm.

B. Actions that Agencies Can Take

If the breach involves government-authorized credit cards, the agency should notify the issuing bank promptly. If the breach involves individuals' bank account numbers to be used for the direct deposit of credit card reimbursements, government employee salaries, or any benefit payment,

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[7]State laws vary with respect to usability and cost issues, which individuals will need to consider before deciding to place a credit freeze.

[8]A variety of factors may influence a service member's decision to place an active duty alert–for example, if there are stateside family members who need easy credit access, the alert would likely be counterproductive.

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the agency should notify the bank or other entity that handles that particular transaction for the agency.

Agencies may take two other significant steps that can offer additional measures of protection – especially for incidents where the compromised information presents a risk of new accounts being opened – but which will involve additional agency expense. First, in recent years, some companies have developed technologies to analyze whether a particular data loss appears to be resulting in identity theft. This data breach analysis may be a useful intermediate protective action, especially where the agency is uncertain about whether the identity-theft risk warrants implementing more costly additional steps such as credit monitoring (see below) or where the risk is such that agencies wish to do more than rely on the individual action(s) identified above.

For two reasons, such technology may be useful for incidents involving data for large numbers of individuals. First, the cost of implementing credit monitoring (and the potential to have spent large sums unnecessarily if no identity theft materializes) can be substantial for large incidents because the cost of credit monitoring generally is a function of the number of individuals for whom credit monitoring is being provided. Second, subsequent to any large data breach that is reported publicly, it is likely that an agency will get reports of identity theft directly from individuals in the affected class. Yet, agencies should be aware that approximately 3.6% of the adult population reports itself annually as the victim of some form of identity theft. Thus, for any large breach, it is statistically predictable that a certain number of the potential victim class will be victims of identity theft through events *other than* the data security breach in question. Data-breach monitoring of the type described here can assist an agency in determining whether the particular incident it has suffered is truly a source of identity theft, or whether, instead, any such reports are the normal by-product of the routine incidence of identity theft.

Second, and typically at great expense, agencies may wish to provide credit-monitoring services. Credit monitoring is a commercial service that can assist individuals in early detection of instances of identity theft, thereby allowing them to take steps to minimize the harm (although credit monitoring cannot guarantee that identity theft will not occur). A credit-monitoring service typically notifies individuals of changes that appear in their credit report, such as creation of a new account or new inquiries to the file.[9]

In deciding whether to offer credit monitoring services and of what type and length, agencies should consider the seriousness of the risk of identity theft arising from the data breach. Particularly important are whether incidents have already been detected and the cost of providing the service. Such costs can be substantial, although rates are often subject to negotiation; bulk purchase discounts

[9]Various credit-monitoring services provide different features and their offerings are constantly evolving. Therefore, agencies may wish to consult with OMB or the FTC concerning the most current, available options.

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have been offered in many cases of large data breaches.[10] The length of time for which the service is provided may have an impact on cost as well. In addition, the agency should consider the characteristics of the affected individuals. Some affected populations may have more difficulty in taking the self-protective steps described earlier. For example, there may be groups who, because of their duties or their location, may warrant special protection from the distraction or effort of self-monitoring for identity theft.

Agencies should also be aware that, to assist the timely implementation of either data breach analysis or credit monitoring, the General Services Administration (GSA) is putting in place several government-wide contracting methods to provide these services if needed. Thus, an agency's contract officer, working with GSA, should be able promptly to secure such services and to develop cost estimates associated with such services.

Finally, it is important to note that notification to law enforcement is an important way for an agency to mitigate the risks faced by the potentially affected individuals. Because an agency data breach may be related to other breaches or other criminal activity, the agency's Inspector General should coordinate with appropriate federal law enforcement agencies to enable the government to look for potential links and to effectively investigate and punish criminal activity that may result from, or be connected to, the breach.

V. Implementing a Response Plan: Notice to Those Affected

Having identified the level of risk and bearing in mind the steps that can be taken by the agency or individual to limit that risk, the agency should then move to implement a response plan that incorporates elements of the above. Agencies should bear in mind that notice and the response it can generate from individuals is not "costless," a consideration that can be especially important where the risk of identity theft is low. The costs can include the financial expense and inconvenience that can arise from canceling credit cards, closing bank accounts, placing fraud alerts on credit files, and/or obtaining new identity documents. The private sector and other government agencies also incur costs in servicing these consumer actions. Moreover, frequent public notices of such incidents may be counterproductive, running the risk of injuring the public and, by making it more difficult to distinguish between serious and minor threats, causing citizens to ignore all notices, even of incidents that truly warrant heightened vigilance. Thus, weighing all the facts available, the risks to consumers caused by the data security breach warrant notice when notice would facilitate appropriate remedial action that is likely to be justified given the risk.

Assuming that an agency has made the decision to provide notice to those put at risk, agencies should incorporate the following elements into that notification process:

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[10]In some instances, monitoring services may even be provided at no cost. Agencies should check the GSA contract schedule.

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1. ***Timing***: The notice should be provided in a timely manner, but without compounding the harm from the initial incident through premature announcement based on incomplete facts or in a manner likely to make identity theft more likely to occur as a result of the announcement. While it is important to notify promptly those who may be affected so that they can take protective steps quickly, false alarms or inaccurate alarms are counterproductive. In addition, sometimes an investigation of the incident (such as a theft) can be impeded if information is made public prematurely. For example, an individual who has stolen a password-protected laptop in order to resell it may be completely unaware of the nature and value of the information the laptop contains. In such a case, public announcement may actually alert the thief to what he possesses, increasing risk that the information will be misused. Thus, officials should consult with those law enforcement officials investigating the incident (which could include the agency's Inspector General) regarding the timing and content of any announcement, before making any public disclosures about the incident. Indeed, even when the decision has been made to notify affected individuals, under certain circumstances, law enforcement may need a temporary delay before such notice is given to ensure that a criminal investigation can be conducted effectively or for national security reasons. Similarly, if the data breach resulted from a failure in a security or information system, that system should be repaired and tested before disclosing details related to the incident.[11]

2. ***Source***: Given the serious security and privacy concerns raised by data breaches, notification to individuals affected by the data loss should be issued by a responsible official of the agency, or, in those instances in which the breach involves a publicly known component of an agency, a responsible official of the component.

There may be some instances in which notice of a breach may appropriately come from an entity other than the actual agency that suffered the loss. For example, when the data security breach involves a federal contractor operating a system of records on behalf of the agency or a public-private partnership (for example, a federal agency/private-sector agreement to operate a program that requires the collection of covered information on members of the public), the responsibility for complying with these notification procedures should be established with the contractor or partner prior to entering the business relationship. Additionally, a federal agency that suffers a breach involving personal information may wish to determine, in conjunction with the regulated entity from which it obtained the information, whether notice is more appropriately given by the agency or by the regulated entity. Whenever possible, to avoid creating confusion and anxiety, the actual notice should come from the entity which the affected individuals are reasonably likely to perceive as the entity with which they have a relationship. In all instances, the agency is responsible for ensuring that its contractor or partner promptly notifies the agency of any data loss it suffers.

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[11] There may be other reasons related to law enforcement or national security that dictate that notice not be given to those who are affected. For example, if an agency suffers a breach of a database containing law enforcement sensitive data, immediate notification to potentially affected individuals may be inappropriate – even if the risk of identity theft resulting from that breach is significant – as such notification may result in the disclosure of law enforcement-sensitive or counter-terrorism data.

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3. ***Contents***: The substance of the notice should be reduced to a stand-alone document and written in clear, concise, and easy-to-understand language, capable of individual distribution and/or posting on the agency's website and other information sites. The notice should include the following elements:

- a brief description of what happened;
- to the extent possible, a description of the types of personal information that were involved in the data security breach (e.g., full name, SSN, date of birth, home address, account number, disability code, etc.);
- a brief description of what the agency is doing to investigate the breach, to mitigate losses, and to protect against any further breaches;
- contact procedures for those wishing to ask questions or learn additional information, including a toll-free telephone number, website, and/or postal address;
- steps individuals should take to protect themselves from the risk of identity theft (see above for the steps available), including steps to take advantage of any credit monitoring or other service the agency intends to offer and contact information for the FTC website, including specific publications.

Given the amount of information needed to give meaningful notice, an agency may want to consider providing the most important information up front, with the additional details in a Frequently Asked Questions (FAQ) format or on its website. If an agency has knowledge that the affected individuals are not English speaking, notice should also be provided in the appropriate language(s).

4. ***Method of Notification***: Notification should occur in a manner calibrated to ensure that the individuals affected receive actual notice of the incident and the steps they should take. First-class mail notification to the last known mailing address of the individual should be the primary means by which the agency provides notification. Even when an agency has reason to doubt the continued accuracy of such an address or lacks an address, mailed notice may still be effective. The United States Postal Service (USPS) will forward mail to a new address for up to one year, or will provide an updated address via established processes.[12] Moreover, certain agencies, such as the Social Security Administration and the Internal Revenue Service, may sometimes possess address information that can be used to facilitate effective mailing. The notice should be sent separately from any other mailing so that it stands out to the recipient. If using another agency to facilitate mailing as referenced above, agencies should take care that the agency that suffered the loss is identified as the sender, not the facilitating agency.

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[12]Agencies may receive updated addresses as a mailer by becoming a direct licensee of the Postal Service or by using a USPS licensed NCOA Link service provider. A current list of service providers is available at http://ribbs.usps.gov/files/ncoalink/CERTIFIED%5FLICENSEES/. For information on address-update and delivery-validation services, contact the USPS at 1-800-589-5766.

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Substitute means of notice such as broad public announcement through the media, website announcements, and distribution to public service and other membership organizations likely to have access to the affected individual class, should be employed to supplement direct mail notification or if the agency cannot obtain a valid mailing address. Email notification is discouraged, as the affected individuals could encounter difficulties in distinguishing the agency's email from a "phishing" email.

The agency also should give special consideration in providing notice to individuals who are visually or hearing impaired consistent with Section 504 of the Rehabilitation Act of 1973. Accommodations may include establishing a Telecommunications Device for the Deaf (TDD) or posting a large-type notice on the agency's web site.

5. ***Preparing for follow-on inquiries***: Those notified can experience considerable frustration if, in the wake of an initial public announcement, they are unable to find sources of additional accurate information. Agencies should be aware that the GSA has a stand-by capability through its "USA Services" operation to quickly put in place a 1-800-FedInfo call center staffed by trained personnel and capable of handling individual inquiries for circumstances in which the number of inquiries is likely to exceed the agency's native capacity. Thus, agencies may wish to consider briefly delaying a public announcement to allow them to implement a consolidated announcement strategy, as opposed to a hasty public announcement without any detailed guidance on steps to take. Such a strategy will permit public statements, website postings, and a call center staffed with individuals prepared to answer the most frequently asked questions all to be made simultaneously available.

6. ***Prepare counterpart entities that may receive a surge in inquiries***: Depending on the nature of the incident, certain entities, such as the credit-reporting agencies or the FTC, may experience a surge in inquiries also. For example, in incidents involving a substantial number of SSNs (e.g., more than 10,000), notifying the three major credit bureaus allows them to prepare to respond to requests from the affected individuals for fraud alerts and/or their credit reports. Thus, especially for large incidents, an agency should inform the credit bureaus and the FTC of the timing and distribution of any notices, as well as the number of affected individuals, in order to prepare.

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ATTACHMENT B

Proposed Routine Use Language

Subsection (b)(3) of the Privacy Act provides that information from an agency's system of records may be disclosed without a subject individual's consent if the disclosure is "for a routine use as defined in subsection (a)(7) of this section and described under subsection (e)(4)(D) of this section." 5 U.S.C. § 552a(b)(3). Subsection (a)(7) of the Act states that "the term 'routine use' means, with respect to the disclosure of a record, the use of such record for a purpose which is compatible with the purpose for which it was collected." 5 U.S.C. § 552a(a)(7). A routine use to provide for disclosure in connection with response and remedial efforts in the event of a breach of federal data would certainly qualify as such a necessary and proper use of information – a use that is in the best interest of both the individual and the public.

Subsection (e)(4)(D) of the Privacy Act requires that agencies publish notification in the Federal Register of "each routine use of the records contained in the system, including the categories of users and the purpose of such use." 5 U.S.C. § 552a(e)(4)(D). The Department of Justice has developed the following routine use that it plans to apply to its Privacy Act systems of records, and which allows for disclosure to appropriate agencies, entities, and persons under the following circumstances:[13]

> when (1) it is suspected or confirmed that the security or confidentiality of information in the system of records has been compromised; (2) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (3) the disclosure is made to such agencies, entities, and persons who are reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

Agencies should already have a published system of records notice for each of their Privacy Act systems of records. To add a new routine use to an agency's existing systems of records, an agency must simply publish a notice in the Federal Register amending its existing systems of records to include the new routine use.

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[13] As this Task Force has been charged with considering the federal response to identity theft, this routine use notice does not include all possible triggers, particularly those associated with the Privacy Act, such as embarrassment or harm to reputation. However, after consideration of the Strategic Plan and the work of other groups charged with assessing Privacy Act considerations, OMB may determine that a combined identity theft/Privacy Act routine use may be preferable.

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Subsection (e)(11) of the Privacy Act requires that agencies publish a Federal Register notice of any new routine use at least 30 days prior to its use and "provide an opportunity for interested persons to submit written data, views, or arguments to the agency." 5 U.S.C. § 552a(e)(11). Additionally, subsection (r) of the Act requires that an agency provide Congress and OMB with "adequate advance notice" of any proposal to make a "significant change in a system of records." 5 U.S.C. § 552a(r). OMB has stated that the addition of a routine use qualifies as a significant change that must be reported to Congress and OMB and that such notice is to be provided at least 40 days prior to the alteration. See Appendix I to OMB Circular No. A-130 – Federal Agency Responsibilities for Maintaining Records About Individuals, 61 Fed. Reg. 6435, 6437 (Feb. 20, 1996). Once a notice is prepared for publication, the agency would send it to the Federal Register, OMB, and Congress, usually simultaneously, and the proposed change to the system (i.e., the new routine use) would become effective 40 days thereafter. See id. at 6438 (regarding timing of systems of records reports and noting that notice and comment period for routine uses and period for OMB and congressional review may run concurrently). Recognizing that each agency likely will receive different types of comments in response to its notice, the Task Force recommends that OMB work to ensure accuracy and consistency across the range of agency responses to public comments.

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ATTACHMENT C

Text of Amendments to 18 U.S.C. §§ 3663(b) and 3663A(b)

(a) Section 3663 of Title 18, United States Code, is amended by:

(1) Deleting "and" at the end of paragraph (4) of subsection (b);

(2) Deleting the period at the end of paragraph (5) of subsection (b) and inserting in lieu thereof "; and"; and

(3) Adding the following after paragraph (5) of subsection (b):

> "(6) in the case of an offense under sections 1028(a)(7) or 1028A(a) of this title, pay an amount equal to the value of the victim's time reasonably spent in an attempt to remediate intended or actual harm incurred from the offense.".

Make conforming changes to the following:

(b) Section 3663A of Title 18, United States Code, is amended by:

(1) Adding the following after Section 3663A(b)(4)

> "(5) in the case of an offense under this title, section 1028(a)(7) or 1028A(a), pay an amount equal to the value of the victim's time reasonably spent in an attempt to remediate intended or actual harm incurred from the offense.".

DOJ_NMG_ 0168222

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 3:07 PM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: THE WORK OF THE PRESIDENT'S IDENTITY THEFT TASK FORCE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 19, 2006
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AG
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: THE WORK OF THE PRESIDENT'S IDENTITY THEFT TASK FORCE

Identity theft is a crime that victimizes people and businesses in every community from major cities to small towns, and robs victims of their individual freedoms. The President's Identity Theft Task Force, co-chaired by Attorney General Alberto R. Gonzales and Federal Trade Commission Chairman Deborah Platt Majoras, has been working diligently since its inception in May 2006 to develop a comprehensive national strategy to combat identity theft. Beginning with today's interim recommendations, the Identity Theft Task Force will improve the ability of the government and the private sector to bring identity thieves to justice, to mitigate the risks of identity theft for individuals and companies, and to assist identity-theft victims in recovering from the effects of this pernicious crime.

Bringing Identity Thieves to Justice

The 17 federal agencies and departments that comprise the Task Force each has a particular expertise in substantive areas that impact and can contribute to the federal government's response to the problem of identity theft. Of these, the FBI, the United States Secret Service (USSS), the United States Postal Inspection Service (USPIS), and the Social Security Administration Office of the Inspector General (SSA OIG) are all empowered to investigate identity theft, and the Department of Justice brings substantial numbers of prosecutions against identity thieves. The results of these efforts include:

- In fiscal year 2005, the Justice Department charged 226 defendants with aggravated identity theft.
- In fiscal year 2006 (through the end of July 2006), the Justice Department charged 432 defendants with aggravated identity theft.
- The FBI reports that it has 1,587 pending identity theft-related cases. It opened 662 identity theft-related cases in 2005, and has opened 272 identity theft-related cases to date in 2006.
- The USPIS reports that it opened 1,530 identity theft-related cases and made 2,277 arrests in Fiscal Year 2005, and opened 1,012 identity theft-related cases and made 1,294 arrests in Fiscal Year 2006 (through June 30, 2006).

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- The SSA OIG Office of Investigations reports that it opened 1,566 cases involving SSN misuse in Fiscal Year 2005, and 812 cases involving SSN misuse in the first half of Fiscal Year 2006.

Some recent examples of identity theft prosecutions by the Department of Justice include the following:

FEMA fraud. On September 5, 2006, a defendant was sentenced to more than 10 years imprisonment for running a scheme to defraud the Federal Emergency Management Agency (FEMA), by using false identities to support his claims that he was a victim of Hurricanes Katrina and Rita. The defendant's scheme involved telephoning the FEMA emergency assistance hotline, providing a false name and address, and claiming to have suffered property damage as a result of the hurricanes.

- *Skimmers*. On June 19, 2006, federal authorities in the Central District of California arrested eight defendants accused of being part of an identity theft ring that "skimmed" account information from debit cards used by more than 100 diners at area restaurants and used the information to steal money from the victims' bank accounts. A ninth defendant was declared a fugitive.

- *Counterfeit Immigration Documents*. On February 13, 2006, a defendant was sentenced in the District of Colorado to 133 months in prison for aggravated identity theft, conspiracy to commit money laundering, and other crimes related to the manufacturing and distribution of counterfeit identity documents, including resident alien cards, social security cards, and various drivers licenses in Denver, Los Angeles, and Chicago.
- *Stolen Identifications to Open New Accounts*. On June 23, 2006, in the U.S. District Court for the Eastern District of Missouri, the leader and organizer of an identity theft ring and her two daughters were sentenced, respectively, to 70 months imprisonment; 2 years and 1 day imprisonment; and 4 years probation with home confinement on aggravated identity theft, identity theft and related fraud charges, in a scheme to use stolen identities to open credit accounts and purchase merchandise.*Counterfeit Checks*. On March 8, 2006, a defendant convicted after trial on counterfeiting and identity theft charges was sentenced to 132 months imprisonment and ordered to pay $292,400.00 in restitution, as well as forfeit an automobile and various equipment, including computer equipment, which he used in the scheme. The government presented evidence during that trial that the defendant was the organizer of a conspiracy to manufacture, possess and utter counterfeit securities, specifically counterfeit $100 VISA travelers' checks, counterfeit bank cashier's checks, and counterfeit U.S. Treasury checks.

Working Across Agencies to Disrupt Identity Theft

Federal authorities lead or co-lead a total of 96 task forces and working groups devoted to identity theft. These include:

- *Federal Trade Commission*: The FTC provides support for criminal law enforcement through its Identity Theft Clearinghouse, the national repository of consumer complaint data. Law enforcers across the country use this secure online resource of more than 1 million complaints to identify trends and targets. This resource encourages greater coordination and data sharing among the more than 1,300 criminal enforcement agencies that have access to this system.

- *U.S. Attorneys' Offices*. U.S. Attorneys lead 17 identity-theft task forces and working groups, in cities such as Philadelphia, St. Louis, and Eugene, Oregon. Twenty-seven U.S. Attorneys' Offices participate in identity theft task forces or working groups.

- *FBI*. The FBI leads four identity theft task forces, and participates in 21 identity theft/financial crimes task forces or working groups in most of the major metropolitan areas. In addition, the FBI's Cyber Division has more than 90 task forces and more than 80 working groups, consisting of federal, state and local law enforcement personnel, which investigate all cybercrime violations, including identity theft

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and Internet fraud.

- *Secret Service*. The Secret Service has 27 Financial Crimes Task Forces and 24 Electronic Crimes Task Forces that focus on identity theft-related crimes.

- *Postal Inspection Service*: The Postal Inspection Service actively leads 13 Financial Crimes Task Forces/Working Groups in cities across the country.

- *ICE*: Immigration and Customs Enforcement (ICE) has established Document and Benefit Fraud Task Forces (DBFTFs) in 11 cities across the country to enhance interagency communication and improve each agency's effectiveness in fraud investigations.

Providing Essential Resources

The Office of Justice Programs (OJP) at the Justice Department provides funding and training for victim service programs and victim service providers at the federal, state, local and tribal levels; funding for law enforcement's, prosecutors' and crime prevention experts' efforts to address identity theft; research and program evaluation concerning identity theft through the National Institute of Justice; and data collection for policymakers on identity theft.

Anyone wishing to ask a question about identity theft or to report identity theft may call 1-877-ID-THEFT, or visit http://www.ftc.gov/idtheft. Other resources are available on the Office for Victims of Crime identity-theft resource Web page at http://www.ojp.usdoj.gov/ovc/publications/infores/focuson2005/identitytheft/welcome.html, and on the Department's identity-theft Web site at http://www.usdoj.gov/criminal/fraud/idtheft.html.

Improving the Federal Government's Ability to Fight Identity Theft Now

The Task Force will present its final strategic plan to the President in November. In advance of that plan, the Task Force announced today interim recommendations to be implemented immediately to assist in the federal government's efforts to combat identity theft. These include the formulation of a step-by-step guidance to federal agencies on the actions they should take should they suffer a data breach; the development of a uniform police report that can be used by identity theft victims; an amendment to the criminal restitution statutes that would allow identity theft victims to recover for the value of the time that they spend attempting to make themselves whole; and several "good government" measures that can be taken to reduce the amount of paper currently in circulation that contain Social Security Numbers, which can be an identity thief's most valuable piece of consumer information.

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DOJ_NMG_ 0168225

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Image not available for this document, ID: 0.7.10316.31431-000002

Moschella, William

From: Moschella, William
Sent: Tuesday, September 19, 2006 3:20 PM
To: Gorsuch, Neil M
Subject: Not read: Uighur Court filings

Moschella, William

From: Moschella, William
Sent: Tuesday, September 19, 2006 3:20 PM
To: Gorsuch, Neil M
Subject: Not read: Compiled Warrantless Surveillance Complaints Against AT&T

Moschella, William

From: Moschella, William
Sent: Tuesday, September 19, 2006 3:20 PM
To: Gorsuch, Neil M
Subject: Not read:

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 3:23 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT PRESS CONFERENCE ANNOUNCING IDENTITY THEFT TASK FORCE INTERIM RECOMMENDATIONS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 19, 2006
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(202) 514-2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT PRESS CONFERENCE ANNOUNCING IDENTITY THEFT TASK FORCE INTERIM RECOMMENDATIONS

WASHINGTON, D.C.

Good afternoon; thank you all for coming.

I'm pleased to be here with FTC Chairman Deborah Platt Majoras to talk about federal efforts to combat identity theft.

The prevalence of this crime – studies indicate that about four percent of Americans are identity theft victims each year – combined with the lingering burdens and effects on victims, are the reasons why the President established the Identity Theft Task Force in May of this year.

The Task Force will present final recommendations to the President in November – this will be a comprehensive and fully coordinated federal strategy to combat identity theft. The recommendations will build on and ensure effective coordination of robust efforts already underway to prevent identity theft, to assist victims of identity theft, and to investigate and prosecute the identity thieves.

We look forward to sharing those final recommendations with all of you in November, but we have some interim recommendations today that we believe can be implemented right away.

When we look at the problem of identity theft, we are reminded that the same technological advances that have improved our lives have also given new and broad opportunities to criminals, including identity thieves.

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These criminals are clever and sophisticated, and leave their victims with more than financial loss. As with any crime, victims suffer feelings of violation and stress, but in these cases, victims have the added burden of essentially cleaning up the mess that the identity thieves leave behind.

One of the interim recommendations adopted today by the Task Force squarely addresses that particular problem. We are recommending that the criminal restitution statutes be expanded to allow victims to recover for the countless hours lost while they try to make themselves whole again.

We are also recommending, today, the development of a universal police report for identity theft victims – this will ensure that victims have easy access to police reports documenting the misuse of their personal information, thereby assisting them with the work they need to do to protect their credit ratings and so on.

We are recommending that the public sector look seriously at ways to reduce access to Social Security Numbers. Social Security Numbers are ubiquitous in government, and as the most valuable piece of consumer information to identity thieves, we must identify ways to keep them more confidential. Furthermore, by reducing unnecessary use of Social Security Numbers in the public sector, we can serve as an example for the private sector.

The Task Force also has developed concrete guidance on how agencies should respond to data breaches. This step-by-step roadmap for the agencies, which the Task Force recommends be immediately issued to all federal agencies and departments, is the first guidance of this type, and it will allow agencies to more quickly, effectively, and intelligently respond to the types of data breaches that have become more and more common in recent years. A quick and effective response by agencies to data breaches is good government – and also has the important effect of allowing the individuals affected by the breach to protect themselves before they become victims.

I'm proud of the work of this Task Force and believe, based on today's meeting, that we are on track to produce a strong set of final recommendations to the President in November.

I'm going to turn it over to Deborah, and then we'll be happy to take your questions.

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Image not available for this document, ID: 0.7.10316.31111-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 556686 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 5:17 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE BOYS & GIRLS CLUBS OF AMERICA ANNUAL CONGRESSIONAL BREAKFAST

Department of Justice

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TUESDAY, SEPTEMBER 19, 2006
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE BOYS & GIRLS CLUBS OF AMERICA ANNUAL CONGRESSIONAL BREAKFAST

WASHINGTON –Attorney General Alberto R. Gonzales will deliver remarks at the Boys & Girls Clubs of America Annual Congressional Breakfast **WEDNESDAY, SEPTEMBER 20, 2006 at 9:00 A.M. EDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks before the Boys & Girls Club of America Annual Congressional Breakfast

WHEN: **WEDNESDAY, SEPTEMBER 20, 2006**
9:00 A.M. EDT

WHERE: Dirksen Senate Office Building
Room 50 G
Washington, D.C. 20150
OPEN PRESS

NOTE: Pre-set for television camera crews is **8:30 A.M. EDT**. Final escort for all media is **8:45 A.M. EDT.** All media must present valid photo ID and media credentials. All questions regarding logistics should be directed to Evan Peterson at 202-353-5748 and Jan Still Lindeman of the Boys and Girls Club of America at 678-656-6252.

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06-638

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Image not available for this document, ID: 0.7.10316.31052-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 5:20 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE LIBRARY OF CONGRESS' 2006 OBSERVANCE OF NATIONAL HISPANIC HERITAGE MONTH

Department of Justice

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TUESDAY, SEPTEMBER 19, 2006
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE LIBRARY OF CONGRESS' 2006 OBSERVANCE OF NATIONAL HISPANIC HERITAGE MONTH

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the Library of Congress' 2006 Observance of National Hispanic Heritage Month, **WEDNESDAY, SEPTEMBER 20, 2006 at 10:00 A.M EDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks at the Library of Congress' 2006 Observance of National Hispanic Heritage Month

WHEN: **WEDNESDAY, SEPTEMBER 20, 2006**
10:00 A.M. EDT

WHERE: James Madison Building
Mumford Room, 6th Floor
101 Independence Avenue
Washington, D.C.
OPEN PRESS

NOTE: Pre-set for television camera crews is **9:30 A.M. EDT.** All media must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486 or Erin Allen of the Library of Congress at 202-707-7302.

# # #

06-637

DOJ_NMG_ 0168239

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Image not available for this document, ID: 0.7.10316.31044-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 556947 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 5:57 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF ATTORNEY GENERAL ALBERTO R. GONZALES AND FEDERAL TRADE COMMISSION CHAIRMAN DEBORAH PLATT MAJORAS AT PRESS CONFERENCE ANNOUNCING IDENTITY THEFT TASK FORCE INTERIM RECOMMENDATIONS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 19, 2006
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TRANSCRIPT OF ATTORNEY GENERAL ALBERTO R. GONZALES AND FEDERAL TRADE COMMISSION CHAIRMAN DEBORAH PLATT MAJORAS AT PRESS CONFERENCE ANNOUNCING IDENTITY THEFT TASK FORCE INTERIM RECOMMENDATIONS

WASHINGTON, D.C.

ATTORNEY GENERAL GONZALES: Good afternoon; thank you all for coming.

I'm pleased to be here with FTC Chairman Deborah Platt Majoras to talk about federal efforts to combat identity theft.

The prevalence of this crime – studies indicate that about four percent of Americans are identity theft victims each year – combined with the lingering burdens and effects on victims, are the reasons why the President established the Identity Theft Task Force in May of this year.

The Task Force will present final recommendations to the President in November – this will be a comprehensive and fully coordinated federal strategy to combat identity theft.

The recommendations will build on and ensure effective coordination of robust efforts already under way to prevent identity theft to assist victims of identity theft and to investigate and prosecute the identity thieves. We look forward to sharing those final recommendations with all of you in November, but we have some interim recommendations today that we believe is going to implemented right away.

When we look at the problem of identity theft, we are reminded that the same technological advances that have improved our lives have also given new and broad opportunities to criminals including identity thieves. These criminals are clever and sophisticated, and they leave their victims with more than financial loss. As with any crime, victims suffer feelings of violation and stress, but in these cases victims have the added burden of essentially clean up the mess that the identity thieves leave behind.

DOJ_NMG_ 0168243

So one of the interim recommendations adopted today by the task force squarely addresses that particular problem. We are recommending that the criminal restitution statutes be expanded to allow victims to recover the countless hours lost involving trying to make themselves whole again.

We are also recommending today the development of a universal police report for identity theft victims. This will ensure that victims have easy access to police reports documenting the misuse of their personal information thereby assisting them with the work they need to do to protect their credit rating and so on.

We are recommending that the public sector look seriously at ways to reduce access to social security numbers. Social security numbers are ubiquitous in government and as the valuable piece of consumer information to identity thieves, we must identify ways to keep them more confidential.

Furthermore, by reducing unnecessary use of social security numbers in the public sector, we can serve as an example for the private sector. The task force has also developed concrete guidance on how agencies should respond to data breaches. This step-by-step roadmap with agencies, which the task force recommends be immediately issued to all federal agencies and departments, is the first guidance of this kind, and it will allow agencies to more quickly, effectively, and it will allow agencies to more quickly, effectively, and intelligently respond to the types of data breaches that have become more and more common in recent years.

A quick and effective response by agencies to data breaches is good government, and also has the important effect of allowing the individuals affected by the breach to protect themselves before they become victims. I'm proud of the work of the task force to date, and I believe that based on today's meeting, that we are on track to produce a strong set of final recommendations to the President in November.

I'm now going to turn the podium over to Deborah Majoras, and then we'll be happy to take your questions. Deborah?

MS. MAJORAS: Thank you, Attorney General Gonzales. Good afternoon, everyone.

Identity theft truly is a direct assault on our citizens, and it attacks the very foundations of the information economy. And while we believe as a nation that we're making strides in this battle against this pernicious crime, it still remains a grave concern to our consumers. It's a huge violation and burden for them when it occurs, not to mention a significant drain on our economy.

The work of the task force builds on important actions that many agencies with particular expertise are already undertaking and will continue to undertake. But our goal here at the President's direction is to pool our resources and expertise and to coordinate an even more effective response, and then to extend that coordination to the state and local government level and also in the private sector, and naturally reaching out to consumers.

The interim recommendations are all directed at exercising federal leadership in this area. First and foremost, we have looked at the government handling of data and at the government response to data breaches, which we recognize is critical to our credibility and to our citizens' trust in their government.

We're looking, as you'll see in the interim recommendations, at that critical identifier, the Social Security number, to determine whether it's being used within government in ways that are unnecessary and could be potentially eliminated or replaced.

We want to show initiative with the private sector by looking at new forms of authentication tools, which the private sector already has well underway and are being used. And naturally, we are doing all that we can to assist victims.

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So these and other recommendations we think not only will improve the federal government's response to identity theft, but the capabilities of our nation as a whole, consumers, business, and all levels of government, in ultimately eradicating this crime. Thank you very much.

ATTORNEY GENERAL GONZALES: Any questions? I know one of you had a question earlier. Yes, sir.

QUESTION: Yes, sir. In the light of so much ID theft being a direct result of pretexting, will you be urging Congress to take any action, pass any bills, that would prohibit pretexting for various things like telephone records?

ATTORNEY GENERAL GONZALES: That is something that did come up today in the meeting, and it's something that I think the committee is going to look at. As to whether or not we'll have any recommendations or requests to Congress, it's too early to tell. But it is something that the committee will look at.

Yes, sir.

QUESTION: In terms of data security in the public sector, it discusses the agency performance of both information privacy and security as uneven, according to these recommendations. Do you still find certain agencies are much more vulnerable to the problems we've seen over the last year than others?

ATTORNEY GENERAL GONZALES: Well, I think it is true that agencies have different procedures in place. And that's one of the reasons why one of the recommendations is that we provide guidance so that agencies can respond to a possible theft.

But also one of the things we'll be looking at is to whether or not are there certain things, perhaps, say, through the OMB process, and direct certain procedures be implemented at all the agencies so that there is a baseline level of protection to sensitive information.

MS. MAJORAS: And in addition, I would just add that many efforts are already underway at government agencies at the direction of OMB to improve data security practices. So this has already -- this has already begun. The unevenness that's cited there comes from report cards that were issued previously.
But at least anecdotally, I can tell you that there have been -- vast improvements are being made at agencies, even in the last few months, because just like in the business community, we are responding to the breaches, to the methods that hackers and thieves use, as we should respond, and we're trying to get ahead of that curve.

QUESTION: With regard to the private sector which you referenced earlier, is it possible in the final report that you guys will address the use of Social Security numbers in the private sector? Do you think it's possible that the numbers are over-used in the private sector also or could be used less?

ATTORNEY GENERAL GONZALES: One of the things that we talked about is what kind of guidance, perhaps even legislation, might be appropriate to deal with protection of identity information in the private sector. And I'm not here saying that that's something that the committee is going to ultimately recommend. It is something that we discussed today.

As we continue to move forward to the final strategic plan to present to the President in November, I think it's something that, you know, we'll continue to look at. But dealing with the private sector of course presents its own unique set of challenges. And that's just something we'll have to evaluate.

QUESTION: On the issue of military commissions, could you elaborate --

ATTORNEY GENERAL GONZALES: Military commissions, yeah.

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QUESTION: Could you elaborate a little bit on the status of the negotiations and help us a little bit on this alternate language that the administration has offered up?

ATTORNEY GENERAL GONZALES: Well, we continue to try to work with Congress to try to find some compromise language. We think it's important. We think a compromise can be found which would allow the President to continue to gather information that would protect this country from another attack, but to do so in a way that would make it clear to everyone that of course we still believe very much in the Geneva Conventions and are advocates of the principles of the Geneva Conventions.

And I think that people have the misunderstanding, the misperception, that somehow what the President has proposed signifies a retreat. And nothing could be further from the truth. The Geneva Conventions are something that we have been a proud signatory for half a century. We believe that they're important. We continue to have some concerns about certain provisions of particularly Common Article 3, which is what the Court only held in terms of the application of the Geneva Convention to this conflict with al-Qaeda.

So we continue to have some concerns about that, and we're trying to work with Congress to see whether or not we can achieve both objectives of, again, allowing the Commander in Chief to gain information from the enemy to protect America, and to do it in a way that makes it quite clear that of course we are not retreating in any way from our obligations under the Geneva Convention.

Yes, ma'am.

QUESTION: Canada, as you know, released a long-awaited report yesterday on the treatment of Maher Arar. Since the Department was the agency that allowed his removal to Syria in which he was then tortured, doesn't the Department owe him an apology?

ATTORNEY GENERAL GONZALES: Well, we were not responsible for his removal to Syria, I'm not aware that he was tortured, and I haven't read the Commission report. Mr. Arar was deported under our immigration laws. He was initially detained because his name appeared on terrorist lists, and he was deported according to our laws.

Some people have characterized his removal as a rendition. That is not what happened here. It was a deportation. And even if it were a rendition, we understand as a government what our obligations are with respect to anyone who is rendered by this government to another country, and that is that we seek to satisfy ourselves that they will not be tortured. And we do that in every case. And if in fact he had been rendered to Syria, we would have sought those same kind of assurances, as we do in every case.

QUESTION: From the report, he had no connections with any terrorist groups, and he has sought an apology from the U.S. government.

ATTORNEY GENERAL GONZALES: Again, I haven't read the report.

Okay. Thank you all.

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 6:11 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF ASSISTANT ATTORNEY GENERAL ALICE S. FISHER BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
Attachments: ceos.fisher.childporn.09-19-06.pdf

Attached please find the testimony of Assistant Attorney General Alice S. Fisher before the Senate Committee on Commerce, Science, and Transportation concerning sexual exploitation of children on the Internet.

Department of Justice

STATEMENT

OF

ALICE S. FISHER

ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

CONCERNING

"ONLINE CHILD PORNOGRAPHY"

PRESENTED ON

SEPTEMBER 19, 2006

Statement of

ALICE S. FISHER
ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

BEFORE THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

"ONLINE CHILD PORNOGRAPHY"

September 19, 2006

Mr. Chairman, Senator Inouye, and distinguished Members of the Committee, thank you for inviting me to testify before you today about the sexual exploitation of children on the Internet and the efforts of the Department of Justice and others to protect our children from this horrific abuse. As the Attorney General has made clear, protecting our children from sexual exploitation on the Internet is one of the highest priorities of the Department of Justice. The Department is committed to using every available means to identify, investigate, and prosecute those who use the Internet to sexually exploit our children. The Criminal Division, alongside the U.S. Attorneys' Offices, has taken a leading role in this effort.

Of course, the Department of Justice is not alone in this fight. Congress has played an absolutely indispensable role, most recently with the passage of the landmark Adam Walsh Child Protection and Safety Act of 2006. Let me take this opportunity to thank you for passing this important piece of legislation. In addition, federal law enforcement agencies such as the Federal Bureau of Investigation (FBI), the Department of Homeland Security's Immigration and Customs Enforcement (ICE), and the United States Postal Inspection Service (USPIS), as well as state and local law enforcement agencies nationwide, have made invaluable contributions to protecting our children. Finally, non-governmental organizations such as the National Center for Missing & Exploited Children, have played a critical role, not only contributing greatly to public awareness of the threats of sexual

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exploitation on the Internet, but also in assisting law enforcement by facilitating reporting of these crimes and identifying and locating children so that they can be rescued.

The Problem

While the Internet is one of the greatest inventions of the last century, unfortunately, it has also largely contributed to the exacerbation of the child pornography epidemic. As if the creation of shocking images of child sexual abuse were not awful enough, it is only the beginning of a cycle of abuse. Once created and then posted on the Internet, images of child pornography become permanent records of the abuse they depict and can haunt the victims literally forever. Notably, advances in technology have made it both easier for offenders to distribute these images to each other, and more difficult to remove these images from the Internet. Worse still, pedophiles rely on these images to develop plans of action for targeting their next victims, and then use the images to entice them. What is more, because these offenders often compete to see who can produce the most unthinkable photos or videos of raping and molesting children, the Internet has led to the victimization of younger and younger children.

It is critical to recognize that virtually all images of child pornography depict the actual sexual abuse of real children. In other words, each image literally documents a crime scene. Most Americans, of course, innately understand that child pornography is a heinous crime. Even so, I believe very few realize just how graphic, sadistic, and horrible these images have become and the dangerous environment the market for child pornography has created for children.

These images make your stomach turn. Images have been produced, for example, of young toddlers, including one in which a baby is tied up with towels, desperately crying in pain, while she is being brutally raped and sodomized by an adult man. Likewise, videos are being circulated of very young daughters forced to have intercourse and oral sex with their fathers.

With the market for child pornography becoming increasingly prolific and characterized by an

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escalating level of abuse, children face greater danger from sexual predators than ever before. Before the Internet, pedophiles were isolated. Now, with large communities on the Internet dedicated to pedophilia and the exchange of child pornography, the illicit sexual desires and conduct of these individuals are validated and encouraged. This emboldens offenders to produce, receive, and distribute more shocking, graphic images, which increasingly involve younger children and even infants. The compulsion to collect child pornography images coupled with the validation and encouragement found on the Internet may lead to a compulsion to molest children or may be indicative of a propensity to molest them. Indeed, constant exposure to child pornography can break down the natural barriers to contact offenses.

The scope of the danger facing our children via the Internet is immense. By all accounts, at any given time, thousands of predators are on the Internet prowling for children. The explosive increase in child pornography fueled by the Internet is evidenced by the fact that from 1998 to 2004, the National Center for Missing & Exploited Children's CyberTipline experienced a thirty-fold increase in the number of child pornography reports.

The challenge we face in cyberspace was recently underscored by a new national survey, released in August 2006, conducted by University of New Hampshire researchers for the National Center for Missing & Exploited Children. The study revealed that a fully one third of all children aged 10 to 17 who used the Internet were exposed to unwanted sexual material. Much of it was extremely graphic.

The survey also revealed, however, that we are making progress. It found that there has been some reduction in the number of children who have received an online sexual solicitation. One in seven children surveyed this time had received an online sexual solicitation, which is an improvement over the one in five children who received such solicitations in the last survey, conducted five years ago. We are hopeful that this means that parents and kids are becoming more aware of the dangers online, and more

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responsible in the way they use the Internet. That said, we have a lot of work to do. One in seven kids receiving solicitations is one in seven too many. And this most recent survey showed that there has been no letting up of aggressive online sexual solicitations, where the most depraved of the pedophiles actually try to make in-person contact with a child.

In short, the opportunities for predators that have been created by the Internet demand an overwhelming response from law enforcement.

The Department of Justice Response

At the Department of Justice, we take the responsibility of attacking the problems resulting from predators' increased abuse of the Internet very seriously. The Department is constantly seeking to improve the quality and impact of its cases by taking a systematic approach. Indeed, over the last decade, the Department has significantly increased its efforts by dramatically increasing the number of prosecutions of child exploitation crimes. I would like to highlight four different approaches the Department has taken to ensure that our children are protected from the predators who seek to victimize them. First, the Department has launched a series of initiatives and partnerships – including the Attorney General's Project Safe Childhood initiative – designed to ensure that we have an army of people equipped to combat this epidemic. Second, we are striving to ensure that our investigative techniques adapt to the ever-changing methods by which the predators seek to purvey these images and evade detection by law enforcement. Third, working with our partners at the federal, state, and local levels, we have launched high-profile nationwide investigations that not only have resulted in a large number of convictions but also have the potential for maximum deterrent effect. Fourth, we continue to aggressively prosecute individual offenders, with a special emphasis on those who have a history of sexually exploiting children.

Project Safe Childhood and Strategic Partnerships

The Attorney General significantly expanded our efforts to address the sexual exploitation of

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children on the Internet this year by launching the Project Safe Childhood initiative. Project Safe Childhood will help law enforcement and community leaders develop a coordinated strategy to deter, investigate, and prosecute sexual predators, abusers, and pornographers who target our children. It will do so by creating, on a national platform, locally-designed partnerships to investigate and prosecute Internet-based crimes against children.

The Attorney General has said that he sees this initiative as a strong, three-legged stool. One leg is the federal contribution led by U.S. Attorneys; another is state and local law enforcement, including the outstanding work of the Internet Crimes Against Children task forces funded by the Department's Office of Justice Programs; and the third is non-governmental organizations, like the National Center for Missing & Exploited Children – without which we would not have the CyberTipline and victim advocates.

No leg of this stool can stand alone. Indeed, one of Project Safe Childhood's key benefits will be in raising the level of coordination among all state, local, and federal law enforcement as well as non-governmental organizations, and the sharing of knowledge and information that coordination will foster.

The Attorney General has asked that each Project Safe Childhood task force begin with three major steps to put this important program into action. The first step is to build partnerships and capitalize on the experience of our existing partners. U.S. Attorneys will engage everyone with a stake in the future of our children. Together, they will inventory the unique nature of the challenge and the resources available in the community. Second, these partners will work together as U.S. Attorneys develop a strategic plan for Project Safe Childhood in their area. Third, we will be ensuring accountability by requiring semi-annual progress reports. The Attorney General wants to know that Project Safe Childhood is having a measurable impact in terms of locking away criminals and identifying and rescuing child victims.

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In the Department's Criminal Division, we are working in tandem with our Project Safe Childhood partners around the country in order to effectively protect children from these crimes in every neighborhood nationwide. The Criminal Division's Child Exploitation and Obscenity Section (CEOS), for example, is contributing its specialized expertise, participating in training programs and prosecuting cases jointly with the U.S. Attorneys' Offices. One of the main benefits of Project Safe Childhood is the coordination of scarce law enforcement resources so that when leads from nationwide operations are sent out to the field, state and local law enforcement in the area where the target is located will be able effectively to investigate and prosecute those leads. CEOS is helping to develop and coordinate these local programs and national operations, and then working with the U.S. Attorneys' Offices and with federal, state, and local law enforcement across the country to ensure that these operations have maximum impact.

In addition to Project Safe Childhood, the Department has launched a number of other initiatives to protect children from exploitation. The first of these is the Innocence Lost Initiative, which combats domestic child prostitution. The Innocence Lost Initiative is a partnership between the Criminal Division's CEOS, the Violent Crimes and Major Offenders Section of FBI Headquarters and the National Center for Missing & Exploited Children. As of July 26, 2006, the Innocence Lost Initiative has resulted in 228 open investigations, 543 arrests, 86 complaints, 121 informations or indictments, and 94 convictions in both the federal and state systems. As part of this initiative, the Department has developed an intensive week-long training program on the investigation and prosecution of child prostitution cases, held for members of multi-disciplinary teams from cities across the United States. The Department is also playing a leading role in the prosecution of Innocence Lost Initiative cases, either by helping to stand-up Innocence Lost task forces around the country, directly prosecuting the cases with the local United States Attorneys' Offices, or providing coordination, advice, and assistance to prosecutors in cases where it is not directly involved.

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Another important part of our efforts is our initiative to protect children from child sex tourism, undertaken by the Department in conjunction with Immigration and Customs Enforcement (ICE). Child sex tourism occurs when offenders travel to foreign countries and sexually exploit children, and is another form of sex trafficking of children. As with our efforts to increase the prosecution of child prostitution cases through the Innocence Lost Initiative, we have been working to increase the number of child sex tourism cases investigated and prosecuted in order to address the serious offense of Americans sexually exploiting children in foreign countries. Since the passage of the PROTECT Act in April 2003, which facilitated the prosecution of these cases, there have been approximately 55 indictments and 36 convictions, with more than 60 additional investigations currently underway. We also provide training and advice to foreign governments regarding their domestic trafficking laws and prosecution efforts in order to combat trafficking on a global level.

The Department of Justice is also actively enforcing record-keeping and labeling requirements designed to ensure that minors are not filmed engaging in sexually explicit activity. These requirements are contained in Section 2257 and the new 2257A of Title 18 and were enacted to prevent the sexual exploitation of minors by requiring producers of sexually explicit conduct to obtain written identification showing that the performers are adults and also to label materials identifying a custodian of those records. The FBI, at the direction of the Attorney General, has begun to conduct random administrative inspections of producers to ensure that they are obtaining and maintaining the necessary documents. In addition, we are prosecuting offenders criminally. The Department's Obscenity Prosecution Task Force recently obtained a guilty plea from Mantra Films, doing business as Girls Gone Wild, in which the company admitted that it failed to maintain appropriate records and agreed to pay considerable fines and restitution. A related company agreed to the appointment of a corporate monitor to ensure future compliance by Girls Gone Wild. Producers of sexually explicit materials know that they will be prosecuted if they do not comply with this important law that protects our children

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from sexual exploitation.

Sophisticated Investigative Techniques

Child pornography is distributed over the Internet in a variety of ways, including: online groups or communities, file servers, Internet Relay Chat, e-mail, peer-to-peer networks, and commercial web sites. The Department of Justice investigates and prosecutes offenses involving each of these technologies.

Sophisticated investigative techniques, often involving undercover operations, are required to hold these offenders accountable for their crimes. For example, an investigation of a commercial child pornography web site is launched on multiple fronts. We must first determine where the servers hosting the web site are located, which can change from day to day to locations virtually anywhere in the world. Then, in order to find the persons responsible for operating the web site, we must follow the long and complex path of the financial transactions the offenders use to profit from the sale of child pornography, whether by credit card or other means. Finally, we must address the thousands of customers of the web site, because research tells us that many will pose a dangerous threat to children. This requires detailed information about all aspects of the transaction in order to determine the identity and location of these offenders. As many of these cases require coordination with law enforcement from other countries, involve complex technical issues, and can touch virtually every federal district in the United States, it is essential that these complex cases be handled by law enforcement agents and prosecutors with a broad reach and the necessary specialized expertise.

To defeat the misuse of these various technologies, the Department of Justice must match, or even exceed, the innovation being shown by the online offenders. Along with our critical law enforcement partners, the Department has greatly enhanced its ability to respond to – and indeed anticipate – the misuse of technological advances by these offenders. The Department's Child Exploitation and Obscenity Section, for example, has created a group of computer forensic specialists,

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called the High Tech Investigative Unit (HTIU), who team up with expert prosecutors to ensure the Department of Justice's capacity and capability to prosecute the most technologically complex and advanced offenses committed against children online. The HTIU's computer forensic specialists provide expert forensic assistance and testimony in districts across the country in the most complex child pornography prosecutions conducted by the Department of Justice. They also conduct numerous training seminars to disseminate their specialized knowledge around the country.

Among its technological advances, the HTIU has developed a file server investigative protocol and software programs designed to quickly identify and locate individuals distributing pornography using automated file-server technology and Internet Relay Chat. Because file servers, or "f-serves," provide a highly effective means to obtain and distribute enormous amounts of child pornography files, 24 hours a day and 365 days a year, with complete automation and no human interaction, this trafficking mechanism is a premier tool for the most egregious child pornography offenders. The protocol recommends standards for identifying targets, gathering forensic evidence, drafting search warrants, and making charging decisions. It is designed for both agents and prosecutors to ensure that all aspects of these relatively complex investigations are understood by all members of the law enforcement team. The software program automates the process of stripping from the computers used as file-servers all of the information necessary to make prosecutions against all of the individuals sharing child pornography with the file-server computer.

These advances in investigative technologies are achieving success. For example, the HTIU's file server initiative contributed to the successful prosecution by the U.S. Attorney's Office for the District of Columbia and the Criminal Division in the case of *United States v. Schiffer*. In this case, which was investigated by the FBI, the defendant pled guilty in October 2005 to one count each of using his computer to advertise, transport, receive, and possess child pornography. By operating his personal computer as a file server, the defendant allowed selected files to be downloaded and uploaded

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by the public to and from his computer. He even published on the Internet an advertisement aimed at young boys that enticed them to photograph themselves or other boys, so that he could collect and disseminate more sexually explicit images. Among the items seized from the defendant's bedroom, pursuant to a search warrant, were two boxes of catalogued correspondence between the defendant and roughly 160 prison inmates, the vast majority of whom had either sexually assaulted or murdered children. In his letters, he discussed his "desire to rape children," preferably boys between 6 and 16. Schiffer also wrote in detail about taking in runaways and "making use of them." Investigators also found a clown suit and a printout of a Mapquest route from his place of work to a boys' shelter.

On August 30, 2006, the defendant was sentenced to 25 years in prison for the high tech advertising and distribution of more than 11,000 images of child pornography. In addition, upon his release, the defendant will be required to abide by strict conditions, including no computer use except in the context of authorized employment, no possession of pornographic images, and supervision by a probation officer for life. In sentencing this defendant, the Honorable Paul L. Friedman captured the devastating impact of the defendant's crimes in words that I would like to read to you today: "by advertising and exchanging these images, the defendant was expanding the market for child pornography, and that market is made up of kids who are being exploited, and thus it is damaging to the whole community of children." We could not agree more with Judge Friedman.

United States v. Mitchel, investigated by the FBI and prosecuted by the Criminal Division in conjunction with the United States Attorney's Office for the Western District of Virginia, is another recent success story. This case involved child pornography websites that sold membership subscriptions to offenders looking to obtain videos of minor boys engaging in sexually explicit conduct. The defendant was sentenced on July 14, 2006 to 150 years in prison based on his guilty plea to offenses involving the production, distribution, sale, and possession of child pornography.

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Large Scale Investigations

In order to crack down on the pervasive problem associated with online child pornography, it is critical that we focus on major investigations. For that reason, we are currently coordinating 18 multi-district operations involving child pornography offenders and the Internet. These national investigations have the potential for maximum deterrent effect on offenders. Nearly each one of the eighteen investigations involves hundreds or thousands, and in a few cases tens of thousands, of offenders. The coordination of these operations is complex, but their results can be tremendous.

For example, several of our nationwide operations have resulted from FBI investigations into the distribution of child pornography on various eGroups, which are "members-only" online bulletin boards. Notably, as of January 2006, the FBI's investigation has yielded over 180 search warrants, 89 arrests, 162 indictments, and over 100 convictions. Another example of a high-impact national operation targeting Peer-to-Peer technology is the FBI's Operation Peer Pressure, which, as of January 2006, has resulted in over 300 searches, 69 indictments, 63 arrests, and over 40 convictions.

The Department has had substantial success in destroying several major child pornography operations. In one such case, announced by the Attorney General on March 15, 2006, law enforcement – as part of an undercover investigation – infiltrated a private Internet chat room used by offenders worldwide to facilitate the trading of thousands of images of child pornography, including streaming videos of live molestations. The chat room was known as "Kiddypics & Kiddyvids," and was hosted on the Internet through the WinMX software program that also allowed users to engage in peer-to-peer file sharing. The case has resulted in charges against 27 individuals to date in the United States, Canada, Australia, and Great Britain (13 of these 27 have been charged in the United States). One of the 27 charged defendants is a fugitive. Seven child victims of sexual molestation have been identified as a result of the investigation, and four alleged molesters are among the 27 defendants charged to date in the continuing investigation. This investigation is international in scope and results from the

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Department's partnerships with Immigration and Customs Enforcement, state and local authorities, and international law enforcement agencies.

In *United States v. Mariscal*, investigated by the United States Postal Inspection Service and prosecuted by CEOS and the United States Attorney's Office for the Southern District of Florida, the defendant received a 100-year prison sentence on September 30, 2004, after being convicted on seven charges, including conspiracy to produce, importation of, distribution of, advertising of, and possession with intent to sell child pornography. The defendant traveled repeatedly over a seven-year period to Cuba and Ecuador, where he produced and manufactured child pornography, including videotapes of him sexually abusing minors, some under the age of 12. As a result of his arrest, his customers across the country were targeted by the U.S. Postal Inspection Service in Operation Lost Innocence. As of August 2006, Lost Innocence has resulted in 107 searches, 64 arrests and/or indictments, and 51 convictions.

An excellent example of how one child pornography investigation into the activities of individuals involved in a commercial website operation can lead to the apprehension of hundreds of other offenders is the *Regpay* case. This case was prosecuted by the United States Attorney's Office for the District of New Jersey working together with CEOS, and led to Immigration and Customs Enforcement's (ICE) *Operation Falcon*. Regpay was a Belarus-based company that provided credit card processing services to hundreds of commercial child pornography websites. Regpay contracted with a Florida company, Connections USA, to access a merchant bank in the United States. In February 2005, several Regpay defendants pled guilty to various conspiracy, child pornography, and money laundering offenses. Connections USA and several of its employees also pled guilty in connection with this case. After exploiting customer information associated with the Regpay websites, ICE launched *Operation Falcon*, an international child pornography trafficking investigation. As a result, ICE was able to generate numerous additional leads identifying offenders who had purchased child pornography

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from the Regpay websites.

As I noted at the outset, the images these predators create, collect, and disseminate depict actual sexual abuse of real children. The Department's nationwide efforts thus extend beyond the challenge of tracking down the perpetrators: we are also taking steps to identify and rescue the victims depicted in the images of child pornography. One method for achieving this goal is already underway. The FBI Endangered Child Alert Program (ECAP) was launched on February 21, 2004, by the FBI's Innocent Images Unit, and is conducted in partnership with the Department's Criminal Division. The purpose of ECAP is to identify unknown offenders depicted in images of child pornography engaging in the sexual exploitation of children. Since ECAP's inception, seven of these "John Doe" subjects have been profiled by ***America's Most Wanted***, and with the assistance of tips from viewers, six have been identified. More importantly, 35 victims (so far) in Indiana, Montana, Texas, Colorado, and Canada have been identified as a result of this initiative. All of the victims had been sexually abused over a period of years, some since infancy. The Department will continue to ensure that this program is utilized to its maximum potential.

Prosecutions of Individuals

In addition to contributing to the success of major operations, the expertise and assistance that the Criminal Division provides in child exploitation cases – whether from experienced prosecutors or from specialized computer forensic specialists – is absolutely critical to the successful prosecution of individual defendants who pose real threats to children. In short, our involvement in individual cases makes a real difference in protecting children. The offenders we incarcerate often have a history of sexually exploiting children. Keeping them off the street has undoubtedly prevented untold numbers of children from becoming victims.

The following are just a few examples of some of our cases against these repeat offenders:

- In *United States v. Wilder*, the Criminal Division worked with the United States Attorney's Office for the District of Massachusetts to prosecute a repeat child

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pornography offender. After this defendant had been released from prison for a prior child pornography offense, he violated the terms of his supervised release by committing additional child pornography offenses. Not only was he re-incarcerated for violating the terms of his supervised release, but we prosecuted him for those new offenses. He was convicted on March 21, 2006, following a jury trial. As a repeat offender, he faced a mandatory minimum sentence of 15 years in prison, which he received when he was sentenced on June 28, 2006.

- In *United States v. Wilson*, the Criminal Division and the United States Attorney's Office for the Southern District of Indiana prosecuted a defendant who was caught with a 14-year-old runaway girl and who was convicted in state court for molesting her. Using metadata, link file analysis, chat logs, e-mail, and other forensic evidence, the HTIU was able to pin the child pornography specifically to the defendant, which precluded a possible defense argument that the child pornography did not belong to him. On December 8, 2005, the defendant was sentenced to 99 months' federal incarceration and supervised release for life.

- In *United States v. Whorley*, the Criminal Division worked with the United States Attorney's Office for the Eastern District of Virginia to secure the conviction, on December 1, 2005, of a convicted sex offender on 74 counts of receiving obscene material and child pornography. Among his other offenses, the defendant downloaded 20 images of Japanese anime cartoons from the Internet depicting prepubescent minors engaged in sexually explicit behavior. We believe this case was the first charged under 18 U.S.C. § 1466A, which criminalizes obscene visual representations of the sexual abuse of children of any sort, including drawings and cartoons such as the anime cartoons the defendant downloaded. On March 10, 2006, the defendant was sentenced to 240 months' imprisonment, to be followed by 10 years' supervised release.

- Finally, in *United States v. LaFortune*, the United States Attorney's Office for the District of Massachusetts and the Criminal Division prosecuted an offender who had previous convictions for raping his own children and for advertising child pornography. He was convicted of advertising, transporting, receiving, and possessing child pornography and, on March 10, 2006, was sentenced to thirty five years' imprisonment.

The Adam Walsh Child Protection and Safety Act of 2006

As I noted at the outset of my remarks, Congress has demonstrated both exemplary leadership and invaluable support for the Department's efforts generally, and for Project Safe Childhood in particular, by passing the Adam Walsh Child Protection and Safety Act of 2006. The Adam Walsh Act, signed by the President in July, will help us keep our children safe by preventing the sexual exploitation of children and by enhancing penalties for such crimes across the board. Let me highlight three areas in which this historic legislation bolsters our efforts at the Department of Justice to protect children:

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First, the new law establishes the Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking Office, and it assigns the Office numerous important functions relating to the sex offender registry. The SMART Office will be led by a Presidentially-appointed Director. The Department of Justice is working now to establish this Office, and it will be immensely valuable to our ongoing efforts to protect children from these offenders.

Second, the new law provides additional statutory authority for Project Safe Childhood initiative that I described a few minutes ago. We at the Department of Justice very much appreciate Congress's expression of support for this key initiative.

Third, the new law provides that in child pornography prosecutions, the child pornography must remain in the control of the government or the court. In passing this law, and by enacting findings explaining that child pornography constitutes prima facie contraband, and that each instance of viewing an image of child pornography is a renewed violation of the victim's privacy and a repetition of the victim's abuse, Congress has taken a great leap forward in protecting the children depicted in these images. While this law is currently being challenged by defendants in child pornography cases, we are optimistic that the courts will agree that it does not detract from defendants' ability to prepare for trial and should thus be upheld.

* * * *

In conclusion, protecting children from sexual exploitation over the Internet is one of the Department of Justice's highest priorities. The Department of Justice is unequivocally committed to investigating and prosecuting offenders who seek to sexually exploit our children. We thank you for your invaluable support for our efforts and look forward to working with you as we continue to hold those who would harm our children accountable to the fullest extent of the law.

Mr. Chairman, I again thank you and the Committee for the opportunity to speak to you today, and I would be pleased to answer any questions the Committee might have.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 6:53 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE CONFIRMATION OF ALICE S. FISHER AS ASSISTANT ATTORNEY GENERAL FOR THE CRIMINAL DIVISION

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, SEPTEMBER 19, 2006

AG
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TDD (202) 514-1888

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STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE CONFIRMATION OF ALICE S. FISHER AS ASSISTANT ATTORNEY GENERAL FOR THE CRIMINAL DIVISION

"The confirmation of Alice Fisher as Assistant Attorney General for the Department's Criminal Division is very good news for law enforcement throughout the entire criminal justice system. Since taking over as the head of the Criminal Division last year, Alice has proven herself to be an effective and inspiring leader. I commend the Senate for confirming this dedicated public servant. Under Mrs. Fisher's leadership, the Department's Criminal Division will continue to aggressively investigate and prosecute critically important cases across the board of criminal justice, including violent crime, crimes against children, public integrity, and corporate fraud.

"I also urge the Senate to confirm Ken Wainstein as Assistant Attorney General, so that we can move forward in establishing the Department's new National Security Division."

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Image not available for this document, ID: 0.7.10316.30999-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 19, 2006 7:13 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 19, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

WEDNESDAY'S EXPECTED NEWS STORIES:

Attorney General and FTC Chairman Announce Interim Recommendations by the President's Identity Theft Task Force (OPA)
The Attorney General and Federal Trade Commission Chairman Deborah Platt Majoras announced at a press conference today interim recommendations by the President's Identity Theft Task Force that are expected to be implemented immediately at the federal level. The announcement came following a meeting of the Task Force at the Department of Justice. The Task Force is expected to submit its final recommendations to the President in November.

Talking Points

- As with any crime, victims of identity theft suffer feelings of violation and stress, but in these cases, victims have the added burden of cleaning up the mess that the identity thieves leave behind.

- The President created the Identity Theft Task Force to oversee the implementation of real and practical solutions at the federal level to defeat this ongoing intrusion into the lives of law-abiding Americans. Today's recommendations move that process forward.

Attorney General and Assistant Attorney General Fisher Testify on Child Pornography (OPA)
Today, Attorney General Gonzales testified before the Senate Committee on Banking, Housing and Urban Affairs at a hearing entitled *Combating Child Pornography by Eliminating Pornographers' Access to the Financial Payment System*. Assistant Attorney General Fisher testified before the Senate Committee on Commerce, Science, and Transportation on *Online Child Pornography*.

Alice Fisher Confirmed as Assistant Attorney General for Criminal Division (OPA)
Today, Alice Fisher was confirmed as Assistant Attorney General for the Criminal Division. The Attorney General issued the following statement:

"The confirmation of Alice Fisher as Assistant Attorney General for the Department's Criminal Division is very good news for law enforcement throughout the entire criminal justice system. Since taking over as the head of the Criminal Division last year, Alice has proven herself to be an effective and inspiring leader. I commend the Senate for confirming this dedicated public servant. Under Mrs. Fisher's leadership, the Department's Criminal Division will continue to aggressively investigate and prosecute critically important cases across the board of criminal justice, including violent crime, crimes against children, public integrity, and corporate fraud.

"I also urge the Senate to confirm Ken Wainstein as Assistant Attorney General, so that we can move forward in establishing the Department's new National Security Division.

Canadian Commission Investigating Arar Affairs Releases Report (Civil)
The official Canadian inquiry into the September 2002 arrest of Maher Arar, a Canadian citizen who was deported to Syria by U.S. officials, was released yesterday. The report states that Canadian police wrongly identified Arar as an Islamic extremist, prompting U.S. agents to deport him to Syria, where he says he was tortured.

Talking Points

- Mr. Arar was deported under U.S. immigration laws. He was initially detained because his name appeared on terrorist watch lists.

- His removal was not rendition. It was a deportation. Even if it were a rendition, the U.S. government understands what our obligations are with respect to anyone who is rendered by this government to another country, and that is that we seek to ensure that they will not be tortured.

San Francisco Woman Who Served as Nazi Concentration Camp Guard is Deported to Germany (Criminal)
A San Francisco woman has been removed to Germany based on her participation in Nazi-sponsored acts of persecution while serving during World War II as a guard of female prisoners at the infamous Nazi-operated Ravensbrück Concentration Camp in Germany, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. A charging document filed in U.S. immigration court in San Francisco by the Justice Department's Office of Special Investigations, which investigated the case, and the Department of Homeland Security's Bureau of Immigration and Customs Enforcement alleges that Elfriede Lina Rinkel, 83, a native and citizen of Germany, served as a guard at Ravensbrück from June 1944 until the camp was abandoned in the closing weeks of the war.

Talking Points

- Concentration camp guards such as Elfriede Rinkel played a vital role in the Nazi regime's horrific mistreatment of innocent victims.

- This case reflects the Government's unwavering commitment to remove Nazi persecutors from this country.

FBI Releases Statement on Fifth Anniversary of Anthrax Attacks (FBI)
Today, the FBI released the following statement on the status of the investigation into the 2001 anthrax attacks:

> "The investigation into the deadly 2001 anthrax attack is one of the largest and most complex investigations ever conducted by law enforcement. Today, the FBI's commitment to solving this case is undiminished. The men and women of the FBI and the U.S. Postal Inspection Service assigned to the case remain fully committed to bringing the perpetrator(s) of these murderous attacks to justice. While no arrests have been made, the dedicated investigators who have worked tirelessly on this case, day - in and day - out, continue to go the extra mile in pursuit of every lead. From the Director to the investigating agents and inspectors, there is confidence the case will be solved.
>
> "Second, while not well known to the public, the scientific advances gained from this investigation are unprecedented and have greatly strengthened the government's ability to prepare for - and prevent - biological attacks in the future. Since the first anthrax mailing, investigators have worked hand in hand with the scientific community to both solve this case and to be best positioned in the event of a future attack.
>
> "Despite the frustrations that come with any complex investigation, no one in the FBI has, for a moment, stopped thinking about the innocent victims of these attacks – nor has the effort to solve this case in any way been slowed.

WEDNESDAY'S EXPECTED EVENTS/RELEASES:

9:00 A.M. EDT — Attorney General Alberto R. Gonzales will deliver remarks at the Boys & Girls Clubs of America Annual Congressional Breakfast.
Dirksen Senate Office Building
Room 50 G
Washington, D.C. 20150
OPEN PRESS

9:30 A.M. EDT — Deputy Attorney General Paul J. McNulty will testify before the Senate Judiciary Committee at a hearing on Senate Bill 2831, the Free Flow of Information Act of 2006.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

10:00 A.M. EDT — Attorney General Alberto R. Gonzales will deliver remarks at the Library of Congress' 2006 Observance of National Hispanic Heritage Month.

James Madison Building
Mumford Room, 6th Floor
101 Independence Avenue
Washington, D.C.
OPEN PRESS

2:00 P.M. EDT

Rachel Brand, Assistant Attorney General for Office of Legal Policy, will testify before the Senate Judiciary Committee at a hearing titled *Examining the Proposal to Restructure the Ninth Circuit*.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

System Administrator

From: System Administrator
Sent: Tuesday, September 19, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
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See client Help for more information.

info@londonjunto.com

From:	info@londonjunto.com
Sent:	Wednesday, September 20, 2006 6:40 AM
To:	Gorsuch, Neil M
Subject:	The London Junto Presents: "'Use Your Eyes and Plagiarise': Lessons From a 50 Year Career in Investment Management."
Attachments:	tmp.htm

The London Junto Newsletter: September 2006 The London Junto and The Harvard Business Forum Present:

Dear Neil.Gorsuch@usdoj.gov,

Join the London Junto and the Harvard Club of UK Business Forum on October 10th for an evening with Nils Taube, the doyen of London Fund Managers.

~~~~~~

"'Use Your Eyes and Plagiarise': Lessons From a 50 Year Career in Investment Management."

When once asked, to what he attributed exceptional track record as an investor, quick as a flash, and with a characteristic deep chuckle, Nils Taube came back the answer: "Plagiarism, of course!" Mr Taube's particular metier, as he tells it, has been "international plagiarism", the concept that a good idea from one market will often "travel well" and work equally successfully in another region or time zone. Now 78 years young, he has been running his first fund continuously since 1969, a record of service that no other London fund manager comes close to matching. All of the funds he and his colleagues have launched have outperformed their benchmarks by between 5 per cent and 8 per cent a year compound over periods of more than 15 years. Accumulation units in his original European fund have grown in value 200 fold, or just under 16 per cent a year, since 1969. Join him as he shares his wit, wisdom and wealth of experience with the Junto and Harvard alumni.

About Nils Taube (http://rs6.net/tn.jsp?t=vwmfpybab.0.idtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.citywire.co.uk%2FCFI%2FFundManagerFactsheet.aspx%3FCitywireClassID%3D20%26ManagerID%3D969)
~~~~~~

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DATE: October10, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD

The London Junto - http://rs6.net/tn.jsp?t=vwmfpybab.0.t9zzwubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.londonjunto.com

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Event Sponsors

The London Junto - http://rs6.net/tn.jsp?t=vwmfpybab.0.t9zzwubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.londonjunto.com The Harvard Club of UK Business Forum - http://rs6.net/tn.jsp?t=vwmfpybab.0.erl8xubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.hcuk.org

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Hayek Capital Management - http://rs6.net/tn.jsp?t=vwmfpybab.0.frl8xubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.hayekcapital.com

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Relevant links

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* Taube Hodson Stonex - http://rs6.net/tn.jsp?t=vwmfpybab.0.gdtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.citywire.co.uk%2FFunds%2FFundFactsheet.aspx%3FFundID%3D9375 *
Investing with the Grand Masters - http://rs6.net/tn.jsp?t=vwmfpybab.0.hdtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.amazon.com%2FInvesting-Grand-Masters-Stratetgies-Successful%2Fdp%2F0273625365

~~~~~~

Tickets for the event are £20.00. This includes:

* A welcome glass of wine or other beverage

* An opportunity to win a copy of James Morton's 1997 classic (which includes a profile of Nils Taube) Investing with the Grand Masters (http://rs6.net/tn.jsp?t=vwmfpybab.0.ndtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fbooks.global-investor.com%2Fbooks%2F10377.htm%3FginPtrCode%3D00000%26identifier%3D)

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Name, billing address, card type (VISA etc.), expiration date, card number, the CVN (Card Verification Number-the three digit number on the back of the card.)

~~~~~~

Nicholas Vardy
The London Junto
----

email: info@londonjunto.com
phone: +44(0)7780 677360
web: http://www.londonjunto.com

****
Please register and pay for this event by clicking on the button here:

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<input type="hidden" name="item_name" value="London Junto/Harvard Business Forum-Nils Taube, October 10th"> <input type="hidden" name="amount" value="20.00"> <input type="hidden" name="no_shipping" value="2"> <input type="hidden" name="no_note" value="1"> <input type="hidden" name="currency_code" value="GBP"> <input type="hidden" name="bn" value="PP-BuyNowBF"> <input type="image" src="https://www.paypal.com/en_US/i/ btn/x-click-butcc.gif" border="0" name="submit" alt="Make payments with PayPal - it's fast, free and secure!">

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THE DEADLINE FOR REGISTRATION AND PAYMENT IS October 6, 2006 **********
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London Junto | 16 Queensgate Place | London | SW7 5NY | United Kingdom

The London Junto Newsletter: September 2006

The London Junto and The Harvard Business Forum Present:

Event Sponsors

The London Junto

The Harvard Club of UK Business Forum

Hayek Capital Management

Relevant links

- Taube Hodson Stonex
- Investing with the Grand Masters

Dear Neil.Gorsuch@usdoj.gov,

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DATE: October10, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD
The London Junto

Tickets for the event are £20.00. This includes:

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Please pay on PAYPAL (link below-takes VISA etc.) You **DO NOT** need a PayPal account. Alternatively, drop me an e-mail with the following details: **Name, billing address, card type (VISA etc.), expiration date, card number, the CVN (Card Verification Number-the three digit number on the back of the card.)**

Nicholas Vardy
The London Junto

email: info@londonjunto.com
phone: +44(0)7780 677360
web: http://www.londonjunto.com

Please register and pay for this event by clicking on the button here:

THE DEADLINE FOR REGISTRATION AND PAYMENT IS October 6, 2006

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System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Wednesday, September 20, 2006 8:01 AM
To: Gorsuch, Neil M
Subject: Service-Oriented Architecture Seminar
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe9713717660047871-fdee17797463037d73127877-fef8177574610d

Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

M-bM-^@M-"To what extent are you able to share information between agencies and departments?

M-bM-^@M-"Does your IT infrastructure enable you to respond quickly to changing requirements?

Learn how government agencies are using the principles and technologies of service-oriented architecture (SOA) to reduce IT costs, increase operational efficiency, and respond quickly to threats and opportunities in the environment.

Join us for "Leveraging the Principles and Technologies of SOA in Government," a seminar featuring an industry expert and panel discussion on best practices for SOA deployments in the government sector.

Date: November 2, 2006

Time: 8 a.m. to 1 p.m.

Location:Crystal Gateway Marriott
1700 Jefferson Davis Highway
Arlington, VA 22202

Agenda

7:00 am - 8:00 am Registration/Breakfast
8:00 am - 8:15 am Welcome
8:15 am - 9:00 am Keynote Address - [redacted] Gartner
9:00 am - 9:45 am Service-Oriented Architecture-[redacted] TIBCO Software
9:45 am - 10:00 am Break
10:00 am - 11:00 am SOA Executive Panel Discussion 11:00 am - 12:00 pm Event Driven Architecture-[redacted] TIBCO Software 12:00 pm - 1:00 pm Lunch/Closing

SOA Executive Panel:
Moderator
[redacted]Former CIO - USAF

Panelist
[redacted]Deputy Chief Architect HPMO - Office of Information, Veteran Affairs[redacted]
Chief Scientist-Object-Oriented Technologies, RABA[redacted]ODNI[redacted] Senior
Consultant, EDS

To register go to:

http://www.tibco.com/mk/2006/info_sharing_gov.jsp
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We hope to see you on November 2nd

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9:00 am - 9:45 am	Service-Oriented Architecture- [redacted] TIBCO Software
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SOA Executive Panel:
Moderator
[redacted] former CIO - USAF

Panelist
[redacted] Deputy Chief Architect HPMO - Office of Information, Veteran Affairs
[redacted] Chief Scientist-Object-Oriented Technologies, RABA
[redacted] ODNI
[redacted] Senior Consultant, EDS

To register go to:
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 9:11 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE BOYS AND GIRLS CLUB OF AMERICA ANNUAL CONGRESSIONAL BREAKFAST

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 20, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE BOYS AND GIRLS CLUB OF AMERICA ANNUAL CONGRESSIONAL BREAKFAST

WASHINGTON, D.C.

Good morning; thank you, Rick.

I was raised in a small two bedroom home in a blue collar neighborhood just north of Houston. We were a poor family from a poor community. There were no private schools, no summer camps or after school programs.

But I was fortunate in that I had loving parents who kept a watchful eye on me and my seven brothers and sisters. The boys set up a baseball field in our backyard with a makeshift backstop made of 2X4s and chicken wire. And during the summers, we played in the morning, took a break for a lunch of tortillas and beans and a short nap. Then we played again all afternoon. We did this everyday.

When I was a young boy, I don't think my parents ever had serious worries about where we were and what we were doing. There were no trouble-making friends, no drugs or alcohol. There was just a strong family connection and there was baseball.

Too many of our children today are not so fortunate. There are too many broken homes, too many missing parents, and too many wasted lives. How does a child from disadvantageous circumstances find their way?

They do it with the guidance of organizations like the Boys & Girls Clubs that inspire kids to dream big dreams. They do it with mentors like the five outstanding young people who are being recognized today: Montrelle Lee, Alyse Eady, David Shelly, Stacey Walker, and Kelly Barefield.

DOJ_NMG_ 0168285

Each and every one of you is deserving of the national award that will be presented today – and I want you know that it's been my privilege to be with you this morning. I look forward to following your careers as you grow up to lead your generation.

These young men and women exemplify the purpose of the Boys and Girls Club: the pursuit of a better future for America's youth.

We share that purpose at the Justice Department, and that's why I'm so pleased to be able to have this conversation with all of you today.

From preventing terrorist attacks, to cracking down on gangs and violent crime, to tracking down pedophiles and internet predators, we fight for our children, that they may enjoy the promise of America. We fight for their innocence and their dreams. It is a fight for our future.

None of these goals can be achieved without cohesive, coordinated efforts among all levels of government as well as the private and non-profit sectors.

It strikes me that when prevention is the goal, partnerships are most critical.

At the Department, criminal prosecution is an important part of what we do, but it is a hollow victory when compared to prevention.

We seek to prevent kids from joining gangs or doing drugs in the first place.

Prosecuting young criminals is not a success. Seeing young people graduate from high school and pursue dreams of career, education, family… that's success.

The Boys and Girls Club understands the goal of prevention as well as any group in America today. You have a proud history of offering an alternative to kids who might otherwise get involved with drugs, gangs or other crimes.

At the Department, we appreciate the partnership of the Boys and Girls Club, and we challenge you to take your mission even further.

We will, of course, be by your side. We need your expertise to make Departmental initiatives, like Project Safe Neighborhood and Project Safe Childhood, a success.

We also want to go with you to the communities that others will not serve. We're proud to be partnering with you in New Orleans, for example, where violent crime is threatening neighborhoods struggling to recover from unprecedented disaster. The Department is proud to be providing funding to help establish a Boys and Girls Club and Police Athletic League in New Orleans right now.

DOJ_NMG_ 0168286

Let's continue to challenge ourselves to find those neighborhoods where kids really don't have enough options—where they cannot play baseball because the sandlot is patrolled by gangs. In areas both urban and rural, there are too many kids who leave a bad school in the afternoon to return to an empty or even dangerous home. That's where we need the Boys and Girls Club the most, and I want to support you in seeking those neighborhoods out.

I particularly want to commend the volunteers who support Boys and Girls Clubs because I know the good work of this organization would not be possible without them.

I hope that your volunteerism inspires the children you work with to someday become volunteers and mentors themselves. Service and volunteerism are a key part of citizenship and help us to appreciate the blessings of this great nation.

In giving to others we rekindle and refine ourselves. It feels good to help others… to know that you have made a difference in someone's life.

There can be no question that volunteerism is good for society and good for the soul. I'm also interested in what it can do for a nation that is so blessed, so prosperous, that we may have lost a bit of perspective on our own fortune.

While I believe strongly that the best "hand-up" ever given is freedom itself, we cannot take pride in ourselves or in our nation if we are not taking care of our neighbors when they need us.

The volunteers of the Boys and Girls Club are a shining example of the American heart and a unique dedication to giving back.

Everyone involved in the Boys and Girls Club gives a gift to the next generation. Your time and financial resources are well-spent and they do make a difference.

There is one more gift that I hope the Club will consider giving to their girls and boys… and that's the gift of American history.

Consider posting the Declaration of Independence, the Constitution and the Bill of Rights on your facility walls. We can't bring every child here to Washington to visit the National Archives, but we can bring the charters of freedom to every child.

Because, regardless of the neighbourhood they are growing up in, every American child has an advantage in life because they are American citizens. They are born to a freedom that other children, in other countries, can only dream of.

I hope to see more children learning that their country was built to be a place of opportunity, a golden door to step through and grasp a dream.

DOJ_NMG_ 0168287

I believe that our country's founding documents are one of the best illustrations of American hope… and surely hope and opportunity is what the Boys and Girls Club is really all about.

Thank you for giving me the time to share these thoughts, and for having me here today for this Centennial Celebration. We are here on this earth but for a short time and in my mind for a definite purpose. Each of us are given specific gifts and talents to be shared to affect the lives of others. I pray that God watches over you and your family, may he guide your all of your decisions and may he continue to bless the United States of America.

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DOJ_NMG_ 0168288

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Image not available for this document, ID: 0.7.10316.30942-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 10:09 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 20, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, September 20, 2006

ATTORNEY GENERAL

10:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the Library of Congress' 2006 Observance of National Hispanic Heritage Month.
James Madison Building
Mumford Room, 6th Floor
101 Independence Avenue
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

PRESS RELEASES

The Civil Rights Division will issue a release on Fair Housing Act matter. (Magnuson)

The Office of Justice Programs will issue a release from the Bureau of Justice Assistance. (Peterson)

EVENTS/HEARINGS

9:30 A.M. EDT Deputy Attorney General Paul J. McNulty will testify before the Senate Judiciary Committee at a hearing on Senate Bill 2831, the Free Flow of Information Act of 2006.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

DOJ_NMG_ 0168291

2:00 P.M. EDT Rachel Brand, Assistant Attorney General for Office of Legal Policy will testify before the Senate Judiciary Committee at a hearing entitled *Examining the Proposal to Restructure the Ninth Circuit.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

5:30 P.M. EDT Wan Kim, Assistant Attorney General for the Civil Rights Division, will deliver keynote remarks at The American-Arab Anti-Discrimination Committee's Fifth Annual Judges Night.
Bint Jebail Cultural Center
6220 Miller Road
Dearborn, Mich.
OPEN PRESS

Press inquiries regarding logistics should be directed to The American-Arab Anti-Discrimination Committee at (313) 581-1201.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 10:13 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE AWARDS OVER $12 MILLION TO STATES TO REDUCE INMATE RECIDIVISM

A copy of the 2006 Prisoner Reentry Initiative Awards is attached.

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 21, 2006

Office of Justice Programs
Contact: Sheila Jerusalem
www.ojp.usdoj.gov
(202) 307-0703

DEPARTMENT OF JUSTICE AWARDS OVER $12 MILLION TO STATES TO REDUCE INMATE RECIDIVISM

WASHINGTON – The Department of Justice today announced that $12 million will be awarded to 20 states through the Department of Justice's Prisoner Re-entry Initiative (PRI). Awards of up to $450,000 are being provided to state agencies to evaluate inmates prior to release from incarceration and develop transition plans in collaboration with community-based and justice agencies for their return to their communities.

Administered through the Department's Office of Justice Programs (OJP) and with the support of additional federal agencies, PRI is designed to reduce recidivism by helping returning inmates find work and access other critical services in their communities. A list of the recipients of the 2006 PRI awards is available at: http://www.ojp.usdoj.gov/BJA/grant/06PRIawards.pdf.

"Fewer than half of all released offenders stay out of trouble for at least three years after their release from prison, and many of these offenders commit serious or violent offenses while under parole supervision," said OJP Assistant Attorney General Regina B. Schofield. "The Prisoner Re-entry Initiative involves an unprecedented collaborative approach -- at the federal, state and local levels -- by addressing this problem through supervision and providing a wide range of services offenders need to help them successfully transition to law-abiding behavior."

Last November, the U.S. Department of Labor (DOL) awarded grants to faith- and community-based organizations to develop an employment-centered program that incorporates mentoring, job training and other transitional services to the offenders. Today's awards to state agencies will provide pre-release assessment, programming and services, transition planning, and post-release supervision for prisoners returning to communities served by DOL grants. The U.S. Department of Health and Human Services assists the design and implementation of the initiative regarding substance abuse and mental health treatment. The DOL awards are available at: www.dol.gov/opa/media/press/eta/eta20052123list.htm.

DOJ_NMG_ 0168295

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and is comprised of five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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BJA06065

DOJ_NMG_ 0168296

2006 Prisoner Reentry Initiative Awards

State	Agency	Amount
Michigan	MI Dept. of Corrections	450,000
Iowa	IA Dept. of Corrections	450,000
Missouri	MO Dept. of Corrections	900,000
Washington	WA Dept. of Corrections	450,000
Massachusetts	MA Dept. of Corrections	421,875
Wisconsin	WI Dept. of Corrections	450,000
Ohio	OH Dept. of Rehabilitation and Corrections	428,726
New York	NY Division of Criminal Justice Services	815,538
Arizona	AZ Dept. of Corrections	900,000
Florida	FL Dept. of Corrections	450,000
Oregon	OR Dept. of Corrections	450,000
California	CA Youth and Adult Correctional Agency	1,800,000
Louisiana	LA Dept. of Public Safety and Corrections	900,000
Colorado	CO Dept. of Corrections	449,704
Pennsylvania	PA Dept. of Corrections	449,000
New Jersey	NJ Dept. of Corrections	900,000
Illinois	IL Dept. of Corrections	450,000
Texas	TX Dept. of Criminal Justice	1,350,000
Connecticut	CT Dept. of Corrections	450,000
Maryland	MD Dept. of Public Safety and Correctional Services	450,000
	Total	**12,914,843**

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 10:13 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NATIONAL HISPANIC HERITAGE MONTH PROGRAM AT THE LIBRARY OF CONGRESS

Department of Justice

FOR IMMEDIATE RELEASE — AG
WEDNESDAY, SEPTEMBER 20, 2006 — (202) 514-2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NATIONAL HISPANIC HERITAGE MONTH PROGRAM AT THE LIBRARY OF CONGRESS

WASHINGTON, D.C.

Good morning; buenos dias!

I want to thank Dr. Billington and the Library of Congress staff for inviting me here today, and for having this wonderful celebration for Hispanic Heritage Month. As the nation's oldest federal cultural institution and as the largest library in the world, there is no more fitting a place than here to display highlights of the contributions of Hispanic Americans to the nation.

Last year during a Hispanic Heritage Month celebration, I participated in a tribute to the many Hispanic men and women who have served our Nation in the armed forces.

At the tribute, Congressman John Salazar spoke about his father who served proudly in combat and had instructed his family to bury him in his uniform. Sadly, Mr. Salazar suffered a heart attack recently and passed away. Before his father died, Congressman Salazar was called to the house by his mom. And with his last breath, Mr. Salazar said to his son, "I love you" and "uniform". In those few words, Mr. Salazar captured the essence of our culture: duty to family and duty to country.

This story causes me to reflect on the honor many Hispanics have brought not only to our great country, but also to the proud heritage of Hispanic leaders in our Nation.

Hispanic Americans have a vibrant culture and a community spirit that has made tremendous contributions to this country… and it strikes me that a celebration of our heritage is a celebration of America.

Throughout my career, I have not forgotten where I came from or the obstacles that I had to overcome to stand before you today. The values of my Hispanic heritage have played a role in getting me to this point.

This month our Nation recognizes what many of us in this room know from personal experience: The values of America's Hispanic community are the same values that sustain our Nation's greatness: Sacrifice. Hard work. Trust. Personal initiative. And perseverance in the face of adversity.

Growing up in Texas, I saw these values everyday in the life of my parents.

My father, Pablo, was not an educated man. But he worked hard, every day, to give his eight children the American dream.

As a young man, my father picked crops in the fields of South Texas where he met another migrant worker—a young woman named Maria who became my mother.

Later on, my dad and two of my uncles built the house that I grew up in Houston. I still remember when I was a small boy playing in the field as they laid the cinder blocks for the foundation. Then they nailed together the 2x4s, put up the sheet rock that would form the walls, and skillfully hammered the composition shingles onto the roof. From that sweat and toil and vision arose the small two-bedroom house that became our home … and my mother still lives there, proudly, today.

That home is my past, but it also represents our heritage, as Americans who always dream and work for a better tomorrow. Humble beginnings are not something that hold you back in this country, because we all have the foundation of freedom to build on.

Watching my parents build on this foundation always inspired me. As a young boy, I always asked that my mother wake me before dawn so I could eat scrambled eggs and tortillas with my father before he left for work. As my father and I ate breakfast together, my mother would dutifully prepare a modest lunch of beans and tortillas. She would then carefully place them in a brown lunch sack. After breakfast, my mother and I would wave goodbye to my father as he left to catch his ride for work. The memories of this daily ritual burn strong in my chest as I recall this simple time, that simple food, and those deep, enduring American values of family, hard work, and sacrifice.

This is the heritage of our community. These are the values our Nation reaffirms during Hispanic Heritage Month.

Just a few years ago, my mother came to stay with my family as she visited Washington for the first time. We walked the monuments and the museums like other curious tourists, but I also took her into the Oval Office, this little woman who once picked cotton, to see the President of the United States.

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It was important for me to be able to do that for her. I wanted to thank her for her guidance and to show her what I had accomplished because of her sacrifices and those of my father.

At dawn on the last day of her visit, she was up early to say goodbye as I left for work—just as she had been there for my father on so many mornings. Only I wasn't going to labor at a construction site, I was reporting to the White House to advise the most powerful person in the world.

I don't think she ever dreamed – when she was working in the cotton fields – that her son would one day take her, on his arm, to the Oval Office.

But she and my father did know that the proud heritage that they passed on to their children—and that I pass to my sons—a heritage of hard work and sacrifice, faith and family, hope and perseverance, could open untold doors in this land of opportunity.

The story of America is a story of constant renewal and reaffirmation of our founding ideas and our enduring values of faith, family, and freedom.

These are values that demand the best from every American: Whether you are a new citizen who has just taken the oath to protect and defend the Constitution or you are a citizen who traces his roots back to the first wave of refugees to come to this New World, we must all treasure the opportunities that abound in this promised land.

There are many Hispanic Americans around the nation today who are striving for the American dream. Many of these men and women come from backgrounds not unlike my own.

National Hispanic Heritage Month provides the American people, and particularly Hispanic children, with the opportunity to see as well as to hear that no matter their background or heritage, the possibilities for the future are limitless. They, too, can one day be Members of Congress, Attorney General or corporate leaders. One day there will be a Hispanic American deciding cases on the U.S. Supreme Court. And one day, there will be a Hispanic man or woman leading our country as President.

The future of Hispanic American culture is as exciting as our past. That is why we are here to today, to honor and remember this heritage that continues to give every American – Hispanics and our non-Hispanic neighbors all over this great country – so very much to learn from and be proud of.

While National Hispanic Heritage Month is limited to the month of September, our heritage, history, and impact on this nation is limitless. As Americans, we are a people dedicated to justice, opportunity, and equality. As Hispanics, we cherish our heritage of hard work, perseverance, faith and family.

With our heritage rooted deeply in these values and our hope in the future of America, we will continue to strive towards excellence in all that we do, leaving a strong legacy for our children and future generations.

Muchas gracias y que Dios los bendiga… and may God continue to bless this great nation.

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System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 565910 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 11:56 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE SENATE JUDICIARY COMMITTEE CONCERNING "REPORTERS' PRIVILEGE LEGISLATION: PRESERVING EFFECTIVE FEDERAL LAW ENFORCEMENT"

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 20, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

PREPARED STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE SENATE JUDICIARY COMMITTEE CONCERNING "REPORTERS' PRIVILEGE LEGISLATION: PRESERVING EFFECTIVE FEDERAL LAW ENFORCEMENT"

WASHINGTON, D.C.

Chairman Specter, Senator Leahy, and Members of the Committee, thank you for the opportunity to appear today to discuss S. 2831, the "Free Flow of Information Act of 2006," and unauthorized disclosures of classified information by the media. While others at the Department of Justice previously have testified on these matters, this is my first opportunity to talk with you about them. The issues are weighty, and I commend the careful attention you are giving them.

Let me begin with these facts and observations, upon which we should all agree. The Department of Justice shoulders the important obligation of enforcing the law and ensuring the public safety against foreign and domestic threats. We also are duty bound to administer justice with fairness. Our work requires a constant balancing of interests.

A determination to commence prosecution requires a careful assessment of all facts and circumstances. Our guidepost, as stated in the United States Attorneys' Manual, is whether the "fundamental interests of society require the application of the criminal laws to a particular set of circumstances," recognizing that any decision to bring charges "entails profound consequences" for all affected persons. U.S. Attorneys' Manual § 9.27.001. In all instances, the Department's attorneys represent and must protect the public's interest in the fair and balanced administration of justice.

How we conduct investigations is no less important. We owe crime victims, those suspected of committing crimes, and the public the duty of conducting diligent and thorough investigations. Our search is for the truth, and our record shows that our approach has reflected measured and careful judgments. Overreaching does not serve justice, and the Department's men and women understand and respect that principle.

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Our measured approach manifests itself in the daily administration of justice around the country. Our attorneys, for example, take great care to ensure that grand jury investigations are both full and fair. Indeed, the very institution of the grand jury—consisting as it does of ordinary citizens—provides an added layer of balance to our investigations. To be sure, though, a grand jury operates with a broad and time-honored mandate: to search broadly for the truth and enlist everyone with potentially useful information in that search. As the Supreme Court has explained, the "investigative power of the grand jury is necessarily broad if its public responsibility is to be adequately discharged." Branzburg v. Hayes, 408 U.S. 665, 700 (1972).

In our investigations and prosecutions we always respect civil liberties, including the First Amendment rights of citizens and the media. Since the Founding era, journalists have contributed invaluably to our public discourse. Every schoolchild learns of the importance of Thomas Paine's contention, penned as it was in a revolutionary-era pamphlet, that "common sense" compelled a separation from England and the establishment of a new nation. More modern examples abound. Indeed, it is difficult, if not impossible, to read any newspaper or Internet news site and not find commentary on issues of enormous importance to our communities and nation. The Department of Justice fully respects and is committed to protecting the media's right to comment, however favorably or critically, upon the course of government and the actions of public officials.

Striking the right balance today between vigorously investigating and prosecuting crime and protecting civil liberties presents unique challenges. Our nation is engaged in a war on terror, and the Department's highest priority is to prevent another attack. Our prevention efforts must be tailored to the nature of the enemy we face—extremists constantly searching for ways to penetrate our communities and inflict death and destruction upon our people. Secrecy and surprise are cornerstones of our enemy's approach. Our response must follow suit. Our counterterrorism arsenal must include secrecy among its weapons. To publish the full contours of our prevention efforts would provide our enemy with unacceptable opportunities. Certain information must be kept classified and outside the public domain.

In making this point, the Department fully appreciates that there is not unity of opinion as to how America should conduct its war on terror. We are fighting a new kind of war that regularly presents new kinds of challenges, and Americans rightly are asking new kinds of questions. This debate is healthy and welcomed.

But our public dialogue, in which journalists play an essential role, cannot be permitted to itself breach our nation's security. In this regard, the media bears the important responsibility of striking the proper balance in its reporting—to keep Americans informed and to comment broadly without arming our enemy or risking danger to our troops, communities, or nation. The Department appreciates the care with which the media has undertaken this responsibility.

My larger point is that our Constitution permits the proper balance to be struck. As a nation, we are fully capable of both protecting our security and preserving the media's right to engage in robust reporting on controversial issues. Security and free speech are not mutually exclusive. Or, as Justice Goldberg famously observed, the Constitution is "not a suicide pact." Kennedy v. Mendoza-Martinez, 372 U.S. 144, 160 (1963).

The Department of Justice has developed a strong record in striking the right balance. I want to describe that record by explaining how we investigate leaks of classified information. Let me emphasize at the outset the seriousness of the problem posed by the unauthorized disclosure of classified information. An individual who leaks classified national defense information commits a crime. To talk about such leaks, then, is to talk about criminal conduct. There is no virtue in leaking; it reflects a profound breach of public trust and is wrong and criminal.

The consequences of leaking are extraordinarily grave. Leaks lay bare aspects of our national defense; they provide a window into steps we are taking to secure our country; they risk arming terrorists with precisely

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the information needed to avoid detection in plotting an attack upon our troops or communities; in short, they expose and damage our nation. These concerns and realities have been echoed by the President and Members of Congress in both the House and the Senate, including Members of this Committee.

Some skeptics have tried to paint those who unlawfully leak classified information to the press as whistleblowers caught in an intractable dilemma between, on the one hand, allowing what they believe may be unlawful activity to continue within the Government and, on the other hand, unlawfully disseminating information to someone with no authority to receive it. These so-called whistleblowers, the argument runs, escape the dilemma by conditioning a disclosure of classified information upon a journalist's promise of confidentiality.

This dilemma is a false one. It incorrectly assumes that the media is an individual's only outlet. Not so. Congress took care to ensure that no Government employee faces such a dilemma by enacting the Intelligence Community Whistleblower Act of 1998. That statute established mechanisms through which members of the intelligence community could voice concerns while ensuring that classified information would remain secure. In the first instance, the statute directs individuals to relay their concerns to their agency's Inspector General. Employees who are dissatisfied with their Inspector General's response are then authorized to bring their concerns to an appropriate committee of Congress in its oversight capacity.

With these mechanisms in place, it is a mistake to dub an individual who leaks classified information a whistleblower. A leaker commits a crime; a whistleblower, by contrast, follows the legal course of disclosure enacted into law by Congress. The difference is significant and should not be not be lost on the Committee.

Upon learning of a leak of classified information to the media, our primary focus is on identifying and prosecuting the leaker, not the reporter or media organization who received the leaked information. This focus is reflected in the Department's guidelines for the issuance of subpoenas and other compulsory process to the media. Codified at 28 C.F.R. § 50.10, the guidelines demonstrate how seriously the Department takes any investigative or prosecutorial decision that implicates members of the news media. This policy, by its terms, seeks to "balanc[e] the concern that the Department of Justice has for the work of the news media and the Department's obligation to the fair administration of justice." 28 C.F.R. § 50.10.

The details are important. The guidelines provide that "[a]ll reasonable attempts should be made to obtain information from alternative sources before considering issuing a subpoena to a member of the news media." Id. § 50.10(b). They also call for undertaking negotiations with the media before resorting to a subpoena. Even then the prosecutor should do so only if there are "reasonable grounds to believe, based on information obtained from nonmedia sources, that a crime has occurred, and that the information sought is essential to a successful investigation—particularly with reference to directly establishing guilt or innocence." Id. § 50.10(f)(1).

This process ordinarily plays out across multiple levels within the Department of Justice. A prosecutor seeking confidential source information from a journalist must justify the request in writing. If the request receives approval from a United States Attorney, it then comes to Washington for careful vetting within our Criminal Division, Office of Public Affairs, the Office of the Deputy Attorney General, and, ultimately, the Office of the Attorney General. The Attorney General's approval is mandatory in all cases in which cooperation fails with a particular journalist.

This exhaustive and rigorous process is undertaken for a reason—to enable close scrutiny by career prosecutors and to ensure that subpoenas seeking confidential source information from journalists are issued only as a matter of last resort. In the past 15 years, the Attorney General has approved only approximately 13 requests for media subpoenas that implicated source information. This record reflects restraint: we have recognized the media's right and obligation to report broadly on issues of public controversy and, absent

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extraordinary circumstances, have committed to shielding the media from all forms of compulsory process. The Department of Justice will steadfastly continue to strike this same balanced approach in our investigations.

Our approach fully complies with the law. While the Supreme Court repeatedly has stressed the importance of the media's role in our society, it also has decisively declared that the media is not exempt from the general obligation—shared by all citizens—to provide evidence to grand juries investigating crimes. The seminal case is Branzburg v. Hayes, 408 U.S. 665 (1972). The Supreme Court in Branzburg held that journalists had no First Amendment right to refuse to comply with a subpoena and provide testimony to a grand jury regarding information received from a confidential source. See id. at 690-91. The Court's message was plain: "[W]e cannot accept the argument that the public interest in possible future news about crime from undisclosed, unverified sources must take precedence over the public interest in pursuing and prosecuting those crimes reported to the press by informants and in thus deterring the commission of such crimes in the future." Id. at 695. Other courts have reinforced this conclusion. See, e.g., In re Grand Jury Subpoena, Judith Miller, 438 F.3d 1141, 1146-48 (D.C. Cir. 2006); New York Times v. Gonzales, No. 05-2639, 2006 WL 2130645, at *11-12 (2d Cir. Aug. 1, 2006).

No aspect of the legal landscape or the Department's guidelines has inhibited the media from robustly reporting and commenting on controversial issues. To the contrary, journalists have time and again proven themselves more than able to gather information and disseminate news and commentary on the most controversial matters of the day. Only in extraordinarily rare circumstances—approximately 13 cases in 15 years—has the Department determined that the interests of justice warranted compelling information implicating sources from a journalist. We have struck the right balance and will continue to do so in the future.

I want to turn now to S. 2831, the "Free Flow of Information Act of 2006." The Department of Justice firmly opposes the bill. In recent months, at least three Department officials have provided statements or offered testimony on the proposed legislation, and on June 20 of this year we detailed our objections in a views letter. I do not intend to rehash all of the points made in our letter or prior testimony. Allow me instead to focus on the bill's most serious deficiencies and to address the practical consequences that would befall the administration of justice and criminal defendants if the bill became law.

As an initial matter, proponents of the bill contend that it is a necessary response to certain recent high-profile cases in which the Department's actions have purportedly signaled a newfound eagerness to stop journalists from reporting of leaks. The contention is misguided. The Department has not changed its policy or approach to investigating leaks. We continue to follow the same guidelines and processes that have resulted in the issuance of subpoenas implicating source information in only approximately 13 cases in the last 15 years. We continue to regard journalists as a source of last resort. There is not one shred of evidence supporting the notion that the Department of Justice is out to get the media.

Nor is there anything but conjecture to support the contention that journalists are writing in fear. Indeed, the argument parallels the same ones presented to, and rejected by, the Supreme Court in Branzburg in 1972. The Supreme Court dismissed as "speculative" the assertion that reporting would be chilled by requiring journalists to provide confidential source information to a grand jury. Branzburg, 408 U.S. at 694. If the critics in Branzburg were to be believed, we would have seen a marked decline in press freedoms in the ensuing years. Of course, the opposite has occurred. We live in an age in which news and critical commentary is everywhere––in print, over airwaves, and throughout the Internet. The proponents of the bill have not proven their case; they have failed to demonstrate that the Department of Justice has sought to compel confidential source information from journalists more aggressively or in greater numbers than it has in the past. The proposed bill is a solution in search of a problem.

Let there also be no doubt about the ramifications the bill would have on the administration of justice. The bill would work a dramatic change in current practice and severely hamper our ability to investigate and prosecute serious crimes, including acts of terrorism.

Under Section 9 of S. 2831, a court must determine "by a preponderance of the evidence" that "an unauthorized disclosure has significantly harmed the national security in a way that is clear and articulable" and that such harm "outweighs the value to the public of the disclosed information." By its terms, then, the bill not only transfers to the judiciary the authority to second-guess the Executive's determinations regarding what does and does not harm the national security, it also licenses courts to find that a reporter's promise to conceal a source's identity can override national security interests, even when harm to national security is conceded. The only necessary finding is that the public interest was sufficiently strong to justify disclosure of the classified information.

The Department of Justice is particularly concerned about Section 9 and its transfer of authority to make national security determinations to the federal judiciary. The bill would force federal judges into making extremely difficult decisions about the national security implications of a particular leak—decisions that would require extensive and nuanced knowledge about our larger national security strategy, the details of classified programs, and the ground-level impact of certain information being disseminated to the public. The process would require the submission of ample evidence and consume inordinate amounts of time, which we rarely can afford to lose when confronted with the dynamics that define national security challenges today. Perhaps Judge Wilkinson put these concerns best in his concurring opinion in United States v. Morison, 844 F.2d 1057 (4th Cir. 1988):

> Evaluation of the government's [national security] interest . . . would require the judiciary to draw conclusions about the operation of the most sophisticated electronic systems and the potential effects of their disclosure. An intelligent inquiry of this sort would require access to the most sensitive technical information, and background knowledge of the range of intelligence operations that cannot easily be presented in the single 'case or controversy' to which courts are confined. Even with sufficient information, courts obviously lack the expertise needed for its evaluation. Judges can understand the operation of a subpoena more readily than that of a satellite. In short, questions of national security and foreign affairs are of a kind for which the Judiciary has neither aptitude, facilities nor responsibility and which has long been held to belong in the domain of political power not subject to judicial intrusion or inquiry.

Id. at 1082-83 (Wilkinson, J., concurring).

Section 9 of the bill would thrust the judiciary into law enforcement matters reserved by the Constitution to the Executive branch. Within the context of confidential investigations and secret grand jury proceedings, determinations regarding the national security interests are best made by members of the Executive branch—officials with broad access to the full scope of information necessary to protect our national security. As Justice Stewart explained in his concurring opinion in the Pentagon Papers case, "it is the constitutional duty of the Executive—as a matter of sovereign prerogative and not as a matter of law as the courts know law—through the promulgation and enforcement of executive regulations, to protect the confidentiality necessary to carry out its responsibilities in the fields of international relations and national defense." New York Times Co. v. United States, 403 U.S. 713, 729-30 (1971) (Stewart, J., concurring).

Let me be clear about what is at stake in Section 9. Under existing law, an individual wishing to challenge a subpoena bears the burden of proving that the request for particular evidence is unreasonable or oppressive. The proposed bill, by contrast, saddles the Government with the obligation of going into a federal court and producing evidence of a quantity sufficient to prove clear and articulable harm to our nation's security. In addition to infringing upon constitutionally-conferred executive authority, the bill goes a step

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further and makes matters all the worse: it places a thumb on the scale in favor of the reporter's privilege. The Government cannot obtain confidential source information unless it first proves that the harm to our national security would outweigh the public's interest in maintaining the free flow of leaked information. Our national security is too important to be subjected to these standards and burdens.

Section 9, in short, would reflect bad policy and make bad law. The practical impact, moreover, could be enormous. To provide a simple example, consider a journalist who publishes a detailed story about covert classified efforts to track the movements of international terrorists. The story also contends that aspects of the covert program have encroached on privacy interests of certain individuals by mistakenly identifying them as terrorists. The journalist attributes the information to a confidential source and describes the source as a government insider who is so concerned about the program that he intends to resign and relocate outside the United States, taking with him documents detailing the program's operation.

Despite their best efforts, the Department of Justice and the intelligence community are unable to identity the confidential source through independent means, and the journalist refuses to cooperate voluntarily with the Department. To prevent further harm to national security, the Attorney General quickly approves a narrowly-tailored subpoena that seeks only the identity of the journalist's source. The journalist believes the public has a right to know about the covert program and the potential privacy problems and thus challenges the subpoena in court.

Under current law, to prevail on a motion to quash, the journalist would be required to prove the subpoena request was unreasonable and oppressive. Given the circumstances, it is unlikely the journalist could make such a showing and thus the Department would learn the leaker's identity and apprehend him in time to prevent additional harm to our national security. Under the proposed bill, however, the Department would first be required to provide affirmative proof that the leak damaged our national security. While it is possible that such a showing could be made in this scenario, it is equally likely that a court could find that the harm was not yet realized or capable of specification. That finding would be enough to defeat the subpoena, even though the journalist would have done nothing other than file the motion to quash, thereby shifting the burden of proof to the Government. Moreover, even if a court credited the Department's showing of harm, the court nevertheless could find that public's interest in learning about the alleged privacy violations outweighed the Government's interests. That finding would defeat the subpoena.

This example is both realistic and revealing. It proves that the proposed legislation would impose significant and potentially crippling burdens on federal law enforcement in cases directly affecting our national security. Given the Department's record of restraint in compelling confidential source information from journalists, the bill would inflict unjustifiable harm upon a proven approach to effective law enforcement.

Section 9 is by no means the only provision of S. 2831 with serious deficiencies. The bill is deficient in the simplest of dimensions. Take, for example, the definition of "journalist" in Section 3. It includes only journalists who work for financial gain and thereby discriminates against individuals who, for no money, contribute a story to a local newspaper. This deficiency leaves the bill wide open to serious constitutional challenge on the ground that it unjustifiably discriminates against categories of speakers.

Section 5 of the bill raises grave constitutional concerns of an altogether different variety. The Sixth Amendment entitles defendants to compel witnesses to appear in court and testify. Section 5, however, would permit defendants to access such a witness only if, "based on an alternative source," they are able to show that the witness had information relevant to a successful trial defense. The Sixth Amendment imposes no such "alternative source" requirement. Section 5 is egregiously defective in a more basic way. It requires a court to balance criminal defendant's "constitutional rights" against the "public interest in newsgathering and in maintaining the free flow of information." Such a balancing requirement is indefensible; individuals facing

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grave criminal penalties, say, for example, a life sentence, should not have their "constitutional rights"—indeed, their liberty—thwarted by the interest of "newsgathering."

Other points warrant emphasis. Some supporters of S. 2831 have suggested that the bill is no more than a codification of the Department's own guidelines. That view is badly mistaken. The Department's guidelines preserve the constitutional prerogatives of the Executive branch with respect to key decisions regarding, for example, the kind of evidence that is presented in grand jury investigations and what constitutes harm to the national security. The proposed legislation, by contrast, would shift ultimate authority over these and other quintessentially prosecutorial decisions to the judiciary. Furthermore, the proposed legislation would replace the inherent flexibility of the Department's guidelines, which can be adapted as circumstances require—an especially valuable attribute in a time of war—with a framework that is at once more rigid (by virtue of being codified by statute) and less predictable (by virtue of being subject to the interpretations of many different judges, as opposed to a single Department with a clear track record of carefully balancing the competing interests).

I have also heard it suggested that the Department's concerns are overblown because many states have enacted workable media shield laws. Such analogies are entirely misplaced. An individual state's decision to provide a reporter with protection against a subpoena from a prosecutor investigating crimes under state law, serious though those crimes may be, says little about the virtues of providing journalists with such protections at the federal level. The Federal Government, unlike state and local governments, is uniquely responsible for providing for the national defense, working with our international partners to prevent acts of terrorism, and investigating crimes with expansive national and international ramifications, such as terrorism, espionage, and leaks of classified information.

In closing, I wish to end where I began. The issues before the Committee are of enormous significance. They require each of us to acknowledge the necessity of balancing important interests and then to focus on the Department of Justice's record in striking that balance. That record, as I have explained, is one of success and restraint. We seek to work cooperatively with the media, and only rarely has the Department determined that the interests of justice warranted seeking to compel a journalist to reveal information obtained from a confidential source. The rarity of those occasions reflects the Department's commitment to respecting the media's important role within our society. The media has been and will remain a source of last resort in our investigations.

Against the backdrop of the Department's record and the lack of any evidence showing that our approach has meaningfully chilled robust reporting by the media, I respectfully urge the Committee not to support S. 2831. The bill would significantly weaken the Department of Justice's ability to obtain information of critical importance to protecting our nation's security, inject the federal judiciary to an extraordinary degree into affairs reserved by the Constitution for decision within the Executive branch, and, at bottom, encourage the leaking of classified information.

Thank you again for the opportunity to testify, and I look forward to answering the Committee's questions.

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Image not available for this document, ID: 0.7.10316.30388-000002

Wulf, David M.

From: Wulf, David M.

Sent: Wednesday, September 20, 2006 12:08 PM

Subject: Not read: Not read: Accepted: Katrina "Lessons Learned" Recommendations--Meeting on ESF-13/SFLEO Recommendations

Wulf, David M.

From: Wulf, David M.

Sent: Wednesday, September 20, 2006 12:08 PM

Subject: Not read: Not read: Accepted: Updated: Katrina "Lessons Learned" Recommendations--Meeting on ESF-13/SFLEO Recommendations

Wulf, David M.

From: Wulf, David M.

Sent: Wednesday, September 20, 2006 12:08 PM

Subject: Not read: Not read: Declined: Updated: Katrina "Lessons Learned" Recommendations--Meeting on ESF-13/SFLEO Recommendations

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 1:31 PM
To: USDOJ- Office of Public Affairs
Subject: HI-TECH PHARMACEUTICALS & 11 INDIVIDUALS INDICTED FOR "GENERIC" PILL FRAUD SCHEME

Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 20, 2006
WWW.USDOJ.GOV/USAO/GAN

CONTACT: PATRICK CROSBY
PHONE: (404) 581-6016
FAX: (404) 581-6160

HI-TECH PHARMACEUTICALS & 11 INDIVIDUALS INDICTED FOR "GENERIC" PILL FRAUD SCHEME

Defendants Allegedly Sold Millions Of Pills Over The Internet

ATLANTA – Eleven individuals and an Atlanta-based company have been indicted by a federal grand jury on multiple felony charges relating to a scheme to sell adulterated and unapproved new drugs over the Internet. Four of the defendants are scheduled to appear at a bond hearing before U.S. Magistrate Linda Walker at 1:45 P.M. EDT.

"The indictment's allegations are disturbing because customers thought they were getting legitimate and safe prescription drugs over the Internet from Canada at cheaper prices, when in reality they received adulterated fakes that were crudely made in an unsanitary house in Belize," said U.S. Attorney David E. Nahmias.

The defendants named in the indictment are Jared Robert Wheat, 34, of Alpharetta, Ga.; David Dalton Johnson, 37, of Pinehurst, N.C.; David Alan Brady, 40, of Pinehurst, N.C.; Stephen Douglas Smith, 38, of Duluth, Ga.; Thomas Holda, 43, of Duluth, Ga.; Sergio Ronaldo Oliveira, 46, of Hoschton, Ga.; Brad Neal Watkins, 38, of Birmingham, Ala.; David Watkins, 40, of Norcross, Ga.; Steven Blinder, 42, of Aberdeen, S.D.; Michelle Young, 38, a citizen of Belize; Guillermo Pech, 28, also a citizen of Belize; and Hi-Tech Pharmaceuticals, a company based in Norcross, Ga.

All of the defendants are charged with two different conspiracies: (1) conspiring to import controlled substances into the U.S.; and (2) conspiring to violate the wire and mail fraud statute and to introduce into interstate commerce adulterated and misbranded prescription drugs. The indictment charges each of the defendants, except David Watkins, Brad Watkins and Steven Blinder, with different substantive violations including mail fraud, distribution of controlled substances and introducing adulterated and misbranded new drugs. The indictment also charges the lead defendant, Jared Wheat, with engaging in a continuing criminal

DOJ_NMG_ 0168318

enterprise. The indictment seeks to forfeit numerous properties, automobiles and bank accounts, and seeks a money judgment of not less than $19.8 million.

According to the indictment, Jared Wheat, the principal owner of Hi-Tech Pharmaceuticals, and the other defendants opened a drug manufacturing facility in Belize in approximately 2002. The defendants allegedly used Hi-Tech funds and Jared Wheat's own funds to cover the costs of operating the Hi-Tech facility in Belize, and would travel to Belize to manufacture various prescription and controlled substances. The defendants allegedly made approximately 24 different drugs that they marketed through so-called "spam" advertisements over the Internet as authentic generic versions of those drugs being imported from Canada. The drugs included steroids such as "Oxymethelone" and "Stanazolol," along with unapproved versions of controlled drugs such as "Ambien," "Valium," and "Xanax." The defendants also manufactured versions of prescription drugs such as "Viagra," "Cialis," "Lipitor" and "Vioxx." From 2002 through 2004, the defendants allegedly ordered enough active ingredients to manufacture millions of pills, many of which were then shipped into the United States to individuals who purchased the drugs after receiving Internet "spam" and also to various wholesalers of drugs.

Members of the public are reminded that the indictment only contains charges. The defendants are presumed innocent of the charges and it will be the government's burden to prove each defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the DEA and the Food and Drug Administration's Office of Criminal Investigations, with the Henry County Police Department. Valuable assistance has been provided by the Bureau of Alcohol, Tobacco and Firearms (ATF), the Customs and Border Protection Foreign Mail Facility in Miami, the Postal Inspection Service, Doraville Police Department, Roswell Police Department, City of Atlanta Police Department, Spalding County Sheriff's Office, Cobb County Sheriff's Office, Clarkston Police Department, East Point Police Department and the Duluth Police Department.

Assistant U.S. Attorneys Aaron M. Danzig, Randy S. Chartash and J. Russell Phillips are prosecuting the case.

Members of the public are reminded that the indictment only contains charges. The defendants are presumed innocent of the charges and it will be the government's burden to prove each defendant's guilt beyond a reasonable doubt at trial.

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DOJ_NMG_ 0168319

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Image not available for this document, ID: 0.7.10316.30336-000002

System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 566759 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 2:15 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SUES FLORIDA CITY CHALLENGING ORDINANCE THAT DISCRIMINATES AGAINST PERSONS WITH DISABILITIES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 20, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SUES FLORIDA CITY CHALLENGING ORDINANCE THAT DISCRIMINATES AGAINST PERSONS WITH DISABILITIES

WASHINGTON – The Justice Department today filed a lawsuit against the City of Boca Raton, Fla., alleging that a city zoning ordinance discriminates against individuals with disabilities.

The complaint, filed in the U.S. District Court for the Southern District of Florida, alleges that a zoning ordinance passed by the city in 2002 and amended in 2003, excludes housing for persons recovering from alcohol or drug dependency from residential areas of the city and unreasonably restricts their operation in commercial zones in violation of the Fair Housing Act. The only zones in the city in which "substance abuse treatment facilities" (SATFs) may operate as of right under the ordinance are "medical center" districts. The complaint alleges that the ordinance intentionally and on its face targets housing for persons in recovery and subjects it to different and substantially more onerous requirements than other types of housing.

"No citizen should be refused an equal opportunity for housing in their community," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to preventing such housing discrimination against people with disabilities."

"The Fair Housing Act protects all Americans from housing discrimination, including those persons recovering from substance abuse problems," said R. Alexander Acosta, U.S. Attorney for the Southern District of Florida. "My office, in conjunction with the Civil Rights Division, is deeply committed to enforcing the laws that provide equal protection to all Americans."

The suit seeks to prevent the city from enforcing the ordinance, monetary damages to compensate victims, civil penalties, and a court order barring future discrimination.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 208 cases to enforce the Fair Housing Act, including 97 based on disability discrimination. For more information about the Civil Rights Division and the laws it enforces, visit http://www.usdoj.gov/crt.

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DOJ_NMG_ 0168324

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Image not available for this document, ID: 0.7.10316.30322-000002

Gunn, Currie (SMO)

Subject:	Updated: Bi-Weekly UST Meetings
Location:	5710
Start:	Monday, May 24, 2004 2:00 PM
End:	Monday, May 24, 2004 3:00 PM
Show Time As:	Tentative
Recurrence:	Weekly
Recurrence Pattern:	every 2 weeks on Monday from 2:00 PM to 3:00 PM
Meeting Status:	Not yet responded
Organizer:	Gunn, Currie (SMO)
Required Attendees:	McCallum, Robert (SMO); 'Coleman, Tim (ODAG)'; Swenson, Lily F; Gorsuch, Neil M; White, Clifford; Catapano, Debbie; McCallum, Robert (SMO); Katsas, Gregory; McDonald, Esther S

When: Occurs every 2 weeks on Monday effective 5/24/2004 until 9/11/2006 from 2:00 PM to 3:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: 5710

~~*~*~*~*~*~*~*~*~*

Meeting series ended. New meeting invite coming on behalf of Acting Associate Bill Mercer, please accept new series.

Attendees: Lily Fu Swenson, Tim Coleman-ODAG, Luis Reyes, Neil Gorsuch, Cliff White, Esther McDonald

POC: Currie Gunn [redacted]

Gunn, Currie (SMO)

Subject:	Updated: Bi-Weekly UST Meetings
Location:	5710
Start:	Monday, May 24, 2004 2:00 PM
End:	Monday, May 24, 2004 3:00 PM
Recurrence:	Weekly
Recurrence Pattern:	every 2 weeks on Monday from 2:00 PM to 3:00 PM
Meeting Status:	Accepted
Organizer:	Gunn, Currie (SMO)
Required Attendees:	McCallum, Robert (SMO); Coleman, Tim (ODAG); Swenson, Lily F; Gorsuch, Neil M; White, Clifford; Catapano, Debbie; McCallum, Robert (SMO); Katsas, Gregory; McDonald, Esther SMcCallum, Robert (SMO); 'Coleman, Tim (ODAG)'; Swenson, Lily F; Gorsuch, Neil M; White, Clifford; Catapano, Debbie; McCallum, Robert (SMO); Katsas, Gregory; McDonald, Esther S

Meeting series ended. New meeting invite coming on behalf of Acting Associate Bill Mercer, please accept new series.

Attendees: Lily Fu Swenson, Tim Coleman-ODAG, Luis Reyes, Neil Gorsuch, Cliff White, Esther McDonald

POC: Currie Gunn x[redacted]

System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 566867 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 566868 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 20, 2006 6:55 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 20, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

THURSDAY'S EXPECTED NEWS STORIES:

Attorney General Delivers Remarks before Boys and Girls Clubs of America and Library of Congress (OPA)
Today, Attorney General Alberto R. Gonzales delivered remarks on the importance of public/private partnerships at the Boys & Girls Clubs of America Annual Congressional Breakfast and on the importance of Hispanic heritage at the Library of Congress' 2006 Observance of National Hispanic Heritage Month.

Deputy Attorney General Testifies Before Senate Judiciary Committee (OPA)
Today, Deputy Attorney General Paul J. McNulty testified before the Senate Judiciary Committee on the Free Flow of Information Act of 2006 and stated the Department's opposition to the bill.

Justice Department Sues Florida City Challenging Ordinance that Discriminates against Persons with Disabilities (Civil Rights)
The Justice Department today filed a lawsuit against the City of Boca Raton, Fla., alleging that a city zoning ordinance discriminates against individuals with disabilities. The complaint, filed in the U.S. District Court for the Southern District of Florida, alleges that a zoning ordinance passed by the city in 2002 and amended in 2003, excludes housing for persons recovering from alcohol or drug dependency from residential areas of the city and unreasonably restricts their operation in commercial zones in violation of the Fair Housing Act. The only zones in the city in which "substance abuse treatment facilities" (SATFs) may operate as of right under the ordinance are "medical center" districts. The complaint alleges that the ordinance intentionally and on its face targets housing for persons in recovery and subjects it to different and substantially more onerous requirements than other types of housing.

Talking Points

- No citizen should be refused an equal opportunity for housing in their community.

- The Justice Department is committed to preventing such housing discrimination against people with disabilities.

Court Bars Promotion Of "Corporation Sole" Tax Fraud Scheme (Tax Division)
Eric Messier of Providence, Rhode Island has consented to a federal court order permanently barring him from marketing a tax fraud scheme, the Justice Department announced today. According to the complaint filed by the Department's Tax Division, Messier falsely advised customers that, by using a so-called "corporation sole," they could avoid paying federal income taxes. Messier was conducting business through the Liberty Fellowship and the Liberty Holdings Trust. According to the government's complaint filed in U.S. District Court in Rhode Island, customers paid Messier between $2,500 and $10,000 to participate in the corporation sole scheme. Some states authorize religious leaders to hold property and conduct their activities in what is known as a corporation sole, but tax benefits are available only for organizations that qualify as religious or charitable organizations under the Internal Revenue Code. The complaint alleges that Messier falsely tells customers that they can treat their corporations sole as a "church" with no tax-return filing requirement, and yet control and use its assets and income for their own personal benefit.

Department of Justice Awards over $12 Million to States to Reduce Inmate Recidivism (Office of Justice Programs)
The Department of Justice today announced that $12 million will be awarded to 20 states through the Department of Justice's Prisoner Re-entry Initiative (PRI). Awards of up to $450,000 are being provided to state agencies to evaluate inmates prior to release from incarceration and develop transition plans in collaboration with community-based and justice agencies for their return to their communities. Administered through the Department's Office of Justice Programs (OJP) and with the support of additional federal agencies, PRI is designed to reduce recidivism by helping returning inmates find work and access other critical services in their communities. A list of the recipients of the 2006 PRI awards is available at: http://www.ojp.usdoj.gov/BJA/grant/06PRIawards.pdf.

Hi-tech Pharmaceuticals and 11 Individuals Indicted for "Generic" Pill Fraud Scheme (USAO-Northern District of Georgia)
Today, eleven individuals and Hi-tech Pharmaceuticals, an Atlanta-based company, were indicted by a federal grand jury on multiple felony charges relating to a scheme to sell adulterated and unapproved new drugs over the Internet. Four of the defendants appeared at a bond hearing before U.S. Magistrate Linda Walker on Wednesday, Sept. 20. All defendants are charged with two different conspiracies: conspiring to import controlled substances to the U.S. and conspiring to violate the wire and mail fraud statue to introduce misbranded new drugs. The indictment seeks to forfeit numerous properties, automobiles and bank accounts, and seeks a money judgment of not less than $19.8 million.

Talking Points:

- The indictment's allegations are disturbing because customers thought they were getting legitimate and safe prescription drugs over the Internet from Canada at cheaper prices, when in reality they received adulterated fakes that were crudely made in an unsanitary house in Belize.

***Wall Street Journal* Interviews FBI Officials (FBI)**
Today, *Wall Street Journal* Reporter Ann Zimmerman conducted an interview with Eric Ives, Chief of the Criminal Investigative Division and Major Theft Unit, and Raul Roldan, Cyber Division Section Chief, regarding cyber crimes and organized retail theft. It is unclear when the story will run.

Bloomberg Interviews FBI Assistant Director Burrus (FBI)
Today, Bloomberg Newswire Reporter Rob Schmidt interviewed Chip Burrus, Assistant Director for the Criminal Investigative Division, regarding corporate fraud. It is unclear when the story will run.

Fox News Interviews FBI Acting Deputy Assistant Director Cummings (FBI)
Ollie North of Fox News' *War Stories* interviewed Art Cummings, Acting Deputy Assistant Director for Counter Terrorism, regarding homegrown terrorism. It is unclear when the story will run.

THURSDAY'S EXPECTED EVENTS/RELEASES:

2:30 P.M. EDT
Regina Schofield, Assistant Attorney General for Office of Justice Programs will testify before the Senate Subcommittee on Corrections and Rehabilitation at a hearing entitled *Oversight of Federal Assistance for Prisoner Rehabilitation and Reentry in Our States*.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

System Administrator

From: System Administrator
Sent: Wednesday, September 20, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 566896 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 566898 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 9:37 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 21, 2006

Department of Justice

PRESS GUIDANCE
Thursday, September 21, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Antitrust Division will issue a release on a price fixing matter. (Talamona)

EVENTS/HEARINGS

2:30 P.M. EDT Regina Schofield, Assistant Attorney General for Office of Justice Programs, will testify before the Senate Subcommittee on Corrections and Rehabilitation at a hearing entitled *Oversight of Federal Assistance for Prisoner Rehabilitation and Reentry in Our States.*
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.30253-000002

System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 573059 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 10:58 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ASSISTANT ATTORNEY GENERAL WAN J. KIM AT THE AMERICAN-ARAB ANTI-DISCRIMINATION COMMITTEE'S FIFTH ANNUAL JUDGES NIGHT

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ASSISTANT ATTORNEY GENERAL WAN J. KIM AT THE AMERICAN-ARAB ANTI-DISCRIMINATION COMMITTEE'S FIFTH ANNUAL JUDGES NIGHT

DEARBORN, MICHIGAN

Thank you for inviting me to address ADC during your Judges Night Dinner. It is a privilege to be here. I very much value the relationship that the Department of Justice and the ADC have built together. My staff is in touch with ADC's staff on almost a daily basis, gathering and exchanging information about discrimination against Arab-Americans in a wide range of areas. This close relationship – and trust – that we have built over several years have enabled us to solve many problems together quickly and effectively.

I would like to begin by offering a hearty acknowledgment of tonight's honorees, Judge Tarnow, Judge Dingell, and Judge McCarthy. Many congratulations to you all. Thank you for your distinguished contributions to the law and to our system of justice, the finest in all of the world.

I am humbled and honored to be part of the Civil Rights Division, with its long and proud history of protecting some of our nation's highest collective ideals and aspirations. Next year the Civil Rights Division will celebrate its 50th anniversary. For nearly half a century now, the Division has been instrumental in enforcing the promise carved into stone over the entrance to the United States Supreme Court: "Equal Justice Under Law."

The Division was created by the Civil Rights Act of 1957, the first civil rights law passed since Reconstruction. We were formed to aid in the momentous task of ensuring voting rights for all Americans, and to speed the ending of government-sponsored discrimination. But the Division was only one of many actors that helped to close the shameful chapter of *de jure* discrimination in this country, and only one of many institutions that helped to move this country closer to our goal of ensuring equal opportunity for every person. It was the judiciary that led the way – in the cases leading up to *Brown v. Board of Education* in 1954, in the *Brown* decision itself, and in the years afterward implementing that decision. Judge's Night is a very appropriate time to recognize the critical role that a strong and independent judiciary has played in securing our civil rights in this country.

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I recently represented the United States in Geneva before the International Covenant on Civil and Political Rights. One of the things I repeatedly stressed in my remarks was the effectiveness of our independent judiciary in securing civil and political rights in America. History proves the truth of my words. At perhaps no other time in our history was the leadership of the judiciary as critical as during the 1950's. The Supreme Court sent a powerful message to our nation and the world in unanimously deciding that our Constitutional order would not tolerate treating some people as inferior to others based on the color of their skin. And the implementation of the *Brown* decision demonstrated great acts of courage by jurists throughout the South, many of whom were ostracized by their friends and communities for their steadfast adherence to principle and the rule of law.

Courage, of course, was displayed by members in all three branches of government. Some of our most senior attorneys in the Civil Rights Division tell stories of how, as young DOJ attorneys litigating in the south, they were required to call back to their supervisor in Washington DC each day – just to let them know that they were still alive. The Department of Justice held a program three years ago on the 40th anniversary of the integration of the University of Mississippi, honoring the 127 United States Marshals who risked their lives to protect James Meredith as he went to school. Thirty of these brave Marshals suffered gunshot wounds. John Doar, my predecessor and the fourth Assistant Attorney General for the Civil Rights Division, literally lived with James Meredith during that dangerous time.

Members of Congress showed political courage in enacting the Civil Rights Act of 1964, which to this day serves as the bread and butter of our work at the Civil Rights Division. While our work has evolved and broadened considerably over the years – from enforcing just a few statutes to just a few dozen statutes – our fundamental mission has remained constant. We enforce the laws that represent some of our nation's highest collective ideals, and in doing so, protect some of the most vulnerable members of our society.

The Division's proud history, tradition and experience made it the obvious choice to spearhead the Justice Department's response to the shameful spike in bias-motivated crimes that followed the terrorist attacks of September 11, 2001. Immediately after the attacks, we witnessed an outburst of attacks, based on mindless and misplaced anger, against Arab Americans, Muslim-Americans, South Asian Americans, and Sikh-Americans. There were over 300 such incidents in the months after the attacks, ranging from threatening graffiti and emailed bomb threats, to violent assaults and even murder.

The United States government mobilized quickly to quell this rash of attacks. The President denounced the violence, saying "Those who feel like they can intimidate our fellow citizens to take out their anger don't represent the best of America, they represent the worst of humankind." The Attorney General likewise publicly denounced the violence, and ordered the FBI and the Civil Rights Division to make investigation and prosecution of these crimes a priority. Then-attorney General John Ashcroft said, "We must not descend to the level of those who perpetrated Tuesday's violence by targeting individuals based on their race, their religion, or their national origin. Such . . . violence and threats are in direct opposition to the very principles and laws of the United States and will not be tolerated."

Working closely with state and local prosecutors and police, the FBI and the Civil Rights Division did everything possible to bring the perpetrators of these crimes to justice. For example, we successfully prosecuted a man in Salt Lake City who tried to burn down a Pakistani restaurant on September 13 under federal hate crime charges. The man who shot and killed Sikh gas station owner Balbir Singh Sodhi in Mesa, Arizona during a drive-by shooting was caught, prosecuted, and sentenced to death. We also worked closely with members of the affected communities, arranging meetings with key leaders to identify problem areas, open lines of communication, and work toward stemming the wave of hate.

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Thankfully that wave of violence subsided after three months. Yet the problem did not go away. While levels of violence were much lower, there developed a persistent pattern of hate crimes at rates higher than those prior to 9/11.

This persistent problem called for a more systematic and institutionalized response. The Justice Department responded quickly by forming relationships with Middle Eastern and South Asian leaders. These relationships have evolved into enduring partnerships and friendships. Senior Justice Department officials have held more than 75 meetings with leaders of Muslim, Arab, and South-Asian American organizations around the country since 9/11. Further, the Justice Department's Community Relations Service has held more than 250 town and community meetings throughout the country since September 11, 2001.

I host a meeting every two months that brings together community leaders with officials from a wide variety of federal agencies, including the FBI, DHS, the State Department, Treasury, and others, to address not only hate crimes, but all issues of discrimination, profiling, and other civil rights issues facing these communities. Attorney General Gonzales has attended two of these meetings, and has himself held a meeting with these community leaders. I have dedicated substantial resources within the Civil Rights Division to ensuring that prosecuting these hate crimes, bringing discrimination suits, and engaging in outreach to the community, continues to remain a priority.

Since 9/11, we have now investigated more than 700 cases, and brought federal charges against 35 defendants, and obtained 32 convictions to date. We also have assisted state and local law enforcement in bringing more than 150 of these prosecutions.

Our prosecutions of hate crimes and our enforcement of anti-discrimination laws send a powerful message that in our country we will not tolerate angry individuals lashing out at innocents because of deeds done by those of a particular ethnic group, race or religion. We are all Americans, and we were all injured by the attacks of 9/11. And we are equally at risk from the danger of future terrorist attacks. We are all in this together.

We also have been active on the civil side of the litigation ledger. 9/11 backlash has included not only hate crimes, but ~~in~~ increased levels of discrimination against Muslims, Arabs, and South Asians.

For example, on the afternoon of September 11, a Marriot hotel in Iowa sent a fax canceling its agreement to host the Midwest Federation of American Syrian-Lebanese Club's annual convention, claiming it had double-booked. We investigated, and reached a settlement agreement with the hotel to provide an apology and $100,000 to the Syrian-Lebanese Club, and requiring training for all employees.

Similarly, on September 23, 2001, a Sikh man at a restaurant was told by a manager that he would have to remove his turban, due to a policy that barred hats – other than baseball caps and cowboy hats. Prior to September 11, he had worn his turban at the restaurant without objection. We reached a settlement requiring posting of nondiscrimination signs, training for employees, monitoring, and compensation

Protecting our civil Rights is the specialty of the lawyers and staff at the Civil Rights Division, as it is for their counterparts at ADC. I have had the great honor of working with the people of ADC toward a more just society, and think this relationship has yielded great fruit. But working together toward civil rights is not just for specialists; it is the obligation of all Americans. Civil rights ultimately are about how we live together as human beings, and respecting each others' inherent dignity, despite coming from a range of backgrounds with diverse faiths and traditions.

As President Bush said in his first inaugural address, the American story is "a story of flawed and fallible people, united across the generations by grand and enduring ideals. The grandest of these ideals is an unfolding American promise that everyone belongs, that everyone deserves a chance that no insignificant person was ever

born. . . . America has never been united by blood or birth or soil. We are bound by ideals that move us beyond our backgrounds, lift us above our interests and teach us what it means to be citizens. Every child must be taught these principles. Every citizen must uphold them. And every immigrant, by embracing these ideals, makes our country more, not less, American." As an immigrant to this country myself, I am always profoundly moved when I think back upon these remarks.

We are a nation at war. We are currently engaged in struggle against those who are willing to commit large-scale acts of violence against civilians. They commit these atrocious acts as part of a forcible effort to turn their totalitarian, theocratic vision into chilling reality. As a nation, we rightly and uniformly condemn this militant extremism. But as a nation, we just as vigorously condemn any resultant backlash against innocents.

The challenges for our civil rights that this tension has brought about will require the same dedication and moral clarity of judges, legislators, government officials and citizens that was needed during the height of the Civil Rights movement. It is a challenge that we as Americans have no choice but to rise and to meet with the same vigor and dedication as those who went before us. This great nation and its founding principles deserve no less from each and every one of us. We at the Department of Justice look forward to working closely with you and all Americans to achieve our common goals.

Thank you.

# # #

DOJ_NMG_ 0168343

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Image not available for this document, ID: 0.7.10316.30241-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 12:33 PM
To: USDOJ- Office of Public Affairs
Subject: SAMSUNG EXECUTIVE AGREES TO PLEAD GUILTY, SERVE JAIL TIME FOR PARTICIPATING IN DRAM PRICE-FIXING CONSPIRACY

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

SAMSUNG EXECUTIVE AGREES TO PLEAD GUILTY, SERVE JAIL TIME FOR PARTICIPATING IN DRAM PRICE-FIXING CONSPIRACY

U.S. Executive Admits Role in Global Cartel, Agrees to Prison Term

WASHINGTON — A San Jose, Calif., executive of Samsung Semiconductor Inc. – the world's largest manufacturer of a common computer component called dynamic random access memory or DRAM – has agreed to plead guilty and to serve jail time for participating in a global conspiracy to fix DRAM prices, the Department of Justice announced.

The charged executive, Thomas Quinn, participated in the price-fixing conspiracy in his capacity as vice president of marketing for memory products at Samsung Semiconductor Inc., a United States subsidiary of Korean memory maker Samsung Electronics Company Ltd. Quinn was charged with violating the Sherman Act in a one-count information alleging participation in an agreement to fix prices of DRAM and to coordinate bids in an auction held by a DRAM purchaser.

Under the plea agreement, which must be approved by the court, Quinn has agreed to serve eight months in prison and to pay a criminal fine of $250,000. In addition, Quinn has agreed to assist the Department in its ongoing investigation.

"Prison time for price-fixers remains the most potent deterrent to illegal cartel activity," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Today's action sends a clear message–those who engage in price-fixing schemes will be held accountable for their illegal conduct."

Including today's charge, four companies and 13 individuals have been charged and fines totaling more than $731 million have resulted from the Department's DRAM investigation. The $731 million in criminal fines is the second highest total obtained by the Department of Justice in a criminal antitrust investigation into a specific industry.

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DRAM is the most commonly used semiconductor memory product, providing high-speed storage and retrieval of electronic information for a wide variety of computer, telecommunication, and consumer electronic products. DRAM is used in personal computers, laptops, workstations, servers, printers, hard disk drives, personal digital assistants (PDAs), modems, mobile phones, telecommunication hubs and routers, digital cameras, video recorders and TVs, digital set top boxes, game consoles, and digital music players. There were approximately $7.7 billion in DRAM sales in the United States in 2004.

According to the one-count felony charge filed today in federal court in San Francisco, Quinn conspired with unnamed employees from other memory makers to fix the prices of DRAM sold to certain original equipment manufacturers from on or about April 1, 2001 to on or about June 15, 2002, and to coordinate bids on a Dec. 5, 2001 Sun Microsystems Inc., auction. The price-fixing scheme directly affected sales to U.S. computer makers Dell Inc., Hewlett-Packard Company, Compaq Computer Corporation, International Business Machines Corporation, Apple Computer Inc., Gateway Inc., and Sun Microsystems Inc., the Department said.

Quinn is charged with carrying out the price-fixing conspiracy by:

- Participating in meetings, conversations, and communications with competitors to discuss the prices of DRAM to be sold to certain customers; and

- Agreeing with competitors to coordinate bids submitted to Sun Microsystems Inc.

"This is the most recent charge in our continuing efforts to bring to justice both domestic and foreign-based executives who were involved with fixing DRAM prices," said Scott D. Hammond, the Antitrust Division's Director of Criminal Enforcement. "We are still very actively investigating antitrust violations in the DRAM industry."

Quinn is the fourth Samsung executive to agree to a prison sentence in the DRAM investigation. Three foreign-based Samsung executives, Sun Woo Lee, Young Woo Lee, and Yeongho Kang, have already pleaded guilty and agreed to serve prison terms ranging from seven to eight months and to pay fines of $250,000 each. In addition, four Hynix Semiconductor Inc., executives, Dae Soo Kim, Chae Kyun Chung, Kun Chul Suh, and Choon Yub Choi, were charged with participating in the DRAM price-fixing conspiracy and agreed to plead guilty and serve jail terms ranging from five to eight months and to each pay a $250,000 fine. In December 2004, four Infineon executives, T. Rudd Corwin, Peter Schaefer, Gunter Hefner, and Heinrich Florian, pleaded guilty to the DRAM price-fixing conspiracy. The Infineon employees served jail terms ranging from four to six months and each paid a $250,000 fine.

Also, in December 2003 the Department charged Alfred Censullo, a Regional Sales Manager for Micron Technology Inc., with obstruction of justice. Censullo pleaded guilty and admitted to having withheld and altered documents responsive to a grand jury subpoena served on Micron. Censullo was sentenced to serve six months of home detention.

In total, four companies have been charged with price fixing in the DRAM investigation. Samsung pleaded guilty to the price-fixing conspiracy and was sentenced to pay a $300 million criminal fine in November 2005. Hynix, the world's second-largest DRAM manufacturer, pleaded guilty and was sentenced to pay a $185 million criminal fine in May 2005. In January 2006, Japanese manufacturer Elpida Memory agreed to plead guilty and pay an $84 million fine. In October 2004, German manufacturer Infineon pleaded guilty and was sentenced to pay a $160 million criminal fine.

Today's charge is the result of an ongoing investigation being conducted by the Antitrust Division's San Francisco Office and the Federal Bureau of Investigation (FBI) in San Francisco.

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Anyone with information concerning price-fixing or bid rigging in the DRAM industry should contact the San Francisco Office of the Antitrust Division at 415-436-6660 or the San Francisco Division of the FBI at (415) 553-7400. Case filings can be viewed on the Antitrust Division's Web site, http://www.usdoj.gov/atr/.

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06-642

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Image not available for this document, ID: 0.7.10316.30248-000002

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MAY Y. LEE (State Bar No. 209366)
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Attorneys for the United States

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA v. THOMAS QUINN, Defendant.	No. CR **INFORMATION** VIOLATION: Title 15, United States Code, Section 1 - Price Fixing and Bid Rigging San Francisco Venue

The United States of America, acting through its attorneys, charges:

I.

DESCRIPTION OF THE OFFENSE

1. THOMAS QUINN is made a defendant on the charge stated below.

2. From on or about April 1, 1999 until on or about June 15, 2002, the defendant's corporate employer, Samsung Semiconductor, Inc. ("Samsung Semiconductor"), and coconspirators entered into and engaged in a combination and conspiracy in the United States and elsewhere to suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory

DOJ_NMG_ 0168351

("DRAM") to be sold to certain original equipment manufacturers of personal computers and servers ("OEMs"). The combination and conspiracy engaged in by the defendant's corporate employer and coconspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). The defendant joined and participated in the charged conspiracy at various periods of time from as early as April 1, 2001, until on or about June 15, 2002.

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant, his corporate employers, and coconspirators, the substantial terms of which were to agree to fix the prices for DRAM to be sold to certain OEMs and to coordinate bids offered by Sun Microsystems, Inc. ("Sun") on a lot of 1 Gigabyte Next-Generation Dual In-Line Memory Modules ("1 Gigabyte Next-Generation Modules") during a Sun auction on December 5, 2001.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant, his corporate employer, and coconspirators did those things that they combined and conspired to do, including, among other things:

(a) participating in meetings, conversations, and communications in the United States and elsewhere to discuss the prices of DRAM to be sold to certain OEMs;

(b) agreeing, during those meetings, conversations, and communications, to charge prices of DRAM at certain levels to certain OEMs;

(c) issuing price quotations in accordance with the agreements reached;

(d) exchanging information on sales of DRAM to certain OEM customers, for the purpose of monitoring and enforcing adherence to the agreed-upon prices;

(e) authorizing, ordering, and consenting to the participation of subordinate employees in the conspiracy;

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(f) participating in meetings, conversations, and communications in the United States and elsewhere to discuss coordinating (*i.e.*, dividing up) a bid offered by Sun among themselves;

(g) agreeing, during those meetings, conversations, and communications, to coordinate a bid offered by Sun;

(h) coordinating, in accordance with the agreements reached, a bid offered by Sun among themselves, denying Sun a competitive price;

(i) participating in meetings, conversations, and communications to discuss the submission of prospective bids on one lot of 1 Gigabyte Next-Generation Modules offered by Sun;

(j) agreeing, during those meetings, conversations, and communications, to submit complementary bids to ensure the success of their agreement; and

(k) submitting complementary bids for one lot of 1 Gigabyte Next-Generation Modules, denying Sun a competitive price.

II.

DEFENDANTS AND COCONSPIRATORS

5. During the time period covered by this Information:

(a) Samsung was a corporation organized and existing under the laws of the Republic of Korea; its wholly owned subsidiary Samsung Semiconductor was a corporation organized and existing under the laws of California. Samsung and Samsung Semiconductor were engaged in the business of producing and selling DRAM to customers in the United States and elsewhere.

(b) Thomas Quinn was employed as V.P. of Marketing for Memory Products for Samsung Semiconductor.

6. Various corporations and individuals, not made defendants in this Information, participated as coconspirators in the offense charged in this Information and performed acts and made

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statements in furtherance of it.

7. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

8. DRAM is the most commonly used semiconductor memory product. DRAM provides high-speed storage and retrieval of electronic information in personal computers, servers and other devices. All references to DRAM in this Information include semiconductor memory devices and modules.

9. During the period covered by this Information, the defendant, his corporate employer, and coconspirators sold and distributed DRAM in a continuous and uninterrupted flow of interstate and foreign trade and commerce to customers located in states or countries other than the states or countries in which the defendant, his corporate employer, and coconspirators produced DRAM. The OEMs that were affected by the conspiracy to suppress and eliminate competition were: Dell Inc., Compaq Computer Corporation, Hewlett-Packard Company, Apple Computer, Inc., International Business Machines Corporation, and Gateway, Inc.

10. The business activities of the defendant, his corporate employer, and coconspirators that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

IV.

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this

DOJ_NMG_ 0168354

Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

ACTING AAG

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Assistant Attorney General

Phillip H. Warren
Chief, San Francisco Office

Scott D. Hammond
Deputy Assistant Attorney General

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Nathanael M. Cousins
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Marc Siegel
Director of Criminal Enforcement

United States Department of Justice
Antitrust Division

Kevin V. Ryan
United States Attorney
Northern District of California

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DOJ_NMG_ 0168355

System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 574627 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 574628 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 4:13 PM
To: USDOJ- Office of Public Affairs
Subject: PEDIATRIX AGREES TO PAY OVER $25 MILLION TO SETTLE CLAIM OF FALSE BILLINGS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
www.usdoj.gov/usao/md
www.usdoj.gov/usao/co

CONTACT: VICKIE LEDUC (Md.) or
JEFF DORSCHNER (Co.)
(410) 209-4800
(303) 454-0100

PEDIATRIX AGREES TO PAY OVER $25 MILLION TO SETTLE CLAIM OF FALSE BILLINGS

Health Care Provider Billed for Neonatal Critical Care Services When Patients Were Not Critically Ill

BALTIMORE – Pediatrix Medical Group Inc., whose network of affiliated physician groups provides medical services in various hospital neonatal intensive care units in 32 states and Puerto Rico, has agreed to pay the government over $25 million to settle government claims under the False Claims Act that Pediatrix improperly billed Medicaid, TRICARE and the Federal Employees Health Benefits Program for neonatal care provided by their doctors, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland and U.S. Attorney Troy Eid of the District of Colorado. The investigation was conducted jointly by the U.S. Attorney's Offices for the Districts of Maryland and Colorado and a team from the Medicaid Fraud Control Units for the states of North Carolina, South Carolina, New Jersey and Maryland.

"Some health care providers 'upcode' their reimbursement claims and falsely represent that they are entitled to reimbursement for more expensive treatment than they actually provided," stated U.S. Attorney Rosenstein. "In this case, Pediatrix billed the government for critical care services when in fact the infants were not critically ill. Substantial recoveries such as this one protect the integrity of federal health care programs."

"This was a complex case that required the combined efforts of our offices and several state Medicaid Fraud Control Units to resolve," added U.S. Attorney Eid. "I congratulate the state and federal agents. Their investigation brought this case to a successful resolution. Pediatrix must now pay back money it never should have been paid."

According to the Settlement Agreement, from January 1996 through December 1999, Pediatrix improperly applied CPT billing codes to neonatal services that did not accurately correspond to the medical condition of the infant or the services provided. Specifically, Pediatrix admitted infants to hospital neonatal intensive care units using a CPT code for admission of critically ill infants, when as many as one-third or more

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of those infants were not in fact critically ill. Pediatrix used critical/unstable and critical/stable CPT codes for subsequent days of treatment, when as many as 50 percent or more of those infants were not in fact critically ill. Pediatrix also used critical/unstable and critical/stable CPT codes on discharge days, when as many as 85 percent or more of those infants were not in fact critically ill.

Pediatrix cooperated fully during the investigation. The company has agreed to abide by the terms of a Corporate Integrity Agreement (CIA) for five years. A CIA requires a health care provider to adhere to compliance measures that seek to ensure the integrity of claims submitted to a federal health care program by the provider. Pediatrix's CIA requires, in part, written standards and policies, a comprehensive employee training program, review of claims submitted to federal health care programs and the submission of various reports to the Department of Heath and Human Services' Office of the Inspector General.

The settlement also resolves a lawsuit originally filed on behalf of the United States by Daniel M. Hall, M.D., a board certified neonatologist, under the qui tam provisions of the False Claims Act. Enacted during the Civil War, the False Claims Act is the government's primary civil tool to combat fraud and abuse in federal programs and procurement. The Act allows the government to recover triple the amount of its actual damages, plus a civil penalty of $5,500 to $11,000 for each false claim. The qui tam provisions of the Act allow private parties to sue individuals and entities that have submitted false claims to the federal government and to receive a portion of the settlement if the government takes over the case and reaches a monetary agreement with the defendant. As a result of the settlement, Dr. Hall will receive $1,557,588 from the total federal recovery.

Inspector General Dan Levinson of the U.S. Department of Health and Human Services stated, "OIG is committed to working with our law enforcement partners to ensure that Medicaid's scarce resources are spent appropriately."

U.S. Attorneys Rod J. Rosenstein and Troy Eid commended the investigative work performed by the Offices of the Inspector General for the Department of Health and Human Services and the Office of Personnel Management and by the Defense Criminal Investigative Service. Mr. Rosenstein and Mr. Eid also thanked Assistant U.S. Attorneys Roann Nichols and Tarra DeShields, who handled the case in Maryland and Assistant U.S. Attorney Edwin Winstead, who handled the case in the District of Colorado.

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Image not available for this document, ID: 0.7.10316.29677-000002

System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 574771 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 6:20 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER SCHOOL PRINCIPAL STEVE THOMAS PLEADS GUILTY TO POSSESSING AND DISTRIBUTING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Deborah J. Rhodes
Southern District of Alabama

FOR IMMEDIATE RELEASE
THURSDAY SEPTEMBER 21, 2006
WWW.USDOJ.GOV/USAO/ALS

CONTACT: CHARLIE McNICHOL
PHONE: (251) 415-7131
FAX: (251) 441-5277

FORMER SCHOOL PRINCIPAL STEVE THOMAS PLEADS GUILTY TO POSSESSING AND DISTRIBUTING CHILD PORNOGRAPHY

Prosecution is Part of Project Safe Childhood

MOBILE, Ala. – Former Stapleton School Principal Steve Thomas entered a guilty plea today to a two-count indictment charging him with distribution and possession of child pornography, U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama announced.

This case is the result of a cooperative effort between federal and local law enforcement. Thomas came to the attention of law enforcement while Lt. Renee Graham of the Mobile Police Department was investigating another related case against Ben Boone. Boone admitted that he had been trading images of child pornography and that he had Internet "chats" with an individual who was identified as Steve Thomas. These "chats" included not only trading images of children, but also discussions about kidnaping and raping children. Lt. Graham provided this information to Special Agent Paul Roche with the FBI, who worked with Graham to identify Steve Thomas. Both cases were referred for federal prosecution. Boone was subsequently sentenced to 210 months in prison and a lifetime of supervised release following his incarceration.

"Unfortunately, the Internet has become a tool for predators to trade child pornography and to hunt for new victims," stated U.S. Attorney Rhodes. "Those who possess and trade these images further victimize these children and increase the market for this horrendous material. We will aggressively enforce the federal laws to protect the youngest and most vulnerable members of our society."

Based upon these charges, Thomas faces a maximum sentence of 20 years in prison, a fine of $250,000, and a lifetime of supervised release following his incarceration.

This case is part of Project Safe Childhood, a nationwide Department of Justice initiative which is based upon partnership among federal, state and local law enforcement, child advocacy groups and community organizations to prevent child exploitation and to prosecute offenders.

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Image not available for this document, ID: 0.7.10316.29674-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 6:32 PM
To: USDOJ- Office of Public Affairs
Subject: COVINGTON, LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

Department of Justice

United States Attorney Jim Letten
Eastern District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
WWW.USDOJ.GOV/USAO/EDLA

CONTACT: KATHY ENGLISH
PHONE: (504) 680-3068
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COVINGTON, LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

NEW ORLEANS — Rene Monroe Lasalle, 32, of Covington, La., pled guilty to making false statements regarding his application to the Federal Emergency Management Agency (FEMA) for disaster assistance benefits, announced U. S. Attorney Jim Letten, of the Eastern District of Louisiana. Lasalle pled guilty before U. S. District Judge Martin L. C. Feldman to a violation of Title 18, U. S. Code, Section 1001, Material False Statements to the United States.

According to the factual basis, Lasalle was incarcerated in the work release program of the St. Tammany Parish Sheriff's Office in Slidell, La. at the time Hurricane Katrina struck. On Sept. 18, 2005, Lasalle applied for Expedited Assistance (EA) funds from FEMA, the $2,000 many evacuees received from FEMA. Lasalle indicated in his application that he had essential needs for "food, clothing or shelter," and that he had "disaster related moving and storage expenses," when in truth he had none because he was in the custody of the State of Louisiana. Further, Lasalle indicated in his application that he lived in Covington, La., when he was really in state custody. The maximum sentence Lasalle could receive is five years imprisonment and/or a fine of $250,000; or the greater of twice the gross gain to the defendant or twice the gross loss to any person under Title 18, U. S. Code, Section 3571. As in any federal criminal case, the U. S. Sentencing Guidelines will be taken into consideration by the court. Sentencing is set for December.

This case was investigated by Special Agents of the FBI assigned to the Katrina Fraud Task Force. This case was prosecuted by Assistant U. S. Attorneys Carter K. D. Guice, Jr. and Jon Maestri.

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Image not available for this document, ID: 0.7.10316.29673-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 6:43 PM
To: USDOJ- Office of Public Affairs
Subject: BERKELEY PREMIUM NUTRACEUTICALS, SIX INDIVIDUALS INDICTED FOR FRAUDULENT BUSINESS PRACTICES IN CONNECTION WITH SALES OF DIETARY SUPPLEMENTS

Department of Justice

United States Attorney Gregory G. Lockhart
Southern District of Ohio

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
http://www.usdoj.gov/usao/ohs

CONTACT: FRED ALVERSON
PHONE: 614-469-5715
FAX: 614-469-5503

BERKELEY PREMIUM NUTRACEUTICALS, SIX INDIVIDUALS INDICTED FOR FRAUDULENT BUSINESS PRACTICES IN CONNECTION WITH SALES OF DIETARY SUPPLEMENTS

112-count indictment alleges $100 million loss caused by fraud scheme

CINCINNATI -- A federal grand jury today indicted Cincinnati-based Berkeley Premium Nutraceuticals and six individuals connected with the company, alleging that Berkeley and the individuals made millions of dollars over a five-year period through a fraud scheme that sent thousands of customers dietary supplements they did not order, charged customers' credit cards without authorization, misrepresented their business activities to their customers and the merchant banks they worked with, and laundered the money through personal bank and investment accounts. The indictment alleges that the loss to victims is at least $100 million.

U.S. Attorney Gregory G. Lockhart of the Southern District of Ohio, Assistant Inspector in Charge Gerald A. O'Farrell of the U.S. Postal Inspection Service, Special Agent in Charge Timothy P. Murphy of the FBI's Cincinnati Field Division, Special Agent in Charge Cromwell A. Handy of the Internal Revenue Service Criminal Investigation, and Special Agent in Charge Kim Rice of the U.S. Food and Drug Administration Office of Criminal Investigations (FDA) announced the indictment. Lockhart also acknowledged the involvement of the Federal Trade Commission in uncovering Berkeley's business practices.

The indictment charges Steven E. Warshak, 40, president and owner of Berkely; Harriet Warshak, 72, of West Chester, Ohio; Paul J. Kellogg, 39, also of West Chester, Ohio; Charles W. "Chip" Clarke, Jr., 51, of Lakeside Park, Ky.; Steven P. Pugh, 36, of West Chester, Ohio; and Amar D. Chavan, 29, of Cincinnati. The indictment also charges TCI Media Inc, another company owned by Steven Warshak, with 21 counts of money laundering, and Berkeley Premium Nutraceuticals, with a total of 15 counts.

The indictment alleges that Berkeley, Steven Warshak, Harriet Warshak, Clarke and Chavan conspired beginning in 2001 to commit mail, wire and bank fraud.

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The alleged scheme involved false advertising which contained representations about money-back guarantees that the company, as a matter of practice, would not honor. As part of the scheme, the conspirators placed many consumers who responded to free-trial solicitations on an automatic shipment program without the customer's authorization, knowledge or consent. Berkeley would then send the product to the consumer and bill the consumer's credit card regularly. The program accounted for 60 to 80 percent of Berkeley's weekly revenue. When customers called to cancel, the conspirators employed various means to delay or hinder any returns or cancellations from occurring.

The indictment also alleges that the company gave customers who complained the name of a fictitious director of customer care, "Michael Johnson," and instructed the customers to write to him.

According to the indictment the conspirators used several tactics, including splitting sales into multiple charges, as a way to falsely inflate the number of sales transactions and reduce the company's ratio of "chargebacks" from disputed credit card charges. This allowed Berkeley to stay within the maximum chargeback percentage allowed by its merchant bank accounts and to continue the unauthorized charging of consumers' credit cards.

"The victims include thousands of consumers who purchased or agreed to a free trial of Berkeley's various products based upon false representations and promises, and whose credit cards were charged by Berkeley for products shipped to them without their authorization, knowledge, or consent," said U.S. Attorney Lockhart. "The victims also included various merchant banks who handled customer payments for Berkeley."

The indictment contains 12 counts of mail fraud against Steven Warshak and Berkeley stemming from the shipment of products to customers who did not order them and letters sent to customers from "Mr. Johnson," the fictitious Director of Customer Care. It also contains four counts of bank fraud and 12 counts of making false statements to banks in connection with Berkeley's use of merchant bank accounts. The indictment contains 77 counts of money laundering alleging that the defendants moved millions of dollars through multiple accounts to conceal the source of the money acquired through fraud, and also charges Steven Warshak, Kellogg and Pugh with three counts related to re-labeling one of the company's 13 core products, a prostate health product called Rovicid, which was re-packaged as a heart-healthy dietary supplement for both men and women

"The intentional mislabeling of supplements is not only fraudulent but presents a potential public safety threat," FDA Special Agent in Charge Rice said. "The FDA will aggresively pursue those who deliberately circumvent the laws in place to protect the consuming public."

Warshak and Kellogg are also charged with conspiring to transfer company money into a fraudulent trust fund in order to keep the assets hidden from the Federal Trade Commission (FTC) which was conducting an investigation in 2004 into fraudulent business practices. In January 2006, the FTC filed a complaint against Warshak, Berkeley, and several related companies.

The indictment contains a forfeiture allegation in which, if the defendants are convicted of crimes alleged, they could face a monetary judgment of $100 million representing the amount of loss caused by the fraud, as well as forfeiture of six pieces of real estate, two vehicles, the contents of 23 bank and investment accounts, contents of an insurance policy, and any other proceeds from the criminal acts.

U.S. Attorney Lockhart commended the cooperative investigation by inspectors and agents from the U.S. Postal Inspection Service, FBI, IRS, and FDA, as well as Assistant U.S. Attorney Anne L. Porter who is prosecuting the case and Assistant U.S. Attorney Nettie Wiethe who is handling the forfeiture aspects of the case.

DOJ_NMG_ 0168371

Anyone who believes they are a victim of the alleged criminal actions by Berkeley and wishes to receive information regarding case updates or to submit a victim impact statement can refer to the U.S. Attorney's Website, http://www.usdoj.gov/usao/ohs/VW.html, and click on case update to view the most recent updates.

An indictment is merely an accusation. The burden of proof is on the government to show in a court of law that the defendants named in the indictment actually committed the crimes.

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System Administrator

From: System Administrator
Sent: Thursday, September 21, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 575182 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 8:41 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE CONFIRMATION OF KENNETH WAINSTEIN AS ASSISTANT ATTORNEY GENERAL FOR THE NATIONAL SECURITY DIVISION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 21, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE CONFIRMATION OF KENNETH WAINSTEIN AS ASSISTANT ATTORNEY GENERAL FOR THE NATIONAL SECURITY DIVISION

"The confirmation of Ken Wainstein as Assistant Attorney General for the Department's National Security Division is an important step in the Department of Justice's strategy to combat terrorism. The new division will further improve coordination within the law enforcement community and will bring the Office of Intelligence Policy and Review and the Criminal Division's Counterterrorism and Counterespionage Sections under one authority, allowing the Department to fight threats to our national security more effectively and with less bureaucratic red tape."

"Since becoming U.S. Attorney for the District of Columbia in 2005, Ken has proven himself to be an effective and aggressive prosecutor and a strong manager. I want to thank the Senate for confirming this dedicated public servant. Under Ken's leadership, I am confident that the National Security Division will play an instrumental role in protecting all Americans."

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06-643

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Image not available for this document, ID: 0.7.10316.29656-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 21, 2006 8:42 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 21, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

FRIDAY'S EXPECTED NEWS STORIES:

Agreement on Military Commission Legislation Reported Reached (OPA)
The Administration and Congress today reportedly reached an agreement on legislation concerning military commissions in the War on Terror. Details of the agreement were not released to the public.

Samsung Executive Agrees to Plead Guilty, Serve Jail Time for Participating in Dram Price-Fixing Conspiracy (Antitrust)
A San Jose, Calif., executive of Samsung Semiconductor Inc. – the world's largest manufacturer of a common computer component called dynamic random access memory or DRAM – has agreed to plead guilty and to serve jail time for participating in a global conspiracy to fix DRAM prices, the Department of Justice announced today. The charged executive, Thomas Quinn, participated in the price-fixing conspiracy in his capacity as vice president of marketing for memory products at Samsung Semiconductor Inc., a United States subsidiary of Korean memory maker Samsung Electronics Company Ltd. Quinn was charged with violating the Sherman Act in a one-count information alleging participation in an agreement to fix prices of DRAM and to coordinate bids in an auction held by a DRAM purchaser.

Assistant Attorney General Schofield Testifies before Senate Subcommittee on Corrections and Rehabilitation
Today, Regina Schofield, Assistant Attorney General for Office of Justice Programs, testified before the Senate Subcommittee on Corrections and Rehabilitation at a hearing entitled *Oversight of Federal Assistance for Prisoner Rehabilitation and Reentry in Our States*.

Pediatrix Agrees to Pay Over $25 Million to Settle Claim of False Billings (USAO-District of Maryland and District of Colorado)
Pediatrix Medical Group Inc., whose network of affiliated physician groups provides medical services in various hospital neonatal intensive care units in 32 states and Puerto Rico, has agreed to pay the government over $25 million to settle government claims under the False Claims Act that Pediatrix improperly billed Medicaid, TRICARE and the Federal Employees Health Benefits Program for neonatal care provided by their doctors, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland and U.S. Attorney Troy Eid of the District of Colorado. The

investigation was conducted jointly by the U.S. Attorney's Offices for the Districts of Maryland and Colorado and a team from the Medicaid Fraud Control Units for the states of North Carolina, South Carolina, New Jersey and Maryland.

Covington, Louisiana Man Pleads Guilty To Fema Fraud (USAO-Eastern District of Louisiana)

Today, Rene Monroe Lasalle, of Covington, La., pled guilty to making false statements regarding his application to the Federal Emergency Management Agency (FEMA) for disaster assistance benefits, announced U. S. Attorney Jim Letten, of the Eastern District of Louisiana. According to the factual basis, Lasalle was incarcerated in the work release program of the St. Tammany Parish Sheriff's Office in Slidell, La. at the time Hurricane Katrina struck. On Sept. 18, 2005, Lasalle applied for Expedited Assistance (EA) funds from FEMA, the $2,000 many evacuees received from FEMA. Lasalle indicated in his application that he had essential needs for "food, clothing or shelter," and that he had "disaster related moving and storage expenses," when in truth he had none because he was in the custody of the State of Louisiana. Further, Lasalle indicated in his application that he lived in Covington, La., when he was really in state custody.

FBI and U.S. Attorney to hold Joint Press Conference (FBI)

Today, the United States Attorney for the Western District of Missouri and the FBI held a joint press conference regarding the arrests of 15 individuals in a case involving the fraudulent procurement of commercial driver's licenses by Somali nationals. The case drew significant media attention earlier this year when search warrants were executed. CNN and Fox News have continued to monitor the case.

FRIDAY'S EXPECTED EVENTS/RELEASES:

No public events scheduled.

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 575884 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 9:35 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 22, 2006

Department of Justice

PRESS GUIDANCE
Friday, September 22, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

No public events scheduled.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0168382

Image not available for this document, ID: 0.7.10316.29644-000001

Image not available for this document, ID: 0.7.10316.29644-000002

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 579815 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Friday, September 22, 2006 10:56 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/22/06 Civil Division News

Court asked to drop eavesdropping case

State asks court to toss phone suit

U.S. talks 'urgent' after Arar case

Government defends Whitman's Sept. 11 environmental reassurances

Feds charge WTC painter with ripping off more than $1 million from Sept. 11 compensation fund

Baby-care firm settles Medicaid claims

Halliburton Employees, Subcontractors Allege More Abuses

Press Release: CREW Reveals What White House Has Not Released About Abramoff Secret Service Records; Many More Abramoff-Related Visits Took Place Than Have Been Disclosed

US May Release Terrorist Posada Carriles

Inmate sues U.S . marshals

AP

September 22, 2006

Court asked to drop eavesdropping case

By HOPE YEN

The Associated Press

WASHINGTON — The Bush administration asked an appeals court Thursday to step in immediately and dismiss a lawsuit over the government's warrantless eavesdropping program, calling a lower judge's ruling dangerous and wrong.

The Justice Department asked the 9th U.S. Circuit Court of Appeals to overturn the decision earlier this month by U.S. District Judge Garr King in Portland that kept the suit alive. Government attorneys argued that continuing the case would risk the disclosure of "highly sensitive foreign intelligence information."

The lawsuit was filed by the Al-Haramain Islamic Foundation, which had a chapter in Ashland, that went out of business after the U.S. government labeled it a terrorist organization.

The foundation alleged that two of its lawyers and at least one official were under electronic surveillance in March and April 2004. The foundation is asking King to rule the surveillance a violation of a federal law that requires a special court to approve intelligence-related wiretapping.

Typically, appeals are filed at the conclusion of a case in trial court; however, in this case, Justice Department attorneys are asking the 9th Circuit to step in now given the sensitivity and urgency of national security.

In the Sept. 7 order, King declined to dismiss the case, saying he believed there may be a way for the lawsuit filed by a now-defunct Islamic charity to proceed without releasing information that could harm U.S. security.

The decision, the latest of several rulings on the controversial program, drew a stern rebuke this week from Vice President Dick Cheney. He called it "just plain wrong."

In Thursday's filing, Justice Department attorneys argued that King's decision is flawed because classified facts needed to evaluate the case are protected under the so-called "state secrets" privilege.

END

AP

September 22, 2006

State asks court to toss phone suit

AUGUSTA (AP) - Maine's attorney general asked a federal court Thursday to throw out the government's lawsuit against Maine officials over whether a phone company should release information about its handling of confidential records.

Attorney General G. Steven Rowe said the state's request, filed on behalf of the Public Utilities Commission, asserts the federal government has no jurisdiction in the case. The state also contends that the government is wrong to invoke "state secrets" arguments.

"There are no state secrets at issue here," Rowe said at a news briefing after the motion to dismiss was filed in U.S. District Court in Bangor.

The litigation stems from a press release issued by Verizon and information it provided to the PUC, in which the telecommunications company claims it did not provide phone records to the government for its domestic surveillance program. The company also said in a May news release that it would not discuss any relationship with the National Security Agency program.

The PUC, prompted by a complaint by 22 Mainers, ordered Verizon to provide a sworn affirmation that Verizon's statement about the phone records is true. In response, the federal government sued, saying that the PUC's attempt to force Verizon to answer raised national security concerns.

Rowe was joined by PUC commissioners Thursday in rejecting the government's national security claims in the case.

"It's not about state secrets. It's about the integrity of the Public Utilities Commission process," said Sharon Reishus, one of the regulatory agency's commissioners and a defendant in the government's suit.

PUC Chairman Kurt Adams said the commission took the complaint over the handling of phone records "very seriously," adding that the PUC's ability to carry out its administrative duties was at issue in the case.

A legislator who is deeply involved in utility issues, Rep. John Brautigam, dismissed the federal government's secrecy claim as "the kind of legalistic mumbo-jumbo that gives the administration in Washington a bad name."

"The public has a right to know that their confidential information has been safeguarded in compliance with Maine law...," said Brautigam, D-Falmouth.

A spokesman for the U.S. Justice Department's public affairs office, Charles Miller, said there would be no comment on the motion because the case is in litigation.

Legal disputes have surfaced in other states over reports of phone company cooperation with government surveillance efforts.

In Vermont, Verizon and AT&T customers, Gov. Jim Douglas and the state's chapter of the American Civil Liberties Union are urging state utility regulators to determine whether the two phone companies violated state statutes by turning records over to the NSA.

The American Civil Liberties Union last spring filed complaints in more than 20 states over allegations that phone companies shared customer records with the NSA.

The Maine Civil Liberties Union is supporting the phone records complaint of the 22 Mainers.

END

CNEWS

September 21, 2006

U.S. talks 'urgent' after Arar case

By KATHLEEN HARRIS -- Sun Media

NEW YORK — Canada will seek "urgent" talks with the U.S. on information-sharing protocol in the wake of Monday's scathing report on the deportation of Maher Arar, while the RCMP commissioner's job may be in question.

Foreign Affairs Minister Peter MacKay said it is too early to say if Canada will make a formal protest to the United States over its mistreatment of Arar, but said he has already had discussions with Secretary of

State Condoleezza Rice.

"There is an urgent need, I would suggest, for us to look into protocols in the future, the ways in which information is shared between countries," he said. "The important aspect here is the prevention of any other similar deportations that put people like Mr. Arar in harm's way."

Arar was arrested during a stopover at New York's John F. Kennedy airport in 2002, and was deported to his native Syria, where he was tortured.

MacKay said he did not want to jeopardize a lawsuit filed by Arar, but did not rule out future government intervention to help get retribution for Arar from the U.S. "As far as any formal discussions that might take place in the future between Canada and the U.S., that door is open," he said.

MacKay also cast doubt on RCMP Commissioner Giuliano Zaccardelli's future at the helm. Asked if the Conservative government still has confidence in the top Mountie, MacKay said: "That will be a decision that is taken in the future."

A scathing report from Justice Dennis O'Connor released this week details coverups, police bumbling and a deliberate smear campaign orchestrated by authorities to destroy Arar's credibility. Most of its 23 recommendations are aimed at the RCMP, calling for better training and oversight.

The report found that Canadian authorities had no knowledge of the U.S. decision to deport Arar to Syria. But the U.S. acted on flawed information from the RCMP that claimed that Arar and his wife had ties to al-Qaida.

Grilled in the House of Commons in Ottawa Thursday, Public Safety Minister Stockwell Day said he met with Zaccardelli this week but did not confirm a suggestion the top Mountie had offered his resignation.

"I met with the commissioner yesterday and received assurances that a number of the recommendations of the Arar report were already being implemented," Day said. "He very clearly agreed that all of the recommendations would be followed through."

END

AP

Sept. 21, 2006

Government defends Whitman's Sept. 11 environmental reassurances

By LARRY NEUMEISTER The Associated Press

NEW YORK (AP) — The U.S. government asked a federal appeals court Thursday to find that former Environmental Protection Agency chief Christine Todd Whitman cannot be blamed for telling residents near the World Trade Center site that the environment was safe after the 2001 terrorist attacks.

The government told the 2nd U.S. Circuit Court of Appeals that a judge was wrong to force Whitman to face a 2004 lawsuit by residents, students and workers in lower Manhattan and Brooklyn who said they were exposed to hazardous dust and debris from the fallen twin towers.

"It is difficult to fathom a pull as strong as the need to calm public fears in the wake of the worst terrorist attack in our nation's history," government lawyers wrote in papers submitted to the court.

The government lawyers rejected claims that Whitman should be held personally liable for the

environmental consequences of the Sept. 11 attacks and made to pay damages to properly clean homes, schools and businesses and forced to create a fund for medical monitoring of victims.

"No decision of any court remotely suggests that a public statement, even a misleading public statement, could violate the substantive due process rights of thousands of individuals," the papers filed by Department of Justice lawyers in Washington said.

Earlier this year, U.S. District Judge Deborah A. Batts in Manhattan refused to dismiss Whitman as a defendant, calling her actions "conscience-shocking."

"No reasonable person would have thought that telling thousands of people that it was safe to return to lower Manhattan, while knowing that such return could pose long-term health risks and other dire consequences, was conduct sanctioned by our laws," Batts wrote.

The government then asked for permission to immediately appeal the decision before a trial could take place. The appeals court in Manhattan has not yet heard arguments.

In its submission Thursday, the government noted that the plaintiffs did not allege that the public statements by Whitman were intended to cause harm.

"In essence, plaintiffs invite the court to second-guess ... the policy judgments made by federal officials in the wake of the September 11 attacks," the government said. "That is exactly the type of inquiry that Congress has foreclosed."

The government said qualified immunity given to public officials was not a defense to liability but was meant "to afford protection to federal officials from the entirety of the litigation process."

The EPA's Office of the Inspector General eventually criticized the agency's response, saying it did not have available data and information to support statements in the days after the attacks that the air was safe to breathe.

The EPA's internal watchdog found the agency, at the urging of White House officials, gave misleading assurances there was no health risk from the dust in the air after the towers' collapse.

A telephone message left with lawyers for the plaintiffs was not immediately returned Thursday.

END

AP

September 22, 2006

Feds charge WTC painter with ripping off more than $1 million from Sept. 11 compensation fund

By LARRY NEUMEISTER

Associated Press Writer

NEW YORK_A New Jersey painter was arrested Thursday on charges he pulled off what prosecutors say is the biggest fraud yet from a Sept. 11 compensation fund _ more than $1 million.

The government said Mario Mastellone, 39, ripped off the September 11 Victim Compensation Fund of 2001 by claiming he was permanently disabled by injuries he suffered on Sept. 11 and had not worked

since the terrorist attacks.

Prosecutors said he lied to a Department of Justice agent investigating his case and lied to a hearing officer evaluating his claim for compensation. An indictment in U.S. District Court in Manhattan said he fraudulently obtained $1.07 million.

His lawyer, Andrew Karpf, maintained that his client was injured. He said he was being "victimized twice," first by the terrorist attack that downed the twin towers of the World Trade Center and second by federal\l "I" prosecutors relying on the word of a government witness with a grudge against him.

"He was in the buildings when they were hit and suffered disabilities," Karpf said. "He hasn't worked since then. Since then, he's been on medication."

Mastellone was quoted in the Asbury Park Press in April 2003 as saying he was treated for smoke inhalation on Sept. 11 but did not know that he hurt his back, his left arm and his shoulder until he visited a doctor days later. He also told the newspaper that his emotional pain was far worse than his physical pain.

U.S. Attorney Michael Garcia said in a statement that any attempt to rip off the fund was an effort "to profit from a monumental tragedy" and does a "grave disservice to the thousands of genuine victims of the September 11 attacks."

The government has asked the court to order Mastellone, of East Windsor, N.J., to forfeit more than $1 million. He was released on $600,000 bail.

Besides the Sept. 11 fund, which Congress established to compensate survivors or families of victims of the attacks on the condition they forgo lawsuits against airlines, Mastellone applied for funding from other entities including the state Workers' Compensation Board, according to his indictment.

END

Baltimore Sun

Sept. 22, 2006

Baby-care firm settles Medicaid claims

By Douglas Birch
Sun reporter

September 22, 2006

A Florida corporation that provides pediatric physician and nursing services to 32 states, including Maryland, agreed yesterday to pay $25 million to settle claims the company billed the federal government for critical care for infants who were not critically ill.

Rod J. Rosenstein, U.S. attorney for Maryland, said in a statement that Pediatrix Medical Group Inc. of Sunrise, Fla., had "upcoded" reimbursement claims to the government under the Medicaid program for services rendered by pediatricians, nurses and other specialists from January 1996 to December 1999.

During that period, the statement said, as many as a third of the infants Pediatrix employees labeled as

critically ill on admission to neonatal intensive-care units were not critically ill.

Pediatrix denied any wrongdoing yesterday. "There was no concerted effort to do anything outside the rules and regulations," said Bob Kneeley, a spokesman for the company.

Pediatrix, founded in 1979, provides services through 860 physicians and 350 advanced nurse practitioners. The case was filed against the company in 2002.

The investigation was led by Rosenstein and Troy Eid, U.S. attorney for Colorado, and conducted by Medicaid fraud control units in Maryland, Colorado and three other states.

END

The New Standard

Sept. 22, 2006

Halliburton Employees, Subcontractors Allege More Abuses

by Catherine Komp

Sept. 22 – One of the most notorious government contractors in Iraq, Halliburton subsidiary Kellogg Brown & Root, was under scrutiny again this week for allegedly overcharging US taxpayers and risking the lives of civilians.

Before a Democratic Senate committee hearing on Monday examining contracts in Iraq, former Kellogg Brown & Root (KBR) employees said the company failed to protect truck drivers, sent them into dangerous conflict zones to deliver supplies and put profit over human safety.

“I was reassured by KBR/Halliburton that I was not going to be a soldier but that I was a civilian – a 'non-combatant,'" New Mexico resident Edward Sanchez wrote in testimony to the Democratic Policy Committee. “I was told that we would not be sent into battles or areas of known attack. Unfortunately, KBR/Halliburton broke that promise.”

Sanchez alleged that the company "never" provided the drivers with maps and asked people with no experience driving in a fuel truck convoy to do just that. In April 2004, Sanchez was with three of those inexperienced drivers when his convoy was attacked on the way to Baghdad International Airport.

“I heard one of the drivers crying on the radio, ‘I’m hit, I’m hit!’" Sanchez recounted. “I heard another driver screaming, ‘I’m burning!’ Then the radio went silent.”

Sanchez himself was also shot. Six other employees were reportedly killed that day; another went missing and is presumed dead.

Calling Halliburton’s actions “criminal,” former KBR Civilian Convoy Commander Sean Larvenz testified that before Sanchez’s convoy departed, he had warned company officials of the insurgent attacks on the road to the airport.

Halliburton spokesperson Melissa Norcross told The NewStandard that 91 KBR employees and subcontractors have died in Iraq, Kuwait and Afghanistan since 2003.

Scott Allen, an attorney representing truck drivers and their families in a pending lawsuit, provided the committee with evidence that Halliburton tried to convince at least one of its drivers to sign a waiver releasing Halliburton of liability.

Language releasing the company of liability, reviewed by TNS, was included at the bottom of a “Medical Records Release Form.” The document, and a letter accompanying it, promised that Halliburton would provide the information to the Pentagon “for the purposes of awarding the Secretary of Defense Medal for the Defense of Freedom.”

Nevertheless, in a statement submitted to TNS by Norcross, the company stated, "It was never KBR's intention to utilize any such release to preclude claims by current or former employees against the company, and we have no intention of doing so in the future."

Norcross would not answer a question posed by TNS about why the company put the liability language in the medical-records release form.

A third employee, Julie McBride, told lawmakers that her job as KBR’s "morale, welfare and recreation coordinator" at Camp Fallujah entailed helping the company exaggerate its costs by over-counting the number of soldiers who used recreational facilities, like an Internet café and fitness center. "Under the contract, the more facilities, equipment, staff and administrators Halliburton can show a need for, the more profit Halliburton makes," McBride testified.

She also said Halliburton employees took supplies for their personal use and threw a Super Bowl party for themselves.

“It’s not easy to stand up to Halliburton,” McBride told the committee. “After I voiced my concerns about what I believed to be accounting fraud, Halliburton placed me under guard and kept me in seclusion. My property was searched, and I was specifically told that I was not allowed to speak to any member of the US military. I remained under guard until I was flown out of the country.”

McBride filed a whistleblower lawsuit against Halliburton last year under the False Claims Act, which allows citizens to sue on behalf of the government for contractors engaging in fraudulent billing practices. The Justice Department announced this month that it would not join as a co-plaintiff in the lawsuit, which was just recently unsealed.

Democratic Policy Committee (DPC) spokesperson Barry Piatt told TNS that a Halliburton representative was invited to the hearing, but did not attend.

Senator Byron Dorgan (D–North Dakota), who chairs the DPC, said this is the tenth hearing on contracting practices in Iraq. Though the committee is more than 60 years old, created under the Truman administration to conduct research and publish reports on Democratic policy issues, Dorgan and Senator Harry Reid (D–Nevada) recently expanded its mission to include oversight investigations and public hearings.

The Kuwait-based Aljadaan International General Trading Company also announced this week it was filing a lawsuit against Halliburton and KBR in a US district court in Texas.

Aljadaan alleges that several of its employees were killed or injured while doing work for KBR in Iraq during 2005. The company alleged that contracts with KBR resulted in more than $6 million in unpaid invoices and is suing KBR for breach of contract, unjust enrichment and intentionally interfering with contractual relations.

The suit also claims that corruption within KBR prevented Aljadaan from what it was contracted to do: deliver water, fuel and other supplies to US troops.

Halliburton, of which Vice President Dick Cheney was formerly CEO, has denied allegations of wrongdoing and states it fully intends to "vigorously defend" itself. The company, which has received billions of dollars in taxpayer funds, including many no-bid contracts, continues to receive contracts from the federal government, despite mounting allegations of abuses.

END

Citizens for Repsonsibility and Ethics in Government (CREW)

Sept. 21, 2006

Press Release: CREW Reveals What White House Has Not Released About Abramoff Secret Service Records; Many More Abramoff-Related Visits Took Place Than Have Been Disclosed

Washington, DC – It was reported yesterday that the White House had released White House visitor records of certain Republican operatives, including Grover Norquist and Ralph Reed, to settle Freedom of Information Act (FOIA) lawsuits brought by Citizens for Responsibility and Ethics in Washington (CREW) and Democratic National Committee (DNC). It was actually the Secret Service, a component of DHS, and not the White House that released the records.

CREW sued the Secret Service on May 9, 2006 for its failure to respond to a CREW FOIA request for Worker And Visitor Entrance System (WAVE), Access Control Records (ACR) and other visitor records for a number of prominent conservative activists, including Jack Abramoff, to the White House, executive office buildings and the Vice President's house. The DNC sued for a smaller scope of documents.

Once in litigation, the Secret Service took the remarkable position that all records were off-limits. When pressed in similar lawsuit brought by Judicial Watch, the Secret Service acknowledged that the agency had, in fact, destroyed records after making copies for the White House – a practice it discontinued only after the National Archives and Records Administration, the agency charged with ensuring that agencies properly preserve records, intervened in October 2004.

In settlement discussions with the Secret Service, CREW learned that the full body of visitor records shows that Norquist visited the White House far more than the 97 visits disclosed yesterday. The full complement of Secret Service records, including those the Secret Service destroyed (but which are still with the White House), shows that Norquist visited the White House a minimum of 155 times, Similarly, rather than the mere 18 meetings revealed yesterday, Reed visited the White House on at least 49 separate occasions.

The Secret Service is now arguing that the records are not the agency's to provide. This flatly contradicts the position taken by the agency during the Clinton administration, when the Secret Service provided such records to Judicial Watch in litigation over Filegate. CREW will continue to litigate until the Secret Service explains what records have been destroyed as well as why and at whose direction they were destroyed.

CREW's executive director Melanie Sloan stated, "Why is the White House stonewalling? What are they trying to hide? The American people deserve to know the truth about who has been peddling influence at the White House."

END

Prensa Latina (Cuba)

Sept. 21, 2006

US May Release Terrorist Posada Carriles

Washington, Sep 21 (Prensa Latina) Notorious international terrorist Luis Posada Carriles could be released in the US if the government of President George W. Bush refuses to present the evidence necessary to try him, attorney Jose Pertierra denounced on Thursday.

The White House has not presented evidence, witnesses, or certified him as terrorist, and so he can walk, affirmed Pertierra, who is representing Venezuela in its extradition request for the terrorist who planned the 1976 bombing of a Cuban passenger plane from Venezuelan territory.

In a news conference in Washington, the attorney referred to the possibility that the notorious terrorist could be released, and recalled that the term to issue the evidence against him expires Thursday.

This international terrorist remains in a penitentiary center in Texas where he was taken in May 2005 after appearing in public in Miami and thus revealing his illegal entrance into the US.

So far, he the only charge against him has been that migration crime, despite the extradition request issued by the Venezuelan government which accuses him of terrorism.

His criminal antecedents also include the organization of a series of terrorist attacks against Cuban tourist installations in 1997.

END

Pueblo Chieftain

September 21, 2006

Inmate sues U.S . marshals

Robert Boczkiewicz

The Pueblo Chieftain, Colo.

Sep. 21--DENVER - A former Canon City inmate who sustained a bloody beating at a Denver courthouse filed a lawsuit Tuesday against the U.S. Marshals Service for alleged negligence in failing to protect him.

The inmate had been brought to the federal courthouse in May 2005 as a prosecution witness in a trial against two other Colorado prison inmates.

U.S. marshals put him in a courthouse holding cell with inmates who were friends of the two inmates who were on trial. A recording from a video camera aimed at the cell shows two inmates who were friends of the defendants severely beating and kicking the Canon City inmate.

The marshal's service operates the courthouse cells for inmates due in court. In an internal report, a supervisory deputy marshal said his staff did not know about the beating until about 45 minutes afterwards, although the cells are monitored in a control room by cameras.

The inmate is seeking unspecified monetary damages. He contends he sustained "a permanent impairment of bodily function which may result in a permanent impairment of earning capacity."

His attorney was not available immediately to say what the impairment is or when the inmate may be free to earn income. He is now serving time at a prison outside Colorado.

END

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Friday, September 22, 2006 1:07 PM
Subject: Service Interruption: Upgrade to Equipment Located Rockville Data Center

SMO/JMD JCON Service Interruption

As a part of a JCON Switch Upgrade Project, an outage is required to bring a piece of new equipment online. The outage will occur during the posted service window below. This upgrade will be performed on resources located in the Rockville Data Center. Be advised that there is no risk of data loss.

When: Sunday, Sept. 24, 2006, 12:01 am to 6:00am

Event: JCON Cisco Catalyst Upgrade

Customers Affected: SMO/JMD Customers Located in **RFK Main Justice** and **Rockville Data Center**

Unavailable Services:
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers
BlackBerry *(PIN to PIN messaging is available)*

Una**vailable Services, All Customers** *(except those located in RFK Main Justice and Rockville Data Center):*
M:\ Drive
Sending Email to affected users found above

A**vailable Services, All Customers** *(except those located in RFK Main Justice and Rockville Data Center):*
All Network resources except the M:\Drive

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:
1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.

5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 579847 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 3:17 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NEW ORLEANS DEPUTY CITY ATTORNEY SENTENCED TO LIFE IMPRISONMENT

Department of Justice

United States Attorney Jim Letten
Eastern District of Louisiana

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 22, 2006
WWW.USDOJ.GOV/USAO/EDLA

CONTACT: KATHY ENGLISH
PHONE: (504) 680-3068
FAX: (504) 589-4859

FORMER NEW ORLEANS DEPUTY CITY ATTORNEY SENTENCED TO LIFE IMPRISONMENT

NEW ORLEANS – Former Deputy City Attorney Henry A. Dillon III, 48, of New Orleans, has been sentenced to life imprisonment, U.S. Attorney Jim Letten of the Eastern District of Louisiana announced today.

On May 4, 2006, Dillon was found guilty by a federal jury of two counts of deprivation of rights under color of law against two separate victims. In addition, the jury made special findings that the offenses involved aggravated sexual abuse. Federal law defines aggravated sexual abuse as knowingly causing a person to engage in a sexual act by using force against that person.

According to the indictment, Dillon violated the civil rights of both victims while he was a Deputy City Attorney for the City of New Orleans by sexually assaulting each victim. Dillon lured each of the victims to his private law office in New Orleans after meeting them at Municipal Court by asserting that their presence was necessary to complete some court business. Once inside his office, he then forcibly raped each victim.

"Today, a ruthless and dangerous predator is beginning a lifelong federal prison sentence because he committed unspeakable acts of violence against innocent women while disguising himself as a public servant," stated U.S. Attorney Letten. "We in federal enforcement will continue to use all means at our disposal to protect all of our citizens, however young, disadvantaged or vulnerable, from corrupt and dangerous individuals such as Dillon."

U.S. Attorney Letten praised the courage of the victims identified in the indictment as well as those who testified or agreed to testify at trial for their courage in coming forward and providing critical testimony.

This matter was investigated by Special Agents of the FBI and the New Orleans Police Department. This case was prosecuted by Assistant U.S. Attorneys Michael McMahon and Mark Miller, as well as Julie Cullen, a Louisiana Deputy Attorney General who has been appointed Special Assistant U.S. Attorney.

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DOJ_NMG_ 0168399

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Image not available for this document, ID: 0.7.10316.29621-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 3:25 PM
To: USDOJ- Office of Public Affairs
Subject: CAPE GIRARDEAU MAN SENTENCED TO MORE THAN 26 YEARS FEDERAL PRISON ON CHILD PORNOGRAPHY CHARGES

Department of Justice

United States Attorney Catherine L. Hanaway
Eastern District of Missouri

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 22, 2006
www.usdoj.gov/usao/moe

CONTACT: JAN DILTZ
PHONE: (314) 539-2200
FAX: (314) 539-2309

CAPE GIRARDEAU MAN SENTENCED TO MORE THAN 26 YEARS FEDERAL PRISON ON CHILD PORNOGRAPHY CHARGES

ST. LOUIS – A Cape Girardeau County man has been sentenced to 26 years in federal prison on felony child pornography charges, U.S. Attorney Catherine L. Hanaway of the Eastern District of Missouri announced today.

Terry Corbin, 57, of Cape Girardeau, Mo., was sentenced to 320 months in prison for transportation of child pornography and for possession of child pornography. Upon release from prison, Corbin will be placed on supervised release for the remainder of his life.

As a result of the investigation, Corbin admitted that on March 3, 2005, he transported one video file containing child pornography to another individual via e-mail, using his Sony VAIO computer. On the same day, a federal search warrant was executed at Corbin's residence in Cape Girardeau. FBI agents seized Corbin's computer, which contained child pornography. Analysis of the saved files revealed that Corbin possessed more than 600 images of child pornography. Corbin estimated he had more than 20,000 images and stated that he collected images of child pornography like some people collect baseball cards.

U.S. Attorney Hanaway commended the Federal Bureau of Investigation, the Regional Computer Crimes Education and Enforcement Group, and the National Center for Missing and Exploited Children's, Child Victim Identification Program for their combined efforts to prosecute this case. Assistant U.S. Attorney Abbie Crites-Leoni handled the prosecution for the government.

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DOJ_NMG_ 0168402

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Image not available for this document, ID: 0.7.10316.29620-000002

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580161 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 4:47 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT ANNOUNCES APPOINTMENT OF JEFFREY A. TAYLOR AS UNITED STATES ATTORNEY FOR THE DISTRICT OF COLUMBIA

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 22, 2006
WWW.USDOJ.GOV

EOUSA
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT ANNOUNCES APPOINTMENT OF JEFFREY A. TAYLOR AS UNITED STATES ATTORNEY FOR THE DISTRICT OF COLUMBIA

WASHINGTON — The Justice Department today announced the appointment of Jeffrey A. Taylor to serve as the United States Attorney for the District of Columbia. Mr. Taylor will serve under an Attorney General appointment. He will succeed Kenneth Wainstein, who was confirmed Thursday to serve as the first Assistant Attorney General for the Department's new National Security Division.

Mr. Taylor currently serves as Counselor to Attorney General Alberto R. Gonzales. In this capacity, Mr. Taylor handles a broad array of matters, including oversight of the Department's national security, terrorism, and criminal litigation and policy, as well as the operations of the Department's law enforcement components. Mr. Taylor served as an Assistant United States Attorney for the Southern District of California from 1995–1999, where he prosecuted a variety of criminal matters, including international drug trafficking organizations. From 1999-2002, Mr. Taylor served as Counsel to the United States Senate's Committee on the Judiciary, working on issues including criminal law, terrorism, and national security.

"Jeff is a dedicated public servant and a valued advisor. He will continue to be an asset to the Department of Justice in his new capacity as U.S. Attorney for the District of Colombia. I know that his legal skills, leadership ability, and personable approach to doing business will make this time of transition for the U.S. Attorney's Office very smooth and productive," said Attorney General Gonzales.

Mr. Taylor began his legal career as a law clerk to the Honorable John C. Mowbray, Chief Justice of the Supreme Court of Nevada, from 1991–1992, and then worked for three years in private practice. He obtained his J.D. from Harvard Law School and his B.A. from Stanford University.

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06-644

DOJ_NMG_ 0168406

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Image not available for this document, ID: 0.7.10316.29618-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 5:22 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: JUSTICE DEPARTMENT ANNOUNCES APPOINTMENT OF JEFFREY A. TAYLOR AS UNITED STATES ATTORNEY FOR THE DISTRICT OF COLUMBIA

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 22, 2006
WWW.USDOJ.GOV

EOUSA
(202) 514-2007
TDD (202) 514-1888

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06-644

DOJ_NMG_ 0168409

DOJ_NMG_ 0168410

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Image not available for this document, ID: 0.7.10316.29616-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 5:37 PM
To: USDOJ- Office of Public Affairs
Subject: HOUSTON RESIDENT PLEADS GUILTY TO HURRICANES RELIEF FRAUD

Department of Justice

United States Attorney Donald J. DeGabrielle, Jr.
Southern District of Texas

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 22, 2006
WWW.USDOJ.GOV/USAO/TXS

CONTACT: JOHN YEMBRICK
PHONE: (713) 567-9388
FAX: (713) 718-3389

HOUSTON RESIDENT PLEADS GUILTY TO HURRICANES RELIEF FRAUD

HOUSTON – Gregory Parks, also known as Paige Mahogany, 33, of Houston, Texas, has been convicted of mail fraud and aggravated identity theft for filing numerous fraudulent applications with FEMA for Hurricane Katrina and Hurricane Rita disaster assistance, U.S. Attorney Donald DeGabrielle of the Southern District of Texas announced today.

At a hearing held before U.S. District Judge Lee Rosenthal, Parks pleaded guilty to the federal felony charges of mail fraud and aggravated identity theft. Parks' sentencing is set for Jan. 28, 2007, where he faces a mandatory two years in prison for the aggravated identity theft charge and up to 20 years in prison for the mail fraud conviction. The conviction also carries a maximum fine of $250,000.

Investigation revealed that between Sept. 12, 2005, and Oct. 27, 2005, Parks submitted at least 15 separate applications to FEMA for Hurricane Katrina and Hurricane Rita disaster assistance, using 15 distinct and assigned Social Security numbers and 15 different "damaged addresses" in New Orleans and Lake Charles, La.; and Orange, Port Arthur and Port Neches, Texas. Investigation further revealed that Parks was residing in Houston, prior to and during both storms and that he was not entitled to disaster assistance. Parks received funds from the U.S. Department of Treasury for 10 of his applications for a total of $35,548 prior to the discovery of his fraudulent conduct.

The U.S. Attorney's Office for the Southern District of Texas is a member of the Department of Justice's Hurricane Katrina Fraud Task Force, created by Attorney General Alberto R. Gonzales to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. Headed by Assistant Attorney General Alice S. Fisher of the Justice Department's Criminal Division, the Task Force is comprised of federal, state and local law enforcement investigating agencies and the United States Attorney's Offices in the Gulf Coast region and nationwide.

DOJ_NMG_ 0168413

This case was investigated by the Department of Homeland Security's Office of Inspector General and by the U.S. Postal Inspection Service, and is being prosecuted by Special Assistant U.S. Attorney Jason Varnado.

Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours per day, seven days per week until further notice. Information can also be emailed to the DHS Office of Inspector General at dhsoighotline@dhs.gov or sent by surface mail, with as many details as possible, to:

Department of Homeland Security
Washington, DC. 20528
Attn: Office of Inspector General, Hotline

The Department of Justice Hurricane Katrina Fraud Task Force and Federal Trade Commission Consumer Response Center will also accept disaster fraud information. To provide information to the Justice Department, access the FBI's Internet Crime Complaint Center at www.ic3.gov. The Federal Trade Commission accepts disaster fraud information on its toll-free line, 1-877-382-4357, or TTY 202-326-2502 for persons with speech or hearing impairment.

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DOJ_NMG_ 0168414

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Image not available for this document, ID: 0.7.10316.29615-000002

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580582 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 6:28 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR SEPTEMBER 25 – SEPTEMBER 29, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, SEPTEMBER 22, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR SEPTEMBER 25 – SEPTEMBER 29, 2006

Monday, September 25

12:15 P.M. CDT

Solicitor General Paul Clement will deliver remarks before the Milwaukee chapter of The Federalist Society regarding the upcoming term for the United States Supreme Court.
Milwaukee Athletic Club
Superior Room
758 N. Broadway
Milwaukee, Wisconsin
OPEN PRESS

Press inquiries regarding logistics should be directed to Gordon Giampietro of The Federalist Society at 414-297-1083, or to the Office of Public Affairs at 202-514-2007.

Tuesday, September 26

5:30 P.M. EDT

Solicitor General Paul Clement will deliver the Torrey Armstrong Memorial Lecture to the Alexandria Bar Association regarding the role of the Office of the Solicitor General.
George Washington Masonic Temple
101 Callahan Drive
Alexandria, Virginia
OPEN PRESS

Press inquiries regarding logistics should be directed to John Anderson at 703-734-4356, or to the Office of Public Affairs at 202-514-2007.

DOJ_NMG_ 0168418

Wednesday, September 27

Events TBD

Thursday, September 28

Events TBD

Friday, September 29

9:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks before the Georgetown University Law Center Conference on the Judiciary regarding judicial independence.
McDonough Building
Hart Auditorium
600 New Jersey Avenue N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

9:45 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks before the United States Chamber of Commerce Intellectual Property Summit regarding the Department's efforts to protect intellectual property rights.
U.S. Chamber of Commerce
Hall of Flags
1615 H Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

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DOJ_NMG_ 0168419

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Image not available for this document, ID: 0.7.10316.29613-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Friday, September 22, 2006 7:13 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 22, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

MONDAY'S EXPECTED NEWS STORIES:

Attorney General Discusses Military Commission Legislation (OPA)
Today, the Attorney General met via teleconference with select members of *The Washington Post* Editorial Board to discuss military commission legislation. He also participated in radio interviews on the same topic with *The Lars Larson Show* and *The Mitch Albom Show*. On Sunday, he will discuss the issue with members of the *USA Today* Editorial Board.

***Palm Beach Post* story on the Everglades (ENRD)**
The Florida Natural Resources Conservation Service released a letter to the *Palm Beach Post* today addressed to the Justice Department's Environment & Natural Resources Division outlining their intention to cease negotiations to modify the consent decree which governs the Everglades. Media attention is expected this weekend.

Justice Department Announces Appointment of Jeffrey A. Taylor as United States Attorney for the District of Columbia (Executive Office for United States Attorneys)
The Justice Department today announced the appointment of Jeffrey A. Taylor to serve as the United States Attorney for the District of Columbia. Mr. Taylor will serve under an Attorney General appointment. He will succeed Kenneth Wainstein, who was confirmed Thursday to serve as the first Assistant Attorney General for the Department's new National Security Division.

***ABC News* Interviews FBI Assistant Director (FBI)**
ABC News reporter Pierre Thomas conducted an interview today with Dr. Vahid Majidi, FBI Assistant Director Assistant Director for the Weapons of Mass Destruction Directorate, regarding FBI efforts to combat agro-terrorism. The story is expected to air on Sunday evening.

MONDAY'S EXPECTED EVENTS/RELEASES:

12:15 P.M. CDT Solicitor General Paul Clement will deliver remarks before the Milwaukee chapter of The Federalist Society regarding the upcoming term for the United States Supreme Court.
Milwaukee Athletic Club
Superior Room
758 N. Broadway
Milwaukee, Wisconsin
OPEN PRESS

Press inquiries regarding logistics should be directed to Gordon Giampietro of The Federalist Society at 414-297-1083, or to the Office of Public Affairs at 202-514-2007.

System Administrator

From: System Administrator
Sent: Friday, September 22, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580739 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, September 23, 2006 4:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Detroit, MI

From: AmberAlert-DOJ
Sent: Saturday, September 23, 2006 4:01:15 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Detroit, MI
Auto forwarded by a Rule

AMBER ALERT:Detroit,MI VEHICLE:1997 Blue Chevy Sport Van TAG:MI ACB6646 CHILD:11 B/F 5'2" CHILD:9 B/F 4'11" SUSPECT:54 B/M 5'8" 210 lbs CALL 313-877-7810
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2222

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580742 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580743 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580743 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580744 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Your mailbox size is 580745 KB.

Mailbox size limits:
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System Administrator

From: System Administrator
Sent: Saturday, September 23, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580746 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, September 24, 2006 12:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Pittston Township, PA

From: AmberAlert-DOJ
Sent: Sunday, September 24, 2006 12:01:16 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Pittston Township, PA
Auto forwarded by a Rule

AMBER ALERT:Pittston Township,PA CAR:1999 Black Kia Sophia TAG:PA EDD-1922 CHILD:5 W/F 3' 40lbs Eye:Bro Hair:Bro SUSPECT:45 W/M 5'7" Eye:Bro Hair:Bla CALL 911
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2242

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580748 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580749 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580750 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580751 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580751 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, September 24, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580752 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 580758 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590203 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, September 25, 2006 11:06 AM
Subject: JCON BROADCAST, WEEK OF SEPTEMBER 25, 2006

JCON BROADCAST, WEEK OF SEPTEMBER 25, 2006

1. **National Hispanic Heritage Month 2006 Program**
2. **Financial Education Seminar: Financial Planning**
3. **Research Classes Offered by Library Staff**

National Hispanic Heritage Month 2006 Program

The Department of Justice will present its commemorative program in observance of **National Hispanic Heritage Month, 11:30 a.m. to 12:30 p.m., Wednesday, October 4, 2006**, in the Great Hall of the Robert F. Kennedy, Main Building. Featured speakers include Attorney General Alberto R. Gonzales and Treasurer of the United States Anna Escobedo Cabral. There will be performances by Mezzo-Soprano, Anamer Castrello and Juan Zavala, piano, and an ethnic food sampling will follow the program.

Sign language interpreters and assistive listening devices will be available. Managers are encouraged to grant employees in the Washington Metropolitan Area reasonable official time to participate.

Financial Education Seminar: Financial Planning

The Justice Management Division, Personnel Staff is hosting a Financial Education Seminar **11:30 a.m. to 12:30 p.m., Wednesday, October 18, 2006, in Room 1160 of the National Place Building**. The "Financial Planning" seminar is open to Department employees and is a wonderful opportunity to learn more about financial planning. Learn from an expert! Mr. Michael Schiano, from InCharge Education Foundation, Inc., will discuss personal finance and financial planning.

Please join us on Wednesday, October 18, 2006, for a lively discussion on personal financial planning. Space is limited to the first 50 registrants. Supervisors are encouraged to grant official time to employees to attend this training program. Sign language interpreter available upon request. To register for the seminar, please send your name, component, and phone number to Jamie.A.Higgins@usdoj.gov .

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590211 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590224 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590225 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Monday, September 25, 2006 7:29 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 25, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TUESDAY'S EXPECTED NEWS STORIES:

***Bloomberg* May Publish Article on FBI Efforts to Combat Public Corruption (FBI)**
Tomorrow, *Bloomberg* may publish an article by reporter Rob Schmidt regarding FBI efforts to combat public corruption. In preparation for the article, Schmidt interviewed Chip Burrus, FBI Assistant Director for the Criminal Investigative Division, and Karen Spangenberg, Financial Crimes Section Chief.

TUESDAY'S EXPECTED EVENTS/RELEASES:

Attorney General to Participate in Press Conference Regarding Drug-Related Plea Deal (OPA)
Tomorrow, the Attorney General will participate in a press conference with a number of Administration officials announcing a drug-related plea deal.

11:00 A.M. CDT U.S. District Judge Kenneth Hoyt will hear victim testimony and sentence Andrew Fastow, former Enron Chief Financial Officer.
Courtroom 11-A
United States Courthouse
515 Rusk Avenue
Houston, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to the United States District Court for the Southern District of Texas at 713-250-5500.

5:30 P.M. EDT Solicitor General Paul Clement will deliver the Torrey Armstrong Memorial Lecture to the Alexandria Bar Association regarding the role of the Office of the Solicitor General.
George Washington Masonic Temple
101 Callahan Drive
Alexandria, Virginia

OPEN PRESS

Press inquiries regarding logistics should be directed to John Anderson at 703-734-4356, or to the Office of Public Affairs at 202-514-2007.

System Administrator

From: System Administrator
Sent: Monday, September 25, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590250 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 590250 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Tuesday, September 26, 2006 7:59 AM
To: Gorsuch, Neil M
Subject: Service-Oriented Architecture Seminar
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe861372716d0d7870-fdee17797463037d73127877-fef8177574610d

Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

â?¢To what extent are you able to share information between agencies and departments?

â?¢Does your IT infrastructure enable you to respond quickly to changing requirements?

Learn how government agencies are using the principles and technologies of service-oriented architecture (SOA) to reduce IT costs, increase operational efficiency, and respond quickly to threats and opportunities in the environment.

Join us for "Leveraging the Principles and Technologies of SOA in Government," a seminar featuring an industry expert and panel discussion on best practices for SOA deployments in the government sector.

Date: Thursday, November 2, 2006

Time: 7 a.m. to 1 p.m.

Location: Crystal Gateway Marriott
1700 Jefferson Davis Highway
Arlington, VA 22202

Agenda

7:00 am - 8:00 am Registration/Breakfast
8:00 am - 8:15 am Welcome
8:15 am - 9:00 am Featured Keynote Address - [redacted] Gartner
9:00 am - 9:45 am Service-Oriented Architecture - [redacted] TIBCO Software
9:45 am - 10:00 am Break
10:00 am - 11:00 am SOA Executive Panel Discussion 11:00 am - 12:00 pm Event Driven Architecture - [redacted] TIBCO Software 12:00 pm - 1:00 pm Lunch/Closing

SOA Executive Panel:
Moderator
[redacted] USAF

Panelists
Joaquin Martinez, Deputy Chief Architect HPMO, Office of Information, Veteran Affairs [redacted]
[redacted] RABA [redacted] DDNI [redacted] Principal Consultant, EDS

To register go to:

http://www.tibco.com/mk/2006/info_sharing_gov.jsp
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

http://view.exacttarget.com/ftaf.aspx?ffcb10-fe861372716d0d7870-fdee17797463037d73127877-fef8177574610d

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Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

â€¢To what extent are you able to share information between agencies and departments?

â€¢Does your IT infrastructure enable you to respond quickly to changing requirements?

Learn how government agencies are using the principles and technologies of service-oriented architecture (SOA) to reduce IT costs, increase operational efficiency, and respond quickly to threats and opportunities in the environment.

Join us for "Leveraging the Principles and Technologies of SOA in Government," a seminar featuring an industry expert and panel discussion on best practices for SOA deployments in the government sector.

Date: Thursday, November 2, 2006

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Location: Crystal Gateway Marriott
1700 Jefferson Davis Highway
Arlington, VA 22202

Agenda

7:00 am - 8:00 am	Registration/Breakfast
8:00 am - 8:15 am	Welcome
8:15 am - 9:00 am	Featured Keynote Address [redacted] Gartner
9:00 am - 9:45 am	Service-Oriented Architecture - [redacted] TIBCO Software
9:45 am - 10:00 am	Break
10:00 am - 11:00 am	SOA Executive Panel Discussion
11:00 am - 12:00 pm	Event Driven Architecture - [redacted] TIBCO Software
12:00 pm - 1:00 pm	Lunch/Closing

SOA Executive Panel:
Moderator
[redacted] Former CIO - USAF

Panelists
Joaquin Martinez, Deputy Chief Architect HPMO, Office of Information, Veteran Affairs
[redacted] Chief Scientist, Object-Oriented Technologies, RABA
[redacted] ODNI
[redacted] Principal Consultant, EDS

To register go to:
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 9:41 AM
To: USDOJ- Office of Public Affairs
Subject: "GIRLS GONE WILD" FOUNDER JOSEPH FRANCIS PLEADS GUILTY IN SEXUAL EXPLOITATION CASE

Please find a PDF copy of the plea agreement and information attached.

Plea-agreement.pdf

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

"GIRLS GONE WILD" FOUNDER JOSEPH FRANCIS PLEADS GUILTY IN SEXUAL EXPLOITATION CASE

Joseph Francis Agrees to Pay $500,000 Fine

WASHINGTON – Joseph Francis, founder, CEO and sole shareholder of two California companies doing business under the name "Girls Gone Wild," has pleaded guilty to charges that he failed to create and maintain age and identity documents for performers in sexually explicit films produced and distributed by Girls Gone Wild, as required by federal law, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Francis entered the guilty plea yesterday before U.S. District Judge Margaret Morrow at U.S. District Court in Los Angeles. Santa Monica-based Mantra Films, Inc., which is owned and operated by Francis, entered a plea agreement on Sept. 12, 2006, at U.S. District Court in Panama City, Fla. A second related company, MRA Holdings, Inc., also entered a deferred prosecution agreement the same day.

Sentencing is scheduled for Dec. 18, 2006, at 1:15 p.m.

Francis pleaded guilty to two counts filed under a law—often referred to as Section 2257—passed by Congress to prevent the sexual exploitation of children. The law protects against the use of minors in the production of sexually explicit material by requiring producers to create and maintain age and identity records for every performer. Producers and distributors must then label their products with the name of the custodian of the records and their location.

Under the agreements, Francis agreed to pay the maximum fine of $500,000, and his two companies agreed to pay an additional sum of $1.6 million in fines and restitution. Francis, Mantra, and MRA Holdings will make a public acknowledgment of criminal wrongdoing and agreed to fully comply with the record-keeping laws going forward. MRA Holdings also agreed that for three years it will employ an independent, outside monitor selected by the government and provide the monitor complete access to the books and records, production facilities and other locations required to ensure the company's compliance with federal law relating

to the production of visual materials under the name Girls Gone Wild, or any other name. In statements filed in court yesterday, Francis admitted that Girls Gone Wild, acting under his direction, filmed performers engaging in sexually explicit conduct and produced and distributed sexually explicit video materials during all of 2002 and part of 2003 while violating the record keeping and labeling laws.

In May 2006, Attorney General Alberto R. Gonzales, pursuant to "Project Safe Childhood," asked the Federal Bureau of Investigation (FBI) to begin conducting regular inspections of records kept by producers of sexually explicit materials pursuant to Title 18, U.S.C., Section 2257. Producers are required to keep records on performers to include true name and date of birth and to produce these records on demand. These regulations and resulting inspections are designed to prevent producers from hiring minors as performers, and carry criminal penalties for violations.

The Los Angeles case is being prosecuted by Brent D. Ward, Director of the Justice Department's Obscenity Prosecution Task Force, with assistance from the U.S. Attorney's Office in the Northern District of Florida. The Obscenity Prosecution Task Force was formed to focus on the prosecution of adult obscenity nationwide. Investigation of the cases was conducted by the Adult Obscenity Squad of the FBI, which is based in Washington, D.C..

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06-644

Department of Justice

FILED
2006 SEP 14 AM 11:00
CLERK U.S. DIST. COURT
LOS ANGELES CALIF.

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. JOSEPH R. FRANCIS, Defendant.	No. CR 06-696 **I N F O R M A T I O N** [18 U.S.C. § 2257(f)(1): Failure to Make and Maintain Required Records; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done]

The United States Attorney charges:

COUNTS ONE AND TWO

[18 U.S.C. § 2257(f)(1); 18 U.S.C. § 2]

1. Mantra Films, Inc., is, and at all times relevant to this Information was, a business located in Santa Monica, California.

2. Defendant JOSEPH R. FRANCIS is, and at all times relevant to this Information was, the founder, primary or sole owner, and Chief Executive Officer of Mantra Films, Inc.

3. At all times relevant to this Information, defendant JOSEPH R. FRANCIS and Mantra Films, Inc., produced for commercial sale "Girls Gone Wild" digital versatile disks ("DVDs"). Because the DVDs contained visual depictions made after November 1, 1990 of actual sexually explicit conduct and were produced in whole or in part with materials mailed or shipped in interstate or foreign commerce and intended for shipment or transportation in interstate or foreign commerce, defendant JOSEPH R. FRANCIS and Mantra Films, Inc., were required to create and to maintain individually identifiable records pertaining to each performer portrayed in such visual depictions, which records were required to include each performer's legal name and verification that each performer was eighteen (18) years of age or older.

4. Beginning on or about March 31, 2002, and continuing to on or about January 9, 2004, in the Central District of California and elsewhere, defendant JOSEPH R. FRANCIS, aided, abetted, counseled and induced by others, known and unknown to the United States Attorney, produced and caused to be produced films, videotapes, and other matters, that is, DVDs bearing the following titles, which DVDs contained one or more visual depictions of actual sexually explicit conduct made after November 1, 1990, and were produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce and were intended for shipment in interstate and foreign commerce, without maintaining individually identifiable

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DOJ_NMG_ 0168457

records pertaining to every performer portrayed in such visual depictions:

COUNT	DVD TITLE
ONE	"Ultimate Spring Break, Volume 3"
TWO	"Ultimate Spring Break, Volume 4"

Jerry J. Cedora, Chief Assistant U.S. Attorney

DEBRA WONG YANG
United States Attorney

BRENT D. WARD
Director
Obscenity Prosecution Task Force
Department of Justice

DOJ_NMG_ 0168458

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Image not available for this document, ID: 0.7.10316.28801-000003

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CLERK, U.S. DISTRICT COURT
SEP 25 2006
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

DEBRA WONG YANG
United States Attorney
GEORGE S. CARDONA (CA Bar No. 135439)
Chief Assistant United States Attorney
312 North Spring Street, 12th Floor
Los Angeles, California 90012
Phone: (213) 894-8323
FAX: (213) 894-2535
e-mail: george.s.cardona@usdoj.gov

BRENT WARD
Director
Obscenity Prosecution Task Force
Department of Justice
1400 New York Avenue, NW Suite 600
Washington, DC 20530
Phone: (202) 514-5780
FAX: (202) 305-4320
e-mail: brent.ward@usdoj.gov

Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. JOSEPH R. FRANCIS, Defendant.	CR No. 06-696-MMM PLEA AGREEMENT FOR DEFENDANT JOSEPH R. FRANCIS Hearing: Date: 9/25/2006 Time: 3:00 pm Place: Roybal Courtroom 780

1. This constitutes the binding plea agreement between JOSEPH R. FRANCIS ("defendant" or "FRANCIS") and the Obscenity Prosecution Task Force of the Criminal Division of the United States Department of Justice ("OPTF") and the United States Attorney's Office for the Central District of California ("USAO") (collectively the "Government") in the above-captioned case. This Agreement is limited to the OPTF and the USAO and cannot

bind any other federal, state, or local prosecuting, administrative, or regulatory authorities except as expressly set forth herein.

PACKAGE AGREEMENT

2. FRANCIS acknowledges that this Agreement is part of a package agreement in which the disposition of the charges against FRANCIS is contingent on the disposition of charges against Mantra Films, Inc., and the execution and entry of a deferred prosecution agreement against MRA Holdings, LLC, two companies of which FRANCIS is the founder, CEO, and sole shareholder, in the Northern District of Florida. It is a condition of this Agreement, the failure to satisfy which condition shall constitute a breach of this Agreement, that Mantra Films, Inc., must enter a guilty plea and MRA Holdings, LLC, a deferred prosecution agreement in the Northern District of Florida. FRANCIS acknowledges that he has directed his attorneys to negotiate this Agreement as part of such a package agreement; has discussed with his attorneys, and carefully considered, the possible advantages and disadvantages of entering into this Agreement as part of such a package agreement; is entering into this Agreement as part of such a package agreement freely and voluntarily because he believes this Agreement and the package agreement to be in his best interests; and is not entering into this Agreement as part of the package agreement because of any threats, coercion, or undue influence by the Government or any of the parties to the package agreement or their counsel.

DOJ_NMG_ 0168462

PLEA

3. FRANCIS agrees to waive indictment and plead guilty to a two-count Information to be filed in the United States District Court for the Central District of California in substantially the form attached as Attachment B (the "Information"), charging that FRANCIS produced, manufactured or published any film, videotape, digital image or picture after November 1, 1990 which contains one or more visual depictions of actual sexually explicit conduct, which was shipped or intended to be shipped in interstate commerce, and for which FRANCIS failed to create or maintain individually identifiable records required by 18 U.S.C. § 2257 and 28 C.F.R. § 75 pertaining to every performer portrayed in such visual depiction, including a legible copy of an identification document.

NATURE OF THE OFFENSE

4. In order for defendant to be guilty of the crimes charged in Counts One and Two of the Information, which charge violations of Title 18, United States Code, Section 2257(f)(1), the following must be true: FRANCIS produced a film, videotape, or other matter that contained one or more visual depictions made after November 1, 1990, of actual sexually explicit conduct, that is, sexual intercourse, bestiality, masturbation, sadistic or masochistic abuse, or lascivious exhibition of the genitals or pubic area of any person, and failed to create or maintain an identification document for one or more of the performers who appeared in such visual depiction. Defendant admits that

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defendant is, in fact, guilty of these offenses as described in counts One and Two of the Information.

PENALTIES

5. The statutory maximum sentence that the Court can impose for each violation of Title 18, United States Code, Section 2257(f)(1) is: 5 years imprisonment; a 3-year period of supervised release; alternatively, a term of probation of no less than 1 year nor more than 5 years; a fine of $250,000; and a mandatory special assessment of $ 100. Therefore, the total maximum sentence for all offenses to which defendant is pleading guilty is: 10 years imprisonment; a 3-year period of supervised release; alternatively, a term of probation of no less than 1 year nor more than 5 years; a fine of $500,000; and a mandatory special assessment of $200.

6. Supervised release is a period of time following imprisonment during which defendant will be subject to various restrictions and requirements. Defendant understands that if defendant violates one or more of the conditions of any supervised release imposed, defendant may be returned to prison for up to 2 years, which could result in defendant serving a total term of imprisonment greater than the statutory maximum stated above.

7. Defendant also understands that, by pleading guilty, defendant may be giving up valuable government benefits and valuable civic rights, such as the right to vote, the right to possess a firearm, the right to hold office, and the right to

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serve on a jury.

8. Defendant further understands that the conviction in this case may subject defendant to various collateral consequences, including but not limited to, deportation, revocation of probation, parole, or supervised release in another case, and suspension or revocation of a professional license. Defendant understands that unanticipated collateral consequences will not serve as grounds to withdraw defendant's plea of guilty.

FACTUAL BASIS

9. Defendant and the Government agree and stipulate to the statement of facts provided below. This statement of facts includes facts sufficient to support a plea of guilty to the charges described in this Agreement. It is not meant to be a complete recitation of all facts relevant to the underlying criminal conduct or all facts known to defendant that relate to that conduct. Defendant and the Government agree and stipulate to the following statement of facts which provide the factual basis underlying this Agreement:

a) FRANCIS is the founder, CEO and sole shareholder of Mantra Films, Inc., and MRA Holdings, LLC. ("the companies"). The companies produce, market and distribute "Girls Gone Wild" videos and DVDs. In the process of creating these videos, agents of the companies often film individuals engaged in sexually explicit conduct as defined in 18 U.S.C. § 2256(2)(A).

b) As the CEO and/or primary or sole shareholder of the companies, FRANCIS was during the relevant time period involved

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in the day-to-day operations of the companies. As such, FRANCIS (1) established the policies of the companies, (2) established budgets for productions, including monetary incentives to cameramen who film footage for the companies,(3) sometimes directed cameramen and other production staff acting on the companies' behalf in what type of footage they should obtain, (4) decided what venues camera operators would visit to obtain footage to include in the videos, and (5) made most major decisions on behalf of the companies. FRANCIS was also personally involved in persuading performers to engage in sexually explicit conduct, reviewing footage obtained by cameramen, deciding which footage would be used in commercially marketed and released films and deciding how the companies' products would be packaged and marketed. As a result, FRANCIS was producing, as that term is defined in 18 U.S.C. § 2256(3), the material that is included in the videos addressed in Counts One and Two.

c) On or about March 31, 2002, a cameraman acting on behalf of the companies and FRANCIS obtained footage of two female performers engaging in actual sexually explicit conduct. The cameraman failed to obtain for either of the performers a legible copy of an identification document as required by 18 U.S.C. § 2257 or 28 C.F.R. § 75 and no such documentation relating to this footage was provided by the cameraman or anyone else to the companies or to FRANCIS. This footage ultimately was included in two different videos commercially marketed for sale

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to the public by FRANCIS and the companies, namely, videos contained on DVDs entitled "Ultimate Spring Break, Volume 3" and "Ultimate Spring Break, Volume 4" ("the videos").

d) FRANCIS was personally involved in selecting the footage to be included in the videos.

e) FRANCIS knowingly decided to include the footage referenced above even though neither he nor anyone at the companies obtained a legible copy of an identification document or created or maintained the records required pursuant to 18 U.S.C. § 2257 or 28 C.F.R. § 75 for the footage or videos referenced above or attempted to verify that such records had been obtained.

WAIVER OF CONSTITUTIONAL RIGHTS

10. By pleading guilty, defendant gives up the following rights:

a) The right to persist in a plea of not guilty.

b) The right to a speedy and public trial by jury.

c) The right to the assistance of legal counsel at trial, including the right to have the Court appoint counsel for defendant for the purpose of representation at trial. (In this regard, defendant understands that, despite his or her plea of guilty, he or she retains the right to be represented by counsel - and, if necessary, to have the court appoint counsel if defendant cannot afford counsel - at every other stage of the proceedings.)

d) The right to be presumed innocent and to have the

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Acceptance of Responsibility	:	-2	[U.S.S.G. § 3E1.1(a)]
Total Offense Level	:	4	
Criminal History Category	:	I	
Guideline Range	:	0 - 6 months imprisonment	

Defendant and the Government agree not to seek, argue, or suggest that any other specific offense characteristics, adjustments, or departures be imposed.

13. In light of the sentencing calculation included above, the fact that FRANCIS has represented that he is a first time offender and has no prior criminal convictions, the fact that the companies have instituted procedures to ensure that no further violations occur, the deferred prosecution agreement with MRA Holdings, LLC, and Mantra Films, Inc.'s guilty plea and payments of considerable fines, penalties and restitution in the related cases in the Northern District of Florida, the Government and FRANCIS agree that the appropriate disposition of this case is (1) a probationary sentence, with the length and terms of probation to be determined by the Court, (2) the payment of the maximum fine for each count, resulting in a total fine for both counts of $500,000, (3) no order for any amount of restitution, and (4) the payment of the mandatory special assessment for each count, resulting in a total special assessment for both counts of $200. The Government agrees to recommend that the fine be

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payable within 40 days after sentencing but the failure of the Court to grant this request shall not be a basis for FRANCIS to withdraw his guilty pleas.

14. The Government and FRANCIS agree that any fine in this case shall be in addition to, and shall not be offset by, any fines paid by MRA Holdings, LLC, or Mantra Films, Inc., in related cases filed in the United States District Court for the Northern District of Florida, except that the combined total amount of the fines and restitution imposed on FRANCIS, MRA Holdings, LLC, and Mantra Films, Inc., shall not exceed $2.1 million.

15. The Government agrees that it will not seek restitution in this case in light of the fact that the companies have agreed to pay restitution in an amount to be determined by the United States District Court for the Northern District of Florida in the cases pending against MRA Holdings, LLC, and Mantra Films, Inc.

16. If the Court rejects the agreed-upon disposition in paragraph 13, this entire Agreement shall be null and void, and FRANCIS will be free to withdraw his pleas of guilty pursuant to Fed. R. Crim. P. 11(d)(2)(A). In accordance with Fed. R. Crim. P. 11(f), evidence of a withdrawn guilty plea or any statements made in the course of plea negotiations shall not be admissible against FRANCIS to the extent provided by Federal Rule of Evidence 410.

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DEFENDANT'S OBLIGATIONS

17. Defendant agrees that he will:

a) Plead guilty as set forth in this Agreement.

b) Not knowingly and willfully fail to abide by all sentencing stipulations contained in this Agreement.

c) Not knowingly and willfully fail to: (i) appear as ordered for all court appearances, (ii) surrender as ordered for service of sentence, (iii) obey all conditions of any bond, and (iv) obey any other ongoing court order in this matter.

d) Not commit any crime; however, offenses which would be excluded for sentencing purposes under U.S.S.G. § 4A1.2(c) are not within the scope of this agreement.

e) Not knowingly and willfully fail to be truthful at all times with Pretrial Services, the U.S. Probation Office, and the Court.

f) Pay the applicable special assessments at or before the time of sentencing, and the fine to be imposed on the schedule ordered by the Court.

THE GOVERNMENT'S OBLIGATIONS

18. If defendant complies fully with all defendant's obligations under this agreement, and Mantra Films, Inc., and MRA Holdings, LLC, comply fully with their obligations under their respective plea and deferred prosecution agreements, the Government agrees:

a) to abide by all sentencing stipulations contained in this agreement; and

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b) based on information currently available to it, not to prosecute FRANCIS, Mantra Films, Inc., or MRA Holdings, LLC, for any violations of 18 U.S.C. § 2257(f)(1) or (f)(4) related to films that are no longer sold or distributed by Mantra Films, Inc., or MRA Holdings, LLC, and relating to which Mantra Films, Inc., and/or MRA Holdings, LLC, were not in compliance with 18 U.S.C. § 2257(f)(1) or (f)(4), which films are listed in Attachment A, or for any violation of 18 U.S.C. §§ 1461-1466 related to the distribution of the films "Totally Exposed Uncensored and Beyond, Volumes 1-12," or other charges related to the production, distribution or labeling of "Ultimate Spring Break Vol. 3" and "Ultimate Spring Break Vol. 4."

19. Except as explicitly provided in paragraph 18(b) above, nothing in this Agreement shall protect FRANCIS, Mantra Films, Inc., or MRA Holdings, LLC, from prosecution related to any offense. In addition, FRANCIS acknowledges that this Agreement does not prohibit either the United States or any of its agencies, including in particular OPTF and the USAO, or any third party, from initiating or prosecuting any civil proceedings directly or indirectly involving FRANCIS, Mantra Films, Inc., or MRA Holdings, LLC.

20. FRANCIS understands that he may be subject to administrative action by federal, state, or local agencies as a result of the guilty pleas entered pursuant to this Agreement, and that this Agreement in no way controls whatever action, if any, such agencies take.

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BREACH OF AGREEMENT

21. If defendant, at any time between the execution of this Agreement and defendant's sentencing on a non-custodial sentence or surrender for service on a custodial sentence, knowingly violates or fails to perform any of defendant's obligations under this Agreement, it shall be a breach of this Agreement and the Government may declare this Agreement breached. Because FRANCIS' guilty pleas and this Agreement are part of a package agreement as specified in Paragraph 2 above, it shall also be a breach of this Agreement, and the Government may declare a breach of this Agreement, if Mantra Films, Inc., fails to enter guilty pleas as outlined in and otherwise comply with the terms of the plea agreement with Mantra Films, Inc., entered into in the Northern District of Florida, or if MRA Holdings, LLC, fails to enter into and comply with the terms of its deferred prosecution agreement in the Northern District of Florida. If the Government declares this Agreement breached, and the Court finds such a breach to have occurred, defendant will not be able to withdraw defendant's guilty pleas, and the Government will be relieved of all of its obligations under this Agreement.

22. Following a knowing and willful breach of this Agreement by defendant, should the Government elect to pursue any charge that was not filed as a result of this Agreement, including but not limited to offenses related to the films listed in Attachment A, then:

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a) Defendant agrees that the applicable statute of limitations is tolled between the date of defendant's signing of this Agreement and the commencement of any such prosecution or action.

b) Defendant gives up all defenses based on the statute of limitations, any claim of preindictment delay, or any speedy trial claim with respect to any such prosecution, except to the extent that such defenses existed as of the date of defendant's signing of this Agreement. Defendant also waives any challenge that it may have to venue in this district.

c) Defendant agrees that: (i) any statements made by defendant, under oath, at the guilty plea hearing; ii) the stipulated factual basis statement in this Agreement; and iii) any evidence derived from such statements, are admissible against defendant in any future prosecution of defendant, and defendant shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure, or any other federal rule, that the statements or any evidence derived from any statements should be suppressed or are inadmissible in such prosecution.

LIMITED MUTUAL WAIVER OF APPEAL AND COLLATERAL ATTACK

23. Defendant gives up the right to appeal any sentence imposed by the Court, and the manner in which the sentence is determined, provided that the sentence is that agreed to in paragraph 13 above. Defendant also gives up any right to bring a

DOJ_NMG_ 0168473

post-conviction collateral attack on the convictions or sentence, except a post-conviction collateral attack based on a claim of ineffective assistance of counsel, a claim of newly discovered evidence, or an explicitly retroactive change in the applicable Sentencing Guidelines, sentencing statutes, or statutes of conviction. Notwithstanding the foregoing, defendant retains the ability to appeal the conditions of probation imposed by the court, with the exception of the following: mandatory conditions of probation specified in 18 U.S.C. § 3563(a); standard conditions of probation set forth in district court General Orders 318 and 01-05; and the alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

24. The Government gives up its right to appeal any sentence imposed by the Court, provided that the sentence is that agreed to in paragraph 13 above.

RESULT OF VACATUR, REVERSAL OR SET-ASIDE

25. Defendant agrees that if any count of conviction is vacated, reversed, or set aside the Government may: (a) ask the Court to resentence defendant on any remaining counts of conviction, with both the Government and defendant being released from any stipulations regarding sentencing contained in this Agreement, (b) ask the Court to void the entire plea agreement and vacate defendant's guilty pleas on any remaining counts of conviction, with both the Government and defendant being released from all of their obligations under this Agreement, or (c) leave defendant's remaining convictions, sentence, and plea agreement

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intact. Defendant agrees that the choice among these three options rests in the exclusive discretion of the Government.

COURT NOT A PARTY

26. The Court is not a party to this Agreement and need not accept any of the Government's sentencing recommendations or the parties' stipulations.

NO ADDITIONAL AGREEMENTS

27. Except as set forth herein, there are no promises, understandings or agreements between the Government and defendant or defendant's counsel. Nor may any additional agreement, understanding or condition be entered into unless in a writing signed by all parties or on the record in court.

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

28. The parties agree and stipulate that this Agreement will be considered part of the record of defendant's guilty plea hearing as if the entire Agreement had been read into the record of the proceeding.

This Agreement is effective upon signature by defendant and an attorney from the OPTF.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

DEBRA WONG YANG
United States Attorney

9-25-06

BRENT WARD
Director
Obscenity Prosecution Task Force
Department of Justice

Date

DOJ_NMG_ 0168475

I have read this Agreement and carefully discussed every part of it with my attorney. I understand the terms of this Agreement, and I voluntarily agree to those terms. My attorney has advised me of my rights, of possible defenses, of the Sentencing Guideline provisions, and of the consequences of entering into this Agreement. I also understand that this Agreement is part of a package agreement involving dispositions of charges against two of my companies in related cases in the Northern District of Florida, have discussed with my counsel the advantages and disadvantages of entering into this Agreement as part of the package agreement, and have voluntarily agreed to enter into this Agreement as part of the package agreement. No promises or inducements have been made to me other than those contained in this Agreement. No one has threatened or forced me in any way to enter into this Agreement. In addition, after an opportunity to consult with counsel, with respect to any actual or potential conflict between my interests and the interests of MRA Holdings, LLC and Mantra Films, Inc., I hereby waive any such actual or potential conflicts. Finally, I am satisfied with the representation of my attorney in this matter.

JOSEPH R. FRANCIS
Defendant

9/25/06
Date

DOJ_NMG_ 0168476

I am JOSEPH R. FRANCIS' attorney. I have carefully discussed every part of this Agreement with my client. Further, I have fully advised my client of his rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. I have also explained to my client that this Agreement is part of a package agreement involving dispositions of charges against two of his companies in related cases in the Northern District of Florida and have discussed with him the advantages and disadvantages of entering into this Agreement as part of the package agreement. To my knowledge, my client's decision to enter into this Agreement as part of the package agreement is an informed and voluntary one and is not the result of any coercion or threats by anyone.

AARON DYER
Counsel for Defendant
JOSEPH R. FRANCIS

2/25/04
Date

DOJ_NMG_ 0168477

Attachment A

Mantra Films/MRA Holding Produced Footage

PLAYBOY'S CASTING CALLS DVD VOLUME 1-12
CAUGHT ON TAPE VOLUME 1-4
COLLEGE GIRLS EXPOSED VOL 1-2
SEXY SORORITY SWEETHEARTS VOL 1-2
TOTALLY EXPOSED UNCENSORED AND BEYOND Vol 1-12
GIRLS GONE WILD ENDLESS SPRING Vol 1-14
GIRLS GONE WILD DORM ROOM FANTASIES Vol 1-9
GIRLS GONE WILD ON TOUR VOL 1-8
GIRLS GONE WILD ULTIMATE SPRING BREAK Vol 1-12
GGW BEST OF ENDLESS SPRING BREAK Vol 1-3
GGW BEST OF ULTIMATE SPRING BREAK Vol 1-2
GIRLS GONE WILD: BEST ON TOUR Vol 1-4
GGW EXTREME UNCENSORED
GIRLS GONE WILD ON CAMPUS
GGW PARTY EXTREME
PRISON FILES Vol 1-2

Mantra Films/MRA Holding Licensed And Consignment Footage

Playboy's Casting Calls (vol. 1-13)
Playboy Mansion Parties' Hottest Moments/Behind the Scenes Uncensored
Playboy Mansion Parties Uncensored
Caught on Tape (vol. 1-4)
Co-Ed Tryouts
Sex Around the House
Prison Files (vol. 1-2)
Party Extreme
Blind Date Uncensored
Blind Date Uncensored Deluxe
Blind Date Dates From Hell Uncensored
Blind Date Freaks and Weirdos
Erotic Seduction
Fantasy Fest 99 (vol. 1-4)
Mardi Gras 99 (vol. 1-3)
Memorial Weekend T&A 99 (vol. 1-3)
Naked in Daytona 99 (vol. 1-2)
Labor Day Wet T&A (vol. 1-3)
Flashing in Public
Girls of the Kentucky Derby
Just Add Water Spring Break Lake Havasu
Key to Bush Fantasy Fest
Naked Mile Run
Lesbian Lovers Caught on Tape
Lovers Caught on Tape (vol. 1-3)
More Lovers Caught on Tape
Charlie's Guide to Lovemaking

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Playboy Celebrities
Playboy Girlfriends
Playboy Girls Next Door Naughty and Nice
Playboy Girls of Hedonism
Playboy Playmate Erotic Adventures
Toys for Sex
Undercover Strippers
What Women Want
The Complete Anna Nicole Smith (vol. 1-2)

DOJ_NMG_ 0168479

Attachment B

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. JOSEPH R. FRANCIS, Defendant.	No. CR 06-_____ **I N F O R M A T I O N** [18 U.S.C. § 2257(f)(1): Failure to Make and Maintain Required Records; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done]

The United States Attorney charges:

COUNTS ONE AND TWO

[18 U.S.C. § 2257(f)(1); 18 U.S.C. § 2]

1. Mantra Films, Inc., is, and at all times relevant to this Information was, a business located in Santa Monica, California.

2. Defendant JOSEPH R. FRANCIS is, and at all times relevant to this Information was, the founder, primary or sole owner, and Chief Executive Officer of Mantra Films, Inc.

3. At all times relevant to this Information, defendant JOSEPH R. FRANCIS and Mantra Films, Inc., produced for commercial sale "Girls Gone Wild" digital versatile disks ("DVDs"). Because the DVDs contained visual depictions made after November 1, 1990 of actual sexually explicit conduct and were produced in whole or in part with materials mailed or shipped in interstate or foreign commerce and intended for shipment or transportation in interstate or foreign commerce, defendant JOSEPH R. FRANCIS and Mantra Films, Inc., were required to create and to maintain individually identifiable records pertaining to each performer portrayed in such visual depictions, which records were required to include each performer's legal name and verification that each performer was eighteen (18) years of age or older.

4. Beginning on or about March 31, 2002, and continuing to on or about January 9, 2004, in the Central District of California and elsewhere, defendant JOSEPH R. FRANCIS, aided, abetted, counseled and induced by others, known and unknown to the United States Attorney, produced and caused to be produced films, videotapes, and other matters, that is, DVDs bearing the following titles, which DVDs contained one or more visual depictions of actual sexually explicit conduct made after November 1, 1990, and were produced in whole or in part with materials which had been mailed or shipped in interstate and foreign commerce and were intended for shipment in interstate and foreign commerce, without maintaining individually identifiable

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records pertaining to every performer portrayed in such visual depictions:

COUNT	DVD TITLE
ONE	"Ultimate Spring Break, Volume 3"
TWO	"Ultimate Spring Break, Volume 4"

DEBRA WONG YANG
United States Attorney

BRENT D. WARD
Director
Obscenity Prosecution Task Force
Department of Justice

DOJ_NMG_ 0168482

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 26, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, September 26, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Criminal Division issued a release on an obscenity matter. (Sierra)

The Criminal Division is scheduled to issue a release on a sentencing matter. (Sierra)

The Criminal Division is scheduled to issue a release on a drug-related matter. (Sierra)

The Antitrust Division is scheduled to issue a release on a bid rigging matter. (Talamona)

The Antitrust Division is scheduled to issue a release on a bid rigging matter. (Talamona)

The Tax Division is scheduled to issue a release on a sentencing matter. (Miller)

EVENTS/HEARINGS

11:00 A.M. CDT U.S. District Judge Kenneth Hoyt will hear victim testimony and sentence Andrew Fastow, former Enron Chief Financial Officer.
Courtroom 11-A
United States Courthouse
515 Rusk Avenue
Houston, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to the United States District Court for the Southern District of Texas at 713-250-5500.

DOJ_NMG_ 0168483

5:30 P.M. EDT Solicitor General Paul Clement will deliver the Torrey Armstrong Memorial Lecture to the Alexandria Bar Association regarding the role of the Office of the Solicitor General.
George Washington Masonic Temple
101 Callahan Drive
Alexandria, Virginia
OPEN PRESS

Press inquiries regarding logistics should be directed to John Anderson at 703-734-4356, or to the Office of Public Affairs at 202-514-2007.

For press inquiries, please contact the Office of Public Affairs at (202) 514-2007. You may also visit our website at www.usdoj.gov.

NIGHT DUTY OFFICER

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0168484

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Image not available for this document, ID: 0.7.10316.28695-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 595279 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 10:55 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE WITH THE DEPARTMENT OF HOMELAND SECURITY, THE DEPARTMENT OF TREASURY AND OTHER SENIOR OFFICIALS

Department of Justice

FOR PLANNING PURPOSE ONLY
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE WITH THE DEPARTMENT OF HOMELAND SECURITY, THE DEPARTMENT OF TREASURY, AND OTHER SENIOR OFFICIALS

WASHINGTON – Attorney General Alberto R. Gonzales and other senior officials will hold a press conference on a drug-related matter.

WHO: Attorney General Alberto R. Gonzales
Julie L. Myers, Assistant Secretary of Homeland Security, Immigration and Customs Enforcement
Karen P. Tandy, Administrator, Drug Enforcement Administration
Adam J. Szubin, Director of the Office of Foreign Assets Control, U.S. Department of Treasury
John P. Walters, Director, White House Office of National Drug Control Policy
Carolina Barco, Ambassador to the United States, Republic of Colombia
Alice S. Fisher, Assistant Attorney General, Criminal Division
R. Alexander Acosta, U.S. Attorney, Southern District of Florida
Cathy Seibel, Deputy U.S. Attorney, Southern District of New York

WHAT: Press Conference

WHEN: **TUESDAY, SEPT. 26, 2006**
2:00 P.M. EDT (or following the conclusion of the plea hearing)

WHERE: Seventh Floor Conference Room
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0168488

NOTE: Pre-set for open press coverage of the remarks will be at **1:30 P.M. EDT**. All media should enter through the Visitor's Center at Constitution Avenue and must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-645

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Image not available for this document, ID: 0.7.10316.28682-000002

Lyon, Jaime

From: Lyon, Jaime
Sent: Tuesday, September 26, 2006 11:02 AM
To: CRS AG Weekly Report Recipients
Subject: CRS Weekly Report to the Attorney General 9.26.2006
Attachments: CRS AG Weekly 9-26-06.doc

Attached, please find CRS' Weekly Report to the Attorney General for September 26, 2006.

Jaime Lyon
Confidential Assistant to the Director
Community Relations Service
United States Department of Justice
(202) 305-2934

September 26, 2006

MEMORANDUM FOR THE ATTORNEY GENERAL

THROUGH: THE DEPUTY ATTORNEY GENERAL

THROUGH: THE ASSOCIATE ATTORNEY GENERAL

FROM: Sharee M. Freeman
Director, Community Relations Service

SUBJECT: Weekly Report[1]

A. Next Week

No activities to report.

B. This Week

- ***CRS to Monitor March and Civil Disobedience Demonstration in Los Angeles, CA****
On September 28, 2006, CRS will be onsite in Los Angeles, CA to provide technical assistance and contingency planning for a large march and civil disobedience demonstration that is being held by the Clergy and Laity for United for Economic Justice, UNITE HERE and other community-based organizations and unions. The event is expected to draw over 3,000 persons, and it is reported that over 350 participants plan to be arrested. The event will take place at three different venues—the Radisson, Westin, and Hilton Hotels, all immediately adjacent to the Los Angeles International Airport. The event will begin at the Radisson Hotel located near the Los Angeles International Airport, with the intent of impacting rush-hour traffic. It is expected that there will be a large number of counter-protestors at this event, namely the Minutemen group and similar groups. CRS has been in contact with Los Angeles Police Department officials and march/demonstration organizers to provide contingency planning in an effort to ensure a safe event.

- ***CRS to Witness Signing of Memorandum of Understanding in Little Rock, AR****
On September 27, 2006, CRS will be in Little Rock, AR to witness the signing of a Memorandum of Understanding (MOU) between the Pulaski County Special School District and the Joshua Interveners. The agreement was reached in response to a historic

[1] This report is an internal document that is not intended for distribution outside of the Department of Justice.

DOJ_NMG_ 0168493

school desegregation case between the two parties, following tensions and allegations that the school district was not in compliance with the implementation of desegregation Plan 2000. Highlights of the agreement include provisions to address discipline, multicultural education, and monitoring and staffing issues.

C. Last Week

- ***CRS Monitored American Socialist Rally in Columbus, OH***
  On September 23, 2006, CRS was in Columbus, OH to provide contingency planning and technical assistance for an American Socialist Rally held to reportedly protest the growing Hispanic and Somali populations in the local area. The rally was attended by approximately 40 demonstrators, primarily American Socialists and Klu Klux Klan members, dressed in their white robes, and approximately 70 counter-protestors. The event proceeded without major incident, although there were reports of heated verbal exchanges between demonstrators and counter-demonstrators.

- ***CRS Provided Conciliation Services in Coushatta, LA****
  On September 15-16, 2006, CRS was in Coushatta, LA to facilitate a mass community forum held by local African American community leaders and members. The forum was held in response to racial tensions surrounding a recent widely publicized incident in which nine African American children were reportedly directed to sit in the back of the school bus by a White bus driver, who designated front seats on the bus to White children. Over 200 persons were in attendance at the community forum. On September 18, 2006, CRS met with Red River Parish School District representatives and administrators. Racial tensions in the Coushatta area are also heightened, following reports of a resurgence of racially-motivated incidents throughout the Claiborne Parish School District. CRS will conduct pre-mediation activities with the parties on October 13 and 14, 2006, as both parties have indicated an interest in mediation. CRS has been coordinating its activity with the Civil Rights Division.

COMMUNITY RELATIONS SERVICE CONTACT:
JAIME LYON AT (202) 305-2934

DOJ_NMG_ 0168494

Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, September 26, 2006 11:16 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/26/06 Civil Division News

Court Grants Nine Cases

Censored Affidavit Issued in National Security Case

RCMP chief to answer questions about Arar affair

Justice appeals court order to release NRO documents

DOCTOR'S CALL-UP BY ARMY IS HALTED

VA Executive Takes on the Agency

Scotusblog

Tuesday, September 26, 2006

Court Grants Nine Cases

Lyle Denniston

The Supreme Court agreed on Tuesday to decide whether states may bar a labor union from using non-union workers' dues for political activities if those workers have not explicitly consented. The issue arises in two cases that will be heard together: *Davenport v. Washington Education Association* (05-1589) and *Washington v. Washington Education Association* (04-1657). A Washington state law forbade unions to use "agency shop: fees paid by non-members to influence elections "unless affirmatively authorized by the individual." The state Supreme Court struck down the law as a violation of union's First Amendment rights in a case filed by a teachers union.

The Court, setting the stage to open its new Term next Monday, added a total of nine new cases to its docket for decision in coming months. Those cases were selected from the 1,900 that had stacked up since the Court's last Conference in June. Indications are that, later today, some of these will be put on expedited briefing schedules, for argument in December; the Court has four slots still open in its December calendar.

In an important business case, the Court agreed to decide what proof is required to show that a violation of the federal truth-in-lending law was willful. Under the Fair Credit Reporting Act, a finding of a willful violation entitles a consumer either to actual damages or statutory damages of $100 to $1,000 per violation, plus punitive damages. A mere negligent violation, by contrast, results only in actual damages. The issue before the Court is whether a violation is willful if it resulted from reckless disregard of consumer rights under the Act, or whether there must be proof the credit entity actually knew it was acting illegally. The Court consolidated two cases for review on the issue: *Safeco Insurance v. Burr* (06-84) and *Geico General Insurance v. Edo* (06-100).

Among the cases granted was one filed by the federal government, testing whether an alien living in the U.S. can be deported after being found guilty of a crime that could include a verdict of aiding and abetting *(Gonzales v. Duenas-Alvarez* (05-1629).

In a death penalty case with significant potential for affecting the relationship between criminal defendants and their defense lawyers, the Court will hear an Arizona appeal testing whether defense counsel has a duty to develop and offer evidence favorable to the client, when the client actively opposes any such maneuver. (*Schriro v. Landrigan*, 05-1575)

The Court also took on an important case on the right of individuals to recover, on behalf of the federal government, federal funds that were misspent by a private firm or contractor of public employee -- the "qui tam" provision of the False Claims Act. The order granted review to spell out the meaning of the phrase "original source" in the Act. A person bringing a qui tam claim must be the original source of the information about the misspent funds. In granting review of the case, however, the Supreme Court chose not to address a claim that the qui tam provision itself is unconstitutional. The case is *Rockwell International v. U.S. ex rel. Stone* (05-1272).

Stepping into governmental spat on the island of Guam, the Court agreed to decide a dispute between the territory's governor and its attorney general over staying within a borrowing limit. The Court, however, added a procedural issue that may prevent it from reaching the substance of the officials' dispute. (*Moylan v. Camacho*, 06-116).

The Court granted review of the federal Education Secretary's authority to write a formula on subsidizing local school districts that serve a nearby military base on Indian reservation. The case tests whether the Secretary is bound by a formula enacted by Congress (*Zuni Public School District v. U.S. Department of Education*, 05-1508).

In an environmental dispute, the Court said it would return to the question of local governments' authority to control the disposal of solid wastes. The case tests whether it violates the Commerce Clause for a local "flow-control" ordinance to require delivery of all solid wastes to a publicly owned local facility. (*United Haulers Associationi v. Oneida-Herkimer Solid Waste Management Authority*, 05-1345).

In a jurisdictional case, the Court will review whether a U.S. District Court must first find that it has jurisdiction over a lawsuit, before it may dismiss a lawsuit because it was filed in an inconvenient forum. (*Sinochem International v. Malaysia International Shipping Corp*., 06-102).

END

New York Times

September 26, 2006

Censored Affidavit Issued in National Security Case

By ANEMONA HARTOCOLLIS

Federal District Court in Manhattan has made public an affidavit from a plaintiff whose identity cannot be revealed. In the affidavit, he says he has to lie to those close to him to preserve the secrecy of a national security investigation that he believes is morally questionable.

The affidavit, which has been heavily censored, provides vivid details of an upside-down life. The plaintiff, identified only as John Doe, is a businessman who filed a lawsuit in 2004 challenging the constitutionality of federal demands for Internet and telephone records. He describes himself as the former president of an Internet access and consulting business.

Some time ago (the government will not allow him to say when), he received a so-called national security letter from the F.B.I., asking him to provide information about one of his clients in connection with "international terrorism or clandestine intelligence activities." The letter also said he was prohibited from talking with anyone about the investigation.

"Since that time," the John Doe affidavit says, "I have been subject to a gag order that has prevented me from disclosing, among many other things, that I initiated this lawsuit."

Mr. Doe said he resisted the government's demand because he did not want to violate the privacy of his clients. In April 2004, represented by the American Civil Liberties Union, he filed a lawsuit against the attorney general, John Ashcroft, and Robert S. Mueller, the director of the F.B.I. The government gained the right to demand customer information without a court order under a 1986 law, which was expanded by the U.S.A. Patriot Act of 2001 and amended further in March of this year.

In his affidavit, he described a world in which he has been "compelled to systematically deceive" his friends, his family and his girlfriend in order to preserve the secrecy of the investigation.

"The gag put me in a very compromising position, as I did not want to be dishonest in my communications," yet at the same time, he said, he did not want to violate the order. He added: "I do not like the feeling of being conscripted to be a secret informer for the government, especially because I have doubts about the legitimacy of the underlying investigation."

Jameel Jaffer, lead counsel for the civil liberties union, said yesterday that the affidavit was filed on Sept. 8, but was sealed until the government censored a copy, allowing the court to release it on Friday afternoon.

In September 2004, Judge Victor Marrero of Federal District Court ruled in this case that national security letters, which force businesses to turn over customer information without a judge's order or a grand jury subpoena, violated the constitutional prohibition against unreasonable search and seizure.

But earlier this year, as the case was being appealed, Congress amended the law, and the case was sent back to the lower court, where the same plaintiff has filed a new challenge, Mr. Jaffer said.

Mr. Jaffer said the amended law had made the national security letter provision "even more oppressive than it was before," because in the past, courts could hear challenges to such restraints. Now, he said, if the F.B.I. certifies that an order forbidding disclosure is necessary to national security, "the court is required to defer to the F.B.I."

Jeffrey Oestreicher, the assistant United States attorney handling the case, could not be reached for comment last night.

END

CBC

September 26, 2006

RCMP chief to answer questions about Arar affair

RCMP Commissioner Giuliano Zaccardelli will appear before a Commons committee this week to answer questions regarding the Maher Arar affair, Prime Minister Stephen Harper said Monday.

Harper made the announcement during question period after being accused by interim Liberal leader Bill Graham of deliberately muzzling Zaccardelli.

"The government is obviously doing no such thing," Harper responded, adding that the agency chief will appear before a public security hearings committee later this week to answer questions.

Justice Dennis O'Connor's report was sharply critical of the RCMP's role in Arar's detention in the U.S. and his subsequent deportation to Syria.

The embattled commissioner refused to talk about the report when he made his first public appearance on Sunday since its release.

"Today is to honour those who have died in the line of duty," Zaccardelli told reporters following a police memorial service on Parliament Hill. "That's what I'm here for. I will be giving my testimony at the appropriate time."

Arar was travelling back to his home in Ottawa from a family vacation in Tunisia in September 2002 when he was detained during a stopover in New York. Within days, he was sent to Syria, where he says government officials held him, systematically tortured him and kept him in jail for a year. U.S. authorities had accused Arar of having links to al-Qaeda.

O'Connor's report, which cleared Arar of any links to the militant group and was highly critical of the RCMP, said:

- The RCMP gave erroneous information to the U.S. about Arar.
- Senior officers should have monitored less experienced officers more closely.
- The force should have supported efforts by the Department of Foreign Affairs to secure Arar's release from Syria.
- The RCMP failed to provide accurate information to the federal government about its national security investigation into Arar.

END

Federal Times

Sept. 26, 2006

Justice appeals court order to release NRO documents

By DANIEL FRIEDMAN

The Justice Department is appealing a federal court order requiring the National Reconnaissance Office to release unclassified budget documents.

The Federation of American Scientists filed a Freedom of Information Act request last year for parts of the fiscal 2006 budget justification sent to Congress by NRO, which builds and operates intelligence satellites. NRO rejected the request, claiming that the relevant documents are "operational files," which document scientific and technical means for collecting information. Intelligence agencies can exempt operational files from FOIA.

But a federal judge ruled in July that the exemption did not apply to the NRO budget documents. According to Steven Aftergood, director of the FAS Project on Government Secrecy, NRO initially said it would comply with the decision.

On Sept. 20, however, the Justice Department filed a notice of appeal in U.S. Court of Appeals for the District of Columbia Circuit.

In *Secrecy News*, an FAS newsletter, Aftergood said the claim that unclassified budget documents represent operational files is new.

"If the operational file exemption were permitted to cover routine administrative documents such as budget records, then an enormous swath of unclassified government records could be unilaterally removed from the reach of the FOIA simply by designating them operational," he wrote.

Citing a 2001 memo from then Attorney General John Ashcroft that states Justice will defend agency decisions to resist FOIA requests, Aftergood argued the appeal is consistent with wider Bush administration policy to limit disclosure.

Justice spokesman Charles Miller confirmed the notice of appeal was filed, but declined to comment on its substance or on FOIA policy.

NRO had no immediate comment.

END

Boston Globe

September 26, 2006

DOCTOR'S CALL-UP BY ARMY IS HALTED

Shelley Murphy, Globe Staff

The US Army paid $184,000 for Mary Hanna to go to Tufts University School of Medicine for four years, and in exchange she agreed to serve four years of active duty and another four in the reserve after becoming a doctor.

But just before Christmas, as she was nearing the end of her anesthesiology residency at Beth Israel Deaconess Medical Center in Boston, Hanna, 30, of Somerville notified the Army that her religious beliefs were now "incompatible with military service."

Describing herself as a devout Coptic Orthodox Christian, Hanna, an Army Reserve captain, urged the Army on Dec. 23 to grant her discharge as a conscientious objector, writing, "I cannot participate in war in any form."

This month, the Army refused Hanna's request after considering conflicting opinions from priests, a psychiatrist, and military brass about whether Hanna was opposed to war or trying to evade service.

But yesterday, the day before Hanna was scheduled to report for duty at Fort Bliss, Texas, a federal judge stepped in and prohibited the Army from forcing Hanna into service, at least until Oct. 10.

US District Judge Nancy Gertner scheduled an Oct. 5 hearing on Hanna's assertion that the Army violated her constitutional rights by denying her conscientious objector status. Hanna is urging the judge to order her release from the Army.

It's at least the second conscientious objector case to be filed in US District Court in Boston in the past year and one of a handful pending around the country. Under military regulations, conscientious objectors may seek release from duty or ask to serve in noncombatant situations if they are sincerely opposed to war.

Hanna, who attended yesterday's hearing, refused to discuss her case.

"She will pay back the money," said Hanna's lawyer, Louis Font, who argued that Hanna's beliefs prevent her from even treating soldiers on American soil.

In her application for conscientious objector status, Hanna said she had a strong religious upbringing, but had no convictions about war when she enlisted in the Army in 1997. After her father, a former Egyptian military officer, died in 2003, Hanna said she was again drawn to God and rekindled her faith.

She wrote, "I knew that to live the rest of my life with integrity, in harmony with God's nature of love and compassion, I could not participate in military service."

An Army hearing officer and several high-ranking officers concluded she was a conscientious objector. A brigadier general wrote, "The solemnity of her convictions is clear . . . and they do not appear to have been born of a desire to avoid service," according to reports filed in court.

But an Army review board voted 2-1 to reject Hanna's discharge, and the board's president wrote that her statements "lack passion and sincerity" and "appear as repetitions rather than personally held beliefs."

The Army was also skeptical of the timing of Hanna's request, according to documents. She was one of two anesthesiologists who filed conscientious objector applications in December, shortly after another anesthesiologist was granted a discharge on the same grounds.

Assistant US Attorney Anita Johnson, who represents the Army, argued that Hanna failed to prove she was sincere and that releasing her from service would cause an immediate hardship, because the Army has only 75 of the 95 required anesthesiologists it needs.

Still, Johnson said the Army "can guarantee she will not be deployed to Iraq or Afghanistan or any other combat situation."

Hanna was assigned to Beaumont Army Medical Center, a major teaching hospital and regional trauma center at Fort Bliss, Texas, that treats military members, their families, and retirees, according to Johnson.

But Font argued that Hanna could be deployed anywhere, including Iraq, once she's activated.

END

FedSmith
Sept. 26, 2006

VA Executive Takes on the Agency

By Susan Smith

An appeals court has sent a federal executive's privacy act challenge against the Department of Veterans Affairs back to the district court after determining that the lower court improperly granted summary judgment to the government on several counts. (McCready v. Nicholson, C.A.D.C. No. 04-5425, 9/19/06) Here's a summary as taken from the court's decision.

McCready headed the VA Office of Congressional Affairs. The agency Inspector General's office opened an audit of the office after receiving confidential complaints against McCready and her organization for fiscal mismanagement and operational abuse. The IG audit led to first a "Draft Audit Report," which was released to just a few officials within VA; next, a final report that was released within the agency, OMB and Congress; and finally an "Addendum Audit Report," released to the same offices that received the final report. (opinion, pp. 2-3)

Following receipt of the final audit report, the VA Assistant Secretary for Personnel Management sent a memo to the VA Secretary discussing McCready's financial management within her office. The AP published a report that same day that was highly critical of McCready. Several days later, the AP issued a second report that quoted from the above private internal agency memo. (p. 3)

McCready formally responded to both the final audit and the addendum audit reports. The reports and McCready's responses were considered and the agency concluded that no discipline was warranted against McCready. (p. 4)

McCready then launched efforts under the Privacy Act to get the agency reports about her either corrected and/or deleted. Not satisfied with the agency's response, she filed suit in the U.S. District Court for the District of Columbia, asserting 12 claims of violations of the Privacy Act. That court granted summary judgment to the government on all 12. McCready appealed.

The appeals court in its recently issued decision sustained the district court in part, reversed in part, and remanded for further handling. One issue was whether a Privacy Act challenge could be considered where the records were not retained in a Privacy Act system of records. The appeals court did not agree with the district court on this point, stating in pertinent part: "Where an aggrieved person can identify a specific document, prove its inaccuracy, and demonstrate that the document was used against her, all the values of the Act are vindicated. As a subsection (g)(1)(C) claim is predicated upon an individual simply challenging the accuracy of a particular document used against her, there was no need for subsection (g)(1)(C) to incorporate a system of records requirement and thereby prevent a fishing expedition. The fish has already been caught at no expense to the agency." (p. 17)

If the government believes that there must be a system of records identified before a challenge such as McCready's should be considered, then it needs to take that up with Congress.

END

Miranda, Gail (ENRD)

From:	Miranda, Gail (ENRD)
Sent:	Tuesday, September 26, 2006 12:19 PM
To:	Alexander, Craig (ENRD); Barsky, Seth (ENRD); Baylor, Lewis (ENRD); Bogan, Shanedda L. (ENRD); Brighton, William (ENRD); Brook, Bob (ENRD); Brookshire, James (ENRD); Bruffy, Robert (ENRD); Burgess, Wells (ENRD); Butler, Virginia (ENRD); Clark, Tom (ENRD); Clinger, James H; Cruden, John (ENRD); Davis, Deborah J; Disheroon, Fred (ENRD); Dworkin, Karen (ENRD); Edgar, Mary (ENRD); Elston, Michael (ODAG); Ferguson, Russ (ENRD); Findlay, Charles (ENRD); Fisherow, Benjamin (ENRD); Fowler, Liane (SMO); Gelber, Bruce (ENRD); Giordano, John (ENRD); Gluck, Ronald (ENRD); Goldman, Greer (ENRD); Gorsuch, Neil M; Grishaw, Letitia (ENRD); Gunn, Currie (SMO); Gustafson, Kristen (ENRD); Haugrud, Jack (ENRD); Henderson, Charles V; Hoang, Anthony (ENRD); Katz, Maureen (ENRD); Keeney, John; Kilbourne, Jim (ENRD); Lazarus, William (ENRD); Magnuson, Cynthia; Mahan, Ellen (ENRD); Maher, Robert (ENRD); Mariani, Tom (ENRD); McCallum, Robert (SMO); McKeown, Matt (ENRD); Mergen, Andy (ENRD); Milius, Pauline (ENRD); Miller, Charles S; Miranda, Gail (ENRD); Monson, Peter C (ENRD); Nelson, Ryan (ENRD); Newton, Cullen (ENRD); O'Connor, Eileen J. (AAG/TAX); Randall, Gary (ENRD); Ranger, Steven (ENRD); Rogers, Cherie (ENRD); Samuels, Stephen (ENRD); Saxe, Keith (ENRD); Schachter, Scott (ENRD); Schiffer, Stuart (CIV); Senger, Jeffrey M; Shaw, Aloma A; Shockey, Charles (ENRD); Sither, John (ENRD); Smith, Justin (ENRD-LPS Attorney); Smith, Marc (ENRD); Sobeck, Eileen (ENRD); Stoller, Stacy (ENRD); Turner, John (ENRD); Uhlmann, David (ENRD); Vaden, Christopher (ENRD); Wardzinski, Karen (ENRD); Webb, John T. (ENRD); Williams, Jean (ENRD); Wooldridge, Sue Ellen (ENRD); Young, Russell (ENRD); Zwick, Ken (CIV)
Subject:	Attached is ENRD's Weekly Report to the AG...
Attachments:	#104418-v1-AG_Weekly_-_Sept__26__2006.DOC

U.S. Department of Justice

Environment and Natural Resources Division

Assistant Attorney General
950 Pennsylvania Avenue, N.W.
Washington, DC 20530-0001

Telephone (202) 514-2701
Facsimile (202) 514-0557

September 26, 2006

MEMORANDUM FOR THE ATTORNEY GENERAL

THROUGH: THE DEPUTY ATTORNEY GENERAL

THROUGH: THE ASSOCIATE ATTORNEY GENERAL

FROM: Sue Ellen Wooldridge
Assistant Attorney General
Environment and Natural Resources Division

NEXT WEEK

Nothing to report.

THIS WEEK

Nothing to report.

LAST WEEK

- ***Largely Unfavorable Decision in Osage Nation v. United States (Fed. Cl.)***

On September 21, the Court issued a ruling in the Tranche One trial, which concerned two main trust fund claims for particular oil leases and months in the 1976 to 1989 time period. Plaintiff essentially claimed that the government failed to: (a) collect all royalties due for particular oil leases; and (b) timely deposit and earn the appropriate investment returns on the income. Regarding the Tribe's oil royalty claims, although the court approved certain government practices with respect to these leases, it also found that the government breached its fiduciary duties by failing to collect royalties based on highest offered prices and by failing to collect full royalties during price controls. Regarding the Tribe's investment claims, the Court found that the government breached its fiduciary duties by failing to maintain appropriate cash balances and failing to obtain appropriate investment yields in accordance with the law. The Court then

directed the parties to jointly calculate and present to the court the amount of damages to which Plaintiff is entitled in accordance with the Court's opinion on or before November 2.

- ***Adverse Decision in California v. USDA/Wilderness Society v. USFS (N.D. Cal.) / Renewed Challenge to Roadless Rule in Wyoming v. USDA (D. Wyo.)***

The States of California, New Mexico, Washington and Oregon and a group of environmental organizations challenged the USDA's State Petition Rule, which replaced the 2001 Roadless Rule. On Wednesday, September 20, 2006, the court granted plaintiffs' motion for summary judgment, holding that, through the State Petition Rule, USDA substantively repealed protections in place under the 2001 Roadless Rule without completing the necessary procedures and thus violated the National Environmental Policy Act (NEPA) and the Endangered Species Act. The Court enjoined the State Petition Rule and reinstated the 2001 Roadless Rule (except with respect to the Tongass National Forest in Alaska), directing the defendants not to take any action inconsistent with the 2001 Roadless Rule until the requisite NEPA analysis is conducted. The Forest Service Chief issued a letter on September 22, stating that no further activities in inventoried roadless areas that would be inconsistent with the 2001 Roadless Rule are to be approved. In response to plaintiffs' motion for clarification of the impact of the court's order on previously authorized projects, the court held a hearing on September 25 at which it tentatively indicated that certain projects would not be enjoined. Further briefing will be filed on this issue. Purchaser-intervenors appealed the court's decision on September 21.

In response to this ruling, the State of Wyoming asked the district court in Wyoming to reopen Wyoming v. USDA. In that case, the district court in 2003 had held that the 2001 Roadless Rule violated NEPA and the Wilderness Act, and issued a nationwide injunction barring implementation of the Rule. However, after the Forest Service issued the State Petition Rule, the Tenth Circuit dismissed an appeal of the district court's decision as moot and directed the district court to vacate its injunction and dismiss the case as moot. The district court did that in 2005.

- ***Adverse Decision in Northwest Environmental Advocates v. EPA (N.D. Cal.)***

On Monday, September 18, 2006, the district court, having previously granted plaintiffs' summary judgment motion in this challenge to an EPA regulation that exempts discharges of ballast water from Clean Water Act permitting requirements, granted plaintiffs' request for a permanent injunction. The court ordered that the regulatory exemption for discharges incidental to the normal operations of a vessel shall be vacated as of September 30, 2008. Several bills have been introduced in Congress to address invasive species and regulate ballast water in some respect. One of these, S. 363, the Ballast Water Management Act of 2005, has been reported out of committee to the full Senate; the Department has submitted a views letter on this bill.

DIVISION CONTACT

Sue Ellen Wooldridge
Assistant Attorney General
(202) 514-2701

DOJ_NMG_ 0168504

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 1:19 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NEW YORK HOSPITAL EMPLOYEE PLEADS GUILTY TO BID RIGGING

(A PDF of the information is attached below.)

Cogliano Information.pdf

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER NEW YORK HOSPITAL EMPLOYEE PLEADS GUILTY TO BID RIGGING

WASHINGTON — A former New York hospital employee pleaded guilty for his role in a conspiracy involving bid rigging and contract allocation for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced.

Stephen Cogliano of Staten Island, N.Y., a former information technology network employee at Mount Sinai, pleaded guilty today in U.S. District Court in Manhattan to one count of conspiracy to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai from approximately January 2001 through October 2004.

"The Department of Justice remains vigilant in its efforts to protect competition for American businesses and consumers by prosecuting those who defraud their employers and deprive the public of the benefits afforded by a truly competitive bidding process," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

The Mount Sinai Hospital is a 1,171-bed tertiary care teaching hospital that serves the New York metropolitan area with a medical staff of nearly 1,800. In addition to its medical education efforts, Mount Sinai's School of Medicine performs clinical and basic-science research. Both the hospital and the school jointly operate an information technology department, located within the Mount Sinai Medical Center in Manhattan, that assists various departments and facilities in creating and maintaining their telecommunications infrastructures. This assistance includes selecting and contracting with third party telecommunications vendors in order to install equipment such as voice and data cables in Mount Sinai facilities.

Cogliano and another Mount Sinai employee were responsible for obtaining bids from vendors of telecommunications equipment and services on behalf of Mount Sinai. They were also responsible for supervising these vendors and reviewing and authorizing their invoices for payment. According to the Department, Cogliano received payments from individuals associated with two telecommunications vendors in exchange for helping steer contracts to those companies. Cogliano opened a bank account under the name of a consulting company in May 2003 that was primarily used to conceal illegal payments received from the vendors.

DOJ_NMG_ 0168505

The bid-rigging charge, a violation of the Sherman Act, carries a maximum penalty of 10 years in prison, three years of supervised release, and a $1 million fine for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, the defendant could be ordered to pay restitution to the victim for the full amount of that victim's loss.

This charge arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the telecommunications equipment and services industry. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation (FBI) and the Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the telecommunications equipment and services industry should contact the New York Field Office of the Antitrust Division at 212-264-9308 or the New York Division of the FBI at 212-384-3252.

###

06-648

Department of Justice

DOJ_NMG_ 0168506

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.	:	Violation: 15 U.S.C. § 1
STEPHEN COGLIANO,	:	
Defendant.	:	

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Stephen Cogliano ("Cogliano") is hereby made a defendant on the charge stated below.

SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

I. RELEVANT PARTIES AND ENTITIES

During the period covered by this Count:

2. Cogliano resided in Staten Island, New York

3. Cogliano was employed by Mount Sinai School of Medicine and The Mount Sinai Hospital (collectively, "Mount Sinai"), a teaching hospital located in New York, New York, as a Network Management Professional in Mount Sinai's Information Technology department from October 2000 until July 2003. In July 2003, Cogliano became an employee of International Business Machines, Corp. ("IBM") but maintained

the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. His job title changed to Technical Services Professional in October 2004. In May 2003, Cogliano opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from vendors to Mount Sinai.

4. "CC-1" was a co-conspirator who was employed by Mount Sinai as a Information Technology Manager in Mount Sinai's Information Technology department from August 2000 until July 2003. In July 2003, CC-1 became an employee of IBM but maintained the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. CC-1 directly supervised Cogliano. In April 2001, CC-1 opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from vendors to Mount Sinai.

5. "CC-2" was a co-conspirator who was a vice president of a company located in Manhattan, New York that supplied telecommunications equipment and services to Mount Sinai ("Vendor 1"). CC-2's wife was the President and owner of Vendor 1, although CC-2 was primarily responsible for the management of the company.

6. "CC-3" and "CC-4" were co-conspirators who jointly owned a company located in Great Neck, New York that supplied telecommunications equipment and services to Mount Sinai ("Vendor 2").

DOJ_NMG_ 0168508

7. Various other persons, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

II. BACKGROUND

8. The Mount Sinai Hospital is a 1,171-bed tertiary-care teaching hospital with a medical staff of nearly 1,800, serving the New York metropolitan area. Mount Sinai School of Medicine performs clinical and basic-science research, in addition to its medical education function. Jointly, both entities operate an Information Technology department located within the Mount Sinai Medical Center on Madison Avenue.

9. Mount Sinai's Information Technology department served the various departments and facilities within Mount Sinai by assisting them in creating and maintaining their telecommunications infrastructures. This included selecting and contracting with third parties that were vendors of telecommunications equipment and services in order to install equipment such as voice and data cables in Mount Sinai facilities.

10. Mount Sinai had a competitive bidding policy that required the Information Technology department to obtain at least three competitive bids before entering into any single contract for goods or services in excess of $10,000, and then award those contracts to the lowest responsible bidder. The purpose of the bidding policy was to ensure that the Information Technology department obtained products and services at competitive, fair market prices.

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11. As the Information Technology Manager, CC-1 was responsible for obtaining bids from vendors of telecommunications equipment and services before contracts were awarded in accordance with Mount Sinai's policies and procedures, including adhering to Mount Sinai's competitive bidding policy. In addition, CC-1 was responsible for supervising these vendors and reviewing and authorizing their invoices for payment. As a manager, CC-1 sometimes delegated these tasks to individuals he supervised, including Cogliano. As a Network Management Professional, and later as a Technical Services Professional, Cogliano carried out some of these tasks under CC-1's direction and was also separately responsible for ensuring that contracts were awarded in accordance with Mount Sinai's policies and procedures and reviewing and authorizing invoices for payment.

12. Cogliano and his co-conspirators attempted to create the appearance that the Information Technology department was awarding contracts in compliance with Mount Sinai's competitive bidding policy when, in fact, it frequently was not. In actuality, CC-1 determined in advance which contracts to allocate to Vendor 1 or Vendor 2, and then, in order to make it appear that contracts had been awarded based on competitive bids, Cogliano and CC-1 at times arranged to receive bids with intentionally high prices (i.e., cover bids) from either Vendor 1 or Vendor 2. Cogliano and CC-1 sometimes specified what prices should be quoted on these cover bids, and that the bids be backdated. On other occasions, Cogliano and CC-1 allocated contracts without obtaining multiple bids or irrespective of whether the vendor to which the contract was allocated was the lowest

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responsible bidder. At the time, Cogliano and CC-1 were receiving payments from Vendor 1 and Vendor 2.

13. Mount Sinai maintained a written "conflict of interest" policy prohibiting employees and contractors, including Cogliano and CC-1, from accepting gifts (other than of token value) from vendors or from entering into business arrangements with vendors. In the fall of 2000, when he was hired by Mount Sinai, Cogliano signed an acknowledgment that he had reviewed this "conflict of interest" policy.

14. At no time did Cogliano or his co-conspirators disclose to Mount Sinai Cogliano's receipt of the payments from Vendors 1 or Vendor 2. All such payments were made without the knowledge or approval of Mount Sinai, and in violation of Cogliano's duty of loyalty to Mount Sinai.

III. TRADE AND COMMERCE

15. From approximately January 2001 through October 2004, pursuant to contracts that are the subject of this Information, Mount Sinai purchased approximately $2,089,000 in telecommunications equipment and services from Vendor 1 and Vendor 2.

16. During the period covered by this Information, Vendor 1 and Vendor 2 supplied telecommunications equipment and services to Mount Sinai, including materials produced pursuant to contracts that are the subject of this Information, which were shipped across state lines, in a continuous and uninterrupted flow of interstate commerce, in the form of voice and data cables and other equipment obtained from distributors located outside the State of New York.

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17. The activities of the defendant and co-conspirators with respect to the sale of telecommunications equipment and services to Mount Sinai, including the sale of voice and data cables and other equipment pursuant to contracts that are the subject of this Information, were within the flow of, and substantially affected, interstate trade and commerce.

IV. DESCRIPTION OF THE OFFENSE

18. From approximately January 2001 through October 2004, the exact dates being unknown to the United States, the defendant and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (Title 15, United States Code, Section 1).

19. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai.

20. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

(a) CC-1 designated in advance whether Vendor 1 or Vendor 2 would be the low bidder on certain contracts to supply telecommunications equipment and services to Mount Sinai;

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(b) Cogliano and co-conspirators discussed and agreed on the prices that would be bid on contracts to supply telecommunications equipment and services to Mount Sinai;

(c) Cogliano and co-conspirators submitted, or caused Vendor 1 and Vendor 2 to submit, intentionally high, noncompetitive bids (i.e., cover bids) on certain contracts to supply telecommunications equipment and services to Mount Sinai, with the understanding that each vendor would be allowed to submit bids for, and under certain circumstances allocated other contracts with Mount Sinai to supply telecommunications equipment and services. The intentionally high bids were submitted in order to make it appear that there had been competition for Mount Sinai contracts when, in fact, there had not; and

(d) Cogliano and CC-1 allocated other contracts between Vendor 1 and Vendor 2 in violation of Mount Sinai's competitive bidding policy by either failing to obtain competitive bids or awarding contracts to either Vendor 1 or Vendor 2 regardless of whether that vendor was in fact the lowest qualified bidder, or otherwise manipulating bids so as to justify an allocation to either Vendor 1 or Vendor 2 while making it appear that there had been competition for Mount Sinai contracts when, in fact, there had not;

(e) Cogliano and CC-1 allocated other, smaller contracts between Vendor 1 and Vendor 2 and did not seek alternative vendors; and

(f) Cogliano received payments from CC-1, CC-2, CC-3, CC-4, or the

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companies they represented, in part, for his role in allocating contracts between Vendor 1 and Vendor 2.

21. During all or some of the period from approximately January 2001 until September 2003, Cogliano received a payment totaling $15,000 from Vendor 1. Vendor 1 made this payment to Cogliano, in part, to ensure that Cogliano and CC-1 would allocate to it a portion of Mount Sinai's total purchases of telecommunications equipment and services, and that they would not seek alternative vendors of telecommunications equipment and services for these contracts. As a result, Vendor 1 was able to maintain non-competitive prices because it did not face open and honest competition from other vendors. Also, Cogilano and CC-2 fraudulently inflated some of Vendor 1's invoices and caused Mount Sinai to pay Vendor 1 for those fraudulently inflated invoices, which the $15,000 check was also partially in payment of. As a result, Mount Sinai paid higher prices for the telecommunications equipment and services it purchased than it would have if Cogliano had aggressively and honestly solicited competitive prices from other vendors, and had not approved fraudulently inflated invoices for payment.

22. In approximately June 2002, Cogliano and CC-1 allocated to Vendor 1 a contract to install telecommunications equipment in a Mount Sinai emergency room facility called the "ED Project." CC-1 discussed and agreed in advance with a representative of Vendor 1 that Vendor 1 would be allocated the "ED Project" contract for a specified inflated price. CC-1 instructed Vendor 1 to submit a bid with the inflated price and instructed Cogliano to get other vendors to submit bids with higher, non-competitive

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prices (i.e., cover bids), which Cogliano did. As a result, Vendor 1 was awarded the "ED project" contract for $295,000.

23. Cogliano also received payment for his role in rigging bids and allocating contracts to Vendor 2. For example, in approximately March 2002, Cogliano and CC-1 allocated a contract to install telecommunications equipment for Mount Sinai's Radiation Oncology department to Vendor 2. Defendant and co-conspirators rigged the bids for the job by causing Vendor 1 to submit an inflated cover bid. Additionally, defendant and co-conspirators instructed Vendor 2 to fraudulently inflate invoices related to the Radiation Oncology job by $10,000, and then caused Mount Sinai to pay Vendor 2 for the fraudulently inflated invoices. Mount Sinai completed payment to Vendor 2 for performing Radiation Oncology job in December 2002 and, shortly thereafter, Vendor 2 wrote two checks totaling $10,000 to CC-1's company. In January 2003, CC-1 issued a $5,000 check from his company to Cogliano for his assistance in rigging the bids, allocating the contract, and arranging for the inflated invoices to be paid by Mount Sinai for the Radiation Oncology job.

24. As a result of the aforementioned conspiracy, Mount Sinai paid more for the telecommunications equipment and services it purchased pursuant to the contracts that are the subject of this Information than it would have had the contracts instead been awarded pursuant to truly competitive bidding, or an otherwise competitive process, where free and open competition among vendors existed, and had there been no payments to Cogliano from CC-1, CC-2, CC-3, CC-4, or the companies they represented. In addition, other

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legitimate vendors of telecommunications equipment and services were foreclosed from selling to Mount Sinai.

V. JURISDICTION AND VENUE

25. The aforesaid combination and conspiracy was formed and carried out, in part, within the Southern District of New York within the five years preceding the filing of this Information.

IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

THOMAS O. BARNETT
Assistant Attorney General

SCOTT D. HAMMOND
Deputy Assistant Attorney General

MARC SIEGEL
Director of Criminal Enforcement

Antitrust Division
U.S. Department of Justice

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Southern District of New York

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Image not available for this document, ID: 0.7.10316.28690-000003

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 596618 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 2:05 PM
To: USDOJ- Office of Public Affairs
Subject: UNITED STATES FILES CIVIL RIGHTS LAWSUIT AGAINST THE VILLAGE OF SUFFERN, NY

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV/USAO/NYS

CONTACT: HERBERT HADAD
PHONE: (914) 993-1900
FAX: (212) 637-2600

UNITED STATES FILES CIVIL RIGHTS LAWSUIT AGAINST THE VILLAGE OF SUFFERN, NY

NEW YORK – The United States filed a civil rights lawsuit in White Plains federal court today against the Village of Suffern, which is located in Rockland County, N.Y., alleging that Suffern unlawfully discriminated on the basis of religion, in violation of the Religious Land Use and Institutionalized Persons Act of 2000, when it refused to allow a private religious organization to operate a Shabbos House near Good Samaritan Hospital in Suffern, U.S. Attorney Michael J. Garcia of the Southern District of New York, announced today.

Bikur Cholim Inc. has been operating a Shabbos House directly across the street from Good Samaritan Hospital in Suffern. A Shabbos House provides meals and lodging to Orthodox Jews on the Sabbath and other holy days to allow them to observe their religious beliefs and practices on those days such as engaging in prayer and refraining from driving and other activities. Bikur Cholim's Shabbos House in Suffern provides meals and lodging to Orthodox Jews who take patients to and from Good Samaritan Hospital, visit patients at the hospital, or are patients released from the hospital. The complaint further alleges that there are no other locations within a reasonable and safe walking distance of Good Samaritan Hospital that could accommodate Orthodox Jews on the Sabbath or other holy days and afford these Orthodox Jews the opportunity to exercise their religious beliefs by visiting the sick and observing the laws of the Sabbath.

"This lawsuit enforces Congress's determination that local zoning regulations must give way when they unlawfully burden religious exercise," U.S. Attorney Garcia stated.

Suffern's zoning code does not permit Bikur Cholim to operate a Shabbos House anywhere within walking distance of the hospital, and Suffern has denied Bikur Cholim's application for a variance from the zoning code, ordering Bikur Cholim to stop operating the Shabbos House.

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The government alleges that Suffern's denial of Bikur Cholim's variance application substantially burdens the religious exercise of the Orthodox Jews who need to visit the sick in Suffern while observing the religious proscription against driving on the Sabbath and other holy days. The government's lawsuit seeks, among other things, an order preventing Suffern from applying its zoning laws in a manner that substantially burdens the religious exercise of the Orthodox Jews served by Bikur Cholim.

The government filed its lawsuit as related to a private lawsuit filed last year by Bikur Cholim and certain private plaintiffs, entitled Bikur Cholim, Inc. v. Village of Suffern, No. 05 Civ. 10759 (S.D.N.Y.). That lawsuit remains pending before U.S. District Judge Stephen C. Robinson.

Assistant U.S. Attorney Russell M. Yankwitt is in charge of this case.

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Image not available for this document, ID: 0.7.10316.28655-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 2:13 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCING GUILTY PLEAS BY THE CALI CARTEL

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
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AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCING GUILTY PLEAS BY THE CALI CARTEL

WASHINGTON, D.C.

Good afternoon; thank you all for coming.

This morning, Miguel and Gilberto Rodriguez-Orejuela– brothers who ran the infamous Cali drug cartel in Colombia for more than 20 years – pleaded guilty in a federal court in Miami to a charge of conspiracy to import cocaine into the United States. They each were immediately sentenced to 30 years in prison.

The brothers also agreed to plead guilty to a charge of conspiracy to commit money laundering by hiding the proceeds of narcotics trafficking.

These two men were responsible for importing more than 200 tons of cocaine into this country over the course of many years. While at the height of their power, the intimidation and violence of their cartel held the people of the Colombian countryside hostage to fear.

Thanks to truly historic, cooperative efforts by U.S. law enforcement agencies and the Colombian government, these men today faced U.S. Justice. In court this morning, the two brothers agreed to a $2.1 billion forfeiture.

In addition, in a separate agreement, 28 of the Rodriguez-Orejuela family members agreed to forfeit all their assets, anywhere in the world, that were obtained directly or indirectly with narcotics proceeds. We anticipate that these assets will be found to be in the form of everything from bank and investment accounts to businesses, luxury residences and more.

The brothers' guilty pleas effectively signals the final, fatal blow to the powerful Cali Cartel. There are always

other traffickers and thus continuing challenges for law enforcement, but this is a day of pride for the people of Colombia and for international law enforcement.

The arrest, extradition to the United States, and now the convictions of these criminals, were all made possible by extraordinary cooperation between the United States and Colombia – our valued partner in the war to eradicate narcotics trafficking and the violence and corruption that accompanies it.

I am pleased to be joined at the podium by Ambassador Carolina Barco and wish to extend my deepest thanks, on behalf of our country, for the partnership and the bravery of President Uribe and the Colombian government.

Together, we have proven that the proud country of Colombia will not be held hostage by drug lords… and that those who seek to flood the neighborhoods of the United States with the poison of illegal drugs cannot get away with their crimes forever. They will be discovered, and they will be brought to justice.

I want to add that I believe our fight against illegal drugs has benefited from some of the reforms to our government that came after the terrorist attacks of September 11, 2001.

During that time, law enforcement agencies took important steps to ensure information-sharing and efficient use of resources. One of the tools developed was a unified, national law-enforcement list of the most significant drug and money laundering targets.

The Cali Cartel was on that list – the Consolidated Priority Organization Target, or CPOT list. CPOT has enabled drug enforcement officers at all levels, to assemble the resources necessary to zero in on the worst of the drug trafficking organizations… like the Cali Cartel. Of the 46 current CPOTs, 37 are under indictment in the U.S. In the last three years, law enforcement has completely dismantled 24 CPOT organizations and significantly disrupted one additional CPOT organization.

As with all matters of law enforcement, organization, cooperation and partnerships are what counted most in this case. In that spirit, I want to thank and congratulate the investigators and prosecutors who were involved, including:

- U.S. Immigration and Customs Enforcement at the Department of Homeland Security, represented here by Julie Myers, Assistant Secretary of Homeland Security
- the Drug Enforcement Administration, represented by Karen Tandy, the DEA Administrator
- the Office of Foreign Asset Control at the Treasury Department, represented by Adam Szubin the Director
- the U.S. Attorney's Office in the Southern District of Florida, represented by U.S. Attorney Alex Acosta
- the U.S. Attorney's Office in the Southern District of New York, represented by Deputy U.S. Attorney Cathy Seibel

DOJ_NMG_ 0168525

- and the Narcotic and Dangerous Drug Section of the Criminal Division and the Organized Crime and Drug Enforcement Task Forces (OCEDTF) at the Department of Justice, represented by Assistant Attorney General Alice Fisher.

I would also like to acknowledge the terrific partnership of the White House Office of National Drug Control Policy represented here by Director John Walters.

Now, some of the stage participants will be making a statement, beginning with Assistant Secretary Julie Myers and afterwards we'll take any questions.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 3:16 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ENRON CHIEF FINANCIAL OFFICER ANDREW FASTOW SENTENCED TO SIX YEARS IN PRISON FOR CONSPIRACY TO COMMIT SECURITIES AND WIRE FRAUD

Department of Justice

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TUESDAY, SEPTEMBER 26, 2006
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(202) 514-2008
TDD (202) 514-1888

FORMER ENRON CHIEF FINANCIAL OFFICER ANDREW FASTOW SENTENCED TO SIX YEARS IN PRISON FOR CONSPIRACY TO COMMIT SECURITIES AND WIRE FRAUD

WASHINGTON – Andrew S. Fastow, the former chief financial officer (CFO) of Enron Corp., was sente to six years in prison for his role in the conspiracy that led to the collapse of Enron Corp. in 2002, Assistant Atto General Alice S. Fisher announced today. Fastow was sentenced on two counts of conspiracy to commit securiti wire fraud before Judge Kenneth Hoyt at U.S. District Court in Houston, Texas.

Fastow pleaded guilty to two counts of conspiracy on Jan. 14, 2004. Under the terms of his plea agreeme Fastow agreed to cooperate fully with the government's investigation and forfeit more than $20 million.

Fastow admitted that he and other members of Enron's senior management conspired in wide-ranging scl to fraudulently manipulate Enron's publicly reported financial results. Fastow also admitted participating in sche enrich himself at the expense of the company and its shareholders. Specifically, Fastow admitted that he conspir with senior management to cause Enron to enter into improper transactions with the LJM entities, which were ur Fastow's control. He also admitted to engaging in self-dealing transactions to enrich himself and others in conne with the so-called "Southampton transaction," which involved the $30 million buyout by Enron of an entity calle Swap Sub LP, which Fastow controlled. In engaging in these transactions, Mr. Fastow admitted that he violated duty of loyalty and honest services to Enron's shareholders.

Enron, once the nation's seventh largest company with stock trading as high as $80 per share in August 1 filed for bankruptcy protection on Dec. 2, 2001, and its stock became virtually worthless.

Former Enron Corp. executives Timothy Despain and David Delainey were sentenced earlier this month. Despain was sentenced on Sept. 15, 2006, to four years of probation and fined $10,000 on one count of conspira commit securities fraud. Delainey was sentenced on Sept. 18, 2006, to 30 months in prison on one count of insic trading.

The ongoing investigation is being conducted by the Enron Task Force, a team of federal prosecutors supervised by the Justice Department's Criminal Division and Special Agents from the FBI and Internal Revenu Service, Criminal Investigation. The Task Force also has coordinated with and received considerable assistance the Securities and Exchange Commission. The Enron Task Force is part of President Bush's Corporate Fraud Ta Force, created in July 2002 to investigate allegations of fraud and corruption at U.S. corporations. To date, the e

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of the Corporate Fraud Task Force have resulted in 1,063 convictions, including the convictions of 167 corporate presidents and chief executive officers, and 36 chief financial officers.

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Image not available for this document, ID: 0.7.10316.28647-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 3:24 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER GOVERNMENT OFFICIAL IS THIRD TO PLEAD GUILTY IN $1.4 MILLION VIRGIN ISLANDS BRIBERY SCANDAL

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
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(202) 514-2008
TDD (202) 514-1888

FORMER GOVERNMENT OFFICIAL IS THIRD TO PLEAD GUILTY IN $1.4 MILLION VIRGIN ISLANDS BRIBERY SCANDAL

WASHINGTON – The former Director of the U.S. Virgin Islands Department of Planning and Natural Resources (DPNR) Division of Environmental Protection pleaded guilty to conspiring to defraud the Virgin Islands government of approximately $1.4 million, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Anthony J. Jenkins of the District of the Virgin Islands announced today.

Hollis L. Griffin, 43, entered his guilty plea before U.S. District Judge Clarence Cooper in Atlanta, Ga. He faces a maximum sentence of five years in prison, a $250,000 fine, and $1.4 million in forfeiture. Sentencing has been scheduled for Dec. 19, 2006 at 8:30 a.m.

Griffin was previously charged in the District of the Virgin Islands on June 21, 2006, along with former Virgin Islands Fire Service employee Earl E. Brewley and Esmond J. Modeste, the purported Project Manager of a fictitious company by the name of Elite Technical Services (Elite), with engaging in an elaborate bribery and kickback scheme to defraud the territorial government of approximately $1.4 million in federal and local funds. Brewley and Modeste pleaded guilty to the charges before U.S. District Judge Curtis V. Gomez on July 12, 2006. They are scheduled to be sentenced on Nov. 15, 2006. At Griffin's request, the case against him was transferred to the U.S. District Court for the Northern District of Georgia in Atlanta for purposes of entering a guilty plea and sentencing.

According to court documents, in early 2000, Griffin, Brewley, Modeste, and others formed Elite and then used the fictitious company, as well as other companies, to seek and be awarded at least seven government contracts valued at approximately $1.4 million. Although little or no actual work was performed on the contracts—which were awarded by DPNR and the Virgin Islands Department of Property and Procurement (DP&P) on behalf of DPNR and the Virgin Islands Fire Service—payments totaling over $1.1 million were made to Elite and the other companies. Once the contract proceeds were paid to Elite and the other companies, Brewley, Modeste, and others paid bribes and kickbacks totaling between $300,000 and $350,000 to at least four territorial government officials including Griffin.

Griffin, like Brewley and Modeste, pleaded guilty to engaging in a five-year conspiracy to commit bribery concerning programs receiving federal funds, honest services mail fraud, and structuring currency

DOJ_NMG_ 0168533

transactions, all in violation of federal law. Many of the contracts in issue were funded with federal monies and both the DPNR and the Fire Service received annual appropriations of federal funds with which to fund such programs and contract awards. A series of $9,900 cash withdrawals—totaling over $350,000—were allegedly made by Brewley, Modeste, and others after depositing certain contract proceeds into FirstBank, Wachovia, and Banco Popular. Like Brewley and Modeste, Griffin admitted that these cash withdrawals were made in order to pay the bribes and kickbacks in cash while avoiding the filing of Currency Transaction Reports by the local banks.

This case is being jointly prosecuted by Armando O. Bonilla of the Criminal Division's Public Integrity Section and Executive Assistant U.S. Attorney Major R. Coleman of the Virgin Islands. The task force investigating this case comprises agents from the Federal Bureau of Investigation, the U.S. Treasury Department/Internal Revenue Service, the U.S. Postal Inspection Service, and the U.S. Environmental Protection Agency Office of the Inspector General. The Virgin Islands Office of the Inspector General also assisted in this investigation.

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06-649

DOJ_NMG_ 0168534

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Image not available for this document, ID: 0.7.10316.28629-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 598823 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 26, 2006 4:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Flint, MI

From: AmberAlert-DOJ
Sent: Tuesday, September 26, 2006 4:35:33 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Flint, MI
Auto forwarded by a Rule

AMBER ALERT:Flint,MI VEH:92 White Van Chevrolet Lumina TAG:ABN7745 CHILD:7 B/M 4FT 50LBS Eyes:Bro Hair:Bla SUSP:22 B/F Eyes:Bro Hair:Bla CALL 810-237-6821
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2262

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 5:05 PM
To: USDOJ- Office of Public Affairs
Subject: SEVEN INDIVIDUALS CHARGED WITH FEMA FRAUD IN CONNECTION WITH HURRICANE KATRINA

Department of Justice

United States Attorney Stephen J. Murphy
Eastern District of Michigan

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV/USAO/MIE/

CONTACT: GINA BALAYA
PHONE: (313) 226-9758
FAX: (313)-226-4609

SEVEN INDIVIDUALS CHARGED WITH FEMA FRAUD IN CONNECTION WITH HURRICANE KATRINA

DETROIT – Seven individuals appeared before a U.S. Magistrate Judge in Detroit today on three criminal complaints charging them with various fraud offenses for their participation in filing for and receiving assistance from the Federal Emergency Management Agency (FEMA) in connection to Hurricane Katrina, U.S. Attorney Stephen J. Murphy announced today. U.S. Attorney Murphy was joined in the announcement by U.S. Postal Inspector in Charge Gregory Campbell.

The supporting affidavit alleges that the defendants conspired to obtain benefits from FEMA totaling over $13,000 based upon applications that contained false and fraudulent representations for assistance in connection to Hurricane Katrina.

The following individuals were named in the complaint: Patricia A. Hubbard of Bude, Miss.; Andrea J. Johnson Reason of Bloomington, Ind.; Pamela L. Reason of Detroit; Krystal P. Hubbard of Southfield, Mich.; Dwight V. Reason of Bloomington, Ind.; Curtistine Ingram of Detroit; and Krystal J. Young of Detroit.

The affidavit also alleged that defendants Patricia Hubbard and Andrea Reason conspired to provide addresses for the areas affected by Hurricane Katrina to the other co-defendants None of the defendants lived in the Gulf Coast area nor had suffered any loss due to the hurricane and were therefore not eligible for FEMA benefits. The defendants allegedly used the money they received to purchase items such as clothes, cars and in some instances drugs.

Krystal J. Young was also charged in a complaint of mail fraud due to an application submitted to FEMA for assistance. Like the other defendants, Young never lived in the New Orleans or Louisiana area and had not suffered any loss due to the hurricane. Young received two checks totaling approximately $12,700 which she used to purchase a car and for living expenses.

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"The Department of Justice has signaled that those who fraudulently benefit from the tragedy of Hurricane Katrina -- be it in New Orleans, Louisiana or Detroit, Michigan -- will be prosecuted to the full extent of the law," stated U.S. Attorney Murphy. "Today's charges evidence my office's full support of that prosecution effort. Scam artists who steal federal Katrina relief funds to satisfy their greed not only defraud the American taxpayer, they also re-injure the real victims of the hurricane's tragic devastation by unlawfully taking money intended to help those in need. I applaud the excellent work of the Postal Inspection Service which led to this case and the strong efforts of the Assistant U.S. Attorneys who prosecuted it."

A conviction for the offense of conspiracy carries a maximum penalty of five years in prison, a $250,000 fine, or both. A conviction for the offenses of wire fraud and mail fraud each carry a maximum penalty of 20 years in prison and/or a $250,000 fine.

A complaint is only a charge and is not evidence of guilt. When the investigation is completed a determination will be made whether to seek a felony indictment.

This case is being investigated by the U. S. Postal Inspection Service.

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DOJ_NMG_ 0168540

Image not available for this document, ID: 0.7.10316.28595-000001

Image not available for this document, ID: 0.7.10316.28595-000002

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 599000 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 5:52 PM
To: USDOJ- Office of Public Affairs
Subject: HORIZON WEST INC. & HORIZON WEST HEALTHCARE INC. TO PAY U.S.$14.7 MILLION FOR FALSE CLAIMS TO MEDICARE

Importance: High

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

HORIZON WEST INC. & HORIZON WEST HEALTHCARE INC. TO PAY U.S.$14.7 MILLION FOR FALSE CLAIMS TO MEDICARE

WASHINGTON – Horizon West Inc. and its wholly owned subsidiary, Horizon West Healthcare Inc., have agreed to pay the United States $14.7 million to settle allegations that the companies violated the civil False Claims Act, the Justice Department announced today. Rocklin, Calif.-based Horizon runs a nursing home chain with approximately 30 facilities in California and Utah.

The government alleged that the companies falsely inflated the number of nursing hours spent on Medicare patients when reporting their costs to Medicare from 1991 to 1998. The $14.7 million settlement by the defendants will end the case. "The Department of Justice is committed to investigating cases that threaten the integrity of the Medicare program," said Assistant Attorney General Peter D. Keisler. "We will protect the public from these kinds of inappropriate billings to the Medicare program."

The settlement resolves the civil case *United States ex rel. Lee v. Horizon West, Inc., et al.,* which was filed in 2000 by a former Horizon West employee. Julia Lee filed the case under the *qui tam* or whistleblower provisions of the False Claims Act, which authorize private parties to file lawsuits on behalf of the United States. The government intervened in the case on June 24, 2005, and the U.S. District Court in Oakland unsealed the case on July 11, 2005. The United States filed its complaint in the case on Oct. 21, 2005.

The case was investigated by the U.S. Department of Health and Human Services, Office of Inspector General; and the Federal Bureau of Investigation. The matter was handled by the Justice Department's Civil Division and the U.S. Attorney's Office for the Northern District of California in San Francisco.

# # #

06-650

DOJ_NMG_ 0168544

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Image not available for this document, ID: 0.7.10316.28572-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, September 26, 2006 6:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Flint, MI

From: AmberAlert-DOJ
Sent: Tuesday, September 26, 2006 6:35:31 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Flint, MI
Auto forwarded by a Rule

UPDATE AMBER ALERT:Flint,MI VEH:92 White Van Chevrolet Lumina TAG:ABN7745 CHILD:7 B/M 4FT 50LBS Eyes:Bro Hair:Bla SUSP:22 B/F Eye:Bro Hair:Bla CALL 810-237-6821
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2262

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 6:48 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING GUILTY PLEAS BY CALI CARTEL

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING GUILTY PLEAS BY CALI CARTEL WITH ATTORNEY GENERAL ALBERTO R. GONZALES, JULIE L. MYERS, ASSISTANT SECRETARY OF HOMELAND SECURITY, IMMIGRATION AND CUSTOMS ENFORCEMENT, KAREN P. TANDY, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, ADAM J. SZUBIN, DIRECTOR OF THE OFFICE OF FOREIGN ASSETS CONTROL, U.S. DEPARTMENT OF TREASURY, JOHN P. WALTERS, DIRECTOR, WHITE HOUSE OFFICE OF NATIONAL DRUG CONTROL POLICY, CAROLINA BARCO, AMBASSADOR TO THE UNITED STATES FROM THE REPUBLIC OF COLOMBIA

WASHINGTON, D.C.

2:10 P.M. EDT

ATTORNEY GENERAL GONZALES: Good afternoon. We've got an all-star lineup for all of you today. This morning Miguel and Alberto Rodriguez-Orejuela, brothers who ran the infamous Cali drug cartel in Colombia for more than 20 years, pleaded guilty in a federal court in Miami to a charge of conspiracy to import cocaine into the United States. They each were immediately sentenced to 30 years in prison. The brothers also agreed to plead guilty to a charge of conspiracy to commit money laundering by hiding the proceeds of narcotics trafficking.

These two men were responsible for importing more than 200 tons of cocaine into this country over the course of many years. While at the height of their power, the intimidation and violence of their cartel held the people of the Colombian countryside hostage to fear.

Thanks to truly historic cooperative efforts by U.S. law enforcement agencies and the Colombian government, these men today face U.S. justice. In court this morning, the two brothers agreed to pay a $2.1 billion forfeiture. In addition, in a separate agreement, 28 of the Rodriguez-Orejuela family members agreed to forfeit all of their assets anywhere in the world that were obtained directly or indirectly with narcotics proceeds.

We anticipate that these assets will be found to be in the form of everything from bank and investment accounts to businesses, luxury residences, and more.

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The brothers' guilty pleas effectively signal the final fatal blow to the powerful Cali cartel. There are always other traffickers, and thus continuing the challenges for law enforcement. But this is a day of pride for the people of Colombia and for international law enforcement.

The arrest, extradition to the United States, and now the conviction of these criminals were all made possible by extraordinary cooperation between the United States and Colombia, our valued partner in the war to eradicate narcotics trafficking, and the violence and corruption that accompanies it.

I am pleased to be joined at the podium by Ambassador Carolina Barco and wish to extend my deepest thanks on behalf of our country for the partnership and the bravery of President Uribe and the Colombian government. Together we have proven that Colombia will not be held hostage by drug lords, and that those who seek to flood the neighborhoods of the United States with the poison of illegal drugs will be held accountable. They will be discovered, and they will be brought to justice.

I want to add that I believe our fight against illegal drugs has benefited from some of the reforms to our government that came after the terrorist attacks of September 11th, 2001. During that time, law enforcement agencies took important steps to ensure information sharing and efficient use of resources. One of the tools developed was a unified national law enforcement list of the most significant drug and money laundering targets. The Cali cartel was on that list, the Consolidated Priority Organization Target or CPOT list.

CPOT has enabled drug enforcement officers at all levels to assemble the resources necessary to zero in on the worst of the drug trafficking organizations, like the Cali cartel. Of the 46 current CPOTs, 37 are under indictment in the U.S. In the last three years, law enforcement has completely dismantled 24 CPOT organizations and significantly disrupted one additional CPOT organization.

As with all matters of law enforcement, organization, cooperation and partnerships are what counted most in this case. In that spirit, I want to thank and congratulate the investigators and prosecutors who were involved, including U.S. Immigration and Customs Enforcement at the Department of Homeland Security, represented here by Julie Myers, Assistant Secretary of Homeland Security; the Drug Enforcement Administration represented by Karen Tandy, the DEA Administrator; the Office of Foreign Asset Control at the Treasury Department represented by Adam Szubin, the director; the U.S. Attorney's Office in the Southern District of Florida, represented by U.S. Attorney Alex Acosta; the U.S. Attorney's Office in the Southern District of New York, represented by Deputy U.S. Attorney Cathy Seibel; and the Narcotic and Dangerous Drug Section of the Criminal Division and the Organized Crime and Drug Enforcement Task Forces at the Department of Justice represented by Assistant Attorney General Alice Fisher.

I would also like to acknowledge the terrific partnership of the White House Office of National Drug Control Policy, represented here by Director John Walters.

Now some of the agencies' participants will be making a few statements, beginning with the Assistant Secretary, Julie Myers, and afterwards we'll take any questions.

MS. MYERS: Today's historic plea agreements are the culmination of 15 years of commitment, international teamwork and exceptional investigative efforts by many agencies. These guilty pleas also mark the end of one of the most powerful criminal organizations in the world.

In its heyday, the Cali cartel was responsible for roughly 80 percent of the cocaine supplied to the U.S. The organization was also behind a campaign of violence, murder and corruption that for more than 20 years impacted numerous governments and countless individuals around the globe.

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ICE agents in Miami first launched their probe into the Cali cartel in 1991, after a very alert Customs dog found cocaine hidden in some concrete posts. And over the next 15 years, ICE agents worked hand-in-hand with Colombian authorities, the DEA, and many other agencies to dismantle this organization from top to bottom.

With today's guilty plea and sentencing, the founders of this cartel are now outfitted in U.S. prison garb, and they will serve a 30-year prison sentence. These criminals rank as the highest level drug figures to ever occupy a U.S. jail cell. And this unprecedented accomplishment is a tribute to the ICE agents in Miami, New York and Colombia who worked tirelessly and fearlessly to take down this criminal organization.

And I'd like to single out ICE Special Agent Ed Cazarossci in particular for his incredible efforts on this case. He was on this case from day one. Fifteen years later, still working on this case, a key member.

We also owe a special debt of gratitude to the many Colombian law enforcement officers, specifically the Colombian vetted teams, who risked their lives to bring about these unprecedented results. For years, the Cali cartel leaders thought they could operate beyond the reach of law enforcement. But the tenacity and perseverance of this investigation sent a clear message that no degree of money, violence or corruption will protect kingpins from the rule of law.

Cross-border crime poses an ongoing threat to our homeland, and fighting this threat calls for courage, leadership, perseverance and partnership, and that's just what we've seen in this case. I can assure that ICE and the Department of Homeland Security remain as committed as ever to combating the global drug trade and the murderous groups behind it.

And now it's my pleasure to introduce the DEA Administrator, Karen Tandy.

MS. TANDY: Today will go down in history as the last nail in the coffin of the Cali cartel. Every year, DEA arrests thousands of significant drug traffickers, almost 30,000 alone last year. Some of them are among the world's most wanted traffickers, but it doesn't get any bigger than today: Bringing to justice the two remaining leaders, founding leaders of the notorious Cali cartel, Miguel and Alberto Rodriguez-Orejuela.

Today's guilty pleas and the sentencing that they received show that when law enforcement and countries band together like the United States and Colombia, drug dynasties topple. And it includes those which one thought themselves impervious to the rule of law, one after another, from the ruthless Medellin cartel to the once powerful now Cali cartel, and to their successors, the Norte Valle cartel, which tried to pick up where the Medellin and Cali cartels failed, and now are fragmented and splintered, with their key leaders facing U.S. charges.

And to conclude with the entire leadership of the FARC, which has been charged in the United States and is now trying to avoid the same inevitable fate as the Rodriguez-Orejuela brothers and their cartel today.

For decades, the Rodriguez-Orejuela brothers defined the label "kingpin." During little more than a decade, their Cali cartel sold, as you have heard, more than 30,000 kilograms of cocaine and amassed an illicit fortune that was worth in excess of one billion dollars.

There is no doubt that if these two brother drug lords were legitimate, they'd be in the top tier of the Forbes list of the richest people in this world. But their drug fortune became their Achilles heel. And it was the hundreds of pharmacies that concealed and sheltered their drug profits that paved their way to the ultimate American justice that they received today.

Gilberto Rodriguez-Orejuela was known as the chess player for his ability to stay ahead of his rivals and law enforcement. To the chess player today, we just have one last thing to say: Checkmate.

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And now I would like to introduce John Walters, the director of the White House Office of National Drug Control Policy.

Thank you.

MR. WALTERS: Thank you, Karen. I'd like to add my congratulations to those of the Attorney General's and those that came before me to the many people in Colombia and in the United States, U.S. Attorney's Offices and enforcement agencies who brought this case to the conclusion that we see today.

The credit also goes obviously to President Uribe and his courage in working aggressively with U.S. officials, extraditing key individuals, these two individuals being the largest in terms of their reach and responsibility for the drug problem in this hemisphere.

People in the past talked about the Cali cartel as the peaceful cartel, but their reign of terror and blood, their war with Pablo Escobar in the early nineties, still haunts the collective memory of many in Colombia and many in this country that worked against them. It was -- the Cali cartel was one of the most powerful criminal organizations ever, seeking to buy or kill anybody that got in their way. They sought to influence a president, a defense minister, an entire city and make it their own. They had a counterintelligence network. They monitored phones. They even targeted people calling the U.S. Embassy in Bogota.

One of them, Santacruz Londono, built an enormous mansion shaped like the United States to honor, as he said, his customers. When -- he was working on a 30,000 square foot replica of the White House when he died, in addition.

Ivan Urdinola and his brother were credited with the torture and murder of more than a hundred people, whose bodies they threw into the Colca River to float downstream and terrorize those who would stand against them. They were as bloody and as ruthless as it gets.

Today, most of the Cali cartel founders are dead; Pacho Herrera, Jose Santacruz Londono, Ivan Urdinola. What is left is here in the United States in Miami. And they have just been convicted, as you heard, two more felons who have lost their battle to the U.S. justice system and to the international effort to bring to justice those who would harm others.

Our strategy in Colombia is working. We are attacking traffickers across all fronts, as you've heard, by eradication, interdiction and organizational attack. By putting traffickers on the defensive, life is much better in Colombia. Violence and homicides, massacres have dropped to levels not seen in decades. Travel through Colombia has become safer, and Colombians have taken back their country. They're on the front lines.

By reducing cultivation in fields, we increase the financial risk to growers and take income away from illegal armed groups that control the production of the end cocaine cycle.

I would like to take a moment finally to remember those men and women in Colombia, our own citizens and those of our allies, who gave their lives in this fight. They made this day possible, and we are profoundly grateful to them and their families for the sacrifices they have made for freedom and justice.

The Rodriguez brothers' arrest is a testament to the men and women of the Columbian National Police, other Colombian officials, the dedicated efforts of ICE, DEA, personnel from the high intensity drug trafficking areas that involve state, federal and local law enforcement, and for all the prosecutors and enforcement personnel that made this case a reality.

Finally, I'd like to take a moment and introduce a representative of Colombia, Ambassador Carolina Barco, who has been an ally in Colombia, and we're fortunate to have her here today as a representative and our ambassador from Colombia to Washington, D.C.

AMBASSADOR BARCO: I will be reading a statement sent by Mario Iguaran, who is the Attorney General of Colombia and who worked very closely with the Attorney General here in the United States. This is his statement:

The Prosecutor General of the Republic of Colombia endorses the agreement reached in the U.S. District Court, District of South Florida, between the United States of American and the members of the Rodriguez-Orejuela family, and considers it a historic judicial decision for both countries in their struggle against organized crime.

This agreement fulfills the objectives of fair administration of justice based on the principles of efficiency, procedural economy and effective and reciprocal cooperation, and does not violate any of the rights contained in the Colombian Constitution, and especially that of due process in Article 29 of the aforementioned charter, in accordance with international treaties entered into and ratified by Colombia.

As regards the action of extinction of ownership, the aforementioned agreement reflects the will of the Rodriguez-Orejuela family to surrender their illicit property in Colombia to the Colombian state, represented by the Prosecutor General, who in observance of the guidelines set out in Law 793 of 202, will define the pertinent procedure with the advent of the parties.

This procedure will result in the promptness, effectiveness and verity and of the extinction action so that the illegally acquired goods be definitely transferred to the Colombian state to the fund for rehabilitation, social investment and fight against organized crime, which is managed by the National Narcotics Directorate.

The Colombian prosecutor's office considers that this agreement concludes one of the most painful chapters of our recent history that brought grave harm to our society at the cost of the precious gift of life or many of our citizens, including prosecutors, judges and magistrates, and undermined the institutional organizations that vehemently confront organized crime on a daily basis, seeking to preserve the economic, social and legal balance in Colombia. Sincerely, Mario Herman Iguaran, Prosecutor General of Colombia.

ATTORNEY GENERAL GONZALES: Thank you, Ambassador.

Before taking your questions, let me just say that Columbia is our top extradition partner. Since 1997, when the Constitution was interpreted to allow for the extradition of Colombian nationals, there have been 453 -- I believe that's right, 453 Colombians who have been extradited to the United States, and so they really have been a tremendous partner is helping us fight and make great successes in this war against narcotics trafficking.

We've got a wealth of talent up here with a lot of experience and information, so we're happy to take your questions. It may be helpful, if you have specific individuals you would like to answer a question, to please identify that individual.

Questions. Yes.

QUESTION: What happens to the 28 relatives that have -- do they get off? Do they not -- is there anything that can -- can they be charged at all or with their -- are they just --

ATTORNEY GENERAL GONZALES: They are subject to a separate agreement, and this is separate from the plea agreement with respect to the two main brothers. They are subject to a separate agreement where they agree to forfeit assets around the world that are indirectly or directly related to narcotics trafficking, and they forfeit any assets they may have in the United States whether related in any way to narcotics trafficking.

So we believe that that is a strong penalty, and I might add that if, going forward, there are any additional assets that become discovered, that those will be forfeited as well. So that will be the penalty suffered by the family members.

QUESTION: Does that mean they're not charged with anything, basically?

ATTORNEY GENERAL GONZALES: They're currently not charged with anything. Again, that doesn't preclude, I think, Alex, the possibility that if additional information became known that possible charges -- maybe I should defer to Alex.

MR. ACOSTA: None of the 28 family members are involved with narcotics trafficking. We have agreed to not pursue obstruction and money laundering charges against six of the children. That would be for activities that were not narcotics trafficking activities but simply obstruction.

In return for that, the 28 family members are agreeing to surrender all assets in the United States whether or not linked to narcotics proceeds, as well as all assets throughout the world that are linked to narcotics proceeds.

QUESTION: Mr. Attorney General, to whom will these assets be forfeited? I thought I understood the Ambassador to be saying that Colombia would be receiving some of this. How do you make that decision?

And can any of you say why -- and this sounds an odd thing to say, but why is only $2 billion, given the size of their fortune?

ATTORNEY GENERAL GONZALES: As to the second question, I'll ask Adam to respond to that. The simple answer to your first question is it depends where the assets or the proceeds are found. Most of it will probably be -- a substantial amount of it will probably be in Colombia, and so those assets will go to Colombia. Those assets found in the United States will go to the United States. We believe there are additional assets that will be found in the countries of Ecuador and Spain, and so those countries would receive those assets. So that would be a simple response.

QUESTION: And, I'm sorry, what's here? Money and bank accounts, mostly?

ATTORNEY GENERAL GONZALES: Again, that's still being assessed. I think it's probably going to be bank accounts, maybe life insurance policies. Looking at the -- and the reason, the reason why those assets may seem small in comparison to what you find in Colombia is because these criminals have learned that if you have assets in the United States, you're likely to lose them. And that's why those assets are small today.

MR. ACOSTA: To add to what the Attorney General said, as the Attorney General said, this is the final and fatal blow to the Cali Cartel. Prior to this, we have prosecuted 105 individuals associated with the Cali Cartel, and that included prior prosecutions, prior forfeitures.

The $2.1 billion forfeiture that was adjudicated this morning is the result of the Rodriguez-Orejuela brothers admitting to the trafficking of more than 200,000 kilos of cocaine in court this morning. We believe that a $2.1 billion forfeiture is more than sufficient to cover the remaining assets of the Cali Cartel, both those that are currently identified in the form of various financial assets that the Attorney General alluded to, as well as what other assets may be discovered whether in the United States or throughout the world.

QUESTION: This may be a question for the administrator. Obviously, this is a huge achievement for the agencies after such a long investigation, but as you dismantled this organization has the supply of cocaine in the U.S. gone up, down, or stayed the same from these successor organizations?

MR. WALTERS: The effort we use from multiple agencies to assess the overall production and flow suggests that the effort to reduce the cultivation has been successful in Colombia, a significant drop in the overall output from the Andes in cultivation of cocaine.

We are still, obviously, victims, as Colombia is, of cocaine trafficking. It's been taken over by some smaller, less powerful trafficking groups, some of the armed, right-wing paramilitaries that have now been demobilized and are awaiting final adjudication, action, some of whom are subject to charges in the United States, and the left-wing FARC, as it was mentioned earlier, many of whose leaders have been indicted in the United States.

So we are continuing to press this. The amount of cocaine that was available -- this is subsequent to the Cali Cartel but before today, through the expansion of cultivation done by these successor groups in the mid-'90s is substantially lower today than it was at its peak, but we continue to do efforts at both interdiction, eradication on the supply side, as well as dismantling these organizations.

So there are signs of less availability, but the players have changed in the 15 years since this investigation has started. Against the new players, we are making progress.

ATTORNEY GENERAL GONZALES: Before we take any more questions, we'd like -- I'd like to give the representative from Treasury OFAC an opportunity to say a few words.

MR. SZUBIN: Thank you. I'm Adam Szubin, the director of the Office of Foreign Assets Control at the Treasury Department.

Today's agreements represent government at its best. By combining the financial sanctions powers of the Treasury Department with the law enforcement and criminal authorities of those on this stage and working closely with our partners in Colombia, we have crippled, as you have heard, what was one of the most notorious and dangerous drug cartels in the world.
Today's agreement also brings into sharp relief the power of financial sanctions. Since 1995, Treasury's Office of Foreign Assets Control or OFAC has relentlessly pursued Colombian drug cartels using Executive Order 12978 to designate and freeze the U.S.-controlled assets of over 100,200 companies and individuals. We have focused in particular on the notorious Cali Cartel, designating over 700 entities and people that were operating as fronts for Gilberto and Miguel Rodriguez-Orejuela.

The heart of this financial network was the Colombian drugstore chain Drogas La Rebaja as well as pharmaceutical laboratories like Pharmacoup, which allowed the Rodriguez-Orejeulas to launder their narcotics proceeds while also providing an ostensibly legitimate source of income for them and their families. For ten years, the OFAC investigators have pursued the Rodriguez-Orejeulas' dirty assets around the world, uncovering new front companies in Colombia, Ecuador, Spain, and six other countries, as the family attempted to mask its financial trails and circumvent our sanctions.

The impact of these sanctions has been dramatic. When OFAC designates a person or company, any assets held by a U.S. person or bank anywhere in the world must be frozen. Trade with or through the United States is cut off. And, even more importantly, Colombian businesses and banks have followed suit, severing all ties with entities that OFAC has listed. And Colombian authorities have frequently been able to act against designated companies and properties as well, as they did in the massive forfeiture action against Drogas La Rebaja.
Indeed, in Colombia, being designated by OFAC is referred to as muerte civil or civil death. This unrelenting pressure was a key prompt of today's agreements. In a separate agreement, as you've heard, 28 designated family members of the Rodriguez-Orejuela family have agreed to forfeit their interests in all narcotics-related entities worldwide, including the hundreds of entities designated by OFAC since 1995.

They have also committed to assist U.S. and Colombian authorities in any future forfeiture actions. If the 28 Rodriguez-Ore Eula family members fully comply with the terms of this agreement and meet all terms of removal, we will work to remove them from OFAC's list. Any future dealings with narcotics traffickers including on behalf of the two still designated Rodriguez-Ore Eula brothers will land them back on our list.

Today's outcome is a success. Two dangerous drug lords are headed to prison, and their once-powerful financial empire has been dismantled. This result is a team effort in every sense of the word, and we extend our deep appreciation to our dedicated colleagues in the U.S. Attorney's Offices in Miami and New York, the Drug Enforcement Administration, the Departments of Homeland Security and State, and in the Colombian government. I want to extend a special thanks to our exceptional narcotics team at OFAC.

Thank you.

QUESTION: Yes. First, would all those 28 relatives be allowed to travel back and forth to the United States?

Second question is what happens with all the companies that are currently on that list? Are they removed from the list? Will they have to go through a process? Are many companies in Colombia and abroad on that list?

And third, Administrator Tandy was saying that the FARC wanted to avoid running the to save face as the Rodriguez-Orejeulas. Are there are contacts with them? Is there any type of process going on with the FARC leadership?

ATTORNEY GENERAL GONZALES: I'll take the first one. We'll be working with the Department of Homeland Security and the State Department regarding the access of the 28 family members into the United States, so that's something that remains to be worked out.

MR. SZUBIN: In terms of de-listings, these assets will all remain on our list until they are forfeited or divested to the relevant authorities. So these will remain frozen until they are turned over.

MS. TANDY: The FARC, as I said, has been indicted. Its entire leadership has been indicted here in the United States. Two of its principal leaders, one commander as well as one of the financiers for the FARC are in the United States in court facing their own form of justice as the Cali Cartel received today.

QUESTION: But do you expect a similar agreement with them as you agreed with the Rodriguez-Orejeulas?

MS. TANDY: I expect that every cartel, whether it was Medellin, Cali, Norte de Valle, and the FARC will reach the same fate as the Ore Eula brothers.

QUESTION: No contacts with the leadership in Colombia?

MS. TANDY: That's all I have to say about that. We're following the system. They've been charged. We're going after them, and they'll be here one day, I am sure.

ATTORNEY GENERAL GONZALES: Other questions? Yes.

QUESTION: On the subject of the national intelligence estimate, will there be an investigation into how that was leaked? And what impact do you think this will have on your role with the jihadists that information about this has come to light?

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ATTORNEY GENERAL GONZALES: It's too early to tell with respect to the second part of your question. In terms of whether or not there will be an investigation, as you know, we normally don't confirm from the podium whether or not there is an investigation by the Department.

We have a standard procedure in place that is followed with respect to leaks of classified information, and I suspect that that standard procedure will be followed in this case as it is in virtually every other case. So we'll have to wait and see.

QUESTION: Can you estimate the total drug -- illegal drug profit by the cartel from 1991 until today?

ATTORNEY GENERAL GONZALES: John.

MR. WALTERS: You could create a crude estimate. We don't have a precise figure. Actually, for the -- we have more precision in some of the actions of the Cali members because they were -- some of them were -- some of them that are sentenced today were control freaks and insisted on accounting and being directly involved in that. So we have information from some of these investigations that was undoubtedly part of this trial as well as others about what they were actually moving.

But if you try to get an aggregate estimate of -- we know over that period of time how much was moved. We have a rough estimate of how much they were responsible for, but whether they got the wholesale or the retail price can radically change the rates of inflation.

At the time, they were -- various estimates are between half and 80 percent over the time when they were the strongest. But, again, those are estimates and -- so we do the best we can, but I want to warn you against high precision in this. They don't submit a tax return.

QUESTION: A crude estimate would be?

MR. WALTERS: Well, again, what was happening 15 years ago and subsequent, it would have been between 50 and 80 percent, as a crude estimate of the cocaine flowing between them and the -- largely the Medellin Cartel. There were some smaller players at the time, but -- and I don't remember what the aggregate estimate of total flow to the United States was at that time. We can try to get that for you.

There are reports that do those estimates. But, again, if you do how much they actually made at the wholesale level versus what was retailed into the United States, you get significantly different numbers because the price is higher at the smaller retail level.

QUESTION: What's -- I mean what's the range? What are we talking about as a range?

MR. WALTERS: Well, the estimates were, at that time, I think, between 500 and 700, 800 metric tons. That's 1,000 kilos a ton, and I think a kilo -- I don't know, at that time.

Are people here from DEA? Does anyone remember exactly what a kilo was going for about ten years ago? I don't remember.

ATTORNEY GENERAL GONZALES: Listen, we'll look into that. We'll try to give you -- we obviously don't have it. We're struggling with that, so we'll get that for you.

MODERATOR: Two more questions.

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QUESTION: Besides the $2.1 million that they decided to turn into the authorities, did they agree to cooperate with the Justice in other processes against other cartels?

ATTORNEY GENERAL GONZALES: The agreement does not require them to cooperate in other investigations. The level of cooperation extends to the identification of assets. That was the deal reached.

QUESTION: The history of breaking down big cartels like the Medellin Cartel is that you have then a hundred little cartels that are even more efficient. What is the plan to deal with those?

ATTORNEY GENERAL GONZALES: Julie, you want to --

MS. MYERS: Okay. Well, the plan to deal with the successors to the Cali Cartel is to use the same innovative techniques and partnerships that we've done in this case, to work with the DEA, with OFAC, to go after where we see the strong players in this area. Right now it's the Norte de Valle Cartel, the FARC.

Administrator Tandy has identified some of the steps we've taken there. I think we can see from this investigation how, even though it spanned 15 years, they changed techniques, you know, put it in frozen broccoli, put it in ceramic tiles, you know, operating from jail cells, but law enforcement continued. And that's what we'll do for smaller cartels or for big cartels is we'll work together as a group to dismantle these.

ATTORNEY GENERAL GONZALES: Okay. One more question.

QUESTION: General Gonzales, can you tell use when you're expecting this -- two big bills on Capitol Hill, the detainee legislation, are you going to give us a -- and can you clear up some confusion on the NSA from Senators Craig and Murkowski -- who put out a statement saying that the administration had agreed in a word to conduct electronic surveillance of U.S. persons, a court order of warrant is necessary. Has the administration agreed to that, and wouldn't that in effect put an end to the program that the President acknowledged?

ATTORNEY GENERAL GONZALES: Well, these are two very important programs, two important pieces of legislation. That is important as far as the President is concerned to continue to fight effectively the war on terror. And we certainly hope that we can get something -- both pieces of legislation passed this week, and we understand there are challenges given the legislative calendar, but they're very important, and we continue to hope that Congress will be able to pass the legislation this week.

The -- what the President has said with respect to TSP is that he wanted additional authorities granted by Congress to support that program, and I think that the compromise that has been reached achieves that objective with the option of looking at individual court orders, moving from approval of a program to specific court orders. I think that option is in there. And it also provides for an avenue for the President to submit a program to a court for adjudication of the constitutionality of the program.

And so I think that's the current state of play. But, you know, this is something that is changing, and so it changes hourly, daily, in terms of what legislation is actually going to look like. What the President has said -- what he wants to see with respect to TSP is additional authority granted by the Congress to support that program.

QUESTION: Is it then wrong to say, as the Republican Senator said yesterday that the administration has agreed that it will seek a warrant any time it wants to listen in on the conversations of a U.S. person?

ATTORNEY GENERAL GONZALES: Well, again, I think the legislation that's currently in play allows for a program, again, with the option of submitting the -- the option of looking to -- turning that program into individual requests for specific court orders. So I can't get any more specific than that.

QUESTION: Ambassador, you read that statement, but may I ask you, in your own words, to describe for us what kind of hold the Cali Cartel had on Colombia in the 1990s and what this -- the resolution of this means for Colombia?

AMBASSADOR BARCO: I spoke and I read a statement by our Attorney General because in Colombia the Attorney General's Office is independent from the Executive. It's part of the judicial system. So this is why I am here to represent the judicial system, and that's why I read this statement, because he wanted to express his agreement and satisfaction with the kind of collaboration that we had and the cooperation in which Colombia was involved throughout the process and was able to ensure that both our Constitutions, the terms of our extradition agreements were all taken into account so that Colombia's judicial system was represented in what was an American decision.

I'm not an expert then, as you can imagine, on the cartel. All I can say is that, for Colombia, the drug problem has been its major challenge, and we have been fighting this since the 1980s with great conviction and at great cost. As I said, we've lost many lives: presidential candidates, prosecutors, governors; and it has meant that the country has had to hold together to fight these cartels.

As a Colombian, I think we all need to continue to speak out to what drug trafficking means to any country because it is that terrible combination of incredible amounts of money, which breed corruption, and incredible amounts of violence that are entailed in this -- in the illegal drug trafficking, which puts great, great pressure on any democracy and on any institution.

So Colombia will continue to fight for its democracy. We will continue to fight for a right to a peaceful country because this money also helps to finance terrorism in my country. We will continue to fight for values that have to do with honest work and not values that are associated to fast money and drug trafficking. And so Colombia will continue to speak out and will continue to fight with zero tolerance for drugs, and will stay committed and continue in this kind of collaboration with the United States.

And we want to work also very closely with our neighbors. We've gotten very involved with the Caribbean, with Central America, sharing information, seeking to help them with security. We want to keep our region also away from this problem, and we feel that Colombia has to give an example, and speak out, and play a role. Thank you.

ATTORNEY GENERAL GONZALES: Thank you all.

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Image not available for this document, ID: 0.7.10316.28599-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 6:53 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 26, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

WEDNESDAY'S EXPECTED NEWS STORIES:

Attorney General Participates in Press Conference Announcing Drug-Related Plea Deal (OPA)

Today, the Attorney General participated in a press conference with Julie L. Myers, Assistant Secretary of Homeland Security, Immigration and Customs Enforcement; Karen P. Tandy, Administrator, Drug Enforcement Administration; Adam J. Szubin, Director of the Office of Foreign Assets Control, U.S. Department of Treasury; John P. Walters, Director, White House Office of National Drug Control Policy; Carolina Barco, Ambassador to the United States, Republic of Colombia; Alice S. Fisher, Assistant Attorney General, Criminal Division; R. Alexander Acosta, U.S. Attorney, Southern District of Florida; and Cathy Seibel, Deputy U.S. Attorney, Southern District of New York. The Attorney General announced that two Colombians who led the Cali cocaine cartel for decades have pleaded guilty to drug trafficking and money laundering charges. As part of their plea deal, the two agreed to forfeit billions of dollars in assets linked to their drug trade and to accept a jail sentence of 30 years each.

"Girls Gone Wild" Founder Joseph Francis Pleads Guilty In Sexual Exploitation Case (Criminal)

Joseph Francis, founder, CEO and sole shareholder of two California companies doing business under the name "Girls Gone Wild," has pleaded guilty to charges that he failed to create and maintain age and identity documents for performers in sexually explicit films produced and distributed by Girls Gone Wild, as required by federal law, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. Francis entered the guilty plea yesterday before U.S. District Judge Margaret Morrow at U.S. District Court in Los Angeles. Santa Monica-based Mantra Films, Inc., which is owned and operated by Francis, entered a plea agreement on Sept. 12, 2006, at U.S. District Court in Panama City, Fla. A second related company, MRA Holdings, Inc., also entered a deferred prosecution agreement the same day.

Former Enron Chief Financial Officer Andrew Fastow Sentenced to Six Years in Prison for Conspiracy to Commit Securities and Wire Fraud (Criminal)

Andrew S. Fastow, the former chief financial officer of Enron Corp., was sentenced to six years in prison for his role in the conspiracy that led to the collapse of Enron Corp. in 2002, Assistant Attorney General Alice S. Fisher announced today. Fastow was sentenced on two counts of conspiracy to commit securities and wire fraud before Judge Kenneth Hoyt at U.S. District Court

in Houston, Texas. Fastow pleaded guilty to two counts of conspiracy on Jan. 14, 2004. Under the terms of his plea agreement, Fastow agreed to cooperate fully with the government's investigation and forfeit more than $20 million.

Former Government Official Is Third To Plead Guilty In $1.4 Million Virgin Islands Bribery Scandal (Criminal)
The former Director of the U.S. Virgin Islands Department of Planning and Natural Resources Division of Environmental Protection pleaded guilty to conspiring to defraud the Virgin Islands government of approximately $1.4 million, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Anthony J. Jenkins of the District of the Virgin Islands announced today. Hollis L. Griffin entered his guilty plea before U.S. District Judge Clarence Cooper in Atlanta, Ga. He faces a maximum sentence of five years in prison, a $250,000 fine, and $1.4 million in forfeiture.

Horizon West Inc. & Horizon West Healthcare Inc. To Pay U.S. $14.7 Million For False Claims To Medicare (Civil)
Horizon West Inc. and its wholly owned subsidiary, Horizon West Healthcare Inc., have agreed to pay the United States $14.7 million to settle allegations that the companies violated the civil False Claims Act, the Justice Department announced today. Rocklin, Calif.-based Horizon runs a nursing home chain with approximately 30 facilities in California and Utah.

Talking Points

- The Department of Justice is committed to investigating cases that threaten the integrity of the Medicare program.

- We will protect the public from these kinds of inappropriate billings to the Medicare program.

Former New York Hospital Employee Pleads Guilty To Bid Rigging (Antitrust)
A former New York hospital employee pleaded guilty for his role in a conspiracy involving bid rigging and contract allocation for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced. Stephen Cogliano of Staten Island, N.Y., a former information technology network employee at Mount Sinai, pleaded guilty today in U.S. District Court in Manhattan to one count of conspiracy to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai from approximately January 2001 through October 2004.

Talking Points

- The Department of Justice remains vigilant in its efforts to protect competition for American businesses and consumers.

- As this case shows, the Department of Justice will prosecute those who defraud their employers and deprive the public of the benefits afforded by a truly competitive bidding process.

United States Files Civil Rights Lawsuit against the Village of Suffern, New York (OUSA – Southern District of New York)
The United States filed a civil rights lawsuit in White Plains federal court today against the Village of Suffern, which is located in Rockland County, N.Y., alleging that Suffern unlawfully discriminated on the basis of religion, in violation of the Religious Land Use and Institutionalized Persons Act of 2000, when it refused to allow a private religious organization to operate a Shabbos House near Good Samaritan Hospital in Suffern, U.S. Attorney Michael J. Garcia of the Southern District of New York, announced today.

Talking Points

- This lawsuit enforces Congress's determination that local zoning regulations must give way when they unlawfully burden religious exercise.

WEDNESDAY'S EXPECTED EVENTS/RELEASES:

No events/releases scheduled.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, September 26, 2006 7:44 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER COMMERCIAL REFRIGERATION COMPANY MANAGER INDICTED ON RIGGING BIDS ON CONTRACTS TO SAFEWAY GROCERY STORES IN ARIZONA

(A PDF of the indictment is attached below.)

Govostes Indictment.pdf

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER COMMERCIAL REFRIGERATION COMPANY MANAGER INDICTED ON RIGGING BIDS ON CONTRACTS TO SAFEWAY GROCERY STORES IN ARIZONA

WASHINGTON — A federal grand jury in Phoenix returned an indictment charging a former commercial refrigeration company manager with participating in a conspiracy to rig bids on contracts for the installation of commercial refrigeration equipment in Safeway Inc. grocery stores in the Phoenix metropolitan area, the Department of Justice announced today.

The indictment, filed today in the United States District Court in Phoenix, charged that James Govostes participated with unnamed co-conspirators in the conspiracy which took place beginning in or around January 2005 and continuing until May 16, 2005. At the time of the conspiracy, Govostes served as a regional manager for an unnamed co-conspirator company engaged in the installation of commercial refrigeration in the Phoenix metropolitan area and elsewhere.

This is the first charge as a result of the Department's ongoing antitrust investigation into the commercial refrigeration industry.

"The Antitrust Division is committed to prosecuting those who damage the integrity of the free market by conspiring to rig bids," said Thomas O. Barnett, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

The indictment charges that Govostes and his co-conspirators engaged in the following actions involving commercial refrigeration installation projects at Safeway grocery stores:

- Discussed among themselves the submission of bids;
- Agreed to allocate bids among themselves according to which company had a maintenance agreement in place at a particular grocery store;
- Solicited other individuals to join and facilitate the conspiracy;

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- Designated which company would submit the low bid and submitted a rigged bid; and

- Accepted payment from Safeway for work done as a result of the conspiracy.

Govostes is charged with bid rigging in violation of the Sherman Act. The felony charge carries a maximum fine for an individual of $1 million and up to 10 years in prison. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either of those amounts is greater than the statutory maximum fine.

Today's charges resulted from the Antitrust Division's investigation of the commercial refrigeration industry being conducted by its Chicago Field Office in conjunction with the Phoenix office of the Federal Bureau of Investigation and the United States Attorney's Office located in Phoenix.

Anyone with information concerning bid-rigging or other anticompetitive conduct in the commercial refrigeration industry should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or the FBI's Phoenix office at 602-279-5511.

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06-651

Department of Justice

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UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

United States of America, Plaintiff, v. James Govostes, Defendant.	**INDICTMENT** VIO: 15 U.S.C. § 1

THE GRAND JURY CHARGES:

I.

Description of the Offense

1. The following individual is hereby indicted and made a defendant on the charge stated below:

JAMES GOVOSTES.

2. Beginning in or around January 2005 and continuing until May 16, 2005, the exact dates being unknown to the Grand Jury, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by rigging bids on contracts for the installation of commercial refrigeration in the Phoenix, Arizona metropolitan area. The combination and conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendant and his co-conspirators, the substantial

terms of which were to submit rigged bids to Safeway, Inc. for the installation of commercial refrigeration equipment in grocery stores in the Phoenix, Arizona metropolitan area.

II.

Means and Methods of the Conspiracy

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and his co-conspirators took various actions, including, among other things:

a. discussing among themselves the submission of bids for commercial refrigeration installation projects at Safeway, Inc. grocery stores in the Phoenix, Arizona metropolitan area;

b. agreeing to allocate bids for commercial refrigeration installation projects at Safeway, Inc. grocery stores among themselves according to which co-conspirator company had a maintenance agreement in place at the particular Safeway, Inc. grocery stores for which bids were let;

c. agreeing to raise margins on bids for commercial refrigeration installation projects at Safeway, Inc. grocery stores;

d. soliciting other individuals to join and facilitate the conspiracy to rig bids for commercial refrigeration installation projects at Safeway, Inc. grocery stores;

e. designating which co-conspirator would submit the low bid for the commercial refrigeration installation project at Safeway Store #2088;

f. submitting a rigged bid for the commercial refrigeration installation project at Safeway Store #2088 to Safeway, Inc. as they had agreed upon; and

g. accepting payment from Safeway, Inc. for work done on the commercial refrigeration installation project at Safeway Store #2088 awarded as a result of a rigged bid submitted in furtherance of the conspiracy.

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III.

Defendant and Co-conspirators

5. During the period covered by this Indictment, defendant JAMES GOVOSTES was the regional manager of an unindicted co-conspirator corporation that was engaged in the installation of commercial refrigeration in the western United States, including in the Phoenix, Arizona metropolitan area. JAMES GOVOSTES' managerial territory included the Phoenix, Arizona metropolitan area.

6. Various corporations and individuals, who were not made defendants in this Indictment, participated, as co-conspirators, in the offense charged in this Indictment and performed acts and made statements in furtherance of the charged offense.

7. Whenever in this Indictment reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

IV.

Trade and Commerce

8. Commercial refrigeration includes the refrigerated cases in grocery stores such as deli cases, dairy cases, and frozen food cases.

9. During the period covered by this Indictment, substantial quantities of refrigeration fixtures, materials, and equipment, necessary for the defendant's company and his co-conspirators to perform commercial refrigeration installation projects in the Phoenix, Arizona metropolitan area, were transported across state lines in a continuous and uninterrupted flow of interstate commerce and in a manner substantially affecting interstate commerce. Namely, a substantial portion of refrigeration equipment installed by the defendant's company and his co-conspirators in the provision of their commercial refrigeration services in Arizona was manufactured outside the State of Arizona.

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10. During the period covered by this Indictment, both the general business activities of the victim, Safeway, Inc., which is headquartered in California, and the commercial refrigeration installation activities of a co-conspirator, also headquartered in California, were conducted across state lines and had a not insubstantial effect on interstate commerce. The co-conspirator does refrigeration installation business throughout the western United States while Safeway does business throughout the United States.

11. During the period covered by this Indictment, the defendant and his co-conspirators communicated in furtherance of the conspiracy across state lines between Utah and Arizona, and both invoices and payments for the provision of the defendant's and his co-conspirators' commercial refrigeration services to Safeway, Inc. were transmitted across state lines.

12. During the period covered by this Indictment, the commercial refrigeration installation activities of the defendant and his co-conspirators that are the subject of this Indictment were within the flow of, and had a not insubstantial effect on, interstate trade and commerce.

V.

Jurisdiction and Venue

13. The combination and conspiracy charged in this Indictment was carried out, in part, within the District of Arizona within the five years preceding the return of this Indictment.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION I.

A TRUE BILL

FOREPERSON OF THE GRAND JURY
Date:

DOJ_NMG_ 0168569

A TRUE BILL

FOREPERSON OF THE GRAND JURY
Date:

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Assistant Attorney General

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Chief, Midwest Field Office

SCOTT D. HAMMOND
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PAUL K. CHARLTON
United States Attorney
District of Arizona

_____

Assistant U.S. Attorney

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Image not available for this document, ID: 0.7.10316.28587-000003

System Administrator

From: System Administrator
Sent: Tuesday, September 26, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 601270 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

info@londonjunto.com

From:	info@londonjunto.com
Sent:	Wednesday, September 27, 2006 6:05 AM
To:	Gorsuch, Neil M
Subject:	"'Use Your Eyes and Plagiarise': Lessons From a 50 Year Career in Investment Management." London Junto/Harvard Business Forum
Attachments:	tmp.htm

The London Junto Newsletter: September 2006 The London Junto and The Harvard Business Forum Present:

Dear Neil.Gorsuch@usdoj.gov,

Join the London Junto and the Harvard Club of UK Business Forum on October 10th for an evening with Nils Taube, the doyen of London Fund Managers.

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"'Use Your Eyes and Plagiarise': Lessons From a 50 Year Career in Investment Management."

When once asked, to what he attributed exceptional track record as an investor, quick as a flash, and with a characteristic deep chuckle, Nils Taube came back the answer: "Plagiarism, of course!" Mr Taube's particular metier, as he tells it, has been "international plagiarism", the concept that a good idea from one market will often "travel well" and work equally successfully in another region or time zone. Now 78 years young, he has been running his first fund continuously since 1969, a record of service that no other London fund manager comes close to matching. All of the funds he and his colleagues have launched have outperformed their benchmarks by between 5 per cent and 8 per cent a year compound over periods of more than 15 years. Accumulation units in his original European fund have grown in value 200 fold, or just under 16 per cent a year, since 1969. Join him as he shares his wit, wisdom and wealth of experience with the Junto and Harvard alumni.

About Nils Taube (http://rs6.net/tn.jsp?t=fly6uybab.0.idtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.citywire.co.uk%2FCFI%2FFundManagerFactsheet.aspx%3FCitywireClassID%3D20%26ManagerID%3D969)
~~~~~~

Nils Taube was born in Estonia in 1928 but has lived in England since 1946. He joined Kitcat & Aitken (stockbrokers) in 1948, became a Partner in 1957 and Senior Partner in 1975. He was a member of the Council of the Stock Exchange from 1977 to 1982. He co-founded The Society of Investment Analysts in 1955 and The Institute for Fiscal Studies, now a leading UK think tank (in 1969) and of which he is still a Member of the Executive Committee. In 1982, he left Kitcat & Aitken to join Lord Rothschild?s group of companies as Principal Investment Adviser until 1996 when, with two colleagues, he formed Taube Hodson Stonex Partners, a firm of Investment Managers in London, of which he is Chairman.

DATE: October10, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD

The London Junto - http://rs6.net/tn.jsp?t=fly6uybab.0.t9zzwubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.londonjunto.com

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Hayek Capital Management - http://rs6.net/tn.jsp?t=fly6uybab.0.frl8xubab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.hayekcapital.com

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Relevant links

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* Taube Hodson Stonex - http://rs6.net/tn.jsp?t=fly6uybab.0.gdtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.citywire.co.uk%2FFunds%2FFundFactsheet.aspx%3FFundID%3D9375 * Investing with the Grand Masters - http://rs6.net/tn.jsp?t=fly6uybab.0.hdtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fwww.amazon.com%2FInvesting-Grand-Masters-Stratetgies-Successful%2Fdp%2F0273625365

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Tickets for the event are £20.00. This includes:

* A welcome glass of wine or other beverage

* An opportunity to win a copy of James Morton's 1997 classic (which includes a profile of Nils Taube) Investing with the Grand Masters (http://rs6.net/tn.jsp?t=fly6uybab.0.ndtkpybab.vri5uubab.190&ts=S0207&p=http%3A%2F%2Fbooks.global-investor.com%2Fbooks%2F10377.htm%3FginPtrCode%3D00000%26identifier%3D)

Please pay on PAYPAL (link below-takes VISA etc.) You DO NOT need a PayPal account. Alternatively, drop me an e-mail with the following details:

Name, billing address, card type (VISA etc.), expiration date, card number, the CVN (Card Verification Number-the three digit number on the back of the card.)

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Nicholas Vardy
The London Junto
----

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Junto/Harvard Business Forum-Nils Taube, October 10th"> <input type="hidden" name="amount"
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name="no_note" value="1"> <input type="hidden" name="currency_code" value="GBP"> <input
type="hidden" name="bn" value="PP-BuyNowBF"> <input type="image" src="https://www.paypal.com/en_US/i/ btn/x-click-butcc.gif" border="0" name="submit" alt="Make
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THE DEADLINE FOR REGISTRATION AND PAYMENT IS October 6, 2006 **********
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The London Junto Newsletter: September 2006

The London Junto and The Harvard Business Forum Present:

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Hayek Capital Management

Relevant links

- Taube Hodson Stonex
- Investing with the Grand Masters

Dear Neil.Gorsuch@usdoj.gov,

Join the London Junto and the Harvard Club of UK Business Forum on October 10th for an evening with Nils Taube, the doyen of London Fund Managers.

"'Use Your Eyes and Plagiarise': Lessons From a 50 Year Career in Investment Management."

When once asked, to what he attributed exceptional track record as an investor, quick as a flash, and with a characteristic deep chuckle, Nils Taube came back the answer: "Plagiarism, of course!" Mr Taube's particular metier, as he tells it, has been "international plagiarism", the concept that a good idea from one market will often "travel well" and work equally successfully in another region or time zone. Now 78 years young, he has been running his first fund continuously since 1969, a record of service that no other London fund manager comes close to matching. All of the funds he and his colleagues have launched have outperformed their benchmarks by between 5 per cent and 8 per cent a year compound over periods of more than 15 years. Accumulation units in his original European fund have grown in value 200 fold, or just under 16 per cent a year, since 1969. Join him as he shares his wit, wisdom and wealth of experience with the Junto and Harvard alumni.

About Nils Taube

Nils Taube was born in Estonia in 1928 but has lived in England since 1946. He joined Kitcat & Aitken (stockbrokers) in 1948, became a Partner in 1957 and Senior Partner in 1975. He was a member of the Council of the Stock Exchange from 1977 to 1982. He co-founded The Society of Investment Analysts in 1955 and The Institute for Fiscal Studies, now a leading UK think tank (in 1969) and of which he is still a Member of the Executive Committee. In 1982, he left Kitcat & Aitken to join Lord Rothschild's group of companies as Principal Investment Adviser until 1996 when, with two colleagues, he formed Taube Hodson Stonex Partners, a firm of Investment Managers in London, of which he is Chairman.

DATE: October10, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD
The London Junto

Tickets for the event are £20.00. This includes:

- A welcome glass of wine or other beverage
- An opportunity to win a copy of James Morton's 1997 classic (which includes a profile of Nils Taube) Investing with the Grand Masters

Please pay on PAYPAL (link below-takes VISA etc.) You **DO NOT** need a PayPal account. Alternatively, drop me an e-mail with the following details: **Name, billing address, card type (VISA etc.), expiration date, card number, the CVN (Card Verification Number-the three digit number on the back of the card.)**

Nicholas Vardy
The London Junto

email: info@londonjunto.com
phone: +44(0)7780 677360
web: http://www.londonjunto.com

Please register and pay for this event by clicking on the button here:

THE DEADLINE FOR REGISTRATION AND PAYMENT IS October 6, 2006

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System Administrator

From: System Administrator
Sent: Wednesday, September 27, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
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Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 9:44 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 27, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, September 27, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Antitrust Division will issue a release on a criminal matter. (Talamona)

The Tax Division will issue a release on a tax fraud matter. (Miller)

The Tax Division will issue a release on a tax fraud matter. (Miller)

The Bureau of Justice Assistance will issue a release on a grant funding matter. (Peterson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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System Administrator

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Sent: Wednesday, September 27, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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See client Help for more information.

From: Miller, Charles S
Sent: Wednesday, September 27, 2006 11:21 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 9/27/06 Civil Division News

Officials forgo Supreme Court appeal in DHS labor case

S.J. nursing home guilty of defrauding Medicare; WHISTLE-BLOWER WINS RELATED SUIT

High court to hear Rocky Flats whistle-blower case

Whistleblower, Boeing off to high court By Greg Stohr

High Court Takes Deportation Case

U.S. judge OKs accord on trailers for disabled; Toll-free lines to help FEMA reach out

Judge agrees to delay in case of Cuban exile militant

Former Mountie defends embattled Arar investigation

Hicks will be tried by new US commission - Howard

Government Executive Magazine

September 26, 2006

Officials forgo Supreme Court appeal in DHS labor case

By Karen Rutzick

Government officials on Monday night passed up their last chance to seek reversal of a court decision blocking proposed labor relations reforms at the Homeland Security Department.

The solicitor general's office, which brings cases to the Supreme Court on behalf of government agencies, let a midnight deadline pass without filing an appeal at the high court.

"We're OK with that because it allows the department to move forward in implementing our labor relations flexibilities rather than spending additional time in the litigation process," said Larry Orluskie, a DHS spokesman.

In June, an appeals panel unanimously upheld, and even broadened, an earlier ruling that the proposed system would illegally curtail collective bargaining rights for employees by giving management the ability to cancel negotiated agreements. DHS and Justice Department officials in August decided against challenging that decision before the full appellate court, but left open the option for a Supreme Court appeal.

A Justice Department spokesman declined to comment on why the solicitor general chose not to pursue the Supreme Court appeal.

Orluskie said DHS officials will begin talks soon on how to rework the system so it meets legal standards.

"What we're going to do moving forward is sit down with our component agencies, sit down with the unions, and discuss how we move forward and where we go from here," Orluskie said.

Representatives of the federal employee unions that brought the case were pleased at the government's decision.

"DHS has made the right decision," said Colleen Kelley, president of the National Treasury Employees Union. "It is now time for DHS to put this adversarial proceeding behind it and to join with NTEU in focusing solely on the agency's critical mission of protecting the American people."

"This is the smartest thing DHS has done in quite some time," said Mark Roth, a lawyer for the American Federation of Government Employees. "DHS management was in a battle they knew they couldn't win."

If DHS wants to rework its collective bargaining scheme, it must re-enter the meet-and-confer process with the unions representing its employees and resubmit the regulations to the *Federal Register*. The department is free, however, to move ahead with personnel changes that don't involve labor relations.

"We are working full-on with performance management," Orluskie said. He noted that DHS has trained 11,000 managers and supervisors on the new system, which focuses on job performance and will eventually link pay raises to performance ratings.

"It is my expectation that DHS will now engage in meaningful discussions with unions and management associations [on labor relations plans]," said Sen. Daniel Akaka, D-Hawaii, ranking member of a Senate federal workforce oversight subcommittee, in a statement Tuesday.

The law that created DHS, and allowed officials to rewrite personnel rules, gave the department five years for labor relations changes. As a result, department's authorization to modify the bargaining system ends in January 2009.

END

San Jose Mercury-News

Wed, Sep. 27, 2006

S.J. nursing home guilty of defrauding Medicare; WHISTLE-BLOWER WINS RELATED SUIT

By Rodney Foo
Mercury News

An East San Jose nursing home was convicted Tuesday of filing false Medicare claims, and its corporate owner also has agreed to pay $14.7 million to settle a related federal lawsuit instigated by a whistle-blower, prosecutors said.

Representatives for Parkview Nursing Center agreed to plead guilty in U.S. District Court in Oakland to two counts of submitting inflated nursing hours related to patients' reports to Medicare. No individuals were charged, U.S. Department of Justice spokesman Luke Macaulay said, only the business entities.

The crimes occurred in November 1997 and September 1998, prosecutors said. The complaint against Parkview was filed earlier this month.

Parkview also was ordered to pay a $500,000 fine. The 99-bed nursing home was closed in 1998 by its owner and operator, Horizon West Healthcare, a wholly owned subsidiary of Horizon West, based in Rocklin.

A Horizon West spokeswoman, Susan Bitar, said the reporting errors were the result of a ``complex and outdated system'' used to record nursing hours.

``These errors could not and would not be made today,'' she said.

The conviction follows an August agreement by Horizon West to pay $14.7 million to settle a 2000 lawsuit brought by a former employee, Julia Lee, and the Justice Department. The settlement will be paid out over five years, according to the agreement.

Lee originally filed the action under a federal law that permits whistle-blowers to sue on behalf of the government, alerting prosecutors to the inflated Medicare reports.

Lee and the government are in negotiations over her percentage of the settlement, Macaulay said.

Neither Lee nor her attorney could be reached for comment Tuesday.

END

Denver Post

Sept. 27, 2006

High court to hear Rocky Flats whistle-blower case

The U.S. Supreme Court will use a 17-year-old case involving Colorado's Rocky Flats to clarify the ability of whistle-blowers to sue and collect from private contractors for the misuse of federal funds.

The high court agreed Tuesday to hear an appeal of a $4.2 million award in a lawsuit brought in 1989 by James Stone, a former engineer for Rockwell International Corp. During the 1970s and '80s, Rockwell was a contractor at Rocky Flats, a nuclear weapons plant north of Golden that has since been demolished.

Stone's suit claimed Rockwell lied to the government about its performance during its tenure at Rocky Flats in order to qualify for more than $22 million in performance awards. The U.S. Energy Department later joined the suit.

The suit was filed under the federal False Claims Act, which allows a whistle-blower to sue over alleged fraud against the government and collect a percentage of any money awarded.

A federal jury in 1999 awarded Stone and the government $1.4 million, which under federal law was tripled to $4.2 million. The False Claims Act entitled Stone to claim roughly a third of the money.

The 10th U.S. Circuit Court of Appeals upheld the award in 2001.

The Boeing Co. - which now owns Rockwell - is seeking to overturn the $4.2 million award. It contends Stone does not qualify as a whistle-blower under federal law because he was not the "original source" of information about Rockwell's alleged misdeeds and therefore should not share in the award.

Stone's attorneys argue that the 10th Circuit concluded that he had direct and independent knowledge about a number of problems at Rocky Flats.

The Bush administration joined Stone in urging the Supreme Court not to hear the appeal.

In agreeing to review the case, the Supreme Court declined to address the larger issue raised by some business groups as to whether the False Claims Act is unconstitutional.

The court is expected to rule by July.

END

Bloomberg

9/26/2006 12:22 PM

Whistleblower, Boeing off to high court By Greg Stohr

DenverPost.com The U.S. Supreme Court will use a case involving Boeing Co. to clarify the rules governing lawsuits by whistleblowers who say they have evidence of fraud against the federal government.

Boeing's Rockwell unit wants to overturn a $4.2 million award won by James S. Stone, a retired engineer who accused the company of making false statements about environmental, health and safety activities at its Rocky Flats nuclear weapons facility outside Denver.

Boeing contends the Denver-based 10th U.S. Circuit Court of Appeals made it too easy to win suits under the U.S. False Claims Act, which lets whistleblowers sue on behalf of the federal government and then share in any recovery.

The dispute centers on the requirement that whistleblowers be the "original source" of information about wrongdoing. Boeing said in its appeal that Stone possessed only "background" information.

Stone says the 10th Circuit correctly concluded that he had direct and independent knowledge about a number of problems at the facility. He has the support of the Bush administration in the case.

Stone worked at Rocky Flats until 1986. Soon after his departure, he began giving information to the Federal Bureau of Investigation and the Environmental Protection Agency about various environmental, safety and health problems at the plant. The government's investigation culminated in 1992, when Rockwell pleaded guilty to 10 federal environmental violations.

In agreeing to hear Boeing's appeal, the high court opted not to consider a broader company argument that the False Claims Law is unconstitutional.

Both Stone and the Bush administration urged the Supreme Court not to hear the case. The justices will rule by July 2007.

The case is Rockwell v. United States, 05-1272.

END

Los Angeles Times

September 27, 2006

High Court Takes Deportation Case

David G. Savage

Times Staff Writer

WASHINGTON The Supreme Court agreed Tuesday to hear a California case to decide whether immigrants convicted of stealing a car must be deported from the United States.

A strict federal immigration law passed in 1996 says that immigrants, including permanent residents, who commit an "aggravated felony" in the U.S. must be sent to their native country, regardless of how long they have lived here or whether they have a family and a job.

But the Justice Department and some lower courts have disagreed on which crimes, including auto theft, are aggravated felonies.

Next week, the high court will take up a separate South Dakota case to determine whether immigrants who are convicted of drug possession can be deported as felons. The outcome is expected to affect tens of thousands of immigrants nationally.

This week, the justices met for the first time since late June, and they announced they had agreed to hear nine of about 1,900 pending appeals, including the government's claim that auto thieves and their accomplices are guilty of a deportable crime.

The case before the court involves a California law regarding auto thefts, but government lawyers said all 50 states have similar measures.

Four years ago, Luis Alexander Duenas-Alvarez, a native of Peru who became a legal U.S. resident, pleaded guilty to stealing a 2002 Honda Accord in Marin County and was sentenced to three years in prison. Federal authorities took him into custody for deportation.

The 1996 law has a list of aggravated felonies that lead to deportation, including any theft that carries a prison sentence of more than a year.

Government lawyers contend that any immigrant convicted of auto theft in California should be deported under that law.

But this year, the U.S. 9th Circuit Court of Appeals disagreed. The court ruled that the California law was too broad to fit the definition of theft in the federal law because it included accomplices to auto theft.

The government counters that all states have laws that allow accomplices to be charged with auto theft.

In their appeal, government lawyers said the 9th Circuit was wrong on two points. First, Duenas-Alvarez stole the car and therefore was a thief, not an accomplice. And second, Congress meant to include accomplices when it wrote the law.

The government said at least 8,000 deportation cases in the nine Western states in the 9th Circuit would be affected by the court's ruling. The oral argument in Gonzales vs. Duenas-Alvarez was set for Dec. 5.

END

New Orleans Times Picayune

September 27, 2006

U.S. judge OKs accord on trailers for disabled; Toll-free lines to help FEMA reach out

Susan Finch Staff writer

A federal judge in New Orleans put his stamp of approval Tuesday on a settlement that aims to make sure FEMA provides specially equipped trailers to disabled evacuees left homeless by Hurricanes Katrina and Rita.

The agreement resolves a class-action lawsuit filed in February against the Federal Emergency Management Agency by 11 disabled storm evacuees who complained they had been given no trailers or that the trailers they received needed modifications, for which they were still waiting.

The settlement will affect what the plaintiffs' legal team estimates are thousands of other evacuees with disabilities who may have needed, but did not get, accessible trailers from FEMA.

FEMA already has taken steps to put the settlement into action by setting up toll-free phone lines for Louisiana and Mississippi evacuees to call if they need disabled-accessible trailers, the plaintiffs' team of public interest attorneys from around the nation said in announcing that U.S. District Judge Stanwood Duval had approved the agreement.

The toll-free lines will begin accepting calls Oct. 10 between 9 a.m. and 6 p.m. Monday through Saturday, except holidays. The number for Louisiana evacuees will be (866) 496-4297 and for those in Mississippi, (888) 294-2820.

FEMA will send a letter to the last-known address of evacuees who are eligible for temporary housing and have requested or received a FEMA trailer to tell them about the toll-free numbers. The agency also will make the information available through the media via press releases and public service announcements.

The settlement requires FEMA to do more than just answer the phones.

For example, it also provides that within five days after evacuees call the toll-free lines, FEMA will notify them how it intends to address their disability needs and when it plans to do so.

Depending on their needs, disabled evacuees may be entitled to a trailer with a ramp, wider doorways, more turn space for wheelchairs, accessible showers, shower chairs, grab bars near toilets, showers and tubs and lower appliances, sinks and cabinets.

Other aspects of the settlement are that:

-- Five percent of trailers at FEMA group trailer sites, as well as the common areas of such sites, must meet uniform federal accessibility standards.

-- FEMA must give an estimated time frame of up to 90 days to provide an accessible trailer or modify one that's not usable by the disabled.

-- FEMA must send evacuees it deems ineligible for accessible trailers written reasons for its decision.

Nell Hahn, a lawyer at the Advocacy Center in Lafayette who worked with other public interest law firm members from around the nation on the case, said the settlement responds to a real need.

"FEMA trailers are still the only housing available to thousands of people whose homes were damaged or destroyed by the hurricanes," she said. "Now, finally, people with disabilities will have equal access to this program."

END

Miami Herald

Sep. 26, 2006

Judge agrees to delay in case of Cuban exile militant

BY ALFONSO CHARDY

A federal judge in Texas has agreed to give the U.S. government more time to file a formal objection to a magistrate's recommendation that Cuban exile militant Luis Posada Carriles be released from immigration custody.

U.S. District Judge Philip Martinez in El Paso agreed Monday to extend the deadline to Oct. 5. The original deadline expired Monday.

The government notified the judge last week that it intended to file the objection but requested more time to file written briefs.

On Sept. 11, El Paso federal Magistrate Norbert Garney issued a written opinion recommending that Posada, 78, be released.

Garney said the Attorney General has not classified Posada as a terrorist and that his continued detention ran counter to a 2001 Supreme Court ruling barring indefinite detention for foreign nationals who cannot be deported.

END

CanWest

September 27, 2006

Former Mountie defends embattled Arar investigation

Ian MacLeod, CanWest News Service

OTTAWA - The RCMP's Maher Arar investigation was a "necessary" piece of police work to prevent what was believed to be a credible terrorist plot, says a former Mountie who played a central role in the scandal.

In the first police statement since Justice Dennis O'Connor's stinging commission report last week, Garry Clement, the officer who supervised the Project A-O Canada task force, Tuesday defended his actions and those of the case's front-line investigators.

"I feel it is necessary to speak out and ensure the Canadian public what was undertaken during the A-O Canada investigation was necessary and met the expectations of the mandate given to law enforcement," the former RCMP inspector, now chief of the Cobourg, Ont. police service, said in a 1,300-word prepared statement.

"This investigation did not commence based on a fishing expedition,"' he said. "Information was passed to the RCMP by our sister agency (CSIS) that required us to embark on a criminal investigation in an expeditious manner. Our primary goal was one of prevention and the secondary goal was criminal prosecution."

At the time, Clement was the assistant criminal operations officer for the RCMP's National Capital Region 'A' Division. He helped select investigators for Project A-O Canada, as well as the officer, then-Insp. Mike Cabana.

Cabana reported to Clement, who reported on the project to his superiors. Project A-O Canada was instructed to use every legal tool possible to ensure that the Sept. 11, 2001, terrorist attacks in the U.S. was not repeated, including sharing information with other domestic and foreign agencies.

Clement's statement he declined to be interviewed is the first public defence of the RCMP by a case insider since O'Connor's report detailing the mis-steps of the RCMP and federal government officials that contributed to Arar's year-long imprisonment and torture in Syria.

Though Canadian authorities, including the RCMP, were not complicit in the decision by the U.S. to deport Arar to Syria in October 2002, O'Connor said it is "highly likely" U.S. authorities relied on the RCMP's information in making the deportation decision.

While it was appropriate for the RCMP to share information about Arar with the U.S. Federal Bureau of Investigation and other American agencies that were co-operating with the RCMP investigation, "when sharing information about Mr. Arar, it was vitally important that the project be accurate and precise, so as not to overstate its interest in Mr. Arar or his status in the investigation," O'Connor wrote.

Yet prior to his detention in New York on Sept. 26, 2002, Arar was, at best, a person of interest that the RCMP wanted to interview as a witness in connection with the main suspect in the Project A-O investigation, Abdullah Almalki.

But the Arar files given to U.S. authorities variously described Arar as an Islamic extremist, a suspect or target and a principal subject of the investigation, among other misleading and inaccurate descriptions.

O'Connor singled out Clement as the officer who authorized the unrestricted release of the information to the U.S. in violation of RCMP policy, and said that likely led to Arar's deportation and torture in Syria.

"He gave very clear direction as soon as the investigation began that there would be an open-book arrangement with Project A-O Canada's partners," O'Connor wrote. "Given the potential threat, Inspector Clement believed that the investigation could not progress unless all of the partners were well briefed on a day-to-day basis. Inspector Clement also stressed the open-book approach with each of the partner agencies, emphasizing the need for an open and frank sharing of information."

In his statement Tuesday, Clement said "I want to assure the public that at no time did the investigators mislead our American counterparts causing them to take action they would not have done on their own volition."

He said the term open book "means a full sharing of information to our task force members, inclusive of the FBI. Although some reports may have been characterized incorrectly, our American partners were well aware of the evidence available on each file person at all times. Therefore they had the exact information dealing with each suspect and were free at all times to draw their own conclusions based on the actual facts."

He believes the public outcry over the RCMP's handling of the case would be tempered if Canadians had all the facts.

"The real tragedy is that the Canadian public did not see everything that Justice O'Connor was privy to," he said in the statement.

"I respect very much the conclusions drawn by Justice O'Connor but I would caution that in the current climate and due to the fact we have very broad immigration policies, law enforcement will need to work with countries that do not necessarily subscribe to Canadian values and do not respect human rights.

"We have no choice but to work with our foreign counterparts throughout the world in order to stem the proliferation of organized crime and terrorist cells. This does not mean we condone any action of a foreign country.

"Notwithstanding this our world has become smaller and law enforcement now must look beyond local borders and ensure we continue to protect Canadians, regardless of where the trail leads."

He also responded to O'Connor's criticism that the many of the Project A-O's investigators and supervisors lacked experience and training in conducting national security investigations, as well as the human rights and cultural sensitivity issues that might arise.

"It is true that when this investigation was embarked on most investigators did not have experience in dealing with terrorist and al-Qaida matters. I would respectfully submit that prior to 9/11 few agencies in the Western world had a high degree of investigative expertise dealing with terrorism. Intelligence agencies clearly had knowledge but the fact 9/11 occurred suggests that they did not have a full understanding.

"The A-O Canada Task Force was comprised of investigators who had major case experience, court expertise and a dedication not often found within law enforcement ranks today. These members worked long and arduous hours endeavouring to piece together what was believed as a terrorist plot. In the interests of not compromising the Security of Information Act I cannot elaborate further.

"We must remember that 9/11 changed the world for everyone, including law enforcement. The Canadian government is signatories to the U.N. resolution on terrorism and the Financial Action Task Force dealing with the eight recommendations on terrorist financing, both of which require countries to openly share information and co-operate when investigating terrorist activities. The current role our Canadian soldiers are undertaking has demonstrated over and over again that it is the unknown enemy we must be concerned about.

"To quote Edmund Burke: The only way for evil to triumph over good is for good men to do nothing.

"I am proud of the investigative work undertaken by members of the A-O Canada team. It was a multi-jurisdictional team of professionals who only had the public interest at heart on both sides of the border."

RCMP Commissioner Giuliano Zaccardelli is expected to testify before a House of Commons public safety committee this week.

Meanwhile, the lawyer for Arar levelled criticism at former federal cabinet minister Anne McLellan on Tuesday for the hasty passage of anti-terrorism legislation he says led to his client's imprisonment and torture in Syria.

Speaking to a group of law students at the University of Alberta on Tuesday, Julian Falconer said Arar's experience came as a result of Ottawa's ill-advised decision in the fall of 2001 to hand extraordinary powers to police forces untrained in how to use them.

Falconer suggested McLellan, who was justice minister at the time, likely pushed ahead with the controversial Anti-Terrorism Act because she got caught up in a tide of "dangerous momentum" following the 9-11 attacks on the United States.

"It was an attitude of, 'We have to do this to get the terrorists before they get to the planes,' " said Falconer, a Toronto-based human rights lawyer.

"(McLellan) is a good person. I know her. It's not that she had evil intentions, but I think she was wrong."

END

Australian Associated Press

September 27, 2006

Hicks will be tried by new US commission - Howard

CANBERRA, Sept 27 AAP - Prime Minister John Howard is confident Australian Guantanamo Bay detainee David Hicks will go on trial before a United States military commission once a new body is set up.

Hicks, who has been held at the US military prison in Cuba for nearly five years without trial, was captured with Taliban forces in Afghanistan in January 2002.

A previous military commission was found by the US Supreme Court to be unconstitutional.

New legal parameters to allow a trial by military commission are now being established.

Attorney-General Philip Ruddock is in the United States for talks with US Attorney-General Alberto Gonzales and other government representatives on Hicks, among other matters

"We at the moment have our attorney-general travelling to the United States to discuss with his counterpart Mr Gonzales the terms and conditions of the new military commission that will try Mr Hicks, consequent upon the passage of legislation, which we expect to occur very soon," Mr Howard told ABC radio today.

"Provided there is no additional appeal by Hicks - and if that happens there will be further delay - then he will be brought to trial before that commission."

Mr Howard said his government was satisfied that changes to allow a trial had been made because of the US Supreme Court decision.

"The problem we have ... is that (we have) somebody who has acknowledged (as) having trained with al-Qaeda and having rejoined it after September 11.

"If he returns to Australia, (he) cannot be charged with anything because it was not a crime under Australian law for him (David Hicks) to train with an organisation like that, when the training took place," Mr Howard said.

END

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 12:35 PM
To: USDOJ- Office of Public Affairs
Subject: JACOB "KOBI" ALEXANDER, FORMER CEO OF COMVERSE TECHNOLOGY INC., APPREHENDED IN THE REPUBLIC OF NAMIBIA

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 27, 2006
WWW.USDOJ.GOV/USAO/NYE

CONTACT: ROBERT NARDOZA
OFFICE: (718) 254-6323
CELL: (347) 236-9889

JACOB "KOBI" ALEXANDER, FORMER CEO OF COMVERSE TECHNOLOGY INC., APPREHENDED IN THE REPUBLIC OF NAMIBIA

Indictment Unsealed in the United States Charging Alexander in Stock Option Backdating and Slush Fund Schemes

BROOKLYN, N.Y. – The fugitive Jacob "Kobi" Alexander, former Chief Executive Officer of Comverse Technology Inc., was arrested in Windhoek, Namibia. The arrest was made pursuant to a provisional warrant issued by a Namibian court at the request of the U.S. government. Alexander will be brought before a court in Windhoek within 48 hours. The U.S. government intends to seek Alexander's extradition to the U.S. to stand trial on the charges set forth in an indictment, which was unsealed today at U.S. District Court in Brooklyn, N.Y., U.S. Attorney Roslynn R. Mauskopf of the Eastern District of New York and Assistant Director-in-Charge Mark J. Mershon of the FBI's New York Field Office announced today.

Alexander is charged with multiple criminal offenses stemming from the alleged stock options backdating and slush fund schemes, dating from as early as 1998 and extending into 2006. Specifically, Alexander is charged with conspiracy, two counts of securities fraud, eight counts of making false filings with the Securities and Exchange Commission, four counts of mail fraud, 14 counts of wire fraud, and three counts of money laundering. The indictment also seeks forfeiture of approximately $138 million in Alexander's assets.

"The apprehension of Alexander follows an international manhunt led by the FBI, and the cooperation of the Government of the Republic of Namibia," stated U.S. Attorney Mauskopf. "We are very grateful for the Namibians' swift action and commend them for their vigilance. We intend promptly to seek the return of the defendant to the United States to answer the serious charges now pending against him."

"Alexander's alleged role in options back-dating victimized Comverse shareholders and deceived prospective investors," stated Assistant Director-in-Charge Mershon. "The fraud affected the company's

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bottom line by misstating earnings. The alleged conduct is illegal, and Alexander's apprehension shows that the FBI will work internationally to bring perpetrators of corporate fraud to justice."

The charges in the indictment are merely allegations, and the defendant is presumed innocent unless and until proven guilty. If convicted of the most serious charge – securities fraud – Alexander faces a maximum sentence of 25 years in prison.

The government's case is being prosecuted by Assistant U.S. Attorneys Ilene Jaroslaw, Linda Lacewell, Sean Casey and Kathleen Nandan.

# # #

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Image not available for this document, ID: 0.7.10316.28529-000002

Amber.JMD

From: Amber.JMD
Sent: Wednesday, September 27, 2006 12:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Chandler, AZ

From: AmberAlert-DOJ
Sent: Wednesday, September 27, 2006 12:35:33 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Chandler, AZ
Auto forwarded by a Rule

AMBER ALERT:Chandler,AZ VEH:'95 Gold 4dr sed Honda Accord TAG:AZ 453VCL CHILD:14 Hisp F 4'11" 90 lbs Hr:Brn SUSP:21 Hisp M 5'1" 100 lbs Hr:Blk CALL 480-782-4130
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2282

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Wednesday, September 27, 2006 12:45 PM
Subject: Service Interruption: Upgrade to Equipment Located Rockville Data Center

SMO/JMD JCON Service Interruption

As a part of a JCON Switch Upgrade Project, an outage is required to bring a piece of new equipment online. The outage will occur during the posted service window below. This upgrade will be performed on resources located in the Rockville Data Center. Be advised that there is no risk of data loss.

When: Sunday, October 1, 2006, 12:01 am to 6:00am

Event: JCON Cisco Catalyst Upgrade

Customers Affected: SMO/JMD Customers Located in **RFK Main Justice** and **Rockville Data Center**

Unavailable Services:
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers
BlackBerry *(PIN to PIN messaging is available)*

Una**vailable Services, All Customers** *(except those located in RFK Main Justice and Rockville Data Center):*
M:\ Drive
Sending Email to affected users found above

A**vailable Services, All Customers** *(except those located in RFK Main Justice and Rockville Data Center):*
All Network resources except the M:\Drive

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:
1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.

5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Wednesday, September 27, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 605998 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Wednesday, September 27, 2006 3:00 PM
Subject: Service Interruption: Public G:Drive, All of SMO/JMD JCON

Service Interruption - Public G:\ Drive

We are currently experiencing intermittent performance issues with the Public G:\ Drive. Server Engineers are currently working the issue, we will send an email when full services are restored.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 3:14 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE AWARDS $11 MILLION TO ENHANCE STATE CRIMINAL JUSTICE RECORDS

THE AWARDS DOCUMENT IS ATTACHED.

Department of Justice

Office of Justice Programs

ADVANCE FOR RELEASE AT 4:30 P.M. EDT Bureau of Justice Statistics
WEDNESDAY, SEPTEMBER 27, 2006

Contact: Stu Smith: 202-307-0784

www.ojp.usdoj.gov/bjs
After hours: 301-983-9354

DEPARTMENT OF JUSTICE AWARDS $11 MILLION TO ENHANCE STATE CRIMINAL JUSTICE RECORDS

WASHINGTON — The Justice Department's Bureau of Justice Statistics (BJS) today announced almost $11 million in awards to state agencies to improve the completeness, quality and accessibility of the nation's criminal record systems. Of this amount, more than $2.4 million was awarded to 15 jurisdictions to improve coordination and enhance the accuracy of data entered into local, state and national databases on stalking and domestic violence. Since 1995, awards of more than $506 million have gone to all 50 states, the District of Columbia and the territories of American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands and Puerto Rico.

Funding is provided under the Department's National Criminal History Improvement Program (NCHIP). NCHIP helps the states automate and upgrade records that link to systems administered by the Federal Bureau of Investigation (FBI), including the National Sex Offender Registry, the National Protection Order File, the Integrated Automated Fingerprint Identification System, the National Crime Information Center and the National Instant Criminal Background Check System (NICS Index), which supports instant background checks on persons attempting to purchase firearms.

Complete, accurate and immediately accessible criminal records enable states to:

- Immediately identify individuals with prior criminal records in any state.
- More effectively identify felons and others prohibited from firearm purchase.
- Check backgrounds of persons responsible for child, elder and disabled care.
- Identify individuals who have a history of domestic violence or stalking.

DOJ_NMG_ 0168606

- Make informed decisions relating to pretrial release and detention of arrestees, prosecutions of career criminals and appropriate correctional confinement of convicted offenders.

Federal assistance has helped 48 states participate in the FBI's Interstate Identification Index, which is the national system through which name-based criminal background checks are conducted and which links to over 53 million criminal history records. More than 950,000 protection order records in the NCIC Protection Order File help to avert stalking and other crimes and are available for background checks. In addition, more than 442,000 convicted sex offenders have detailed records in the NCIC Convicted Sexual Offender Registry File.

"The states and territories have made tremendous progress in employing technology in this area, but data quality and completeness issues need continuing attention," said BJS Director Jeffrey Sedgwick. "Criminal history records frequently reflect information gaps because outcomes of criminal cases go unreported to state and national files, or cannot be linked to arrest fingerprint records. This grant program allows the jurisdictions to focus efforts on these problems."

NCHIP awards were made to the state agencies designated by the governor and by the District of Columbia's mayor. The FY 2006 awards, which were made on a competitive basis, were based on needs and priorities identified by BJS, the amount requested, the quality of the applying state's records, the anticipated impact the proposed improvements would have on availability of records throughout the national system, the extent to which the state had fulfilled goals of previous NCHIP awards, and the technical feasibility of the state's proposal.

Information about NCHIP is available on the BJS Web site at http://www.ojp.usdoj.gov/bjs/nchip.htm. For specific information about a state program, contact the individual listed at http://www.ojp.usdoj.gov/bjs/nchipadd.htm.

For additional information about the Bureau of Justice Statistics programs, please visit www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

# # #

BJS06068

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FY 2006 NCHIP Grants

State/Territory and Award Amount

Alabama	$ 400,000	Montana	$ 130,000
Alaska	$ 259,944	Nebraska	$ 204,085
Arizona	$ 237,085	Nevada	$ 93,391
Arkansas	$ 117,000	New Hampshire	$ 84,691
California	$ 900,000	New York	$ 800,000
Colorado	$ 356,598	North Carolina	$ 200,000
Connecticut	$ 147,760	Ohio	$ 271,343
Delaware	$ 95,237	Oklahoma	$ 153,600
District of Columbia	$ 265,000	Pennsylvania	$ 534,880
Florida	$ 395,574	Puerto Rico	$ 300,000
Georgia	$ 355,750	Rhode Island	$ 130,000
Guam	$ 20,334	South Carolina	$ 65,262
Hawaii	$ 315,656	South Dakota	$ 137,066
Illinois	$ 408,182	Tennessee	$ 252,778
Indiana	$ 259,877	Utah	$ 207,610
Kansas	$ 407,220	Virginia	$ 365,496
Louisiana	$ 368,005	Wisconsin	$ 243,621
Massachusetts	$ 550,000	Wyoming	$ 76,901
Michigan	$ 475,590		
Missouri	$ 338,694	Total	$10,924,230

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System Administrator

From: System Administrator
Sent: Wednesday, September 27, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 606451 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 3:48 PM
To: USDOJ- Office of Public Affairs
Subject: TWO FEMA EMPLOYEES ARRESTED FOR FEMA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 27, 2006
WWW.USDOJ.GOV/USAO/MSS/

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

TWO FEMA EMPLOYEES ARRESTED FOR FEMA FRAUD

GULFPORT, Miss. – Duane Adams and Emily Fuqua, both Federal Emergency Management Agency (FEMA) employees, were arrested for making false statements to FEMA for Hurricane Katrina assistance, announced U.S. Attorney Dunn Lampton, of the Southern District of Mississippi.

According to the criminal complaint and affidavit filed in U.S. District Court, Duane Adams filed a disaster assistance application with FEMA claiming his primary residence was a houseboat in Moss Point, Miss., which had been destroyed by the hurricane. However, Adams was not the owner of the houseboat. Adams and Fuqua created and submitted to FEMA false documentation to portray Adams as the owner and when a FEMA representative sought to verify ownership of the houseboat, Fuqua falsely identified herself over the phone as the person who sold the houseboat to Adams. As a result of the fraudulent application and scheme, Adams received approximately $25,500 from FEMA in disaster assistance.

In September, 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force, - chaired by Assistant Attorney General Alice Fisher of the Criminal Division, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the U.S. Postal Inspection Service, and the Executive Office of U.S. Attorneys, among others.

Pursuant to the Justice Department initiative, a local Hurricane Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the Department of Homeland Security-Office of the Inspector General Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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Image not available for this document, ID: 0.7.10316.28496-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Wednesday, September 27, 2006 3:56 PM
Subject: Service Interruption: Public G:Drive Restored

Service Interruption - Public G:\ Drive Restored

The issue we experienced with the Public G:\ Drive has been resolved.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 4:46 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE SWEARING-IN CEREMONY OF KENNETH L. WAINSTEIN AS ASSISTANT ATTORNEY GENERAL FOR THE NEW NATIONAL SECURITY DIVISION

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, SEPTEMBER 27, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE SWEARING-IN CEREMONY OF KENNETH L. WAINSTEIN AS ASSISTANT ATTORNEY GENERAL FOR THE NEW NATIONAL SECURITY DIVISION

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the swearing-in ceremony of Kenneth L. Wainstein as Assistant Attorney General for the new National Security Division, **THURSDAY, SEPTEMBER 28, 2006 at 10:00 A.M EDT.**

WHO: Attorney General Alberto R. Gonzales
The Honorable Laurence H. Silberman

WHAT: Remarks at the swearing-in ceremony of Kenneth L. Wainstein as Assistant Attorney General for the new National Security Division.

WHEN: **WEDNESDAY, SEPTEMBER 28, 2006**
10:00 A.M. EDT

WHERE: The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

NOTE: Pre-set for television camera crews is **9:30 A.M. EDT.** All media must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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Image not available for this document, ID: 0.7.10316.28487-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 5:44 PM
To: USDOJ- Office of Public Affairs
Subject: SOUTHERN CALIFORNIA FREIGHT CO. PLEADS GUILTY TO MAKING FALSE STATEMENTS RELATED TO MILITARY MOVING PROGRAM

(A PDF of the information is attached.)

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 27, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

SOUTHERN CALIFORNIA FREIGHT CO. PLEADS GUILTY TO MAKING FALSE STATEMENTS RELATED TO MILITARY MOVING PROGRAM

Company Sentenced to Pay $120,000 Criminal Fine

WASHINGTON — A southern California freight company today has pleaded guilty and was sentenced to pay a $120,000 criminal fine for making false statements related to the Department of Defense's (DOD) program to ship military household goods between Europe and the United States and between the United States mainland and Hawaii, the Department of Justice announced.

The Department charged that Ryan's World Inc., a Long Beach, Calif., freight forwarder, filed false documents with the DOD's Military Traffic Management Command (MTMC). The MTMC, which is based in Alexandria, Va., was reorganized in 2004, and is now known as the Military Surface Deployment and Distribution Command.

Ryan's World is the sixth company to be charged as a result of the Department's ongoing antitrust investigation of anticompetitive and fraudulent conduct in the movement of military household goods. Five companies have previously been charged with participating in conspiracies to restrain trade in the transportation of military household goods, and more than $10 million in criminal fines have been imposed.

According to the one-count felony information filed today in the U.S. District Court in Alexandria, Va., the false statements and representations included a certification that Ryan's World had no "common financial and/or administrative control" relationship "with any other household goods carrier or forwarder," when, in fact, it had such a relationship. Under MTMC rules, freight forwarders in a "common financial and/or administrative control relationship" are prohibited from competing with each other by filing rates to transport military household goods in the same traffic channels.

"Making false statements to the U.S. government is a serious crime and violators will be prosecuted," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

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"Today's charge demonstrates the Antitrust Division's ongoing commitment to ensure that the movement of military household goods are provided in a competitive marketplace."

In recent years, the DOD has spent more than $180 million annually to move the household goods of its military and civilian personnel from Europe to the United States, the Justice Department said.

The five companies previously charged are:

- Executive Relocation International Inc., headquartered in Woodbridge, Va., pleaded guilty in March 2006, and was sentenced to pay $72,600;
- Allied Freight Forwarding Inc., headquartered in Westmont, Ill., pleaded guilty and was sentenced in February 2006 to pay a $1.04 million fine;
- Cartwright International Van Lines Inc., headquartered in Grandview, Miss., pleaded guilty and was sentenced in April 2004 to pay a $250,000 fine;
- Gosselin World Moving N.V., headquartered in Belgium, pleaded guilty in September 2004 and was sentenced to pay a $6 million fine; and
- The Pasha Group, headquartered in Corte Madera, Calif., pleaded guilty in September 2004 and was sentenced to pay a $4.6 million fine.

The investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section with the assistance of the DOD Office of Inspector General, Defense Criminal Investigative Service and the Army Criminal Investigation Division. Anyone with information concerning price fixing, bid rigging or fraud in the military moving and storage industry or concerning conspiratorial conduct for the purpose of reducing or eliminating competition on any government contract is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the Mid-Atlantic Field Office of the Defense Criminal Investigative Service at 410-529-9054.

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06-653

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IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

UNITED STATES OF AMERICA	)	**Criminal No.** 1:06CR406
	)	
v.	)	**Violation:** 18 U.S.C. § 1001
	)	
RYAN'S WORLD, INC.,	)	
	)	
Defendant.	)	

CRIMINAL INFORMATION

Ryan's World, Inc. ("RYAN'S WORLD") is made the defendant on the charge herein. As used in this Criminal Information, the "relevant period" is that period beginning in February 1999 and continuing until at least April 30, 2001.

THE UNITED STATES CHARGES THAT:

Defendant

1. Defendant RYAN'S WORLD is, and was during the relevant period, a corporation organized and existing under the laws of the State of California, and based in Long Beach, California. During the relevant period, defendant was a freight forwarder and was in the business of providing services related to the transportation of household goods owned by U.S. military and civilian Department of Defense ("DOD") personnel and their families ("military household goods").

2. Whenever this Count refers to any act, deed, or transaction of any company, it means that the company engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, or control of its affairs.

Background

3. The Military Traffic Management Command ("MTMC"), recently renamed the Military Surface Deployment and Distribution Command ("SDDC"), is headquartered in Alexandria, Virginia, in the Eastern District of Virginia, and is responsible for administering the DOD's International Through Government Bill of Lading ("ITGBL") program. Freight forwarders, including the defendant, compete for the opportunity to be awarded military household goods shipments by the Army in a twice yearly rate-filing process.

4. In their filings, freight forwarders bid the lowest "through rates" at which they willing to offer through transportation services for military household goods between specific U.S. States, or portions of States, and foreign countries or destinations. "Through rates" are offers to provide door-to-door service for shipments of military household goods, from pick-up at the place of origin to delivery at the ultimate destination. "Through rates" are specific to particular transportation routes, called "channels," between specific U.S. States, or portions of States, and foreign countries or destinations in which military household goods move. Although technically entirely domestic, shipments of military household goods between Hawaii and the mainland United States are governed by ITGBL rules.

5. Under the ITGBL program, during the relevant period, each freight forwarder that filed a rate was required to identify, on a Tender of Service Signature Sheet ("TOSS") filed with MTMC, the name of each entity with which it

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had a "common financial and/or administrative control" ("CFAC") relationship. As defined by MTMC on the TOSS form, the term "CFAC" meant "the power, actual as well as legal, to influence the management, direction, or functioning of a business organization." Under MTMC rules, freight forwarders that were "in CFAC" with each other could not file rates in the same channels and were not eligible to service ITGBL or Hawaii military household goods traffic in such channels.

6. On or about December 14, 1994, March 17, 1999 and March 3, 2000, defendant filed TOSS forms with MTMC. The TOSS forms required defendant to attach a list of the names of the freight forwarders with which it had a CFAC relationship. Defendant checked the box indicating that it was not in CFAC with any other carrier or forwarder.

7. Defendant never amended or withdrew the representations contained in the TOSS forms described in paragraph 7 above and, under MTMC rules, these representations were in effect during the relevant period.

8. In a notarized Certificate of Carrier Responsibility dated September 21, 1994, signed by its president and filed with MTMC, defendant (as the filing "Carrier") made the following representations and acknowledgments:

> [1] As evidenced by the Statement of Common Financial and/or Administrative Control (CFAC), Carrier is not owned or controlled by any other person, firm, or corporation engaged in the movement of household goods for the Department of Defense (DOD). Additionally,

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Carrier is not affiliated with any other person, firm, or corporation engaged in the movement of personal property for DOD.

[2] If Carrier has not declared CFAC, [C]arrier will not share office space or telephone with any other carrier engaged in the movement of personal property for the DOD.

...

[5] Carrier remains directly and fully responsible to MTMC for the performance of all services and observance of all regulations relating to this procurement. By this document, I certify that the functions described in the appendix to this certificate are performed and will continue to be performed independent of any other person, firm, or corporation, in the offices of the carrier's business address, except as noted. If [C]arrier desires to subcontract for those services which MTMC allows to be subcontracted, such services must be available and readily accessible to the general public and such agreements must be in written form and made available to MTMC upon request.

[6] I acknowledge that any violation of the above cited rules, material misstatement, omission of fact, or failure to disclose any required financial or service agreements as required by the MTMC, and attached hereto, may subject the carrier that I represent to revocation of the carrier's DOD approval for a period of not less than 2 years and referral to the Department of Justice for prosecution.

DOJ_NMG_ 0168627

9. Defendant never amended or withdrew the representations described in paragraph 9 above and, under MTMC rules, those representations were in effect during the relevant period.

10. During the relevant period, defendant was in a CFAC relationship with another freight forwarder ("FF-1"), which was in the business of providing services related to the transportation of military household goods under the ITGBL program.

11. During the relevant period, defendant filed through rates for ITGBL and Hawaii traffic in the following cycles: IS-99, IW-99, IS-00, IW-00, IS-01 and IW-01. In those cycles, certain of the channels in which defendant filed through rates were the same as the channels in which FF-1 filed through rates. During the referenced cycles, defendant and FF-1 were awarded ITGBL and Hawaii traffic in certain of the same channels. In the referenced cycles, defendant received payments from MTMC for moving ITGBL and Hawaii traffic totaling $3,211,521.

12. The Certificates of Carrier Responsibility and the TOSS CFAC certifications described in paragraphs 7 and 9 above and filed by defendant were (a) material to a matter within the jurisdiction of the executive branch of the Government of the United States and (b) knowingly and willfully false, in that during the relevant period defendant was knowingly and intentionally in a CFAC relationship with FF-1.

DOJ_NMG_ 0168628

Violation – False Statements
(18 U.S.C. § 1001)

13. During the relevant period, in a matter within the jurisdiction of the DOD, a department of the United States, the defendant did knowingly and willfully make false, fraudulent, and fictitious material statements and representations on Certificates of Carrier Responsibility and TOSS forms filed with MTMC, and did knowingly conceal a material fact from MTMC: to wit, its eligibility to participate in the ITGBL program, through its statements and representations that:

(a) it was not "under common financial or administrative control ('CFAC') with any other household goods carrier or forwarder";

(b) it was not owned or controlled by any other person, firm, or corporation engaged in the movement of household goods for the Department of Defense;

(c) it was not affiliated with any other person, firm, or corporation engaged in the movement of personal property for the Department of Defense;

(d) it did not share office space or telephone with any other carrier engaged in the movement of personal property for the Department of Defense; and

(e) the functions described in the Appendix to the Certificate of Carrier Responsibility were performed and would continue to be performed independent of any other person, firm, or corporation, in the offices of the carrier's business address.

DOJ_NMG_ 0168629

Jurisdiction and Venue

14. During the relevant period, the activities of defendant, described above, including the submission of TOSS forms and Certificates of Carrier Responsibility to MTMC and receipt of payment from MTMC for ITGBL and Hawaii traffic transported as part of MTMC's military household goods program, were carried out, in part, within the Eastern District of Virginia.

15. The offense charged in this Criminal Information was formed and carried out, in part, within the Eastern District of Virginia.

(In violation of Title 18, United States Code, Section 1001).

THOMAS O. BARNETT
Assistant Attorney General

LISA M. PHELAN
Chief, National Criminal Enforcement Section

SCOTT D. HAMMOND
Deputy Assistant Attorney General

MARC SIEGEL
Director of Criminal Enforcement

HAYS GOREY, JR.
MARK W. PLETCHER
Attorneys
U.S. Department of Justice
Antitrust Division
1401 H Street, N.W., Suite 3700
Washington, D.C. 20530
(202) 307-0000

Antitrust Division
U.S. Department of Justice

ROBERT C. ERICKSON
Assistant United States Attorney

DOJ_NMG_ 0168630

System Administrator

From: System Administrator
Sent: Wednesday, September 27, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 607657 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, September 27, 2006 6:27 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 27, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

THURSDAY'S EXPECTED NEWS STORIES:

Southern California Freight Co. Pleads Guilty To Making False Statements Related To Military Moving Program (Antitrust)
A southern California freight company today has pleaded guilty and was sentenced to pay a $120,000 criminal fine for making false statements related to the Department of Defense's (DOD) program to ship military household goods between Europe and the United States and between the United States mainland and Hawaii, the Department of Justice announced. The Department charged that Ryan's World Inc., a Long Beach, Calif., freight forwarder, filed false documents with the DOD's Military Traffic Management Command (MTMC). The MTMC, which is based in Alexandria, Va., was reorganized in 2004, and is now known as the Military Surface Deployment and Distribution Command.

Talking Points

- Making false statements to the U.S. government is a serious crime and violators will be prosecuted.

- Today's charge demonstrates the Antitrust Division's ongoing commitment to ensure that the movements of military household goods are provided in a competitive marketplace.

Utah Business Owners Sentenced To Prison For Tax Fraud (Tax)
Steven Christensen and Diane C. Christensen of Sandy, Utah, were each sentenced Tuesday to prison for conspiring to defraud the United States by attempting to impede the Internal Revenue Service's collection of federal income and employment taxes, the Justice Department and the Internal Revenue Service (IRS) announced. Diane Christensen was sentenced to 41 months imprisonment and 36 months of supervised release. Steve Christensen received a sentence of 37 months imprisonment and also 36 months of supervised release. The husband and wife were sentenced by Salt Lake City federal judge, David Sam. Diane Christensen's conduct cost the federal Treasury between $2.5 million and $5 million, and Steven Christensen's conduct between $1.5 million and $2.5 million in lost tax revenue.

Department Of Justice Awards $11 Million To Enhance State Criminal Justice Records (Bureau of Justice Statistics)
The Justice Department's Bureau of Justice Statistics (BJS) today announced almost $11 million in awards to state agencies to improve the completeness, quality and accessibility of the nation's criminal record systems. Of this amount, more than $2.4 million was awarded to 15 jurisdictions to improve coordination and enhance the accuracy of data entered into local, state and national databases on stalking and domestic violence. Since 1995, awards of more than $506 million have gone to all 50 states, the District of Columbia and the territories of American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands and Puerto Rico.

Jacob "Kobi" Alexander, Former CEO of Comverse Technology Inc Apprehended in the Republic of Namibia (USAO-Eastern District of New York)
The fugitive Jacob "Kobi" Alexander, former Chief Executive Officer of Comverse Technology Inc., was arrested in Windhoek, Namibia. The arrest was made pursuant to a provisional warrant issued by a Namibian court at the request of the U.S. government. The U.S. government intends to seek Alexander's extradition to the U.S. to stand trial on the charges set forth in an indictment, which was unsealed today at U.S. District Court in Brooklyn, N.Y., U.S. Attorney Roslynn R. Mauskopf of the Eastern District of New York announced today. Alexander is charged with multiple criminal offenses stemming from the alleged stock options backdating and slush fund schemes, dating from as early as 1998 and extending into 2006. Specifically, Alexander is charged with conspiracy, two counts of securities fraud, eight counts of making false filings with the Securities and Exchange Commission, four counts of mail fraud, 14 counts of wire fraud, and three counts of money laundering. The indictment also seeks forfeiture of approximately $138 million in Alexander's assets.

Talking Points

- Alexander's alleged role in options back-dating victimized Comverse shareholders and deceived prospective investors.

- The alleged conduct is illegal, and Alexander's apprehension shows that the FBI will work internationally to bring perpetrators of corporate fraud to justice.

Two FEMA Employees Arrested for FEMA Fraud (USAO-Southern District of Mississippi)
Duane Adams and Emily Fuqua, both Federal Emergency Management Agency (FEMA) employees, were arrested for making false statements to FEMA for Hurricane Katrina assistance, announced U.S. Attorney Dunn Lampton, of the Southern District of Mississippi. According to the criminal complaint and affidavit, Duane Adams filed a disaster assistance application with FEMA claiming his primary residence was a houseboat in Moss Point, Miss., which had been destroyed by the hurricane. However, Adams was not the owner of the houseboat. Adams and Fuqua created and submitted to FEMA false documentation to portray Adams as the owner and when a FEMA representative sought to verify ownership of the houseboat, Fuqua falsely identified herself over the phone as the person who sold the houseboat to Adams.

THURSDAY'S EXPECTED EVENTS/RELEASES:

Office of Justice Programs to Issue Release on Grant Funding for DNA Initiative
Tomorrow, the Office of Justice Programs is expected to issue a release on a $125 million grant for the President's DNA Initiative.

10:00 A.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks at the swearing-in ceremony of Kenneth L. Wainstein as Assistant Attorney General for the new National Security Division. The Department will also announce the members of the National Security Division's senior leadership team.
The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

System Administrator

From: System Administrator
Sent: Wednesday, September 27, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 607684 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 607685 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 9:58 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 28, 2006

Department of Justice

PRESS GUIDANCE
Thursday, September 28, 2006

ATTORNEY GENERAL

10:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the swearing-in ceremony of Kenneth L. Wainstein as Assistant Attorney General for the new National Security Division.
The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Department of Justice will issue a release announcing the members of the National Security Division's senior leadership team. (Sierra)

The Antitrust Division will issue a release on a merger-related matter. (Talamona)

The Civil Right Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007

DOJ_NMG_ 0168637

After Hours (202) 514-2000

DOJ_NMG_ 0168638

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Image not available for this document, ID: 0.7.10316.28440-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 10:26 AM
To: USDOJ- Office of Public Affairs
Subject: KENNETH L. WAINSTEIN SWORN IN AS FIRST ASSISTANT ATTORNEY GENERAL FOR THE NATIONAL SECURITY DIVISION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

NSD
(202) 514-2007
TDD (202) 514-1888

KENNETH L. WAINSTEIN SWORN IN AS FIRST ASSISTANT ATTORNEY GENERAL FOR THE NATIONAL SECURITY DIVISION

Other Senior National Security Division Officials Announced

WASHINGTON — Attorney General Alberto R. Gonzales today swore in Kenneth L. Wainstein as the first Assistant Attorney General for the National Security Division. The Department also announced the senior members of the National Security Division leadership team including Chief of Staff Charles M. Steele, Deputy Assistant Attorneys General J. Patrick Rowan, Matthew G. Olsen, and Brett Gerry, Counsels George Z. Toscas, John C. Demers and Kathryn Haun, and Deputy Chief of Staff Jessie K. Liu.

Wainstein will lead the National Security Division as it carries out the Department's top priority of preventing and combating terrorism and protecting the nation's security. He leaves his position as U.S. Attorney for the District of Columbia, where he was responsible for the prosecution of all federal and serious local criminal offenses, including several important national security investigations and prosecutions. During his tenure as U.S. Attorney, he supervised the prosecution of a leading member of a Colombian terrorist organization and the prosecution of individuals who conspired to send triggering devices to Pakistan.

Prior to his service as U.S. Attorney, Wainstein served at the Federal Bureau of Investigation (FBI) as General Counsel as well as Chief of Staff to the Director. Before that he served as Director of the Executive Office of United States Attorneys. In earlier assignments at the U.S. Attorney's Office for the District of Columbia he served as Interim U.S. Attorney, Principal Assistant U.S. Attorney, Deputy Chief of the Superior Court Division, and Deputy Chief and line prosecutor in the Homicide Section.

Wainstein holds a Bachelor of Arts in Government and International Relations from the University of Virginia and holds a Juris Doctor from the University of California, Berkeley.

In addition to Wainstein, the Attorney General also announced key staff which will manage the new National Security Division.

"We are fortunate to have assembled a team of seasoned law enforcement and national security veterans to oversee operations of the National Security Division. These are people with proven judgment and broad

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experience and expertise in the mission of protecting our country against criminals, terrorists and spies. The nation will be well served by this exceptional group of public servants," said Assistant Attorney General Wainstein.

Charles M. Steele will serve as Chief of Staff to Assistant Attorney General Wainstein. He comes from the FBI where he most recently served as the Chief of Staff to the Director. He previously held the position of Deputy General Counsel, where he provided legal, policy and ethical advice to other FBI and Justice Department officials on law enforcement and national security investigations and prosecutions.

Steele previously held a number of positions in the Justice Department. He served as an Assistant U.S. Attorney and Deputy Chief of the Criminal Division for the U.S. Attorney's Office for the District of Arizona. As Deputy Chief, he headed the White Collar Crime Unit which handled fraud and corruption prosecutions. He also prosecuted violent crime and drug cases as an Assistant United State Attorney for the District of Columbia. Steele holds a Bachelor of Arts in Economics from the University of Virginia and received his Juris Doctor from Georgetown University Law Center.

J. Patrick Rowan has been appointed to the position of Deputy Assistant Attorney General for Counterterrorism and Counterespionage for the National Security Division. He formerly held the position of Associate Deputy Attorney General and assisted in the management of national security functions for the Justice Department. Before that he held a number of positions in the Justice Department including Senior Counsel to the Assistant Attorney General for the Criminal Division, Special Counsel for the Office of General Counsel of the FBI, and Counsel to the Director of the Executive Office for United States Attorneys. He also served as an Assistant U.S. Attorney for the District of Columbia. Rowan holds a Bachelor of Arts in Philosophy from Dartmouth College and received his Juris Doctor from the University of Virginia School of Law.

Matthew G. Olsen will serve as Acting Deputy Assistant Attorney General for Foreign Intelligence Surveillance Act (FISA) Operations and Intelligence Oversight. Olsen joins the National Security Division from the U.S. Attorney's Office for the District of Columbia, where he served as the Chief of the National Security Section. That section is responsible for the investigation and prosecution of international terrorism, espionage, and export enforcement violations. Before that he served as Special Counsel to the Director of the FBI, where he worked primarily on national security policy matters. His earlier assignments in the U.S. Attorney's Office included line prosecutor assignments and a supervisory position in the Organized Crime and Narcotics Trafficking Section. He also served as a trial attorney in the Civil Rights Division of the Justice Department. He holds a Bachelor of Arts from the University of Virginia and received a Juris Doctor from Harvard Law School.

Brett C. Gerry will serve as Deputy Assistant Attorney General for Law and Policy. Gerry formerly held the position of Associate Counsel in the Office of Counsel to the President at the White House. Prior to that, Gerry served as Deputy General Counsel and Assistant Director of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. Gerry served as a law clerk for U.S. Supreme Court Justice Anthony M. Kennedy and to Judge Laurence H. Silberman of the U.S. Court of Appeals for the District of Columbia Circuit, and he also worked in the private sector as an associate lawyer at Goodwin Procter LLP. He holds a Bachelor of Arts in political science and economics from Colgate University, a Master's degree in Political Science from Yale University and a Juris Doctor from Yale Law School.

George Z. Toscas will serve as Counsel to the Assistant Attorney General. Mr. Toscas has served in the Justice Department's Criminal Division since 1993 and since 1996 he has been assigned to the Counterterrorism Section. He has extensive experience investigating and prosecuting a number of significant international

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terrorism and violent crime cases. He holds a Bachelor of Science in Criminal Justice from Loyola University in Chicago and a Juris Doctor from the John Marshall Law School.

John C. Demers will serve as Counsel to the Assistant Attorney General. Mr. Demers served most recently as a law clerk to U.S. Supreme Court Justice Antonin Scalia. Before that, he served for two years as an Attorney-Advisor in the Justice Department's Office of Legal Counsel. Before that he served as a law clerk to Judge Diarmuid O'Scannlain of the U.S. Court of Appeals for the Ninth Circuit, and as an associate attorney at the law firm of Simpson Thacher & Bartlett. He holds a Bachelor of Arts Political Science and Italian Studies from the College of the Holy Cross, and a Juris Doctor from Harvard Law School.

Kathryn Haun will serve as Counsel to the Assistant Attorney General. She joins the Division from the U.S. Attorney's Office for the Eastern District of Virginia, where she was recently appointed an Assistant U.S. Attorney. Before that she was an associate attorney at the law firm of Sidley Austin. Before that she served as a law clerk to U.S. Supreme Court Justice Anthony M. Kennedy and to Judge Alex Kozinski of the U.S. Court of Appeals for the Ninth Circuit. She holds a Bachelor of Arts in International Relations from Boston University and a Juris Doctor from Stanford Law School.

Jessie K. Liu will serve as Deputy Chief of Staff. She joins the National Security Division from the U.S. Attorney's Office for the District of Columbia, where she has served as an Assistant U.S. Attorney for the past four years, investigating and prosecuting criminal cases. Before that she was an associate attorney at the law firm of Jenner & Block, and served as a Law Clerk to Chief Judge Carolyn Dineen King on the U.S. Court of Appeals for the Fifth Circuit. Liu holds a Bachelor of Arts in English and American Literature and Language from Harvard University and a Juris Doctor from Yale Law School.

The new division will further improve coordination within the law enforcement community and will bring the Office of Intelligence Policy and Review and the Criminal Division's Counterterrorism and Counterespionage Sections under one authority, fulfilling a key recommendation of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. It is another step in eliminating the "wall" between the intelligence and law enforcement teams.

# # #

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Image not available for this document, ID: 0.7.10316.28439-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 10:29 AM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: STRUCTURE OF THE NATIONAL SECURITY DIVISION

AN ORGANIZATIONAL CHART FOR THE NEW NATIONAL SECURITY DIVISION CAN BE FOUND BELOW

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: STRUCTURE OF THE NATIONAL SECURITY DIVISION

WASHINGTON — Kenneth L. Wainstein was sworn in today as the first Assistant Attorney General for the National Security Division. He will oversee the creation of the new division and act as the Department's main liaison with the Office of the Director of National Intelligence, the Central Intelligence Agency, the Department of Defense, and other intelligence community agencies in order to improve coordination against terrorism and other threats to national security.

The National Security Division fulfils a key recommendation of the March 31, 2005, report of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (WMD Commission).

The new Division will consolidate the resources of the Office of Intelligence Policy and Review and the Criminal Division's Counterterrorism and Counterespionage Sections in order to strengthen the Department's core national security functions. These organizational changes reinforce the Department's efforts to prevent terrorism and other threats to national security.

Two Deputy Assistant Attorneys General and an Acting Deputy Assistant Attorney General were named today to oversee the work of the division's three branches: one for Counterterrorism and Counterespionage; one for Law and Policy; and one for Foreign Intelligence Surveillance Act (FISA) Operations and Intelligence Oversight.

- A Deputy Assistant Attorney will oversee the Counterterrorism and Counterespionage sections. These sections will assist in preventing and disrupting acts of terrorism through investigation and prosecution.

- A Deputy Assistant Attorney General will head the Law and Policy section. This section will be responsible for providing legal assistance on matters of national security law and policy, and for formulating legislative initiatives, policies, and strategies relating to national security matters.

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- A Deputy Assistant Attorney General will oversee the FISA Operations and Intelligence Oversight sections. These sections will prepare and file all applications for electronic surveillance and physical search under FISA and oversee the Department's foreign intelligence/counterintelligence investigations.

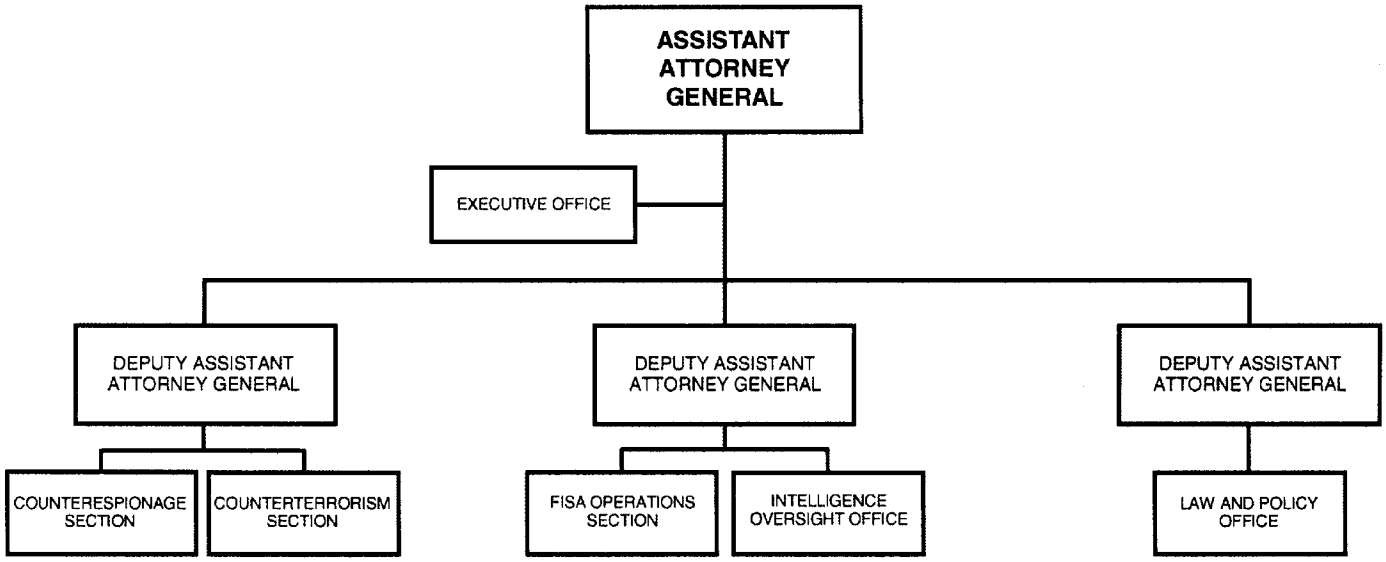
Initially, the majority of affected Department of Justice employees will remain in their present locations, but additional secure work space is being constructed in the Robert F. Kennedy (Main Justice) Building. The Division will initially encompass approximately 225 employees. The FY 2007 President's budget requests $66.9 million to fund the new division in its first year.

# # #

06-656

DOJ_NMG_ 0168647

NATIONAL SECURITY DIVISION



Approved by: _____ Date: 3-13-06

ALBERTO GONZALES
Attorney General

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Image not available for this document, ID: 0.7.10316.28458-000003

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 613470 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 11:03 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE SWEARING-IN CEREMONY FOR KENNETH WAINSTEIN AND THE LAUNCH OF THE DEPARTMENT OF JUSTICE NATIONAL SECURITY DIVISION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

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(202) 514-2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE SWEARING-IN CEREMONY FOR KENNETH WAINSTEIN AND THE LAUNCH OF THE DEPARTMENT OF JUSTICE NATIONAL SECURITY DIVISION

Good morning.

Today is an historic occasion for the Department of Justice and I'm grateful for the opportunity to share it with members of the Justice family gathered here in the Great Hall.

In addition to our special guests, who Paul welcomed, Ken's family… is here, and I want to recognize them as well:

Ken's wife, Elizabeth, and her mother, Betty Joe Haynie. Also, Ken's daughters Mackie and Ellie, his brother Richard and his dad, Leonard.

The Wainstein family, like the families of so many in public service, sacrifices time with a husband, a father, a son and brother in service to our country. This sacrifice is an act of patriotism. Thank you for what you give.

In just a few minutes, Ken will take an oath of office that he has taken before, and one that all of us in the executive branch have taken as we embark on our jobs. The words in it are simple, yet profound, and considering the job to which Ken has been appointed, I believe they will take on special meaning for all of us today.

He will swear to support and defend our country and our Constitution "against all enemies, foreign and domestic."

Indeed, that is what the National Security Division is designed to do – to protect our country against its enemies.

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Ken, I speak on behalf of the Department and the President when I say that we are proud to have you taking this oath today. As the President said when he nominated him, "Ken is an effective leader, who will play an important role in our efforts to combat terrorism."

Ken has inspired the admiration and confidence of his colleagues in law enforcement at every stage of his career as a public servant. He is a career federal prosecutor who has shown equal skill in the gritty details of prosecution, as well as in the broader challenge of organizational management.

Ken's leadership of the National Security Division will take place on a foundation of success: that of the Department's Criminal Division and the Office of Intelligence Policy and Review.

In the days, weeks and now years following September 11th, the Criminal Division's prosecutors, working with FBI investigators, adapted quickly, worked tirelessly, and succeeded.
They brought charges in cases involving terrorist acts abroad against U.S. nationals; terrorist attacks against mass transportation systems; visa and document fraud; prohibitions against financing of terrorism; and participation in nuclear and weapons of mass destruction threats to the United States, among other charges.

Since the September 11 attacks, nearly 300 defendants have been convicted or have pleaded guilty in terrorism or terrorism-related cases arising from investigations conducted primarily after September 11, 2001.

Alice Fisher and her team have helped keep our country safe, and that accomplishment cannot be over-emphasized. We owe Alice and the Criminal Division a debt of gratitude and ongoing respect.

The Office of Intelligence Policy and Review, ably led by Jim Baker, also responded to the September 11th attacks with an increased workload and a terrific record of success.

For example, over the past five years, the Office of Intelligence Policy and Review has significantly increased the coverage obtained under FISA. This reflects both the increased focus on counterterrorism and counterintelligence investigations and the improvements that this office has made to the FISA process.

I appreciate Jim's leadership and the work of the Office of Intelligence Policy and Review, and am certain it will continue to flourish and deliver critical work under the new structure of the NSD.

Working side by side with other federal agencies, as well as state, local and international law enforcement, it is clear that the Justice Department has not rested in its efforts to safeguard America. For us, every day is September 12th. And to the credit of all who have stood watch, there has not been a terrorist attack on American soil in five years.

In our work, we seek to prevent terrorist attacks. And while prevention has always been one of the goals of law enforcement, it did take on a particular meaning and urgency after September 11th.

The establishment of the NSD recognizes your work of prevention and brings focus to the job of preventing terrorist attacks.

Establishment of the NSD was recommended by the WMD commission and made a reality by the USA PATRIOT Act Improvement and Reauthorization, signed by the President in March. Its creation serves as an example of how intelligent analysis can lead to compelling ideas and, ultimately, effective reforms.

The NSD will bring the Office of Intelligence Policy and Review and the Criminal Division's Counterterrorism and Counterespionage Sections under one authority, allowing the Department to fight threats to our national security more effectively.

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Under the National Security Division, the resources of the Department of Justice team will be more concentrated. The new division will lend a better structure for the creativity and energy I know you all put to use every day.

The NSD will also strengthen the network of law enforcement and intelligence that works closely together to defeat the terrorist network every day. In sum, it will help government to collect and connect the dots – and ultimately prevent attacks on our country.

In my daily security briefing, I see the relentless commitment of the terrorist network to strike the West, especially the United States. Al Qaeda-directed cells and homegrown terrorist networks are woven together by a common purpose. The added elements of creativity and commitment add up to a formidable, ongoing threat.

In response, our network must be stronger, and I believe that a successful network will excel in three key areas:

First, a successful network must have outstanding coordination of partners and resources.
Second, that network must possess constant flexibility.

And third, perhaps most important, a winning network must have an infinite passion to prevail.

Our side has these characteristics, both within the Department and in our relationships with other federal agencies and our partners at the state, local and international levels.

I believe that Ken and the new National Security Division will help bring our network of protection to its next level. This historic restructuring will help us stay one step ahead of the network that seeks to destroy us.

As we congratulate Ken today, we wish him and his NSD colleagues the strength, commitment and agility they will need in their day-to-day jobs.

As for the passion this group will need – I know that Ken and the team that will make up the NSD already have it.

And that is why we will prevail. We will prevail because our ideas of hope and freedom are stronger than their ideas of fear and intolerance. For the sake of our children, we will prevail because we must.

Ken, if you will step forward and if your family will join you on stage… Judge Silberman will administer your oath.

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DOJ_NMG_ 0168654

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Image not available for this document, ID: 0.7.10316.28424-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Thursday, September 28, 2006 11:49 AM
Subject: Service Interruption: Public G:Drive, All of SMO/JMD JCON

Service Interruption - Public G:\ Drive

We are currently experiencing intermittent performance issues with the Public G:\ Drive. Server Engineers are currently working the issue, we will send an email when full services are restored.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 12:05 PM
To: USDOJ- Office of Public Affairs
Subject: BUSH ADMINISTRATION RELEASES REPORT ON INTELLECTUAL PROPERTY ENFORCEMENT AND PROTECTION

Attached Below Please Find the Full 2006 IP Report

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006

Commerce: Dan Nelson, 202-482-4883
DHS: Jarrod Agen, 202-282-8010
Justice: Brian Roehrkasse, 202-616-2777
State: Tom Casey, 202-647-2492
USTR: Gretchen Hamel, 202-395-3230

BUSH ADMINISTRATION RELEASES REPORT ON INTELLECTUAL PROPERTY ENFORCEMENT AND PROTECTION

WASHINGTON – Today the Bush Administration released the 2006 *Report to the President and Congress on Coordination of Intellectual Property Enforcement and Protection.* The report sets forth the actions and initiatives that the U.S. government has taken over the past year to combat the rising tide of global counterfeiting and piracy, and notes the importance of these efforts because of the critical role intellectual property (IP) plays in the country's economic strength and the health and safety of consumers.

The report was produced by the National Intellectual Property Law Enforcement Coordination Council (NIPLECC). The Council brings together the leaders of the key federal government agencies responsible for intellectual property enforcement to support the Bush Administration's efforts. The Council is composed of representatives from the Departments of Commerce, Homeland Security, Justice and State, the Office of the U.S. Trade Representative, and the U.S. Coordinator for International Intellectual Property Enforcement.

"Protecting the ideas and technology of U.S. businesses is a critical task, and it is clearly on the front burner for the Bush Administration. We are devoting more time and resources to keep the pressure on the bad guys," said Commerce Secretary Carlos M. Gutierrez. "There is much we've achieved in the past year, but we cannot be satisfied. Complacency has no place in today's global economy. So I look forward to working with businesses to keep America competitive in the years ahead."

"This report verifies our significant and substantial efforts to stem the tide of intellectual property theft," said Attorney General Alberto Gonzales. "The Department of Justice is committed to working very closely with its partners as this Administration wages an unprecedented effort to crack down on the growing global trade in counterfeit and pirated goods."

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"Whether it is referred to as counterfeiting, or piracy, or willful infringement of trademarks and copyrights, it all comes under the less elegant heading of stealing – pure and simple – and we must continue our efforts to stop it," said U.S. Trade Representative Susan Schwab. "For the global trading system to work, producers and consumers in the United States and around the world must be confident the rules of the game are fair and evenly applied. This report underscores that the resources of the U.S. government are fully engaged in thwarting pirates, counterfeiters and thieves."

"Strong intellectual property protection and enforcement are essential for America's global competitiveness and the further growth of emerging knowledge economies in the developing world," said Assistant Secretary of State for Economic and Business Affairs Dan Sullivan. "This report highlights the robust commitment of agencies across government to combating piracy and counterfeiting and to safeguarding American ideas, brands and inventions. The State Department is making a critical contribution to this work through its Office of International Intellectual Property Enforcement and its network of Embassies and consulates, which are advocating for U.S. right holders around the world."

Highlights of the 2006 report include:

Working with U.S. Industry and Engaging our Trading Partners

- The Bush Administration is expanding STOP! (Strategy Targeting Organized Piracy) education outreach events for small and medium-sized businesses, including China-focused programs.
- The Administration is expanding the StopFakes.gov website and improving online resources for innovators and industry.
- Bush Administration leadership led to the development and announcement of a G8 Statement on Combating IPR Piracy and Counterfeiting.
- Leadership from the Administration led to the launch of the U.S.-EU Action Strategy for the Enforcement of Intellectual Property Rights.
- The Commerce Department is continuing to expand its IP attaché program in China and positioning new regional attachés in Brazil, Russia, India, Thailand and the Middle East.
- The Commerce Department and USTR are working to strengthen IP protection with Canada and Mexico as part of the Administration's Security and Prosperity Partnership (SPP).
- USTR is utilizing the Special 301 process and other trade tools, including World Trade organization (WTO) tools as appropriate, to seek resolution of U.S. concerns regarding IP protection and enforcement.
- USTR is continuing its work to strengthen IPR laws and enforcement and forge an international alliance against counterfeiting and piracy.
- The Commerce Department is expanding its education and capacity building programs through the Global IP Academy located at the USPTO.
- As part of STOP!, the Commerce Department is promoting IPR protection at trade fairs. These efforts include educating trade fair organizers, exhibitors, and attendees about IPR; helping U.S. businesses guard against infringement at trade fairs; and promoting IPR protection at trade fairs and pavilions that Commerce operates, certifies, or supports.
- The State Department has significantly expanded training of Embassy staffs in IPR issues to increase their effectiveness as first responders to U.S. industry.

Increasing Efforts to Seize Counterfeit Goods at Our Borders

- Since 2001, the Department of Homeland Security has initiated more than 31,000 seizures of counterfeit products with an estimated retail value in excess of $482 million. Seizures of fake and counterfeit goods at America's borders have doubled since 2001.
- The Department of Homeland Security deployed an online recordation tool for rights holders to record their trademarks and copyrights with CBP. Recordation provides a higher level of protection for trademarks and copyrights and makes it easier for DHS to identify fake goods at our borders.

Pursuing Criminal Enterprises

- The Bush Administration is working with Congress to strengthen laws and penalties related to intellectual property rights enforcement.
    - Passage of the *Stop Counterfeiting in Manufactured Goods Act, H.R. 32 (Enacted in March 2006)* - Prohibits the trafficking of counterfeit labels, emblems, containers or similar labeling components that may be used to facilitate counterfeiting; provides for forfeiture of articles bearing or consisting of a counterfeit mark and

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proceeds of any property derived from proceeds of, or used in the commission of, a violation; expands the definition of "trafficking" for certain counterfeiting crimes and clarifying that trafficking in counterfeit goods or labels includes possession with intent to traffic in such items.

- The Department of Justice is expanding its IP law enforcement attaché program to cover Asia and Eastern Europe.
- The Department of Justice created five new Computer Hacking and Intellectual Property (CHIP) units in the U.S. Attorney's Offices in Nashville, Orlando, Pittsburgh, Sacramento, and Washington D.C., bringing the total number of specialized units to 25. DOJ also increased the total number of CHIP prosecutors nationwide to 230.
    - In districts with CHIP units, the number of defendants charged with federal IP crimes climbed from 109 in FY2004 to 180 in FY2005 – a 65% increase.
    - Over the past 5 years, approximately half of all defendants convicted of federal intellectual property crimes in the United States received some amount of jail time.

Congressional Direction and Presidential Leadership

- Congress created the position of U.S. Coordinator for International Intellectual Property Enforcement to strengthen U.S. government coordination, revitalize the Council and provide renewed focus and leadership. In July 2005, President Bush appointed the first U.S. IPR Coordinator, Chris Israel, and created the Coordinator's office within the Commerce Department to help lead his Administration's ongoing commitment to IPR protection.
- The Bush Administration's Office of the U.S. Coordinator for International IP Enforcement works to leverage the capabilities and resources of the United States to promote effective, global enforcement of intellectual property rights. The Coordinator's office leads inter-agency initiatives such as STOP! and outreach with the private sector and our international partners.

Demonstrating the Impact of Coordination

- China: The U.S. government is working on many fronts to engage China on IPR concerns and, under President Bush's leadership, has developed a focused China IP strategy. The Bush Administration's China IP strategy is built on five pillars: (1) bilateral engagement; (2) effective use of trade tools; (3) expanding law enforcement cooperation; (4) education and capacity building; and (5) working with the private sector. We are utilizing all of our resources to effectively implement and coordinate our approach.
- El Salvador: The recent experience with CAFTA-DR is one example of different agencies working together to effect real change. U.S. free trade agreements, including CAFTA-DR, put in place cutting-edge protections for intellectual property rights with strong rules to combat counterfeiting and piracy. As part of El Salvador's commitments under CAFTA-DR, USTR and other agencies worked with El Salvador on implementing legislation to enact a provision that requires authorities to act ex officio (under the inherent authority of their office) against piracy and counterfeiting. The Commerce Department's Patent and Trademark Office conducted trainings in El Salvador on use of this new authority. El Salvadoran law enforcement, working with U.S. law enforcement officials (DHS), then used this new provision to conduct a series of raids that disrupted a major counterfeiting operation, resulting in the seizure of equipment, raw materials and DVDs.

Priorities for the Coming Year

- The Council is working to set objectives and establish priorities that will enable us to strengthen and better coordinate our education, training and capacity building activities around the world.
- The Council is redoubling its efforts to work with U.S. industry to provide better resources and assistance to small businesses. It will explore the utilization of technology to protect IP and assure that U.S. enforcement efforts and activities are well coordinated with industry enforcement activities and priorities.
- The Bush Administration is actively working with Congress to pass the Intellectual Property Protection Act of 2005. The Act is a comprehensive reform package that would toughen penalties for IP crimes, expand criminal IP protection, and add investigative tools for criminal and civil IPR enforcement.

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REPORT TO THE PRESIDENT AND CONGRESS ON COORDINATION OF INTELLECTUAL PROPERTY ENFORCEMENT AND PROTECTION

SEPTEMBER 2006

The National Intellectual Property Law Enforcement Coordination Council

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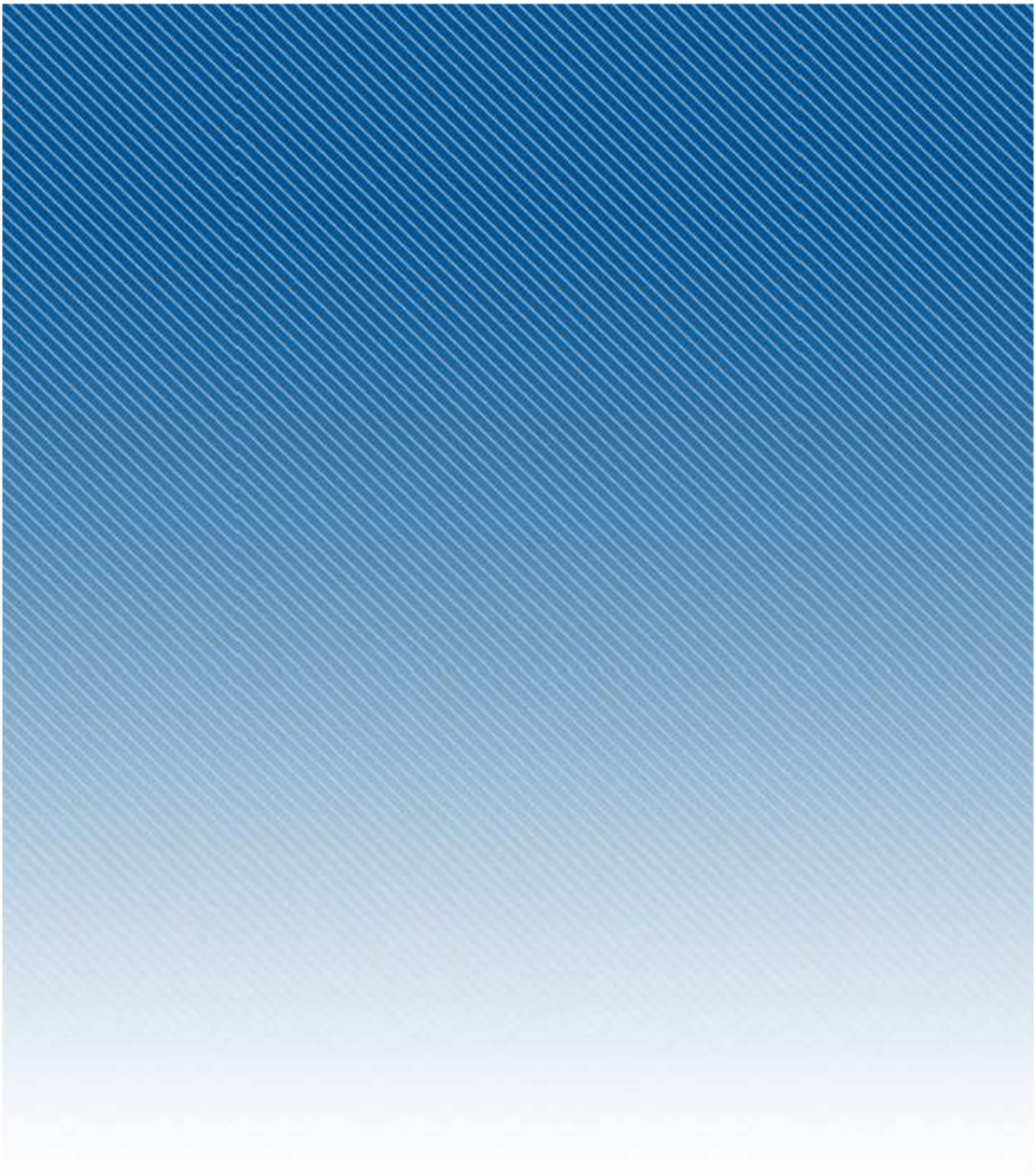

REPORT TO THE PRESIDENT AND CONGRESS ON COORDINATION OF INTELLECTUAL PROPERTY ENFORCEMENT AND PROTECTION

THE NATIONAL INTELLECTUAL PROPERTY LAW ENFORCEMENT COORDINATION COUNCIL

SEPTEMBER 2006

UNITED STATES COORDINATOR FOR
INTERNATIONAL INTELLECTUAL PROPERTY ENFORCEMENT

UNITED STATES DEPARTMENT OF COMMERCE
UNITED STATES DEPARTMENT OF HOMELAND SECURITY
UNITED STATES DEPARTMENT OF JUSTICE
UNITED STATES DEPARTMENT OF STATE
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

UNITED STATES COPYRIGHT OFFICE (ADVISOR TO THE COUNCIL)

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National Intellectual Property Law Enforcement Coordination Council

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United States Department of Commerce

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II. Letter of Transmittal

To the President of the United States and to the Committees on Appropriations and the Judiciary of the Senate and House of Representatives:

This is the fifth annual report on the activities of the National Intellectual Property Law Enforcement Coordination Council ("NIPLECC" or "Council") submitted pursuant to 15 U.S.C. 1128(e). Its format has been changed, and its contents expanded from prior reports, primarily as a result of Public Law 108-447 which established at the head of the Council a Coordinator for International Intellectual Property Enforcement ("Coordinator") and charged the Council with coordinating and overseeing the federal government's intellectual property protection and enforcement efforts.

The task of protecting intellectual property has never been more important to our country. As stated in the 2006 Economic Report of the President, today intellectual property protection plays an important role in many industries in which the United States has a comparative advantage and contributes to the size, growth, and exports of the American economy. Protecting intellectual property is vital to advances in science and industry and to creation of content enjoyed throughout the world. And the failure to protect intellectual property has potentially serious health and safety consequences.

At the same time, the task of protecting intellectual property has never been more challenging. Theft in foreign markets of intellectual property belonging to Americans is significant. Technology has made it easier to manufacture and distribute counterfeit and pirated products -- creating a global illicit market in competition with genuine products -- and has complicated the ability to detect and take action against violators. High profits and low risk have attracted organized criminal networks. And public awareness of the issues and consequences behind intellectual property theft often lags behind.

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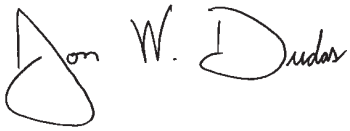
As the following pages describe in detail, the Bush Administration and the NIPLECC agencies in particular have made important strides in protecting intellectual property over the past year. Those accomplishments, as well as several promising new measures and initiatives, flow from and advance the objectives of the Strategy Targeting Organized Piracy (STOP!), announced in October 2004. These accomplishments and initiatives reflect the fact that intellectual property protection is receiving greater emphasis and attention throughout the federal government, aided in part by the efforts of the Coordinator's Office. These efforts serve to assure creators and consumers of intellectual property alike that the U.S. government is committed to preserving a future filled with the fruits of American innovation.

Submitted September, 2006.

CHRIS ISRAEL

U.S. Coordinator for International Intellectual Property Enforcement

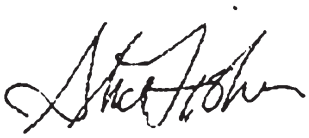
National Intellectual Property Law Enforcement Coordination Council



JON W. DUDAS

Under Secretary of Commerce for Intellectual Property and

Director of the United States Patent and Trademark Office



ALICE S. FISHER

Assistant Attorney General for the Criminal Division

United States Department of Justice

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III. Executive Summary

Why is Intellectual Property Important?

The reasons for the Administration's leadership on intellectual property (IP) enforcement and for its prioritization are clear. Few issues are as important to the current and future economic strength of the United States as our ability to create and protect intellectual property.

The theft of American intellectual property strikes at the heart of one of our greatest comparative advantages – our innovative capacity. Through the applied talents of American inventors, researchers, entrepreneurs, artists and workers, we have developed the most dynamic and sophisticated economy the world has ever seen.

The world is a much better place due to these efforts. We have delivered life-saving drugs and products that make people more productive. We have developed entirely new industries and set loose the imaginative power of entrepreneurs everywhere. And, we set trends and market best-of-class products to nearly every country in the world.

The enforcement of intellectual property rights (IPR) also carries great consequence for the health and safety of consumers around the world. The World Health Organization estimates that 10% of all pharmaceuticals available worldwide are counterfeit.

A thriving, diversified and competitive economy must protect its intellectual property rights. In the 2006 State of the Union, President Bush outlined the American Competitiveness Initiative (ACI). ACI strengthens the President's ongoing commitment to innovation. We are creating a business environment

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that encourages entrepreneurship and protection of intellectual property. And this Administration is doing everything that we can to open markets and level the playing field.

We value our heritage of innovation and exploration – it is not only part of our history; it is the key to our future. And this future – a future of innovation, exploration and growth that benefits the entire world -- rests on a basic, inherent respect for intellectual property rights and a system that protects them.

What is NIPLECC?

The National Intellectual Property Law Enforcement Coordination Council (NIPLECC), established in 1999, brings together the leaders of the key operational entities within the federal government that are responsible for IP enforcement, providing the infrastructure that supports the Administration's efforts. The Council includes the Office of the U.S. Trade Representative; the Department of Commerce – including the U.S. Patent and Trademark Office and the International Trade Administration; the Department of Homeland Security, which includes U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement; the Department of Justice; and the State Department. The U.S. Copyright Office serves in an advisory capacity.

The Office of the U.S. Coordinator for International Intellectual Property Enforcement, established in 2005, works to leverage the capabilities and resources of the United States to promote effective, global enforcement of intellectual property rights. Under the leadership of the White House, the Coordinator's Office leads interagency initiatives such as STOP! (Strategy Targeting Organized Piracy) and outreach with the private sector and our international partners.

What have we done?

Through effective coordination U.S. government agencies are working more closely together, and we have made significant progress. We are achieving results, delivering on the commitments of senior Administration officials, institutionalizing an unprecedented level of coordination within the federal government and

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receiving attention around the world. The message that we are delivering is that the United States takes the issue of intellectual property enforcement very seriously, we are leveraging our resources to address it and we have high expectations of all of our global trading partners. Highlights of our efforts include:

1. We are working to implement the IP enforcement priorities established by President Bush and other leaders within the G8 and through the U.S.- European Union (EU) IPR Action Strategy.

2. The Department of Justice is working to implement the recommendations laid out by their Intellectual Property Task Force.

3. The Department of Homeland Security reports that seizures of fake and counterfeit goods at America's borders have doubled since 2001.

What are we planning to do?

This Report includes a number of IP enforcement priorities set for the upcoming year by the agencies and departments that comprise NIPLECC. Highlights include:

1. We are working to set objectives and establish priorities that will enable us to strengthen and better coordinate our education, training and capacity building activities around the world.

2. The Bush Administration is continuing to expand the presence of U.S. IP policy and law enforcement attachés around the world. Having IP attachés stationed at our embassies will enhance our ability to work with local government officials to improve IP laws and enforcement procedures in addition to assisting U.S. businesses to better understand the challenges of protecting and enforcing their IPR.

3. The Bush Administration is working with Congress to strengthen laws and penalties related to intellectual property rights enforcement.

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4. We are redoubling our efforts to work with U.S. industry to provide better resources and assistance to small businesses. We will explore the utilization of technology to protect IP and assure that U.S. enforcement efforts and activities are well coordinated with industry enforcement activities and priorities.

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IV. Introduction

Supporting American Business

American producers of intellectual property are independent by nature. Their creative contributions to science, the arts, business and industry reflect that American spirit of independence. Their esteemed brands, popular works and revolutionary inventions carry the mark of originality, resourcefulness and ingenuity.

But when it comes to protecting their creative output from infringement, American intellectual property owners sometimes need help. Indeed, they need help precisely because their works are so popular, so useful and so original that rather than compete with them, others seek to obtain, imitate and profit from them illegally.[1]

Today, however, the help and support that rightsholders need is available as never before. American businesses that discover that counterfeit copies of its products are being produced overseas and distributed for sale to foreign and domestic markets now have the following options for action:

- American businesses will find abundant, user-friendly means of educating themselves about their rights and options. For example, they can visit the U.S. government website ***www.StopFakes.gov*** to access information ranging from basic steps for protecting intellectual property to announcements of

[1]This introduction focuses on preserving the conditions essential to innovation. It is well-established, however, that the adverse economic impact of counterfeiting and piracy sweeps broadly, affecting downstream jobs, investment, growth and revenue collection. Counterfeiting and piracy also pose potentially serious health and safety risks to consumers. Government actions against IP violators generally address these other societal interests as well. See, for example, Chapter 10 of the 2006 Economic Report to the President, "The Role of Intellectual Property in the Economy."

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training seminars in their area to country-specific IPR toolkits to the email addresses of U.S. government contacts abroad.[2]

- They will find government specialists on intellectual property rights ready to assist them by phone. For example, they can call a toll-free hotline (1-866-999-HALT) to speak with experts at the U.S. Patent and Trademark Office (USPTO) or reach counselors at the Office of Intellectual Property Rights at the Department of Commerce who work with rightsholders to develop strategies for addressing problems overseas.[3]

- They will find that the government is using technology to simplify and facilitate the process of registering and protecting copyrights and trademarks. For example, they can go online to ***www.cbp.gov*** to record their registered copyright or trademark directly with the U.S. Customs and Border Protection (CBP), better enabling customs officers to identify and seize fake or counterfeit products at the border.[4]

- They will find accessible resources that explain their rights and facilitate the reporting of suspected violations. For example, they can consult the Justice Department's "Guide for Victims of Counterfeiting, Copyright Infringement and Theft of Trade Secrets" which provides practical tips and a checklist for reporting an offense. They can report suspected counterfeit imports or IP crime by completing an online referral form or by phoning the National Intellectual Property Rights Coordination Center at 1-866-IPR-2060.[5]

- They will find an increasing number of law enforcement resources deployed to fight IP crime at the federal level. For example, the FBI and Immigration and Customs Enforcement (ICE) have established special cyber crime operations centers to support IP investigations in field offices

[2]There have been over 1.8 million visits to the StopFakes website since its inception.

[3]The hotline is on pace to receive 1,400 calls in FY 2006, outpacing the FY 2005 total by over 50%.

[4]DHS seized 8,022 shipments under its IPR program in FY 2005, a 10.5% increase over FY 2004.

[5]Rightsholders can also email or call CBP's IPR Branch with legal questions or its Los Angeles Strategic Trade Center IPR Help Desk to obtain assistance developing product identification training materials.

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nationwide and in attaché offices overseas. On the prosecutorial side, the Justice Department has established 25 Computer Hacking and Intellectual Property (CHIP) Units and designated a CHIP Coordinator in every U.S. Attorneys' Office, bringing the number of specially-trained IP prosecutors to more than 230 nationwide.[6]

- Should the IP violations that a business identifies be criminally prosecuted or should the business decide to pursue civil action, it will benefit from ongoing efforts by government agencies and Congress to ensure that U.S. intellectual property laws keep current with ever-evolving means of infringing IP. For example, the Stop Counterfeiting in Manufactured Goods Act, which the President signed into law in March 2006, strengthens laws against trafficking in counterfeit labels and packaging.[7]

- Businesses will find that the federal government makes resources available to help business pursue actions to be taken overseas. The Office of Intellectual Property Rights at the Department of Commerce provides information to aid in navigating foreign legal systems -- including lists of local investigative firms and attorneys -- and shares experiences and expertise in particular countries. In some cases, U.S. government officials abroad can look into or raise questions based upon information the business provides.[8]

- Should the matter require the attention of foreign law enforcement or IP protection authorities, U.S. businesses will benefit from the extensive and sustained efforts by U.S. government agencies to educate, train and motivate their foreign counterparts to protect the interests of all IP rightsholders.[9]

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[6]Between FY 2003 and FY 2005, the number of open FBI IP investigations rose 22%. Between FY 2004 and FY 2005, the number of defendants charged with IP offenses increased 98%.

[7]On July 8, 2006, the Department of Justice announced the indictment of a Georgia man on charges of trafficking in illicit certificates of authenticity associated with copyrighted computer software. This is the first case charged under the Intellectual Property Protection and Courts Amendments Act of 2004 -- the immediate predecessor to H.R. 32.

[8]The number of IP experts stationed abroad by U.S. government agencies to assist rightsholders or work on their behalf is growing. Since 2004, PTO has had an intellectual property attaché in Beijing. This year it will add two more in China, along with regional IP attachés in Bangkok (Asia), Sao Paulo (Latin America), Cairo (the Middle East and Africa), Moscow (Russia/CIS) and New Delhi (India/Central Asia). The Justice Department has designated an Intellectual Property Law Enforcement Coordinator (IPLEC) for Asia in Bangkok and is working with the State Department to locate an IPLEC in Eastern Europe.

[9]Through June 30, 2006, PTO alone had conducted 82 IPR training and technical assistance programs in the U.S. and abroad – reaching participants from over 90 countries.

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Indeed, in certain circumstances, they can avail themselves of existing working relationships that have been developed with particular foreign agencies or officials.[10]

- If business encounters problems with the foreign government response, they will find that the U.S. government is very interested in their experiences. Their situation may inform ongoing efforts to evaluate and report on the adequacy and effectiveness of IP protection around the world, secure compliance with the commitments and obligations undertaken by our trading partners, and decide upon and pursue appropriate actions.[11]

- If business needs to rely upon protection for their intellectual property overseas, they will benefit from longstanding, persistent and ongoing efforts by U.S. government agencies to improve the legal landscape and functional infrastructure provided by our trading partners around the world. Such efforts include negotiation of trade agreements that require protection and enforcement of intellectual property rights: negotiation of agreements among members of the World Intellectual Property Organization, and participation in and/or sponsorship of a wide range of bilateral and multilateral initiatives.[12]

- If business seeks to partner with their industry counterparts in obtaining redress or otherwise pursuing concerns, they will find that the U.S. government is actively engaged with rightsholder

[10]By way of example, the Commerce Department's China "Case Referral Mechanism" brings individual U.S. companies' IPR complaints to the attention of China's Ministry of Commerce. The U.S.-EU Joint Action Strategy on IPR promises to increase cooperation between customs authorities to improve border enforcement. CBP actively participates in the World Customs Organization IPR Strategic Working Group.

[11]On April 28, 2006, USTR released its "Special 301" annual report on the adequacy and effectiveness of intellectual property rights protection provided by trading partners around the world. The report identifies governments that need to take stronger actions to combat piracy and counterfeiting, for example, by cracking down on illegal optical disc production and Internet piracy, or stepping up border enforcement against trade in fake goods. The report lists 48 countries: concerns regarding China and Russia feature prominently throughout.

As part of the private sector advisory committee system, an "Industry Trade Advisory Committee" focuses specifically on providing advice to the USTR and the Department of Commerce on issues related to IPR and trade policy. In addition, USTR and other agencies seek private sector input through formal notices in the Federal Register, at public hearings and through a variety of consultations with interested constituencies.

[12]Recently concluded trade agreements include the Bahrain Free Trade Agreement, the Oman Free Trade Agreement, the Peru Trade Promotion Agreement, the Colombia Trade Promotion Agreement, and the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) (with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic).

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groups on IP issues. For example, should they attend a meeting of the Coalition Against Counterfeiting and Piracy (CACP) -- a group led by the U.S. Chamber of Commerce and the National Association of Manufacturers -- they will find government IP officials regularly in attendance, reporting on pending matters, answering questions and seeking input from industry representatives.[13]

From the micro to the macro, American businesses will discover that the federal government is working hard on their behalf to remedy specific instances of infringement and to improve conditions for intellectual property protection globally. They will find new resources, tools, and a willingness which did not exist previously. They will find that government attention, action and expertise are more available and, importantly, more *coordinated*.

President George W. Bush signs H.R. 32, the Stop Counterfeiting in Manufactured Goods Act, during ceremonies, March 16, 2006, in the Eisenhower Executive Office Building. Looking on are, from left: Secretary Carlos Gutierrez, Department of Commerce; Secretary Elaine Chao, Department of Labor; Attorney General Alberto Gonzales; U.S. Rep. Jim Sensenbrenner (R-Wis.); U.S. Rep.Joe Knollenberg (R-Mich.), and U.S. Rep. Bobby Scott (D-Va.). (Source: The White House)

[13]As part of the private sector advisory committee system, an "Industry Trade Advisory Committee" focuses specifically on providing advice to the USTR and the Department of Commerce on issues related to IPR and trade policy. In addition, USTR and other agencies seek private sector input through formal notices in the Federal Register, at public hearings and through a variety of consultations with interested constituencies.

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The STOP! Initiative

The Bush Administration launched the Strategy Targeting Organized Piracy (STOP!) initiative in October 2004. STOP! represents the high priority that the Administration places on and the level of commitment it has made to intellectual property protection. STOP! calls upon government agencies to expand and make more effective the many and varied efforts underway to assist rightsholders -- and to seek out new approaches and solutions. STOP! brings direction and greater cohesion to those efforts.

STOP! focuses on five key objectives:

- Empowering American innovators to better protect their rights at home and abroad
- Increasing efforts to seize counterfeit goods at U.S. borders
- Pursuing criminal enterprises involved in piracy and counterfeiting
- Working closely and creatively with U.S. industry
- Aggressively engaging our trading partners to join U.S. efforts

A number of the government programs outlined in the preceding section -- and other initiatives described more fully below -- trace their origins to the STOP! initiative. STOP! charged executive branch agencies and officials with elevating their attention to IP protection and with being innovative in their approaches, and STOP! energized those efforts.

Thus, Customs and Border Protection (CBP) diversified its approaches to IPR enforcement to include new techniques that complement traditional enforcement methods. In the period since STOP! was announced, CBP tested and began implementing its IPR risk model, applying statistical analysis techniques and external information to the assessment of IPR risk. In FY 2005, CBP included IPR audits in its national

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audit plan for the first time and trained a new group of employees, its regulatory auditors, on IPR to enable them to apply their auditing skills to the enforcement of intellectual property rights.

Similarly, as part of STOP!, both the U.S. Trade Representative (USTR) and the State Department are actively promoting the adoption of best practices for enforcement internationally. As part of this effort, USTR and State, in coordination with other agencies, are introducing new initiatives in multilateral fora to improve the global intellectual property environment. Key initiatives have gained endorsement and are undergoing implementation in the G8, the U.S.-EU Summit, the Organization for Economic Cooperation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC) forum.

The June 2006 Progress Report of the Department of Justice's (DOJ) Task Force on Intellectual Property describes the Department of Justice's participation in the STOP! initiative. DOJ has made important contributions to the broad mission outlined by STOP!, through implementation of the detailed recommendations of the Task Force set forth in the 2004 Report. DOJ has coordinated closely with other agencies on numerous international and domestic policy issues and joined those agencies in visits abroad, that it has participated in business outreach efforts and that it has helped raise public awareness of legal protection for intellectual property.

As part of STOP!, the International Trade Administration (ITA) and USPTO are promoting protection of IPR at domestic and international trade fairs. Their efforts include educating trade fair organizers, exhibitors, and attendees about IPR and helping U.S. businesses guard against infringement at trade fairs. ITA will continue to explore opportunities to promote IPR protection at trade fairs and pavilions that Commerce operates, certifies, or supports.

The list of efforts stimulated and energized by STOP! includes the creation of the 1-866-999-HALT hotline and the establishment by USPTO of the Global Intellectual Property Academy. It includes recent actions by the Small Business Administration to make available through its website resources and information about U.S., foreign and international laws and procedures produced by other government

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agencies. And, as discussed later in this report, it includes the revitalization of the U.S. – EU IP relationship and the efforts behind the G8 IP initiative.

STOP! has raised the priority of, and set much of the agenda for, the Administration's IP protection programs. The sections that follow describe the framework and key mechanisms for leading that agenda forward.

The Role of NIPLECC

In all of their dealings with the federal government, the average business will probably never hear the name "NIPLECC," the acronym for the National Intellectual Property Law Enforcement Coordination Council. Nonetheless, NIPLECC has become an important part of the government's IP protection apparatus. As a behind-the-scenes organizational framework, NIPLECC is increasingly serving as an infrastructure for coordinating IP protection efforts across government agencies.

The 1999 law establishing NIPLECC charged it with coordinating domestic and international intellectual property enforcement among federal and foreign entities.[14] In 2005, Congress broadened NIPLECC's charter to include setting policies, objectives and strategies concerning international intellectual property protection and intellectual property enforcement; promulgating a strategy for protecting American intellectual property overseas; and coordinating and overseeing the implementation by government

[14]NIPLECC was established in 1999 by Section 653(a) of Public Law 106-58 (the Treasury and General Government Appropriations Act). Section 653(b) set out NIPLECC's duties: "The Council established in subsection (a) shall coordinate domestic and international intellectual property law enforcement among federal and foreign entities."

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agencies of those policies, objectives and priorities and the execution of that strategy.[15] To lead NIPLECC's efforts, Congress created the U.S. Coordinator for International Intellectual Property Enforcement ("the Coordinator").

The Bush Administration moved quickly to respond to Congress's action and to align the NIPLECC structure with the strategy outlined by STOP! The President appointed Chris Israel to serve as Coordinator and as the point person for the Administration's IP enforcement efforts. The Administration has made considerable progress in moving the STOP! initiative forward and in carrying out the Congressional mandate during its first year. The progress made promises to have long term benefits. NIPLECC itself gives permanence to the priority that the Administration and Congress have placed on increasing and coordinating IP protection efforts.[16] It is a statutory entity that, since 2005, receives funds and is subject to Congressional oversight. The existence of a reporting requirement and the creation of a NIPLECC Coordinator ensure accountability to Congress and greater transparency to the private sector and the general public.

These and other recent actions have brought about a series of positive changes:

- Congress' specification of NIPLECC's charter as set out in Public Law 108-447 has fused together NIPLECC's strategic and coordinating responsibilities. Installation of a U.S. Coordinator for International Intellectual Property Enforcement and associated staff has provided needed leadership and visibility.

[15]In the 2005 Consolidated Appropriations Act, Congress revisited NIPLECC's role. Public Law 108-447 provides that NIPLECC shall:

"(1) establish policies, objectives, and priorities concerning international intellectual property protection *and* intellectual property law enforcement,

(2) promulgate a strategy for protecting American intellectual property overseas

(3) coordinate and oversee implementation by agencies with responsibilities for intellectual property protection and intellectual property law enforcement of the policies, objectives, and priorities established under paragraph (1) and the fulfillment of the responsibilities assigned to such agencies in the strategy described in paragraph (2)."

(Emphasis added.) Notably, the statutory language charges NIPLECC with coordinating and overseeing IP protection and enforcement activities conducted not only by NIPLECC agencies but by any agency with IP responsibilities. This change helps overcome any formal difficulties arising from the slightly differing memberships of NIPLECC and STOP!

[16]Whether subsequent administrations continue STOP! or set a different direction in response to changing circumstances affecting IP protection, NIPLECC will remain a Congressionally-mandated framework for coordinating executive branch activities.

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- Execution of the STOP! initiative has given NIPLECC a more clearly defined mission and charge.

- Increased interaction and communications among NIPLECC agencies has led to improved coordination.

- Elevation of intellectual property protection into a significant trade and economic issue regularly addressed by senior Administration officials in their contacts with trading partners has set the foundation for progress abroad.

- The formation of the DOJ's Task Force on Intellectual Property, the service by a senior Justice Department official as NIPLECC's Deputy Coordinator and the involvement of the FBI and ICE in NIPLECC have ensured active participation by the law enforcement community.

- The formation of the Coalition Against Counterfeiting and Piracy (CACP) and conscientious efforts by NIPLECC leadership to engage with CACP and its task forces has yielded higher levels of cooperation and coordination between government and industry.

As a result, NIPLECC has assumed a more central role and filled a gap that had inhibited coordination in the past. Even in the course of detailing NIPLECC's historical shortcomings, the 2004 GAO report on U.S. efforts to protect IP abroad included this observation from a State Department official, "NIPLECC is the only forum for bringing enforcement, policy and foreign affairs agencies together at a high level to discuss intellectual property issues."[17] Over time, that observation has become less of an aspiration and more of a reality.

[17]GAO Report GAO-04-912 (September 2004), p.38.

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Importantly, NIPLECC does not seek to assume the independent authority, mission and operation of its member agencies. Each NIPLECC agency is separately charged with carrying out its statutory responsibilities and brings to the performance of those tasks specialized knowledge, invaluable expertise and, in some cases, literally centuries of experience. This separateness has operational, practical and even legal dimensions, such as in the standards that govern the activities of law enforcement agencies and the need of law enforcement agencies to protect sensitive information from disclosure.[18]

National Intellectual Property Law Enforcement Coordination Council					
Department of Justice The Department of Justice is the lead U.S. law enforcement agency. It enforces a variety of federal IP statues and engages with law enforcement couterparts around the world.	**Department of Commerce** The Department of Commerce seeks to foster, promote, and develop foreign and domestic commerce through economic development, technological advancement and international trade.	**Department of State** The Department of State seeks to create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.	**Department of Homeland Security** The Department of Homeland Security is responsible for securing our borders while also facilitating the flow of legitimate trade and travel. DHS is also responsible for the enforcement of federal immigration laws, customs laws, and air security laws.	**U.S. Trade Representative** USTR is responsible for developing and coordinating U.S. international trade, commodity, and direct investment policy, and overseeing negotiations with other countries.	**U.S. Coordinator for International Intellectual Property Enforcement** The Coordinator's office works to leverage the capabilities and resources of the Unites States Government to promote effective, global enforcement of intellectual property rights.
NIPLECC member: • Assistant Attorney General, Criminal Division	**NIPLECC member:** • Under Secretary for IP and Director of the PTO • Under Secretary for International Trade	**NIPLECC member:** • Under Secretary for Economic, Business, and Agricultural Affairs	**NIPLECC member:** • Commissioner, U.S. Customs and Border Protection • Assistant Secretary for Immigration and Customs Enforcement	**NIPLECC member:** • Deputy U.S. Trade Representative	**NIPLECC member:** • U.S. Coordinator for International Intellectual Property Enforcement

[18]Some industry groups have signaled the view that NIPLECC *should* eschew an operational role. For example, a 9.4.02 letter from the International Intellectual Property Alliance (IIPA) to NIPLECC states: "IIPA continues to view NIPLECC as a vehicle through which its interagency members can productively share information and promote common *non-operational* law enforcement interests without requiring authority or mandate to approve or disapprove of any single agency's ongoing activities." (Emphasis added).

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The U.S. Coordinator for International Intellectual Property Enforcement

The office of the U.S. Coordinator for International Intellectual Property Enforcement was createdby Congress to lead NIPLECC in carrying out its function. President Bush moved expeditiously to fill this post, appointing Chris Israel in July 2005. Arif Alikhan, Senior Counsel to the Deputy Attorney General at the Department of Justice, serves as NIPLECC's Deputy Coordinator. The staff of the Coordinator's office is composed of employees or detailees from a number of NIPLECC agencies.

In its first year of operation, the Coordinator's office has been very active -- interacting on a sustained and intensive basis with government agencies, industry representatives, trading partners, Congress and the general public. The office has contributed to progress on a number of fronts that are central to the STOP! initiative and long a part of the NIPLECC agenda.

As stated, the STOP! initiative has provided the direction and the strategic overlay for the Coordinator's office and for NIPLECC agencies generally. Indeed, almost all of the activities of the Coordinator's office execute on elements of the STOP! initiative.

- Leadership by the Coordinator's office in helping to revitalize the U.S. - EU IPR relationship has directly served the STOP! objective of "aggressively engaging our trading partners to join our efforts." Shortly after the November 2005 ministerial meeting that established the U.S. - EU IPR Working Group, an interagency team began working with their EU counterparts on a strategy for strengthening customs cooperation, focusing mutual efforts on IP protection issues in China, Russia, and elsewhere, and engaging their respective private sectors. The U.S. – EU Action Strategy for the Enforcement of Intellectual Property Rights was launched just prior to the recent U.S. – EU Leaders Summit in Vienna.

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President George W. Bush delivers a statement during the June 2006 U.S.-EU Summit with Chancellor Wolfgang Schuessel of Austria, center, and European Union President Jose Manuel Barroso at the Hofburg Palace in Vienna. At the Summit leaders announced the U.S.-EU Action Strategy for the Enforcement of Intellectual Property Rights. (Source: The White House)

- The Coordinator's office has worked to support the NIPLECC-wide focus on improving IP protection internationally and in particular regions and countries. The broad interagency composition of the U.S. delegations led by the Coordinator on official visits to China, Russia, Japan, the EU and India reflects the role played by the office in promoting and facilitating interagency coordination in the pursuit of greater cooperation with our trading partners in protecting IP.

- Overall, the Coordinator's office works to promote and support regular and consistent communications by senior Administration officials regarding IP protection in their contacts. For example, the Coordinator's office has assumed the task of preparing country-specific memoranda that provide at-a-glance information on the background of U.S. engagement on IP issues, the status of enforcement and policy issues, and key priorities and challenges. The memoranda also bring together prior statements by Administration officials regarding IP protection in particular countries.

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- From his senior position within the Department of Justice, NIPLECC's Deputy Coordinator, Arif Alikhan, has provided leadership in focusing and leveraging the efforts of law enforcement agencies to protect intellectual property. The Department of Justice Task Force Report, released in June 2006, contains accounts of coordination between a number of law enforcement agencies on particular investigations and prosecutions, as well as between federal law enforcement and non-law enforcement agencies on matters involving training, law reform and outreach. The NIPLECC Deputy Coordinator brings that inclusive perspective to the work of the Council.

- Continuous engagement by the Coordinator's office with rightsholder groups and representatives has helped to advance the STOP! objective of "working creatively with U.S. industry." The Coordinator and the Deputy Coordinator have exchanged views privately and publicly with representatives of industry groups in a wide range of settings. For example, they have participated in dozens of industry-sponsored events -- including several sponsored by U.S. trading partners -- and the Coordinator has provided updates on Administration IP initiatives at nearly all of the monthly meetings of the Coalition Against Counterfeiting and Piracy.

- Regular public appearances and presentations, aimed at sharing information about the federal government's IP enforcement and protection efforts have served to promote the STOP! objective of "empowering American innovators to better protect their rights at home and abroad" and helped to build greater public awareness regarding the government's efforts.

- The Coordinator's testimony before Congress, his meetings with Members and Congressional staff and his role as a spokesman for IP protection efforts generally have brought greater accountability, increased public understanding and a more coordinated perspective to the efforts of various governmental agencies. The Coordinator has, in essence, given a unified public voice to the Administration's IP protection efforts.

Many, if not all, of the activities of the Coordinator's office have been carried out in cooperation with representatives of one or more of the NIPLECC agencies. In some cases, the Coordinator's office has joined or supported pre-existing, agency-led initiatives. In others, the office has spearheaded the initiative

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and enlisted agency participation. The touchstone throughout has been to optimize results by engaging the most appropriate and complete combination of government IP enforcement and protection resources.

The Coordinator's office contributes to interagency coordination in more routine and often less visible ways. For example, the Coordinator holds quarterly NIPLECC meetings to discuss ongoing IP matters and -- in conjunction with the White House -- convenes regular STOP! meetings to discuss overall IP strategy. The Coordinator has worked to engage the FBI and the Food and Drug Administration -- two agencies with IP enforcement responsibilities which are not by statute formally part of NIPLECC. On a continuing basis, the Coordinator seeks out opportunities to use the office's resources to support agency activities.

In just one year, the Coordinator's office has built a foundation for enhanced and coordinated government-wide support for intellectual property protection. Going forward, the overarching task will be to secure and expand upon these gains. Effective, consistent leadership and the capacity to set priorities are essential to meeting the evolving challenge of IP protection. Delivering meaningful results calls for a long-term commitment of energy and resources. And achieving solutions will require a sustained effort working within the Federal government, with Congress and with American rightsholders.

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V. Looking ahead

The STOP! initiative has provided overall direction for the government's IP protection efforts. NIPLECC, principally through the Coordinator's office, has sought to leverage and support those efforts. Since the filing of the last NIPLECC report, the NIPLECC agencies, in their separate capacities, have recorded a number of significant accomplishments, as detailed in Section VII. Any satisfaction with this progress must be tempered by the recognition that the challenge of protecting IP is, in many ways, becoming larger and more complex, underscoring the need to continually expand and improve governmental efforts.

Many governmental sources detail the growing importance and difficulty of protecting intellectual property. U.S. IP industries account for over half of all U.S. exports. They represent 40% of U.S. economic growth and employ 18 million Americans -- who earn 40% more than the average U.S. wage. The 2006 Economic Report of the President states that IP accounts for over one third of the value of all publicly traded U.S. corporations, an amount equal to almost half of the U.S. Gross Domestic Product. The ability to ensure a secure and reliable environment for intellectual property around the world is critical to the strength and continued expansion of the U.S. economy.

But the challenges of IP protection are mounting. The 2006 Special 301 Report provides a daunting summary:

> Global IPR theft and trade in fakes and pirated materials have continued to grow, threatening innovative and creative economies around the world. Counterfeiting has developed from a localized industry concentrated on the copying of high-end designer goods into a massive, sophisticated global

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business involving the manufacture and sale of counterfeit versions of a vast array of products, including soaps, shampoos, razors, batteries, cigarettes, alcoholic beverages, golf clubs, automotive parts, motorcycles, medicines, and health care products, to name a few. Counterfeiting of such a broad range of products on a global scale affects more than just the companies that produce legitimate products. While it has a direct impact on the sales and profits of those companies, counterfeits also hurt the consumers who waste their money and sometimes put themselves at risk by purchasing fake goods.[19]

Secretary of Commerce Carlos Gutierrez discussing intellectual property enforcement on Capitol Hill with Sen. Orrin Hatch (R-UT) and U.S. Chamber of Commerce President and CEO Tom Donohue in April 2006. (Source: U.S. Chamber of Commerce)

The 2006 Economic Report to the President details the vital economic contribution that intellectual property makes to the U.S. economy and notes a number of the emerging and potentially worrisome

[19]2006 Special 301 Report, p. 5.

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trends. Its discussion of the role of technological change in facilitating counterfeiting and piracy is illustrative:

> Some peer-to-peer networks provided technology that enabled individuals to freely download copyrighted music from the computers of other individuals on these networks. Moreover, current technology can less expensively and more faithfully reproduce some intellectual property-related materials than previous technologies could. These illegal copies are difficult to detect. In the United States and internationally, this has resulted in a significant increase in the production and sale of counterfeit products. Those counterfeit copies may directly harm consumers through the sale of fake medicines and defective products, such as batteries, automotive parts, and airplane parts. Furthermore, in the long run, counterfeiting harms all consumers by reducing the profitability of and the incentive to produce new and interesting innovative products and creative works.[20]

And, as noted in the recent Progress Report of the Department of Justice's Task Force on Intellectual Property, the costs of piracy and counterfeiting are not limited to their adverse impact on the economy and on public health and safety.

> In addition . . . intellectual property theft is a concern because it can fund other criminal activities. Modern technology has . . . made intellectual property theft easier and more anonymous. Computer technology and the Internet generate inexpensive and far-flung opportunities for piracy and distribution. Such ease and profitability attract organized criminal enterprises to these offenses, and some of those enterprises may even have ties to terrorist organizations.[21]

What follows is a partial list of particular initiatives to which the Coordinator's office and the NIPLECC agencies will be directing special attention in the months to come.

[20]2006 Economic Report to the President, Chapter 10, "The Role of Intellectual Property in the Economy," p. 227.

[21]Progress Report of the Department of Justice's Task Force on Intellectual Property, June 2006 ("TFR"), p.13.

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The Coordinator's Office:

- Execute on key elements of the U.S.-EU and G8 intellectual property action strategies.
- Enhance coordination of U.S. IP training and capacity-building programs, building upon the work of the IPR Training Coordination Group.[22]
- Work with the private sector to maximize government support for industry-led IP enforcement activities and to build a better understanding of technological approaches being deployed to protect IP.
- Support development of an expanded repository of information on global IP enforcement actions.

Department of Commerce/U.S. Patent and Trademark Office:

- Pursue plans to post seven additional IP attachés abroad in late 2006: in Bangkok for the Asia region, in Sao Paolo for Latin America, in Cairo for the Middle East and Africa, in Moscow for Russia and the CIS, in New Delhi for India and Central Asia and two additional IP attachés in China.
- Extend ongoing Global Intellectual Property Academy Programs for foreign officials at the USPTO training academy in Alexandria and provide IPR training, trade capacity building, and technical assistance in the U.S. and abroad.
- Extend IP education outreach events for small and medium sized businesses, including China-focused programs; increasing the USPTO presence at trade shows.

[22]In its 11.25.03 submission to NIPLECC, the International Intellectual Property Alliance observed that NIPLECC might add value to training by working to enhance the IPR training database, secure greater transparency in USG technical assistance programs (particularly USAID), continue to consult with the private sector on prioritization, improve evaluation of and follow-up on training exercises and incorporate IP components into judicial reform projects.

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Department of Commerce/International Trade Administration:

- Build upon principles contained in IP cooperation agreements with Japan and the EU (developing best practices, sharing information, streamlining procedures and strengthen technical assistance efforts).

- Work with the Coalition Against Counterfeiting and Piracy to further develop the "No Trade in Fakes" program (voluntary guidelines for companies to protect their supply chains from counterfeit products).

- Create, in conjunction with the Small Business Administration, an IP chapter for the Globally Accessible Database for Small and Medium Enterprises to help educate and guide American businesses operating overseas on securing effective protection and enforcement of their IPRs.

- Promote protection of IPR at domestic and international trade fairs through educational campaigns and official relationships.

Department of Homeland Security/U.S. Customs and Border Protection:

- Continue improving CBP's Intellectual Property Rights e-Recordation (IPRR) system by adding an online recordation renewal feature.

- Create online infringement allegation forms for both rightsholders and CBP field personnel in order to streamline Headquarters' review and response process.

- Work towards full implementation by year's end of the IPR risk-assessment model to enhance the identification of counterfeit and pirated goods at U.S. borders.

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- Continue Post-entry Verifications ("IPR audits") to help rid supply chains of fakes and deprive counterfeiters and pirates of illicit profits.

- Establish a link from the U.S. Copyright Office website to the CBP's Intellectual Property Rights eRecordation system to make it easier for right owners to provide information on their rights to CBP.

- Enhance CBP's ability to detect counterfeit and pirated goods by promoting product identification training sessions with industry representatives.

Department of Homeland Security/U.S. Immigration and Customs Enforcement:

U.S. Customs Agents inspecting incoming goods. The Department of Homeland Security reports that seizures of fake and counterfeit goods at America's borders have doubled since 2001. (Source: Department of Homeland Security)

- Increase outreach efforts to industry and government partners to better identify vulnerabilities through which counterfeit goods can be trafficked.

- Continue to partner with foreign governments to enhance joint transnational IPR investigative and enforcement activities, particularly focusing on foreign manufacturers and distributors of counterfeits.

- Enhance the use of the National IPR Coordination Center to initiate industry outreach presentations and to refer investigative leads to field offices.

- Support enhanced efforts of the ICE/Cyber Crimes Center (C3) in targeting criminal organizations responsible for producing, smuggling and distributing counterfeit products via the Internet.

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Department of Justice:

- Support enactment of legislation and ratification of treaties protecting IP.[23]

- Increase the deployment of domestic and foreign-based resources focused on IP investigations and prosecutions.[24]

- Establish through the Asia IP Law Enforcement Coordinator an Intellectual Property Prosecution and Investigation Network.

- Launch the National Educational Prevention Teacher Training Initiative co-sponsored and co-funded by DOJ and USPTO.

Attorney General Alberto Gonzales speaking to students and faculty at an October 2005 CourtTV event on intellectual property enforcement, at the University of Texas-Austin. (Source: University of Texas)

[23]Specifically, the Intellectual Property Protection Act.

[24]For example, the FBI is scheduled to open four new Regional Computer Forensic Laboratories by the end of 2006 (TFR p. 45) and DOJ is working with the State Department to locate a new IPLEC in Eastern Europe in the next several months (TFR p. 54).

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Department of State:

- Support implementation of the G8 and U.S.-EU Action Plans on IP Enforcement.

- Build upon the significantly expanded training of Embassy staffs in IPR issues to increase their effectiveness as first responders to U.S. industry, as implementers of other agencies' IP agendas, as advocates for enforcement improvements and as outreach specialists in building support for IP protection abroad.

- In 2005, State staged two major IP training events for officers in Africa and Latin America, bringing them together with U.S. Government IP experts and U.S. industry representatives. New tactics were identified and enforcement partnerships formed. Recognizing the contribution these events have made to U.S. Government effectiveness on IP issues in the field, State has made this cycle of training events permanent and in 2006 will conduct its next training event for officers serving in the Middle East and Europe.

- Institutionalize and expand the new "Musical Ambassadors for IPR" international program, which employs an existing public-diplomacy funded program for U.S. musicians touring abroad to deliver "protect IP and protect your local culture" message to international musicians and audiences.

Office of the U.S. Trade Representative:

- Achieve the priorities of the new Intellectual Property office and the newly-created Chief Negotiator for Intellectual Property Enforcement; the new Chief Counsel for China Trade Enforcement and the newly-formed China Enforcement Task Force.

- Work closely with other U.S. government agencies to deepen intellectual property alliances worldwide by means of positive engagement through bilateral trade dialogues (such as with the EU,

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Japan, and India, among others), and through the G8, APEC, the Security and Prosperity Partnership (Canada and Mexico) and other multilateral fora.

- Use the Special 301 process and other trade tools, including World Trade Organization (WTO) tools, as appropriate to seek resolution of U.S. concerns regarding IP protection and enforcement. Key activities will include Special 301 reviews of U.S. trading partners, the unprecedented special provincial review of China, and continued engagement with Russia through both bilateral and multilateral avenues.

- Ensure that the intellectual property provisions of U.S. trade agreements under negotiation (for example, the recently announced FTA negotiations with the Republic of Korea and Malaysia) meet U.S. objectives in the field of intellectual property, such as reflecting a high standard of protection similar to U.S. law and providing for strong enforcement.

The Copyright Office:

- Continue its mission of providing useful education and training on copyright internationally by hosting semi-annual workshops in conjunction with WIPO. The workshops are attended by high-level officials from developing and newly-industrialized countries and are designed to encourage the development of effective intellectual property laws and enforcement overseas.

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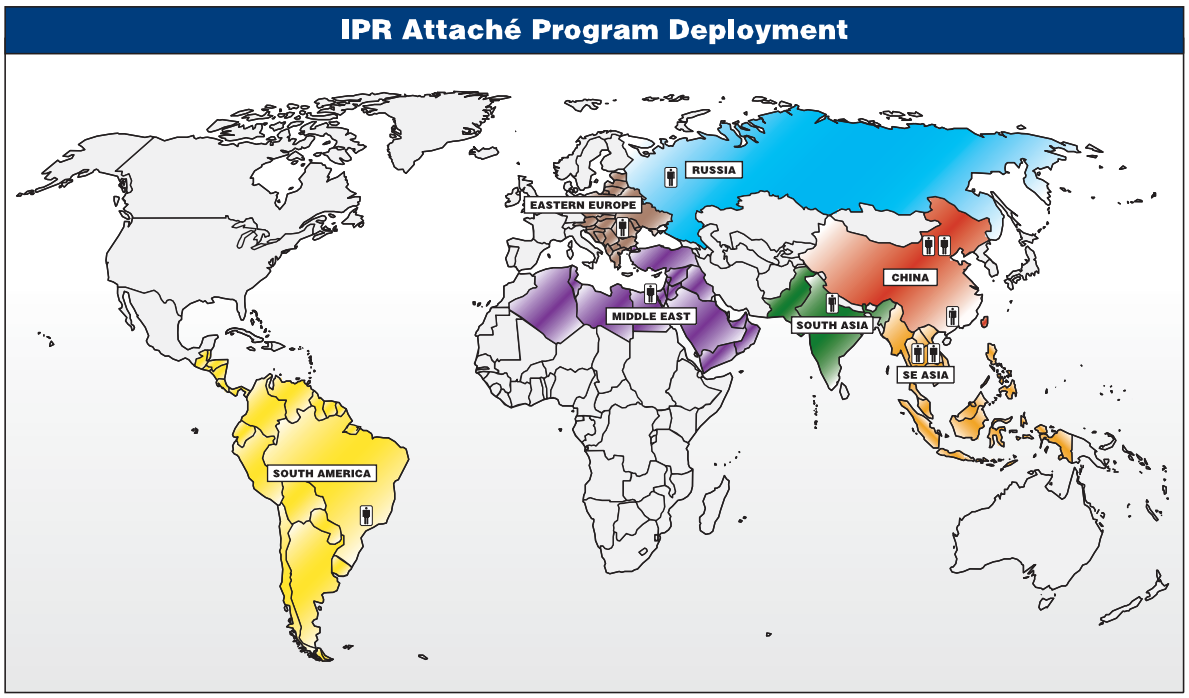

The Bush Administration is continuing to expand the presence of U.S. IP policy and law enforcement attachés around the world. Having IP attachés stationed at our embassies will enhance our ability to work with local government officials to improve IP laws and enforcement procedures in addition to assisting U.S. businesses to better understand the challenges of protecting and enforcing their IPR

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VI. Results of Coordination

China: Concerted action to address a top priority

A full account of the IP protection initiatives pursued by the NIPLECC agencies follows in Section VII. But nowhere is the degree of governmental focus and coordinated action more evident than in the effort to improve the protection of intellectual property in China, one of the Administration's top IP enforcement priorities. Here initiatives undertaken by the Bush Administration signify an approach to IP protection that brings the full array of government expertise to bear in a complementary and concentrated fashion.

The efforts of the U.S. government to promote stronger IP protection in China are built on five pillars: bilateral engagement; effective use of our trade tools; expanding law enforcement cooperation; education and capacity building; and working with the private sector.

Agency and interagency actions directed at supporting this strategy and improving conditions in China include the following:

- The April 2006 meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT) had a significant focus on IPR and yielded some important results. The Chinese government agreed to ensure the widespread utilization of legal software at all levels of the government, indicated that it would increase pressure against retail markets that sell counterfeit goods and agreed to step up action against facilities that produce pirated optical discs. The JCCT meeting also saw the release of a comprehensive Chinese Action Plan for IP Protection.

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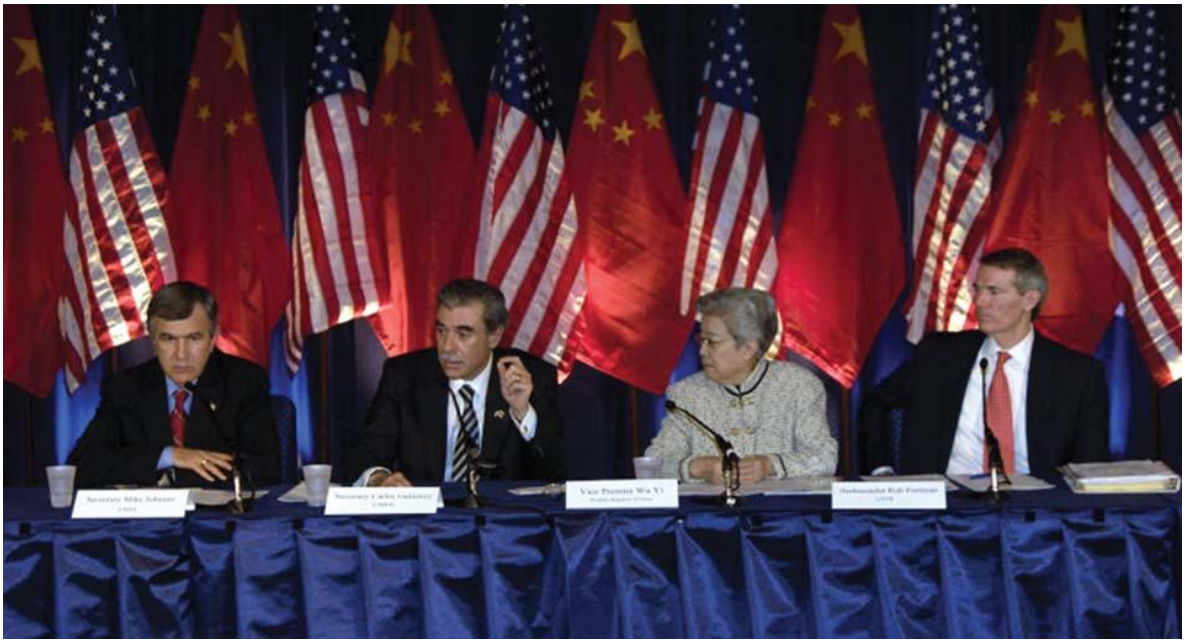
- This year's Special 301 Report – itself the result of extensive interagency input and deliberations -- maintains China on the Priority Watch List and continues Section 306 monitoring. It also announces an unprecedented special review of IPR enforcement and protection at China's provincial level, as well as stepped up consideration of WTO dispute settlement options.

- USTR appointed its first Chief Counsel for China Trade Enforcement to ensure China's compliance with international trade commitments, particularly its WTO and U.S.-China Joint Commission on Commerce and Trade obligations. The Chief Counsel will also co-chair USTR's newly formed China Enforcement Task Force.

- USTR followed up on its October 2005 WTO transparency request, made along with Japan and Switzerland, that China provide additional IPR enforcement data pursuant to Article 63.3 of the TRIPS Agreement. Although China still has not provided a full response to the October 2005 request, a dialogue opened in March 2006 has achieved some progress in improving transparency.



Secretary of Agriculture Mike Johanns, Secretary of Commerce Carlos Gutierrez, Chinese Vice-Premier Wu Yi, former U.S. Trade Representative Rob Portman participate in the April 2006 U.S.-China Joint Commission on Commerce and Trade (JCCT) meetings in Washington, DC. The JCCT meetings yielded a number of significant commitments to strengthen IP enforcement in China. (Source: Department of Commerce)

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- U.S. Ambassador to China Clark Randt holds an annual IPR Roundtable in Beijing which brings together senior U.S. and Chinese officials and U.S. business representatives. The Roundtable gives U.S. rightsholders the opportunity to raise and discuss the problems they are encountering and to work towards solutions.

- USPTO is moving ahead with plans to add two additional IP attachés in China before the end of the year in order to augment the work of the current attorney-advisor who has served since 2004 as resident intellectual property attaché to the U.S. Embassy in Beijing.

- USPTO sponsored or participated in twenty IP enforcement training and capacity building programs in China over the past year, reaching judges, prosecutors, trade groups, law firms, investigators and a range of government officials.

- USPTO sponsored or participated in many programs in the U.S. focused on IP protection in China -- often in conjunction with other agencies such as the International Trade Administration at the Commerce Department, the State Department's Foreign Service and the Justice Department's Computer Crime and Intellectual Property Section. Those programs included a conference for U.S. government personnel and seminars in many cities for companies ranging from small businesses contemplating entering the Chinese market to large corporations with an established presence in China.

- The Commerce Department established several programs designed to assist small and medium-sized businesses on IP issues in China, such as the free *China IPR Legal Advisory Program* (which operates in conjunction with the American Bar Association, the National Association of Manufacturers and the American Chamber of Commerce in China to provide legal counseling) and the "Case Referral Mechanism" (which brings individual U.S. companies' IPR complaints to the attention of China's Ministry of Commerce). In May 2006, Commerce launched a web-based seminar series on IPR issues in China for U.S. businesses.

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- The U.S. government conducts many training and capacity building programs with Chinese government officials. For example, through the Global IP Academy, the USPTO trains Chinese judges and IP specialists; and recently, the State Department sponsored five Chinese officials to come to the United States under State's International Visitor Program.

- In January 2006, the Department of Justice assigned an attaché to the U.S. Embassy in Bangkok to serve as an Intellectual Property Law Enforcement Coordinator (IPLEC) for the Asia region. The IPLEC is working, among other things, to increase criminal enforcement of IP laws in China and to build a network of key IP prosecutors and investigators from countries in the region.

- DOJ has worked with Chinese officials to establish a new IP law enforcement working group that will focus on building better operational relationships between U.S. and Chinese law enforcement officials. The group will aim to increase information sharing, mutual assistance and the number of actions against pirates.

- DOJ's recently issued "Progress Report of the Department of Justice's Task Force on Intellectual Property" cites several examples of IP prosecutions with a China nexus. Those prosecutions include cases involving counterfeit pharmaceuticals, organized crime and optical disk manufacturing.

- Several of those prosecutions arose from investigations in which ICE Special Agents used existing relationships to obtain cooperation from Chinese authorities. In "Operation Ocean Crossing," ICE agents conducted an investigation involving an Internet site owned and used by a U.S. citizen to distribute bulk quantities or counterfeit Viagra and Cialis manufactured in China. Chinese officials cooperated, arresting eleven individuals in China and seizing 600,000 counterfeit Viagra labels and packaging, 440,000 counterfeit Viagra and Cialis tablets and 260 kilograms of raw materials. In February 2006, the U.S. citizen was convicted of importing counterfeit pharmaceuticals.

- In "Operation Spring," ICE agents conducted a joint criminal law enforcement effort with Chinese law enforcement authorities involving the manufacture and global distribution of pirated DVDs. As a result of the investigation, a U.S. citizen -- along with two Chinese nationals and another U.S.

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national -- was convicted in Chinese court. The U.S. citizen was brought to the United States where he was recently convicted as well. In the course of the case, Chinese law enforcement authorities seized more than 210,000 pirated motion picture DVDs and located and destroyed three warehouses used to store counterfeit DVDs.

- The Coordinator's office has sought to support these initiatives and the ongoing effort to raise the issue of IP enforcement to a higher priority level with Chinese officials. Through multiple trips to China, regular communication with Congress and industry and establishment of an interagency China IP working group that meets monthly to discuss priorities, concerns and actions, the Coordinator's office is helping to keep a multitude of China efforts in focus and connected.

The G8 IP Initiative: Leadership supported by interagency coordination

At the 2005 G8 Summit in Gleneagles, Scotland, the U.S. led an effort to develop a strong statement on the importance of intellectual property and the need to improve global enforcement. The G8 nations represent the world's leading economies and account for 49% of global exports.

Under direction from the White House, the State Department, Department of Justice and DHS, with assistance from other agencies, worked on a proposal to enhance the cooperation and joint operations of customs agencies within the G8 and on a plan to establish a formal IP law enforcement infrastructure within the G8.

At the 2006 G8 Leaders Summit in St. Petersburg, a comprehensive IP enforcement strategy was announced that delivered upon the commitment made in 2005. The G8 Statement on Combating IPR Piracy and Counterfeiting has several key objectives:

- To keep the spotlight on trade in counterfeit and pirated goods and secure agreement on projects that promote greater cooperation among national law enforcement and customs officials

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- To link victims of IPR infringement to national enforcement authorities

- To build capacity in developing countries to combat trade in counterfeit and pirated goods

- To further research the economic impact of piracy and counterfeiting on national economies, brands, rightsholders and public health/safety

- To task relevant law enforcement work (including online piracy) to the Lyon-Roma Anti-Crime and Terrorism Group (LR/ACT)

The statement provides a clear framework for the ongoing work and collaboration of customs agencies from the G8 countries and creates a formal structure for the pursuit of joint law enforcement operations targeted at IP crimes.

Secretary of State Condoleezza Rice participates in the 2006 G8 Foreign Ministers meeting in Moscow, Russia. At the 2006 G8 leaders summit in St. Petersburg, a comprehensive IP enforcement strategy was announced. (Source: State Department)

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Brazil: Interagency and private sector efforts yield progress on copyright enforcement

Brazil has repeatedly appeared on the Special 301 Priority Watch List and that has been the subject of a petition to review its status under the Generalized System of Preferences (GSP) filed by the International Intellectual Property Alliance (IIPA). The 301 and GSP processes have involved extensive interagency analysis -- and consultation with rightsholders -- resulting in a focus on criminal enforcement in Brazil as a key to protecting U.S. rightsholders and capitalizing on Brazil's developing will to protect IP.

As part of that effort, USTR, along with the State Department, the Department of Justice and the Department of Homeland Security have worked extensively with the Brazilian National Council to Combat Piracy and Counterfeiting, providing U.S. input on law enforcement and border protection techniques and on drafting effective criminal IP laws. The work included meetings and extensive informal contacts to discuss specific enforcement questions and training by ICE, DOJ and the FBI.

U.S. Trade Representative Susan Schwab discussing trade issues in Brazil in July 2006. The U.S. government has worked extensively with Brazilian leaders to strengthen intellectual property enforcement. (Source: USTR)

The joint effort by the United States has already been successful in helping Brazil to increase the enforcement of IP rights. For example, during "Operation Site Down," an FBI investigation revealed that a Brazilian citizen was illegally copying and posting to the internet the software of a small American company. Utilizing Brazilian law enforcement contacts developed in the bilateral IP consultations, the Department of Justice and FBI were able to supply detailed investigative information which resulted in a raid, search and arrest of the Brazilian citizen responsible for the theft.

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IIPA's comments in January when the U.S. closed its GSP review of Brazil's copyright enforcement practices summarize the progress that has been made. While emphasizing that there is much more work to be done, IIPA observes that its members

> are heartened by developments in Brazil, including cooperation between the copyright private sectors and the National Council to Combat Piracy and Intellectual Property Crimes . . . . Seizures of infringing copyrighted materials at the borders have been high, public seminars on anti-piracy are numerous, training cooperation between Brazilian and U.S. law enforcement continues, and there is growing cooperation between Brazilian law enforcement authorities at the federal and state levels.

Credit for the progress so far in Brazil goes to the Brazilian leaders and officials who are working to bring it about. The work of improving foreign legal regimes, raising awareness, changing behaviors – effecting broad cultural and societal change – requires years of cooperation and perseverance. The support and attention of U.S. government agencies, working in coordination with one another, can help to establish a favorable international climate for this kind of institutional progress.

El Salvador: An example of how interagency coordination combines to produce results

Two years ago, El Salvador signed the U.S. - Central America – Dominican Republic Free Trade Agreement (CAFTA), committing to, among other things, high standards of protection for intellectual property rights. In the ensuing months, U.S. government agencies worked with Salvadoran officials to ensure that El Salvador's legislative and regulatory regimes lived up to the agreement, resulting in implementation earlier this year. The negotiations behind CAFTA's IP chapter and the consultations and assistance leading up to its implementation were multi-year processes, involving intensive interagency collaboration in which all of the NIPLECC agencies played a significant role.

One of CAFTA's provisions requires authorities to act *ex officio* (under the inherent authority of their office) against piracy and counterfeiting. In its report on CAFTA, the Industry Functional Advisory Committee on Intellectual Property Rights called the existing requirement that rightsholders first submit a

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formal complaint before action could be taken "a major enforcement impediment" and called for the treatment of piracy and counterfeiting as "public" crimes against which authorities have a standing mandate to act.

As part of El Salvador's implementing law reforms, the existence of such *ex officio* authority was made explicit. Moreover, as part of the U.S. government's program of capacity building and assistance, NIPLECC agencies worked to train Salvadoran judges, prosecutors and police on conducting IP investigations and law enforcement actions. Of particular note in this regard are recent training sessions led by the ICE attaché at the U.S. Embassy in San Salvador -- in which U.S. rightsholders and IP experts from other countries in the region have participated. Nearly 200 judges, prosecutors and investigators attended one such session.

U.S. and El Salvadoran law enforcement officials cooperated to dismantle a large-scale counterfeiting operation. (Source: Department of Homeland Security)

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In April 2006, police from the Salvadoran Division de Finanzas carried out the first raids conducted under the new *ex officio* authority. During "Operation Cyclone," the police confiscated 8,500 DVDs, a large stock of raw materials and numerous manufacturing devices. The ICE attaché, in consultation with U.S. rightsholders, has encouraged and supported the new focus on upstream manufacturing. He is presently working to expand actions to include pharmaceuticals and clothing and to create a task force with the Salvadoran customs authority.

There is no need to overstate the impact of the recent enforcement activity in El Salvador to recognize its significance. If, as has been said, FTAs merely mark the "end of the beginning," successful enforcement actions mark progress much further along the line. Moreover, such actions demonstrate the real-world benefits that flow from the IP commitments secured by FTAs and the complementary role that U.S. government agencies (here all of the NIPLECC agencies) play in pursuing associated objectives in the field of intellectual property, advancing both the Administration's trade agenda and the STOP! objectives -- many of which were present in this case.

Training programs empower rightsholders at home and abroad

All of the NIPLECC agencies participate in, if not sponsor, IP training programs for foreign officials, and one of the Coordinator's priorities in 2007 is to enhance coordination of those efforts. While systematic quantification is difficult to define, there is ample evidence of their impact and effectiveness.

The Philippines. For example, during the past eighteen months, Philippine customs officials have received enforcement training from USPTO and other agencies on half a dozen occasions, including at an ASEAN workshop in Bangkok co-sponsored by USPTO and the Justice Department. The head of the Intellectual Property Unit of the Philippines Customs Bureau attended the March 2006 Global Intellectual Property Academy program at the USPTO. The Department of Justice, the FBI, CBP and the Coordinator's Office participated in the program and made presentations.

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In a communication to senior USPTO officials, the Philippines Customs Bureau head reported that upon returning to the Philippines from that program, he used the enforcement knowledge he had acquired to teach fellow customs personnel in his country. The official reported that this year Philippines customs agents raided a mall and confiscated counterfeit goods (including bags, wallets, belts, perfumes, shoes, school supplies, DVD and CDs and caps) worth between U.S. $3-4 million. On a subsequent raid, customs agents raided a compound with at least 26 warehouses and seized truckloads of branded shoes and clothing and a large volume of branded school supplies, cellular phone housing, bags, toys and other goods.

Morocco. In 2006, following the January 1 entry into force of the U.S.-Morocco Free Trade Agreement, the USPTO with the help of DHS conducted a training program in Morocco for customs officials. The program was assisted by a major U.S. corporation which found that by working with the U.S. government, local officials better understood the problem the company faced from counterfeiters. Subsequent to the program, Moroccan authorities seized more than 5,500 cartons of counterfeit versions of the company's products, valued at more than U.S. $88,000. The company believes that collaboration with the U.S. government helped call attention to counterfeiting problems the company faced within the country.

USPTO's Small Business Outreach Campaign. Participant surveys taken during the USPTO's Small Business Outreach Campaign indicates that it is popular and effective. Findings include:

- Awareness that the best time to apply for IP protection is before the product is brought to market jumped from 19% before the campaign to 85% at the end;

- More than half (52%) of small businesses in target markets say they have taken steps to ensure protection overseas, compared to 18% nationally;

Among those attending the Small Business Outreach Conferences, USPTO received the following feedback:

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- "This is the best use of my taxes that I have ever seen." –*San Diego participant*

- "More government agencies should follow this model of bringing the government to the grassroots level." –*San Diego participant*

- "The whole program shattered the myth of lazy, apathetic federal government workers. Great program." –*Austin participant*

- "I would highly recommend this conference to all of my business partners." –*Miami participant*

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VII. Overview of U.S. Government Functions and Accomplishments

A. Working with U.S. Industry and Engaging our Trading Partners

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U.S. Department of Commerce

United States Patent and Trademark Office

I. SUMMARY OF AGENCY MISSION

The Department of Commerce's United States Patent and Trademark Office (USPTO) is responsible for promoting technological, scientific and industrial progress by administering the United States' patent and trademark systems and advocating strong intellectual property protection, not only in the United States, but around the world. The USPTO is focused on strengthening the U.S. economy by ensuring that innovators and entrepreneurs are rewarded for their creative efforts through free and fair markets, and that citizens of the U.S. and countries around the world have the opportunities and benefits provided by new technologies.

USPTO registers patents and trademarks; administers U.S. patent and trademark laws; advises the President of the United States, the Secretary of Commerce, and other U.S. Government agencies on intellectual property policy, protection and enforcement; and promotes stronger and more effective intellectual property protection around the world.

The USPTO promotes effective intellectual property protection for U.S. innovators and entrepreneurs worldwide by working with other agencies to secure strong intellectual property provisions in free trade and other international agreements. It also provides training, education and capacity building programs designed to foster respect for intellectual property and encourage the development of strong intellectual property enforcement regimes by U.S. trading partners.

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II. THE USPTO'S IPR ENFORCEMENT ACTIVITIES

Promoting Strong IPR Enforcement In and Through International Agreements

In support of the United States Trade Representative (USTR) and other U.S. Government agencies, the USPTO assists in the negotiation and drafting of intellectual property provisions of free trade and other international agreements. These provisions generally require U.S. trading partners to provide stronger, more effective protection for intellectual property than is required under the World Trade Organization's Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

Specific USPTO activities in 2005 and 2006 in support of international trade agreements and international trade generally include:

- Supporting USTR on numerous negotiating rounds and/or implementing legislation for free trade agreements (FTA's) with: the Andean region, Morocco, Thailand, United Arab Emirates, and Oman;
- Preparing for and supporting USTR negotiations of trade and investment framework agreements (TIFAs) with Malaysia, Brunei, Turkey, and Philippines;
- Providing comments, analysis, and questions in connection with WTO TRIPS Council or Trade Policy Reviews;
- Analyzing IPR enforcement components, provisions and ramifications in international documents, including position papers or proposed policy statements of the World Health Organization, World Intellectual Property Organization, Asian-Pacific Economic Cooperation, Association of Southeast Asian Nations, and Caribbean Community and Common Market; and
- Advising USTR in connection with decisions made pursuant to the "Special 301" provisions of U.S. trade law.

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Training and Capacity Building

The USPTO coordinates, organizes and participates in IPR training, IPR trade capacity building, and IPR technical assistance programs throughout the world, to aid the development of effective IP legal regimes. Activities towards this end include the following:

China

- Participated in the Ambassador's Roundtable Meeting and training in China in January 2005;
- Participated in a seminar on copyright protection and case strategies in China in January 2005;
- In March 2005, USPTO participated in a Seminar on Judicial Interpretation of IPR and IP Protection with officials in China;
- Participated in U.S. Chamber IP Enforcement seminars in Guangzhou and Nanjing, China in March 2005;
- In April 2005, participated in a meeting/training with local Chinese officials on IP Enforcement in Yiwu, China;
- Participated in a program with Temple University and Qinghua University on IP Enforcement for Chinese prosecutors in China in April 2005;
- Participated in training on trade secret protection for trade associations, law firms, and private investigators in Shanghai, China in June 2005;
- In June 2005, USPTO participated in a program on IP Criminal Law Training in Guangzhou, China;

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- USPTO participated in American Chamber of Commerce Programs on IP Enforcement in Shanghai and Guangzhou, China in June 2005;

- In June and July 2005, participated in regional IPR roundtable forums in Guangzhou and Shenzhen;

- In August 2005, participated in an IP seminar in China;

- Organized and conducted IPR training for Chinese officials in the Pearl River Delta region of China in September 2005;

- Monitored trade fairs in Guangzhou, China in October 2005;

- In November 2005, USPTO participated in industry roundtable programs focusing on legal services, high tech and R&D, and trade secret issues in Shanghai;

- In November 2005, USPTO participated in an automotive anti-counterfeiting seminar in Shanghai, China;

- Participated in the Ambassador's Roundtable Meeting and training in China in December 2005;

- In February 2006, Under Secretary Jon Dudas hosted the head of China's State Intellectual Property Office and agreed to a work plan on future collaboration between offices;

- USPTO participated in Trade Fair Enforcement and a Customs Training program in China in April 2006;

- Conducted a Geographical Indications training conferences in China in May 2006;

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- In June 2006, USPTO held a conference in China on Traditional Knowledge, Geographical Indicators, and Folklore; and

- Participated in meetings and training with IP judges from China in Alexandria, Virginia in May 2006.

The USPTO also continued to detail to China an attorney-advisor who is an expert in Chinese language, culture, and IPR law as a resident intellectual property attaché to the U.S. Embassy in Beijing, China. The official coordinates with Chinese Government officials and U.S. businesses in China to improve Chinese IPR laws, regulations, and enforcement procedures. In late 2006, there will be 2 additional IP attachés in China.

Asia (excluding China)

- Organized and conducted an Intellectual Property Enforcement Program for 28 judges from Vietnam in Ho Chi Minh City, Vietnam in February 2005;

- Participated in an Intellectual Property Education Program for 26 judges from Vietnam in Hanoi, Vietnam in February 2005;

- In March 2005, participated in an IP Judicial Education Program for 36 judges from four Asian countries in Bangkok, Thailand;

- Organized and participated in an Intellectual Property Seminar for 120 people from Thai industry in Bangkok, Thailand in March 2005;

- USPTO participated in a Digital Video Conference with Hong Kong regarding judicial interpretation on criminal IPR in March 2005;

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- USPTO/ASEAN and U.S. Department of Justice IP Enforcement Workshop for 56 customs and enforcement officials from 10 Asian countries in Bangkok, Thailand in April 2005;

- Meeting and training with Government of Vietnam officials regarding amending IP enforcement laws in Vietnam in April 2005;

- Met with a representative from the Taiwan prosecutor's office regarding enforcement at the USPTO in May, 2005;

- In June 2005, organized and participated in USPTO/ASEAN Seminar on IP Enforcement for 67 participants from SME's from 10 countries in Thailand;

- USPTO/IIPI Intellectual Property Enforcement program in Bangladesh in July 2005;

- In September 2005, USPTO conducted regional IPR Enforcement training in Hong Kong for officials from 10 Asian countries;

- Participated in WIPO Asia Pacific Regional Symposium on IP Enforcement in Kuala Lumpur for 120 officials from 22 countries in September 2005;

- In September 2005, USPTO officials met with IP enforcement officials in Thailand and Malaysia;

- Organized and participated in a USPTO/ASEAN workshop in Bangkok, Thailand in September 2005;

- In October 2005, USPTO/ASEAN Workshop on IP Office Administration and Enforcement for 88 government officials from the Asian region from 12 countries;

- Discussion with the Philippines Optical Media Board regarding optical media piracy issues in Alexandria in January, 2006;

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- USPTO conducted an IP training program for the Thai IP Court in Bangkok, Thailand in February 2006;
- Co-sponsored a USPTO/ASEAN IPR Enforcement Workshop in Bangkok in March 2006;
- In March 2006, conducted an IPR Enforcement program in Phnom Penh, Cambodia;
- Conducted an ASEAN +3 Training Seminar in March 2006 with the Japanese Copyright Office;
- Participated in an ASEAN Workshop on Optical Media Piracy for 85 regional government officials in Philippines in April 2006;
- In April 2006, participated in a U.S.-Government of Malaysia Roundtable event on IPR enforcement with government officials and business in Malaysia;
- Conducted lectures, meetings and training on IPR issues in China throughout Japan in April 2006;
- Participated in a Judicial Education Workshop on IP Law and Civil Procedures with U.S.AID for 70 judges in Vietnam;
- Conducted regional IPR Training for Law Enforcement Officials in Hong Kong in May 2006;
- In May 2006, USPTO conducted a training program on IPR Enforcement for 29 government officials in Jakarta, Indonesia; and
- Participated in an ASEAN Regional Workshop on IP Enforcement for prosecutors in Kuala Lumpur, Malaysia in May 2006.

In late 2006, the Department of Commerce/USPTO will post an IP attaché for the Asian region in the U.S. Embassy in Bangkok, Thailand.

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The Americas and Caribbean

- Conducted a digital video conference (DVC) with officials from Suriname on IP laws, protection, and the value of strong IP laws in March 2005;

- In October 2005, participated in a USPTO/SIECA IP training for judges and prosecutors from 7 regional countries in Guatemala; and

- USPTO organized and participated in a program on the Enforcement of Intellectual Property Rights at the border for customs officials in Lima, Peru in October 2005.

- In November 2005, participated in a North America Biotechnology Initiative workshop on IP and Technology Transfer in Mexico City;

- In June 2006, participated in conferences for police and prosecutors in San Pedro Sula, Honduras, and for Honduran diplomats in Tegucigalpa, Honduras, focusing on IP enforcement obligations under DR-CAFTA.

In late 2006, the Department of Commerce/USPTO will post an IP attaché for South and Central America in the U.S. Embassy in Sao Paolo, Brazil.

Africa and the Middle East

- Organized and conducted a MEPI regional customs enforcement program with 11 Middle Eastern countries in Jordan in February 2005;

- In April 2005, organized and conducted an IP Judicial Training program on IPR Enforcement for over 50 judges in Algiers, Algeria;

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- In April 2005, organized and conducted an IPR Enforcement seminar for over 245 graduating Magistrate students in Algiers, Algeria;

- USPTO-ASIP Symposium on Geographical Indications for 215 participants from 7 Middle Eastern countries in Abu Dhabi, UAE in April 2005;

- Organized and participated in an USPTO/MEPI IP Border Enforcement training for over 50 Algerian Customs officials in Algeria in June 2005;

- In June 2005, organized and participated in a USPTO/MEPI IP Enforcement training for over 70 Algerian judges in Oran, Algeria;

- Organized and participated in an IP Border Enforcement Program for 35 Moroccan Customs officials in Rabat, Morocco in July 2005;

- In September 2005, IPR Enforcement Seminar for Kuwaiti officials in Kuwait;

- Participated in a conference for 33 African officials regarding counterfeit medicines in Sub-Saharan Africa in Johannesburg, South Africa in September 2005;

- Co-sponsored a USPTO/MEPI regional judicial workshop for judges on IP Enforcement in Dubai, UAE in January, 2006;

- Co-sponsored a USPTO/MEPI regional workshop for prosecutors on IP Enforcement in Oman in January, 2006;

- In March 2006, co-sponsored a USPTO/MEPI IP Training Seminar on Pharmaceuticals for Drug, Regulatory, and Health Ministry officials in Tunisia;

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- Co-sponsored a USPTO/MEPI program on Pharmaceuticals and IP in Algeria in March, 2006;
- In April 2006, conducted a Workshop on IP Enforcement for 70 enforcement officials in Kuwait; and
- Participated in a MEPI regional customs program for 43 government officials in Bahrain in May, 2006;
- In June 2006, organized and conducted a USPTO/MEPI Border Enforcement seminar for over 20 Moroccan Customs officials in Casablanca; and
- In June 2006, organized and conducted a USPTO/MEPI IPR Enforcement program for copyright enforcement officials in Rabat, Morocco.

In late 2006, the Department of Commerce/USPTO will post an IP attaché for Africa/Middle East region in the U.S. Embassy in Cairo, Egypt.

Europe, Russia/CIS, Central South Asia

- Participated in an Intellectual Property Enforcement Conference for 51 Azerbaijan government officials in Azerbaijan in March 2005;
- In April 2005, participated in a digital video conference with Russian officials on IPR Enforcement;
- Organized and participated in a USPTO/IIPI Intellectual Property Border Enforcement Workshop for customs officials and judges in Russia in June 2005;
- Participated in a WIPO-UNECE-WCO Subregional Seminar on Enforcement of IP Rights for 95 custom, judiciary, and police officials from 5 countries in Kazakhstan in July 2005;

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- In June and September 2005, the USPTO organized and participated in a Russian Federation Border Enforcement Seminar for Russian customs officials on the protection of IP in St. Petersburg and Vladivostok, Russia;

- Participated in a digital video conference with Ukrainian IP Enforcement officials regarding IP enforcement in September 2005;

- In September 2005 participated in IPR roundtable in Madrid;

- In October 2005, participated in a CLDP Workshop on the Implementation and Coordination of IP Border Enforcement for 35 Customs officials from Russia and Ukraine;

- Met with Serbian judges at the USPTO regarding trademark protection in November 2005;

- In February 2006, USPTO participated in interagency IPR enforcement discussions with Russian government officials and industry in Moscow;

- Conducted an IP Enforcement program in Lithuania for government officials in April 2006;

- In April 2006, organized and conducted an IP Enforcement program for government officials from new EU member states on copyright infringement in the digital environment in Estonia;

- In April 2006, USPTO conducted an International IP Enforcement Training Event in Delhi, India; and

- In May 2006, USPTO participated in 4 IP Enforcement Training Seminars throughout India.

- In June 2006 organized and participated in a joint USPTO-UKPTO workshop on IPR border and market enforcement in Slovenia.

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In late 2006, the Department of Commerce will post an IP attaché for Russia/CIS region in the U.S. embassy in Moscow, Russia. In addition, an IP attaché will be posted in the U.S. Embassy in New Delhi, India for the India/Central Asia region.

International Programs in the U.S.

In 2005, USPTO created the Global Intellectual Property Academy (GIPA), which consolidates and greatly expands the USPTO's curriculum of training and capacity building programs on intellectual property rights protection and enforcement. Through GIPA, USPTO brings foreign government officials including judges, prosecutors, police, customs officials, patent, trademark, and copyright officials and policy makers to the U.S. to learn, discuss, and strategize about global IPR protection and enforcement. The GIPA programs are offered by the USPTO acting in close cooperation with other U.S. federal government agencies.

- Organized and conducted a USPTO Enforcement Academy for 32 government officials from six Central American countries in February 2005;
- Organized and conducted a USPTO Visiting Scholars program for 26 government officials from 18 countries in April 2005;
- In May 2005, organized and conducted a USPTO Enforcement Academy and study tour for 20 judges from 8 Middle Eastern countries in the U.S.;
- Participated in the State Department's International Visitors Program in June 2005;
- In July 2005, organized and participated in a USPTO/WIPO IP Enforcement Program for Supreme Court and Appellate Court Judges from 23 countries;

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- Participated in the State Department's International Visitors Program in July 2005;
- Organized and conducted a USPTO IP Enforcement Academy for 24 government officials from 18 countries from around the world in August 2005;
- In September 2005, organized and conducted an IP Enforcement Academy seminar for 21 government officials from 15 countries around the world;
- In October 2005, organized and conducted a Global Intellectual Property Academy Enforcement Seminar for 51 officials from CAFTA-DR countries plus Belize and Panama;
- In October 2005, organized and conducted an IP Visiting Scholars Program at the USPTO for 33 government officials from 21 countries;
- In December 2005, the USPTO organized and conducted the Global Intellectual Property Academy Enforcement Seminar for the MEPI region for 32 officials from 10 countries in Alexandria, VA;
- Conducted an IPR enforcement training session for 30 government participants as part of the Global Intellectual Property Academy in Alexandria in January 2006;
- In February 2006, USPTO conducted a Global Intellectual Property Academy Visiting Scholars Program in Alexandria for 29 foreign government officials;
- Conducted an enforcement training session for 31 foreign government officials as part of the Global Intellectual Property Academy in Alexandria in February, 2006;
- Participated in the State Department's International Visitors Program in March 2006;
- In March 2006, participated in CAFTA-DR training programs for Latin American officials in Florida;

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- Sponsored a GIPA program on IP Enforcement for 31 officials in Alexandria in March 2006;

- GIPA Program on patents for 28 foreign government officials in Alexandria in May 2006;

- Participated in the Department of Commerce's Conference "China: Risks, Rewards, and How to Win" in Houston in May 2006; and

- In May 2006, organized one day program on IPR at U.S. Court of Appeals for the Federal Circuit, in conjunction with CLDP program for Tunisian judges;

- In June 2006, organized and conducted week-long Enforcement seminar followed by a study tour of the U.S. for 21 judges and prosecutors from throughout the Middle East and North Africa.

Training for U.S. Government Personnel

The USPTO also participates in and coordinates training for U.S. Government officials on intellectual property and intellectual property enforcement. For example:

- In May 2005, participated in State Department IP and Telecom training for Foreign Service Officers based in Africa;

- In December 2005, USPTO participated in the State Department IP training for Foreign Service Officers in Latin America;

- In FY 2005, the USPTO briefed more than 350 offices of the U.S. Congress including authorizing and appropriating committees on intellectual property matters ranging from patent reform and trademark disputes to trade agreements and international IP enforcement; and

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- In June 2006, the USPTO held a two-day conference for U.S. government personnel on intellectual property protection in China.

STOP! Hotline for IP Assistance

As part of the Bush Administration's Strategy Targeting Organized Piracy (STOP!) initiative, the USPTO manages a hotline (1-866-999-HALT) that helps small-and medium-sized businesses leverage the resources of the U.S. Government to protect their intellectual property rights in the U.S. and abroad. Callers receive information from IP attorneys at the USPTO with regional expertise on how to secure patents, trademarks, and copyrights, and on enforcement of these rights.

Calls received on the STOP! Hotline:

- In FY 2005, the Hotline received 955 calls;

- In FY 2006, through June 14, the Hotline received 965 calls.

Training for U.S. Businesses and Industry

As part of the STOP! initiative, the USPTO began reaching out to Small and Medium-sized Enterprises ("SME's") through programs around the country on the basics of IP and IP protection entitled *Conference on Intellectual Property in the Global Marketplace*. The program provides presentations on the basics of patent, trademark, and copyright and in-depth information on enforcing and protecting IP both domestically and abroad. At each location, a local Department of Justice Attorney speaks about enforcement. These conferences were held:

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- In Salt Lake City in May 2005;
- In Phoenix in July 2005;
- In Austin in September 2005;
- In Miami in September 2005;
- In San Diego in February 2006;
- In Northern Virginia in March 2006;
- In Columbus, OH in May 2006; and
- In Nashville in July 2006.

In conjunction with these programs, the USPTO reaches out to media outlets in each city to reach as broad of an audience as possible. The USPTO also launched a website for small businesses at ***www.stopfakes.gov/smallbusiness***. The site is designed to answer common questions of small businesses so they can better identify and address their intellectual property protection needs.

Additionally, the USPTO also began a China focused program in several U.S. cities for companies ranging from small businesses contemplating entering the Chinese market to large corporations with an established presence in China. Topics covered include a review of recent laws and regulations promulgated by the Chinese Government that affect protection and enforcement of intellectual property. In 2005-2006, these conferences were held:

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- In Alexandria, Virginia in February 2005;
- In Baltimore in April 2005;
- In Detroit in June 2005;
- In Atlanta in March 2006;
- In Chicago in May, 2006; and
- In Seattle in July, 2006.

The USPTO also participated in conferences for industries that specifically were concerned with IP enforcement. Some of these conferences included:

- The Motor Equipment Manufacturing Association's Meeting in Detroit in January 2005;
- The IACC Anti-Counterfeiting Summit in New York City in February 2005;
- The AIPLA Conference in Philadelphia in May 2005;
- The U.S. Chamber of Commerce's Conference on Trade Roots in Seattle in September 2005;
- The American Apparel and Footwear Association Anti-Counterfeiting Conference in New York City in November 2005;
- In February 2006, the USPTO participated in the American Made Alliance's "The Buyer's Market of American Craft" trade show in Philadelphia;

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- The National Confectioners Association Annual Meeting in Orlando in March 2006;
- The National Association of Manufacturers Meeting in Chicago in March 2006;
- In May 2006, IACC Anti-Counterfeiting Conference in Toronto; and
- The International Trademark Association Conference in Toronto in May 2006.

III. ACCOMPLISHMENTS

In 2006, the head of the Intellectual Property Unit of the Philippines Bureau of Customs attended a USPTO Global Intellectual Property Academy Enforcement Seminar. Upon returning to the Philippines he shared all that he had learned with his fellow customs personnel, in order to develop new customs enforcement strategies. This led to an operation where Philippines Customs raided a mall and confiscated counterfeit goods worth between U.S. $3-4 million. On a subsequent raid, 26 warehouses were searched, and Customs seized goods estimated to be worth U.S. $1 million.

In 2006, the USPTO, with the help of the Department of Homeland Security, put on a program in Morocco for customs officials. The program was assisted by a major U.S. corporation who found that by working with the U.S. government, local officials better understood the problem the company faced from counterfeiters. Subsequent to the program, Moroccan authorities seized more than 5,000 cartons of the company's counterfeit goods valued at more than U.S. $88,000. The company believes that collaboration with the U.S. Government helped call attention to counterfeiting problems the company faced within the country.

The USPTO has worked with CAFTA-DR countries to implement strong IP laws and has provided enforcement training. As a result, in April 2006, El Salvador the first CAFTA-DR country to pass

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CAFTA-DR reforms to its IP laws reported their first raids ever conducted under the ex officio authority. As a result of "Operation Cyclone," Salvadoran police netted 8,500 confiscated DVDs.

The USPTO has received positive feedback regarding its Small Business Outreach Campaign. In 2005, research was conducted among the cities visited during the campaign. Among the findings of small businesses in these communities:

- Awareness that the best time to apply for IP protection is before the product is brought to market jumped from 19% before the campaign to 85% at the end;

- More than half (52%) of small businesses in target markets say they have taken steps to ensure protection overseas, compared to 18% nationally;

- Among small businesses that have patent, trademark, or copyright protection, only 18% of those in the national sample said they have taken steps to ensure protection overseas, compared to 52% among target markets.

IV. LOOKING FORWARD

In FY 2006, the USPTO will have conducted 15 Global Intellectual Property Academy Programs for foreign officials at its headquarters in Alexandria. The USPTO will continue to provide IPR training, trade capacity building, and technical assistance in the U.S. and abroad. In 2007, the USPTO plans to conduct 21 such programs domestically as well as countless other programs around the world.

In the coming year, the USPTO will continue to reach out to businesses and IP stakeholders. The office plans to hold more outreach events for Small Business Education as well as the China focused program for business. The USPTO will further educate business by increasing its presence at trade shows.

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U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION

I. SUMMARY OF AGENCY MISSION

Intellectual Property Compliance and Monitoring

The U.S. Department of Commerce's International Trade Administration (ITA) helps American businesses and workers overcome difficulties they face when exporting their goods and services overseas because of foreign barriers to trade, including the lack of adequate and effective intellectual property rights protection. To ensure this objective, ITA monitors the compliance with and implementation of international trade agreements by foreign governments, especially those agreements pertaining to intellectual property rights (IPR) enforcement.

ITA addresses intellectual property rights issues through close coordination between its Market Access and Compliance (MAC) unit and the U.S. and Foreign Commercial Service (US&FCS) unit. In 2005, ITA consolidated its existing IPR policy and compliance staff and resources into an IPR Office (OIPR) to more intensively focus its efforts in light of the Administration's Strategy Targeting Organized Piracy (STOP!) initiative. The OIPR works with U.S. exporters and interagency colleagues, here in the United States and through our Embassies abroad, to develop strategies for successful resolution of IPR issues. MAC, through the OIPR and country-specific specialists, has the coordinating role within ITA on multilateral and bilateral efforts to promote effective worldwide protection and enforcement of intellectual property rights. The US&FCS provides vital linkages through its domestic and overseas offices. ITA works closely with the Office of the U.S. Trade Representative (USTR), the United States Patent and Trademark Office (USPTO), the U.S. Department of State's Office of Intellectual Property Enforcement, the U.S. Copyright Office, and the private sector to ensure a consistent and effective approach to improving intellectual property rights among our trading partners.

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In conjunction with these agencies and industry, ITA helps to develop and implement bilateral and multilateral IP programs. Such programs include the annual Special 301 Review, which examines in detail the adequacy and effectiveness of intellectual property protection and enforcement by our trading partners. OIPR is responsible for coordinating the development of the Commerce Department's position concerning the status of countries under Special 301. ITA staff participate in developing IP "action plans" outlining key elements for foreign governments to implement in order to improve their IP regimes, and in 2005 USTR provided such action plans to Bulgaria, Canada, Indonesia, Korea, Paraguay, Philippines, Russia, Saudi Arabia, Slovak Republic, and Ukraine. Action plans are designed to identify specific benchmarks for improvement, such as increasing enforcement by closing down notorious pirate markets, creating and enforcing meaningful and deterrent penalties for IPR violators, or implementing certain types of legislation to cover inadequate areas of a country's IPR regime.

OIPR and MAC's country specialists monitor countries' implementation of various intellectual property agreements, including the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and bilateral IP agreements, such as those with Bulgaria, China, Croatia, Paraguay, and Ukraine. Additionally, country compliance teams monitor our Free Trade Agreement (FTA) partners' compliance with their FTA commitments and ensure that U.S. exporters receive fair treatment under these agreements, including enhanced protection of intellectual property rights. Further, OIPR monitors country implementation of the World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), which update and improve protection for the rights of authors and performers within the digital environment. ITA staff and senior officials raise these and other IPR concerns during frequent bilateral consultations and ensure coordination among U.S. Government agencies.

OIPR also plays an important role in reviewing Generalized System of Preferences (GSP) petitions submitted by industry. OIPR is responsible for coordinating the development of the Commerce Department's position regarding whether to accept or reject an IP country practice petition and participates in the bilateral discussions with countries under review. In FY 2005, the U.S. Government reviewed IP country practice petitions for Brazil, Dominican Republic, India, Kazakhstan, Lebanon, Pakistan, Russia, Ukraine, and Uzbekistan.

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OIPR represents the Commerce Department on official government delegations at meetings of the World Trade Organization's TRIPS Council, which provides an opportunity to raise concerns with and obtain information on countries' efforts to comply with TRIPS obligations. In addition, ITA staff participate in and provide policy input for IP-related bilateral and regional negotiations and consultations, which include FTAs, bilateral investment treaties (BITs), and trade and investment framework agreements (TIFAs).

ITA officials and staff meet frequently with our trading partners to help advance our intellectual property interests overseas. For example, in FY 2005, ITA engaged the following countries:

- Brazil, to address the tremendous patent backlog and stress the importance of improving domestic and border enforcement for copyrighted materials and proper government use of copyrighted software;

- Canada, to stress the importance of effective border enforcement against pirated and counterfeit goods, to hasten the ratification and implementation of the WCT and WPPT, and to protect confidential test data;

- Canada and Mexico, to continue efforts under the intellectual property working group of the Security and Prosperity Partnership (SPP);

- Chile, to address significant concerns regarding the implementation of the pharmaceutical data protection and patent linkage provisions of the U.S.-Chile FTA;

- China, to improve its enforcement against pirated and counterfeit goods;

- Egypt, to engage a broad range of government and private sector institutions on the importance of IPR in both the media and pharmaceutical sectors;

- India, to promote innovation, creativity, and technological advancement by providing a vibrant IPR regime, including the provision of pharmaceutical data protection, and to cooperate in the

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field of IPR to include capacity building activities, human resource development and public awareness programs;

- Indonesia, to address the need for sustained IPR enforcement, especially in the area of optical disc piracy;

- Iraq, to encourage IP professionals to continue to attend USPTO's Global Intellectual Property Academy (GIPA) programs;

- Israel, to maintain national treatment for sound recordings, and to continue discussion of Israel's data protection regime for pharmaceuticals and patent term extension;

- Japan, to establish the "Joint Department of Commerce-Ministry of Economy, Trade and Investment Initiative for Enhanced Cooperation on IPR Protection and Enforcement and Other Global Issues";

- Latvia, to engage the Intellectual Property Council, established by the Latvian Cabinet of Ministers, in coordination with industry representatives and the development and implementation of an IPR activity plan;

- Lebanon, to improve domestic and border IPR enforcement, address optical media and cable piracy, and stop registration of unauthorized pharmaceutical copies;

- Malaysia, to take steps toward curtailing Malaysia's high piracy rates for optical media, and to address its role as an exporter of counterfeit and pirated products, especially entertainment software;

- Pakistan, to discuss implementation of a data protection regime and patent linkage system;

- Paraguay, to develop, monitor, and implement its IPR Memorandum of Understanding (MOU) with the United States;

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- Peru, to coordinate the first ever Latin America Customs IPR Training workshop provided by USPTO to 80 Government of Peru officials, to establish a mutually acceptable solution regarding levies on blank recording media, and to open communication regarding the legal environment for pharmaceuticals in Peru;

- Philippines, to address the need for sustained IPR enforcement, and to provide U.S. Government input regarding the potential impact a draft Senate Bill may have on pharmaceutical patentee rights;

- Russia, to repeatedly raise concerns with its Civil Code reforms, data protection for pharmaceuticals, weak border enforcement, and unauthorized production and export of pirated optical media;

- Saudi Arabia, to address pharmaceutical concerns with the implementation of their patent law and to increase transparency in the judicial process;

- Singapore, to pass amendments addressing U.S. concerns regarding conformity with certain IPR provisions of the U.S.-Singapore FTA;

- Slovakia, to promote the creation of a patent linkage regime and create a permanent secure storage facility for confidential test data;

- South Korea, to amend the Enforcement Regulations of the Copyright Act of Korea, in an effort to address the problem of unauthorized public performances of motion pictures in motels, computer game rooms, and public baths and saunas;

- Spain, to organize a conference focusing on the enforcement of copyrights, and to discuss concerns with IPR enforcement in Spain with Secretary Gutierrez's Spanish counterpart;

- Thailand, to address concerns regarding optical media legislation, draft copyright amendments, copyright and trademark enforcement, data protection, and legislation on geographical indications;

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- Tunisia, to discuss aspects of its data protection law for pharmaceuticals and agricultural chemicals;

- Turkey, to implement data protection for pharmaceuticals in compliance with TRIPS obligations;

- Ukraine, to pass amendments to its Optical Media Licensing Law, and to establish and operate a U.S. copyright industry - Government of Ukraine Enforcement Cooperation Group.

Additionally, intellectual property issues were raised bilaterally with Colombia, Dominican Republic, El Salvador, Guatemala, Morocco, Nicaragua, and Oman. ITA will continue to work with these and other countries to ensure that they provide adequate and effective IPR protection and enforcement for U.S. rightsholders.

II. COORDINATION WITH U.S. INDUSTRY

International Trade Administration's Compliance Initiative

International compliance and enforcement of U.S. trade agreements are the highest priorities of ITA. ITA works with both small and medium-sized enterprises (SMEs) and large U.S. companies and industry associations to ensure that trade problems related to IPR are promptly and aggressively addressed. Through its compliance program, ITA works with industry in a variety of ways, including:

- Actively researching and analyzing information supplied by companies to ascertain IP problems facing industry;

- Applying expertise to develop an implementation strategy to resolve problems;

- Working with industry associations to raise concerns with our trading partners regarding proposed and existing IPR legislation; and

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- In conjunction with USPTO and the Department of Commerce's Office of the Chief Counsel for International Commerce, counseling U.S. companies on the IP commitments undertaken by our trading partners under existing trade agreements to which the United States is a party.

The Department of Commerce, in collaboration with the U.S. Government agencies with IP policy oversight, published a brochure, "Protect Your Intellectual Property: Stop Trade in Fakes!" with key contact information to educate and assist U.S. firms in protecting and enforcing intellectual property both in the U.S. and overseas. Commerce also established a special telephone and web address where SMEs can contact DOC experts for assistance dealing with companies' international intellectual property concerns. These resources function in conjunction with Commerce's Compliance Program. During FY 2005, ITA staff has worked with companies with IPR problems in Canada, Australia, Bangladesh, Brazil, China, Colombia, Egypt, Germany, Guatemala, India, Lithuania, Malaysia, Mexico, Morocco, Peru, Russia, South Korea, Sweden, and Turkey. In addition to pressing our trading partners on a government-to-government basis to effectively implement and enforce their laws governing IPR protection, ITA also regularly provides information to assist private entities that choose litigation to enforce their rights under the IP laws of the countries where infringement occurs.

As part of ITA's compliance initiative, OIPR's sister office, the Trade Compliance Center (TCC) operates the Compliance Liaison Program, by which approximately 100 trade associations have appointed a representative to serve as a liaison between their members and the TCC. The liaison solicits complaints on market access barriers and agreement compliance problems including IPR-related issues, from members and notifies the TCC and OIPR for action. Such trade industry groups as the Motion Picture Association, Recording Industry Association of America, Business Software Alliance, American Film Marketing Association, Pharmaceutical Research Manufacturers Association, and the International Anti-Counterfeiting Coalition have appointed representatives to take part in the Compliance Liaison Program. Congressional and Senatorial offices and countrywide U.S. Export Assistance Centers (U.S.EACs) also actively participate in the Compliance Liaison Program.

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Industry Trade Advisory Committee on IPR

One of the ways the Department of Commerce seeks input on various intellectual property protection outreach activities is through the Industry Trade Advisory Committee on Intellectual Property Rights (ITAC-15). This committee is one of sixteen Industry Trade Advisory Committees (ITACs) jointly administered by the Department of Commerce and USTR. ITAC-15 plays an active role in advising the U.S. Government on intellectual property trade negotiating objectives and priorities. Most recently, advice was sought during FTA negotiations with Australia, Central America, Dominican Republic, and Morocco; the WTO Doha Round of trade negotiations; and, for other bilateral and multilateral negotiations. Industry representatives serving on ITAC-15 provide advice and identify IP concerns in countries that are eligible beneficiaries under the Generalized System of Preferences (GSP) program. Advising U.S. trade negotiators on WTO members' implementation of and compliance with the WTO TRIPS Agreement is a priority issue of the Committee. In particular, the committee provides advice on WTO TRIPS Council compliance reviews and WTO dispute settlement cases. ITAC-15 also plays an essential role in channeling private sector advice into the annual Special 301 Review.

III. INTERNATIONAL INTELLECTUAL PROPERTY REGIONAL PROGRAMS

China: Through the STOP! initiative and our related policy efforts, ITA assists U.S. companies, especially SMEs, with protecting and enforcing their IPR in China.

- ITA's China office participates in IPR-related domestic programs and conducts many one-on-one consultations with companies. Many of these programs are done in conjunction with the USPTO and the U.S. Foreign & Commercial Service's "Doing Business in China" outreach seminars. Past programs were organized in: Chicago, IL; Atlanta, GA; Washington, DC; Manchester, NH; Cincinnati, OH; Cleveland, OH; Kansas City, MO; Indianapolis, IN; Dallas, TX; Austin, TX; Houston, TX; Newark, NJ; Minneapolis, MN; Dallas, TX; Newport Beach, CA; Atlanta, GA; Manhattan, NY; and Tampa, FL. ITA also launched a web-based seminar series on IPR issues in

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China that any interested U.S. company can access online. In September 2004, an IPR videoconference was conducted between USPTO, MAC's China Office, USTR and 34 judges from Guangzhou to discuss IPR related topics.

- ITA offices will work closely with the Commerce Department's IP attachés to develop and implement IPR-related trade policies and to address IPR market access and compliance cases. In China these attachés will assist U.S. businesses with navigating China's IPR regime and ensure China lives up to its international commitments.

- ITA is working through a variety of channels to promote the *China IPR Legal Advisory Program*. Launched in November 2005 in partnership with several private sector organizations, the program provides one hour of free legal counseling for SMEs on IPR in China.

- ITA continues to utilize the "Case Referral Mechanism" (CRM) for bringing individual U.S. companies' IPR complaints to the attention of China's Ministry of Commerce. To date, five cases have been submitted that demonstrate long-standing, serious IP problems experienced by U.S. companies. The U.S. companies involved in this process have found the mechanism to be effective. The CRM has helped facilitate the communication of important guidance from Chinese IPR agencies to assist these U.S. companies with properly enforcing their IPR under Chinese laws and regulations. At the April 2006 Joint Commission on Commerce and Trade, China renewed its commitment to vigorously pursue cases raised through the CRM.

Africa: The Department of Commerce's Office of Africa and the U.S. Chamber of Commerce launched a Sub-Saharan Africa Intellectual Property Protection Initiative, which began with an introductory kick-off seminar on April 25, 2006. ITA's Office of Africa also organized a workshop at the annual African Growth and Opportunity Act Forum on June 6, 2006, which was attended by 37 African Trade Ministers. There are plans for a follow-up event to take place in Sub-Saharan Africa this fall to bring further attention to the importance of IP protection in the region.

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Additionally, the Office of Africa is working closely with the U.S. Agency for International Development (U.S.AID) to respond to several West African countries' requests for IPR capacity building. The U.S.AID-funded African Global Competitiveness Initiative will provide funding for selected proposals on capacity building in Sub-Saharan African nations. The Office of Africa is working closely with the Department's Commercial Law & Development Program (CLDP) and the USPTO to craft project proposals addressing these requests.

Russia: ITA continues to hold periodic discussions, both in Russia and the United States, with representatives of U.S. industry associations and individual U.S. companies to obtain information on the situation and trends in Russia's enforcement of its IPR-related laws and regulations. From these discussions, ITA shares relevant feedback with other U.S. Government agencies and U.S. Embassy Moscow in preparation for government-to-government discussions with Russian officials. In September 2005, ITA's Russia office traveled to Russia to meet with representatives from the Russian copyright and trademark industries, including independent Russian record labels that face great difficulty combating music piracy, and to meet with the head of the American Chamber of Commerce Committee on Customs. The Russia office returned to Moscow shortly thereafter to represent the Commerce Department in an IPR working group, chaired by AUSTR Sean Donnelly and the head of Rospatent. In April 2006, the IPR working group traveled to Washington, D.C. to continue discussions regarding how to improve IPR protection in Russia.

An IPR attaché will be placed in Embassy Moscow during 2007. USPTO, the Resident Legal Advisor at Embassy Moscow, and the Commercial Law Development Program, will work with the attaché to provide technical assistance in an effort to bolster domestic enforcement and protection of IPR, particularly targeting law enforcement and customs authorities.

U.S. and Foreign Commercial Service IPR Initiatives

The Department of Commerce's US&FCS, through its mandate to promote U.S. exports, represent businesses internationally, and help businesses find qualified partners, is committed to serving the U.S. business community.

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As part of the Strategy Targeting Organized Piracy (STOP!) Initiative, MAC is working with the US&FCS and USPTO to promote protection of IPR at domestic and international trade fairs. The program will include efforts to educate trade fair organizers, exhibitors, and attendees about IPR and to help U.S. businesses guard against infringement at trade fairs. ITA will continue to explore opportunities to promote IPR protection at trade fairs and pavilions that Commerce operates, certifies, or supports, and to demonstrate the U.S. commitment to protecting intellectual property and respecting the rule of law.

Commerce has assigned four US&FCS officers as IPR Specialists, posted across the country, to work with internal specialists in ITA and USPTO to help U.S. exporters understand both international and national IPR agreements. These specialists also coordinate and promote IPR-related training and education events for the tens of thousands of business clients served by US&FCS. For example, in May 2006, US&FCS hosted a presentation in Chicago at the "Protecting Your Intellectual Property in China & the Global Marketplace" seminar, and arranged for U.S. businesses to speak about their success in using US&FCS support in reclaiming a stolen trademark from a former Chinese distributor and in acquiring due diligence skills in international IPR protection. In March 2006, US&FCS facilitated an event at Disney's Contemporary Resort for Under Secretary Jon Dudas, attended by legal counsel for large and medium sized companies in the Greater Orlando Area. Under Secretary Dudas presented the President's economic agenda and discussed the importance of IPR to international competitiveness. He also reviewed the services available from the U.S. Patent and Trademark Office and US&FCS.

IV. COMMERCIAL LAW DEVELOPMENT PROGRAM

The Department of Commerce's Commercial Law Development Program (CLDP) provides training and consultative services through a variety of mechanisms, including conferences, workshops, and other activities that focus on laws, administrative practices, and enforcement of IPR. In particular, CLDP assists countries in their compliance efforts with the WTO TRIPS Agreement. In FY 2005, CLDP organized the following IPR activities:

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Tunisia: Technology Management and Transfer

CLDP supported technology management and technology transfer initiatives that resulted in the development of Tunisian intellectual property rights, which are now viewed as a necessary component in the establishment of technology-based SMEs, a priority for the country.

Russia and Ukraine: Border Enforcement Officials Workshop

As part of CLDP's ongoing support of Russia and Ukraine's efforts to make the protection of IPR under their Commercial Codes more compliant with the TRIPS Agreement, CLDP conducted a five-day workshop for Russian and Ukrainian border enforcement officials nominated by the Russian and Ukrainian State Customs Services. The workshop was designed to provide the delegations with an opportunity to consult with their U.S. counterparts on current customs and border protection policies, techniques, and initiatives that lead to more effective border protection. The delegates also were familiarized with border protection requirements under TRIPS, and opened dialogue between the two countries on how to effectively stem the flow of illegal products across their borders. Experts on IPR protection and enforcement from the United States Patent and Trademark Office and the U.S. Customs and Border Protection shared their expertise with the delegates.

Russia: IPR Manual

Enforcement of IPR is an area that continues to be a serious issue in Russia's accession. CLDP, working with Russia's Patent and Trademark office (Rospatent), completed a comprehensive training manual to improve the knowledge and technical skills of intellectual property lawyers, regulators, and judges who are responsible for managing and implementing Russia's IP laws. This manual will also increase the knowledge of the rightsholders who are dependent on the protection of those laws. CLDP is currently working with Rospatent on the final details to publish the manual in Russian.

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Ukraine: Rightsholders Negotiations

CLDP co-sponsored a one-day seminar in Brussels in May 2006, co-organized by Eversheds LLP and the Ukraine Embassy in Brussels. Senior Ukrainian IPR officials, rightsholders, representatives of rightsholders' organizations, and government officials based in Brussels attended the seminar. The seminar allowed an exchange of views between rightsholders and Ukrainian officials on the current state of IPR protection in Ukraine.

Ukraine: Appellate Proceedings Workshop

CLDP conducted a program for Ukrainian intellectual property officials. The program was designed to acquaint Ukrainian intellectual property officials with the substantive and administrative principles and processes of intellectual property appellate proceedings. Coordinating with USPTO, CLDP arranged presentations by USPTO staff and the visiting officials observed a Trademark Appellate Hearing and a Hearing at the U.S. Court of Appeals.

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UNITED STATES DEPARTMENT OF STATE

BUREAU OF ECONOMIC BUSINESS & AGRICULTURAL AFFAIRS

BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

I. SUMMARY OF AGENCY MISSION

The Department of State works closely with other U.S. Government agencies in Washington and abroad to develop and implement U.S. international intellectual property rights (IPR) policy. The Department of State contributes to the enforcement of intellectual property rights (IPR) and the fight against intellectual property (IP) theft overseas through our embassies, consulates, and missions.

The State Department:

- Plays an active role in shaping the international protection and enforcement policy of the U.S. government;
- Represents U.S. views in bilateral and multilateral settings;
- Builds international partnerships for IPR enforcement and helps develop new public-private partnerships;
- Implements the objectives and policies of our sister agencies overseas;
- Advocates IP interests on behalf of U.S. businesses and serves as first responder for U.S. businesses victimized by IP theft;

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- Monitors third-country IP enforcement records on the ground and shares that information with the interagency IP team;
- Lobbies for improved IP-protective legislative and regulatory frameworks in host countries;
- Tracks the implementation of U.S. free trade agreement (FTA) IP provisions;
- Develops, funds and delivers IP training to our embassy officers and foreign government officials.

II. GENERAL IPR ACTIVITIES

The Department of State works with other agencies to implement the Administration's Strategy Targeting Organized Piracy (STOP!) initiative. On a daily basis, U.S. embassies and consulates work with host governments at the highest levels on IP priorities identified by the U.S. Government and U.S. industries. The issues range from lobbying government officials and parliamentarians to strengthen their nation's legal and regulatory IP regimes (including, at times, assistance in drafting new legislation); working with law enforcement officials and the judiciary to increase their commitment and capacity to enforce IPR laws; and advocating ratification and implementation of international agreements.

The Department of State draws upon its broad experience promoting U.S. foreign policy objectives, as well as its human resources in Washington (Desk Officers) and overseas (Ambassadors, Principal Officers, and economic, political/economic, educational and cultural affairs, and anti-crime officers and foreign service nationals at over 200 embassies, missions, and consulates). Ambassadors coordinate the work of all U.S. Government agencies and bring considerable persuasive force to bear to achieve U.S. objectives. For example, U.S. Ambassadors work to bring consistent pressure for IPR reform on trading partners on the Special 301 Priority Watch and Watch Lists. Within U.S. embassies and consulates, State Department Officers work with Department of Justice (DOJ) Resident Legal Advisers, Federal Bureau of Investigation (FBI) Legal Attachés, Department of Homeland Security (DHS) Customs Attachés, and Department of

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Commerce (DOC) Foreign Commercial Service Officers to leverage our effectiveness and ability to improve IP enforcement in the host country.

The State Department maintains an "open door" policy toward U.S. industries, and supports their efforts to protect and enforce their intellectual property rights abroad. In this respect, the State Department routinely interacts with foreign governments, raising U.S. industry concerns consistently and forcefully – both on a specific case level when violations occur, and more generally in addressing structural shortcomings.

The State Department is also an active "salesman" of the value of protecting IPR, showing other governments and industry why it is in their own self-interest to combat IP theft. State Department officials abroad work to build domestic coalitions to press for strong and sustainable IP enforcement. This includes programs to help developing country officials and citizens understand how the protection of innovation can contribute to long term economic development and the health and safety of consumers.

State developed and sponsors the International IPR Training Database website, coordinates training and technical assistance programs to priority nations/regions, leads the IPR Training Coordination Group (TCG), and funds targeted training and technical assistance programs for foreign law enforcement officers. Inside State, the Bureaus of International Narcotics and Law Enforcement Affairs (INL) and Economic and Business Affairs (EB) target crime funds that Congress has earmarked for comprehensive IPR training and technical assistance programs abroad. These funds are aimed at building the criminal enforcement capacity of foreign law enforcement partners. Initiatives range from providing legislative drafting assistance and working with executive and legislative officials to secure the passage of IP protective laws, to building strong enforcement regimes through the provision of government-to-government training for police, prosecutors, customs and border officials and judges to implement and enforce these laws. In addition to administering these criminal enforcement training funds, INL also works with major law enforcement entities in the U.S. and internationally, including INTERPOL and the G8 Anti-Crime and Terrorism Group, to address the protection and enforcement of IPR.

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As mandated by Congress in the FY2005 budget, the State Department established the Office of International Intellectual Property Enforcement (IPE), in the Bureau of Economic and Business Affairs (EB) to coordinate IP issues. The office was created to raise the profile of IP issues within the agency. With this change, IP issues are now placed on an equal organizational footing with multilateral, bilateral and agricultural trade issues in State Department deliberations.

EB IPR officers work with other bureaus in the State Department, and with the State Department's training institute, the National Foreign Affairs Training Center (NFATC), to ensure that Embassy officers receive the education and support necessary to effectively represent U.S. interests in this increasingly complex subject matter.

III. ACCOMPLISHMENTS

Building International Partnerships

The State Department has:

- Played a key role in negotiating concrete, results-oriented IP enforcement action plans for G8 and U.S.-EU coordination;
- Guided establishment of optimal parameters for an OECD study on the global economic impact of IP crime;
- Helped strengthen APEC IP enforcement guidelines; and
- Contributed significantly, through the intensive work of Embassy teams, to key IP enforcement framework improvements in Kazakhstan, Kuwait, Pakistan, Philippines, Slovakia, Ukraine, and Uruguay.

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Expanding Public Outreach and Awareness

In the area of public diplomacy, the State Department has:

- Created and launched the "Musical Ambassadors for IPR" international program, which employs an existing public-diplomacy funded program for U.S. musicians touring abroad to deliver "protect IP and protect your local culture" message to international musicians and audiences;
- Addressed several industry events, including domestic small and medium-sized business audiences
- Placed op-eds on IP's relevance to local interests in India and across Latin America, reaching well over a million readers;
- Increased the availability of country-specific, free, online Embassy IP "toolkits" for U.S. businesses to protect themselves in foreign markets; and
- Developed IP-awareness educational programs for children.

Building Embassy Effectiveness as First Responders and IP Advocates

The Department of State significantly expanded training of Embassy staffs in IPR issues in FY 2006 of the NIPLECC report. This training will increase their effectiveness as first responders to U.S. industry, as implementers of other agencies' IP agendas, as advocates for enforcement improvements, and as outreach specialists in building support for IP protection abroad.

In 2005, State staged two major IP training events for our officers in Africa and Latin America, bringing them together with U.S. Government IP experts and U.S. industry representatives. New tactics were identified and enforcement partnerships formed. Recognizing the contribution these events have made to

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U.S. Government effectiveness on IP issues in the field, State has made this cycle of training events permanent and in 2006 will conduct its next training event for officers serving in the Middle East and Europe.

State has also:

- Expanded the scope and accessibility of an internal webpage that helps field officers exchange best practices and lessons learned, learn about the latest developments in international IP advocacy, and reach other agency's IPR subject matter experts;

- Started a virtual newsletter to IP-responsible officers around the world to report on the latest developments in IP protection and introduce new models for coalition-building internationally;

- Launched an IP distance-learning course to enable at-post officers to improve their substantive knowledge of IP issues cost-effectively, and

- Facilitating placement of new IPR attachés in China, Brazil, Egypt, Thailand, India and Russia.

Strengthening International Law Enforcement Capacity

State's Bureaus of Economic and Business Affairs and International and Law Enforcement Affairs have in the last year:

- Expanded the membership and database of the public-private U.S. Training Coordination Group (TCG – see below);

- Identified and launched, in FY 2005, 15 new technical Global Intellectual Property Academy assistance projects, worth $2.5 million, to build foreign law enforcement capacity in the IP arena;

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- Identified in FY 2006 several additional technical assistance projects, worth $3 million, to build foreign law enforcement capacity in the IP arena; and

- Realigned project distribution to reflect evolving U.S. enforcement priorities.

IV. ADDITIONAL INITIATIVES

IPR Training Coordination Group (TCG)

The EB and INL Bureaus co-chair the IPR Training Coordination Group (IPR TCG). Founded in 1998, the IPR TCG is comprised of U.S. Government agencies and industry associations that provide IPR-related informational programs, training, and technical assistance to foreign officials and policy makers. The Departments of Justice and Commerce, the Office of the U.S. Trade Representative (USTR), the FBI, the DHS/Bureau of Customs and Border Protection (formerly U.S. Customs Service), the U.S. Patent and Trademark Office, the U.S. Agency for International Development, and the Copyright Office all participate in the IPR TCG. The International Intellectual Property Alliance, the U.S. Chambers of Commerce, the International Anti-Counterfeiting Coalition, and umbrella trade organizations like the Business Software Alliance and the Pharmaceutical Researchers and Manufacturers' Association, are some of the private sector participants.

The IPR TCG is an excellent forum for key training providers to exchange information on training and technical assistance activities in the context of priorities identified in the Special 301 and WTO TRIPS processes, for the State Department to share information from overseas posts, and for TCG members to contribute expertise in discussions of issues that all assistance providers confront. Although the IPR TCG has no funding of its own, members are free to consider information gathered during these informal TCG discussions when deciding where to target their own programs and activities to combat IPR crime. The IPR TCG process reflects a shared commitment by each of its members to maintaining a common knowledge base as we each leverage our own limited training resources, ensuring the least possible redundancy.

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International IPR Training Database (available at *www.training.ipr.gov*)

The State Department, after extensive consultation with NIPLECC members and other members of the IPR TCG, sponsored the design of a website to host a database of IPR training provided by the U.S. Government, private industry, and NGO partners to other countries. The State Department administers this database, which makes IPR training information immediately available to anybody with access to the Internet. U.S. Government and other registered U.S. IPR training providers may add and update information about their own programs. The database continues to expand, enabling NIPLECC and TCG members to plan better, share resources, and effectively respond to priority needs. This valuable tool fosters coordination among NIPLECC members, other U.S. Government providers of IPR training, and U.S. industry regarding their efforts to improve intellectual property protection worldwide. It also demonstrates that the U.S. is committed to providing significant resources to help other countries develop the capacity to protect both foreign and domestic IPR.

International Training and Technical Assistance to Law Enforcement

The State Department administers Congressionally-earmarked International Narcotics and Law Enforcement funds (INLE) targeted for training and technical assistance programs in non-OECD countries for investigators, law enforcement officers, prosecutors, judges, customs and border officials, and other foreign officials and policymakers, who investigate, prosecute, punish, and prevent violations of IPR. The amount of this "soft earmark" was $3 million in FY2005 and increased to $5 million in FY2006. Three million dollars in training projects for FY 2006 have been finalized. The State Department also conducts a number of outreach activities, such as meeting with members of industry groups and other U.S. Government agencies, to informally share information so as to ensure that government programs are effective.

In making funding decisions, State considers U.S. IP enforcement priorities as identified through the USTR's Special 301 Report, U.S. industry, U.S. Missions, and in light of any information from TCG meetings. The State Department selects the training and technical assistance programs through criteria

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designed to identify countries/regions with weak IPR laws or inadequate enforcement, as well as considering whether training and technical assistance programs will lead to actual reductions in intellectual property violations. Finally, State reports to Congress on the use of the appropriated funds and details the results achieved through these expenditures.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

I. SUMMARY OF AGENCY MISSION

The Office of the United States Trade Representative (USTR) uses a wide range of bilateral and multilateral trade tools to promote strong intellectual property laws and effective enforcement worldwide. Key tools include bilateral engagement with U.S. trading partners, the annual "Special 301" review, negotiation of intellectual property chapters of bilateral and regional trade agreements, and multilateral engagement through the World Trade Organization (WTO). USTR leads the Administration's efforts in these areas, working in close coordination with other agencies.

II. ENGAGEMENT WITH U.S. TRADING PARNTERS AND SPECIAL 301 REVIEW

USTR intercedes directly with trading partners around the world to raise and address intellectual property concerns. Among the most effective tools in this effort is the annual "Special 301" review. On April 28, 2006, U.S. Trade Representative Robert Portman released the 2006 "Special 301" annual review which examined in detail the adequacy and effectiveness of intellectual property rights (IPR) protection countries. This year, the IPR regimes of 87 countries were examined, and based on a lengthy process of information gathering and analysis, the United States Trade Representative (USTR) identified 48 countries to designate in the categories of Priority Watch List, Watch List, and Section 306 Monitoring. The designations and corresponding requisite actions were a result of close consultations with affected industry groups, other private sector representatives, Congressional leaders, foreign governments, and numerous agencies within the United States Government. The Special 301 Report reflects the Administration's resolve to take consistently strong actions under the Special 301 provisions of the Trade Act of 1974 (Trade Act).

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Addressing weak IPR protection and enforcement, particularly in China and Russia, continues to be one of the Administration's top priorities. With respect to China, this year's Special 301 Report described the United States' plan to continue heightened scrutiny of China by maintaining China on the Priority Watch List and continuing Section 306 monitoring, as well as stepping up consideration of World Trade Organization (WTO) dispute settlement options. In addition, the United States announced that it will scrutinize IPR protection and enforcement at China's provincial level through an unprecedented special provincial review to be conducted in the coming year. With respect to Russia, the Special 301 Report outlined the United States' efforts to bring Russia's IPR regime in line with international standards, noted some progress in Russia's recent efforts to combat IPR piracy and counterfeiting, and announced continued heightened scrutiny of Russia by maintaining Russia on the Priority Watch List. The United States will be monitoring closely China's and Russia's IPR activities throughout the coming year.

In addition to China and Russia, the Special 301 Report set out significant concerns with respect to such trading partners as Argentina, Belize, Brazil, Egypt, India, Indonesia, Israel, Lebanon, Paraguay, Turkey, Ukraine, and Venezuela. In addition, the report noted that the United States will consider all options, including, but not limited to, initiation of dispute settlement consultations in cases where countries do not appear to have implemented fully their obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

In this year's review, USTR devoted special attention to the need for significantly improved enforcement against counterfeiting and piracy. The United States placed particular emphasis on the ongoing campaign to reduce production of unauthorized copies of optical media products such as compact discs (CDs), video compact discs (VCDs), digital versatile discs (DVDs), and compact disc read-only memory (CD-ROMs), as well as reducing the counterfeiting of trademarked goods. There are high rates of piracy and counterfeiting in many countries, including in China, India, and Russia. In addition, USTR continued to focus on other critically important issues, including Internet piracy, counterfeit pharmaceuticals, transshipment of pirated and counterfeit goods, requiring authorized use of legal software by government ministries, proper implementation of the TRIPS Agreement by developed and developing country WTO members, and full implementation of TRIPS Agreement standards by new WTO members at the time of their accession.

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The report lauded the positive progress on IPR protection and enforcement in several countries over the past year. For example, Ukraine passed and implemented legislation to combat pirate production in optical media factories. Brazil made significant progress during the past year on copyright enforcement, specifically by adopting a National Action Plan to enforce copyrights and reduce piracy, drafting IPR legislation, increasing seizures and prosecutions, and developing strong public awareness campaigns to fight piracy. Pakistan also made significant progress by closing down numerous pirate optical disc production plants, establishing a Pakistan Intellectual Property Organization to centralize enforcement, and increasing border enforcement efforts, as well as increasing the number of raids, seizures, and arrests of IPR infringers. Several other countries in Asia also had made significant progress on IPR issues in the past year: Taiwan, Indonesia, Malaysia, the Philippines and the Republic of Korea. In addition, Azerbaijan, Kazakhstan, the Slovak Republic, and Uruguay were removed from the Watch List as a result of their progress. USTR is currently in the process of conducting special out-of-cycle reviews for Canada, Chile, Indonesia, Latvia and Saudi Arabia.

Another unprecedented addition to the review was the public naming of a list of "notorious markets." Global piracy and counterfeiting thrive in part due to large marketplaces that deal in infringing goods. Information reviewed in this year's Special 301 process pointed to a number of virtual and physical markets as examples of marketplaces that have been the subject of enforcement action, or merited further investigation for possible IPR infringements, or both. USTR will monitor closely these markets over this next year.

III. FREE TRADE AGREEMENTS AND IMPLEMENTATION

The United States is committed to a policy of promoting stronger protection of intellectual property rights. In this regard, the United States is advancing the protection of these rights through a variety of mechanisms, including the negotiation of free trade agreements (FTAs). The intellectual property chapters of U.S. FTAs establish high standards for intellectual property protection for copyright works, trademarks, and patents, and additionally provide strong rules for enforcement. USTR leads and coordinates the efforts.

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The United States recently concluded FTAs, including the Bahrain FTA, Oman FTA, the Peru Trade Promotion Agreement, the Colombia Trade Promotion Agreement, and the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) (with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic), which will strengthen the protection of IPR in those countries. The United States also is seeking high levels of IPR protection and enforcement in the FTAs that are currently under negotiation with Panama, Thailand, Ecuador, the United Arab Emirates, the Republic of Korea and Malaysia. Another opportunity the United States uses to strengthen the protection and enforcement of intellectual property is the increasing number of trade and investment framework agreement (TIFA) negotiations with several countries in regions such as the Middle East and Asia.

USTR works closely with trading partners to ensure that legislation is amended to comply with FTA obligations and IP protections are enforced. USTR has established a robust implementation process with input and support from other agencies and U.S. industry. In FY 2005, USTR worked with Singapore, Australia, Morocco and others to ensure compliance with their FTA obligations.

IV. STOP! Initiative

USTR is actively engaged in implementing the Administration's Strategy Targeting Organized Piracy (STOP!) initiative. Announced in October 2004, STOP! brings together all the major players – the federal government, private sector and trading partners – to take concerted action in cracking down on piracy and counterfeiting. The initiative is part of an effort to enhance coordination among all relevant U.S. Government agencies and U.S. trading partners to tackle this global problem. As part of STOP!, USTR is advocating adoption of best practices guidelines for enforcement. In 2005, USTR led interagency teams to meet with a number of key trading partners, including Japan, Korea, Hong Kong, Singapore, UK, France, Germany, and the European Union, to establish greater cooperation on IPR enforcement. USTR will continue these efforts to strengthen IPR laws and enforcement and create an international alliance against counterfeiting and piracy.

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As part of this effort, USTR, in coordination with other agencies, is introducing new initiatives in multilateral fora to improve the global intellectual property environment that will aid in disrupting the operations of pirates and counterfeiters. Key initiatives have gained endorsement and are undergoing implementation in the G8, the U.S.-EU Summit, the Organization for Economic Cooperation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum.

At the November APEC Ministerial, APEC Leaders adopted best practices guidelines to improve border enforcement, protect digital copies and combat internet piracy. USTR is spearheading an effort to have APEC leaders endorse additional IPR guidelines that would keep supply chains free of pirated and counterfeit goods and improve IPR public awareness campaigns throughout the Asia-Pacific region.

V. GENERALIZED SYSTEM OF PREFERENCES (GSP) REVIEWS

USTR will continue to use all statutory tools, as appropriate, to improve intellectual property protection in countries where it is inadequate. For example, USTR examines IPR practices in connection with its implementation of trade preference programs, such as the ongoing Generalized System of Preferences (GSP) reviews of countries. This year, because of significant progress in improving enforcement, USTR was pleased to announce the conclusion of the GSP reviews of Brazil, Kazakhstan and Pakistan. In addition, in January 2006, USTR restored GSP benefits to Ukraine because of progress in combating illegal optical disc production, including the passage of new legislation. USTR will continue to review the IPR practices of Russia, Lebanon and Uzbekistan under the ongoing GSP reviews of those countries.

VI. WTO DISPUTE SETTLEMENT AND OTHER TOOLS

In addition to the formal WTO dispute settlement process, other tools are available to resolve disputes with our trading partners. These include informal consultations that result in a settlement, which can be a more efficient way to – and therefore the preferred manner of – resolving disputes. However, where such

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tools prove unsuccessful, USTR has and will continue to utilize the WTO dispute settlement process as appropriate.

The United States, in cooperation with other WTO members, has also made innovative use of WTO tools other than the dispute settlement process. For instance, in October 2005, the United States, Japan, and Switzerland made simultaneous transparency requests to China under Article 63.3 of the TRIPS Agreement for purposes of obtaining detailed information regarding China's IPR enforcement record.

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UNITED STATES COPYRIGHT OFFICE

I. SUMMARY OF AGENCY MISSION

By statute (Public Law No. 106-58, Section 653(c)), the National Intellectual Property Law Enforcement Coordination Council (NIPLECC) is required to consult with the Register of Copyrights on law enforcement matters relating to copyrights and related matters.

General Responsibilities

The Copyright Office provides expert assistance and advice to Congress, federal departments and agencies, and the Judiciary on domestic and international copyright and related matters.

In this capacity, the Copyright Office is often responsible for analyzing and assisting in drafting copyright legislation and legislative reports, mediating discussion between interested private parties, testifying in Congressional hearings, and undertaking Congressionally requested studies on copyright and related questions. The Copyright Office also offers advice to Congress and other U.S. Government agencies on compliance with multilateral agreements, such as the Berne Convention for the Protection of Literary and Artistic works, and on the copyright and related rights obligations of bilateral free trade agreements.

Internationally, the Copyright Office works with the State Department, the U.S. Trade Representative's Office (USTR), and the U.S. Patent and Trademark Office (USPTO) in providing technical expertise in negotiations for international intellectual property agreements, and provides technical assistance to other countries in developing their own copyright laws. Through its International Copyright Institute, the

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Copyright Office promotes worldwide understanding and cooperation in providing protection for and enforcement of intellectual property.

The Copyright Office is also an office of record, as one of its primary and historical functions is to register claims to copyright, as well as documents relating to copyright such as assignments or transfers of rights. In addition, the Copyright Office provides information to the general public about copyright law, including the Office's procedures for making registration. Administratively, the Copyright Office sets copyright policy through rule making and the administration of compulsory licenses contained in the copyright statute.

Statutory Mandate

In addition to the various administrative functions and duties described in the Copyright Act, the Copyright Office has a statutory mandate to:

1. Advise Congress on national and international issues relating to copyright, other matters arising under title 17, United States Code, and related matters;

2. Provide information and assistance to Federal departments and agencies and the Judiciary on national and international issues relating to copyright, other matters arising under title 17, and related matters;

3. Participate in meetings of international intergovernmental organizations and meetings with foreign government officials relating to copyright, other matters arising under title 17, and related matters, including as a member of United States delegations as authorized by the appropriate Executive branch authority;

4. Conduct studies and programs regarding copyright, other matters arising under title 17, and related matters, the administration of the Copyright Office, or any function vested in the Copyright Office

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by law, including educational programs conducted cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

5. Perform such other functions as Congress may direct, or as may be appropriate in furtherance of the functions and duties specifically set forth in title 17.

II. DOMESTIC ENFORCEMENT ACTIVITIES

Advice to Congress

One of the Copyright Office's primary domestic functions is to advise Congress on matters of copyright policy and related issues. As such, the Copyright Office provides expert counsel to Congress on legislation that would affect copyright enforcement. In the past year, the Copyright Office has worked closely with committee staffs and the staffs of individual members on a range of measures related to copyright enforcement as follows:

- Advised House and Senate committee members and staff on the "Family Entertainment and Copyright Act of 2005," Pub. L. No. 109-9, enacted April 27, 2005, which authorized the Register of Copyrights to establish a new system for "preregistration" of works in order to facilitate enforcement against piracy of works being prepared for commercial exploitation, and amended title 17 to add an exemption from infringement for devices that allow the skipping of audio or video content in motion pictures;

- Advised House and Senate committee members and staff on the "Intellectual Property Protection and Courts Amendments Act of 2004," Pub. L. No. 108-482, enacted Dec. 23, 2004, which amended title 17 to add a new presumption of willful infringement for providing materially false contact information to a domain name registrar;

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- Testified before the Senate Committee on the Judiciary on "Piracy of Intellectual Property," May 25, 2005; and

- Testified before the Senate Committee on the Judiciary on "Protecting Copyright in a Post-*Grokster* World," September 28, 2005.

Liaison to Various Enforcement Agencies

The Copyright Office is not a law enforcement agency and has no direct role in law enforcement. However, many of the Office's obligations and responsibilities intersect with activities in the law enforcement arena, and the Office frequently provides counsel to the agencies charged directly with the enforcement of copyright law.

For instance, the Office works closely with the Federal Bureau of Investigation, the Department of Justice, and the Bureau of Customs and Border Protection when necessary to provide information and documentation pertaining to a specific copyright claim that is the subject of an investigation by those agencies. The Copyright Office also advises and assists the Bureau of Customs and Border Protection in resolving issues and in developing new procedures related to border enforcement.

In the past year the Office worked very closely with the Department of Justice and the Office of the Solicitor General to develop the United States Government's position in the *MGM v. Grokster* before the Supreme Court. The United States filed a brief *amicus curiae* urging the Court to reverse the Court of Appeals for the Ninth Circuit, which had held that Grokster was not liable for contributory copyright infringement. The Court did reverse, and held that any person that induces another to commit copyright infringement may be held liable as an infringer. This decision will likely facilitate more effective private enforcement in the online environment.

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III. INTERNATIONAL ENFORCEMENT ACTIVITIES

Assistance to USTR

Internationally, the Copyright Office actively participates in a number of activities related to the enforcement of copyright laws. The Office frequently provides USTR with assistance related to bilateral and multilateral trade agreements. In this role, during the past year the Office assisted and advised USTR in dozens of negotiations and discussions, including the following:

- Assisted and advised USTR on negotiation and implementation of the copyright and enforcement texts of bilateral Free Trade Agreements between the United States and Australia, Bahrain, Morocco, Oman, Panama, Singapore, Thailand, and United Arab Emirates, and several multilateral Free Trade Agreements, including the Central America Free Trade Agreement (DR-CAFTA), with a group of Andean nations, with the South African Customs Union;

- Engaged in bilateral discussions specifically regarding enforcement concerns and legislation with Canada, China, Egypt, India, Japan, Korea, Paraguay, Russia, and Saudi Arabia, among others; and

- Participated in discussions with a number of countries on Trade Investment Framework Agreements, including Khazakhstan and New Zealand.

The Copyright Office also assists USTR with various aspects of the United States' role in the World Trade Organization (WTO). In the last year the Office assisted USTR with the WTO Trade Policy Review process, developing question to be posed to other WTO members with respect to their copyright and enforcement regimes, and also answering questions posed by other WTO members to the U.S. about copyright law. The Office has also assisted USTR on WTO accessions by several countries, including Algeria, Cape Verde, Kazakhstan, Russia, and Serbia and Montenegro, among others.

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Further, the Copyright Office participated in the interagency Special 301 process led by USTR which considers whether countries throughout the world are providing adequate protection to intellectual property, including copyright.

Assistance to Other Agencies

The Copyright Office also provides assistance to other U.S. Government agencies involved in enforcement efforts around the globe. During the last year, the Copyright Office worked with the State Department and the Department of Justice to provide assistance to the Government of Sweden in their efforts to address "The Pirate Bay," a website notorious for facilitating Internet piracy.

Intergovernmental Organization Activities

During the past year, the Copyright Office participated in activities of the World Intellectual Property Organization (WIPO) related to enforcement, in particular as a member of the WIPO advisory committee on enforcement. The Copyright Office also participates in the enforcement related activities of the WTO's TRIPS Council.

Further, during the past year the Copyright Office also met informally with numerous visitors from numerous foreign governments regarding intellectual property enforcement issues.

Other activities related to intergovernmental organizations included the following:

- Participation in meetings of the second phase of the World Summit on the Information Society in Geneva;

- Participation in the WIPO Intergovernmental Committee on Protection for Traditional Knowledge and Folkore;

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- Participation in meetings of the UNESCO Intergovernmental Committee in Paris, France considering a Convention on Cultural Diversity in May 2005, and in Intergovernmental meetings on the Universal Copyright Convention and the Rome Convention in June 2005;

- Participation in WIPO Intersessional Intergovernmental Meetings on the Development Agenda in April 2005; and

- Participation in the U.S. delegation to the WIPO Standing Committee on Copyright and Related Rights in November 2005, and May 2006, which continued discussion of the proposed treaty on the protection of broadcasters.

IV. PROGRAMMATIC ACTIVITIES

Domestic Training and Education

Copyright Office staff routinely participates in domestic training and education programs about copyright law. Frequently, Copyright Office staff members attend and give presentations at seminars or other events organized by law enforcement agencies such as the Federal Bureau of Investigation, the Department of Justice, and the U.S. Customs Service. The Copyright Office also provides education on enforcement through seminars and events it organizes itself, and through participation in numerous events held by industry groups, educational institutions, and various bar associations. In the last year, these activities included the following:

- A presentation at the Big Ten Copyright and Printing Conference;

- Several presentations and seminars for "The Copyright Office Comes to New York," New York, New York, and "The Copyright Office Comes to California," Los Angeles and San Francisco, California;

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- An event for IP law students from George Washington University to visit and discuss the history and current activities of the Copyright Office;

- A presentation to the New York City Bar Association on recent Copyright Office activities;

- Panel discussions at the Annual Meeting of the Copyright Society of the U.S.A.;

- A presentation on recent copyright issues at a seminar during the meeting of the Association of Corporate Counsel in Chicago;

- A guest lecture in an Advanced Copyright Seminar at Duke University Law School;

- A guest lecture on copyright at the Columbia University School of Law;

- A guest lecture on copyright at the California Western School of Law;

- A panel at the George Washington University School of Law in Washington, D.C. on careers in copyright law;

- A panel discussion entitled "Technology of the Rescue? Whether DRM and Free Markets Can Tame Illicit File-Sharing, Without Compulsory Licensing or Other Legislation" sponsored by the New York Chapter of the Copyright Society of the U.S.A.;

- Two presentations at the Mid-Winter Meeting of the American Intellectual Property Law Association;

- A panel discussion on orphan works at the Future of Music Policy Summit;

- A panel discussion at the annual meeting of the American Bar Association IP Law Section;

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- A panel discussion entitled "What You Need to Know About the Digital Millennium Copyright Act and Its Application" sponsored by the District of Columbia Bar Association;

- A guest lecture entitled "Copyright in Crisis" at the Hamline University School of Law;

- A guest lecture on "Current Copyright Activities in Congress, the Courts, and the Copyright Office" sponsored by the Minnesota Intellectual Property Law Association;

- A panel discussion entitled "'Congress Shall Have the Power': Recent Constitutional Challenges to Copyrights" sponsored by the New York Chapter of the Copyright Society of the U.S.A.;

- An event entitled "Litigation Year in Review," sponsored by the New York State Bar Association Intellectual Property Section and the Cardozo Arts and Entertainment Law Journal;

- A presentation at National Geographic on copyright basics and digital issues;

- A panel discussion entitled "The Supreme Court Wrestles with *Grokster* and the Continuing Viability of the Sony Betamax Decision," at the spring meeting of the American Intellectual Property Law Association;

- A panel discussion on the *MGM v. Grokster* case hosted by the DVD Association at the National Institute of Standards & Technology;

- A panel discussion on orphan works at the Annual Meeting of the Copyright Society of the U.S.A.;

- Participation in the Library of Congress's *National Book Festival*;

- A presentation on intersection of oral history and copyright law for the Oral History Mid-Atlantic Region Association;

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- A presentation on orphan works to a group of scholarly publishers;
- A lecture on orphan works at Columbia University Law School;
- A panel discussion on orphan works sponsored by the Copyright Society of the U.S.A.;
- Guest lectures at George Washington University Law School and George Mason University Law School on copyright, developing countries and Internet;
- Participation in and co-sponsorship of Section 108 Study Group Roundtable Discussions in Los Angeles, California, and Washington, D.C.;
- A presentation on the "State of the Copyright Office" at the *2006 Spring Copyright Conference* in Carlsbad, California, organized by the Los Angeles Copyright Society; and
- A presentation on orphan works at the Annual Meeting of the Association of American Museums in Boston, Massachusetts.

International Training and Education

Copyright Office staff also participates extensively in international training organized by other U.S. agencies, such as USPTO and the State Department, and international organizations, such as WIPO, on intellectual property enforcement issues. In addition, the Copyright Office staff has developed and conducted training programs in connection with the negotiation of free trade agreements.

Unrelated to law enforcement training, the Copyright Office conducts and participates in a range of intellectual property training activities. In light of WTO member countries' obligations to comply with the TRIPS Agreement and the enforcement provisions therein, the Copyright Office has been actively engaged in training so that countries may meet their international obligations and U.S. interests are

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preserved. Specifically, the Copyright Office participates on training in the areas of (1) awareness of international standards and the U.S. legal and regulatory environment; (2) substantive legal training on both basic and complex areas of U.S. copyright law; and (3) legal reform and statutory drafting assistance.

The Copyright Office also hosts a well-regarded workshop semi-annually in conjunction with WIPO. The International Copyright Institute (ICI) was created within the Copyright Office by Congress in 1988 and provides training for high-level officials from developing and newly industrialized countries and encourages development of effective intellectual property laws and enforcement overseas.

Other international training and educational activities in the past year include the following:

- Participation in WIPO programs in New Delhi, India, a symposium on the protection of broadcasting organizations and an Asia-Pacific Regional Symposium on digital copyright issues and implementation of the WIPO Internet Treaties;

- A presentation in Ottawa, Canada for Canadian officials and professors on legislative efforts in the United States to address copyright infringement on peer-to-peer services;

- A presentation to State Department economic officers in the Asia-Pacific region in Hong Kong, China;

- Participation in a Congressional-staff delegation to China to discuss intellectual property enforcement;

- Participation in an African regional consultation on the proposed broadcasting organizations treaty in Nairobi, Kenya;

- A presentation at a WIPO seminar on Intermediary Liability Under Copyright Law in Geneva, Switzerland;

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- Participation in the Creative Economy Conference in London;

- A presentation at the 78th Annual Intellectual Property Institute of Canada Annual Meeting in Banff Springs, Alberta, Canada entitled "Developments before National Copyright Offices";

- A presentation at a conference on "Copyright Law-Current Developments in U.K., European U.S., and International" in London;

- Participation in the development of a new WIPO publication on copyright for small and medium-sized enterprises;

- Presentations at the International Intellectual Property Conference and Seminar on Asia-Pacific Intellectual Property Issues at Fordham University Law School; and

- A presentation on Librarians and Copyright Law for librarians and library science students in Costa Rica.

V. OPERATIONAL ACTIVITIES

Public and industry outreach on copyright and related matters takes place on both a formal and informal basis. The Copyright Office regularly conducts public hearings on different intellectual property subjects, and maintains ongoing informal relationships with most members of the intellectual property community. The Office also maintains an extensive web site, http://www.copyright.gov, that includes news-alert services, copies of intellectual property laws and regulations, and public information circulars.

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VI. LOOKING FORWARD

As noted earlier, the Copyright Office hosts a well-regarded workshop semi-annually in conjunction with WIPO, the International Copyright Institute (ICI). ICI was created within the Copyright Office by Congress in 1988 and provides training for high-level officials from developing and newly industrialized countries and encourages development of effective intellectual property laws and enforcement overseas. This Fall the Office anticipates holding another of these semi-annual workshops in order to continue to provide useful education and training on copyright internationally.

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B. Pursue Criminal Enterprises Involved in Piracy and Counterfeiting

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UNITED STATES DEPARTMENT OF JUSTICE

I. ENFORCING AND PROTECTING INTELLECTUAL PROPERTY RIGHTS

The Department of Justice comprehensively enforces and protects intellectual property rights through a number of divisions, sections, and agencies. Each of these important components has highly-trained attorneys, law enforcement agents, and staff who specifically address intellectual property issues, ranging from criminal prosecutions to antitrust concerns. In addition, the Bush Administration has developed a comprehensive, interagency initiative to combat intellectual property theft and address international enforcement issues. The Bush Administration's interagency campaigns and the Department of Justice's specific efforts are explained below.

A. Interagency Efforts – STOP! Initiative and NIPLECC

The Department of Justice has the lead criminal enforcement role in the United States Government's protection of intellectual property rights here and abroad. The Department of Justice also coordinates with other government agencies on numerous domestic and international policy matters relating to intellectual property protection. It does so through a variety of means, including daily contact with other government agencies responsible for the many facets of intellectual property protection in the United States, as well as formal mechanisms such as the Bush Administration's Strategy Targeting Organized Piracy ("STOP!") initiative and the National Intellectual Property Law Enforcement Coordination Council ("NIPLECC").

The Department of Justice has participated in the STOP! initiative since its inception in 2004. The Department of Justice has made important contributions to this broad mission through the work of the

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Task Force and, more specifically, through implementation of the Task Force's detailed recommendations set forth in 2004 Report. The Department of Justice also has coordinated closely with other STOP! agencies on numerous international and domestic policy issues; joined STOP! agencies in visits to the European Commission, France, Germany, Hong Kong, Korea, and the United Kingdom in April and June of 2005; participated in a series of round table discussions, seminars, and other business outreach efforts; and helped develop greater public awareness of how federal criminal laws protect the owners of intellectual property.

The Department of Justice has also co-chaired NIPLECC since its creation by Congress in 1999. NIPLECC details the Department of Justice's enforcement strategy and priorities and highlights many of its most significant intellectual property prosecutions for that year. In addition, the Department of Justice works through NIPLECC to coordinate its international training and outreach efforts with other federal agencies.

B. Criminal Enforcement Efforts

1. Computer Crime and Intellectual Property Section

The Department of Justice has developed an effective nationwide anti-piracy and anti-counterfeiting effort anchored by the Criminal Division's Computer Crime and Intellectual Property Section ("CCIPS"). CCIPS is a highly specialized team of 35 attorneys focused on computer crime and intellectual property offenses. With the support of Congress, CCIPS has nearly doubled in size over the past six years, and it now has 14 attorneys devoted exclusively to prosecuting intellectual property crimes and implementing the Department of Justice's intellectual property enforcement program. These attorneys prosecute intellectual property cases, assist prosecutors in the field, and help develop and implement the Department of Justice's overall anti-piracy strategy and legislative priorities. In addition to prosecuting their own cases, which have increased more than eight-fold in the last four years, CCIPS attorneys are available to agents and Assistant United States Attorneys ("AUSAs") on a 24-hour-a-day basis to provide advice and guidance.

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CCIPS also places a high priority on fostering international cooperation and coordination in its intellectual property enforcement efforts. Building relationships between American law enforcement and our counterparts overseas is the most effective method of ensuring success in multi-national cases. These relationships are built through international casework as well as through training and outreach. Last year, CCIPS attorneys met with more than 2,000 prosecutors, investigators, judges, and intellectual property experts from 94 countries to provide training and technical assistance on intellectual property enforcement.

2. Computer Hacking and Intellectual Property Program

As with all federal crime, primary responsibility for the prosecution of federal intellectual property offenses falls to the 94 United States Attorneys' Offices across America. Under the CHIP Program, created by then-Attorney General Ashcroft in 2001, experienced and highly-trained federal prosecutors in the field aggressively address computer crime and intellectual property matters.

a. CHIP Coordinators

Prior to the creation of the CHIP Program, the Department of Justice created the Computer & Telecommunications Coordinator ("CTC") program in 1995 to address concerns about the rising tide of computer crime. The United States Attorneys' Offices designated at least one AUSA in each district as a CTC; depending on the needs of the particular region, some districts designated more than one prosecutor. In addition, a number of components and divisions within the Department of Justice, such as the Tax Division, also designated CTCs for their respective organizations.

In October 2004, the Task Force recommended that the Department of Justice change the CTC designation to "CHIP Coordinator" to clarify that intellectual property offenses were included within the responsibilities of these AUSAs and to align all 94 United States Attorneys' Offices with the Attorney General's CHIP Program. Identifying a CHIP Coordinator in each United States Attorney's Office ensures that a prosecutor with training and experience in intellectual property crimes is available wherever and whenever an offense occurs.

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Under the CHIP Program, prosecutors are assigned four areas of responsibility: (1) prosecuting computer crime and intellectual property offenses; (2) serving as a technical advisor for other prosecutors and law enforcement agents; (3) assisting other CHIP Coordinators in multi-district investigations; and (4) providing training and community outreach regarding computer-related issues.

b. CHIP Units

In July 2001, the Department of Justice created ten CHIP Units to address the increasing threat of cyber crime and intellectual property offenses in specific regions of the country. CHIP Units are teams of specially-trained AUSAs concentrated in a particular region. The CHIP Program was created to augment the number of prosecutors designated as CHIP Coordinators. The Department of Justice provided districts with additional funding to hire prosecutors and support personnel to form CHIP Units and to focus on fighting intellectual property and cyber offenses. The program was expanded in 2002 and 2004, including the effort in 2004 to align the CTC program with the CHIP Program described above. There are currently more than 230 CHIP Coordinators and CHIP Unit AUSAs within the Department of Justice.

CHIP Unit AUSAs focus on prosecuting intellectual property offenses such as trademark violations, copyright infringement, and thefts of trade secrets. In addition, they prosecute high-technology offenses, including computer hacking, virus and worm proliferation, Internet fraud, and other attacks on computer systems.

In addition to prosecuting cases, CHIP Unit AUSAs are also involved actively in training other prosecutors and federal agents on high-tech investigations, and they work closely with potential victims of intellectual property theft and cyber crime on prevention efforts.

The first CHIP Unit was created in February 2000, in the United States Attorney's Office in San Jose, California, to address cyber crime and intellectual property cases in the Silicon Valley area. Based on

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the success of the CHIP Unit in San Jose, in 2001 and 2002, then-Attorney General Ashcroft expanded the program to include the following 11 additional cities:

Alexandria, Virginia

Atlanta, Georgia

Boston, Massachusetts

Chicago, Illinois

Dallas, Texas

Kansas City, Missouri

Los Angeles, California

Miami, Florida

New York, New York (Brooklyn and Manhattan)

San Diego, California

Seattle, Washington

In October 2004, the Task Force recommended that the Department of Justice create five more CHIP Units in:

Nashville, Tennessee

Orlando, Florida

Pittsburgh, Pennsylvania

Sacramento, California

Washington, D.C.

In response to the recommendation, the Department of Justice provided additional funding to the United States Attorneys' Offices in these cities to hire additional prosecutors to create the CHIP Units.

In January 2005, the Department of Justice provided additional, full-time funding for three AUSAs to serve as CHIP Unit AUSAs in San Jose and Los Angeles, California. The creation of these three additional CHIP positions, as well as the creation of five additional CHIP Units in October 2004, implemented two of the recommendations of the 2004 Report.

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c. Creation of Seven New CHIP Units in 2006

The Task Force has recognized the success of the CHIP Program and determined that the Department of Justice should increase the number of CHIP Units and place them in additional regions. Accordingly, the Task Force recommended to the Attorney General that the Department of Justice create seven new CHIP Units in the following cities where cyber crime and intellectual property offenses are significant problems:

Austin, Texas

Baltimore, Maryland

Denver, Colorado

Detroit, Michigan

Newark, New Jersey

New Haven, Connecticut

Philadelphia, Pennsylvania

The Attorney General has adopted this recommendation and initiated the creation of these seven new units. With the addition of these new CHIP Units the total number of CHIP Units will soon be 25.

3. Office of Consumer Litigation

The Civil Division's Office of Consumer Litigation ("OCL") is a team of specialized attorneys who handle criminal and civil cases involving intellectual property laws that protect public health and safety. For example, OCL attorneys enforce and defend the consumer protection programs of the Food and Drug Administration ("FDA"), the Federal Trade Commission, the Consumer Product Safety Commission, and the Department of Transportation's National Highway Traffic Safety Administration.

One particular area of concern to the protection of intellectual property rights and consumer safety is the regulation of drugs by the FDA. FDA officials have testified before Congress that the quality of drugs in this country is high and that the public can continue to have confidence that the drugs sold in the United States are authentic. To maintain this level of confidence, however, any allegations or information regarding the

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counterfeiting or adulteration of drug products must be taken very seriously. The use of counterfeit drugs can pose a direct threat to human health. Counterfeit drugs frequently contain less active material ingredient than claimed, wrong ingredients, or no active ingredient at all, making the counterfeits less effective and possibly toxic. Even when the product in question contains the represented amount of the drug's active ingredient, the situation can be dangerous because of factors such as quality control, distribution, and inventory control, all of which endanger the effectiveness of the drug. When the counterfeit product is relied upon to sustain life, a lack of effectiveness may result in deaths. In addition, increased drug resistance also can arise when counterfeit antibiotics lead doctors to increase dosages or otherwise misunderstand the nature of the drug they are administering. The potential dangers posed by counterfeit drugs may multiply in a health emergency; for example, in a flu pandemic, the opportunity for criminal counterfeiting may be significant. The demand for flu vaccine could vastly exceed legitimate supply and counterfeit flu vaccine could be sold over the Internet to unwary consumers in the United States.

For more than 30 years, OCL attorneys have been involved in prosecuting purveyors of counterfeit drugs and medical devices. The Department of Justice's recent efforts are reflected in prosecutions involving unlawful diversion of prescription drugs and the importation of counterfeit pharmaceuticals and drugs that are not manufactured according to approved standards. United States Attorneys' Offices that receive these counterfeit cases often contact OCL to obtain advice and assistance, and OCL serves valuable functions in such matters. First, OCL helps ensure that federal prosecutors do not overlook important policy or factual concerns that frequently affect litigation under federal statutes. Second, OCL ensures that those prosecutors do not have to "reinvent the wheel" in conducting litigation, because OCL has jury instructions, briefs, and other pleadings to share.

4. Federal Law Enforcement Agencies

A number of federal law enforcement agencies work to safeguard intellectual property rights in the United States. The Federal Bureau of Investigation's ("FBI") intellectual property enforcement program is implemented and overseen by the Cyber Crime Fraud Unit ("FBI-CCFU") in its Cyber Division in Washington, D.C. The FBI-CCFU focuses on intellectual property crimes having the most impact on

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national and economic security–including theft of trade secrets, Internet piracy, and trafficking in counterfeit goods. The FBI-CCFU's goals include:

- Increasing the number of intellectual property undercover operations and use of other sophisticated investigative techniques;
- Developing new investigations through relationships with industry contacts and foreign law enforcement agencies;
- Encouraging FBI field offices to utilize task forces with state and local law enforcement agencies to enhance cyber crime and intellectual property investigations; and
- Continuing to educate and train domestic and foreign law enforcement agencies on intellectual property enforcement.

In addition to overseeing implementation of the intellectual property program in the 56 FBI field offices nationwide, the FBI-CCFU also plays a central and coordinating role in intellectual property undercover operations that have multi-district and international targets. In these operations, FBI-CCFU provides administrative oversight and additional resources to ensure the coordination of international and domestic enforcement actions. Examples of such enforcement initiatives were Operations Fast Link and Site Down, referenced below. The FBI-CCFU also provides guidance and assistance to field agents and foreign legal attachés' offices on intellectual property investigations generally, especially those targeting organized groups engaged in the large-scale manufacture and distribution of pirated software and other copyrighted materials over the Internet.

Finally, in addition to the FBI, ICE, and CBP, a number of other federal agencies investigate intellectual property offenses, whether on their own or as part of task forces, including the United States Postal Service and the United States Secret Service. The FDA's Office of Criminal Investigations has primary responsibility for all criminal investigations conducted by the FDA, which include investigations of

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suspected tampering incidents and suspected counterfeit products. For instance, its agents investigate cases involving counterfeit, misbranded, and adulterated pharmaceuticals in violation of federal drug laws.

5. Victim-Industry Partnerships

The Department of Justice recognizes that a successful and comprehensive plan of attack against intellectual property theft requires the formation of partnerships with the victims and potential victims of intellectual property theft. Without the assistance of victims, it is difficult, if not impossible, for the Department of Justice to enforce the law and apprehend offenders. Consequently, the Department of Justice has formed important partnerships with various organizations that have joined the fight against intellectual property theft. The Chamber of Commerce has formed a broad-based "Coalition Against Counterfeiting and Piracy" ("CACP"), which works with Congress and the Bush Administration to raise awareness about the negative impact of counterfeiting. The Department of Justice has formed a constructive partnership with the CACP to address intellectual property concerns and sponsor awareness events.

The Department of Justice has also formed important partnerships with other groups that represent victims and potential victims of intellectual property theft, including the Motion Picture Association, the Recording Industry Association of America, the Business Software Alliance, the Entertainment Software Association, pharmaceutical industry associations, and many other organizations. In addition, the Department of Justice has formed a close partnership with Court TV, which has filmed and broadcast several Department of Justice events regarding intellectual property. These organizations provide important insight into the problems of intellectual property theft and have joined the Department of Justice in sponsoring prevention and awareness events throughout the nation.

To assist these victims and others in reporting intellectual property crimes, the Department of Justice developed "A Guide for Victims of Counterfeiting, Copyright Infringement, and Theft of Trade Secrets."

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6. Statistical Accomplishments

The impact of the increased efforts by the Department of Justice to protect intellectual property rights can be seen not only by the breadth of its programs and by the aggressive focus on this issue, but also by the impressive results in Department of Justice prosecutions. The Department of Justice has prosecuted significantly more defendants for intellectual property offenses since the issuance of the Task Force's Report in October 2004. During Fiscal Year 2005, 350 defendants were charged with intellectual property offenses, nearly double the 177 defendants charged in Fiscal Year 2004–representing a 98 percent increase. A similar increase occurred in districts with CHIP Units, where the number of charged defendants climbed from 109 in Fiscal Year 2004 to 180 in Fiscal Year 2005–a 65 percent increase. In addition, the number of cases filed and defendants charged in all districts between Fiscal Years 2001 and 2005 has steadily risen over time. These results reflect, in a meaningful way, that the Department of Justice is committed to protecting intellectual property rights.

7. Intellectual Property Prosecution Highlights

The Department of Justice has brought many significant prosecutions against intellectual property thieves since the Task Force issued its report in October 2004. The cases include prosecutions of defendants for trafficking in counterfeit pharmaceuticals, distributing copyrighted material without authorization, and for violating the federal trademark laws. Some of the more notable cases include:

Counterfeit Pharmaceuticals

> ***Cholesterol Medication*** – The Department of Justice obtained convictions against eight people for selling counterfeit Lipitor tablets, a drug widely used to reduce cholesterol, and 13 people are awaiting trial in Kansas City, Missouri, for their alleged participation in a $42 million conspiracy to sell counterfeit, illegally imported, and misbranded Lipitor and other drugs. More than $2.2 million has been forfeited.

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Antibiotics – In May 2005, the Department of Justice obtained the conviction of a former president of an Italian drug firm for violating the Federal Food, Drug, and Cosmetic Act by introducing an unapproved copy of the antibiotic Cefaclor. The defendant was sentenced to a year in confinement, fined $16,481,000, and required to forfeit $300,000. The corporate defendant pleaded guilty and paid criminal and civil penalties of more than $33 million.

Viagra and Cialis – In February 2006, the Department of Justice obtained a conviction in Houston against a United States citizen for importing from China counterfeit pharmaceuticals bearing the Viagra and Cialis trademarks. ICE Special Agents conducted an undercover operation in Beijing, China, involving the Internet site *bestonlineviagra.com*. The Internet site was owned and used by the defendant to distribute bulk quantities of counterfeit Viagra and Cialis manufactured in China. Chinese officials cooperated in the investigation, and 11 additional individuals in China were arrested by Chinese authorities for manufacturing and distributing counterfeit drugs. Chinese officials seized 600,000 counterfeit Viagra labels and packaging, 440,000 counterfeit Viagra and Cialis tablets, and 260 kilograms of raw materials used to manufacture counterfeit pharmaceuticals.

Viagra – Based on an investigation by ICE, in January 2005, the Department of Justice obtained the conviction of a Los Angeles man for manufacturing, importing, and distributing over 700,000 counterfeit Viagra tablets, valued at more than $5.5 million, over a four-year period.

Terrorism and Organized Crime

Terrorist Financing – In March 2006, a federal indictment was unsealed in Detroit charging 19 individuals with operating a racketeering enterprise that supported the terrorist organization Hezbollah. The defendants are alleged to have financed their criminal enterprise by trafficking in counterfeit Viagra, by trafficking in counterfeit Zig-Zag papers and contraband cigarettes, and by producing counterfeit cigarette tax stamps.

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Organized Crime – Yi Ging Organization – In April 2006, the Department of Justice obtained convictions against two Chinese nationals as part of a crackdown against a violent criminal group in New York known as the Yi Ging Organization. These defendants had been included, along with 39 others, in a September 2005 indictment charging racketeering offenses, including extortion, witness tampering, trafficking in counterfeit DVDs and CDs, money laundering, operating a large-scale illegal gambling business, and drug trafficking. The Yi Ging Organization allegedly generated millions of dollars in profits from their counterfeit DVD and CD business. Gang members traveled to China to obtain illegal copies of American and Chinese DVDs, which they then smuggled into the United States, copied, and sold along with pirated music CDs at stores the gang controlled in Manhattan and other parts of New York City.

Organized Crime – Operation Smoking Dragon – In Los Angeles, based on an investigation by ICE, the Department of Justice obtained indictments against 30 defendants in August 2005 for allegedly, among other things, trafficking in counterfeit cigarettes and pharmaceuticals as part of Operation Smoking Dragon.

Software, Movie, and Music Piracy

International Enforcement Operations – The Department of Justice led the largest ever international enforcement efforts against organized online piracy in Operation FastLink and Operation Site Down. Each of these undercover operations by the FBI involved coordinated law enforcement action among 12 countries and targeted elite, criminal organizations, known as "warez release groups," which are the first to provide pirated works on the Internet. Law enforcement agents conducted more than 200 searches and arrested numerous people worldwide, seized hundreds of thousands of pirated works conservatively valued at more than $100 million, and eliminated more than 20 major online distribution centers. To date, the Department of Justice has obtained convictions against 60 people in the United States on criminal copyright infringement charges.

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Illegal Manufacturing of DVDs in China – In the first joint criminal intellectual property investigation by ICE and China, known as Operation Spring, the Department of Justice obtained a conviction against the ringleader in a conspiracy to import 2,000 counterfeit DVDs of motion pictures. The defendant was convicted in China, along with three other co-conspirators, for selling more than 133,000 pirated DVDs to customers in more than 20 countries. After returning to the United States, the defendant was convicted again in Mississippi, sentenced to 45 months in prison, and ordered to forfeit more than $800,000.

Optical Disc Piracy – Operation Remaster – On April 3, 2006, the Department of Justice obtained convictions against two California men who pleaded guilty to conspiracy to mass-produce pirated music and software CDs. The two men were among five arrested as part of an undercover investigation targeting large-scale suppliers of pirated music and software. Agents seized nearly half a million pirated CDs and 5,500 high-speed, high-quality stampers used to make bootleg products. The recording industry called Operation Remaster the largest music manufacturing piracy seizure in United States history.

Online Music Piracy – On May 19, 2006, the Department of Justice obtained sentences of up to 15 months for three members of pre-release music piracy groups. Two of the defendants belonged to the Internet piracy group Apocalypse Crew, also known as "APC," and the third to the group Chromance, also known as "CHR." Both groups sought to acquire digital copies of songs and albums before their commercial release in the United States, which they would then prepare for distribution to secure computer servers throughout the world. The stolen songs were then distributed globally and, within hours, filtered down to peer-to-peer and other public file-sharing networks.

Peer-to-Peer Piracy – Operation Digital Gridlock – In January 2005, the Department of Justice obtained the first-ever criminal convictions for piracy through peer-to-peer networks when two operators of Direct Connect distribution centers pleaded guilty in Washington, D.C., to charges of conspiracy to commit criminal copyright infringement. Four defendants were convicted as a result of this FBI undercover investigation, code-named Operation Digital Gridlock.

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Counterfeit Software – In December 2005, the Department of Justice obtained convictions against a California man in Alexandria, Virginia, for selling copies of copyrighted soft-ware through his website, *www.ibackups.net*, and through the United States mail. The man sold, at prices substantially below the suggested retail price, more than $25 million in software products that were manufactured by Adobe Systems Inc., Macro-media, Inc., Microsoft Corporation, Sonic Solutions, and Symantec Corporation. He is believed to be the most prolific online commercial distributor of pirated software ever convicted in the United States.

First Federal Camcording Conviction – In June 2005, a jury convicted a former Hollywood, California, resident of eight federal criminal charges, including three counts of copyright infringement, related to his use of a video camcorder to covertly film the motion pictures "The Core," "8 Mile," and "Anger Management" at private screenings for the purpose of making money. The defendant fled from the custody of his attorney on the evening of his last scheduled trial in 2003 and remained a fugitive for 16 months until the United States Marshals Service apprehended him in Florida.

Movie Piracy – ***Operation Copycat*** – On April 6, 2006, the Department of Justice obtained charges against five individuals who were "first-providers" of stolen movies on the Internet. Operation Copycat, a San Jose-based FBI undercover investigation, was one of three investigations contributing to Operation Site Down. The Department of Justice has obtained charges against 37 individuals and convicted 32, including the first convictions under the newly enacted Family Entertainment and Copyright Act for camcording movies and distributing pre-release works on the Internet.

Satellite Signal Theft

DMCA Prosecution – In June 2005, the Department of Justice obtained the conviction of a New York man who violated the Digital Millennium Copyright Act ("DMCA") and mail fraud statutes by reprogramming Smart Cards to steal satellite programming from DISH Network. DISH Network electronically "scrambles" its satellite transmissions to prevent unauthorized viewing of its programming and, in order to receive services, its customers must purchase or lease satellite equipment

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that include Smart Cards inserted into the satellite receiver. The defendant sold approximately $308,000 of reprogrammed Smart Cards to others across the United States.

Luxury Goods

Trafficking in Counterfeit Hard Goods – In November 2005, based on an investigation by ICE, the Department of Justice obtained indictments against four Massachusetts residents for laundering money and trafficking in more than 30,000 counterfeit luxury handbags and wallets, as well as the materials needed to make the counterfeits, worth more than $1.4 million. The defendants were alleged to have used 13 self-storage units in Massachusetts as the home base for one of New England's largest counterfeit goods operations, and they allegedly sold the counterfeit wallets and handbags at flea markets and to smaller gatherings at approximately 230 "purse parties" throughout the state.

Trade Secrets

Ohio Theft of Trade Secrets: The Department of Justice obtained convictions against an executive of an Ohio hydraulic pump manufacturer and a subsidiary of a South African competitor who stole the Ohio company's trade secrets. While still an employee of the Ohio company, the executive secretly assisted the South African subsidiary company by sharing financial and other confidential information in order to assist the competitor in establishing United States operations. The executive held clandestine meetings with representatives of the competitor in South Africa and elsewhere, and gave them surreptitious and unauthorized tours of the victim company's manufacturing facility.

Kentucky Theft of Trade Secrets: In April 2006, the Department of Justice obtained a 48-month prison sentence against a Kentucky man for conspiring to steal and sell trade secrets belonging to Corning, Inc. The defendant, while a Corning employee, stole drawings of Corning's Thin Filter Translator Liquid Crystal Display ("LCD") glass and sold the drawings to a corporation based in Taiwan that intended to compete with Corning in the production of LCD glass.

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C. Legislative Efforts

Since the Task Force issued its report in October 2004, the Department of Justice has worked diligently with the Congress to enact legislation to further protect intellectual property rights. The 2004 Report listed several principles regarding legislation and, in several instances, Congress adopted those principles in drafting legislation. In addition, the Department of Justice developed a legislative package that was sent by the Administration to the Congress to further enhance intellectual property enforcement and protection. Set forth below are the three new laws passed since October 2004, and details of the legislative package proposed by the Administration.

Intellectual Property Protection and Courts Amendments Act of 2004 (H.R. 3632)

The Department of Justice supported the passage of the Intellectual Property Protection and Courts Amendment Act (H.R. 3632), which advanced the goal, set forth in the 2004 Report, of thwarting the distribution of counterfeit products and authorizing the seizure of the materials and equipment used to make them. The legislation expanded a previous law, which prohibited trafficking in counterfeit labels for copyrighted works, to also prohibit the trafficking in genuine but unauthorized labels. In addition, the legislation allowed the government to seize the equipment used in producing the counterfeit and illicit labels. The Bush Administration supported the legislation and offered suggestions for its improvement. The President signed the legislation on December 23, 2004.

Family Entertainment and Copyright Act of 2005 (S. 167)

In 2005, Congress enacted the Family Entertainment and Copyright Act of 2005 (S. 167). This legislation amended the federal criminal code to prohibit the knowing or attempted use of a video camera, or other audio-visual recording device, to make or transmit a copy of a motion picture or other copyrighted audio-visual work from a performance of such work in a movie theater or similar venue without authorization. The law established a maximum sentence of three years in prison for a first offense. The legislation also required the court to order the forfeiture and destruction of all unauthorized copies of the motion picture

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and any equipment used to carry out the violation. With reasonable cause, the owner, lessee, or employee of a theater is authorized to detain, in a reasonable manner for a reasonable time, suspected violators for questioning or to contact law enforcement.

In addition, this legislation established criminal penalties for the act of willful copyright infringement through distribution of certain copyrighted works being prepared for commercial distribution–including movies, software, games, and music–by making them available on a computer network accessible to members of the public, if the person knew, or should have known, that the work was intended for commercial distribution. Finally, the legislation directed the United States Sentencing Commission to review and potentially amend its guidelines for intellectual property crimes.

This legislation, and the related amendments to the United States Sentencing Guidelines, furthered two key principles identified in the 2004 Report: (1) the passive sharing of copyrighted works for unlawful distribution should be treated as the distribution of those works and should, where appropriate, be subject to prosecution; and (2) copyright law should recognize the premium value of a copyrighted work before the work is released for sale to the general public. A copy of a copyrighted work is more valuable before it can be legitimately obtained by anyone else. In such situations, not only is the "pre-release" copy more valuable, but it can also permit the holder to distribute copies as early as–or before–the copyrighted work's legitimate owner. As a result, although pre-release copies of a copyrighted work may not have a quantifiable retail value, they can be the most valuable copies of all, and their distribution can severely damage the rightsholder.

The President signed the Family Entertainment and Copyright Act into law in April 2005. As a result, the United States Sentencing Commission amended the United States Sentencing Guidelines to provide for an added penalty in cases involving a pre-release copyrighted work. The Bush Administration supported the passage of this legislation and the Department of Justice provided technical assistance to the Congress and the United States Sentencing Commission.

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Stop Counterfeiting in Manufactured Goods Act (H.R. 32)

Based on the principles set forth in the 2004 Report, the Stop Counterfeiting in Manufactured Goods Act (H.R. 32) modified the federal criminal law relating to the trafficking in counterfeit goods and services by prohibiting trafficking in labels, documents, or packaging that bear counterfeit marks intended for goods or services. The legislation also expanded the definition of "trafficking" to include distribution of counterfeits for a wider variety of commercial purposes than was covered previously. Moreover, the legislation criminalized the possession of counterfeits with intent to distribute, as well as the importation and exportation of counterfeit goods. Finally, the statute subjected to forfeiture any article that bears or consists of a counterfeit mark, and any property derived from proceeds or used in the commission of the violation. The legislation was signed into law by President Bush on March 16, 2006.

Intellectual Property Protection Act

In addition to the three already-enacted legislative packages relating to intellectual property, the Department of Justice has developed draft legislation, known as the Intellectual Property Protection Act of 2005, to further the goals established in the 2004 Report. This proposed legislation is designed to advance three general objectives. First, it would toughen penalties for intellectual property crimes by:

- Strengthening the repeat-offender penalties against copyright criminals;
- Implementing broad forfeiture reforms that, among other things, ensure the ability to seize and obtain forfeiture of property derived from or used in the commission of intellectual property offenses; and
- Strengthening a victim's ability to recover losses for certain intellectual property crimes (*e.g.*, criminal copyright and Digital Millennium Copyright Act offenses).

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Second, the bill would expand the criminal laws to increase intellectual property protection by:

- Clarifying that registration of a copyright is not a prerequisite to criminal prosecution;
- Criminalizing the attempt to commit copyright infringement; and
- Clarifying that both the exportation and importation of infringing items is illegal, even if the export or import is not to a third party (*e.g.*, when the shipment is from one party to itself).

Third, the bill would add needed investigative tools for criminal and civil enforcement by:

- Amending civil copyright law to parallel civil trademark law by permitting civil litigants to obtain *ex parte* seizure orders for records or evidence in civil cases; and
- Amending 18 U.S.C. § 2516 to include, as predicate offenses necessary to obtain wire or oral intercepts, the crimes of economic espionage to benefit a foreign government, criminal copyright infringement, and trafficking in counterfeit goods or services.

The Intellectual Property Protection Act is an important legislative effort because it encourages the adoption of vital principles set forth in the 2004 Report, including the following:

- As with other laws involving intellectual property, an attempt to violate the criminal copyright statute should be a violation without regard to whether it is successful.
- Unlike the federal criminal trademark statute, the criminal copyright statute presently does not criminalize attempted violations. It is a general tenet of criminal law, however, that those who attempt to commit a crime are as morally culpable as those who succeed in doing so.
- Law enforcement officers should have access to the full range of accepted law enforcement tools when they investigate intellectual property crimes that pose a serious threat to public health or safety.

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- A federal court may issue an order authorizing the use of a wire or voice intercept, otherwise known as a "wiretap," in the investigation of many federal crimes, including the theft of interstate shipments, but not for intellectual property crimes. Although there are good reasons to restrict the use of wiretaps in deference to individual privacy rights, some intellectual property crimes present a serious danger to public health or safety. Trademark violations, for instance, may involve the distribution of counterfeit goods that are defective and prone to causing widespread consumer injuries.

The Department of Justice's Task Force recommended that the Congress enact the Intellectual Property Protection Act at its earliest opportunity.

International Treaties

With the globalization of the economy and the rise of digital commerce, intellectual property crimes have crossed international borders with increasing frequency. The United States has recently ratified two multilateral treaties that will help address this trend: The United Nations Convention Against Transnational Organized Crime, and the Council of Europe Convention on Cybercrime. These treaties will facilitate international cooperation in halting some of the most egregious crimes involving intellectual property, and further United States enforcement efforts.

D. Civil Enforcement Efforts – Civil Division

The Department of Justice combats intellectual property theft most visibly through enforcement of the Nation's criminal laws. The successful defense of intellectual property rights, however, also requires vigorous enforcement by the owners of intellectual property through the civil justice system.

The Department of Justice has filed numerous briefs, known as *"amicus"* or "friend-of-the-court" briefs, in the Supreme Court and lower courts supporting the maintenance and implementation of robust intellectual property rights. The Department of Justice also intervenes in appropriate cases to become a party in the litigation, thus promoting legal precedents that enforce intellectual property rights fairly and

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consistently. In these ways, the Department of Justice plays a vital role in promoting a legal environment that protects creativity and innovation. The Civil Division employs 14 lawyers devoted solely to intellectual property, as well as numerous appellate attorneys who assist with *amicus* filings as needed.

Through these components, the Department of Justice also monitors civil enforcement developments that may hamper the ability of victims of intellectual property theft to use the civil courts effectively to defend themselves. For example, the Department of Justice actively consults with the USPTO and the United States Copyright Office about intellectual property cases. The Department of Justice also regularly reviews intellectual property trade publications, such as the Bureau of National Affairs' *Patent, Trademark, and Copyright Journal*, and the *United States Patents Quarterly*'s advance sheets, to determine if any private lawsuits merit involvement by the Department of Justice.

Since October 2004, the Department of Justice has filed 13 *amicus* briefs in the Supreme Court in cases involving intellectual property rights, and more than a dozen *amicus* briefs and Statements of Interest in lower courts. These filings occurred in cases that affect numerous high-tech industries, including pharmaceuticals, biotechnology, and online commerce. In many of these cases, courts have adopted the arguments made by the Department of Justice and consequently expanded protections for owners of intellectual property rights. Detailed explanations of these cases are set forth below in the Civil Recommendation section of this Progress Report.

E. Antitrust Enforcement Efforts – Antitrust Division

The Antitrust Division of the Department of Justice, the component charged with enforcing the federal antitrust laws, does not directly enforce intellectual property rights. But intellectual property plays an increasingly important role in the Department of Justice's antitrust merger and non-merger civil investigations. Intellectual property is an asset that can be bought, sold, and leased or licensed in much the same fashion as any other property. The Department of Justice therefore applies antitrust principles that give the same respect to intellectual property as to other forms of tangible or intangible property, taking into account special characteristics of intellectual property, such as the ease with which it can be

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misappropriated. Using this approach, the Department of Justice avoids creating intellectual property-specific rules that could conflict with normal business expectations, lead to marketplace uncertainty, or erode the value of intellectual property rights over time.

The Department of Justice promotes respect for intellectual property rights in the administration of antitrust law through international competition advocacy, as explained later in this Progress Report. Domestically, the Department of Justice engages in competition advocacy through public hearings, workshops, speeches, research, and academic publishing by its attorneys and economists (in the Antitrust Division's Economic Analysis Group), and through participation in court cases as *amicus curiae*. Since the issuance of the 2004 Report, the United States has appeared as amicus in numerous antitrust cases involving intellectual property. The Supreme Court followed the recommendation of the United States in two such cases: *Illinois Tool Works, Inc. v. Independent Ink, Inc.*, 126 S. Ct. 1281 (2006), and *Monsanto Co. v. McFarling*, 125 S. Ct. 2956 (2005).

The Department of Justice continues to participate as amicus in cases where the interplay of intellectual property and antitrust law presents an opportunity to strengthen or clarify intellectual property rights. In addition, the Department of Justice routinely reviews and comments on proposed legislation that involves issues at the intersection of antitrust and intellectual property, or that may influence incentives to engage in competition or innovation.

The Antitrust Division also provides trade associations and other business organizations a business review procedure to receive guidance from the Department of Justice regarding the scope, interpretation, and application of the antitrust laws to proposed conduct, including activities involving intellectual property rights. Under that procedure, persons concerned, for example, about whether a particular proposed standard-setting activity is legal under the antitrust laws may ask the Department of Justice for a statement of its current enforcement intentions with respect to that conduct. When sufficient information and documents are submitted to the Department of Justice, it will make its best effort to resolve the business review request within 60 to 90 days. In this way, the Department of Justice can protect competition while at the same time facilitating efficient business arrangements that enable intellectual property owners to protect their rights.

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F. International Efforts — Free Trade Agreements

Since the 2004 Report was issued, the Department of Justice has worked closely with the United States Trade Representative (USTR) on interagency development of trade policy issues affecting competition and intellectual property rights and on participation in negotiations of Free Trade Agreements (FTAs) with foreign trading partners. To enhance the Department of Justice's involvement in the process, Department of Justice attorneys in the Antitrust, Civil, and Criminal Divisions have undertaken a comprehensive review of existing FTAs and proposed a series of recommendations to USTR to strengthen support for intellectual property rights enforcement in the intellectual property rights chapters of FTAs and other trade pacts. These recommendations have contributed to enhancing U.S. FTA proposals in several areas. The Department of Justice recognizes the importance of strengthening intellectual property rights through international agreements and it will continue to work closely with USTR on an ongoing basis.

II. IMPLEMENTING THE DOJ IP TASK FORCE'S RECOMMENDATIONS

Immediately after the Department of Justice's IP Task Force issued its initial Report in October 2004, the Department began implementing the 2004 Report's recommendations. In February 2005, Attorney General Alberto R. Gonzales renewed the Department of Justice's commitment to the Task Force by appointing new members. Importantly, he announced that the Department would implement all of the 2004 Report's recommendations and would continue to enforce aggressively federal intellectual property laws. As of this publication, the Department of Justice has implemented all 31 of the recommendations contained in the 2004 Report.

The Task Force formed an Executive Staff of experts from throughout the Department of Justice to implement the recommendations and draft the Progress Report. For a complete accounting on all the recommendations, please see the Progress Report of the Department of Justice's Task Force on Intellectual Property (June 2006).

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A. CRIMINAL ENFORCEMENT RECOMMENDATIONS

Enforcement of the criminal intellectual property laws is one of the Department of Justice's highest priorities. The Department prosecutes criminal cases involving the theft of copyrighted works, trademark counterfeiting, and thefts of trade secrets. Many divisions and offices of the Department of Justice participate in the enforcement of intellectual property laws, including federal prosecutors located throughout the Nation. These prosecutors work closely with local, State, and federal law enforcement agents to identify criminals and prosecute them in accordance with the law. While the Department of Justice has successfully prosecuted numerous intellectual property cases over the past several years, the Task Force concluded that additional success was possible. Accordingly, the Task Force made recommendations to further expand and strengthen the fight against intellectual property crime. The recommendations, each of which is now implemented or implemented and ongoing, are set forth below.

(1) Create five additional Computer Hacking and Intellectual Property ("CHIP") Units in regions of the country where intellectual property producers significantly contribute to the national economy. These areas are the District of Columbia; Sacramento, California; Pittsburgh, Pennsylvania; Nashville, Tennessee; and Orlando, Florida;

(2) Reinforce and expand existing CHIP Units located in key regions where intellectual property offenses have increased, and where the CHIP Units have effectively developed programs to prosecute CHIP-related cases, coordinate law enforcement activity, and promote public awareness programs;

(3) Designate CHIP Coordinators in every federal prosecutors' office and make the coordinators responsible for intellectual property enforcement in that region;

(4) Examine the need to increase resources for the Computer Crime and Intellectual Property Section of the Criminal Division in Washington, D.C., to address additional intellectual property concerns;

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(5) Recommend that the FBI increase the number of Special Agents assigned to intellectual property investigations, as the Department of Justice itself increases the number of prosecutors assigned to intellectual property enforcement concerns;

(6) Recommend that the FBI increase the number of personnel assigned to search for digital evidence in intellectual property cases;

(7) Dismantle and prosecute more nationwide and international criminal organizations that commit intellectual property crimes;

(8) Enhance programs to train prosecutors and law enforcement agents investigating intellectual property offenses;

(9) Prosecute aggressively intellectual property offenses that endanger the public's health or safety;

(10) Emphasize the importance of charging intellectual property offenses in every type of investigation where such charges are applicable, including organized crime, fraud, and illegal international smuggling;

(11) Enhance its program of educating and encouraging victims of intellectual property offenses and industry representatives to cooperate in criminal investigations. Recommended enhancements include:

(A) Encouraging victims to report intellectual property crime to law enforcement agencies;

(B) Distributing the new "Department of Justice Guide to Reporting Intellectual Property Crime" to victims and industry representatives regarding federal intellectual property offenses; and

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(C) Hosting a conference with victims and industry representatives to educate participants on how they can assist in law enforcement investigations; and

(12) Issue internal guidance to federal prosecutors regarding how victims can assist prosecutors in intellectual property cases.

B. INTERNATIONAL COOPERATION RECOMMENDATIONS

International cooperation is critical to stemming the tide of global intellectual property crime. Foreign governments must themselves prosecute intellectual property criminals and assist the United States in gathering evidence and prosecuting those who violate American intellectual property laws. Accordingly, in 2004, the Task Force recommended that the Department adopt the following recommendations regarding international cooperation.

(1) Deploy federal prosecutors to Hong Kong and Budapest, Hungary, and designate them as "Intellectual Property Law Enforcement Coordinators" ("IPLECs") to coordinate intellectual property enforcement efforts in those regions;

(2) Recommend that the FBI co-locate Legal Attachés with intellectual property expertise to Hong Kong and Budapest, Hungary, to assist the newly assigned IPLECs in investigative efforts;

(3) Direct prosecutors and agents to increase the use of alternative channels of communication, such as "law enforcement-to-law enforcement" contacts, to collect information and evidence quickly in foreign investigations;

(4) Enhance its intellectual property training programs for foreign prosecutors and law enforcement investigators in coordination with the Department of State;

(5) Prioritize treaty negotiations for legal assistance agreements with foreign governments where intellectual property enforcement is a significant problem;

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(6) Ensure that intellectual property crimes are included in all extradition treaties and prioritize negotiations with foreign countries according to intellectual property enforcement concerns; and

(7) Emphasize intellectual property enforcement issues during discussions with foreign governments.

C. CIVIL ENFORCEMENT

The Department of Justice fights against the theft of intellectual property most visibly through its enforcement of the Nation's criminal laws. The successful defense of intellectual property rights, however, also requires vigorous enforcement by the owners of intellectual property through the civil justice system. In 2004, the Task Force made the following recommendation regarding the Department of Justice's efforts to protect intellectual property rights in the civil courts.

(1) Support Civil Enforcement of Intellectual Property Laws by Owners of Intellectual Property Rights.

D. ANTITRUST RECOMMENDATIONS

The Antitrust Division's mission is to enforce federal antitrust laws. However, intellectual property plays an increasingly important role in the Antitrust Division's merger and civil non-merger investigations, and the Department of Justice bears in mind that the antitrust and intellectual property laws share the common purpose of promoting innovation and enhancing consumer welfare. The Department of Justice recognizes that enforcing antitrust laws in a way that condemns beneficial uses of intellectual property rights could undermine pro-competitive incentives. Accordingly, the Task Force made the recommendations listed below.

(1) Support the rights of intellectual property owners to decide independently whether to license their technology to others.

(2) Encourage trade associations and other business organizations seeking to establish industry

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standards for the prevention of intellectual property theft to use the Department of Justice's business review procedure for guidance regarding antitrust enforcement concerns.

(3) Continue to promote international cooperation and principled agreement between nations on the proper application of antitrust laws to intellectual property rights.

E. PREVENTION RECOMMENDATIONS

Education is a key tool in Department of Justice's mission to promote intellectual property protection. The Department is constantly exploring opportunities to educate the public about intellectual property laws and the role that the Department of Justice plays in enforcement of those laws. In addition, the Department of Justice continues to form partnerships with victims of intellectual property theft in common educational initiatives. Accordingly, the recommendations set forth below were designed to increase the Department of Justice's effectiveness in preventing intellectual property crimes from occurring and raising public awareness.

(1) Develop a national education program to prevent intellectual property crime.

(A) Developing materials for student educational programs;

(B) Creating partnerships with non-profit educational organizations to promote public awareness regarding intellectual property crimes;

(C) Developing a video to teach students about the negative consequences of intellectual property theft; and

(2) Educate the public regarding the Department of Justice's policy on peer-to-peer networks.

(3) Promote authorized use and awareness of the FBI's new anti-piracy seal and warning.

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C. Increase Efforts to Seize Counterfeit Goods at Our Borders

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UNITED STATES DEPARTMENT OF HOMELAND SECURITY

U.S. CUSTOMS AND BORDER PROTECTION

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

I. SUMMARY OF AGENCY MISSION

CBP and ICE are the component agencies within the U.S. Department of Homeland Security (DHS) that are charged with executing intellectual property rights laws.

U.S. Customs and Border Protection (CBP)

CBP's primary mission is to detect and prevent terrorists and terrorist weapons from entering the United States, while facilitating the orderly and efficient flow of legitimate trade and travel at and through our Nation's borders. In addition, CBP is charged with carrying out all of the traditional missions of the unified border agencies, including interdicting illegal drugs and other contraband at and beyond the border (where possible); apprehending individuals who are attempting to illegally enter the United States; screening inbound and outbound people, vehicles and cargo; enforcing all laws of the U.S. at the border; protecting U.S. agricultural and economic interests from harmful pests and diseases; regulating and facilitating international trade; collecting import duties; and, ensuring that appropriate training, detection equipment, technology, and operational support is available to carry out the foregoing mission.

U.S. Immigration and Customs Enforcement (ICE)

ICE is an investigative agency, charged with the protection of the American people and the U.S. economy by combating those who seek to exploit U.S. borders for criminal or terrorist purposes. ICE special agents and officers use ICE's unified immigration and customs authorities to identify, investigate, apprehend and

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remove transnational criminal groups and others who seek violate our laws. ICE has a wide-ranging law enforcement mission, including money laundering and other financial crimes, customs fraud and IPR violations, alien smuggling and human trafficking, drug smuggling, weapons smuggling, export crimes, cyber crimes, immigration document and benefit fraud and criminal gang enforcement. Through these efforts, ICE makes a strong contribution to American economic, border, homeland and national security.

The roles of CBP and ICE in intellectual property rights enforcement are interrelated. When CBP interdicts and seizes counterfeit goods, the matter is referred to ICE for investigation. Conversely, information from ICE investigations and operations that is useful for targeting and interdicting shipments of counterfeit goods will be provided to CBP.

ROLES OF THE AGENCIES

CBP is an administrative agency with the legal authority – under the Tariff Act of 1930, the Lanham Act of 1946 and the Copyright Act of 1976 – to make infringement determinations regarding federally registered trademarks and copyrights. Although CBP has no legal authority to make patent infringement determinations, it does have the authority to exclude from entry into the United States goods that the U.S. International Trade Commission has determined to infringe a valid and enforceable U.S. patent.

Through its enforcement powers combined with its administrative authority to make trademark and copyright infringement determinations, CBP is able to combat the flow of counterfeit and piratical goods into the United States. CBP may, on its own accord, initiate enforcement actions to detain or seize infringing merchandise, or alternatively, it may proceed on the basis of information supplied by rights owners. Enforcement actions represent the combined efforts of many disciplines within CBP. In some instances, intellectual property rights (IPR) enforcement actions may also be undertaken in cooperation with other Government agencies.

Rights owners who so wish can record their trademarks and copyrights with CBP. CBP's IPR recordation system, as embodied in its electronic IPR database (IPR Module), was designed to make IPR information

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relating to imported merchandise readily available to CBP personnel. CBP enforces both recorded and non-recorded trademarks and copyrights; however, enforcement of recorded trademarks and copyrights takes precedence over those that are not recorded with CBP.

ICE is a law enforcement agency with the authority to investigate violations of U.S. law that have a nexus to the borders. For example, ICE investigates the importation and subsequent distribution of counterfeit goods, using a variety of investigative techniques, such as undercover operations, wiretaps, surveillances and controlled deliveries. ICE investigations are furthered through the execution of federal search, seizure and arrest warrants, and the evidence obtained is submitted to the U.S. Attorney's Office for federal prosecution. In addition to responding to investigative referrals and seizures by CBP, ICE also initiates IPR investigations through informants, undercover operations and outreach to industry partners.

II. CBP MAJOR PROGRAM ACTIVITIES

Strategy Targeting Organized Piracy (STOP!)

As the primary U.S. border enforcement agency, CBP is a key player in STOP!, working to stop trade in counterfeit and pirated goods at U.S. borders. Under STOP!, CBP diversified its approaches to IPR enforcement to include new techniques that complement traditional enforcement methods. CBP's STOP! initiatives focus on fighting the trade in fakes through improved risk analysis, identifying business practices linked to IPR theft, depriving counterfeiters and pirates of illicit profits, and making it easier for rightsholders to work with CBP to enforce their rights. To fulfill the goals of the STOP! Initiative CBP has developed and initiated the following programs:

- ***Risk Modeling.*** CBP's IPR risk model is designed to enhance current efforts by CBP officers to identify counterfeit and pirated goods at our borders. Through the use of innovative statistical analysis, CBP is using technology to improve its ability to detect and intercept fakes at our borders. Unlike traditional approaches to risk assessment and targeting of imports for inspection, the model

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applies statistical analysis techniques and external information to assess IPR risk. The risk model gives significant emphasis to CBP's IPR enforcement and import data while infusing other agency assessments on IPR risk, including information from the Office of the United States Trade Representative's (USTR) Special 301 Report on the adequacy of IPR protection in various countries throughout the world. Based on successful testing in 2005, CBP is now implementing the model.

- ***Post-entry Verification ("IPR audits").*** With post-entry verification or "IPR audits," CBP added a new IPR enforcement tool to complement traditional physical examination of goods at the border. In fiscal year 2005, CBP included IPR audits in its national audit plan for the first time, and trained a new group of employees, its regulatory auditors, on IPR to enable them to apply their auditing skills to the enforcement of intellectual property rights. In addition to receiving training from CBP's own staff, the auditors also attend training provided by trademark and copyright owners. IPR audits have been performed or in progress on more than 30 companies. CBP has issued penalties totaling over $4 million on imports of counterfeit goods uncovered during IPR audits and is working with companies to develop internal control systems to prevent imports of counterfeit and pirated goods. In IPR audits, CBP has found that most companies lack procedures to prevent imports of IPR infringing goods.

- ***Streamlining the CBP IPR recordation process.*** In December 2005, CBP announced the launch of an on-line recordation system for trademarks and copyrights and, in collaboration with the U.S. Patent and Trademark Office (USPTO), established a link between USPTO's website and CBP's website to help businesses protect their rights at the border. This new system allows businesses to electronically file IPR recordation applications with CBP, significantly reducing the amount of time required to process the applications. Some additional benefits of the new system include elimination of paper applications and supporting documents; ability to upload images of the protected work or trademark, thus making pictures of the protected right available to CBP Officers throughout the nation; and reduced time from filing of the application to enforcement action at our borders.

  - CBP is currently working with the U.S. Copyright Office to create a similar link from their website to the CBP Intellectual Property Rights e-Recordation webpage.

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- ***Copyright Regulations.*** CBP has issued proposed rules changing its copyright regulations to enhance protection of sound recordings, motion pictures, and other audio-visual works by allowing them to be recorded with CBP while pending copyright registration. The early recording will provide CBP with the information it needs to prevent importation of pirated works into the U.S.

- ***Outreach to Foreign Governments.*** CBP participated in the interagency STOP! World Tour in 2005, where its focus was promotion of risk modeling and post-entry verification. Asian and European partners were visited (Singapore, Hong Kong, Japan, Korea, United Kingdom, France, Germany, and the European Commission) to build international support for STOP! goals.

Additional CBP activities related to STOP! objectives include:

- ***International IPR Training.*** In collaboration with the U.S. Patent and Trademark Office, the U.S. Department of Commerce, and U.S. Immigration and Customs Enforcement, CBP participated in international IPR border enforcement training programs in Russia, Thailand, Mexico, and Peru.

- ***Industry Outreach.*** CBP works with Industry on an ongoing basis to combat IPR infringement. CBP participates in various IPR events and coordinates with Industry on IPR training.

  - Program Participation: CBP regularly participates in industry and bar association functions as well as meeting with rightsholders individually to educate rightsholders and their representatives on working with CBP to enforce their rights, to provide information on IPR enforcement efforts and to discuss new CBP initiatives. Following is a list of some industry outreach activities in which CBP participated this year: International Anti-Counterfeiting Coalition Conferences, Designer Goods and Sporting Goods IPR Industry Roundtables, Motor Equipment Manufacturers Association Conference, and U.S. Chamber of Commerce meetings.

  - Product Identification Training: CBP continued to coordinate with Industry to provide product identification training to CBP field officers. In this training, rightsholders educate CBP's officers and provide materials to help CBP detect and interdict counterfeit and pirated goods.

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- ***Raising Public Awareness.*** To help raise public awareness of counterfeiting and piracy, and inform the public of its IPR enforcement efforts, CBP gave numerous interviews, including several to a national television syndicate with more than 70 stations nationwide, to local television stations, to national print media such as the Wall Street Journal and PC World, and to local newspapers.

CBP National IPR Trade Strategy

CBP's National Trade Strategy directs actions and resources around priority trade issues. Intellectual property rights enforcement is a CBP Priority Trade Issue. As such, IPR enforcement is integrated into the work of offices throughout CBP, and CBP provides diverse training to its officers to enable them to respond to security, narcotics and trade issues, including IPR. CBP's National IPR Trade Strategy incorporates the STOP! initiative.

CBP's commitment to combating IPR violations is evidenced in its continued efforts to improve the efficacy of its IPR enforcement regime; this is reflected in the DHS's annual IPR seizure statistics. In fiscal year 2005, DHS seized 8,022 shipments with a domestic value of approximately $93.2 million, a 10.5 % increase in seizures over fiscal year 2004. In the last five fiscal years (Fiscal Years 2001-2005), the number of IPR seizures increased 125% and the domestic value increased 62%. During this period, DHS made 31,156 seizures with an estimated domestic value of over $482 million. At the midpoint of FY 2006, DHS has already seized almost 6,000 shipments, up 72% over the same period in FY 2005. More detailed enforcement statistics are available on the CBP website at ***www.cbp.gov***.

Additionally, CBP is actively enforcing a number of exclusion orders issued by the International Trade Commission (ITC) to exclude from entry into the commerce of the United States goods that the ITC determined to infringe valid and enforceable patents. Of note are exclusion orders against certain lens-fitted film packages also known as one-time use cameras or disposable cameras that infringe on one or more of fifteen patents owned by Fuji Photo Film Company, Ltd.; and against certain sildenafil, which is an active ingredient in Viagra®, or other pharmaceutically acceptable salts such as sildenafil citrate that infringe on one or more claims of a patent owned by Pfizer, Inc.

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Other CBP International Activities

World Customs Organization. CBP is a member of the World Customs Organization (WCO) IPR Strategic Working Group. The Group was developed as a joint venture with international business sponsors to help WCO Member Administrations improve the efficiency and effectiveness of their organizations in combating IPR violations. On behalf of the WCO Secretary General, the Group is exploring ideas for combating piracy and counterfeiting in four areas: free zones and transshipping, information exchange, destruction and recycling, and Internet piracy. CBP co-chairs the Customs IPR Expert Group, a subgroup of the WCO IPR Strategic Group consisting of the customs administration members only that provides a forum for customs-to-customs discussions on law enforcement topics inappropriate for business participation.

U.S.-E.U. IPR Working Group. At the 2005 U.S.-E.U. Summit, the U.S. and E.U. agreed to work together to fight global piracy and counterfeiting. Subsequently, the U.S. and E.U. agreed to develop an IPR Cooperation Strategy, and to establish an interagency U.S.-E.U. IPR Working Group to develop the strategy. As part of this strategy, CBP and its EU counterparts have developed and begun implementing an action plan to promote strong and effective border enforcement for IPR through customs cooperation.

Bilateral Trade Negotiations/Discussions and Monitoring. CBP supports USTR in the negotiation of free trade agreements and other bilateral discussions such as those with China and Japan by providing technical expertise on IPR border enforcement. CBP also actively participates in USTR's annual Special 301 review.

Group of 8 (G8) IPR Experts Discussions. As a member of two State Department led U.S. delegations to the G8 IPR Experts Meetings, CBP participated in successfully promoting U.S. objectives for improving IPR enforcement.

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III. ICE IPR Enforcement Efforts and Significant Investigations

ICE, through the National Intellectual Property Rights Coordination Center (IPR Center), works with rights owners and IP trade associations on an ongoing basis to identify, investigate and prosecute IPR violators, with an emphasis on large scale, complex transnational conspiracies. The IPR Center educates industry and the international law enforcement community through outreach and training initiatives on growing counterfeiting trends and investigative techniques critical to successful IPR enforcement. During FY 2005, the IPR Center initiated more than 27 outreach sessions. During that same period, the IPR Center initiated field referrals that led to the generation of more than 51 ICE IPR investigations. From FY 2001 - 2005, ICE recorded 786 arrests, 483 federal criminal indictments and 529 convictions for trafficking in counterfeit goods and related crimes.

ICE has observed the following trends in its IPR investigations:

- The growing use of the Internet to advertise, market, facilitate and distribute counterfeit merchandise, and to complete transactions via secure electronic payment.

- The increasing presence of Organized Crime groups involved in the production, illegal importation and distribution of counterfeit goods.

- The existence of sophisticated trade-based money laundering activities, including *hawala* money transfer systems, to foster and facilitate the sale of the counterfeit goods destined for U.S. commerce; and that,

- The proceeds of counterfeiting are being used to further other criminal activity, such as narcotics distribution, extortion, gambling and alien smuggling.

ICE has conducted a number of successful IPR investigations. These investigations demonstrate the variety and complexity of counterfeiting scenarios that ICE encounters, as well as the domestic and international cooperation often required to bring these matters to successful resolution.

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- In August 2003, ICE initiated "Operation Panda," an ongoing ICE-led task force investigation conducted jointly with the Federal Bureau of Investigation and the New York City Police Department. The operation targeted five Asian organized crime groups operating in New York City. Through a loose confederation, these groups and related criminal associates allegedly acted in concert to support criminal activities that included numerous acts of violence in New York's Chinatown areas. In November 2004, a federal grand jury returned indictments for racketeering offenses (RICO), attempted murder, extortion, alien smuggling, money laundering, trafficking in counterfeit goods and the operation of large-scale illegal gambling businesses. ICE collected approximately $200,000 in illegal proceeds from these groups and shut down an illegal money remitting operation that was sending upwards of $3,000,000 annually between China and the U.S. This case is currently active as the prosecution is continuing.

- In June 2004, the SAC New York initiated enforcement actions as part of "Operation Executive." The investigation resulted in the execution of five federal search warrants, the arrest of thirteen individuals, the seizure of the contents of eleven bank accounts totaling more than $650,000, as well as the contents of six containers valued in excess of $24 million. The investigation's undercover operation identified individuals and organizations responsible for the large-scale manufacturing and smuggling of counterfeit trademarked merchandise into the U.S. from the People's Republic of China (PRC). The U.S. distributors were of Middle-Eastern descent and were considered to be among the largest distributors of counterfeit merchandise in the New York area.

- In July 2004, a Chinese national and owner of XYZ Trading of Houston, Texas was convicted of trafficking in counterfeit goods and sentenced to 63 months incarceration. His conviction was associated with counterfeit goods that posed significant public health and safety concerns. In November 2003, ICE agents initiated federal search warrants that were based on an ICE and CBP examination of a container imported from the PRC by XYZ Trading. Numerous unmanifested counterfeit trademark items were discovered which included counterfeit Underwriters Laboratories certified electrical cords and batteries. These items were consistently found to contain substandard materials, to include mercury, that would short out and cause fires or damage connected equipment.

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The investigation, which included federal search warrants in Texas and New York, resulted in the seizure of counterfeit electrical cords, batteries and other counterfeit trademark merchandise, valued in excess of $6 million and the arrest and conviction of two subjects.

- In July 2004, "Operation Spring," the first transnational joint investigation by ICE and the PRC, resulted in the arrest of Randolph Guthrie and ten PRC nationals in Mainland China. The investigation was generated from information provided by the Motion Picture Association of America, who considered Guthrie to be the largest worldwide distributor of pirated DVD movies. PRC officials seized approximately 160,000 counterfeit DVDs valued at approximately $3.5 million and approximately $200,000 in U.S. and Chinese currency. Guthrie was convicted in a Shanghai court on criminal charges and sentenced to a jail term of 30 months in the PRC. In late September 2005, Chinese authorities expelled Guthrie and ICE agents arrested him upon his return to the U.S to face charges here. He pled guilty in January 2006 and forfeited more than $800,000. Guthrie was sentenced to 60 months in prison; 3 years supervised release, and was fined an additional $15,000.

- In December 2004, ICE and the FBI conducted a joint investigation into an organization of illegal Israeli nationals involved in the distribution at shopping mall kiosks in various cities in the United States of video consoles containing counterfeit Nintendo software and games. The investigation resulted in the seizure of approximately 4,000 pieces of counterfeit merchandise and the arrest of Yonathan Cohen, the owner of the company. Cohen was subsequently convicted of criminal copyright infringement and sentenced to 60 months in prison.

- In January 2005, ICE Jacksonville, FL, initiated Super Bowl IPR Operation "End Zone" in anticipation of Super Bowl XXXIX. ICE, in coordination with the NFL Fraud Division, and federal, state, and local law enforcement agencies, executed an IPR operation targeting fraudulent NFL properties, such as clothing, tickets and publications. ICE Jacksonville and the IPR Center produced literature to solicit the assistance of Super Bowl sponsors, licensees, manufacturers, importers and retailers of authorized Super Bowl XXXIX merchandise, as well as the general public.

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ICE also conducted an extensive distribution of the literature together with industry and law enforcement outreach in support of this initiative. Operation "End Zone" resulted in the seizure of counterfeit merchandise valued at approximately $650,000.

- In February 2005, ICE, the FBI and the San Diego County Computer and Technology Crime High-Tech Response Team conducted joint undercover operation, "Operation Elite Torrents." The operation resulted in the service of ten federal search warrants in three states. The Internet peer-to-peer (P2P) network, ELITE TORRENTS, provided its members with original material for the online trading of pirated media. BitTorrent software allowed for P2P file sharing among its approximately 134,000 members throughout the United States and the world. P2P networking enables individual users, utilizing a software client, to establish a direct connection between their computers, allowing users to transfer data files.

- In February 2005, ICE Detroit initiated Super Bowl IPR "Operation Grid Iron" in anticipation of the city of Detroit, Michigan, hosting Super Bowl XL. "Operation Grid Iron" was devised to identify and investigate individuals, businesses, and criminal organizations attempting to profit from the illegitimate sales of counterfeit Super Bowl merchandise. ICE Detroit, in consultation with the IPR Center, the National Football League, the ICE Headquarters Commercial Fraud & IPR Unit, and federal, state, and local law enforcement agencies, prepared an IPR program targeting counterfeit products. The operation resulted in seizures of counterfeit merchandise valued in excess of $530,000.

- In 2001, the former U.S. Customs Service, in conjunction with the Department of Justice, conducted an operation that involved more than 65 searches in the U.S. and five foreign countries related to the international copyright piracy investigation "Operation Buccaneer". As of October 2002, 16 defendants had been convicted in the U.S. of felony criminal copyright offenses, including conspiracy to commit those offenses, and 13 defendants were sentenced to federal prison terms of up to 46 months. In May 2005, three individuals in the United Kingdom who were part of the network of cyber-pirates and were responsible for cracking software protection codes received jail

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terms of between 18 and 30 months. These three were among eight Britons arrested by the U.K.'s National Hi-Tech Crime Unit following the U.S. led international copyright piracy investigation.

- In August 2005, "Operation Ocean Crossing," the second transnational joint investigation with the PRC, resulted in the arrests of Richard Cowley in the U.S., and eleven Chinese nationals in the PRC. Cowley subsequently pled guilty to importing counterfeit drugs. The investigation was developed after the ICE Attaché/Beijing office received separate information from Eli Lilly and Pfizer representatives, identifying Cowley, of Shelton, Washington, and a PRC based counterfeit pharmaceutical distribution group, as being involved in the sale of counterfeit pharmaceuticals in the U.S., the United Kingdom, and other locations throughout Europe. Three illicit pharmaceuticals facilities were shut down and authorities made the largest seizure of counterfeit pharmaceuticals in the PRC to date. PRC agents seized approximately 222,300 tablets, 55,500 blister packs and 75 kilograms of loose pills of counterfeit Viagra and Cialis, 260 kilograms of raw materials, 580,000 counterfeit Viagra trademark labels and packages and 13 pieces of equipment used to manufacture counterfeit pharmaceuticals.

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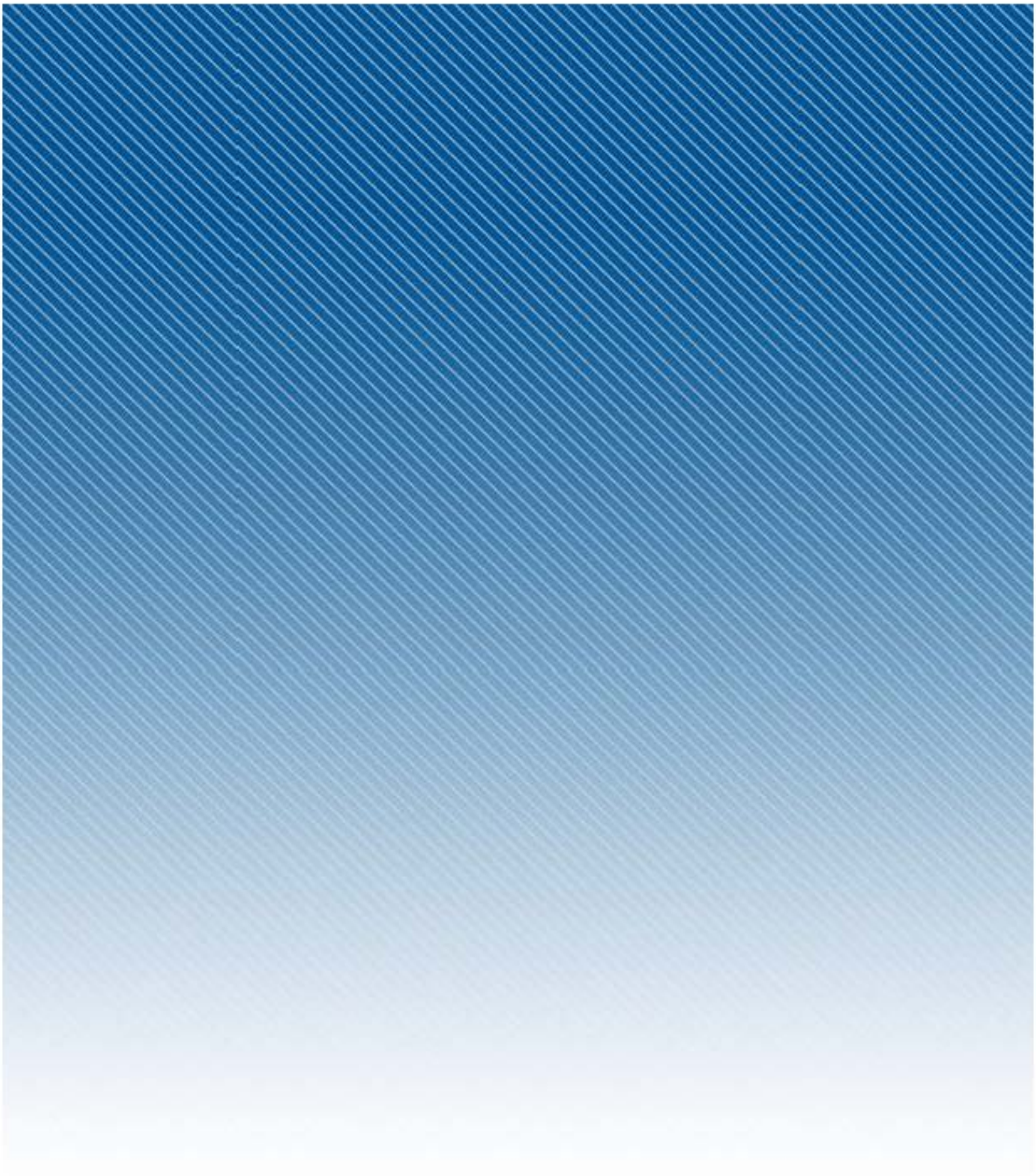

UNITED STATES COORDINATOR FOR
INTERNATIONAL INTELLECTUAL PROPERTY ENFORCEMENT

UNITED STATES DEPARTMENT OF COMMERCE
UNITED STATES DEPARTMENT OF HOMELAND SECURITY
UNITED STATES DEPARTMENT OF JUSTICE
UNITED STATES DEPARTMENT OF STATE
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

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Image not available for this document, ID: 0.7.10316.28481-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Thursday, September 28, 2006 12:39 PM
Subject: Service Interruption Resolved: Availability to Public G:Drive Restored

Service Interruption - Public G:\ Drive Restored

The issue we experienced with the Public G:\ Drive has been resolved.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 12:48 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT DISMISSES ANTITRUST LAWSUIT AGAINST EXELON CORP. AND PUBLIC ENTERPRISE SERVICE GROUP INC.

(A PDF of the Notice of Dismissal is attached below.)

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT DISMISSES ANTITRUST LAWSUIT AGAINST EXELON CORP. AND PUBLIC ENTERPRISE SERVICE GROUP INC.

Exelon Abandons Efforts to Acquire PSEG

WASHINGTON — The Department of Justice today announced that it filed a notice with the U.S. District Court for the District of Columbia to dismiss its antitrust complaint challenging the potential acquisition of Public Service Enterprise Group Inc. (PSEG) by Exelon Corp. Exelon has formally abandoned its effort to acquire PSEG, and therefore the lawsuit and proposed consent decree are no longer necessary, the Department said.

Background

On June 22, 2006, the Department filed an antitrust lawsuit in U.S. District Court for the District of Columbia alleging that the acquisition would harm competition in markets for wholesale electricity in the Mid-Atlantic region. At the same time, the Department filed a proposed settlement of the lawsuit that would preserve competition by requiring Exelon to divest six electricity generating plants, with a total generating capacity of more than 5,600 megawatts, in order to proceed with its $16 billion acquisition of PSEG.

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06-657

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA Plaintiff, v. EXELON CORPORATION and PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED Defendants.	CASE NUMBER 1:06CV01138 JUDGE: John D. Bates DATE STAMP:

PLAINTIFF'S NOTICE OF DISMISSAL OF COMPLAINT

Plaintiff United States of America, pursuant to Rule 41(a)(1) of the Federal Rules of Civil Procedure, hereby dismisses all causes of action in the complaint against defendants Exelon Corporation ("Exelon") and Public Service Enterprise Group Incorporated ("PSEG") without prejudice.

The United States is dismissing this action because there is no longer a basis for the relief sought by the United States. This action was brought to prevent the acquisition of PSEG by Exelon. Since the complaint was filed, however, Exelon has formally abandoned its effort to acquire PSEG, and has withdrawn its Hart-Scott-Rodino Pre-Merger Notification filing for that proposed transaction.

Exelon and PSEG have filed neither an answer to the complaint nor a motion for summary judgment as to these claims. Dismissal under Rule 41(a)(1) is therefore appropriate.

Respectfully submitted,

FOR PLAINTIFF UNITED STATES:

/s/

Mark J. Niefer (DC Bar #470370)
Department of Justice
Antitrust Division
325 Seventh Street, NW
Suite 500
Washington, DC 20530
Tel: (202) 307-6318
Fax: (202) 307-2784

Dated: September 27, 2006

DOJ_NMG_ 0168833

CERTIFICATE OF SERVICE

I hereby certify that on September 27, 2006, I caused a copy of the foregoing Plaintiff's Notice of Dismissal of Complaint to be served on counsel for Defendants in this matter in the manner set forth below:

By electronic mail and hand delivery:

Counsel for Defendant Exelon Corporation
John M. Nannes, Esq. (DC Bar #195966)
Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates
1440 New York Ave., NW
Washington, DC 20005-2111
Tel: (202) 371-7090
Fax: (202) 661-9191

Counsel for Defendant Public Service Enterprise Group, Inc.
Douglas G. Green, Esq. (DC Bar #183343)
Steptoe & Johnson, LLP
1330 Connecticut Ave., NW
Washington, DC 20036-1795
Tel: (202) 429-6264
Fax: (202) 429-3902

/s/
Mark J. Niefer
Counsel for Plaintiff

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Image not available for this document, ID: 0.7.10316.28414-000003

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 617658 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 617659 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, September 28, 2006 4:12 PM
Subject: Mail Delays up to One Hour

Mail Delays

Both inbound and outbound Internet e-mail flow is backlogged at this time. The delay began this afternoon at approximately 3:00 pm. In the last half hour there was a large influx of mail. The approximate delay is an hour. Another e-mail will be sent when normal mail flow resumes.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, September 28, 2006 4:31 PM
Subject: Mail Delay: Resolved

Mail Delay: Resolved

The inbound and outbound Internet e-mail delay has been resolved, email traffic flow is back to normal.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 5:30 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE GEORGETOWN UNIVERSITY LAW CENTER CONFERENCE ON THE JUDICIARY

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE GEORGETOWN UNIVERSITY LAW CENTER CONFERENCE ON THE JUDICIARY

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the Georgetown University Law Center Conference on the Judiciary on **FRIDAY, SEPTEMBER 29, 2006 at 9:00 A.M. EDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks at the Georgetown University Law Center Conference on the Judiciary

WHEN: **FRIDAY, SEPTEMBER 29, 2006**
9:00 A.M. EDT

WHERE: McDonough Building
Hart Auditorium
600 New Jersey Avenue N.W.
Washington, D.C.
POOL COVERAGE ONLY

NOTE: Due to space limitations, all other media wishing to cover the event **must** contact Elissa Free of the Georgetown University Law Center at ebf4@law.georgetown.edu or (202) 662-9519.

# # #

06-660

DOJ_NMG_ 0168841

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Image not available for this document, ID: 0.7.10316.28300-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 5:32 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE U.S. CHAMBER OF COMMERCE INTELLECTUAL PROPERTY SUMMIT

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE U.S. CHAMBER OF COMMERCE INTELLECTUAL PROPERTY SUMMIT

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the U.S. Chamber of Commerce Intellectual Property Summit on **FRIDAY, SEPTEMBER 29, 2006 at 9:45 A.M. EDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks at the U.S. Chamber of Commerce Intellectual Property Summit

WHEN: **FRIDAY, SEPTEMBER 29, 2006**
9:45 A.M. EDT

WHERE: U.S. Chamber of Commerce
Hall of Flags
1615 H Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: Pre-set for all media wishing to cover the event is **9:15 A.M. EDT.** Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Katie Wilson of the U.S. Chamber of Commerce at (202) 463-5375.

# # #

06-661

DOJ_NMG_ 0168844

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Image not available for this document, ID: 0.7.10316.28296-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 5:45 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES ALLEGATIONS OF DISABILITY DISCRIMINATION AGAINST TEXAS DEVELOPERS, ARCHITECTS, AND ENGINEERS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES ALLEGATIONS OF DISABILITY DISCRIMINATION AGAINST TEXAS DEVELOPERS, ARCHITECTS, AND ENGINEERS

WASHINGTON – The Justice Department today settled a lawsuit against 10 Austin, Texas developers, builders, architects, and engineers alleging disability discrimination in the design and construction of two housing developments in Austin. The suit, filed in U.S. District Court for the Western District of Texas, was brought to enforce provisions of the federal Fair Housing Act that require recently constructed dwellings to include features designed to make the dwellings more accessible to persons with physical disabilities.

"People with disabilities, like all Americans, deserve the opportunity to obtain fair housing in their communities," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "This lawsuit under the Fair Housing Act helps to ensure that we remain a welcoming society for all Americans."

Under the consent decree, which must be approved by the court, the following companies have all agreed to make accessibility retrofits at St. John's Village and Hunting Meadows Apartments.

– Legend Communities Inc., which does business as, SDC Austin, Communities
– Randall Jones Engineering, Inc.
– Alexander Consulting Engineers, Inc., which does business as, Professional Design Group
– Trugreen Landcare, L.L.C., which does business as, Land Design Studio
– Hatch Partnership, L.L.P., Architects
– Danze & Davis Architects, Inc.
– St. John's Housing Partnership, L.P.
– SMDC Development, Inc.
– Decker Lane Partners, L.P., and
– SDCW Development Corp.

St. John's Village is a complex of 156 rental apartments, including 52 ground-floor units, and Huntington Meadows has 200 rental apartments, including 110 ground-floor units. Under the Fair Housing Act, ground-floor units in non-elevator buildings must contain certain accessible features, such as: usable doors; accessible routes into and through the units; accessible light switches, electrical outlets, thermostats and other

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environmental controls, reinforced walls in bathrooms for installation of grab bars; and usable kitchens and bathrooms.

The defendants will retrofit parking areas, paths and walkways, public and common-use areas, as well as the interiors of ground-floor units, to enhance the accessibility of the complexes to disabled residents and their guests. The decree also requires the defendants to establish a $50,000 fund which will be used to compensate individuals harmed by the inaccessible housing, and to pay $10,000 in civil penalties to the government. The settlement also mandates the defendants to undergo training on the requirements of the Fair Housing Act and to make periodic reports to the government on the status of their facilities.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since January 1, 2001, the Justice Department's Civil Rights Division has filed 209 cases to enforce the Fair Housing Act, including 97 based on disability discrimination. For more information about the Civil Rights Division and the laws it enforces, visit www.usdoj.gov/crt.

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06-658

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Image not available for this document, ID: 0.7.10316.28288-000002

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 618133 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, September 28, 2006 5:58 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL JURY CONVICTS TWO FOR CROSS BURNING

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 28, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

FEDERAL JURY CONVICTS TWO FOR CROSS BURNING

WASHINGTON – A federal jury today convicted Christopher Mitchell and James Bradley Weems of burning a cross in front of the home of an African-American man in Fouke, Ark. The jury convicted each defendant of one count of conspiracy to violate the victim's civil rights.

The evidence at trial established that on the night of August 5, 2005, Mitchell and Weems, attended a party where they discussed an African-American man who lived nearby, using racial slurs to describe him. The defendants, along with a third man, Christopher Baird, who had pleaded guilty to his role in the offense, used wooden boards to erect a cross. The defendants then planted the cross near the home of the African-American man and lit it on fire. Witnesses testified that as a result of the cross burning, the African-American victim and the family he lived with all moved from their home because they were too frightened to remain in the town.

"Few symbols of racial hatred are as grotesque as a cross burning," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "People have the right to live where they choose, free from such threats based on bigotry. The Department of Justice will continue to vigorously prosecute such offensive and criminal conduct."

The case was investigated by Special Agents from the Federal Bureau of Investigation. The case was prosecuted by Trial Attorneys Christine Dunn and John Richmond of the Civil Rights Division of the Department of Justice.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 161 defendants in 102 cases of bias-motivated crimes.

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06-662

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Image not available for this document, ID: 0.7.10316.28289-000002

System Administrator

From: System Administrator
Sent: Thursday, September 28, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 618306 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, September 29, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 618307 KB.

Mailbox size limits:
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See client Help for more information.

[redacted]@kochind.com

From: [redacted]@kochind.com
Sent: Friday, September 29, 2006 9:16 AM
Subject: Open Koch Industries DC Position
Attachments: tmp.htm

We are looking to hire someone for our DC office. A description of the job is copied below as well as the link. If you have any ideas or resumes please send them to me. The worst part of the job is I'm going to be this person's boss!

The job description is copied below. Also, here is the link:
http://koch.hrdpt.com/cgi-bin/c/highlightjob.cgi?jobID=333695

****

FEDERAL AFFAIRS REPRESENTATIVE
Position Summary
Working with Executive Director of office; this person will be responsible for managing corporate charitable requests and events, managing the corporate box at Verizon Center and other ticketed events, supporting Federal Affairs activities through research, drafting documents and letters, and representing Koch at meetings, fund raisers and other events.

Roles/Responsibilities

* Coordinate reporting process from federal team to corporate board * Handle donor proposals and requests * Assist or lead Miscellaneous/Special projects * Work with office Executive Director on outside Board fundraising * Coordinate relationships with selected charities * Participate with strategic planning Requirements

* Familiarity with political process
* Strong research skills
* 2+ years Legislative/Executive Branch experience
* Strong Internet research skills
* Organizational Skills
* Writing skills

Experience Preferred

Prior management of social/political events
Experience in a congressional office (state or fed)

Education Required

Bachelor's Degree

Position will require ability to attend events outside of normal working hours.

[redacted]
Executive Director Federal Affairs

[redacted]

Koch Industries, Inc.
655 15th Street, NW
Suite 445
Washington, DC 20005
[redacted]

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- Organizational Skills
- Writing skills

Experience Preferred

Prior management of social/political events
Experience in a congressional office (state or fed)

Education Required

Bachelor's Degree

Position will require ability to attend events outside of normal working hours.

[redacted]

Koch Industries, Inc.
655 15th Street, NW
Suite 445
Washington, DC 20005

[redacted]

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Friday, September 29, 2006 9:27 AM
Subject: Scheduled SMO/JMD JCON Service: POSTPONED

JCON Service Work Cancelled

The previously announced Service Interruption scheduled for Sunday, October 1, 2006, 12:01 am to 6:00 am has been cancelled and will be rescheduled at a later date. The service interruption is being rescheduled due to the end of fiscal year budget activities.

Please disregard the service outage notice sent out on September 27th. All SMO/JMD JCON customers will be notified when the service is rescheduled.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 9:48 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR SEPTEMBER 29, 2006

Department of Justice

PRESS GUIDANCE
Friday, September 29, 2006

ATTORNEY GENERAL

9:00 A.M. EDT

Attorney General Alberto R. Gonzales delivered remarks before the Georgetown University Law Center Conference on the Judiciary regarding judicial independence.
McDonough Building
Hart Auditorium
600 New Jersey Avenue N.W.
Washington, D.C.
OPEN PRESS

9:45 A.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks before the United States Chamber of Commerce Intellectual Property Summit regarding the Department's efforts to protect intellectual property rights.
U.S. Chamber of Commerce
Hall of Flags
1615 H Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Katie Wilson of the U.S. Chamber of Commerce at (202) 463-5375.

PRESS RELEASES

DOJ_NMG_ 0168861

The Civil Right Division will issue a release. (Magnuson)

The Antitrust Division will issue a release on a bid rigging matter. (Talamona)

The Tax Division will issue a release on a tax fraud matter. (Miller)

The Environmental and Natural Resources Division will issue a release on a consent decree. (Magnuson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0168862

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From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 9:51 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE GEORGETOWN JUDICIARY CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE GEORGETOWN JUDICIARY CONFERENCE

WASHINGTON, D.C.

Thank you, and good morning. It is an honor to be here and to share a few thoughts with you on the importance of judicial independence.

I want to begin by thanking all judges for their sacrifice to our country and their contribution to the rule of law. There is no question that my views on the importance of an independent judiciary were molded and defined while I served as a justice of the Texas Supreme Court. I must confess that I accepted the appointment to the court with some reluctance, since I was not an appellate law specialist at the time—I practiced corporate law—and I had never aspired to be a judge. I enjoyed my job as Texas Secretary of State. But I accepted the appointment as a judge because I could think of no better way to continue to serve both my profession and my beloved State of Texas.

While serving on the bench, I learned some lasting lessons pertaining to the topic of this conference.

First, the character of person who sits on the bench is fundamentally important.
Second, the process by which a judge renders a decision is crucial.

And third, it is essential that judges be courageous enough to do the right thing, motivated solely by a respect for the law, undeterred by criticism or the possible outcome of the next election.

I mention elections here because judges in Texas and several other states are required to run in partisan elections. Following my appointment to the court, for example, I – like all other judges on my court – had to raise enough money to run print ads and place television spots around the state in order to retain my seat.

As many of you know, there has been a great deal of debate in recent years about the wisdom of partisan judicial elections. A number of states have implemented other means of judicial selection, including merit selection and appointment with retention elections, in response to this debate.

I remain concerned about the fact that judicial elections require judges to raise funds — because most contributions to judicial campaigns come from lawyers and law firms, many of whom have had, or will have, cases before the court. The appearance of a conflict of interest is difficult to dismiss.

While I am sure that the number of elected judges who are actually influenced by campaign contributions in deciding cases is very small, surveys in Texas and elsewhere indicate that a significant percentage of voters believe that judges are influenced by campaign funds.

Public perception may be as important as reality in this case. I believe that popular beliefs about the influence of campaign funds on judges' decisions tend to have a corrosive effect on public confidence in a state's judicial system. And if Americans come to believe that judges are simply politicians, or their decisions can be purchased for a price, state judicial systems will be undermined.

Of course, at the federal level, our judges are appointed and have lifetime tenure. Principles of judicial independence are woven tightly into the fabric of our nation's government. Alexander Hamilton championed the concept of life tenure for judges in Federalist 78, arguing that lifetime tenure would be the "best expedient [that] can be devised in any government, to secure a steady, upright, and impartial administration of the laws."

Our Constitution provides lifetime tenure to our federal judges and provides compensation that cannot be diminished because it affords judges the opportunity—and the duty—to make difficult, courageous and at times unpopular decisions.

Elected judges in the states, on the other hand, are not shielded by lifetime tenure from the public's perceptions of their opinions. Nevertheless, I regularly hear about the pressures of public criticism from federal judges.

Now I want to be candid here…respectful, but candid. Virtually every time a judge makes a decision in the pursuit of justice, he or she is going to make someone unhappy. The nature of the job guarantees criticism. I know its uncomfortable at times, tradition and canons of ethics make it more difficult for a judge to respond to criticism. But the concept of judicial independence has never meant, and should never mean, that judges or their decisions should be immune from public scrutiny. We live in a society of free speech and lively debate, and criticism has long been a part of judicial history. In fact, I received my fair share of it when I served on the Texas Supreme Court.

Some criticism is unquestionably inappropriate. For example, the suggestion that judicial decisions might somehow be an explanation or rational for violence is wrong. But most criticism should not be a source of legitimate serious concern for the federal judiciary because they enjoy constitutional protections against its consequences.

Recognizing that criticism will come, judges must resist the temptation to craft opinions to avoid it or to seek approval, whether from the public, from the press, from academia, from elected leaders in the halls of Congress, from other judges, or from a court of appeals.

As a consequence of the independence that the Constitution's Framers provided, federal judges are relatively unaccountable for their decisions. This is why it is so important that judges understand their role in our constitutional democracy and hold themselves accountable to it. When the Constitutional text demands an unpopular result, judges cannot shirk from their responsibilities. They might be criticized; but that's America. In addition, respectfully, when courts issue decisions that overturn longstanding traditions or policies without proper support in text or precedent, they cannot -- and should not -- be shielded from criticism. A proper sense of judicial humility requires judges to keep in mind the institutional limitations of the judiciary and the duties expressly assigned by the Constitution to the more politically accountable branches.

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The Constitution, for example, clearly makes the President the Commander in Chief of the armed forces, and assigns other important war powers to the Congress. The Supreme Court has long recognized, moreover, the Executive's pre-eminent role in foreign affairs. The Constitution, by contrast, provides the Courts with relatively few tools to superintend military and foreign policy decisions, especially during war time. Judges must resist the temptation to supplement those tools based on their own personal views about the wisdom of the policies under review. This is why President Bush has sought to appoint judges who will not carry out a personal agenda on the bench.

During the past five years, as I have had the privilege of advising President Bush on the selection of many of our nation's judges, I have come to appreciate these lessons more than ever.

From my experience, I can tell you that the selection and appointment of judges who are committed to upholding the law, and to serve our country to the best of their ability is extremely important to the President, as it is to me. I have often said that few presidential decisions are more important than lifetime appointments to the federal bench. Many of a president's policies and programs, no matter how popular or worthy, can be undone by the very next president or the next Congress. But a judicial appointment lasts a lifetime. Indeed, these judicial appointments often represent a president's most enduring legacy.

Of course, this legacy has not been limited to filling vacancies in the federal courts of appeals and the district courts. This past year, we saw the passing of a great Chief Justice of the United States, William Rehnquist, and the retirement of another distinguished justice, Sandra Day O'Connor. The President selected two of our country's most outstanding jurists, Chief Justice John Roberts and Justice Samuel Alito, to fill their seats and to carry on the mission entrusted to our nation's Supreme Court.

During their respective confirmation hearings, America's citizens came to know Chief Justice Roberts and Justice Alito as judges who are intelligent, principled, and committed to the rule of law and to the independence of our judiciary. Their testimony before the United States Senate served as a powerful civics lesson, reminding us of the role of judges and the judiciary in our democratic and constitutional systems.

Notably, both Chief Justice Roberts and Justice Alito emphasized the importance of an independent judiciary during their hearings. For example, Chief Justice Roberts succinctly stated: "An independent judiciary is one of the keys to safeguarding the rule of law."

Justice Alito said: "[T]he [federal courts] should be insulated from public opinion. They should do what the law requires in all instances. That's why the members of the judiciary are not elected. We have a basically democratic form of government, but the judiciary is not elected. And that's the reason: so that they don't do anything under fire. They do what the law requires."
I could not say it any better.

In closing, I can tell you that I am confident that the conference's distinguished and learned speakers and participants will provide you with thoughtful and well-informed examinations of the state and health of the nation's judiciary. Above all, I hope that you will leave this conference with a renewed faith in the rule of law and an independent judiciary as cornerstones of our system of government.

Thank you.

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McKoy, Willie

From: McKoy, Willie
Sent: Friday, September 29, 2006 9:54 AM
To: Arcadi, Tony (USMS); Askew, Rita; ATFbackup; ATR-HelpDesk - Support Requests; Ayers, Louise (TAX); Barr, Bruce; Bracey, Glynnis A; Brown, Jacques; Casas, Edgar (TAX); CATS_ADMIN; Cechman, Matthew F.; Chandler, Jerrold; Clements, Rick (TAX); Clifford, Samuel W. (OIG); Crawford, Russell (CIV); Crowley, Neal R; Dalton, Dennis (CRT); Day, Greg; Debt Collection Mgmt; Durant, Luther M; Eade, Raymond; Eason, Joe (USMS); EMWS Technical Support; EOIR, HELPDESK (EOIR); Feldman, Mike (USAEO); Fisher, Karen (CRT); Ford, Ricky; Foster, Robert (NDIC); FPS Helpdesk (NDIC); Frye, Carlton; Gallmon, Rosalind Purvis (TAX); GSA Services; Hackley, Brennie (USMS); Haggerty, Michael; Henderson, Gary (CIV); ITS Helpdesk (USMS); JCON Broadcast (JMDJCON); JOIN Contractors; Kennison, Jeff (CIV); Knight, David (ENRD); Krutous, Boris (EOIR); Lomax, Joc B; Maclean, Donald; Maimer, Anthony (CRT); Marshall, Robert L; Martinez, Manuel; Miller, Todd (CIV); Monte, Joseph; Muse, Avery Q; NDIC Helpdesk; Neely, Darren; Nelson, David L (NDIC); Norman, Mike; NSC, TSS (Network Service Center); OSS/IS/EP/SOG/WOT All; Palombo, Bill; Passmore, Steve; Rauscher, John; Renninger, Don (NDIC); Reutemann, Michael J. (OIG); Roti, Randy (USAEO); Russell, James S. (CRM Security); SEDS-SDS; Sharp, Garland S; Stinchcomb, Brian; Strother, Michael; STS_OTS_BroadcastNotification; Taylor, Andy; Tayman, Richard (ENRD); Towson, Wayne; Tucker, Samuel; USMS HelpDesk; USPAROLE; Vasquez, Michael (USADC); Whatley, Tina T. (TAX); Woods, Edward; Yun, Jun B
Subject: JCON Accptance of Calls to 888-526-6750
Importance: High

Dear NSC Customer,

On October 1, 2006, the services provided by Department of Justice Network Service Center (NSC) will be consolidated with services provided by the JMD-SMO Justice Consolidated Office Network (JCON) help desk. Impact to your organization if any, should be minimal other than you may notice a difference in the way the initial phone call is answered.

The NSC's existing Toll-Free phone number (888)-526-6750 will remain unchanged. If you have any questions please call me, Victor Fuentes at 202 - 305 - 7112.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE UNITED STATES CHAMBER OF COMMERCE INTELLECTUAL PROPERTY SUMMIT

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE UNITED STATES CHAMBER OF COMMERCE INTELLECTUAL PROPERTY SUMMIT

WASHINGTON, D.C.

Good morning, thank you for inviting me today. And thank you as well to the U.S. Chamber of Commerce for the great work being done through the Coalition Against Counterfeiting and Piracy.

In our 21st century economy, intellectual property is among the most valuable assets for manufacturing, communications and medicine. Whether it is the copyright of a blockbuster film, a trade secret for an innovative product, a patent on a life-saving drug, or a trademark of a valuable brand, intellectual property is a significant source of growth in the American economy and a key driver of global economic activity.

Through the talents of American scientists, entrepreneurs and artists, we have developed the most dynamic and sophisticated economy the world has ever seen…and the world is a better place due to their efforts. The ideas and inventions of our citizens provide our competitive advantage in the thriving global economy.

Our competitive advantage, however, is threatened by those who steal the ideas of others and produce inferior substitutes that damage the reputation and profitability of a sought-after, trademarked original, or steal the trade secrets of a productive company. Every time someone copies or steals the intellectual property of another, our economy suffers through lost jobs and lost revenues.

But as we know, this isn't just about our global competitiveness. Even more importantly, the safety of our people can be threatened by intellectual property theft. Our safety is threatened by those who manufacture counterfeit airplane or car parts that fail. Our safety is threatened by those who manufacture fraudulent electrical appliances that explode. And in the case of fake pharmaceuticals, the health of Americans is threatened by those who manufacture or sell counterfeit medication, such as cholesterol drugs or antibiotics.

Just last Wednesday, we announced the indictment of eleven individuals and an Atlanta-based company on charges related to a scheme to sell fake drugs over the internet. According to the indictment, the defendants in

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that case marketed approximately 24 different drugs, including versions of Ambien, Valium, Lipitor, and Vioxx, through spam advertisements. While customers expected to get safe and authentic generic versions of these vital drugs, imported from Canada at lower prices, the drugs were, in reality, adulterated fakes that were crudely made in an unsanitary house in Belize.

The theft of intellectual property is not just a cheap bootleg movie or an imitation Gucci bag sold on the street corner, what some might see as a harmless distraction. Stealing is stealing. It is a crime that threatens not only America's economic prosperity but the health, safety, and security of our citizens.

What is the key to addressing the threat of intellectual property theft? The key is cooperation.

It requires the cooperation of law enforcement authorities.

It requires the cooperation of government agencies.

It requires the cooperation of the Congress.

And combating intellectual property theft requires the cooperation of victims, and potential victims, like you and the companies you work for.

The Bush Administration has led an unprecedented effort to crack down on intellectual property theft. This has only been possible because we have made cooperation among government agencies the cornerstone of our efforts. That is what our ongoing "STOP" initiative is all about. The Strategy Targeting Organized Piracy is a comprehensive and coordinated strategy to crack down on the growing global trade in counterfeit and pirated goods. This initiative attacks the problem in a number of ways with nine federal agencies, including the Department of Justice, working together to raise awareness of and enforce intellectual property rights, as well as to prevent intellectual property theft from occurring.

I am proud of the work we've been able to accomplish as a team over the past two years of the Administration's STOP Initiative. The Department of Justice has worked closely with our partner agencies across the federal government and, through this cooperation, has brought a coordinated and aggressive strategy to fight the global problem of counterfeiting and piracy.

The success of this strategy is made clear in the 2006 Report to the President and Congress on Coordination of Intellectual Property Enforcement and Protection that was released yesterday during Commerce Secretary Gutierrez's remarks. This important document sets forth the Administration's significant and substantial efforts to stem the tide of intellectual property theft and the coordinated strategy and commitment to ensure that intellectual property rights are protected.

The Department of Justice's efforts are also set forth in the report of our Task Force on Intellectual Property, which I presented during a Chamber of Commerce event in June. As you may remember, in March 2004 we had established a task force of high-level Department of Justice officials who were given the task of reviewing how the Department enforced and protected intellectual property rights.

The Task Force made 31 substantive recommendations to improve the Department of Justice's efforts to protect and enforce intellectual property rights through criminal, civil, and antitrust enforcement; international cooperation; legislation; and prevention programs.

When I became Attorney General in 2005, I charged the Task Force with implementing all of the recommendations contained in the Report as soon as possible. And I was glad to be able to announce to you in June that the Department of Justice had exceeded its goals. Among our many achievements, the Department of Justice increased the number of defendants indicted for intellectual property offenses by 98% from fiscal year 2004 to 2005. We increased the number of prosecutors we have in the field by creating 12 new Computer Hacking and Intellectual Property, or CHIP, Units in U.S. Attorneys' offices around the country, including

offices in Pittsburgh, Pennsylvania, Orlando, Florida, Detroit, Michigan, Sacramento, California, and Nashville, Tennessee.

In addition, the Department of Justice has deployed an intellectual property law enforcement coordinator in Asia and we are adding a coordinator in Eastern Europe.

While I am proud of our efforts and those of our partners, there is more we can do. We are seeking legislation that would, among other things, increase penalties for intellectual property crimes, clarify that registration of a copyright is not required for a criminal prosecution, make attempts to commit copyright infringement a crime, and increase the tools investigators have at their disposal to track potential intellectual property crimes. We urge the Congress to pass this important legislation to further support our efforts in this important area.

At the Department of Justice, we realize that we did not achieve the important milestones already reached--and will not continue to make progress--without the cooperation of other federal agencies, and most importantly, the cooperation of victims.

It is nearly impossible to bring a criminal intellectual property case without the cooperation of the victim. We often rely on the rights holder to refer the case for prosecution, to provide critical evidence, and, in many cases, to take the steps necessary to protect intellectual property from further theft.

The Chamber's Coalition Against Counterfeiting and Piracy understands well the key fact that preventing intellectual property theft is critical, and that victims have a responsibility both to take steps to protect their own intellectual property and to enforce their intellectual property rights. I applaud the work of the Coalition and its strategy to protect America's intellectual property through education, enforcement and international initiative. We will continue to work closely with the Coalition to address the protection of intellectual property rights.

At the Department of Justice, we are striving to protect those who create, innovate, and contribute—those who help to expand our economy—by catching and prosecuting those who would steal intellectual property and threaten the health and safety of our communities. We recognize that we are not in this fight alone and we appreciate the work that you do every day to help us in this endeavor.

Thank you for hosting this important summit and for your continued efforts in protecting intellectual property rights.

May God bless you and your families, and may he continue to bless the United States of America.

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From: System Administrator
Sent: Friday, September 29, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 12:57 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:01-cv-01472-REB-PAC Stanton Disc Pharm, et al v. Qwest Comm Intl Inc, et al Order

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District of Colorado

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The following transaction was entered on 9/29/2006 at 10:56 AM MDT and filed on 9/29/2006
Case Name: Stanton Disc Pharm, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:01-cv-1472
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 14

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

1:01-cv-1472 Notice has been electronically mailed to:
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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 12:59 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:01-cv-01527-REB-PAC Urquhart, et al v. Qwest Comm Intl Inc, et al Order

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Case Name: Urquhart, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:01-cv-1527
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 14

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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b1777d40b74596c12205ba09a213be2b27a18e3cc94c69287c77ab5d64bb]]

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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 1:01 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:01-cv-01616-REB-PAC Grady, et al v. Qwest Comm Intl Inc, et al Order

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Case Name: Grady, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:01-cv-1616
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 11

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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From: COD_ENotice@cod.uscourts.gov
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Case Number: 1:01-cv-1799
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Document Number: 7

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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Subject: Activity in Case 1:01-cv-01930-REB-PAC Tanner, et al v. Qwest Comm Intl Inc, et al Order

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Case Number: 1:01-cv-1930
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WARNING: CASE CLOSED on 09/29/2006
Document Number: 5

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 1:10 PM
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Subject: Activity in Case 1:02-cv-00333-REB-PAC Herbert S Cohen Trus, et al v. Qwest Comm Intl Inc, et al Order

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Case Number: 1:02-cv-333
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 14

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 1:15 PM
To: USDOJ- Office of Public Affairs
Subject: SETTLEMENT BETWEEN UNITED STATES, DELAWARE, DUPONT AND CIBA RESTORES WETLANDS HABITAT IN DELAWARE'S MISPILLION RIVER ECOSYSTEM

Department of Justice

U.S. Fish and Wildlife Service
National Oceanic and Atmospheric Administration
State of Delaware

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SETTLEMENT BETWEEN UNITED STATES, DELAWARE, DUPONT AND CIBA RESTORES WETLANDS HABITAT IN DELAWARE'S MISPILLION RIVER ECOSYSTEM

WASHINGTON – The federal government and the Delaware Department of Natural Resources and Environmental Control reached an agreement today with chemical companies DuPont and Ciba to resolve claims relating to the release of hazardous substances from the DuPont Newport Superfund Site, which contaminated wetlands in and around the Christina River ecosystem. DuPont and Ciba will pay over $1.6 million for cleanup costs, natural resource damages and restoration projects to the federal and state trustees, which include the state of Delaware, the National Oceanic and Atmospheric Administration (NOAA), and the Fish and Wildlife Service.

Per today's agreement, lodged today in the U.S. District Court for the District of Delaware, DuPont and Ciba will purchase an "environmental covenant," allowing them to set aside for protection 56 acres of private land, known as the Pike Property, located along the Delaware Bay, for restoration projects identified in the federal and state agencies' Damage Assessment and Restoration Plan (DARP). Dupont and Ciba will pay costs associated with implementation of the restoration projects in the DARP; pay Damage Assessment Costs incurred by the Trustees; and pay a damage claim to Delaware for injury caused to groundwater.

"This settlement will result in significant habitat improvements in the Mispillion River ecosystem—home to many valuable natural resources, such as blue crab, Atlantic herring, spot, and striped bass," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "The Justice Department will continue to work cooperatively with state and federal agencies to ensure our environmental laws are enforced and our resources protected."

"By working cooperatively, the agencies and DuPont quickly reached agreement on an innovative restoration strategy that will ensure protection of natural resources in perpetuity through the use of conservation easements," said John H. Dunnigan, assistant administrator for NOAA's National Ocean Service. "We are

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satisfied that a cooperative natural resource injury assessment and restoration approach benefits industry, the community, and most importantly, the environment."

"The highlight of this process was the cooperative nature of the negotiations," according to Marvin E. Moriarty, U.S. Fish and Wildlife Service Northeast regional director. "Both the Trustees and DuPont worked toward a common restoration goal, and Dupont deserves credit for going beyond the basic requirements to the benefit of our natural resources."

"Ecological restoration is a fundamental goal for our agency," said Delaware Department of Natural Resources and Environmental Control Secretary John A. Hughes. "Wetland habitats are particularly vulnerable to degradation by human activity. I'm pleased that in addition to the work already completed at the Newport site and wetlands, this settlement will protect and restore wetland habitat in the Mispillion and improve biodiversity in the entire ecosystem of the river."

For the past 100 years, the DuPont Newport Superfund Site has been used in various chemical manufacturing operations. The site is the location of a paint pigment plant and two inactive industrial landfills. In the late 1970s, DuPont built a second facility at the Newport Site in order to expand its chromium dioxide production, and in 1984, DuPont sold part of the Newport facility to Ciba, which continues to produce QA pigment at the Newport facility. As a result of its history of manufacturing operations, the site became heavily contaminated with various hazardous substances, including heavy metals (particularly arsenic, barium, cadmium, lead and zinc) and volatile organic compounds.

For several years starting in the late 1980s, DuPont worked under orders issued by the Environmental Protection Agency to clean up the Newport site by doing such things as excavating contaminated soils; capping landfills; restoring wetlands; recovering and treating ground water; excavating and consolidating contaminated soils, dredging and monitoring the Christina River; installing a groundwater barrier wall along the north bank of the Christina River; and paving sections within the contaminated plant areas.

Additionally, DuPont evaluated and incorporated additional restoration measures beyond the cleanup to restore wetlands at the Newport Site. Restoration of the Newport wetlands has vastly improved the functional capacity of this habitat to support fish communities in the Christina River. The installation of a water control structure has successfully created a tidal open water habitat that maintains a continuous pool of water within the North Wetland and allows for tidal flushing back into dense and diverse marsh vegetation. The removal of dense stands of *Phragmites* in the South Wetland, coupled with the restoration of drainage systems, has successfully created a tidally contiguous, open water habitat that regularly inundates the surrounding vegetation. Overall, post-remedial data demonstrates that the North and South Wetlands have been successfully restored to a level where the aquatic habitat now functions as an integral part of fisheries development and recruitment within the Christina River Watershed.

The consent decree will be subject to a 30-day public comment period and subsequent judicial approval. available on the Justice Department website at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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06-664

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Subject: Activity in Case 1:02-cv-00374-REB-PAC Brody, et al v. Qwest Comm Intl Inc, et al Order

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Case Name: Brody, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-374
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 12

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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1:02-cv-374 Notice has been mailed by the filer to:

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adff083106223d51ee6ddc1d6118eff9c4a9a5ad62a8950f2a7a79e5508c]]

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From: COD_ENotice@cod.uscourts.gov
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Subject: Activity in Case 1:02-cv-00507-REB-PAC Barry, et al v. Qwest Comm Intl Inc, et al Order

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Case Number: 1:02-cv-507
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WARNING: CASE CLOSED on 09/29/2006
Document Number: 5

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 1:21 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00658-REB-PAC Abdelnour, et al v. Qwest Comm Intl Inc, et al Order

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Case Name: Abdelnour, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-658
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 9

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 1:23 PM
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Subject: Activity in Case 1:02-cv-00755-REB-PAC Wollman, et al v. Qwest Comm Intl Inc, et al Order

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Case Name: Wollman, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-755
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Document Number: 10

Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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0c5a4b32d07f374a4db257fa4f9bf01b0e3d22629ffabed8c96733ce1a22]]

From: COD_ENotice@cod.uscourts.gov
Sent: Friday, September 29, 2006 1:24 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00798-REB-PAC Tabacoff, et al v. Qwest Comm Intl Inc, et al Order

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Case Number: 1:02-cv-798
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WARNING: CASE CLOSED on 09/29/2006
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Docket Text:
ORDER: That the consolidation of 04-cv-00238 is TERMINATED. That the proceedings shall proceed independently of this consolidated action; this consolidated case is AMENDED by the removal of 04-cv-00238 from the caption; this consolidated action is STAYED pending resolution of the criminal charges against Nacchio in 05-cr-00545. This consolidated action is CLOSED ADMINISTRATIVELY pending resolution of the criminal charges against Nacchio. Any party may seek to lift the stay and administrative closure on a showing that the criminal charges against Nacchio have been resolved. Signed by Judge Robert E. Blackburn on 9/28/06. (dln,)

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a76bb99348564e120fc0c66c0dd8eda904284488f6ba5a3801106f1896b1]]

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System Administrator

From: System Administrator
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From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 2:10 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NEW YORK HOSPITAL EMPLOYEE AND A MANHATTAN TELECOMMUNICATIONS COMPANY PLEAD GUILTY TO BID RIGGING AND RELATED CHARGES

(Relevant PDFs are attached.)

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
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FORMER NEW YORK HOSPITAL EMPLOYEE AND A MANHATTAN TELECOMMUNICATIONS COMPANY PLEAD GUILTY TO BID RIGGING AND RELATED CHARGES

WASHINGTON — A former New York hospital employee and a telecommunications company pleaded guilty today to charges relating to their roles in a conspiracy involving kickbacks, bid rigging, bribery, contract allocation, and related charges for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced.

Anthony Spadola of Morganville, N.J., a former information technology manager at Mount Sinai, pleaded guilty today in U.S. District Court in Manhattan to a three-count information. Spadola pleaded guilty to one count of conspiracy to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai from approximately January 2001 through October 2004. Spadola also pleaded guilty to one count of conspiracy to commit commercial bribery, mail fraud, and to making false and fraudulent statements on corporate U.S. income tax returns from approximately January 2001 until September 2003. Additionally, he pleaded guilty to one count of income tax evasion for failing to report as income kickbacks that he received, and for improperly claiming business deductions on his U.S. individual income tax returns for the years 2001 through 2003.

Broadcom Voice & Data Inc. (Broadcom) of New York City, a telecommunications installation company, also pleaded guilty today in U.S. District Court in Manhattan. Broadcom pleaded guilty to one count of conspiracy to rig bids and allocate contracts for the sale of telecommunications equipment and services to Mount Sinai from approximately January 2001 through October 2004.

"The Antitrust Division will hold accountable those who attempt to undermine open and competitive bidding processes," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Today's sentences demonstrate that commitment."

The Mount Sinai Hospital is a 1,171-bed tertiary care teaching hospital that serves the New York metropolitan area with a medical staff of nearly 1,800. In addition to its medical education efforts, Mount Sinai's School of Medicine performs clinical and basic-science research. Both the hospital and the school

jointly operate an information technology department, located within the Mount Sinai Medical Center in Manhattan, that assists various departments and facilities in creating and maintaining their telecommunications infrastructures. This assistance includes selecting and contracting with third party telecommunications vendors in order to install equipment such as voice and data cables in Mount Sinai facilities.

Spadola's co-conspirator, Stephen Cogliano, also a former Mount Sinai employee, pleaded guilty on Tuesday to one count of conspiracy to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai from January 2001 through October 2004.

Spadola and Cogliano were responsible for obtaining bids from vendors of telecommunications equipment and services on behalf of Mount Sinai. They were also responsible for supervising vendors and reviewing and authorizing their invoices for payment. According to the Department, Spadola and Cogliano received payments from individuals associated with Broadcom and another telecommunications vendor in exchange for steering contracts to those companies. Spadola and Cogliano opened bank accounts under the name of consulting companies in April 2001 and May 2003, respectively, that were primarily used to conceal illegal payments received from Broadcom. Court papers also state that Spadola failed to report his receipt of all of the kickbacks and that he took illegitimate business deductions on his income tax returns.

Between January 2001 and September 2003, Broadcom paid Spadola and Cogliano a total of approximately $154,000 in kickbacks in order to ensure that Broadcom would be allocated a portion of Mount Sinai's total contracts for purchasing telecommunications equipment and services and that no alternative vendors would be chosen for those contracts. The kickback money was paid through checks issued by Broadcom to the sham consulting companies created by Spadola and Cogliano.

Spadola is scheduled to be sentenced before Judge McKenna on Jan. 8, 2007, and Cogliano is scheduled to be sentenced before Judge Rakoff on Jan. 25, 2007. Broadcom is scheduled to be sentenced before Judge Swain on Dec. 28, 2006.

The bid rigging charge, a violation of the Sherman Act, carries a maximum penalty of 10 years in prison, three years of supervised release, and a $1 million fine for an individual, and a maximum penalty of a fine of $100 million and a term of probation of five years for a corporation. The conspiracy charge carries a maximum penalty of five years in prison, three years of supervised release, and a $250,000 fine for an individual. The count of income tax evasion carries a maximum penalty of five years in prison, three years of supervised release, and a $100,000 fine, together with the costs of prosecution. The maximum fine on each count may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, the defendants could be ordered to pay restitution to the victim for the full amount of that victim's loss.

These charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the telecommunications equipment and services industry. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation (FBI) and the Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the telecommunications equipment and services industry should contact the New York Field Office of the Antitrust Division at 212-264-9308 or the New York Division of the FBI at 212-384-3252.

###

06-665

DOJ_NMG_ 0168913

Department of Justice

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.	:	Violation: 15 U.S.C. § 1
BROADCOM VOICE & DATA, INC.,	:	
	:	
Defendant.	:	

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Broadcom Voice & Data, Inc. ("Broadcom") is hereby made a defendant on the charge stated below.

SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

I. RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Broadcom Voice & Data, Inc. ("Broadcom") was a company located in Manhattan, New York that supplied telecommunications equipment and services to Mount Sinai School of Medicine and The Mount Sinai Hospital (collectively, "Mount Sinai"), a teaching hospital located in New York, New York.

3. "CC-1" was a co-conspirator who was employed by Mount Sinai as a Information Technology Manager in Mount Sinai's Information Technology department

from August 2000 until July 2003. In July 2003, CC-1 became an employee of International Business Machines, Corp. ("IBM") but maintained the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. In April 2001, CC-1 opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from Broadcom and another vendor to Mount Sinai.

4. "CC-2" was a co-conspirator who was employed by Mount Sinai as a Network Management Professional in Mount Sinai's Information Technology department from October 2000 until July 2003. In July 2003, CC-2 became an employee of IBM but maintained the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. His job title changed to Technical Services Professional in October 2004. In May 2003, CC-2 opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from Broadcom and another vendor to Mount Sinai. As a Network Management Professional, and later as a Technical Services Professional, CC-2 was supervised by CC-1 but was also separately responsible for ensuring that contracts were awarded in accordance with Mount Sinai's policies and procedures and reviewing and authorizing invoices for payment.

5. "CC-3" and "CC-4" were co-conspirators who jointly owned a company located in Great Neck, New York that supplied telecommunications equipment and services to Mount Sinai ("Vendor 2").

DOJ_NMG_ 0168916

6. Various other persons, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

7. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

II. BACKGROUND

8. The Mount Sinai Hospital is a 1,171-bed tertiary-care teaching hospital with a medical staff of nearly 1,800, serving the New York metropolitan area. Mount Sinai School of Medicine performs clinical and basic-science research, in addition to its medical education function. Jointly, both entities operate an Information Technology department located within the Mount Sinai Medical Center on Madison Avenue.

9. Mount Sinai's Information Technology department served the various departments and facilities within Mount Sinai by assisting them in creating and maintaining their telecommunications infrastructures. This included selecting and contracting with third parties that were vendors of telecommunications equipment and services in order to install equipment such as voice and data cables in Mount Sinai facilities.

DOJ_NMG_ 0168917

10. Mount Sinai had a competitive bidding policy that required the Information Technology department to obtain at least three competitive bids before entering into any single contract for goods or services in excess of $10,000, and then award those contracts to the lowest responsible bidder. The purpose of the bidding policy was to ensure that the Information Technology department obtained products and services at competitive, fair market prices.

11. As the Information Technology Manager, CC-1 was responsible for obtaining bids from vendors of telecommunications equipment and services before contracts were awarded in accordance with Mount Sinai's policies and procedures, including adhering to Mount Sinai's competitive bidding policy. In addition, CC-1 was responsible for supervising these vendors and reviewing and authorizing their invoices for payment. As a manager, CC-1 sometimes delegated these tasks to individuals he supervised, including CC-2.

12. Broadcom, CC-1, CC-2 and co-conspirators attempted to create the appearance that the Information Technology department was awarding contracts in compliance with Mount Sinai's competitive bidding policy when, in fact, it frequently was not. In actuality, CC-1 determined in advance which contracts to allocate to Broadcom or Vendor 2, and then, in order to make it appear that contracts had been awarded based on competitive bids, CC-1 and CC-2 at times arranged to receive bids with intentionally high prices (i.e., cover bids) from either Broadcom or Vendor 2. CC-1 and CC-2 sometimes specified what prices should be quoted on these cover bids, and that the bids be backdated.

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On other occasions, CC-1 and CC-2 allocated contracts without obtaining multiple bids or irrespective of whether the vendor to which the contract was allocated was the lowest responsible bidder. At the time, CC-1 and CC-2 were receiving payments from Broadcom and Vendor 2.

13. Mount Sinai maintained a written "conflict of interest" policy prohibiting employees and contractors, including CC-1 and CC-2, from accepting gifts (other than of token value) from vendors or from entering into business arrangements with vendors.

14. At no time did any representative of Broadcom or CC-1 or CC-2 disclose to Mount Sinai that the company had paid money to CC-1 or CC-2. All such payments were made without the knowledge or approval of Mount Sinai, and in violation of CC-1's and CC-2's duty of loyalty to Mount Sinai.

III. TRADE AND COMMERCE

15. From approximately January 2001 through October 2004, pursuant to contracts that are the subject of this Information, Mount Sinai purchased approximately $2,089,000 in telecommunications equipment and services from Broadcom and Vendor 2.

16. During the period covered by this Information, Broadcom and Vendor 2 supplied telecommunications equipment and services to Mount Sinai, including materials produced pursuant to contracts that are the subject of this Information, which were shipped across state lines, in a continuous and uninterrupted flow of interstate commerce, in the form of voice and data cables and other equipment obtained from distributors located outside the State of New York.

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17. The activities of the defendant and co-conspirators with respect to the sale of telecommunications equipment and services to Mount Sinai, including the sale of voice and data cables and other equipment pursuant to contracts that are the subject of this Information, were within the flow of, and substantially affected, interstate trade and commerce.

IV. DESCRIPTION OF THE OFFENSE

18. From approximately January 2001 through October 2004, the exact dates being unknown to the United States, the defendant and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (Title 15, United States Code, Section 1).

19. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to rig bids and allocate contracts for the supply of telecommunications equipment and services to Mount Sinai.

20. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

(a) CC-1 designated in advance whether Broadcom or Vendor 2 would be the low bidder on certain contracts to supply telecommunications equipment and services to Mount Sinai;

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(b) Broadcom and co-conspirators discussed and agreed on the prices that would be bid on contracts to supply telecommunications equipment and services to Mount Sinai;

(c) Broadcom and co-conspirators submitted intentionally high, noncompetitive bids (i.e., cover bids) on certain contracts to supply telecommunications equipment and services to Mount Sinai, with the understanding they would be allowed to submit bids for, and under certain circumstances allocated other contracts with, Mount Sinai to supply telecommunications equipment and services. The intentionally high bids were submitted in order to make it appear that there had been competition for Mount Sinai contracts when, in fact, there had not; and

(d) CC-1 and CC-2 allocated other contracts between Broadcom and Vendor 2 in violation of Mount Sinai's competitive bidding policy by either failing to obtain competitive bids or awarding contracts to either Broadcom or Vendor 2 regardless of whether that vendor was in fact the lowest qualified bidder, or otherwise manipulating bids so as to justify an allocation to either Broadcom or Vendor 2 while making it appear that there had been competition for Mount Sinai contracts when, in fact, there had not;

(e) CC-1 and CC-2 allocated other, smaller contracts between Broadcom and Vendor 2 and did not seek alternative vendors;

(f) In approximately June 2002, CC-1 and CC-2 allocated to Broadcom a contract to install telecommunications equipment in a Mount Sinai emergency room facility called the "ED Project." A representative of Broadcom discussed and agreed in

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advance with CC-1 that Broadcom would be allocated the "ED Project" contract for a specified inflated price. CC-1 told Broadcom's representative to submit a bid with the inflated price and instructed CC-2 to get other vendors to submit bids with higher, non-competitive prices (i.e., cover bids). As a result, Broadcom was awarded the "ED project" contract for $295,000;

(g) In approximately March 2002, CC-1 and CC-2 allocated a contract to install telecommunications equipment for Mount Sinai's Radiation Oncology department to Vendor 2. Broadcom submitted an intentionally high cover bid for this contract. A Broadcom representative submitted the inflated bid on behalf of Broadcom; and

(h) Broadcom made substantial payments to companies controlled by CC-1 and CC-2 for their role in allocating contracts to Broadcom.

21. As a result of the aforementioned conspiracy, Mount Sinai paid more for the telecommunications equipment and services it purchased pursuant to the contracts that are the subject of this Information than it would have had the contracts instead been awarded pursuant to truly competitive bidding, or an otherwise competitive process, where free and open competition among vendors existed, and had there been no payments by Broadcom to CC-1 and CC-2. In addition, because of the corrupt relationships between the Broadcom and CC-1 and CC-2, other legitimate vendors of telecommunications equipment and services were foreclosed from selling to Mount Sinai.

V. JURISDICTION AND VENUE

22. The aforesaid combination and conspiracy was formed and carried out, in

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part, within the Southern District of New York within the five years preceding the filing of this Information.

IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

THOMAS O. BARNETT
Assistant Attorney General

RALPH T. GIORDANO
Chief, New York Office

SCOTT D. HAMMOND
Deputy Assistant Attorney General

REBECCA MEIKLEJOHN

MARC SIEGEL
Director of Criminal Enforcement

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Antitrust Division
U.S. Department of Justice

MICHAEL J. GARCIA
United States Attorney
Southern District of New York

DOJ_NMG_ 0168923

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.		
	:	Violation: 15 U.S.C. § 1
BROADCOM VOICE & DATA, INC.,	:	
Defendant.	:	06CRIM 899
	:	

PLEA AGREEMENT

The United States of America and the defendant, Broadcom Voice & Data, Inc., hereby enter into the following Plea Agreement ("Agreement") pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure.

AGREEMENT TO PLEAD GUILTY

1. Broadcom Voice & Data, Inc. ("Broadcom") will plead guilty in the United States District Court for the Southern District of New York to a one-count Information, in the form attached, in which it is charged with one count of violating 15 U.S.C. § 1 in connection with a conspiracy to rig bids and allocate contracts for the sale of telecommunications equipment and services to Mount Sinai School of Medicine and The Mount Sinai Hospital ("Mount Sinai"), from approximately January 2001 through October 2004.

2. If Broadcom fully complies with the understandings specified in this Agreement, it will not be further prosecuted criminally by the Antitrust Division of the Department of Justice for crimes committed prior to the date of this Agreement arising from the following activity, as specified in the attached Information: (a) any agreement to rig bids or allocate contracts to supply Mount Sinai with telecommunication equipment and services; and (b) the payment of money to employees or agents of Mount Sinai. This Agreement does not provide any protection against prosecution for any crimes except as set forth above. This Paragraph does not apply to civil matters of any kind, any violations of federal securities or tax laws, or crimes of violence.

3. It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Antitrust Division.

POSSIBLE MAXIMUM PENALTIES

4. Broadcom understands that, pursuant to 15 U.S.C. § 1 and 18 U.S.C. § 3571, the maximum sentence provided by law to which it is subject for its violation of 15 U.S.C. § 1, a class C felony, is a fine of not more than the greatest of $100 million or the greater of twice its gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense. Broadcom also understands that, pursuant to 18 U.S.C. §§ 3551 and 3561 and USSG § 8D1.2, the Court may sentence it to a term of probation of between one and five years. Broadcom also understands that, pursuant to 18 U.S.C. § 3563(b)(2) and USSG § 8B1.1, the Court may impose an order of restitution. In addition,

Broadcom understands that, pursuant to 18 U.S.C. § 3013(a)(2)(B), the Court must impose a special assessment of $400.

SENTENCING GUIDELINES

5. Broadcom understands that United States Sentencing Guidelines ("Sentencing Guidelines") are advisory, not mandatory, but that the Court must consider the Sentencing Guidelines in effect on the day of sentencing, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing a reasonable sentence. Broadcom understands that the Sentencing Guidelines determinations will be made by the Court by a preponderance of the evidence standard. Broadcom understands that although the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, its sentence must be reasonable based upon considerations of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

6. The United States and Broadcom agree and stipulate that, pursuant to USSG § 1B1.11(a), the November 2005 version of the Sentencing Guidelines, the version in effect at the time of sentencing, should be applied.

7. The United States and Broadcom agree and stipulate that the volume of commerce attributable to Broadcom under USSG § 2R1.1(b)(2) is $ 1,776,000.

8. The United States and Broadcom agree and stipulate that the fine range for Broadcom for the offense charged in the attached Information is from $355,200 to 710,400 (the "Stipulated Guidelines Range"), calculated as follows:

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(a) Pursuant to USSG § 8C2.4(a)(3) and § 2R1.1(d)(1), the base fine is $355,200 (20% of the $1,776,000 volume of commerce);

(b) Pursuant to USSG § 8C2.5, Broadcom has an organizational culpability score of 5, pursuant to USSG § 8C2.5(a), with a one-point increase pursuant to USSG § 8C2.5(b)(5) because the organization had 10 or more (but fewer than 50) employees and an individual within substantial authority personnel participated in the offense, and a one-point deduction pursuant to § 8C2.5(g) because the organization clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct;

(c) Pursuant to USSG § 8C2.6, a culpability score of 5 leads to a minimum multiplier of 1.0 and a maximum multiplier of 2.0; and

(d) Pursuant to USSG § 8C2.7(a) and (b), the fine range is $355,200 to $710,400.

9. Broadcom further agrees that a fine of $355,200 to $710,400 would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). However, either party may seek a sentence outside this range, suggest that the Probation Department consider a sentence outside of this range, or suggest that the Court sua sponte consider a sentence outside of this range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. §§ 3553(a) and 3572(a).

10. Except as provided in any written Proffer Agreement(s) that may have been entered into between the Antitrust Division and the defendant, nothing in this

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agreement limits the right of the parties (i) to present to the Probation Department or the Court any facts relevant to sentencing; (ii) to make any arguments regarding where within the Stipulated Guidelines Range (or such other range as the Court may determine) the defendant should be sentenced and regarding the factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. Section 3553(a); (iii) to seek an appropriately adjusted Sentencing range if it is determined based upon new information that the defendant's organizational culpability score is other than 5. Nothing in this Agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see USSG § 3E1.1, and/or imposition of an adjustment for obstruction of justice, see USSG § 3C1.1, regardless of any stipulation set forth above, should the defendant move to withdraw its guilty plea once it is entered, or should it be determined that the defendant has either (i) engaged in conduct, unknown to the United States at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) committed another crime after signing this Agreement.

11. It is understood that pursuant to Sentencing Guidelines § 6B1.4(d), neither the Probation Department nor the Court is bound by the above Sentencing Guidelines stipulations, either as to questions of fact or as to the determination of the proper Sentencing Guidelines to apply to the facts. In the event that the Probation Department or the Court contemplates any Sentencing Guidelines adjustments, departures, or calculations different from those stipulated to above, or contemplates any sentence

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outside of the Stipulated Guidelines Range, the parties reserve the right to answer any inquiries and to make all appropriate arguments concerning the same.

12. It is understood that the sentence to be imposed upon the defendant is determined solely by the Court. It is understood that the Sentencing Guidelines are not binding on the Court. The defendant acknowledges that its entry of a guilty plea to the charged offense authorizes the sentencing court to impose any sentence, up to and including the statutory maximum sentence. The United States cannot, and does not, make any promise or representation as to what sentence the defendant will receive. Moreover, it is understood that the defendant will have no right to withdraw its plea of guilty should the sentence imposed by the Court be outside the Stipulated Guidelines Range set forth above.

13. The United States and Broadcom agree that Broadcom will not appeal or otherwise litigate under 28 U.S.C. §§ 2241 and/or 2255, any sentence within or below the fine range set forth in this Agreement, and that the Government will not appeal any sentence within or above the fine range. It is further agreed that any sentence within the fine range is reasonable. This provision is binding on the parties even if the Court employs a Sentencing Guidelines analysis different from that set forth in this Agreement. Furthermore, it is agreed that any appeal regarding the sentence of Broadcom that is not foreclosed by this provision will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) the above stipulation.

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14. Broadcom understands that this Agreement does not in any way affect or limit the right of the United States to respond to and take positions on post-sentencing motions or requests for information that relate to reduction or modification of sentence.

15. Broadcom understands and agrees that should its conviction following its plea of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at sentencing pursuant to this Agreement) may be commenced or reinstated against either defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

REPRESENTATION BY COUNSEL

16. Broadcom has been represented by counsel and is fully satisfied that its attorney has provided competent legal representation. Broadcom has thoroughly reviewed this Agreement and acknowledges that counsel has advised it of the nature of the charge, any possible defenses to the charge, and the nature and range of possible sentences.

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VOLUNTARY PLEA

17. The defendant hereby acknowledges that it has accepted this Agreement and decided to plead guilty because it is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw its plea or to attack its conviction, either on direct appeal or collaterally, on the ground that the United States has failed to produce any discovery material, Jencks Act material, exculpatory material pursuant to Brady v. Maryland, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to Giglio v. United States, 405 U.S. 150 (1972), that have not already been produced as of the date of the signing of this Agreement.

18. Broadcom's decision to enter into this Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Agreement. The United States has made no promises or representations to Broadcom as to whether the Court will accept or reject the recommendations contained within this Agreement.

ENTIRETY OF AGREEMENT

19. This Agreement constitutes the entire agreement between the United States and Broadcom concerning the disposition of the charge contained in the attached Information. The United States has made no other promises to or agreements

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with Broadcom. This Agreement cannot be modified other than in a writing signed by the parties Dated: 9/22/06

BROADCOM VOICE & DATA, INC.
By Rosaleen O'Leary, President

, ESQ.
Counsel for Broadcom Voice & Data, Inc.

REBECCA MEIKLEJOHN

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SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.		
	:	Violations: 15 U.S.C. § 1
ANTHONY SPADOLA,		18 U.S.C. § 371
	:	26 U.S.C. § 7201
Defendant.	:	

----------x

PLEA AGREEMENT

The United States of America and the defendant, Anthony Spadola, hereby enter into the following Plea Agreement ("Agreement") pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure.

AGREEMENT TO PLEAD GUILTY

1. Anthony Spadola ("Spadola") will waive indictment pursuant to Rule 7(b) of the Federal Rules of Criminal Procedure and plead guilty in the United States District Court for the Southern District of New York to a three-count Information, in the form attached, in which he is charged with (a) one count of violating 15 U.S.C. § 1 in connection with a conspiracy to rig bids and allocate contracts for the sale of telecommunications equipment and services to Mount Sinai School of Medicine and The Mount Sinai Hospital ("Mount Sinai"), from approximately January 2001 through October 2004; (b) one count of violating 18 U.S.C. § 371 in connection with a conspiracy to commit commercial bribery, mail fraud, and to make false and fraudulent statements on

U.S. Income Tax Returns relating to the payment of kickbacks to himself and another individual by vendors of telecommunications equipment and services to Mount Sinai and Spadola issuing false and fraudulent invoices to those vendors so that they could falsely claim the kickback payments as legitimate business expenses on their corporate income tax returns, from approximately January 2001 until approximately September 2003; and (c) one count of violating 26 U.S.C. § 7201 in connection with his evading and defeating a substantial part of the income tax due and owing by him to the United Stated by failing to report as income, and pay the correct tax due and owing on, kickbacks that he received from those vendors, and by improperly claiming business deductions, on his U.S. Individual and Corporate Income Tax Returns for the years 2001 through 2003.

GOVERNMENT'S AGREEMENT

2. If Spadola fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by the Antitrust Division of the Department of Justice, and with respect to tax offenses, Spadola will not be further prosecuted criminally by the Tax Division of the Department of Justice, for crimes committed prior to the date of this Agreement arising from the following activity, as specified in the attached Information: (a) any agreement to rig bids or allocate contracts at for telecommunication equipment and services at Mount Sinai; (b) the payment of kickbacks by vendors of telecommunications equipment and services to employees or agents of Mount Sinai; (c) any illegitimate deductions taken by Spadola or any vendor of

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telecommunications equipment and services to Mount Sinai on federal income tax returns for the tax years 2000 through 2004; and (d) the failure of any individual who received kickbacks from a vendor of telecommunications equipment and services to Mount Sinai to report those kickbacks as income on his federal tax returns. This Agreement does not provide any protection against prosecution for any crimes except as set forth above. This Paragraph does not apply to civil matters of any kind, any violations of federal securities laws, or crimes of violence.

3. It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Antitrust Division and, to the extent set forth above, the Tax Division of the Department of Justice.

POSSIBLE MAXIMUM PENALTIES

4. Spadola understands and agrees that pursuant to 15 U.S.C. § 1 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for a violation of 15 U.S.C. § 1, a class C felony, is (a) a term of imprisonment of not more than 10 years; (b) a fine of not more than the greater of $1 million, or the greater of twice the gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense; or (c) both such sentences. Spadola also understands that the Court may impose an order of restitution as a condition of probation or supervised release, pursuant to 18 U.S.C. §§ 3563(b)(2) or 3583(d) and USSG § 5E1.1. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(1) and

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USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A) and USSG § 5E1.3, the Court must impose a special assessment of $100.

5. Spadola understands and agrees that, pursuant to 18 U.S.C. § 371 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for his violation of 18 U.S.C. § 371, a class D felony, is (a) a term of imprisonment of not more than five years; (b) a fine of not more than the greater of $250,000, or the greater of twice his gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense, together with the cost of prosecution; or (c) both such sentences. Spadola also understands that the Court shall impose an order of restitution, pursuant to 18 USC §§ 3663, 3663A, and 3664. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(2) and USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court must impose a special assessment of $100.

6. Spadola understands and agrees that, pursuant to 26 U.S.C. § 7201 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for his violation of 26 U.S.C. § 7201(1), a class D felony, is (a) a term of imprisonment of not more than five years; (b) a fine of not more than the greater of $100,000, or the greater of twice his gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense; or (c) both such sentences; together with (d) the costs of prosecution. Spadola understands that the Court may impose an order of restitution to the Internal

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Revenue Service as a condition of probation or supervised release, pursuant to 18 U.S.C. §§ 3563(b)(2) or 3583(d) and USSG § 5E1.1. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(2) and USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court must impose a special assessment of $100.

SENTENCING GUIDELINES

7. Spadola understands that United States Sentencing Guidelines ("Sentencing Guidelines") are advisory, not mandatory, but that the Court must consider the Sentencing Guidelines in effect on the day of sentencing, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing a reasonable sentence. Spadola understands that the Sentencing Guidelines determinations will be made by the Court by a preponderance of the evidence standard. Spadola understands that although the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, its sentence must be reasonable based upon considerations of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

8. The United States and Spadola agree and stipulate that pursuant to USSG § 1B1.11(b)(1), the Sentencing Guidelines (Nov. 2003), the version in effect at the time of the offenses, should be applied because the application of a later version (now the Nov. 2005 edition) would lead to a higher adjusted offense level.

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9. The United States and Spadola acknowledge that they cannot agree on whether Spadola should receive an adjustment for his role in the offense, pursuant to USSG § 3B1.1. The United States contends that Spadola should receive a three-level adjustment, pursuant to USSG § 3B1.1(b), while Spadola contends that he should not receive any adjustment under USSG § 3B1.1. As a result, the parties cannot now agree on the offense level at which Spadola should be sentenced, but acknowledge that the combined adjusted offense level applicable to the offenses charged in the attached Information should be either level 23 (46-57 months) or level 20 (33-41 months), depending upon whether the Court applies an adjustment pursuant to USSG § 3B1.1(b). Furthermore, the parties can agree and hereby stipulate to the following:

(a) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the adjusted offense level for the conspiracy charged in Count One of the Information is level 15 (base level of 10 pursuant to USSG § 2R1.1, plus one level pursuant to USSG § 2R1.1(b)(1) (agreement to refrain from submitting competitive bids), plus 2 levels pursuant to USSG § 2R1.1(b)(2)(B) (volume of commerce between $1 million and $2.5 million), plus 2 levels pursuant to USSG § 3B1.3 (abuse of position of trust));

(b) In accord with the directives of the Second Circuit in United States v. Fitzgerald, 232 F.3d 315 (2d Cir. 2000), and United States v. Petrillo, 237 F.3d 119 (2d Cir. 2000), USSG §§ 3D1.2(d) and 3D1.3(b) require that the offenses charged in Counts

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Two and Three (fraud and tax offenses) be grouped and the losses aggregated, and that the offense level for the combined fraud/tax group is the higher of the offense level determined from the instructions in Chapter 2, Part B (Offenses Involving Theft, Fraud Or Deceit) or Chapter 2, Part T (Offenses Involving Taxation) and all appropriate adjustments;

(c) The combined loss from the fraud and tax offenses is approximately $242,966, the sum of the fraud offense (approximately $153,993 in kickback payments received) and the loss from the tax offense (approximately $88,973 in unpaid federal and state income taxes, all of which have been calculated in accordance with USSG § 2T1.1(c)(1)(A) and are based, when available, on Spadola's and his co-conspirator's actual marginal tax rates));

(d) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level for the fraud/tax group calculated according to the instructions in Part B is, level 22 (base level of 8, pursuant to USSG § 2B4.1(a); plus 12 levels, pursuant to § 2B1.1(b)(1)(G) (loss of more than $200,000 but less than $400,000); plus 2 levels, pursuant to USSG § 3B1.3 (abuse of a position of trust));

(e) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level for the fraud/tax group calculated according to the instructions in Part T is level 22 (offense level of 18, pursuant to USSG §§ 2T1.1(a)(1) and 2T4.1(G) (Tax Table) (loss of more than $200,000 but less than $400,000); plus 2 levels, pursuant to

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USSG § 2T1.1(b)(1) (failure to report more than $10,000 from criminal activity); plus 2 levels, pursuant to USSG § 3B1.3 (abuse of a position of trust));

(f) The antitrust offense does not involve substantially the same harm as the fraud and tax offenses, nor is it of the same general type as the fraud and tax offenses. Therefore, pursuant to USSG § 3D1.2, the antitrust offense is not grouped with the fraud and tax offenses charged in Counts Two and Three;

(g) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the fraud/tax group, with an offense level of 22 (under both Part B and Part T instructions), is 5 to 8 levels more serious than the antitrust offense, with an offense level of 15, and thus, pursuant to USSG § 3D1.4(b), counts as a ½ Unit. Because there are 1 ½ Units, 1 offense level is added to the fraud/tax group offense level, yielding a combined offense level of 23; and

(h) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, assuming Spadola clearly demonstrates acceptance of responsibility, to the satisfaction of the government, through his allocution and subsequent conduct prior to the imposition of sentence, a 2-level reduction will be warranted, pursuant to USSG § 3E1.1(a). Furthermore, assuming the defendant has accepted responsibility as described in the previous sentence, an additional 1-level reduction is warranted, pursuant to USSG § 3E1.1(b), because the defendant gave timely notice of his intention to enter a plea of

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guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

10. The United States and Spadola agree and stipulate that the volume of commerce attributable to Spadola under USSG § 2R1.1(b)(2) is $2,089,000.

11. The United States and Spadola agree and stipulate that the fine range for Spadola for the offenses charged in the Information is from $20,890 to $104,450, pursuant to USSG § 2R1.1(c)(1) and 5E1.2(b).

12. The United States further agrees that a sentence range of 46 to 57 months, based on an combined adjusted offense level of 23, (the Government's Stipulated Guidelines Range), would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). In addition, it will not seek a sentence above this range, suggest that the Probation Department consider a sentence above of this range, or suggest that the Court sua sponte consider a sentence above of this range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a).

13. Spadola further agrees that a sentence range of 33 to 41 months, based on an combined adjusted offense level of 20 (Spadola's Stipulated Guidelines Range), would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). In addition, he will not seek a sentence below this range, suggest that the Probation Department consider a sentence below of this range, or suggest that the Court

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sua sponte consider a sentence below of this range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a).

14. Except as provided in any written Proffer Agreement(s) that may have been entered into between the Antitrust Division and the defendant, nothing in this agreement limits the right of the parties (i) to present to the Probation Department or the Court any facts relevant to sentencing; (ii) to make any arguments regarding where within the Stipulated Guidelines Ranges (or such other range as the Court may determine) the defendant should be sentenced and regarding the factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a); (iii) to seek an appropriately adjusted Sentencing range if it is determined based upon new information that the defendant's criminal history category is other than Category I. Nothing in this agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see U.S.S.G. § 3E1.1, and/or imposition of an adjustment for obstruction of justice, see U.S.S.G. § 3C1.1, regardless of any stipulation set forth above, should the defendant move to withdraw his guilty plea once it is entered, or should it be determined that the defendant has either (i) engaged in conduct, unknown to the Antitrust Division of the Department of Justice at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) committed another crime after signing this agreement.

15. It is understood that pursuant to Sentencing Guidelines § 6B1.4(d), neither the Probation Department nor the Court is bound by the above Guidelines stipulations,

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either as to questions of fact or as to the determination of the proper Guidelines to apply to the facts. In the event that the Probation Department or the Court contemplates any Guidelines adjustments, departures, or calculations different from those stipulated to above, or contemplates any sentence outside of the Stipulated Guidelines Ranges, the parties reserve the right to answer any inquiries and to make all appropriate arguments concerning the same.

16. Spadola understands that the sentence to be imposed on him is determined solely by the Court. It is understood that the Sentencing Guidelines are not binding on the Court. Spadola acknowledges that his entry of a guilty plea to the charged offenses authorizes the sentencing court to impose any sentence, up to and including the statutory maximum sentence. The United States cannot, and does not, make any promise or representation as to what sentence Spadola will receive. Moreover, Spadola understands he will have no right to withdraw his plea of guilty should the sentence imposed by the Court be outside either the Government's Stipulated Guidelines Range or Spadola's Stipulated Guidelines Range set forth above.

17. The United States and Spadola agree that (i) Spadola will not appeal or otherwise litigate under 28 U.S.C. § 2255 and/or 2241, any sentence within or below Spadola's Stipulated Guidelines Range as set forth in this Agreement, and (ii) that the United States will not appeal any sentence within or above the Government's Stipulated Guidelines Range as set forth above. This provision is binding on the parties even if the

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Court employs a Sentencing Guidelines analysis different from that set forth in this Agreement. Furthermore, it is agreed that any appeal regarding the sentence of Spadola that is not foreclosed by this provision will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) the above stipulations.

18. Spadola understands that this Agreement does not in any way affect or limit the right of the United States to respond to and take positions on post-sentencing motions or requests for information that relate to reduction or modification of sentence.

19. Spadola agrees to waive any objection or defense he may have based on the United States joining in a single count the three distinct and separate instances of tax evasion charged in Count Three of the Information. Spadola understands that this waiver is knowingly and voluntarily made after fully conferring with, and on the advice of, his counsel, and are made for his own benefit.

20. Spadola understands and agrees that should the conviction following defendant's plea of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at sentencing pursuant to this Agreement) may be commenced or reinstated against defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the

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intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

REPRESENTATION BY COUNSEL

21. Spadola has been represented by counsel and is fully satisfied that his attorney has provided competent legal representation. Spadola has thoroughly reviewed this Agreement and acknowledges that counsel has advised him of the nature of the charges, any possible defenses to the charges, and the nature and range of possible sentences.

VOLUNTARY PLEA

22. The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the United States has failed to produce any discovery material, Jencks Act material, exculpatory material pursuant to Brady v. Maryland, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to Giglio v. United States, 405 U.S. 150 (1972), that have not already been produced as of the date of the signing of this Agreement.

23. Spadola's decision to enter into this Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances,

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promises, or representations other than the representations contained in this Agreement. The United States has made no promises or representations to Spadola as to whether the Court will accept or reject the recommendations contained within this Agreement.

ENTIRETY OF AGREEMENT

24. This Agreement constitutes the entire agreement between the United States and Spadola concerning the disposition of the charges contained in the attached Information. The United States has made no other promises to or agreements with Spadola. This Agreement cannot be modified other than in a writing signed by the parties.

Dated:

ANTHONY SPADOLA

REBECCA MEIKLEJOHN

WILLIAM SANDBACK, ESQ.
Counsel for Anthony Spadola

ELIZABETH PREWITT

Attorneys, Department of Justice
Antitrust Division
26 Federal Plaza, Room 3630
New York, NY 10278
Phone: (212) 264-4886

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SOUTHERN DISTRICT OF NEW YORK

06CRIM. 898

UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.		
	:	Violations: 15 U.S.C. § 1
ANTHONY SPADOLA,		18 U.S.C. § 371
	:	26 U.S.C. § 7201
Defendant.	:	

PLEA AGREEMENT

The United States of America and the defendant, Anthony Spadola, hereby enter into the following Plea Agreement ("Agreement") pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure.

AGREEMENT TO PLEAD GUILTY

1. Anthony Spadola ("Spadola") will waive indictment pursuant to Rule 7(b) of the Federal Rules of Criminal Procedure and plead guilty in the United States District Court for the Southern District of New York to a three-count Information, in the form attached, in which he is charged with (a) one count of violating 15 U.S.C. § 1 in connection with a conspiracy to rig bids and allocate contracts for the sale of telecommunications equipment and services to Mount Sinai School of Medicine and The Mount Sinai Hospital ("Mount Sinai"), from approximately January 2001 through October 2004; (b) one count of violating 18 U.S.C. § 371 in connection with a conspiracy to commit commercial bribery, mail fraud, and to make false and fraudulent statements on

U.S. Income Tax Returns relating to the payment of kickbacks to himself and another individual by vendors of telecommunications equipment and services to Mount Sinai and Spadola issuing false and fraudulent invoices to those vendors so that they could falsely claim the kickback payments as legitimate business expenses on their corporate income tax returns, from approximately January 2001 until approximately September 2003; and (c) one count of violating 26 U.S.C. § 7201 in connection with his evading and defeating a substantial part of the income tax due and owing by him to the United Stated by failing to report as income, and pay the correct tax due and owing on, kickbacks that he received from those vendors, and by improperly claiming business deductions, on his U.S. Individual and Corporate Income Tax Returns for the years 2001 through 2003.

GOVERNMENT'S AGREEMENT

2. If Spadola fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by the Antitrust Division of the Department of Justice, and with respect to tax offenses, Spadola will not be further prosecuted criminally by the Tax Division of the Department of Justice, for crimes committed prior to the date of this Agreement arising from the following activity, as specified in the attached Information: (a) any agreement to rig bids or allocate contracts at for telecommunication equipment and services at Mount Sinai; (b) the payment of kickbacks by vendors of telecommunications equipment and services to employees or agents of Mount Sinai; (c) any illegitimate deductions taken by Spadola or any vendor of

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telecommunications equipment and services to Mount Sinai on federal income tax returns for the tax years 2000 through 2004; and (d) the failure of any individual who received kickbacks from a vendor of telecommunications equipment and services to Mount Sinai to report those kickbacks as income on his federal tax returns. This Agreement does not provide any protection against prosecution for any crimes except as set forth above. This Paragraph does not apply to civil matters of any kind, any violations of federal securities laws, or crimes of violence.

3. It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Antitrust Division and, to the extent set forth above, the Tax Division of the Department of Justice.

POSSIBLE MAXIMUM PENALTIES

4. Spadola understands and agrees that pursuant to 15 U.S.C. § 1 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for a violation of 15 U.S.C. § 1, a class C felony, is (a) a term of imprisonment of not more than 10 years; (b) a fine of not more than the greater of $1 million, or the greater of twice the gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense; or (c) both such sentences. Spadola also understands that the Court may impose an order of restitution as a condition of probation or supervised release, pursuant to 18 U.S.C. §§ 3563(b)(2) or 3583(d) and USSG § 5E1.1. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(1) and

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USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A) and USSG § 5E1.3, the Court must impose a special assessment of $100.

5. Spadola understands and agrees that, pursuant to 18 U.S.C. § 371 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for his violation of 18 U.S.C. § 371, a class D felony, is (a) a term of imprisonment of not more than five years; (b) a fine of not more than the greater of $250,000, or the greater of twice his gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense, together with the cost of prosecution; or (c) both such sentences. Spadola also understands that the Court shall impose an order of restitution, pursuant to 18 USC §§ 3663, 3663A, and 3664. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(2) and USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court must impose a special assessment of $100.

6. Spadola understands and agrees that, pursuant to 26 U.S.C. § 7201 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for his violation of 26 U.S.C. § 7201(1), a class D felony, is (a) a term of imprisonment of not more than five years; (b) a fine of not more than the greater of $100,000, or the greater of twice his gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense; or (c) both such sentences; together with (d) the costs of prosecution. Spadola understands that the Court may impose an order of restitution to the Internal

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Revenue Service as a condition of probation or supervised release, pursuant to 18 U.S.C. §§ 3563(b)(2) or 3583(d) and USSG § 5E1.1. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(2) and USSG § 5D1.2(a)(2). In addition, Spadola understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court must impose a special assessment of $100.

SENTENCING GUIDELINES

7. Spadola understands that United States Sentencing Guidelines ("Sentencing Guidelines") are advisory, not mandatory, but that the Court must consider the Sentencing Guidelines in effect on the day of sentencing, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing a reasonable sentence. Spadola understands that the Sentencing Guidelines determinations will be made by the Court by a preponderance of the evidence standard. Spadola understands that although the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, its sentence must be reasonable based upon considerations of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

8. The United States and Spadola agree and stipulate that pursuant to USSG § 1B1.11(b)(1), the Sentencing Guidelines (Nov. 2003), the version in effect at the time of the offenses, should be applied because the application of a later version (now the Nov. 2005 edition) would lead to a higher adjusted offense level.

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9. The United States and Spadola acknowledge that they cannot agree on whether Spadola should receive an adjustment for his role in the offense, pursuant to USSG § 3B1.1. The United States contends that Spadola should receive a three-level adjustment, pursuant to USSG § 3B1.1(b), while Spadola contends that he should not receive any adjustment under USSG § 3B1.1. As a result, the parties cannot now agree on the offense level at which Spadola should be sentenced, but acknowledge that the combined adjusted offense level applicable to the offenses charged in the attached Information should be either level 23 (46-57 months) or level 20 (33-41 months), depending upon whether the Court applies an adjustment pursuant to USSG § 3B1.1(b). Furthermore, the parties can agree and hereby stipulate to the following:

(a) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the adjusted offense level for the conspiracy charged in Count One of the Information is level 15 (base level of 10 pursuant to USSG § 2R1.1, plus one level pursuant to USSG § 2R1.1(b)(1) (agreement to refrain from submitting competitive bids), plus 2 levels pursuant to USSG § 2R1.1(b)(2)(B) (volume of commerce between $1 million and $2.5 million), plus 2 levels pursuant to USSG § 3B1.3 (abuse of position of trust));

(b) In accord with the directives of the Second Circuit in United States v. Fitzgerald, 232 F.3d 315 (2d Cir. 2000), and United States v. Petrillo, 237 F.3d 119 (2d Cir. 2000), USSG §§ 3D1.2(d) and 3D1.3(b) require that the offenses charged in Counts

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Two and Three (fraud and tax offenses) be grouped and the losses aggregated, and that the offense level for the combined fraud/tax group is the higher of the offense level determined from the instructions in Chapter 2, Part B (Offenses Involving Theft, Fraud Or Deceit) or Chapter 2, Part T (Offenses Involving Taxation) and all appropriate adjustments;

(c) The combined loss from the fraud and tax offenses is approximately $242,966, the sum of the fraud offense (approximately $153,993 in kickback payments received) and the loss from the tax offense (approximately $88,973 in unpaid federal and state income taxes, all of which have been calculated in accordance with USSG § 2T1.1(c)(1)(A) and are based, when available, on Spadola's and his co-conspirator's actual marginal tax rates));

(d) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level for the fraud/tax group calculated according to the instructions in Part B is, level 22 (base level of 8, pursuant to USSG § 2B4.1(a); plus 12 levels, pursuant to § 2B1.1(b)(1)(G) (loss of more than $200,000 but less than $400,000); plus 2 levels, pursuant to USSG § 3B1.3 (abuse of a position of trust));

(e) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level for the fraud/tax group calculated according to the instructions in Part T is level 22 (offense level of 18, pursuant to USSG §§ 2T1.1(a)(1) and 2T4.1(G) (Tax Table) (loss of more than $200,000 but less than $400,000); plus 2 levels, pursuant to

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USSG § 2T1.1(b)(1) (failure to report more than $10,000 from criminal activity); plus 2 levels, pursuant to USSG § 3B1.3 (abuse of a position of trust));

(f) The antitrust offense does not involve substantially the same harm as the fraud and tax offenses, nor is it of the same general type as the fraud and tax offenses. Therefore, pursuant to USSG § 3D1.2, the antitrust offense is not grouped with the fraud and tax offenses charged in Counts Two and Three;

(g) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the fraud/tax group, with an offense level of 22 (under both Part B and Part T instructions), is 5 to 8 levels more serious than the antitrust offense, with an offense level of 15, and thus, pursuant to USSG § 3D1.4(b), counts as a ½ Unit. Because there are 1 ½ Units, 1 offense level is added to the fraud/tax group offense level, yielding a combined offense level of 23; and

(h) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, assuming Spadola clearly demonstrates acceptance of responsibility, to the satisfaction of the government, through his allocution and subsequent conduct prior to the imposition of sentence, a 2-level reduction will be warranted, pursuant to USSG § 3E1.1(a). Furthermore, assuming the defendant has accepted responsibility as described in the previous sentence, an additional 1-level reduction is warranted, pursuant to USSG § 3E1.1(b), because the defendant gave timely notice of his intention to enter a plea of

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guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

10. The United States and Spadola agree and stipulate that the volume of commerce attributable to Spadola under USSG § 2R1.1(b)(2) is $2,089,000.

11. The United States and Spadola agree and stipulate that the fine range for Spadola for the offenses charged in the Information is from $20,890 to $104,450, pursuant to USSG § 2R1.1(c)(1) and 5E1.2(b).

12. The United States further agrees that a sentence range of 46 to 57 months, based on an combined adjusted offense level of 23, (the Government's Stipulated Guidelines Range), would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). In addition, it will not seek a sentence above this range, suggest that the Probation Department consider a sentence above of this range, or suggest that the Court sua sponte consider a sentence above of this range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a).

13. Spadola further agrees that a sentence range of 33 to 41 months, based on an combined adjusted offense level of 20 (Spadola's Stipulated Guidelines Range), would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). In addition, he will not seek a sentence below this range, suggest that the Probation Department consider a sentence below of this range, or suggest that the Court

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sua sponte consider a sentence below of this range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a).

14. Except as provided in any written Proffer Agreement(s) that may have been entered into between the Antitrust Division and the defendant, nothing in this agreement limits the right of the parties (i) to present to the Probation Department or the Court any facts relevant to sentencing; (ii) to make any arguments regarding where within the Stipulated Guidelines Ranges (or such other range as the Court may determine) the defendant should be sentenced and regarding the factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a); (iii) to seek an appropriately adjusted Sentencing range if it is determined based upon new information that the defendant's criminal history category is other than Category I. Nothing in this agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see U.S.S.G. § 3E1.1, and/or imposition of an adjustment for obstruction of justice, see U.S.S.G. § 3C1.1, regardless of any stipulation set forth above, should the defendant move to withdraw his guilty plea once it is entered, or should it be determined that the defendant has either (i) engaged in conduct, unknown to the Antitrust Division of the Department of Justice at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) committed another crime after signing this agreement.

15. It is understood that pursuant to Sentencing Guidelines § 6B1.4(d), neither the Probation Department nor the Court is bound by the above Guidelines stipulations,

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either as to questions of fact or as to the determination of the proper Guidelines to apply to the facts. In the event that the Probation Department or the Court contemplates any Guidelines adjustments, departures, or calculations different from those stipulated to above, or contemplates any sentence outside of the Stipulated Guidelines Ranges, the parties reserve the right to answer any inquiries and to make all appropriate arguments concerning the same.

16. Spadola understands that the sentence to be imposed on him is determined solely by the Court. It is understood that the Sentencing Guidelines are not binding on the Court. Spadola acknowledges that his entry of a guilty plea to the charged offenses authorizes the sentencing court to impose any sentence, up to and including the statutory maximum sentence. The United States cannot, and does not, make any promise or representation as to what sentence Spadola will receive. Moreover, Spadola understands he will have no right to withdraw his plea of guilty should the sentence imposed by the Court be outside either the Government's Stipulated Guidelines Range or Spadola's Stipulated Guidelines Range set forth above.

17. The United States and Spadola agree that (i) Spadola will not appeal or otherwise litigate under 28 U.S.C. § 2255 and/or 2241, any sentence within or below Spadola's Stipulated Guidelines Range as set forth in this Agreement, and (ii) that the United States will not appeal any sentence within or above the Government's Stipulated Guidelines Range as set forth above. This provision is binding on the parties even if the

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Court employs a Sentencing Guidelines analysis different from that set forth in this Agreement. Furthermore, it is agreed that any appeal regarding the sentence of Spadola that is not foreclosed by this provision will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) the above stipulations.

18. Spadola understands that this Agreement does not in any way affect or limit the right of the United States to respond to and take positions on post-sentencing motions or requests for information that relate to reduction or modification of sentence.

19. Spadola agrees to waive any objection or defense he may have based on the United States joining in a single count the three distinct and separate instances of tax evasion charged in Count Three of the Information. Spadola understands that this waiver is knowingly and voluntarily made after fully conferring with, and on the advice of, his counsel, and are made for his own benefit.

20. Spadola understands and agrees that should the conviction following defendant's plea of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at sentencing pursuant to this Agreement) may be commenced or reinstated against defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the

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intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

REPRESENTATION BY COUNSEL

21. Spadola has been represented by counsel and is fully satisfied that his attorney has provided competent legal representation. Spadola has thoroughly reviewed this Agreement and acknowledges that counsel has advised him of the nature of the charges, any possible defenses to the charges, and the nature and range of possible sentences.

VOLUNTARY PLEA

22. The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the United States has failed to produce any discovery material, Jencks Act material, exculpatory material pursuant to Brady v. Maryland, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to Giglio v. United States, 405 U.S. 150 (1972), that have not already been produced as of the date of the signing of this Agreement.

23. Spadola's decision to enter into this Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances,

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promises, or representations other than the representations contained in this Agreement. The United States has made no promises or representations to Spadola as to whether the Court will accept or reject the recommendations contained within this Agreement.

ENTIRETY OF AGREEMENT

24. This Agreement constitutes the entire agreement between the United States and Spadola concerning the disposition of the charges contained in the attached Information. The United States has made no other promises to or agreements with Spadola. This Agreement cannot be modified other than in a writing signed by the parties.

Dated: 9/29/06

ANTHONY SPADOLA

REBECCA MEIKLEJOHN

WILLIAM SANDBACK, ESQ.
Counsel for Anthony Spadola

ELIZABETH PREWITT

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Phone: (212) 264-4886

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: SEP 29 2006

DOJ_NMG_ 0168962

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 2:58 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER U.S. ARMY CONTRACTING OFFICER SENTENCED TO TWO YEARS IN PRISON FOR WIRE FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER U.S. ARMY CONTRACTING OFFICER SENTENCED TO TWO YEARS IN PRISON FOR WIRE FRAUD

WASHINGTON – A former contracting officer for the U.S. Department of the Army Information Technology Agency has been sentenced to two years in prison on a wire fraud charge, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg of the Eastern District of Virginia announced today.

Robert E. Johnson, Chief of Quality Assurance and Contracting Officer's Technical Representative for the U.S. Department of the Army Information Technology Agency in Rosslyn, Va., was sentenced today in U.S. District Court in Alexandria, Va., this morning by U.S. Judge James C. Cacheris. In addition to the two-year prison term, Johnson was also sentenced to three years of supervised release and ordered to pay more than $150,000 in restitution.

Johnson, 65, of Woodbridge, Va., pleaded guilty to the single count of wire fraud in June 2006. Johnson admitted that from 2000 to 2005, he used his official position to obtain more than $150,000 from the Army by directing two prime contractors to subcontract with two companies in which Johnson secretly held a financial interest. Johnson also admitted that he falsely certified that the prime contractors and their subcontractors had provided services to the government when, in fact, such services were not provided.

This case is being prosecuted by Assistant U.S. Attorney Steve A. Linick of the Eastern District of Virginia – now Deputy Chief of the Criminal Division's Fraud Section – and Trial Attorney Ann C. Brickley of the Public Integrity Section of the Criminal Division.

This case is being investigated by Army Criminal Investigation Division, the Defense Criminal Investigative Service, the General Services Administration and the Federal Bureau of Investigation.

# # #

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Image not available for this document, ID: 0.7.10316.27669-000002

System Administrator

From: System Administrator
Sent: Friday, September 29, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 628019 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 3:52 PM
To: USDOJ- Office of Public Affairs
Subject: SIX DEFENDANTS CHARGED IN CONSPIRACIES TO EXPORT ARMS AND TO PROVIDE MATERIAL SUPPORT TO A FOREIGN TERRORIST ORGANIZATION

Indictment and complaints attached below.

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV/USAO/MD

CONTACT: VICKIE E. LEDUC
PHONE: (410) 209-4800
FAX: (410) 962-3091

SIX DEFENDANTS CHARGED IN CONSPIRACIES TO EXPORT ARMS AND TO PROVIDE MATERIAL SUPPORT TO A FOREIGN TERRORIST ORGANIZATION

Allegedly Acted as Brokers and Middlemen for Tamil Tiger Terrorists and/or Indonesian Customers in the Attempted Sale of Night Vision Devices, Grenade Launchers, Sniper Rifles and Machine Guns

BALTIMORE – Two complaints and an indictment were unsealed today charging six defendants with conspiracy to export arms and munitions, and three of those defendants with the additional crimes of conspiracy to provide material support to a designated foreign terrorist organization and money laundering. The defendants were arrested in Guam after traveling there to attempt to purchase night vision devices, sniper rifles, submachine guns with suppressors and grenade launchers to be used by the Liberation Tigers of Tamil Eelam (Tamil Tigers) or customers in Indonesia. Four of the defendants were acting at the direction of senior Tamil Tigers leadership in Sri Lanka, U.S. Attorney Rod J. Rosenstein of the District of Maryland announced today.

The three-count indictment returned on Sept.19, 2006, charges Haniffa Bin Osman, 55, of the Republic of Singapore and Erick Wotulo, 60, and Haji Subandi, 69, of the Republic of Indonesia, with conspiracy to export arms and munitions, conspiracy to provide material support to a foreign terrorist organization and money laundering. A complaint was also filed in the U.S. territory of Guam charging Thirunavukarasu Varatharasa, 36, a citizen of the Democratic Socialist Republic of Sri Lanka, with being a member of the alleged conspiracy to export of arms and munitions (Varatharasa complaint).

"The Tamil Tigers relies upon brokers and supporters throughout the world to acquire military weaponry and launder money in its attempt to violently overthrow the elected government of Sri Lanka," said U.S. Attorney Rod J. Rosenstein. "They have waged a civil war in Sri Lanka which has cost tens of thousands of lives, and often use suicide bombers. We will not allow any such terrorist organization and its middlemen to use the United States as a source of supply for weapons, technology and financial resources."

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"In today's world, keeping sophisticated U.S. weapons from falling into the hands of terrorists has never been more important," said Assistant Secretary Julie L. Myers of the U.S. Immigration and Customs Enforcement (ICE). "As this case demonstrates, ICE has no tolerance for international arms brokers looking to equip terrorist organizations with Stinger missiles and other advanced American weaponry. Arming a radical organization with more than 200 suicide bombings to its credit jeopardizes the security of the United States and nations around the globe."

Conspiracy to Export Arms and Provide Material Support to the Tamil Tiger Terrorists

The indictment and Varatharasa complaint allege that beginning in April 2006, the defendants conspired to export state-of-the-art firearms, machine guns and ammunition, surface to air missiles, night vision goggles and other items to the Tamil Tigers. The defendants acted as brokers between manufacturers of military technology and the Tamil Tigers, requesting price quotes and negotiating the purchases.

Founded in 1976, the Tamil Tigers has advocated the violent overthrow of the Sri Lankan government, employing acts of violence, including suicide bombings, against both civilian and military targets. Approximately 200 such attacks have been attributed to the Tamil Tigers to date. The Tamil Tigers relies heavily upon supporters throughout the world to raise and launder money, acquire intelligence and purchase military use technology. The U.S. Department of State designated the Tamil Tigers as a Foreign Terrorist Organization in 1997. As such, the Tamil Tigers cannot legally raise money or procure operational equipment in the United States.

According to the indictment, from March 2004 to April 2006, Subandi made numerous requests on behalf of Tamil Tigers representatives for price quotations and technical specifications of military items, including night vision goggles, special forces weaponry and equipment, communication devices, spare parts for helicopters and military aircraft, sonar technology and unmanned aerial vehicles. On May 3, 2006, Subandi sent undercover ICE agents a list of 53 military weapons, including sniper rifles, machine guns and grenade launchers, that he wished to acquire for the Tamil Tigers. A couple days later, Subandi advised undercover agents that the Tamil Tigers requested immediate pricing for numerous military equipment and that a high ranking Tamil Tigers representative requested that Subandi and an undercover agent travel to Malaysia to further discuss the arms purchases and arrange payment. On May 6, Subandi identified Osman and Wotulo as Tamil Tigers representatives who were willing to travel to a U.S. territory to meet with undercover agents. Subandi told undercover agents on May 18 that Tamil Tigers representatives in Malaysia sent Osman to Sri Lanka to report the details of the ongoing negotiations to superiors of the Tamil Tigers. On May 24, Subandi reported that Osman requested delivery of sniper rifles, submachine guns with suppressors and grenade launchers in international waters 200 km from Sri Lanka.

The indictment alleges that on May 26, 2006, Wotulo identified himself to undercover agents as a retired Indonesian Marine Corps General and discussed the proposed arms purchases. In June, Wotulo advised that he and his associates were preparing a purchase order and that the chief of the Tamil Tigers requested that he and Osman travel to Baltimore to meet with undercover agents. Wotulo submitted a purchase order for nine Munitions List items totaling approximately $3 million, including sniper rifles, submachine guns with suppressors and grenade launchers.

According to the indictment, on June 16, 2006, Osman advised undercover agents that he intended to meet Wotulo in Jakarta, Indonesia, to finalize arrangements for a meeting with undercover agents and to make an initial payment for the weaponry. The next day Subandi advised that the Tamil Tigers had accepted price quotes provided by undercover agents. During an initial meeting in Baltimore with undercover agents on July 26, Osman stated that the weapons were for the Tamil Tigers. The next day, Osman discussed the illegality of the arms transfer to the Tamil Tigers, provided navigational coordinates for a delivery in the Indian Ocean, and

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asked about serial numbers on the weapons in the event they fell into the hands of the Sri Lankan Army. Osman stated that if the first transfer of weapons was successful, the second order could be worth as much as $15 million. Osman also inquired about pricing for unmanned aerial vehicles.

The Varatharasa complaint alleges that Osman test-fired several of the weapons in Maryland on July 28, 2006. Osman advised that Varatharasa would inspect the weaponry before it would be accepted by the Tamil Tigers.

The indictment and Varatharasa complaint also allege that on August 2 an international wire transfer of $250,000 from a bank in Kuala Lumpur, Malaysia, was credited to an account maintained by an undercover business in Maryland as a down payment for the weapons purchase invoiced by undercover agents at approximately $900,000. According to Osman, the money was wired from a business controlled by a member of the Tamil Tigers. On August 5, Osman provided undercover agents with passports in the names of Osman and Varatharasa in preparation for their travel to the Northern Mariana Islands and/or Guam to accept delivery of the weapons.

In August 2006, Osman allegedly requested photos and technical specifications for surface to air missiles to be used against the Sri Lankan Air Force.

According to the Varatharasa complaint, Osman and Varatharasa met with undercover agents in Guam on Sept. 25, 2006, and discussed the weapons, as well as how the weapons would be shipped from Guam and then off-loaded by Tamil Tigers members at a destination in the Indian Ocean. The next day they inspected the machine guns, sniper rifles and ammunition. They agreed to take steps to have additional funds of $450,000 transferred to an undercover bank account as further payment for the weapons.

Conspiracy to Export Arms to Indonesia

According to the complaint filed against Reinhard Rusli, 34, and Helmi Soedirdja, 33, both citizens of Indonesia and Subandi, the defendants conspired to ship night vision goggles to customers in Indonesia. The defendants acted as brokers, making inquiries to an undercover business in the United States on behalf of individuals and/or entities in Indonesia to acquire military equipment. In August 2006 Subandi ordered a monocular night vision device and holographic weapons sight from the undercover business for $2,950. This purchase was intended as a sample for a larger order in the future for the same or similar devices. Subandi sent a wire transfer of $2,950 on Aug. 31, 2006, from an Indonesian bank to a bank in the United States.

According to the complaint, Subandi stated that an individual named "Reinhard" had contacts within the Indonesian military and would help in the transaction. On Sept. 22, 2006, Subandi met with undercover agents in Guam and discussed delivery of the night vision devices. Subandi described Rusli and Soedirdja as his financial partners who were providing the funds for the current transaction as well as future deals. The defendants met with the undercover agents the next day and discussed the delivery. They asked to examine the devices and other night vision equipment. The defendants acknowledged that the proposed transaction was illegal and discussed the safest method to smuggle the devices through the Guam airport. The defendants took possession of the night vision devices on Sept. 24, agreeing to wire transfer additional funds. Each of the defendants faces a maximum sentence of five years in prison and a $250,000 fine for the conspiracy to export arms. Subandi, Osman and Wotulo also face a maximum sentence of 15 years in prison and a $250,000 fine for the conspiracy to provide material support and 20 years in prison and a $500,000 fine for money laundering. The defendants had their initial appearances today in Guam and will be transferred to federal custody in Maryland.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA	:	
	:	
V.	:	**CRIMINAL NO.**
	:	
HANIFFA BIN OSMAN	:	
ERICK WOTULO and	:	**Conspiracy to Export Arms**
HAJI SUBANDI	:	**and Munitions, 18 U.S.C.**
	:	**§371 and 22 U.S.C.**
	:	**§2778; Conspiracy to Provide**
	:	**Material Support to a**
	:	**Foreign Terrorist**
	:	**Organization, 18 U.S.C.**
	:	**§2339B(a)(1); Money**
	:	**Laundering 18**
	:	**U.S.C. §1956(a)(2)(A);**
	:	**Aiding and**
	:	**Abetting 18 U.S.C.§2)**

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INDICTMENT

The Grand Jury for the District of Maryland charges that:

Preliminary Allegations

1. At all times relevant to this Indictment:

a) Heckler and Koch was an incorporated business having offices in the United States at Trussville, Alabama. Heckler and Koch and its associated businesses are engaged in the development, manufacture, sale and distribution of firearms and components for military, law enforcement and recreational applications. These firearms and components include the H&K Model 69 40mm grenade launcher and MP 7 machine gun.

b) FNH/USA LLC. was a business organized in the United States, with offices at McLean, Virginia. FNH/USA LLC. and its associated businesses are engaged in the development, manufacture, sale and distribution of firearms and components for

military and law enforcement applications. These firearms and components include the P90 5.7x28mm triple rail machine gun and Five-Seven 5.7x28mm pistol.

c) Colt Defense LLC. was a business organized in the United States, with offices at West Hartford, Connecticut. Colt Defense LLC. and its associated businesses are engaged in the development, manufacture, sale and distribution of firearms and components for military, law enforcement and recreational applications. These firearms and components include the M16A4 5.56mm machine gun.

d) The Raytheon Company was a business incorporated in the United States with offices at Waltham, Massachusetts. The Raytheon Company and its subsidiaries are engaged in the development, manufacture, sale and distribution of assorted weaponry for military applications. Among the weapons developed by Raytheon exclusively for military use is the Stinger, a shoulder fired surface to air missile, which is designed to destroy aircraft in flight.

e) The United States Marine Corps is a component of the United States Department of Defense. In addition to its obligations as part of the armed forces of the United States, it develops, manufactures and distributes specialty firearms for military and law enforcement use. One such specialty firearm is the M40A3 Sniper rifle.

f) ITT Corporation was a business incorporated in the United States with offices at White Plains, New York. ITT

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Corporation and its subsidiaries are engaged in the development, manufacture, sale and distribution of night vision technology for military applications. ITT Corporation develops and manufactures the F7201 PVS-14 Generation 3 night vision equipment.

g) **HAJI SUBANDI** and **ERICK WOTULO** are citizens of the Republic of Indonesia.

h) **HANIFFA BIN OSMAN** is a citizen of the Republic of Singapore.

i) United States Immigration and Customs Enforcement was operating an undercover business within the State of Maryland.

The Export and Import of Defense Articles

2. The export from, and import into, the United States of arms, munitions, equipment for military use, and related components, and the technology to build such items, is strictly controlled by statutes and regulations.

3. The Arms Export Control Act authorizes the President of the United States to control the import and export of defense articles and services in furtherance of world peace, security and foreign policy of the United States. It authorizes the Secretary of State to make decisions on whether license applications or other written requests for the import or export of defense articles and services should be permitted. (61 FR 48831, September 17, 1996)

4. The Arms Export Control Act, Title 22, United States Code, Section 2778, and the International Traffic in Arms Regulations

(the ITAR), Title 22, Code of Federal Regulations, Part 120, authorize the United States Department of State's Directorate of Defense Trade Controls ("the DDTC") to establish the United States Munitions List ("the Munitions List") to regulate the import and export of defense articles and services.

5. The Munitions List is a catalog of designated "defense articles" which are subject to certain export and import restrictions. Any person who intends to export, or import temporarily, defense articles on the Munitions List from or into the United States is first required to obtain a license from the DDTC. An applicant for an export or temporary import license from the Department of State must identify in the required license application the ultimate and final destination of the goods, which in the trade is referred to as the "end user."

6. Included on the Munitions List are assorted classifications of conventional weapons, ammunition, missiles and night vision devices.

7. At all times material to the Indictment herein, the P90 5.7x28mm triple rail machine gun; Five-Seven 5.7x28 pistol; MP7 machine gun; H&K Model 69 40mm grenade launcher; M16A4 5.56mm machine gun; M40A3 7.62 Sniper rifle; Stinger shoulder fired surface to air missiles; and Model F7201, PVS-14 Generation 3 night vision goggles were all defense articles on the Munitions List, which required licenses from the United States Department of State's Directorate of Defense Trade Controls, before they

could be temporarily imported into or exported from the United States.

8. The export of any Munitions List item to customers in the Democratic Socialist Republic of Sri Lanka requires a license from the DDTC.

International Emergency Economic Powers Act

9. On September 23, 2001 the President of the United States of America, acting by Executive Order pursuant to the International Emergency Economic Powers Act ("IEEPA"), Title 50, United States Code, Section 1701 et seq., declared a national emergency with respect to the threat of further terrorist attacks in the aftermath of September 11, 2001. Executive Order No. 13224, dated September 23, 2001 and published in the Federal Register, found that the continuing and immediate threat of further attacks on United States nationals or the United States constituted an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. Executive Order 13224 created a broad prohibition on transactions which assist, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of acts of terrorism and blocked all property and interests in property located in the United States of persons found to be in violation of the stated prohibitions.

The Liberation Tigers of Tamil Eelam and Its Designation as a Foreign Terrorist Organization

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10. The government of the Democratic Socialist Republic of Sri Lanka has been involved in an armed conflict with an organized group within its borders since approximately 1983. This organized group, the Liberation Tigers of Tamil Eelam (hereinafter "LTTE" or Tamil Tigers), was founded in 1976 and controls most of the northern and eastern coastal areas of Sri Lanka.

11. The LTTE has advocated the violent overthrow of the elected government of Sri Lanka as well as the creation of a separate state for the Tamil population in northern Sri Lanka. The LTTE has regularly engaged in acts of violence against the Sri Lankan government, including the use of 'suicide bombings' against both civilian and military targets. Approximately two hundred such attacks have been attributed to the LTTE to date.

12. The LTTE is highly organized and contains components responsible for political activities, intelligence, operations and procurement. The LTTE relies heavily upon supporters throughout the world to raise and launder money, acquire intelligence, purchase military use technology and equipment and otherwise support its activities.

13. The LTTE has been designated by the United States Department of State as a Foreign Terrorist Organization since 1997. As a result of said designation, the LTTE cannot legally raise money or procure operational equipment or other materials in the United States. Individuals involved in these activities or other forms of material support are subject to prosecution under 18 U.S.C. Section 2339B and related statutes.

HAJI SUBANDI

14. **HAJI SUBANDI** is an Indonesian citizen who corresponded regularly with the undercover business in an effort to secure military use equipment and technology from businesses located within the United States. Between March 2004 and April 2006, **SUBANDI**, on numerous occasions, requested from the undercover business, via electronic mail and telephone facsimile, price quotations and technical specifications for items suitable for military use, including items listed on the United States Munitions List. These items included night vision goggles, special forces weaponry and equipment, communication devices, spare parts for helicopters and military aircraft, sonar technology, unmanned aerial vehicles as well as conventional arms and munitions. The "end users" of these items were located in such countries as the Republic of Indonesia and the Democratic Socialist Republic of Sri Lanka.

15. In communicating with the undercover business, **HAJI SUBANDI** expressed his willingness to dispense with and to subvert the licensing requirements of the United States Department of State for the export of items contained on the Munitions List. **SUBANDI** also expressed his desire to conduct arms transfers "by the back door" and that he was willing to assumes the risks of such conduct, even if it meant going to jail.

COUNT I

The Conspiracy to Violate the Arms Export Control Act

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16. From in or about April of 2006 through the date of this Indictment, in the District of Maryland, the Democratic Socialist Republic of Sri Lanka, the Republic of Indonesia and elsewhere,

HAJI SUBANDI, HANIFFA BIN OSMAN and ERICK WOTULO

the defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other, and with others, known and unknown to the Grand Jury, to willfully export and cause to be exported from the United States to the Democratic Socialist Republic of Sri Lanka, defense articles listed on the United States Munitions List, without having first obtained from the Department of State, Directorate of Defense Trade Controls, a license or other written authorization for such export, in violation of Title 22, United States Code, Sections 2778(b)(2) and (c), and Title 22, Code of Federal Regulations, Sections 121.1, 123.1, 127.1(a), 127.1(d) and 127.3.

The Object of the Conspiracy

17. It was an object of the conspiracy to export from the United States state-of-the-art firearms, machine guns and ammunition, surface to air missiles, night vision goggles and other Munitions List items to customers located outside the United States, including the LTTE, a designated Foreign Terrorist Organization operating within the Democratic Socialist Republic of Sri Lanka, directly or through intermediary countries in violation of the International Emergency Economic Powers Act, and the shipment of the aforementioned items to customers without obtaining the appropriate license from the United States Department of State,

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Directorate of Defense Trade Controls, in violation of the Arms Export Control Act.

The Manner and Means of the Conspiracy

18. It was part of the conspiracy for the defendants to act as brokers and middlemen between manufacturers and distributors of technology produced for military use and to military specifications, and purchasers of such technology. The purchasers, or "end users," of this technology were individuals and/or entities located within the Democratic Socialist Republic of Sri Lanka, specifically the LTTE, and elsewhere.

19. It was further part of the conspiracy that **HAJI SUBANDI, HANIFFA BIN OSMAN** and **ERICK WOTULO**, and other unindicted co-conspirators, made extensive use of telephones, telephone facsimiles and electronic mail to seek price quotes for items parts and equipment suitable for military applications, including Munitions List items, and to negotiate for the acquisition of such items for eventual delivery to members of the LTTE, a designated Foreign Terrorist Organization, said organization being the "end user" operating within the Democratic Socialist Republic of Sri Lanka.

Overt Acts

20. In furtherance of the conspiracy and to effect its unlawful purpose, defendants **HAJI SUBANDI, HANIFFA BIN OSMAN** and **ERICK WOTULO**, and others committed and caused to be committed the following acts in the District of Maryland, and elsewhere, among others:

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a) On or about April 27, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and inquired about a sale of military use weapons to an organization that **SUBANDI** reported to be the Liberation Tigers of Tamil Eelam. (LTTE) Subsequently, **SUBANDI** referred to this organization as "TT".

b) On or about May 3, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and sent an itemized list of some fifty-three military use items, including sniper rifles, machine guns, and grenade launchers that he wished to acquire for the LTTE.

c) On or about May 5, 2006, **HAJI SUBANDI** contacted the undercover business via telephone facsimile and recounted the events of a recently concluded meeting with two LTTE rebels and an Indonesian liaison named Major General **ERICK WOTULO**. **SUBANDI** wrote that the LTTE requested immediate pricing for numerous military use equipment and weaponry. **SUBANDI** further noted the terms of payment for the requested items and noted that the LTTE insisted on delivery of the weapons to a location in international waters.

d) On or about May 5, 2006, **HAJI SUBANDI** contacted the undercover business via telephone facsimile and provided the identity of a Sri Lankan member of a team which would inspect the weapons prior to delivery.

e) On or about May 6, 2006, **HAJI SUBANDI** contacted the undercover business via telephone facsimile and represented the identity of second member of a team which would inspect the

weapons for the LTTE to be an individual named **HANIFFA BIN OSMAN**. **SUBANDI** also stated that a high ranking LTTE representative had requested the undercover agent and **SUBANDI** to travel to Kuala Lumpur, Malaysia to further discuss the matter of the arms acquisitions and to arrange payment via cash or offshore bank account transfers.

f) On or about May 6, 2006, **HAJI SUBANDI** contacted the undercover business via telephone facsimile and identified **HANIFFA BIN OSMAN** and Major General **ERICK WOTULO** as representatives of the LTTE who were willing to travel to a United States Territory to meet with undercover agents.

g) On or about May 9, 2006, ICE undercover agents, at the request and direction of **HAJI SUBANDI**, sent via electronic mail pricing information for assorted military use technology and weaponry sought by the LTTE. The items included sniper rifles, submachine guns with suppressors and grenade launchers.

h) On or about May 15, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and sought guidance on how to include his profit in the proposed sale price tendered to the LTTE.

I) On or about May 18, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and reported that LTTE representatives in Kuala Lumpur, Malaysia sent **HANIFFA BIN OSMAN** to Colombo, Sri Lanka to report to LTTE superiors the details of the ongoing negotiations for the acquisition of the military items and weaponry.

j) On or about May 24, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and reported that **HANIFFA BIN OSMAN** had requested delivery of the proposed weapons be conducted in international waters 200 km from Sri Lanka.

k) On or about May 26, 2006, **ERICK WOTULO** contacted the undercover business via electronic mail and identified himself as a retired Indonesian Marine Corps General. **WOTULO** discussed the proposed weaponry acquisitions by the LTTE and stated, in substance and in part, "I understood this business is dangerous, also extraordinary, high risk".

l) On or about June 5, 2006, **ERICK WOTULO** contacted the undercover business via telephone and electronic mail and stated that he and his associates were preparing a purchase order for the weapons. **WOTULO** stated that the chief of the LTTE had requested that he and **HANIFFA BIN OSMAN** travel to Baltimore, Maryland to meet with undercover agents.

m) On or about June 6, 2006, **ERICK WOTULO** contacted the undercover business via electronic mail and referenced a telephone call he had participated in with an undercover agent on June 5, 2006. **WOTULO** confirmed the content of the conversation and reaffirmed the need to provide the undercover agents with a 25% deposit before the weapons purchase could proceed.

n) On or about June 6, 2006, **ERICK WOTULO** contacted the undercover business via electronic mail and submitted a purchase order for nine Munitions List items totaling approximately

$3,000,000 (USD). The items included M40A3 sniper rifles, FN P90 submachine guns with suppressors and M203 grenade launchers.

o) On or about June 7, 2006 undercover agents spoke to **HANIFFA BIN OSMAN** and discussed meeting in Baltimore, Maryland and payment terms for the proposed arms sale.

p) On or about June 7, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and informed undercover agents that the LTTE is a terrorist organization. **SUBANDI** further wrote, in substance and in part, "The LTTE is sealed off by the US Government and the EU 25 countries as terrorist".

q) On or about June 13, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and wrote that "in addition the TT should pay my round trip ticket. If I have to come to Baltimore, they have to pay my business class ticket. My preference is still G."(Guam)

r) On or about June 16, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and wrote that he intended to visit Jakarta, Indonesia to meet **ERICK WOTULO** for the purpose of finalizing arrangements for a meeting with undercover agents and to make an initial payment for the weaponry.

s) On or about June 27, 2006, **HAJI SUBANDI** contacted the undercover business via electronic mail and wrote that the LTTE had accepted price quotations provided by the undercover business for the purchase of the Munitions List weaponry.

t) On or about July 4, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and agreed to meet with

undercover agents in Baltimore. **OSMAN** requested that undercover agents keep the fact of the meeting confidential for security reasons.

u) On or about July 26, 2006, **HANIFFA BIN OSMAN** traveled to Baltimore, Maryland to meet with undercover agents to further the purchase of the weaponry. During an initial meeting **OSMAN** stated that the weapons were for the LTTE from Sri Lanka. He further stated that he was not a member of the LTTE but assisted them in obtaining what they needed. **OSMAN** was shown a number of weapons, ammunition and night vision devices.

v) On July 27, 2006, **HANIFFA BIN OSMAN** met with undercover agents in Maryland and discussed the illegality of the transfer of the arms to the LTTE. **OSMAN** provided navigational coordinates for a delivery in the Indian Ocean. **OSMAN** asked about serial numbers on the weapons in the event they fell into the hands of the Sri Lankan Army. **OSMAN** stated that if the first transfer of the Munitions List items were successful, the second order could be worth as much as $15,000,000. **OSMAN** also inquired about pricing for Unmanned Aerial Vehicles that were displayed to him.

w) On July 28, 2006, **HANIFFA BIN OSMAN** test-fired in Maryland several of the weapons, including machine guns and sniper rifles, which he sought to secure for the LTTE.

x) On July 31, 2006, **HANIFFA BIN OSMAN** met with undercover agents and discussed the commission he would receive for the arms sale. **OSMAN** stated that his partner would inspect the weapons and travel on the boat to the delivery point. **OSMAN** also raised the

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possibility that members of the SEA TIGERS, the Marine Unit of the LTTE, would also escort the weapons to their final destination.

y) On or about August 1, 2006, **HANIFFA BIN OSMAN** informed the undercover agents that the LTTE sent a deposit of $250,000 via international wire transfer as a down payment for the purchase of the weapons, and that the value of the arms sale had increased to $900,000.

z) On or about August 2, 2006, **HANIFFA BIN OSMAN** informed undercover agents that the company that had wired the money was controlled by a member of the LTTE. This company was also reported to be utilized to provide a range of services to the LTTE.

aa) On or about August 2, 2006, an international wire transfer from Account Number 601-00000-61000012 maintained at the Eon Bank Berhad in Kuala Lumpur, Malaysia in the amount of $250,000.00, more or less, was credited to an account maintained by the undercover business in Maryland.

bb) On or about August 5, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and provided undercover agents with passports in the names of **HANIFFA BIN OSMAN** and his associate in preparation for their travel to the Northern Mariana Islands to accept delivery of the weapons destined for the LTTE.

cc) On or about August 18, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and inquired about the

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purchase of surface to air missiles for use by the LTTE against the Sri Lankan Air Force.

dd) On or about August 20, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and confirmed his willingness to travel to the Northern Mariana Islands to accept delivery of the weapons destined for the LTTE.

ee) On or about August 27, 2006, **HANIFFA BIN OSMAN** contacted the undercover business via electronic mail and requested, on behalf of "his headquarters," photographs and technical specifications for the surface to air missiles.

18 U.S.C. Section 371

22 U.S.C. Section 2778

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Count II

Conspiracy To Provide Material Support Or

Resources To A Foreign Terrorist Organization

The Grand Jury for the District of Maryland further charges that:

1. The Grand Jury for the District of Maryland incorporates repeats and re-alleges Paragraphs 1 through 15 as alleged in Count I as if fully set out herein.

2. From in or about April of 2006 through the date of this Indictment, in the District of Maryland, the Democratic Socialist Republic of Sri Lanka, the Republic of Indonesia and elsewhere,

HAJI SUBANDI, HANIFFA BIN OSMAN, and ERICK WOTULO

the defendants herein, did knowingly combine, conspire, confederate and agree with each other, and with others, known and unknown to the Grand Jury, to knowingly provide material support and resources, as said terms are defined in 18 U.S.C. Section 2339A(b)(1), including firearms, ammunition, missiles and other items suitable for military use, to a foreign terrorist organization, to wit the Liberation Tigers of Tamil Eelam (LTTE), which has been designated by the Secretary of State as a foreign terrorist organization since 1997, pursuant to Section 219 of the

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Immigration and Nationality Act, in violation of 18 U.S.C. Section 2339B.

The Object of the Conspiracy

It was a part and an object of the conspiracy to enrich the defendants by providing state of the art firearms, machine guns and ammunition, surface to air missiles, night vision goggles and other Munitions List items to the LTTE, and its members and associates operating within the Democratic Socialist Republic of Sri Lanka, to be used to fight against forces of the elected government of the Democratic Socialist Republic of Sri Lanka.

The Manner and Means of the Conspiracy

(a) It was part of the conspiracy for the defendants to act as brokers and middlemen between manufacturers and distributors of technology produced for military use and to military specifications, and purchasers of such technology. The purchasers, or "end users," of this technology was the LTTE, its members and associates, operating within the Democratic Socialist Republic of Sri Lanka.

(b) It was further part of the conspiracy that **HAJI SUBANDI, HANIFFA BIN OSMAN** and **ERICK WOTULO**, and other unindicted co-conspirators, made extensive use of telephones, telephone facsimiles and electronic mail to seek price quotes for items parts and equipment suitable for military applications, including

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Munitions List items, and to negotiate for the acquisition of such items for eventual delivery to members of the LTTE, a designated Foreign Terrorist Organization, said organization being the "end user" operating within the Democratic Socialist Republic of Sri Lanka.

Overt Acts

In furtherance of the conspiracy and to effect its unlawful purpose, defendants **HAJI SUBANDI, HANIFFA BIN OSMAN** and **ERICK WOTULO**, committed and caused to be committed the following acts in the District of Maryland, and elsewhere, among others:

The Grand Jury for the District of Maryland repeats and re-alleges each Overt Act set forth in Paragraph 20 as alleged in Count I of this Indictment as if fully set out herein.

18 U.S.C. § 2339B (a)(1)

18 U.S.C. § 2339A(b)(1)

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COUNT III

The Grand Jury for the District of Maryland further charges that:

1. The Grand Jury for the District of Maryland incorporates Paragraphs 1 through 15 as alleged in Count I as if fully set out herein.

2. On or about August 2, 2006, in the District of Maryland, Malaysia, the Democratic Socialist Republic of Sri Lanka and elsewhere, the defendants,

HAJI SUBANDI, HANIFFA BIN OSMAN, and ERICK WOTULO

did knowingly and willfully transmit and transfer funds, that is $250,000.00, more or less, from a place outside the United States, that is, Malaysia, to a place in the United States, that is Baltimore, Maryland, with the intent to promote the carrying on of specified unlawful activity, that is the unauthorized acquisition of articles controlled on the United States Munitions List, established under Section 38 of the Arms Export Control

DOJ_NMG_ 0168992

Act, and to provide material support to a designated terrorist organization (22 U.S.C. § 2778 and 18 U.S.C. § 2339B).

18 U.S.C. Section 1956(a)(2)(A)
18 U.S.C. Section 2

TRUE BILL:

_____
Rod J. Rosenstein
United States Attorney

_____ _____
Foreperson Date

DOJ_NMG_ 0168993

COPY

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FILED
DISTRICT COURT OF GUAM
SEP 28 2006
MARY L.M. MORAN
CLERK OF COURT

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF GUAM

UNITED STATES OF AMERICA,

Plaintiff,

vs.

HAJI SUBANDI,
REINHARD RUSLI, and
HELMI SOEDIRDJA,

Defendants.

CRIMINAL CASE NO. 06-00044

COMPLAINT

CONSPIRACY TO EXPORT DEFENSE ARTICLES
[18 U.S.C. § 371 and 22 U.S.C. § 2778]

THE UNDERSIGNED COMPLAINANT CHARGES UPON INFORMATION AND BELIEF THAT:

The Export and Import of Defense Articles

1. The export from, and import into, the United States of arms, munitions, military aircraft parts, and related components, and the technology to build such items, is strictly controlled by statutes and regulations.

2. The Arms Export Control Act, Title 22, United States Code, Section 2778, and the International Traffic in Arms Regulations (the "ITAR"), Title 22, Code of Federal Regulations,

Part 120, authorize the United States Department of State's Directorate of Defense Trade Controls ("the DDTC") to establish the United States Munitions List ("the Munitions List").

3. The Munitions List is a catalog of designated "defense articles" which are subject to export and certain import restrictions. Any person who intends to export, or import temporarily, defense articles on the Munitions List from or into the United States is required to first obtain a license from the DDTC. An applicant for an export or temporary import license from the Department of State must identify in the required license application the ultimate and final destination of the goods, which in the trade is referred to as the "end user."

4. Included on the Munitions List are assorted classifications of conventional weapons, ammunition as well as components designed and manufactured for use by the military, including night vision technology.

5. The export of any Munitions List item to the Republic of Indonesia requires a license from the DDTC.

6. ITT Industries, with offices at Roanoke, Virginia develops and manufactures night vision technology, including the Monocular Night Vision Device (MNVD), Model AN/PVS-14. EOTech designs, manufactures and markets electro-optics products and systems, including the EOTech Holographic Weapons Sight, Model M-522. It has headquarters in Ann Arbor, Michigan. These items are found on the Munitions List and cannot be legally exported from the United States without a license from the DDTC.

COMPLAINANT FURTHER STATES:

7. I, John C. Burgess, being a Special Agent with the U.S. Immigration and Customs Enforcement (ICE) of the Department of Homeland Security, state that ICE maintains an undercover business in the United States for the purpose of investigating possible violations of the Arms Export Control Act. I am assigned to the Baltimore, Maryland office, and acting in my official capacity, set forth the following:

DOJ_NMG_ 0168995

The Conspiracy to Violate the Arms Export Control Act

8. From in or about August of 2006 through the date of this Complaint, in the United States Territory of Guam, the District of Maryland, the Republic of Indonesia and elsewhere, **HAJI SUBANDI, REINHARD RUSLI and HELMI SOEDIRDJA,** the defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other, and with others, to commit offenses against the United States, that is, to export, and temporarily import, defense articles listed on the Munitions List without the required license, contrary to Title 22, United States Code, § 2778 and 18 U.S.C. Section 371.

The Object of the Conspiracy

9. The object of the conspiracy was to enrich the defendants by shipping Munitions List items to customers in the Republic of Indonesia without obtaining the appropriate license from the United States Department of State, Directorate of Defense Trade Controls, in violation of the Arms Export Control Act.

The Manner and Means of the Conspiracy

10. It was part of the conspiracy for the defendants to act as brokers and middlemen between manufacturers and distributors of technology produced for military use and to military specifications, and purchasers of such technology. The purchasers, or "end users," of this technology were individuals and/or entities located within the Republic of Indonesia.

Overt Acts

11. Beginning in or about March of 2004 **Haji Subandi** made inquiries to an undercover business in the United States to acquire equipment adapted to United States military special forces use, including night vision goggles, for export from the United States to the Republic of Indonesia. As months passed, **Subandi** made numerous inquiries regarding the purchase of Munitions List technology. In August of 2006, **Subandi** placed an order with the undercover business to purchase a Monocular Night Vision Device (MNVD), Model AN/PVS-14 and a EOTech Holographic Weapons Sight, Model M-522 for a total of approximately $2,950. This

DOJ_NMG_ 0168996

purchase was intended as a sample for a larger order for the same or similar devices to be consummated in the future. On or about August 31, 2006 **Subandi** sent a wire transfer in the amount of $2,950, more or less, to a bank account in the United States maintained by the undercover business from a bank in the Republic of Indonesia as payment for the aforementioned device.

12. In an electronic mail sent by **Subandi** to the undercover business, he stated that an individual named **'Reinhard'** had contacts within the Indonesian military and would be assisting in the transaction.

13. On September 21, 2006 **Haji Subandi, Reinhard Rusli and Helmi Soedirdja** arrived in the United States Territory of Guam to meet with an undercover officer for the purpose of taking delivery of certain aforementioned night vision devices and to discuss the acquisition of other Munitions List items, to be exported from the United States without a license as required by DDTC.

14. On September 22, 2006 **Subandi** met with undercover agents in Guam and discussed the delivery of the aforementioned night vision device and described to the undercover officers the roles of **Rusli** and **Soedirdja** in the transaction. **Subandi** described **Rusli** and **Soedirdja** as being his financial partners who were providing the monetary backing for both the current transaction as well as future deals.

15. On September 23, 2006 **Subandi, Rusli** and **Soedirdja** met with undercover officers in Guam and discussed the delivery of the sample Monocular Night Vision Device (MNVD), Model AN/PVS-14 and the EOTech Holographic Weapons Sight, Model M-522 . **Subandi, Rusli** and **Soedirdja** asked to examine the devices as well as other sample night vision equipment which are controlled by the Munitions List. During this meeting, the undercover officers made clear to **Subandi, Rusli** and **Soedirdja** that the transfer of these devices was illegal without licenses being first obtained from the DDTC. **Subandi, Rusli** and **Soedirdja** verbally acknowledged that each understood that the proposed transaction was illegal and re-affirmed

DOJ_NMG_ 0168997

their intent to participate in this and future transactions by affirmatively stating, in substance and in part, that each 'was in.' **Subandi, Rusli** and **Soedirdja** discussed with the undercover officers the safest method of smuggling the devices out of the country through the international airport at Guam and spoke of additional illegal transfers of Munitions List items to be consummated in the future.

16. On September 24, 2006 **Subandi, Rusli** and **Soedirdja** again met with the undercover officers and took possession of a Monocular Night Vision Device (MNVD), Model AN/PVS-14, a Model PVS-7 night vision device and the EOTech Holographic Weapons Sight, Model M-522. Each of these devices is controlled by the Munitions List and requires an export license. **Subandi, Rusli** and **Soedirdja** also agreed to wire transfer into an undercover bank account additional funds as further payment for the devices. **Subandi, Rusli** and **Soedirdja** again discussed the safest method of smuggling the devices through the Guam airport and **Rusli** and **Soedirdja** stated they planned to depart the United States Territory of Guam with the devices on an evening flight to Indonesia on September 24, 2006.

17. Based on the foregoing, I believe that there exist probable cause to believe that **Haji Subandi, Reinhard Rusli and Helmi Soedirdja** have committed the offense of Conspiracy to Violate the Arms Export Control Act contrary to Title 22, United States Code, § 2778 and 18 U.S.C. § 371.

JOHN C. BURGESS
Special Agent
Bureau of Immigration &
Customs Enforcement

SUBSCRIBED AND SWORN to before me this 28th day of September, 2006.

JOAQUIN V.E. MANIBUSAN, JR.
U.S. Magistrate Judge
District of Guam

DOJ_NMG_ 0168998

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Attorneys for the United States of America

FILED
DISTRICT COURT OF GUAM
SEP 28 2006
MARY L.M. MORAN
CLERK OF COURT

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF GUAM

UNITED STATES OF AMERICA,

Plaintiff,

vs.

THIRUNAVUKARASU VARATHARASA,

Defendant.

CRIMINAL CASE NO. 06-00043

ORDER

This matter having come before this Honorable Court based on the United State's Application to Seal the Complaint, and Warrant for Arrest, in the above-captioned matter; and the Court finding good cause for the issuance of the order;

IT IS HEREBY ORDERED that the documents be sealed, until otherwise Ordered by the Court.

DATE: 9/28/2006

JOAQUIN V.E. MANIBUSAN, JR.
Magistrate Judge
District Court of Guam

COPY

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FILED
DISTRICT COURT OF GUAM
SEP 28 2006
MARY L.M. MORAN
CLERK OF COURT

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF GUAM

UNITED STATES OF AMERICA, Plaintiff, vs. THIRUNAVUKARASU VARATHARASA, Defendant.	CRIMINAL CASE NO. 06-00043 **COMPLAINT** **CONSPIRACY TO EXPORT DEFENSE ARTICLES** [18 U.S.C. § 371 and 22 U.S.C. § 2778]

THE UNDERSIGNED COMPLAINANT CHARGES UPON INFORMATION AND BELIEF THAT:

The Export and Import of Defense Articles

1. The export from, and import into, the United States of arms, munitions, and items manufactured for military use, and the technology to build such items, is strictly controlled by statutes and regulations.

2. The Arms Export Control Act, Title 22, United States Code, Section 2778, and the International Traffic in Arms Regulations (the "ITAR"), Title 22, Code of Federal Regulations, Part 120, authorize the United States Department of State's Directorate of Defense Trade Controls ("the DDTC") to establish the United States Munitions List ("the Munitions List").

3. The Munitions List is a catalog of designated "defense articles" which are subject to export and certain import restrictions. Any person who intends to export, or import temporarily, defense articles on the Munitions List from or into the United States is required to first obtain a license from the DDTC. An applicant for an export or temporary import license from the Department of State must identify in the required license application the ultimate and final destination of the goods, which in the trade is referred to as the "end user."

4. Included on the Munitions List are assorted classifications of conventional weapons, ammunition as well as components designed and manufactured for use by the military.

5. The export of any Munitions List item to the Democratic Socialist Republic of Sri Lanka requires a license from the DDTC.

6. At all times material to this Complaint, the P90 5.7x28mm triple rail machine gun; Five-Seven5.7x28 pistol; MP7 machine gun; H & K Model 69 40mm grenade launcher; M16A4 5.56mm machine gun; M40A3 7.62 Sniper rifle; Stinger shoulder fired surface to air missiles; and Model F7201 PVS-14 Generation 3 night vision goggles were all articles on the Munitions List and cannot be legally exported from the United States without a license from the DDTC.

COMPLAINANT FURTHER STATES:

7. I, John C. Burgess, being a Special Agent with the U.S. Immigration and Customs Enforcement (ICE) of the Department of Homeland Security, state that ICE maintains an undercover business in the United States for the purpose of investigating possible violations of the Arms Export Control Act. I am assigned to the Baltimore, Maryland office, and acting in my official capacity, set forth the following:

The Conspiracy to Violate the Arms Export Control Act

8. From in or about April of 2006 through the date of this Complaint, in the United States Territory of Guam, the District of Maryland, the Republic of Indonesia, the Democratic Socialist Republic of Sri Lanka and elsewhere, **THIRUNAVUKARASU VARATHARASA** the defendant herein, did knowingly and willfully combine, conspire, confederate and agree with

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other persons, to commit offenses against the United States, that is, to export, and temporarily import, defense articles listed on the Munitions List without the required license, contrary to Title 22, United States Code, § 2778 and 18 U.S.C. Section 371.

The Object of the Conspiracy

9. The object of the conspiracy was to enrich the defendant and his co-conspirators by shipping Munitions List items to customers in the Democratic Socialist Republic of Sri Lanka without obtaining the appropriate license from the United States Department of State, Directorate of Defense Trade Controls, in violation of the Arms Export Control Act.

The Manner and Means of the Conspiracy

10. It was part of the conspiracy for the defendant and his co-conspirators to act as brokers and middlemen between manufacturers and distributors of technology produced for military use and to military specifications, and purchasers of such technology. The purchasers, or "end users," of this technology were individuals and/or entities located within the Democratic Socialist Republic of Sri Lanka.

Overt Acts

11. In April of 2006 **Haji Subandi**, who has been separately charged by Indictment from the District of Maryland[1], indicated to undercover officers that he had a customer in the Democratic Socialist Republic of Sri Lanka who wished to purchase large quantities of conventional arms and munitions. He identified this customer as the Liberation Tigers of Tamil Eelam (LTTE). **Subandi** understood that the transfer of these weapons and munitions was illegal without licenses being first obtained from the DDTC.

12. In May of 2006 **Haji Subandi** contacted the undercover business and identified **Haniffa Bin Osman** and **Erick Wotulo** as representatives of the LTTE who were willing to

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[1]Subandi, Haniffa Bin Osman and Erick Wotulo are charged under a sealed indictment with conspiracy to exports arms and munitions, conspiracy to provide material support to a designated foreign terrorist organization, and money laundering. **Thirunavukarasu Varatharasa** is charged herein with being a member of said conspiracy. A copy of the Maryland Indictment is available for inspection by this Court.

DOJ_NMG_ 0169002

travel to the United States to meet with undercover agents in order to facilitate the proposed arms transaction. **Subandi** subsequently sought pricing information for assorted types of machine guns, automatic weapons and grenade launchers on behalf of the LTTE.

13. On or about July 26, 2006 **Haniffa Bin Osman** traveled to Maryland to meet with undercover officers to further the purchase of the weaponry. On July 28, 2006 **Osman** test-fired several of the weapons, including machine guns and sniper rifles, which he sought to secure for the LTTE. While in Maryland, **Osman** told undercover officers that **Thirunavukarasa Varatharasa** would inspect the weaponry before it would be accepted by the LTTE.

14. On or about August 2, 2006 an international wire transfer from a bank in Kuala Lumpur, Malaysia in the amount of $250,000.00, was credited to an account maintained by the undercover business in Maryland. This transfer was a down payment for an order of weaponry which was invoiced by the undercover business at approximately $900,000.00. **Haniffa Bin Osman** stated to undercover officers that the funds had been transferred by a business which had ties to the LTTE.

15. On or about August 5, 2006 **Haniffa Bin Osman** provided undercover officers with passports in his name and in the name of **Thirunavukarasa Varatharasa** in preparation for their travel to the Northern Mariana Islands and/or Guam to accept delivery of the weapons destined for the LTTE.

16. On September 25, 2006 **Haniffa Bin Osman** and **Thirunavukarasa Varatharasa** arrived in Saipan to accept delivery of the weapons. They were subsequently transported to the United States Territory of Guam to inspect the weapons. They met with undercover officers in Guam and discussed the weapons as well as the methods by which the weaponry would be shipped from Guam and then off-loaded by LTTE members at a destination in the Indian Ocean.

17. On September 26, 2006 **Haniffa Bin Osman** and **Thirunavukarasa Varatharasa** inspected at a location in Guam the various machine guns, sniper rifles and ammunition which had been ordered for the LTTE. **Thirunavukarasa Varatharasa** closely examined the weapons

DOJ_NMG_ 0169003

and separated some weapons into their component parts. **Haniffa Bin Osman** and **Thirunavukarasa Varatharasa** then agreed to take steps to have additional funds in the amount of $450,000.00 transferred to an undercover bank account as further payment for the weapons.

18. Based on the foregoing, I believe that there exists probable cause to believe that **Thirunavukarasa Varatharasa** has committed the offense of Conspiracy to Violate the Arms Export Control Act contrary to Title 22, United States Code, Section 2778 and Title 18, United States Code, Section 371.

JOHN C. BURGESS
Special Agent
Bureau of Immigration &
Customs Enforcement

SUBSCRIBED AND SWORN to before me this 28th day of September, 2006.

JOAQUIN V.E. MANIBUSAN, JR.
U.S. Magistrate Judge
District of Guam

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 5:24 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL COURT REVOKES CITIZENSHIP OF PITTSBURGH-AREA MAN WHO SERVED AS NAZI CONCENTRATION CAMP GUARD

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FEDERAL COURT REVOKES CITIZENSHIP OF PITTSBURGH-AREA MAN WHO SERVED AS NAZI CONCENTRATION CAMP GUARD

WASHINGTON – The U.S. District Court in Pittsburgh today revoked the U.S. citizenship of Anton Geiser of Sharon, Pa., because of his participation in Nazi-sponsored acts of persecution while serving during World War II as an armed SS guard at Sachsenhausen Concentration Camp and other places of persecution, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Mary Beth Buchanan of the Western District of Pennsylvania announced today.

Geiser admitted under oath that he served during most of 1943 as an armed SS guard at the Sachsenhausen Concentration Camp near Berlin, Germany; that his duties included escorting prisoners to slave labor sites and standing guard in the camp's guard towers; and that he was under standing orders to shoot any prisoner attempting escape. He also admitted serving as a guard at the Buchenwald Concentration Camp and its Arolsen subcamp. Prisoners held at Sachsenhausen and Buchenwald were forced to engage in hard physical labor under extraordinarily brutal conditions. Many prisoners died from exhaustion or disease. Many were shot or hanged. During the period when Geiser served at Sachsenhausen, more 3,000 prisoners were murdered or died from the brutal treatment.

"Anton Geiser's service as an armed SS guard at several Nazi concentration camps helped to ensure that thousands of men and women held prisoner could not escape the brutal conditions of their confinement," said Assistant Attorney General Fisher. "The court's ruling today confirms that the United States is not and never will be a haven for those who participated in Nazi genocide."

Geiser, 81, immigrated to the United States from Austria in October 1956, and was naturalized as a U.S. citizen in March 1962. The district court found that he was not eligible for citizenship because his service to Nazi Germany made him ineligible to immigrate to the United States. Geiser's service as an armed SS guard, the court concluded, "clearly assisted in the persecution of the prisoners" held by the Nazis at Sachsenhausen, Buchenwald and Arolsen.

"By standing guard with a loaded weapon under orders to shoot, Anton Geiser helped to ensure that thousands of innocent men and women were forced to endure slave labor, medical experiments, malnourishment and murder," said Eli M. Rosenbaum, Director of the Justice Department's Office of Special

DOJ_NMG_ 0169005

Investigations (OSI), which investigated the case. "Such individuals do not deserve the privilege of living in the United States. The Government will work to remove Geiser from this country as swiftly as possible."

U.S. Attorney Buchanan stated: "Individuals like Anton Geiser, who assisted the Nazis in their quest to extinguish the lives of millions of innocent men, women and children, do not deserve the benefits of U.S. citizenship."

The proceedings to denaturalize Geiser were instituted in 2004 by OSI and the U.S. Attorney's Office in Pittsburgh. The case is a result of OSI's ongoing efforts to identify, investigate and take legal action against former participants in Nazi persecution who reside in the United States. Since OSI began operations in 1979, it has won cases against 103 individuals who assisted in Nazi persecution. In addition, more than 175 individuals who sought to enter the United States in recent years have been blocked from doing so as a result of OSI's "Watchlist" program, which is enforced in cooperation with the Department of Homeland Security.

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06-668

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Image not available for this document, ID: 0.7.10316.27653-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 5:35 PM
To: USDOJ- Office of Public Affairs
Subject: LIBERIAN MAN PLEADS GUILTY TO SCHEME TO EXTORT RANSOM MONEY FOR KIDNAPPED CHRISTIAN SCIENCE MONITOR JOURNALIST

Department of Justice

United States Attorney Jeffrey A. Taylor
District of Columbia

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
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CONTACT: CHANNING PHILLIPS
PHONE: (202) 514-6933
FAX: (202) 307-3569

LIBERIAN MAN PLEADS GUILTY TO SCHEME TO EXTORT RANSOM MONEY FOR KIDNAPPED CHRISTIAN SCIENCE MONITOR JOURNALIST

WASHINGTON – A Liberian man, Kelvin Kamara, has pleaded guilty to a scheme to extort $2 million in ransom money for kidnapped *Christian Science Monitor* journalist Jill Carroll, U.S. Attorney Jeffrey A. Taylor of the District of Columbia and Acting Assistant Director in Charge Joseph Persichini Jr. of the FBI's Washington Field Office announced today.

Kamara, 27, a Liberian national, pleaded guilty in the U.S. District Court for the District of Columbia earlier today to transmitting ransom demands in interstate and foreign commerce. Kamara will be sentenced on Dec. 8, 2006. He faces a maximum sentence of 20 years in prison and under the terms of his plea agreement, a likely sentence of 33 months of incarceration.

"The United States will not tolerate the actions of those who try to profit from the tragic circumstances of others," stated U.S. Attorney Taylor. "As a result of the extraordinary assistance from the German government, we were able to bring Mr. Kamara to justice, despite the fact that he was committing his crime from abroad."

"The crime committed by Mr. Kamara further victimized Jill Carroll, her family and associates," said FBI Acting Assistant Director in Charge Persichini. "Today's plea is the result of the efforts of law enforcement working together from opposite parts of the world to end that victimization."
http://www.usdoj.gov/usao/dc/press/pressrel.html

According to the government's proffer of evidence at today's plea hearing, on Jan. 7, 2006, armed gunmen in Iraq kidnapped Jill Carroll. At the time, Carroll was working as a freelance journalist for *The Christian Science Monitor*.

DOJ_NMG_ 0169009

On Feb. 12, 2006, Kamara, who was then residing in Germany, sent an e-mail to the Washington, D.C. Bureau of *The Christian Science Monitor*. Using the alias "Saidu Mohammed," Kamara wrote:

> I can give you informations (sic) to secure the release of jill carroll, i am mujaheeden and i can give every information that can lead to securing her release . . . . i am impatiently waiting to read from you for further directives and negotiations . . . . saidu mohammed

The e-mail was false. Kamara had no association with the real kidnappers, nor was he even in Iraq.

On Feb. 14, 2006, Kamara, continuing to pose as "Saidu Mohammed," sent the Washington Bureau Chief of *The Christian Science Monitor* an e-mail demanding $2 million in ransom money "or else Jill is likely to become history."

Over the next month, Kamara, by phone and e-mail, made repeated demands to *The Christian Science Monitor* for $2 million in ransom to secure the release of Jill Carroll. He also repeatedly claimed that Carroll would die if he did not receive the ransom money.

The German police, through electronic monitoring, were able to trace the phone that Kamara was using to call *The Christian Science Monitor*'s Washington Bureau Chief to an apartment in Muenster, Germany. By similar means, the German police were also able to determine that several of the ransom e-mails that Kamara sent emanated from a computer located in the same apartment.

On March 16, 2006, the German police searched the apartment in Muenster, Germany. Kamara was present when the police arrived. During the search, they discovered the telephone that Kamara was using to contact *The Christian Science Monitor*. A search of a computer seized in the apartment revealed that it contained several of the e-mails that Kamara had sent to *The Christian Science Monitor*'s Washington Bureau.

Pursuant to a request from the United States, the German authorities arrested Kamara on March 16, 2006. He was extradited to the United States on Aug. 25, 2006.

In announcing today's plea, U.S. Attorney Taylor and Acting Assistant Director Persichini praised the investigate work of FBI Special Agent Charles Price and Assistant Legal Attaché Kristen McClaren, as well as Assistant U.S. Attorney Jay I. Bratt, who is prosecuting the case. They also expressed their gratitude for the excellent assistance provided by Michael Heller of the Hessiisches Landeskriminalamt.

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Image not available for this document, ID: 0.7.10316.27651-000002

System Administrator

From: System Administrator
Sent: Friday, September 29, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 629554 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 6:17 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SUES OWNER AND MANAGER OF LAKEWOOD, N.J. APARTMENT COMPLEX FOR DISCRIMINATION AGAINST NON-JEWISH BLACK AND HISPANIC TENANTS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SUES OWNER AND MANAGER OF LAKEWOOD, N.J. APARTMENT COMPLEX FOR DISCRIMINATION AGAINST NON-JEWISH BLACK AND HISPANIC TENANTS

WASHINGTON — The Justice Department filed a lawsuit today against Triple H. Realty LLC and a current and former employee of the corporation, alleging that they discriminated against non-Jewish black and Hispanic tenants at the Cottage Manor Apartments in Lakewood, N.J.

The complaint, filed in federal district court in Newark, alleges that the defendants marketed the complex to Orthodox Jews in the local area beginning in 2002 by offering lower rents than current tenants paid for comparable apartments. Non-Jewish black and Hispanic residents were allegedly pressured to move out of buildings that management reserved for incoming Jewish tenants and that were better maintained than other buildings in the complex. The complaint also alleges that management provided Jewish residents more favorable living conditions, such as a fenced, landscaped yard.

"It is inexcusable and illegal to deny equal access to housing based on one's race or ethnicity," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department of Justice will continue to vigorously protect the equal housing rights of all Americans."

The suit seeks monetary damages to compensate victims, civil penalties, and a court order barring future discrimination.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Departments' Civil Rights Division has filed 210 cases to enforce the Fair Housing Act. For more information about the Civil Rights Division and the laws it enforces, visit http://www.usdoj.gov/crt.

# # #

06-669

DOJ_NMG_ 0169014

Image not available for this document, ID: 0.7.10316.27642-000001

Image not available for this document, ID: 0.7.10316.27642-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 7:28 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
September 29, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

MONDAY'S EXPECTED NEWS STORIES:

Attorney General Delivers Remarks on Judicial Independence and Department Efforts to Combat Intellectual Property Theft (OPA)
Today, the Attorney General delivered remarks before the Georgetown University Law Center Conference on the Judiciary regarding judicial independence. He also delivered remarks before the U.S. Chamber of Commerce Intellectual Property Summit in Washington.

Constitutional Lawfulness of the Military Commissions Act (OPA)
Reuters is working on a story about the military commissions act with the assertion that it is likely to be challenged in court, and will likely ultimately be decided by the Supreme Court. Reuters quotes critics who say certain key provisions, like habeas, could be struck down. The story is anticipated run this weekend.

Talking Points

- The military commission legislation is plainly constitutional.
- Far from foreclosing judicial review, this bill provides aliens detained as enemy combatants with the chance to challenge their detention before the United States Court of Appeals for the D.C. Circuit.
- The military commissions established under the act provide the accused with the fundamental rights that will ensure fair and effective trials that fully satisfy all applicable standards under the Geneva Convention and our Constitution.

Department Receives Inquiries Regarding Jeanine Pirro Investigation (OPA)
The Department today received inquiries from regional New York media regarding the Jeanine Pirro investigation. It is not expected that the Department's involvement will receive news coverage after tomorrow.

Talking Points

- When we receive these types of requests, they are reviewed by the appropriate people within the Department to determine what course of action to take, if any.

Media Inquires Regarding Congressman Foley (OPA)
A number of media inquiries were received today regarding whether the Department or the FBI is investigating Congressman Foley on accusations that he exploited young boys over the Internet. The Department has declined to comment.

Federal Court Revokes Citizenship of Pittsburgh-Area Man Who Served as Nazi Concentration Camp Guard (Criminal)
The U.S. District Court in Pittsburgh today revoked the U.S. citizenship of Anton Geiser of Sharon, Pa., because of his participation in Nazi-sponsored acts of persecution while serving during World War II as an armed SS guard at Sachsenhausen Concentration Camp and other places of persecution, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Mary Beth Buchanan of the Western District of Pennsylvania announced today.

Talking Points

- Anton Geiser's service as an armed SS guard at several Nazi concentration camps helped to ensure that thousands of men and women held prisoner could not escape the brutal conditions of their confinement.

- The court's ruling today confirms that the United States is not and never will be a haven for those who participated in Nazi genocide.

Former U.S. Army Contracting Officer Sentenced to Two Years in Prison for Wire Fraud (Criminal)
A former contracting officer for the U.S. Department of the Army Information Technology Agency has been sentenced to two years in prison on a wire fraud charge, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg of the Eastern District of Virginia announced today. Robert E. Johnson, Chief of Quality Assurance and Contracting Officer's Technical Representative for the U.S. Department of the Army Information Technology Agency in Rosslyn, Va., was sentenced today in U.S. District Court in Alexandria, Va., this morning by U.S. Judge James C. Cacheris. In addition to the two-year prison term, Johnson was also sentenced to three years of supervised release and ordered to pay more than $150,000 in restitution.

Justice Department Sues Owner and Manager of Lakewood, N.J. Apartment Complex for Discrimination against Non-Jewish Black and Hispanic Tenants (Civil Rights)
The Justice Department filed a lawsuit today against Triple H. Realty LLC and a current and former employee of the corporation, alleging that they discriminated against non-Jewish black and Hispanic tenants at the Cottage Manor Apartments in Lakewood, N.J. The complaint, filed in federal district court in Newark, alleges that the defendants marketed the complex to Orthodox Jews in the local area beginning in 2002 by offering lower rents than current tenants paid for comparable apartments. Non-Jewish black and Hispanic residents were allegedly pressured to move out of buildings that management reserved for incoming Jewish tenants and that were

better maintained than other buildings in the complex. The complaint also alleges that management provided Jewish residents more favorable living conditions, such as a fenced, landscaped yard.

Talking Points

- It is inexcusable and illegal to deny equal access to housing based on one's race or ethnicity.

- The Department of Justice will continue to vigorously protect the equal housing rights of all Americans.

Former New York Hospital Employee and a Manhattan Telecommunications Company Plead Guilty To Bid Rigging and Related Charges (Antitrust)
A former New York hospital employee and a telecommunications company pleaded guilty today to charges relating to their roles in a conspiracy involving kickbacks, bid rigging, bribery, contract allocation, and related charges for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced.

Talking Points

- Today's sentences demonstrate that the Antitrust Division will hold accountable those who attempt to undermine open and competitive bidding processes.

Justice Department Asks Federal Court to Bar Brooklyn Man from Preparing Federal Tax Returns for Others (Tax)
The United States has filed suit in federal court in Brooklyn to permanently bar Garry P. Webb, also known as Garry P. Webb-Bey, from preparing federal income tax returns for others, the Justice Department announced today. The civil injunction suit alleges that Webb prepared federal income tax returns for customers improperly claiming that income his customers earned in the New York area was "foreign" income exempt from tax.

Settlement between United States, Delaware, Dupont and Ciba Restores Wetlands Habitat in Delaware's Mispillion River Ecosystem (Environmental and Natural Resources Division)
The federal government and the Delaware Department of Natural Resources and Environmental Control reached an agreement today with chemical companies DuPont and Ciba to resolve claims relating to the release of hazardous substances from the DuPont Newport Superfund Site, which contaminated wetlands in and around the Christina River ecosystem. DuPont and Ciba will pay over $1.6 million for cleanup costs, natural resource damages and restoration projects to the federal and state trustees, which include the state of Delaware, the National Oceanic and Atmospheric Administration (NOAA), and the Fish and Wildlife Service.

Talking Points

- This settlement will result in significant habitat improvements in the Mispillion River ecosystem—home to many valuable natural resources, such as blue crab, Atlantic herring, spot, and striped bass.

- The Justice Department will continue to work cooperatively with state and federal agencies to ensure our environmental laws are enforced and our resources protected.

Liberian Man Pleads Guilty to Scheme to Extort Ransom Money for Kidnapped *Christian Science Monitor* Journalist (USAO–District of Columbia)
A Liberian man, Kelvin Kamara, has pleaded guilty to a scheme to extort $2 million in ransom money for kidnapped *Christian Science Monitor* journalist Jill Carroll, U.S. Attorney Jeffrey A. Taylor of the District of Columbia and Acting Assistant Director in Charge Joseph Persichini Jr. of the FBI's Washington Field Office announced today. Kamara, 27, a Liberian national, pleaded guilty in the U.S. District Court for the District of Columbia earlier today to transmitting ransom demands in interstate and foreign commerce. Kamara will be sentenced on Dec. 8, 2006. He faces a maximum sentence of 20 years in prison and under the terms of his plea agreement, a likely sentence of 33 months of incarceration.

Talking Points

- The United States will not tolerate the actions of those who try to profit from the tragic circumstances of others

- As a result of the extraordinary assistance from the German government, we were able to bring Mr. Kamara to justice, despite the fact that he was committing his crime from abroad.

Six Defendants Charged In Conspiracies to Export Arms and to Provide Material Support to a Foreign Terrorist Organization (USAO–District of Maryland)
Two complaints and an indictment were unsealed today charging six defendants with conspiracy to export arms and munitions, and three of those defendants with the additional crimes of conspiracy to provide material support to a designated foreign terrorist organization and money laundering. The defendants were arrested in Guam after traveling there to attempt to purchase night vision devices, sniper rifles, submachine guns with suppressors and grenade launchers to be used by the Liberation Tigers of Tamil Eelam (Tamil Tigers) or customers in Indonesia. Four of the defendants were acting at the direction of senior Tamil Tigers leadership in Sri Lanka, U.S. Attorney Rod J. Rosenstein of the District of Maryland announced today.

Talking Points

- The Tamil Tigers relies upon brokers and supporters throughout the world to acquire military weaponry and launder money in its attempt to violently overthrow the elected government of Sri Lanka.

- They have waged a civil war in Sri Lanka which has cost tens of thousands of lives, and often use suicide bombers. We will not allow any such terrorist organization and its

middlemen to use the United States as a source of supply for weapons, technology and financial resources.

***Fox News Channel* to feature FBI Special Agent**

On Saturday, Sept. 30, the *Fox News Channel* program "The Lineup" will feature a live interview with Jim Dougal, a Special Agent from Jacksonville, Fla. The interview will regard the "Redneck Robber," who is believed to be responsible for a string of bank robberies throughout the Southeast.

MONDAY'S EXPECTED EVENTS/RELEASES:

11:00 A.M. EDT Regina Schofield, Assistant Attorney General for the Office of Justice Programs (OJP), will deliver opening remarks about Partnerships to Service Youth at the OJP Law Enforcement and Youth Partnerships for Crime Prevention Conference.
Hyatt Regency Washington on Capitol Hill
400 New Jersey Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Keehner at (202) 616-9485.

From: USDOJ- Office of Public Affairs
Sent: Friday, September 29, 2006 7:37 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 2 – OCTOBER 6, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, SEPTEMBER 29, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 2 – OCTOBER 6, 2006

Monday, October 2

11:00 A.M. EDT Regina Schofield, Assistant Attorney General for the Office of Justice Programs, will deliver opening remarks about Partnerships to Service Youth at the OJP Law Enforcement and Youth Partnerships for Crime Prevention Conference.
Hyatt Regency Washington on Capitol Hill
400 New Jersey Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Keehner at (202) 616-9485.

Tuesday, October 3

10:00 A.M. CDT Attorney General Alberto R. Gonzales will deliver remarks at the National Human Trafficking Conference in New Orleans regarding Department efforts to combat human trafficking.
Marriot Hotel – New Orleans
Ballroom
555 Canal Street
New Orleans, La.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202)532-3486.

Wednesday, October 4

DOJ_NMG_ 0169022

11:30 A.M. EDT Attorney General Alberto R. Gonzales will deliver brief remarks and introduce U.S. Treasurer Anna Cabral at the Justice Department's Hispanic Heritage Month commemorative event.
The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

Thursday, October 5

9:00 A.M. PDT Regina Schofield, Assistant Attorney General for the Office of Justice Programs, will deliver keynote remarks regarding Department activities in Indian Country at the National Congress of American Indians Annual Conference.
Sheraton Grand Sacramento
1230 J Street
Sacramento, Calif.
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Keehner at (202) 616-9485.

9:15 A.M. CDT Attorney General Alberto R. Gonzales will deliver remarks at a conference of the U.S. Business Leadership Network in Minneapolis to highlight the Department's record in implementing the Americans with Disabilities Act.
Main Ballroom
Marriott City Center
30 South Seventh Street
Minneapolis, Minn.

Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486.

Friday, October 6

7:15 P.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the Dominican American National Roundtable in Atlantic City.
Sheraton Atlantic City Convention Center Hotel
Two Miss American Way
Atlantic City, N.J.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486.

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DOJ_NMG_ 0169023

Image not available for this document, ID: 0.7.10316.27629-000001

Image not available for this document, ID: 0.7.10316.27629-000002

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:42 PM
To: Gorsuch, Neil M
Subject: Not read: FYI - Bullet Points Version of Yesterday's Talking Points

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:42 PM
To: Gorsuch, Neil M
Subject: Not read: DoD Memo on Geneva

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: DoD Memo on Geneva

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: FT Article re Haynes

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: ICTY / ICTR

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: Your Nom was held over

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: CNN Breaking News

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:43 PM
To: Gorsuch, Neil M
Subject: Not read: Tenet

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:44 PM
To: Gorsuch, Neil M
Subject: Not read: NYT Letter to the Editor

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:44 PM
To: Gorsuch, Neil M
Subject: Not read: Current draft of Cookeville letter to Sen. Frist

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Ninth Circuit Split

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: LA Katrina Plan

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Deficit Reduction Act

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: IG report on COPS meth funding

System Administrator

From: System Administrator
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630397 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Action items from 3/6 Strategic Initiatives Mtg

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Final Talking Points and Letter-to-the-editor on today's Wash ington Post story

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Final Talking Points and Letter-to-the-editor on today's Wash ington Post story

Moschella, William

From: Moschella, William
Sent: Friday, September 29, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Not read: Rakoff Order

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630400 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630401 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630402 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630402 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630403 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, September 30, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630404 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, September 30, 2006 9:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell, OH

From: AmberAlert-DOJ
Sent: Saturday, September 30, 2006 9:01:27 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Howell, OH
Auto forwarded by a Rule

AMBER ALERT[redacted]

http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2322

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 1, 2006 12:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell, OH

From: AmberAlert-DOJ
Sent: Sunday, October 01, 2006 12:01:32 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Howell, OH
Auto forwarded by a Rule

UPDATE AMBER ALERT [redacted]

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2322

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, October 01, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630409 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 1, 2006 7:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Siler City, NC

From: AmberAlert-DOJ
Sent: Sunday, October 01, 2006 7:35:43 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Siler City, NC
Auto forwarded by a Rule

AMBER ALERT: [redacted]

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2342

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 1, 2006 9:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Siler City, NC

From: AmberAlert-DOJ
Sent: Sunday, October 01, 2006 9:35:55 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Siler City, NC
Auto forwarded by a Rule

UPDATE AMBER ALERT: [redacted]

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2342

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, October 01, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630413 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

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System Administrator

From: System Administrator
Sent: Sunday, October 1, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630414 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, October 01, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630415 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, October 01, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630416 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 01, 2006 7:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell, MI

From: AmberAlert-DOJ
Sent: Sunday, October 01, 2006 7:01:26 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Howell, MI
Auto forwarded by a Rule

UPDATE AMBER ALERT:[redacted]

---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2322

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, October 01, 2006 7:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630418 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 01, 2006 10:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Siler City, NC

From: AmberAlert-DOJ
Sent: Sunday, October 01, 2006 10:35:38 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Siler City, NC
Auto forwarded by a Rule

UPDATE AMBER ALERT [redacted]

---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2342

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, October 02, 2006 6:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 630421 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Monday, October 02, 2006 7:01 AM
To: Gorsuch, Neil M
Subject: Service-Oriented Architecture Seminar
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe9313737763067d72-fdee17797463037d73127877-fef8177574610d

Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

â?¢To what extent are you able to share information between agencies and departments?

â?¢Does your IT infrastructure enable you to respond quickly to changing requirements?

Learn how government agencies are using the principles and technologies of service-oriented architecture (SOA) to reduce IT costs, increase operational efficiency, and respond quickly to threats and opportunities in the environment.

Join us for "Leveraging the Principles and Technologies of SOA in Government," a seminar featuring an industry expert and panel discussion on best practices for SOA deployments in the government sector.

Date: Thursday, November 2, 2006

Time: 7 a.m. to 1 p.m.

Location: Crystal Gateway Marriott
1700 Jefferson Davis Highway
Arlington, VA 22202

Agenda

7:00 am - 8:00 am Registration/Breakfast
8:00 am - 8:15 am Welcome
8:15 am - 9:00 am Featured Keynote Address - [redacted]
9:00 am - 9:45 am Service-Oriented Architecture - [redacted] TIBCO Software
9:45 am - 10:00 am Break
10:00 am - 11:00 am SOA Executive Panel Discussion 11:00 am - 12:00 pm Event Driven Architecture - [redacted] TIBCO Software 12:00 pm - 1:00 pm Lunch/Closing

SOA Executive Panel:
Moderator

[redacted] Former CIO - USAF

Panelists

[redacted]

To register go to:

http://www.tibco.com/mk/2006/info_sharing_gov.jsp
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

http://view.exacttarget.com/ftaf.aspx?ffcb10-fe9313737763067d72-fdee17797463037d73127877-fef8177574610d

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Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

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9:45 am - 10:00 am	Break
10:00 am - 11:00 am	SOA Executive Panel Discussion
11:00 am - 12:00 pm	Event Driven Architecture - [redacted] TIBCO Software
12:00 pm - 1:00 pm	Lunch/Closing

SOA Executive Panel:
Moderator
[redacted] Former CIO - USAF

Panelists
[redacted]

To register go to:
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 02, 2006 8:29 AM
Subject: Justice Caféoffee Shop Reopens for Business

JUSTICE CAFÉ COFFEE SHOP REOPENS FOR BUSINESS

The Justice Café Coffee Shop will reopen for business on Monday, October 2nd after being closed for three months due to the flooding in the MAIN Justice Building. Even though the coffee shop did not sustain any water damage, essential services such as hot water have only recently been restored to the building.

The coffee shop, open from 7:30 a.m. until 3:00 p.m., will be serving various coffees in addition to light snacks, pastries and eventually packaged sandwiches. The coffee shop is located near elevator bank #7. *Please come down and enjoy your morning and afternoon coffee!*

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 2, 2006 9:27 AM
Subject: Email Delivery Problems

Email Delivery Problems

We are currently experiencing problems with email delivery in the Senior Management Offices and Justice Management Offices located on the 5th and 7th floors of Main building. We will notify you as soon as email delivery returns to normal.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 2, 2006

Department of Justice

PRESS GUIDANCE
Monday, October 02, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Office of Justice Programs will tentatively issue a release on a grant funding matter. (Peterson)

EVENTS/HEARINGS

11:00 A.M. EDT Regina Schofield, Assistant Attorney General for the Office of Justice Programs, will deliver opening remarks on *Partnerships to Service Youth* at the OJP Law Enforcement and Youth Partnerships for Crime Prevention Conference.
Hyatt Regency Washington on Capitol Hill
400 New Jersey Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Keehner at (202) 616-9485.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169070

Image not available for this document, ID: 0.7.10316.26871-000001

Image not available for this document, ID: 0.7.10316.26871-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 10:17 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT ANNOUNCES WILLIAM E. MOSCHELLA AS NEW PRINCIPAL ASSOCIATE DEPUTY ATTORNEY GENERAL

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 2, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT ANNOUNCES WILLIAM E. MOSCHELLA AS NEW PRINCIPAL ASSOCIATE DEPUTY ATTORNEY GENERAL

WASHINGTON — The Justice Department today announced that William E. Moschella will serve as Principal Associate Deputy Attorney General effective immediately. Mr. Moschella succeeds William Mercer, who was nominated in early September to serve as Associate Attorney General.

Mr. Moschella currently serves as Assistant Attorney General for the Department's Office of Legislative Affairs. In this capacity, he acts as the legislative liaison between the Department and the U.S. Congress – representing the interests and opinions of the Department before members of the House and Senate.

As Assistant Attorney General, Mr. Moschella helped shepherd significant acts of legislation from inception to passage, including the Intelligence Reform and Terrorism Prevention Act of 2004, the USA PATRIOT Improvement and Reauthorization Act of 2005, and the Adam Walsh Child Protection and Safety Act of 2006.

"Will has been a valuable member of my team since day one," said Attorney General Alberto R. Gonzales. "Since his confirmation in 2003, Will has aided the passage of every single piece of significant anti-terror legislation. He has provided both Attorney General Ashcroft and me with expert guidance and unmatched negotiation skills in his role as Assistant Attorney General for Legislative Affairs."

"I've known Will for a decade. He has a vast knowledge of most of the complex matters facing the Department," said Deputy Attorney General Paul J. McNulty. "His extraordinary experience will be an asset to my office and a continued asset to the Department for as long as he chooses to stay with the Department."

From 1990 to 2003, Mr. Moschella worked on Capitol Hill, including serving as Counsel to the House Committee on Government Reform, General Counsel to the House Committee on Rules, Chief Investigative Counsel to the House Committee on the Judiciary, and Chief Legislative Counsel and Parliamentarian to the House Committee on the Judiciary. In 2003, he was nominated by President Bush to serve as Assistant Attorney General for Legislative Affairs. He was confirmed by the Senate on May 9, 2003. He received his

DOJ_NMG_ 0169073

law degree from George Mason University Law School and received a bachelor's degree from the University of Virginia.

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06-666

DOJ_NMG_ 0169074

Image not available for this document, ID: 0.7.10316.26866-000001

Image not available for this document, ID: 0.7.10316.26866-000002

System Administrator

From: System Administrator
Sent: Monday, October 02, 2006 10:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 641499 KB.

Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

agarg@truman.gov

From: agarg@truman.gov
Sent: Monday, October 02, 2006 11:15 AM
To: Gorsuch, Neil M
Cc: fslabach@truman.gov
Subject: Truman Scholarship Regional Review Panels 2007

Dear Hon. Gorsuch,

On behalf of the Truman Foundation, I would like to welcome you to the 2007 Truman Competition! For those of you who I have not yet had the good fortune to meet, I am Fred Slabach, the new Executive Secretary of the Truman Foundation. I came to the Foundation from a career in politics, government, and, most recently, law school academia. I also had the honor of being named to the first class of Truman Scholars in 1977. While filling the shoes of Louis Blair is a daunting task, I am thrilled at the prospect of working closely with the staff, volunteers and applicants who make this process so inspiring.

I would like to invite you to serve once again on this year's Truman Scholarship Interview Panels. Your participation in the past has been invaluable, and we hope you can join us again on the Denver II Panel on March 15, 2007. You will notice very few changes for the 2007 competition. We hope to bring you the same well-organized and transparent process - along with another group of impressive Truman Scholar applicants.

I sincerely hope that you will be able to be a part of this process once again. If you have any questions please do not hesitate to contact me. Please let our new Program Manager Anjali Garg (agarg@truman.gov) know by Wednesday October 11, 2006 if you will be able to join us. Thank you again for your service to the Truman Scholarship Foundation.

Best,

Frederick G. Slabach
Executive Secretary

System Administrator

From: System Administrator
Sent: Monday, October 2, 2006 1:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 641928 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 2, 2006 2:07 PM
Subject: JCON BROADCAST, WEEK OF OCTOBER 2, 2006

JCON BROADCAST, WEEK OF OCTOBER 2, 2006

1. **National Hispanic Heritage Month 2006 Program**
2. **Justice Café Coffee Shop Reopens for Business**
3. **DOJ Domestic Violence Awareness Month Event**
4. **Financial Education Seminar: Financial Planning**
5. **Voluntary Leave Bank Program Open Season**
6. **Tutoring Program – Make a Difference in a Child's Life**
7. **Office of Small and Disadvantaged Business Utilization Newsletter**
8. **Research Classes Offered by Library Staff**

National Hispanic Heritage Month 2006 Program

The Department of Justice will present its commemorative program in observance of **National Hispanic Heritage Month, 11:30 a.m. to 12:30 p.m.,Wednesday, October 4, 2006**, in the Great Hall of the Robert F. Kennedy, Main Building. Featured speakers include Attorney General Alberto R. Gonzales and Treasurer of the United States [redacted] There will be performances by Mezzo-Soprano, [redacted] and [redacted], piano, and an ethnic food sampling will follow the program.

Sign language interpreters and assistive listening devices will be available. Managers are encouraged to grant employees in the Washington Metropolitan Area reasonable official time to participate.

Justice Café Coffee Shop Reopens For Business

The Justice Café Coffee Shop has reopened for business today after being closed for three months due to the flooding in the MAIN Justice Building. Even though this area of the Café did not sustain any water damage, essential services such as hot water have only recently been restored to the building.

The Coffee Shop is **open from 7:30 a.m. until 3:00 p.m.**, will be serving various coffees in addition to light snacks, pastries and eventually packaged sandwiches. The coffee shop is

located near elevator bank #7. *Please come down and enjoy your morning and afternoon coffee!*

DOJ Domestic Violence Awareness Month Event

October is Domestic Violence Awareness Month. To raise awareness about this crime, the Office on Violence Against Women and Office of Justice Programs are sponsoring an event that is open to all DOJ employees, **11:00 a.m. to 12:00 noon, Thursday, October 5, 810 7th Street, NW, in the 3rd Floor Video Conference Room**. The event will feature [redacted], Executive Director of the National Domestic Violence Hotline. The Hotline is celebrating its 10th year in existence and has served well over 1,000,000 victims since it was established. [redacted] will discuss the history of the hotline, how it has evolved over time, and what she sees for the future. She will also discuss safety planning for domestic violence victims and the forthcoming Teen Dating Violence Hotline. Light refreshments will be served. For more information, contact Kris Rose (307-0466).

Financial Education Seminar: Financial Planning

The Justice Management Division, Personnel Staff is hosting a Financial Education Seminar **11:30 a.m. to 12:30 p.m., Wednesday, October 18, 2006, in Room 1160 of the National Place Building**. The "Financial Planning" seminar is open to Department employees and is a wonderful opportunity to learn more about financial planning. Learn from an expert! [redacted] from InCharge Education Foundation, Inc., will discuss personal finance and financial planning.

Please join us on Wednesday, October 18, 2006, for a lively discussion on personal financial planning. Space is limited to the first 50 registrants. Supervisors are encouraged to grant official time to employees to attend this training program. Sign language interpreter available upon request. To register for the seminar, please send your name, component, and phone number to Jamie.A.Higgins@usdoj.gov .

Voluntary Leave Bank Program Open Season

The Department's Voluntary Leave Bank Program (VLBP) is a special membership program for employees which allows members to pool and request donated leave for use during medical emergencies when all other leave has been exhausted. Annual membership in the VLPB is for a "leave year." You may only join the VLBP during the annual open season, which begins now and continues through December 8, 2006.

You may begin or renew your annual membership by contributing a minimum of one pay period of "accrued" annual leave (4, 6, or 8 hours). Your contribution will make you a member of the Leave Bank during leave year 2007, which begins on January 7, 2007.

Leave year 2006 open season yielded nearly 28,000 hours of donated leave. To date, those donations have enabled assistance for hundreds of employees who are Leave Bank members. Due to the generosity of Department employees, these employee members were provided a measure of financial support while they were burdened with significant health concerns.

Please contact your Leave Sharing Coordinator at http://www.usdoj.gov/jmd/ps/keybank.htm or local Human Resources Office if you wish to become a Leave Bank member, make a contribution, or have any questions regarding this program. You may also visit our website at http://www.usdoj.gov/jmd/ps/guibank.htm for additional information about this year's Leave Bank Open Season.

Tutoring Program -- Make a Difference in a Child's Life

The Department has a tradition of promoting employee volunteerism and community service. One of our most popular activities is the DOJ Partners in Education Program. Through this program, employees in components and offices are matched with a local school to provide tutoring and other assistance to students.

The Justice Management Division sponsors a special partnership with Ludlow-Taylor Elementary School. Through this partnership, employees assist students at Ludlow-Taylor with reading, writing, mathematics, and other subjects. Tutors are being recruited to assist with the 2006-2007 school year. Tutors meet with students for one hour per week. Transportation to and from the school will likely be provided. Up to eight hours of administrative leave per month may be granted to participating employees. Supervisors and managers are urged to support this worthwhile effort. Please carefully consider requests from previous tutors who wish to participate this year; continuity greatly improves the quality of the program and interaction with students. Tutoring will begin in November.

Those interested in participating in the Partners in Education Program should contact Lynn Sutton, of the Justice Management Division's Personnel Staff, on (202) 305-8986 or by email **no later than October 13**.

Office of Small and Disadvantaged Business Utilization Newsletter

The Office of Small and Disadvantaged Business Utilization (OSDBU) has issued its third quarterly newsletter. This edition features coverage of DOJ's August 29, 2006, Service Disabled Veteran-Owned Small Business Counseling Session. The Newsletter may be viewed at: http://www.usdoj.gov/jmd/osdbu/sbe_summer2006.pdf

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:40 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:01-cv-01472-REB-PAC Stanton Disc Pharm, et al v. Qwest Comm Intl Inc, et al Judgment

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*****NOTE TO PUBLIC ACCESS USERS*** You may view the filed documents once without charge. To avoid later charges, download a copy of each document during this first viewing.**

U.S. District Court

District of Colorado

Notice of Electronic Filing

The following transaction was entered on 10/2/2006 at 12:39 PM MDT and filed on 10/2/2006
Case Name: Stanton Disc Pharm, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:01-cv-1472
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 15

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

1:01-cv-1472 Notice has been electronically mailed to:
Timothy Granger Atkeson Tim_Atkeson@aporter.com, elissa_preheim@aporter.com, eric_rillorta@aporter.com, jeffrey_lewis@aporter.com, jessica_brody@aporter.com, john_freedman@aporter.com, kwame_clement@aporter.com, scott_schreiber@aporter.com, shelby_hunt@aporter.com
Frederick J. Baumann (Terminated) fbaumann@rothgerber.com, phenke@rothgerber.com
Gary Lozow (Terminated) glozow@ir-law.com, aboudreaux@ir-law.com, dmatsuda@ir-law.com
Robert Nolen Miller (Terminated) rmiller@perkinscoie.com, rmiller-efile@perkinscoie.com
James E. Nesland (Terminated) neslandje@cooley.com, calendarreq@cooley.com, foutsdl@cooley.com, inghramjl@cooley.com
David A. Zisser (Terminated) dzisser@ir-law.com, stablack@ir-law.com
James D. Kilroy (Terminated) jkilroy@swlaw.com, cswagerty@swlaw.com, lralph@swlaw.com
Terence C. Gill (Terminated) tgill@sah.com, dsikes@sah.com, efiling@sah.com
Blain David Myhre (Terminated) bmyhre@ir-law.com, aknight@ir-law.com
! Stephanie Erin Dunn (Terminated) sdunn@perkinscoie.com, sdunn-efile@perkinscoie.com
Neil McGill Gorsuch (Terminated) [redacted], neil.gorsuch@usdoj.gov
Michael J. Grudberg (Terminated) mgrudberg@stillmanfriedman.com
Jesus Manuel Vazquez, Jr (Terminated) jvazquez@rothgerber.com, tclanahan@rothgerber.com

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Case Number: 1:01-cv-1527
Filer:
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Document Number: 15

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

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Case Number: 1:01-cv-1616
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WARNING: CASE CLOSED on 09/29/2006
Document Number: 12

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

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Case Number: 1:01-cv-1799
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Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

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Case Number: 1:01-cv-1930
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Document Number: 6

Docket Text:
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Kwame A. Clement Kwame_Clement@aporter.com, kclement8688@comcast.net
Elissa J. Preheim Elissa.Preheim@aporter.com

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DOJ_NMG_ 0169097

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Electronic document Stamp:
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[695fed88c51060783cfea8120091888ae8e8e000364eb4ca23c4be38520bc8118968
df373356e16f26dde36a5d1248c1be26cd8a95b7e60f36bdb768dc3202e1]]

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From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:46 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00333-REB-PAC Herbert S Cohen Trus, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Name: Herbert S Cohen Trus, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-333
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 15

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

1:02-cv-333 Notice has been electronically mailed to:
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Michael James Hofmann (Terminated) michael.hofmann@hro.com, jackie.delay@hro.com
Jennifer Lynn Coon (Terminated) jlc@birdmarella.com, lak@birdmarella.com
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From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:47 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00374-REB-PAC Brody, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Name: Brody, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-374
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 13

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

1:02-cv-374 Notice has been electronically mailed to:
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Original filename:n/a
Electronic document Stamp:
[STAMP dcecfStamp_ID=1071006659 [Date=10/2/2006] [FileNumber=765375-0]
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fea38a8dc7da98387f22319178d3951055a2cbde77729513b97faa9f5572]]

From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:49 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00507-REB-PAC Barry, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Name: Barry, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-507
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 6

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

1:02-cv-507 Notice has been electronically mailed to:
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Original filename:n/a
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[STAMP dcecfStamp_ID=1071006659 [Date=10/2/2006] [FileNumber=765378-0]
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d67f91db15fb027d618ba11efaa5d0a1a8905109ee02120fbda76bfd1024]]

From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:50 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00658-REB-PAC Abdelnour, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Name: Abdelnour, et al v. Qwest Comm Intl Inc, et al
Case Number: 1:02-cv-658
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 10

Docket Text:
JUDGMENT by Clerk in favor of plaintiff class, as denied in that order against the Settling Defendants filed 9/29/06. Signed by Charlotte Hoard, Deputy Clerk on 10/2/06. (dln,)

1:02-cv-658 Notice has been electronically mailed to:
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From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:51 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00755-REB-PAC Wollman, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Number: 1:02-cv-755
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 11

Docket Text:
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[4f08a978807a7e0c48eb49bd35a4c7c8acbb33e37c357feeffb0100bd8c11ad0c3f2
282feb21968e1d3c453301448b88681f14e7a74a9f8dd8f131c412fdd8f9]]

From: COD_ENotice@cod.uscourts.gov
Sent: Monday, October 02, 2006 2:52 PM
To: COD_NEF@cod.uscourts.gov
Subject: Activity in Case 1:02-cv-00798-REB-PAC Tabacoff, et al v. Qwest Comm Intl Inc, et al Clerk's Judgment

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Case Number: 1:02-cv-798
Filer:
WARNING: CASE CLOSED on 09/29/2006
Document Number: 10

Docket Text:
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Neil McGill Gorsuch (Terminated) [redacted], neil.gorsuch@usdoj.gov
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30346d33332dacdc0994d5cf30a47592c3aefc2d9064cbdc89bb98281c60]]

System Administrator

From: System Administrator
Sent: Monday, October 02, 2006 3:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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mmorr@petrieschwartz.com

From: mmorr@petrieschwartz.com
Sent: Monday, October 2, 2006 3:50 PM
To: Gorsuch, Neil M
Subject: Clerkship
Attachments: tmp.htm; Matt Morr Resume.pdf

Dear Judge Gorsuch,

My name is Matt Morr. Mimi Wesson, a friend of Bruce Black, recommended I contact you regarding a clerkship position. I am just starting my third year of practice in the area of commercial litigation and am very interested in taking a hiatus from private practice to work as judicial law clerk.

I attach my resume. Please call me if you have any questions or if you would like me to provide you with a writing sample, transcript and/or references.

Thank you,

Matt Morr

<<Matt Morr Resume.pdf>>

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Staff member, University of Colorado Law Review, 2002-2003
Moot Court- Best Oralist, Saul Lefkowitz Competition, Western Region, San Francisco, 2004

Seattle University School of Law, Seattle, WA
Completed first year of law school, 2001-2002
Class Standing: Top 10%
G.P.A.: 3.45
Honors: *Moot Court*- 1st Place, Reasonable Doubts Competition
2nd Place, Administrative Law Competition
Negotiation- 1st Place, Negotiation Competition
2nd Place, ABA Regional Negotiation Competition, University of Calgary, 2001
Participant, ABA National Negotiation Competition, Philadelphia, 2002

Undergraduate Education

Colorado College, Colorado Springs, CO
Bachelor of Arts, American Political Economy, 1999

Legal Experience

Petrie Schwartz LLP — Denver, CO
Commercial Litigation Associate — September 2004-Present
Represented businesses and individuals. Argued summary judgment motion, defended deposition, attended status conferences and attended arbitration as second chair. Drafted a variety of litigation briefs and motions in state court, federal court, federal appellate court and arbitration proceedings involving breach of contract, copyright infringement, patent disputes, securities, torts, lending, RICO and bankruptcy matters. Drafted discovery requests and responses, as well as correspondence relating to discovery. Drafted mediation statement and attended mediation with clients. Prepared witnesses for trial. Researched many evidentiary and procedural issues relating to litigation.

Fourth Judicial District of Colorado — Colorado Springs, CO
Law Clerk — June 2002-August 2002
Worked under the direct supervision of The Honorable Kirk Samelson researching legal issues and writing legal orders and memoranda. In addition, wrote an appellate order for The Honorable Peter W. Booth, and a memorandum regarding a breach of contract issue for The Honorable Timothy Simmons.

Lexis Nexis — Seattle, WA
Lexis Associate — February 2002-May 2002
Promoted the use of Lexis legal research products among students, faculty, and staff through workshops and tutoring.

Lexis Nexis — Colorado Springs, CO
Shepard's Specialist — November 2000-August 2001
Responsible for $2.5 million in revenue. Achieved 123% of new sales goal. Helped develop new sales strategies and campaigns. Completed intensive one-week sales course and participated in continuous sales and negotiation training.

Professional Experience

Christy Sports — Colorado Springs/Avon, CO
Sales Associate/Assistant Hardgoods Buyer — September 1996-May 2000
Top grossing sales person. Promoted to assistant buyer and relocated to Avon office in December 1999. Assisted in all aspects of ski buy. Tested ski equipment. Attended trade shows. In charge of car rack and boot accessories buy.

Dear Judge Gorsuch,

My name is Matt Morr. Mimi Wesson, a friend of Bruce Black, recommended I contact you regarding a clerkship position. I am just starting my third year of practice in the area of commercial litigation and am very interested in taking a hiatus from private practice to work as judicial law clerk.

I attach my resume. Please call me if you have any questions or if you would like me to provide you with a writing sample, transcript and/or references.

Thank you,

Matt Morr

<<Matt Morr Resume.pdf>>

Matthew A. Morr
Petrie Schwartz LLP
1775 Sherman Street, Suite 2500
Denver, CO 80203
303.226.7733 (phone)
303.226.7777 (fax)
mmorr@petrieschwartz.com

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From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 4:28 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT OBTAINS DAIRY PROCESSOR DIVESTITURE IN SETTLEMENT WITH DAIRY FARMERS OF AMERICA

(PDFs of the court documents are attached below.)

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 2, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT OBTAINS DAIRY PROCESSOR DIVESTITURE IN SETTLEMENT WITH DAIRY FARMERS OF AMERICA

Divestiture of Southern Belle Dairy Restores Competition for School Milk in Kentucky and Tennessee

WASHINGTON — The Department of Justice today announced a settlement that resolves its antitrust concerns with the Dairy Farmers of America Inc. (DFA) acquisition of Southern Belle Dairy Co. LLC, by requiring DFA to divest its interest in Southern Belle. As a result of the settlement, DFA's partner, the Allen Family Limited Partnership (AFLP), will also sell its interest in Southern Belle. The Department said that the divestitures restore the benefits of competition—lower prices and better quality services—to schoolchildren and their families in Kentucky and Tennessee.

As a result of the settlement filed today in U.S. District Court in London, Ky., both DFA and AFLP will sell their interests in Southern Belle to Prairie Farms Dairy Inc. The Antitrust Division has approved Prairie Farms as the buyer. The Commonwealth of Kentucky joined the Department in its settlement.

"This settlement restores competition for school milk contracts essential to the nutrition programs that serve schoolchildren in 100 school districts in Kentucky and Tennessee," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "With the close cooperation of the Commonwealth of Kentucky's Office of the Attorney General, the United States has secured the relief that we expected to request from the court had we prevailed at trial."

In April 2003, the Department's Antitrust Division and the Commonwealth of Kentucky filed a lawsuit in U.S. District Court in London, challenging DFA's acquisition of its interest in the Southern Belle dairy. The Department's lawsuit charged that DFA's acquisition reduced competition because it gave DFA ownership interests in two dairies—the Southern Belle dairy and the nearby Flav-O-Rich dairy in London—that competed against each other for school milk contracts. As a result, the acquisition reduced the number of independent bidders for school milk contracts from two to one for 45 school districts in eastern Kentucky, and from three bidders to two for 55 school districts in eastern Kentucky and Tennessee.

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The federal district court initially dismissed the case, granting summary judgment for DFA. The Department successfully appealed the dismissal to the U.S. Court of Appeals for the Sixth Circuit, which reversed the district court and sent the case back for trial.

Before trial began, the Department and DFA reached an agreement that required DFA to divest its interest in the Southern Belle dairy. At the same time, DFA's joint venture partner, the AFLP, also agreed to sell its interest in the dairy. The Department filed its proposed settlement with the court today after approving the sale of DFA and AFLP's interests in Southern Belle to Prairie Farms.

Dairy Farmers of America is a national milk marketing cooperative headquartered in Kansas City, Miss. DFA is the largest dairy cooperative in the world. In 2005, DFA sold 60 billion pounds of raw milk to dairies and other processors and had almost $9 billion in revenue.

Southern Belle Dairy Co. LLC, headquartered in Somerset, Ky., was formed in 2003 by DFA and the AFLP to manage the Southern Belle dairy. DFA and AFLP each own 50 percent of Southern Belle Dairy Co. LLC.

As required by the Tunney Act, the proposed consent decree, along with the Department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to Mark J. Botti, Chief, Litigation I Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, N.W., Suite 4000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

###

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EXHIBIT A

LETTER AGREEMENT BETWEEN THE UNITED STATES, COMMONWEALTH OF KENTUCKY, AND DAIRY FARMERS OF AMERICA, INC.

U.S. Department of Justice

Antitrust Division

City Center Building
1401 H Street, NW
Suite 4000
Washington, DC 20530

Mark J. Botti
(202) 307-0001 (tel.)
(202) 307 5802 (fax)

May 15, 2006

VIA HAND DELIVERY

W. Todd Miller, Esq.
Baker & Miller, PLLC
2401 Pennsylvania Avenue, NW Suite 300
Washington, DC 20005

Re: *United States of America, et al. v. Dairy Farmers of America, et al.*

Dear Todd:

This letter sets forth the agreement among the Department of Justice ("the Department"), the Commonwealth of Kentucky ("the Commonwealth"), and Dairy Farmers of America, Inc. ("DFA") regarding the Stipulation and proposed Final Judgment in this matter. Except as discussed below, the Department and the Commonwealth agree not to file the Stipulation and proposed Final Judgment with the Court until the earlier of (1) 120 calendar days after DFA's signing of the Stipulation or (2) the day after DFA gives notice to the United States and the Commonwealth pursuant to Section VI.A of the proposed Final Judgment that DFA has executed a divestiture agreement with a proposed Acquirer of the Divestiture Assets. During this period, however, the Department and the Commonwealth reserve the right to file the Stipulation and proposed Final Judgment with the Court under seal should they, in their sole discretion, determine after giving 15 days written notice of its reasons to DFA that DFA is not complying with the terms of the Stipulation and proposed Final Judgment. The Department will exercise its sole discretion under this letter agreement and the Final Judgment in good faith in light of the relevant facts, law, and public policy.

Beginning immediately with DFA's signing of the Stipulation, DFA must comply with all obligations and prohibitions set forth in the Stipulation and proposed Final Judgment including keeping the Department and the Commonwealth informed as to DFA's actions in seeking an Acquirer.

If this accurately sets forth the agreement among the Department, the Commonwealth and DFA, please execute a copy of this letter on behalf of DFA and return the copy to me.

Sincerely,

Mark J. Botti
For the United States Department of Justice

Maryellen B. Mynear
For the Commonwealth of Kentucky

Agreed: _____
Counsel for Dairy Farmers of America, Inc.

Date: 5/15/06

cc: David A. Owen

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EXHIBIT B

DETERMINATIVE DOCUMENT PURSUANT TO 15 U.S.C. § 16(b):
OPTION AGREEMENT BETWEEN DAIRY FARMERS OF AMERICA, INC.
AND ALLEN FAMILY LIMITED PARTNERSHIP

REDACTED

PUBLIC VERSION

OPTION AGREEMENT

This OPTION AGREEMENT is dated and made effective as of the 15th day of May, 2006, among DAIRY FARMERS OF AMERICA, INC., a Kansas cooperative marketing association ("DFA"), and ALLEN FAMILY LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("AFLP").

RECITALS

WHEREAS, AFLP is the owner of one hundred percent (100%) of the common member interests ("AFLP Interests") of Southern Belle Dairy Co., LLC, a Delaware limited liability company ("Southern Belle"); and

WHEREAS, DFA is or will become the owner of the [redacted] of Series A Preferred Capital Interest and the [redacted] of Series B Preferred Capital Interest in Southern Belle, plus all lines of credit or other loans from Mid-Am Capital, L.L.C., ("DFA Interests"); and

WHEREAS, DFA is a defendant in an action filed by the United States of America through its Department of Justice ("DOJ") and by the Commonwealth of Kentucky and pending in the United States District Court for the Eastern District of Kentucky originally titled *United States of America and the Commonwealth of Kentucky v. Dairy Farmers of America, Inc. and Southern Belle Dairy Co., LLC*, Civil Action No. 6:03-cv-208-KSF (the "DOJ Litigation");

WHEREAS, DFA and AFLP have been in discussions regarding the possibility of entering into a purchase agreement ("Purchase Agreement") relating to all of the AFLP Interests, subject to and conditioned on (i) full and final settlement of the DOJ Litigation and (ii) DFA's ability and the DOJ's acceptance and/or acquiescence to DFA concurrently entering into a definitive purchase agreement relating to the sale of the DFA and AFLP Interests and/or the sale of all or substantially all of the operational assets of Southern Belle Dairy ("Assets") with a third-party purchaser ("Acquirer"), pursuant to which an Acquirer would purchase both the DFA and the AFLP Interests and/or the Assets from DFA (the "Acquisition Agreement"); and

WHEREAS, in furtherance of the discussions and as a condition precedent to the DFA's obligation to purchase the AFLP Interests from AFLP, and for the additional consideration set forth herein, the AFLP desires to grant, and herein does grant, to DFA an option to purchase the AFLP Interests according to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises herein and the representations, warranties, covenants and agreements contained herein, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. AFLP hereby grants to DFA an unconditional, irrevocable option (the "Option") to purchase, subject to the terms and conditions hereof, the AFLP Interests for the total sum of [redacted] ("Purchase Price") payable in cash at the time of closing. The Option shall terminate upon the earliest to occur of: (i) the written mutual agreement of DFA and AFLP to terminate the Option; or (ii) the delivery of at least ten (10) days prior written notice from DFA to AFLP that DFA has decided to terminate the Option. The

Option may only be exercised during the period from the date hereof through the first date to occur of clause (i) or (ii) of the immediately preceding sentence (the "Option Period").

2. Option Grant Payment. Upon the execution of this Option Agreement by the parties hereto, DFA shall remit to AFLP the amount of One Thousand Dollars ($1,000) and other good and valuable consideration, the receipt of which is hereby acknowledged by AFLP for the grant of the Option by AFLP pursuant to this Agreement.

3. Exercise of Option by DFA.

(a) DFA shall exercise the Option for the AFLP Interests, but only upon (i) full and final settlement of the DOJ Litigation and (ii) DFA's ability and DOJ's acceptance and/or acquiescence to DFA concurrently entering into a definitive Acquisition Agreement relating to the sale of the AFLP and DFA Interests and/or the sale of all or substantially all of the Assets with an Acquirer during the Option Period. The Option may not be exercised in part, but may only be exercised for all of the AFLP Interests subject to this Agreement and as set forth in the Purchase Agreement.

(b) At the closing ("Closing"), DFA shall pay to AFLP the Purchase Price by wire transfer of immediately available funds to an account designated by such AFLP or by delivery of a certified check to the AFLP address listed on the signature page to this Agreement.

(c) At the Closing, and upon confirmation of the satisfaction of the conditions set forth in Section 3(a)(i) and (ii) above, simultaneously with the payment of the Purchase Price as provided for hereinabove, (i) DFA will execute the Acquisition Agreement pursuant to terms and conditions mutually agreed between DFA and such Acquirer.

4. Conditions Precedent to Closing by DFA. AFLP, as manager of Southern Belle Dairy, LLC, hereby represents and warrants to DFA as follows:

(a) AFLP shall offer to furnish to all prospective Acquirers from DFA, subject to customary confidentiality assurances, all information and documents relating to the AFLP Interests or Assets of the Southern Belle Dairy provided in a due diligence process except such information or documents subject to the attorney-client privilege or attorney work-product doctrine. AFLP shall make available such information to the United States and the Commonwealth of Kentucky at the same time that such information is made available to any such prospective Acquirer.

(b) AFLP shall permit prospective Acquirers from DFA of the AFLP Interests and/or the Assets to have reasonable access to personnel and make inspections of the physical facilities of the Southern Belle Dairy; access to any and all environmental, zoning and other permit documents and information; and access to any and all financial, operational or other documents and information customarily provided as part of a due diligence process.

(c) AFLP shall provide the Acquirer from DFA and the United States information relating to the personnel involved in the operation of the Southern Belle Dairy to enable the Acquirer to make offers of employment. AFLP shall not interfere with any negotiations by the Acquirer to employ any employee whose primary responsibility is the production, sale, marketing or distribution of products from the Southern Belle Dairy.

[*]

(d) AFLP shall not take any action that will impede in any way the operation of the Southern Belle Dairy or the divestiture of the AFLP and DFA Interests and/or the Assets by DFA.

(e) AFLP shall not change the authorized or issued AFLP or DFA Interests or grant any option or right to purchase such Interests other than as set forth herein.

(f) AFLP shall not amend the organizational document of Southern Belle.

(g) AFLP shall not damage or cause the loss of any material customer, asset or property of Southern Belle Dairy

(h) AFLP shall not incur any indebtedness or borrow money in excess of Three Hundred Thousand Dollars ($300,000).

(i) AFLP shall not cause a material change in the accounting methods used by Southern Belle Dairy.

(j) AFLP shall not enter into a sale or transfer of any of the assets of Southern Belle Dairy except in the ordinary course of business.

(k) AFLP shall not enter into any contract or agreement to do any of the foregoing.

5. Representations, Warranties and Covenants of AFLP.

(a) AFLP hereby represents and warrants to DFA the following: (i) AFLP has sole and exclusive record title to and ownership of the AFLP Interests that are the subject of this Agreement; (ii) the AFLP Interests are free and clear of any liens, restrictions, claims, charges, options, rights of first refusal or encumbrances, with no defects of title whatsoever, except as provided in the Second Amended and Restated Limited Liability Company Agreement of Southern Belle Dairy Co., LLC; (iii) with respect to any AFLP Interests which were acquired by gift or inheritance, all federal and state estate or gift tax returns, as the case may be, required to be filed were duly and timely filed, and all taxes payable with respect thereto were paid; (iv) AFLP has the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (v) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by AFLP and authorized by the required governing body prior to the date hereof and no other proceedings on the part of AFLP or consents from or filings with any person or entity or regulatory body are necessary to authorize this Agreement, for AFLP to perform its obligations hereunder or to consummate the transactions contemplated hereby, except as provided in the Second Amended and Restated Limited Liability Company Agreement of Southern Belle Dairy Co., LLC; (vi) this Agreement has been duly and validly executed and delivered by AFLP; and (vii) this Agreement constitutes a legal, valid and binding obligation of AFLP, enforceable against AFLP in accordance with its terms.

(b) AFLP hereby covenants that, during the period described in the following sentence, it will maintain ownership interest in and to all of the AFLP Interests, and will not, directly or indirectly, offer for sale, sell, distribute, grant any option, right to purchase, suffer any lien or encumbrance upon, pledge, hypothecate or otherwise dispose of any of the AFLP Interests. The restrictions in the foregoing sentence shall apply from the date of this Agreement

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until the earlier to occur of (i) the purchase of all of the AFLP Interests pursuant to the exercise of the Option or (ii) the termination of the Option Period.

(c) AFLP hereby represents and warrants to DFA and covenants for the benefit of DFA that at Closing, AFLP shall deliver such executed instruments of assignment, as applicable, evidencing the sale and transfer of the AFLP Interests to DFA or a bill of sale and any other documents, instruments or certificates necessary to evidence the transfer of any of the Assets.

6. Representations, Warranties and Covenants of DFA. DFA hereby represents and warrants to AFLP as follows: (i) DFA has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (ii) contingent on and subject to full and final settlement of the DOJ Litigation and the simultaneous execution of an Acquisition Agreement with an Acquirer as described herein and subject to the conditions set forth herein, the execution and delivery of this Agreement by DFA and the performance of its obligations hereunder, have been duly and validly authorized by the Board of Directors of DFA and no other corporate proceedings on the part of the DFA or consents from or filings with any person or entity or regulatory body, other than the provisions of the Revised and Restated Limited Liability Company Agreement of Southern Belle, are necessary to authorize this Agreement, for DFA to perform its obligations hereunder; (iii) this Agreement has been duly and validly executed and delivered by DFA; and (iv) this Agreement constitutes a legal, valid and binding obligation of the DFA enforceable against DFA in accordance with its terms, subject to full and final settlement of the DOJ Litigation and ability of DFA to simultaneously execute of an Acquisition Agreement with an Acquirer of the Assets and/or the DFA and AFLP Interests from DFA, and subject to the conditions set forth herein.

7. Amendments; Entire Agreement. This Agreement may not be modified except by written instrument executed by the parties hereto. This Agreement contains the entire agreement among the parties hereto with respect to the transactions contemplated hereby and supersedes all prior understandings, representations, warranties, promises and undertakings between the parties hereto with respect to the transactions contemplated hereby.

8. Assignment. Neither of the parties hereto may assign any of its rights or obligations under this Agreement or the Option created hereunder to any other person without the express written consent of the other party.

9. Validity. If any term, provision, covenant or restriction contained in this Agreement is held by a court or a federal or state regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions and covenants and restrictions contained in this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or invalidated; provided that each party is able to receive substantially all of the rights and substantially all of the benefits it is to have had/or receive, as applicable, under this Agreement.

10. Notices. All notices, requests, claims, demands and other communications hereunder shall be deemed to have been duly given when delivered in person, by fax, telecopy, or by registered or certified mail (postage prepaid, return receipt requested) at the address set forth on the signature page hereto.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be

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performed entirely in that State and without regard to any of its conflicts of law principles which could result in the application of the laws of another jurisdiction.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. This Agreement may be executed by facsimile signature, which shall constitute a legal and valid signature for all purposes hereof. This Agreement shall not be effective until counterparts executed by AFLP and DFA have been delivered to each of them.

13. Costs. Except as otherwise expressly provided for herein, each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its accountants and counsel.

14. Additional Documents. In the event of the exercise of the Option by DFA, DFA and AFLP agree to execute and deliver all other documents and instruments and take all other action that may be reasonably requested in writing by the other party hereto in order to consummate the transactions provided for by such exercise and to effectuate the intents of this Agreement, but not including any indemnities, warranties, representations or similar covenants other than with respect to good title to the AFLP Interests to be assigned and transferred.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed individually or on its behalf by its officers thereunto duly authorized, all as of the date first above written.

ALLEN FAMILY LIMITED PARTNERSHIP

By: _____
Name: Robert W. Allen
Title: General Partner
2400 Ballybunion Road
Center Valley, Pennsylvania 18034

DAIRY FARMERS OF AMERICA, INC.

By: _____
Name: DAVID A. GEISLER
Title: SENIOR VICE-PRESIDENT/LEGAL
10220 North Ambassador Drive
Kansas City, Missouri 64153

ACKNOWLEDGEMENT AND CONSENT

The undersigned specifically acknowledges and consents to the transactions as set forth in the Agreement and will cooperate to effectuate the consummation of said transactions insofar as legally necessary and reasonably appropriate.

MID-AM CAPITAL, L.L.C.

By: Dairy Farmers of America, Inc.,
as sole manager

By: _____
Name: DAVID G. MEYER
Title: SENIOR VICE PRESIDENT / FINANCE

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FILED ELECTRONICALLY

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
LONDON DIVISION

UNITED STATES OF AMERICA, et al. Plaintiffs, v. DAIRY FARMERS OF AMERICA, INC., et al. Defendants.	)	Civil Action No.: 6:03-206-KSF

COMPETITIVE IMPACT STATEMENT

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act ("APPA" or "Tunney Act"), 15 U.S.C. § 16(b)-(h), plaintiff United States of America files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I.

NATURE AND PURPOSE OF THIS PROCEEDING

The United States and the Commonwealth of Kentucky (collectively, the "government") filed a civil antitrust Complaint under Section 15 of the Clayton Act, 15 U.S.C. § 25, on April 24, 2003, alleging that the acquisition by Dairy Farmers of America, Inc. ("DFA") of its interest

in Southern Belle Dairy Co., LLC ("Southern Belle") violated Section 7 of the Clayton Act ("Section 7"), 15 U.S.C. § 18.[1] An Amended Complaint was filed on May 6, 2004.

The Amended Complaint alleged that the acquisition may substantially lessen competition for the sale of milk sold to schools in one hundred school districts in eastern Kentucky and Tennessee. On August 31, 2004, the District Court granted summary judgment to DFA and Southern Belle. The government appealed, and on October 25, 2005, the Court of Appeals reversed the grant of summary judgment as to DFA and remanded the case for trial. The Court of Appeals affirmed the dismissal of Southern Belle, leaving DFA as the only defendant. *See United States v. Dairy Farmers of America*, 426 F.3d 850 (6th Cir. 2005).

On October 2, 2006, the United States filed a proposed Final Judgment that requires DFA to divest its interest in Southern Belle and use its best efforts to require its partner, the Allen Family Limited Partnership ("AFLP"), to also divest its interest in Southern Belle. DFA has proposed divesting its interest and AFLP's interest in Southern Belle to Prairie Farms Dairy, Inc. ("Prairie Farms"), and the government has approved Prairie Farms as a suitable buyer of DFA's and AFLP's interests in Southern Belle. The proposed Final Judgment is designed to eliminate the anticompetitive effects of the acquisition alleged in the Amended Complaint.

The government and DFA have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate this action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

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[1] The Commonwealth of Kentucky joined this lawsuit under 15 U.S.C. § 26, and also sought relief pursuant to the provisions of K.R.S. § 367.110, *et seq*.

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II.

THE ALLEGED VIOLATIONS

A. The Defendants

Dairy Farmers of America ("DFA") is a Kansas milk marketing cooperative with its headquarters and principal place of business in Kansas City, Missouri. DFA is the largest dairy cooperative in the world. DFA sells raw milk in interstate commerce. In 2005, DFA had 20,000 members in 49 states, marketed 59.7 billion pounds of raw milk in the United States, and had over $8.9 billion in revenues.

Southern Belle Dairy Co., LLC ("Southern Belle") owns the Southern Belle dairy processing plant. Southern Belle is a Delaware limited liability company with its headquarters and principal place of business in Somerset, Kentucky. Southern Belle processed approximately 25 million gallons of raw milk in 2001 and had annual revenues of approximately $65 million that year. Southern Belle sells fluid milk in interstate commerce, including milk to school districts in Kentucky and Tennessee.

B. The Acquisition

Southern Belle was formed by DFA on February 20, 2002. It acquired the assets of the Southern Belle dairy plant on February 25, 2002. On February 26, 2002, DFA's joint venture partner AFLP acquired 50 percent of Southern Belle. The purchase price of the Southern Belle dairy plant was approximately $18.7 million: $2 million in common equity; $4 million in preferred equity; and the rest paid through of a line of credit. DFA and AFLP each contributed $1 million in exchange for each receiving 50 percent of the common interests in Southern Belle.

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A subsidiary of DFA contributed $4 million in exchange for preferred equity interests and extended to Southern Belle the line of credit used to finance the remaining $12.7 million of the purchase price.

C. Anticompetitive Effects of the Acquisition

The Amended Complaint alleged that the manufacture, distribution, and sale of school milk constitutes a relevant product market. Milk is a product that has special nutritional characteristics and no practical substitutes. Dairies sell milk to schools with special services, including storage coolers, daily or every-other-day delivery to each school, constant rotation of old milk, and replacement of expired milk. Moreover, school districts must provide milk in order to receive substantial funds under federal school meal subsidy programs. There are no other products that school districts would substitute for school milk in the event of a small but significant price increase.

The Amended Complaint alleged that the relevant geographic markets in which to assess the competitive effects of the acquisition are the school districts in eastern Kentucky and Tennessee identified in Attachments A and B of the Amended Complaint, either as individual districts or, where applicable, as groups of districts that solicit school milk bids together.[2] As a practical matter, these school districts are unable to turn to additional school milk suppliers, who would not bid for their school milk contracts even if the price of school milk were to increase by a small but significant amount.

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[2] These groups of school districts require bidders to charge the same price to the entire group, require successful bidders to serve all of group's districts at the same price, and require the group's members to accept the group bid.

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The Amended Complaint alleged that DFA's acquisition of its interest in Southern Belle would lessen competition substantially in the sale of school milk in each of the school districts identified in the Amended Complaint. These districts receive school milk bids from Southern Belle and dairies operated by National Dairy Holdings, LP ("NDH"), a dairy holding company also 50 percent-owned by DFA. Some affected districts and groups of districts also receive bids from a third supplier. One of the NDH-operated dairies that serves the affected school districts is the Flav-O-Rich dairy, located in London, Kentucky, only 30 miles from the Southern Belle plant in Somerset, Kentucky. The transaction lessened competition for school districts receiving milk contract bids from both Southern Belle and NDH because, as a result of the transaction, both Southern Belle and NDH were 50 percent-owned by DFA. Since any contracts won by Southern Belle from NDH, or vice versa, through aggressive bidding would likely reduce DFA's profits, reduced competition between Southern Belle and NDH is in DFA's interest.

In 45 of the school districts listed in the Amended Complaint, the effect of the acquisition has been to establish a monopoly, with only Southern Belle and Flav-O-Rich (or another NDH dairy) as possible milk suppliers. In these districts, the acquisition would give DFA the incentive and ability to encourage, facilitate, or enforce cooperation between Southern Belle and NDH to raise prices or decrease the level or quality of service provided to these school districts. In 55 school districts listed in the Amended Complaint, the acquisition has reduced the number of independent competitors from three to two, making it likely that the remaining bidders will bid less aggressively against each other.

The Amended Complaint also alleged that entry into the affected markets by other dairies or distributors would not be timely, likely, or sufficient to deter the anticompetitive effects

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caused by the acquisition. Dairies or distributors not currently competing in the affected markets would be unlikely to start bidding as a result of a small but significant increase in school milk prices. This is supported by the lack of new entry into these markets when competition between Southern Belle and Flav-O-Rich has been reduced. First, in the 1980s, these two dairies rigged bids for school milk contracts for many of the school districts affected by the acquisition. Despite an increase in school milk prices, new entry did not occur in these markets to undermine the bid-rigging conspiracy, which lasted for over ten years. Second, competition between Southern Belle and Flav-O-Rich was eliminated in some districts when Southern Belle was suspended from bidding on certain school milk contracts from 1998 to 2000 by the U.S. Department of Agriculture for violating provisions of an antitrust compliance program. Again, for those districts affected by the loss of Southern Belle as a bidder for school milk contracts, relative prices for school milk rose and new entry did not occur to return prices to a competitive level.

For all of these reasons, the government concluded that the transaction would substantially lessen competition in the sale of school milk in the school districts in Kentucky and Tennessee identified in the Amended Complaint, by increasing prices and/or reducing quality, all in violation of Section 7 of the Clayton Act. Indeed, the government found evidence that, after the transaction, bids to districts where Southern Belle and Flav-O-Rich were the only bidders were higher than bids received by other districts with only two bidders, though this was not true before the transaction.

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III.

EXPLANATION OF THE PROPOSED FINAL JUDGMENT

The divestiture requirement of the proposed Final Judgment will eliminate the anticompetitive effects identified in the Amended Complaint by requiring DFA to divest its interest in Southern Belle. In addition, the proposed Final Judgment requires DFA to use commercially reasonable efforts to cause AFLP to divest its interest in Southern Belle. The proposed Final Judgment requires the United States, in consultation with the Commonwealth of Kentucky, to approve any buyer of DFA's and AFLP's interests in Southern Belle. The divestitures must be accomplished in such a way as to satisfy the United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, that Southern Belle will be a viable, ongoing dairy business capable of competing effectively in the sale of school and fluid milk in Kentucky and Tennessee. The effect of these divestitures would be to restore competition between Southern Belle and NDH, with the divestiture of AFLP's interest allowing a buyer of Southern Belle to acquire the entire dairy as a going concern, rather than as a 50 percent owner in conjunction with AFLP. During the divestiture process, DFA is prohibited from taking any steps to degrade the operations of Southern Belle, and the entire Southern Belle dairy business is to be sold through the divestiture, instead of piecemeal, so it can and will be operated by the purchaser as a viable, ongoing business that can compete effectively in the relevant markets. In addition, DFA is not permitted to finance any part of a purchaser's acquisition of the Southern Belle dairy and is prohibited from requiring the purchaser to enter into a raw milk supply contract with DFA as a condition of the divestiture.

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The government and DFA reached agreement on the terms of the proposed Final Judgment and signed the Stipulation on May 15, 2006. That same day, DFA and AFLP executed an option agreement giving DFA the ability to purchase AFLP's ownership interest in Southern Belle. This option agreement allows DFA to sell the dairy in its entirety rather than just DFA's partial ownership interest in the dairy. Not only would a complete transfer of Southern Belle to a new owner eliminate the government's concerns about DFA's ownership interests in both Southern Belle and Flav-O-Rich, the divestitures also eliminate the possibility of anticompetitive effects as a result of DFA's ability to influence AFLP, its long-time business partner.

In exchange for DFA's agreement to divest its interest in Southern Belle and use its best efforts to have AFLP do the same, and so that DFA could find a buyer for the dairy, the government agreed in a letter agreement with DFA dated May 15, 2006, not to file the Stipulation and proposed Final Judgment until the earlier of 120 days after signing the Stipulation, or DFA gave notice that it executed an agreement with a buyer. A copy of this letter agreement is provided as Exhibit A to this Competitive Impact Statement. If DFA was not able to find a buyer for Southern Belle after 120 days had elapsed, DFA agreed that the government could file the Stipulation and proposed Final Judgment.

If a buyer for Southern Belle were not found by five days after DFA receives notice of the entry of the proposed Final Judgment, the Final Judgment provides that the Court will appoint a trustee selected by the United States to effect the divestiture. The proposed Final Judgment allows the United States to delay the appointment of the trustee for thirty days. If a trustee is appointed, the proposed Final Judgment provides that DFA will pay all costs and expenses of the trustee. The trustee's commission will be structured so as to provide an incentive for the trustee

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based on the price obtained and the speed with which the divestiture is accomplished. After his or her appointment becomes effective, the trustee will file monthly reports with the Court and the United States setting forth his or her efforts to accomplish the divestiture. At the end of six months, if the divestiture has not been accomplished, the trustee and the United States will make recommendations to the Court, which shall enter such orders as appropriate, in order to carry out the purpose of the trust, including extending the trust or the term of the trustee's appointment.

The divestitures required by the proposed Final Judgment eliminate the harm to competition identified in the Amended Complaint by making Southern Belle completely independent from DFA and NDH, including the Flav-O-Rich dairy. Prairie Farms' purchase of Southern Belle accomplishes this goal of the proposed Final Judgment. Prairie Farms will be purchasing Southern Belle as a complete going concern, including the plant in Somerset, Kentucky, distribution facilities, equipment, and trademarks. The government believes that Prairie Farms can capably operate and manage Southern Belle, as it already owns and operates several dairy processing plants. The government believes that Southern Belle will continue to bid on school milk contracts under Prairie Farms' ownership, including against Flav-O-Rich and other NDH dairies. The divestiture of DFA's and AFLP's interests in Southern Belle to Prairie Farms has allowed the government to secure relief more quickly than if the matter had gone to trial. In addition, this relief is equal to, and probably exceeds, the relief that the government could have obtained after a victory at trial.

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IV.

REMEDIES AVAILABLE TO POTENTIAL PRIVATE LITIGANTS

Section 4 of the Clayton Act (15 U.S.C. § 15) provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages the person has suffered as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act (15 U.S.C. § 16(a)), the proposed Final Judgment has no *prima facie* effect in any subsequent private lawsuit that may be brought against DFA or Southern Belle.

V.

PROCEDURES AVAILABLE FOR MODIFICATION OF THE PROPOSED FINAL JUDGMENT

The parties have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the United States has not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement is published in the Federal Register, or the last date of publication in a newspaper of the summary

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of this Competitive Impact Statement, whichever is later. All comments received during this period will be considered by the Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time prior to the Court's entry of judgment. The comments and the response of the United States will be filed with the Court and published in the Federal Register.

Written comments should be submitted to:

Mark J. Botti
Chief, Litigation I Section
Antitrust Division
U.S. Department of Justice
1401 H St. NW, Suite 4000
Washington, DC 20530

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

VI.

ALTERNATIVES TO THE PROPOSED FINAL JUDGMENT

The government considered, as an alternative to the proposed Final Judgment, a full trial on the merits of the Amended Complaint against DFA, continuing the litigation and seeking the divestiture of DFA's interest in Southern Belle and other injunctive relief requested in the Amended Complaint. The government is satisfied, however, that the divestitures and other relief contained in the proposed Final Judgment will preserve competition in the relevant markets alleged in the Amended Complaint. The government believes that by requiring DFA to divest its

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interest in Southern Belle, as well as using its best efforts to have AFLP simultaneously divest its interest in the remaining 50 percent of the dairy, the relief obtained in the proposed Final Judgment has allowed the government to secure relief more quickly than if the matter had gone to trial. In addition, this relief is equal to, and probably exceeds, the relief that the government could have obtained after a victory at trial.

VII.

STANDARD OF REVIEW UNDER THE APPA FOR PROPOSED FINAL JUDGMENT

The APPA requires that proposed consent judgments in antitrust cases brought by the United States be subject to a sixty (60)-day comment period, after which the Court shall determine whether entry of the proposed Final Judgment "is in the public interest." 15 U.S.C. § 16(e)(1). In making that determination, the Court shall consider:

> (A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and
>
> (B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

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15 U.S.C. § 16(e)(1)(A) & (B).[3] As the United States Court of Appeals for the District of Columbia Circuit has held, under the APPA a court considers, among other things, the relationship between the remedy secured and the specific allegations set forth in the government's complaint, whether the decree is sufficiently clear, whether enforcement mechanisms are sufficient, and whether the decree may positively harm third parties. *See United States v. Microsoft Corp.*, 56 F.3d 1448, 1458-62 (D.C. Cir. 1995).

With respect to the adequacy of the relief secured by the decree, a court may not "engage in an unrestricted evaluation of what relief would best serve the public." *United States v. BNS, Inc*., 858 F.2d 456, 462 (9th Cir. 1988) (citing *United States v. Bechtel Corp*., 648 F.2d 660, 666 (9th Cir. 1981)); *see also Microsoft*, 56 F.3d at 1460-62. Courts have held that:

> [t]he balancing of competing social and political interests affected by a proposed antitrust consent decree must be left, in the first instance, to the discretion of the Attorney General. The court's role in protecting the public interest is one of insuring that the government has not breached its duty to the public in consenting to the decree. The court is required to determine not whether a particular decree is the one that will best serve society, but whether the settlement is "*within the reaches of the public interest*." More elaborate requirements might undermine the effectiveness of antitrust enforcement by consent decree.

[3] In 2004, Congress amended the APPA to ensure that courts take into account the above-quoted list of relevant factors when making a public interest determination. *Compare* 15 U.S.C. § 16(e) (2004) *with* 15 U.S.C. § 16(e)(1) (2006) (substituting "shall" for "may" in directing relevant factors for court to consider and amending list of factors to focus on competitive considerations and to address potentially ambiguous judgment terms). On the points discussed herein, the 2004 amendments did not alter the substance of the Tunney Act, and the pre-2004 precedents cited below remain applicable.

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Bechtel, 648 F.2d at 666 (emphasis added) (citations omitted).[4] In making its public interest determination, a district court must accord due respect to the government's prediction as to the effect of proposed remedies, its perception of the market structure, and its views of the nature of the case. *United States v. Archer-Daniels-Midland Co.*, 272 F. Supp. 2d 1, 6 (D.D.C. 2003).

Court approval of a final judgment requires a standard more flexible and less strict than the standard required for a finding of liability. "[A] proposed decree must be approved even if it falls short of the remedy the court would impose on its own, as long as it falls within the range of acceptability or is 'within the reaches of public interest.'" *United States v. Am. Tel. & Tel. Co.*, 552 F. Supp. 131, 151 (D.D.C. 1982) (citations omitted) (quoting *United States v. Gillette Co.*, 406 F. Supp. 713, 716 (D. Mass. 1975)), *aff'd sub nom*. *Maryland v. United States*, 460 U.S. 1001 (1983); *see also United States v. Alcan Aluminum Ltd.*, 605 F. Supp. 619, 622 (W.D. Ky. 1985) (approving the consent decree even though the court would have imposed a greater remedy).

Moreover, the Court's role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States has alleged in its Amended Complaint, and does not authorize the Court to "construct [its] own hypothetical case and then evaluate the decree against that case." *Microsoft*, 56 F.3d at 1459. Because the "court's authority to review

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[4] *Cf. BNS*, 858 F.2d at 464 (holding that the court's "ultimate authority under the [APPA] is limited to approving or disapproving the consent decree"); *United States v. Gillette Co.*, 406 F. Supp. 713, 716 (D. Mass. 1975) (noting that, in this way, the court is constrained to "look at the overall picture not hypercritically, nor with a microscope, but with an artist's reducing glass"); *see generally Microsoft*, 56 F.3d at 1461 (discussing whether "the remedies [obtained in the decree are] so inconsonant with the allegations charged as to fall outside of the 'reaches of the public interest'").

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the decree depends entirely on the government's exercising its prosecutorial discretion by bringing a case in the first place," it follows that "the court is only authorized to review the decree itself," and not to "effectively redraft the complaint" to inquire into other matters that the United States did not pursue. *Id.* at 1459-60.

In its 2004 amendments to the Tunney Act, Congress made clear its intent to preserve the practical benefits of utilizing consent decrees in antitrust enforcement, adding the unambiguous instruction "[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the court to permit anyone to intervene." 15 U.S.C. § 16 (e)(2). This language codified the intent of the original 1974 statute, expressed by Senator Tunney in the legislative history: "[t]he court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process." 119 Cong. Rec. 24,598 (1973) (statement of Senator Tunney). Rather:

> [a]bsent a showing of corrupt failure of the government to discharge its duty, the Court, in making its public interest finding, should . . . carefully consider the explanations of the government in the competitive impact statement and its responses to comments in order to determine whether those explanations are reasonable under the circumstances.

United States v. Mid-America Dairymen, Inc., 1977-1 Trade Cas. (CCH) ¶ 61,508, at 71,980 (W.D. Mo. 1977).

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VIII.

DETERMINATIVE DOCUMENTS

In formulating the proposed Final Judgment, the United States considered DFA's agreement with AFLP, dated May 15, 2006, giving DFA the option to purchase AFLP's interest in Southern Belle. This agreement, a determinative document as described in Section 2(b) of the APPA, 15 U.S.C. § 16(b), is available for public inspection at the office of the Department of Justice in Washington, D.C., Room 200, 325 Seventh Street, N.W. and at the office of the Clerk of the United States District Court for the Eastern District of Kentucky, London, Kentucky, as Exhibit B to this Competitive Impact Statement.

Dated: October 2, 2006

Respectfully Submitted,

/s/ Ihan Kim
JON B. JACOBS
RICHARD MARTIN
N. CHRISTOPHER HARDEE
RICHARD D. COOKE
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CERTIFICATE OF SERVICE

This certifies that I caused a true and correct copy of the foregoing Competitive Impact Statement to be served on October 2, 2006, in the manner indicated:

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(via e-mail and first-class mail)

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Maryellen B. Mynear, Esq.
Office of the Kentucky Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
Counsel for Commonwealth of Kentucky
(via e-mail and first-class mail)

/s/ Ihan Kim
Attorney for Plaintiff
United States of America

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
LONDON DIVISION

UNITED STATES OF AMERICA, et al.,	)	
Plaintiffs,	)	
v.	)	Civil Action No.: 6:03-206-KSF
DAIRY FARMERS OF AMERICA, INC.,	)	
Defendant.	)	

FINAL JUDGMENT

WHEREAS, plaintiffs, the United States of America and the Commonwealth of Kentucky, and defendant Dairy Farmers of America, Inc. ("DFA"), by their respective attorneys, have consented to the entry of this Final Judgment without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, the United States of America and the Commonwealth of Kentucky have concluded, after due investigation and careful consideration of the relevant circumstances, including the claims asserted in the Amended Complaint, and the legal and factual defenses thereto, that the public interest is served by entering into a Stipulation, to avoid the uncertainties of litigation and to assure that the benefits of this Final Judgment are obtained;

AND WHEREAS, DFA agrees that venue and jurisdiction are proper in this Court;

AND WHEREAS, DFA agrees to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of the Divestiture Assets by DFA;

AND WHEREAS, DFA, despite its belief that it has good defenses to the claims asserted against it in the Amended Complaint, has nevertheless agreed to enter into this Final Judgment to avoid further expense, inconvenience, the uncertainties of litigation, and the distraction of burdensome and protracted litigation, and thereby to put to rest this controversy with respect to the United States of America and the Commonwealth of Kentucky;

AND WHEREAS, DFA, the United States of America, and the Commonwealth of Kentucky desire to resolve disputes between them concerning DFA's acquisition of a partial interest in Southern Belle Dairy Co., LLC, without further Court proceedings except as set out below;

AND WHEREAS, DFA has entered into a written agreement with AFLP to facilitate the resolution of this matter;

AND WHEREAS, DFA has represented to the United States that the divestitures required below can and will be made and that DFA will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED:

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I. JURISDICTION

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against DFA under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18), and under the provisions of K.R.S. § 367.110 et seq, but, by virtue of this Final Judgment, DFA has not and does not admit either the allegations set forth in the Complaint or any liability or wrongdoing.

II. DEFINITIONS

As used in this Final Judgment:

A. "Acquirer" means the entity or entities to whom DFA or the trustee divest the Divestiture Assets.

B. "AFLP" means the Allen Family Limited Partnership, managed by Robert Allen.

C. "DFA" means Dairy Farmers of America, Inc., a Kansas corporation with its headquarters in Kansas City, Missouri, its successors and assigns, its subsidiaries and divisions, and their directors, officers, managers, agents, and employees.

D. "Divestiture Assets" means any and all of DFA's interests in the Southern Belle Dairy including DFA's Series A Preferred Capital Interest and Series B Preferred Capital Interest, and any and all lines of credit or other loans that Mid-Am has extended to the Southern Belle Dairy, and any interest in the Southern Belle Dairy acquired from AFLP.

E. "Mid-Am" means Mid-Am Capital LLC, a subsidiary of DFA and a Delaware limited liability company with its headquarters in Kansas City, Missouri, its successors and assigns, its subsidiaries and divisions, and their directors, officers, managers, agents, and

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employees.

F. "Southern Belle Dairy" means the Southern Belle Dairy Co., LLC, a Delaware limited liability company that owns and operates a milk processing plant located in Pulaski County, Kentucky, and all related assets, including all rights and interests in it, including all property and contract rights, all existing inventory, accounts receivable, pertinent correspondence and files, customer lists, all related customer information, advertising materials, contracts or other relationships with suppliers, customers and distributors, any rights, contracts and licenses involving intellectual property, trademarks, tradenames or brands, computers and other physical assets and equipment used for production at, distribution from, or associated with, that plant or any of its distribution branches and locations.

G. "Stipulation" means the Stipulation signed by the United States, the Commonwealth of Kentucky, and DFA in this matter.

III. APPLICABILITY

A. This Final Judgment applies to DFA, as defined above, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. DFA shall require, as a condition of the sale or other disposition of all or substantially all of DFA's assets or of lesser business units that include the Divestiture Assets, that the purchaser agrees to be bound by the provisions of this Final Judgment. DFA need not, however, obtain such an agreement from the Acquirer of the Divestiture Assets.

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IV. DIVESTITURES

A. DFA is ordered and directed, within five days after notice of the entry of this Final Judgment by the Court, to divest the Divestiture Assets in a manner consistent with this Final Judgment to an Acquirer acceptable to the United States in its sole discretion, after consultation with the Commonwealth of Kentucky. The United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, may agree to an extension of this time period for any divestiture of up to thirty additional calendar days. DFA agrees to use its best efforts to divest the Divestiture Assets as expeditiously as possible.

B. DFA shall also use commercially reasonable efforts to cause AFLP to divest its interests in the Southern Belle Dairy to an acquirer acceptable to the United States in its sole discretion, after consultation with the Commonwealth of Kentucky.

C. In accomplishing the divestitures ordered by this Final Judgment, DFA promptly shall make known to one or more potential purchasers the availability of the Divestiture Assets. DFA shall inform any potentially qualified purchaser making inquiry regarding a possible purchase of the Divestiture Assets that such assets are being offered for sale.

D. DFA shall use commercially reasonable efforts to cause to be furnished to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Divestiture Assets and the Southern Belle Dairy customarily provided in a due diligence process except such information or documents subject to the attorney-client privilege or attorney work-product doctrine. DFA shall make available such information to the United States and the Commonwealth of Kentucky at the same time that such information is

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made available to any other person.

E. DFA shall use commercially reasonable efforts to obtain permission for prospective Acquirers of the Divestiture Assets to have reasonable access to personnel and to make inspections of the physical facilities of the Southern Belle Dairy; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information customarily provided as part of a due diligence process.

F. DFA shall use commercially reasonable efforts to cause to be provided to the Acquirer and the United States information relating to the personnel involved in the operation of the Southern Belle Dairy to enable the Acquirer to make offers of employment. DFA shall not interfere with any negotiations by the Acquirer to employ any employee whose primary responsibility is the production, sale, marketing, or distribution of products from the Southern Belle Dairy.

G. DFA shall not take any action that will impede in any way the operation of the Southern Belle Dairy or the divestiture of the Divestiture Assets.

H. Unless the United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, otherwise consents in writing, the divestiture pursuant to Section IV, or by trustee appointed pursuant to Section V, of this Final Judgment, shall include the entire Divestiture Assets and shall be accomplished in such a way as to satisfy the United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, that the Southern Belle Dairy will be a viable, ongoing dairy. The divestiture, whether pursuant to Section IV or Section

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V of this Final Judgment,

(1) shall be made to an Acquirer that, in the United States' sole judgment, after consultation with the Commonwealth of Kentucky, has the intent and capability (including the necessary managerial, operational, technical and financial capability) of competing effectively in school and fluid milk markets in Kentucky and Tennessee; and

(2) shall be accomplished so as to satisfy the United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, that none of the terms of any agreement between an Acquirer and DFA give DFA the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer to compete effectively.

V. APPOINTMENT OF TRUSTEE

A. If DFA has not divested the Divestiture Assets within the time period specified in Section IV(A), DFA shall notify the United States of that fact in writing. Upon application of the United States, the Court shall appoint a trustee selected by the United States and approved by the Court to effect the divestiture of the Divestiture Assets.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the Divestiture Assets. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer acceptable to the United States (after consultation with the Commonwealth of Kentucky) at such price and on such terms as are then obtainable upon reasonable effort by the trustee, subject to the provisions of Sections IV, V, and VI of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section V(D) of this Final Judgment, the trustee may hire at the cost and expense of DFA any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably

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necessary in the trustee's judgment to assist in the divestiture.

C. DFA shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by DFA must be conveyed in writing to the United States and the trustee within ten calendar days after the trustee has provided the notice required under Section VI.

D. The trustee shall serve at the cost and expense of DFA, on such terms and conditions as the United States approves, after consultation with the Commonwealth of Kentucky, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to DFA and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable in light of the value of the Divestiture Assets and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

E. DFA shall use its best efforts to assist the trustee in accomplishing the required divestiture. While the trustee shall have the right to sell the Divestiture Assets, DFA shall use commercially reasonable efforts to cause AFLP to divest its interests in the Southern Belle Dairy to an acquirer acceptable to the United States in its sole discretion, after consultation with the Commonwealth of Kentucky. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books,

records, and facilities of the business to be divested, and DFA shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. DFA shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

F. After its appointment, the trustee shall file monthly reports with the United States, the Commonwealth of Kentucky, DFA, and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court and DFA's copy of the reports shall have such confidential information redacted. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Divestiture Assets.

G. If the trustee has not accomplished such divestiture within six months after its appointment, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report

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to the United States and the Commonwealth of Kentucky who shall have the right to make additional recommendations consistent with the purpose of the trust. The trustee shall at the same time furnish the report to DFA, but with all confidential information redacted. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

H. If necessary in the trustee's judgment to divest the Divestiture Assets, DFA shall use its best efforts to assist the trustee in dissolving the Southern Belle Dairy under Delaware Statute 6 Del. C. § 18-802, or such other applicable statutes and laws.

VI. NOTICE OF PROPOSED DIVESTITURES

A. Within two business days following execution of a definitive divestiture agreement, DFA or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the United States and the Commonwealth of Kentucky of the proposed divestiture required by Sections IV or V of this Final Judgment. If the trustee is responsible, it shall similarly notify DFA. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Divestiture Assets, together with full details of the same.

B. Within fifteen calendar days of receipt by the United States of such notice, the United States may request from DFA, the proposed Acquirer, any other third party, or the trustee if applicable additional information concerning the proposed divestiture, the proposed Acquirer,

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and any other potential Acquirer. DFA and the trustee shall furnish any additional information requested within fifteen calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty calendar days after receipt of the notice or within twenty calendar days after the United States has been provided the additional information requested from DFA, the proposed Acquirer, any third party, and the trustee, whichever is later, the United States shall provide written notice to DFA and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to DFA's limited right to object to the sale under Section V(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer or upon objection by the United States, the divestiture proposed under Sections IV or Section V shall not be consummated. Upon objection by DFA under Section V(C), the divestiture proposed under Section V shall not be consummated unless approved by the Court.

VII. FINANCING

DFA shall not finance all or any part of any purchase made pursuant to Section IV or V of this Final Judgment.

VIII. SUPPLY CONTRACTS

DFA shall not require the Acquirer to enter into a supply contract for raw milk with DFA as a condition for the sale of the Divestiture Assets.

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IX. AFFIDAVITS

A. Within twenty calendar days of DFA's signing the Stipulation, and every thirty calendar days thereafter until the divestiture has been completed under Sections IV or V, DFA shall deliver to the United States an affidavit as to the fact and manner of its compliance with Section IV or V of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts DFA has taken to solicit buyers for the Divestiture Assets, and to provide required information to prospective purchasers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by DFA, including limitation on information, shall be made within fourteen calendar days of receipt of such affidavit.

B. Within twenty calendar days of DFA's signing the Stipulation, DFA shall deliver to the United States an affidavit that describes in reasonable detail all actions DFA has taken and all steps DFA has implemented on an ongoing basis to comply with the Stipulation. DFA shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in DFA's earlier affidavits filed pursuant to this section within fifteen calendar days after the change is implemented.

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C. DFA shall keep all records of all efforts made to preserve and divest the Divestiture Assets until one year after such divestiture has been completed.

X. COMPLIANCE INSPECTION

A. For the purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United States Department of Justice or the Commonwealth of Kentucky, including consultants and other persons retained by either of them, shall, upon written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division or the Attorney General for Kentucky, and on reasonable notice to DFA, be permitted:

(1) access during DFA's office hours to inspect and copy, or at plaintiffs' option, to require DFA provide copies of, all books, ledgers, accounts, records and documents in the possession, custody, or control of DFA, relating to any matters contained in this Final Judgment; and

(2) to interview, either informally or on the record, DFA's officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by DFA.

B. Upon the written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division or the Attorney General for Kentucky, DFA shall submit written reports and interrogatory responses, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States or the Commonwealth of Kentucky to any person other than an

DOJ_NMG_ 0169155

authorized representative of the executive branch of the United States or the Commonwealth of Kentucky, except in the course of legal proceedings to which at least one of the plaintiffs is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by DFA to the plaintiffs, DFA represents and identifies in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and DFA marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the plaintiffs shall give DFA ten calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XI. REACQUISITION OF THE DIVESTITURE ASSETS

Other than acquiring AFLP's interests in the Southern Belle Dairy for resale to the Acquirer, DFA may not directly or indirectly reacquire in whole or in part the Divestiture Assets or any interest in the Southern Belle Dairy during the term of this Final Judgment without the prior written approval of the United States. Unless the United States otherwise agrees in writing, DFA will urge any partnership, joint venture, limited liability company, or other firm in which it has an equity interest, not to acquire the Divestiture Assets or any interest in Southern Belle Dairy during the term of this Final Judgment; such urging shall include, among other things, voting its interest, if applicable, against such an acquisition.

DOJ_NMG_ 0169156

XII. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XIII. EXPIRATION OF FINAL JUDGMENT

Unless this Court grants an extension, this Final Judgment shall expire ten years from the date of its entry.

XIV. PUBLIC INTEREST DETERMINATION

Entry of this Final Judgment is in the public interest.

Dated: _____

Court approval subject to procedures
of Antitrust Procedures and Penalties
Act, 15 U.S.C. § 16

_____
United States District Judge

DOJ_NMG_ 0169157

ELECTRONICALLY FILED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
LONDON DIVISION

UNITED STATES OF AMERICA, et al.,	)	
Plaintiffs,	)	
v.	)	Civil Action No.: 6:03-206-KSF
DAIRY FARMERS OF AMERICA, INC.,	)	
Defendant.	)	

STIPULATION

It is stipulated by and between the undersigned parties, by their respective attorneys, that:

1. This Court has jurisdiction over the subject matter of this action and of the parties hereto, and venue of this action is proper in the Eastern District of Kentucky.

2. The parties stipulate that a proposed Final Judgment in the form attached as Exhibit A may be entered by this Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendant Dairy Farmers of America, Inc. ("DFA") and by filing that notice with this Court. Terms used in this Stipulation have the meaning as defined in the proposed Final Judgment.

3. DFA shall abide by and comply with the provisions of the proposed Final Judgment, pending the Final Judgment's entry by this Court, or until expiration of time for all appeals of any Court ruling denying entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

4. This Stipulation shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties.

5. In the event the United States has withdrawn its consent or the proposed Final Judgment is not entered pursuant to this Stipulation, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Stipulation, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

6. Until DFA or a trustee appointed pursuant to the proposed Final Judgment has divested the Divestiture Assets as required by the Final Judgment

a. Within twenty calendar days after signing this Stipulation, DFA shall inform the United States of the steps taken to comply with the Stipulation and shall use commercially reasonable efforts to cause to be furnished to the United States and to the Commonwealth of Kentucky sufficient and periodic data and reports on an ongoing basis such that the plaintiffs are able to monitor the performance of the

DOJ_NMG_ 0169159

Southern Belle Dairy prior to divestiture. The United States, in its sole discretion, after consultation with the Commonwealth of Kentucky, shall determine the frequency and sufficiency of the data and reports.

b. DFA shall, except as is necessary to carry out its obligations under this Stipulation and the proposed Final Judgment, or to comply with other legal obligations, take commercially reasonable steps necessary to ensure that the Southern Belle Dairy will be maintained and operated as an ongoing and economically viable milk processing plant. DFA shall not cause the wasting or deterioration of the Southern Belle Dairy, nor cause the Southern Belle Dairy to be operated in a manner inconsistent with applicable laws, nor sell, transfer, encumber, or otherwise impair the viability or marketability of the Southern Belle Dairy. DFA shall use commercially reasonable efforts to preserve the Southern Belle Dairy's existing relationships with suppliers, customers, employees, and others having business relations with the Southern Belle Dairy. DFA shall use commercially reasonable efforts to keep the organization and properties of the Southern Belle Dairy intact, including current business operations, physical facilities, and working conditions.

c. DFA shall take commercially reasonable steps necessary to ensure that the Southern Belle Dairy is fully maintained in operable condition at no less than current capacity, and shall maintain and adhere to normal product and service improvement, upgrade, repair, and maintenance schedules for the Southern Belle

DOJ_NMG_ 0169160

Dairy.

d. DFA shall not, except as part of a divestiture approved by the United States after consultation with the Commonwealth of Kentucky, in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge, or otherwise dispose of any of the Divestiture Assets or any assets of the Southern Belle Dairy.

e. DFA shall use commercially reasonable efforts to cause to be maintained, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books, and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues, and income of the Southern Belle Dairy.

f. Except in the ordinary course of business or as is otherwise consistent with this Stipulation, DFA shall not hire and shall use commercially reasonable efforts to prevent the transfer, termination, or reduction of the salary agreements of any employee whose primary responsibilities relate to the Southern Belle Dairy.

g. DFA shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets.

h. DFA represents that the divestiture in the proposed Final Judgment can and will be made, and that DFA will later raise no claim of mistake, hardship, or difficulty of compliance as grounds for asking this Court to modify any of the provisions contained therein.

DOJ_NMG_ 0169161

i. DFA shall take no action that would interfere with the ability of any trustee appointed pursuant to the Final Judgment to complete the divestiture required by the Final Judgment to an Acquirer acceptable to the United States.

7. No part of the negotiation, execution, or performance of this Stipulation and the Final Judgment, including anything contained or incorporated therein, shall be deemed or constitute any type of admission or concession of liability or wrongdoing on the part of DFA.

FOR PLAINTIFF UNITED STATES OF AMERICA:

/s/ Jon B. Jacobs
Jon B. Jacobs
Litigation I Section
Antitrust Division
1401 H Street, NW - Suite 4000
Washington, DC 20530
(202) 514-5012
Facsimile: (202) 307-5802

FOR DEFENDANT DAIRY FARMERS OF AMERICA, INC.

/s/ W. Todd Miller
W. Todd Miller
Baker & Miller, PLLC
2401 Pennsylvania Avenue, NW - Suite 300
Washington, DC 20005
(202) 663-7822
Facsimile: (202) 663-7849

FOR PLAINTIFF COMMONWEALTH OF KENTUCKY
Gregory D. Stumbo, Attorney General

/s/ Maryellen B. Mynear
By: Maryellen B. Mynear
Consumer Protection Division
Office of the Kentucky Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
(502) 696-5389
Facsimile: (502) 573-8317
maryellen.mynear@ag.ky.gov
Dated: May 15, 2006.

DOJ_NMG_ 0169162

CERTIFICATE OF SERVICE

This certifies that I caused a true and correct copy of the foregoing Stipulation to be served on October 2, 2006, in the manner indicated:

David A. Owen, Esq.
Greenebaum Doll & McDonald, PLLC
300 West Vine Street - Suite 1100
Lexington, KY 40507
Counsel for Dairy Farmers of America, Inc.
(via e-mail and first-class mail)

W. Todd Miller, Esq.
Baker & Miller, PLLC
2401 Pennsylvania Ave., Suite 300
Washington, DC 20037
Counsel for Dairy Farmers of America, Inc.
(via e-mail and hand delivery)

John M. Famularo, Esq.
Stites & Harbison PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507
Counsel for Dean Foods Company
(via e-mail and first-class mail)

John L. Fleischaker, Esq.
R. Kenyon Meyer, Esq.
Jeremy S. Rogers, Esq.
Dinsmore & Shohl LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Counsel for Chicago Tribune Company
(via e-mail and first-class mail)

Charles E. Shivel, Jr., Esq.
Stoll Keenon Ogden PLLC
300 West Vine Street - Suite 2100
Lexington, KY 40507
Counsel for Southern Belle Dairy Co., LLC
(via e-mail and first-class mail)

J. Jackson Eaton, III, Esq.
Gross, McGinley, LaBarre & Eaton, LLP
P.O. Box 4060 – 33 South Seventh Street
Allentown, PA 18105
Counsel for Southern Belle Dairy Co., LLC
(via e-mail and first-class mail)

Ihan Kim, Esq.
Antitrust Division, U.S. Department of Justice
1401 H Street, NW, Suite 4000
Washington, DC 20530
Counsel for United States of America
(via e-mail and hand delivery)

/s/ Maryellen B. Mynear
Counsel for Plaintiff
Commonwealth of Kentucky

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Image not available for this document, ID: 0.7.10316.26879-000007

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 5:25 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES AND OTHER GOVERNMENT OFFICIALS TO DELIVER REMARKS AT THE 2006 NATIONAL CONFERENCE ON HUMAN TRAFFICKING

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, OCTOBER 2, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES AND OTHER GOVERNMENT OFFICIALS TO DELIVER REMARKS AT THE 2006 NATIONAL CONFERENCE ON HUMAN TRAFFICKING

NEW ORLEANS – Attorney General Alberto R. Gonzales and other government officials will deliver remarks at the Department of Justice's 2006 National Conference on Human Trafficking beginning **TUESDAY, OCTOBER 3, 2006 at 9:00 A.M. CDT.**

GENERAL SESSION I

WHO: Attorney General Alberto R. Gonzales
Regina B. Schofield, Assistant Attorney General, Office of Justice Programs, Department of Justice

WHEN: **9:00 A.M. CDT**
TUESDAY, OCTOBER 3, 2006

WHERE: New Orleans Marriott
Acadia Room
555 Canal Street
New Orleans, Louisiana
OPEN PRESS

NOTE: **For ALL sessions, media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** Cameras should pre-set no later than 8:45 A.M. CDT. Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486, or Joan LaRocca at 703-216-5435.

LUNCH SESSION

DOJ_NMG_ 0169166

WHO: Steven Law, Deputy Secretary, U.S. Department of Labor

WHEN: **12:00 P.M. CDT**
TUESDAY, OCTOBER 3, 2006

WHERE: New Orleans Marriott
Mardi Gras Room
555 Canal Street
New Orleans, Louisiana
OPEN PRESS

NOTE: Press inquiries regarding logistics should be directed to Joan LaRocca at 703-216-5435.

GENERAL SESSION II
WEDNESDAY, OCTOBER 4, 2006

WHO: Wan J. Kim, Assistant Attorney General, Civil Rights Division, Department of Justice
Grace C. Becker, Deputy Assistant Attorney General
Civil Rights Division, Department of Justice
Bradley Schlozman, U.S. Attorney, Western District of Missouri
Alice Fisher, Assistant Attorney General, Criminal Division, Department of Justice

WHEN: **8:30 A.M. CDT**
WEDNESDAY, OCTOBER 4, 2006

WHERE: New Orleans Marriott
Acadia Room
555 Canal Street
New Orleans, Louisiana
OPEN PRESS

NOTE: Cameras should be pre-set no later than 8:00 A.M. CDT. Press inquiries regarding logistics should be directed to Joan LaRocca at 703-216-5435.

GENERAL SESSION III
THURSDAY, OCTOBER 5, 2006

WHO: Martha Newton, Director, Office of Refugee Resettlement
U.S. Department of Health and Human Services
Don DeGabrielle, U.S. Attorney, Southern District of Texas
Ambassador John R. Miller, Ambassador At Large for International Slavery,
U.S. Department of State

WHEN: **9:00 A.M. CDT**
THURSDAY, OCTOBER 5, 2006

WHERE: New Orleans Marriott
Acadia Room
555 Canal Street
New Orleans, Louisiana

DOJ_NMG_ 0169167

OPEN PRESS

NOTE: Cameras should be pre-set no later than 8:45 A.M. CDT. Press inquiries regarding logistics should be directed to Joan LaRocca at 703-216-5435.

06-673 .

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DOJ_NMG_ 0169168

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Image not available for this document, ID: 0.7.10316.26824-000002

System Administrator

From: System Administrator
Sent: Monday, October 2, 2006 5:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 643345 KB.

Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You may not be able to send or receive new mail until you reduce your mailbox size. To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst). Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit. You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 5:50 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 2, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

BATON ROUGE, La. – Another Louisiana resident was sentenced in federal court by U.S. District Court Judge Frank J. Polozola on a fraud charge related to a hurricane disaster relief program, U.S. Attorney David R. Dugas announced today.

Tarsha Johnson, 27, of Baton Rouge, La., pleaded guilty on May 8, 2006, to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. Johnson was sentenced to 18 months in prison followed by three years of supervised release with 50 hours of community service and $2,000 in restitution. The U.S. Secret Service, U.S. Department of Homeland Security's Office of Inspector General, and Social Security Administration's Office of Inspector General conducted the investigation of this matter. The case was prosecuted by Assistant U.S. Attorney Richard L. Bourgeois Jr.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 74.

DOJ_NMG_ 0169172

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0169173

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Image not available for this document, ID: 0.7.10316.26779-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 6:26 PM
To: USDOJ- Office of Public Affairs
Subject: TWO YEAR PRISON TERM FOR FEMA FRAUD IN MISSISSIPPI

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE

MONDAY, OCTOBER 2, 2006
WWW.USDOJ.GOV/USAO/MSS

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

TWO YEAR PRISON TERM FOR FEMA FRAUD IN MISSISSIPPI

JACKSON, Miss. – Bryan Michael Beets of Vicksburg, Miss., was sentenced to serve 24 months in prison followed by three years of supervised release. Beets was also ordered to pay $3,854 in restitution, which is payable to the Federal Emergency Management Agency (FEMA) and the American Red Cross, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today.

Beets was the first FEMA fraud trial in Mississippi. A jury found him guilty of making false claims to FEMA for hurricane relief funds. The evidence showed that Beets filed a false claim with FEMA using an address in Long Beach, Miss., which belonged to his ex-wife. At the time of Hurricane Katrina, Beets was living and working in Vicksburg. Additionally, the evidence showed that Beets received $360 and 12 nights of hotel accommodations in Texas from the American Red Cross utilizing his ex-wife's address in Long Beach.

"The prosecution and sentence today show the continuing commitment of the Katrina Fraud Task Force to uphold the U.S. Attorney General's mandate of zero tolerance of Katrina Fraud," U.S. Attorney Lampton said.

Beets was indicted on Oct. 25, 2005, as a result of a joint investigation conducted by the U.S. Department of Homeland Security, Office of Inspector General and the U.S. Postal Inspection Service with assistance provided by the U.S. Marshal.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division includes members from the FBI, the Federal Trade Commission, the U.S. Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

DOJ_NMG_ 0169176

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who file false and fraudulent claims.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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Image not available for this document, ID: 0.7.10316.26769-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Monday, October 02, 2006 7:56 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 2, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TUESDAY'S EXPECTED NEWS STORIES:

Media Inquires Regarding Foley Investigation (OPA)
Numerous media inquiries were received today regarding a letter sent from Speaker Hastert to the Attorney General requesting an investigation into the conduct of former Representative Mark Foley. This evening, the Department replied to speaker Hastert, indicating that the FBI has initiated an investigation into Foley's conduct.

Justice Department Obtains Dairy Processor Divestiture in Settlement with Dairy Farmers of America (Antitrust)
The Department of Justice today announced a settlement that resolves its antitrust concerns with the Dairy Farmers of America Inc. (DFA) acquisition of Southern Belle Dairy Co. LLC, by requiring DFA to divest its interest in Southern Belle. As a result of the settlement, DFA's partner, the Allen Family Limited Partnership (AFLP), will also sell its interest in Southern Belle. The Department said that the divestitures restore the benefits of competition—lower prices and better quality services—to schoolchildren and their families in Kentucky and Tennessee. As a result of the settlement filed today in U.S. District Court in London, Ky., both DFA and AFLP will sell their interests in Southern Belle to Prairie Farms Dairy Inc. The Antitrust Division has approved Prairie Farms as the buyer. The Commonwealth of Kentucky joined the Department in its settlement.

Talking Points

- This settlement restores competition for school milk contracts essential to the nutrition programs that serve schoolchildren in 100 school districts in Kentucky and Tennessee.

- With the close cooperation of the Commonwealth of Kentucky's Office of the Attorney General, the United States has secured the relief that we expected to request from the court had we prevailed at trial.

Justice Department Sues to Bar California CPA from Promoting Alleged Tax Scam (Tax)
The Justice Department brought suit against a Bakersfield, Calif., CPA to stop him from promoting two alleged tax fraud schemes and to bar him from preparing federal tax returns for

others. The civil complaint, filed in U.S. District Court for the Eastern District of California, alleges that Lowell Baisden sold the scheme to several physicians in Nebraska, one of whom also helped to promote the scheme to others. The suit also alleges that Baisden has sold the scheme to customers in California. According to the suit, Baisden helps customers form sham corporations in Nevada and uses them to claim improper tax deductions for customers' non-deductible personal expenses such as utilities, medical bills, vacations, and personal vehicles. Baisden allegedly also prepares tax returns for customers that falsely report their employment income as royalties or rent in order to evade Social Security and self-employment taxes. Additionally, it is alleged that Baisden promotes a second tax scam in which customers divert income to a corporation that he operates.

Two Sentenced for FEMA Fraud Convictions (USAO–Southern District of Mississippi and USAO–Middle District of Louisiana)

Today, Bryan Michael Beets of Vicksburg, Miss., was sentenced to serve 24 months in prison followed by three years of supervised release. Beets was also ordered to pay $3,854 in restitution, which is payable to the Federal Emergency Management Agency (FEMA) and the American Red Cross, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced. A Louisiana resident was sentenced in federal court by U.S. District Court Judge Frank J. Polozola on a fraud charge related to a hurricane disaster relief program, U.S. Attorney David R. Dugas announced. Tarsha Johnson, of Baton Rouge, La., pleaded guilty on May 8, 2006, to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. Johnson was sentenced to 18 months in prison followed by three years of supervised release with 50 hours of community service and $2,000 in restitution.

TUESDAY'S EXPECTED EVENTS/RELEASES:

10:00 A.M. CDT

Attorney General Alberto R. Gonzales will deliver remarks at the National Human Trafficking Conference in New Orleans regarding Department efforts to combat human trafficking.
Marriot Hotel – New Orleans
Acadia Room
555 Canal Street
New Orleans, La.
OPEN PRESS

Amber.JMD

From: Amber.JMD
Sent: Monday, October 02, 2006 10:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell, MI

From: AmberAlert-DOJ
Sent: Monday, October 02, 2006 10:35:01 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert (NDIC); USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Howell, MI
Auto forwarded by a Rule

UPDATE AMBER ALERT[redacted]

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2322

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 9:43 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 3, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, October 03, 2006

ATTORNEY GENERAL

10:00 A.M. CDT Attorney General Alberto R. Gonzales will deliver remarks at the National Human Trafficking Conference in New Orleans regarding Department efforts to combat human trafficking.
Marriot Hotel – New Orleans
Acadia Room
555 Canal Street
New Orleans, La.
OPEN PRESS

For ALL sessions, media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Cameras should pre-set no later than 8:45 A.M. CDT. Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486, or Joan LaRocca at 703-216-5435.

PRESS RELEASES

The Civil Rights Division will issue a release on Department efforts to combat human trafficking. (Magnuson)

EVENTS/HEARINGS

9:00 A.M. CDT Regina B. Schofield, Assistant Attorney General for the Office of Justice Programs, will deliver remarks at the Department of Justice's 2006 National Conference on Human Trafficking.
Marriot Hotel – New Orleans
Acadia Room
555 Canal Street
New Orleans, La.
OPEN PRESS

NIGHT DUTY OFFICER

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Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 11:01 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE 2006 NATIONAL CONFERENCE ON HUMAN TRAFFICKING

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 3, 2006
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AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE 2006 NATIONAL CONFERENCE ON HUMAN TRAFFICKING

NEW ORLEANS, LOUISIANA

Good morning. It is important to me to be here in New Orleans, with all of you, to discuss the fight against the crime of human trafficking.

Human trafficking is a violation of the human body, mind and spirit. For this vile practice to be taking place in a country that the world looks to as a beacon of freedom… is a terrible irony and an utter tragedy.

Every person in this room today, I know, shares that view. We also share a passion for protecting victims and eradicating the practice of enslaving human beings. We work and hope for a world in which there will be no more testimonials from victims like this one, where a young woman brought into this country on false promises eventually told prosecutors: "I was sold from L.A. to Dallas just like a cargo package… I wish there won't be any more slaves because of the money."

Those words should never need to be spoken or written in a modern society. And everyone here works for the day when they won't.

I want each of you to know how much the President and I appreciate your tireless devotion to the victims of this heinous international crime, and I'm pleased to announce that the Department of Justice will be providing almost $8 million in additional funding to create ten new Anti-Trafficking Task Forces. This funding, which will help cement partnerships between law enforcement agencies and victims'-services organizations, will enable the Task Forces' work of identifying and assisting victims of human trafficking as well as apprehending and prosecuting the perpetrators of these unconscionable crimes.

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For example, one of the grants will go to the Louisiana Commission on Law Enforcement to work with the state sheriffs' association in fighting trafficking along the I-10 corridor. That corridor has become a magnet for human traffickers looking to take advantage of the labor needs in hurricane-damaged areas of the state. The task force will use regional response teams to identify and rescue victims in targeted areas and put a stop to the exploitation and abuse of laborers.

In these task forces, service providers and law enforcement rescue victims and help restore their human dignity. Working together, we can help them re-enter a world that seems newly welcoming and dangerous at the same time. We can help cultivate the extraordinary courage these victims need to confront their traffickers face-to-face and re-open emotional memories during trials and hearings.

We must work together – we must intensify our efforts – because as we speak, a married couple could be bringing an unsuspecting young Filipino girl to America with the promise of schooling and safety – only to keep her locked away as a domestic servant.

As we speak, an American girl could be falling for the wiles of a pimp – only to be forced into inherently dehumanizing prostitution.

As we speak, 20, or 50, or 100 victims could be locked behind the walls of an otherwise nondescript building, working for pennies and hoping for freedom—any kind of relief from their hard, forced labor.

I'd like to commend this group, and everyone engaged in this struggle, for seeing both sides of the equation – help for victims and justice for criminals – as indispensible in the overall fight for human justice. I think you also acknowledge that the expertise in each area often comes from different groups.

So while each of us may have come to this conference from a variety of backgrounds and professions – law enforcement and victims' advocates, non-profit groups, academics and government employees – I am proud to note that we gather today, side by side, shoulder to shoulder and work for a common cause every day, as a unified team.

In fact, among those engaged in this cause, there can be only two teams, two sides – us, and the traffickers.

I encourage you all to use this conference as a time to make new connections and solidify ties with the other groups who fight for justice on this issue. Because partnerships, information-sharing and cooperation cannot be underestimated when it comes to fighting a crime like human trafficking – an act that is sinister to the point of feeling overwhelming at times.

If we stick together, back each other up and keep the lines of communication open, we won't be overwhelmed by these criminals and their selfish, inhumane intentions. Our partnership will instead prevail, and victims will be spared.

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It is, of course, a terrible shame that we even need to have a conference like this. After all, most Americans think that our country resolved the question of slavery with our Civil War. But freedom is guaranteed only with vigilance. And while ensuring freedom is the goal of our fight, that fight can never really end until we are sure that no one is denied freedom. So this conference and the work it represents are crucial. And I am delighted that we are meeting in New Orleans, a city which has suffered so greatly. Its music, art, and culture are the embodiment of what the human spirit can create when it is truly free. It heritage and its future brightness even amidst the struggles of the past year are an inspiration for us.

The victims of human trafficking are often lured to this country with the promise that they will enjoy the great gifts of liberty. This is an insult to our country, and it is personally disappointing because my own family came here from Mexico to find a better life. The thirst for freedom and opportunity is part of the human spirit and is very strong in this world – to offer it as a lure for purposes of a crime is unconscionable.

So those of us who fight on behalf of human trafficking's victims are determined to finally deliver that promise of freedom to brutalized victims… while also bringing their abusers to justice.

I believe that another critical part of our duty is to speak out about this criminal practice, to educate the world about these victims, to enlist soldiers in the "Armies of Compassion" that will rise up and defeat the practice of enslaving human beings. And we should let our words be blunt, let the stories of victims be vivid. Because while few people would dispute the fact that human trafficking is one of the world's most depraved criminal practices, what they might not know is how frequently it happens – including right here in America.

An estimated 17,500 people – most of whom are women and children – are forced into prostitution, sweatshops and domestic servitude every year.

It is shocking, and difficult for people to accept, but it happens, here in America, every day.

It was happening, in one case, in my home state of Texas, at a Dallas nightclub called "Club Wa," until a Good Samaritan's shelter and the power of law enforcement led to the eventual arrest and sentencing of the perpetrators.

In this case, a Korean businessman named Sung Bum Chang was essentially importing and collecting women from South Korea to be trapped in servitude at his club in Dallas.

Chang paid others to smuggle these women into the U.S. where they were then required to work at Club Wa under terrible conditions of fear and violence.

The victims came to the United States because of the promise of a better life and the opportunity to live the American dream. When they got here, however, their dreams were quickly turned into nightmares. The club owner forced them into labor and restricted their movement to the point where their home was more like a prison. The women were made to work six or seven days a week until they paid off their debt of passage into

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this country to Chang. Of course, he also charged the women for their food and lodging, adding to their amount of overall debt to him while they struggled to pay.

Chang used various forms of physical restraint and abuse to force the women to work for him. He held his victims' passports, restricted their movements and social contact, and monitored their every movement with surveillance cameras. The young women were fined for violating strict rules of behavior, and also endured physical beatings. The violence was conducted in the presence of other victims to ensure an environment of constant fear. At one point, Chang threatened to sell one of his victims to another bar owner with even harsher working conditions if the young woman did not work harder.

One of the victims came from a deeply religious upbringing as a member of a Korean Christian church. Her desire to leave her prison-like home to attend religious services – something which was forbidden by the rules of behavior – was her breaking point. She jumped from a second-story window, ran away and found help from the pastor of her church in March of last year.

Today, the man who enslaved her faces a maximum statutory sentence of 25 years imprisonment, a $500,000 fine and restitution. He will be sentenced on October 16th. Justice will be served.

It is hard to estimate accurately the number of trafficking victims worldwide, or even the number that are enslaved each year here in the United States. We do know that programs funded by the Justice Department have served more than 1,500 victims in the past three years. And, as Regina mentioned, through the Department's research and data-gathering functions, we're working to gain a fuller understanding of the extent of the problem. But one thing is clear – even one single victim is too many. As President Bush has said, "Human life is the gift of our Creator – and it should never be for sale."

Our progress in fighting the criminals is somewhat more easily measured. For example, since 2001 the Justice Department's Civil Rights Division and U.S. Attorneys' offices have prosecuted over 300 human trafficking defendants, secured over 200 convictions and guilty pleas and opened nearly 650 new investigations.

And our Innocence Lost Initiative, spearheaded by the Criminal Division, has resulted in 543 arrests and 94 convictions in both the federal and state systems of pimps who prey on children, often US Citizens who have succumbed to their charms. We have 16 Innocence Lost Initiative task forces around the country and are working to establish more. I encourage close cooperation between those working groups and our anti-trafficking task forces, to ensure that no victims fall between the cracks, and no traffickers escape justice.

In each of these areas, our numbers have doubled or even tripled over the record of the previous five years due to an increased focus on the issue and a truly effective partnership among government and non-profit groups.

As you know, we've also developed a model state law that has been endorsed by the U.S. Senate and sent to state governors and legislative leaders. In 2004, only four states had laws against trafficking. Today, more than two dozen have enacted tough anti-trafficking laws that reflect the principles of the Department's model criminal statute…and I encourage every state to follow suit.

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I am proud to be working with all of you in this historic effort, an aggressive, proactive, and victim-centered approach to prevention, investigations and prosecutions. Together, we've deployed a truly comprehensive strategy and it is working.

As you engage in the work of this conference and go back to your homes and jobs later in the week, I encourage you to remember that you and your work are the light of hope for every victim of human trafficking and slavery.

You rescue victims and help restore their human dignity. Your devotion is to cause of freedom itself. You hold up the Thirteenth Amendment of our constitution – a lasting promise of freedom for all innocent people within our borders. Your efforts make the dream of freedom a reality for these victims, not just a promise.

Your service is noble, and it is appreciated.

Thank you for having me here this morning; I hope you have a productive and rewarding conference.

May God bless you and your important work, and may he continue to bless the United States of America.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 11:07 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES ENHANCED PROGRAMS TO COMBAT HUMAN TRAFFICKING

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 3, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES ENHANCED PROGRAMS TO COMBAT HUMAN TRAFFICKING

National Conference Focuses On Victim Issues And Law Enforcement Solutions

NEW ORLEANS – Attorney General Alberto R. Gonzales today announced additional funding, totaling nearly $8 million, for law enforcement agencies and service organizations for the purpose of identifying and assisting victims of human trafficking and apprehending and prosecuting those engaged in trafficking offenses. The funding announced today will be used to create new Trafficking Task Forces in 10 cities around the country, building on the current work of over 32 national task forces working as part of a collaborative effort among various Department of Justice components, the Departments of Health and Human Services, Homeland Security, Labor and State, and national and community-based organizations to combat human trafficking.

Today's announcement was made at the 2006 National Conference on Human Trafficking in New Orleans, where representatives from federal, state and local organizations have gathered to discuss methods of investigating human trafficking and servitude and how victim services are structured and defined.

"Human trafficking is a violation of the human body, mind and spirit. For this vile practice to be taking place in a country that the world looks to as a beacon of freedom is a terrible irony and an utter tragedy," said Attorney General Alberto R. Gonzales. "This funding will help cement partnerships between law enforcement agencies and victims' services organizations, and enable the Trafficking Task Forces' work of identifying and assisting victims of human trafficking as well as apprehending and prosecuting the perpetrators of these unconscionable crimes."

Increasing and prosecuting human trafficking has been a major priority of the Department of Justice. Under the direction of the Attorney General, the U.S. Attorneys and the Civil Rights Division have taken the lead in prosecuting human trafficking cases at the federal level. In fiscal year 2006, the Civil Rights Division, working with the various U.S. Attorneys' offices, initiated 167 investigations, charged 111 defendants in 32 cases and obtained 79 convictions involving human trafficking defendants which reflected more than a twofold increase in convictions over the previous year. In April 2006, the Department of Justice obtained two of the longest sentences ever imposed in a sex trafficking case—50 years each for two defendants in New Jersey.

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From fiscal years 2001 to 2005, as compared to fiscal years 1996 to 2000, the Justice Department's trafficking investigations have quadrupled, the number of defendants charged has tripled, and the number of defendants convicted has doubled.

Justice Department prosecutors are also supporting the President's Initiative Against Trafficking and Child Sex Tourism by performing assessments of anti-trafficking activities in targeted countries and making recommendations on program development. For example, prosecutors have worked with their Mexican counterparts to undertake joint investigations, to conduct training for police and prosecutors, and to assist Mexican policymakers in developing anti-trafficking legislation in that country.

Including the new funding announced this morning, the Department of Justice now supports 42 victim-centered law enforcement task forces located throughout the United States including Alaska, Hawaii, and in American Samoa and the Northern Marianas. These task forces are collaborations among U.S. Attorneys, law enforcement, and victim service agencies. Their activities focus on increasing the identification and rescue of trafficking victims through proactive law enforcement, which includes designing a protocol response to the identification of victim services, provision of services, investigation and prosecution of human trafficking cases.

Recipients of the 2006 law enforcement awards are:

- The City of Clearwater
  Clearwater, Fla. $450,000

- Louisiana Commission on Law Enforcement
  Baton Rouge, La. $450,000

- City of Independence
  Independence, Mo. $450,000

- Las Vegas Metropolitan Police Department
  Las Vegas, Nev. $369,572

- Erie County
  Buffalo, N.Y. $450,000

- Northern Mariana Department of Public Safety
  Saipan, Northern Marianas $448,083

- City of Fort Worth
  Fort Worth, Texas $450,000

- Dallas Police Department
  Dallas, Texas $450,000

- Bexar County Sheriff Office
  San Antonio, Texas $406,862

- Salt Lake City
  Salt Lake City, Utah $450,000

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Recipients of the 2006 Awards for victim services are:

- Tides Center
  San Francisco, Calif. $450,000
  (For work in Utah)

- World Relief Corporation
  Baltimore, Md. $450,000
  (For work in Clearwater, Fla.)

- Hope House Inc.
  Lee's Summit, Mo. $450,000

- The Salvation Army
  Las Vegas, Nev. $449,997

- International Institute of Buffalo, N.Y. Inc.
  Buffalo, N.Y. $449, 708

- Karidat Social Services
  Saipan, Northern Marianas $449, 793

- Mosaic Family Services Inc.
  Dallas, Texas
  (For work in Dallas/Ft.Worth, Texas) $449,996

- Catholic Charities, Archdiocese of San Antonio Inc.
  San Antonio, Texas $450,000

The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. More information about OJP's work on human trafficking can be found at http://www.ojp.usdoj.gov. More information about the efforts of the Civil Rights Division to combat human trafficking can be found at http://www.usdoj.gov/whatwedo/whatwedo_ctip.html.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 3:10 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN DEPARTMENT OF JUSTICE HISPANIC HERITAGE MONTH COMMEMORATIVE CEREMONY

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, OCTOBER 3, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN DEPARTMENT OF JUSTICE HISPANIC HERITAGE MONTH COMMEMORATIVE CEREMONY

WASHINGTON – Attorney General Alberto R. Gonzales will deliver brief remarks and introduce U.S. Treasurer Anna Cabral at the Justice Department's Hispanic Heritage Month commemorative ceremony on **WEDNESDAY, OCTOBER 4, 2006 at 11:30 A.M. EDT.**

WHO: Attorney General Alberto R. Gonzales
Anna Cabral, U.S. Treasurer

WHAT: Justice Department's Hispanic Heritage Month commemorative ceremony

WHEN: **WEDNESDAY, OCTOBER 4, 2006**
11:30 A.M. EDT

WHERE: Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.

NOTE: Pre-set for open press coverage of the press conference will be at **11:00 A.M. EDT**. **All media should arrive no later than 11:45 A.M. EDT.** All media should enter through the Visitor's Center at Constitution Avenue between 9th and 10th Streets and must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 3:12 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ANNOUNCES $125 MILLION IN GRANTS FOR PRESIDENT BUSH'S DNA INITIATIVE AND OTHER CRIME-SOLVING FORENSIC SERVICES

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 3, 2006

AG
(202) 514-2007
WWW.USDOJ.GOV
TDD (202) 514-1888

DEPARTMENT OF JUSTICE ANNOUNCES $125 MILLION IN GRANTS FOR PRESIDENT BUSH'S DNA INITIATIVE AND OTHER CRIME-SOLVING FORENSIC SERVICES

WASHINGTON — The Department of Justice has awarded more than $125 million in grants nationwide as part of President Bush's DNA Initiative, *Advancing Justice Through DNA Technology,* and for other crime-solving forensic services. The DNA Initiative was launched in 2003 and is a five-year, $1 billion commitment to improve the nation's capacity to use DNA evidence by eliminating casework and convicted offender backlogs; funding research and development; improving crime lab capacity; providing training for all stakeholders in the criminal justice system; and conducting testing to identify the missing and protect the innocent. In addition to the funding provided through the DNA Initiative, $18.5 million has been awarded to improve criminal justice forensic services. The grants will be administered by the National Institute of Justice (NIJ), the research, development, and evaluation arm of the Department of Justice.

"DNA and other forensic evidence have proven to be valuable tools that have changed the landscape for law enforcement in solving crimes and removing criminals from our streets and communities," said Attorney General Alberto R. Gonzales. ″Through the President's DNA Initiative, crime victims and their families can know that law enforcement in their community have the best forensic tools available on their side."

While DNA technology is helping to solve crimes and exonerate the innocent across the country, many public crime laboratories are not fully equipped to handle the increased demand for DNA testing. Some laboratories have large backlogs of unanalyzed DNA samples from convicted offenders and crime scenes, which can significantly delay criminal investigations and the administration of justice. However, progress has been made since the DNA Initiative began.

- In March 2003, the Department estimated that the backlog of rape and homicide cases was approximately 350,000. To date, NIJ has provided over $76 million to perform DNA analysis on samples in over 48,000 cases. Since 2003, the FBI's Combined DNA Index System (CODIS) database of DNA samples has increased from 52,000 to more than 144,000 unique DNA profiles from crimes.

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- In March 2003, the Department estimated that the number of backlogged DNA-convicted offender samples was between 200,000 and 300,000, and that another 500,000 to 1 million samples had yet to be collected from offenders who were required by law to give such a sample. To date, NIJ has paid for the analysis of over 1.2 million samples. In Fiscal Year 2006, NIJ will pay for the analysis of over 800,000 additional samples. Since 2003, the FBI's CODIS database has grown from 1.3 million DNA profiles of known offenders to over 3.4 million.

- Extensive training materials and programs have been developed for police, prosecutors, defense attorneys, and judges, forensic scientists, medical personnel, victim service providers, corrections officers, and probation and parole officers.

- NIJ has funded research on tools to analyze smaller pieces of evidence, highly-degraded evidence, and to make DNA analysis less costly. Since 2003, NIJ has made grants in excess of $14 million for new research on DNA tools and techniques. In fiscal year 2006 NIJ will make an additional $12.2 million in research, development and evaluation grants for DNA and other areas of forensic science.

Nationwide, in fiscal year 2006 NIJ has awarded over $73 million to help eliminate DNA sample backlogs. Of that $73 million, $19.2 million will be for DNA casework; $39.5 million for DNA laboratory capacity building; and $14.9 million for convicted offender testing. The Department is investing $3.7 million for DNA training; $12.2 million for DNA and forensics research, development and evaluation; $2 million for use of DNA in missing persons cases, and $4.9 million to the National Institute of Standards and Technology for development of forensic science tools and standards. In addition, $3.9 million soon will be made available for post conviction DNA testing assistance. More information about President Bush's DNA Initiative can be found at http://www.dna.gov. NIJ has also awarded $18.5 million for Paul Coverdell Forensic Science Improvement Grants that can be applied to improving non-DNA forensic services. This funding represents the largest amount of money provided by the Department to support state and local forensic efforts.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 5:35 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER GUILTY PLEA TO KATRINA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 3, 2006
WWW.USDOJ.GOV/USAO/MSS

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

ANOTHER GUILTY PLEA TO KATRINA FRAUD

JACKSON, Miss. – Dianne M. Dean of Picayune, Miss., pleaded guilty to making a false claim and a false statement to the Federal Emergency Management Agency (FEMA) to fraudulently obtain Hurricane Katrina disaster benefits, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today. Dean also pleaded guilty to making false statements to the Department of Agriculture's Rural Development Agency in order to fraudulently obtain rural housing service payment subsidies. Dean admitted in her guilty plea that on Sept. 11, 2005, she submitted a application for disaster assistance with FEMA using a false address in Picayune. Dean received $2,000 from FEMA. Her sentencing hearing is set before U.S. District Judge Walter J. Gex III in Gulfport, Miss. on Jan. 16, 2007. Dean faces a maximum sentence of 20 years in prison and a $1 million fine, plus restitution to both FEMA and the Department of Agriculture.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

Pursuant to the Department of Justice initiative, a local Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who file false and fraudulent claims.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the Department of Homeland Security-Office of the Inspector General Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 03, 2006 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 3, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

WEDNESDAY'S EXPECTED NEWS STORIES:

Attorney General Alberto R. Gonzales Announces Enhanced Programs to Combat Human Trafficking and Participates in Media Availability (OPA)
Today, at a speech at the Department of Justice's 2006 National Conference on Human Trafficking in New Orleans, the Attorney General announced additional funding, totaling nearly $8 million, for law enforcement agencies and service organizations for the purpose of identifying and assisting victims of human trafficking and apprehending and prosecuting those engaged in trafficking offenses. The funding announced will be used to create new Trafficking Task Forces in 10 cities around the country, building on the current work of over 32 national task forces working as part of a collaborative effort among various Department of Justice components, the Departments of Health and Human Services, Homeland Security, Labor and State, and national and community-based organizations to combat human trafficking.

The Attorney General also participated in a media availability, where he made his first public comments on the Foley matter.

Talking Points

- The FBI is conducting an assessment to determine if there has been a violation of federal law.

Department Announces Funding for President's DNA Initiative (Office of Justice Programs)
The Department today announced that it has awarded more than $125 million in grants nationwide this year as part of President Bush's DNA Initiative, *Advancing Justice Through DNA Technology,* and for other crime-solving forensic services. The DNA Initiative was launched in 2003 and is a five-year, $1 billion commitment to improve the nation's capacity to use DNA evidence by eliminating casework and convicted offender backlogs; funding research and development; improving crime lab capacity; providing training for all stakeholders in the criminal justice system; and conducting testing to identify the missing and protect the innocent.

Mississippi Resident Pleads Guilty To Katrina Fraud (USAO–Southern District of Mississippi)
Dianne M. Dean of Picayune, Miss., pleaded guilty to making a false claim and a false statement to the Federal Emergency Management Agency (FEMA) to fraudulently obtain Hurricane Katrina disaster benefits, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today. Dean also pleaded guilty to making false statements to the Department of Agriculture's Rural Development Agency in order to fraudulently obtain rural housing service payment subsidies. Dean admitted in her guilty plea that on Sept. 11, 2005, she submitted a application for disaster assistance with FEMA using a false address in Picayune. Dean received $2,000 from FEMA. Her sentencing hearing is set before U.S. District Judge Walter J. Gex III in Gulfport, Miss. on Jan. 16, 2007. Dean faces a maximum sentence of 20 years in prison and a $1 million fine, plus restitution to both FEMA and the Department of Agriculture.

FBI Supervisory Special Agent Interviewed Regarding School Shootings (FBI)
Today, interviews with CBS, NBC, Fox News, ABC Radio, National Public Radio, *The Associated Press* and *USA Today* were arranged with FBI Supervisory Special Agent Mary Ellen O'Toole regarding the psychological threat assessment used in school shooting investigations.

WEDNESDAY'S EXPECTED EVENTS/RELEASES:

11:30 A.M. EDT Attorney General Alberto R. Gonzales will deliver brief remarks and introduce U.S. Treasurer Anna Cabral at the Justice Department's Hispanic Heritage Month commemorative event.
The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 04, 2006 9:41 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 4, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, October 04, 2006

ATTORNEY GENERAL

11:30 A.M. EDT Attorney General Alberto R. Gonzales will deliver brief remarks and introduce U.S. Treasurer Anna Cabral at the Justice Department's Hispanic Heritage Month commemorative event.
The Great Hall
Department of Justice
950 Constitution Avenue, N.W.
Washington, D.C.
OPEN PRESS

Pre-set for open press coverage of the press conference will be at **11:00 A.M. EDT**. **All media should arrive no later than 10:45 A.M. EDT.** All media should enter through the Visitor's Center at Constitution Avenue between 9th and 10th Streets and must present valid photo ID and media credentials. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Environmental and Natural Resources Division will issue a release on an enforcement matter. (Magnuson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169212

Image not available for this document, ID: 0.7.10316.26496-000001

Image not available for this document, ID: 0.7.10316.26496-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 04, 2006 11:50 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DEPARTMENT OF JUSTICE HISPANIC HERITAGE MONTH CEREMONY

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 4, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DEPARTMENT OF JUSTICE HISPANIC HERITAGE MONTH CEREMONY

WASHINGTON, D.C.

Good morning.

It is a pleasure for me to welcome you to the annual celebration of National Hispanic Heritage Month here at Department of Justice.

Every year during this time we reflect on the wonderful contributions that Hispanics have made to our country – as artists and entrepreneurs, athletes and teachers, parents and leaders and as Attorney General.

Hispanic culture is one of so many unique and strong cultures that have enriched the overall way of life in the United States, and today's celebration reminds us that diversity of this country is what makes the U.S. so special, and so strong. With that in mind, I am proud to honor the contributions of my family's heritage to what we consider to be the greatest nation on earth.

I am grateful to be serving the American people under the leadership of a President who values diversity. President Bush understands that the character of our country is stronger because of the different experiences of its people. He believes that ingenuity, talent, and excellence are not unique to any gender or race – they exist in every community in America.

I know that the President saw all those qualities in our next speaker, Anna Escobeda Cabral. Anna is the 42nd Treasurer of the United States – an impressive and important post, indeed – but her position in government is only a fraction of what this woman is, and what she means, to colleagues, family and friends.

Anna is a wonderful role-model for all Americans – and she is living proof that American dreams do come true if you are willing to reach for them, and work for them, every day.

Her professional accomplishments are an inspiration to all who know her, and her personal dedication to friends and family are unmatched. Every Christmas party at Anna's house is like Hispanic Heritage month, full of

lively conversation, the embrace of friends and family, and some of the best tamales you'll ever eat. I know that Anna's commitment to our Heritage, our community and her country is a daily devotion.

I encourage you to read about Anna's professional experience in the event program… but it may not mention that she and her husband Victor have four wonderful children, two of whom are Department of Justice employees – Catalina and Raquel, who is my assistant. I'm grateful to have them here.

It is my pleasure to introduce my friend, a woman I deeply admire, Anna Escobedo Cabral.

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Image not available for this document, ID: 0.7.10316.26489-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 04, 2006 1:49 PM
To: USDOJ- Office of Public Affairs
Subject: CITY OF INDIANAPOLIS AGREES TO MAKE $1.86 BILLION IN IMPROVEMENTS TO SEWER SYSTEM

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE ENRD
WEDNESDAY, OCTOBER 4, 2006 (202) 514-2007
WWW.USDOJ.GOV TDD (202) 514-1888

CITY OF INDIANAPOLIS AGREES TO MAKE $1.86 BILLION IN IMPROVEMENTS TO SEWER SYSTEM

Settlement Expected to Reduce 7 Billion Gallons of Harmful Discharges Annually

WASHINGTON — The city of Indianapolis has agreed to make an estimated $1.86 billion worth of improvements to resolve longstanding problems with overflows from its sewer system, the Justice Department and Environmental Protection Agency (EPA) announced today. Indianapolis will make the improvements over 20 years to reduce the number of overflows—which currently occur approximately 60 times per year—to four or fewer times per year. The city will also pay a penalty of $1,117,800, which will be divided evenly between the United States and Indiana. The city also will spend $2 million on a supplemental environmental project to eliminate failing septic systems.

Under the consent decree, Indianapolis has specifically agreed to implement a Long Term Control Plan (LTCP) designed to greatly reduce overflows from its combined sewer system (CSOs), and will implement another plan designed to eliminate overflows from its sanitary sewer system (SSOs), and perform various other remedial measures. The consent decree also provides that the city can reduce the portion of the penalty to be paid to the state by undertaking further reductions in the number of failing septic systems. All of these improvements will provide major public health and environmental benefits. The injunctive relief provided under the settlement will be among the highest-cost municipal Clean Water Act settlements to date and will ultimately reduce the volume of Indianapolis' untreated discharges by 7.2 billion gallons in an average year.

"With today's consent decree, the city of Indianapolis is taking an important step toward complying with the Clean Water Act," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "We are pleased that we have reached a resolution to these matters, and that the city has agreed to make the necessary improvements and committed funds to ensure significant improvements to reduce untreated sewer discharges."

"Through this agreement, Indianapolis has shown a real commitment to get rid of its long-standing sewage problems," said Granta Y. Nakayama, EPA's assistant administrator for Enforcement and Compliance

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Assurance. "The agreement will not only ensure compliance with the law, it will also benefit the citizens by significantly improving water quality in the White River and its tributaries, which are important natural resources and great assets to the city."

"When the city's combined sewer system was engineered about 100 years ago, it was state-of-the-art in wastewater management, but it is not acceptable by today's standards," said Thomas W. Easterly, commissioner of the Indiana Department of Environmental Management. "In moving forward with a plan to reduce untreated discharges to the White River and its tributaries, Indianapolis is meeting an important environmental obligation and ensuring cleaner, healthier streams locally, and for downstream communities."

Today's agreement is related to the city's operation of its municipal wastewater and sewer system, through which approximately 8 billion gallons of untreated sewage is discharged each year into the White River and its tributaries from approximately 133 CSOs, and a lesser number of SSO and bypass locations. The Justice Department has alleged that these discharges violate the Clean Water Act because they exceed limitations and conditions in the City's National Pollutant Discharge Elimination System (NPDES) permits or are otherwise unpermitted.

Indianapolis owns two large municipal advanced wastewater treatment plants (AWTP), the Belmont AWTP and the Southport AWTP, as well as nearly 246 square miles of sewers that feed into the treatment plants. The sewer system, which serves approximately 866,000 people, transports the city's sewage for treatment at the two plants prior to being discharged into area rivers and streams. Approximately 27 percent of the sewer system is a combined system located primarily in the central, older parts of the city. The remaining 73 percent of the sewer system is a sanitary sewer system. The city contracts with United Water, a private corporation, to operate both the treatment plants and the sewer system.

The Department of Justice lodged today's consent decree today in the U.S. District Court for the Southern District of Indiana. The consent decree will be subject to a 30-day public comment period and subsequent judicial approval and is available on the Justice Department website at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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Image not available for this document, ID: 0.7.10316.26455-000003

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 04, 2006 3:30 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

Department of Justice

United States Attorney Jim Letten
Eastern District of Louisiana

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 4, 2006
WWW.USDOJ.GOV/USAO/EDLA

CONTACT: KATHY ENGLISH
PHONE: (504) 680-3068
FAX: (504) 589-4859

ANOTHER LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

NEW ORLEANS — Jermaine White, 21, of Gray, La., pleaded guilty to making false statements regarding his application to the Federal Emergency Management Association (FEMA) for disaster assistance benefits, announced U.S. Attorney Jim Letten of the Eastern District of Louisiana.

According to the factual basis, after Hurricane Katrina struck Louisiana, White applied for expedited assistance funds from FEMA, the $2,000 which many evacuees received from FEMA. White indicated in his application that his primary address was a home located in Houma, La. that he had essential needs for "food, clothing or shelter," and that he had "disaster related moving and storage expenses," when in truth he never occupied or rented this rental property. According to the owner of the property, the home was vacant and was not leased to anyone during Hurricanes Katrina or Rita.

The maximum sentence White could receive is five years in prison and/or a fine of $250,000.

This case was investigated by special agents of the FBI assigned to the Katrina Fraud Task Force. This case was prosecuted by Assistant U.S. Attorneys Carter K. D. Guice Jr. and Carol Michel.

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Image not available for this document, ID: 0.7.10316.26347-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 04, 2006 4:27 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE ANNUAL CONFERENCE OF THE U.S. BUSINESS LEADERSHIP NETWORK

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, OCTOBER 4, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE ANNUAL CONFERENCE OF THE U.S. BUSINESS LEADERSHIP NETWORK

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the annual conference of the U.S. Business Leadership Network, immediately followed by a media availability on **THURSDAY, OCTOBER 5, 2006 at 9:00 A.M. CDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks before the U.S. Business Leadership Network
Media availability

WHEN: **THURSDAY, OCTOBER 5, 2006**
9:00 A.M. CDT

WHERE: **REMARKS**
Marriott City Center
The Ballroom
30 South Seventh Street
Minneapolis, Minn.
OPEN PRESS

MEDIA AVAILABILITY
Marriott City Center
St. Croix 2 – Sixth Floor
30 South Seventh Street
Minneapolis, Minn.
OPEN PRESS

DOJ_NMG_ 0169227

NOTE: Pre-set for television camera crews is **no later than 8:15 A.M. CDT.** All other media wishing to cover the Attorney General's remarks must arrive **no later than 8:30 A.M. CDT.** Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486 or Jeanne Cooney at 612-730-2251.

# # #

06-677

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Image not available for this document, ID: 0.7.10316.26338-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, October 5, 2006 9:53 AM
Subject: SMO/JMD JCON Service Interruption
Importance: High

SMO/JMD JCON Service Interruption

As a part of a JCON Switch Upgrade Project, an outage is required to bring a piece of new equipment online. The outage will occur during the posted service window below. This upgrade will be performed on resources located in the Rockville Data Center. Be advised that there is no risk of data loss.

When: Sunday, October 9, 2006, 12:01 am to 6:00am

Event: JCON Cisco Catalyst Upgrade

Customers Affected: All JCON Customers

Unavailable Services:
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers

Available Services: BlackBerry (PIN to PIN messaging is available)

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 10:21 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 5, 2006

Department of Justice

PRESS GUIDANCE
Thursday, October 05, 2006

ATTORNEY GENERAL

9:15 A.M. CDT Attorney General Alberto R. Gonzales will deliver remarks at the annual conference of the U.S. Business Leadership Network, immediately followed by a media availability.
Marriott City Center
The Ballroom
30 South Seventh Street
Minneapolis, Minn.
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486 or Jeanne Cooney at 612-730-2251.

PRESS RELEASES

DOJ_NMG_ 0169233

The Civil Rights Division will issue a release on Department efforts to enforce the Americans with Disabilities Act. (Magnuson)

The Tax Division will issue a release on a sentencing matter. (Miller)

The Office of Justice Programs will issue a release. (Peterson)

EVENTS/HEARINGS

9:00 A.M. PDT Regina Schofield, Assistant Attorney General for the Office of Justice Programs, will deliver keynote remarks regarding Department activities in Indian Country at the National Congress of American Indians Annual Conference.
Sheraton Grand Sacramento
1230 J Street
Sacramento, Calif.
OPEN PRESS

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.26196-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 10:44 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. BUSINESS LEADERSHIP NETWORK NATIONAL CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. BUSINESS LEADERSHIP NETWORK NATIONAL CONFERENCE

MINNEAPOLIS, MINNESOTA

Thank you, Kevin, Good Morning ladies and gentlemen.

I am pleased to be here with the U.S. Business Leadership Network. I'd like to start by thanking you for your efforts to increase access for people with disabilities to goods, products, services, and employment opportunities. Your work is invaluable to members of the disability community, who are eager to take their place as consumers and economically productive and self-sufficient citizens.

I also wish to thank Katherine McCary, for her work as president of the organization. She has been a leader in bringing together businesses of all sizes to advance these efforts, not as a matter of charity, but because it simply makes good business sense.

We live in the greatest country on the face of the planet. America is great because of our diversity—diversity of culture, race and religion. We are a great country because not only do we tolerate our differences, we celebrate our diversity. America is also unique because of the opportunities offered to every citizen, no matter the circumstances of birth or the challenges of life. I believe that we at the Department of Justice have a responsibility to create an environment where it is possible to achieve the American dream if you have the courage and imagination to persue it.

Under the leadership of President Bush, we at the Department of Justice are working to change negative attitudes about people with disabilities based on old and outdated stereotypes. We, like you, aim to establish conditions in this country in which the hopes and dreams of these individuals can be realized.

As members and leaders of the business community, you have a unique role to play here. Your presence at this conference demonstrates to me a strong interest, if not an outright commitment, to maximizing the inclusion of individuals with all types of disabilities. You appreciate the business case for tapping into the disability market

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and bringing on board qualified men and women whose abilities and perspectives will help your businesses succeed.

Make no mistake about the amazing individual and collective ability that you have to spread this philosophy to others in the private sector. Undoubtedly, both by what you say and what you do, you are raising the bar of excellence, and you are setting a worthy example for so many others to follow.

I also wish briefly to acknowledge leaders of the disability community who are here with us today. Your presence illustrates your ongoing commitment to work in close partnership with private business, to come up with innovative solutions, and to help tear down the barriers that still remain.

Finally, if there are any young people who are with us today who attended yesterday's Disability Mentoring Day event, which I understand was a great success, I congratulate you. For your fortitude, for your commitment to excellence, and for your dedication to obtaining the kind of internship and employment experience that will help you to contribute to the economic lives of your communities.

I want to talk to you today about what we're doing at the Department of Justice to create opportunities for people with disabilities. But first I'd like to take a minute to tell you about who we're protecting, and why we work so hard on this cause. I'd like to tell you the story of ten year-old Justin Tokioka, who everybody calls Pono.

Pono was a star player for his community baseball team in Lihue, Hawaii, despite being profoundly deaf. For five years Pono had excelled at second base, with the assistance of a sign-language interpreter in the dugout.

But when he traveled to the state All-star tournament last summer, Pono was told that tournament rules prohibited the team from having an interpreter in the dugout. The failure of league officials to make reasonable modifications to those rules meant that a ten year-old boy who just wanted to play baseball was told he would not be allowed.

After the Department of Justice got involved, the league agreed to alter its rules to allow players the use of sign language interpreters during games, and to make other accommodations for disabled athletes. Pono had the opportunity to participate—just like his teammates—in the All-star tournament this summer, and he played well.

I can tell you, from my own experience playing baseball when I was young, that even something that might seem so small can make a tremendous difference in a young boy's life.

In August we reached a settlement with PONY Baseball Inc., a youth baseball and softball organization with 3500 leagues throughout the U.S. Under this agreement, thousands of other young athletes with disabilities will get the same opportunities as Pono.
As many of you know, on a beautiful summer day in 1990, President George H. W. Bush welcomed people with disabilities to the White House lawn and signed the Americans With Disabilities Act. Since that time, the Department of Justice has been at the forefront of implementing this revolutionary law, which is now in its seventeenth year.

Upon taking office, President George W. Bush noted how much our country had accomplished since it resolved in the ADA to eliminate barriers preventing people with disabilities from fully participating in all aspects of American life. The ADA has made employment, public accommodations, housing, schools, and polling places dramatically more accessible.

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The President also observed, however, that significant challenges remained. In 2001 he announced the New Freedom Initiative, a comprehensive plan of action to ensure that people with disabilities face no further obstacles to full participation in our free market economy and society.

As President Bush said at the time, "Wherever a door is closed to anyone because of a disability, we must work to open it. Wherever any job, or home, or means of transportation is unfairly denied because of a disability, we must work to change it. Wherever any barrier stands between you and the full rights and dignity of citizenship, we must work to remove it, in the name of simple decency and simple justice."

Today the Justice Department is issuing a report, Access for All, which celebrates the ADA achievements of this Administration over the past five years and looks forward to future accomplishments.

Since the start of the New Freedom Initiative, the Department of Justice has achieved results for people with disabilities in over 2,000 ADA actions including lawsuits, settlement agreements, and successful mediations. We have accomplished this through an aggressive program of enforcement and public education. In Fiscal Year 2006 alone, we resolved nearly 300 such actions.

Each of these actions represents a victory for individuals like Pono, but each also represents the fall of another barrier for Americans with disabilities.

In Detroit, Michigan, Willie Cochran needed dialysis three times a week, and he depended on the city's bus system for a ride home after treatment. The five mile trip would often take two, three, or even four hours. Bus after bus would pass him by until one would finally arrive with a working hydraulic lift that could handle his wheelchair. He was once stranded in midair for two hours when a lift broke as it was raising him on board.

Caroline Reed, who has spina bifida, lost her job because she could rarely find a bus with a working wheelchair lift to get her to work on time. She had to cut back even routine events such as socializing and going to the store, for fear that she would be left with no way to get home.
And Elbert Davis was unable to pursue further education and job opportunities because of the state of Detroit's bus system.

The Department of Justice stepped in and was able to reach a settlement with the City of Detroit that ensured the availability of accessible buses. That's real progress not just for these three individuals, but for thousands of others in Detroit who benefit from improved transportation.
And that's just one example in one city. During the past year we have obtained injunctive relief and compensatory damages in cases across the country, and set major ADA precedents in a number of important areas. Our victories have come in matters involving hospitals, gas stations, movie theaters, restaurants and universities. But much more needs to be done.

Beyond law enforcement, a Department of Justice program called ADA Business Connection is bringing together local business and disability leaders, helping them facilitate access of people with disabilities to products and services, which in turn expands business markets.
We have held 17 ADA Business Connection Leadership meetings in cities across the country with more than 600 participants from small and mid-sized businesses, large corporations, and organizations of people with disabilities.

These meetings have generated some valuable discussions and innovations. Following one meeting in Houston, Texas, three of the participants decided to collaborate and draw on their areas of expertise. The three -- a business technology consulting firm, a large technology corporation, and a disability assistance organization -- set up a design competition to encourage Houston businesses to create accessible websites.

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And after another meeting, one participant, who is an executive at a large hotel chain, developed a policy for all of the company's television ads to carry closed captioning. She also recommended to her employer that they include a representative of the disability community on the corporation's diversity advisory board. And she recommended to a university's new hotel management school that they include coursework on serving patrons with disabilities.

The main goal of the ADA Business Connection initiative was to help local businesses collaborate with people with disabilities. But at our meetings we began hearing a lot of talk about the difficulty businesses face with employee turnover, and how that affects their ability to maintain a staff that's well-trained on ADA issues.

The Department of Justice took these comments to heart. We created a short course for our ADA website, where employees can learn how to comply with the law and welcome a whole new group of customers.

We believe that people with disabilities are an underserved market for customers as well as a vast pool of potential employees, and that compliance with the ADA makes good business sense.
As you know, there are more than 50 million Americans with disabilities who are potential customers for businesses across the United States. These 50-million-plus people visit museums, restaurants, stores, and theaters with others -- their families and friends -- all of whom purchase additional goods and services, exponentially increasing the potential market.

It's not surprising to see restaurants, auto makers, neighborhood stores, and performing arts centers tailoring products and services to meet the needs of this audience.

The ADA is also bringing about significant changes in our home towns and communities. Thanks to the ADA, people with disabilities are participating in unprecedented numbers in civic life and are gaining equal access to the benefits and services that local government provides.
The Department of Justice's Project Civic Access, or PCA, is one of the President's top priorities under the New Freedom Initiative. This program is a wide-ranging effort to ensure that towns and cities comply with the ADA.

All across America, communities are taking steps to make their programs and services accessible. Town halls and courthouses are installing ramps and providing accessible parking and restrooms. The use of sign language interpreters and assistive listening devices is increasing at public meetings and in court proceedings. Our public safety officials are saving lives by making 911 systems directly accessible to those who use TTYs. Communities are reshaping recreation and social service programs to allow full access by people with disabilities.

On September 20th we reached a milestone with PCA—our 150th agreement. This agreement involves Kanawha County, West Virginia, which includes West Virginia's capital, Charleston. Twenty-two percent of the county's population are people with disabilities. Under the agreement, the county will, among other things, modify parking facilities and building entrances, and will ensure that polling places are accessible.

Today we have 151 agreements with 142 communities, making lives better for more than three million Americans with disabilities in those communities since 2001. In Davenport, Iowa, for example, PCA will make a real difference for John Sparks, who became disabled as a result of a motorcycle accident. Mr. Sparks has a daughter who loves to dance and sing, and her mother takes her to classes at Davenport's Junior Theater.

Under a PCA settlement agreement, the city arranged to make several modifications to the theater, including widening the main entrance to make it accessible, fixing the exterior ramp, and adding wheelchair seating in the auditorium. As a result of our agreement, Mr. Sparks will be able to take his daughter to classes and enjoy her performances.

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In Fiscal Year 2007, we will conduct PCA reviews in eleven additional jurisdictions around the country.

In addition, to build upon this success and broaden the impact of Project Civic Access, I have directed the Civil Rights Division at the Department of Justice to compile a PCA Best Practices Toolkit. The purpose of this toolkit is to help state and local governments to conduct their own evaluations of their facilities and programs, and to take the necessary steps to achieve ADA compliance.

Through a comprehensive program of law enforcement and technical assistance, we have helped provide people with disabilities greater access to health care, public facilities, education, employment, and other settings in communities across America. Every day, through our website ADA.gov and our toll-free ADA Information Line, we help thousands of businesses and governments comply with the ADA.

We at the Department of Justice are proud of these accomplishments, but we are not done. Every single one of us in this room has a role to play. The President is committed to this work, as is his Administration, through the New Freedom Initiative. This is demonstrated through the various endeavors currently under way throughout the federal sector.

In fact, Ollie Cantos, whom you know from his previous work in the Civil Rights Division, is with me today, representing the White House as Associate Director for Domestic Policy.

We stand ready to work in collaboration with all of you to advance equality and access for the millions of people with disabilities we serve. The protection and preservation of the civil rights of all Americans are among our highest priorities. I am proud to lead in the work of the Department of Justice, and I am honored to be with you here today and I am honored to stand with you, fighting shoulder to shoulder for the rights of the disabled.

Thank you. May God bless you and your families. May he guide all of your decisions and may he continue to bless the United States of America.

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Image not available for this document, ID: 0.7.10316.26195-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, October 5, 2006 11:00 AM
Subject: SMO/JMD JCON Service Interruption
Importance: High

SMO/JMD JCON Service Interruption

As a part of a JCON Switch Upgrade Project, an outage is required to bring a piece of new equipment online. The outage will occur during the posted service window below. This upgrade will be performed on resources located in the Rockville Data Center. Be advised that there is no risk of data loss.

When: Monday, October 9, 2006, 12:01 am to 6:00am

Event: JCON Cisco Catalyst Upgrade

Customers Affected: All JCON Customers

Unavailable Services:
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers

Available Services: BlackBerry (PIN to PIN messaging is available)

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 11:49 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ISSUES FIVE-YEAR REPORT HIGHLIGHTING SUCCESSES IN ENFORCING THE AMERICANS WITH DISABILITIES ACT

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE ISSUES FIVE-YEAR REPORT HIGHLIGHTING SUCCESSES IN ENFORCING THE AMERICANS WITH DISABILITIES ACT

MINNEAPOLIS – The Justice Department today released "Access for All: Five Years of Progress," a status report highlighting the Administration's successes over the last five years in enforcing the Americans with Disabilities Act (ADA). The report discusses the achievements of the Civil Rights Division during this Administration that are enhancing opportunities and improving access for millions of Americans with disabilities throughout the nation. The report also cites specific cases illustrating access and compliance successes in areas ranging from health care to employment to emergency services.

"At the Department of Justice, we are working to change negative attitudes about people with disabilities based on old and outdated stereotypes. We aim to establish conditions in this country in which the hopes and dreams of these individuals can be realized," said Attorney General Alberto R. Gonzales. "Through a comprehensive program of law enforcement and technical assistance, we have helped provide people with disabilities greater access to health care, public facilities, education, employment and other settings in communities across America."

The report features the progress of Project Civic Access (PCA), a comprehensive program focused on ensuring that towns and cities across America comply with the ADA. Under the leadership of the President through his New Freedom Initiative, PCA has significantly expanded efforts to assist communities all across America as they take steps to make their programs and services accessible. As part of PCA, Department investigators, attorneys, and architects survey state and local government facilities and programs across the country for the purpose of working with communities to identify modifications necessary to achieve ADA compliance.

On Sept. 20, 2006, the Civil Rights Division reached its milestone 150th agreement under Project Civic Access with Kanawha County, W.V. The county has agreed to take steps under the terms of the agreement, including making numerous modifications to its parking facilities and building entrances, and ensuring the accessibility of polling places. These agreements are helping to improve the lives of and broaden opportunities for more than 3 million Americans with disabilities in the communities involved since 2001.

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The Attorney General also identified a slate of 11 new PCA locations to be evaluated over the next two years. These include:

- Montgomery County, Md.
- Fayette County, Pa.
- Gregg County, Texas
- Port Saint Lucie, Fla.
- Atlanta, Ga.
- Fairfax County, Va.
- Chautauqua County, N.Y.
- Wyandotte County, Kan.
- Seattle, Wash.
- Fargo, N.D.
- Des Moines, Iowa

At the direction of Attorney General Gonzales, the Civil Rights Division is compiling a PCA Best Practices Toolkit to build upon this success and broaden the impact the program. The toolkit will help the 80,000 units of local government that are covered by Title II of the ADA conduct their own evaluations of their facilities and programs and take the necessary steps to achieve ADA compliance.

A copy of the "Access for All" report will be available this week on the Department of Justice Web site at www.doj.gov or can be obtained by calling the Disability Rights Section at 1-800-514-0301 (voice) or 1-800-514-0383 (TTY). More information about the work of the Civil Rights Division can be found at www.ada.gov and at http://www.usdoj.gov/crt/crs/drshome.htm.

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Image not available for this document, ID: 0.7.10316.26062-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 12:12 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE NATIONAL SEX OFFENDER PUBLIC WEB SITE MEMORIALIZES SEX OFFENDER VICTIM

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE Office of Justice Programs
Thursday, October 5, 2006
Contact: Sheila Jerusalem WWW.OJP.USDOJ.GOV
(202) 307-0703

DEPARTMENT OF JUSTICE NATIONAL SEX OFFENDER PUBLIC WEB SITE MEMORIALIZES SEX OFFENDER VICTIM

Puerto Rico's Sex Offender Information is Most Recent Addition to Web site

WASHINGTON – The Department of Justice today announced the designation of its National Sex Offender Public Web site as the Dru Sjodin National Sex Offender Public Web site, located at http://www.nsopr.gov. Dru Sjodin, a 22-year-old University of North Dakota student from Pequot Lakes, Minn., was kidnapped and murdered after disappearing from a Grand Forks, N.D., shopping mall parking lot in November 2003.

Today's announcement results from the recent passing and implementation of the Adam Walsh Child Protection and Safety Act of 2006. Signed into law on July 27, 2006, by President Bush, the Act strengthens federal laws to protect children from sexual and other violent crimes, prevent child pornography, and make the Internet safer for children. The Dru Sjodin National Sex Offender Public Web site provides real-time access to public sex offender data nationwide with a single Internet search. The Department of Justice-sponsored Web site allows parents and concerned citizens to search existing public state and territory sex offender registries beyond their own states.

"Protecting our citizens from dangerous predators is one of the top priorities of the Department of Justice," said Attorney General Alberto R. Gonzales. "I am proud that we can pay tribute to Dru Sjodin and put into action legislation that ensures critical resources will go into tracking the almost 600,000 sex offenders nationwide."

Today's announcement coincides with the addition of Puerto Rico to the Web site. The Department of Justice announced the activation of the Web site in July 2005, initially linking 22 states to the site. With today's announcement, the Web site connects all 50 states, the District of Columbia and two U.S. territories.

The Web site provides an opportunity for all states and territories to participate in an unprecedented

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public safety resource by sharing comprehensive, free-of-charge public sex offender data with citizens nationwide. With a single query, the Web site searches public state and territory sex offender registries to deliver matched results based on a name, state, county, city/town or zip code. Recent enhancements to the Web site allow for multiple zip code functions and regional searches. Users may search up to five zip codes from any state at one time and may search a multiple state area using the regional search mechanism.

The technology for the Web site is both time and cost-effective. Web services and the Department's Global Justice eXtensible Markup Language (XML) establishes a link between existing state and territory public sex offender registries. The link allows data from different hardware and software systems to be recognized and shown through the national search site.

States and territories linked to the Dru Sjodin National Sex Offender Web site are:

Alabama	Idaho	Missouri	Pennsylvania
Alaska	Iowa	Montana	Puerto Rico
Arkansas	Illinois	Nebraska	Rhode Island
Arizona	Indiana	Nevada	South Carolina
California	Kansas	New Hampshire	South Dakota
Colorado	Kentucky	New Jersey	Tennessee
Connecticut	Louisiana	New Mexico	Texas
Delaware	Maine	New York	Utah
District of Columbia	Maryland	North Carolina	Vermont
Florida	Massachusetts	North Dakota	Virginia
Georgia	Michigan	Ohio	Washington
Guam	Minnesota	Oklahoma	West Virginia
Hawaii	Mississippi	Oregon	Wisconsin
			Wyoming

The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and two offices: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Office of the Police Corps and Law Enforcement Education and the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 2:48 PM
To: USDOJ- Office of Public Affairs
Subject: AMERICAN MEDICAL RESPONSE PAYS $9 MILLION TO SETTLE CIVIL FRAUD CASE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
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TDD (202) 514-1888

AMERICAN MEDICAL RESPONSE PAYS $9 MILLION TO SETTLE CIVIL FRAUD CASE

WASHINGTON – American Medical Response Inc. (AMR), one of the nation's largest ambulance providers, has paid the United States over $9 million to resolve allegations that the company violated the False Claims Act, the Justice Department announced today. The government alleged that the ambulance company provided illegal inducements to hospitals in Texas in exchange for referrals.

The settlement relates to allegations that the Greenwood, Colo.-based company provided or offered inducements to Texas hospitals in the form of contracts known as "swapping arrangements." Such contracts gave the medical facilities discounts on transports in exchange for the referral of all or some of the ambulance transports of patients being discharged from the hospitals, which were billed to Medicare.

"Illegal inducements corrupt the integrity of the Medicare program by freezing out competitors, masking the true costs of services, and misdirecting program funds, among other things," said Assistant Attorney General Peter D. Keisler of the Civil Division. "This settlement shows our ongoing commitment to pursue allegations of fraud and abuse in the Medicare system vigorously."

The settlement arose out of *qui tam* or whistleblower lawsuits filed in 2000 and 2001 by two former AMR employees, Daniel Block and Adam Wightman. Under the False Claims Act, private individuals or firms,

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known as relators, can file suit on behalf of the government and may share in the recovery. As a result of the settlement, the two men will receive $1,620,000.

The investigation was conducted by the Civil Division of the Justice Department, the U.S. Attorney's Office for the Southern District of Texas, the Office of Inspector General for the Department of Health and Human Services, and the Federal Bureau of Investigation.

The cases are *United States ex rel. Block v. Laidlaw Medical Transport, et al.* (S.D. Tex.); and *United States ex rel. Wightman v. Laidlaw, Inc., et al*. (S.D. Tex.).

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From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 3:24 PM
To: USDOJ- Office of Public Affairs
Subject: TRUST SCHEME PROMOTER SENTENCED TO 3 YEARS IN PRISON

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV

TAX
(202) 514-2007
TDD (202) 514-1888

TRUST SCHEME PROMOTER SENTENCED TO 3 YEARS IN PRISON

Tacoma Man Participated in $8.5 Million Tax Fraud Scam

WASHINGTON — Tax fraud promoter Michael Joseph Shanahan of Everett, Washington, was sentenced today in Tacoma, Wash., to 36 months in prison, the Justice Department and Internal Revenue Service (IRS) announced. Judge Ronald B. Leighton, finding that the tax loss to the federal Treasury was more than $8.5 million, ordered Shanahan to pay that sum in restitution to the IRS.

"People who promote and facilitate tax evasion can expect to be prosecuted, convicted, and sentenced to substantial time in federal prison," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "The Department of Justice is working diligently with the Internal Revenue Service to shut down tax fraud programs that cheat all honest taxpayers."

Shanahan pleaded guilty to conspiring to defraud the United States in February 2006. He also pleaded guilty to failing to file an income tax return for 1999. Following a two-week trial, a jury convicted Shanahan's associate in the conspiracy, David Carroll Stephenson, of conspiring to defraud the United States and failing to file income tax returns for tax years 1998, 1999 and 2000. In May 2006, Stephenson was sentenced to 96 months in prison and ordered to pay $8.5 million in restitution to the IRS.

According to the indictment and evidence introduced during trial, between 1994 and 2000, Shanahan and his co-conspirator Stephenson assisted hundreds of taxpayers in forming and operating "pure equity trusts." Shanahan falsely advised customers that they could avoid paying income taxes if they placed their income and assets into the trusts, even though they continued to control the use of the income and assets placed in the trusts. According to evidence introduced at trial, Stephenson and Shanahan received more than $2 million in revenue from the sales of more than 400 of these trust packages.

"Promoting abusive trust arrangements for the purpose of committing tax evasion isn't tax planning; it's criminal activity," said Nancy Jardini, Chief, IRS Criminal Investigations. "We will continue to shut down fraudulent tax schemes and hold the promoters of these schemes accountable for their actions."

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Two months after his convictions, on April 26, 2006, Shanahan consented to a permanent injunction that forbids him from promoting the scheme. Information about the injunction can be found at http://www.usdoj.gov/tax/Shanahan_PermInj.pdf.

More information about the Justice Department's efforts against tax-scam promoters can be found at http://www.usdoj.gov/tax/taxpress2006.htm.

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Image not available for this document, ID: 0.7.10316.26034-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 4:32 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

BATON ROUGE, La. – Another Louisiana resident was sentenced in federal court today by U.S. District Court Judge Frank J. Polozola on a fraud charge related to a hurricane disaster relief program, announced U.S. Attorney David R. Dugas of the Middle District of Louisiana.

Monique C. Preston, 25, of Baton Rouge, La., pleaded guilty to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. Preston was sentenced to three years of probation, 50 hours of community service, and $2,000 in restitution. The U.S. Department of Homeland Security, Office of Inspector General and the Federal Bureau of Investigation (FBI) conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 74.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such

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as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact U.S. Attorney David R. Dugas, or Lyman Thornton, First Assistant U.S. Attorney, at 225 389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24-hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, La. 70821-4909.

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Image not available for this document, ID: 0.7.10316.26033-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 4:55 PM
To: USDOJ- Office of Public Affairs
Subject: 85-COUNT INDICTMENT CHARGES 21 GANG MEMBERS AND ASSOCIATES WITH CONSPIRACY, DRUG AND GUN CHARGES

Department of Justice

United States Attorney John C. Richter
Western District of Oklahoma

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV

CONTACT: BOB TROESTER
PHONE: (405) 553-8999
FAX: (405) 553-8888

85-COUNT INDICTMENT CHARGES 21 GANG MEMBERS AND ASSOCIATES WITH CONSPIRACY, DRUG AND GUN CHARGES

OKLAHOMA CITY – An indictment was unsealed today charging 21 gang members and associates with 85 counts involving conspiracy, gun and drug related charges, announced U.S. Attorney John C. Richter of the Western District of Oklahoma and the Oklahoma City Metropolitan Gang Task Force.

The indictment alleges that the 21 defendants were members or associates of the Walnut Gangster Crips street gang who conspired with each other and four unindicted co-conspirators to possess with intent to distribute more than 30 kilograms of cocaine, multiple kilograms of cocaine powder, and over 1,000 tablets of ecstasy. According to the indictment, one of the purposes of the membership and association with the Walnut Gangster Crips and other street gangs was to facilitate their drug trafficking activity by providing a network to distribute the drugs.

The indictment further alleges that the Walnut Gangster Crips associated themselves with several defendants who acquired the cocaine powder in Los Angeles to manufacture the crack for re-

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distribution in the Oklahoma City area. The indictment alleges that Jimm's Used Tires was used primarily as a front for the drug dealing activities of this organization and that cocaine powder and crack was stored, concealed or manufactured at 11 other locations identified in the indictment. The indictment seeks the forfeiture of various firearms, ammunition, over $15,000 in cash, and real property.

The 21 defendants named in the indictment are as follows: Arthur Cleon Draper; Marcus Basil Gilkey; Lavertise Antwion Cudjo; Lajuan Odell Carr; Esco Lajuan Thomas; Ronald Gene Owens; Donkawa Cantrell Larmouth; Erica Temisha Foy; Edwin Ellis Smith; Daquita Leeshon Knox; Deon Braxton; Trina Marie Brown; Chaz Deon Berry; Everett Lamont Carr; Deondre Shawn Cooper; Karen Denise Anderson; Konnie Fay Hester; and Elizabeth Ann Herndon, all of Oklahoma City; Edward J. Adair of Clinton, Okla.; Kristy Latrail Barker of Clinton, Okla.; and Everett Lloyd Owens of Boley, Okla. If convicted, each defendant faces no less than 10 years and up to life in federal prison.

In February of this year, Attorney General Alberto R. Gonzales unveiled his plan to combat gang violence across America expanding the successful Project Safe Neighborhoods program to include new and enhanced anti-gang efforts. Locally, on May 23 of this year, U.S. Attorney John C. Richter, Oklahoma County District Attorney Wes Lane, FBI Special Agent in Charge Sal Hernandez, ATF Special Agent in Charge Ronnie Carter, and Oklahoma City Police Department Chief Bill Citty, publicly announced the formation of the Oklahoma City Metropolitan Gang Task Force. The task force announced Project GRIND which seeks to have Gangs, Removed, Isolated Neutralized, and Dismantled from our streets and neighborhoods.

Today's indictment is the result of a joint investigation spearheaded by the FBI, Drug Enforcement Administration (DEA), and the Oklahoma City Police Department. Other key law enforcement partners in this investigation were the U.S. Marshal's Service; the Bureau of Alcohol, Tobacco, Firearms and Explosives; Oklahoma County Sheriff's Office; and the U.S. Secret Service. This case is being prosecuted by U.S. Attorney John C. Richter and Assistant U.S. Attorney Leslie Maye.

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Image not available for this document, ID: 0.7.10316.26036-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 6:21 PM
To: USDOJ- Office of Public Affairs
Subject: MILWAUKEE POLICE OFFICERS PLEAD GUILTY IN CONNECTION WITH CIVIL RIGHTS VIOLATIONS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
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CRT
(202) 514-2007
TDD (202) 514-1888

MILWAUKEE POLICE OFFICERS PLEAD GUILTY IN CONNECTION WITH CIVIL RIGHTS VIOLATIONS

WASHINGTON – Two former Milwaukee police officers today pleaded guilty to civil rights violations in relation to an assault on two men in October 2004. Former police officer Jon Clausing pleaded guilty to conspiring to violate the civil rights of Frank Jude and Lovell Harris by assaulting them. Former police officer Joseph Schabel pleaded guilty to violating the civil rights of Frank Jude by assaulting him and to an obstruction of justice charge for lying about details of the assault.

Clausing faces up to 10 years in prison and a fine of $250,000. Schabel faces up to 20 years in prison and a fine of $500,000. A sentencing date had not yet been scheduled.

In documents filed today in federal court, Clausing admitted that he and other Milwaukee police officers conspired to deprive the victims of their civil rights by subjecting them to unreasonable seizure and unreasonable force. Clausing further admitted that he and other off-duty officers participated in an assault of Jude and Harris that included cutting Harris with a knife and repeatedly punching and kicking Jude because they believed Jude and Harris might have stolen a police badge.

In the plea agreement, Schabel admitted that while on duty as a Milwaukee police officer, and responding to the scene of the Frank Jude assault, Schabel kicked Jude in the head during the altercation involving the off-duty officers and the victims. Schabel also admitted that he subsequently lied about the assault in official reports and sworn testimony.

In announcing the guilty plea, Wan J. Kim, Assistant Attorney General for the Civil Rights Division, commended the U.S. Attorney's Office, the Criminal Section of the Civil Rights Division, and the Federal Bureau of Investigation for jointly spearheading this continuing federal investigation, which included the assistance of local authorities. Steven M. Biskupic, U.S. Attorney for the Eastern District of Wisconsin, noted the significant contribution of the Milwaukee County District Attorney's Office, investigators from the Milwaukee County District Attorney's Office and the Milwaukee Police Department.

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Assistant U.S. Attorneys Mel Johnson and Carol Kraft, and Trial Attorneys Stephen Curran and Edward Caspar of the Civil Rights Division are prosecuting this case.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. Since fiscal year 2001, the Division has increased the number of official misconduct prosecutions and has convicted 30 percent more defendants for these violations than during the preceding six years.

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Image not available for this document, ID: 0.7.10316.25846-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 6:26 PM
To: USDOJ- Office of Public Affairs
Subject: THREE ARRESTED FOR THEFT OF GOVERNMENT PROPERTY IN BATON ROUGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

THREE ARRESTED FOR THEFT OF GOVERNMENT PROPERTY IN BATON ROUGE

BATON ROUGE, La. – Byron T. Basil, 29, of Plaquemine, La.; Byron W. Hardesty, 37, of Baker, La.; and Leroy Thomas, Jr., 37, of Baton Rouge, La., were arrested by federal agents yesterday on charges of theft of government property, U.S. Attorney David R. Dugas announced. A criminal complaint was signed this afternoon by U.S. District Court Magistrate Judge Stephen C. Riedlinger.

The complaint alleges that Basil and Thomas were employees of the Federal Emergency Management Agency (FEMA), and that Hardesty was a former FEMA employee. Basil and Thomas allegedly worked at the staging area of a FEMA storage site in Baton Rouge. All three defendants allegedly had access to the site and travel trailers with crated air conditioning units that were stored there. The complaint alleges that Basil, Thomas, and Hardesty were involved in a scheme involving the unauthorized taking of air conditioning units from the FEMA storage site. The men were arrested after they attempted to sell several of the air conditioning units for a fraction of their value to a special agent with the Inspector General's Office of the U.S. Department of Homeland Security who was working in an undercover capacity.

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“The arrests last night were the result of an investigation that started last week and was handled quickly and efficiently by inspectors from the Department of Homeland Security Office of Inspector General and by the East Baton Rouge Parish Sheriff's Office,” said U.S. Attorney Dugas. “We will review all of the evidence and make charging decisions in accordance with the Attorney General's zero tolerance policy for disaster related fraud.”

A complaint is merely an accusation by a law enforcement official, and the defendant is presumed innocent until and unless proven guilty at trial.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, October 05, 2006 6:30 PM
To: USDOJ- Office of Public Affairs
Subject: THREE FORMER NEW YORK ARCHDIOCESE PURCHASING OFFICIALS SENTENCED FOR FRAUD, TAX AND OBSTRUCTION OF JUSTICE CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 5, 2006
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AT
(202) 514-2007
TDD (202) 514-1888

THREE FORMER NEW YORK ARCHDIOCESE PURCHASING OFFICIALS SENTENCED FOR FRAUD, TAX AND OBSTRUCTION OF JUSTICE CHARGES

WASHINGTON — Three former purchasing representatives for the Archdiocese of New York were sentenced today in U.S. District Court in Manhattan for participating in schemes that defrauded the archdiocese of more than $2 million, the Department of Justice announced. A fourth defendant, Joseph J. DeRusso, of Florham Park, N.J., is scheduled to be sentenced in November 2006. The three individuals received prison sentences ranging from 37 months to 80 months.

Vincent J. Heintz and Nanette B. Melera, both of Briarcliff Manor, N.Y., and Michael J. O'Shaughnessey of Queens, N.Y., were sentenced by Judge William H. Pauley III for using their positions as employees and consultants at institutional Commodity Services Inc. (ICS), the purchasing arm of the archdiocese, to defraud the archdiocese from 1996 until 2004.

Heintz was sentenced to 80 months in prison. As general manager of ICS, Heintz organized a scheme to defraud the archdiocese by requiring numerous vendors to the archdiocese to pay DeRusso more than $1.2 million, ostensibly as commissions, which DeRusso secretly shared with Heintz, O'Shaughnessy and Melera. The prices charged to ICS included the amount of the commissions, which resulted in the archdiocese paying artificially inflated prices.

In addition, as part of this scheme, Heintz, O'Shaughnessy, Melera and DeRusso embezzled an additional $1 million from the archdiocese by steering orders for food for the children enrolled in the archdiocese's schools to companies they secretly owned and controlled.

Heintz and DeRusso also conspired to defraud the Internal Revenue Service (IRS) by arranging for DeRusso to receive at least $250,000 in cash from a vendor of milk and juice, which DeRusso failed to report as income. Additionally, Heintz was charged with making false statements to federal investigators, when he falsely claimed that he was not aware that DeRusso had received cash payments from any vendor.

O'Shaughnessy, the former operations manager of ICS, was sentenced to 41 months in prison for his role in the schemes. Nanette B. Melera, the former food services director of ICS, received a 37 month prison

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sentence for her role. The three were also ordered to pay a total of $2.25 million in restitution to the archdiocese of New York.

Heintz, O'Shaughnessy, Melera and DeRusso were charged in a nine-count indictment filed in U.S. District Court in Manhattan in January 2006. They pleaded guilty to the pending charges on April 5, 2006.

Today's sentences resulted from an ongoing investigation of food distributors and suppliers of other goods and services to various not-for-profit entities in the New York metropolitan area. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation and the IRS. The Archdiocese of New York cooperated with the Department's investigation.

Anyone with information concerning antitrust or fraud crimes in the food distribution industry should contact the Federal Bureau of Investigation at 212-384-2219 or the New York Office of the Antitrust Division at 212-264-0679, and anyone with information concerning tax crimes should call the IRS Criminal Investigation at 1-800-829-0433.

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 5, 2006 6:30 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 5, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

FRIDAY'S EXPECTED NEWS STORIES:

Attorney General Participates in Business Leadership Network Conference (OPA)
Today, the Attorney General announced the release of "Access for All: Five Years of Progress," a status report highlighting the Administration's successes over the last five years in enforcing the Americans with Disabilities Act (ADA), at the annual conference of the U.S. Business Leadership Network in Minneapolis. His remarks were immediately followed by a media availability.

Justice Department Files Brief in Posada Case (Civil)
The Civil Division today filed a brief in U.S. District Court in El Paso, Texas, objecting to the magistrate judge's recommendation that Luis Posada-Carriles be released from immigration custody, and requesting that the court dismiss Posada's petition for a writ of habeas corpus. Tasia Scolinos, Director of Public Affairs, issued the following statement on the filing of the brief:

- "Luis Posada-Carriles is an admitted mastermind of terrorist plots and attacks. The Department of Justice believes that Posada is a flight risk and that his release would be a danger to the community. The Department of Justice is committed to defending the Department of Homeland Security's decision to detain him under the Immigration and Nationality Act."

American Medical Response Pays $9 Million to Settle Civil Fraud Case (Civil)
American Medical Response Inc. (AMR), one of the nation's largest ambulance providers, has paid the United States over $9 million to resolve allegations that the company violated the False Claims Act, the Justice Department announced today. The government alleged that the ambulance company provided illegal inducements to hospitals in Texas in exchange for referrals.

The settlement relates to allegations that the Greenwood, Colo.-based company provided or offered inducements to Texas hospitals in the form of contracts known as "swapping arrangements." Such contracts gave the medical facilities discounts on transports in exchange for the referral of all or some of the ambulance transports of patients being discharged from the hospitals, which were billed to Medicare.

Talking Points:

- Illegal inducements corrupt the integrity of the Medicare program by freezing out competitors, masking the true costs of services, and misdirecting program funds, among other things.

- This settlement shows our ongoing commitment to pursue allegations of fraud and abuse in the Medicare system vigorously.

Milwaukee Police Officers Plead Guilty In Connection With Civil Rights Violations (Civil Rights)
Two former Milwaukee police officers today pleaded guilty to civil rights violations in relation to an assault on two men in October 2004. Former police officer Jon Clausing pleaded guilty to conspiring to violate the civil rights of Frank Jude and Lovell Harris by assaulting them. Former police officer Joseph Schabel pleaded guilty to violating the civil rights of Frank Jude by assaulting him and to an obstruction of justice charge for lying about details of the assault. Clausing faces up to 10 years in prison and a fine of $250,000. Schabel faces up to 20 years in prison and a fine of $500,000. A sentencing date had not yet been scheduled.

Federal Court Bars Louisiana Tax Preparers from Claiming Inflated Deductions on Income Tax Returns (Tax)
A federal court in New Orleans today barred Rodney G. Bourg and Cynthia M. Bourg of Houma, La, from preparing federal income tax returns claiming inflated deductions or asserting unrealistic positions, the Justice Department announced. The Bourgs consented to the injunctions. The government complaint in the case alleged that the Bourgs prepared federal income tax returns with improper deductions for customers who worked as mariners, fishermen, merchant seamen and ferry workers. The customers' returns allegedly claimed improper per diem expense deductions for meals and incidental expenses even though the customers' employers provided meals and any necessary lodging for free.

Trust Scheme Promoter Sentenced to 3 Years in Prison (Tax)
Tax fraud promoter Michael Joseph Shanahan of Everett, Washington, was sentenced today in Tacoma, Wash., to 36 months in prison, the Justice Department and Internal Revenue Service (IRS) announced. Judge Ronald B. Leighton, finding that the tax loss to the federal Treasury was more than $8.5 million, ordered Shanahan to pay that sum in restitution to the IRS.

Department Re-names Sex Offender Registry, Connects Puerto Rico to Web Site (Office of Justice Programs)
The Department of Justice today announced the designation of its National Sex Offender Public Web site as the Dru Sjodin National Sex Offender Public Web site, located at http://www.nsopr.gov. Dru Sjodin, a 22-year-old University of North Dakota student from Pequot Lakes, Minn., was kidnapped and murdered after disappearing from a Grand Forks, N.D., shopping mall parking lot in November 2003. Today's announcement results from the recent passing and implementation of the Adam Walsh Child Protection and Safety Act of 2006. It also coincides with the addition of Puerto Rico to the Web site. With today's announcement, the Web site connects all 50 states, the District of Columbia and two U.S. territories.

Three Arrested for Theft of Government Property in Baton Rouge (USAO–Middle District of Louisiana)
Byron T. Basil, of Plaquemine, La.; Byron W. Hardesty, of Baker, La.; and Leroy Thomas, Jr., of Baton Rouge, La., were arrested by federal agents yesterday on charges of theft of government property, U.S. Attorney David R. Dugas announced. A criminal complaint was signed this afternoon by U.S. District Court Magistrate Judge Stephen C. Riedlinger. The complaint alleges that Basil and Thomas were employees of the Federal Emergency Management Agency (FEMA), and that Hardesty was a former FEMA employee. Basil and Thomas allegedly worked at the staging area of a FEMA storage site in Baton Rouge. All three defendants allegedly had access to the site and travel trailers with crated air conditioning units that were stored there. The complaint alleges that Basil, Thomas, and Hardesty were involved in a scheme involving the unauthorized taking of air conditioning units from the FEMA storage site. The men were arrested after they attempted to sell several of the air conditioning units for a fraction of their value to a special agent with the Inspector General's Office of the U.S. Department of Homeland Security who was working in an undercover capacity.

Another Sentenced in Baton Rouge on Federal FEMA Fraud Charge (USAO–Middle District of Louisiana)
Another Louisiana resident was sentenced in federal court today by U.S. District Court Judge Frank J. Polozola on a fraud charge related to a hurricane disaster relief program, announced U.S. Attorney David R. Dugas of the Middle District of Louisiana. Monique C. Preston, of Baton Rouge, La., pleaded guilty to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. Preston was sentenced to three years of probation, 50 hours of community service, and $2,000 in restitution. The U.S. Department of Homeland Security, Office of Inspector General and the Federal Bureau of Investigation (FBI) conducted the investigation of this matter. The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 74.

85-Count Indictment Charges 21 Gang Members and Associates with Conspiracy, Drug and Gun Charges (USAO–Western District of Oklahoma)
An indictment was unsealed today charging 21 gang members and associates with 85 counts involving conspiracy, gun and drug related charges, announced U.S. Attorney John C. Richter of the Western District of Oklahoma and the Oklahoma City Metropolitan Gang Task Force. The indictment alleges that the 21 defendants were members or associates of the Walnut Gangster Crips street gang who conspired with each other and four unindicted co-conspirators to possess with intent to distribute more than 30 kilograms of cocaine, multiple kilograms of cocaine powder, and over 1,000 tablets of ecstasy. According to the indictment, one of the purposes of the membership and association with the Walnut Gangster Crips and other street gangs was to facilitate their drug trafficking activity by providing a network to distribute the drugs.

NBC Nightly News to Report on Anthrax Investigation (FBI)
Tonight, Pete Williams, NBC Nightly News Reporter, will report on the progress of the AMERITHRAX investigation. This will coincide with the fifth Anniversary of the first death involving victim Robert Stevens. The story reportedly will focus on the scientific aspects of the investigation, including composition of the anthrax spores and advances in forensic analysis.

Media Inquires Regarding Inspector General Report (FBI)
The FBI today received numerous inquiries regarding a 2004 report issued by the DOJ Inspector General that highlight incidences during 2001-2003 where FBI agents entered Canada without documented country clearance requests. Many of the instances outlined in the report were administrative in nature.

Talking Points

- The FBI has policies in place that require prior country clearance request and approval for entry into Canada to conduct official FBI business and investigations.

FRIDAY'S EXPECTED EVENTS/RELEASES:

3:00 P.M. EDT Attorney General Alberto R. Gonzales will participate in a Hispanic Heritage Month Commemorative Event with President Bush.
The White House
East Room
Washington, D.C.
OPEN PRESS

From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 10:00 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 6, 2006

Department of Justice

PRESS GUIDANCE
Friday, October 06, 2006

ATTORNEY GENERAL

3:00 P.M. EDT Attorney General Alberto R. Gonzales will participate in a Hispanic Heritage Month Commemorative Event with President Bush.
The White House
East Room
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the White House at (202) 456-1414.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

The Antitrust will issue a release on a bid-rigging matter. (Antitrust)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.25868-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: INTERNATIONAL TERRORISM VICTIM EXPENSE REIMBURSEMENT PROGRAM NOW ACCEPTING APPLICATIONS

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE

FRIDAY, OCTOBER 6, 2006

Office of Justice Programs
Contact: Joan LaRocca
WWW.OJP.USDOJ.GOV
202-307-0703

*********MEDIA ADVISORY*********

INTERNATIONAL TERRORISM VICTIM EXPENSE REIMBURSEMENT PROGRAM NOW ACCEPTING APPLICATIONS

WASHINGTON, D.C. – The Department of Justice's Office of Justice Programs (OJP) today will begin accepting applications for the International Terrorism Victim Expense Reimbursement Program (ITVERP). The ITVERP was created under the Victims of Trafficking and Violence Protection Act and is administered by OJP's Office for Victims of Crime. The ITVERP provides reimbursement to qualifying victims who are killed or suffer direct physical or emotional injury as a result of international terrorism occurring outside the United States on or after December 21, 1988. Eligible victims primarily include individuals who are U.S. citizens, or officers or employees, including contractors, of the U.S. Government on the date of the act of international terrorism. Categories of expenses for which victims may seek reimbursement are medical, mental health counseling, property loss, funeral and burial and miscellaneous.

WHAT: **International Terrorism Victim Expense Reimbursement Program (ITVERP)**

WHEN: **TODAY, OCTOBER 6, 2006**
Start Date for Receipt of Applications

REFERENCES: **Detailed information, including the application form and eligibility criteria, is available online at www.ovc.gov .**

OVC06066

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 4:31 PM
To: USDOJ- Office of Public Affairs
Subject: PROMOTERS SENTENCED TO PRISON FOR TAX FRAUD SCHEME

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 6, 2006
WWW.USDOJ.GOV

TAX
(202) 514-2007
TDD (202) 514-1888

PROMOTERS SENTENCED TO PRISON FOR TAX FRAUD SCHEME

WASHINGTON — A federal judge in San Diego sentenced Susan E. O'Brien, a professional tax preparer who operated The O'Brien Group, to 10 years and five months in prison. As part of the sentence, she will also serve a three-year term of supervised release and pay restitution in the amount of $113,179.

Judge M. James Lorenz also sentenced co-defendants Robert Richard Evans and William Dean Cook to prison terms of 78 and 24 months, respectively. Both Evans and Cook will each serve a three-year term of supervised release.

"Dishonest tax professionals harm the good reputation of honest ones and cheat all honest taxpayers," said Eileen J. O'Connor, Assistant Attorney General for the Department of Justice's Tax Division. "People who prepare fraudulent returns or peddle tax scams can expect to be prosecuted, convicted and sent to prison."

In July 2003, O'Brien, Evans, Cook and five others were charged in a 78-count indictment with various tax crimes related to tax years 1996-2002. According to the indictment and trial evidence, O'Brien prepared numerous income tax returns that claimed false business deductions and Evans promoted, sold and managed domestic trusts that were used by clients to conceal income and assets from the IRS.

On May 2, 2006, after an eleven-week trial, the jury convicted O'Brien, Evans and Cook of attempting to evade the taxes of a former client, Dr. Kevin Marie Scoggin, for the years 1996 through 2000. Scoggin owned and operated Grand Animal Hospital, a veterinary clinic in the San Diego area, where Cook worked as a manager during the 1990s and early 2000s. Cook and Scoggin concealed Scoggin's income and assets by using one of Evans' trusts and by holding offshore bank accounts, maintaining bank accounts in nominee names and assigning income to nominee entities.

"Honest return preparers and tax professionals assist taxpayers in filing their correct tax information with the government. Blatant disregard for the law as well as for the standards of this profession must be addressed and halted," said Nancy Jardini, Internal Revenue Service Chief, Criminal Investigation. "These sentences clearly demonstrate the IRS and Department of Justice efforts to ensure tax professionals are abiding by the law."

The jury also convicted O'Brien and Evans of conspiracy to defraud the United States and aiding and assisting in the filing of fraudulent tax returns. O'Brien also was convicted of evading the payment of tax on

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her own income. U.S. District Judge Lorenz found that the tax-evasion scheme resulted in a tax loss of more than $1 million.

Three employees and four clients of The O'Brien Group were convicted of felony tax fraud charges as part of this prosecution. These defendants pleaded guilty to tax fraud charges prior to trial and cooperated in the prosecution of O'Brien, Evans and Cook.

# # #

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Image not available for this document, ID: 0.7.10316.25675-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 5:07 PM
To: USDOJ- Office of Public Affairs
Subject: MANHATTAN TELECOMMUNICATIONS INSTALLATION COMPANY EXECUTIVE PLEADS GUILTY TO CONSPIRACY CHARGE

(PDFs of the Information and Plea Agreement are attached below.)

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 6, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

MANHATTAN TELECOMMUNICATIONS INSTALLATION COMPANY EXECUTIVE PLEADS GUILTY TO CONSPIRACY CHARGE

WASHINGTON — A Manhattan telecommunications installation company executive pleaded guilty today to charges relating to his role in a conspiracy involving kickbacks, bribery, and false statements on income tax returns for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced.

Timothy O'Leary of Wantagh, N.Y., pleaded guilty today in U.S. District Court in Manhattan to conspiring to commit commercial bribery relating to his payment of a total of approximately $154,000 in kickbacks to two Mount Sinai employees. O'Leary gave the kickbacks to Anthony Spadola and Stephen Cogliano in exchange for Mount Sinai telecommunications installation contracts. The conspiracy took place from approximately January 2001 until September 2003. O'Leary, a vice president of Broadcom Voice & Data Inc. (Broadcom), also pleaded guilty to mail fraud and to making false and fraudulent statements on U.S. income tax returns.

Three other defendants have pleaded guilty in connection with this investigation. On Sept. 26, 2006, Stephen Cogliano pleaded guilty to one count of conspiracy to rig bids and allocate contracts for the sale of telecommunications equipment and services to Mount Sinai from approximately January 2001 through October 2004. On Sept. 29, 2006, Broadcom and Anthony Spadola also pleaded guilty to participating in the same bid-rigging conspiracy. Spadola additionally pleaded guilty to one count of conspiracy to commit commercial bribery, mail fraud, and to making false and fraudulent statements on corporate U.S. income tax returns from approximately January 2001 until September 2003. He also pleaded guilty to one count of income tax evasion for failing to report as income kickbacks that he received, and for improperly claiming business deductions on his U.S. individual income tax returns for the years 2001 through 2003.

"This type of scheme deprives companies of their right to the honest services of their employees and to competitive prices," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Today's plea affirms the Department's commitment to protect competition for American businesses and consumers."

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The Mount Sinai Hospital is a 1,171-bed tertiary care teaching hospital that serves the New York metropolitan area with a medical staff of nearly 1,800. In addition to its medical education efforts, Mount Sinai's School of Medicine performs clinical and basic-science research. Both the hospital and the school jointly operate an information technology department, located within the Mount Sinai Medical Center in Manhattan, that assists various departments and facilities in creating and maintaining their telecommunications infrastructures. This assistance includes selecting and contracting with third party telecommunications vendors in order to install equipment such as voice and data cables in Mount Sinai facilities.

Spadola and Cogliano were responsible for obtaining bids from vendors of telecommunications equipment and services on behalf of Mount Sinai. They were also responsible for supervising vendors and reviewing and authorizing their invoices for payment. According to the Department, Spadola and Cogliano received payments from O'Leary and individuals associated with another telecommunications vendor in exchange for steering contracts to those companies. Spadola and Cogliano each opened a bank account under the name of a sham consulting company in April 2001 and May 2003, respectively, to conceal their receipt of illegal payments from Broadcom and the other vendor.

O'Leary's conspiracy charge carries a maximum penalty of five years in prison, three years of supervised release, and a $250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, the defendant could be ordered to pay restitution to the victim for the full amount of that victim's loss.

This charge arose from an ongoing federal antitrust investigation of bid-rigging, bribery, fraud, and tax-related offenses in the telecommunications equipment and services industry. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation (FBI) and the Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the telecommunications equipment and services industry should contact the New York Field Office of the Antitrust Division at 212-264-9308 or the New York Division of the FBI at 212-384-3252, and anyone with information concerning tax crimes should call the Internal Revenue Service Criminal Investigation at 1-800-829-0433.

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Court Exhibit #1
SAH. 10/6/06

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

TIMOTHY O'LEARY

Defendant.

: Criminal No.
: 06 CRIM. 920
: Violation: 18 U.S.C. § 371

PLEA AGREEMENT

The United States of America and the defendant, Timothy O'Leary, hereby enters into the following Plea Agreement ("Agreement") pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure.

AGREEMENT TO PLEAD GUILTY

1. Timothy O'Leary ("O'Leary") will plead guilty in the United States District Court for the Southern District of New York to a one-count Information, in the form attached, in which he is charged with one count of violating 18 U.S.C. § 371 in connection with a conspiracy to commit commercial bribery, mail fraud, and to make false and fraudulent statements in U.S. Income Tax Returns relating to the payment of money to employees or agents of Mount Sinai School of Medicine and The Mount Sinai Hospital ("Mount Sinai"), from approximately January 2001 until approximately September 2003.

2. If O'Leary fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by the Antitrust Division of the Department of Justice, and with respect to tax offenses, he will not be further prosecuted criminally by the Tax Division of the Department of Justice, for crimes committed prior to the date of this Agreement arising from the following activity, as specified in the attached Information: (a) any agreement to rig bids or allocate contracts to supply Mount Sinai with telecommunication equipment and services; (b) the payment of money to employees or agents of Mount Sinai; and (c) any illegitimate business deductions taken by Broadcom on its federal income tax returns for the tax years 2001 through 2003 relating to such payments to employees or agents of Mount Sinai. This Agreement does not provide any protection against prosecution for any crimes except as set forth above. This Paragraph does not apply to civil matters of any kind, any violations of federal securities laws, or crimes of violence.

3. It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the Antitrust Division and, to the extent set forth above, the Tax Division of the Department of Justice.

POSSIBLE MAXIMUM PENALTIES

4. O'Leary understands and agrees that, pursuant to 18 U.S.C. § 371 and 18 U.S.C. § 3571, the maximum sentence provided by law to which he is subject for his violation of 18 U.S.C. § 371, a class D felony, is (a) a term of imprisonment of not more

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than five years; (b) a fine of not more than the greater of $250,000, or the greater of twice his gross pecuniary gain from the offense or twice the victim's gross pecuniary loss from the offense, together with the cost of prosecution; or (c) both such sentences. O'Leary also understands that the Court shall impose an order of restitution, pursuant to 18 USC §§ 3663, 3663A, and 3664. The Court may also impose a term of supervised release of no more than three years, pursuant to 18 U.S.C. § 3583(b)(2) and USSG § 5D1.2(a)(2). In addition, O'Leary understands that, pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court must impose a special assessment of $100.

SENTENCING GUIDELINES

5. O'Leary understands that United States Sentencing Guidelines ("Sentencing Guidelines") are advisory, not mandatory, but that the Court must consider the Sentencing Guidelines in effect on the day of sentencing, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing a reasonable sentence. O'Leary understands that the Sentencing Guidelines determinations will be made by the Court by a preponderance of the evidence standard. O'Leary understands that although the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, its sentence must be reasonable based upon considerations of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

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6. The United States and O'Leary agree and stipulate that, pursuant to USSG § 1B1.11(a), the November 2005 version of the Sentencing Guidelines, the version in effect at the time of sentencing, should be applied.

7. The United States and O'Leary acknowledge that they cannot agree on whether O'Leary should receive an adjustment for his role in the offense, pursuant to USSG § 3B1.1. The United States contends that O'Leary should receive a three-level adjustment, pursuant to USSG § 3B1.1(b), while O'Leary contends that he should not receive any adjustment under USSG § 3B1.1. As a result, the parties cannot now agree on the offense level at which O'Leary should be sentenced, but acknowledge that the combined adjusted offense level applicable to the offenses charged in the attached Information should be either level 18 (27-33 months) or level 15 (18-24 months), depending upon whether the Court applies an adjustment pursuant to USSG § 3B1.1(b). Furthermore, the parties can agree and hereby stipulate to the following:

(a) The base level is 8, pursuant to USSG § 2B4.1;

(b) In accord with the directives of the Second Circuit in United States v. Fitzgerald, 232 F.3d 315 (2d Cir. 2000), and United States v. Petrillo, 237 F.3d 119 (2d Cir. 2000), USSG §§ 3D1.2(d) and 3D1.3(b) require that the fraud and tax losses resulting from the single offense charged be aggregated, and that the offense level for the combined fraud/tax group is the higher of the offense level determined from the

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instructions in Chapter 2, Part B (Offenses Involving Theft, Fraud Or Deceit) or Chapter 2, Part T (Offenses Involving Taxation) and all appropriate adjustments;

(c) The combined fraud and tax loss is approximately $172,854, the sum of the fraud loss (approximately $152,993 in payments made) and the tax loss (approximately $19,861 in unpaid federal and state, and city income taxes, all of which have been calculated in accordance with USSG § 2T1.1(c)(1)(A) and are based, when available, on O'Leary's actual marginal tax rates));

(d) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level calculated according to the instructions in Part B is level 18 (base level of 8, pursuant to USSG § 2B4.1(a); plus 10 levels, pursuant to § 2B1.1(b)(1)(F) (loss of more than $120,000 but less than $200,000);

(e) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, the offense level calculated according to the instructions in Part T is level 16 (offense level of 16, pursuant to USSG §§ 2T1.1(a)(1) and 2T4.1(G) (Tax Table) (loss of more than $80,000 but less than $200,000); and

(f) Before any adjustment for role in the offense, pursuant to USSG § 3B1.1, assuming O'Leary clearly demonstrates acceptance of responsibility, to the satisfaction of the government, through his allocution and subsequent conduct prior to the imposition of sentence, a 2-level reduction will be warranted, pursuant to USSG § 3E1.1(a). Furthermore, assuming the defendant has accepted responsibility as described

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in the previous sentence, an additional 1-level reduction is warranted, pursuant to USSG § 3E1.1(b), because the defendant gave timely notice of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

8. The United States and O'Leary agree and stipulate that the fine range for O'Leary for the offenses charged in the Information is from $5,000 to $50,000, pursuant to USSG § 5E1.2(c).

9. The United States further agrees that a sentence range of 27 to 33 months, based on a combined adjusted offense level of 18, (the Government's Stipulated Guidelines Range) would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). O'Leary further agrees that a sentence range of 18 to 24 months based on a combined adjusted offense level of 15, (O'Leary's Stipulated Guidelines Range) would constitute a reasonable sentence in light of all the factors set forth in Title 18, U.S.C. § 3553(a). However, either party may seek a sentence outside of the Stipulated Guidelines Range, suggest that the Probation Department consider a sentence outside of the Stipulated Guidelines Range, and suggest that the Court sua sponte consider a sentence outside of the Stipulated Guidelines Range, based on factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. § 3553(a). Further, the United States acknowledges that, pursuant to USSG § 5K2.0, O'Leary intends to move for a departure from the confinement portion of the sentence calculated in accordance

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with the above stipulations based on his family circumstances. The United States reserves the right to oppose this motion, should it decide that such a departure is not merited under the circumstances, and to respond to any factual inquiries by the Court or the Probation Office.

10. The United States and O'Leary agree that (i) O'Leary will not appeal or otherwise litigate under 28 U.S.C. § 2255 and/or 2241, any sentence within or below O'Leary's Stipulated Guidelines Range as set forth in this Agreement, and (ii) that the United States will not appeal any sentence within or above the Government's Stipulated Guidelines Range as set forth above. This provision is binding on the parties even if the Court employs a Sentencing Guidelines analysis different from that set forth in this Agreement. Furthermore, it is agreed that any appeal regarding the sentence of O'Leary that is not foreclosed by this provision will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) the above stipulations.

11. Except as provided in any written Proffer Agreement(s) that may have been entered into between the Antitrust Division and the defendant, nothing in this agreement limits the right of the parties (i) to present to the Probation Department or the Court any facts relevant to sentencing; (ii) to make any arguments regarding where within the Stipulated Guidelines Range or stipulated fine range (or such other range as the Court may determine) the defendant should be sentenced and regarding the factors to be considered in imposing a sentence pursuant to Title 18, U.S.C. Section 3553(a); (iii) to

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seek an appropriately adjusted Sentencing range if it is determined based upon new information that the defendant's criminal history category is other than Category I. Nothing in this Agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see USSG § 3E1.1, and/or imposition of an adjustment for obstruction of justice, see USSG § 3C1.1, regardless of any stipulation set forth above, should the defendant move to withdraw his guilty plea once it is entered, or should it be determined that the defendant has either (i) engaged in conduct, unknown to the United States at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) committed another crime after signing this Agreement.

12. It is understood that pursuant to Sentencing Guidelines § 6B1.4(d), neither the Probation Department nor the Court is bound by the above Sentencing Guidelines stipulations, either as to questions of fact or as to the determination of the proper Sentencing Guidelines to apply to the facts. In the event that the Probation Department or the Court contemplates any Sentencing Guidelines adjustments, departures, or calculations different from those stipulated to above, or contemplates any sentence outside of the Stipulated Guidelines Range, the parties reserve the right to answer any inquiries and to make all appropriate arguments concerning the same.

13. It is understood that the sentence to be imposed upon the defendant is determined solely by the Court. It is understood that the Sentencing Guidelines are not binding on the Court. The defendant acknowledges that his entry of a guilty plea to the

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charged offense authorizes the sentencing court to impose any sentence, up to and including the statutory maximum sentence. The United States cannot, and does not, make any promise or representation as to what sentence the defendant will receive. Moreover, it is understood that the defendant will have no right to withdraw his plea of guilty should the sentence imposed by the Court be outside the Stipulated Guidelines Range set forth above.

14. O'Leary understands that this Agreement does not in any way affect or limit the right of the United States to respond to and take positions on post-sentencing motions or requests for information that relate to reduction or modification of sentence.

15. O'Leary agrees that 60 days prior to the date of sentencing, he shall file accurate amended tax returns for the tax years 2001, 2002, and 2003, and will pay, or will enter into an agreement to pay, past taxes due and owing by himself and his spouse to the Internal Revenue Service, including interest and applicable civil fraud penalties, on such terms and conditions as will be agreed on by the Internal Revenue Service and the company. O'Leary will cooperate fully, completely, and truthfully with the IRS in determining the accuracy and completeness of all such amended returns.

16. O'Leary understands and agrees that should his conviction following his plea of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at

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sentencing pursuant to this Agreement) may be commenced or reinstated against him notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

REPRESENTATION BY COUNSEL

17. O'Leary has been represented by counsel and is fully satisfied that his attorney has provided competent legal representation. O'Leary has thoroughly reviewed this Agreement and acknowledges that counsel has advised him of the nature of the charge, any possible defenses to the charge, and the nature and range of possible sentences.

VOLUNTARY PLEA

18. O'Leary hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack hisconviction, either on direct appeal or collaterally, on the ground that the United States has failed to produce any discovery material, Jencks Act material, exculpatory material pursuant to Brady v. Maryland, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to Giglio v. United States, 405 U.S.

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150 (1972), that have not already been produced as of the date of the signing of this Agreement.

19. O'Leary 's decision to enter into this Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Agreement. The United States has made no promises or representations to O'Leary as to whether the Court will accept or reject the recommendations contained within this Agreement.

ENTIRETY OF AGREEMENT

20. This Agreement constitutes the entire agreement between the United States and O'Leary concerning the disposition of the charge contained in the attached Information. The United States has made no other promises to or agreements with O'Leary. This Agreement cannot be modified other than in a writing signed by the parties .

Dated: October 6, 2006

TIMOTHY O'LEARY

REBECCA MEIKLEJOHN

JOHN F. KALEY, ESQ.
Counsel for Timothy O'Leary

ELIZABETH B. PREWITT

Attorneys
Department of Justice, Antitrust Division
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New York, NY 10278
Phone: (212) 264-6884

DOJ_NMG_ 0169307

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----------x

UNITED STATES OF AMERICA	:	Criminal No.
	:	Filed:
v.		
	:	Violation: 18 U.S.C. § 371
TIMOTHY O'LEARY		
	:	
Defendant.		
	:	

----------x

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Timothy O'Leary ("O'Leary") is hereby made a defendant on the charge stated below

CONSPIRACY
(18 U.S.C. § 371)

I. RELEVANT PARTIES AND ENTITIES

During the period covered by this Count:

2. O'Leary was a resident of Wantagh, New York. He was a vice president of Broadcom Voice & Data, Inc. ("Broadcom"), and was primarily responsible for the management of the company.

3. Broadcom was a company located in Manhattan, New York that supplied telecommunications equipment and services to Mount Sinai School of Medicine and The Mount Sinai Hospital (collectively, "Mount Sinai"), a teaching hospital located in New York, New York.

4. "CC-1" was a co-conspirator who was employed by Mount Sinai as a Information Technology Manager in Mount Sinai's Information Technology department from August 2000 until July 2003. In July 2003, CC-1 became an employee of International Business Machines, Corp. ("IBM") but maintained the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. In April 2001, CC-1 opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from Broadcom and another vendor to Mount Sinai.

5. "CC-2" was a co-conspirator who was employed by Mount Sinai as a Network Management Professional in Mount Sinai's Information Technology department from October 2000 until July 2003. In July 2003, CC-2 became an employee of IBM but maintained the same job title and performed the same job within the same department at Mount Sinai, pursuant to a contract between IBM and Mount Sinai. His job title changed to Technical Services Professional in October 2004. In May 2003, CC-2 opened a bank account under the name of a consulting company that was primarily used to conceal his receipt of illegal payments from Broadcom and another vendor to Mount Sinai. As a Network Management Professional, and later as a Technical Services Professional, CC-2 was supervised by CC-1 but was also separately responsible for ensuring that contracts were awarded in accordance with Mount Sinai's policies and procedures and reviewing and authorizing invoices for payment.

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6. "CC-3" and "CC-4" were co-conspirators who jointly owned a company located in Great Neck, New York that supplied telecommunications equipment and services to Mount Sinai ("Vendor 2").

7. Various other persons, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

8. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

II. BACKGROUND

9. The Mount Sinai Hospital is a 1,171-bed tertiary-care teaching hospital with a medical staff of nearly 1,800, serving the New York metropolitan area. Mount Sinai School of Medicine performs clinical and basic-science research, in addition to its medical education function. Jointly, both entities operate an Information Technology department located within the Mount Sinai Medical Center on Madison Avenue.

10. Mount Sinai's Information Technology department served the various departments and facilities within Mount Sinai by assisting them in creating and maintaining their telecommunications infrastructures. This included selecting and contracting with third parties that were vendors of telecommunications equipment and

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services in order to install equipment such as voice and data cables in Mount Sinai facilities.

11. Mount Sinai maintained a written "conflict of interest" policy prohibiting employees and contractors, including CC-1 and CC-2, from accepting gifts (other than of token value) from vendors or from entering into business arrangements with vendors.

12. Mount Sinai also had a competitive bidding policy that required the Information Technology department to obtain at least three competitive bids before entering into any single contract for goods or services in excess of $10,000, and then award those contracts to the lowest responsible bidder. The purpose of the bidding policy was to ensure that the Information Technology department obtained products and services at competitive, fair market prices.

13. As the Information Technology Manager, CC-1 was responsible for obtaining bids from vendors of telecommunications equipment and services before contracts were awarded in accordance with Mount Sinai's policies and procedures. In addition, CC-1 was responsible for supervising these vendors and reviewing and authorizing their invoices for payment. As a manager, CC-1 sometimes delegated these tasks to individuals he supervised, including CC-2.

14. Broadcom, CC-1, CC-2 and co-conspirators attempted to create the appearance that the Information Technology department was awarding contracts in compliance with Mount Sinai's competitive bidding policy when, in fact, it frequently was not. In actuality, CC-1 determined in advance which contracts to allocate to Broadcom or

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Vendor 2, and then, in order to make it appear that contracts had been awarded based on competitive bids, CC-1 and CC-2 at times arranged to receive bids with intentionally high prices (i.e., cover bids) from either Broadcom or Vendor 2. CC-1 and CC-2 sometimes specified what prices should be quoted on these cover bids, and that the bids be backdated. On other occasions, CC-1 and CC-2 allocated contracts without obtaining multiple bids or irrespective of whether the vendor to which the contract was allocated was the lowest responsible bidder. At the time, CC-1 and CC-2 were receiving payments from Broadcom and Vendor 2.

15. At no time did O'Leary or his co-conspirators disclose to Mount Sinai CC-1's or CC-2's receipt of the payments that O'Leary caused Broadcom to make to these individuals. The payments were made to CC-1 and CC-2 without the knowledge or approval of Mount Sinai and were in violation of CC-1's and CC-2's duty of loyalty to Mount Sinai.

III. DESCRIPTION OF THE OFFENSE

16. From approximately January 2001 until approximately September 2003, the exact dates being unknown to the United States, in the Southern District of New York and elsewhere, O'Leary, CC-1, CC-2, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States or an agency thereof, namely the Internal Revenue Service, and to commit offenses against the United States of America, to wit, to violate Title 18,

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United States Code, Sections 1952(a)(3)(A), 1341, and 1346, and Title 26, United States Code, Section 7206(1), in violation of Title 18, United States Code, Section 371.

17. It was a part and object of the conspiracy that O'Leary, CC-1, CC-2, and others known and unknown, unlawfully, willfully, and knowingly would and did travel in interstate commerce and use the mails and facilities in interstate commerce, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of unlawful activity, specifically, commercial bribery in violation of New York State Penal Law Sections 180.00, 180.03, 180.05, and 180.08, and, thereafter, would and did perform and attempt to perform an act to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, in violation of Title 18, United States Code, Section 1952(a)(3)(A).

18. It was further a part and an object of the conspiracy that O'Leary CC-1, CC-2, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud Mount Sinai, including a scheme to deprive Mount Sinai of its intangible right of honest services of its employees and agents, and for obtaining money and property from Mount Sinai by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice to defraud, and attempting to do so, would and did place in post offices and authorized depositories for mail matter, and would and did deposit, and cause to be deposited, matters and things to be sent and delivered by the Postal Service and by

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private and commercial interstate carriers, and would and did take and receive such matters and things therefrom, and would and did cause such matters and things to be delivered by mail and by such carriers according to the directions thereon, and at the places at which they were directed to be delivered by the persons to whom they were addressed, in violation of Title 18, United States Code, Sections 1341 and 1346.

19. It was further a part and object of the conspiracy that O'Leary, CC-1, CC-2, and others known and unknown, did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree to defraud the United States of America and the Internal Revenue Service ("IRS") by impeding, impairing, defeating, and obstructing the lawful governmental functions of the IRS in the ascertainment, evaluation, assessment, and collection of federal income taxes, and to commit offenses against the United States, to wit, to make and subscribe U.S. Corporate Income Tax Returns, which income tax returns were not true and correct as to every material matter, in violation of Title 26, United States Code, Section 7206(1).

IV. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

20. During all or some of the period from approximately January 2001 until September 2003, O'Leary caused Broadcom to make payments totaling approximately $152,993 to CC-1 and CC-2. O'Leary caused Broadcom to make these payments in order

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to ensure that CC-1 and CC-2 would allocate to Broadcom a portion of Mount Sinai's total purchases of telecommunications equipment and services, and that they would not seek alternative vendors of telecommunications equipment and services for these contracts. By making the payments, Broadcom was able to maintain non-competitive prices because it did not face open and honest competition from other vendors. Also, O'Leary and CC-1 and CC-2 fraudulently inflated Broadcom invoices and caused Mount Sinai to pay Broadcom for those fraudulently inflated invoices. As a result, Mount Sinai was deprived of its right to the honest services of CC-1 and CC-2 and paid higher prices for the telecommunications equipment and services it purchased than it would have if CC-1 and CC-2 had aggressively and honestly solicited competitive prices from other vendors, and had not approved fraudulently inflated invoices for payment.

21. The amounts of the payments to CC-1 were typically calculated as a percentage of sales made by Broadcom to Mount Sinai. The Broadcom checks to CC-1 totaled $137,993 and were made payable to CC-1's consulting company.

22. On approximately October 6, 2003, O'Leary caused Broadcom to issue a $15,000 check to CC-2's consulting company. The $15,000 payment to CC-2 was for CC-2's efforts in allocating work to Broadcom and for CC-2's role in causing Mount Sinai to pay inflated Broadcom invoices.

23. O'Leary arranged for Broadcom to receive fraudulent invoices from CC-1's consulting company purporting to charge Broadcom for legitimate consulting services in the amounts of the kickback payments. O'Leary caused Broadcom to use those fraudulent

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invoices to justify deducting the amounts of the kickback payments as legitimate business expenses on its corporate income tax returns.

V. OVERT ACTS

24. In furtherance of the conspiracy and to effect the illegal objects thereof, the defendant, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

(a) On numerous occasions between approximately January 2001 and September 2003, pursuant to the conspiracy charged, O'Leary and his co-conspirators caused Mount Sinai to issue purchase orders, and caused Broadcom to issue invoices, relating to the sale of telecommunications equipment and services to Mount Sinai. Some of these invoices and purchase orders were sent through the United States mails. Many of these invoices were sent from Broadcom to Mount Sinai's offices in Manhattan and many these purchase orders were sent from Mount Sinai's offices Manhattan to Broadcom;

(b) On numerous occasions between approximately January 2001 and September 2003, pursuant to the charged conspiracy, O'Leary and his co-conspirators caused Mount Sinai to issue checks in payment of these invoices to Broadcom. Some of these invoices and checks were sent through the United States mails; and

(c) On numerous occasions between approximately January 2001 and September 2003, pursuant to the conspiracy charged, CC-1 generated fraudulent invoices from his company

DOJ_NMG_ 0169316

purporting to charge Broadcom for legitimate consulting services in the amounts of the kickback payments and gave those invoices to Broadcom.

Dated:

THOMAS O. BARNETT
Assistant Attorney General

SCOTT D. HAMMOND
Deputy Assistant Attorney General

MARC SIEGEL
Director of Criminal Enforcement

Antitrust Division
U.S. Department of Justice

RALPH T. GIORDANO
Chief, New York Office

REBECCA MEIKLEJOHN

ELIZABETH B. PREWITT

Attorneys, Antitrust Division
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26 Federal Plaza, Room 3630
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(212) 264-0654

MICHAEL J. GARCIA
United States Attorney
Southern District of New York

DOJ_NMG_ 0169317

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Image not available for this document, ID: 0.7.10316.26198-000004

From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 5:08 PM
To: USDOJ- Office of Public Affairs
Subject: BELLEVILLE WOMAN PLEADS GUILTY TO HURRICANE KATRINA FRAUD, AGGRAVATED IDENTITY THEFT AND PUBLIC BENEFIT FRAUDS

Department of Justice

United States Attorney Randy G. Massey
Southern District of Illinois

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 6, 2006
WWW.USDOJ.GOV/USAO/ILS

CONTACT: RANDY MASSEY
PHONE: (618) 628-3700
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BELLEVILLE WOMAN PLEADS GUILTY TO HURRICANE KATRINA FRAUD, AGGRAVATED IDENTITY THEFT AND PUBLIC BENEFIT FRAUDS

FAIRVIEW HEIGHTS, Ill. – Tina Marie Winston, a.k.a. Tina Marie Gilmore, 34, of Belleville, Ill., today entered a plea of guilty to four counts of mail fraud, three counts of making false statements, two counts of concealment of material information from the Social Security Administration, and single counts of misuse of a Social Security number and aggravated identity theft, announced Acting United States Attorney Randy G. Massey of the Southern District of Illinois. The convictions related to Winston's commission of Hurricane Katrina fraud and other public benefit frauds.

At the time of her plea, Winston admitted that in September 2005, she filed an Internet application for Hurricane Katrina disaster assistance using a false Social Security number. Winston falsely represented to the Federal Emergency Management Agency (FEMA) that her home in New Orleans was damaged, that she suffered loss of personal property, that she had lost two children in the disaster, and that she needed money to pay for the memorial service.

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FEMA sent Winston $4,358 as a result of the scheme, though Winston had asked FEMA for additional compensation for losses which she did not sustain, including personal property loss in the amount of $10,075 and dental expenses in the amount of $2,530.

In October 2005, Winston applied for Disaster Unemployment Assistance (DUA), a program funded by FEMA. In her application, Winston falsely stated that Hurricane Katrina had caused her to lose her job. She falsely stated that she had no other financial resources and that she was not receiving Social Security benefits. Winston's application was approved and she was sent an electronic debit card, which she used to obtain $1,321 worth of purchases. FEMA cut the card off when Winston exceeded the spending limit.

Winston also admitted to defrauding the Social Security Administration from May 1994 until June 2006, by failing to report her marriage and income, resulting in an overpayment in excess of $13,000. Additionally, Winston admitted to lying on an application for food stamps and Medicaid filed in July 2004 by failing to disclose her marriage, resulting in an overpayment of almost $5,000 and to making false statements in an attempt to obtain Section 8 housing valued at $6,758 by falsely identifying her husband as her cousin and lying about their income.

Sentencing is scheduled for Jan. 12, 2007. Winston has been held without bond since her arrest on June 22, 2006.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud, and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

Information for the Winston indictment was obtained in an investigation conducted by the U.S. Postal Inspection Service; the U.S. Department of Labor's Office of Inspector General; the Social Security Administration's Office of Inspector General; the U.S. Department of Agriculture's Office of Inspector General; the U.S. Department of Housing and Urban Development's Office of Inspector General; the U.S. Department of Health and Human Services' Office of Inspector General; the State

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of Illinois Healthcare and Family Services' Office of Inspector General – Bureau of Investigations; the U.S. Department of Homeland Security's Office of Inspector General; and the Illinois State Police Medicaid Fraud Bureau.

The case was prosecuted by Assistant U.S. Attorney Suzanne M. Garrison.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the Department of Homeland Security-Office of the Inspector General Fraud Hotline at 1-866-720-5721, or the FBI Fraud Hotline at 1-800-225-5324.

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Image not available for this document, ID: 0.7.10316.25621-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 5:32 PM
To: USDOJ- Office of Public Affairs
Subject: ROMANIAN NATIONALS INDICTED FOR RUNNING INTERNET SCAM THAT PURPORTED TO BENEFIT HURRICANE KATRINA VICTIMS

Department of Justice

United States Attorney Debra W. Yang
Central District of California

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 6, 2006
WWW.USDOJ.GOV/USAO/CAC

CONTACT: THOM MROZEK
PHONE: (213) 894-6947
FAX: (213) 894-5377

ROMANIAN NATIONALS INDICTED FOR RUNNING INTERNET SCAM THAT PURPORTED TO BENEFIT HURRICANE KATRINA VICTIMS

LOS ANGELES — Two Romanian nationals were indicted today on charges of wire fraud and identity fraud related to a $150,000 Internet scheme that duped victims into believing they were providing assistance to Hurricane Katrina relief organizations.

Teodor Manolache, 29, and Leontin Salageanu, 26, of Northridge, Calif., were named in a 10-count indictment returned today by a federal grand jury in Los Angeles. Salageanu, who was arrested on a criminal complaint on Sept. 19, 2006 and subsequently released on bond, is scheduled to be arraigned on the indictment on Oct. 16, 2006. An arrest warrant has been issued for Manolache, who previously resided in Northridge and may now be in the Miami area.

The indictment alleges that Manolache, Salageanu and others were involved in an Internet scam that defrauded victims across the United States by holding bogus auctions on eBay, Yahoo! Auctions and Autotrader.com. The conspirators posted items for sale that were never intended to be sold, then collected money from the "successful" bidders. The victims were instructed by the online sellers to send their payment by Western Union to circumvent online payment systems. Manolache and Salageanu then went to Western Union locations in the Los Angeles area and, using false identification, collected the victims' money. None of the victims received the items they had purchased.

As part of the scheme, the online sellers often masqueraded as Hurricane Katrina relief organizations.

Between October 2005 and February 2006, the Internet Crime Complaint Center referred to the FBI 56 incidents of Internet fraud in which victim buyers were deceived and defrauded by sellers purporting to be collecting money for Hurricane Katrina victim relief. These fraudulent auctions resulted in losses of more than $150,000. One victim who bid on a motorcycle in an online auction received an email stating: "This is a charity auction in aid of people from New Orleans, which as you well know has been terribly devastated by hurricane

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Katrina. The auction is managed by AMRF Relief Foundation together with Yahoo! Auctions. Thanks to your outpouring of support, a greater humanitarian disaster will be averted."

The 10-count indictment charges Manolache and Salageanu with conspiracy to commit wire fraud and identity fraud. Manolache is also charged with four counts of wire fraud and one count of identity fraud, and Salageanu is charged with three counts of wire fraud and one count of identity fraud. Both defendants are charged with one count of social security fraud stemming from Manolache's use of Salageanu's Social Security number when Manolache applied for work at Prego Restaurant in Beverly Hills. If convicted, the statutory maximum sentences that can be imposed is five years for the conspiracy count, 20 years for each wire fraud count, 10 years for each identity fraud count, and five years for the social security fraud count.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty in court.

This case is the result of an investigation by the Federal Bureau of Investigation.

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 06, 2006 8:03 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 9 – OCTOBER 13, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, OCTOBER 6, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 9 – OCTOBER 13, 2006

Monday, October 9

Columbus Day Holiday

Tuesday, October 10

Attorney General Alberto R. Gonzales will participate in the following events as part of the President's Conference on School Safety.
National 4-H Youth Conference Center
7100 Connecticut Avenue
Chevy Chase, Maryland
OPEN PRESS

8:40 A.M. EDT The Attorney General will moderate *Panel I: Preventing Violence in Schools*

1:15 P.M. EDT The Attorney General will participate in the closing discussion with President George W. Bush and Secretary of Education Margaret Spellings titled *Working Together to Make Our Schools Safe*.

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486, or to the Office of Public Affairs at 202-514-2007.

Wednesday, October 11

TIME TBD Diane Stuart, Director of the Office of Violence Against Women, will participate in the opening of the Tampa Family Justice Center.

DOJ_NMG_ 0169329

9309 North Florida Avenue
Suite 109
Tampa, Florida
OPEN PRESS

Press inquiries regarding logistics should be directed to Cynthia Magnuson at 202-514-2007.

Thursday, October 12

12:00 P.M. EDT Solicitor General Paul Clement will deliver remarks before the Atlanta chapter of The Federalist Society regarding the Supreme Court Preview for the 2006 October Term.
Alston & Bird
1180 West Peachtree,
Dining Room (2nd Floor)
Atlanta, Georgia
OPEN PRESS

Press inquiries regarding logistics should be directed to [redacted] of the Federalist Society at [redacted], or to Janet Potter at 202-514-2201.

Friday, October 13

Events TBD

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Friday, October 6, 2006 9:04 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 6, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TUESDAY'S EXPECTED NEWS STORIES:

Media Continues to Inquire on Foley Matter (OPA)
The Office of Public Affairs continued to receive media inquiries today regarding the investigation of former Congressman Mark Foley.

Manhattan Telecommunications Installation Company Executive Pleads Guilty To Conspiracy Charge (Antitrust)
A Manhattan telecommunications installation company executive pleaded guilty today to charges relating to his role in a conspiracy involving kickbacks, bribery, and false statements on income tax returns for the supply of telecommunications equipment and services to Mount Sinai School of Medicine and the Mount Sinai Hospital (Mount Sinai), the Department of Justice announced. Timothy O'Leary of Wantagh, N.Y., pleaded guilty today in U.S. District Court in Manhattan to conspiring to commit commercial bribery relating to his payment of a total of approximately $154,000 in kickbacks to two Mount Sinai employees. O'Leary gave the kickbacks to Anthony Spadola and Stephen Cogliano in exchange for Mount Sinai telecommunications installation contracts. The conspiracy took place from approximately January 2001 until September 2003. O'Leary, a vice president of Broadcom Voice & Data Inc. (Broadcom), also pleaded guilty to mail fraud and to making false and fraudulent statements on U.S. income tax returns.

Talking Points:

- This type of scheme deprives companies of their right to the honest services of their employees and to competitive prices.

- Today's plea affirms the Department's commitment to protect competition for American businesses and consumers.

Promoters Sentenced to Prison for Tax Fraud Scheme (Tax)
A federal judge in San Diego sentenced Susan E. O'Brien, a professional tax preparer who operated The O'Brien Group, to 10 years and five months in prison. As part of the sentence, she will also serve a three-year term of supervised release and pay restitution in the amount of $113,179. Judge M. James Lorenz also sentenced co-defendants Robert Richard Evans and

William Dean Cook to prison terms of 78 and 24 months, respectively. Both Evans and Cook will each serve a three-year term of supervised release.

International Terrorism Victim Expense Reimbursement Program Now Accepting Applications (Office of Justice Programs)
The Department of Justice's Office of Justice Programs (OJP) today will begin accepting applications for the International Terrorism Victim Expense Reimbursement Program (ITVERP). The ITVERP was created under the Victims of Trafficking and Violence Protection Act and is administered by OJP's Office for Victims of Crime. The ITVERP provides reimbursement to qualifying victims who are killed or suffer direct physical or emotional injury as a result of international terrorism occurring outside the United States on or after December 21, 1988.

Illinois Woman Pleads Guilty To Hurricane Katrina Fraud, Aggravated Identity Theft and Public Benefit Frauds (USAO–Southern District of Illinois)
Tina Marie Winston, a.k.a. Tina Marie Gilmore, of Belleville, Ill., today entered a plea of guilty to four counts of mail fraud, three counts of making false statements, two counts of concealment of material information from the Social Security Administration, and single counts of misuse of a Social Security number and aggravated identity theft, announced Acting United States Attorney Randy G. Massey of the Southern District of Illinois. The convictions related to Winston's commission of Hurricane Katrina fraud and other public benefit frauds. At the time of her plea, Winston admitted that in September 2005, she filed an Internet application for Hurricane Katrina disaster assistance using a false Social Security number. Winston falsely represented to the Federal Emergency Management Agency (FEMA) that her home in New Orleans was damaged, that she suffered loss of personal property, that she had lost two children in the disaster, and that she needed money to pay for the memorial service.

ATF Investigation Results in 15-1/2-year Sentence for Armed Career Criminal (ATF)
Leighwyn McClendon, of West Palm Beach, was sentenced today to 188 months in federal prison followed by five years of supervised release by a U.S. District Judge in West Palm Beach, Fla. The sentence stems from the January 2006 arrest of McClendon by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and West Palm Beach Police for being a convicted felon in possession of a firearm, ammunition, and narcotics. McClendon, a local street gang member, received the lengthy sentence because his seven prior felony convictions qualified him for enhanced sentencing under the Federal Armed Career Criminal Statute. McClendon's prior felony convictions include one for aggravated assault with a firearm and possession of a firearm by a convicted felon; two for possession of cocaine with intent to sell; two for sale of cocaine; one for possession of cocaine; and one for sale of marijuana.

ATF Defendant Convicted on Federal Firearms Charges (ATF)
A U.S. District Court jury in Orlando, Fla., convicted Robert Tim Martin today on two counts of possession of a firearm by a convicted felon. Martin was arrested January 27 when he returned to an Orange County firearms dealer to repair a second handgun; he had brought in a semiautomatic handgun for repair two days earlier. Sales clerks at the gun dealer noticed he was wearing an electronic ankle monitor and called police. The case was investigated by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Orange County Sheriff's Office, the U.S. Attorney for the Middle District of Florida and the State Attorney's Office for the Ninth Judicial Circuit as

part of Project Safe Neighborhoods. Martin, whose sentencing is scheduled for Jan. 3, faces a minimum mandatory prison term prison of 15 years up to life, a $250,000 fine, supervised release of not more than five years, and $100 special assessment.

Romanian Nationals Indicted for Running Internet Scam that Purported to Benefit Hurricane Katrina Victims (USAO–Middle District of California)
Two Romanian nationals were indicted today on charges of wire fraud and identity fraud related to a $150,000 Internet scheme that duped victims into believing they were providing assistance to Hurricane Katrina relief organizations. Teodor Manolache and Leontin Salageanu, of Northridge, Calif., were named in a 10-count indictment returned today by a federal grand jury in Los Angeles. Salageanu, who was arrested on a criminal complaint on Sept. 19, 2006 and subsequently released on bond, is scheduled to be arraigned on the indictment on Oct. 16, 2006. An arrest warrant has been issued for Manolache, who previously resided in Northridge and may now be in the Miami area.

FBI Supervisory Special Agent Interviewed on Federal News Radio (FBI)
Today, Mary Ellen O'Toole, a Supervisory Special Agent in Behavioral Analysis Unit, was interviewed on Federal News Radio during *Federal Drive* regarding school violence.

***60 Minutes* to Air Segment on the Terrorist Screening Center (FBI)**
On Sunday, October 8, the CBS news magazine *60 Minutes* will air a segment regarding the Terrorist Screening Center and the No-Fly List.

Media Publications to Public Stories on Five-Year Anniversary of 9/11 (FBI)
On Tuesday, October 10, *The New York Times* and the PBS news magazine *Frontline* are expected to run companion stories regarding whether America is safer five years after the attacks on Sept. 11, 2001. The pieces may include an analysis of terrorism cases such as Lodi, as well as an evaluation of the FBI's transformation. Deputy Attorney General Paul J. McNulty participated in an interview with *Frontline* in preparation for the piece.

TUESDAY'S EXPECTED EVENTS/RELEASES:

Attorney General Alberto R. Gonzales will participate in the following events as part of the President's Conference on School Safety.
National 4-H Youth Conference Center
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Chevy Chase, Maryland
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Amber.JMD

From: Amber.JMD
Sent: Saturday, October 7, 2006 10:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Dierks, AR

From: AmberAlert-DOJ
Sent: Saturday, October 07, 2006 10:01:01 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Dierks, AR
Auto forwarded by a Rule

AMBER ALERT: [redacted]

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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2362

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, October 09, 2006 12:00 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN THE PRESIDENT'S CONFERENCE ON SCHOOL SAFETY

Department of Justice

FOR PLANNING PURPOSE ONLY
MONDAY, OCTOBER 9, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN THE PRESIDENT'S CONFERENCE ON SCHOOL SAFETY

WASHINGTON – Attorney General Alberto R. Gonzales and other government officials will participate in the President's Conference on School Safety beginning **TUESDAY, OCTOBER 10, 2006 at 8:40 A.M. EDT.**

PANEL I: PREVENTING VIOLENCE IN SCHOOLS

WHO: Attorney General Alberto R. Gonzales

WHEN: **8:40 A.M. EDT**
TUESDAY, OCTOBER 10, 2006

WHERE: National 4-H Youth Conference Center
7100 Connecticut Avenue
Chevy Chase, Maryland
OPEN PRESS

NOTE: **For ALL sessions, media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486, or the Office of Public Affairs at 202-514-2007.

PANEL II: PREPARED SCHOOLS AND COMMUNITIES ARE SAFER

WHO: Secretary of Education Margaret Spellings

DOJ_NMG_ 0169338

WHEN: **9:50 A.M. EDT**
TUESDAY, OCTOBER 10, 2006

PANEL III: HELPING COMMUNITIES HEAL & RECOVER

WHO: Secretary of Education Margaret Spellings

WHEN: **12:00 P.M. EDT**
TUESDAY, OCTOBER 10, 2006

CLOSING DISCUSSION: WORKING TOGETHER TO MAKE OUR SCHOOLS SAFE

WHO: President George W. Bush
Attorney General Alberto R. Gonzales
Secretary of Education Margaret Spellings

WHEN: **1:15 P.M. EDT**
TUSDAY, OCTOBER 10, 2006

06-687 .

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DOJ_NMG_ 0169339

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Image not available for this document, ID: 0.7.10316.25546-000002

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, October 10, 2006 8:40 AM
To:	USDOJ- Office of Public Affairs
Subject:	SCHOOL SAFETY RESOURCES FOR PARENTS, SCHOOLS, LAW ENFORCEMENT OFFICIALS, AND COMMUNITIES
Importance:	Low

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release
October 10, 2006

School Safety Resources For Parents, Schools, Law Enforcement Officials, And Communities

To Further The Goals Of The Conference On School Safety, The Following Lists Some Existing Resources For Parents, Schools, Law Enforcement Officials, And Communities. These resources deal with helping schools and communities prepare for and prevent school violence, and cope with and respond to instances of violence. The list also includes statistics and research on school safety.

Prevention And Preparedness

Promising Practices In School Emergency Management. Examples of emergency response plans implemented by school districts and States can be accessed online:

* Fairfax County Public Schools (Fairfax, VA)

http://www.fcps.edu/emergencyplan/ <http://www.fcps.edu/emergencyplan/>

* Montgomery County Public Schools (Rockville, MD)

http://www.mcps.k12.md.us/info/emergency/
<http://www.mcps.k12.md.us/info/emergency/>

* North Carolina's Critical Incident Response Kit Project

http://www.ncdjjdp.org/cpsv/cirk/cirk.htm
<http://www.ncdjjdp.org/cpsv/cirk/cirk.htm>

U.S. Department Of Education's Office Of Safe And Drug-Free Schools (OSDFS) Emergency Planning Website. This site offers a list of crisis training resources, including information about the Emergency Response and Crisis Management Plan discretionary grant program and valuable resources for addressing all phases of crisis planning. It can be accessed at: http://www.ed.gov/emergencyplan.

U.S. Department Of Justice's Office Of Justice Programs (OJP) Safer Schools Website. This site offers a list of prevention and response programs and training resources, including information about discretionary grant programs and other valuable resources for addressing all aspects of school safety. It can be accessed at:
http://www.ojp.usdoj.gov/topics/saferschools.htm
<http://www.ojp.usdoj.gov/topics/saferschools.htm> .

The Final Report And Findings Of The Safe School Initiative:
Implications For The Prevention Of School Attacks In The United States.
Following the attack at Columbine High School, the U.S. Secret Service and the U.S. Department of Education launched the Safe School Initiative, an extensive examination of 37 incidents of targeted school shootings and school attacks that have occurred in the U.S. The Safe School Initiative's final report details how the two agencies studied school-based attacks and what they found. It is available at:
http://www.ed.gov/admins/lead/safety/emergencyplan/index.html.

Threat Assessment In Schools: A Guide To Managing Threatening Situations And To Creating Safe School Climates. The companion to the Safe School Initiative's final report, this guide sets forth a process for identifying, assessing, and managing students who may pose a threat of targeted violence in schools. It is intended for use by school personnel, law enforcement officials, and others with protective responsibilities in our Nation's schools. The guide is available at:
http://www.ed.gov/admins/lead/safety/emergencyplan/index.html.

Office Of Community Oriented Policing Services (COPS) School Safety Package. The COPS School Safety Package addresses issues such as developing a successful school safety program and emergency response plan; assessing and reducing gang activity in your community; effective responses to

reducing bullying in schools; responding to bomb threats against schools; community based approaches to reducing underage drinking; dealing with disorderly youth who congregate in public places; preventing school vandalism and break ins; and gun violence among youth.
More information is available at:
http://www.cops.usdoj.gov/Default.asp?Item=140.

Practical Information On Crisis Planning: A Guide For Communities And Schools. The U.S. Department of Education has developed this guide to provide schools and their communities with a general introduction to crisis management as it applies to schools and basic guidelines for developing school crisis management plans. The guide is available at:
http://www.ed.gov/admins/lead/safety/emergencyplan/crisisplanning.pdf.

Emergency Response And Crisis Management Grants. The purpose of the U.S. Department of Education's Emergency Response and Crisis Management discretionary grant program is to provide funds for Local Education Agencies (LEAs) to improve and strengthen their emergency response plans. Information is available at:
http://www.ed.gov/programs/dvpemergencyresponse/index.html.

Emergency Response And Crisis Management Technical Assistance (TA) Center Website. The ERCM TA Center's primary goal is to support schools and school districts in crisis management, including the development and implementation of comprehensive emergency and crisis response plans.
The website offers resources such as guidance documents, web-based training sessions, updated information on the Department of Education's ERCM discretionary grant program, and newsletters addressing key issues.
The site can be accessed at www.ercm.org <http://www.ercm.org/> .

Gang Resistance Education And Training (G.R.E.A.T.). The G.R.E.A.T.
Program, sponsored by DOJ's Bureau of Justice Assistance, is a school-based, law enforcement officer-instructed classroom curriculum.
The program's primary objective is prevention, and it is intended as an immunization against delinquency, youth violence, and gang membership.
Five regional training centers provide training to sworn law enforcement officers to teach the G.R.E.A.T. curriculum in elementary and middle schools across the country. More information is available at:
http://www.great-online.org/.

American Red Cross Masters Of Disaster Curriculum. The Masters of Disaster Curriculum Kit contains ready-to-go lesson plans, activities, and demonstrations on disaster-related topics that teachers can incorporate within core subject areas. While strengthening students' core academic skills in science, math, social studies, and language arts, the Masters of Disaster curriculum educates them about

hazards that cause injury, death, and damage in the United States. The kit is available at: http://www.redcross.org/disaster/masters/.

The School Shooter: A Threat Assessment Perspective. Published by the FBI, this resource presents a systematic procedure for threat assessment and intervention designed to be used by educators, mental health professionals, and law enforcement agencies. It is available at: http://www.fbi.gov/publications/school/school2.pdf.

Bomb Threat Response: An Interactive Planning Tool For Schools. The Bomb Threat CD-ROM is a free interactive planning tool for schools that includes staff training presentations and implementation resources. It focuses on providing a flexible process that will work for any school while ensuring that each school creates an effective plan tailored to its situation. The CD-ROM can be requested at: http://www.threatplan.org <http://www.threatplan.org/> .

Conflict Resolution For School Personnel: An Interactive School Training Tool. This interactive CD-ROM from the U.S. Department of Justice's National Institute of Justice is intended to aid school personnel in their responses to potentially violent situations. Five modules - anger, threats, attacks with weapons, suicide, and weapons on campus - are broken down into 12 didactic tutorials and 14 interactive scenarios.
The CD-ROM can be ordered at:
http://puborder.ncjrs.org/Content/search.asp.

School Crime Operations Package (School COP). The School Crime Operations Package (School COP) is a free software application for entering, analyzing, and mapping incidents that occur in and around schools. It enables a school or school district to enter, analyze, and map incidents, including school rule violations and crimes that occur in and around schools. School COP can include incident data from a single school or a school district. The software is available at:
http://www.schoolcopsoftware.com/.

COPS Secure Our Schools (SOS) Initiative. The Secure Our Schools (SOS) Initiative, administered by the Department of Justice's Community Oriented Policing Services (COPS), addresses a variety of existing and emerging problems relating to school security. SOS grants help cover the cost of security measures such as the placement and use of metal detectors, locks, lighting, and other deterrent measures; security assessments; security training for students and personnel; coordination with local law enforcement; and other measures that could significantly increase the school's security. More information may be accessed at:
http://www.ojp.usdoj.gov/topics/saferschools.htm.

COPS Safe Schools Initiative (SSI). SSI grants help State and local agencies with delinquency

prevention, community planning and development, school safety resources, and technology development.
Funding is aimed at preventing violence in public schools and supporting the assignment of officers to work in collaboration with schools and community-based organizations to address the threat of terrorism, crime, disorder, gangs, and drug activities. More information may be accessed at: http://www.ojp.usdoj.gov/topics/saferschools.htm.

National Institute Of Justice (NIJ) School Safety Technology Development. NIJ, an agency of the U.S. Department of Justice, develops technology to support school resource officers and critical incident response through its School Safety Technology portfolio. NIJ provides technology assistance and guide publications to schools to help them assess response plans, proactively improve security, and procure appropriate technologies. More information is available at: http://www.ojp.usdoj.gov/nij/topics/schools/technology.htm#needsassessme
nt.

Advanced Law Enforcement Rapid Response Training. ALERRT is designed to teach patrol officers to safely and effectively respond to, address, and stop an active shooter. ALERRT was developed in response to situations such as the Columbine High School shooting and teaches officers in active shooter versus barricade/hostage situations, tactical team movements, low light techniques, building approaches, and related tactics. More information on this program is available at: http://www.alerrt.com/.

Helping America's Youth Initiative. Helping America's Youth is a nationwide effort to raise awareness about the challenges facing our youth, particularly at-risk boys, and to motivate caring adults to connect with youth in three key areas: family, school, and community.
The Community Guide to Helping America's Youth is an on-line resource to help communities assess their needs and resources and link them to effective programs to help youth in their neighborhoods and towns. The online tool helps determine what works best in order to make positive differences in children's lives. For more information on the online tool and how caring adults can get involved in helping young people, visit www.helpingamericasyouth.gov <outbind://27/www.helpingamericasyouth.gov> .

Hamilton Fish Institute (HFI). The Hamilton Fish Institute on School and Community Violence is a national resource for the research and development of school violence prevention strategies. HFI offers training and technical assistance to build resources and encourage program development and enhancement within the areas of school and community safety. More information is available at: http://hamfish.org/cms/ <http://hamfish.org/cms/> .

Youth Crime Stoppers. This prevention program involves students in a "Neighborhood Watch" capacity within the school setting where students act as the eyes and ears of law enforcement and school officials. This proactive strategy has a formal curriculum and training component and is being

officials. This proactive strategy has a formal curriculum and training component and is being implemented successfully in school districts around the country.
This initiative is part of the International Crime Stoppers. More information is available at: http://www.c-s-i.org/index.php.

Teens, Crime, And The Community Initiative. The Teens, Crime, and the Community (TCC) initiative has motivated more than one million young people to create safer schools and neighborhoods. The program helps teens understand how crime affects them and their families, friends, and communities, and it involves them in crime prevention projects to help make their communities safer and more vital. More information is available at: http://www.ncpc.org/programs/tcc/.

Montana Safe Schools Project. Operated under The University of Montana's Division of Educational Research and Service, the Montana Safe Schools project provides extensive outreach, training, research and professional development services to schools and communities across Montana and throughout the United States. More information on the project is available at: http://www.umders.org/projects.aspx?projectID=62&id=281.

National Clearinghouse For Educational Facilities. The National Clearinghouse for Educational Facilities (NCEF) provides information on planning, designing, funding, building, improving, and maintaining safe, healthy, high performance schools. NCEF's website is located at: http://www.edfacilities.org/an/index.cfm.

Council For Educational Facilities Planners (CEFPI). CEFPI is a professional association committed to facilitating creative and responsible planning, design, construction, and renovation of schools and colleges, which will provide the most effective learning environments for students of all ages. CEFPI provides a network of experts and specialists on topics critical to effective educational facility planning. More information is available at:
http://www.cefpi.org/.

Ready Kids Website. The Ready Kids website, sponsored by the U.S.
Department of Homeland Security, features age-appropriate, step-by-step instructions on what families can do to be better prepared for natural disasters and other emergencies and the role kids can play in this effort. The site can be accessed at:
http://www.ready.gov/kids/home.html.

The National Center For Disaster Preparedness. The National Center For Disaster Preparedness is an academically-based resource center based out of Columbia University's Mailman School of Public Health dedicated to the study, analysis, and enhancement of the Nation's ability to prepare for and respond to major disasters, including terrorism. The Center has posted school preparedness resources

on their website at:
http://www.ncdp.mailman.columbia.edu/program_school.htm.

School Violence Resource Center. The goal of the School Violence Resource Center is to help reduce violence and violence-related behavior in American schools. Resources available include fact sheets on school violence and prevention issues, training for School Resource Officers, and flip charts designed to serve as a quick reference for school administrators and teachers on how to react to school emergencies, including student violence, student injuries, child abduction, fire, and natural disasters. More information is available at:
http://www.svrc.net/.

Community Crisis Preparedness Workshop (CCPW). Developed in cooperation with the School Violence Resource Center, the CCPW is designed to assist rural communities/counties in preparing and implementing strategic crisis management plans that can address a crisis event in schools or communities based on a formal collaboration of service providers. More information is available at:
http://www.svrc.net/CCPW.htm.

Coping And Response

A Guide For Intermediate And Long-Term Mental Health Services After School-Related Violent Events. The Substance Abuse and Mental Health Services Agency at the U.S. Department of Health and Human Services offers this guide outlining the roles of school-based service providers - including teachers, school counselors, school psychologists, social workers, and school nurses - in responding to the mental health needs of students after school-related violent events. The guide is available at:
http://mentalhealth.samhsa.gov/publications/allpubs/NMH03-0151/

Project School Emergency Response To Violence (SERV) Grants. This program, administered by the U.S. Department of Education, funds short-term and long-term education-related services for Local Educational Agencies to help them recover from a violent or traumatic event that disrupts the learning environment. Immediate services assistance covers up to 60 days from the date of the incident. Extended services assistance covers up to one year from the incident.
Information is available at:
http://www.ed.gov/programs/dvppserv/index.html.

Tips For Helping Students Recovering From Traumatic Events. This brochure provides practical information for parents and students coping with the aftermath of a natural disaster or other school-related incident, as well as teachers, coaches, school administrators and others who are helping these

related incident, as well as teachers, coaches, school administrators and others who are helping those affected. It is available at:
http://www.ed.gov/parents/academic/help/recovering/index.html.

Reactions And Guidelines For Children Following Trauma/Disaster.
Compiled by the Department of Pediatrics at the

University of Oklahoma Health Sciences Center, this brief guide outlines what can be expected from students who have experienced a trauma and what teachers and parents can do to help children cope. It is available at: http://www.apa.org/practice/ptguidelines.html.

The Three R's For Dealing With Trauma In Schools: Readiness, Response, & Recovery. This comprehensive training package was produced by the U.S.
Department of Education's Office of Safe and Drug-Free Schools, Harvard Public School of Health, The Prevention Institute, and the Education Development Center's Health and Human Development Programs. It is available online, along with companion materials and tools at:
http://www.walcoff.com/prevention/.

National Center For Children Exposed to Violence. The National Center for Children Exposed to Violence at the Yale Child Study Center works to increase the capacity of individuals and communities to reduce the incidence of violence on children and families; to train and support the professionals who provide intervention and treatment to children and families affected by violence; and to increase professional and public awareness of the effects of violence on children, families, communities and society. More information is available at: http://www.nccev.org/.

School Crisis Response Initiative. This bulletin describes an organizational model for school preparedness and effective responses to crises. Developed by the National Center for Children Exposed to Violence at the Yale Child Study Center, the School Crisis Response Initiative promotes specific training for school personnel as well as interested community members so they can respond more effectively to the needs of children after a crisis. The bulletin is available at:
http://www.ovc.gov/publications/bulletins/schoolcrisis/welcome.html.

Research And Statistics

Youth Violence: A Report Of The Surgeon General. To address the troubling presence of violence in the lives of U.S. youths, the Surgeon General developed this report on youth violence, with a particular focus on the scope of the problem, its causes, and how to prevent it. The report is available at:
http://www.surgeongeneral.gov/library/youthviolence/.

Indicators Of School Crime And Safety, 2005. A joint effort by the Bureau of Justice Statistics and the National Center for Education Statistics, this annual report examines crime occurring in school as well as on the way to and from school. It also provides the most current detailed statistical information on the nature of crime in schools, school environments, and responses to violence and crime at school. It is available at:
http://nces.ed.gov/programs/crimeindicators/.

# # #

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, October 10, 2006 8:41 AM
To:	USDOJ- Office of Public Affairs
Subject:	FACT SHEET: CONFERENCE ON SCHOOL SAFETY
Importance:	Low

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 10, 2006

Conference On School Safety

"Our schoolchildren should never fear [for] their safety when they enter into a classroom."

â?? President George W. Bush, 10/3/06

Today's Conference On School Safety Will Help Empower Communities To Keep Our Children Safe. Recently, America experienced tragic school shootings in Colorado, Wisconsin, and Pennsylvania, and threats of violence that locked down or closed schools in many other States. In response, President Bush asked Attorney General Alberto Gonzales and Education Secretary Margaret Spellings to convene a meeting of leading experts and stakeholders to discuss how Federal, State, and local governments can work together with schools, communities, and families to help ensure our schools are safe places for students to learn. The conference is taking place at the National 4-H Youth Conference Center in Chevy Chase, Maryland.

The Conference Will Bring Together Experts, Law Enforcement Officials, Schools, Communities, And Families To:

A· Highlight best practices for making schools safe;

Â· Share lessons learned from prior incidents of school violence; and

Â· Bring together resources and experts on how to make schools safer and help communities and families recover from school tragedies.

Panel I: Preventing Violence In Schools

Moderated By Attorney General Gonzales, Panel I Will Focus On Examining The Scope Of The School Violence Problem And Discussing Concrete Steps To Prevent Crime And Violence. Law enforcement has already learned many lessons from prior instances of school violence, such as the tragic Columbine shootings. The goal of this "best practices" session is to share practical ideas and solutions from law enforcement and security experts to help safeguard our schools from external and internal threats. The panel discussion will focus specifically on facility security, threat assessments, specialized enforcement expertise, and law enforcement community outreach.

Ã? Panel I Participants: Attorney General Alberto Gonzales, Moderator

Â· Jeffery Dawsy, Sheriff, Citrus County Sheriffâ??s Office (Beverly Hills, FL)

Â· Delbert S. Elliott, Ph.D., Director of the Center for the Study and Prevention of Violence at the University of Colorado (Boulder, CO)

Â· Thomas Kube, Executive Director and CEO, Council of Educational Facility Planners (Scottsdale, AZ)

Â· Georgeann C. Rooney, Threat Assessment Specialist, U.S. Secret Service National Threat Assessment Center (Arlington, VA)

Â· Fred Wegener, Sherriff (Park County, CO)

Â· Gregory A. White, U.S. Attorney, Northern District of Ohio (North Ridgeville, OH)

Panel II: Prepared Schools And Communities Are Safer

Moderated By Secretary Spellings, Panel II Will Focus On Steps Schools And Communities Can Take To Help Prevent Future Tragedies. Schools are generally safe places, but they can be made safer. The panel will discuss how school administrators and teachers, parents, students, law enforcement, and community groups can best coordinate their efforts to ensure their schools are prepared and safe. The panel will highlight effective prevention and intervention practices, model programs, and crisis plans that could be adapted by communities and districts.

Ã? Panel II Participants: Education Secretary Margaret Spellings, Moderator

Â· Frederick Ellis, Director, Office of Safety & Security, Fairfax County Public Schools (Fairfax, VA)

Â· James Moore, Founder and President, WatchDOGS (Springhill, AR)

Â· The Honorable Jane Norton, Lieutenant Governor, CO (Denver, CO)

Â· Chiarasay E. â??Chiaraâ?? Perkins, Student, Walton Senior High School and President, Youth Crime Watch of Walton County (DeFuniak Springs, FL)

Â· Dr. George Sugai, Professor and Neag Endowed Chair, Neag School of Education University of Connecticut (Storrs, CT) Patrick D. Weil, Principal, Valparaiso High School (Valparaiso, IN)

Panel III: Helping Communities Heal And Recover

Moderated By Secretary Spellings, Panel III Will Focus On The Short- And Long-Term Needs Of Schools And Communities Following Traumatic Events. The immediate goal in helping schools and communities recover from trauma is returning to a normal routine, but schools must also focus on long-term planning, including addressing post-traumatic stress and preparing for high-stress events such as anniversaries. This panel will highlight effective strategies, organizations, and resources that schools and communities can use for additional help in recovering from traumatic events. Mrs. Laura Bush will deliver brief remarks prior to the start of this panel discussion.

Ã? Panel III Participants: Secretary Spellings, Moderator

Â· Jamie B. Baggett, Teacher, Stewart County High School (Dover, TN)

Â· Betty Alvarez Ham, Founder and President, City Impact (Ventura, CA)

Â· Dr. Larry Macaluso, Superintendent, Red Lion School District (Red Lion, PA)

Â· Cathy Paine, Special Programs Administrator, Springfield School District (Springfield, OR)

Â· Craig Scott, Columbine High School Survivor (Aurora, CO)

Â· Marleen Wong, Ph.D., Director of Crisis Counseling and Intervention Services, Los Angeles Unified School District and Director of the Trauma Services Adaptation Center for Schools and Communities (Los Angeles, CA)

Closing Discussion: Working Together To Make Our Schools Safe

Moderated By Attorney General Gonzales And Secretary Spellings, The Closing Discussion Will Be A Summary Discussion Between President Bush And A Representative Group Of Panel Participants Who Will Share Lessons Learned And Concrete Ways Schools And Communities Can Work Together After The Conference.

# # #

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 9:10 AM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO ANNOUNCE FORMATION OF PROCUREMENT FRAUD TASK FORCE

Department of Justice

FOR PLANNING PURPOSE ONLY
TUESDAY, OCTOBER 10, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO ANNOUNCE FORMATION OF PROCUREMENT FRAUD TASK FORCE

WASHINGTON – Deputy Attorney General Paul J. McNulty and other government officials will hold a press conference announcing the formation of a national Procurement Fraud Task Force **TUESDAY, OCTOBER 10, 2006 at 12:00 P.M. EDT.**

WHO: Deputy Attorney General Paul J. McNulty
Other Officials TBD

WHEN: **12:00 P.M. EDT**
TUESDAY, OCTOBER 10, 2006

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: **MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

06-690

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DOJ_NMG_ 0169356

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 9:50 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 10, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, October 10, 2006

ATTORNEY GENERAL

1:15 P.M. EDT

Attorney General Alberto R. Gonzales and other government officials will participate in a discussion with President Bush on *Working Together to Make Our Schools Safe* at the President's Conference on School Safety.
National 4-H Youth Conference Center
7100 Connecticut Avenue
Chevy Chase, Maryland
OPEN PRESS

Media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486, or the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Office of Justice Programs will issue a release on a grant-funding matter. (Peterson)

EVENTS/HEARINGS

12:00 P.M. EDT

Deputy Attorney General Paul J. McNulty and other government officials will hold a press conference announcing the formation of a national Procurement Fraud Task Force.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.

DOJ_NMG_ 0169359

OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169360

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Image not available for this document, ID: 0.7.10316.25439-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, October 10, 2006 9:57 AM
Subject: JCON BROADCAST, WEEK OF OCTOBER 9, 2006

JCON BROADCAST, WEEK OF OCTOBER 9, 2006

1. **Blood Drive -- October 12, 2006**
2. **Research Classes Offered by Library Staff**

Blood Drive -- October 12, 2006

The American Red Cross will conduct a blood drive from **8:30 a.m. to 2:00 p.m., on Thursday, October 12, 2006, in the Great Hall of the Robert F. Kennedy Main Justice Building**. The American Red Cross is reporting that the local blood supply is well below normal and asks all eligible donors to help save a life by donating blood. Hospitals usually have a three- to five-day supply of blood; however, most hospitals have as little as a half-day supply. A healthy person 18 years or older who weighs more than 110 pounds may be considered for a blood donation.

Please contact your component's recruiter or call Lynn Sutton on 305-8986 to schedule your appointment. Volunteers who donate blood may be granted up to four hours of excused absence for recuperative purposes.

HAVE A HEART! DONATE THE GIFT OF LIFE!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

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JMD … Serving Justice - Securing Results

Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, October 10, 2006 11:05 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/10/2006 Civil Division News

Class-Action Suit Seeks Release of Detainees

Documents: CIA Warned of Plane Bomb Plot

Judge nixes request to revive L.A. port suit

Lawsuit claims hospital, doctor performed unnecessary heart procedures

Former employee alleges Medicare fraud : Dr. Comfort shoe inserts not approved, he says

Los Angeles Times

Sept. 10. 2006

Class-Action Suit Seeks Release of Detainees

ACLU says U.S. agency is ignoring a Supreme Court ruling against holding immigrants awaiting deportation for more than six months.By Joe Mozingo
Times Staff Writer

October 10, 2006

Years after he was stabbed in the back of the head on a bus, the mob violence and church burnings in his native Indonesia became too much for Raymond Soeoth.

So he and his wife, Cindy, flew to California in 1999 and applied for asylum in the United States, claiming

that as Chinese Christians they had been persecuted by their country's Muslim majority. As their case wended through the courts, Soeoth scraped together a new life in Riverside, working as a home nurse, gas station attendant and Super Shuttle driver.

Within five years, they owned a five-bedroom home in Colton and a cellphone business in a quiet strip mall near UC Riverside.

But that's all gone now. Soeoth's asylum claim was denied, and for two years he has been locked up at the San Pedro Detention Facility on Terminal Island while his appeal winds through the system.

Now, in a class-action lawsuit, the American Civil Liberties Union of Los Angeles charges that Immigration and Customs Enforcement routinely ignores a Supreme Court decision that immigrants cannot be held longer than six months without being given a chance to be freed on bond.

Last week, the civil liberties group asked U.S. District Judge Terry Hatter to order the immediate release of four plaintiffs named in the suit, including Soeoth, 38. Two others were recently released.

"These people have been kept away from their families, their communities and their lives for years … without even a hearing to determine if their prolonged detention is justified," said ACLU staff attorney Ahilan Arulanantham.

One of the plaintiffs, an Ecuadorean man whose 9-year-old daughter is a U.S. citizen, has been detained for nearly four years.

Arulanantham says immigration officials have purposely avoided defending their policy, releasing detainees whose attorneys file court challenges, while hanging on to those without petitions pending.

"We've had about 12 let go …" he said as he opened an e-mail. "Oh, my God, Rudolph Stepanian just got released…. Make that 13."

Stepanian, an Armenian Christian who came to the United States from his native Iran 30 years ago, was the second of the original six plaintiffs in the lawsuit to be released. He had been detained 10 months, even though the government conceded he could not be deported to Iran, according to the lawsuit.

Arulanantham suspects that dozens of immigrants are similarly in limbo in Southern California alone. The ACLU included as plaintiffs unknown detainees in the same circumstances to force the issue to a hearing and prevent the immigration agency from simply releasing named petitioners and moving to dismiss the case as moot.

In 2001, the Supreme Court ruled in Zadvydas vs. Davis that an immigrant awaiting deportation could not be held in detention longer than six months if "there is no significant likelihood of removal in the reasonably foreseeable future." Countries with poor diplomatic relations with the United States generally will not take back deported immigrants.

Virginia Kice, a spokeswoman for the immigration agency, said the ruling does not apply to immigrants who are fighting their deportation. The agency, by law, is required to detain immigrants convicted of certain felonies or considered to be flight risks or threats to public safety or national security, Kice said.

Arulanantham of the ACLU countered that Justice Stephen Breyer's majority opinion applies to a much broader group of immigrants and cited the statement that "indefinite detention of an alien would raise a serious constitutional problem."

As for his clients, he noted that two of them, Ebrahim Mussa and John Rasheed, were not fighting their deportation. The government is prolonging a legal fight by appealing judges' rulings, which ordered them set free because they might be tortured in their homelands, he said.

And two who were released, Mussa and Stepanian, were convicted of crimes, while two in detention, Soeoth and Amadou Lamine Diouf, were not, he said.

Niels Frenzen, director of the USC Law Immigration Clinic, said he doubted that the Supreme Court decision covered all detained immigrants. "I think the court was probably looking at people whose appeals were completed," he said.

However, if the immigration agency "is cutting people loose just because the case is filed," perhaps its lawyers might have concluded the ruling does apply to these immigrants, he added.

All of this might seem arcane. But for Diouf, a Senegalese immigrant, it has meant seeing his wife only through the glass partition of a visitor's booth on Terminal Island for 18 months.

Diouf overstayed a student visa. He was given a date by which he must depart, but got married in the interim to "his longtime American fiancee," according to the lawsuit. He asked his attorney to file a motion to reopen his case. The attorney did not. Diouf was arrested at his home in Hawthorne in March 2005 and has been detained ever since.

Diouf said if he is going to be in detention for 18 more months, he'd rather return to Senegal. "I don't want to be in these conditions for two more years," he said via phone from the facility.

"I was going to depart and come back with the consulate. But my lawyer said it was best to stay and go through the process here."

For the Soeoths, the Christians from Indonesia, the detention has shattered all the progress they made in California. They had to sell their business and house.

Cindy rarely visits Raymond because she is afraid she will be arrested. Raymond, who became a minister in California, works in the kitchen nine hours a day — for a dollar — just to pass the time between her phone calls. "Some people here get depressed, but I try to keep working."

Cindy Soeoth said she thought they were on their way before the arrest. They traveled the country, visiting the Statue of Liberty and the Lincoln Memorial.

"I am just surprised," she said. "We didn't do anything criminal here."

END

AP

October 10, 2006

Documents: CIA Warned of Plane Bomb Plot

By ANDREW O. SELSKY

Associated Press Writer

SAN JUAN, Puerto Rico_An anti-Castro militant now in a Texas jail warned the CIA months before the 1976 bombing of a Cuban airliner that fellow exiles were planning such an attack, according to a newly released U.S. government document.

The document shows that Luis Posada Carriles _ who had worked for the CIA but was cut off by the agency earlier that year _ was secretly telling the CIA that his fellow far-right Cuban exiles opposed to Fidel Castro's communist government were plotting to bring down a commercial jet.

The document does not say what the CIA did with Posada's tip. A CIA spokesman said he had no comment on Monday, a federal holiday.

The CIA had extensive contacts with anti-Castro militants and trained some of them, but has denied involvement in the bombing.

The documents were posted online Thursday by the National Security Archive, an independent research institute at George Washington University that seeks to declassify government files through the Freedom of Information Act.

The Cubana Airlines plane, on a flight from Venezuela to Cuba, blew up shortly after taking off from a stopover in Barbados on Oct. 6, 1976, killing all 73 aboard, including Cuba's Olympic fencing team.

The bombing remains an open wound in Cuba. Weeping relatives of the victims met in a Havana cemetery on Friday, the 30th anniversary of the bombing. They demanded that Posada _ who is now 78 and in a Texas detention center on an immigration violation _ be put on trial.

Venezuelan President Hugo Chavez is seeking the extradition of Posada, a naturalized Venezuelan who served as the country's counterintelligence chief. He accuses the U.S. government of protecting a terrorist.

The National Security Archive's Peter Kornbluh urged the U.S. government to tell everything it knows about Posada.

"Now is the time for the government to come clean on Posada's covert past and his involvement in international terrorism," Kornbluh said. "His victims, the public, and the courts have a right to know."

Separating deception from truth in the intelligence world is notoriously difficult, and the newly released documents contain mixed messages about Posada. Much remains murky.

In a report dated a month after the bombing, then FBI Director Clarence Kelly told Secretary of State Henry Kissinger that a confidential FBI source ascertained the bombing had been planned in Caracas by Posada, Venezuelan intelligence agency official Ricardo Morales Navarrete and Cuban exile Frank Castro, who is not related to the Cuban leader.

Two Venezuelan employees of Posada's private security agency were arrested in Trinidad the day after the bombing, and one of them _ who said he had worked for the CIA _ admitted the two had planted the bomb, documents posted by the National Security Archive show.

Posada trained with the CIA for the 1961 Bay of Pigs invasion and served in the U.S. Army in the early 1960s. In 1965, he allegedly plotted to overthrow the Guatemalan government and blow up a Soviet or Cuban freighter in Mexico, according to the FBI. In 1967, he moved to Venezuela, eventually leading its counterintelligence agency, and was running his own security firm in the mid-1970s.

In 1973, Posada was investigated by the CIA for allegedly smuggling cocaine, but was cleared after he convinced interrogators he was "guilty of only having the wrong kind of friends," a declassified document says. The same document says the CIA "formally terminated" its relationship with him on Feb. 13, 1976.

Yet Posada still contacted the agency.

"After 2/76 contacts with (deleted by censors) were at Posada's own initiative to volunteer information in exchange for assistance U.S. visa for self and family," said the document, an annotated list of still-secret

records on Posada's CIA career that was marked "sanitized."

It tells how Posada contacted the CIA in February 1976 to describe an assassination plot by Orlando Bosch and Frank Castro, two fellow right-wing Cuban exiles, against leftist Andres Pascal Allende, the nephew of slain Chilean President Salvador Allende. Posada worried that his allies would discover he was giving up their secrets.

"Posada concerned that Bosch will blame Posada for leak of plans," the report says. Andres Allende was not assassinated, and it is unclear whether the Cuban exiles ever made an attempt on his life.

Then, four months later, Posada came back to tell of a sinister plot to blow up an airliner.

On June 22, 1976, "Posada again contacts (deleted by censor) reptd info concerning possible exile plans to blow up Cubana Airliner leaving Panama and requested visa assistacne," read the document, filled with typographical errors.

Shortly after, a bomb aboard a Cubana Airlines plane leaving Panama failed to detonate, and the following month, a bomb in a suitcase exploded before being loaded onto a Cubana plane leaving Jamaica, according to a confidential State Department memo previously posted by the National Security Archive.

The day after the Cubana Airlines flight was bombed near Barbados, the CIA tried unsuccessfully to contact Posada, according to the annotated list. Five days later, Posada was arrested in Venezuela. He denied involvement in the bombing and escaped from prison in 1985 before a civilian trial was completed.

Allegations that he masterminded mass murder did not keep U.S. covert operatives from hiring Posada again. Within months, he was delivering weapons to Nicaraguan Contra rebels in an illegal Reagan administration operation. Posada also acknowledged, and then denied, a role in Havana hotel bombings in 1997 that killed a tourist.

And in 2000, Posada was arrested for allegedly plotting to assassinate Castro during a summit in Panama. He was pardoned in 2004 by then Panamanian President Mireya Moscoso.

Posada was detained in Florida in May 2005 for entering the United States illegally. A U.S. immigration judge has ruled that he cannot be sent to Cuba or Venezuela, citing fears that he would be tortured.

END

Daily Breeze (Torrance, CA)

10/10/2006

Judge nixes request to revive L.A. port suit

Case brought by Rancho Palos Verdes accountant alleged that federal funds were wrongly used to build a container terminal.By Matt Krasnowski
Copley News Service

A judge has rejected longtime Port of Los Angeles critic Stanley Mosler's efforts to revive his dismissed whistle-blower lawsuit that alleges that more than $100 million in federal funds were improperly used to support a container terminal on Pier 400.

U.S. District Judge S. James Otero threw out the suit in August, contending that Mosler, a Rancho Palos Verdes accountant, could not serve as his own lawyer in the false-claims act complaint against the city, the port and other parties.

Mosler responded by hiring Beverly Hills attorney Alan Gutman and having Gutman file papers asking Otero to reconsider the dismissal.

Mosler had been representing himself since February 2005, when his previous lawyer withdrew from the case.

In a written court order dated Friday, Otero rejected Mosler's "substitution of counsel" request, writing that Mosler failed to hire a lawyer for 18 months, and Gutman's addition would further delay the case. By rejecting the substitution request, Otero also ruled that he was nixing the request to reconsider his order dismissing the lawsuit.

Mosler "did not seek to add counsel until after the case had already been closed," Otero wrote. "Accordingly, the court determines that (Mosler) unduly delayed in seeking substitution of counsel in this matter."

Mosler said Monday that he plans to appeal the decision to the 9th U.S. Circuit Court of Appeals.

"We hope we can get back to the merits of the case once the 9th Circuit rules on the representation issue," he said. "It's unfortunate that the defendants can get away with fraud because the whistle-blower doesn't have the money to hire an attorney."

Jonathan Diamond, a spokesman for the City Attorney's Office, said that the ruling helps support port officials' arguments that Mosler's allegations had no merit.

"Hopefully, this will put an end to the process," he said.

The city has spent roughly $2 million defending the case, including hiring private law firms to handle the litigation. Port critics have said the price tag is higher.

Officials contended that if Mosler prevailed, the city stood to lose up to $3.6 billion

In his ruling, Otero also states that allowing Gutman to join the case would be unfair to the city and other defendants.

The judge wrote that the defense has worked on the case for a long time and "expended large amounts of public funds in attorneys' fees." But, the judge notes, Mosler "has failed to cooperate with the defendants."

Mosler has not responded to requests to share information with defense lawyers, refused to appear for a deposition and filed papers "that were irrelevant to the matter at hand," the ruling states.

Mosler filed the lawsuit against the port in 2002 under a federal whistle-blower statute and named the United States as a plaintiff. But lawyers for the U.S. Department of Justice and the state attorney general refused to join in the complaint.

The lawsuit alleged that the port misused $108 million to construct Pier 400, a 484-acre container terminal that was originally intended to keep hazardous materials away from residential neighborhoods.

But port officials said they could not force companies to move to the terminal, so they instead negotiated with Danish shipping company Maersk Inc. to use Pier 400.

Maersk and Larry Keller, a former port executive director, were also named as defendants.

END

AP

Sept. 9. 2006

Lawsuit claims hospital, doctor performed unnecessary heart procedures

(Hilton Head Island-AP) October 8, 2006 - A lawsuit filed in federal court against Hilton Head Regional Medical Center and a former cardiologist James D. Johnston alleges the hospital performed hundreds of medically unnecessary heart procedures from 1997 through 2000.

The hospital denies the claims and says the US Justice Department reviewed the case and decided against joining it as a plaintiff.

The suit was filed in September 2005 under federal whistleblower criteria by a former physician who was director of the hospital's vascular laboratory starting in 1997. That means the case is immediately sealed until the government can decide whether to join the suit.

In this case, the government decided against joining.

Hospital spokeswoman Kelly Presnell says that is evidence that the case has no merit.

END

Milwaukee Journal Sentinel

October 10, 2006

Former employee alleges Medicare fraud : Dr. Comfort shoe inserts not approved, he says

Tom Kertscher

Milwaukee Journal Sentinel

Oct. 10--A former executive of a Mequon company that makes shoes and shoe inserts for diabetics has told federal investigators that the company may have defrauded Medicare out of $18 million.

The allegations, contained in documents filed in federal court in Milwaukee, were made by David P. Schlageter, the former chief operating officer of Dr. Comfort. Schlageter made the statements to federal authorities under an agreement in which the information cannot be used against him, the documents show.

In the documents, Schlageter estimates that Medicare paid Dr. Comfort $18 million for shoe inserts that did not meet Medicare manufacturing specifications. Schlageter said the company sold inserts that did not meet the standards yet provided customers with information from Medicare indicating that the inserts had been approved, according to the documents.

Schlageter's statements are recorded in documents that were filed under seal in federal court in March after the FBI served a search warrant at the Dr. Comfort offices, 6314 W. Eastwood Court in Mequon. The documents were unsealed last week.

Patrick Knight, a Milwaukee attorney who represents Dr. Comfort and one of its owners, Rickey Kanter, said the case is being reviewed by the U.S. Attorney's Office but that no arrests have been made and no charges have been filed. He said Dr. Comfort and authorities are trying to determine how many sets of unapproved inserts were sold, and that the company has been cooperating with investigators.

Knight said Schlageter left Dr. Comfort "disgruntled" in January, two months before authorities seized company documents, shoe inserts and other items. He said Schlageter was unhappy with what he was to receive in a sale of a portion of Dr. Comfort and went to work for a competitor.

Schlageter could not be reached for comment.

The court documents said Kanter, 57, of Mequon asked three times during a meeting with federal officials in September 2005 what would happen to a manufacturer that sold unapproved inserts.

END

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 11:06 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATE: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO ANNOUNCE FORMATION OF PROCUREMENT FRAUD TASK FORCE

PRESS CONFERENCE NOW SCHEDULED FOR TODAY, 3:30 P.M.

Department of Justice

FOR PLANNING PURPOSE ONLY
TUESDAY, OCTOBER 10, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO ANNOUNCE FORMATION OF PROCUREMENT FRAUD TASK FORCE

WASHINGTON – Deputy Attorney General Paul J. McNulty and other government officials will hold a press conference announcing the formation of a national Procurement Fraud Task Force **TODAY, OCTOBER 10, 2006 at 3:30 P.M. EDT.**

WHO: Deputy Attorney General Paul J. McNulty
Other Officials TBD

WHEN: **3:30 P.M. EDT**
TODAY, OCTOBER 10, 2006

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: **MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

06-690

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Image not available for this document, ID: 0.7.10316.25423-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 12:52 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ANNOUNCES OVER $1 MILLION IN AWARDS TO ENFORCE UNDERAGE DRINKING LAWS

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE

TUESDAY, OCTOBER 10, 2006

WWW.OJP.USDOJ.GOV

Office of Justic Programs

Contact: Joan LaRocca

(202) 307-0703

DEPARTMENT OF JUSTICE ANNOUNCES OVER $1 MILLION IN AWARDS TO ENFORCE UNDERAGE DRINKING LAWS

WASHINGTON – The Department of Justice's Office of Justice Programs (OJP) today announced awards of more than $1 million to Arizona, California, Hawaii and Montana to enforce state and local underage drinking laws. The awards are made through the Enforcing Underage Drinking Laws Discretionary Program, "Initiative to Reduce Underage Drinking," and focuses on preventing alcohol consumption by underage military personnel.

"Law enforcement must work together with communities to stop the effects of underage drinking," said Regina B. Schofield, Assistant Attorney General for the Office of Justice Programs. "These discretionary awards will enable the communities and military installations affected to end the tragic and unintended consequences of alcohol related deaths, injuries and property damage."

Enforcing Underage Drinking Laws (EUDL) is the only federal initiative directed exclusively toward preventing underage drinking. The 2006 EUDL Discretionary Program focuses on reducing the availability and consumption of alcoholic beverages by underage service personnel on four U.S. Air Force (USAF) bases. Funding will be used to support the development and implementation of comprehensive plans to change base and community policies that support high risk drinking to develop alternative social activities and to involve all affected community groups on and off the base in a collaborative effort to reduce youth access to alcohol.

The 2006 EUDL Discretionary Program is a partnership between OJP's Office of Juvenile Justice and Delinquency Prevention, the USAF, and the National Institutes of Health's National Institute on Alcohol Abuse and Alcoholism (NIAAA), which will independently evaluate this initiative. The states and USAF installations receiving the funding are:

Arizona–Davis-Monthan Air Force Base and Luke Air Force Base	$221,884
California–Beale Air Force Base	$350,000

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Hawaii–Hickam Air Force Base	$350,000
Montana–Malmstrom Air Force Base	$350,000

The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

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DOJ_NMG_ 0169378

Image not available for this document, ID: 0.7.10316.25411-000001

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 3:47 PM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY ANNOUNCES FORMATION OF NATIONAL PROCUREMENT FRAUD TASK FORCE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 10, 2006
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(202) 514-2008
TDD (202) 514-1888

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY ANNOUNCES FORMATION OF NATIONAL PROCUREMENT FRAUD TASK FORCE

WASHINGTON – Deputy Attorney General Paul J. McNulty announced today a new national procurement fraud initiative established by the Justice Department's Criminal Division to promote the early detection, prevention and prosecution of procurement fraud associated with increased contracting activity for national security and other government programs. In partnership with U.S. Attorneys' Offices, the Justice Department's Civil Division, and other federal law enforcement agencies, the Department will form the National Procurement Fraud Task Force, chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division, to intensify the government's detection efforts and to continue prosecuting those who defraud taxpayers.

Among others, the federal agencies that will participate in the Task Force include the FBI, the Special Inspector General for Iraq Reconstruction and the Offices of Inspectors General (OIGs) for the Department of Defense, CIA, NASA, General Services Administration, the Civil and Criminal Divisions of the Department of Justice, Department of Homeland Security, Department of Energy, Department of Veterans Affairs, Nuclear Regulatory Commission, Small Business Administration, Social Security Administration, U.S. Postal Service, the Office of the Director of National Intelligence, National Reconnaissance Office, Department of State, Department of Transportation, Department of Treasury, Department of Housing and Urban Development, Department of Interior, and Department of Agriculture. In addition, all defense-related investigative agencies – Defense Criminal Investigative Service, Naval Criminal Investigative Service, U.S. Army- Criminal Investigative Command, and the Air Force Office of Special Investigations – will be full participants.

"Procurement fraud cheats American taxpayers and harms the government's efforts to obtain the goods and services needed for its mission. At a time of heightened concern for our nation's security, every tax dollar is precious," said Deputy Attorney General McNulty. We simply cannot tolerate fraud and abuse in government contracting. This task force is modeled after the Department's highly successful efforts in combating fraud in the aftermath of Hurricane Katrina and an effort I initiated in the U.S. Attorney's Office in the Eastern District of Virginia."

The Task Force will strengthen the government's efforts to fight procurement fraud, focusing resources at all levels of government to increase criminal enforcement in areas of procurement fraud to have the most

DOJ_NMG_ 0169380

substantial impact. These areas include defective pricing or other irregularities in the pricing and formation of contracts, product substitution, misuse of classified and procurement sensitive information, false claims, grant fraud, labor mischarging, accounting fraud, fraud involving foreign military sales, ethics and conflict of interest violations, and public corruption associated with procurement fraud.

"This initiative provides a structure for increased coordination among federal law enforcement to focus on its mission to detect and combat procurement fraud," said Assistant Attorney General Fisher. "The public needs to have faith in the integrity of the procurement system and know that anyone who is cheating the system the system will be held accountable."

The Task Force will focus its efforts on the following priorities:

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- Identification and prosecution of viable procurement fraud cases through coordination with U.S. Attorneys' Offices and OIG field offices;

- Ensuring adequate resources are available to successfully investigate and prosecute procurement fraud cases;

- Standardization of "best practices" (*e.g.*, recruitment of sources, consensual calls, and witness interviews);

- Better coordination between agency auditors and investigators to ensure that red flags and badges of fraud are promptly reported to criminal investigators for follow-up investigation;

- Better identification and resolution of investigative and coordination issues as they arise in joint cases (*e.g.*, audit support and expanded efforts to share information);

- Specialized training for OIG agents and auditors on the development and prosecution of procurement fraud cases;

- Examination of existing laws and policies to determine if they need to be strengthened or changed;

- Development of strategies encouraging agencies to refer more cases for civil and criminal prosecution; and

- Better coordination of targeted civil, regulatory and criminal enforcement actions.

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06-688

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Image not available for this document, ID: 0.7.10316.25390-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 3:48 PM
To: USDOJ- Office of Public Affairs
Subject: ORACLE AGREES TO PAY $98.5 MILLION FOR FALSE PRICING INFORMATION PROVIDED BY PEOPLESOFT TO OBTAIN GOVERNMENT CONTRACT

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 10, 2006
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ORACLE AGREES TO PAY $98.5 MILLION FOR FALSE PRICING INFORMATION PROVIDED BY PEOPLESOFT TO OBTAIN GOVERNMENT CONTRACT

Firm Allegedly Misrepresented Its Discounting Practices

WASHINGTON – Oracle Corporation (Oracle) has agreed to pay the United States $98.5 million to settle its liability for defective pricing disclosures made by PeopleSoft Inc. (PeopleSoft) during the negotiation of a contract under the General Services Administration (GSA) Multiple Award Schedule (MAS) program, Deputy Attorney General Paul J. McNulty, Assistant Attorney General Peter D. Keisler of the Justice Department's Civil Division, United States Attorney Rod J. Rosenstein of the District of Maryland, and GSA Inspector General Brian D. Miller, announced today. The settlement resolves allegations that PeopleSoft made pricing disclosures to GSA that were not current, accurate and complete concerning the sale of software licenses and related maintenance services. As a result of the defective disclosures, most federal purchasers under PeopleSoft's MAS contract paid inflated prices for purchases of software and services between March 17, 1997, and Sept. 30, 2005. Due to Oracle's acquisition of PeopleSoft, it inherited PeopleSoft's liability under the GSA contract.

"GSA's Multiple Award Schedule program serves vendors and government purchasers by eliminating red tape while insuring that government agencies get a fair deal for the American taxpayer's procurement dollars," said Deputy Attorney General McNulty. "The program works well when vendors follow the disclosure rules and provide GSA with the information it needs to negotiate good prices for government purchasers. This agreement demonstrates the Department's determination to hold vendors accountable for abusing GSA's trust and damaging its programs."

The payment is the largest ever obtained by the United States in a civil settlement under the False Claims Act involving the GSA's MAS program.

Under the MAS Program, vendors agree to disclose their commercial pricing policies and practices in exchange for an opportunity to gain access to the broad federal marketplace and the ease of administration that comes from selling to hundreds of government purchasers under one central contract. GSA regulations require that vendors seeking an MAS contract disclose their "current, accurate and complete" commercial pricing policies and practices to GSA during negotiations.

DOJ_NMG_ 0169385

"I am proud of the collaborative efforts of the Commercial Litigation Branch, the U.S. Attorney's Office, the GSA Office of the Inspector General, and relator's counsel to protect the public fisc and strengthen the integrity of the federal procurement system," said Assistant Attorney General Keisler. "All companies that want to avoid their disclosure obligations while selling products to the United States government are on notice today that we will use the False Claims Act and all other civil legal tools at our disposal to fight fraud and abuse."

The lawsuit alleged that during PeopleSoft's negotiation of its initial contract and two extensions of the contract's term, PeopleSoft understated the discounts it provided to commercial customers. More specifically, the suit alleged that PeopleSoft failed to disclose the true nature of its multiple product discounting practice, a program that afforded buyers incrementally steeper discounts off list prices or software products based on the number of products purchased at one time. This, plus the use of non-standard discounts, caused at least one 1994 customer to obtain discounts of up to 74 percent off the listed price. GSA relied on the faulty disclosures and negotiated MAS Program discounts for federal customers that were much less favorable than the total discounts PeopleSoft's best commercial customers enjoyed. As a result, federal agencies overpaid for software and related maintenance.

"Because PeopleSoft did not give GSA accurate pricing information, it negotiated higher prices for its products and services than it would have obtained if GSA had known the truth," said U.S. Attorney Rosenstein. "The substantial recovery in this case will help to ensure that vendors provide truthful information and the government pays a fair price for products and services."

GSA Inspector General Miller said, "I want to commend the outstanding work of the Department of Justice, U.S. Attorney Rod Rosenstein and his office, and the GSA IG team for bringing this matter to a successful conclusion. GSA's MAS contracting program – with sales of well over $30 billion in the last fiscal year – depends on vendors' honesty in negotiations. PeopleSoft misled and overcharged the government for years. Without the auditors' specialized training and years of experience examining federal contracting arrangements, the wool would have remained over everyone's eyes and the taxpayers might have again taken a fleecing."

This case was filed under the *qui tam* or whistleblower provisions of the False Claims Act by James A. Hicks in the U. S. District Court for the District of Maryland. Mr. Hicks is a former employee of PeopleSoft and the conduct alleged in the *qui tam* suit predated Oracle's acquisition of PeopleSoft. Hicks will receive $17,730,000 of the total recovery as his statutory award. Under the whistleblower provisions of the False Claims Act, private citizens known as "relators" can sue on behalf of the government to recover federal funds that were obtained by false or fraudulent claims, and receive a portion of the proceeds of a settlement or judgment awarded against the defendant.

The settlement resulted from an investigation by the Civil Division of the Department of Justice, the U.S. Attorney's Office for the District of Maryland, and GSA's Office of Inspector General.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 10, 2006 5:04 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: SURVEY FINDS METHAMPHETAMINE USE INCREASING AMONG STATE AND FEDERAL PRISONERS

THE REPORT IS ATTACHED.

Department of Justice

Office of Justice Programs

EMBARGOED UNTIL 9:00 A.M. EDT Bureau of Justice Statistics

WEDNESDAY, OCTOBER 11, 2006 Contact: Stu Smith: 202-307-0784

WWW.OJP.USDOJ.GOV/BJS After Hours: 301-983-9354

SURVEY FINDS METHAMPHETAMINE USE INCREASING AMONG STATE AND FEDERAL PRISONERS

WASHINGTON — Prior methamphetamine use among state and federal prisoners has increased since 1997, according to a new report by the Justice Department's Bureau of Justice Statistics (BJS). The use of methamphetamines in the month before an offense rose from 7 percent of state prisoners in 1997 to 11 percent in 2004. Methamphetamine use at the time of an offense rose from 4 percent to 6 percent during that period. Federal inmates reported similar increases in methamphetamine use.

Prisoner reports about drug use were collected as part of the BJS "Survey of Inmates in State and Federal Correctional Facilities." This survey has been conducted periodically since the 1970s, and in 2004 involved confidential personal interviews with a nationally representative sample of approximately 14,500 state and 3,700 federal prisoners.

Women (17 percent of state inmates, 15 percent of federal inmates) were more likely than men (10 percent of both) to have used methamphetamines in the month before their offense. At least 20 percent of white inmates in state and federal prison used methamphetamine in the month before their offense, compared to 1 percent of black inmates. Among Hispanics, 12 percent of state and 5 percent of federal inmates reported methamphetamine use.

A majority of state inmates (53 percent) and almost half of federal inmates (45 percent) were abusing or were dependent on drugs in the year before their admission to prison. Abuse included repeated drug use in hazardous situations or recurrent occupational, educational, legal or social problems caused by drug use. Dependence criteria included a range of behavioral, cognitive and physiological problems. A national survey conducted in 2002 found 2 percent of U.S. residents to be drug dependent or drug abusing.

Nearly half of violent offenders in state prison (47 percent) met the criteria for recent drug dependence

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or abuse; more than a quarter (28 percent) committed their current offense while under the influence of drugs, and 10 percent said that the need to get money for drugs was a motive in their crimes.

A majority (56 percent) of state inmates used drugs in the month before the offense in 2004, while a third (32 percent) committed their current offense under the influence of drugs. One in six state inmates committed their current offense to get money for drugs. Marijuana remained the most commonly used drug, with 40 percent reporting use in the month before the offense, followed by cocaine or crack (21 percent), stimulants (12 percent), and heroin and other opiates (8 percent). State prisoner reports of overall drug use in 2004 were almost unchanged since 1997.

Reports of prior drug use by federal prisoners rose on all measures between 1997 and 2004. Among federal inmates, drug use in the month before the offense rose from 45 percent to 50 percent and use at the time of the offense increased from 22 percent to 26 percent. These changes were the result of an increased use of marijuana, methamphetamines and ecstasy.

Participation in drug abuse programs increased among state and federal inmates with recent drug use histories. Among state inmates who used drugs in the month before the offense, 39 percent reported taking part in drug treatment or other drug programs since admission, up from 34 percent in 1997. Forty-five percent of federal inmates had participated in drug treatment or other drug programs in 2004, up from 39 percent in 1997.

Compared to 1997, 63,900 more state prisoners with recent drug use histories reported taking part in some type of drug abuse programs in 2004, an increase of one-third. In federal prisons, the corresponding increase of inmates participating in drug abuse programs was nearly 14,000 – a 90 percent increase over 1997.

The report, "Drug Use and Dependence, State and Federal Prisoners, 2004" (NCJ-213530) was written by BJS policy analyst Christopher J. Mumola and BJS statistician Jennifer C. Karberg. Following publication, the report can be found at http://www.ojp.usdoj.gov/bjs/abstract/dudsfp04.htm.

For additional information on the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at http://www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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U.S. Department of Justice
Office of Justice Programs

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Bureau of Justice Statistics
Special Report

October 2006, NCJ 213530

Drug Use and Dependence, State and Federal Prisoners, 2004

By Christopher J. Mumola
BJS Policy Analyst
and Jennifer C. Karberg
BJS Statistician

Prior drug use among State prisoners remained stable on all measures between 1997 and 2004, according to the most recent findings from the Survey of Inmates in State and Federal Correctional Facilities. Over the same period, the percentage of Federal inmates who reported prior drug use rose on all measures. For the first time, half (50%) of Federal inmates reported drug use in the month before their offense, up from 45% in 1997.

In the 2004 survey, BJS included measures of drug dependence and abuse for the first time. These estimates were based on criteria specified in the *Diagnostic and Statistical Manual of Mental Disorders*, fourth edition (DSM-IV). Fifty-three percent of State and 45% of Federal prisoners met the DSM-IV criteria for drug dependence or abuse.

Prisoners who met the criteria for recent drug dependence or abuse had extensive criminal records. Among State prisoners who were dependent on or abusing drugs, 53% had at least three prior sentences to probation or incarceration, compared to 32% of other inmates. At the time of their arrest, drug dependent or abusing State prisoners (48%) were also more likely than other inmates (37%) to have been on probation or parole supervision.

Highlights

In 2004 nearly a third of State and a quarter of Federal prisoners committed their offense under the influence of drugs, unchanged since 1997

	Percent of prisoners	
Drug use	2004	1997
In the month before the offense		
State	56%	57%
Federal	50	45
At the time of the offense		
State	32%	33%
Federal	26	22
Any dependence or abuse		
State	53%	--
Federal	45	--

-- Not reported.

- 17% of State and 18% of Federal prisoners committed their crime to obtain money for drugs.
- Violent offenders in State prison (50%) were less likely than drug (72%) and property (64%) offenders to have used drugs in the month prior to their offense.

Among drug dependent/abusing prisoners, 40% of State and 49% of Federal inmates took part in drug abuse treatment or programs since admission to prison

	Percent of prisoners meeting drug dependence or abuse criteria —	
Type of treatment since admission	State	Federal
Any drug treatment or programs	40%	49%
Treatment	15	17
Other programs	35	41

- Among inmates who used drugs in the month before their offense, between 1997 and 2004 participation in drug abuse programs increased in both State (from 34% to 39%) and Federal prison (from 39% to 45%).

Among both State and Federal prisoners, white inmates were at least 20 times more likely than black inmates to report recent methamphetamine use

	Percent of prisoners using methamphetamine in the month before the offense —	
Characteristic	State	Federal
All prisoners	11%	10%
Male	10	10
Female	17	15
White	20	29
Black	1	1
Hispanic	12	5

- State prisoner reports of methamphetamine use in the month before the offense rose from 7% in 1997 to 11% in 2004.
- Between 1997 and 2004, prior drug use by State prisoners was stable on all drug types except methamphetamine, which rose on all measures.

Overall drug use by State prisoners unchanged from 1997; methamphetamine use rose

A third of State inmates said they had committed their current offense while under the influence of drugs (table 1). Over half used drugs in the month before the offense, and more than two-thirds had used drugs regularly at some time in their lives. These figures were unchanged from 1997.

Marijuana remained the most common drug used by State prisoners. Forty percent of State prisoners reported using marijuana in the month before their offense, and 15% said they had used marijuana at the time of the offense. All measures of marijuana use were within 1% of 1997 estimates.

Reported use of cocaine or crack cocaine in the month before the offense fell from 25% of State prisoners in 1997 to 21% in 2004, while use at the time of offense fell from 15% to 12%.

Over the same period, the use of heroin and other opiates fell slightly on on all measures. Use of hallucinogens (including ecstasy) in the month before the offense rose slighty from 4% to 6%.

State prisoner reports of stimulant use went up on all measures. Stimulant use in the month before the offense increased from 9% in 1997 to 12% in 2004, and use at the time of offense rose from 4% to 7%.

The increases in the use of stimulants were attributable to the rising use of methamphetamines. Use of methamphetamines in the month before the offense increased from 7% to 11%, and use at the time of the offense rose from 4% to 6%.

Overall drug use by Federal prisoners rose; cocaine/crack use declined

Across all measures of use, Federal prisoners reported higher levels of prior drug use from 1997 to 2004 (table 2). An estimated 26% of Federal inmates reported using drugs at the time of the offense, up from 22% in 1997. Drug use in the month before the offense rose to 50% of Federal prisoners, up from 45% in 1997.

Table 1. Drug use by State prisoners, 1997 and 2004

	Percent of State prisoners who used drugs —							
	Ever		Regularly[a]		In the month before offense		At the time of offense	
Type of drug	2004	1997	2004	1997	2004	1997	2004	1997
Any drug[b]	83.2%	83.0%	69.2%	69.6%	56.0%	56.5%	32.1%	32.6%
Marijuana/hashish	77.6	77.0	59.0	58.3	40.3	39.2	15.4	15.1
Cocaine/crack	46.8	49.2	30.0	33.6	21.4	25.0	11.8	14.8
Heroin/opiates	23.4	24.5	13.1	15.0	8.2	9.2	4.4	5.6
Depressants[c]	21.3	23.7	9.9	11.3	5.4	5.1	2.0	1.8
Stimulants[d]	28.6	28.3	17.9	16.3	12.2	9.0	6.7	4.2
Methamphetamine	23.5	19.4	14.9	11.2	10.8	6.9	6.1	3.5
Hallucinogens[e]	32.9	28.7	13.3	11.3	5.9	4.0	2.0	1.8
Inhalants	13.6	14.4	4.5	5.4	1.0	1.0	--	--

Note: Detail adds to more than total because prisoners may have used more than one type of drug.
-- Not reported.
[a]Used drugs at least once a week for at least a month.
[b]Other unspecified drugs are included in the totals.
[c]Includes barbiturates, tranquilizers, and Quaalude.
[d]Includes amphetamine and methamphetamine.
[e]Includes LSD, PCP, and ecstasy.

Table 2. Drug use by Federal prisoners, 1997 and 2004

	Percent of Federal prisoners who used drugs —							
	Ever		Regularly[a]		In the month before offense		At the time of offense	
Type of drug	2004	1997	2004	1997	2004	1997	2004	1997
Any drug[b]	78.7%	72.9%	64.3%	57.3%	50.2%	44.8%	26.4%	22.4%
Marijuana/hashish	71.2	65.2	53.0	46.6	36.2	30.4	14.0	10.8
Cocaine/crack	43.3	44.8	27.5	28.2	18.0	20.0	7.4	9.3
Heroin/opiates	17.9	16.1	9.2	8.9	5.8	5.4	3.2	3.0
Depressants[c]	16.9	16.5	8.6	8.0	4.4	3.2	1.4	1.0
Stimulants[d]	21.0	20.9	14.8	12.9	10.8	7.6	7.4	4.1
Methamphetamine	17.9	15.1	12.8	9.6	10.1	6.5	7.2	3.7
Hallucinogens[e]	25.9	19.0	11.9	6.4	5.8	1.7	1.9	0.8
Inhalants	7.5	7.7	3.0	2.6	0.8	0.5	--	--

Note: Detail adds to more than total because prisoners may have used more than one type of drug.
-- Not reported.
[a]Used drugs at least once a week for at least a month.
[b]Other unspecified drugs are included in the totals.
[c]Includes barbiturates, tranquilizers, and Quaalude.
[d]Includes amphetamine and methamphetamine.
[e]Includes LSD, PCP, and ecstasy.

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During the period, marijuana use among Federal prisoners in the month before the offense rose from 30% to 36%. Stimulant use in the month before the offense grew slightly, due to methamphetamines which rose from 7% to 10%. Use of hallucinogens in the month before the offense rose from 2% to 6%.

Heroin or other opiate use among Federal prisoners remained stable. In both years 3% of inmates committed their crimes while using heroin or other opiates. Depressant use was also unchanged.

The percentage of Federal prisoners who reported prior use of cocaine-based drugs dropped between 1997 and 2004. Use of cocaine or crack in the month before the offense fell slightly from 20% to 18%, and use at the time of the offense fell from 9% to 7%. No other drug types displayed a decline in prior use during this period.

Women in Federal prison report sharp increase in prior drug use

Among Federal inmates, men (50%) were slightly more likely than women (48%) to report drug use in the month before the offense in 2004 (table 3). Drug use in the month before among women held in Federal prisons increased by more than 11 percentage points, up from 37% in 1997. Use by men was up from 45%.

Women in State prisons in 2004 reported slightly lower levels of drug use in the month before the offense

Table 3. Drug use in the month before the offense, by selected characteristics of State and Federal prisoners, 1997 and 2004

	Percent of prisoners reporting drug use in the month before the offense —			
	State		Federal	
Characteristic	2004	1997	2004	1997
All prisoners	56.0%	56.5%	50.2%	44.8%
Gender				
Male	55.7%	56.1%	50.4%	45.4%
Female	59.3	62.4	47.6	36.7
Race/Hispanic origin				
White[a]	57.7%	55.2%	58.2%	49.4%
Black[a]	56.0	58.3	52.7	47.2
Hispanic	53.5	55.0	38.4	37.5
Other[a,b]	52.9	52.7	48.4	38.5
Age				
24 or younger	66.2%	63.2%	62.0%	57.2%
25-34	60.9	60.0	56.7	48.5
35-44	54.9	56.5	47.9	46.8
45-54	47.4	40.4	44.9	35.2
55 or older	19.2	18.4	20.9	24.3

[a]Excludes persons of Hispanic origin.
[b]Includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and inmates who specified more than one race.

Profile of methamphetamine users among State and Federal prisoners, 2004

Among State prisoners in 2004 —

• Female inmates (17%) were more likely than males (10%) to report use of methamphetamines in the month before their offense.

• White inmates (20%) were almost twice as likely as Hispanics (12%) to have used methamphetamines. Around 1% of black inmates reported using methamphetamines in the month before the offense.

• Violent offenders (6%) were half as likely to use methamphetamines as either drug (19%) or property (13%) offenders.

Similar patterns emerged among Federal inmates:

• Females (15%) were more likely than males (10%) to have used methamphetamine in the month before the offense.

• White inmates (29%) were 6 times more likely than Hispanics (5%) to report using methamphetamines. Black inmates (1%) reported low use of methamphetamines.

• The percentage of drug offenders who reported use of methamphetamines (14%) was 3 times higher than that of violent or property offenders (4% of each).

	Percent of prisoners reporting methamphetamine use in the month before the offense —	
Characteristic	State	Federal
All prisoners	10.8%	10.1%
Gender		
Male	10.4%	9.7%
Female	16.8	15.1
Race/Hispanic origin		
White[a]	20.3%	29.4%
Black[a]	1.1	0.7
Hispanic	12.1	5.1
Other[a,b]	17.1	14.4
Age		
24 or younger	11.0%	7.5%
25-34	12.6	8.4
35-44	11.5	13.2
45-54	7.7	12.9
55 or older	3.3	2.6
Most serious offense		
Violent	6.3%	3.6%
Property	12.9	4.1
Drugs	19.1	14.0
Public order	12.1	7.1

[a]Excludes persons of Hispanic origin.
[b]Includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and inmates who specified more than one race.

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In 2004 an estimated 333,000 prisoners were held for drug law violations; 21% of State, 55% of Federal inmates

Between the 1997 and 2004 prison inmate surveys, the number of drug offenders in State and Federal prisons grew by 57,000 inmates. Despite this numerical growth, drug offenders made up the same percentage of State prisoners in both 1997 and 2004 (21%). The percentage of Federal prisoners serving time for drug offenses declined from 63% in 1997 to 55% in 2004.

State drug offenders reported serious criminal records:

• 50% were on probation, parole, or escape at the time of their arrest;

• 78% had a prior sentence to incarceration or probation; 46% had three or more prior sentences;

• 22% had a prior violent offense; 16% reported that all prior sentences were for drug offenses.

Drug offenders in Federal prisons had less extensive criminal records:

• 24% were on a criminal justice status at the time of their arrest;

• 62% had a prior sentence; 30% had three or more prior sentences;

• 16% had a prior violent offense; 15% reported prior sentences only for drug offenses.

Drug offenders in State prisons (45%) were 3 times more likely than those in Federal prisons (17%) to report a maximum sentence of less than 5 years. State drug offenders (15%) were half as likely as Federal drug offenders (28%) to report a sentence of 15 years or more. In part, the longer sentences for Federal drug offenders reflect the higher proportion of trafficking offenders and the more serious drug distribution crimes that fall under Federal jurisdiction.

	Percent of prisoners held for drug offenses, 2004	
	State	Federal
Type of drug offense		
Possession	27.9%	5.3%
Trafficking[a]	69.4	91.4
Other	2.7	3.3
Criminal justice status at arrest		
None	50.1%	75.9%
Any status	49.9	24.1
On parole	22.2	9.8
On probation	27.4	14.1
Criminal history		
None	20.7%	37.5%
Priors	79.3	62.5
Violent recidivists	22.4	15.8
Drug recidivists only	16.3	15.3
Other recidivists[b]	40.6	31.4
Number of prior sentences		
0	22.4%	39.0%
1	15.9	15.5
2	16.1	15.2
3-5	26.4	20.1
6-10	13.2	7.3
11 or more	6.0	3.0
Total maximum sentence length		
Less than 36 months	23.6%	6.2%
36-59 months	21.1	10.9
60-119 months	29.9	29.3
120-179 months	10.3	26.0
180 months or more	13.5	25.4
Life	1.6	2.2

[a]Includes those reporting an intent to distribute.

[b]Includes recidivists with unknown prior offense types.

The percentage of drug offenders serving time for crimes involving stimulants nearly doubled between 1997 and 2004

Between 1997 and 2004, the percentage of drug offenders in State prisons serving time for drug law violations involving stimulants rose from 10% to 19%. These sentences covered possession, use, manufacture, and trafficking of stimulants. The percentage who reported the involvement of cocaine-based drugs in their offense dropped from 72% to 62%. The percentage of Federal drug offenders who reported sentences for crimes involving stimulants grew from 11% to 19%, while the percentage serving time for crimes involving marijuana fell from 19% to 12%.

Type of drug involved in most serious offense	Percent of drug offenders			
	State		Federal	
	2004	1997	2004	1997
Marijuana/hashish	12.7%	12.9%	12.4%	18.9%
Cocaine/crack	61.8	72.1	65.5	65.5
Heroin/other opiates	12.2	12.8	8.1	9.9
Depressants	2.2	1.2	1.4	0.6
Stimulants	18.6	9.9	18.7	11.0
Hallucinogens	1.7	1.1	2.3	1.7

Note: More than one type of drug may have been involved in the most serious offense.

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(60%) than in 1997 (62%). The percentage of male State prisoners who reported drug use in the month before their crimes remained unchanged (56% in both years).

Among Federal inmates in 2004, 58% of whites, 53% of blacks, and 38% of Hispanics reported using drugs in the month before the offense. With the exception of Hispanics, all racial/ethnic groups of Federal inmates reported higher levels of drug use than in 1997.

State prisoner reports of prior drug use showed little variation by race or Hispanic origin. In 2004, between 53% and 58% of all racial/ethnic groups reported using drugs in the month before the offense. In 1997 the same range was reported across all groups.

Prior drug use grew most quickly among middle-aged inmates

Drug use in the month before the offense was highest among the youngest inmates, and these percentages declined steadily with age. About two-thirds of State and Federal inmates age 24 or younger reported drug use in the month before their offense, compared to a fifth of the inmates aged 55 or older.

Despite the lower level of drug use among older offenders, the largest increase in prior drug use since 1997 was reported by middle-aged inmates. Among State prisoners aged 45 to 54, drug use in the month before the offense rose from 40% to 47% in 2004. The increase reported by middle-aged inmates in Federal prison was larger, rising from 35% to 45%.

1 in 4 violent offenders in prison committed their offenses under the influence of drugs

Nearly three-quarters (72%) of drug offenders in State prison reported drug use in the month before their offense (table 4). Property offenders (64%) were more likely than violent and public-order offenders (50% of each) to have used drugs in the month before the offense. Burglary (68%), robbery and larceny (67% of both) offenders reported the highest levels of drug use in the month of the offense.

Drug offenders (44%) were most likely to have committed their crimes while using drugs, followed by property offenders (39%). About a quarter of both violent (28%) and public-order (25%) offenders reported drug use at the time of their offense. Inmates serving time for sexual assault (17%) and aggravated assault (24%) were least likely to commit their crimes while under the influence of drugs.

An estimated 59% of Federal offenders held for drug trafficking reported using drugs in the month before their offense, followed by 57% of those held for robbery and 54% for weapons. About a quarter of Federal inmates (26%) committed their crimes while under the influence of drugs, led by trafficking (34%) and robbery (29%) offenders. Federal fraud offenders (9%) were the least likely to commit their crimes while under the influence of drugs.

For most types of offenders, these findings showed little change since 1997.

Table 4. Drug use of State and Federal prisoners, by type of offense, 2004

Type of offense	Percent of prisoners who reported — Use in the month before the offense: State	Use in the month before the offense: Federal	Use at the time of the offense: State	Use at the time of the offense: Federal
Total[a]	56.0%	50.2%	32.1%	26.4%
Violent offenses	49.6%	49.1%	27.7%	24.0%
Homicide	48.9	44.9	27.3	16.8
Sexual assault[b]	32.3	17.0	17.4	13.8
Robbery	66.6	56.9	40.7	29.4
Assault	48.9	42.3	24.1	20.1
Property offenses	64.0%	27.7%	38.5%	13.6%
Burglary	67.7	:	41.1	:
Larceny/theft	66.6	:	40.1	:
Motor vehicle theft	65.4	:	38.7	:
Fraud	56.3	22.8	34.1	9.3
Drug offenses	71.9%	57.3%	43.6%	32.3%
Possession	76.4	46.4	46.0	20.9
Trafficking	70.0	58.8	42.3	33.8
Public-order offenses[c]	49.9%	41.2%	25.4%	18.7%
Weapons	53.3	53.8	27.6	27.8
Other public-order	48.7	26.5	24.6	8.0

:Not calculated; too few cases to permit calculation.

[a]Includes offenses not shown.

[b]Includes rape and other sexual assault.

[c]Excluding DWI/DUI.

Most serious offense	Percent of prisoners who reported drug use at the time of the offense — State: 2004	State: 1997	Federal: 2004	Federal: 1997
Total	32.1%	32.6%	26.4%	22.4%
Violent	27.7	29.0	24.0	24.5
Property	38.5	36.6	13.6	10.8
Drug	43.6	41.9	32.3	25.0
Public-order	25.4	23.1	18.7	15.6

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1 in 3 property offenders in State prisons report drug money as a motive in their crimes

Fewer than a fifth (17%) of all State prisoners said they committed their crimes to get money for drugs. By the type of offense, drug money as a motive in the offense varied widely. About 1 in 3 property offenders reported drug money as a motive, followed by about 1 in 4 drug offenders. Violent offenders (10%) and public-order offenders (7%) were least likely to report that they committed the offense to get money for drugs.

Among Federal inmates the overall percentage who committed their offense to get money for drugs (18%) was similar to State prisoners. A quarter of Federal drug offenders, 15% of violent offenders, and 11% of property offenders said they committed their crimes for drug money.

	Percent of prisoners who committed offense to get money for drugs	
Most serious offense	State	Federal
Total*	16.6%	18.4%
Violent	9.8	14.8
Property	30.3	10.6
Drug	26.4	25.3
Public-order	6.9	6.8

*Includes offenses not shown.

53% of State and 45% of Federal prisoners met criteria for drug dependence or abuse

More than half of State prisoners (53%) said they experienced symptoms consistent with drug dependence or abuse in the 12 months prior to their admission to prison (table 5). Seventeen percent reported symptoms that met the criteria for drug abuse only. (See box below for abuse and dependence symptoms.)

Federal inmates (45%) were less likely to meet the drug dependence or abuse criteria than State inmates.

Prevalence of drug dependence or abuse symptoms among State and Federal prisoners, 2004

	Percent of prison inmates	
	State	Federal
Abuse symptoms		
Failure to fulfill major role obligations	26.3%	18.2%
Lose job; job/school problems, such as missing too much work/ school, being demoted at work, dropping out of school; not taking care of children		
Continued use in hazardous situations	34.4	29.3
Get in situations that increased chances of getting hurt, like driving, swimming, using machinery or walking in unsafe area		
Drug-related legal problems	23.2	17.7
Arrested or held by police due to drug use		
Recurrent social or interpersonal problems	44.7	34.1
Arguments/problems with spouse, intimate, family or friends or get into physical fights		
Dependence symptoms		
Tolerance	33.7%	27.9%
Usual drugs had less effect; or used more drugs to get the wanted effect		
Withdrawal	28.6	21.5
Bad aftereffects from cutting down or stopping drugs, such as shaking, feeling nervous, anxious, sick to stomach, or taking drugs to get over any bad aftereffects		
Compulsive use	32.2	27.6
More drug use or using for longer periods than intended		
Impaired control	32.4	25.5
More than once wanted to cut down/tried to cut down but couldn't		
Time spent obtaining, using, recovering	29.7	23.5
Spent a lot of time using drugs or getting over the bad aftereffects		
Neglect of activities	26.5	19.9
Gave up on activities of interest/importance, like work, school, hobbies, or associating with family and friends		
Continued use despite problems	35.7	28.0
Continued to use drugs even though it was causing emotional or psychological problems.		

Note: See References for sources on measuring prevalence of substance dependence or abuse using the *Diagnostic and Statistical Manual of Mental Disorders*, fourth edition (DSM-IV).

The 2004 Survey of Inmates in State and Federal Correctional Facilities included questions to measure the prevalence of substance dependence or abuse as defined in the DSM-IV. These new estimates are not comparable to measures of prior drug use and related experiences in previous BJS surveys.

Abuse symptoms included repeated drug use in hazardous situations or recurrent occupational, educational, legal or social problems related to drug use. Inmates reporting any of these symptoms in the 12 months prior to their admission met the abuse criteria. Recurrent social problems due to drug use (45% of State and 34% of Federal inmates) was the most commonly reported abuse symptom.

Dependence criteria covered a range of symptoms, including behavioral, cognitive, and physiological problems. Inmates reporting three or more symptoms in the 12 months before admission met the dependence criteria. Continued use despite emotional or psychological problems was the most common symptom reported by both State (36%) and Federal (28%) inmates, followed by increasing tolerance (34% State and 28% Federal).

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State and Federal prisoners were more likely than other adults in the U.S. resident population to meet the criteria for drug dependence or abuse. Using the same criteria, the National Epidemiologic Survey of Alcohol and Related Conditions, 2002 (NESARC) measured the national prevalence of various substance abuse disorders. According to BJS's analysis of NESARC data, 2% of U.S. adult residents were dependent on or abusing drugs in the last 12 months.

Diagnostic criteria	Percent of adult U.S. residents, 2002
Any drug dependence or abuse	2.0%
Dependence and abuse	0.5
Dependence only	0.1
Abuse only	1.4
No dependence or abuse	98.0

Note: Findings from the *National Epidemiologic Survey on Alcohol and Related Conditions, 2002*, National Institute on Alcohol Abuse and Alcoholism. See *Methodology*.

Table 5. Prevalence of drug dependence or abuse among State and Federal prisoners, 2004

Diagnostic criteria	Percent of prison inmates — State	Federal
Any dependence or abuse	53.4%	45.5%
Dependence and abuse	34.9	27.5
Dependence only	1.2	1.2
Abuse only	17.3	16.8
No dependence or abuse*	46.6	54.5

Note: See Methodology for definition of dependence or abuse based on the *Diagnostic Statistical Manual of Mental Disorders*, Fourth Edition (DSM-IV).
*Includes inmates who did not use drugs.

Table 6. Drug dependence or abuse among State and Federal prisoners, by selected characteristics, 2004

Characteristic	Percent of prisoners meeting drug dependence or abuse criteria — State	Federal
All prisoners	53.4%	45.5%
Gender		
Male	53.0%	45.7%
Female	60.2	42.8
Race/Hispanic origin		
White[a]	59.1%	59.2%
Black[a]	50.1	43.8
Hispanic	51.0	33.6
Other[a,b]	50.7	47.2
Age		
24 or younger	59.8%	58.2%
25-34	56.5	51.1
35-44	55.1	40.8
45-54	47.2	43.5
55 or older	18.3	20.6
Most serious offense		
Violent	46.7%	41.6%
Property	63.2	27.3
Drug	63.1	51.9
Public-order	50.2	41.2

[a]Excludes persons of Hispanic origin.
[b]Includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and inmates who specified more than one race.

In State prisons, violent offenders were least likely to meet criteria for drug dependence or abuse

An estimated 60% of female and 53% of male State prisoners were dependent on or abusing drugs (table 6). White inmates in State prisons (59%) were most likely to meet the drug dependence or abuse criteria, followed by Hispanic (51%) and black (50%) inmates.

In Federal facilities 46% of male inmates and 43% of female inmates were dependent on or abusing drugs in the year prior to their admission. White inmates (59%) reported higher levels of drug dependence or abuse than black (44%) or Hispanic (34%) inmates.

State prisoners age 45 or older were less likely to report drug dependence or abuse than other inmates. Between 55% and 60% of the under-45 age groups met the dependence or abuse criteria, compared to 47% of inmates age 45-54, and 18% of those age 55 or older. Among Federal inmates, drug dependence or abuse declined steadily with age, from 58% of inmates 24 or younger to 21% of those age 55 or older.

Violent offenders (47%) were the only offender group in State prisons with less than half meeting the DSM-IV criteria for drug dependence or abuse. Property and drug offenders (63% of each) were the most likely to be drug dependent or abusing.

Drug offenders (52%) were the only group of Federal inmates with at least half meeting the drug dependence or abuse criteria. Property offenders (27%) reported the lowest percentage of drug dependence or abuse.

Table 7. Criminal history of State and Federal prisoners, by drug dependence or abuse, 2004

Characteristic	Percent of prisoners — State: Dependence or abuse	State: Other inmates	Federal: Dependence or abuse	Federal: Other inmates
Criminal justice status at arrest				
None	51.9%	62.8%	70.1%	75.4%
Any status	48.1	37.2	29.9	24.6
On parole	20.9	15.9	12.1	12.6
On probation	26.7	21.0	17.2	11.7
Criminal history				
None	15.6%	32.1%	25.2%	42.8%
Priors	84.4	67.9	74.8	57.2
Violent recidivists	46.8	40.6	28.1	23.5
Drug recidivists only	4.0	2.8	10.2	6.8
Other recidivists*	33.6	24.5	36.5	26.9
Number of prior probation/ incarceration sentences				
0	16.9%	34.0%	27.1%	44.2%
1	14.1	17.4	14.4	16.8
2	15.8	16.4	16.1	14.6
3-5	28.5	21.7	25.9	16.5
6-10	16.5	7.9	11.4	5.9
11 or more	8.2	2.7	5.2	2.0

*Includes recidivists with unknown prior offense types.

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Half of drug dependent or abusing inmates in State prisons reported three or more prior sentences

Nearly half (48%) of State prisoners meeting the DSM-IV criteria for drug dependence or abuse were on some form of criminal justice status (probation, parole, or escape) at the time of their arrest, compared to 37% of other State inmates (table 7). Federal inmates meeting the DSM-IV criteria (30%) were slightly more likely to have been on a criminal justice status at the time of arrest than other Federal inmates (25%).

Drug dependent or abusing inmates in State prisons were more likely than other prisoners to have a prior offense (84% compared to 68%). More than half (53%) of drug dependent or abusing State prisoners reported at least three prior sentences; a third (32%) of other State prisoners had three or more prior sentences.

1 in 7 drug dependent or abusing inmates in State prison were homeless in year before admission

Drug dependent or abusing inmates were more likely than other inmates to report troubled personal backgrounds, including experiences of physical or sexual abuse, homelessness, unemployment, parental substance abuse, and parental incarceration.

Drug dependent or abusing inmates in State prisons (14%) were twice as likely as other inmates (6%) to report being homeless during the year before admission to prison (table 8). They also reported lower levels of employment in the month prior to admission (68% compared to 78% of other inmates).

While growing up, 42% of drug dependent or abusing State prisoners received public assistance, 45% lived in single-parent homes, and 41% had a substance-abusing parent. By comparison, 31% of other inmates received public assistance, 39% lived in single-parent homes, and 24% had a substance-abusing parent.

Reports of prior physical or sexual abuse were also higher among drug dependent or abusing State prisoners (23%) than among other inmates (15%).

State prisoners who were drug dependent or abusing were about twice as likely as other inmates to report past incarceration of either a mother (8% compared to 4%) or father (21% compared to 13%). A majority of drug dependent or abusing inmates (53%) reported the prior incarceration of a member of their immediate family (parent, sibling, child, or spouse), compared to 40% of other inmates.

Table 8. Family background of State and Federal prison inmates, by drug dependence or abuse criteria, 2004

	Percent of prisoners —			
	State		Federal	
Characteristic	Dependence or abuse	Other inmates	Dependence or abuse	Other inmates
Homeless in past year	13.9%	5.7%	5.7%	3.3%
Employed in month before admission to jail	68.2%	77.6%	67.3%	76.8%
Full-time	56.4	67.0	55.6	67.0
Part-time	9.6	8.5	9.1	8.1
Ever abused	23.4%	15.4%	14.0%	8.8%
Physically abused	19.6	12.2	11.8	7.0
Sexually abused	10.1	7.0	5.0	3.5
While growing up —				
Ever received public assistance*	42.2%	31.5%	35.3%	23.4%
Ever lived in a foster home, agency, or institution	17.6	10.9	8.6	7.4
Lived most of the time with—				
Both parents	41.0%	48.5%	43.9%	51.1%
One parent	45.1	39.3	42.8	36.8
Someone else	11.4	10.5	12.4	11.6
Parents or guardians ever abused —				
Alcohol	24.1%	16.8%	23.8%	13.3%
Drugs	3.4	1.6	2.3	1.4
Both alcohol and drugs	13.9	5.3	10.0	2.6
Neither	58.6	76.3	63.9	82.7
Family member ever incarcerated —	53.4%	40.2%	49.7%	34.8%
Mother	7.5	3.9	4.9	3.4
Father	21.2	12.8	16.5	8.9
Brother	36.3	29.0	33.1	24.2
Sister	7.3	4.9	5.7	4.1
Child	2.5	2.6	2.9	3.3
Spouse	1.8	0.8	2.6	1.7

*Public assistance includes public housing, AFDC, food stamps, Medicaid, WIC, and other welfare programs.

Participation in drug abuse programs rose in both State and Federal prison since 1997

The percentage of recent drug users in State prison who reported participation in a variety of drug abuse programs rose from 34% in 1997 to 39% in 2004 (table 9). This increase was the result of the growing percentage of recent drug users who reported taking part in self-help groups, peer counseling and drug abuse education programs (up from 28% to 34%). Over the same period, the percentage of recent drug users taking part in drug treatment programs with a trained professional was almost unchanged (15% in 1997, 14% in 2004).

Participation in drug abuse programs also increased among Federal inmates who had used drugs in the month before their offense, from 39% in 1997 to 45% in 2004. While there was no change in percentage of these inmates who had undergone drug treatment with a trained professional (15% in both years), the percentage taking part in other drug abuse programs rose from 32% in 1997 to 39% in 2004.

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Number of Federal prisoners taking part in drug abuse programs up 90% between 1997 and 2004

With the continued growth in the State prisoner population, the estimated number of inmates reporting drug use in the month before the offense rose from 598,700 in 1997 to 686,700 in 2004. Among these users the number who took part in any drug abuse programs rose from 205,300 to 269,200.

More than 9,000 additional State inmates reported receiving professional drug treament. However, the largest increase was seen in the number of inmates taking part in self-help/peer counseling groups and drug abuse education classes, up 62,000 since 1997.

	Estimated number of prisoners who used drugs in the month before the offense —	
	2004	1997
Any drug treatment or programs since admission		
State	269,200	205,300
Federal	29,400	15,500
Treatment		
State	96,800	87,400
Federal	9,900	6,100
Other programs		
State	231,400	169,400
Federal	25,200	12,700

During the period, the estimated number of Federal inmates who reported drug use in the month before their offense rose by 25,000 inmates from 39,900 to 64,900. In 2004, an estimated 9,900 Federal prisoners with a recent drug use history had been in a drug treatment program with a trained professional, up from an estimated 6,100 in 1997.

The number of inmates taking part in self-help or peer counseling groups and drug abuse education classes increased by more than 12,000 inmates. The number of recent drug users receiving some type of drug abuse program in Federal prisons rose by 90% (from 15,500 to 29,400 prisoners).

Over 250,000 dependent/abusing State inmates took part in drug abuse programs since admission

In 2004, about 642,000 State prisoners were drug dependent or abusing in the year before their admission to prison. An estimated 258,900 of these inmates (or 40%) had taken part in some type of drug abuse program (table 10). These inmates were more than twice as likely to report participation in self-help or peer counseling groups and education programs (35%) than to receive drug treatment from a trained professional (15%).

In Federal prison, a higher percentage of drug dependent or abusing inmates (49%) reported taking part in some type of drug abuse programs. Nearly 1 in 3 took part in drug abuse education classes, and 1 in 5 had participated in self-help or peer counseling groups. Overall, 17% took part in drug treatment programs with a trained professional, and 41% had participated in other drug abuse programs.

Table 9. Drug treatment or program participation since admission among State and Federal prisoners who used drugs in the month before the offense, 1997 and 2004

Type of drug treatment or program since admission	Percent of prisoners who used drugs in the month before the offense — State 2004	State 1997	Federal 2004	Federal 1997
Any drug treatment or programs	39.2%	34.3%	45.3%	38.8%
Treatment	14.1%	14.6%	15.2%	15.4%
Residential facility or unit	9.2	8.8	8.7	10.9
Counseling by a professional	6.0	6.0	6.8	5.5
Detoxification unit	0.9	1.0	0.8	0.3
Maintenance drug	0.3	0.3	0.2	0.4
Other programs	33.7%	28.3%	38.8%	31.7%
Self-help group/peer counseling	26.9	23.1	20.8	15.8
Education program	17.0	14.1	28.1	23.8

Table 10. Drug treatment or program participation since admission among State and Federal prisoners who met drug dependence or abuse criteria, 2004

Type of drug treatment or program since admission	Percent of prisoners meeting criteria for drug dependence or abuse — State	Federal
Any drug treatment or programs	40.3%	48.6%
Treatment	14.8%	17.4%
Residential facility or unit	9.5	9.2
Counseling by a professional	6.5	8.7
Detoxification unit	0.8	0.9
Maintenance drug	0.3	0.4
Other programs	34.8%	41.0%
Self-help group/peer counseling	28.0	22.1
Education program	17.8	30.2

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Methodology

The findings in this report are based on the data in the Survey of Inmates in State and Federal Correctional Facilities, 2004. Conducted every 5 or 6 years since 1974 (Federal facilities were added for the first time in 1991), the inmate surveys are the only national source of detailed information on criminal offenders, particularly special populations such as drug and alcohol users and offenders who have mental health problems.

The survey design included a stratified two-stage sample where facilities were selected in the first stage and inmates to be interviewed in the second stage. In the second sampling stage, interviewers from the Census Bureau visited each selected facility and systematically selected a sample of inmates. Computer-assisted personal interviewing (CAPI) was used to conduct the interviews.

Survey of Inmates in State and Federal Correctional Facilities, 2004

The State prison sample was selected from a universe of 1,585 facilities. A total of 287 State prisons participated in the survey; 2 refused, 11 were closed or had no inmates to survey, and 1 was erroneously included in the universe. A total of 14,499 inmates in the State facilities were interviewed; 1,653 inmates refused to participate, resulting in a second-stage nonresponse rate of 10.2%.

The Federal prison sample was selected from 148 Federal prisons and satellite facilities. Thirty-nine of the 40 prisons selected participated in the survey. After the initial sample of inmates was drawn, a secondary sample of 1 in 3 drug offenders was selected. A total of 3,686 inmates in Federal facilities were interviewed and 567 refused to participate, resulting in a second-stage nonresponse rate of 13.3%.

Accuracy of survey estimates

The accuracy of the survey estimates depends on sampling and measurement errors. Sampling errors occur by chance because a sample of inmates rather than all inmates were interviewed. Measurement error can be attributed to many sources, such as nonresponse, recall difficulties, differences in the interpretation of questions among inmates, and processing errors.

The sampling error, as measured by an estimated standard error, varies by the size of the estimate and the size of the base population. These standard errors may be used to construct confidence intervals around percentages.

Appendix Table 1. Standard errors of the estimated percentages, State prison inmates, 2004

Base of the estimate	Estimated percentages					
	98 or 2	90 or 10	80 or 20	70 or 30	60 or 40	50
1,000	7.14	15.31	20.41	23.39	25.00	25.52
2,000	5.05	10.83	14.43	16.54	17.68	18.04
2,500	4.52	9.68	12.91	14.79	15.81	16.14
5,000	3.20	6.85	9.13	10.46	11.18	11.41
10,000	2.26	4.84	6.46	7.40	7.91	8.07
20,000	1.60	3.42	4.56	5.23	5.59	5.71
30,000	1.30	2.80	3.73	4.27	4.56	4.66
50,000	1.01	2.17	2.89	3.31	3.54	3.61
82,794[a]	0.79	1.68	2.24	2.57	2.75	2.80
100,000	0.71	1.53	2.04	2.34	2.50	2.55
200,000	0.51	1.08	1.44	1.65	1.77	1.80
400,000	0.36	0.77	1.02	1.17	1.25	1.28
600,000	0.29	0.63	0.83	0.95	1.02	1.04
800,000	0.25	0.54	0.72	0.83	0.88	0.90
1,143,400[b]	0.21	0.45	0.60	0.69	0.74	0.75
1,226,200	0.20	0.44	0.58	0.67	0.71	0.73

[a]The total weighted estimate of female State prisoners, 2004.
[b]The total weighted estimate of male State prisoners, 2004.

Appendix Table 2. Standard errors of the estimated percentages, Federal prison inmates, 2004

Base of the estimate	Estimated percentages					
	98 or 2	90 or 10	80 or 20	70 or 30	60 or 40	50
200	10.01	21.44	28.59	32.75	35.01	35.74
500	6.33	13.56	18.08	20.71	22.14	22.60
1,000	4.47	9.59	12.79	14.65	15.66	15.98
2,000	3.16	6.78	9.04	10.36	11.07	11.30
5,000	2.00	4.29	5.72	6.55	7.00	7.15
7,500	1.63	3.50	4.67	5.35	5.72	5.84
9,063[a]	1.49	3.19	4.25	4.87	5.20	5.31
12,500	1.27	2.71	3.62	4.14	4.43	4.52
15,000	1.16	2.48	3.30	3.78	4.04	4.13
25,000	0.89	1.92	2.56	2.93	3.13	3.20
40,000	0.71	1.52	2.02	2.32	2.48	2.53
50,000	0.63	1.36	1.81	2.07	2.21	2.26
75,000	0.52	1.11	1.48	1.69	1.81	1.85
100,000	0.45	0.96	1.28	1.46	1.57	1.60
120,237[b]	0.41	0.87	1.17	1.34	1.43	1.46
129,300	0.39	0.84	1.12	1.29	1.38	1.41

[a]The total weighted estimate of female Federal prisoners, 2004.
[b]The total weighted estimate of male Federal prisoners, 2004.

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Estimates of the standard errors have been calculated for the 2004 surveys (see appendix tables 1 and 2 for standard errors; see appendix table 3 for population base estimates). For example, the 95% confidence interval around the percentage of Federal inmates in 2004 who had used drugs in the month before their current offense is approximately 50.2% plus or minus 1.96 times 1.41% (or 47.4% to 53.0%).

A detailed description of the methodology for the State and Federal Prison survey, including standard error tables and links to other reports or findings, is available on the BJS Website <http://www.ojp.usdoj.gov/bjs/abstract/sicf04.htm>.

Measures of drug dependence and abuse in the general population

Caution should be used when making comparisons between prison inmates and the general population based on the 12-month DSM-IV structured interview. There are significant variations in questionnaire design and data analysis. For example, questions on the severity or duration of symptoms and questions about whether symptoms are due to bereavement, substance use, or a medical condition may vary from survey to survey.

For details on the methodology used in the National Epidemiologic Survey on Alcohol and Related Conditions, sponsored by the National Institute on Alcohol Abuse and Alcoholism, see the Data Reference Manual, <http://niaa.census.gov/>. For additional information on the prevalence of drug dependence and abuse in the general population, see the National Survey on Drug Use and Health, sponsored by the Substance Abuse and Mental Health Services Administration, <http://www.oas.samhsa.gpv/nsduh.htm>.

Appendix table 3. Base estimates for selected characteristics of State and Federal prisoners, 2004

Characteristic	Base estimate, number of prisoners, 2004 State	Federal
Gender		
Male	1,143,400	120,200
Female	82,800	9,100
Race/Hispanic origin		
White, non-Hispanic	431,500	33,600
Black, non-Hispanic	496,900	56,000
Hispanic	222,700	32,400
Age		
24 or younger	212,400	11,600
25-34	405,500	49,700
35-44	373,700	37,300
45-54	172,700	22,200
55 or older	61,900	8,500
Most serious offense		
Violent	579,100	18,600
Property	226,800	8,300
Drug	257,900	70,600
Public-order	143,500	26,200
Drug dependent/abusing in the 12 months prior to admission		
Yes	642,500	57,200
No	558,100	68,300

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Christopher J. Mumola and Jennifer C. Karberg wrote this report, under the supervision of Allen J. Beck. Todd D. Minton, Laura M. Maruschak, and Margaret E. Noonan verified the report. Tina Dorsey produced the report, Doris J. James edited the report, and Jayne Robinson prepared it for final printing.

Tracy L. Snell, under the supervision of Allen J. Beck, was project manager for the Survey of Inmates in State and Federal Correctional Facilities.

For the State and Federal prisoners survey, at the U.S. Census Bureau Steven M. Bittner, Colette Heiston, and Kenneth Mayo carried out questionnaire design, data collection and processing, under the supervision of Marilyn M. Monahan, Demographic Surveys Division. Renee Arion programmed the questionnaire and Dave Keating programmed the listing instrument, under the supervision of Rob Wallace, Technologies Management Office. Programming assistance in the Demographic Surveys Division was provided by Chris Alaura, Mildred Ballenger, Bach-Loan Nguyen, and Scott Raudabaugh, under the supervision of David Watt.

Dave Hornick and Danielle N. Castelo, Demographic Surveys Methods Division, under the supervision of Thomas F. Moore, designed the sample and weighting specifications. Sydnee Chattin-Reynolds and Luis Padilla, Field Division, under the supervision of Richard Ning, coordinated the field operations. The affiliations for the Census Bureau date to the time of the survey.

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This report in portable document format and in ASCII and its related statistical data and tables are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/>.

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October 10, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

WEDNESDAY'S EXPECTED NEWS STORIES:

Attorney General Gonzales Participates in White House Conference on School Safety (OPA)

Today, the Attorney General participated in the White House Conference on School Safety with President and Mrs. Bush. In connection with the event, he appeared on the cable network morning shows, *Studio B with Shepard Smith* on Fox News and ABC Radio.

Deputy Attorney General Participates in Press Conference Announcing Procurement Fraud Task Force and Settlement with the Oracle Corporation (OPA)

Today, Deputy Attorney General Paul J. McNulty, the Assistant Attorney General for the Criminal Division and other DOJ officials announced the creation of a procurement fraud task force. The Deputy Attorney General also announced that Oracle Corporation has agreed to pay the United States $98.5 million to settle its liability for defective pricing disclosures made by PeopleSoft Inc. (PeopleSoft) during the negotiation of a contract under the General Services Administration (GSA) Multiple Award Schedule (MAS) program. The settlement resolves allegations that PeopleSoft made pricing disclosures to GSA that were not current, accurate and complete concerning the sale of software licenses and related maintenance services.

Talking Points

- GSA's Multiple Award Schedule program serves vendors and government purchasers by eliminating red tape while insuring that government agencies get a fair deal for the American taxpayer's procurement dollars.

- The program works well when vendors follow the disclosure rules and provide GSA with the information it needs to negotiate good prices for government purchasers.

- This agreement demonstrates the Department's determination to hold vendors accountable for abusing GSA's trust and damaging its programs.

Department Of Justice Announces Over $1 Million in Awards to Enforce Underage Drinking Laws (Office of Justice Programs)

The Department of Justice's Office of Justice Programs (OJP) today announced awards of more than $1 million to Arizona, California, Hawaii and Montana to enforce state and local underage drinking laws. The awards are made through the Enforcing Underage Drinking Laws Discretionary Program, "Initiative to Reduce Underage Drinking," and focuses on preventing alcohol consumption by underage military personnel.

ATF Sponsors Federal Deputization of Houston Police Bomb Squad (ATF)
The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) today deputized all full-time officers/bomb technicians of the Houston Police Department (HPD) Bomb Squad as federal agents. The action means ATF and the HPD Bomb Squad can now respond without the constraint of jurisdictional boundaries to answer the threat of improvised explosives devices and provide public security in the country's fourth largest city. This new level of cooperation was formalized in a memorandum of understanding (MOU) between ATF and HPD. By signing the MOU, the HPD Bomb Squad has formally joined the ATF Arson and Explosives Task Force.

***Frontline* to Air Story on War on Terror (FBI)**
Today, the PBS news magazine *Frontline* is expected to air a story on FBI efforts to fight terror over the past five years. It is expected that the story will include an analysis of terrorism cases such as Lodi, as well as an evaluation of the FBI's transformation since the attacks on September 11, 2001.

WEDNESDAY'S EXPECTED EVENTS/RELEASES:

TIME TBD

Diane Stuart, Director of the Office of Violence Against Women, will participate in the opening of the Tampa Family Justice Center.
9309 North Florida Avenue
Suite 109
Tampa, Florida
OPEN PRESS

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 10, 2006 7:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: New York, NY

From: AmberAlert-DOJ
Sent: Tuesday, October 10, 2006 7:35:01 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: New York, NY
Auto forwarded by a Rule

AMBER ALERT:New York,NY VEH:97 Green SUV Nissan Pathfinder TAG:NY DTB8333 CHILD:8 Hispanic M 4FT 60LBS Eyes:Brown Hair:Black SUSP:Hispanic F CALL 866-NYS-AMBER
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2402

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[redacted]@tibco.com

From: [redacted]@tibco.com
Sent: Wednesday, October 11, 2006 7:31 AM
To: Gorsuch, Neil M
Subject: SOA Seminar
Attachments: tmp.htm

To view this email as a web page, go to the link below, or copy and paste it into your browser's address window.
http://view.exacttarget.com/?ffcb10-fe821375736d0d7871-fdee17797463037d73127877-fef8177574610d

Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

â?¢To what extent are you able to share information between agencies and departments?

â?¢Does your IT infrastructure enable you to respond quickly to changing requirements?

Learn how government agencies are using the principles and technologies of service-oriented architecture (SOA) to reduce IT costs, increase operational efficiency, and respond quickly to threats and opportunities in the environment.

Join us for "Leveraging the Principles and Technologies of SOA in Government," a seminar featuring an industry expert and panel discussion on best practices for SOA deployments in the government sector.

Date: Thursday, November 2, 2006

Time: 7 a.m. to 1 p.m.

Location: Crystal Gateway Marriott
1700 Jefferson Davis Highway
Arlington, VA 22202

Agenda

7:00 am - 8:00 am Registration/Breakfast
8:00 am - 8:15 am Welcome
8:15 am - 9:00 am Featured Keynote Address - [redacted] Gartner
9:00 am - 9:45 am Service-Oriented Architecture - [redacted] TIBCO Software
9:45 am - 10:00 am Break
10:00 am - 11:00 am SOA Executive Panel Discussion 11:00 am - 12:00 pm Event Driven Architecture - [redacted] TIBCO Software 12:00 pm - 1:00 pm Lunch/Closing

SOA Executive Panel:
Moderator
[redacted] USAF

Panelists
Joaquin Martinez, Deputy Chief Architect HPMO, Office of Information, Veteran Affairs [redacted]
[redacted] RABA [redacted] ODNI [redacted]
[redacted] EDS

To register go to:

http://www.tibco.com/mk/2006/info_sharing_gov.jsp
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

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Government agencies are under increasing pressure to increase operational efficiency and provide constituents with real-time access to information and services that cross organizational silos.

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9:45 am - 10:00 am	Break
10:00 am - 11:00 am	SOA Executive Panel Discussion
11:00 am - 12:00 pm	Event Driven Architecture - [redacted] TIBCO Software
12:00 pm - 1:00 pm	Lunch/Closing

SOA Executive Panel:
Moderator
[redacted] USAF

Panelists
Joaquin Martinez, Deputy Chief Architect HPMO, Office of Information, Veteran Affairs
[redacted] Chief Scientist, Object-Oriented Technologies, RABA
[redacted] ODNI
[redacted] Principal Consultant, EDS

To register go to:
http://www.tibco.com/mk/2006/info_sharing_gov.jsp

We hope to see you on November 2nd

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 9:45 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 11, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, October 11, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Civil Division will issue a release on a False Claims Act matter. (Miller)

The Criminal Division will issue a release on a public integrity matter. (Sierra)

The Antitrust Division will issue a release on a merger-related matter. (Talamona)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169411

Image not available for this document, ID: 0.7.10316.25323-000001

Image not available for this document, ID: 0.7.10316.25323-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 10:09 AM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT BY ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT REGARDING THE CLOSING OF THE INVESTIGATION OF AT&T'S ACQUISITION OF BELLSOUTH

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

STATEMENT BY ASSISTANT ATTORNEY GENERAL THOMAS O. BARNETT REGARDING THE CLOSING OF THE INVESTIGATION OF AT&T'S ACQUISITION OF BELLSOUTH

Investigation Concludes That Combination Would Not Reduce Competition

WASHINGTON — Thomas O. Barnett, Assistant Attorney General in charge of the Department of Justice's Antitrust Division, issued the following statement today after the Department announced the closing of its investigation into the proposed acquisition of BellSouth Corporation by AT&T Inc.:

"After thoroughly investigating AT&T's proposed acquisition of BellSouth, the Antitrust Division determined that the proposed transaction is not likely to reduce competition substantially. The Division investigated all areas in which the two companies currently compete – including residential local and long distance service, telecommunications services provided to business customers, and Internet services – and the merger's impact on future competition for wireless broadband services.

"The presence of other competitors, changing regulatory requirements and the emergence of new technologies in markets for residential local and long distance service indicate that this transaction is not likely to harm consumer welfare. The proposed acquisition does not raise competition concerns with respect to Internet services markets or 'net neutrality'. The merged firm would continue to face competition from other facilities-based rivals in the provision of telecommunications services to business customers including local private line services. The combination would not significantly increase concentration in the ownership of spectrum in any geographic area or give AT&T control over a large enough share of all spectrum suitable for wireless broadband services to raise competitive concerns. Finally, the merger would likely result in cost savings and other efficiencies that should benefit consumers."

This transaction is subject to review by the Federal Communications Commission (FCC). The Antitrust Division coordinated with the FCC throughout its investigation.

(Background information is attached.)

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06-692

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BACKGROUND TO CLOSING OF INVESTIGATION OF AT&T'S PROPOSED ACQUISITION OF BELLSOUTH

On March 5, 2006, AT&T Inc. and BellSouth Corporation announced their agreement to merge in an all-stock deal valued at $67 billion. AT&T, a Delaware corporation with headquarters in San Antonio, Texas, is the recently combined SBC Communications Inc. and the "legacy" AT&T. SBC is the incumbent local exchange carrier (ILEC) throughout much of the western, southwestern and mid-western United States. The legacy AT&T is a large provider of long distance and enterprise telecommunications services nationwide. BellSouth, a Georgia corporation with headquarters in Atlanta, is the ILEC throughout much of the southeastern United States.

After an extensive investigation, the Antitrust Division determined that the transaction is not likely to lessen competition substantially. The Division reviewed extensive information obtained from the merging parties and from industry participants and interviewed dozens of industry participants, including competitors and customers of the merging parties. The Division thoroughly examined all areas in which the two companies currently compete–including residential local and long distance service, telecommunications services provided to business customers, and Internet services–and also considered the merger's impact on future competition for wireless broadband services. The Division also evaluated the large cost savings and other efficiencies that AT&T has indicated it will achieve through the transaction. The parties provided documentation indicating that much of these efficiencies are likely to be realized, which would further reduce the likelihood that the transaction might harm consumer welfare.

Local Private Lines

The Division's investigation focused in significant part on the provision of local private line services to wholesale and retail business customers. Local private lines are used to supply voice and data telecommunications services to business customers at locations within a metropolitan area. Because of BellSouth's extensive network, the company can provide local private lines to virtually every building in its region, while AT&T can provide services over its own facilities to only a small minority of buildings. In each metropolitan area where the two firms have significant overlapping facilities, the Division found that, postmerger, AT&T would have several competitors with extensive local networks. The merged firm would continue to face existing or potential facilities-based competition at nearly all of the buildings served by AT&T before the merger. Although the Division required divestitures of certain local private line assets before SBC acquired the former AT&T, applying the same criteria to this transaction led the Division to conclude that divestitures were unnecessary to preserve competition.

Other Telecommunications Services Provided to Business Customers

For other retail business services, the Division concluded that the merger would not harm competition due to the presence of other competitors, the emergence of new technologies, and the fact that the merging parties' respective strengths are largely complementary. Within BellSouth's territory, AT&T's strength is in serving the complex, often nationwide needs of large businesses, while BellSouth focuses on serving smaller firms and providing traditional voice and data services to in-region businesses. BellSouth has very little business outside of its region.

Residential Local and Long Distance Service

In markets for residential local and long distance service in the BellSouth region, the Division found that AT&T was of limited and declining competitive significance. The presence of other competitors, changing

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regulatory requirements, and the emergence of new technologies, such as voice over IP, indicate that the merger is unlikely to harm consumers.

Internet Services

The Division also investigated whether the merger would create competitive problems in Internet services, including "net neutrality" concerns regarding the merged firm's ability or incentive to favor its own Internet content over that of its rivals. The Division found that the merger would neither significantly increase concentration in markets for the provision of broadband services to end users nor increase Internet backbone shares significantly. Although the merger would increase the number of subscribers on AT&T's broadband network, the large majority of the nation's residential and small business "eyeballs" remain with other large broadband Internet service providers (such as Verizon, Qwest, Comcast, and Time Warner).

Wireless Broadband Services

The merger is not likely substantially to lessen competition in the provision of wireless broadband services. The combination would not significantly increase concentration in the ownership of spectrum in any geographic area or give AT&T control over a large enough share of spectrum suitable for wireless broadband services to raise competitive concerns.

The Division provides this statement under its policy of issuing statements, in appropriate cases, concerning the closing of investigations. This statement is limited by the Division's obligation to protect the confidentiality of certain information obtained in its investigations. As in most of its investigations, the Division's evaluation has been highly fact-specific, and many of the relevant underlying facts are not public. Consequently, readers should not draw overly broad conclusions regarding how the Division is likely in the future to analyze other collaborations or activities, or transactions involving particular firms. Enforcement decisions are made on a case-by-case basis and the analysis and conclusions discussed in this statement do not bind the Division in any future enforcement actions. Guidance on the Division's policy regarding closing statements is available at: http://www.usdoj.gov/atr/public/guidelines/201888.htm.

DOJ_NMG_ 0169417

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Image not available for this document, ID: 0.7.10316.25336-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 1:57 PM
To: USDOJ- Office of Public Affairs
Subject: CONTRACTOR SENTENCED FOR PAYING GRATUITIES TO FORMER U.S. ARMY DIRECTOR OF CONTRACTING

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

CONTRACTOR SENTENCED FOR PAYING GRATUITIES TO FORMER U.S. ARMY DIRECTOR OF CONTRACTING

WASHINGTON – A U.S. contractor has been sentenced to six months in prison and six months of monitored home confinement for paying illegal gratuities to a former U.S. Army Director of Contracting and violating the Travel Act in connection with U.S. Army contracts awarded from an Army recreational facility in Germany, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Ellis Aaron Abramson, 40, of Merrick, N.Y., was sentenced today by Judge Sandra J. Feurstein at the U.S. District Court in the Eastern District of New York, in Central Islip. Abramson, the president and former owner of Bramson House, Inc., admitted in his April 2006 guilty plea that he paid gratuities in connection with contracts awarded to Bramson House by the Edelweiss Lodge and Resort, Armed Forces Recreation Center (AFRC Europe), in Garmisch, Germany. The Department of the Army serves as the executive agent for the AFRC Europe, operating the AFRC Europe on behalf of the Department of Defense. Patrons at the AFRC Europe include active duty U.S. military personnel serving in Afghanistan and Iraq.

Abramson admitted that during the course of performing work under the contracts, he agreed to fraudulently inflate the invoices for certain line items and to submit the fraudulently inflated invoices to the Director of Contracting for approval. Abramson further admitted that he then gave $23,000 in cash and other benefits directly and indirectly to the former Director of Contracting. Abramson also admitted that he agreed to inflate certain line items in a proposed modification to one of contracts by $40,000 as part of a separate scheme to pay the former Director of Contracting a gratuity.

As part of his plea, Abramson agreed to provide $23,000 in restitution to the U.S. government for the fraudulently inflated amount of the line items in the contract between Bramson House and the AFRC Europe.

The case was investigated by the U.S. Army Criminal Investigation Division Command and the Internal Revenue Service-Criminal Investigations Division. It was prosecuted by Deputy Chief Mark F. Mendelsohn, Assistant Chief Deborah Gramiccioni, and Trial Attorney Suzanne R. Clement of the Criminal Division's Fraud Section.

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Image not available for this document, ID: 0.7.10316.25300-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 2:16 PM
To: USDOJ- Office of Public Affairs
Subject: ATLANTA-BASED INSURANCE SERVICES FIRM TO PAY $1.36 MILLION FOR ALLEGEDLY OVERBILLING THE GOVERNMENT

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
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TDD (202) 514-1888

ATLANTA-BASED INSURANCE SERVICES FIRM TO PAY $1.36 MILLION FOR ALLEGEDLY OVERBILLING THE GOVERNMENT

WASHINGTON - Crawford and Company, an insurance services firm, has agreed to pay the United States $1,363,204 to resolve allegations that between 1992 and 2002 it violated the False Claims Act when it submitted invoices to the federal government that contained inflated charges, the Justice Department announced today. During the time period relevant to this investigation, the Atlanta-based company provided workers compensation-related services to the government, including services intended to streamline the delivery of medical care to injured federal employees, and to expedite the employee's reentry into the workforce.

According to the government, some of these alleged false claim practices included billing the government for services at rates set by Crawford managers, rather than billing the actual time spent performing that service. Additionally, the company allegedly billed the entire time spent on one activity to multiple client files, instead of dividing that time between the applicable files, and attempted to pass along overhead expenses to the government by invoicing them as incurred costs.

"This settlement illustrates the United States' determination to recover funds inappropriately billed on government contracts," said Peter D. Keisler, Assistant Attorney General for the Civil Division.

DOJ_NMG_ 0169424

In 2003, a Crawford subsidiary pleaded guilty to one count of mail fraud in connection with similar conduct that occurred in its Baltimore and Norfolk offices.

This investigation was a joint effort by the Offices of the Inspectors General of the Department of Labor, the United States Postal Service, the Department of Veterans Affairs, and the Defense Criminal Investigative Service. Attorneys from the Justice Department's Commercial Litigation Branch, Civil Division, negotiated the civil settlement.

# # #

06-693

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Image not available for this document, ID: 0.7.10316.25292-000003

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 2:28 PM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO MAKE ANNOUNCEMENT ON A TERRORISM-RELATED MATTER

Department of Justice

FOR PLANNING PURPOSE ONLY
WEDNESDAY, OCTOBER 11, 2006
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*********MEDIA ADVISORY*********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO MAKE ANNOUNCEMENT ON A TERRORISM-RELATED MATTER

WASHINGTON – Deputy Attorney General Paul J. McNulty and other government officials will hold a press conference to make an announcement on a terrorism-related matter **TODAY, OCTOBER 11, 2006 at 4:00 P.M. EDT.**

WHO: Deputy Attorney General Paul J. McNulty
Willie T. Hulon, Executive Assistant Director, National Security Branch, FBI
Debra Wong Yang, U.S. Attorney for the Central District of California
Joe D. Morton, Director, Diplomatic Security Service, Department of State

WHEN: **TODAY, OCTOBER 11, 2006**
4:00 P.M. EDT

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: **MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

06-695

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DOJ_NMG_ 0169430

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Image not available for this document, ID: 0.7.10316.25287-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. CITIZEN INDICTED ON TREASON, MATERIAL SUPPORT CHARGES FOR PROVIDING AID AND COMFORT TO AL QAEDA

Attached please find a copy of the indictment.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
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NSD
(202) 514-2008
TDD (202) 514-1888

U.S. CITIZEN INDICTED ON TREASON, MATERIAL SUPPORT CHARGES FOR PROVIDING AID AND COMFORT TO AL QAEDA

WASHINGTON – A former resident of Orange County, Calif., has been indicted in the Central District of California on charges of treason and providing material support to a foreign terrorist organization for making a series of propaganda videotapes for al Qaeda, the Department of Justice announced today.

Adam Gadahn, 28, also known as Azzam al-Amriki or Azzam the American, "gave al Qaeda aid and comfort ... with intent to betray the United States," according to the treason count in the indictment. The two-count superseding indictment returned by a federal grand jury in Santa Ana, Calif., today also charges Gadahn with providing material support to al Qaeda.

Gadahn is the first person to be charged with treason against the United States since the World War II era.

Al Qaeda, which has claimed responsibility for numerous terrorist attacks around the world, including the Sept. 11, 2001 attacks against the United States, has been designated a foreign terrorist organization by the U.S. Secretary of State since 1999.

Gadahn appeared in several videotapes that were broadcast between October 2004 and Sept. 11, 2006. In the first tape, Gadahn announced that he had joined al Qaeda, "a movement waging war on America and killing large numbers of Americans," and that "the streets of America shall run red with blood."

In another al Qaeda videotape made in September 2005, around the time of the fourth anniversary of the 9/11 attacks, Gadahn called the attacks "the blessed raids on New York and Washington." Discussing "jihad against America," Gadahn referenced terrorist attacks in London and Madrid and stated, "Tomorrow, Los Angeles and Melbourne, Allah willing."

Earlier this summer, Gadahn appeared in another videotape that also contained statements from al Qaeda leaders Usama bin Laden and Ayman al-Zawahiri. In another videotape that was broadcast around the world on

Sept. 2, 2006, Gadahn encouraged American soldiers to "escape from the unbelieving Army and join the winning side." Recently, in a videotape released to coincide with the fifth anniversary of the September 11th attacks, Gadahn praised the pilots involved in the attacks and referred to the United States as "enemy soil."

"Adam Gadahn is a U.S. citizen who made a choice to join and act as a propagandist for al Qaeda, an enemy of this country responsible for the horrific deaths of thousands of innocent Americans on Sept. 11, 2001," said Deputy Attorney General Paul J. McNulty. "The War on Terror is a fight for hearts and minds, and Gadahn gave himself to our enemies in al Qaeda for the purpose of being a central part of their propaganda machine. By making this choice, we
believe Gadahn committed treason – perhaps the most serious offense for which any person can be tried under our Constitution."

"Adam Gadahn represents a new breed of home-grown extremist, who has chosen to betray the country of his birth, and align with the al Qaeda terrorist network," said FBI Executive Assistant Director Willie Hulon, National Security Branch. "Based on this indictment, Gadahn was added today to the FBI's Most Wanted Terrorists List."

"By aligning himself with al Qaeda, by moving overseas to be closer to al Qaeda's base and leadership, and by joining in advocating al Qaeda's terrorist agenda, an agenda that includes the overthrow of the United States government and the murder of American citizens, Adam Gadahn has committed treason against the United States of America," said U.S. Attorney Debra Wong Yang of the Central District of California. "The charges returned today by a federal grand jury demonstrate that the criminal justice system will not sit passively by while a United States citizen engages in such activities."

Gadhan, 28, is a fugitive who is believed to be overseas, and has been added to the FBI's list of Most Wanted Terrorists. Photographs, aliases and a full description of Gadahn can be found by visiting http://www.fbi.gov/wanted/terrorists/fugitives.htm. The Rewards for Justice Program, run by the U.S. Department of State, Diplomatic Security Service, is offering a reward of up to $1 million for information leading to Gadahn's arrest or conviction.

The charge of treason carries a range of penalties from a mandatory minimum sentence of five years in jail to a maximum sentence of the death penalty. The charge of providing material support to a designated foreign terrorist organization carries a potential sentence of 15 years in prison.

The Gadahn case was investigated by the FBI's Orange County Joint Terrorism Task Force in Santa Ana, California. The case is being prosecuted by the U.S. Attorney's Office for the Central District of California, with assistance from the Counterterrorism Section of the National Security Division – formerly part of the Criminal Division – at the Department of Justice.

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06-695

DOJ_NMG_ 0169434

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2005 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. ADAM GADAHN, a.k.a. Azzam al-Amriki, Defendant.	SA CR 05-254(A) FIRST SUPERSEDING INDICTMENT [18 U.S.C. § 2381: Treason; 18 U.S.C. § 2339B: Providing Material Support to a Designated Foreign Terrorist Organization; 18 U.S.C. § 2(a): Aiding and Abetting]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 2381]

A. INTRODUCTION

1. Al-Qaeda is, and at all times relevant hereto was, a foreign terrorist organization designated by the Secretary of State, pursuant to Section 219 of the Immigration and Nationality Act.

2. Usama bin Laden and Ayman al-Zawahiri have proclaimed publicly that they are leaders of al-Qaeda. Prior to his death,

Abu Musab al-Zarqawi proclaimed in public that he was the leader of al-Qaeda in Iraq.

3. On or about September 11, 2001, the United States was attacked through the hijacking of commercial airliners. These commercial airliners were flown into the World Trade Center in New York and the Pentagon in Washington D.C. Another hijacked commercial airliner was flown into the ground in Pennsylvania. These attacks resulted in the loss of approximately 3,000 lives.

4. Usama bin Laden has acknowledged publicly that the September 11, 2001 attack on the United States was an al-Qaeda operation. Usama bin Laden and other al-Qaeda leaders have also proclaimed in public that al-Qaeda is at war with America.

5. On or about September 18, 2001, Congress passed a resolution authorizing the President of the United States to use all necessary and appropriate force against those responsible for the terrorist attacks of September 11, 2001.

6. On or about July 7, 2005, a series of bombs exploded on the London subway system resulting in the loss of numerous lives.

7. Ayman al-Zawahiri has acknowledged publicly that the July 7, 2005 attack on London was the work of al-Qaeda operatives. Ayman al-Zawahiri has publicly identified Shehzad Tanweer as one of the al-Qaeda operatives responsible for the London suicide bombings.

B. THE OFFENSE

8. Beginning on a date unknown and continuing to at least September 11, 2006, defendant ADAM GADAHN, also known as "Azzam al-Amriki" ("GADAHN"), a citizen of the United States, whose last

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known place of residence was in Orange County, within the Central District of California, owing allegiance to the United States, knowingly adhered to an enemy of the United States, namely, al-Qaeda, and gave al-Qaeda aid and comfort, within the United States and elsewhere, with intent to betray the United States. In so doing, GADAHN committed the following overt acts witnessed by two or more witnesses:

a. On or about October 27, 2004, GADAHN appeared in an al-Qaeda video ("the 2004 video") broadcast in the United States and elsewhere, giving aid and comfort to al-Qaeda. In the 2004 video, GADAHN acknowledged that he "has joined a movement waging war on America and killing large numbers of Americans." In the 2004 video, GADAHN made the following statements, among others:

1. "Fighting and defeating America is our first priority. . . ."
2. "September 11th . . . notified America that it's going to have to pay for its crimes and pay dearly."
3. "Jihad is our path and jihad is the answer."
4. "People of America . . . you too shall pay the price for the blood that has been spilled. . . ."
5. "People of America, I remind you of the weighty words of our leaders Sheik Usama bin Laden and Doctor Ayman al-Zawahiri that what took place on September 11th was but the opening salvo of the

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global war on America. . . . The magnitude and ferocity of what is coming your way will make you forget all about September 11th."

6. "The streets of America shall run red with blood . . . casualties will be too many to count and the next wave of attacks may come at any moment."

b. On or about September 11, 2005, GADAHN appeared in an al-Qaeda video ("the 2005 video") broadcast in the United States and elsewhere, giving aid and comfort to al-Qaeda. In the 2005 video, GADAHN described the terrorist attacks of September 11, 2001, as "the blessed raids on New York and Washington." In the 2005 video, GADAHN made the following statements, among others:

1. "These communiques have been released to explain and propound the nature and goals of the worldwide jihad against America and the crusaders and convey our legitimate demands to friend and foe alike, so that the former may join us on this honorable and blessed path, and so that the latter may acknowledge his crimes. . . ."

2. "The call has gone out and the era of jihad and resistance has dawned in all its glory. As Sheik Usama has told you repeatedly, your security is dependent on our security."

3. "Yesterday, London and Madrid. Tomorrow, Los Angeles and Melbourne, Allah willing. And this

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time, don't count on us demonstrating restraint or compassion."

4. "We love peace, but when the enemy violates that peace or prevents us from achieving it, then we love nothing better than the heat of battle, the echo of explosions, and slitting the throats of the infidels."

5. "When it comes to defending our religion, our freedom, and our brothers in faith, every one of us is Mohammed Atta, every one of us is Jamaal Lindsay, and every one of us is Mohammed Boyeri."

c. On or about July 7, 2006, GADAHN appeared in an al-Qaeda video ("the July 2006 video") broadcast in the United States and elsewhere, giving aid and comfort to al-Qaeda. The July 2006 video also contained statements by Usama bin Laden, Ayman al-Zawahiri, Abu Musab al-Zarqawi, and Shehzad Tanweer. In the July 2006 video, GADAHN referred to the recent capture and execution of two American servicemen in Iraq and made the following statements, among others:

1. "So after all the atrocities committed by America . . . why should we target their military only?"

2. "It's hard to imagine that any compassionate person could see pictures, just pictures, of what the Crusaders did to those children, and not want to go on a shooting spree at the Marines' housing facilities at Camp Pendleton."

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3. "When we bomb their cities and civilians like they bomb ours, or destroy their infrastructure and means of transportation like they destroy ours, or kidnap their non-combatants like they kidnap ours, no sane Muslim should shed tears for them. And they should blame no one but themselves."

d. On or about September 2, 2006, GADAHN appeared in an al-Qaeda video ("the September 2, 2006 video") broadcast in the United States and elsewhere, giving aid and comfort to al-Qaeda. Ayman al-Zawahiri also appeared in the September 2, 2006 video and addressed "the American people in particular and all Western peoples in general." Al-Zawahiri introduced GADAHN as "our brother Azzam the American" and explained that GADAHN "talks to you as one concerned about the fate which awaits his people." Al-Zawahiri urged Americans to listen to GADAHN "because what he is talking to you about is serious and significant. He is talking to you about the fate which awaits every human, an extremely grave issue in which there is no joking, procrastination, or backtracking." In the September 2, 2006 video, GADAHN made the following statements, among others:

1. "So if you want to be on the winning side in this life and the next, and if you want your resistance to Crusader tyranny to truly count, then take the simple step I have just outlined. . . . We send a

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special invitation to all of you fighting . . . in Afghanistan . . . . You know the war can't be won and that the condition of America's war machine is going from bad to worse."

2. "You know you're considered . . . as nothing more than expendable cannon fodder, a means to an end. . . . You know they couldn't care less about your safety and well being and that the only thing that upsets your leaders when American forces suffer casualties is the damage these casualties do to their popularity and the popularity of the wars they started."

3. "Escape from the unbelieving army and join the winning side. Time is running out, so make the right choice before it's too late and you meet the dismal fate of thousands before you."

e. On or about September 11, 2006, GADAHN appeared in an al-Qaeda video ("the September 11, 2006 video") broadcast in the United States and elsewhere, giving aid and comfort to al-Qaeda. The September 11, 2006 video also contained statements by Usama bin Laden and video footage of the World Trade Center attack in 2001. The pictures of the World Trade Center attack were accompanied by the written statement: "The word is the word of the sword until the wrongs are righted." In the September 11, 2006 video, GADAHN referred to the United States as "enemy soil" and made the following

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statements, among others:

1. "All the brothers who took part in the raids on America were dedicated, strong-willed, highly motivated individuals with a burning concern for Islam and Muslims."
2. "Look at the pilots, Mohammed Atta, Marwan Shehhi, Ziad Jarrah, Hani Hanjour. All of them had lived and studied in the West. All of them had the world within their reach, if they had wanted it. But how could they live with themselves, if they were to enjoy this worldly life while their Ummah burns."
3. "In hind sight, everything that al-Qaeda was doing was preparation for the Manhattan and Washington raids, and the expected crusader invasion."

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COUNT TWO

[18 U.S.C. § 2339B, § 2(a)]

Beginning on or about September 11, 2005, and continuing to at least September 11, 2006, defendant ADAM GADAHN, also known as "Azzam al-Amriki," a national of the United States whose last known place of residence was in Orange County, within the Central District of California, did knowingly provide, and aid and abet the provision of, material support and resources, as those terms are defined in 18 U.S.C. § 2339A(b), including personnel and services, to a foreign terrorist organization, al-Qaeda, which was designated by the Secretary of State as a foreign terrorist organization on October 8, 1999, pursuant to Section 219 of the Immigration and Nationality Act, and was redesignated as such on or about October 5, 2001, and October 2, 2003, which designation continues in effect.

A TRUE BILL

_____
Foreperson

DEBRA WONG YANG
United States Attorney

THOMAS P. O'BRIEN
Assistant United States Attorney
Chief, Criminal Division

WAYNE R. GROSS
Assistant United States Attorney
Chief, Santa Ana Branch Office

DEIRDRE Z. ELIOT
Assistant United States Attorney

GREGORY W. STAPLES
Assistant United States Attorney

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Image not available for this document, ID: 0.7.10316.25278-000003

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 5:25 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER DOD EMPLOYEE INDICTED FOR ACCEPTING ILLEGAL GRATUITY FROM IRAQI CONTRACTOR

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
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CRM
(202) 514-2008
TDD (202) 514-1888

FORMER DOD EMPLOYEE INDICTED FOR ACCEPTING ILLEGAL GRATUITY FROM IRAQI CONTRACTOR

WASHINGTON – A former Department of Defense (DOD) employee has been indicted on charges of accepting an illegal gratuity while deployed in the Republic of Iraq. Bonnie Murphy, who was a civilian disposal officer at Camp Victory, Iraq, allegedly accepted jewelry from an Iraqi contracting firm for her role in helping it receive and maintain three U.S. Army service contracts.

Murphy, 59, of Indialantic, Fla., deployed to Iraq in December 2003 as part of a Defense Reutilization and Marketing Service (DRMS) team. Murphy and other DRMS employees were charged with managing and disposing of surplus DOD property, including hazardous waste.

A federal grand jury in Orlando, Fla., today returned a two-count indictment charging Murphy with one count of accepting an illegal gratuity and one count of accepting compensation to her federal salary. According to the indictment, Murphy was responsible for identifying the needs of and requesting service contracts for the collection, removal, storage, and disposal of property and materials from U.S. Army facilities. Murphy also had the authority to recommend specific contractors and act as the contracting officer's representative (COR) for the contracts. As a COR, she authorized contractors to perform work, monitored their performance, and certified their invoices—allowing them to receive payment.

From July through December 2004, the indictment alleges, Murphy accepted several pieces of jewelry. The items, worth approximately $9,000, came from the owners and employees of an Iraqi contracting company. Murphy allegedly accepted the items because of her numerous official acts that benefited the company, referred to in the indictment as Company A. Between July and October 2004, Company A received three service contracts from the U.S. Army: one for the disposal of hazardous waste, a second for the removal of contaminated soil, and a third for the removal and storage of used lithium batteries. Before each contract was awarded, Murphy wrote a Statement of Work requesting that the Army find and hire an outside contractor to perform the service. She orally recommended that Company A be hired for each contract, and she wrote a sole source justification letter recommending that it receive the lithium battery contract without undergoing a competitive bidding process.

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Accepting an illegal gratuity carries a maximum penalty of two years in prison and a $250,000 fine. Accepting supplementation to a federal salary carries a maximum penalty of five years in prison and a $250,000 fine. An indictment is merely an accusation. All defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

The case was investigated by the Criminal Investigation Division and the Defense Criminal Investigative Service of the U.S. Army. The case is being prosecuted by John Pearson of the Criminal Division's Public Integrity Section, which is headed by Acting Section Chief Edward C. Nucci.

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Image not available for this document, ID: 0.7.10316.25284-000002

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA

v.

BONNIE MURPHY

Case No. 6:06-cr-189-ORL-28-JGG
18 U.S.C. § 201(c)
18 U.S.C. § 209

FILED
2006 OCT 11 AM 11:47
U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO, FLORIDA

INDICTMENT

The Grand Jury charges:

COUNT ONE
Illegal Gratuity
(18 U.S.C. § 201(c))

At all times relevant to this indictment:

1. The defendant, BONNIE MURPHY, was employed as a public official by the Defense Reutilization and Marketing Service (DRMS), a component of the Department of Defense (DOD). The defendant's residence is in Indialantic, Florida, in the Middle District of Florida.

2. The DRMS was responsible for managing and disposing of surplus DOD property. In or about December 2003, the defendant deployed to the Republic of Iraq to support the United States Army forces stationed there. As part of a team of DRMS employees, she was responsible for receiving, managing, and disposing of surplus property, including hazardous materials.

3. The defendant was stationed at Camp Anaconda and Camp Victory, Iraq. While there, she was authorized to identify problem areas, request service contracts, and recommend specific contractors to perform such contracts. She was also authorized to act as a contracting officer's representative (COR). In this capacity, she

authorized work, monitored performance, and certified invoices submitted by contractors.

4. Company A was a construction and contracting service owned by two Iraqi nationals.

5. From in or about July 2004 through in or about October 2004, Company A was awarded three service contracts by the United States government. The first contract retained Company A to remove and dispose of hazardous waste. The second contract retained Company A to remove contaminated soil. The third contract retained Company A to remove and store used lithium batteries.

6. For each of the three contracts, the defendant wrote a Statement of Work requesting that the United States government hire someone to perform the service, and she orally recommended that the contracting officer hire Company A. The defendant also wrote a sole source justification letter recommending that Company A be awarded the battery storage contract without undergoing a competitive bidding process. Once awarded, the defendant acted as the COR for each contract. She authorized Company A to perform services, monitored their performance, and verified their invoices.

7. From in or about August 2004 through in or about January 2005, the defendant certified Company A invoices for payment on all three contracts totaling approximately $5,700,000.

8. From in or about July 2004 through in or about December 2004, the defendant accepted several pieces of gold jewelry from the owners and employees of Company A for and because of the above official acts she performed. The items had an appraised value of approximately $9,000.

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9. From in or about July 2004 until in or about December 2004, in the Republic of Iraq, in the extraterritorial jurisdiction of the United States, the defendant BONNIE MURPHY, being a public official, otherwise than as provided by law for the proper discharge of official duty, directly and indirectly demanded, sought, received, accepted, and agreed to receive and accept things of value personally for and because of an official act performed and to be performed by her; that is, defendant BONNIE MURPHY did receive and accept several pieces of gold jewelry from the owners and employees of Company A for and because of official acts she performed, including, but not limited to, composing a Statement of Work for each of the contracts, orally recommending that Company A be hired for each of the contracts, writing a sole source justification letter recommending that Company A be awarded the lithium battery contract without a competitive bidding process, authorizing Company A to perform services, and certifying Company A invoices for payment.

All in violation of Title 18, United States Code, Section 201(c), and pursuant to Title 18, United States Code, Section 3238.

COUNT TWO
Conflict of Interest: Supplementation of Government Salary
(18 U.S.C. §§ 209(a), 216(a)(2))

10. All allegations made in paragraphs one through eight are re-alleged and incorporated herein.

11. From in or about July 2004 until in or about December 2004, in the Republic of Iraq, in the extraterritorial jurisdiction of the United States, defendant BONNIE MURPHY knowingly and willfully received several pieces of gold jewelry from

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the owners and employees of Company A, which payments were contributions to and supplementation of her salary, for her services as an officer and employee of the executive branch of the United States Government.

All in violation of Title 18, United States Code, Sections 209(a) and 216(a)(2), and pursuant to Title 18, United States Code, Section 3238.

A TRUE BILL,

Foreperson

By: _____
EDWARD C. NUCCI
Acting Chief
Public Integrity Section

By: _____
JOHN P. PEARSON
Trial Attorney
Public Integrity Section
Criminal Division
United States Department of Justice
1400 New York Ave., NW
Washington, DC 20005
(202) 307-2281

DOJ_NMG_ 0169453

FORM OBD-34
APR 1991 No.

UNITED STATES DISTRICT COURT

Middle District of Florida
Orlando Division

THE UNITED STATES OF AMERICA

vs.

B0NNIE MURPHY

INDICTMENT

Violations:

18 U.S.C. § 201(c)
18 U.S.C. § 209

A true bill,

Foreperson

Filed in open court this 11th day

of October, A.D. 2006.

Clerk

Bail $

GPO 863 525

Case 6:06-cr-00189-JA-JGG Document 1 Filed 10/11/2006 Page 5 of 5

DOJ_NMG_ 0169454

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 6:34 PM
To: USDOJ- Office of Public Affairs
Subject: U.K. AND U.S. CITIZENS PLEAD GUILTY TO RUNNING $30 MILLION PONZI SCHEME

Department of Justice

United States Attorney Chuck Rosenberg
Eastern District of Virginia

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
WWW.USDOJ.GOV/USAO/VAE

CONTACT: DEANNA WARREN
PHONE: (757) 441-6331
FAX: (757) 441-6689

U.K. AND U.S. CITIZENS PLEAD GUILTY TO RUNNING $30 MILLION PONZI SCHEME

NORFOLK, Va. – Howard Welsh, 62, of the United Kingdom and Lee Hope Thrasher, 51, of Virginia Beach, Va., pleaded guilty today to charges of conspiracy, mail fraud, and wire fraud U.S. Attorney Chuck Rosenberg of the Eastern District of Virginia announced today. Sentencing has been set for Feb. 21, 2007.

Welsh faces a maximum term of 20 years in prison, a fine, restitution, forfeiture of approximately $30 million, and up to three years of supervised release. Thrasher faces a maximum term of 15 years in prison, a fine, restitution, forfeiture of approximately $30 million and up to three years of supervised release.

According to court documents, Welsh and Thrasher formed a corporation and induced approximately 900 investors to invest approximately $30 million. The funds were wired to bank accounts controlled by Welsh in the United States, and then wired to other accounts in 13 foreign countries and the United States. In the summer of 2002, Welsh and Thrasher fled the United States. Welsh and Thrasher were arrested by the Metropolitan Police Service in the United Kingdom in November 2004. After an extradition process, they were returned to the United States in July 2006. The United States has recovered approximately $2 million of the proceeds of the Ponzi scheme.

"This was a massive fraud, stunning in both its length and its breadth, engineered by Mr. Welsh and Ms. Thrasher" stated U.S. Attorney Rosenberg. "Given that, we are very pleased with their convictions and with the lengthy prison sentences sure to follow."

The investigation was conducted by the FBI and the Internal Revenue Service, Criminal Investigation Division. The FBI Forfeiture Unit in Norfolk, Va; the FBI Forfeiture Support Group, Washington; and the Metropolitan Police Service, New Scotland Yard, London, England, also provided valuable assistance in the investigation and prosecution of this case. The case is being prosecuted jointly by Assistant U.S. Attorneys Robert J. Seidel Jr., Blair Smith Perez, Joseph DePadilla and Kevin M. Comstock.

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Image not available for this document, ID: 0.7.10316.25254-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 7:05 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF U.S. CITIZEN FOR TREASON AND MATERIAL SUPPORT CHARGES FOR PROVIDING AID AND COMFORT TO AL QAEDA

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 11, 2006
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TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF U.S. CITIZEN FOR TREASON AND MATERIAL SUPPORT CHARGES FOR PROVIDING AID AND COMFORT TO AL QAEDA

WASHINGTON, D.C.

4:10 P.M. EDT

DEPUTY ATTORNEY GENERAL McNULTY: Good afternoon. I'm Paul McNulty, Deputy Attorney General. With me on stage are Willie Hulon, Executive Assistant Director of the FBI for National Security; Debra Wong Yang, U.S. Attorney for the Central District of California; and Joe D. Morton, Director of Diplomatic Security Services for the U.S. Department of State.

Today in Santa Ana, California, a federal grand jury issued an indictment against Adam Gadahn, also known as Azzam al-Amriki, on charges of treason and providing material support to a foreign terrorist organization, namely, al Qaeda.

A charge of treason is exceptionally severe, and it is not one we bring lightly. In fact, Mr. Gadahn is the first person to be charged with treason against the United States since the World War II era. But this is the right case for this charge. I want to put his actions into context to be perfectly clear on why we have decided to make this extremely serious charge.

Adam Gadahn is an American citizen who made a choice. He chose to join our enemy and to provide it with aid and comfort by acting as a propagandist for al Qaeda. Terrorists create fear and intimidation through extreme violence. They want Americans to live and walk in fear. They want to demoralize us. That's why propaganda is so important to them, and why facilitating that propaganda is such an egregious crime.

According to the indictment, Mr. Gadahn appeared in a series of al Qaeda videos broadcast in the United States and elsewhere between October 2004 and September 2006, just last month. In these videos, Mr. Gadahn acknowledged that he had joined al Qaeda and declared that "the streets of America shall run red with blood. Casualties will be too many to count, and the next wave of attacks may come at any moment."

The videotaped messages praised the terror attacks of September 11, threatened violence against the families of American soldiers and other civilians, and called on American soldiers to join al Qaeda. In one message, Mr. Gadahn described the September 11 attacks as "the blessed raids on New York and Washington." And he said of his terrorist confederates, "We love nothing better than the heart of battle, the echo of explosions, and the slitting of throats of the infidels."

Adam Gadahn is 28 years old, and his last known address was Orange County, California. He is now a fugitive, and is believed to be living overseas.

We are also announcing today that Mr. Gadahn is being added to the FBI Most Wanted Terrorist list, and a reward is being issued for information leading to his arrest. Joe Morton will have more information on that for you in just a moment.

Now, this investigation is a collaboration between the United States Attorney's Office in the Central District of California, led by Debra Yang, and the Justice Department's Criminal Division under the leadership of Assistant Attorney General Alice Fisher. Responsibility for the Criminal Division's work in this prosecution has now been transferred to the Department's newly created National Security Division. I'd like to acknowledge the outstanding work and deduction of the FBI in this case..

The crime of treason is perhaps the most serious offense for which any person can be tried under our constitution. It is not a crime only against the American people, but against America itself. Today's indictment should serve as notice that the United States will protect itself against all enemies, foreign and domestic. The Department of Justice will use every tool at our disposal in our mission to protect Americans. Betrayal of our country will bring severe consequences.

I'd now like to call on the individuals on this stage to make a brief statement, beginning with U.S. Attorney Debra Yang.

MS. YANG: Good afternoon. The charges returned by the federal grand jury in Santa Ana, California today reflect the seriousness of the crimes committed by Adam Gadahn and the commitment with which the United States of America will pursue any individual who actively endorses terrorism.

As demonstrated in the series of five videotapes that are described in the indictment, Gadahn has become the trusted ally and associate of al Qaeda's leaders, serving as the terrorist group's spokesperson and advocate. By aligning himself with al Qaeda, by moving overseas to be closer to al Qaeda's base and leadership, and by joining and advocating al Qaeda's terrorist agenda, an agenda that includes the overthrow of the United States government and the murder of American citizens, Adam Gadahn has committed treason against the United States of America.

The charges returned today by a federal grand jury demonstrate that the criminal justice system will not sit passively while a United States citizen engages in such activities. Thank you.

DEPUTY ATTORNEY GENERAL McNULTY: Thank you, Debra.

Will Hulon is the Executive Assistant Director of the FBI for National Security.

MR. HULON: Thank you, Paul. Good afternoon. Following Adam Gadahn's indictment for treason and material support to terrorism, he was added today to the FBI's Most Wanted Terrorists list. Gadahn is considered a high value target which puts him high on the FBI's radar screen. This intense exposure limits Gadahn's operational ability, but he still poses a different kind of threat as a communicator for al Qaeda.

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The FBI will continue to work with our law enforcement partners and intelligence partners, sharing information and coordinating investigations, as well as investigating all leads provided by the public, to locate Gadahn and to prevent future terrorist attacks.

DEPUTY ATTORNEY GENERAL McNULTY: And finally, Director Joe Morton from the Diplomatic Security Service.

MR. MORTON: Thank you, Paul. Today the State Department announces that our Rewards for Justice program will pay up to $1 million for information leading to the apprehension of Adam Gadahn, an American believed to be a prominent member of the al Qaeda organization.

Secretary Rice said recently, "We face an enemy that wantonly kills civilians, not as collateral damage but as target of their attacks. We as a civilized world have an obligation to work on how we are going to fight the war on terrorism and to come up with solutions." Rewards for Justice is part of that solution.

The Rewards program has been and will continue to be one of the most valuable U.S. government assets in the fight against international terrorism. Rewards for Justice has paid more than $62 million to over 40 individuals whose information led to the prevention of terrorist attacks against the United States or conviction of terrorists attempting to carry out such acts. The Rewards program has led directly to the capture of Ramsey Yousef, as well the location of Uday and Qusay Hussein in Iraq. It has also been an effective tool in combating drug traffickers in Colombia and terrorists in the Philippines.

Terrorism continues to threaten the security of all people, and our determination to fight it is greater than ever. We ask for your assistance. We encourage anyone with information that may lead to Gadahn's apprehension to contact the State Department's Rewards for Justice Program.

DEPUTY ATTORNEY GENERAL McNULTY: I'll now be happy to answer any questions you might have. Yes?

QUESTION: The indictment says that in a 2005 video, he makes some that L.A. and Melbourne will be next. How credible do you consider these threats?

DEPUTY ATTORNEY GENERAL McNULTY: I'm not in a position to assess the credibility of those threats. I don't have any information on that point.

QUESTION: Is there any evidence that Gadahn was involved in actual plotting or execution of attacks, or do you believe he was solely on the propaganda videos?

DEPUTY ATTORNEY GENERAL McNULTY: To the best of my knowledge, it's propaganda. I don't have any evidence, or information, I should say, regarding involvement in planning other attacks. If we did have that information, I probably would not be able to provide it in this way in this setting. But I'm not aware of that investigation.

QUESTION: The constitution has quite a high threshold of how to prove treason. It includes two witnesses against the person. Do you have such witnesses? And what other information do you have that these statements that were made on these videotapes were not coerced or were other people's words, or what other witnesses do you have?

DEPUTY ATTORNEY GENERAL McNULTY: Well, you're right. The charges of treason are very serious, and it is a significant bar to get over in terms of bringing those charges. We wouldn't be here announcing these

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charges today if we weren't confident that we had the evidence to support the elements of the offense that are associated with the charge of treason. And as you mentioned, the two-witness rule is one of the critical elements of that charge.

It is our practice not to discuss at great length our evidence at the time we announce charges. But I will say that we are very confident about the satisfaction of the standard of the two-witness rule, the least of which the fact that these messages have been broadcast into the United States on video repeatedly, and that a number of individuals would be in a position to be able to identify Adam Gadahn.

But again, we understand our burden. We have to meet a burden that includes a number of elements in addition to the two-witness rule to show that there has been aid and comfort given to the enemy and adherence to the enemy. And the elements will be met if and when we have the opportunity to present our case in court.

QUESTION: Previous indictments against him have remained sealed. This one obviously is not. I wonder if you could explain to us your thinking in keeping the previous indictments against him sealed and making this one public.

DEPUTY ATTORNEY GENERAL McNULTY: Well, this case involves a building of information and evidence against the defendant. We had a videotape in October of 2004; then one on September 11, 2005; then July 7, 2006, the anniversary of the London bombings; another one in September; and then another one in September. So there is a pattern here of more videos, and it has been building up. We've had three this year.

In addition to that, the evidence has been getting stronger. In the most recent videos, we have had unmasking of the defendant, revealing identity, strengthening the government's case. This has also strengthened our ability in considering the treason charge. In each video, we find ourselves in a position of going back to the indictment and having to essentially rewrite the indictment to add the additional evidence that supports the treason charge.

When you take all of that and the building case of the evidence coming in and the more recent videos, combined with now in the last 30 days the decision to have an up to $1 million award, and to put him on the Most Wanted list, it creates a circumstance where it's time now to get the message out in order to get this person in our custody, perhaps to find the assistance that we need, and also to send a message that this kind of conduct will be met with the toughest charges that we can bring to discourage anybody else who might be tempted to respond to his invitation to betray America and to join al Qaeda.

QUESTION: Do you believe every video leads you closer to finding him if there are all kinds of things you can look into background in his messages? And do you believe he's in Pakistan?

DEPUTY ATTORNEY GENERAL McNULTY: I didn't mean to suggest, if you heard anything in that way, that something about the video leads us to understanding more about him. I'm not in a position to say anything about that. And I'm not sure -- let me check -- we believe he's in Pakistan, but we're not positive of it.

QUESTION: When the Agency and the FBI analyze these videos, usually there's things that they see that maybe, you know, the general public doesn't see. Do you believe that every video may lead you a little closer to finding him?

MR. HULON: Yes. Actually, any time we have an opportunity to examine evidence or information, we're looking for clues there. And as we look at these, we do look for clues that would identify where this person might be or give us some indications of, you know, more evidence that would lead us to his location.

QUESTION: The sealing of the earlier indictments and the unsealing of the current indictment now is undoubtedly going to fuel suspicions that the announcement here was timed to influence an election less than

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four weeks away in which national security is going to be a big issue. I was wondering if you can address that.

DEPUTY ATTORNEY GENERAL McNULTY: Well, I'll go back to what I was saying to Terry, that the timing of this case fits the circumstances we face. There would be no good justification to delay this indictment when we have seen the building nature of these videos, and the fact that we have the award now. The award would not do us much good if this was kept secret.

We felt that once we had the most recent video and now a broader base of evidence, we had thoroughly analyzed the nature of the treason charge, applied all the facts in this case to the law in this area, we were in a position to go to the grand jury and seek an indictment. Once we went to the grand jury to seek that indictment, and again having some incentive for cooperation, that we wanted to get this word out as soon as possible. That's in the best interests of the American people to do that.

QUESTION: When exactly was the original indictment?

DEPUTY ATTORNEY GENERAL McNULTY: I'll come back to you in a second.

QUESTION: If you don't have any information that he's been involved in actual plots or actual attacks, what kind of threat does this person actually represent? I mean, you've had people who have actually been involved in attacks in the past but have not faced what he's facing now with this indictment. Can you explain what kind of threat he represents?

DEPUTY ATTORNEY GENERAL McNULTY: We have an American citizen here, and that's a distinction from other cases where you might talk about individuals who have been involved in attacks. We have an American citizen, and element of the offense for treason.

The significance of the propaganda part should not be underestimated. If you look at the cases in this area going back to the World War II era, the broadcast cases, which was a category of cases in itself, about five of them, this is a very significant piece of the way an enemy does business, to demoralize the troops, to encourage the spread of fear. And in fact, when you add terrorism to this equation, in contrast to the World War II enemy, where terrorism by its nature seeks to intimidate in order to affect government policy, the propaganda portion is especially significant. And the fact again we have a U.S. citizen who has betrayed the country, according to the charges, the allegations, and joined up with this enemy to communicate that fear, it brings a lot of different factors together and makes it suitable for treason.

Did you have a follow-up?

QUESTION: Can you just clarify, when was the original indictment? When was that first sealed indictment?

DEPUTY ATTORNEY GENERAL McNULTY: We're going to have to get that for you. I don't think I know that off the top of my head.

QUESTION: Do you believe he has no value for intelligence, and is that why you're not considering him an enemy combatant but instead a treasonous criminal?

DEPUTY ATTORNEY GENERAL McNULTY: Well, I can't comment on what value he might have in one setting or another. But from the Department of Justice perspective, we have enough evidence to bring the charges that we're bringing today, and that's the consideration that this represents. Yes?

QUESTION: When Attorney General Ashcroft and Director Mueller announced this, they said that he was involved in translations for al Qaeda. Is there information that this was propaganda work, or was this

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documents that they were seeking to translate for an attack plan? Is there anything anybody can provide us?

DEPUTY ATTORNEY GENERAL McNULTY: I don't have any more information on that. Do you have something on that?

MR. HULON: Actually, the original reporting that was reported was that he was doing translations for al Qaeda, which were the translations that he did for the videos. And you could see that some of the text was in Arabic and then some of the language was English. So that's the explanation for the translations. It's actually for the communications network.

QUESTION: How? Were there documents recovered overseas in safe house or something?

MR. HULON: That was in regards to the videotapes that were broadcast.

QUESTION: Are the videotapes the only evidence that you have at this point?

DEPUTY ATTORNEY GENERAL McNULTY: Well, I will refer you to the indictment, which lays out essentially where we are on this. And it focuses on all the information in the videotapes, yes.

QUESTION: Right. There's nothing other?

DEPUTY ATTORNEY GENERAL McNULTY: Nothing other than those videotapes. That's right.

QUESTION: You mentioned this evidence as building over a period of time. What was the tipping point in your mind?

DEPUTY ATTORNEY GENERAL McNULTY: Well, right. I think the fact that we had two broadcasts in September, so within the past month, just over the past month. We're one month today from the last video. We had two of those videos. And the investigation took a real turn with that because we again had the unveiling. We had stronger support for the analysis that we were doing in this case. And we came to a point where we could make a final decision on whether or not we believe that treason would be an appropriate charge. So these last two videos combined, and in that frequency, led us to believe that we need to move on this at this point.

MODERATOR: We'll take one more question.

QUESTION: Paul, would you address the question of what's going on in New York City before you leave, you or Mr. Hulon? What evidence, if any, do you have that there's any possible connection to terrorism? How much deaths do you know about? What can you tell us about what's going on?

DEPUTY ATTORNEY GENERAL McNULTY: Well, based upon the information I received just before I walked into this room, we still have no evidence to suggest that this is connected to an act of terrorism. It appears to be at this point, again based upon the evidence that we're aware of, a very tragic aviation incident. And there are investigators, including the FBI's JTTF and the New York City police, on the scene gathering evidence. And we'll continue to monitor the situation.

Thank you.

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Image not available for this document, ID: 0.7.10316.25260-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 7:16 PM
To: USDOJ- Office of Public Affairs
Subject: News Wrap Due

PUBLIC AFFAIRS DAILY NEWS WRAP
October 11, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

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Talking Points

- Adam Gadahn is a U.S. citizen who made a choice to join and act as a propagandist for al Qaeda, an enemy of this country responsible for the horrific deaths of thousands of innocent Americans on Sept. 11, 2001

- The War on Terror is a fight for hearts and minds, and Gadahn gave himself to our enemies in al Qaeda for the purpose of being a central part of their propaganda machine.

- By making this choice, we believe Gadahn committed treason – perhaps the most serious offense for which any person can be tried under our Constitution."

Contractor Sentenced for Paying Gratuities to Former U.S. Army Director of Contracting (Criminal)
Today, a U.S. contractor was sentenced to six months in prison and six months of monitored home confinement for paying illegal gratuities to a former U.S. Army Director of Contracting and violating the Travel Act in connection with U.S. Army contracts awarded from an Army recreational facility in Germany. Ellis Aaron Abramson, of Merrick, N.Y., was sentenced today by Judge Sandra J. Feurstein at the U.S. District Court in the Eastern District of New York, in Central Islip. Abramson, the president and former owner of Bramson House, Inc., admitted in

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- After thoroughly investigating AT&T's proposed acquisition of BellSouth, the Antitrust Division determined that the proposed transaction is not likely to reduce competition substantially.

- The Division investigated all areas in which the two companies currently compete – including residential local and long distance service, telecommunications services provided to business customers, and Internet services – and the merger's impact on future competition for wireless broadband services.

- The presence of other competitors, changing regulatory requirements and the emergence of new technologies in markets for residential local and long distance service indicate that this transaction is not likely to harm consumer welfare.

- The proposed acquisition does not raise competition concerns with respect to Internet services markets or 'net neutrality'.

- The merged firm would continue to face competition from other facilities-based rivals in the provision of telecommunications services to business customers including local private line services.

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OPEN PRESS

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 11, 2006 7:30 PM
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Subject: DOJ Daily News Wrap

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Dining Room (2nd Floor)
Atlanta, Georgia
OPEN PRESS

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 10:08 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 12, 2006

Department of Justice

PRESS GUIDANCE
Thursday, October 12, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

No releases scheduled.

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Press inquiries regarding logistics should be directed to John Page of the Federalist Society at 404-815-6108, or to Janet Potter at 202-514-2201.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Miller, Charles S

From: Miller, Charles S
Sent: Thursday, October 12, 2006 10:48 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Brody, Stephen (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/12/06 Civil Division News

Canada-U.S. softwood deal takes effect, B.C. minister sees years of stability

Arar wants CSIS watchdog to reopen probe

Suit aims to stop deportation of undocumented immigrant parents

Federal appeals court upholds lower fine for Jonesboro company

Fallout-thyroid link gets boost; New downwind study headed by U. professor

Editorial: Posada Case - ISSUE: CIA report points finger at militant.

Canadian Press

10/12/2006

Canada-U.S. softwood deal takes effect, B.C. minister sees years of stability

VICTORIA (CP) - B.C. Forests Minister Rich Coleman says the Canada-U.S. softwood lumber deal coming into effect Thursday should clear the air after years of instability.

He says the agreement brings to the forest industry an operating environment in which everyone knows the rules.

Coleman says systems to deal with a new border tax should be in place by the agreement's implementation but he admits there will likely be some growing pains in the first few months.

The seven-year accord replaces U.S. duties on Canadian softwood with a sliding export tax that adjusts for low lumber prices.

B.C. NDP forests critic Bob Simpson says the implementation couldn't come at a worse time in the market cycle and he predicts extended shutdowns or even mill closures in the province.

He says producers will be facing a 15-per-cent border tax at a time when lumber prices "are at rock bottom."

END

National Post
Oct. 12, 2006

Arar wants CSIS watchdog to reopen probe

Chris Lackner, CanWest News Service; Ottawa Citizen

OTTAWA - Maher Arar is calling on CSIS's watchdog to reopen its investigation into the intelligence agency's role in his detention at a Syrian prison.

The security intelligence review committee, an independent oversight panel, is being asked to review the agency's failure to recognize Arar was being tortured by his captors. The request was made in a letter Arar's lawyers sent to the committee Oct. 4.

"We rely on CSIS to give accurate security assessments, but they couldn't get it right in such a high-profile case," Lorne Waldman, Arar's lawyer, said Wednesday.

"I have serious concerns as to whether they know what they're doing."

Arar, a 36-year-old Syrian-Canadian, was arrested at New York's JFK airport in September 2002 and deported to his birth country. He spent a year in a Damascus jail before he was released without charges.

Waldman said the agency accepted at face value information about Arar gleaned from Syrian authorities without acknowledging it may have been garnered through torture.

"This goes to the heart of the reliability of CSIS as an institution," Waldman said.

"If an intelligence officer charged with the Arar file couldn't do a proper reliability assessment of information obtained from one of the most notorious regimes in the Middle East, I have grave concerns. Anyone doing the most elementary research would have known that torture was almost a certainty."

The CSIS watchdog investigated Arar's case and cleared CSIS of any wrongdoing in 2004, but those conclusions were reached before Justice Dennis O'Connor conducted his public inquiry.

His report, released last month, offered a detailed analysis of the RCMP's role in providing inaccurate intelligence to U.S. authorities that led to Arar's deportation. But the report also criticized CSIS for accepting Syria's reports on Arar at face value and for not supporting Foreign Affairs' efforts to secure his release.

Much of the testimony from CSIS officials was blocked out in the O'Connor report due to national security concerns.

"When we called for a public inquiry, we thought we'd have a public inquiry," Waldman said. "But instead

we got an inquiry in camera."

In his letter to the agency's watchdog, Waldman wrote that CSIS "failed to consider the possibility that the information was obtained under torture, and failed to advise other agencies that the information was likely obtained under torture."

Suzanne Beaubien, a spokeswoman for the the committee, said it will consider Arar's request at its next formal meeting later this month.

The agency's role in Arar's fate is also coming under scrutiny by a parliamentary committee. The House of Commons public safety committee is expected to soon call CSIS director Jim Judd as a witness to discuss the O'Connor report's revelations.

END

Soyth Florida Sun-Sentinel

October 12, 2006

Suit aims to stop deportation of undocumented immigrant parents

By Tal Abbady, SOUTH FLORIDA SUN-SENTINEL

A group of lawyers and immigrant advocates Wednesday sued the federal government, seeking to stop immigration officials from deporting undocumented parents of U.S .-born children.

The suit, filed in U.S . District Court in Miami, seeks class action status for 60 families in South Florida. Officials from Honduran Unity, Nicaraguan Fraternity and the Peruvian-American Coalition asked the court for an emergency injunction to halt deportations they say trample the civil rights of American children.

The lawsuit names as defendants President Bush, Attorney General Alberto R. Gonzalez, Homeland Security Secretary Michael Chertoff and federal immigration officials. Advocates say an injunction would protect children while Congress considers competing immigration proposals -- a debate that has been stalled in recent months.

"It's election time and members of Congress decided to save their seats and forget about immigration reform," said Nora Sandigo, head of the Nicaraguan Fraternity. "They chose to sacrifice children who were born here but are treated like second-class citizens because their parents are undocumented."

More than three million children born in the United States have parents who are undocumented immigrants, according to researchers at the Washington, D.C.-based Urban Institute. Often dubbed "anchor babies" by anti-immigrant groups, they form an emotional fault line in the debate over how to fix a frayed immigration system.

"Our children are not just branches you can just rip from a tree," said Julio Rosell, a Cuban-born Pembroke Pines, Fla., resident who faces deportation along with his Guyanese-born wife.

They don't know where their Florida-born children, Julio Rosell Jr., 9, and Jeannette Rosell, 10, will end up.

Rosell, 41, made his way from Cuba to Brazil and arrived in the United States as a stowaway on a mercantile ship. Immigration officials detained Rosell but eventually released him. He received a work permit, met his wife, had children and started a business.

Thirteen years after settling in South Florida, Rosell received a letter informing him that, as a stowaway, he did not after all qualify to stay in the United States, even though federal policy generally allows Cubans who reach U.S. soil to remain. He could be deported to Cuba. Carolina Rosell, 41, who applied for residency through her husband, could be deported to Guyana.

"I'm in limbo," Julio Rosell said. "Why didn't the government deport me when I arrived? They let me go. I made my life. Now I'm being forced to abandon my children."

The lawsuit claims U.S. immigration laws that force apart families violate the Universal Declaration of Human Rights. It also claims such separations violate the children's constitutional rights.

Advocates of stricter immigration enforcement laws, however, argue parenthood should not give undocumented immigrants special status.

"These parents have made breathtakingly bad decisions," said John Keeley of the Center for Immigration Studies. "Nobody forced them to come here illegally. This is their burden. If they have a duty to care for their children, they must do so in their home countries."

Contemplating a move to Cuba or Guyana gives 10-year-old Jeannette Rosell, a fifth-grader, a lot to worry about.

"I wouldn't know the language there. I wouldn't know anybody," she said. "Where would I live? What would I eat? It's much better here in the States."

END

AP

October 12, 2006

Federal appeals court upholds lower fine for Jonesboro company

LITTLE ROCK_A lower fine imposed on a now-defunct Jonesboro ambulance firm convicted of Medicare fraud was upheld Wednesday by a federal appeals court that had ordered reconsideration of the company's sentence.

Patient Transfer Service, which had earlier been fined $1,177,786, was ordered in March by U.S. District Judge James M. Moody to pay a fine of $500,000 instead, after Moody reviewed the fine at the direction of the 8th U.S. Circuit Court of Appeals at St. Louis.

On Wednesday, the 8th Circuit affirmed the lower fine.

Kevin Wise, the company's general manager, was sentenced by Moody in March to 37 months behind bars.

Prosecutors claimed Patient Transfer Service and owner Don Wise, Kevin Wise's brother, were engaged in a conspiracy to cheat government health-care programs out of hundreds of thousands of dollars by filing false claims for ambulance services in the 1990s. Don Wise was acquitted of conspiracy.

The company allegedly sought reimbursement for dialysis patients who didn't need an ambulance to take them back and forth for treatment. The government alleged the patients had not been confined to a bed

and had not been moved by stretcher, and that "some of them drove, cleaned house, gardened, bowled, and engaged in other active pursuits."

END

Deseret Morning News

Thursday, October 12, 2006

Fallout-thyroid link gets boost; New downwind study headed by U. professor

By Joe Bauman
Deseret Morning News

A new study by 15 scientists, statisticians and other experts concludes that more downwind residents suffered thyroid damage from nuclear testing than earlier believed. Also, it says damage was still showing up 30 years after the blasts.

The study's lead author is the University of Utah's Dr. Joseph L. Lyon, who has been pursuing the issue for many years.

In March 2005, the U.S. Centers for Disease Control and Prevention, based in Atlanta, abruptly canceled a study headed by Lyon that involved checking thyroid glands of downwind residents, looking for abnormities.

Thyroid glands accumulated radioactive iodine from milk from grazing cows. Children were most vulnerable.

Four studies have been launched: an examination in 1965-66 of schoolchildren exposed to fallout; an update 30 years after exposure and published in 1993; an attempted 50-year update canceled by the CDC after years of work and millions of dollars; and the new study, which is a re-evaluation of the 1993 report.

The latest is to be published in "Epidemiology," a peer-reviewed scientific journal that is the official publication of the International Society for Environmental

Epidemiology. The study is to be published in the Nov. 1 issue, but an abstract is already online at the journal's Web site, www.epidem.com/pt/re/epidemiology under "Epi Fast-Track."

The title of the article is "Thyroid Disease Associated With Exposure to the Nevada Nuclear Weapons Test Site Radiation: A Re-evaluation Based on Corrected Dosimetry and Examination Data."

The 1993 report concluded there was a connection between radiation from the Test Site and abnormal thyroid growth such as tumors.

In the latest effort, the team, which included radiobiologists, re-examined the data in the 1993 study, correcting mistakes that crept into the original effort. They found an even stronger connection between thyroid abnormalities and fallout.

Errors crept into the study published in 1993 because "there were a lot of uncertainties (about) what people were eating and where they lived and where they moved," Lyon said Wednesday.

Also, problems with the earlier computer system required reconstructing the system. Radiation doses were recalculated. Two computer programmers independently rewrote the algorithm, rechecking each

step, Lyon said.

"It took them months," he said.

The re-examination also reviewed all the diagnoses that were reported.

Some diagnoses were changed and others were dropped as not sufficiently documented. This step was more conservative than in the 1993 study.

"We set up very rigid criteria," he said. "What we came up with was a much stronger association with thyroid neoplasms (growths, including tumors). It more than doubled."

The risk ratio for people with the highest exposure to fallout, compared with those with the least exposure, jumped from 3.4 times as likely to develop neoplasms to the new study's 7.5 times as likely.

For thyroiditis, an inflammation that is the most common form of thyroid disorder, the figures also are compelling. Those from heavily hit areas had been thought to be 1.1 times as likely to have the disorder. The new study places the risk ratio at 2.7 times.

"We think that's fairly persuasive that thyroiditis is associated" with fallout exposure, Lyon said. The illness is "a very, very common disease," he added, and the disease is not one the government will make payments for under the Radiation Exposure Compensation Act.

Owen Hoffman, a Ph.D. researcher who heads the SENES Oak Ridge Inc. center for risk analysis at Oak Ridge, Tenn. — one of the report's authors — said that in the 1993 report, only neoplasms of the thyroid were found to be statistically related to fallout doses.

"All other diseases were found to be statistically insignificant" in the earlier study, he said in a telephone interview.

The re-evaluation, Hoffman said, "has found increasing risk with respect to exposure to fallout exposure."

It not only confirmed a link to neoplasms, but showed "a link between fallout exposure and thyroiditis."

This is among the first published reports "of a strong link between fallout exposure and an increased incidence of thyroiditis," Hoffman added.

J Truman, originally from southern Utah and now a resident of Malad, Idaho, was among the group of children first tested in the early 1960s and then retested.

"As a participant in that study since its beginning I can't say it's comforting to see the final verdict," he said in an e-mail. "Far from it. There's only anger."

He is angry about the endless government repetitions of "there is no danger" as fallout was coming down.

Truman also feels anger about the federal government pulling the funding on the next follow-up tests, "when the new links (between fallout and disease) started emerging."

END

South Florida Sun-Sentinel
October 12, 2006

Editorial: Posada Case - ISSUE: CIA report points finger at militant.

An act of terrorism that kills innocent people is an act of terrorism, criminal, deplorable.

The United States must tell what it knows of Luis Posada Carriles. The whole story.

Posada is a Cuban militant who has been accused by Cuban and Venezuelan authorities of bombing a Cuban airliner in October 1976. The attack was unwarranted and unjustifiable. Cuba, nor any other nation, will never become "free" or "democratic" by way of terrorism.

Posada is currently being held in a Texas detention center on an immigration-related violation. He has, for three decades, maintained his innocence, and was twice acquitted of the attack in Venezuela.

Now, a just released U.S. government report points yet another the finger at Posada and other right-wing Cuban militants as conspirators in the incident. The CIA document quotes Posada as telling the U.S. spy agency in June 1976 that exiles planned to blow up a Cuban airliner leaving Panama.

Like another document released in June of last year, it suggests Posada knew more than he's publicly admitted. That the CIA held on to this report for so long also suggests U.S. authorities, too, know more than they have let on.

Ideally, Posada would be sent back to Cuba for trial. Unfortunately, Cuba's legal system is not one to offer up fair trials, and extradition isn't an option.

However, that mustn't stop U.S. officials from declassifying all documents that shed light on this tragedy. In particular, Washington should investigate whether Posada's actions violated U.S. law, and bring charges if that turns out to be the case.

While it distrusts Cuba's legal system, the United States can't simply sit idly by, keeping Posada in detention on an immigration matter, hoping the whole issue will be forgotten. Washington must take a proactive role.

BOTTOM LINE: U.S. must tell all it knows.

END

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 2:22 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. ARMY CORPS OF ENGINEERS CIVILIAN EMPLOYEE PLEADS GUILTY TO CORRUPTION CHARGES WHILE WORKING AT CAMP ARIFJAN IN KUWAIT

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 12, 2006
WWW.USDOJ.GOV

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(202) 514-2008
TDD (202) 514-1888

U.S. ARMY CORPS OF ENGINEERS CIVILIAN EMPLOYEE PLEADS GUILTY TO CORRUPTION CHARGES WHILE WORKING AT CAMP ARIFJAN IN KUWAIT

WASHINGTON – Gheevarghese Pappen, a retired U.S. Army Corps of Engineers employee pleaded guilty today in Savannah, Ga., to soliciting and accepting nearly $50,000 in illegal gratuities, announced Assistant Attorney General Alice S. Fisher of the Criminal Division.

Pappen, 62, of Savannah, Ga., pleaded guilty to soliciting gratuities while detailed to the U.S. Army Area Support Group, Host Nation Office at Camp Arifjan, Kuwait, which supports U.S. military operations in Iraq. His official duties at Camp Arifjan included working with local companies in order to secure housing for U.S. Army military and civilian personnel stationed in Kuwait and en route to Iraq. While working in Camp Arifjan securing apartments for U.S. Army employees, Pappen accepted money from a Kuwaiti realtor for assisting the realtor in obtaining contracts with the United States Army. Pappen, ordered by the U.S. Army Corps of Engineers to return to his domestic post in Georgia, was arrested on March 17, 2006, at the Atlanta Hartsfield Jackson International airport upon his return from Camp Arifjan.

Pappen faces a maximum penalty of two years in prison, a three-year term of supervised release, and a fine of $250,000. He is presently released on bond.

This case is being prosecuted by Trial Attorneys Ann C. Brickley and James A. Crowell IV of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci of the Criminal Division.

The case is being investigated by Army Criminal Investigation Division, Major Procurement Fraud Unit, the Defense Criminal Investigation Service and the Federal Bureau of Investigation.

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06-697

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Image not available for this document, ID: 0.7.10316.25067-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 3:58 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT AGREEMENT WILL HELP PROTECT VOTING RIGHTS OF NEW JERSEY CITIZENS IN 2006 FEDERAL ELECTION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 12, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT AGREEMENT WILL HELP PROTECT VOTING RIGHTS OF NEW JERSEY CITIZENS IN 2006 FEDERAL ELECTION

WASHINGTON - The Justice Department today announced that it has reached an agreement with the state of New Jersey that will help to ensure an orderly process for the implementation of New Jersey's statewide computer voter database, in accordance with federal law. This agreement, which was filed contemporaneously with a lawsuit filed by the Civil Rights Division and the U.S. Attorney's Office for the District of New Jersey, sets a schedule for the state's completion and implementation of a statewide computer voter database that includes all eligible voters and for the identification and removal of ineligible voters from the voter rolls, in a manner that brings the state into full compliance with the Help America Vote Act (HAVA) and the National Voter Registration Act of 1993 (NVRA).

"We commend New Jersey Attorney General Stuart Rabner and the Elections Division for their constructive approach to addressing the problems with the state's voter database and voter registration list," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The state's prompt cooperation in this matter will help ensure that every eligible voter in New Jersey will be able to cast his or her ballot in November consistent with federal law."

"We were very concerned that four years had passed without compliance with federal voting laws by the state Attorney General's Office," said U.S. Attorney Christopher J. Christie. "We are very pleased that Attorney General Rabner has taken this issue so seriously and has put the resources of his department behind fixing it as soon as possible."

"We are fully committed to protecting the rights of New Jersey voters and the integrity of the election on November 7," said Attorney General Rabner, who is the state's chief election official. "Free and fair elections are fundamental to the democratic process and full participation is key. This agreement furthers both goals. As always, we will be vigilant in guarding against the potential for fraud."

The agreement, which must be approved by the federal district court, sets an effective schedule for the state to comply with HAVA and the NVRA by implementing a statewide computer database that includes all registered voters and removes ineligible voters. The agreement also requires the state to maintain and

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continually update the database to avoid similar problems in future federal elections. The agreement also provides that voters whose names do not appear in the registration list be given an opportunity to vote by provisional ballot.

The Justice Department has brought a number of suits under the HAVA and the NVRA to ensure the proper implementation of the computer voter database and the accuracy and integrity of state voter registration lists. More information about the HAVA, the NVRA and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov. Complaints about discriminatory voting practices may be called in to the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

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06-698

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Image not available for this document, ID: 0.7.10316.24907-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 6:04 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 12, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGE

BATON ROUGE, La. – Another Louisiana resident was sentenced in federal court by Chief U.S. District Court Judge Ralph E. Tyson on a fraud charge related to a hurricane disaster relief program, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced today.

Betty Faye London, 53, of Baton Rouge, La., pleaded guilty on June 7, 2006, to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. London was sentenced to three years of probation and $2,000 in restitution. The U.S. Department of Homeland Security's Office of Inspector General and the FBI conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 78.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud

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Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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Image not available for this document, ID: 0.7.10316.24899-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 6:07 PM
To: USDOJ- Office of Public Affairs
Subject: OVERTON COUNTY JAIL ADMINISTRATOR CONVICTED OF VIOLATING INMATE'S RIGHTS; TWO OTHERS PLEAD GUILTY

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 12, 2006
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(202) 514-2007
TDD (202) 514-1888

OVERTON COUNTY JAIL ADMINISTRATOR CONVICTED OF VIOLATING INMATE'S RIGHTS; TWO OTHERS PLEAD GUILTY

WASHINGTON – Michael Gilpatrick, former Overton County Jail Administrator, was convicted today in federal court for violating the civil rights of an inmate detained in the Overton County Jail. Gilpatrick faces up to 10 years in prison for each of the two counts on which he was convicted, and was remanded for a psychiatric evaluation.

Two co-defendants, Overton County Sheriff's Deputy Gary Grigg and Lieutenant Johnny Gann, pleaded guilty to related charges last week, just prior to the commencement of the trial. A fourth defendant, Overton County Sheriff's Lieutenant James Loftis, also pleaded guilty in June 2005 to a related civil rights charge. In total, four Overton County law enforcement officers have been convicted in the course of this prosecution.

The jury found Gilpatrick guilty of willfully violating the civil rights of an inmate in the Overton County Jail by arranging for two other jail inmates to assault the victim. The jury also convicted Gilpatrick of conspiring with Grigg and Loftis to violate the victim's civil rights. Grigg and Loftis pleaded guilty to conspiring with Gilpatrick to have the victim assaulted. Gann further pleaded guilty to lying to federal investigators during the investigation of this incident. The inmates who assaulted the victim have agreed to plead guilty to state assault charges later this year.

"Those who abuse their position of trust are an affront to the vast majority of law enforcement officers who perform honorably under dangerous and difficult circumstances," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department of Justice is committed to vigorously enforcing the criminal civil rights laws."

"I want to commend the FBI for its thorough investigation of this case," said Craig S. Morford, the U.S. Attorney for the Middle District of Tennessee in Nashville. "I pledge my office's support to investigating and prosecuting civil rights violations when they occur."

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by

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law enforcement officials. The Division has compiled a significant record on criminal civil rights prosecutions in the last six years. Since fiscal year 2001, the Division has convicted 50 percent more defendants in comparison to the previous six years.

Assistant U.S. Attorney William Cohen and Civil Rights Division attorneys Gerry Hogan and Jim Felte prosecuted this case for the government.

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06-699

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 12, 2006 6:50 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 12, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

FRIDAY'S EXPECTED NEWS STORIES:

Attorney General Hosts *Washington Times* Editorial Page Editor (OPA)
Today, the Attorney General hosted Tony Blankley for lunch.

Police Executive Research Forum Released Crime Data (OPA)
Today, the Police Executive Research Forum began leaking data they intend to release this weekend at the annual conference of the International Association of Chiefs of Police, that indicates the increases in the rates of murder and robbery that began last year have continued in 2006, and in many communities across the country, have gotten worse. *USA Today* and ABC News may run stories tonight or tomorrow on the matter.

Talking Points:

- In 2005, law enforcement agencies around the country continued their effective work of keeping the peace and fighting crime.

- The recently released National Crime Victimization Survey shows that violent and property crime rates in 2005 remained at their lowest levels since the Survey was initiated in 1973. Between 2000 and 2005, the violent crime victimization rate fell by 24 percent.

- In our continuing partnership with local law enforcement, we recognize that some jurisdictions are experiencing a recent increase in certain types of violent crime. These reports are a concern to the Department and further underscore the importance of our commitment to work with our state and local partners to address violent crime through successful programs like Project Safe Neighborhoods, our new anti-gang and anti-methamphetamine initiatives, and ATF's Violent Crime Impact Teams -- all of which have helped convict criminals and reduce crime.

- At the Department of Justice, our goal is to do our part to make our Nation's neighborhoods safer places to live. We remain dedicated to reducing violent crime, reducing the number of young people joining and staying in gangs, and protecting the American people from criminals through successful prosecution and incarceration.

U.S. Army Corps of Engineers Civilian Employee Pleads Guilty to Corruption Charges While Working at Camp Arifjan in Kuwait (Criminal)
Today, Gheevarghese Pappen, a retired U.S. Army Corps of Engineers employee pleaded guilty today in Savannah, Ga., to soliciting and accepting nearly $50,000 in illegal gratuities, announced Assistant Attorney General Alice S. Fisher of the Criminal Division. Pappen, of Savannah, Ga., pleaded guilty to soliciting gratuities while detailed to the U.S. Army Area Support Group, Host Nation Office at Camp Arifjan, Kuwait, which supports U.S. military operations in Iraq. His official duties at Camp Arifjan included working with local companies in order to secure housing for U.S. Army military and civilian personnel stationed in Kuwait and en route to Iraq. While working in Camp Arifjan securing apartments for U.S. Army employees, Pappen accepted money from a Kuwaiti realtor for assisting the realtor in obtaining contracts with the United States Army. Pappen, ordered by the U.S. Army Corps of Engineers to return to his domestic post in Georgia, was arrested on March 17, 2006, at the Atlanta Hartsfield Jackson International airport upon his return from Camp Arifjan.

Justice Department Agreement Will Help Protect Voting Rights of New Jersey Citizens In 2006 Federal Election (Civil Rights)
Today, the Justice Department announced that it has reached an agreement with the state of New Jersey that will help to ensure an orderly process for the implementation of New Jersey's statewide computer voter database, in accordance with federal law. This agreement, which was filed contemporaneously with a lawsuit filed by the Civil Rights Division and the U.S. Attorney's Office for the District of New Jersey, sets a schedule for the state's completion and implementation of a statewide computer voter database that includes all eligible voters and for the identification and removal of ineligible voters from the voter rolls, in a manner that brings the state into full compliance with the Help America Vote Act (HAVA) and the National Voter Registration Act of 1993 (NVRA).

Talking Points

- The Department commends New Jersey Attorney General Stuart Rabner and the Elections Division for their constructive approach to addressing the problems with the state's voter database and voter registration list.

- The state's prompt cooperation in this matter will help ensure that every eligible voter in New Jersey will be able to cast his or her ballot in November consistent with federal law.

Overton County Jail Administrator Convicted of Violating Inmate's Rights; Two Others Plead Guilty (Civil Rights)
Today, Michael Gilpatrick, former Overton County Jail Administrator, was convicted in federal court for violating the civil rights of an inmate detained in the Overton County Jail. Gilpatrick faces up to 10 years in prison for each of the two counts on which he was convicted, and was remanded for a psychiatric evaluation. Two co-defendants, Overton County Sheriff's Deputy Gary Grigg and Lieutenant Johnny Gann, pleaded guilty to related charges last week, just prior to the commencement of the trial. A fourth defendant, Overton County Sheriff's Lieutenant

James Loftis, also pleaded guilty in June 2005 to a related civil rights charge. In total, four Overton County law enforcement officers have been convicted in the course of this prosecution.

Talking Points

- Those who abuse their position of trust are an affront to the vast majority of law enforcement officers who perform honorably under dangerous and difficult circumstances.

- The Department of Justice is committed to vigorously enforcing the criminal civil rights laws.

Father Charged with Illegal Firearms Following Joplin School Shooting (USAO-Western District of Missouri)
The father of the student involved in a shooting at Joplin Middle School has been charged in federal court with illegally possessing several firearms in the Western District of Missouri. Gregory Lynn White of Joplin, Mo., was charged with possession of firearms in a federal criminal complaint filed under seal in U.S. District Court in Springfield on Oct. 11, 2006. The complaint was unsealed and made public today upon White's arrest and initial court appearance. White is the father of the Joplin Middle School student who was taken into custody after allegedly firing one shot into the school's ceiling and allegedly attempting to shoot school officials with a Norinco semi-automatic assault rifle on Oct. 9, 2006.

Another Sentenced In Baton Rouge on Federal FEMA Fraud Charge (USAO–Middle District of Louisiana)
Today, another Louisiana resident was sentenced in federal court by Chief U.S. District Court Judge Ralph E. Tyson on a fraud charge related to a hurricane disaster relief program. Betty Faye London, of Baton Rouge, La., pleaded guilty on June 7, 2006, to count one of an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. London was sentenced to three years of probation and $2,000 in restitution. The U.S. Department of Homeland Security's Office of Inspector General and the FBI conducted the investigation of this matter. The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 78.

ATF Featured in National Geographic Program (ATF)
Tonight, the National Geographic Channel will broadcast a program called *"Naked Science: Forensics Under Fire,"* featuring interviews with several ATF employees. The show will take a close look at recent challenges to the reliability of forensic science and will examine how the field is responding to those challenges. Special Agent and Certified Fire Investigator Steven Avato, Fire Protection Engineer Stephen Hill and Special Agent and Toolmark Examiner Kristin Gerber were interviewed for the program.

FBI Director Mueller Names Joseph Billy as Assistant Director In Charge of the FBI's Counterterrorism Division (FBI)
Today, FBI Director Robert S. Mueller, III, named Joseph Billy, Jr., Assistant Director in charge of the FBI's Counterterrorism Division. Billy has been the Acting Assistant Director since June.

Billy has been with the Federal Bureau of Investigation (FBI) for 28 years. He holds a Masters Degree in Public Administration from the University of Southern California. During his career in the FBI, he has served in the Newark, New Haven and New York field offices.

FBI Receives Media Inquiries Regarding Most Wanted Suspect Adam Gadahn (FBI)
Today, the FBI continued to receive media inquiries regarding Adam Gadahn, who was placed on the FBI's "Most Wanted" List today and was indicted yesterday on charges of treason and providing aid and comfort to al-Q'aida.

FRIDAY'S EXPECTED EVENTS/RELEASES:

No events/releases scheduled.

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 9:52 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 13, 2006

Department of Justice

PRESS GUIDANCE
Friday, October 13, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Criminal Division will issue a release on a public integrity matter. (Sierra)

The Criminal Division will issue a release on a fraud-related matter. (Sierra)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.24854-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 10:36 AM
To: USDOJ- Office of Public Affairs
Subject: U.S. RESOLVES PROBE AGAINST OIL COMPANY THAT BRIBED IRANIAN OFFICIAL

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV

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(202) 514-2008
TDD (202) 514-1888

U.S. RESOLVES PROBE AGAINST OIL COMPANY THAT BRIBED IRANIAN OFFICIAL

WASHINGTON – An international oil company, Statoil ASA, headquartered in Norway and listed on the New York Stock Exchange, has acknowledged making bribe payments to an Iranian official in order to secure valuable oil and gas rights in Iran, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Michael J. Garcia for the Southern District of New York announced today. In order to resolve a pending criminal investigation, Statoil has acknowledged that its conduct violated the anti-bribery and accounting provisions of the Foreign Corrupt Practices Act (FCPA), agreed to pay a $10.5 million penalty, and has further agreed to enter into a three-year deferred prosecution agreement.

According to the criminal information filed today in Manhattan federal court, in 2001 and 2002, Statoil sought to expand its business internationally, and focused specifically on Iran as a country in which to secure oil and gas development rights. At the time, Iran was awarding contracts for the development of the South Pars field, one of the largest natural gas fields in the world. In 2001, Statoil developed contacts with an Iranian government official who was believed to have influence over the award of oil and gas contracts in Iran. Following a series of negotiations with the Iranian official in 2001 and 2002, Statoil entered into a "consulting contract" with an offshore intermediary company. The purpose of that consulting contract—which called for the payment of more than $15 million over 11 years—was to induce the Iranian official to use his influence to assist Statoil in obtaining a contract to develop portions of the South Pars field and to open doors to additional Iranian oil and gas projects in the future. Two bribe payments totaling more than $5 million were actually made by wire transfer through a New York bank account, and Statoil was awarded a South Pars development contract that was expected to yield millions of dollars in profit. The information charges that Statoil violated the FCPA by making the corrupt payments and by falsifying its books and records in characterizing the bribe payments as consulting fees.

Pursuant to the terms of the deferred prosecution agreement, Statoil acknowledged responsibility for the bribe payments and accepted a detailed statement of facts describing the circumstances surrounding those payments. In addition to the payment of $10.5 million, the company agreed to cooperate fully with the Department of Justice and the Securities and Exchange Commission (SEC) in connection with inquiries concerning corrupt payments, false books and records, and inadequate internal controls. Statoil agreed to the appointment of an independent compliance consultant, who will review and periodically report on the company's compliance during the three-year term of the agreement. If the company fulfills its obligations

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under the deferred prosecution agreement, after three years the two criminal charges contained in the information filed today will be dismissed.

In a related proceeding announced today by the SEC, Statoil consented to the entry of an administrative order requiring the company to cease and desist from committing any future violations of the FCPA, and to pay disgorgement of an additional $10.5 million.

"Although Statoil is a foreign issuer, the Foreign Corrupt Practices Act applies to foreign and domestic public companies alike, where the company's stock trades on American exchanges," said Assistant Attorney General Fisher. "This prosecution demonstrates the Justice Department's commitment vigorously to enforce the FCPA against all international businesses whose conduct falls within its scope." Ms. Fisher added, "The Department's willingness to resolve this particular investigation by a deferred prosecution agreement is in large part due to the exceptional assistance Statoil provided to U.S. authorities in connection with the investigation, the significant remedial efforts undertaken by the company, and the fact that the Norwegian authorities also investigated and sanctioned Statoil."

"Protection of U.S. capital markets from corrupt business practices is a fundamental underpinning of the Foreign Corrupt Practices Act, and it is an objective that we share with our civil enforcement partner, the SEC," U.S. Attorney Garcia stated. "I acknowledge and greatly appreciate the extraordinary leadership, assistance and cooperation provided by the SEC in this matter."

This investigation has been handled jointly by the Criminal Division's Fraud Section and by the U.S. Attorney's Office for the Southern District of New York. Deputy Chief Mark Mendelsohn and Trial Attorney Joe Capone of the Fraud Section and Assistant U.S. Attorney Deborah Landis and are in charge of the matter.

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06-700

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Image not available for this document, ID: 0.7.10316.24848-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 10:39 AM
To: USDOJ- Office of Public Affairs
Subject: ROME, GA., RESIDENT PLEADS GUILTY TO MATERIAL SUPPORT OF FOREIGN TERRORIST GROUP

Attached please find the guilty plea and plea agreement and criminal information.

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV/USAO/GAN

CONTACT: PATRICK CROSBY
PHONE: (404) 581-6016
FAX: (404) 581-6160

ROME, GA., RESIDENT PLEADS GUILTY TO MATERIAL SUPPORT OF FOREIGN TERRORIST GROUP

Local Businessman and Imam Provided Money to Hamas

ROME, Ga. – Mohamed Shorbagi, 42, of the Rome area pleaded guilty in federal district court to providing material support to Hamas, a designated foreign terrorist organization, U.S. Attorney David E. Nahumias of the Northern District of Georgia announced today. The criminal information and plea agreement, which were filed on Aug. 28, 2006, had been sealed until today, as was the plea hearing.

"There are two important points to make about this case," said U.S. Attorney Nahmias. "First, this case illustrates that people who illegally support foreign terrorist organizations may be found anywhere in the United States, even in quiet and pleasant places like Rome. Second, we will use every lawful tool to ferret out terrorism and those who provide material support to it, regardless of where they live or how they try to hide their criminal activities."

Nahmias noted that Hamas is a terrorist organization operating primarily in the West Bank and Gaza Strip, which has engaged in numerous terrorist attacks aimed at Israeli military personnel, police officers and civilians. Hamas attacks have killed numerous innocent people, including American citizens, and have undermined the Israeli-Palestinian peace process. Federal law makes it a serious felony to provide any material support or resources to a designated foreign terrorist organization.

"The FBI is committed to working with our partners here and abroad to investigate and disrupt the activities of those who provide funding and other support to terrorist groups," stated Special Agent in Charge Gregory Jones of the FBI. "It is very disturbing to see people in the United States who are so willing to offer

their assistance to known terrorist organizations, and this case should remind us all of the continued need to be vigilant."

"This joint investigation has exemplified what can be accomplished through persistence and interagency cooperation," stated Special Agent in Charge Kenneth A. Smith of Immigration and Customs Enforcement. "The investigation highlights the Department of Homeland Security's goal to identify, investigate and disrupt national security threats and financial avenues being utilized in support of terrorist organizations. I believe that a strong message has been sent that we will not tolerate those individuals in the United States who provide funds for terrorist interests abroad."

According to U. S. Attorney Nahmias and the information presented in court: On Oct. 8, 1997, the United States formally designated Hamas as a foreign terrorist organization. After that date, and continuing until Dec. 4, 2001, Shorbagi provided financial support to Hamas and conspired with unnamed others to provide such material support. He did so knowing that Hamas had been designated as a foreign terrorist organization and that Hamas engaged in terrorist activity. Shorbagi provided the support through donations to the "Holy Land Foundation for Relief and Development (HLF)," knowing that some or all of the money was, in fact, destined for Hamas. Shorbagi knew that money provided to HLF was actually funneled to Hamas in part because he was a Georgia representative for HLF and he had attended HLF meetings at which high-level Hamas officials made presentations condemning Israel. Shorbagi also had hosted high-level Hamas officials at the Rome, Ga. mosque at which he served as Imam.

Shorbagi was charged in a Criminal Information on Aug. 28, 2006, with one count of providing material support to a foreign terrorist organization. That charge carries a maximum sentence of 15 years in prison and a fine of up to $250,000.

Shorbagi has entered a plea agreement in which he agrees that, under the federal sentencing guidelines, he would be sentenced to the statutory maximum of 15 years in prison. Pursuant to the plea agreement, Shorbagi has agreed to cooperate fully and truthfully with the Government. If the Government determines that such cooperation substantially assists in the investigation or prosecution of other persons, it will file a motion asking the court to reduce Shorbagi's sentence. Shorbagi also agreed to pay full restitution to the victims of fraud crimes he had committed, which the Government agreed not to charge in consideration of his cooperation.

Sentencing is scheduled for Nov. 3, 2006, at 1:30 p.m., before U.S. District Judge Harold L. Murphy.

This case is being investigated by Special Agents of the FBI and U.S. Immigration and Customs Enforcement (ICE), with assistance from the Internal Revenue Service – Criminal Investigation and the Floyd County Police Department. Assistant U.S. Attorney Kim Dammers is prosecuting the case.

Department of Justice

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Image not available for this document, ID: 0.7.10316.24885-000002

FILED IN OPEN COURT
8-28-06
James N. Hatten, Clerk
By: Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ROME DIVISION

UNITED STATES OF AMERICA	:	
	:	CRIMINAL INFORMATION
v.	:	
	:	NO. 4:06-CR-062-HLM
MOHAMED SHORBAGI	:	

THE UNITED STATES ATTORNEY CHARGES THAT:

From a date unknown, but beginning no later than on or about October 8, 1997, and continuing until on or about December 4, 2001, the defendant, MOHAMED SHORBAGI, within the United States, unlawfully and knowingly did combine, conspire, confederate, and agree with other persons, known and unknown, to provide material support and resources, as that term is defined in 18 U.S.C. § 2339A(b), to a foreign terrorist organization, namely HAMAS, knowing that HAMAS was then designated a terrorist organization under 8 U.S.C. § 1189; all in violation of Title 18, United States Code, Section 2339B.

DAVID E. NAHMIAS
UNITED STATES ATTORNEY

KIM S. DAMMERS
ASSISTANT UNITED STATES ATTORNEY
600 U.S. Courthouse
75 Spring Street, S.W.
Atlanta, GA 30303
404/581-6187
Georgia Bar No. 325417

ORIGINAL

GUILTY PLEA and PLEA AGREEMENT

United States Attorney
Northern District of Georgia

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ROME DIVISION

CRIMINAL INFORMATION NO. 4:06-CR-062-HLM

MOHAMED SHORBAGI, defendant, having received a copy of the above-numbered Criminal Information and having waived arraignment, hereby pleads GUILTY thereto. The defendant, his counsel, and the United States Attorney for the Northern District of Georgia ("the Government"), as counsel for the United States, subject to approval by the Court, have agreed upon a negotiated plea in this case, the terms of which follow.

1. The defendant admits that he is pleading guilty because he is in fact guilty of the crimes charged in the Criminal Information.

2. The defendant understands that by pleading guilty, he is giving up the right to plead not guilty and the right to be tried by a jury. At a trial, the defendant would have the right to an attorney, and if the defendant could not afford an attorney, the Court would appoint one to represent the defendant. During the trial, the defendant would be presumed innocent and the Government would have the burden of proving him guilty beyond a reasonable doubt. The defendant would have the right to confront and cross-examine the witnesses against him. If the defendant wished, he could testify on his own behalf and present evidence in his defense, and he could subpoena witnesses to testify on his behalf. If, however, the defendant did not wish to testify, that fact could not be used against him. If the defendant were found guilty

after a trial, he would have the right to appeal the conviction. The defendant understands that by pleading guilty, he is giving up all of these rights and there will not be a trial of any kind. The defendant also understands that he ordinarily would have the right to appeal his sentence and, under some circumstances, to attack the sentence in post-conviction proceedings. By entering this Plea Agreement, the defendant may be waiving some or all of those rights to appeal or collaterally attack his sentence, as specified below. Finally, the defendant understands that, to plead guilty, he may have to answer questions posed to him by the Court concerning the rights that he is giving up and the facts of this case, and the defendant's answers, if untruthful, may later be used against him in a prosecution for perjury or false statements.

3. At trial, the defendant agrees that the government could prove beyond a reasonable doubt the following facts:

a. Beginning on a date unknown, but no later than October 8, 1997, and continuing until on or about December 4, 2001, the defendant entered into an agreement and understanding with others to provide monetary support to HAMAS.

b. As part of this agreement, the defendant made regular monetary contributions to the Holy Land Foundation for Relief and Development (HLF) on behalf of himself and others, knowing that HLF then supplied some or all of that money to HAMAS, including donations made after October 26, 2001.

b. At all times that the defendant provided monetary support to HAMAS, he knew that HAMAS engaged in terrorist activity and that HAMAS

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was a designated Foreign Terrorist Organization under the laws of the United States.

f. The defendant provided monetary support to HAMAS for the purpose, in part, of influencing or affecting the conduct of the government of Israel by intimidation or coercion, or to retaliate against the governmental actions of Israel.

4. **MAXIMUM PENALTY:** The defendant understands that, based on his plea of guilty, he will be subject to the following maximum and mandatory minimum penalties:

(a) Maximum term of imprisonment: 15 years

(b) Mandatory minimum term of imprisonment: none

(c) Term of supervised release: not more than 3 years

(d) Maximum fine: $250,000

(e) Mandatory special assessment: $100

5. The defendant understands that, before imposing sentence in this case, the Court will be required to consider, among other factors, the provisions of the United States Sentencing Guidelines. Ultimately, it is within the Court's discretion to impose a sentence up to and including the statutory maximum. The defendant also understands that no one can predict his exact sentence at this time.

6. Based upon the evidence currently known to the Government, the Government will recommend, and the defendant agrees, that Sections 2M5.3 and 3A1.4 of the

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United States Sentencing Guidelines apply in determining the defendant's applicable offense level:

U.S.S.G. § 2M5.3 (material support of terrorism): The parties agree that under U.S.S.G. § 2M5.3, the base offense level is 26.

U.S.S.G. § 3A1.4 (terrorism enhancement): The parties agree that under U.S.S.G. § 3A1.4, the base offense level is increased by 12 levels to level 38, and the Criminal History Category is increased to VI.

The parties understand, however, that regardless of the applicable guideline range the sentence cannot exceed the statutory maximum of 15 years.

7. The Government will recommend that the defendant receive the two-level adjustment for acceptance of responsibility pursuant to Section 3E1.1 of the Sentencing Guidelines, and the additional one-level adjustment if the offense level is 16 or higher. However, the Government will not be required to recommend acceptance of responsibility if, after entering this Plea Agreement, the defendant engages in conduct inconsistent with accepting responsibility. Thus, by way of example only, should the defendant falsely deny or falsely attempt to minimize his involvement in relevant offense conduct, give conflicting statements about his involvement, fail to pay the special assessment, or participate in additional criminal conduct, including unlawful personal use of a controlled substance, the Government will not be required to recommend acceptance of responsibility.

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8. The defendant agrees to cooperate truthfully and completely with the Government, including being debriefed and providing truthful testimony at any proceeding resulting from or related to his cooperation. The defendant also agrees to disclose the existence of and to produce to the Government any and all books, papers, documents, and other items of evidentiary value that are in his actual or constructive possession. The defendant understands that the Government alone will determine what forms of cooperation to request from the defendant, and the defendant agrees that he will not engage in any investigation that is not specifically authorized by the Government.

9. It is understood that defendant's truthful cooperation with the Government is likely to reveal activities of individuals who might use violence, force, and intimidation against the defendant, his family, and loved ones. Should Defendant's cooperation present a significant risk of physical harm to the defendant or his family, this Government, upon the written request of the defendant, will take steps that it determines to be reasonable and necessary to attempt to ensure his safety and that of his family and loved ones. These steps may include, but are not guaranteed to include, application for an S-Visa, whereby the defendant may be permitted to reside legally in the United States under certain guidelines and conditions and/or application to the Witness Security Program of the United States Marshal's Service, whereby the defendant, his family, and loved ones, if approved, could be relocated under a new identity. The defendant understands, however, that the neither the S-Visa program or the Witness Security Program is administered by the United States Attorney's Officer or is under the direction and control of the United States Attorney's Office.

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10. Pursuant to Section 1B1.8 of the Sentencing Guidelines, the Government agrees that any self-incriminating information that was previously unknown to the Government and is provided to the Government by the defendant in connection with cooperation and as a result of this Plea Agreement will not be used in determining the applicable sentencing guideline range, although such information may be disclosed to the Probation Office and the Court. The Government also agrees not to bring additional charges against the defendant, with the exception of charges resulting from or related to the defendant's direct participation in violent criminal activity, based on any information provided by the defendant in connection with his cooperation that was not known to the Government prior to the cooperation. However, if the Government determines that the defendant has not been completely truthful and candid in his cooperation with the Government, he may be subject to prosecution for perjury, false statements, obstruction of justice, and any other appropriate charge, and all information he has provided may be used against him in such a prosecution.

11. In exchange for the defendant's cooperation, the Government has agreed not to bring additional criminal charges against him, so that he is exposed to lower penalties than he otherwise would be. The Government agrees further to make the extent of the defendant's cooperation known to the sentencing Court. In addition, if the cooperation is completed before sentencing and the Government determines that such cooperation qualifies as "substantial assistance" pursuant to Title 18, United States Code, Section 3553(e) and/or Section 5K1.1 of the Sentencing Guidelines, the Government will consider whether to file a motion at sentencing recommending a downward departure from the applicable guideline range. If the cooperation is completed after sentencing and the Government determines that such cooperation

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qualifies as "substantial assistance" pursuant to Rule 35(b) of the Federal Rules of Criminal Procedure, the Government will consider whether to file a motion for reduction of sentence. In either case, the defendant understands that the determination as to whether he has provided "substantial assistance" rests solely with the Government. Good faith efforts by the defendant that do not substantially assist in the investigation or prosecution of another person who has committed a crime will not result in either a motion for downward departure or a Rule 35 motion. The defendant also understands that, should the Government decide to file a motion pursuant to this paragraph, the Government may recommend any specific sentence, and the final decision as to what credit, if any, the defendant should receive for his cooperation will be determined by the Court. If the defendant fails to cooperate truthfully and completely, including testifying truthfully at any trial of his co-defendants or if the defendant engages in additional criminal conduct or other conduct inconsistent with cooperation, he will not be entitled to any consideration whatsoever pursuant to this paragraph.

12. As set forth in Paragraph 11, the Government has agreed, in consideration of the defendant's cooperation, not to bring additional criminal charges against him, including charges related to his fraudulent conduct. The defendant, however, agrees to pay full restitution to the victims of those fraud crimes that the Government as part of this plea agreement has agreed not to charge. The defendant understands that the amount of restitution owed to each victim will be determined at or before sentencing, but agrees that the total of such restitution is at least $240,000. The defendant also agrees to cooperate fully in the investigation of the amount of restitution and the identification of victims.

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13. The defendant agrees to pay any fine and/or restitution imposed by the Court to the Clerk of Court for eventual disbursement to the appropriate account and/or victim(s). The defendant also agrees that the full fine and/or restitution amount shall be considered due and payable immediately. If the defendant cannot pay the full amount immediately and he is placed in custody or under the supervision of the Probation Office at any time, he agrees that the custodial agency and the Probation Office will have the authority to establish payment schedules to ensure payment of the fine and/or restitution. The defendant further agrees to cooperate fully in efforts to collect the fine and/or restitution obligation by set-off of program payments, execution on non-exempt property, and any other means the Government deems appropriate. Finally, the defendant and his counsel agree that Government officials may contact the defendant regarding the collection of any fine and/or restitution without notifying and outside the presence of his counsel.

14. The defendant knowingly, voluntarily, and expressly waives any statute of limitations defense that might exist regarding the charge to which he pleading guilty in the above-number Criminal Information.

15. The Government reserves the right to inform the Court and the Probation Office of all facts and circumstances regarding the defendant and this case, and to respond to any questions from the Court and the Probation Office and to any misstatements of fact or law. Except as expressly stated elsewhere in this Plea Agreement, the Government also reserves the right to make recommendations regarding application of the Sentencing Guidelines.

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16. The defendant agrees that, before the date of sentencing, he will pay a special assessment in the amount of $100 by money order or certified check made payable to the Clerk of Court, U.S. District Court, 2211 U.S. Courthouse, 75 Spring Street, S.W., Atlanta, Georgia 30303. The defendant agrees to bring proof of such payment to the sentencing hearing.

17. **LIMITED WAIVER OF APPEAL:** To the maximum extent permitted by federal law, the defendant voluntarily and expressly waives the right to appeal his sentence and the right to collaterally attack his sentence in any post-conviction proceeding on any ground, except that the defendant may file a direct appeal of an upward departure from the otherwise applicable sentencing guideline range. The defendant understands that this Plea Agreement does not limit the Government's right to appeal, but if the Government appeals the sentence imposed, the defendant may also file a direct appeal of his sentence.

18. The parties agree that no biological evidence (as defined in 18 U.S.C. § 3600A) has been identified in this case; therefore, the defendant understands and agrees that no evidence will be preserved for DNA testing.

19. With regard to the Government's recommendation as to any specific application of the Sentencing Guidelines as set forth elsewhere in this Plea Agreement, the defendant understands and agrees that, should the Government obtain or receive additional evidence concerning the facts underlying any such recommendation, the Government will bring that evidence to the attention of the Court and the Probation Office. In addition, if the additional evidence is sufficient to support a finding of a

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different application of the Guidelines, the Government will not be bound to make the recommendation set forth elsewhere in this Plea Agreement, and the failure to do so will not constitute a violation of this Plea Agreement.

20. If the defendant fails in any way to fulfill each one of his obligations under this Plea Agreement, the Government may elect to be released from its commitments under this Plea Agreement. The Government may then prosecute the defendant for any and all Federal crimes that he has committed related to this case, including any charges dismissed pursuant to this Plea Agreement, and may recommend to the Court any sentence for such crimes up to and including the maximum sentence. The defendant expressly waives any statute of limitations defense and any constitutional or statutory speedy trial defense to such a prosecution, except to the extent that such a defense exists as of the date he signs this Plea Agreement. In addition, the defendant agrees that, in such a prosecution, all admissions and other information that he has provided at any time, including all statements he has made and all evidence he has produced during proffers, interviews, testimony, and otherwise, may be used against him, regardless of any constitutional provision, statute, rule, or agreement to the contrary. Finally, the defendant understands that his violation of the terms of this Plea Agreement would not entitle him to withdraw his guilty plea in this case.

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21. There are no other agreements, promises, representations, or understandings between the defendant and the Government.

In Open Court this 28th day of August, 2006.

SIGNATURE (Attorney for Defendant)
MICHAEL TROST, ESQ.

SIGNATURE (Defendant)
MOHAMED SHORBAGI

SIGNATURE (Assistant U.S. Attorney)
KIM DAMMERS

SIGNATURE (Approving Official)
DAVID E. NAHMIAS
UNITED STATES ATTORNEY
FOR

8-24-06
DATE

DOJ_NMG_ 0169526

CERTIFICATION OF DEFENDANT AND COUNSEL

I have read the Criminal Information against me and have discussed it with my attorney. I understand the charges and the elements of each charge that the Government would have to prove to convict me at a trial. I have read the foregoing Plea Agreement and have carefully reviewed every part of it with my attorney. I understand the terms and conditions contained in the Plea Agreement, and I voluntarily agree to them. I also have discussed with my attorney the rights I may have to appeal or challenge my sentence, and I understand that the appeal waiver contained in the Plea Agreement will prevent me, with the narrow exceptions stated, from appealing my sentence or challenging my sentence in any post-conviction proceeding. No one has threatened or forced me to plead guilty, and no promises or inducements have been made to me other than those discussed in the Plea Agreement. The discussions between my attorney and the Government toward reaching a negotiated plea in this case took place with my permission. I am fully satisfied with the representation provided to me by my attorney in this case.

M. Shorbagi — 8/28/2006

SIGNATURE (Defendant) — DATE

I am MOHAMED SHORBAGI's lawyer. I have carefully reviewed the charges and the Plea Agreement with my client. To my knowledge, my client is making an informed and voluntary decision to plead guilty and to enter into the Plea Agreement.

Michael J. Trost — 8/28/2006

Michael Trost, Esq. — DATE
Attorney for Mr. SHORBAGI

DOJ_NMG_ 0169527

INFORMATION BELOW MUST BE TYPED OR PRINTED

Michael Trost
NAME (Attorney for Defendant)

MOHAMED SHORBAGI
NAME (Defendant)

Suite 300
1800 Peachtree St., N. W.
Atlanta, GA 30309-2504

STREET

CITY & STATE ZIP CODE

PHONE NUMBER 404/352-9300

PHONE NUMBER

STATE BAR OF GEORGIA NUMBER 716681

Filed in Open Court

FILED IN OPEN COURT
8-28-06
James N. Hatten, Clerk
By: Deputy Clerk

By

DOJ_NMG_ 0169528

U. S. DEPARTMENT OF JUSTICE
Statement of Special Assessment Account

This statement reflects your special assessment only. There may be other penalties imposed at sentencing.

ACCOUNT INFORMATION	
CRIMINAL ACTION NO.	
DEFENDANT'S NAME:	**MOHAMED SHORBAGI**
PAY THIS AMOUNT:	**$100**

INSTRUCTIONS:

1. *PAYMENT MUST BE MADE BY **CERTIFIED CHECK** OR **MONEY ORDER** PAYABLE TO:*

   CLERK OF COURT, U.S. DISTRICT COURT

   PERSONAL CHECKS WILL NOT BE ACCEPTED

2. *PAYMENT MUST REACH THE CLERK'S OFFICE WITHIN 30 DAYS OF THE ENTRY OF YOUR GUILTY PLEA*

3. *PAYMENT SHOULD BE SENT OR HAND DELIVERED TO:*

   Clerk of Court, U.S. District Court
   600 East First Street
   Rome, Georgia 30161

   (Do not Send Cash)

4. *INCLUDE DEFENDANT'S NAME ON **CERTIFIED CHECK** OR **MONEY ORDER***

5. *ENCLOSE THIS COUPON TO INSURE PROPER AND PROMPT APPLICATION OF PAYMENT*

6. *PROVIDE PROOF OF PAYMENT TO THE ABOVE-SIGNED AUSA WITHIN 30 DAYS OF THE GUILTY PLEA*

DOJ_NMG_ 0169529

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 11:36 AM
To: USDOJ- Office of Public Affairs
Subject: CONGRESSMAN ROBERT W. NEY PLEADS GUILTY TO CHARGES INVOLVING CORRUPTION AND FALSE STATEMENTS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

CONGRESSMAN ROBERT W. NEY PLEADS GUILTY TO CHARGES INVOLVING CORRUPTION AND FALSE STATEMENTS

WASHINGTON – Congressman Robert W. Ney has pleaded guilty to a two-count information charging him with conspiracy to commit multiple offenses – including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban – and with making false statements to the U.S. House of Representatives, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Ney, 52, entered his plea today in U.S. District Court for the District of Columbia, before Judge Ellen Segal Huvelle. Judge Huvelle set Ney's sentencing for January 19, 2007. Ney faces up to 10 years in prison, a fine of $500,000, and supervised release following his incarceration. The plea agreement Ney signed last month calls for the government to recommend a sentence of 27 months in prison.

The named co-conspirators in the charges Ney pleaded guilty to today include Jack Abramoff, Michael Scanlon, Tony Rudy, and Ney's former chief of staff Neil Volz. All have previously pleaded guilty in this investigation and are cooperating with law enforcement officials.

Ney was a Congressman representing the 18th District of Ohio from 1995 through the present. In 2001, Ney became chairman of the House Committee on Administration, a position Ney held until January 2006. Ney admitted that he engaged in a conspiracy beginning in approximately 2000 and continuing through April 2004, wherein he corruptly solicited and accepted a stream of things of value from Abramoff, his lobbyists, and a foreign businessman, in exchange for agreeing to take and taking official action to benefit Abramoff, his clients, and the foreign businessman.

"Congressman Ney betrayed the trust of the constituents he was elected to represent by trading the power and influence of his office for gambling chips, luxury travel, and thousands of dollars of meals, drinks and tickets," said Assistant Attorney General Fisher. "Congressman Ney's guilty plea demonstrates that our justice system will hold officials accountable for their illegal acts. We will continue our aggressive pursuit of public corruption crimes to ensure the integrity of our public officials and to help maintain the public's confidence in our government."

DOJ_NMG_ 0169530

"Congressional corruption outlined in Congressman Ney's plea agreement has real life consequences. It undermines the rule of law and erodes the confidence the community must have in our elected officials," said Assistant Director Chip Burrus, FBI Criminal Investigative Division. "The FBI and our partners at the Department of Interior-Office of the Inspector General (OIG), General Services Administration-OIG and the Internal Revenue Service, have dedicated our organizational lives to drawing a bright red line that crooks cloaked in government authority should not cross."

Specifically, Ney admitted that he corruptly solicited and accepted things of value from Abramoff and his lobbyists, with the intent to be influenced and induced to take official actions, including international and domestic trips, meals and drinks, concert and sporting tickets and tens of thousands of dollars of campaign contributions and in-kind contributions such as free fundraisers. Ney admitted that the actions he agreed to take, and took, to benefit Abramoff, his lobbyists and their clients included the support or opposition of legislation at Abramoff's request, the insertion of statements into the Congressional Record at Scanlon's request, and the support for an application of a license for a contract to install wireless telephone infrastructure in the House of Representatives.

Ney also admitted that he accepted tens of thousands of dollars worth of gambling chips from a foreign businessman who was hoping to sell U.S.-made airplanes and airplane parts in a foreign country. Ney agreed to help the businessman with obtaining an exemption to the U.S. laws prohibiting the sale of these goods to the foreign country, and with obtaining a visa to travel to the United States. Ney also admitted conspiring to aid and abet violations of the federal one-year lobbying ban by his former chief of staff, Neil Volz.

The Ney case is being prosecuted by Trial Attorneys Mary K. Butler, M. Kendall Day, and James A. Crowell IV of the Public Integrity Section. The case is being investigated by a task force of federal agents including Special Agents of the Federal Bureau of Investigation, the Department of the Interior Office of the Inspector General, the General Services Administration Office of the Inspector General, the Criminal Investigation branch of the Internal Revenue Service.

The broader investigation into the lobbying activities of Jack Abramoff is being conducted by federal agents from the above-named agencies as well as prosecutors in the Public Integrity and Fraud Sections of the Criminal Division and prosecutors in the Criminal Tax Section of the Tax Division. The investigation has received assistance from the U.S. Attorney's Office for the Southern District of Florida. To date, the investigation has yielded guilty pleas from six defendants, including public officials such as Ney, Volz, former Congressional deputy chief of staff Tony Rudy, and former Department of Interior employee Roger Stillwell. The investigation has also resulted in the conviction by jury trial of the former chief of staff for the General Services Administration, David Safavian. Sentencing for Safavian is scheduled for Oct. 27, 2006, before U.S. District Judge Paul Friedman in Washington, D.C.

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Image not available for this document, ID: 0.7.10316.24845-000002

Miller, Charles S

From: Miller, Charles S
Sent: Friday, October 13, 2006 4:21 PM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: Comair sues government, Lexington airport over crash

AP

10/13/06

Comair sues government, Lexington airport over crash

LOUISVILLE, Ky. (AP) — Comair is suing the federal government and the Lexington-Fayette Urban County Airport over the August crash of Comair Flight 5191.

The airline filed suit Friday in U.S. District Court in Lexington.

In a written statement, Comair said it intends to reach fair settlements with the families of the 49 people killed on board the plane on Aug. 27, but is suing to ensure the other parties that bear responsibility pay their fair share of the liabilities.

A week before the crash, an airport repaving project changed the taxi route leading to the 7,000-foot main runway that Comair Flight 5191 should have used. Instead, the plane turned onto the airport's 3,500-foot runway, a length too short for the regional jet to take off. It crashed in a field less than a mile away and quickly burned.

Comair, a subsidiary of Delta Air Lines Inc., operates 850 flights to 108 cities daily. Both airlines filed for bankruptcy protection last year.

END

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 4:30 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES SETTLEMENT WITH CENTIER BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT WITH CENTIER BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

WASHINGTON – The Justice Department today announced that Centier Bank of Whiting, Ind., will invest more than $4.3 million and open new branches in minority neighborhoods in the northwestern portion of the state, to resolve allegations that it engaged in a pattern of discrimination on the basis of race and national origin.

The Justice Department alleges that Centier violated the Fair Housing Act and the Equal Credit Opportunity Act by unlawfully failing to market and provide its lending products and services on an equal basis to predominately African American and Hispanic neighborhoods in the cities of Gary, East Chicago and Hammond—a practice known as redlining.

The Justice Department and Centier reached a consent order, which was filed in conjunction with the complaint in federal district court in Hammond, Ind. Under the agreement, which remains subject to court approval, Centier is prohibited from discriminating on the basis of race, color, or national origin in any aspect of a residential real estate-related or credit transaction.

"All Americans should be able to access the financial markets without fear of unlawful discrimination," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We will continue to vigorously enforce the federal laws that prevent discrimination in credit and lending services. We commend Centier for working cooperatively with the Justice Department in reaching an appropriate resolution of this case."

Under the settlement, Centier will open new offices and expand existing operations in the previously excluded areas. The bank will also invest $3.5 million in a special financing program and spend at least $875,000 for consumer financial education, outreach to potential customers, and promotion of its products and services in these previously excluded areas.

Centier cooperated fully with the Department's investigation into its lending practices and agreed to settle this matter without contested litigation. Centier is an Indiana-chartered full service bank, and one of the largest residential and small business lenders in the Gary, Ind., metropolitan area.

DOJ_NMG_ 0169535

This case resulted from an investigation conducted by the Civil Rights Division of the Department of Justice. A copy of the consent decree as well as additional information about fair lending enforcement by the Department of Justice can be obtained from the Justice Department website at http://www.usdoj.gov/crt/housing.

Since Jan. 1, 2001, the Division has filed 213 cases under the Fair Housing Act and the Equal Credit Opportunity Act.

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06-702

DOJ_NMG_ 0169536

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Image not available for this document, ID: 0.7.10316.24270-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 4:54 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

Department of Justice

United States Attorney Jim Letten
Eastern District of Louisiana

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV/USAO/LAE

CONTACT: KATHY ENGLISH
PHONE: (504) 680-3068
FAX: (504) 589-4859

ANOTHER LOUISIANA MAN PLEADS GUILTY TO FEMA FRAUD

NEW ORLEANS — Morris Singleton, 23, of Houma, La., pleaded guilty to making false statements regarding his application to Federal Emergency Management Agency (FEMA) for disaster assistance benefits, U.S. Attorney Jim Letten of the Eastern District of Louisiana announced today. Singleton pleaded guilty before U.S. District Judge Carl Barbier.

After Hurricane Rita struck Louisiana, Singleton applied for Expedited Assistance (EA) funds from FEMA, the $2,000 many evacuees received from FEMA. Singleton indicated in his application that his primary address was a home located in Houma, La., and that he had essential needs for "food, clothing or shelter," and that he had "disaster related moving and storage expenses," when in truth, he never occupied or rented this property. According to the owner of the property, the home was vacant and was not leased to anyone during Hurricanes Katrina or Rita.

The maximum sentence Singleton could receive is five years in prison and a fine of $250,000. Sentencing is set for Jan. 17, 2007.

"This case is yet another example of the U. S. Department of Justice's commitment to investigate and prosecute any and all fraudulent attempts - no matter how large or small - to steal by fraud monies destined to help the recovery of those citizens who were legitimately displaced and harmed by Hurricanes Katrina and Rita," stated U.S. Attorney Letten. "No abuse, fraud, theft or attempt to abuse the system will be tolerated."

This case was investigated by Special Agents of the FBI assigned to the Katrina Fraud Task Force. This matter was prosecuted by Assistant U.S. Attorney Carter K. D. Guice.

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DOJ_NMG_ 0169539

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Image not available for this document, ID: 0.7.10316.24277-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 4:54 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE ANNUAL CONFERENCE OF THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT THE ANNUAL CONFERENCE OF THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the annual conference of the International Association of Chiefs of Police on **MONDAY, OCTOBER 16, 2006 at 10:10 A.M. EDT.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks before the International Association of Chiefs of Police

WHEN: **MONDAY, OCTOBER 16, 2006**
10:10 A.M. EDT

WHERE: Boston Convention Center
415 Summer Street
Boston, Mass.
OPEN PRESS

NOTE: Pre-set for television camera crews is **no later than 9:00 A.M. EDT.** All other media wishing to cover the Attorney General's remarks must arrive **no later than 9:15 A.M. EDT.** Press inquiries regarding logistics should be directed to Angela Williamson at 202-532-5349 or Wendy Balazik at 917-681-3256.

# # #

06-703

DOJ_NMG_ 0169542

Image not available for this document, ID: 0.7.10316.24272-000001

Image not available for this document, ID: 0.7.10316.24272-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 6:09 PM
To: USDOJ- Office of Public Affairs
Subject: Justice Department Files Voting Rights Lawsuit Against Philadelphia

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 13, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT FILES VOTING RIGHTS LAWSUIT AGAINST PHILADELPHIA

WASHINGTON — The Justice Department announced today that it filed a lawsuit against the City of Philadelphia, alleging violations of the rights of Hispanic and Spanish-speaking voters under two key provisions of the Voting Rights Act.

"The right to vote is a fundamental guarantee for all American citizens," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "In light of the serious problems faced by minority language citizen voters in Philadelphia, we hope that city officials and the Justice Department can reach an agreement quickly to begin essential remedial measures in time for the 2006 federal elections."

The Voting Rights Act requires that certain jurisdictions with a substantial minority-language voter population provide all voting materials and assistance in the minority language as well as in English. The complaint, filed in the U.S. District Court for the Eastern District of Pennsylvania, charges that the city failed to provide Spanish-language assistance at the polls to the majority of its Spanish-speaking voters in recent elections.

The Voting Rights Act also assures voters who need assistance in voting, such as those unable to see or read the ballot, the right to receive that assistance from a person of their choice, other than the voter's employer or union representative. The complaint charges that the city prevented Spanish-speaking voters from receiving assistance from the persons of their choice, even in cases where bilingual assistance was otherwise unavailable.

The Civil Rights Division works to ensure compliance with all of the provisions of the Voting Rights Act with respect to all citizens of all racial groups in all areas of the United States. Since 2002, the Civil Rights Division has filed over three-fourths of all cases to protect the right of voters needing assistance in the history of the Act, and over 60 percent of all minority language cases than in the entire previous history of the Voting Rights Act. As a result of this work and other lawsuits brought, since 2002, the Department has brought a majority of all cases it ever has filed under the substantive provisions of the Voting Rights Act to protect

DOJ_NMG_ 0169545

Hispanic and Asian voters, and the first cases ever filed to protect the voting rights of Filipino and Vietnamese voters. During this time period, the Division has filed successful Voting Rights Act lawsuits across the country, with cases in Arizona, California, Florida, Georgia, Massachusetts, New York, Pennsylvania, Tennessee, Texas, and Washington.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931. More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

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06-704

DOJ_NMG_ 0169546

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Image not available for this document, ID: 0.7.10316.24269-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 6:26 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
October 13, 2006

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

MONDAY'S EXPECTED NEWS STORIES:

Media Reports on Congressman Kolbe's Alleged Trips with Congressional Pages (OPA)
Today, the media has reported that the U.S. Attorney's Office in Arizona is conducting a preliminary investigation of trips Congressman Jim Kolbe allegedly took with Congressional pages. The Department of Justice is declining to comment.

Police Executive Research Forum to Release Crime Data (OPA)
On Sunday, the Police Executive Research Forum (PERF) will release data at the annual conference of the International Association of Chiefs of Police (IACP) indicating that the increases in the rates of murder and robbery that began last year have continued in 2006, and in many communities across the country, have gotten worse.

Talking Points:

- In 2005, law enforcement agencies around the country continued their effective work of keeping the peace and fighting crime.

- The recently released National Crime Victimization Survey shows that violent and property crime rates in 2005 remained at their lowest levels since the Survey was initiated in 1973. Between 2000 and 2005, the violent crime victimization rate fell by 24 percent.

- In our continuing partnership with local law enforcement, we recognize that some jurisdictions are experiencing a recent increase in certain types of violent crime. These reports are a concern to the Department and further underscore the importance of our commitment to work with our state and local partners to address violent crime through successful programs like Project Safe Neighborhoods, our new anti-gang and anti-methamphetamine initiatives, and ATF's Violent Crime Impact Teams -- all of which have helped convict criminals and reduce crime.

- At the Department of Justice, our goal is to do our part to make our Nation's neighborhoods safer places to live. We remain dedicated to reducing violent crime,

reducing the number of young people joining and staying in gangs, and protecting the American people from criminals through successful prosecution and incarceration.

Congressman Robert W. Ney Pleads Guilty to Charges Involving Corruption and False Statements (Criminal)

Congressman Robert W. Ney has pleaded guilty to a two-count information charging him with conspiracy to commit multiple offenses – including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban – and with making false statements to the U.S. House of Representatives, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. Ney entered his plea today in U.S. District Court for the District of Columbia, before Judge Ellen Segal Huvelle. Judge Huvelle set Ney's sentencing for January 19, 2007. Ney faces up to 10 years in prison, a fine of $500,000, and supervised release following his incarceration. The plea agreement Ney signed last month calls for the government to recommend a sentence of 27 months in prison.

Talking Points

- Congressman Ney betrayed the trust of the constituents he was elected to represent by trading the power and influence of his office for gambling chips, luxury travel, and thousands of dollars of meals, drinks and tickets.

- Congressman Ney's guilty plea demonstrates that our justice system will hold officials accountable for their illegal acts.

- We will continue our aggressive pursuit of public corruption crimes to ensure the integrity of our public officials and to help maintain the public's confidence in our government.

U.S. Resolves Probe Against Oil Company that Bribed Iranian Official (Criminal)

An international oil company, Statoil ASA, headquartered in Norway and listed on the New York Stock Exchange, has acknowledged making bribe payments to an Iranian official in order to secure valuable oil and gas rights in Iran, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Michael J. Garcia for the Southern District of New York announced today. In order to resolve a pending criminal investigation, Statoil has acknowledged that its conduct violated the anti-bribery and accounting provisions of the Foreign Corrupt Practices Act (FCPA), agreed to pay a $10.5 million penalty, and has further agreed to enter into a three-year deferred prosecution agreement.

Talking Points:

- Although Statoil is a foreign issuer, the Foreign Corrupt Practices Act applies to foreign and domestic public companies alike, where the company's stock trades on American exchanges.

- This prosecution demonstrates the Justice Department's commitment vigorously to enforce the FCPA against all international businesses whose conduct falls within its scope.

- The Department's willingness to resolve this particular investigation by a deferred prosecution agreement is in large part due to the exceptional assistance Statoil provided to U.S. authorities in connection with the investigation, the significant remedial efforts undertaken by the company, and the fact that the Norwegian authorities also investigated and sanctioned Statoil.

Jake McLure of *Legal Times* Interviews Assistant Attorney General Kenneth L. Wainstein (National Security Division)
Today, Jake McLure of *Legal Times* interviewed Assistant Attorney General Kenneth L. Wainstein on standing up the new National Security Division. In the interview, McLure asked about the new Divisions' role, its organization, and the Department's efforts to combat terrorism. His article is expected to run in the upcoming issue.

Justice Department Reaches Settlement with Centier Bank Regarding Alleged Discrimination in Lending (Civil Rights)
The Justice Department today announced that Centier Bank of Whiting, Ind., will invest more than $4.3 million and open new branches in minority neighborhoods in the northwestern portion of the state, to resolve allegations that it engaged in a pattern of discrimination on the basis of race and national origin. The Justice Department alleges that Centier violated the Fair Housing Act and the Equal Credit Opportunity Act by unlawfully failing to market and provide its lending products and services on an equal basis to predominately African American and Hispanic neighborhoods in the cities of Gary, East Chicago and Hammond—a practice known as redlining.

Talking Points

- All Americans should be able to access the financial markets without fear of unlawful discrimination.

- The Department of Justice will continue to vigorously enforce the federal laws that prevent discrimination in credit and lending services.

- The Department of Justice commends Centier for working cooperatively with the Justice Department in reaching an appropriate resolution of this case.

Justice Department Files Voting Rights Lawsuit Against Philadelphia (Civil Rights)
The Justice Department announced today that it filed a lawsuit against the City of Philadelphia, alleging violations of the rights of Hispanic and Spanish-speaking voters under two key provisions of the Voting Rights Act.

Talking Points:

- The right to vote is a fundamental guarantee for all American citizens.

- In light of the serious problems faced by minority language citizen voters in Philadelphia, we hope that city officials and the Justice Department can reach an agreement quickly to begin essential remedial measures in time for the 2006 federal elections.

Rome, Ga., Resident Pleads Guilty to Material Support of Foreign Terrorist Group (USAO–Northern District of Georgia)
Mohamed Shorbagi of the Rome area pleaded guilty in federal district court to providing material support to Hamas, a designated foreign terrorist organization, U.S. Attorney David E. Nahumias of the Northern District of Georgia announced today. The criminal information and plea agreement, which were filed on Aug. 28, 2006, had been sealed until today, as was the plea hearing.

Talking Points:

- This case illustrates that people who illegally support foreign terrorist organizations may be found anywhere in the United States, even in quiet places like Rome, Ga.

- We will use every lawful tool to ferret out terrorism and those who provide material support to it, regardless of where they live or how they try to hide their criminal activities.

Another Louisiana Man Pleads Guilty To FEMA Fraud (USAO–Eastern District of Louisiana)
Morris Singleton, of Houma, La., pleaded guilty to making false statements regarding his application to Federal Emergency Management Agency (FEMA) for disaster assistance benefits, U.S. Attorney Jim Letten of the Eastern District of Louisiana announced today. Singleton pleaded guilty before U.S. District Judge Carl Barbier. After Hurricane Rita struck Louisiana, Singleton applied for Expedited Assistance (EA) funds from FEMA, the $2,000 many evacuees received from FEMA. Singleton indicated in his application that his primary address was a home located in Houma, La., and that he had essential needs for "food, clothing or shelter," and that he had "disaster related moving and storage expenses," when in truth, he never occupied or rented this property. According to the owner of the property, the home was vacant and was not leased to anyone during Hurricanes Katrina or Rita.

CNN's *Anderson Cooper 360* to Air Story on Numerous Unsolved FBI Criminal Cases (FBI)
Tonight, CNN's *Anderson Cooper 360* will be air a story featuring several of the FBI's unsolved criminal cases. John Walsh from America's Most Wanted will also appear on the CNN show. The cases to be featured include:

- Christina Williams, who was found dead six months after leaving her house to walk the family dog near San Francisco. No one has ever been charged with her murder.

- An unidentified homicide victim found wrapped in black plastic sheeting in Pascagoula, Miss.

- A series of jewelry store robberies up and down the East Coast (nicknamed the Gate Cutters Crew).

- Natalie Holloway, who went missing in Aruba after visiting the island on a trip with classmates from the Birmingham, Ala. area.

- The Collar Bomb case, which involved the murder of pizza delivery man Brian Wells, near Erie, Pa.

MONDAY'S EXPECTED EVENTS/RELEASES:

10:10 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the annual conference of the International Association of Chiefs of Police.
Boston Convention Center
415 Summer Street
Boston, Mass.
OPEN PRESS

From: USDOJ- Office of Public Affairs
Sent: Friday, October 13, 2006 7:41 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 16 - OCTOBER 20, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY

OPA

FRIDAY, OCTOBER 13, 2006

(202) 514-2008

WWW.USDOJ.GOV TDD

(202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 16 - OCTOBER 20, 2006

Monday, October 16

10:10 A.M. EDT

Attorney General Alberto R. Gonzales will deliver remarks at the International Association of Police Chiefs Annual Conference highlighting the efforts of law enforcement to fight violent crime.
Grand Ballroom
Boston Convention Center
415 Summer Street
Boston, Massachusetts

Press inquiries regarding logistics should be directed to Angela Williamson 202-532-5349.

12:00 P.M. EDT

Solicitor General Paul Clement will deliver remarks before the San Francisco chapter of The Federalist Society regarding the Supreme Court Preview for the 2006 October Term.
Bank of America Building
Banker's Club at the Carnelian Room
555 California Street
San Francisco, California
OPEN PRESS

Press inquiries regarding logistics should be directed to David DeGroot of the Federalist Society at 415-218-2360, or to Janet Potter at 202-514-2201.

DOJ_NMG_ 0169554

Tuesday, October 17

Events TBD

Wednesday, October 18

Events TBD

Thursday, October 19

Events TBD

Friday, October 20

10:00 A.M. EDT Attorney General Alberto R. Gonzales, Deputy Attorney General Paul J. McNulty, and Michael Battle, Director of the Executive Office of United States Attorneys (EOUSA), will participate in the EOUSA Director's Awards Ceremony.
Department of Justice
The Great Hall
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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Image not available for this document, ID: 0.7.10316.24233-000002

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 15, 2006 9:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Sun Valley, CA

From: AmberAlert-DOJ
Sent: Sunday, October 15, 2006 9:35:01 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Sun Valley, CA
Auto forwarded by a Rule

AMBER ALERT:Sun Valley,CA VEH:98 Grn Toyota Corolla TAG:CA 5TXJ786 CHILD:7 Hsp M 4'60lbs Hr:Blk COMP:Hisp F SUSP:32yo Hsp M 5'5 180lbs Hr:Blk CALL 213-625-3311
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2422

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Sunday, October 15, 2006 10:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Sun Valley, CA

From: AmberAlert-DOJ
Sent: Sunday, October 15, 2006 10:35:01 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Sun Valley, CA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Sun Valley,CA VEH:98 Grn Toy Cor TAG:CA 5TXJ786 CHILD:7 Hsp M 4'60lbs Hr:Blk COMP:Hisp F SUSP:32yo Hsp M 5'5 180lbs Hr:Blk CALL 818-623-4016
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2422

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 9:44 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 16, 2006

Department of Justice

PRESS GUIDANCE
Monday, October 16, 2006

ATTORNEY GENERAL

10:10 A.M. EDT Attorney General Alberto R. Gonzales will deliver remarks at the International Association of Police Chiefs Annual Conference highlighting the efforts of law enforcement to fight violent crime.
Grand Ballroom
Boston Convention Center
415 Summer Street
Boston, Massachusetts

Press inquiries regarding logistics should be directed to Angela Williamson 202-532-5349.

PRESS RELEASES

The Office of Justice Programs will tentatively issue a release on a grant funding matter. (Peterson)

EVENTS/HEARINGS

12:00 P.M. EDT Solicitor General Paul Clement will deliver remarks before the San Francisco chapter of The Federalist Society regarding the Supreme Court Preview for the 2006 October Term.
Bank of America Building
Banker's Club at the Carnelian Room
555 California Street
San Francisco, California
OPEN PRESS

Press inquiries regarding logistics should be directed to David DeGroot of the Federalist Society at 415-218-2360, or to Janet Potter at 202-514-2201.

NIGHT DUTY OFFICER

Brian Roehrkasse

DOJ_NMG_ 0169560

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169561

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Image not available for this document, ID: 0.7.10316.23954-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 9:48 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES NEW INITIATIVE TO FIGHT CRIME IN TARGETED CITIES

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 16, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES NEW INITIATIVE TO FIGHT CRIME IN TARGETED CITIES

BOSTON —Today, while addressing the International Association of Chiefs of Police, Attorney General Alberto R. Gonzales announced the launch of the Initiative for Safer Communities to target violent crime prevention efforts in selected communities across America that have shown unexplained increases in crime.

Though the national crime rate generally remained at record low levels across the nation in 2005, some cities experienced an increase in certain types of violent crimes, according to FBI and Department of Justice (DOJ) surveys. The first stage of the three-part Initiative, to begin over the next several weeks, will investigate the increase in crime experienced by representative cities. In this phase, DOJ will conduct a detailed survey and visit local law enforcement in impacted areas to identify possible factors contributing to the increase.

The second phase of the Initiative will focus on policy development by analyzing the findings of the investigative phase to identify the roots of the localized increases in crime. The third phase will focus on matching localized results with established federal programs that are proven to be effective in combating crime and, where necessary, creating new initiatives.

"The Department of Justice is committed to making sure that every American city and town can share in the success of low violent crime rates," said Attorney General Gonzales. "The Initiative for Safer Communities will help us find and use the tools that work most effectively to fight crime and keep our communities safe."

The cities to be examined in the investigative phase of the Initiative are still being finalized, but both cities which have experienced increases in crime and significant decreases in crime will be studied, in order to best ascertain which crime-prevention tactics have been most effective. Local law enforcement leaders will be asked questions regarding a variety of demographic, economic, and social matters which could affect the crime rate, including whether gang violence, drug trafficking, or prisoner re-entry have caused changes in criminal activity. They will also be asked about whether there are specific federal, state or local initiatives that have successfully cut the crime rate.

DOJ_NMG_ 0169564

Crime rates in 2005, as measured by the Bureau of Justice Statistics' National Crime Victimization Survey (NCVS) and the FBI's Uniform Crime Report (UCR), show crime rates at near-record low levels in 2005. The NCVS, based on household surveys, shows violent and property crime rates that are at the lowest levels recorded since the survey's inception in 1973. The UCR, based on police reports, indicates that property crime decreased 2.4 percent in 2005.

However, some cities experienced an increase in homicides in 2005 and there was a 1.3 percent increase in violent crime across the nation. Though this rate is lower than any year ever measured except for 2004, the Department of Justice is launching the Initiative for Safer Communities as a proactive measure to help thwart further increases in the rates of violent crime and homicide.

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06-705

DOJ_NMG_ 0169565

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Image not available for this document, ID: 0.7.10316.23952-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 10:55 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 16, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

BOSTON, MASSACHUSETTS

Good morning. It's good to be here in Boston. I began to learn the law as a young man a few miles from here across the Charles River. I want to thank Mary Ann Viverette, Joseph Carter and Dan Rosenblatt for inviting me to this important conference where our collective education in the law and in law enforcement continues.

As many of you know, my brother Tony is a veteran SWAT officer for the Houston Police Department. So, it is a privilege for me to spend time with the leaders of the men and women in uniform who are doing the work on the beat to protect the American people.

You are the ones who make the streets of America safe, on a daily basis. And you are also developing the ideas and tactics that will continue to make those streets safe tomorrow even in the face of an ever-changing set of challenges.

I appreciate the work that is being done at this conference, and I appreciate the level of dedication each and every one of you has committed to your honorable work. You embody what President Theodore Roosevelt said: "The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly … who, at the best, knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly … "

The credit, indeed, belongs to you. Whether it is responding to a terrorist attack or a domestic violence call, you are in the arena with your comrades striving valiantly to protect our neighborhoods. Your hard work, and our work together, must be well-thought-out in addition to being extremely hard-fought – and that's why we're here today.

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Chiefs of Police have some of the toughest jobs in the world – I know that and President Bush knows that.

It's tough to be the first-response in any situation your community faces.

It's tough to be the person in charge of protecting all of the kids in your city.

It's tough to have to fight for more officers and more squad cars in the face of shrinking city budgets.

And it's tough to know that no matter what you do, no matter how smart you are and how dedicated your team is … there's no way to keep every single child safe and every city block peaceful.

But that is your goal, your daily purpose and pursuit, and you do the very best you can.

And it's an honor to serve in this purpose with you.

Our shared responsibilities are vast. None of us can do it alone. So I hope that you look to the federal law enforcement community as we look to you: as teammates and as partners in guarding the American dream.

I know that the old perception of federal law enforcement, versus state and local law enforcement, may have been that of competitors. But our relationship today is different…it is better. We've learned to better share information and resources…we've learned to better share credit for our successes. I have observed that law enforcement officials are by nature proactive and aggressive. You see a problem and you want to solve it. That is part of what makes a good police officer. There will always be a healthy and understandable desire to be the best among your peers…to be first to solve a crime, to be the one to arrest the bad guy. But I think we have all learned that we are most effective working together.

Federal law enforcement knows that you have many thousands more feet on the street, and a critical proximity to the people we all protect. With 800,000 state and local law enforcement officials compared to fewer than 25,000 DOJ federal agents, for example, there can be no question that we learn from you, that we support you, and that we are a team.

We also know this: there is no more "us" versus "them" after September 11th. The only "us" and "them," forever after, are freedom-loving Americans versus the terrorists who seek to destroy us.

In Washington, DC, we are keenly aware that the war on terror is not only fought on international fronts. It is fought in every city and town, every day, by local, state and federal law enforcement. Because, as Chief Bratton's officers showed the world last August, sometimes a gas station hold-up isn't just a gas station hold-up. Sometimes it's a funding operation for homegrown terrorists.

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And our first line of defense is always going to be a local police officer working his beat. An officer who sees something that looks suspicious, and responds. Our success in defending our homeland will be measured, largely, by the strength, the sophistication, and the thoroughness of each response.

Of course, our efforts are not only defensive. We must be proactive in our counter terror efforts. Those who plot to murder Americans are, by definition, breaking our laws by developing those plots. Our job is to catch and prosecute them for breaking laws before their plots come to fruition.

And let's face it. When we in law enforcement re-prioritized our mission after 9-11, to place pre-eminent emphasis on counter terror efforts, it wasn't like we didn't have a pretty full plate already. That massive responsibility to find the terrorists among us was added to our existing responsibilities – to crack down on drugs, gangs, violent crime, and crimes against children. Sometimes you've had to do more with less.

I know this, and so does the President. We appreciate how difficult this has been – and we applaud how well you've done to make our neighborhoods safer.

We have not had a terrorist attack on American soil in five years, and that is a testament to you and to the police forces you lead.

But that is not the entire story. We have had no terrorist attacks against a backdrop of continued record-low crime rates, nationally – evidence of highly successful deterrence and overall prevention. You are protecting the people of your communities against terrorism and traditional crimes with great success.

Law enforcement in some of our largest cities – like Miami and New York – can take credit for an ongoing era of big-city safety, with violent crime rates on the decline and violent criminals behind bars.

As you know, the recently-released National Crime Victimization Survey showed that non-fatal violent and property crime rates in 2005 remained at their lowest levels since the Survey was initiated in 1973. Between 2000 and 2005, the violent crime victimization rate fell by 24 percent – which is good news, proof positive that your work is making a difference.

Likewise, according to the FBI's Uniform Crime Reporting Program, the overall crime rate of 3,899 offenses per 100,000 inhabitants is the lowest crime rate measured by the UCR in more than 30 years.

But even in light of good news on crime rates, we hear from you that gangs, juvenile crime, and gun violence are persistent problems.

And I know we are all concerned that the FBI's Uniform Crime Report shows a 2005 national violent crime rate that is slightly higher than the record-low rate in 2004.

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Although the 2005 rate was still significantly lower than it was in 2002, 2001, 2000 and every other year since 1977 … even a small up-tick in violent crime cannot be ignored, especially when we have made such great progress.

In addition we have recent anecdotal reports that even in this year there may be a rise in violent crime in some areas.

We need to find out why this is happening, and if there is an upward trend in violent crime, what we can do to reverse that trend in those cities. And we need to do it together, by pulling together, as a law-enforcement team, to get the job done. And I will come back to this effort in a moment.

But before I share with you some specific ideas on how this problem should be addressed, let me share with you first, my general philosophy on how we should go about tackling challenges like this. After all, our record of partnership parallels our records of success. When federal, state and local law enforcement works together, we see Joint Terrorism Task Forces preventing terror attacks. We see more information being shared, more dots being connected, and thus more crimes being prevented and prosecuted. We see successful programs like Project Safe Neighborhoods, our new anti-gang and anti-methamphetamine initiatives, and ATF's Violent Crime Impact Teams all helping convict criminals and reduce crime.

In short: when working together, we are able to keep our neighborhoods safer and our children protected. We are partners like never before, and it works.

I know that the funding for these task forces is a small part of your budgets – but it's an important part, and I am going to fight for you to have the resources you need to keep those task forces going.

Fiscally responsible budgets are extremely important – and the President is proud of the fact that his Administration has cut the federal budget deficit in half, three years ahead of schedule – but responsible budgets fund successful efforts, and our joint efforts to fight crime are very clearly successful.

From New York to El Paso and from New Orleans to Minneapolis, I have heard success stories from local and state law enforcement officials.

So our partnerships are working AND they are improving all the time.

It seems that sometimes tragedy helps us see things more clearly – like the fact that we're all in this together.

In a post-9/11-world, information sharing is, more and more, a truly two-way street. When I travel the country I hear this, first-hand, from state, local and federal law enforcement. Open lines of communication and trust puts us on solid footing, well positioned to overcome any law-enforcement challenge that comes our way.

Today's challenge is taking on violent crime in the places where we see increases, and we will take on that challenge together. We know that the violent crime story is not uniform across the country. We also know that

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the problem is a complicated one, and we need to figure out the WHY behind the numbers – whether the story is good or bad.

That's why I'm announcing, today, what the Justice Department will do to respond to this challenge: The Initiative for Safer Communities.

We will focus on three "I"s.

- Investigate: We'll examine the problems and dig deep to find their roots and what feeds them.
- Identify: We'll find and highlight what works, what keeps cities safer.
- Finally, Implement: With best practices and innovative answers having been gathered, localities will be able to learn from each other and choose from a basket of solutions to apply in their cities.

I've asked Deputy Attorney General Paul McNulty to lead this effort, and we look forward to working with this group and our other partners, like the Fraternal Order of Police, on these efforts.

Members of our national team will coordinate efforts to investigate the roots of the problem. We want to know what factors are contributing to a rise in crime in certain citites.

We will look at the cities that are achieving a decrease in rates to identify what is working for them.

We'll look at things like Superintendent Philip Cline's approach to drugs, guns, and gangs in Chicago. He's divided the city into zones and he's concentrating resources in the areas that have the most violence. He also has a separate gang intelligence unit.

We'll look at crime prevention efforts like those in Fairfax County, Virginia, and in New Orleans, where Chiefs David Rohrer [ROAR] and Warren Riley are engaging communities and teaching kids about alternatives to gangs.

And we'll look at whether other cities can replicate the success of Chief Heather Fong in San Francisco, whose force seized nearly 700 guns this year. Chief Fong ensured a continuous, visible presence in hotspot communities through extended shifts, special team members, traffic and motorcycle units, gang task force and narcotics officers … and it looks like those tactics are paying off.

Finally, we'll share these results with law enforcement across the country to help you implement the best practices and effective tactics that will make your cities safer.

We embark on this journey ready to ask the tough questions. We'll want to know what's behind the spread of gangs, the increase in gang membership. We'll look hard at how meth distribution networks are growing. We'll consider whether a culture of violence is developing among our young people. We'll seek honest answers about what works, what doesn't, and why.

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The message I want to leave you with today is simply this: The Department of Justice is committed to making sure that every American city and town can share in the success of low violent crime rates. And we know that teamwork is the only way to make that goal a reality.

The Initiative For Safer Communities will be complemented by the continuation of the Violent Crime Impact Teams Initiative and the resources of the National Gang Intelligence Center – where state and local law enforcement can access information on individual gang members, the relationship between gang members, gang structure and criminal activities.

Our commitment to our partnership with state and local law enforcement has only increased over the past several years. The Department's 2007 budget requests $1.2 billion in targeted investments, including: State and local Project Safe Neighborhood grants, task force funds to combat domestic human trafficking, the Regional Information Sharing System, body armor, and the President's DNA Initiative. Through these programs, the Department seeks to make a significant and positive impact in concert with you – our partners.

As the President said at his press conference last week, "the most solemn duty of the American President and government is to protect this country from harm."

Living up to that duty is foremost on my mind, and on the minds of everyone in this room, when we go to bed at night and when we wake up every morning. I think we're doing a very good job with the task, but more must be done. I look forward to continued work with all of you to make American neighborhoods safe for our children and grandchildren.

Thank you again for having me here today. May God bless you and your work, may He watch over you and your offices and may he continue to bless the United States of America.

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Image not available for this document, ID: 0.7.10316.23957-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 16, 2006 11:29 AM
Subject: JCON BROADCAST, WEEK OF OCTOBER 16, 2006

JCON BROADCAST, WEEK OF OCTOBER 16, 2006

1. **Government Pro Bono Week**
2. **Federal Employees Dental and Vision Insurance Program**
3. **Research Classes Offered by Library Staff**

Government *Pro Bono* Week

Government *Pro Bono* Week is October 23-27, 2006, and there will be several events to promote and celebrate work by Government attorneys and legal staff.

***Pro Bono* Volunteer Appreciation Luncheon, 12:00 noon – 1:00 p.m., Tuesday, October 24, 2006, at the Securities and Exchange Commission, 100 F Street NE, 4th Floor Conference Room**. Have you done *pro bono* work? Come enjoy a FREE lunch in recognition of your contribution to your community! Featuring remarks by [redacted] Washington Legal Clinic for the Homeless, and [redacted], DC Access to Justice Commission. Space is limited and pre-registration is required.

***Pro Bono* Fair, 12:00 noon – 2:00 p.m., Wednesday, October 25, 2006, at the Department of Commerce, 1401 Constitution Avenue NW, Main Lobby (14th Street entrance**. Find information about many legal service providers in our area -- The Legal Aid Society, Legal Counsel for the Elderly, Lawyers for Children America, Washington Legal Clinic for the Homeless, and more! Pre-registration is required.

***Pro Bono* Law Made Easy: Legal Briefings on Landlord-Tenant and Domestic Violence Law, 12:00 noon – 1:00 p.m., Thursday, October 26, at the National Labor Relations Board, 1099 14th Street NW, Board Hearing Room.** Learn the basics in two areas of law where *pro bono* help is needed! The briefings are designed to train attorneys and paralegals to volunteer at the DC Bar *Pro Bono* Program Advice & Referral Clinic, but the information will be useful for any *pro bono* project. Pre-registration is required.

Contact Laura Klein at [redacted] or by email to: Laura.F.Klein@usdoj.gov to register or for more information about any of these events.

Federal Employees Dental and Vision Insurance Program

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is a new program for supplemental dental and vision benefits.

The new FEDVIP will be available to eligible Federal and Postal employees, retirees, and their eligible family members on an enrollee-pay-all basis. This new program allows dental and vision insurance to be purchased on a group basis which means competitive premiums and no pre-existing condition limitations. Premiums for enrolled Federal and Postal employees will be withheld from salary on a pre-tax basis. There is no Federal government contribution.

Eligible individuals can enroll in a dental plan and/or a vision plan. They may enroll in a plan for self-only, self plus one, or self and family coverage. Eligible family members include an enrollee's spouse and unmarried dependent children under the age of 22, or if age 22 or older, incapable of self-support. The rules for family members' eligibility are the same as they are for the FEHB Program.

Employees must be eligible for the FEHB Program in order to be eligible to enroll in FEDVIP. Employees do not have to be enrolled in FEHB--eligibility is the key. Annuitants are eligible to enroll in FEDVIP regardless of their FEHB status.

The following insurance carriers will offer supplemental dental and vision benefits under FEDVIP: Aetna Life Insurance Company; Government Employees Hospital Association, Inc. (GEHA); MetLife, Inc.; United Concordia Companies, Inc.; Group Health, Inc.; CompBenefits; and Triple-S, Inc. BlueCross BlueShield Association and Spectera, Inc., will offer dental benefits, and Vision Service Plan (VSP) will offer vision benefits.

Enrollment will take place during the upcoming Federal Employees Health Benefits (FEHB) open season Monday, November 13 through Monday, December 11, 2006. Coverage will be effective December 31, 2006. More information on how to apply will be forthcoming.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 3:46 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ANNOUNCES FUNDING TO PUBLIC SAFETY OFFICERS FOR BULLETPROOF VESTS

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE Office of Justice Programs
MONDAY, OCTOBER 16, 2006
Contact: Sheila Jerusalem
WWW.OJP.USDOJ.GOV (202) 307-0703

DEPARTMENT OF JUSTICE ANNOUNCES FUNDING TO PUBLIC SAFETY OFFICERS FOR BULLETPROOF VESTS

BOSTON – The Department of Justice today announced nearly $29 million in funding to over 4,500 law enforcement agencies across the nation for the purchase of bulletproof vests through the Department of Justice's Bulletp Vest Partnership Program. The grant awards are expected to fund the purchase of over 213,000 vests for public safety of nationwide.

"Law enforcement is a difficult and dangerous profession. The safety and well-being of our public safety officers is fundamental to effectively administering justice in the communities they serve," said Regina Schofield, Assis Attorney General for the Office of Justice Programs. "Providing this support to state and local agencies is essential to protecting those who are charged with confronting some of our country's most violent criminals."

Administered through the Bureau of Justice Assistance (BJA), a component of the Department's Office o Justice Programs (OJP), the Bulletproof Vest Partnership Program provides for up to half the cost of bulletproof vests to eligible units of local governments. Each jurisdiction may purchase one vest per officer per year, and all vests must mee exceed standards developed by OJP's National Institute of Justice (NIJ). Since 1999, over 12,000 jurisdictions have participated in the BVP Program, with $173 million in federal funds committed to support the purchase of an estimated 450,000 vests. A list of this year's funding recipients is available at http://www.ojp.usdoj.gov/BJA.

In 2003, the Department formed the Body Armor Safety Initiative following the failure of a body armor vest wor Forest Hills, Pa., police officer. The NIJ initiated an examination of bullet-resistant armor, and following ballistics and properties testing, determined that used body armor currently in use may not provide the intended level of ballistic resist As a result, NIJ recommended that new bullet-resistant body armor comply with the NIJ's 2005 interim requirements fo bullet-resistant body amor. As NIJ continues testing new models of body armor, vest models will be added to a list of n that comply with the requirements. The list of compliant vest models is available at http://www.justnet.org.

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The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and co crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five compon bureaus and two offices: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Just Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Office of the Corps and Law Enforcement Education and the Community Capacity Development Office, which incorporates the Wee Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 6:14 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ISSUES REPORT TO THE PRESIDENT REGARDING THE ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT

A PDF of the report is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 16, 2006
WWW.USDOJ.GOV

OIP
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ISSUES REPORT TO THE PRESIDENT REGARDING THE ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT

WASHINGTON — Attorney General Alberto R. Gonzales submitted to President Bush today the Department's report regarding the government-wide administration of the Freedom of Information Act (FOIA). Today's report is the result of the first of three Justice Department reviews required under Executive Order 13392 titled, "Improving Agency Disclosure of Information."

The executive order, signed by the President on Dec.14, 2005, directs agencies to ensure citizen-centered and results-oriented agency FOIA operations. The order directed federal agencies to develop and implement plans in order to improve the performance of their FOIA programs. The order also established, for the first time ever, a Chief FOIA Officer for every agency, FOIA requester service centers and FOIA public liaisons.

Today's report noted that all 91 federal agencies subject to the FOIA have prepared improvement plans, have refined them wherever necessary, and have posted them on their Web sites for public review. It found that the combined efforts of thousands of FOIA personnel to implement the executive order to date "already have yielded significant results."

The report also made several recommendations, including holding a follow-up meeting for all Chief FOIA Officers; having agencies review all of their standard forms and correspondence formats used for FOIA purposes; and enhancing the use of technology for FOIA administration through a new government-wide technology initiative.

The next report is due to the President by June 1, 2007, after agencies report the successes of the first stage of their improvement plan implementation by Feb.1, 2007.

A copy of today's report is attached.

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October 16, 2006

ATTORNEY GENERAL'S REPORT TO THE PRESIDENT PURSUANT TO EXECUTIVE ORDER 13,392, ENTITLED "IMPROVING AGENCY DISCLOSURE OF INFORMATION"

Introduction

This report regarding the governmentwide administration of the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552 (2000 & Supp. IV 2004), is submitted pursuant to Executive Order 13,392, 70 Fed. Reg. 75,373 (Dec. 14, 2005). Specifically, Executive Order 13,392 calls upon the Attorney General to submit to the President a report on agency FOIA implementation, based upon a review of individual agency implementation plans required by the Executive Order ("FOIA Improvement Plans"), together with the most recent annual FOIA reports filed by all agencies. The Executive Order calls on the Attorney General to consult with the Director of the Office of Management and Budget ("OMB") in preparing this report and directs the Attorney General to include "appropriate recommendations on administrative or other agency actions for continued agency dissemination and release of public information." Exec. Order No. 13,392, Sec. 4(a).

Accordingly, the Department of Justice has examined the agency FOIA Improvement Plans recently submitted under Executive Order 13,392, in conjunction with the agencies' annual FOIA reports for Fiscal Year 2005, for purposes of preparing this report. It has done so in coordination with OMB and with the full cooperation of all agencies involved.

Background

The Freedom of Information Act has been in operation now for nearly forty years.[1] As Executive Order 13,392 states: "[T]he Freedom of Information Act (FOIA) has provided an important means through which the public can obtain information regarding the activities of Federal agencies. Under the FOIA, the public can obtain records from any Federal agency, subject to the exemptions enacted by the Congress to protect information that must be held in confidence for the Government to function effectively or for other purposes." Exec. Order 13,392, Sec. 1(a).

Indeed, as a fundamental cornerstone of our modern democratic system of government, the FOIA has proven to be a remarkable success -- a vital tool used by our citizens to learn more about their government's operations and activities, thereby becoming a more fully informed citizenry. As such, it also has served as a model for the relatively recent surge and rapid proliferation of similar openness-in-government regimes around the world.[2]

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[1] The FOIA was enacted in July 1966 but took effect one year later, on July 5, 1967.

[2] When the FOIA was enacted forty years ago, only two other nations had such a law. Since then, most particularly during the past twenty-five years, it has served as the leading model for

(continued...)

As has been noted many times over the years, the volume of FOIA requests that agencies have received has increased dramatically as agency activities under it have continued to grow and develop. Today, a compilation of agencies' annual FOIA report data for Fiscal Year 2005 shows that Federal agencies receive and process more than 2.6 million FOIA requests annually, that they devote in the aggregate almost 5000 employee-years to handling them, and that they do so at a cost in excess of $300 million per year. This is a volume of FOIA activity that far exceeds that of even relatively recent years; in fact, it represents an increase of more than 35% since Fiscal Year 2001 alone.[3] While agencies have largely kept up with such increases, their backlogs in many cases have increased as well, drawing both administrative and legislative attention. Congress has amended the Act substantially over the years, most recently in 1996,[4] and now what should prove to be the most significant administrative development in its history is the issuance and implementation of the subject of this report, Executive Order 13,392.

This first-of-its-kind FOIA executive order establishes a "citizen-centered" and "results-oriented" policy for improving the Act's administration throughout the Executive Branch and it most significantly draws new attention to the challenges presented by agency backlogs of pending FOIA requests, a matter of longstanding concern for both FOIA requesters and agencies

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[2](...continued)
the enactment and implementation of such transparency laws worldwide. Now, more than sixty-five nations of the world, across nearly all continents, have established freedom-of-information regimes similar to the FOIA at their national government levels. See, e.g., *FOIA Post*, "World Now Celebrates 'International Right-to-Know Day'" (posted 9/28/04); *FOIA Post*, "OIP Gives FOIA Implementation Advice to Other Nations" (posted 12/12/02). Recently, at an international conference of freedom-of-information commissioners held in England, the unprecedented issuance of Executive Order 13,392 was featured as a major part of the program agenda, so the Executive Order's implementation has become a subject of worldwide attention as well.

[3] It should be noted that, apart from this large increase, during the most recent fiscal year one agency, the Social Security Administration ("SSA"), altered its practice of designating and recording certain first-party record requests so as to augment the governmentwide statistics on total FOIA requests with an additional 17.2 million such SSA requests recorded. See Government Accountability Office Report, "Freedom of Information Act: Preliminary Analysis of Process Trends Shows Importance of Improvement Plans" (July 26, 2006) (GAO-06-1022T) ("GAO Report on Exec. Order 13,392"), at 3 n.5; see also id. at 15-16 (describing Justice Department focus on point).

[4] The FOIA has been amended by Congress multiple times during the past forty years, most notably in 1974, 1976, 1986, and 1996. A relatively minor amendment was made in 2002, as part of the Intelligence Authorization Act for Fiscal Year 2003, Pub. L. No. 107-306, 116 Stat. 2383 (2002). See Freedom of Information Act Guide & Privacy Act Overview (May 2004), at 19 & nn.78-79. In the past, major amendments of the FOIA have most often been comprehensive ones that took into consideration both the difficulties and challenges experienced by agencies in administering the Act as well as the concerns of the FOIA-requester community.

alike. Fundamentally, Executive Order 13,392 emphasizes the FOIA's importance to "[t]he effective functioning of our constitutional democracy," and it pointedly reminds all Federal agencies that "FOIA requesters are seeking a service from the Federal Government and should be treated as such." Exec. Order No. 13,392, Sec. 1(a), (b).

Accordingly, the Executive Order states an overall policy of responding to FOIA requests "courteously and appropriately," and in ways that permit FOIA requesters to "learn about the FOIA process," most particularly "about the status of a person's FOIA request." Id. at Sec. 1(b). It calls upon all Federal agencies to discharge their FOIA responsibilities in an efficient and "results-oriented" manner and to "achieve tangible, measurable improvements in FOIA processing." Id. at Sec. 1(c). Its stated goal is to "improve service and performance" and "increase efficiency" in agency FOIA operations, "thereby strengthening compliance with the FOIA" and minimizing both "disputes and related litigation" arising under it. Id. at Sec. 1(c), (d). It takes considerable strides toward that goal through the establishment of such creative new mechanisms as Chief FOIA Officers, FOIA Requester Service Centers, FOIA Public Liaisons, and FOIA Improvement Plans at all Federal agencies. As such, Executive Order 13,392 stands as a strong step in improving the governmentwide administration of a law that is of widespread interest and concern.[5]

The implementation of this Executive Order has been a collaborative effort of thousands of FOIA personnel throughout the Executive Branch, made under the guidance of the Department of Justice and OMB, and it involves the related processes of program review, plan development, plan implementation, and the reporting of improvement at each individual agency -- all taking place under the direct oversight of each agency's newly designated Chief FOIA Officer. The combined efforts of all concerned already have yielded significant results.

Soon after the issuance of Executive Order 13,392, both the Department of Justice and OMB disseminated it throughout the Executive branch -- to the heads of all departments and agencies, as well as to all key FOIA personnel directly -- and provided preliminary guidance to agencies regarding it. OMB's guidance, issued on December 30, 2005, by OMB's Deputy Director, highlighted the Executive Order's requirements, drawing immediate attention to its most immediate requirement -- its mandate for the appointment of a Chief FOIA Officer at each agency by January 13, 2006 (i.e., within thirty days of the Executive Order's issuance). The Department of Justice's counterpart guidance memorandum comprehensively discussed Executive Order 13,392's provisions toward that end as well.

This initial appointment requirement was met widely across the Executive Branch by the Executive Order's January 13 deadline, with assistance from the Department of Justice and

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[5] See, e.g., Quill, Soc'y of Prof'l Journalists, Vol. 94, No. 7 (Sept. 2006), at 5 ("The president's directive moves the country forward, toward strengthening open government laws and reinforcing a national commitment to freedom of information. This executive order affirms that FOIA has provided citizens with important information about the functioning of government.") (quoting interview of Sen. John Cornyn).

OMB, and a list of all agency Chief FOIA Officers was promptly posted on the Department of Justice's special FOIA site on the World Wide Web.[6] Then, in accordance with the Executive Order's requirements, these newly designated high-level agency officials began overseeing wide-ranging reviews of their agencies' FOIA operations, aiming toward the development and completion of FOIA Improvement Plans based upon those reviews by the Executive Order's deadline of June 14.

The Executive Order required each agency to "conduct a review of [its] FOIA operations" and to develop "an agency-specific plan to ensure that the agency's administration of the FOIA is in accordance with applicable law and the policies" that it established. Exec. Order No. 13,392, Sec. 3(a)-(b). Notably, it required that each agency's plan "include specific activities that the agency will implement to eliminate or reduce the agency's FOIA backlog," as well as "concrete milestones, with specific timetables and outcomes to be achieved." Id. at Sec. 3(b).

To facilitate these reviews, and the subsequent development of individual agency improvement plans, the Department of Justice and OMB conducted a conference for all Chief FOIA Officers, and accompanying key FOIA personnel, on March 8. This conference was keynoted by the Associate Attorney General and OMB's Deputy Director for Management, who by their presence and remarks heavily emphasized the importance of this governmentwide initiative. Their remarks were followed by detailed discussions of the Executive Order's implementation by the director and deputy director of the Justice Department's Office of Information and Privacy ("OIP"). A wide range of potential improvement areas was presented for all agencies' immediate consideration, in addition to those identified by the agencies themselves as particularly well suited to their own individual circumstances, as part of their review and planning processes.

Most significantly, the Department of Justice also provided very extensive written guidance to all agencies on their implementation of Executive Order 13,392, in the further exercise of Attorney General guidance authority under it. See Exec. Order No. 13,392, Sec. 4(b); see also id. at Sec. 3(b)(i). This formal guidance, which was issued on April 26 in coordination with OMB, was distributed to all agencies at the first of several follow-up sessions and also was made widely available on the Department's FOIA Web site.[7] It contained discussions of more than two dozen potential improvement areas for possible inclusion in agency plans, set forth a standard template for the uniform development and presentation of all plans, included supplemental guidelines on the use of agency annual FOIA reports for reporting the results of Executive Order 13,392's implementation, and also addressed a breadth of questions and guidance points in further aid of the Executive Order's implementation.

As agencies advanced further in their reviews and planning, the Department of Justice held a follow-up session on April 27 for all agencies to share their experiences and best practices

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[6] See http://www.usdoj.gov/04foia/chieffoiaofficers.html.

[7] See http://www.usdoj.gov/oip/foiapost/2006foiapost6.htm.

in these and other areas, as well as to pose any further questions that would benefit from discussion in a multi-agency setting. Two additional such sessions were held by the Department, the second on May 17 and the third on June 5, as the review and planning deadline approached.[8] Beyond these sessions, agencies have posed a variety of Executive Order-related questions to the Department, through OIP's FOIA Counselor service and otherwise, since the time of the Executive Order's issuance.[9]

Subsequently, OIP also conducted a special training conference for the FOIA Public Liaisons at all Federal agencies, whose numbers total nearly two hundred,[10] in order to review and emphasize their new responsibilities under Executive Order 13,392. At this conference, OIP discussed both the explicit roles of FOIA Public Liaisons under Executive Order 13,392's provisions (e.g., serving as supervisory officials in relation to agency FOIA Requester Service Centers) and the less obvious but no less important roles that they can perform in support of their agency's Chief FOIA Officer regarding improvement plan implementation and related activities.[11] Special emphasis was placed upon the importance of agency implementation efforts and their timely reporting by all agencies by February 1, 2007, in accordance with the Executive

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[8] During the same time, each agency's Chief FOIA Officer also became responsible under the Executive Order for establishing one or more FOIA Requester Service Centers and designating one or more FOIA Public Liaisons to aid FOIA requesters. See Exec. Order No. 13,392, Sec. 2(c).

[9] The Department's Office of Information and Privacy established a special three-person Executive Order implementation team, in addition to its director and deputy director, that it has made available to work with all agencies on their implementation activities and to address all related questions for this purpose. Further discussions of OIP's governmentwide activities in this regard, which began immediately upon Executive Order 13,392's issuance, are contained in the Justice Department's annual FOIA report for Calendar Year 2005, which is found at: http://www.usdoj.gov/04foia/05rep.htm.

[10] Under Executive Order 13,392, each of the agencies subject to the Act must maintain at least one FOIA Requester Service Center and one corresponding FOIA Public Liaison. Many agencies, particularly the larger ones that administer the FOIA most efficiently on a decentralized basis, have multiple FOIA Public Liaisons designated. The Department of Justice, for example, has thirty-four persons who are designated as FOIA Public Liaisons under Executive Order 13,392. See "DOJ Components' FOIA Service Centers/Liaisons," which is found at: http://www.usdoj.gov/04foia/servicecenters.htm.

[11] OIP also called upon FOIA Public Liaisons to take responsibility for ensuring that all personnel at their agencies who work with the FOIA (both directly and indirectly) have been educated about Executive Order 13,392's policies and customer-service principles. See *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (announcing FOIA Public Liaison program for July 11 and in footnote 26 stressing that OIP would be "urging any agency that has not already done so to conduct an in-house training session on the policies of the executive order for all of its FOIA personnel").

Order. OIP also included in this session a presentation by an official who has been designated as the Chief FOIA Public Liaison at the Department of Defense ("DOD") (where more than a dozen FOIA Public Liaisons cover DOD's decentralized operations), in order to provide an individual agency perspective on this area of Executive Order implementation activity.[12]

Further, the Department of Justice worked quite closely with many individual agencies as the June 14 FOIA Improvement Plan deadline arrived in order to encourage their timely and comprehensive completion of this requirement.[13] In some instances, this involved specifically reminding agencies of the importance of timeliness in this regard. To facilitate this, and to aid the review of all agencies' improvement plans, OIP has compiled these plans and makes them available for convenient public access at a single location on its FOIA Web site. Thus, any interested person can examine all agency FOIA improvement plans under Executive Order 13,392, side by side, through a standard format recommended for ease of reference, just as they are able to do with the annual FOIA reports that agencies file.[14]

Improvement Plan Overview

As indicated above, Executive Order 13,392 has had an immediate and widespread positive effect on the operations of the Federal agencies that administer the FOIA. Most significantly, there has been good compliance with its twin requirements that agencies conduct comprehensive reviews of their FOIA operations and engage in the concomitant development of

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[12] From almost the outset of the Executive Order's implementation, OIP has held out the Department of Defense as a model agency in this respect, based upon both the speed and quality of its early and sustained implementation efforts. At the conference for Chief FOIA Officers held on March 8, for example, DOD was singled out as exemplary in this way. On March 20, to further highlight the Executive Order's importance and promote its implementation in this fashion, OIP presented its Annual Outstanding FOIA Officer Award to a representative of DOD at a luncheon program held by the American Society of Access Professionals that was devoted solely to the Executive Order and its implementation.

[13] See also OMB Director's Memorandum to Agencies of April 13, 2006, M-06-12, Follow-up Memorandum on "Implementation of the President's Executive Order 'Improving Agency Disclosure of Information.'"

[14] It should be noted in this regard that the Department of Justice's guidance added a novel element that required agencies to group their improvement plan subject areas into three pertinent implementation time periods, for even further ease of review. See *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (Part II.F.). As is noted above, the Government Accountability Office has been examining agency FOIA Improvement Plans, among other aspects of FOIA administration, and the Department has been working cooperatively with GAO to facilitate its work in such ways.

FOIA Improvement Plans pursuant to its policy direction. All Federal agencies that are subject to the Act have prepared such plans and have posted them on their Web sites for public review.[15]

Overall, these plans demonstrate a strong agency commitment to the policies and principles of Executive Order 13,392, as well as the willingness to pursue a broad range of improvement activities in accordance with it. Most notably, for example, the following highly significant areas of FOIA administration improvement have been firmly embraced by the agencies as a result of the Executive Order's policy direction, the implementation guidance provided to them, and their comprehensive reviews of their FOIA operations:

Use of Technology/Automation. Pursuant to Executive Order 13,392, agencies have widely embraced the subject area of technology and automation as a vital means of improving their FOIA operations. In general, they have done so both to increase their effectiveness on behalf of FOIA requesters and also to meet the challenges that face many of them in the form of backlogs of FOIA requests. As agencies showed in their plans, this most often involves either the establishment or the upgrading of automated systems by which they can scan, redact, and process FOIA-requested records faster, with less use of paper, and with greater quality control. The Department of Defense, for example, heavily addressed this subject, stating that its "goal is to make all DOD [c]omponents aware of electronic options available to them and encourage their purchase and use if [their] FOIA workload warrants the expense."[16] The Department of the Interior titled one of its goals "Employ Viable Technical Solutions," which includes using "technology to scan, redact, and streamline the FOIA process and improve quality control."[17] Similarly, many other agencies demonstrated in their plans strong commitments to fully pursuing

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[15] The public review of agency FOIA Improvement Plans thus far has been largely positive and encouraging of agency efforts, as is most particularly reflected in the discussion of this subject at an oversight hearing held by the Subcommittee on Government Management, Finance, and Accountability of the House Government Reform Committee on July 26. GAO participated at this hearing together with the Justice Department and identified some areas for further improvement (as discussed below) but was generally supportive of the development of these plans, as were other hearing witnesses, including a representative of a broad-based media coalition. Additionally, the Justice Department has engaged in extensive public outreach activities regarding the Executive Order and its implementation, making more than a dozen public presentations on this subject this year, at such forums as those held by the American Society of Access Professionals and the Freedom Forum's First Amendment Center, as well as two major addresses on the subject overseas.

[16] Department of Defense FOIA Improvement Plan at 15. Notably, DOD has been a leader among agencies not only in contracting for automated FOIA systems and equipment but also in "mak[ing] use of contractors for various aspects of [its] handling of FOIA requests." *FOIA Post*, "The Use of Contractors in FOIA Administration" (posted 9/30/04). Agencies have embraced this related subject area as well. Accord *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (Potential Improvement Area #24).

[17] Department of the Interior FOIA Improvement Plan at 33.

what the Department of Labor aptly characterized as "increased use of electronic tools in FOIA processing"[18] as major parts of their Executive Order implementation activities. Accordingly, this is the basis for one of the recommendations made below.

Affirmative/Proactive Disclosure. The related areas of affirmative disclosure and proactive disclosure were strongly suggested for agency consideration in the Department of Justice's Executive Order implementation guidance. See *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (Potential Improvement Areas #1 and #2). The former involves the spontaneous disclosure of information to the public pursuant to subsection (a)(2) of the FOIA, 5 U.S.C. § 552(a)(2), while the latter refers to the public disclosure of records or information on a voluntary (i.e., not FOIA-compelled) basis. In both cases, the agency's disclosure efforts can readily meet the public demand for what is made available and can greatly reduce the need for the making of FOIA requests. In their FOIA Improvement Plans, agencies overwhelmingly recognized the value of further efforts in these subject areas. Indeed, all types of agencies, from the Federal Election Commission and the Federal Deposit Insurance Corporation to the Departments of Education and Housing and Urban Development, planned improvements designed to further enhance the value of such disclosures.

FOIA Web Sites. Likewise, agencies have now widely recognized the importance of both refining and maintaining (i.e., keeping up to date) the sites on the World Wide Web that they use for purposes of FOIA administration. Accord, e.g., FOIA Update, Vol. XIX, No. 3, at 3-4 ("OIP Guidance: Recommendations for FOIA Web Sites"). This is a particularly important part of fulfilling Executive Order 13,392's policies of increased efficiency and customer service. As one medium-sized agency, the Small Business Administration, stated in its FOIA Improvement Plan: "The [FOIA] website represents an increasingly important service that the Agency provides to the public."[19] Fully recognizing this basic fact of modern agency administration, agencies such as the National Labor Relations Board and the United States Agency for International Development, for example, paid considerable attention to this subject area in their FOIA Improvement Plans.[20]

FOIA Request Status Tracking. The Executive Order places distinct emphasis on the importance of all agencies having the ability to keep good track of their FOIA requests, not only for purposes of basic internal efficiency but also in order for them to be able to promptly and effectively respond to inquiries made by FOIA requesters about the status of their requests through the agencies' new FOIA Requester Service Centers and FOIA Public Liaisons, as well as otherwise. See, e.g., Exec. Order No. 13,392, Sec. 2(c)(vi). The Department of Veterans Affairs, for example, established a goal of "acquir[ing] an IT solution that provides the

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[18] Department of Labor FOIA Improvement Plan at 13.

[19] Small Business Administration FOIA Improvement Plan at 13.

[20] See National Labor Relations Board FOIA Improvement Plan at 4-5; United States Agency for International Development FOIA Improvement Plan at 9.

capabilities to track FOIA requests by field location name and is accessible to each FOIA Service Center."[21] Another department with a decentralized structure, the Department of Housing and Urban Development, likewise recognized the importance to such an agency of updating its automated tracking capability where necessary with "a replacement tracking system."[22] Similarly, the General Services Administration ("GSA") expressly recognized that its "field office" structure makes it particularly vulnerable to request-tracking difficulties; it described its challenge as follows: "Currently, there is no centralized database to store and track FOIA requests [because each of GSA's regions] uses different forms of tracking systems. This results in the inability to accurately track the types or status of responses throughout the agency . . . [so] the agency's plan centers on improving this issue."[23] Even an entity as small as the Copyright Office of the Library of Congress (which is uniquely subject to the FOIA) determined that "certain changes to its current" procedures in this respect "could potentially further improve" its request-tracking capabilities.[24]

Customer Service. In accordance with the Executive Order's directive that FOIA requesters be treated courteously and with strong customer-service values, this subject area too was overwhelmingly and appropriately embraced by dozens of agencies in their FOIA Improvement Plans. In so doing, several agencies notably developed novel ideas and approaches in this regard. The Federal Labor Relations Authority, for example, decided that it would design and employ a "customer feedback survey"[25] as part of its improvements in this area, and the Department of Labor planned similarly.[26] Toward this end, but of an internal rather than external nature, the General Services Administration formed a plan to "[d]evelop a best practices pamphlet to create standards for politeness and courtesy when dealing with requesters."[27] The Department of Transportation, for its part, established a goal of reviewing its standard forms and correspondence with its requesters in order to obtain any improvement ideas that can be

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21 Department of Veterans Affairs FOIA Improvement Plan at 7 (observing further that "[e]ventually customers may be able to access the web to inquire about the status of their requests").

22 Department of Housing and Urban Development FOIA Improvement Plan at 22-23.

23 General Services Administration FOIA Improvement Plan at 4.

24 Library of Congress (Copyright Office) FOIA Improvement Plan at 4.

25 Federal Labor Relations Authority FOIA Improvement Plan at 3.

26 See Department of Labor FOIA Improvement Plan at 8-9.

27 General Services Administration FOIA Improvement Plan at 12. This exemplary step taken by GSA follows the Department of Justice's advice on the "customer-service" training of agency personnel. See note 11 above.

incorporated into them.[28] Going forward, once these agencies experiment with and fully implement such "citizen-centered" ideas, other agencies should carefully consider adopting them.

Backlog Reduction/"Ten Oldest FOIA Requests." Perhaps the single most significant improvement area addressed by agencies in implementing Executive Order 13,392, in the eyes of both agencies and requesters in general, is the challenge of eliminating or reducing FOIA backlogs where and when they exist. The agencies that have such backlogs of pending FOIA requests by and large are the biggest ones, especially those agencies that regularly deal with complex records containing especially sensitive types of information. As is described in detail below, the Department of Justice has paid special attention to agency plans in this subject area through an extensive process of review; most agencies addressed it fully in accordance with the Executive Order's requirements in their initial plans, while others have committed to modifying their plans in order to achieve more robust results.

Beyond this, moreover, it should further be pointed out that several agencies have included within their backlog-related plans an emerging area of concern -- i.e., particular attention to the longest-pending FOIA requests that they have on hand. Serving as an example, the Department of Justice itself has established backlog-related goals that specifically include "clos[ing] the ten oldest FOIA requests pending" for records of its leadership offices on a regular basis.[29] In this same vein, the Department's Office of Information and Privacy, which adjudicates more than 3300 administrative appeals filed each year, has established this particular type of goal in addition to its aggressive goal of reducing its numbers of pending administrative appeals by 25%, 30%, and 35%, respectively, during Executive Order 13,392's first three implementation periods.[30] Thus, this aspect of backlog reduction has emerged to become a significant part of the Executive Order implementation picture.[31]

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[28] See Department of Transportation FOIA Improvement Plan at 12.

[29] Department of Justice FOIA Improvement Plan at 11.

[30] See id. at 6 n.7.

[31] Indeed, after the Justice Department provided this part of its plan to other agencies as a model at one of its inter-agency meetings, a number of them incorporated this "oldest requests" approach into their plans as well. See, e.g., Central Intelligence Agency FOIA Improvement Plan at 5-6; Department of the Treasury FOIA Improvement Plan at 7 (and attachment); Department of Education FOIA Improvement Plan at 10-11. Moreover, in addition to this planning process, the three agencies that were identified in March of this year as having one or more of the "ten oldest" FOIA requests governmentwide (according to a report issued by the National Security Archive) have already worked to address them. As a result, of these ten requests, nearly nine have been completed; the Central Intelligence Agency and Department of Energy have completed all of their requests, and the Department of Defense has completed all but one and a small part of another of its such requests.

Additionally, the agencies' development of their individual FOIA Improvement Plans has led to the identification of three specific "best practice" ideas that, to one degree or another, lend themselves to adoption by other agencies as well. These ideas, which serve as examples to be followed, are in the following subject areas:

In-house Training. The importance of using agency-specific "in-house" FOIA training (in addition to the broad range of training that is available to agencies on a governmentwide basis) was pointed out in Executive Order 13,392's implementing guidance,[32] and several agencies went on to develop this improvement area even further. Specifically, the Department of Energy established a goal of providing basic FOIA training for its "senior managers," similar "program personnel," and "all new DOE employees."[33] Comparable plans for the training of non-FOIA personnel, upon whom FOIA officers often must rely for timely cooperation, were made by the Small Business Administration, the Federal Energy Regulatory Commission, the Federal Trade Commission, and the Department of Defense. Based upon this, other agencies should carefully consider pursuing the advantages of specialized FOIA training in such depth.

Simplified "Acknowledgment Letters." A second such idea holds great potential for improving the process by which agencies routinely send what are commonly referred to as "acknowledgment letters" to their FOIA requesters. These letters regularly serve the initial administrative purposes of confirming for a requester that his, her, or its request has been received; of advising of any request number that has been assigned to the request and should be used in future correspondence regarding it; and, in some instances, of invoking a ten-day extension of the FOIA's basic twenty-day deadline where doing so is warranted by unusual circumstances as authorized by the statute. See 5 U.S.C. § 552(a)(6)(B). Almost invariably, agencies send these letters out in the same basic form as their other FOIA correspondence. The General Services Administration, however, included within its FOIA Improvement Plan its goal to "[c]reate a response postcard to be sent to request[ers] . . . acknowledging receipt of the request."[34] This novel idea is contained in part of the Department of Justice's plan as well,[35] and it also is similar to a goal that is included in Amtrak's FOIA Improvement Plan.[36] Because of its

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[32] See *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (Potential Improvement Areas #21 and #22) (recommending attention to these subject areas notwithstanding any additional administrative burden involved).

[33] Department of Energy FOIA Improvement Plan at 2; see also *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (Potential Improvement Area #18) (identifying area as one in which "there can be much room for improvement").

[34] General Services Administration FOIA Improvement Plan at 13.

[35] See Department of Justice FOIA Improvement Plan at 147 (plan element of relatively small Justice Department component).

[36] See Amtrak FOIA Improvement Plan at 2, 6.

potential value as a time-saving mechanism for the administration of the FOIA by other agencies, this is the subject of one of the recommendations made below.

Intranet FOIA Sites. Also of particular note is the fact that two agencies, the Department of the Interior and the Department of Commerce, established goals involving the development of a "FOIA Intranet site" for use by their FOIA personnel.[37] Such a step, which can increase an agency's efficiency though improved communications among its FOIA personnel, has perhaps its greatest value in bridging the distance that otherwise can exist in large agencies between headquarters and field office employees. Other agencies should carefully consider possible application of this approach within their FOIA operations.

Though the utility of these "best practice" ideas will of course vary from one agency to the next, depending upon such factors as agency size and structure, they should be given full consideration wherever applicable in addition to what already has been identified for implementation in agencies' existing FOIA Improvement Plans.

As can be seen from the above, among all agencies' FOIA Improvement Plans many of them stand out in one particular respect or another. Three of them, by way of further example, illustrate the challenges agencies face in responding to FOIA requests and the goals agencies have set for themselves to address these challenges in their FOIA Improvement Plans. The Department of the Interior's plan, for one, reflects an extensive process of self-examination and review in the strong spirit of Executive Order 13,392, and it contains highly detailed descriptions of that agency's FOIA operations.[38] Most significantly, in the vital subject area of backlog elimination or reduction, the Department of the Interior's plan sets forth an aggressive goal of eliminating its FOIA backlog by the end of Fiscal Year 2008 and includes a full range of intermediate steps and time milestones arrayed toward that end.[39]

Similarly, the FOIA Improvement Plan prepared by the United States Agency for International Development contains an excellent characterization of its FOIA operations, one that describes its somewhat unique situation as an international agency in that many of its records are not written in English; such a factor poses unusual challenges when it comes to FOIA processing.[40] This agency, too, conducted an exceptionally extensive review of its FOIA operations under Executive Order 13,392, and its review resulted in a wide variety of

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[37] Department of the Interior FOIA Improvement Plan at 26; see also Department of Commerce FOIA Improvement Plan at 3, 7 (referring to same as FOIA "List Serv").

[38] See Department of the Interior FOIA Improvement Plan at 5-8, 10-13.

[39] See id. at 18-19.

[40] See United States Agency for International Development FOIA Improvement Plan at 3.

improvement areas being included in its plan.[41] Its FOIA Improvement Plan includes a goal of eliminating its FOIA backlog by the end of 2007.[42]

A third agency, the Small Business Administration, does not have a FOIA backlog to contend with, but its FOIA Improvement Plan sets a number of important goals -- in such areas as request tracking, use of the World Wide Web, and different types of FOIA training -- that were directly based upon the critical self-examination that it conducted.[43] Notably, the Small Business Administration broke down each of its goals into several "sub-goals," with the specification of very concrete steps and milestones by which all of its goals, both large and small, are being pursued.[44] In so doing, it took very much to heart what Executive Order 13,392 was designed to achieve.

At the same time, it also should be recognized that a number of initially submitted agency plans did not fully comply with Executive Order 13,392 in all technical respects, particularly regarding the important subject of timeliness of FOIA responses and backlog reduction. To be sure, the elimination or reduction of backlogs of pending FOIA requests is an enormous challenge for many Federal agencies, especially those that regularly deal with records pertaining to national security, law enforcement, homeland security, foreign relations, and/or complex commercial transactions. But the Department of Justice identified a number of agencies that could do more within their FOIA Improvement Plans to address such matters in accordance with the Executive Order.

Specifically, in the preparation of this report the Department of Justice conducted a review of agency FOIA Improvement Plans with a particular eye toward the way in which they addressed the area of backlog reduction wherever applicable. As a starting point for this review, it began with nine agencies that have been identified by GAO as having failed to sufficiently address this improvement area in all respects.[45] The Department extended its initial review well beyond these agencies, however, and encompassed nearly thirty agencies within it.

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41 See id. at 4-6, 8-13.

42 See id. at 8, 9, 12.

43 See Small Business Administration FOIA Improvement Plan at 5-7.

44 See id. at 9-15.

45 See GAO Report on Exec. Order 13,392, at 29. These nine agencies are the Department of Agriculture, the Department of Commerce, the Department of Defense, the Department of Labor, the General Services Administration, the National Aeronautics and Space Administration, the National Science Foundation, the Social Security Administration, and the Department of Veterans Affairs.

This review involved an analysis of the agency's FOIA Improvement Plan together with its most recent annual FOIA report, in accordance with the Executive Order's terms,[46] as well as full discussions of the agency's potential backlog-related circumstances. This was a very cooperative and highly successful process. Where it was determined that an agency needed to modify its FOIA Improvement Plan in this important improvement area -- which was the case with all nine agencies identified by GAO, as well as with almost a dozen others -- the Department discussed the similar modifications being made by other agencies and advised the agency on doing so.[47]

As a result of this review process, several agencies already have completed the modification of their FOIA Improvement Plans, including the Department of Education, the Federal Energy Regulatory Commission, the National Aeronautics and Space Administration, the National Archives and Records Administration, and the Securities and Exchange Commission.[48] A number of additional agencies have to date completed the initial stages of this review process and have committed to modify their FOIA Improvement Plans. These agencies are the Department of Agriculture, the Department of Commerce, the Department of Defense, the Department of Homeland Security, the Department of Labor, the Department of Veterans Affairs, the Equal Employment Opportunity Commission, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the General Services Administration, the Merit Systems Protection Board, the National Science Foundation, the National Transportation Safety Board, and the Social Security Administration.[49] All of these agencies are expected to complete the refinements of their FOIA Improvement Plans and post them on their FOIA Web sites soon, allowing each of them to incorporate this remedial enterprise into the first phase of its implementation activity.

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[46] See Exec. Order No. 13,392, Sec. 4(a) (connecting FOIA Improvement Plans and annual FOIA reports for such review purposes).

[47] The possible need for such refinements of agency FOIA Improvement Plans, it may be noted, was anticipated in the implementation guidance that the Department of Justice provided to agencies earlier this year. See *FOIA Post*, "Executive Order 13,392 Implementation Guidance" (posted 4/27/06) (advising agencies in footnote 18 to "consider making such refinements wherever appropriate"); see also id. at Q&A #1.

[48] In accordance with applicable guidance, these agencies have clearly specified on their FOIA Web sites that such modifications have been made, and they should likewise make this clear in new Section XII.A. of the annual FOIA reports that they file by next February. See note 47 above.

[49] These two categories between them include all nine of the agencies identified by GAO in this regard.

Recommendations

As described above, the Department of Justice, in coordination with OMB and based upon the study conducted by GAO, already has taken significant steps to improve individual agency implementation of Executive Order 13,392 in the furtherance of its policy direction. The many agencies that have followed the Department's recommendations for modifying and refining their FOIA Improvement Plans have demonstrated a strengthened commitment to the Executive Order's implementation and have acted with commendable responsiveness in this respect.

At this point, the primary focus of overall agency activity under the Executive Order is on the successful implementation of their FOIA Improvement Plans. The first implementation time period for measuring and reporting agency success in this regard extends for approximately three more months, i.e., up until the reporting deadline of February 1, 2007. As suggested above, this initial implementation period is vital to Executive Order 13,392's success, so the primary recommendation of the four recommendations made below pertains to that. Three additional recommendations are made regarding the processes of FOIA administration within agencies more generally.[50]

1. Follow-up Meeting of Chief FOIA Officers. Above most other things, a salient feature of Executive Order 13,392 is the establishment of the new position of "Chief FOIA Officer" within each agency, a person who is primarily responsible and accountable for both FOIA administration and the Executive Order's implementation. As is noted above, the Department of Justice and OMB conducted a meeting for all Chief FOIA Officers on March 8, and now it would be most appropriate and useful to hold another one. At such a gathering of these agency officials, the basic points that have been made in this report can readily be communicated and the importance of agency implementation activities in the coming months can be emphasized directly.

2. Governmentwide Improvement of "Acknowledgment Letters." As is highlighted above, the FOIA Improvement Plans of two or three agencies contained an outstanding idea for the improvement of a particular administrative step that is taken by almost all agencies, regardless of size or circumstances, in their day-to-day administration of the Act -- the preparation and transmittal of "acknowledgment letters." The simple use of postcards rather than standard written letters for this basic, universal step in the FOIA process could save countless hours (and funding), freeing FOIA personnel for more substantive activities.

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[50] As required by the Executive Order, all recommendations made relate to "continued agency dissemination and release of public information." Exec. Order No. 13,392, Sec. 4(a). Further, all agencies should be mindful of the importance of coordinating their record-disclosure activities under the FOIA with their information-dissemination activities undertaken pursuant to OMB Circular A-130 and the E-Government Act of 2002. See, e.g., OMB Deputy Director's Memorandum to agencies of December 30, 2005, M-06-04, Implementation of the President's Executive Order "Improving Agency Disclosure of Information"; OMB Memorandum of August 25, 2006, M-06-25, FY2006 E-Government Act Reporting Instructions.

Accordingly, the Department is recommending that, as a matter of widely applicable governmentwide practice, agencies promptly review this recommendation and take appropriate steps to follow this potentially time-saving practice where appropriate.[51]

3. "FOIA Form Reviews." Beyond such basic "acknowledgment letters," all agencies have developed their own individualized forms of communication with FOIA requesters for the various stages of their administrative processes. It would greatly further the policies and goals of Executive Order 13,392 if all agencies now were to conduct reviews of all such standard forms and correspondence formats used by them (as well as by their various sub-agencies and components where applicable) in order to ensure that they are fully reflective of the Executive Order's customer-service principles.[52]

4. Governmentwide Technology Initiative. As summarized above, agencies have enthusiastically embraced the area of advanced technology and automation as a means of improving their FOIA operations, most particularly as a way of meeting the challenges faced by those with backlogs of complex FOIA requests. Accordingly, the Department recommends that, in the coming months, possible interagency approaches be explored for maximizing the opportunities that this area offers for providing agencies with cost-effective ways to process FOIA requests on a more efficient and timely basis. Agencies, working together with the Department of Justice and OMB, can explore these opportunities with the aim of further helping to reduce existing backlogs (and to avoid backlogs from arising or increasing in the future, such as in the event that an agency receives a significantly increased number of FOIA requests).

Conclusion

In sum, the agencies of the Executive Branch have implemented Executive Order 13,392 in a vigorous manner fully commensurate with the importance of this unprecedented Presidential initiative. Overall, they have followed the extensive implementation guidance that has been provided to them and where necessary have demonstrated a strong commitment to promptly making adjustments to their initial planning efforts as required.

At this point, all agencies are most actively engaged in the process of implementing the various parts of their FOIA Improvement Plans between now and the time by which they must

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[51] Of course, this does not apply to any agency that ordinarily does not need to employ acknowledgment letters, most particularly any agency that regularly deals with a relatively small volume of FOIA activity. Nor does it apply to any agency's response to a request for "expedited processing" of a FOIA request under subsection (a)(6)(E) of the Act, 5 U.S.C. § 552(a)(6)(E); such responses are required to be made within ten calendar days of the date on which the request is received. See 5 U.S.C. § 552(a)(6)(E)(ii)(I).

[52] Such items can be reviewed for their correctness, completeness, and consistency, but also to make sure that they are up to date with respect to the new FOIA Requester Service Center and FOIA Public Liaison services that are now made available to FOIA requesters.

report on their initial successes. This first implementation period is of course essential to their continued success, as well as to continued public confidence in the Executive Order's strong and effective implementation. Accordingly, as is recommended first and foremost above, the Department of Justice looks forward to the holding of a second formal gathering of agency Chief FOIA Officers at which the importance of the agency efforts that are now ongoing (to be reported as of this coming February 1) can be emphasized. And beyond this initial implementation and reporting period, the Department also looks forward to submitting two further such reports to the President, by June 1, 2007, and June 1, 2008, pertaining to the Executive Order's next two implementation periods.[53]

[53] See Exec. Order No. 13,392, Sec. 4(a) (calling for two further such reports "that provide the President with an update" on agency implementation of their FOIA Improvement Plans).

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Image not available for this document, ID: 0.7.10316.23935-000003

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 17-OCTOBER 20, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, OCTOBER 16, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 17 – OCTOBER 20, 2006

Tuesday, October 17

5:30 P.M. EDT

Diane Stuart, Director of the Office of Violence Against Women, will participate in the opening of the Family Justice Center of Northwest Ohio.
118 1/2 Clinton Street
Defiance, Ohio
OPEN PRESS

Press inquiries regarding logistics should be directed to Cynthia Magnuson at 202-514-2007.

Wednesday, October 18

2:00 P.M. EDT

Attorney General Alberto R. Gonzales and Eileen O'Connor, Assistant Attorney General for the Tax Division, will participate in the Tax Division Awards Ceremony.
Department of Justice
The Great Hall
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Thursday, October 19

Events TBD

DOJ_NMG_ 0169603

Friday, October 20

10:00 A.M. EDT Attorney General Alberto R. Gonzales, Deputy Attorney General Paul J. McNulty, and Michael Battle, Director of the Executive Office of United States Attorneys (EOUSA), will participate in the EOUSA Director's Awards Ceremony.
Department of Justice
The Great Hall
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. PDT Solicitor General Paul Clement will deliver remarks before the San Francisco chapter of The Federalist Society regarding the Supreme Court Preview for the 2006 October Term.
Bank of America Building
Banker's Club at the Carnelian Room
555 California Street
San Francisco, California
OPEN PRESS

Press inquiries regarding logistics should be directed to David DeGroot of the Federalist Society at 415-218-2360, or to Janet Potter at 202-514-2201.

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DOJ_NMG_ 0169604

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Image not available for this document, ID: 0.7.10316.23654-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 16, 2006 7:13 PM
To: USDOJ- Office of Public Affairs
Subject: SCHNITZER STEEL INDUSTRIES INC.'S SUBSIDIARY PLEADS GUILTY TO FOREIGN BRIBES AND AGREES TO PAY A $7.5 MILLION CRIMINAL FINE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 16, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

SCHNITZER STEEL INDUSTRIES INC.'S SUBSIDIARY PLEADS GUILTY TO FOREIGN BRIBES AND AGREES TO PAY A $7.5 MILLION CRIMINAL FINE

Parent Company Enters Into A Deferred Prosecution Agreement Following Exceptional Cooperation With Justice Department

WASHINGTON – SSI International Far East Ltd. (SSI Korea), a wholly owned subsidiary of Schnitzer Steel Industries Inc., has entered a guilty plea before U.S. District Judge Garr King at U.S. District Court in Portland, Ore., Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. The company pleaded guilty to violations of the anti-bribery and books and records provisions of the Foreign Corrupt Practices Act (FCPA), as well as conspiracy and wire fraud. Additionally, Schnitzer Steel simultaneously entered into a deferred prosecution agreement with the Justice Department regarding the same underlying activity. As part of the plea and deferred prosecution agreements, it was agreed that SSI Korea would pay a $7.5 million criminal fine.

In the information and plea documents, SSI Korea admitted that it violated the FCPA and the conspiracy and wire fraud statutes in connection with more than $1.8 million in corrupt payments paid over a five-year period to officers and employees of nearly all of Schnitzer Steel's government-owned customers in China and private customers in China and South Korea to induce them to purchase scrap metal from Schnitzer Steel. Additionally, in the deferred prosecution agreement, Schnitzer Steel agreed to accept responsibility for the conduct of its employees, and the employees of its subsidiary, in making corrupt payments and aiding and abetting the making of false books and records entries; to adopt internal compliance measures; and to cooperate with ongoing criminal and Securities and Exchange Commission (SEC) civil investigations. The deferred prosecution agreement also provides that an independent compliance consultant will be appointed to review Schnitzer Steel's compliance program and monitor its implementation of and compliance with new internal policies and procedures related to the FCPA and private bribery.

According to the information and plea documents, SSI Korea was in the business of facilitating the sale of scrap metal by Schnitzer Steel from the United States and brokering the sale of scrap metal by Japanese suppliers to steel producers in China and South Korea. From at least 1995 to at least August 2004, SSI Korea and Schnitzer Steel, through their officers and employees, authorized and made corrupt payments to managers of private customers in South Korea and private and government-owned customers in China to induce them to

DOJ_NMG_ 0169607

purchase, and to secure an improper advantage with respect to the purchase of scrap metal from Schnitzer Steel. Over a five-year period, between September 1999 and August 2004, corrupt payments of approximately $1,683,672 were paid to managers of private customers in China and South Korea, and corrupt payments of approximately $204,537 were paid to managers of government-owned customers in China. As a result of these corrupt payments, during that same time period, Schnitzer Steel realized gross revenue of approximately $602,139,470 and profits of approximately $54,927,319 on scrap metal sold to private sector Chinese and South Korean customers, and gross revenue of approximately $96,396,740 and profits of approximately $6,259,104, on scrap metal sold to government instrumentalities in China.

According to all parties to the agreements, the resolution of the criminal investigation of Schnitzer Steel and its subsidiary resulted, in large part, from the actions of Schnitzer Steel and its Audit Committee in voluntarily disclosing the matter to the Justice Department; conducting a searching and extensive internal investigation; sharing the results of that investigation in a prompt fashion with the Department; cooperating extensively and authentically with the Department in its ongoing investigation; taking appropriate disciplinary action against individual wrongdoers, irrespective of rank; replacing senior management; and taking significant remedial steps, including the implementation of a robust compliance program.

"Today's announcement demonstrates that if a U.S. company does business using bribes, it will be held accountable," said Assistant Attorney General Fisher. "This announcement also shows that when companies voluntarily disclose FCPA violations and cooperate with Justice Department investigations, they will get a real, tangible benefit. In fact, Schnitzer Steel's cooperation in this case was excellent, and I believe that the disposition announced today reflects that fact. We appreciate the assistance and cooperation provided by the SEC, which was vital in reaching the result announced today."

Schnitzer Steel has also settled related civil enforcement proceedings by the SEC. Today, the SEC filed a federal court complaint charging Schnitzer Steel with violating the FCPA and issued an administrative order finding that Schnitzer Steel had violated the anti-bribery, books and records and internal controls provisions of the FCPA. Schnitzer Steel consented to the entry of a final judgment in the federal lawsuit requiring it to pay a $7.7 million civil penalty and consented to the Commission's issuance of its administrative order.

The criminal case is being prosecuted by Deputy Chief Mark F. Mendelsohn, Assistant Chief Deborah Gramiccioni, and Trial Attorney Kathleen McGovern, of the Fraud Section, with the investigative assistance of the Federal Bureau of Investigation.

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06-707

DOJ_NMG_ 0169608

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Image not available for this document, ID: 0.7.10316.23658-000002

Amber.JMD

From: Amber.JMD
Sent: Monday, October 16, 2006 10:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Henderson, KY

From: AmberAlert-DOJ
Sent: Monday, October 16, 2006 10:01:01 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Henderson, KY
Auto forwarded by a Rule

UPDATE AMBER ALERT:Henderson,KY VEH:00Whi KY Daewoo Nubia 675DRV CHL:9M W/M 2'3 19LB Br/Br SUS:33W/F 5'5 240LB Br/Br SUS:23W/M 6'2 150LB Eye:Blu CALL 877AMBER17
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2462

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 17, 2006 9:47 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 17, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, October 17, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

5:30 P.M. EDT Diane Stuart, Director of the Office of Violence Against Women, will participate in the opening of the Family Justice Center of Northwest Ohio.
118 1/2 Clinton Street
Defiance, Ohio
OPEN PRESS

Press inquiries regarding logistics should be directed to Cynthia Magnuson at 202-514-2007.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169612

Image not available for this document, ID: 0.7.10316.23613-000001

Image not available for this document, ID: 0.7.10316.23613-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 17, 2006 10:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: North Charleston, SC

From: AmberAlert-DOJ
Sent: Tuesday, October 17, 2006 10:35:24 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: North Charleston, SC
Auto forwarded by a Rule

AMBER ALERT:North Charleston,SC VEH:Red 2dr Mitsubishi Eclipse CHILD:14 F 5'140lbs Eyes:Brown Hr:Brn SUSP:20 M 5'4" 145 lbs Eyes:Brown Hr:Brn CALL 843-873-5111
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2482

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 17, 2006 11:01 AM
To: USDOJ- Office of Public Affairs
Subject: WESLEY SNIPES AND TWO OTHERS INDICTED ON TAX FRAUD CHARGES

Department of Justice

United States Attorney Paul I. Perez
Middle District of Florida

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 17, 2006
www.usdoj.gov/usao/flm

CONTACT: STEVE COLE
PHONE: (813) 274-6352
FAX: (813) 274-6300

WESLEY SNIPES AND TWO OTHERS INDICTED ON TAX FRAUD CHARGES

TAMPA, Fla. – An eight-count indictment was unsealed today charging Wesley Trent Snipes, formerly of Windermere, Fla., Eddie Ray Kahn, of Sorrento, Fla., and Douglas P. Rosile, of Venice, Fla., with conspiracy to defraud the Internal Revenue Service (IRS) and presenting a fraudulent claim for payment to the IRS, Assistant Attorney General Eileen J. O'Connor of the Tax Division, U.S. Attorney Paul I. Perez of the Middle District of Florida, and Special Agent in Charge Michael E. Yasofsky, Jr. of the IRS Criminal Investigation today announced.

Snipes is also charged with six counts of failing to file income tax returns. Each of the conspiracy and false claim charges carry a maximum sentence of five years in prison. Snipes also faces up to one year in prison on each charge of failing to file income tax returns.

According to the indictment, Kahn was the founder and leader of American Rights Litigators (ARL) and its successor, Guiding Light of God Ministries (GLGM). ARL was formed in 1996 and conducted business from an office located in Mount Plymouth, Fla. In August 2003, ARL moved to an office located in Mount Dora, Fla., and began operating as GLGM. It is alleged that ARL and GLGM were for-profit, commercial businesses that promoted and sold fraudulent tax schemes designed to impede the administration of the internal revenue laws of the United States.

According to the indictment, Rosile was a CPA, who continued to work as an accountant after his CPA licenses in Ohio and Florida were revoked. He allegedly prepared fraudulent tax returns for ARL members. For each fraudulent tax return, ARL charged its members a fee, half of which it allegedly paid to Rosile. In addition, if any such fraudulent tax return generated a tax refund, ARL would collect 20 percent of the refund from the member and pay half of such amount to Rosile.

Kahn and Rosile, operating through ARL, allegedly promoted a fraudulent tax scheme based on the so-called "861 argument," asserting that United States citizens and residents could be taxed only on income derived from certain foreign-based activities and not on wages and other income earned within the United

DOJ_NMG_ 0169616

States. The indictment also alleges the defendants knew the argument was false. Also, the argument has been consistently rejected by courts.

The indictment alleges that Snipes, Kahn and Rosile attempted, through dishonest means, to make it appear as if Snipes had no liability for federal income taxes, when, in fact, Snipes had such tax liabilities. As part of the scheme, the defendants allegedly prepared and filed two amended federal income tax returns for Snipes, fraudulently claiming refunds of 1996 and 1997 income taxes previously paid, totaling almost $12 million. The indictment also alleges that Snipes did not file his 1999 through 2004 federal income tax returns, even though the law required him to do so.

"The Justice Department will vigorously investigate charges of counseling or committing tax fraud," said Assistant Attorney General O'Conner.

"Our system of government depends on citizens paying their fair share of taxes," stated U.S. Attorney Perez. "Those who intentionally and unlawfully harass the IRS through deceit, trickery and fraud undermine the collection of revenue that is vital to every aspect of the operation of our government, including defense, the war on terror, health care, law enforcement and education."

This case is investigated by the IRS Criminal Investigation. It is being handled by Assistant U.S. Attorneys James R. Klindt, Robert O'Neill, Scot Morris and Trial Attorney Jeffrey A. McLellan of the Tax Division.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws. Every defendant is presumed innocent unless and until proven guilty.

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Image not available for this document, ID: 0.7.10316.23593-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 17, 2006 11:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: North Charleston, SC

From: AmberAlert-DOJ
Sent: Tuesday, October 17, 2006 11:35:25 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: North Charleston, SC
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UPDATE AMBER ALERT:North Charleston,SC VEH:Red 2dr Mitsubishi Eclipse, FL tag CHILD:14 F 5'140lbs Eye:Brn Hr:Brn SUSP:20 M 5'4" 145lbs Hr:Brn CALL 843-873-5111
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2482

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Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, October 17, 2006 12:18 PM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/17/06 Civil Division News

$2.3 million federal settlement in Puget Sound oil spill

Pentagon to resume forced anthrax vaccine program

Labor department sues defunct co-op to reclaim pension fund money

2 doctors among 4 guilty of defrauding Medicare: Prescriptions for motorized wheelchairs were bogus, jury finds

Comment: The --Softwood Sellout Agreement' is not the final word

Opinion: A Transparent Need - The Committee on Professional Conduct needs to be fully utilized

Seattle Times

October 17, 2006

$2.3 million federal settlement in Puget Sound oil spill

By Warren Cornwall
Seattle Times staff reporter

ConocoPhillips will pay more than $2.3 million in federal fines and cleanup costs for the Oct. 2004 oil spill that soiled 21 miles of beach between Tacoma and Vashon Island, the U.S. Coast Guard announced today.

The federal settlement is on top of a $540,000 state fine announced last week for the spill, which

investigators have linked to the oil tanker Polar Texas. The ship, which has since been demolished, was owned by a ConocoPhillips subsidiary, Polar Tankers.

The oil giant has yet to publicly accept blame for the spill, though state and federal investigations found the spilled oil was a chemical match to crude oil found in the Polar Texas after the incident.

The spill of more than 1,000 gallons of crude oil in Dalco Passage is thought to have happened in the early evening of Oct. 13. But it went unreported until a tugboat operator noticed an oil slick around 1 a.m. Oct. 14 and alerted authorities.

The federal settlement announced today includes fines of roughly $80,000, which is close to the maximum allowed under the federal Clean Water Act, according to the Coast Guard press release. It also covers $2.23 million, the total cost of the cleanup.

"Today's settlement with ConocoPhillips sends a strong signal to the tank vessel industry that those who spill oil and pollute the pristine waters of Puget Sound will be held fully financially accountable," said Capt. Steve Metruck, Coast Guard Captain of the Port for Puget Sound.

Some, however, have questioned whether the much larger state fine would really have an impact on an oil company with second-quarter profits over $5 billion.

Federal prosecutors have decided not to pursue criminal charges in the case.

END

Reuters
Mon Oct 16, 4:43 PM ET

Pentagon to resume forced anthrax vaccine program

By Kristin Roberts

The Pentagon on Monday said it will force troops in Iraq, Afghanistan and South Korea to be vaccinated against anthrax, restarting a court-halted program after U.S. regulators declared the shots safe and effective.

But William Winkenwerder, assistant secretary of defense for health affairs, said the Pentagon has no plans to vaccinate troops serving elsewhere, including those in the United States -- site of the only major anthrax attack against Americans, which killed five people in 2001.

"There are terrorists operating in and around Iraq and in that part of the world," Winkenwerder said. "That's a higher threat area."

The move to reopen the mandatory vaccination program follows a final order from the U.S. Food and Drug Administration in 2005 that found the anthrax vaccine safe and effective in preventing anthrax disease.

But attorneys whose lawsuit previously shut down the mandatory anthrax vaccination program said they plan to file a new suit to challenge its resumption.

"The forthcoming mandatory program is just as senseless as before and the FDA's new determination remains legally and scientifically flawed," said Mark Zaid, one of the attorneys.

Winkenwerder, who has not taken the anthrax vaccine, said the FDA's final order settles legal questions and the Pentagon is prepared for a court challenge.

Anthrax spores can be used in germ warfare to give victims the deadly bacterial disease. The Pentagon argues the shots are needed to protect troops against bioterrorism.

A federal district court in 2005 allowed the Pentagon to give some troops the vaccinations on a voluntary basis after ordering a halt to the mandatory shots the year before.

The court's action came after a lawsuit filed by six unnamed military personnel and civilian workers who objected to the vaccinations. Some troops had refused to get the mandatory shots due to worries about side effects, and some had been thrown out of the military.

Under the voluntary program, only 50 percent of troops offered the shot accepted it.

Winkenwerder said those numbers were too low and left U.S. forces unprepared for bioterrorist attacks. He said service members expect a shot to be mandatory if it is important.

More than 1.4 million service members have been vaccinated since 1998, according to the Defense Department.

Winkenwerder could not say how many troops would be vaccinated under the mandatory program, which should start in 30 to 60 days. Troop levels total 143,000 in Iraq, 21,000 in Afghanistan and 28,000 in South Korea.

END

AP

October 16, 2006

Labor department sues defunct co-op to reclaim pension fund money

By WILLIAM KATES

Associated Press Writer

SYRACUSE, N.Y._The U.S . Department of Labor has sued the financial administrators of Agway Inc., claiming they mismanaged $50 million in assets in the now-defunct agricultural cooperative's pension plan.

In a lawsuit filed last week in U.S. District Court, Labor Secretary Elaine Chao accused administrators of imprudently investing $50 million of the company's 401(k) plan in the securities of the company, valuing company stock at prices higher than market value, and giving participants false information about the investment.

"The workers in this case were betrayed by those entrusted to administer and oversee their 401(k) plan," Chao said in a statement Monday.

"With this lawsuit, the Department of Labor seeks full restoration of the 401(k) plan so that the workers' retirement dreams are not destroyed by the gross mismanagement of their retirement funds," she said.

Agway was once the largest agricultural cooperative in the country, with 69,000 farmer-members in the Northeast, 2,700 employees and peak sales of $4.1 billion in 1984. Founded to help farmers sell their products, Agway developed into a business that mainly sold animal feed, fuel and other products. Its 401(k) plan covers 4,080 participants.

The DeWitt-based company was driven into bankruptcy court in October 2002 by spiraling debt. In 2004, the company began selling off all of its assets to pay creditors, who brought claims totaling more than $675 million against the co-op. A string of retail stores operating under the Agway name were separately

owned and were not included in the liquidation proceedings. They have since become part of Southern States Cooperative Inc.

The lawsuit named as defendants 47 individual members of the investment committee, administration committee and the Agway board or directors.

Federal regulators accused the investment committee of failing to investigate the prudence of investing in Agway securities, to determine the fair market value of securities acquired by the plan, and to monitor and divest the plan's holdings in the securities.

The lawsuit said the administration committee allowed Agway and the plan to provide false and misleading information to plan participants about the investments in Agway securities.

The board of directors failed to protect the interest of participants and beneficiaries by failing to oversee the activities of the two committees, the lawsuit said.

Jeffrey Dove, an attorney who is representing Agway through completion of its liquidation, said insurance will cover the claims against individual officials, who will not be held personally liable for repaying the money.

Another $65 million of employees' retirement funds were invested in other accounts that are not affected by the lawsuit, Dove said.

As part of the bankruptcy process, employees have already received approximately 50 cents on the dollar toward the $50 million allegedly mismanaged by Agway, he said.

"The intent of the lawsuit is to make up the difference," Dove said.

An independent administrator, Fiduciary Counselors Inc., was appointed in 2004 to manage the plan. They also have filed a lawsuit against Agway administrators seeking to recover the full amount of employees' pensions, Dove said.

END

Houston Chronicle

October 17, 2006

2 doctors among 4 guilty of defrauding Medicare: Prescriptions for motorized wheelchairs were bogus, jury finds

Harvey Rice

Houston Chronicle

Oct. 17--Four Houston-area men, including two physicians, face prison sentences and possibly heavy fines after being convicted of accepting kickbacks in a scheme that defrauded Medicare of more than $21 million.

A federal jury late Friday convicted the doctors, Charles Frank Skripka Jr., 65, and Jayshree Patel, 62, along with medical equipment supply owner James Ekiko, 43, and patient recruiter David Dennis Brown, 47.

U.S. District Judge Vanessa Gilmore set Jan. 17 as their sentencing date.

All four were found guilty of health fraud in connection with a scheme to prescribe motorized wheelchairs to people who didn't need them. Skripka, Ekiko and Brown also were convicted of wire fraud and conspiracy to defraud Medicare. Skripka and Ekiko also were convicted of money laundering.

At least four other Houston doctors have been convicted in a scam that prosecutors say was widespread here three years ago. Prosecutors said recruiters such as Brown would pay prospective patients $50 each, busing some here from as far away as Louisiana to see doctors. Many did not need motorized wheelchairs.

Assistant U.S. Attorney Albert Balboni accused the doctors of writing 30 to 80 prescriptions a day in return for $200 payments from medical equipment dealers.

Dealers used the prescriptions to bill Medicare for motorized wheelchairs costing about $4,200 each, then gave patients motorized scooters costing about $1,600 and pocketed the difference, Balboni said.

Prosecutors accused Skripka and Patel of working with Dr. Lewis Gottlieb, who pleaded guilty in April 2004 to receiving kickbacks in return for prescribing unneeded motorized wheelchairs.

Harold "Prince Yellowe" Iyalla, a medical equipment company owner indicted in August 2004 with the four men convicted Friday, pleaded guilty in May to paying kickbacks to doctors.

Health-care fraud carries a maximum sentence of 10 years in prison and a $250,000 fine; wire fraud, five years and a $250,000 fine; conspiracy, five years and $250,000; and money laundering, up to 20 years and $500,000.

END

Globe and Mail

October 17, 2006

Comment: The --Softwood Sellout Agreement' is not the final word

GORDON GIBSON

Eat a lot of crow, convince us we should walk away from a billion dollars, or face a dangerous election issue? These are the unattractive choices facing the Harper government after a huge lumber industry victory in the U.S. Court of International Trade (CIT) last Friday.

That court ruled we are entitled to the return of every penny of the $5.3-billion of illegally imposed duties on our softwood exports over the years, as well as free entry of our products. But in the recent 'Softwood Sellout Agreement,' Ottawa said it would forgo $1-billion of the total duties owed it and agreed to a new border charge as high as 22.5 per cent.

The vague public impression is that we had to do what amounts to a bad deal because the Yankee bully had us on the ropes and would simply keep changing the rules until we capitulated. That is what our government would like us to believe -- but it is not true.

The true story is one of duplicity on both sides of the border. The Americans, naturally, were conspiring against our industry. But in a weird twist, our government has been helping them. To understand this requires looking at two tracks.

There is the legal track, which our industry has been following for five years. As of this spring, we had won near-final victories under NAFTA and in the CIT. By last summer, the duties would have been gone with the money-return order soon to be achieved.

Alas, there is also the political track. Just after the Tories won the election, they had a chance to recruit Liberal David Emerson. How to justify this? He was the softwood expert; we need him.

U.S. President George Bush soon picked up the phone and asked Prime Minister Stephen Harper if he wouldn't like to settle softwood, fast. He called us. After five years as president, he suddenly wants to settle?

Mr. Bush had good reasons, of course. Our legal fight was going against him. We finally had the U.S. in one of their own courts -- and they were losing. In addition, a Montana senator's seat was hanging on softwood. So, let's see if we can't hornswoggle the Canucks.

No problem. The inexperienced Harper administration seized the chance to brag that in only a couple of months it had been able to fix an issue the Libs couldn't solve for five years. And it would validate Emerson's sleazy jump to the Tories. As a result, they bought a deal so loaded in favour of the Americans it was arguably worse than the one the Martin government had turned down earlier.

Export taxes were to be imposed even higher than the old tariffs, and this has now been done. We were to be capped at 30 per cent of the U.S. market when the Liberals had negotiated 34 per cent. Sawmills are now closing in Eastern Canada, jobs lost in the thousands. There will be lots more.

The U.S. protectionist lobby is to be handed $500-million of our money to pay their lawyers and refill their coffers to attack us again. We will pay for our own thrashing, in a fight we would have won had our government had the guts to stand up to the Americans.

Bad deal? Never mind. On April 27, Mr. Harper told an astonished House of Commons the issue had been settled. At that very hour, American lawyers were filing papers to restart the legal process. The U.S. lied, and we said nothing. Without that betrayal, the very next day the final NAFTA decision would have kicked in and countervail duties would have ended at once.

Continuing the political track, industry holdouts remained -- so many that in desperation last week the two governments jointly appealed to the U.S. court to dissolve everything on the basis it had never happened. We stipulated the U.S. had never done anything illegal, destroying five years' worth of legal victories and our shield against future harassment. And yet, immediately thereafter came the 'return the money' order from the CIT.

So now we have those ongoing duties and a gutted NAFTA, plus supervision of much of our forest law by Washington. Kind of makes you proud to be an allegedly sovereign Canadian, doesn't it?

But there are still potholes on this road of shame. The legal situation remains murky and our industry may yet manage to exploit it. And a guaranteed way out lies in the Canadian Senate.

The tax legislation required to implement the Sellout Agreement requires consent of the Liberal-dominated Senate. That body should hold the necessary hearings to reveal the whole rotten story. A Senate defeat of the agreement would force an election on the issue. Good idea. Forestry and sovereign self-respect are so basic it would be a fitting topic.

END

Harvard Crimson
October 17, 2006

Opinion: A Transparent Need - The Committee on Professional Conduct needs to be fully utilized

By THE CRIMSON STAFF

Former Whipple V.N. Jones Professor of Economics Andrei Shleifer '82 is one of the most prominent economists in the world, with the most citations of any economist, according to one measure. But his career was tainted when he and various acquaintances, as well as Harvard, were sued under the False Claims Act for buying Russian stocks and short-term state bonds in violation of Harvard's contract with the United States Agency for International Development. In 2005, a settlement was reached between the government and the defendant parties, with Harvard and Shleifer paying millions of dollars in damages. And up until last week, Harvard had allowed Shleifer to maintain his endowed title with the Faculty of Arts and Sciences (FAS).

Last Wednesday, FAS said it had concluded its ethics inquiry of Shleifer's defrauding of the U.S. government, but it was not revealed whether FAS had taken disciplinary action on the economist until last Friday, when he appeared to have been stripped of his endowed title as Jones Professor of Economics and demoted to the less prestigious title of "Professor of Economics." To this day, the only comment the public has heard from Interim Dean of the Faculty Jeremy R. Knowles on the case is that he has taken "appropriate action." Many have taken Knowles to task for the lack of transparency in handling this case. While we do not share the view that Knowles has an obligation to air the Shleifer affair publicly, we are concerned that Knowles did not adequately consult the Committee on Professional Conduct (CPC), which traditionally oversees matters such as these.

We do not find transparency to be an end in and of itself. When transparent measures work in the service of making a fair decision, they are justified. In this particular case, it is not clear what would be gained by having the details of Schleifer's misconduct broadcast openly other than satisfying curious spectators. Harvard, however, has much to lose by establishing a precedent of leaving its procedures dealing with professional misdeeds open to public scrutiny.

Nevertheless, the consolidation of decision-making powers by Knowles represents a process which lacks any serious checks on the discretion of a single individual. To that end, the CPC was not adequately consulted in this process, and its members are justified in expressing their frustrations in this regard. Both the seven-member CPC and the three-member subcommittee charged with investigating Shleifer deserved some level of oversight powers in this highly sensitive, and highly publicized, case. The nature of the report submitted to Knowles by the subcommittee should also have been available for review by the CPC.

Having some level of transparency in the FAS disciplinary process to accommodate the small, specialized group equipped to handle matters of this nature would be a confidence building measure and would help ensure fairness across disciplinary cases. When an individual, whoever he may be, has the authority to single-handedly levy judgments without conference or counsel, our systems are left open to abuse and erosion of morale.

END

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 17, 2006 1:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Dorchester County, SC

From: AmberAlert-DOJ
Sent: Tuesday, October 17, 2006 1:01:12 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Dorchester County, SC
Auto forwarded by a Rule

AMBER ALERT UPDATE:Dorchester County,SC VEHICLE Located CHILD:14 F 5'0 140 lbs Eyes:Brown Hair:Brown SUSPECT:20 M 5'4 145 lbs Eyes:Brown Hair:Brown CALL 843-873
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2482

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 17, 2006 3:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Henderson, KY

From: AmberAlert-DOJ
Sent: Tuesday, October 17, 2006 3:01:01 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Henderson, KY
Auto forwarded by a Rule

AMBER ALERT UPDATE:Henderson,KY VEH:'00 Whi Daewoo Nubia,KY 675DRV, CHILD:W/M,9 mo,SUSP:W/F,33,240,SUSP:W/M,23,6'2,CALL877-AMBER-17;Possibl-Smithboro, IL(RuralBon
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2462

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, October 17, 2006 4:08 PM
Subject: RFK Main Building Power Outage

RFK Main Building Power Outage

Occupants of the RFK Main Building will experience a power outage from Friday, October 20, 11:00 pm to Monday October 23, 5:00 am. Temporary repairs made as a result of the flood this summer, will be made permanent.

The affected areas include the southeast corner of the building (corner of 9th and Constitution), including the upper ends of the 100 and 300 corridors, the lower end of the 600 corridor and the 400 corridor. This outage will affect the Office of the Solicitor General, Office of Legislative Affairs, Library Staff, Office of Intelligence Policy and Review, Budget Staff, Office of Intergovernmental and Public Liaison, Environment and Natural Resources Division, Civil Division, Antitrust Division, and Tax Division.

Check DOJNet, http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 17, 2006 4:59 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER CHARGED, ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 17, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER CHARGED, ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE, La. – Another Louisiana resident was sentenced and another charged in a bill of information in federal court on fraud charges related to hurricane disaster relief programs, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced today.

Juanita Wade, 34, of Baton Rouge, La., was charged yesterday in a bill of information with making a false claim for Hurricane Katrina disaster assistance benefits. The charges resulted from an investigation conducted by the FBI. If convicted, Wade faces a maximum sentence of five years in prison, a $250,000 fine, or both.

Lydia Jones, 23, of Donaldsonville, La., pled guilty on June 6, 2006, to an indictment charging her with making a false claim for Hurricane Katrina disaster assistance benefits. She was sentenced by U.S. District Court Judge John V. Parker today to three years of probation, 50 hours of community service and $2,000 in restitution. The U.S. Department of Homeland Security's Office of Inspector General conducted the investigation of this matter.

DOJ_NMG_ 0169631

Yesterday's filing brings the total number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds to 79.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0169632

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Image not available for this document, ID: 0.7.10316.23560-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 17, 2006 6:39 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER FDA COMMISSIONER PLEADS GUILTY TO CONFLICT OF INTEREST AND MAKING FALSE FINANCIAL DISCLOSURES TO THE U.S. SENATE AND EXECUTIVE BRANCH

Department of Justice

United States Attorney Jeffrey A. Taylor
District of Columbia

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 17, 2006
http://www.usdoj.gov/usao/dc

CONTACT: CHANNING PHILLIPS
PHONE: (202) 514-6933
FAX: (202) 353-0121

FORMER FDA COMMISSIONER PLEADS GUILTY TO CONFLICT OF INTEREST AND MAKING FALSE FINANCIAL DISCLOSURES TO THE U.S. SENATE AND EXECUTIVE BRANCH

WASHINGTON – Lester M. Crawford, a former Commissioner of the Food and Drug Administration (FDA), has pleaded guilty to a conflict of interest charge and making false financial disclosures to the U.S. Senate and the Executive Branch, announced U.S. Attorney Jeffrey A. Taylor of the District of Columbia and Inspector General Daniel Levinson of the U.S. Department of Health and Human Services.

Crawford entered his guilty plea to the two misdemeanor charges this afternoon in the U.S. District Court for the District of Columbia before U.S. Magistrate Judge Deborah Robinson. Crawford is scheduled to be sentenced on Jan. 22, 2007. He faces a sentence of up to one year in prison on each charge.

"One of the most important principles of our ethics laws is that public officials cannot have a financial interest in any decision that they make," stated U.S. Attorney Taylor. "Lester Crawford, who held one of the most important jobs in government, blatantly violated these principles. Today, he is being held accountable for his actions."

"Any Government official's disregard of the conflict of interest laws undermines the integrity of the rules of conduct established for all those in Government," stated Inspector General Levinson. "Taxpayers must have confidence that administrators of Government programs will be objective and free from improper influences in carrying out their official duties."

Crawford, 68, of Chevy Chase, Md., held some of the most senior positions in the FDA. He served as Deputy Commissioner between Feb. 25, 2002 and March 26, 2004, when he became Acting Commissioner. On Feb. 15, 2005, Crawford was nominated to become Commissioner. On July 18, 2005, the U.S. Senate confirmed Crawford, who remained Commissioner until Sept. 30, 2005.

DOJ_NMG_ 0169635

As a senior FDA employee, Crawford was required to file regular Public Financial Disclosure Reports, known as Standard Form (SF) 278s. Schedule A of the SF 278 required the filer to list all investment assets having a value exceeding $1,000 that were held by the filer or the filer's spouse, as well as sources of income exceeding $200 earned by the filer during the applicable reporting period.

Each year, ethics officials at the Department of Health and Human Services reviewed Crawford's SF 278s to ensure that he and his wife were not holding stocks or stock options of companies that were "significantly regulated organizations," which federal regulations defined as organizations for which the sales of products regulated by the FDA constitute 10 percent or more of annual gross sales in the organization's previous fiscal year. Any FDA employee who was required to file an SF 278 could not hold a "financial interest," such as stock or stock options, in a significantly regulated organization.

Crawford's nomination as Commissioner required confirmation by the U.S. Senate and was considered by the Senate Committee on Health, Education, Labor, and Pensions. As a nominee, Crawford was required to submit two financial disclosure documents to the Committee: an SF 278 and a Statement for Completion by Presidential Nominees. Crawford filed both forms in February 2005.

Crawford's plea to Making False Writings is based on his failure to disclose his and his wife's ownership of stock in "significantly regulated organizations" to the Senate Committee and to the Executive Branch.

During the relevant time periods, Crawford and/or his wife owned forbidden stocks in the following "significantly regulated organizations": Pepsico, Sysco, Kimberly-Clark and Embrex.

Crawford filed a number of disclosure forms and other false writings in which he did not declare his and his wife's ownership of forbidden stocks and stock options. Specifically:

- July 1, 2004: In this SF 278, Crawford disclosed ownership of Sysco and Kimberly-Clark stock. When an HHS ethics official inquired about Crawford's ownership of this stock, Crawford responded in a Dec. 28, 2004 email that the stocks in "Sysco and Kimberly-Clark have in fact been sold." That statement was false.

- Feb. 23, 2005: Crawford did not disclose on this SF 278 his income from a Nov. 17, 2004, exercise of Embrex stock options or the Crawfords' ownership of Kimberly-Clark or Sysco stock.

- Feb. 25, 2005: Crawford failed to disclose in his nominee Statement to the Senate Committee his income from the exercise of Embrex stock options in October 2003 and November 2004. Crawford also did not disclose his remaining Embrex stock options.

Crawford's ownership of Sysco and Pepsico stock and his role as Chairman of the FDA's Obesity Working Group (OWG) gave rise to the conflict of interest charge, to which he has also pleaded guilty. On Feb. 11, 2004, Crawford and the OWG's Vice Chairman submitted the OWG's final report and recommendations, entitled "Calories Count: Report of the Working Group on Obesity," to then-FDA Commissioner Mark McClellan. The report contained many recommendations, including encouraging manufacturers to re-label serving sizes, noting as an example that "a 20 oz bottle of soda that currently states 110 calories per serving and 2.5 servings per bottle could be labeled as 275 calories per bottle." The FDA publicly released "Calories Count" on March 12, 2004.

On June 3, 2004, Crawford testified before the House of Representatives Committee on Government Reform about the government's role in combating obesity. In his testimony, Crawford outlined the OWG's recommendations and again stressed the importance of re-labeling serving sizes for sodas.

DOJ_NMG_ 0169636

During the entire period from the formation of the OWG to the date of Crawford's congressional testimony, Crawford and his wife owned 1,400 shares of Pepsico stock, worth a minimum of about $62,000, and 2,500 shares of Sysco stock, worth a minimum of about $78,000. Pepsico, a leading manufacturer of soft drinks and snack foods, and its shareholders had a financial interest in the OWG's conclusions and recommendations. Sysco, a leading manufacturer of food products, and its shareholders had a financial interest in the OWG's conclusions and recommendations.

There is no evidence that the OWG's conclusions were altered because of the Crawfords' ownership of Pepsico or Sysco stock.

Following the announcement of Crawford's departure from office, Senators Mike Enzi and Edward Kennedy and Representatives Maurice Hinchey, Marcy Kaptur, Lynn Woolsey, Raúl Grijalva and Sam Farr asked that the Inspector General investigate this matter.

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DOJ_NMG_ 0169637

Image not available for this document, ID: 0.7.10316.23556-000001

Image not available for this document, ID: 0.7.10316.23556-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, October 17, 2006 9:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Oakland, CA

From: AmberAlert-DOJ
Sent: Tuesday, October 17, 2006 9:35:23 PM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Oakland, CA
Auto forwarded by a Rule

AMBER ALERT:Oakland,CA VEH:04 BLU GMC Yukon CA 5RDU745 CHI:2 B/M 2FT5 50LB BRO/BLK COM:29 B/F 5FT9 220LB BRO/BLK SUS:27 B/M 5FT6 175LB BRO/BLK CALL 510-777-3211
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2502

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Wednesday, October 18, 2006 12:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Oakland, CA

From: AmberAlert-DOJ
Sent: Wednesday, October 18, 2006 12:01:43 AM
To: AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Oakland, CA
Auto forwarded by a Rule

UPDATE AMBERALERT:Oakland,CA VEH:04 BLU GMC Yukon CA 5RDU745 CHI:2 B/M 2'5 50LB BR/BLK CMP:29 B/F 5FT9 220LB BR/BLK SUS:27 B/M 5'6 175LB BR/BLK CALL510-777-3211
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2502

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 18, 2006 9:13 AM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO MAKE AN ANNOUNCEMENT ON A FRAUD MATTER

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, OCTOBER 18, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO MAKE AN ANNOUNCEMENT ON A FRAUD MATTER

WASHINGTON – Deputy Attorney General Paul J. McNulty will make an announcement on a bankruptcy-fraud matter on **WEDNESDAY, OCTOBER 18, 2006 at 1:15 P.M. EDT.**

WHO: Deputy Attorney General Paul J. McNulty
Clifford White, Acting Director, Executive Office of U.S. Trustees
Chip Burrus, Assistant Director, Criminal Investigative Division, FBI

WHAT: Press Conference

WHEN: **TODAY, OCTOBER 18, 2006**
1:15 P.M. EDT

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

06-708

DOJ_NMG_ 0169642

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Image not available for this document, ID: 0.7.10316.23102-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, October 18, 2006 9:23 AM
Subject: CORRECTION TO ENTRY, JCON BROADCAST, WEEK OF OCTOBER 16, 2006

The Weekly JCON Broadcast for October 16 contained an error in one of the entries. Some insurance carriers were noted as offering the wrong benefits. Below is a corrected notice.

Correction
Federal Employees Dental and Vision Insurance Program

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is a new program for supplemental dental and vision benefits.

The new FEDVIP will be available to eligible Federal and Postal employees, retirees, and their eligible family members on an enrollee-pay-all basis. This new program allows dental and vision insurance to be purchased on a group basis which means competitive premiums and no pre-existing condition limitations. Premiums for enrolled Federal and Postal employees will be withheld from salary on a pre-tax basis. There is no Federal government contribution.

Eligible individuals can enroll in a dental plan and/or a vision plan. They may enroll in a plan for self-only, self plus one, or self and family coverage. Eligible family members include an enrollee's spouse and unmarried dependent children under the age of 22, or if age 22 or older, incapable of self-support. The rules for family members' eligibility are the same as they are for the FEHB Program.

Employees must be eligible for the FEHB Program in order to be eligible to enroll in FEDVIP. Employees do not have to be enrolled in FEHB--eligibility is the key. Annuitants are eligible to enroll in FEDVIP regardless of their FEHB status.

The following insurance carriers will offer supplemental dental or vision benefits under FEDVIP: Aetna Life Insurance Company; Government Employees Hospital Association, Inc. (GEHA); MetLife, Inc.; United Concordia Companies, Inc.; Group Health, Inc.; CompBenefits; and Triple-S, Inc. will offer dental benefits. BlueCross BlueShield Association; Spectera, Inc.; and Vision Service Plan (VSP) will offer vision benefits.

Enrollment will take place during the upcoming Federal Employees Health Benefits (FEHB) open season Monday, November 13 through Monday, December 11, 2006. Coverage will be effective December 31, 2006. More information on how to apply will be forthcoming.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 18, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 18, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, October 18, 2006

ATTORNEY GENERAL

2:00 P.M. EDT Attorney General Alberto R. Gonzales and Eileen O'Connor, Assistant Attorney General for the Tax Division, will participate in the Tax Division Awards Ceremony.
Department of Justice
The Great Hall
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Antitrust Division will issue a release on a price-fixing matter. (Talamona)

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

The Tax Division will issue a release on a fraud related matter. (Miller)

The Office of Public Affairs will issue a release on a bankruptcy fraud matter.

EVENTS/HEARINGS

1:15 P.M. EDT Deputy Attorney General Paul J. McNulty will make an announcement on a bankruptcy-fraud matter.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0169647

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169648

Image not available for this document, ID: 0.7.10316.23096-000001

Image not available for this document, ID: 0.7.10316.23096-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 18, 2006 1:38 PM
To: USDOJ- Office of Public Affairs
Subject: OPERATION TRUTH OR CONSEQUENCES TARGETS BANKRUPTCY FRAUD ACROSS THE COUNTRY; U.S. TRUSTEES ANNOUNCE BANKRUPTCY FRAUD HOTLINE

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2008
TDD (202) 514-1888

OPERATION TRUTH OR CONSEQUENCES TARGETS BANKRUPTCY FRAUD ACROSS THE COUNTRY; U.S. TRUSTEES ANNOUNCE BANKRUPTCY FRAUD HOTLINE

WASHINGTON – United States Attorneys have filed criminal charges against 78 individuals in 69 separate prosecutions in 36 judicial districts on a variety of federal bankruptcy fraud and related counts, including 18 cases charged Tuesday, Deputy Attorney General Paul J. McNulty, announced today. The announcement is the culmination of "Operation Truth or Consequences," a nationwide sweep that demonstrates the breadth of enforcement actions taken by the Department of Justice to combat bankruptcy fraud and protect the integrity of the bankruptcy system.

Also announced was the creation of a new Internet hotline for reporting suspected bankruptcy fraud to the U.S. Trustee Program, the Department of Justice component that promotes and protects the integrity of the bankruptcy system. Members of the public can now report suspected bankruptcy fraud via email to USTP.Bankruptcy.Fraud@usdoj.gov.

"Today we send a clear message to those who abuse, for their own criminal financial gain, the bankruptcy system's promise of a fresh start to honest Americans." said Deputy Attorney General McNulty. "A bankruptcy filing is often the last step of a series of criminal acts, including mortgage fraud, bank fraud, mail fraud, money laundering, and government program fraud. Bankruptcy fraud is often the tip of the criminal iceberg, and that makes these prosecutions so important."

Collectively, the Operation Truth or Consequences bankruptcy fraud sweep includes charges filed against nine attorneys, two bankruptcy petition preparers, and one former law enforcement officer; alleged concealment of more than $3 million in assets; use of false Social Security numbers and false identities; submission of forged documents and use of false statements; defrauding of individuals whose homes were in foreclosure; fraudulent receipt of government loans and benefits; and various other unlawful acts.

"Bankruptcy fraud must not be tolerated, if our bankruptcy system is to serve its purpose of helping the honest debtor in need of financial relief," said Clifford White, Acting Director of the Executive Office of U.S. Trustees. "Operation Truth or Consequences highlights the commitment of the Department of Justice and our

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law enforcement partners to vigorously investigate and prosecute bankruptcy fraud wherever it occurs."

"Today's operation is a comprehensive, nationwide sweep that highlights the scope of bankruptcy fraud and the negative impact on the economy," said Chip Burrus, FBI Assistant Director for the Criminal Investigative Division. "Through our collaborative efforts with law enforcement, the FBI remains dedicated to pursuing those individuals who attempt to use our Nation's bankruptcy system to further their criminal intents."

Operation Truth or Consequences is a joint criminal enforcement effort by the U.S. Attorneys' Offices, U.S. Trustee Program, FBI, Department of Housing and Urban Development Office of Inspector General, Social Security Administration Office of Inspector General, U.S. Postal Inspection Service, Internal Revenue Service Criminal Investigation, and U.S. Secret Service.

The charges contained in an indictment, information or criminal complaint are merely allegations, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

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Image not available for this document, ID: 0.7.10316.23087-000002

From: USDOJ- Office of Public Affairs
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Subject: THREE EXECUTIVES INDICTED FOR THEIR ROLES IN THE DRAM PRICE-FIXING & BID-RIGGING CONSPIRACY

(A PDF of the indictment is attached below.)

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 2006
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THREE EXECUTIVES INDICTED FOR THEIR ROLES IN THE DRAM PRICE-FIXING & BID-RIGGING CONSPIRACY

Two Korean Executives and One U.S. Executive Charged in Global Price-Fixing & Bid-Rigging Scheme

WASHINGTON — A federal grand jury in San Francisco today returned an indictment against two executives from Samsung Electronics Ltd. (Samsung) and one executive from Hynix Semiconductor America Inc. (Hynix America) for their participation in a global conspiracy to fix DRAM prices, the Department of Justice announced.

Including today's charge, four companies and 16 individuals have been charged and fines totaling more that $731 million have resulted from the Department's ongoing antitrust investigation into the DRAM industry. The $731 million in criminal fines is the second highest total obtained by the Department of Justice in a criminal antitrust investigation into a specific industry.

The indictment, filed today in the U.S. District Court in San Francisco, charged that Il Ung Kim, Young Bae Rha, and Gary Swanson participated with co-conspirators in the conspiracy from on or about April 1, 2001, until on or about June 15, 2002. At the time of the conspiracy, Kim was vice president of marketing for the memory division at Samsung. Rha was vice president of sales and marketing for the memory division at Samsung. Both Kim and Rha are citizens and residents of Korea. At the time of the conspiracy, Swanson was senior vice president of memory sales and marketing for Hynix America, the U.S.-based subsidiary of Hynix Semiconductor Inc. (Hynix), which is headquartered in Korea. Swanson is a resident and citizen of the United States.

"The Antitrust Division will vigorously pursue individuals who engage in criminal cartel conspiracies," said Thomas O. Barnett, Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "Criminal cartel enforcement is the Division's top priority and both companies and individuals must comply with the antitrust laws."

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DRAM is the most commonly used semiconductor memory product, providing high-speed storage and retrieval of electronic information for a wide variety of computer, telecommunication and consumer electronic products. DRAM is used in personal computers, laptops, workstations, servers, printers, hard disk drives, personal digital assistants (PDAs), modems, mobile phones, telecommunication hubs and routers, digital cameras, video recorders and TVs, digital set-top boxes, game consoles and digital music players. There were approximately $7.7 billion in DRAM sales in the United States alone in 2004.

The indictment charges that Kim, Rha, Swanson, and their co-conspirators carried out the conspiracy in a variety of ways, including:

- Attending meetings and participating in telephone conversations in the U.S. and elsewhere to discuss the prices of DRAM to be sold to certain original equipment manufacturers (OEMs);
- Agreeing during those meetings and telephone conversations to charge prices of DRAM at certain levels to be sold to certain OEMs;
- Exchanging information on sales of DRAM to certain OEM customers, for the purpose of monitoring and enforcing adherence to the agreed-upon prices;
- Agreeing during those meetings and telephone conversations to raise and maintain prices of DRAM to be sold to certain OEMs;
- Agreeing during those meetings and telephone discussions to rig the online auction, sponsored by Compaq Computer Corporation on Nov. 29, 2001, by not submitting a bid in the auction, or by submitting intentionally high prices on the bids in the auction;
- Authorizing, ordering, and consenting to the participation of subordinate employees in the conspiracy;
- Issuing price quotations in accordance with the agreements reached;
- Accepting payment for the supply of DRAM sold at collusive, noncompetitive prices to certain OEM customers in the United States and elsewhere; and
- Concealing the conspiracy and conspiratorial contacts through various means.

Kim, Rha, and Swanson are each charged with participating in the conspiracy to suppress competition in violation of the Sherman Act. The maximum penalty for the conviction of a Sherman Act violation occurring before June 22, 2004, is three years imprisonment and a fine of $350,000 for individuals. The maximum fines may be increased, however, to twice the gain derived from the crime or twice the loss suffered by the victims if either of those amounts is greater than the Sherman Act maximum fines.

Three foreign-based Samsung executives, Sun Woo Lee, Yeongho Kang, and Young Woo Lee, pleaded guilty to the DRAM price-fixing conspiracy in March and August 2006. The Samsung employees agreed to serve prison terms ranging from seven to eight months and to each pay a $250,000 fine. In September 2006, Thomas Quinn, the fourth Samsung executive charged, agreed to plead guilty to the DRAM price-fixing conspiracy, and charges have been filed. Under a plea agreement, which must be approved by the court, Quinn has agreed to serve eight months in prison and to pay a criminal fine of $250,000.

In addition, four Hynix Semiconductor Inc. executives, Dae Soo Kim, Chae Kyun Chung, Kun Chul Suh, and Choon Yub Choi, were charged with participating in the DRAM price-fixing conspiracy and agreed to plead guilty and serve jail terms ranging from five to eight months and to each pay a $250,000 fine. In December 2004, four executives of Infineon Technologies AG – T. Rudd Corwin, Peter Schaefer, Gunter Hefner, and Heinrich Florian – pleaded guilty to the DRAM price-fixing conspiracy. The Infineon employees served jail terms ranging from four to six months and each paid a $250,000 fine.

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Also, in December 2003, the Department charged Alfred Censullo, a regional sales manager for Micron Technology Inc., with obstruction of justice. Censullo pleaded guilty and admitted to having withheld and altered documents responsive to a grand jury subpoena served on Micron. Censullo was sentenced to serve six months of home detention.

In total, four companies have been charged with price-fixing in the DRAM investigation. Samsung pleaded guilty to the price fixing conspiracy and was sentenced to pay a $300 million criminal fine in November 2005. Hynix, the world's second largest DRAM manufacturer, pleaded guilty and was sentenced to pay a $185 million criminal fine in May 2005. Japanese manufacturer Elpida Memory pleaded guilty and was sentenced to pay an $84 million fine in March 2006. German manufacturer Infineon pleaded guilty and was sentenced to pay a $160 million criminal fine in October 2004.

Today's charge is the result of an ongoing investigation being conducted by the Antitrust Division's San Francisco Office and the Federal Bureau of Investigation in San Francisco.

Anyone with information concerning price fixing in the DRAM industry should contact the San Francisco Office of the Antitrust Division at (415) 436-6660 or the San Francisco Division of the FBI at (415) 553-7400. Case filings can be viewed on the Antitrust Division's web site, http://www.usdoj.gov/atr/.

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA v. IL UNG KIM; YOUNG BAE RHA; and GARY SWANSON, Defendants.	No. **INDICTMENT** VIOLATION: Title 15, United States Code, Section 1 (Price Fixing) San Francisco Venue

The Grand Jury charges that:

I.

DESCRIPTION OF THE OFFENSE

1. The following individuals are hereby indicted and made defendants on the charge stated below:

(a) IL UNG KIM;

(b) YOUNG BAE RHA; and

(c) GARY SWANSON.

2. From on or about April 1, 1999, until on or about June 15, 2002, the exact dates

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being unknown to the Grand Jury, the defendants and coconspirators, Elpida Memory, Inc., Hynix Semiconductor Inc., Infineon Technologies AG, Samsung Electronics Company, Ltd., Samsung Semiconductor Inc., and other corporations and individuals, entered into and engaged in a combination and conspiracy in the United States and elsewhere to suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory ("DRAM") to be sold to certain original equipment manufacturers of personal computers and servers ("OEMs"). The defendants joined and participated in the conspiracy at various periods of time from on or about April 1, 2001, until on or about June 15, 2002 ("the period covered by this Indictment"), the exact dates being unknown to the Grand Jury. The combination and conspiracy engaged in by the defendants, their corporate employers, and other coconspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants, their corporate employers, and other coconspirators, the substantial terms of which were to agree to fix the prices for DRAM to be sold to certain OEMs.

II.

MEANS AND METHODS OF THE CONSPIRACY

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants, their corporate employers, and other coconspirators did those things that they combined and conspired to do, including, among other things:

(a) attended meetings and participated in telephone conversations in the United States and elsewhere to discuss the prices of DRAM to be sold to certain OEMs;

(b) agreed during those meetings and telephone conversations to charge prices of DRAM at certain levels to be sold to certain OEMs;

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(c) exchanged information on sales of DRAM to certain OEM customers, for the purpose of monitoring and enforcing adherence to the agreed-upon prices;

(d) agreed during those meetings and telephone conversations to raise and maintain prices of DRAM to be sold to certain OEMs;

(e) agreed during those meetings and telephone discussions to rig the online auction, sponsored by Compaq Computer Corporation on November 29, 2001, by not submitting a bid in the auction, or by submitting intentionally high prices on the bids in the auction;

(f) authorized, ordered and consented to the participation of subordinate employees in the conspiracy;

(g) issued price quotations in accordance with the agreements reached;

(h) accepted payment for the supply of DRAM sold at collusive, noncompetitive prices to certain OEM customers in the United States and elsewhere; and

(i) concealed the conspiracy and conspiratorial contacts through various means.

III.

DEFENDANTS AND COCONSPIRATORS

5. Defendant IL UNG KIM is a resident and citizen of the Republic of Korea. During the period covered by this Indictment, IL UNG KIM was Vice President, Marketing for the Memory Division of Samsung Electronics, Ltd. ("Samsung"). During the period covered by this Indictment, Samsung was a Korean company engaged in the business of producing and selling DRAM to customers in the United States and elsewhere.

6. Defendant YOUNG BAE RHA is a resident and citizen of the Republic of Korea. During certain portions of the period covered by this Indictment YOUNG BAE RHA was Vice

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President of Sales and Marketing for the Memory Division of Samsung.

7. Defendant GARY SWANSON is a resident and citizen of the United States. During the period covered by this Indictment GARY SWANSON was Senior Vice President, Memory Sales and Marketing for Hynix Semiconductor America Inc. ("Hynix America"), the United States' based subsidiary of Hynix Semiconductor, Inc. ("Hynix"). During the period covered by this Indictment, Hynix was a Korean company and Hynix America was a United States company engaged in the business of producing and selling DRAM to customers in the United States and elsewhere.

8. Various corporations and individuals, not made defendants in this Indictment, participated as coconspirators in the offense charged in this Indictment and performed acts and made statements in furtherance of it.

9. Whenever in this Indictment reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

10. DRAM is the most commonly used semiconductor memory product. DRAM provides high-speed storage and retrieval of electronic information in personal computers, servers and other devices. All references to DRAM in this Indictment include Synchronous Dynamic Random Access Memory ("SDRAM") and Double Data Rate Dynamic Random Access Memory ("DDR") semiconductor memory devices and modules.

11. During the period covered by this Indictment, the defendants, their corporate employers, and coconspirators sold and distributed DRAM in a continuous and uninterrupted flow of interstate and foreign trade and commerce to customers located in states or countries other than the states or countries in which the defendants, their corporate employers, and coconspirators

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produced DRAM. The OEMs that were affected by the conspiracy to suppress and eliminate competition include: Dell Inc., Compaq Computer Corporation, Hewlett-Packard Company, Apple Computer, Inc., International Business Machines Corporation, and Gateway, Inc.

12. The business activities of the defendants, their corporate employers, and coconspirators that are the subject of this Indictment were within the flow of, and substantially affected, interstate and foreign trade and commerce.

IV.

JURISDICTION AND VENUE

13. The combination and conspiracy charged in this Indictment was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Indictment.

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ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

DATED:

A TRUE BILL

_____, ACTING
Thomas O. Barnett
Assistant Attorney General

_____
FOREPERSON

_____
Scott D. Hammond
Deputy Assistant Attorney General

_____
Phillip H. Warren
Chief, San Francisco Office

_____
Marc Siegel
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From: USDOJ- Office of Public Affairs
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Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DEPARTMENT OF JUSTICE TAX DIVISION AWARDS CEREMONY

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 2006
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(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DEPARTMENT OF JUSTICE TAX DIVISION AWARDS CEREMONY

WASHINGTON, D.C.

Good afternoon.

I am delighted to join Assistant Attorney General Lee O'Connor and Acting Associate Attorney General Mercer in celebrating the great accomplishments of the Tax Division and its people.

The Department of Justice is well known for its work in protecting America from terrorist attacks, from those who attempt to rob our children of a safe childhood, and from those who plague our country with drugs.

None of these efforts immediately calls to mind the Tax Division. But these critical missions – and every mission of our Government – would be impossible without the funds that our citizens must contribute to guarantee a stable and functioning democracy.

But sadly, some people go to inordinate lengths to be free riders – to grasp the blessings of our democracy on the cheap. They expend incredible energy to shirk their basic civic duty. Some pretend that the Sixteenth Amendment is invalid. Others construct elaborate disguises to hide their income. And many more would do so absent the deterrent effect of this Division.

Since 2001, Assistant Attorney General O'Connor has made stopping the promotion of tax fraud a Division priority. And the Tax Division has delivered. Over 250 injunctions against tax-fraud promoters and fraudulent-return preparers have been entered since 2001. Over the last fiscal year, a record 52 tax-fraud promoters were enjoined – a 24% increase over the previous year.

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Countless more have been convicted. Last week, for example, one fraudulent-return preparer in California was sentenced to 10-½ years in prison.

And this past year, by winning two refund suits brought by large corporations, the Tax Division saved the American people about $2.5 billion dollars.

In both the civil and the criminal contexts, your work is an essential prerequisite to everything else that the government does.

So you should be—and I hope you are—proud to be working at the Department of Justice, and in the Tax Division. Our work here is not "just a job"—it is an answer to the call of duty.

Nor are our colleagues "just" our co-workers. We are a family at work. We care about each other, not just the results of our labor. And our dedication to each other is usually an ingredient in our own successes. I imagine that both colleagues and families have been crucial to the accomplishments of today's award recipients.

So I want to take the opportunity to acknowledge those colleagues and families along with the award recipients.

And I don't want this mention of our families at home to be just lip service. Any celebration of this Division's achievements would be unfair if it ignored the price families can pay to make those achievements possible.

Sometimes our jobs do require us to spend more waking hours with our professional families than with our actual families at home.

But we all need to remember that there remains nothing more important for a professional than the reward of going home at the end of the day, and nothing more fulfilling than the smile of a child or the embrace of a loving spouse.

After all, they are the reasons we work so hard. We want to protect America and make it stronger because we want the country we bequeath to our children to remain the greatest on the earth.

And we are better at work because of the love and encouragement that we receive at home. Families provide this energy and are therefore a vital part of this Department's ability to serve the American people. I hope all Department of Justice employees take the time to be re-fueled and rewarded by your relationships at home.

I want to thank all of you for your service to the United States of America, and I want especially to commend those award recipients who will be recognized this afternoon.

I am proud to work with you, and I appreciate your having me here today.

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From: USDOJ- Office of Public Affairs
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Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 2006
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TRANSCRIPT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE PRESS CONFERENCE ON BANKRUPTCY FRAUD

1:34 P.M. EDT

DEPUTY ATTORNEY GENERAL McNULTY: Good afternoon. I apologize for keeping you waiting and thank you for your patience. I'm Paul McNulty, the Deputy Attorney General, and with me is Cliff White, the Acting Director of the Executive Office for U.S. Trustees, and Chip Burrus, the Assistant Director for Criminal Investigations Division of the FBI.

We are here today to mark the anniversary of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, and we're announcing the results of a major crackdown on bankruptcy fraud.

Over the past two months, the Department of Justice has charged more than 78 defendants in 36 districts with bankruptcy fraud and related counts, including 15 indictments and three criminal complaints just yesterday.

This initiative and these unprecedented enforcement results reflect the commitment and teamwork of the FBI, the United States Attorneys and the United States Trustees program. Together with our partners at the Postal Inspection Service, IRS, Criminal Investigation, the Offices of the Inspectors General for the Department of Housing and Urban Development, and the Social Security Administration, and the United States Secret Service.

We are calling this large interagency effort Operation Truth or Consequences, because that's the essence of what's at stake when the bankruptcy process is abused. Tell the truth, or face the consequences.

This enforcement effort is important because bankruptcy fraud hits at the heart of what the bankruptcy system was created for: to give honest people a fresh start. But criminals take advantage of the system by either defrauding the very debtors the system was designed to help, or by defrauding creditors by using the law to discharge debts they should not otherwise be able to discharge. In the end, we all wind up paying for fraud in the form of higher interest rates and fees from companies that offer credit and loans.

In addition, the bankruptcy filing is often the last step in a series of crimes that may include health care fraud, bank fraud, mail fraud, money laundering, government program fraud, embezzlement, mortgage fraud and perjury.

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That's why this enforcement effort required the hard work of all our interagency law enforcement partners. And that's why it's so important that we focus on catching those who abuse the system.

Bankruptcy fraud can be the mere tip of the criminal iceberg. Many of the cases included in Operation Truth or Consequences illustrate this link between bankruptcy fraud and other white collar crimes. Let me just give you a few examples of such cases.

In the Northern District of Illinois, two cases have been charged in which bankruptcy lawyers engaged in schemes promising to save the homes of victims facing foreclosure. In fact, in at least one case, the defendant simply stole the homeowner's equity before the homes were lost to foreclosure.

In the Southern District of California, an attorney who filed bankruptcy concealed a chateau in France and other property worth $1.5 million. And in a case in the District of Delaware, two sisters collected their deceased mother's Social Security and veterans' benefits, filed bankruptcy, and then failed to disclose the bank account where they had deposited the funds.

These crimes are shameful as well as illegal. Prosecution of these individuals sends a message to anyone who may consider breaking these laws. Our enforcement tools are powerful, and we do not hesitate to use them.

We are also proud to announce today a new bankruptcy fraud Internet hotline that will make it easier for the public to reporting bankruptcy crimes. Tips from the public are often an important source of information to help us identify bankruptcy fraud. And this hotline will provide the Department with a more efficient method for the public to work with us. Cliff White will tell you more about the opening of the hotline.

Today's announcements are the latest in a strong Administration record of commitment to criminal enforcement of the bankruptcy laws, including the 2003 establishment of a specialized criminal enforcement unit in the United States Trustee program. In the last year alone, this unit trained approximately 1,500 law enforcement officers, federal prosecutors, United States Trustee personnel and others in detecting, investigating and prosecuting bankruptcy crimes.

In addition, United States Attorneys now chair approximately 50 bankruptcy fraud working groups that include representatives from each of these law enforcement partners. Together, they are committed to a nationwide effort to identify, investigate and prosecute those who willfully misuse and undermine the integrity of the bankruptcy system.

So, to those who think they can get away with bankruptcy fraud, the message from the Justice Department and our law enforcement partners is clear: You won't. Today we are packaging together these cases in order to emphasize the fact that so much enforcement work is happening and that this is something that we are committed to stopping.

Those who commit this fraud, you will be identified, you will be investigated, you will be prosecuted, you will be brought to justice. We have stepped up audit efforts now underway in order to detect even more criminal conduct.

The key is we have to strive for integrity in this system. We have to have an honest reporting of debts. We have to have people serving those who are trying to get a fresh start acting honestly. Our bankruptcy system must operate with integrity.

I'd like now to recognize Chip Burrus from the FBI, our Assistant Director for Criminal Investigations, to say a few words. Chip?

MR. BURRUS: Thank you, Paul. A fresh start. That's what the bankruptcy system is designed to offer an individual or a company. Our bankruptcy system rests on good faith. It depends on the integrity of the debtor and

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the idea that there exists a reasonable notion that loaned money should be repaid. The abuse of this system by an individual debtor or a professional within the system undermines not only the rehabilitation aspect of the bankruptcy system, but the integrity of the system as a whole.

Monies defrauded from bankruptcy never reach the pockets of deserving creditors or investors. As these frauds occur, these creditors and investors lose faith that their interests will be protected. This can have a ripple effect in the economy as the costs are relayed to consumers like you and me through increased interest rates, reduction in services, and additional administrative fees.

The FBI is working hard to combat bankruptcy fraud problem with our partners at the United States Attorney's Office and with the United States Trustees Office to restore confidence in the system.

In the case of bankruptcy fraud, the FBI has primary investigative jurisdiction, and continues to work closely with the United States Trustees Office on these matters. Bankruptcy fraud is a violation that can further other criminal activity such as mortgage fraud, identity theft and bank fraud. Since August 1st, the FBI has charged 48 subjects through information, indictment or criminal complaint. As of today, 11 of those have been arrested.

The FBI's strategy for reducing the number of fraudulent filings concentrates on three areas. First, the targeting of individuals and businesses who conceal assets. Second, the targeting of serial filers who make fraudulent, multiple interstate bankruptcy filings, and third, bankruptcy fraud where it's associated with another criminal enterprise.

The FBI, in collaboration with our law enforcement partners, including the Postal Inspection Service, the United States Secret Service, the IRS, the Housing and Urban Development Office of Inspector General and the Social Security Administration Inspector General, will continue to aggressively pursue those individuals who attempt to use our nation's bankruptcy system as their own personal piggy bank and to further their criminal intents.

I'd like to turn it over to the United States Trustees office for a few remarks.

MR. WHITE: Thank you, Chip. The U.S. Trustee program is the component of the Department of Justice whose mission is to protect the integrity of the bankruptcy system. And central to that mission is the enforcement of the civil and criminal bankruptcy laws.

Bankruptcy fraud must not be tolerated if our bankruptcy system is to serve its purpose of helping the honest debtor in need of financial relief. Operation Truth or Consequences highlights the commitment of the Department of Justice and our law enforcement partners to vigorously investigate and prosecute bankruptcy fraud wherever it occurs.

We're pleased to announce the launch of a new bankruptcy fraud Internet hotline to augment our criminal enforcement efforts. This hotline provides a more central mechanism for the public to report instances of bankruptcy fraud and abuse. We believe it will be helpful in our efforts to police the integrity of the system.

The graphic here on my left on the stage depicts a new notice that appears on the U.S. Trustee program's Internet home page. By clicking on the box, an individual is directed to a page on the website that details the type of information that is important for us to know and provides an e-mail link to submit information related to a suspected bankruptcy fraud.

All tips received via the hotline will be reviewed by U.S. Trustee program staff. Enforcement actions will be taken as appropriate, including referrals to the FBI or United States Attorney's offices.

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I want to thank the United States Attorneys from the many districts represented in Operation Truth or Consequences, as well as our law enforcement partners for their support and assistance in ensuring the integrity of the bankruptcy system.

And now let me turn the podium back to the Deputy Attorney General.

DEPUTY ATTORNEY GENERAL McNULTY: Thanks, Cliff. And again, I want to emphasize that we are getting the word out on this, because we do want to achieve deterrence, and we that this is the kind of crime where deterrence can be achieved because of the recognition that there is a trail that will be discovered and can be investigated. So hopefully, we are going to see a decline in this area as an increase of law enforcement efforts are made.

I'm happy to answer any questions you might have.

QUESTION: I have one question on this, which is a big battle on Capitol Hill preceded passage of the bankruptcy law last year, and a lot of critics were concerned about its potential impact on honest debtors.

How many of these cases that you cite stem from the new provisions of the new law as opposed to fraud statutes that were already on the books prior to last year?

DEPUTY ATTORNEY GENERAL McNULTY: The vast majority of these cases relate to fraud statutes that already were on the books and were not created, a new criminal authority was not created in that legislation.

The legislation did a lot to change the civil system. The legislation, however, did a lot to push the priority of this enforcement or criminal side by, for example, requiring every U.S. Attorney's office to designate a coordinator for bankruptcy fraud investigations and prosecutions, which has raised the profile of this crime in U.S. Attorneys' offices.

So this fundamental criminal conduct was already proscribed prior to the passage of that legislation.

Do you want to add anything more to that?

MR. WHITE: No. That's fine.

DEPUTY ATTORNEY GENERAL McNULTY: Okay.

QUESTION: Can you provide us with an update on the Mark Foley investigation and also comment on the searches that were conducted against Congressman Weldon's daughter's house and relation to a Russian energy company down in Jacksonville, Florida in what is believed to be an influence peddling case?

DEPUTY ATTORNEY GENERAL McNULTY: I know this will come as a surprise, but I have no comment on either case.

QUESTION: Can you comment on the timing? Congressman Weldon called these searches three weeks before election time suspicious. And he's involved in a very close race in Pennsylvania. And when the FBI shows up at his daughter's house, that could seem as trying to influence an election at this point. Please comment at some angle on this.

DEPUTY ATTORNEY GENERAL McNULTY: I have heard those concerns expressed, but I don't have any comment about them. We are doing the job that we're required to do.

DOJ_NMG_ 0169673

QUESTION: This week the Attorney General announced a new initiative to study and try to combat the spike in violent crime in some of the nation's cities. He announced it without being skewered. And I'm curious, who's going to be doing this survey? Because it seems -- the announcement almost seemed rushed out. He didn't know which cities it was going to be in and he didn't say who was going to be conducting the survey to figure out which cities need to be studied the most. Can you answer -- I mean, is it BJS or is it professionals who will be doing the survey?

DEPUTY ATTORNEY GENERAL McNULTY: Well, it's going to be a number of components at the Department of Justice involved in the process. It wasn't rushed out, but it is something that is moving along rapidly in the sense that we have the release of new information that just came out in September.

And that information, specifically the Uniform Crime Reports information, revealed that there is some increase in violent crime in certain cities that's more significant or extensive than it is in other places.

So the 2005 reported crime -- on violent crime -- shows a 1.3 percent increase in the rate of violent crime, which, while being the second lowest violent crime rate since 1977, is still an increase over last year. And so that was an area of focus to determine what might be happening there.

But then as you dig deeper into the numbers, you see that some cities actually had slight reductions. Others had increases. And the -- so that occurred in September.

We had the IACP, the International Association of Chiefs of Police, meeting this week, and we thought it was a good opportunity to inform them as to what was going on.

In addition to that, we have the experiences of law enforcement concerning 2006 being expressed around the country in different ways. And so we know that there are some concerns about what's going on right now that aren't seen in data released on an annual basis that we have to wait for now for next year for 2006 numbers.

So, in order to address that sense of concern about what's happening and to let the law enforcement community know what we are trying to do, we wanted to take advantage of the opportunity that they were gathered, at least the police chiefs were gathered, in Boston. We also touched base with other law enforcement organizations as well.

We're looking at the data and selecting cities that will be reflective both geographically and statistically of the developments that we're noticing. So we'd want to see places that have increases in homicide and robbery and see that in different regions of the country where we can find it in different regions, so look for representative samples.

We are in the process of finalizing that list of cities. The Attorney General has directed me to oversee this project, and so we'll select those cities here or finalize the selection soon. We will look to have a blend of expertise in the Department involved.

You've mentioned Bureau of Justice Statistics, and we definitely want to include the statistics and analytical expertise of the Office of Justice programs. We also want to include policy types and enforcement types, prosecutors and others from within the Department, and we'll be reaching out to the law enforcement community in these cities and get their thoughts on what's going on.

And hopefully, by the end of the year, we'll be in a position to take that information, have a much better sense of what's happening right now and what are some of the trends that are affecting what's going on right now, and be in a much stronger position to look at the initiatives we have and the resources we have and how to address violent crime better.

DOJ_NMG_ 0169674

QUESTION: So if you have to have the answers back by the end of the year, you must be planning on sending people out pretty soon.

DEPUTY ATTORNEY GENERAL McNULTY: Oh, yes.

QUESTION: How soon --

DEPUTY ATTORNEY GENERAL McNULTY: Well, we don't have a specific date right now as far as have to go on a certain time. But we will look at schedules, and depending upon our final list of the locations, what kind of efficiencies that we can find to get that done. But I expect that the process will run from the end of this month through the end of December, maybe middle of December by the time we get it all done.

QUESTION: So you'll have this group of experts representing the various disciplines and abilities and talents from the Department. Will that one group go to each city?

DEPUTY ATTORNEY GENERAL McNULTY: Probably not. What we'll have to do is divide that up and try to train them together and give them a template to work with so that the information they're gathering can be brought together usefully, but it would be very difficult perhaps to have the same individuals do everything.

We'll try to stretch those involved as much as possible and see how much we can do. But I do think that we'll probably have to have a division of labor. I may want to check in on a few myself, because there are some communities that I know personally and I'm interested in knowing what's going on there, but we'll see how that goes.

QUESTION: So you plan on visiting some of these cities that have shown a spike as well as some that have shown a decrease as well as some that are maintaining the current level?

DEPUTY ATTORNEY GENERAL McNULTY: We'll have a variety, but we have to keep it limited to get the job done and to come away with a good understanding. Now this isn't scientifically perfect, but it will be I think a very strong effort to try to get a good feel as to what's happening.

And we'll look for the kind of mix you suggest, where we can get some of the cities that have perhaps not experienced the same rise, so that we might be well informed as to what they are doing there that might be contributing to a lack of growth in the violent crime. But our principal focus is on the places that have experienced the increase to find out what's going on there.

QUESTION: I know you can't talk about specific investigations, and particularly sensitive political investigations. You've made that clear. But can you give any kind of public assurance that the Justice Department is completely playing it straight and that if the -- and if there's a decision made to close an investigation which has been public exposed, that at least you can announce that so that honest people who may have been caught up in an investigation aren't left kind of hanging and twisting?

DEPUTY ATTORNEY GENERAL McNULTY: Well, I can certainly assure you that the Department of Justice is doing everything it can to conduct all of its investigations in a way which is -- adheres strictly to the rule of law, and to do them in the ways that are as efficient as possible and yet faithful to our responsibilities.

I know that sometimes investigations can take a long time, and those who are being investigated wish that we would have an announcement that we've come to a completion or whatever. And that's certainly understandable. And sometimes that's possible when the case does not involve in a charge being brought.

DOJ_NMG_ 0169675

Other times, it takes a considerable amount of time to get to a point where it's safe to make that conclusion. And so it really is driven on a case-by-case basis.

But as a general principle, I think that's a very reasonable concern to say if something has run its course and is over that we would be able to say that. And in some instances, we have, and I see us continuing to do that when it's appropriate.

QUESTION: As sort of a follow-up, obviously the critics of the investigations are people who are being investigated or alleging that there's some kind of political motive here.

Aside from saying that there's no political motive, we're doing our job, do you have any thoughts on why all these things seem to be bubbling up now? Is this just where the investigation now has taken its course and it has reached that place where it's being exposed? Or is there any other reason why all these things might be coming up a month before an election?

DEPUTY ATTORNEY GENERAL McNULTY: I think I'm going to refrain from answering the question about speculating as to why things appear to be in the news now more than other times.

What I can say with great confidence is that the men and women in the Department of Justice and all of its investigative agencies do not take political considerations into play when it comes to discharging their duty. And that's the way we run this Department and the way we always will run the Department. But beyond that, I'm not going to talk about the timing of anything happening.

MR. ROEHRKASSE: We'll take one more question.

QUESTION: I'm sorry if I didn't phrase this very gracefully. I wasn't asking you to speculate as much as just in your capacity as somebody who knows the law, why all of these things would be coming -- I mean, have they reached a certain point in the investigation where this would be a natural exposure, or?

DEPUTY ATTORNEY GENERAL McNULTY: I think you stated it real well the first time, and I kind of got it. And now that I've been given a second chance, I still don't want to take an opportunity to answer that. So, I'm sorry, I'm going to decline doing that.

Thanks very much.

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DOJ_NMG_ 0169676

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Image not available for this document, ID: 0.7.10316.23046-000002

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 18, 2006 6:55 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF WAN J. KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, ON OPINION IN UNITED STATES V. OSCEOLA COUNTY

STATEMENT OF WAN J. KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, ON OPINION IN UNITED STATES V. OSCEOLA COUNTY

"We are extremely pleased with today's Court ruling, which affirms that Osceola County must abandon its illegal election system," said Wan J. Kim, Assistant Attorney General for the Justice Department's Civil Rights Division. "It is an important victory for all the residents of Osceola County, and particularly for its Hispanic citizens who have been denied their right to full and equal participation in the democratic process in county government. We look forward to working with the County to achieve an election plan that provides Hispanic voters the opportunity the Voting Rights Act guarantees."

# # #

06-713

From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 18, 2006 7:02 PM
To: USDOJ- Office of Public Affairs
Subject: NIGHTCLUB OWNER SENTENCED TO 10 YEARS FOR FORCING WOMEN TO WORK AS HOSTESSES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

NIGHTCLUB OWNER SENTENCED TO 10 YEARS FOR FORCING WOMEN TO WORK AS HOSTESSES

WASHINGTON – The Justice Department today announced that Sung Bum Chang, a Korean American man who owned and operated the nightclub, "Club Wa," in Dallas was sentenced to 10 years in prison for forcing young Korean women to work as club hostesses. He was ordered to pay $37,000 in restitution to the victims. On June 12, 2006, Chang pleaded guilty to one count of forced labor and one count of conspiracy to commit forced labor.

"Sung Bum Chang imported innocent young women from South Korea and forced them to work at Club Wa under terrible conditions of fear and violence," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "Today's sentencings demonstrate the Justice Department's unprecedented commitment to aggressively prosecute these human trafficking cases."

"Today's sentences should resonate loud and clear throughout our immigrant community. We, in law enforcement, will continue to aggressively pursue those who exploit and prey on vulnerable immigrants who come to America's shores seeking a better life," said Richard B. Roper, U.S. Attorney for the Northern District of Texas. "I am grateful to the Attorney General for choosing the Dallas-For Worth area to receive $1.35 million in federal grant funding so that we may continue to enhance our human trafficking programs by identifying and assisting victims of human trafficking and apprehending and prosecuting those engaged in trafficking offenses."

"The Changs have demonstrated the depravity common in human smugglers and human traffickers," said John Chakwin, special agent-in-charge of the Immigration and Customs Enforcement (ICE) Office of Investigations in Dallas. "They have shown that human slavery is an ugly crime not just relegated to the pages of history. It exists in the 21st Century, and in the cities and suburbs of America. Our ICE agents are committed to bringing such criminals to justice. I hope Changs' victims receive some solace with today's sentencings, which end a long ICE and law enforcement cooperative investigation."

Chang utilized a smuggling network that recruited young women in South Korea with promises of good jobs in the United States. Chang paid the victims' smuggling debts, took the women's passports, and told them they could not leave until they had paid off their debts to him. Chang forced the victims to live in the upper

DOJ_NMG_ 0169680

floor of his home, where he restrained their freedom by monitoring them inside the home with interior surveillance cameras and by posting a Club Wa employee at the front door of the home as a guard. Chang required the women to work six nights a week drinking with customers, often until they became sick or passed out. Chang threatened to "sell" the women to other clubs if they disobeyed. One victim escaped the Chang home by leaping from a second-story bathroom window and fleeing with the help of a local pastor, who later reported the case to local authorities.

Human trafficking prosecutions are a top priority of the Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

This case was prosecuted by Assistant U.S. Attorney Sarah Saldana and Civil Rights Division Trial Attorney J. Evans Rice III. The case was investigated by the Dallas Office of United States Immigration and Customs Enforcement.

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06-712

DOJ_NMG_ 0169681

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Image not available for this document, ID: 0.7.10316.23036-000002

Amber.JMD

From: Amber.JMD
Sent: Thursday, October 19, 2006 12:03 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Ft. Lauderdale, FL

From: AmberAlert-DOJ
Sent: Thursday, October 19, 2006 12:02:41 AM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Ft. Lauderdale, FL
Auto forwarded by a Rule

AMBER ALERT:Ft. Lauderdale,FL CHILD:4 months Black F 20" 14 lbs Eyes:Brown Hair:Black SUSPECT:15 Black F 5'5" 180 lbs Eyes:Brown Hair:Black CALL 954-828-5700
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2522

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, October 19, 2006 1:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Arlington, WA

From: AmberAlert-DOJ
Sent: Thursday, October 19, 2006 1:35:43 AM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Arlington, WA
Auto forwarded by a Rule

AMBER ALERT:Arlington,WA CAR:2001 Silver Chrysler Town & Country Van TAG:WA 135ugd 2CHLD:4 W/F & 2 W/M Hair:Blo SUSPECT:30's W/M 5'6"-5'10" Hair:Shaved CALL 911
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2542

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, October 19, 2006 3:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Arlington, WA

From: AmberAlert-DOJ
Sent: Thursday, October 19, 2006 3:01:31 AM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Arlington, WA
Auto forwarded by a Rule

AMBER ALERT UPDATE:Arlington,WA CAR:'01 Silver Chrysler Town & Country Van TAG:WA 135UGD 2CHLD:4 W/F 3'7" & 2 W/M 3'4" Hair:Blo SUSPECT:30's W/M Hair:Shaved CAL
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2542

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, October 19, 2006 5:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Arlington, WA

From: AmberAlert-DOJ
Sent: Thursday, October 19, 2006 5:35:45 AM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Arlington, WA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Arlington,WA CAR:'01 Silver Chrysler Town & Country Van TAG:WA 135UGD 2CHLD:4 W/F 3'7" & 2 W/M 3'4" SUSPECT:30's W/M Hair:Shaved CALL 911
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2542

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 11:03 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 19, 2006

Department of Justice

PRESS GUIDANCE
Thursday, October 19, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169688

Image not available for this document, ID: 0.7.10316.22960-000001

Image not available for this document, ID: 0.7.10316.22960-000002

Miller, Charles S

From: Miller, Charles S
Sent: Thursday, October 19, 2006 11:16 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/19/06 Civil Division News

Privacy group sues FBI over investigative database records

Lawyer rules out Hicks plea deal

U.S. bars Canadian victim of Syrian torture from coming to receive rights award

Psych Hospital Tries to Vacate $23 Million Judgment for Billing Fraud

Rapper Slick Rick battles federal officials for 11 years to stay in the United States

Critics Target Federal Circuit

AP

October 19, 2006

Privacy group sues FBI over investigative database records

WASHINGTON (AP) _ A San Francisco-based privacy-advocacy group is suing the U-S government for information about an F-B-I database of more than 700 (m) million personal records set up after the September eleventh terrorist\l "I" attacks.

The Electronic Frontier Foundation\l "I" says it sued the Justice Department because the F-B-I failed to respond to Freedom of Information Act requests on its "Investigative Data Warehouse."

The lawsuit also charges the F-B-I has not posted a public notice describing the criteria on personal information included in the database, as required by the Privacy Act of 1974.

The F-B-I has said the database provides F-B-I agents and analysts with instant access vital information about thousands of known and suspected terrorists.

END

PM (Australian Broadcasting Company)

October 19, 2006

Lawyer rules out Hicks plea deal

Leigh Sales

MARK COLVIN: The American military lawyer for the Australian Guantanamo Bay inmate, David Hicks, has ruled out striking a plea deal for his client.

Major Michael Mori says he sees no reason why Hicks would break at this point.

The Australian is expected to face a US Government Military Commission early next year and intends to plead not guilty.

His defence team is likely to challenge the commission in the US federal court. That could ensure Hicks spends at least two more years in limbo at Guantanamo Bay.

The Attorney-General Philip Ruddock has recommended a plea bargain as the fastest way to get David Hicks out.

But as National Security Correspondent Leigh Sales reports, the stakes in the case are now so high between the Bush administration and its opponents, that a plea deal is difficult.

LEIGH SALES: The Attorney-General Philip Ruddock believes a plea bargain would give David Hicks his best chance of an exit from Guantanamo Bay sooner rather than later.

PHILIP RUDDOCK: And that's a process by which parties are able to negotiate a lesser charge and negotiate what level of penalty might be appropriate and that agreed position can then either be confirmed or squashed by the military commission.

And if you wanted to resolve the issue quickly...

PRESENTER: Yes.

PHILIP RUDDOCK: That may be a way forward.

LEIGH SALES: If the Hicks legal team struck a plea deal, it's possible Hicks could be back in Australia within months, possibly even out on the streets, if US prosecutors agreed the five years he's already served at Guantanamo are enough.

But Defence counsel, Major Michael Mori, says a guilty plea is out of the question.

MICHAEL MORI: Absolutely, first we'd need the system to be set up and then we'd need some charges before we even got to that stage.

David pled not guilty back in November of 2004 and we we're going to fight his case, and we'll fight it tomorrow or in the next month and if they think that they're going to wear him down, I hope David doesn't break down and I don't see any reason why he would at this point.

LEIGH SALES: But in the past, when pressuring the Australian Government to bring his client home, Major Mori has argued that Hicks is close to a mental breakdown.

David Hicks made an extensive confession to the Australian Federal Police in a five-hour interview in 2002, and signed a statement for the US military admitting he trained in al-Qaeda camps.

Given that reality, once the new charges are in place, the defence team will have to deliberate about whether it's in their client's best interests to plead guilty and strike a deal, or to continue challenging the system, ensuring his five year stay at Guantanamo continues indefinitely.

Ultimately, the decision should be David Hicks'.

MICHAEL MORI: It, the reality is he's sitting down there in solitary confinement in Guantanamo. He's locked in a cement room, steel door, 24 hours a day, no human contact. I don't know how he's lasted this long.

All I can say is when I last saw him, he wanted to fight and obviously the problem is, we just won't be able to fight for him and give him a fair go and a fair trial.

LEIGH SALES: The Attorney-General says the Australian Government will play no role in any possible plea negotiations.

PHILIP RUDDOCK: We're not consulted on those matters and I think it would be quite inappropriate for us to be party to it. I mean, this is a process in which the Americans in their justice system are dealing with those people that they are detaining.

We've pushed ourselves into the game to say we want these issues dealt with as quickly as possible. And that's been the approach I have taken and in all my discussions with the Americans, I've not sought to form a judgment, to access the evidence or form a judgment on it.

LEIGH SALES: The stakes surrounding these military commissions are now incredibly high.

On one side stands the Bush administration, trying to justify the existence of Guantanamo and desperately needing this system to successfully try at least a couple of detainees to prove its legitimacy.

On the other side are the opponents of the White House, the lawyers, the human rights activists and the civil libertarians who vehemently want the American courts to strike the commissions down, rendering the legal arm of the President's war on terror invalid.

David Hicks is a just small figure in the middle of a huge ideological battle, and the external pressures on his case are tremendous.

MARK COLVIN: National Security Correspondent, Leigh Sales

END

AP

October 19, 2006

U.S. bars Canadian victim of Syrian torture from coming to receive rights award

By WILLIAM C. MANN

Associated Press Writer

WASHINGTON_Syrian torturers could find nothing to implicate Canadian Maher Arar in al-Qaida or any other terrorist ties. An official Canadian government report agreed with that finding and recommended that Arar be compensated for his 10 months in a Syrian prison.

Still, Arar remains on the U.S. government terror watch list. And the United States has not admitted fault for holding him incommunicado for a week, then, five days after his first telephone call, putting him on a private jet and flying him to the Syrian prison.

Arar and his American lawyer, Michael Ratner, president of the Center for Constitutional Rights, were invited to Washington on Wednesday to receive human rights awards from the rights advocates Institute for Policy Studies. Ratner came from his New York headquarters to accept for the center, a longtime campaigner against torture and other abuses.

Because the watch list will not let Arar enter the United States, he had to stay in Canada and participate by telephone in a discussion of his case and of the U.S. law signed Tuesday by President Bush on treatment and prosecution of detainees. At the awards presentation, he delivered a videotaped message of thanks in which he described his ordeal, which began on Sept. 26, 2002, at New York's John F. Kennedy International Airport and ended with his arrival in Canada in early October 2003.

The award "means that there are still Americans out there who value our struggle for justice," he said. "We now know that my story is not a unique one. Over the past two years we have heard from many other people who were, who have been kidnapped, unlawfully detained, tortured and eventually released without being charged with any crime in any country."

John Cavanagh, the institute's director, told Arar he had asked Attorney General Alberto Gonzales to clear Arar's name and let him come. Gonzales did not reply, Cavanagh said. At the Justice Department, a spokesman said he was unaware of the letter and could not comment.

Gonzales has said Arar was deported to the country where he was born. A representative of the Immigration and Naturalization Service was there when he was put on the plane, Arar said in his videotaped talk, and he said he told her the Syrians would torture him.

"She said something like: 'The INS is not the body or the agency that signed the Geneva Convention convention against torture.' For me what that really meant is, 'We will send you to torture, and we don't care.'"

Cavanagh told Arar over the telephone that he was selected for the Letelier-Moffitt Human Rights Award "partly for your courage in helping to catalyze the global movement against torture and this term of 'rendition': deportation for torture."

Last week, Canadian Justice Dennis O'Connor issued a three-volume report on the Arar case that made 23 recommendations for policy changes and reparations to Arar, a software engineer.

"I am able to say categorically that there is no evidence to indicate that Mr. Arar has committed any offense or that his activities constitute a threat to the security of Canada," O'Connor said. He said it was almost certain that the Royal Canadian Mounted Police had sent erroneous information on Arar to the Americans.

The official U.S. line on Arar, as related Sept. 29 by State Department spokesman Sean McCormack, is "the people who made the decisions at the time ... determined a couple of things: One, that this individual posed a threat to the United States based on the information that they had; and two, that they were able to assure themselves, they had the reasonable expectation that this individual was not going to be maltreated."

END

Andrews Publications

Oct. 18, 2006

Psych Hospital Tries to Vacate $23 Million Judgment for Billing Fraud

By ROBERT WOODMAN MCSHERRY, Andrews Publications Staff Writer

The owners of a California psychiatric hospital are asking a San Diego federal judge to vacate his $23 million Medicare fraud judgment or alternatively to reduce the amount to just $30,000.

The motion to vacate is before U.S. District Judge Roger T. Benitez, the trial judge who issued the contested multimillion-dollar treble damages award.

Defendants Robert I. Bourseau and Dr. Rudra Sabaratnam say in their post-trial motion that the judge failed to adjudicate key issues, including whether the evidence showed the government was damaged by the alleged fraud.

The defendants also maintain that the trebled amount violates their Eighth Amendment and due-process rights.

Finally, the defendants say the government will soon file its own motion to alter judgment and ask the judge to "substantially" reduce the award "because of an error in the calculation."

The case against Bourseau, Sabaratnam and their business, Bayview Hospital, dates to May 6, 2003, when the federal government sued them for Medicare fraud in the U.S. District Court for the Southern District of California.

According to the complaint, the defendants violated the False Claims Act by submitting bogus cost reports to Medicare for the Chula Vista, Calif., psychiatric hospital. Such reports are used by the government to calculate the rate of Medicare reimbursement to hospitals and other health care facilities.

The complaint accused Bourseau and Sabaratnam of fraudulently inflating three cost reports from 1997 to 1999, consequently causing Medicare to overpay Bayview by $8 million.

The False Claims Act authorizes treble damages and/or $10,000 per violation, and the government asked the court for both.

Ruling on pretrial motions in May Judge Benitez denied defense requests for dismissal on four now-disputed arguments, including that the allegedly bogus cost reports were either not actionable under the FCA or did not qualify as false claims and that the government failed to show the three cost-report-related false claims had damaged Medicare.

The fourth argument involved the constitutionality of the trebled damages award.

After considering testimony and evidence presented last summer during a five-day bench trial, Judge Benitez issued a $23 million judgment for the government Sept. 29.

The defendants followed with a motion to alter, amend or vacate the judgment based on the four disputed arguments, which they say were not discussed in the September ruling "notwithstanding the fact that each issue was expressly raised and preserved for trial."

The motion asks Judge Benitez to amend his decision, find that the government failed to prove False Claims Act liability and strike the $23 million award.

In the alternative, if the FCA violations are affirmed, the defendants say the judge should award the government a total of only $30,000, or the statutory penalty of $10,000 for each of the three allegedly false claims.

END

AP

October 19, 2006

Rapper Slick Rick battles federal officials for 11 years to stay in the United States

By LARRY McSHANE

Associated Press Writer

NEW YORK_Rapper Ricky "Slick Rick" Walters is a married man, a father of two, a taxpayer. Across the last decade, he's earned another distinction: the focus of a long-running legal fight with federal officials who want him deported for a crime committed 16 years ago.

Walters, the eye-patch wearing star behind the `80s rap classic "La-Di-Da-Di," thought he was headed for victory in his immigration case after a federal judge's 2003 ruling sprung him from a Florida detention facility after 17 months.

But Homeland Security officials, in a move that Walters' supporters said was overzealous, pressed forward with the case _ and a September federal appeals court ruling in the government's favor led the rapper to wonder how long his past will affect his future.

"The situation we're talking about happened in 1990," Walters said Wednesday. "This is 2006. I don't know if this is about politics, or the law, or what. I'm just leaving it in God's hands."

Walters' woes started when he shot his cousin and a bystander, claiming the cousin had extorted money and threatened his family. Chart-topping Slick Rick became Inmate No. 91A4968, doing time for attempted murder before returning to his family and Bronx home in 1993.

That same year, the Immigration and Naturalization Service moved to deport the London native and jailed him again. A December 1995 ruling by an immigration judge said keeping Walters in the United States was "in the best interest of the country," and he was quickly freed.

Walters, now 41, resumed his musical career and avoided trouble. But in June 2002, he was arrested by INS agents after returning to Miami from a weeklong Caribbean cruise where he was a featured performer.

The bust came on a 1997 INS warrant that was never previously enforced, although Walters had lived in the Bronx since before it was issued. A federal judge eventually ruled in October 2003 that the Bureau of Immigration Appeals had denied Walters due process in issuing the warrant _ the rapper's second victory in court, although the win cost him more jail time.

"With all of the real and present threats to American society from terrorism, why is the government chasing this rapper?" asked Benjamin Chavis, co-chairman of the Hip-Hop Summit Action Network.

Homeland Security does not comment on specific cases, but Walters' 1990 aggravated felony conviction was sufficient to make him eligible for deportation\l "I", said agency spokesman Mark Raimondi.

The latest ruling came Sept. 20, when the Second Circuit Court of Appeals in New York vacated the 2003 order freeing Walters and ordered the case switched to a Georgia appeals court considered far more conservative.

Attorneys for Walters may appeal for the New York court\l "I" to hear the case, rather than grant the change of venue. The Second Circuit, while ruling for the government, noted that Walters had a good chance of avoiding deportation.

Walters said he's just going on with his life, playing shows and paying bills. He doesn't see any other options.

"If you were in my shoes, how would you look at life?" he asked. "You'd ride life out, too. Anger would just make life not enjoyable, you know what I mean?"

END

The National Law Journal
10-19-2006

Critics Target Federal Circuit

By Marcia Coyle

In the often highly technical, cutting-edge world of inventions, the U.S. Court of Appeals for the Federal Circuit is the Mount Olympus of patent law. But are its 12 Olympians falling?

The U.S. Supreme Court is reviewing more of the circuit court's patent decisions and liking them less, which is a much-noted trend in the relatively small patent bar.

Some patent litigators are increasingly critical of a Federal Circuit that, in its desire to achieve certainty and harmony in patent law, they say, has become overly formalistic, expanding the power of patent holders at the expense of innovation.

And some scholars suggest that after 25 years as the only game in town for review of patent appeals, the Federal Circuit might benefit, both in terms of its overall workload and the development of patent law, from some outside input, not just from the Supreme Court but from a limited number of regional circuit courts getting back into the business of handling patent appeals.

Do the Supreme Court's heightened interest and increased reversals mean that the Federal Circuit has run amok?

"Some of the shriller commentators have suggested the Supreme Court may be concerned the Federal Circuit is a runaway court or a pro-patent court. I don't think there is the slightest substance to those observations by a couple of people," said Chief Judge Paul R. Michel.

His best guess as to why the high court has stepped up its interest, he explained, is that "the Federal Circuit has had a good amount of time to wrestle with fundamental issues of patent law and has developed a body of law on those fundamental issues. The time is ripe for the Supreme Court to review the way we have resolved those issues. It's neither surprising nor worrisome."

Echoing others' comments, litigator Kenneth R. Adamo in the Cleveland office of Jones Day, who has been involved in roughly 30 appeals in the Federal Circuit, said he believes the Supreme Court feels there was not enough supervision previously of the circuit court's work.

"What the justices read and hear from law clerks and others is there's something wrong with the U.S. patent system despite the fact the Federal Circuit was put in place, in large measure, to unify patent jurisprudence," he said.

"Does that mean they think the Federal Circuit is lost in space? No," he added. "They've looked at some of these decisions, the en banc, major decisions with pluralities and concurrences, and are wondering, why is all this still so roiled up?"

HIGH MARKS

The patent law community itself seems divided over whether the Federal Circuit has gone off track and what, if anything, should be done about it. But those who follow the court closely generally give it high marks for being a very hard-working court with very dedicated, smart judges.

Congress created the court in 1982 with the Federal Courts Improvement Act. The court was formed by the merger of the U.S. Court of Customs and Patent Appeals and the appellate division of the U.S. Court of Claims.

The Federal Circuit is unique in that it is the only Article III appellate court whose jurisdiction is based on subject matter, not geographic location. Although the primary motivation for its creation was to end forum-shopping in patent cases and to bring certainty to patent law, the court also was given nationwide jurisdiction over claims involving international trade, government contracts, trademarks, federal personnel and veterans' benefits, and certain money claims against the federal government.

With the recent Senate confirmation of Judge Kimberly Moore, the court now has a full complement of 12 active judges.

In a speech last summer to the Federal Circuit Bar Association, Michel, the chief judge, reported that the court's overall condition was "fine," but, he added, "We are now stressed, stressed both by the quantity and difficulty of our current cases."

Although the court is generally known as the nation's top patent court, it was just this year that patent appeals became the largest category of cases on the court's docket -- a change with significant impact on the judges' workload.

"Even more significant than the rise in numbers is the rise in complexity, size and difficulty of the technology in these cases," said Michel. "On average, the district court patent cases we receive are perhaps 10 times more difficult than the average patent case in the mid-1980s."

Patent cases represent about one-third of the court's total caseload, said the chief judge, but if time devoted to those cases is measured, instead of just number of cases, the judges spend 50 percent more time adjudicating the patent cases than others on the docket.

The court recently made mandatory its voluntary mediation program for all appeals, said Michel, adding that the change should help the court with its workload. Surprisingly, even when the program was

voluntary, a majority of cases that did settle were patent cases, he said.

The court just hired intellectual property litigator James Amend, of counsel to Chicago's Kirkland & Ellis, to run the mediation program.

"I think with this man in place, patent cases will settle at a considerably higher rate than when our program didn't have an ace litigator running it and when it was only voluntary," said Michel.

IS IT SUCCESSFUL?

As the Federal Circuit approaches its 25th birthday, the measure of its success generally depends on whom you talk to and what time period you're talking about, said patent scholar Lee Petherbridge of Loyola Law School, Los Angeles, who, with R. Polk Wagner of the University of Pennsylvania Law School, has done empirical research on the court's work.

"In terms of the pre-Federal Circuit days, the court did go in and take hold of patents and provide certainty," he said. "That much is true, and in that sense it represents success. Patents became stronger; a presumption of validity was more recognized. What that led to was a better ability of the patentee to concentrate capital for research and development."

The court has strengthened patents, which is what Congress intended it to do, said Petherbridge. But, he added, "The same things that bring us good effects from patents also open the system and the court to criticism."

RECORD ON APPEAL

Some of the doctrinal criticism is obviously embodied in the recent appeals to the Supreme Court. Jones Day's Adamo noted: From 1990 to 2001, the court granted certiorari eight times, heard eight cases and affirmed the Federal Circuit's decisions 50 percent of the time. But from 2002 to now, the court granted certiorari nine times, heard seven cases -- and did not affirm in any of the cases.

"I think the Supreme Court has started to pay attention to patent law for two reasons: disquiet with the Federal Circuit and also because patent law and patent reform are so on the radar screen," said patent scholar Timothy R. Holbrook of Chicago-Kent College of Law.

There have been two major recent studies of the patent system that noted problems, as well as patent reform proposals introduced in Congress, said Holbrook. On the "disquiet" reason, he said, "everyone thinks the Federal Circuit is pro-patent."

The court is pro-patent in terms of patent validity, he said. "Patents are supposed to reward significant advances in the state of the art. The obviousness doctrine governs that. But the test articulated by the court makes it very difficult to show the patent is obvious, so we get lots of patents on very simple inventions."

The court's test for obviousness is at the heart of *KSR International v. Teleflex Inc.,* No. 04-1350, to be decided by the Supreme Court this term. The issue is fundamental to patent validity, and the solicitor general of the United States and the U.S. Patent and Trademark Office (PTO) have told the justices that the Federal Circuit is wrong.

KSR and the high court's recent rulings involving the Federal Circuit's view of the doctrine of equivalents and the use of injunctions for patent infringement, said Holbrook, reflect the Supreme Court's concern that patent law is out of control and that the Federal Circuit's formalistic approach is inappropriate.

"The Federal Circuit has this mantra of certainty," he said. "It wants clarity and certainty in the law and draws that from its congressional mandate. The problem is they articulate very bright-line, formal rules. I think the Supreme Court recognizes the need for certainty but disagrees with way the Federal Circuit is doing it."

Much of what the Federal Circuit has done-both good and bad-can be ascribed to excessive formalism, agreed Jay Dratler Jr. of the University of Akron School of Law.

On the good side, he said, the court has narrowed the type of evidence that can be used to construe claims in patent cases, trying to ensure that the evidence used is in the public record, accessible to all.

Where it has gone badly astray, in his opinion, is its unwillingness to look beyond what is written on paper in informing its decisions.

"My complaint, and the complaint of a lot of people, is you can't really understand patents without understanding a little bit of the technology and a lot of the economics that go into the industry," he said. "To make decisions devoid of that background is, to me, nonsensical."

The court does that, Dratler said, not only because of excessive formalism but because most of its judges lack the technical and scientific backgrounds needed for these issues. Although patents are not its sole jurisdiction, patents were the primary motivation for creating the court, he said.

DE NOVO REVIEW

Another major area of concern or criticism is the Federal Circuit's de novo review of district court patent cases and its rather high reversal rate -- roughly 30 percent to 35 percent -- of those decisions. Most of those cases are appeals of summary judgment decisions.

The most important part of any patent dispute is the construction of claim terms in a given patent. After a Supreme Court decision removed claim construction from the province of juries and gave it to judges, the Federal Circuit held that it would review district judges' decisions de novo. Critics of de novo review and the reversal rate say that they increase uncertainty surrounding patents as well as the cost of litigation.

Last year, before she became a Federal Circuit judge, Moore, in an empirical study of district court reversals, reported the reversal rate, eight years after the Supreme Court ruling, was rising instead of declining as judges got more experience with claim construction.

The fault, she wrote, rests with the Federal Circuit, which was not providing sufficient guidance: "There have not evolved any clear canons of claim construction to aid district court judges, and in fact the Federal Circuit judges seem to disagree among themselves regarding the tools available for claim construction."

TIME FOR CHANGE?

So what does it all add up to, these criticisms and the Supreme Court's heightened interest in Federal Circuit rulings? Is it time for radical change?

No one seems to be advocating a return to the pre-Federal Circuit days when forum-shopping in patent cases among the 12 regional appellate courts was rampant and patent law was all over the map.

But some court scholars suggest it is time at least to discuss some change.

Craig A. Nard, director of the Center for Law, Technology and the Arts at Case Western Reserve University School of Law, and John F. Duffy of George Washington University Law School have suggested allowing two or perhaps three regional appellate courts to join the Federal Circuit in reviewing patent appeals.

"Our view is the problems are not with the judges, but by being the only game in town the Federal Circuit has no competition, does not enjoy a peer or the benefit of sister circuit jurisprudence," explained Nard. "Because of that, it doesn't have the type of engaged, thoughtful rationale other courts have."

Absent a peer, he said, the Federal Circuit has fallen into a kind of insularity and "path dependency." It gets locked into its own precedents, he explained.

"To the extent you have judges on panels disagreeing with another, it looks like the Federal Circuit is all over the place. It's a problem."

There are no intercircuit conflicts to trigger Supreme Court review, he added. The justices, in a disproportionate number of patent cases, ask the solicitor general for his opinion, and the solicitor general turns to the PTO.

"That's OK, but the best way is to have a couple of circuits weigh in and express themselves," said Nard.

And if you are the Federal Circuit with a monopoly on patent jurisprudence, he added, attorneys -- whom courts rely on generally for information about the law and facts in a case -- are somewhat reticent to challenge Federal Circuit precedents and make creative arguments, especially if they are repeat players at the court.

"Our goal is to generate discussion," he said.

No court achieves all expectations, said patent litigator Donald Dunner of Finnegan, Henderson, Farabow, Garrett & Dunner in Washington, D.C.

The Federal Circuit, he said, was originally formed in order to avoid forum-shopping, to bring uniformity and predictability to the process of deciding patent cases, and "largely, it has done that."

He gives the court "very good grades," sees nothing "broken" about it and believes it fares no worse in the Supreme Court than other circuits and better than some, such as the 9th Circuit.

CLAIMS CONSTRUCTION

Michel, the chief judge, is keenly aware of what is said and written about the Federal Circuit. He acknowledges concerns about the reversal rate of district court patent decisions, but notes that claim construction is very complicated with many opportunities to make mistakes.

Because his court does not give district court rulings the usual deference they receive in other cases, "that presses toward our disagreeing on some of the constructions."

But, he said, the average reversal rate in civil litigation is about 20 percent, so 30 percent is not shocking on de novo review of very complex cases.

He thinks that legislation proposing a pilot program in certain district courts designating judges to handle patent cases would help eventually to lower his court's reversal rate.

Michel prizes the diverse backgrounds of his judges and relishes the diversity of the court's caseload. Suggestions that the court is insular, he said, are inaccurate.

"I think the diversity of judges' background and caseload was a brilliant conception of the architects of this court," he said.

That diversity just about guarantees against insularity, he explained. Re-involving the regional appellate courts in patent law, particularly after 25 years of noninvolvement, would create the risk of conflicts in patent law that the Federal Circuit was created to eliminate, Michel said.

"I frankly don't think there is anything fundamentally undesirable about the makeup, caseloads or performance of the Federal Circuit," said Michel.

"At the margins, everyone can have his own personal theory of what little improvements could be made, but in terms of radical changes, I certainly don't see grounds for that," he said.

His court, Michel added, gets criticized about equally by patent holders and nonpatent holders. And, he said, it is "interesting" there is some resentment by a number of tenured patent professors that the court

doesn't cite their law review articles.

"We have an extensive body of case law, and that and Supreme Court precedent is what we would mainly be citing," he explained.

There are true dilemmas in patent law, added Michel. "You're balancing competing social interests, and it's not always clear what the right balance is. Congress has left it broadly defined in the statute, which has not changed greatly since 1952."

"A lot of patent law is judge-made law," Michel said. "It's quite natural and expected that the Supreme Court would, from time to time, dip into the major patent dilemmas and give them a look."

END

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 2:09 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES AGREEMENT REQUIRING DIVESTITURES IN MERGER OF REGIONS FINANCIAL CORP. AND AMSOUTH BANCORPORATION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 19, 2006
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AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES AGREEMENT REQUIRING DIVESTITURES IN MERGER OF REGIONS FINANCIAL CORP. AND AMSOUTH BANCORPORATION

52 AmSouth Bank Branches with $2.7 Billion in Deposits to be Divested in Alabama, Mississippi and Tennessee

WASHINGTON — The Department of Justice announced today that Regions Financial Corporation and AmSouth Bancorporation have agreed to sell 52 AmSouth branch offices with approximately $2.7 billion in deposits in Alabama, Mississippi and Tennessee in order to resolve competitive concerns raised by the companies' proposed merger. The Department said that without the divestitures the merger would adversely affect competition in local markets in the three states for small business lending, resulting in fewer choices for small business customers. The combination of Regions and AmSouth will create the largest bank in Alabama and Mississippi, the 2nd largest bank in Tennessee, and the15th largest bank in the United States.

Under the agreement, the companies will divest 39 branches with $2 billion in deposits in six Alabama markets, six branches with $304 million in deposits in four Mississippi markets, and seven branches with $408.2 million in deposits in seven Tennessee markets. The divestitures will include the consumer and commercial loans associated with the divested branches. The companies also have agreed that in selected areas where the merging firms overlap – in Alabama, Florida, Louisiana, Mississippi and Tennessee – if a branch office is closed within three years of the merger, they will sell or lease the office to a commercial bank-buyer so long as there is a bank-buyer offer that meets or exceeds the best offer from a non-bank buyer. The Department said that physical branches, absent deposits and loans, are valuable assets because the facility is already set up for the business of banking and may facilitate entry into or expansion within a market.

"These divestitures will ensure that consumers and businesses in Alabama, Mississippi and Tennessee will continue to have choices for small business lending and will continue to enjoy the benefits of competition," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

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The proposed merger is subject to the final approval of the Board of Governors of the Federal Reserve System. The Department said that it will advise the Federal Reserve Board that, subject to the firms' divestiture of the branch offices specified in the agreement and associated loans and deposits, the Antitrust Division will not challenge the merger.

Regions Financial Corporation, headquartered in Birmingham, Ala., has assets of $84.6 billion and consolidated total deposits of $60.5 billion. Regions operates about 1,300 branches and about 1,600 ATMs across 16 states in the South and Midwest.

AmSouth Bancorporation, also headquartered in Birmingham, Ala., has assets of $52.8 billion and deposits of $36.7 billion. AmSouth has 691 branch offices and 1,200 ATMs throughout the Southeastern United States.

A list of the branches to be divested is attached.

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06-716

Attachment A

AmSouth Branches to Be Divested

State	Market	County	Branch Name	Address	City
AL	Dallas FRB	Dallas	Selma Main	9 Broad Street	Selma
AL	Decatur FRB	Morgan	Danville Road	2404 Danville Rd SW	Decatur
AL	Huntsville FRB	Madison	Lily Flag	107 Lily Flag Rd SE	Huntsville
AL	Huntsville FRB	Madison	North Madison	7930 Highway 72 W	Madison
AL	Huntsville FRB	Madison	Piedmont Point	4769 Whitesburg Drive S	Huntsville
AL	Huntsville FRB	Madison	University Dr	1470 Perimeter Pkwy NW	Huntsville
AL	Huntsville FRB	Madison	Whitesburg	2204 Whitesburg Dr	Huntsville

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AL	Mobile FRB	Mobile	Ambassador Plaza	7860 Airport Blvd	Mobile
AL	Mobile FRB	Baldwin	Baldwin Square	111 Baldwin Square	Fairhope
AL	Mobile FRB	Baldwin	Bay Minette	511 Dolive Street	Bay Minette
AL	Mobile FRB	Mobile	Bayou Le Batre	13825 South Wintzell Ave	Bayou Le Batre
AL	Mobile FRB	Mobile	Cottage Hill	5133 Cottage Hill Rd	Mobile
AL	Mobile FRB	Mobile	Chrichton	2820 Springhill Ave	Mobile
AL	Mobile FRB	Baldwin	Eastern Shore Centre	10010 Eastern Shore Blvd	Spanish Fort
AL	Mobile FRB	Baldwin	Fairhope	51 S Section Street	Fairhope
AL	Mobile FRB	Mobile	Government Street	1402 Government Street	Mobile
AL	Mobile FRB	Mobile	Hillcrest	720 Hillcrest Rd	Mobile
AL	Mobile FRB	Baldwin	Lake Forest	28770 US Highway 98	Daphne
AL	Mobile FRB	Mobile	Lloyds Lane	6241 Cottage Hill Road	Mobile
AL	Mobile FRB	Mobile	McGregor Sq	3920 Airport Blvd	Mobile
AL	Mobile FRB	Mobile	Oak Plaza	7800 Moffat Road	Semmes
AL	Mobile FRB	Mobile	Saraland	34 Shelton Beach Rd	Saraland
AL	Mobile FRB	Mobile	Schillinger Road	7849 Cottage Hill Rd	Mobile
AL	Mobile FRB	Mobile	Skyline	3942 Government Blvd	Mobile
AL	Mobile FRB	Mobile	Spring Hill-Mobile	4357 Old Shell Road	Mobile
AL	Mobile FRB	Mobile	Springdale Plaza	3250 Airport Blvd, Ste. 4F	Mobile

AL	Mobile FRB	Mobile	Tillman's Corner	5351 Highway 90 W	Mobile
AL	Mobile FRB	Mobile	Toulminville	2326 St. Stephens Road	Mobile
AL	Mobile FRB	Baldwin	Westminster	500 Spanish Fort Blvd	Spanish Fort
AL	Montgomery FRB	Montgomery	Atlanta Hwy	5375 Atlanta Hwy	Montgomery
AL	Montgomery FRB	Montgomery	Eastern Bypass	1465 Eastern Blvd	Montgomery
AL	Montgomery FRB	Autauga	Prattville	1882 E. Main Street	Prattville
AL	Montgomery FRB	Elmore	Millbrook	3725 Highway 14	Millbrook
AL	Montgomery FRB	Montgomery	Taylor Road	2710 Taylor Road	Montgomery
AL	Montgomery FRB	Elmore	Wetumpka Main	743 S Main St	Wetumpka
AL	Tuscaloosa FRB	Tuscaloosa	Northport	3076 McFarland Blvd	Northport
AL	Tuscaloosa FRB	Tuscaloosa	Skyland	719 Skyland Blvd	Tuscaloosa
AL	Tuscaloosa FRB	Tuscaloosa	Tuscaloosa Main	2330 University Blvd	Tuscaloosa
AL	Tuscaloosa FRB	Tuscaloosa	University Campus	311 University Blvd	Tuscaloosa
MS	Clarksdale FRB	Coahoma	Clarksdale Main	301 John Lee Hooker Lane	Clarksdale
MS	Greenville FRB	Washington	Greenville Main	342 Washington Avenue	Greenville
MS	Greenwood FRB	Leflore	Greenwood	820 West Park Avenue	Greenwood
MS	Starkville FRB	Oktibbeha	12/25	303 Hwy 12 W	Starkville
MS	Starkville FRB	Webster	Europa	102 West Fox Avenue	Europa
MS	Starkville FRB	Oktibbeha	Sturgis	3869 Hwy 12 W	Sturgis

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'N	Bedford FRB	Bedford	Shelbyville	508 Madison Street	Shelbyville
'N	Cannon FRB	Cannon	Woodbury	101 W Main Street	Woodbury
'N	Cumberland FRB	Cumberland	Crossville	139 Elmore Rd	Crossville
'N	DeKalb FRB	DeKalb	Smithville	200 West Main Street	Smithville
'N	Fayetteville FRB	Lincoln	Fayetteville	310 College St. W	Fayetteville
'N	Paris FRB	Henry	Paris	101 W Wood St	Paris
'N	Rhea FRB	Rhea	Dayton	1525 Market Street	Dayton

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From: USDOJ- Office of Public Affairs
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Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 19, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
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FIVE FORMER AND CURRENT MILWAUKEE POLICE OFFICERS INDICTED ON CIVIL RIGHTS CHARGES; ADDITIONAL OFFICER PLEADS GUILTY TO OBSTRUCTION

WASHINGTON – A federal grand jury in Milwaukee, Wis., indicted former Milwaukee police officers Jon Bartlett, Andrew Spengler, Daniel Masarik, and Ryan Lemke, as well as current Milwaukee police officer Ryan Packard, with one count each of conspiring to violate the civil rights of Frank Jude and Lovell Harris and of violating the civil rights of Frank Jude by assaulting him in October 2004. Each count carries a sentence of up to 10 years in prison and a $250,000 fine. A trial date has not yet been scheduled.

The grand jury charged that the defendants conspired to forcefully detain Frank Jude and Lovell Harris and to assault both victims in an effort to obtain information from them. As part of the conspiracy, the indictment charges that the defendants and other persons surrounded a vehicle in which the victims were sitting, brandished knives, physically pulled Jude and Harris from the vehicle, and intimidated Jude and the other occupants of the vehicle into submitting to a search. The indictment also states that the defendants and others forced Harris to sit on a curb while being guarded at knife point, and then punched and kicked Jude in the head, body, and groin, and stuck a sharp object into his ears.

The grand jury also charged that all five defendants and other persons assaulted Frank Jude while acting in an official capacity as agents of the law. In so doing, the indictment says, the officers willfully deprived Frank Jude of the right to be free from the use of unreasonable force by a person acting as a law enforcement officer.

Former Milwaukee police officer Joseph Stromei has agreed to plead guilty to a federal obstruction of justice charge in connection with the incident involving the assault on victims Jude and Lovell. In documents filed in U.S. District Court in the Eastern District of Wisconsin, Stromei has agreed to plead guilty to one felony count of obstruction of justice for his role in covering up the assaults by making false statements in official reports and in his sworn testimony. Stromei faces up to 10 years in prison and a fine of $250,000. Stromei is the third officer to agree to plead guilty to federal charges related to the assault of Frank Jude and Lovell Harris. With today's indictment, a total of eight officers stand charged with federal crimes for assaulting Frank Jude and Lovell Harris.

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In papers filed in court on October 5, 2006, former police officer Jon Clausing agreed to plead guilty to conspiring to violate the civil rights of Frank Jude and Lovell Harris by assaulting them, and former police officer Joseph Schabel agreed to plead guilty to violating the civil rights of Frank Jude by assaulting him and to an obstruction of justice charge for lying about details of the assault.

An indictment is merely an accusation, and defendants are presumed innocent unless proven guilty.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. The Department of Justice has compiled a significant record on criminal civil rights prosecutions in the last six years. Since fiscal year 2001, the Department has convicted 50 percent more defendants in comparison to the previous six years.

This case was investigated by the Federal Bureau of Investigation, with the assistance of the Milwaukee County District Attorney's Office, investigators from the Milwaukee County District Attorney's Office and the Milwaukee Police Department. Assistant U.S. Attorneys Mel Johnson and Carol Kraft of the U.S. Attorney's Office for the Eastern District of Wisconsin, and Trial Attorneys Stephen Curran and Edward Caspar of the Civil Rights Division are prosecuting this case along with U.S. Attorney Steven M. Biskupic.

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06-715

DOJ_NMG_ 0169710

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Image not available for this document, ID: 0.7.10316.22936-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 3:17 PM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AND DIRECTOR MICHAEL A. BATTLE TO HOLD ANNUAL AWARDS CEREMONY FOR THE EXECUTIVE OFFICE FOR U.S. ATTORNEYS

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, OCTOBER 19, 2006
WWW.USDOJ.GOV

EOUSA
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AND DIRECTOR MICHAEL A. BATTLE TO HOLD ANNUAL AWARDS CEREMONY FOR THE EXECUTIVE OFFICE FOR U.S. ATTORNEYS

WASHINGTON – Deputy Attorney General Paul J. McNulty and Director Michael A. Battle of the Executive Office for United States Attorneys (EOUSA) will host the annual EOUSA Director's Awards Ceremony **TOMORROW, OCTOBER 20, 2006, at 10:00 A.M. EDT**. Attorney General Alberto R. Gonzales will also deliver videotaped remarks during the ceremony.

WHO: Deputy Attorney General Paul J. McNulty
EOUSA Director Michael A. Battle

WHAT: Director's Awards Ceremony for the Executive Office for United States Attorneys

WHEN: **OCTOBER 20, 2006 at 10:00 A.M. EDT**

WHERE: The Great Hall
U.S. Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C. 20530

NOTE: ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Media must enter the Department at the Constitution Avenue entrance, between Ninth and Tenth Streets. Pre-set for cameras will be at 9:30 A.M. EDT. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

DOJ_NMG_ 0169713

DOJ_NMG_ 0169714

Image not available for this document, ID: 0.7.10316.22933-000001

Image not available for this document, ID: 0.7.10316.22933-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 3:20 PM
To: USDOJ- Office of Public Affairs
Subject: AUDITS OF BANKRUPTCY PAPERS BY INDEPENDENT PUBLIC ACCOUNTANTS START IN OCTOBER

U.S. Department of Justice

Executive Office for United States Trustees

For Immediate Release October 19, 2006

AUDITS OF BANKRUPTCY PAPERS BY INDEPENDENT PUBLIC ACCOUNTANTS START IN OCTOBER

WASHINGTON, D.C.–On October 20, 2006, independent public accountants will commence audits of papers filed in individual bankruptcy cases, the Executive Office for U.S. Trustees (EOUST) announced today. The debtor audit requirement was enacted as part of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA). It applies to chapter 7 and chapter 13 cases filed by individuals on or after October 20, 2006. The audits are to determine the accuracy, veracity, and completeness of petitions, schedules, and other information required to be filed or provided in a bankruptcy case.

At least one out of every 250 individual chapter 7 and chapter 13 cases filed in a judicial district will be randomly selected for audit. In addition, an individual debtor's chapter 7 or chapter 13 case will be selected for audit if the debtor's income or expenses reflect greater than average variance from the statistical norm of the district in which the case was filed.

To support the information disclosed under penalty of perjury in his or her bankruptcy documents, a debtor whose case is chosen for audit will be requested to provide information to an independent firm under contract with the U.S. Trustee Program. The audit will be performed by a certified public accountant or independent licensed public accountant selected through competitive bidding. The audit firm will ask the debtor to provide the firm with documents such as tax returns, account statements, and pay stubs, and the debtor is under a statutory duty to cooperate with the audit firm. This duty is in addition to the debtor's statutory duty to file these documents with the court, and to provide these documents to designated parties.

The audit is not the same as a tax audit or financial audit conducted in accordance with "generally accepted auditing standards," because bankruptcy documents are typically not prepared using generally accepted accounting principles. Therefore, as required under BAPCPA, the audit firm will follow auditing standards developed by the U.S. Trustee Program. These standards are published in the Federal Register at 71 Fed. Reg. 58005 (Oct. 2, 2006).

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The audit firm will review the debtor's information and file a report with the bankruptcy court specifying any material misstatement of income, expenditures, or assets. If a material misstatement is found and is not adequately explained, the debtor may be subject to civil enforcement actions by the U.S. Trustee and/or criminal prosecution by the U.S. Attorney. A civil enforcement action may also be brought against a debtor who does not satisfactorily explain a failure to provide papers requested by the auditor.

The U.S. Trustee Program is the Justice Department component that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws. The Program has 95 offices in 21 regions. By law, Alabama and North Carolina are not part of the U.S. Trustee Program; in those states, bankruptcy court officials known as Bankruptcy Administrators will supervise debtor audits.

Contact: Jane Limprecht, Public Information Officer
Executive Office for U.S. Trustees
(202) 305-7411

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Image not available for this document, ID: 0.7.10316.22919-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 4:15 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: FIVE FORMER AND CURRENT MILWAUKEE POLICE OFFICERS INDICTED ON CIVIL RIGHTS CHARGES; ADDITIONAL OFFICER PLEADS GUILTY TO OBSTRUCTION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 19, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

FIVE FORMER AND CURRENT MILWAUKEE POLICE OFFICERS INDICTED ON CIVIL RIGHTS CHARGES; ADDITIONAL OFFICER PLEADS GUILTY TO OBSTRUCTION

WASHINGTON – A federal grand jury in Milwaukee, Wis., indicted former Milwaukee police officers Jon Bartlett, Andrew Spengler, Daniel Masarik, and Ryan Lemke, as well as current Milwaukee police officer Ryan Packard, with one count each of conspiring to violate the civil rights of Frank Jude and Lovell Harris and of violating the civil rights of Frank Jude by assaulting him in October 2004. Each count carries a sentence of up to 10 years in prison and a $250,000 fine. A trial date has not yet been scheduled.

The grand jury charged that the defendants conspired to forcefully detain Frank Jude and Lovell Harris and to assault both victims in an effort to obtain information from them. As part of the conspiracy, the indictment charges that the defendants and other persons surrounded a vehicle in which the victims were sitting, brandished knives, physically pulled Jude and Harris from the vehicle, and intimidated Jude and the other occupants of the vehicle into submitting to a search. The indictment also states that the defendants and others forced Harris to sit on a curb while being guarded at knife point, and then punched and kicked Jude in the head, body, and groin, and stuck a sharp object into his ears.

The grand jury also charged that all five defendants and other persons assaulted Frank Jude while acting in an official capacity as agents of the law. In so doing, the indictment says, the officers willfully deprived Frank Jude of the right to be free from the use of unreasonable force by a person acting as a law enforcement officer.

Former Milwaukee police officer Joseph Stromei has agreed to plead guilty to a federal obstruction of justice charge in connection with the incident involving the assault on victims Jude and Lovell. In documents filed in U.S. District Court in the Eastern District of Wisconsin, Stromei has agreed to plead guilty to one felony count of obstruction of justice for his role in covering up the assaults by making false statements in official reports and in his sworn testimony. Stromei faces up to 10 years in prison and a fine of $250,000. Stromei is the third officer to agree to plead guilty to federal charges related to the assault of Frank Jude and Lovell Harris. With today's indictment, a total of eight officers stand charged with federal crimes for assaulting Frank Jude and Lovell Harris.

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In papers filed in court on October 5, 2006, former police officer Jon Clausing agreed to plead guilty to conspiring to violate the civil rights of Frank Jude and Lovell Harris by assaulting them, and former police officer Joseph Schabel agreed to plead guilty to violating the civil rights of Frank Jude by assaulting him and to an obstruction of justice charge for lying about details of the assault.

An indictment is merely an accusation, and defendants are presumed innocent unless proven guilty.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. The Department of Justice has compiled a significant record on criminal civil rights prosecutions in the last six years. Since fiscal year 2001, the Department has convicted 50 percent more defendants for excessive force and official misconduct than in the proceeding six years.

This case was investigated by the Federal Bureau of Investigation, with the assistance of the Milwaukee County District Attorney's Office, investigators from the Milwaukee County District Attorney's Office and the Milwaukee Police Department. Assistant U.S. Attorneys Mel Johnson and Carol Kraft of the U.S. Attorney's Office for the Eastern District of Wisconsin, and Trial Attorneys Stephen Curran and Edward Caspar of the Civil Rights Division are prosecuting this case along with U.S. Attorney Steven M. Biskupic.

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Image not available for this document, ID: 0.7.10316.22915-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 19, 2006 5:28 PM
To: USDOJ- Office of Public Affairs
Subject: DIANE STUART, DIRECTOR OF THE OFFICE ON VIOLENCE AGAINST WOMEN, TO HOST BRIEFING TO HIGHLIGHT SUCCESSES

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, OCTOBER 19, 2006
WWW.USDOJ.GOV

OVW
PHONE: (202) 307-6026
FAX: (202) 307-3911

******MEDIA ADVISORY******

DIANE STUART, DIRECTOR OF THE OFFICE ON VIOLENCE AGAINST WOMEN, TO HOST BRIEFING TO HIGHLIGHT SUCCESSES

WASHINGTON – Diane Stuart, Director of the Office on Violence Against Women, will hold a pen and pad briefing, **TOMORROW, FRIDAY OCT. 20**, on her final day with the Department of Justice. Director Stuart will discuss key initiatives and successful programs implemented by the office under the Bush Administration.

On FRIDAY, OCT. 20, 2006 at 10:30 A.M. EDT.

WHO: Diane Stuart
Director of the Office on Violence Against Women

WHAT: Pen and Pad Briefing

WHEN: TOMORROW, OCT. 20, 2006
10:30 A.M. EDT.

WHERE: Department of Justice
1st Floor Andretta Conference Room
950 Pennsylvania Ave. N.W.
Washington, D.C.

NOTE: MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's License) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between Ninth and Tenth streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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Image not available for this document, ID: 0.7.10316.22908-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 8:47 AM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: HIGHLIGHTS OF OFFICE ON VIOLENCE AGAINST WOMEN ACHIEVEMENTS FROM 2001-2006

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 20, 2006
WWW.USDOJ.GOV

OVW
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: HIGHLIGHTS OF OFFICE ON VIOLENCE AGAINST WOMEN ACHIEVEMENTS FROM 2001-2006

Since 2001, the Office on Violence Against Women (OVW) has successfully worked to provide federal leadership to reduce violence against women, and to administer justice and strengthen services for all victims of domestic violence, dating violence, sexual assault and stalking. OVW accomplishes its mission by developing and supporting the capacity of state, local, tribal and non-profit entities involved in responding to violence against women.

October is Domestic Violence Awareness Month, during which time the Department renews its commitment to educating all members of our communities about this serious crime and the frightening toll that it takes on American citizens. OVW has commemorated this month by opening Family Justice Centers in several communities around the nation as part of the President's Family Justice Center Initiative.

The President's Family Justice Center Initiative

- In October 2003, President George W. Bush announced the President's Family Justice Center Initiative (PFJCI), which is administered by OVW. The PFJCI is a pilot program that has awarded more than $20 million to 15 communities across the country for the planning, development and establishment of comprehensive domestic violence victim service and support centers. The goal of the PFJCI is to make a victim's search for help and justice more efficient and effective by bringing professionals who provide an array of services together under one roof. The 15 PFJCI sites bring together advocates from non-profit groups, victim services organizations, law enforcement officers, probation officers, governmental victim assistants, forensic medical professionals, attorneys, chaplains and representatives from community-based organizations into one centralized location. To date, PFJCI sites have opened in Brooklyn, N.Y.; San Antonio, Texas; Alameda County, Calif.; Oauchita Parish, La.; Nampa, Idaho; St. Louis, Mo.; Tulsa, Okla.; Buffalo, N.Y.; Knoxville, Tenn.; Boston, Mass.; Sitka, Alaska.; Tampa, Fla.; and Defiance, Ohio. Two additional centers in Las Vegas, N.M. and South Bend, Ind., will be opening

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in the coming months. OVW, the Attorney General, and the administration support this most critical initiative and continue to work toward the goal of eradicating violence against women.

The Reauthorization of the Violence Against Women Act

- The Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA 2005) enacted on Jan. 5, 2006, improves and expands legal tools and grant programs addressing domestic violence, dating violence, sexual assault and stalking. VAWA 2005 reauthorizes critical grant programs created by the original Violence Against Women Act and subsequent legislation, establishes new programs, and strengthens federal laws.

Tribal Consultation

- VAWA 2005 includes many significant changes that are designed to strengthen the response to violence against women in communities throughout the country. Title IX of VAWA 2005 specifically addresses violence against American Indian and Alaska Native women. Title IX provides a tremendous array of new tools and resources that will improve the federal response to crimes of violence against Indian women and increase the level of federal grant funding available to tribal governments to combat violence against Indian women. One of the most important changes in Title IX of VAWA 2005 is the requirement for the U. S. Attorney General to host an annual consultation with tribal governments.

  Section 903 of VAWA 2005 directs the Attorney General and the Secretary of the U.S. Department of Health and Human Services to use the consultation as an opportunity to solicit recommendations from tribal governments on three topics:

  - Administering grant funds appropriated for tribal governments and programs created to benefit tribal governments by the original VAWA and subsequent legislation;
  - Enhancing the safety of Indian women from domestic violence, dating violence, sexual assault and stalking; and
  - Strengthening the federal response to crimes of domestic violence, dating violence, sexual assault and stalking.

  The Office of Violence Women led the Department of Justice's effort to plan and organize this momentous event, which occurred in Prior Lake, Minn. on Sept. 19, 2006. Approximately 60 tribal leaders representing roughly 50 different tribes were in attendance. A report on the consultation will be developed and released before the end of the year.

The Greenbook Initiative

- In 1999, the National Council of Juvenile and Family Court Judges (NCJFCJ) developed a comprehensive set of guidelines designed to help caseworkers, advocates and judges establish collaborative structures and develop policies and procedures that would enhance the safety and well-being of domestic violence victims and their children. Since the release, *The Greenbook*, which was formally titled "Effective Intervention in Domestic Violence & Child Maltreatment Cases: Guidelines for Policy and Practice," has assisted numerous domestic violence advocates, child welfare workers, and family court judges in building a collaborative approach to working with families experiencing domestic violence and child maltreatment.

  In December 2000, OVW entered into a partnership with other agencies of the U.S. Departments of Justice and Health and Human Services to fund six communities under an inter-departmental demonstration initiative, which required the communities to implement the guidelines published in *The Greenbook*. The six sites that were selected under this demonstration initiative are El Paso County,

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Colo.; Grafton County, N.H.; Lane County, Ore.; San Francisco, Calif.; Santa Clara County, Calif.; and St. Louis County, Miss.

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Image not available for this document, ID: 0.7.10316.22789-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 9:40 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 20, 2006

Department of Justice

PRESS GUIDANCE
Friday, October 20, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Antitrust Division will issue a release on a Section Two hearing.

EVENTS/HEARINGS

10:00 A.M. EDT Deputy Attorney General Paul J. McNulty and Michael Battle, Director of the Executive Office of United States Attorneys (EOUSA), will participate in the EOUSA Director's Awards Ceremony. Attorney General Alberto R. Gonzales will also deliver videotaped remarks during the ceremony.
Department of Justice
The Great Hall
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

ALL MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Media must enter the Department at the Constitution Avenue entrance, between Ninth and Tenth Streets. Pre-set for cameras will be at 9:30 A.M. EDT. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

10:30 A.M. EDT Diane Stuart, Director of the Office on Violence Against Women, will hold a pen and pad briefing on her final day with the Department of Justice. Director Stuart will discuss key initiatives and successful programs implemented by the office under the Bush Administration.
Department of Justice
1st Floor Andretta Conference Room
950 Pennsylvania Ave. N.W.
Washington, D.C.

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OPEN PRESS

ALL MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Media must enter the Department at the Constitution Avenue entrance, between Ninth and Tenth Streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. PDT Solicitor General Paul Clement will deliver remarks before the San Francisco chapter of The Federalist Society regarding the Supreme Court Preview for the 2006 October Term.
Bank of America Building
Banker's Club at the Carnelian Room
555 California Street
San Francisco, California
OPEN PRESS

Press inquiries regarding logistics should be directed to David DeGroot of the Federalist Society at 415-218-2360, or to Janet Potter at 202-514-2201.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.22782-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION TO CONTINUE HEARINGS ON SINGLE-FIRM CONDUCT

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 20, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION TO CONTINUE HEARINGS ON SINGLE-FIRM CONDUCT

Session on Business History and Business Strategy to be Held on Oct. 26, November Sessions to Address Tying, Exclusive Dealing and Loyalty Discounts

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the fifth in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Oct. 26, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months, with three days of hearings scheduled for November.

The morning panel on Oct. 26 will explore business history perspectives regarding single-firm conduct, and the afternoon panel will explore business strategy perspectives. Both panels will be held at the FTC Headquarters Building at 600 Pennsylvania Ave., N.W., Washington, D.C., Room 532.

Further information is provided below:

Understanding Single-Firm Behavior: Business History Session (9:30 A.M. - 12:00 P.M.):

Tony Allan Freyer is a university research professor of history and law at the University of Alabama School of Law.

Louis Galambos is a professor of history at Johns Hopkins University, president of the Business History Group, and co-director of the Institute for Applied Economics and the Study of Business Enterprise.

James P. May is a professor of law at the Washington College of Law, American University.

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George David Smith is a clinical professor of economics, entrepreneurship and innovation at the New York University Stern School of Business.

Understanding Single-Firm Behavior: Business Strategy Session (1:30 P.M. - 4:00 P.M.):

Jeffrey P. McCrea is vice president of the Sales and Marketing Group at Intel Corporation.

David J. Reibstein is the William S. Woodside professor and professor of marketing at the Wharton School, University of Pennsylvania.

David T. Scheffman is director of LECG LLC, an adjunct professor of business strategy and marketing at the Owen Graduate School of Management, Vanderbilt University, and former director of the Bureau of Economics at the FTC.

George David Smith is a clinical professor of economics, entrepreneurship and innovation at the New York University Stern School of Business.

In addition to the hearings scheduled for Oct. 26, further public hearings will be held regarding tying on Nov. 1, exclusive dealing on Nov. 15, and loyalty discounts on Nov. 29. Information about the times, locations and panelists for these hearings, as well as information about other future hearings, will be made available at a later date.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 2:12 PM
To: USDOJ- Office of Public Affairs
Subject: WISCONSIN MAN CHARGED IN INTERNET THREAT TO DETONATE"DIRTY BOMB" IN SEVEN FOOTBALL STADIUMS IN UNITED STATES

Attached please find the criminal complaint.

Department of Justice

United States Attorney Christopher J. Christie
District of New Jersey

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 20, 2006
WWW.USDOJ.GOV/USAO/NJ

CONTACT: MICHAEL DREWNIAK
PHONE: (973) 645-2888
FAX: (973) 645-2868

WISCONSIN MAN CHARGED IN INTERNET THREAT TO DETONATE "DIRTY BOMB" IN SEVEN FOOTBALL STADIUMS IN UNITED STATES

NEWARK, N.J. – Jake J. Brahm, 20, of Wauwatosa, Wis., has been charged for being the source of an Internet posting that threatened to detonate radioactive "dirty bombs" at football stadiums in seven states, including New Jersey, U.S. Attorney Christopher J. Christie of the District of New Jersey announced today.

Brahm was charged in a criminal complaint with willfully conveying false information or hoaxes threatening to damage buildings through the use of weapons of mass destruction and radiological dispersal devices. The charge carries a maximum penalty of five years in prison and a $250,000 fine.

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Brahm, a grocery store worker, turned himself in to the U.S. Marshal's Service in Milwaukee this morning on a criminal complaint filed under seal yesterday in Newark. Brahm was first taken into custody by local police in Wauwatosa Wis. on Wednesday, based on information police received that Brahm was the source of the Internet threat to bomb football stadiums. The FBI was immediately notified and Brahm was interviewed by Special Agents Wednesday evening.

Brahm is expected to make an initial appearance today at about 2:30 p.m. CST in federal court in Milwaukee before U.S. District Judge Patricia J. Gorence. He faces indictment in the District of New Jersey on the false information/hoax charge.

"These types of hoaxes scare innocent people, cost business resources and waste valuable homeland security resources," stated U.S. Attorney Christie. "We cannot tolerate this Internet version of yelling fire in a crowded theater in the post 9/11 era."

According to the criminal complaint, Brahm admitted during the FBI interview to posting the threatening message on the website www.4chan.org. Brahm admitted that between September and Wednesday, he had posted the same message approximately 40 times on various Internet websites.

In the message, Brahm said that on Oct. 22, seven "dirty explosive devices" would be detonated at stadiums in New York (the NFL Jets are scheduled to play on Sunday at Giants Stadium in East Rutherford, N.J.), Miami, Atlanta, Seattle, Houston, Oakland and Cleveland.

The message went on to say that the bombs would be delivered via truck. All of the stadiums but one (Atlanta) are open-air arenas. Brahm said that would allow for a maximum death toll, with the radioactive fallout spreading beyond the stadium to a wider public area.

"The death toll will approach 100,000 from the initial blasts and countless other fatalities will later occur as result from radioactive fallout," the Internet posting said.

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The explosions would be lauded by Osama bin Laden, Brahm said, and the aftermath of the near simultaneous blasts would be civil wars around the globe. "Global economies will screech to a halt. General chaos will rule."

A criminal complaint is merely an accusation. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI in Newark, under the direction of Special Agent in Charge Leslie G. Wiser Jr., for their work in the investigation leading to the charges against Brahm. Christie also credited FBI Special Agents and the Joint Terrorism Task Force in Milwaukee, under the direction of Special Agent in Charge Richard K. Ruminski, for their work in the investigation, as well as the Wauwatosa, Wis., Police Department for its assistance in the case.

The case is being prosecuted by Assistant U.S. Attorney Michael A. Hammer Jr., chief of the U.S. Attorney's Office Terrorism Unit in Newark.

###

United States District Court
District of New Jersey

UNITED STATES OF AMERICA	**:**	**CRIMINAL COMPLAINT**
v.	**:**	
JAKE J. BRAHM	**:**	**Magistrate No. 06-8223 (MCA)**

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

From in or about September 2006 to on or about October 18, 2006, in the District of New Jersey, and elsewhere, defendant knowingly and willfully engaged in conduct with intent to convey false or misleading information under circumstances where such information may reasonably have been believed and where such information indicated that activity would take place that would constitute a violation of Chapter 40 of Title 18, United States Code (malicious damage of any building or vehicle in violation of 18 U.S.C. § 844(I)) and Chapter 113B of Title 18, United States Code (use of weapons of mass destruction against persons or property within the United States, in violation of 18 U.S.C. § 2332a(a)(1)(D), and use of radiological dispersal devices designed and intended to release radiation or radioactivity at a level dangerous to human life, in violation of 18 U.S.C. § 2332h(a)(1)(A)).

All in violation of Title 18, United States Code, Section 1038(a).

I further state that I am a Special Agent of the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

Steven A. Kimball
Special Agent, Federal Bureau of Investigation

Sworn to and subscribed in my presence,

October 19, 2006 — Date
at
Newark, New Jersey — City and State

Hon. Madeline Cox Arleo
United States Magistrate Judge — Name and Title of Judicial Officer

Signature of Judicial Officer

ATTACHMENT A

I, Steven A. Kimball, a Special Agent of the Federal Bureau of Investigation, assigned to the Newark Field Office, having conducted an investigation, and having discussed this matter with other law-enforcement agents and reviewed documents and reports, have knowledge of the facts set forth below. All statements which I have attributed to others have been set forth in substance and in part.

1. In or about September 2006, defendant JAKE J. BRAHM posted on an Internet website, www.4chan.org, a public message that threatened the detonation of explosive devices at seven stadiums hosting National Football League games on Sunday, October 22, 2006. The reference to "New York City" connoted Giants Stadium in East Rutherford, New Jersey, which is the home of the New York Giants and the New York Jets, and which was scheduled to host a New York Jets home game on October 22, 2006. Additionally, the message threatened that the bombs would cause radiological fallout resulting in numerous fatalities. The message stated, in substance and in part:

> On Sunday, October 22nd, 2006, there will be seven "dirty" explosive devices detonated in seven different U.S. cities; Miami, New York City, Atlanta, Seattle, Houston, Oakland and Cleveland. The death toll will approach 100,000 from the initial blasts and countless other fatalities will later occur as result from radioactive fallout.
>
> The bombs themselves will be delivered via trucks. These trucks will pull up to stadiums hosting NFL games in each respective city. All stadiums to be targeted are open air arenas, excluding Atlanta's Georgia Dome, the only enclosed stadium to be hit. Due to the open air, the radiological fallout will destroy those not killed in the initial explosion. The explosions will be near simultaneous, with the cities specifically chosen in different time zones to allow for multiple attacks at the same time.
>
> The 22nd of October will mark the final day of Ramadan as it would fall in Mecca. Al-Qaida will automatically be blamed for the attacks. Later, through Al-Jazeera, Osama bin Laden will issue a video message claiming responsibility for what he dubs "America's Hiroshima".
>
> In the aftermath civil wars will erupt across the world, both in the Middle East and within the United States. Global economies will screech to a halt. General chaos will rule.

2. During an interview on October 18, 2006, during which defendant JAKE J. BRAHM was read his rights pursuant to *Miranda v. Arizona,* 386 U.S. 436 (1966), he admitted to posting the above-described message in the "random" posting section of www.4chan.org. Defendant JAKE J. BRAHM further admitted that before posting the message, he researched which National Football League teams were playing on October 22, 2006, and listed the cities to connote those stadiums hosting the games.

3. My investigation has determined that the www.4chan.org website and the "random" posting section of that website were available to all Internet users, and accordingly the above-described messages were communications in and affecting interstate commerce.

4. During the October 18, 2006, interview, defendant JAKE J. BRAHM also admitted that between September 2006 and October 18, 2006, he re-posted the above-described message, in whole or in part, approximately forty times on www.4chan.org. My investigation has determined that others subsequently re-posted the message, in whole or in part, on websites throughout the Internet.

5. During the October 18, 2006, interview, defendant JAKE J. BRAHM admitted that he knew the above-described message was false when he authored and posted it.

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Image not available for this document, ID: 0.7.10316.22774-000003

Amber.JMD

From: Amber.JMD
Sent: Friday, October 20, 2006 5:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Victorville, CA

From: AmberAlert-DOJ
Sent: Friday, October 20, 2006 5:35:02 PM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; Broadcast@atf.gov; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Victorville, CA
Auto forwarded by a Rule

AMBER ALERT:Victorville,CA VEH:96 Whi 4D Hon Civic CA 3NVH204 TWO CHILDREN:1 Hisp/F, 3 Hisp/M COMP:Adu Hisp/F SUSP:Adu Hisp/M 5FT6 170LB Br/Bla CALL760-245-4211
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2562

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 6:40 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL CORRECTIONS OFFICER PLEADS GUILTY TO SEXUAL MISCONDUCT VIOLATIONS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 20, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FEDERAL CORRECTIONS OFFICER PLEADS GUILTY TO SEXUAL MISCONDUCT VIOLATIONS

WASHINGTON – Former Bureau of Prisons Officer Ricky Bernard pleaded guilty today to a five-count information charging him with sexual abuse of a ward and abusive sexual contact with a ward stemming from sexual misconduct with three inmates at the Federal Prison Camp Bryan in Bryan, Texas. Bernard also pleaded guilty to making a false statement to a federal agency about the details of the sexual misconduct. Bernard faces up to eight years imprisonment and a fine of $460,000.

In documents filed in federal court today, Bernard admitted that on numerous occasions he had sexual contact with inmates under his supervision while on duty as a Bureau of Prisons officer in 2003 and 2004. Bernard also admitted that he subsequently lied about the sexual misconduct with inmates to federal law enforcement officers and in a sworn affidavit.

In announcing the guilty plea, Wan J, Kim, Assistant Attorney General for the Civil Rights Division, applauded the Criminal Section of the Civil Rights Division, and the Office of Inspector General (OIG) for jointly spearheading the federal investigation, including the assistance of the U.S. Attorney's Office for the Southern District of Texas.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

Civil Rights Division attorneys Karima Maloney and Jennifer Dominguez and OIG Special Agent Monte Cason handled this matter for the Department.

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06-721

DOJ_NMG_ 0169750

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 20, 2006 6:52 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 23 - OCTOBER 27, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, OCTOBER 20, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 23 - OCTOBER 27, 2006

Monday, October 23

Events TBD

Tuesday, October 24

7:20 A.M. EDT Attorney General Alberto R. Gonzales will hold a joint press conference with the Attorney General of Spain, Cándido Conde-Pumpido.
Ministry of Justice
Madrid, Spain
OPEN PRESS

Press inquiries regarding logistics should be directed to Angela Williamson at (202) 532-5349.

Wednesday, October 25

11:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver a speech entitled, "The Rule of Law in the War on Terror" to the German Marshall Fund.
Atrium
Deutsche Bank
Unter den Linden 13-15
Berlin, Germany
OPEN PRESS

Press inquiries regarding logistics should be directed to Andrew Beach at (202) 353-5929.

DOJ_NMG_ 0169753

Thursday, October 26

7:30 A.M. EDT Attorney General Alberto R. Gonzales will deliver opening remarks at the Cyber Crime Conference with the Minister of Justice of the Netherlands Ernst Hirsch Ballin.
Crown Plaza Hotel
Hague, Netherlands
OPEN PRESS (Only for Attorney General's portion of the program)

Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486.

11:15 A.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in St. Louis.
FBI Joint Operations Center
2222 Market Street
St. Louis, Missouri
OPEN PRESS

Press inquiries regarding logistics should be directed to Pete Krusing at (314) 231-4324.

3:30 P.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Oklahoma City.
3301 West Memorial Road
Oklahoma City, Oklahoma
OPEN PRESS

Press inquiries regarding logistics should be directed to Gary Johnson at (405) 290-7770.

6:30 P.M. EDT Solicitor General Paul D. Clement will give the keynote speech at the American Bar Association Administrative Law Section Dinner.
Crystal Room
Willard Intercontinental Hotel
1401 Pennsylvania Ave.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Gail Alexander-Wise of the American Bar Association at (202) 662-1095.

Friday, October 27

10:00 A.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in San Antonio.
615 East Houston Street
San Antonio, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to Eric Vasys at (210) 225-6741.

DOJ_NMG_ 0169754

3:35 P.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Dallas.
One Justice Way
Dallas, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to Lori Bailey at (972) 559-5000.

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DOJ_NMG_ 0169755

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Image not available for this document, ID: 0.7.10316.22766-000002

Goodling, Monica

From: Goodling, Monica
Sent: Friday, October 20, 2006 7:50 PM
To: Gorsuch, Neil M
Subject: Not read: RE: OVW

Goodling, Monica

From: Goodling, Monica
Sent: Friday, October 20, 2006 7:50 PM
To: Gorsuch, Neil M
Subject: Not read: RE: OVW

Goodling, Monica

From: Goodling, Monica
Sent: Friday, October 20, 2006 7:59 PM
To: Gorsuch, Neil M
Subject: Not read: RE: Steelers Fans Unite! (And the Morning Update: 5/25/06)

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Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2582

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From: USDOJ- Office of Public Affairs
Sent: Monday, October 23, 2006 10:00 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR MONDAY, OCTOBER 23, 2006

Department of Justice

PRESS GUIDANCE
Monday, October 23, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Civil Division will issue a release on a false claims matter. (Miller)

The Criminal Division will issue a release on the 1:00 P.M. CDT sentencing of Jeffrey K. Skilling in Houston. (Sierra)

EVENTS/HEARINGS

No scheduled events or hearings.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169766

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Image not available for this document, ID: 0.7.10316.22407-000002

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 23, 2006 10:29 AM
Subject: JCON BROADCAST, WEEK OF OCTOBER 23, 2006

JCON BROADCAST, WEEK OF OCTOBER 23, 2006

1. **Flu Shots for 2006/2007 Flu Season**
2. **Federal Employees Health Benefits Open Season**
3. **Research Classes Offered by Library Staff**

Flu Shots for 2006/2007 Flu Season

Flu shots will be available ***free of charge*** to Department employees as scheduled in each of the health units listed at: http://10.173.2.12/your_health/flu2006.php.

The Centers for Disease Control (CDC) recommends that people in the priority (high-risk) groups listed below receive a flu shot:

- Persons 65 years of age and older.
- Persons aged 2-64 years with underlying chronic medical conditions.
- All women who will be pregnant during the influenza season.
- All children ages 6 months to 23 months.
- Health-care workers involved in direct patient care.
- Out-of-home caregivers and household contacts of children less than 6 months.
- Residents of nursing homes and long-term care facilities.

High Risk Individuals will be issued vaccines beginning Monday, October 23 through Friday, October 27, 2006. Flu shots will be open to all other DOJ employees beginning Monday, October 30, 2006.

Note: Women who are pregnant or breastfeeding must have a written statement from their Private Medical Physician to take the vaccine. A consent form can be obtained on line at the link above. If you are unsure if you are high-risk, contact your physician or the Registered Nurse in your designated health unit.

To receive a flu shot, employees MUST go to their designated health unit (see schedule) and MUST present their DOJ employee badge.

Additional information about the flu and vaccines are available at the link above and at: http://www.cdc.gov/flu/keyfacts.htm.

Federal Employees Health Benefits Open Season

The Federal Employees Health Benefits (FEHB) open season will run from November 13, 2006, through December 11, 2006. During this time period, you have the option to make changes to your current plan or switch to another plan. Changes to your FEHB should be made through Employee Self Service (ESS). If you do not have access to ESS or need assistance, please contact your servicing personnel office. All transactions must be completed by close of business, December 11, 2006. Changes that are made during this 2006 Open Season period are effective January 7, 2007 (the first day of the first full pay period of the new year).

The DOJ Federal Employees Health Fair will be held from 9:00 a.m. to 3:00 p.m., Wednesday, November 8, 2006, in Room 1160 of the National Place Building, 1331 Pennsylvania Avenue, NW, Washington, DC. Please plan to attend the fair to meet the carriers from the various health plans to discuss their benefits for 2007. You may locate the premium rates for 2007 on the Office of Personnel Management's website. To access the premium rates, please click on the following link: http://www.opm.gov/insure/health/07rates/2007non_postal.pdf**.**

Also, during the upcoming FEHB 2007 Open Season, eligible employees can enroll in the Flexible Spending Accounts (FSAFEDS) program. FSAFEDS allows you to set aside money before taxes to pay for a wide range of health care and dependent care expenses. By using these pre-tax dollars to pay for eligible expenses, you get a substantial discount on services that you would probably pay for any way – health plan deductibles and co-pays, vision and dental care including orthodontia, childcare, elder care and much more. You can save 20 – 40 percent on these expenses, depending upon your tax situation.

FSAFEDS elections must be made annually during the FEHB Open Season. Even if you enrolled during last year's open season, you must make a new election to continue participating in 2007. You can find useful information about FSAFEDS on its website, www.fsafeds.com. FSAFEDS representatives will be available during Open Season (November 13 – December 11, 2006) to answer your questions. They may be reached at 1-877-FSAFEDS (1-877-372-3337) Monday through Friday from 9:00 a.m. until 9:00 p.m., Eastern Time. (TTY line: 1-800-952-0450.)

Last but not least – during the upcoming FEHB 2007 Open Season, eligible employees can enroll in the new Federal Employees Dental and Vision Insurance Program (FEDVIP). FEDVIP will allow individuals to sign up for supplemental dental and vision benefits. There are no pre-existing condition limitations. Premiums for enrolled Federal and Postal employees will be withheld from salary on a pre-tax basis. There is no Federal government contribution. Coverage will be effective December 31, 2006.

The following insurance carriers will offer supplemental dental and vision benefits under FEDVIP: Aetna Life Insurance Company, Government Employees Hospital Association, Inc. (GEHA), MetLife Inc., United Concordia Companies, Inc., Group Health, Inc.,

CompBenefits, and Triple-S, Inc. will offer dental benefits. BlueCross BlueShield Association, Spectera, Inc., and Vision Service Plan (VSP) will offer vision benefits.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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Amber.JMD

From: Amber.JMD
Sent: Sunday, October 22, 2006 12:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Columbia, SC

From: AmberAlert-DOJ
Sent: Sunday, October 22, 2006 12:35:02 PM
To: AmberAlert-DOJ; EOIR, AmberAlert (EOIR); Yun, Jun B; Civ-Amber; COPSAmberAlert; BOP Amber Alert; OIG, AmberAlert (OIG); tax, amber-alerts (TAX); CRT, amber-alerts (CRT); ENRD, Amber-Alerts (ENRD); CRS, AmberAlert (CRS); Amber.JMD; AmberAlert ATR; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Whitten, John; Wahl, Nicole; Caffey, Tina D; Garcia, Linda S; Goodwin, Paul A; Dewey, Christopher R.; Dewey, Christopher R.; Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.; Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.; Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.; Goodwin, Paul A; Garcia, Linda S;

Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.; Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John
Subject: [Amber Alert] AMBER Alert: Columbia, SC
Auto forwarded by a Rule

UPDATE AMBER ALERT:Columbia,SC CHILD:7 Black F 4' 0" 50 lbs Eyes:Brown Hair:Black CHILD:8 Black M 4'3 55 lbs Eyes:Brown Hair:Black CALL 803-545-3500
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2582

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From: USDOJ- Office of Public Affairs
Sent: Monday, October 23, 2006 2:57 PM
To: USDOJ- Office of Public Affairs
Subject: TWO DEFENDANTS PLEAD GUILTY IN COCA-COLA TRADE SECRETS CASE

Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 23, 2006
WWW.USDOJ.GOV/USAO/GAN

CONTACT: PATRICK CROSBY
PHONE: (404) 581-6016
FAX: (404) 581-6160

TWO DEFENDANTS PLEAD GUILTY IN COCA-COLA TRADE SECRETS CASE

ATLANTA – Ibrahim Dimson, 30, of Bronx, N.Y., and Edmund Duhaney, 43, of Decatur, Ga., pleaded guilty today in federal district court to a charge of conspiring with each other and another defendant, Joya Williams, to steal and sell The Coca-Cola Company's trade secrets, U.S. Attorney David E. Nahmias of the Northern District of Georgia announced today.

"Economic espionage should be treated very seriously," stated U.S. Attorney Nahmias. "Maintaining the incentives to create new and innovative products and allowing the innovators to reap the benefits of their inventions are critical to the growth of our economy. Those who try to cheat by taking advantage of others' hard work and creativity will face prosecution and prison."

According to U.S. Attorney Nahmias and the information presented in court, on May 19, 2006, PepsiCo provided to The Coca-Cola Company's headquarters in Atlanta a copy of a letter mailed to PepsiCo in Purchase, N.Y., in an official Coca-Cola business envelope. The letter, postmarked from the Bronx, N.Y., was from an individual identifying himself as "Dirk," who claimed to be employed at a high level with Coca-Cola and offered "very detailed and confidential information." Coca-Cola immediately contacted the FBI and an undercover FBI investigation began. FBI investigation determined that "Dirk" was defendant Dimson.

Phone records and further investigation showed the alleged source of the information was Joya Williams, an Executive Administrative Assistant at Coca-Cola in Atlanta, who had access to some of the information and materials described by "Dirk." As the investigation progressed, "Dirk" provided to a FBI undercover agent 14 pages of Coca-Cola documents named "Classified - Confidential" and "CLASSIFIED - Highly Restricted," and the company confirmed that these documents were valid, highly confidential and considered highly classified proprietary information--trade secrets. Almost immediately, "Dirk" requested $10,000 for the documents sent as proof, emailing, in part, "I must see some type of seriousness on there [sic] part, if I'm to maintain the faith to

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continue with you guys, or if I need to look towards another entity that will be interested in a relationship with me. I have the capability of obtaining information per request. I have information that's all Classified and extremely confidential, that only a handful of the top execs at my company have seen. I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe 5 top execs. I need to know today, if I have a serious partner or not. If the good faith moneys is in my account by Monday, that will be an indication of your seriousness."

Later "Dirk" produced other documents that Coca-Cola confirmed were valid trade secrets of Coca-Cola and highly confidential, and he was to receive $5,000 for the documents as good faith money for additional purchases. "Dirk" also agreed to an amount of $75,000 for the purchase of a highly confidential product sample from a new Coca-Cola project.

On June 16, 2006, a FBI undercover agent met with Dimson ("Dirk") at Hartsfield-Jackson International Airport, with "Dirk" providing a brown Armani Exchange bag containing one manila envelope with documents marked "highly confidential" and one glass bottle with a white label containing a liquid product sample. The undercover agent paid "Dirk" $30,000 in $100 and $50 bills of U.S. currency contained within a yellow Girl Scout cookie box with the agreement that after successful testing of the product sample, an additional $45,000 would be paid. After leaving, Dimson met in a rental car with Duhaney and they drove to Duhaney's home in Decatur. Call records showed that Duhaney was in contact with Dimson and Williams on that day.

On June 27, 2006, an undercover FBI agent offered to buy the remaining trade secret items for $1.5 million from "Dirk." The same day a bank account was opened under the names of Duhaney and Dimson ("Dirk"), and the address used on the account was that of Duhaney's Decatur residence. The purpose of the account was to facilitate the transfer of the $1.5 million. Dimson, Duhaney and Williams were arrested in Atlanta on the day the $1.5 million deal was to take place.

The defendants were indicted in July of 2006 on one count of conspiring to steal and to sell trade secrets. Dimson and Duhaney pleaded guilty today to that charge. Each could receive a maximum sentence of 10 years in prison and a fine of up to $250,000.

Defendant Joya Williams has entered a plea of not guilty and is awaiting trial, which is currently set to begin on Nov. 13, 2006. She has filed a motion to continue the trial, but the court has yet to rule on that motion.

Sentencing for Dimson and Duhaney is scheduled for Jan. 29, 2007, before Senior U.S. District Judge J. Owen Forrester. This case is being investigated by special agents of the FBI. Assistant U.S. Attorneys BJay Pak and Randy S. Chartash are prosecuting the case.

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Image not available for this document, ID: 0.7.10316.22372-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 23, 2006 3:09 PM
To: USDOJ- Office of Public Affairs
Subject: MEDCO TO PAY U.S. $155 MILLION TO SETTLE FALSE CLAIMS ACT CASES

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 23, 2006
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CIV
(202) 514-2007
TDD (202) 514-1888

MEDCO TO PAY U.S. $155 MILLION TO SETTLE FALSE CLAIMS ACT CASES

WASHINGTON – Medco Health Solutions has agreed to pay the United States $155 million plus interest to settle allegations that the Parsippany, N.J.-based company submitted false claims to the government, solicited and accepted kickbacks from pharmaceutical manufacturers to favor their drugs, and paid kickbacks to health plans to obtain business, the Justice Department announced today. Medco, the nation's second largest pharmacy benefit management company, manages the prescription drug benefits of over 60 million Americans, including millions of Medicare beneficiaries.

The United States intervened in two *qui tam* or whistleblower cases filed by George Bradford Hunt and Walter W. Gauger in 1999, and by Joseph Piacentile, M.D. in 2000. Both cases were later consolidated.

The government's complaint alleged that Medco submitted false claims for mail order prescription drug services it was required by contract to provide to millions of federal employees, retirees and their families under the Federal Employee Health Benefits Program. Additionally, it is alleged that the company cancelled valid prescriptions it could not timely fill in order to avoid paying penalties under its contract; shorted pills from prescriptions it filled; failed to conduct concurrent drug utilization review for all prescriptions in order to identify potential adverse drug interactions; and, when filling prescriptions, used drugs other than those prescribed by the physician to earn undisclosed rebates from drug manufacturers.

The government complaint also alleged that the company violated the Anti-Kickback Act by soliciting and accepting payments from pharmaceutical companies to favor their products on Medco's published list of drugs, and by paying kickbacks to induce health plans to award contracts to provide the mail order pharmacy benefits for plan beneficiaries.

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The settlement also resolves the government's claims against former Medco Vice-President Diane Collins, who managed the Medco mail order pharmacy in Tampa, Fla. Thecomplaint alleged that Collins had cancelled, and had instructed others to cancel, valid patient prescriptions to cover up Medco's failure to fill patient prescriptions in the time required by the contract. As part of the settlement, the relators in the consolidated case will receive $23 million as their share of the government's recovery, plus payment by Medco for their attorneys' fees and costs.

Medco also agreed to settle a second *qui tam* action filed in 2003 by Karl S. Schumann, another former Medco employee, alleging kickbacks by pharmaceutical manufacturers to Medco. Mr. Schumann will receive $860,000 as his share of the government's recovery, plus payment by Medco for his attorneys' fees and costs. The United States and Medco also have settled a separate investigation by the United States Attorney's Office in Philadelphia, initiated in 2004, into false claims to the Medicare program.

"Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs," said Peter D. Keisler, Assistant Attorney General for the Justice Department's Civil Division. "Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment."

As a condition of continued participation in government health programs, the United States required that Medco enter into a corporate compliance agreement with the Office of Inspector General, Department of Health and Human Services; and with the Office of Inspector General of the Office of Personnel Management.

"Pharmacy benefit managers are ultimately accountable to their patients and these agreements increase that level of accountability," said U.S. Attorney for the Eastern District of Pennsylvania, Patrick Meehan. "Pressure by an employer to reduce costs and increase profits must never be allowed to coerce pharmacists into ignoring their duties to patients."

The case was handled by the Civil Division and U.S. Attorney's Office for the Eastern District of Pennsylvania within the Department of Justice, the Office of the Inspector General of the Department of Health and Human Services, the Office of Personnel Management, and the Defense Criminal Investigative Service.

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Image not available for this document, ID: 0.7.10316.22354-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 23, 2006 5:08 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ENRON CHIEF EXECUTIVE OFFICER JEFFREY SKILLING SENTENCED TO MORE THAN 24 YEARS IN PRISON ON FRAUD, CONSPIRACY CHARGES

A copy of the civil complaint and affidavit is attached.

Department of Justice

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CRM
(202) 514-2008
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FORMER ENRON CHIEF EXECUTIVE OFFICER JEFFREY SKILLING SENTENCED TO MORE THAN 24 YEARS IN PRISON ON FRAUD, CONSPIRACY CHARGES

WASHINGTON – Former Enron Chief Executive Officer Jeffrey K. Skilling has been sentenced to 24 years and four months in prison on conspiracy, securities fraud and other charges related to the collapse of the Enron Corporation, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

In addition to the prison sentence, Skilling, 52, was ordered to forfeit approximately $45 million to be applied towards restitution for the victims of the fraud at Enron. Skilling was sentenced today before U.S. District Judge Sim Lake, at the U.S. District Court in Houston. He was convicted by a federal jury in Houston on May 25, 2006 of 12 counts of securities fraud, one count of insider trading, conspiracy and five counts of making false statements to auditors. Lay's co-defendant at trial, former Enron CEO Kenneth Lay, was also convicted after 56 days of trial and jury deliberations on conspiracy, securities fraud and wire fraud charges.

The convictions stemmed from a wide-ranging scheme that Lay, Skilling and other Enron executives engaged in at various times between at least 1999 and 2001, to deceive the investing public, the U.S. Securities and Exchange Commission and others about the true performance of Enron's businesses. The scheme was designed to make it appear that Enron was growing at a healthy and predictable rate, consistent with analysts' published expectations, that Enron did not have significant write-offs or debt and was worthy of investment-grade credit rating, that Enron was comprised of a number of successful business units, and that the company had an appropriate cash flow. It had the effect of inflating artificially Enron's stock price, which increased from approximately $30 per share in early 1998 to over $80 per share in January 2001, and artificially stemming the decline of the stock during the first three quarters of 2001.

The fraud scheme eventually unraveled and Enron filed for bankruptcy in December 2001, making its stock virtually worthless. The company's collapse cost investors billions of dollars, and thousands of workers lost their jobs.

"Today's sentence is a measure of justice for the thousands of people who lost their jobs and millions of dollars in investments when Enron collapsed under the weight of the fraud perpetrated by the company's top

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executives," said Assistant Attorney General Fisher. "Jeffrey Skilling will now spend more than 24 years in prison for committing one of the largest frauds in the history of corporate America. His conviction is the result of nearly five years of hard work and dedication by the prosecutors and investigators on the Enron Task Force, whose tireless efforts demonstrate the finest qualities of public service."

"The sentencing of Jeffrey Skilling today puts an exclamation point on many years of hard work by the Enron Task Force and reiterates the FBI's commitment to address corporate fraud, no matter how long it takes," said FBI Assistant Director Chip Burrus. "Corporate crooks should beware, if you decide to use business coffers as your personal piggy bank at the expense of investors and employees, you risk loss of personal freedom."

Kenneth Lay died on July 5, 2006, and his conviction was voided by a federal judge earlier this month. The government announced today that it is filing a civil forfeiture action to recover property that constitutes proceeds of the fraud proven in the criminal case against Lay. The civil complaint seeks to forfeit Lay's condominium in Houston, property associated with a Lay family investment partnership, and a bank account with more than $22,000 – all proceeds obtained directly or indirectly as a result of various federal crimes, including securities fraud, wire fraud and conspiracy to commit securities fraud.

The investigation into Enron's collapse was conducted by the Enron Task Force, a team of federal prosecutors supervised by the Justice Department's Criminal Division and Special Agents from the FBI and IRS Criminal Investigation. The Task Force received considerable assistance from the Securities and Exchange Commission. Following today's sentencing, all outstanding matters being handled by the Enron Task Force will be referred to the Fraud Section of the Criminal Division at the U.S. Department of Justice.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
2121 KIRBY DRIVE, UNIT 33, HOUSTON, TX,	)	Civil Case No.
	)	
ASSETS OF KLL & LPL INVESTMENTS, LTD.,	)	
	)	
$22,680 located in BANK OF AMERICA ACCOUNT No. 0026-6253-0707	)	
	)	
Defendants.	)	

AFFIDAVIT IN SUPPORT OF VERIFIED COMPLAINT FOR FORFEITURE

I, Chad Nunez, being duly sworn, depose and say:

1. I am a Special Agent with the Federal Bureau of Investigation and have been so employed since March 1997. In January 2002, I was assigned to the Enron Task Force in Houston, Texas, and have participated since then in an investigation into the circumstances surrounding the financial collapse of the Enron Corp. ("Enron"). Prior to that, I was assigned to the El Paso Field Division of the Federal Bureau of Investigation, where I conducted numerous investigations into various types of fraud, including fraud against the government, mail fraud, wire fraud, and money laundering, with a particular emphasis on tracing assets derived from criminal activity for potential seizure and forfeiture purposes.

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2. The Superseding Indictment in United States v. Jeffrey K. Skilling and Richard A. Causey, Criminal Case No. H-04-25, which is contained herein as Attachment A to the Complaint, set forth probable cause to believe that officials at Enron, including, KENNETH L. LAY ("Lay") committed, inter alia, conspiracy to commit wire and securities fraud, in violation of Title 18, United States Code, Section 371, and wire fraud and securities fraud, in violation of Title 18, United State Code, Sections 1343, and Title 15, United States Code, Sections 78j(b), 78ff and 17 C.F.R. 240.10b-5. Following his trial and conviction in the criminal matter, Lay died, necessitating the filing of a civil action to effect forfeiture of traceable criminal proceeds to compensate the victims of the fraud at Enron.

3. This affidavit details the criminal activity at Enron, including certain money laundering activity of Lay not addressed in the criminal proceedings, setting forth probable cause to believe that Lay was involved in the criminal activity. As set forth below, there is probable cause to believe that the defendant Bank of America funds in account No. 0026-6253-0707, and investment partnership property are derived from proceeds traceable to fraud in the sale of securities in violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, and conspiracy to commit securities fraud under 18 U.S.C. § 371, and are therefore subject to forfeiture under 18 U.S.C. § 981(a)(1)(C). In addition, there is probable cause to believe that the defendant investment partnership property was involved in money laundering in violation of 18 U.S.C. § 1957, and is therefore subject to civil forfeiture under 18 U.S.C. § 981(a)(1)(A). So too, there is probable cause to believe that the defendant real property was involved in money laundering in violation of 18 U.S.C. § 1957, and is therefore subject to civil forfeiture under 18 U.S.C. § 981(a)(1)(A).

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I. THE CONSPIRACY AT ENRON

A. Background

4. Enron Corp. ("Enron") was an Oregon corporation with its headquarters in Houston, Texas. Among other businesses, Enron was engaged in the purchase and sale of natural gas and power, construction and ownership of pipelines, power facilities and energy-related businesses, provision of telecommunications services, and trading in contracts to buy and sell various commodities. Before it filed for bankruptcy on December 2, 2001, Enron was the seventh largest corporation in the United States.

5. Enron was a publicly traded company whose shares were listed on the New York Stock Exchange and were bought, held, and sold by individuals and entities throughout the United States and the world. Enron and its directors, officers, and employees were required to comply with regulations of the United States Securities and Exchange Commission ("SEC"). Those regulations protect members of the investing public by, among other things, requiring that a company's financial information is fully and accurately recorded and fairly presented to the public. The regulations require, among other things, that a company submit filings to the SEC in Washington, D.C. that include fair and accurate financial statements and management discussion and analysis of a company's business.

6. The price of Enron's stock was influenced by factors such as Enron's reported revenue, earnings, debt, cash flow, and credit rating, as well as its growth potential and consistent ability to meet revenue and earnings targets and forecasts. Enron executives provided guidance to the investing public regarding anticipated revenue, earnings for upcoming reporting periods, and other information regarding Enron's business activity. Such guidance was

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communicated in presentations and conference calls to securities analysts and in other public statements by Enron executives. Relying in part on the company's guidance, securities analysts disseminated to the public their own estimates of the company's expected performance. These earnings estimates, or analysts' expectations, were closely followed by investors. Typically, if a company announced earnings that failed to meet or exceed analysts' expectations, the price of the company's stock declined.

7. It was also critical to Enron's ongoing business operations that it maintain an investment grade rating for its debt, which was rated by national credit rating agencies. An investment grade rating was essential to Enron's ability to enter into trading contracts with its counterparties and to maintain sufficient lines of credit with major banks. In order to maintain an investment grade rating, Enron executives were required to demonstrate that its financial condition was stable and that the risk that Enron would not repay its debts and other financial obligations was low. The credit rating agencies relied on, among other things, Enron's public filings, including its financial statements filed with the SEC, in rating Enron's debt. In addition, members of Enron's senior management spoke regularly with, and provided financial and other information to, representatives of credit rating agencies. Two primary factors influencing Enron's credit rating and the willingness of banks to extend loans to Enron were Enron's total amount of debt and other obligations and its cash flow.

8. As detailed below and proven at trial in United States v. Causey, et al., 04-25 (S.D. Tex.), there was a wide-ranging scheme to deceive the investing public, including Enron's shareholders, the SEC, and others, about the true performance of Enron's businesses by: (a) manipulating Enron's publicly reported financial results; and (b) making public statements and

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representations about Enron's financial performance and results that were false and misleading in that they did not fairly and accurately reflect Enron's actual financial condition and performance, and they omitted to disclose facts necessary to make those statements and representations fair and accurate.

9. Lay was named Chief Executive Officer ("CEO") and Chairman of the Board of Directors (the "board") of Enron upon its formation in 1986. Lay held both of these positions until February 2001, when he stepped down as CEO and continued as Chairman, and Jeffrey Skilling ("Skilling") became the CEO. On August 14, 2001, Skilling abruptly resigned from Enron and Lay resumed his position as Enron's CEO while remaining Chairman.

10. Lay oversaw the operations of Enron's numerous business units. As CEO, Lay was responsible for supervising the activities of each of Enron's business units and the heads of those business units, as well as the activities of the senior Enron managers who conducted the company's financial and accounting activities. Lay and Skilling held weekly management meetings with the leaders of Enron's business units to review, among other things, the company's budget and operating performance.

11. Lay and Skilling also routinely provided guidance and information concerning the company's performance to securities analysts, as well as to Enron's employees and the public. Indeed, Lay and Skilling served as Enron's principal spokespersons with the investing public. Lay also reviewed and approved proposed press releases concerning Enron, and signed Enron's annual reports filed on Form 10-K with the SEC.

12. As Chairman, Lay was responsible for presiding over meetings of the Board and assisting in developing the agenda for Board meetings. Among other things, the Board

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periodically reviewed Enron's operations, financial results, proposed transactions and executive compensation. Lay and Skilling also attended meetings of the Board's committees, including the Finance Committee and the Audit and Compliance Committee. According to its charter, the Finance Committee served as a "monitor for the Company's financial activities" and reviewed and approved the company's significant financings, debt levels, and performance of portfolio assets, among other things.

13. Lay had numerous co-conspirators, including, but not limited to: Skilling, who, along with Lay as CEO was responsible for supervising the activities of each of Enron's business units and the heads of those business units, as well as the activities of the senior Enron managers who conducted the company's financial and accounting activities; Richard Causey, Enron's Chief Accounting Officer ("CAO"), and reported to Lay and Skilling; Andrew Fastow, Enron's Chief Financial Officer ("CFO"), who supervised such matters as Enron's structured finance, cash flow, and debt management activities; Ben Glisan, Enron's Treasurer, who also assisted in supervising Enron's structured finance, cash flow and debt management activities; David W. Delainey, the CEO of two Enron business units -- Enron North America ("ENA") and Enron Energy Services ("EES") -- who supervised large portions of Enron's wholesale energy business and, later, its retail energy business; Wesley Colwell, the CAO of ENA, who managed the accounting for Enron's wholesale energy business; Michael Kopper, a Managing Director in Enron's Global Finance group, who conducted structured finance activities for Enron and assisted in running important Enron off-balance sheet vehicles; as well as others.

B. Lay's Proceeds from the Criminal Conspiracy

14. The co-conspirators enriched themselves as a result of the scheme through salary,

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bonuses, grants of stock and stock options, other profits, and prestige within their professions and communities.

15. In addition, during the relevant time frame from the first quarter of 2001 until Enron filed for bankruptcy protection in December 2001, Lay enriched himself by selling Enron stock worth approximately $11.589 million; selling an additional $66.025 million in Enron stock to pay down his Enron line of credit (a line of credit on which he never paid down an additional $7.5 million in borrowings); and receiving a $10 million bonus for re-assuming the CEO position at Enron following the departure of Jeffrey Skilling. His family investment partnership, of which he was the managing partner, also sold stock during this time frame that yielded $3.957 million in gross proceeds.

C. Overview of Scheme to Defraud

16. In or about and between the first quarter 2001 and December 2001, both dates being approximate and inclusive, within the Southern District of Texas and elsewhere, Lay and others, did knowingly and intentionally conspire (1) to willfully and unlawfully use and employ manipulative and deceptive contrivances and directly and indirectly (i) to employ devices, schemes and artifices to defraud; (ii) to make untrue statements of material fact and omit to state facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) to engage in acts, practices, and courses of conduct which would and did operate as a fraud and deceit upon members of the investing public, in connection with the purchase and sale of Enron securities and by use of the instruments of communication in interstate commerce and the mails, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff and Rule 10b-5 of the SEC, Title 17, Code of Federal

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Regulations, Section 240.10b-5. The conspiratorial acts violated 18 U.S.C. § 371.

17. Skilling spearheaded the scheme until his sudden departure in August 2001, at which point Lay took over leadership of the conspiracy. Due to the efforts of the co-conspirators, the financial appearance of Enron presented to the investing public concealed the true state of Enron. Enron's publicly reported financial results and filings and its public descriptions of itself, including in public statements made by and with the knowledge of Lay and others, did not truthfully present Enron's financial position, results from operations, and cash flow of the company and omitted facts necessary to make the disclosures and statements that were made truthful and not misleading. The misleading portrayal of Enron's financial condition supported Enron's stock price and its credit rating.

18. The conspiracy's objectives included:

- reporting recurring earnings that falsely appeared to grow smoothly by approximately 15 to 20 percent annually and thus create the illusion that Enron met or exceeded the published expectations of securities analysts forecasting Enron's reported earnings-per-share and other results;
- touting falsely the success of Enron's business units;
- concealing large losses, "write-downs," and other negative information concerning its business units;
- masking the true magnitude of debt and other obligations required to keep the company's varied and often unsuccessful business ventures afloat;
- deceiving credit rating agencies in order to maintain an investment-grade credit rating; and
- artificially inflating the share price of Enron's stock, including attempting to stem the decline of Enron's share price in 2001.

19. For a significant time, the scheme to support artificially the share price of Enron's stock succeeded. In early 1998, Enron's stock traded at approximately $30 per share. By

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January 2001, even after a 1999 stock split, Enron's stock had risen to over $80 per share. Until the scheme unraveled in late 2001, Enron maintained an investment grade credit rating.

20. On August 14, 2001, Skilling resigned from Enron. Enron's stock price, which had been declining since January 2001, fell sharply. Lay resumed his position as CEO of the company, intensified his oversight of Enron's day-to-day operations, and took control of the conspiracy. For a time, the conspirators were able to forestall even greater declines in the price of Enron stock by various levers, until mid-October when the scheme started to unravel and Enron ultimately filed for bankruptcy in December 2001.

21. During the last two weeks of August 2001 and the first week of September 2001, Lay was briefed by numerous Enron employees on Enron's mounting and undisclosed financial and operational problems, including several billion dollars of losses embedded in Enron's assets and business units. As a result of these and other issues confronting Enron, Lay and others privately considered a range of potential solutions, including mergers, restructurings, and even divestiture of Enron's pipelines, assets that Lay considered to be the crown jewels of the company.

22. Throughout the remainder of September 2001, Lay and others engaged in a series of high-level meetings to discuss the growing financial crisis at Enron and the likely impact on Enron's credit rating. Among other things, as Lay knew, the total amount of losses embedded in Enron's assets and business units was, at a minimum, $7 billion. Lay also learned that Enron's auditors had changed their position concerning the accounting treatment of four off-balance sheet vehicles called the Raptors, which required Enron to determine in short order whether an acceptable alternative methodology existed or whether, instead, Enron would have to restate its

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earnings and admit the error.

23. In the weeks leading up to Enron's third quarter earnings release on October 16, 2001, the conspirators determined that Enron could not publicly report a loss in excess of $1 billion without triggering negative action by Enron's credit rating agencies. Lay thus artificially capped Enron's losses at that amount, by among other things, making false statements to Enron's auditors in order to avoid disclosure of additional write-downs. On October 16, 2001, when Enron announced losses of approximately $1 billion, Lay sought to minimize the import of the reported losses and continued to make false and misleading statements to the market about Enron's financial health.

24. From this juncture, the scheme rapidly unraveled. On October 22, 2001, Enron announced that it was the subject of an SEC investigation. By October 23, 2001, Lay had authorized Enron to enter into merger discussions with its far smaller rival, Dynegy Inc. ("Dynegy"). On October 25, 2001, Lay authorized Enron to use the remaining $3 billion from its corporate lines of credit. On October 29 and November 1, 2001, the two leading credit rating agencies downgraded Enron's credit rating. On November 8, 2001, Enron announced its intention to restate its publicly reported financial statements for 1997 through 2000 and the first and second quarters of 2001 to reduce previously reported net income by an aggregate of $586 million. The next day, Enron and Dynegy announced a merger agreement. On November 28, 2001, Enron's credit rating was further downgraded to "junk" status and Dynegy announced its withdrawal from the merger agreement. And on December 2, 2001, Enron filed for bankruptcy, making its stock, which less than a year earlier had been trading at over $80 per share, virtually worthless.

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D. Devices Employed in Furtherance of Scheme

25. At various times, the co-conspirators presented Enron's financial results, which had been engineered to appear far more successful than they actually were, in a false and misleading manner to the investing public through, among other things, conferences with securities analysts and rating agencies, press releases, media statements, and SEC filings.

26. The co-conspirators used and caused to be used secret oral side-deals, back-dated documents, disguised debt, material omissions, and outright false statements to further the scheme. The conspirators employed the following devices in furtherance of the fraudulent scheme:

- structuring financial transactions in a misleading manner in order to achieve earnings and cash flow objectives, avoid booking large losses in asset values, and conceal debt, including through the fraudulent use of purported third-party entities that in fact were not independent from Enron;
- manufacturing earnings and artificially improving Enron's balance sheet through fraudulent overvaluation of assets;
- fraudulently circumventing accounting standards applicable to the sale of financial assets in order to conceal the amount of Enron's debt and to create the false appearance of greater earnings and cash flow;
- concealing large losses and failures in Enron's two highly-touted new businesses, Enron Broadband Services ("EBS") and EES;
- manipulating earnings through fraudulent use of reserve accounts to mask volatility in Enron's wholesale energy trading earnings and use those reserves later in order to appear to achieve budget targets;
- fraudulently circumventing accounting standards applicable to the disclosure and recognition of impairments to goodwill; and
- making false and misleading statements, and omissions of facts necessary to make statements not misleading, about Enron's financial condition.

E. Concealing EES Failures

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27. In presentations to the investing public, the conspirators emphasized the performance and potential of EES as a major reason for past and projected increases in the value of Enron's stock. In order to enable EES to appear successful, the conspirators concealed EES' massive losses by fraudulently manipulating Enron's "business segment reporting," portraying EES as an unblemished success, and misrepresenting the performance of EES under various performance assessment measures.

28. EES was a struggling business unit with severe financial and structural problems. Enron executives nonetheless made materially misleading statements and failed to disclose material information about the true financial state of EES.

29. Enron executives furthermore manipulated EES's financial position through a reorganization designed to conceal the existence and magnitude of EES's business failure. Large portions of EES's business – which otherwise would have to report hundreds of millions of dollars in losses – were moved into another Enron business unit, Enron Wholesale. Enron Wholesale was capable of hiding these losses because it housed most of the company's wholesale energy trading profits. In spite of his knowledge of this action, at various times Lay claimed publicly that EES was continuing to perform successfully and failed to disclose that hundreds of millions in EES losses had been shifted to Enron Wholesale.

F. Fraudulently Circumventing Goodwill Impairment Accounting Standards

30. In the third quarter of 2001, the conspirators fraudulently circumvented the accounting standards with respect to "goodwill." The goodwill value of a company is generally the difference between the cost of an acquired entity and the recorded value of the entity's net assets. In or about June 2001, a new accounting rule, known as FAS 142, eliminated the ability

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to amortize goodwill impairments over a 40-year span, effective January 2002. Lay undertook to determine the impact of the new goodwill rule on Enron for the purpose of disclosing in Enron's third quarter 2001 results that the rule would not adversely effect Enron's financial results.

31. Enron owned direct and indirect interests in Wessex Water Services ("Wessex"), a United Kingdom-based water company that Enron had purchased in 1998 as part of a strategic initiative to establish a large international water business called Azurix. By October 2000, Enron executives, including Lay, recognized that Enron's water growth strategy had failed. In early 2001, Enron announced that the water business was not one of its "core businesses" and began the process of selling water-related assets. In the third quarter of 2001, as Lay knew, Enron's internal accountants had determined that the amount of goodwill attributable to Wessex was approximately $700 million. As Lay also knew, Enron's internal accountants also determined that Enron would have to disclose the impact on Enron of a Wessex goodwill impairment unless Enron was able to assert that Wessex would once again pursue a water growth strategy backed by Enron. Enron's internal accountants estimated that pursuing such a strategy would require Enron to expend between $1.5 and $28 billion.

32. Lay knew that Enron neither intended to pursue nor had the capital necessary to support a water growth strategy. Lay also knew that the credit rating agencies would view an announced impairment as a reason to reevaluate Enron's precarious credit rating. Nevertheless, in October 2001, in order to avoid disclosing the impact on Enron of any goodwill impairment associated with Wessex, Lay falsely claimed to Enron's auditors that Enron was committed to developing a water growth strategy. Lay then failed to disclose to the market the impact on Enron of an impairment of Wessex goodwill, when Lay purported to disclose the impact on

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Enron of all goodwill impairment that had been reviewed by Enron and its auditors.

G. False and Misleading Representations To Investing Public, SEC And Rating Agencies

33. At various times during the conspiracy, the conspirators made false and misleading statements as well as material omissions about Enron's financial results, the performance of its businesses, and the manner in which its stock should be valued. These statements and material omissions were disseminated to the investing public in conferences, telephone calls, press releases, interviews, statements to the media and rating agencies, and SEC filings.

34. August 20, 2001 Media Interview. On August 20, 2001, Lay conducted an interview with BusinessWeek. Lay stated, "There are no accounting issues, no trading issues, no reserve issues, no previously unknown problem issues. The company is probably in the strongest and best shape it has ever been in. There are no surprises." He added, "Investors don't like uncertainty. When there's uncertainty they always think there's another shoe to fall. There is no other shoe to fall." In fact, as Lay knew, the balance sheet reflected approximately $7 billion in embedded losses in business units and overvalued investments. Lay also knew that Enron faced the prospect of goodwill writedowns totaling in the billions of dollars. In addition, just days earlier, Lay had been placed on notice of accounting issues that threatened an "implosion" of Enron.

35. September 26, 2001 Employee On-Line Forum. On September 26, 2001, Lay held an on-line forum with Enron employees. Lay stated that "[t]he third quarter is looking great. We will hit our numbers. We are continuing to have strong growth in our businesses, and at this time I think we're positioned for a very strong fourth quarter." He added that "we have

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record operating and financial results" and that "the balance sheet is strong." In fact, as Lay knew, Enron was preparing to announce a significant overall quarterly loss for the first time since 1997, and had committed a $1.2 billion accounting error, among other problems facing the company. In addition, Lay knew that the balance sheet reflected approximately $7 billion in embedded losses in business units and overvalued investments and that Enron had been exploring such drastic solutions to Enron's financial problems as a merger with another company and the sale of Enron's pipelines.

36. Lay announced to the employees, "I have strongly encouraged our 16b [management] officers to buy additional Enron stock. Some, including myself, have done so over the last couple of months and others will probably do so in the future. . . . My personal belief is that Enron stock is an incredible bargain at current prices." Lay deliberately created the impression with Enron employees that his confidence in Enron's stock was such that he had increased his personal ownership of Enron stock in the past two months. In fact, during the prior "couple of months," Lay had publicly purchased approximately $4 million in Enron stock but sold $24 million in Enron stock back to Enron in sales that were concealed from Enron employees and the investing public.

37. October 12, 2001 Call with Credit Rating Agency. On or about October 12, 2001, Lay had a telephone call with a representative of a prominent credit rating agency. Lay stated that Enron and its auditors had "scrubbed" the company's books and that no additional write-downs would be forthcoming. In fact, as Lay knew, Enron's international assets were being carried on Enron's books for billions of dollars in excess of their fair value. Lay further knew that he made misrepresentations to Enron's auditors in order to conceal the Wessex $700

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million goodwill impairment, and falsely claimed that Enron would pursue a growth strategy in the water business. In addition, Enron's auditors had not been able to "scrub" the books due to misrepresentations to them regarding Wessex goodwill.

38. Third Quarter 2001 Analyst Call. On October 16, 2001, Enron held its quarterly conference call with securities analysts to discuss its third quarter 2001 earnings results. Lay participated in the call. For the first time during the duration of the scheme to manipulate its reported financial results, Enron conceded that it had suffered large losses, totaling approximately $1 billion, in certain segments of its business. These areas included many declining assets that had been concealed in the "Raptor" hedges, as well as EBS. However, Lay attempted to mislead the investing public and omit information about these losses in order to minimize the negative effect on Enron's stock price. Lay described the losses as "nonrecurring," that is, a one-time or unusual event. However, as Lay knew, the losses were not properly characterized as non-recurring.

39. In addition, Lay stated: "In connection with the early termination [of the Raptor structures], shareholders' equity will be reduced approximately $1.2 billion." In fact, as Lay knew, the reduction in equity resulted not from the termination of the "Raptor" structures, but principally from a huge accounting error by Enron. In a further effort to deflect attention from the equity reduction, Lay and others chose not to disclose the problem in Enron's third quarter press release.

40. Lay further stated that after review by its outside auditors, "we currently estimate, based upon this recent review, that up to $200 million goodwill adjustment may be necessary, and will be recorded as required by the accounting principles in the first quarter of 2002." In

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fact, as Lay knew, the adjustment did not account for the impact on Enron of the impaired Wessex goodwill of approximately $700 million, due to misrepresentations by Lay and others to Enron's auditors.

41. Third Quarter Investor and Analyst Roadshows. Immediately after the announcement of Enron's third quarter earnings results, Lay and other senior Enron executives held a series of meetings, or roadshows, with analysts and large institutional investors. Lay and the other senior executives touted EES as one of Enron's three primary businesses, and misleadingly portrayed EES as rapidly increasing in profitability, quarter to quarter and year to year. In fact, as Lay knew, Enron had shifted hundreds of millions of dollars in EES losses to Enron Wholesale in the first quarter of 2001, which gave EES the false appearance of profitability.

42. October 23, 2001 Analyst Call. Enron held a special conference call with securities analysts on October 23, 2001, in an effort to dispel growing public concerns about Enron's stock, which had lost 25% of its value in the week following the October 16, 2001, third quarter earnings announcement. Lay and others prepared for and participated in the call. Lay stated that "[w]e're not trying to conceal anything. We're not hiding anything." "We're really trying to make sure that the analysts and the shareholders and the debt holders really know what's going on here. So, we are not trying to hold anything back." In fact, while professing candor, Lay failed to disclose numerous dire facts about the state of Enron's business of which he was aware.

43. October 23, 2001 All Employees Meeting. Shortly after the October 23 analyst call, Lay attended another all-employee meeting, with live webcast and video teleconference

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communication to Enron's 28,000 employees. Lay stated "[o]ur liquidity is fine. As a matter of fact, it's better than fine, it's strong . . . ." In fact, Lay knew that in order to maintain liquidity, Enron had been forced to take the unusual step of offering its pipelines as collateral to obtain a needed $1 billion bank loan. Lay knew that Enron had failed to complete a $1 billion bond deal planned for execution since July, 2001. Lay also knew that the only readily available source of liquidity was the $3 billion corporate line of credit, which, if drawn, would signal the dire straits of Enron's finances. Indeed, three days later, Lay authorized the withdrawal of the entire $3 billion from the line of credit.

44. November 12, 2001 Analyst Call. Enron executives held a special conference call with securities analysts on November 12, 2001, in another effort to dampen public concerns about the decline of Enron's stock and the nature of Enron's finances. Lay falsely stated that "[w]e don't have anything we're trying to hide. Quite the contrary, I think we've been very forthcoming of disclosing everything that we've found." In fact, as Lay knew, he continued to withhold from investors key facts about the true economic performance of Enron, including the true profits and performance of EES, the fact that the Raptors were not true economic hedges and that Enron faced billions of dollars in additional writedowns.

45. During the conspiracy, the conspirators, including Lay received substantial criminal proceeds. During 2001 alone, Lay received a salary of over $1 million, a bonus of $7 million and $3.6 million in long term incentive payments. Additionally, during the period of August 21 through October 26, 2001, Lay sold approximately 918,104 shares of Enron stock to repay advances totaling $26,025,000 he had received from a line of credit extended to Lay by Enron. The total proceeds generated by Lay, and the assets to which certain of those proceeds

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are traceable are discussed below.

II. PROCEEDS OF THE CRIMINAL CONSPIRACY

46. As a result of the criminal conspiracy described above, hundreds of millions of dollas in proceeds were generated; Lay alone generated approximately $95,113,717 in criminal proceeds from trading Enron stock, manipulating his Enron line of credit, and receiving an incentive bonus. In addition, Lay generated $3,956,649 in proceeds through The KLL & LPL Investment Partnership. The breakdown for Lay's specific proceeds is as follows:

	$11,588,717	Lay Personal Planned Stock Sales
+	66,025,000	Manipulation of Line of Credit
+	7,500,000	Unpaid Advances from Line of Credit
+	10,000,000	Bonus

	$95,113,717	Subtotal Lay Personal Proceeds
+	3,956,649	KLL & LPL Investment Partnership Planned Stock Sales
	---	
	$99,070,366	Total criminal proceeds

47. The Personal Planned Sales of stock by Lay consist of pre-planned sales of Enron stock that took place during the course of the conspiracy. From April through August 2001, Lay sold 217,500 shares yielding gross proceeds of $11,588,717 in connection with this plan.

48. The dates and amounts of the relevant pay downs on Lay's Enron line of credit during 2001 are as follows:

Pay Down Date	Amount ($)
04/27/01	4,000,000
05/14/01	4,000,000
05/25/01	4,000,000
06/12/01	4,000,000
06/19/01	4,000,000

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06/22/01	4,000,000
06/26/01	4,000,000
06/27/01	4,000,000
06/28/01	4,000,000
07/26/01	4,000,000
08/20/01	4,000,000
08/23/01	4,000,000
08/24/01	4,000,000
08/30/01	4,000,000
09/04/01	4,000,000
10/23/01	1,500,000
10/24/01	1,700,000
10/25/01	550,000
10/26/01	2,275,000
Total	66,025,000

49. The paydowns on the line of credit consisted of Lay selling shares of Enron stock back to the company and applying those proceeds to pay down his Enron line of credit. Lay then would turn around and draw additional funds on that line of credit. For example, on August 20, 2001, Lay sold 110,700 shares to Enron that then allowed him to pay down $4,000,000 on his Enron line of credit, and the next day Lay drew on the line of credit another $4,000,000. Following this activity, Lay asserted in the September 26, 2001, on-line forum discussed in paragraph 36 above, that he had been purchasing stock "over the last couple of months," despite the fact that he surreptitiously sold six times as much stock as he purchased during that time frame.

50. Lay generated $7,500,000 in criminal proceeds from his Enron line of credit that

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he never repaid. The unpaid advances were from October 2001 through November 2001. Lay's unpaid balance on his line of credit was due to be paid in full no later than December 31, 2005. This amount was never repaid.

51. The proceeds of the conspiracy include a $10,000,000 bonus that Lay received in connection with his re-assumption of the CEO position at Enron during the criminal conspiracy is also subject to forfeiture as criminal proceeds. Lay re-assumed the CEO position and accepted this bonus money knowing that Enron's financial condition was being mis-represented to the public, and he continued to misrepresent matters to the public and his own employees following his return and during the period of the long-term incentive plan. As with his line of credit, Lay's bonus is wholly tainted by the criminal conspiracy in which he engaged at Enron.

52. Lay also used a family investment partnership as a vehicle through which he generated criminal proceeds during the course of the conspiracy through its own sale of Enron stock. KLL & LPL Investments, Ltd. ("Investment Partnership") is a Lay family investment vehicle through which Lay was able to distribute his earnings at Enron to various family members.

53. The Investment Partnership was established in 1994 and is held under the Texas Revised Limited Partnership Act, Tex. Rev. Civ. Stat. Ann. art 6132a-1, with its principal office located in Houston, Texas. Lay and his wife, Linda Lay, were designated as joint managing partners of the Investment Partnership, which effectively gave Lay the power to manage and control the assets of the Investment Partnership.

54. Because of Lay's insider status at Enron, the Investment Partnership that he controlled was eligible to and did engage in planned sales of 75,500 shares of Enron stock

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between April and August 2001 during the conspiracy. These sales, which represented approximately one half of the Investment Partnership's total planned sales, generated $3,956,649 in proceeds. These planned sales also constitute proceeds of the conspiracy to inflate and maintain Enron's stock price.

III. TRACING THE CRIMINAL PROCEEDS

A. The Condominium

55. The vast majority of Lay's criminal proceeds were used in connection with his various lines of credit, the proceeds of which have been dissipated and cannot be traced into any particular assets. Lay's condominium, however, located at 2121 Kirby Drive, Unit 33, Houston, TX, represents property involved in money laundering. During the conspiracy, approximately $2,502,320 in proceeds were used as payments in satisfaction of a mortgage on Lay's condominium.

56. On November 1, 2001, Lay received an advance of $1,000,000 from his Enron line of credit and deposited that amount in his Bank of America checking account No. 0026-6253-0707.

57. On November 9, 2001, Lay deposited $525,000.00 into Southwest Bank of Texas account No. 5569133. The funds for this deposit came from Lay's Enron line of credit. Lay deposited another $1,000,000.00 into this account from his Enron line of credit on November 27, 2001.

58. On December 6, 2001, Lay withdrew funds from his Bank of America account No. 0026-6253-0707 in the amount of $977,320.00 payable to Bank of America. This money was used to help pay off a mortgage on Lay's 2121 Kirby Drive condominium. The entirety of

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this mortgage payment represents criminal proceeds because it originated from unpaid advances on Lay's Enron line of credit.

59. On December 7, 2001, Lay withdrew funds from Southwest Bank of Texas Account No. 5569133, in the form of a cashier's check in the amount of $4.36 million payable to Bank of America. Lay used this cashier's check to pay off the remainder of his mortgage. Of that check, $1,525,000.00 represented criminal proceeds from unpaid advances from Lay's Enron line of credit.

B. Lay Investment Partnership

60. As a result of the criminal activities described above, the KLL & LPL Investment Partnership received $10,170,149 in criminal proceeds from trading Enron stock, transfers from Lay's manipulation of his Enron line of credit, and transfers from Lay's bonus. The breakdown of these proceeds is as follows:

	$3,956,649	KLL & LPL Investment Partnership Planned Stock Sales
+	4,463,500	Proceeds Transferred from Lay Line of Credit
+	1,750,000	Transfers from Lay Bonus
	$10,170,149	

61. Lay transferred criminal proceeds to the Investment Partnership from his Bank of America checking account No. 0026-6253-0707. The checking account was funded by his Enron line of credit, as well as lines of credit at Bank of America. Between January 18, 2001, and June 29, 2001, transfers totaling $4,463,500 in criminal proceeds were made to the Investment Partnership as follows:

Date	Amount ($)
01/18/01	1,700,000

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03/02/01	85,000
03/13/01	650,000
03/14/01	100,000
04/02/01	40,000
04/02/01	37,500
04/03/01	200,000
04/03/01	31,000
04/04/01	200,000
05/25/01	200,000
05/31/01	100,000
06/05/01	210,000
06/06/01	50,000
06/15/01	110,000
06/28/01	575,000
06/29/01	175,000
Total	4,463,500

62. The Bank of America line of credit withdrawals that funded the payments to the Investment Partnership were paid back with criminal proceeds from the Enron line of credit between April and December 2001.

63. An additional $1.75 million was transferred by Lay to the Investment Partnership on September 21, 2001. This amount was a portion of the $10 million bonus that Lay received in connection with his re-assuming the CEO position following the departure of Skilling, and thus represents criminal proceeds, as described in paragraph 52.

64. The $3,956,649 in Investment Partnership planned sales are described above in paragraph 55.

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65. As of November 30, 2001, the Investment Partnership had approximately $30,563,623 of assets, $7,618,964 of liabilities and $22,944,659 of equity.

C. Bank Of America Checking Account No. 0026-6253-0707

66. As of December 31, 2001, Bank of America checking account No. 0026-6253-0707 contained approximately $22,680 in criminal proceeds that remained from the November 1, 2001, advance on Lay's Enron line of credit, as explained in paragraph 57.

CONCLUSION

67. Based upon the information contained in this affidavit, I have probable cause to believe that the defendant Investment Partnership property, real property, and funds located within the Bank of America account No. 0026-6253-0707 identified herein are derived from proceeds traceable to fraud in the sale of securities in violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, and conspiracy to commit securities fraud under 18 U.S.C. § 371, and is therefore subject to forfeiture under 18 U.S.C. § 981(a)(1)(C). Further, I have probable cause to believe that the defendant real property represents property involved in money laundering, in violation of 18 U.S.C. § 1957, and therefore is subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Chad Nunez
Special Agent
Federal Bureau of Investigation

Sworn to and subscribed before me this 23rd day of October, 2006

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Notary Public
State of
My commission expires:

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	Civil Case No.
v.	)	
	)	
2121 KIRBY DRIVE, UNIT 33, HOUSTON, TX.,	)	
	)	
ASSETS OF KLL & LPL INVESTMENTS, LTD.,	)	
	)	
$22,680 in BANK OF AMERICA ACCOUNT No. 0026-6253-0707	)	
	)	
Defendants.	)	

VERIFIED COMPLAINT FOR FORFEITURE IN REM

Plaintiff, United States of America, by and through the United States Department of Justice and its undersigned counsel, brings this Complaint and alleges as follows:

NATURE OF THE ACTION

1. This is an action to forfeit and condemn to the use and benefit of the United States of America the following property:

(a) 2121 Kirby Drive, Unit 33, Houston, TX., known more particularly as: Real property, together with its appurtenances, improvements, fixtures, attachments and easements, located at 2121 Kirby Drive, Residential Unit 33, 33rd Floor, Houston, Texas 77019, more particularly described as a condominium apartment unit and an individual interest in the common elements located in and being a part of the Huntingdon, a Condominium regime in Harris County, Texas (Defendant Real Property); and

(b) The assets of KLL & LPL Investments, Ltd. (Defendant Investment Partnership

Property)

(c) $22,680.14 in Bank of America Account Number 0026-6253-0707 (Defendant Bank Account)

2. The defendant Real Property is located in the Southern District of Texas. Defendant Investment Partnership maintains its principal office in the Southern District of Texas and maintains assets in the Southern District of Texas. Defendant Bank Account is also located in the Southern District of Texas. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. §§ 1331, 1345 and 1355. Venue is properly in this district under 28 U.S.C. §§ 1391 and 1395 and 18 U.S.C. § 981(h).

3. This is a civil forfeiture action in rem brought pursuant to 18 U.S.C. § 983 to enforce 18 U.S.C. §§ 981(a)(1)(A) and (C). Title 18, United States Code, Section 981(a)(1)(C) provides that any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of any offense constituting a "specified unlawful activity" is subject to forfeiture to the United States. Pursuant to 18 U.S.C. §§ 1956(c)(7) and 1961(1), fraud in the sale of securities, wire fraud in violation of 18 U.S.C. § 1343 and conspiracy to violate these statutes in violation of 18 USC § 371 constitute "specified unlawful activity" for purposes of 18 U.S.C. § 981(a)(1)(C).

4. In addition, 18 U.S.C. § 981(a)(1)(A) provides that any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1957, or any property traceable to such property, is subject to forfeiture to the United States.

5. In particular, the United States alleges that the defendant properties are subject to forfeiture because they were obtained, directly or indirectly, as the result of the commission of the offense giving rise to forfeiture, or traceable thereto, namely fraud in the sale of securities in

violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, conspiracy to commit securities fraud under 18 U.S.C. § 371, and because the defendant real property constitutes property involved in money laundering in violation of 18 U.S.C. § 1957.

6A. The defendant Real Property constitutes property involved in money laundering offenses, namely a transaction or transactions, or attempted transactions, of proceeds derived from specified unlawful activity in excess of $10,000, or property traceable to such property involved in money laundering violations and is thus liable to condemnation and forfeiture to the United States for its use, in accordance with 18 U.S.C. § 1981(a)(1)(A).

6B. $2,502,320 of the value of defendant Real Property is subject to forfeiture because it constitutes proceeds obtained, directly or indirectly, as the result of the commission of the offense giving rise to forfeiture, namely fraud in the sale of securities in violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, conspiracy to commit securities fraud under 18 U.S.C. § 371, or property traceable thereto.

7. $10,170,149 of the defendant partnership is property subjected to forfeiture because it constitutes proceeds obtained, directly or indirectly, as the result of the commission of the offense giving rise to forfeiture, namely fraud in the sale of securities in violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, and conspiracy to commit securities fraud under 18 U.S.C. § 371, or property traceable thereto. In addition, any return or earnings on the partnership assets subject to forfeiture is also forfeitable as property traceable to proceeds.

8. $22,680.14 in Bank of America Account No. 0026-6253-0707 is subject to forfeiture because it constitutes proceeds obtained, directly or indirectly, as the result of the

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commission of the offense giving rise to forfeiture, namely fraud in the sale of securities in violation of 15 U.S.C. §§ 78j(b) and 78ff, wire fraud in violation of 18 U.S.C. § 1343, and conspiracy to commit securities fraud under 18 U.S.C. § 371, or property traceable thereto. In addition, any return or earnings on the amount subject to forfeiture would also be subject to forfeiture as property traceable to proceeds.

9. As evidence in support of these allegations, the United States respectfully refers the Court to the Affidavit of Federal Bureau of Investigation Special Agent Chad Nunez (Attachment A), which is specifically incorporated herein and attached hereto.

10. The United States respectfully demands a trial by jury as to all questions of fact.

11. The United States does not request authority from the Court to seize the real property defendant at this time. The United States will, as provided by 18 U.S.C. § 985(b)(1) and (c)(1):

(a) Post notice of this action and a copy of the Complaint on the defendant real property, and

(b) Serve notice of this action on the defendant real property owner, and any other person or entity who may claim an interest in the defendant, along with a copy of this Complaint, and

(c) Execute a writ of entry for purposes of conducting an inspection and inventory of the property, and

(d) File a lis pendens in county records of the defendant real property's status as a defendant in this in rem action.

WHEREFORE, the plaintiff respectfully asserts that there is reasonable cause to believe

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that the United States will prove that the defendant real property is forfeitable to the United States under 18 U.S.C. § 981(a)(1)(A) and (C); and requests

(a) That, pursuant to 18 U.S.C. § 985(b)(2), and 18 U.S.C. § 983(j), which permits the Court to "take any action to . . . preserve the availability of the property subject to civil forfeiture," the Court issue the proposed Writ of Entry attached to this Complaint authorizing the United States Marshals Service, or its delegate, to enter the defendant real property, including any structures, on one or more occasions during the pendency of this in rem forfeiture action:

i. for the purpose of conducting an inspection and inventory and appraisal of the defendant real property, which inspection and inventory and appraisal may include still and video photography; and

ii. to be accompanied on any such occasion by any appraiser(s) selected by it to appraise the condition and value of the defendant real property pursuant to 19 U.S.C. § 1606; and

iii. to be accompanied on any such occasion by any government or contract personnel selected by it for the purpose of conducting an inventory of the defendant real property; and

iv. to be accompanied on any such occasion by any federal, state, and local law enforcement officers selected by it to ensure the safety of any person acting under the Writ of Entry;

(b) That the Court decree that the forfeiture of the defendant real property to the United States under 18 U.S.C. § 981(a)(1)(A) is confirmed, enforced, and ordered;

(c) That the Court thereafter order that the United States Marshal, or his delegate,

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dispose of the defendant as provided by law; and

WHEREFORE, the plaintiff, the United States, respectfully asserts that there is reasonable cause to believe that, pursuant to18 U.S.C. §§ 981(a)(1)(C), the United States will prove that $22,680 of the defendant Account No. 0026-6253-0707, and any earnings or return thereon, is subject to forfeiture; and requests:

(a) That, pursuant to 18 U.S.C. § 983(j)(1)(A), the Court enter a restraining order enjoining the withdrawal, distribution or other alienation of $22,680.14 located within Account No. 0026-6253-0707during the pendancy of this action;

(b) That a Judgment of Forfeiture be entered against the defendant in the amount of $22,680.14, and any earnings or return thereon;

(c) That, after entry of a Judgment of Forfeiture against the defendant Investment Partnership property, the Court issue an Order for the seizure and detention of the defendant property by the United States Marshal, or his delegate, and for the application of the proceeds to public use as provided by applicable laws and regulations; and

WHEREFORE, the plaintiff, the United States, respectfully asserts that there is reasonable cause to believe that, pursuant to18 U.S.C. §§ 981(a)(1)(C), the United States will prove that $10,170,149 of the defendant partnership property, and any earnings or return thereon, is subject to forfeiture; and requests:

(a) That, pursuant to 18 U.S.C. § 983(j)(1)(A), the Court enter a restraining order enjoining the withdrawal, distribution or other alienation of assets out of the partnership during the pendancy of this action;

(b) That a Judgment of Forfeiture be entered against the defendant Investment

DOJ_NMG_ 0169817

Partnership property in the amount of $10,170,149, and any earnings or return thereon;

(c) That, after entry of a Judgment of Forfeiture against the defendant Investment Partnership property, the Court issue an Order for the seizure and detention of the defendant property by the United States Marshal, or his delegate, and for the application of the proceeds from that sale to public use as provided by applicable laws and regulations;

(d) That the United States recover the costs of this action, including costs of seizure, detention, and sale of the defendant property; and

(e) That the United States be granted all other relief to which it is entitled.

Respectfully submitted,

SEAN M. BERKOWITZ
Director, Enron Task Force

By: _____

PATRICK. T. MURPHY
Trial Attorney
U.S. Department of Justice
10th St. & Constitution Ave., N.W.
Criminal Division
Asset Forfeiture and
Money Laundering Section
Bond Building
Washington, D.C. 20530
Phone: (202) 514-1263
Fax (202) 514-5522

Dated: October 23, 2006

DOJ_NMG_ 0169818

VERIFICATION

I, Chad Nunez, Special Agent, Federal Bureau of Investigation, Houston, Texas, declare under penalty of perjury as provided by Title 28, United States Code, Section 1746, that the foregoing Amended Complaint of Forfeiture in Rem is based upon reports and information furnished to me from Special Agents of the FBI and the Internal Revenue Service, federal grand jury subpoenas, and public records searches, and that everything contained therein is true and correct to the best of my knowledge and belief.

Executed on this ___ day of October, 2006.

Chad Nunez
Special Agent
Federal Bureau of Investigation

DOJ_NMG_ 0169819

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of October, 2006, I caused a true and correct copy of the foregoing PLAINTIFF'S FIRST SET OF INTERROGATORIES to be served by electronic mail upon the following counsel:

Ronald G. Woods
5300 Memorial, Suite 1000
Houston, TX 77007
(713) 862-9600
RonWoodsLaw@aol.com

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Chip B. Lewis
River Oaks/Welch Building
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Houston, TX 77019
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mramsey@mramsey-lawyer.com

Samuel J Buffone
Ropps & Gray, LLP
One Metro Center
700 12th Street, NW
Suite 900
Washington, DC 20005
Samuel.buffone@roppsgray.com

DOJ_NMG_ 0169820

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Image not available for this document, ID: 0.7.10316.22408-000004

From: USDOJ- Office of Public Affairs
Sent: Monday, October 23, 2006 6:43 PM
To: USDOJ- Office of Public Affairs
Subject: JUDGE ORDERS EGYPTIAN NATIONALS TO PRISON FOR HOLDING GIRL IN INVOLUNTARY SERVITUDE

Department of Justice

United States Attorney Debra Wong Yang
Central District of California

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 23, 2006
www.usdoj.gov/usao/cdc

CONTACT: THOM MROZEK
PHONE: (213) 894-6947
FAX: (213) 894-0141

JUDGE ORDERS EGYPTIAN NATIONALS TO PRISON FOR HOLDING GIRL IN INVOLUNTARY SERVITUDE

SANTA ANA, Calif. – Two Egyptian nationals who enslaved a 10-year-old girl and forced her to work as a domestic servant at their Orange County residence were both sentenced this morning.

Abdel Nasser Youssef Ibrahim was sentenced to 36 months in prison. His ex-wife, Amal Ahmec Ewis-abd El Motelib, was sentenced to 22 months. In addition to the prison terms, Ibrahim and Motelib were ordered to pay over $70,000 to the victim. This figure represents the money she should have received while working for two years without pay for a family of seven at their Irvine, Calif. residence.

The court ordered Ibrahim and Montelib to surrender into custody on Oct. 30, 2006 and Nov.13, 2006 respectively. Following the sentencing, Immigration and Customs Enforcement detained Ibrahim and Motelib, both foreign nationals, pending deportation proceedings. Upon completion of their sentences, Ibrahim and Motelib will face deportation from the United States.

DOJ_NMG_ 0169823

In June 2006, the defendants pleaded guilty to four counts of conspiracy, holding a person in involuntary servitude through force or coercion, obtaining labor through unlawful force and coercion, and harboring an illegal alien.

"The young victim in this case was subject to inhumane conditions that included both physical and verbal abuse," said U.S. Attorney Debra Wong Yang of the Central District of California. "As a result of recent changes in federal law, she has been granted a visa that will allow her to stay and, hopefully, prosper, in the United States. I hope this brings some recompense to a victim who was force to work every day for as long as 16 hours."

The victim began working for Ibrahim and Motelib as a domestic servant in Egypt in 1999. The couple then moved to the United States and arranged to have the victim brought to the country in 200 with the expectation that she would work for them as a nanny and housekeeper. The victim's passport was confiscated by the defendants after her arrival. She received no compensation for her labor and served the couple and their family for 20 months.

Ibrahim and Motelib forced the victim to work through a number of unlawful means, including threats, and physical and verbal abuse. The defendants slapped the victim on at least one occasion, and told the girl that she would be arrested and taken away if she was caught by the police outside the family's home.

"This young victim was robbed of something intensely precious – her youth," said Assistant Attorney General Wan J. Kim of the Civil Rights Division. "The Civil Rights Division is strongly committed to ending the heinous crime of human trafficking. Innocent victims, such as the young girl in this case, deserve the freedom and opportunity that America offers. They deserve the right to seek the American Dream."

The case against Ibrahim and Motelib is the first case brought under the purview of the Orange County Human Trafficking Task Force. U.S. Immigration and Customs Enforcement and the Irvine Police Department conducted the investigation. The case was prosecuted by the United States Attorney's Office for the Central District of California and the Civil Rights Division of the Department of Justice.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 24, 2006 9:55 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 24, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, October 24, 2006

ATTORNEY GENERAL

7:20 A.M. EDT Attorney General Alberto R. Gonzales held a joint press conference with the Attorney General of Spain, Cándido Conde-Pumpido.
Ministry of Justice
Madrid, Spain
OPEN PRESS

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

No scheduled events or hearings.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169828

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Image not available for this document, ID: 0.7.10316.22324-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 24, 2006 3:12 PM
To: USDOJ- Office of Public Affairs
Subject: TWO OFFICERS ARE INDICTED, ONE OFFICER PLEADS GUILTY TO CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 24, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

TWO OFFICERS ARE INDICTED, ONE OFFICER PLEADS GUILTY TO CIVIL RIGHTS CHARGES

WASHINGTON – In a federal indictment unsealed today, two former supervisors at the Winston-Choctaw County Regional Correctional Facility (WCCRCF) in Louisville, Miss., were charged with criminal civil rights and obstruction of justice violations. The indictment alleges that the officers assaulted two inmates and shocked one of them with an electric device referred to as a "shock stick" in October 2001. Former Deputy Warden Scotty L. Graham and former Captain David G. Mitchell are charged in the indictment with assaulting an inmate and violating his civil rights; with conspiring to obstruct justice; and with obstructing justice by providing false statements about the assault. The indictment also charges defendant Mitchell with a second civil rights violation for assaulting another inmate on the same date. If convicted, the defendants face maximum penalties of 10 years in prison on each of the civil rights and obstruction charges, and five years in prison on the conspiracy charge.

In a related case, former WCCRCF Officer Marcus Coleman pleaded guilty to a felony civil rights violation for assaulting and shocking an inmate in October 2001. During a hearing before U.S. District Judge Michael Mills on September 28, 2006, Coleman admitted that he and defendant Mitchell assaulted the inmate and that defendant Graham encouraged them to continue the assault in a location where there would not be any witnesses. Coleman has agreed to cooperate with the government's prosecution of the other defendants. Coleman faces a maximum penalty of 10 years in prison for the civil rights offence.

An indictment is merely an accusation, and defendants are presumed innocent unless proven guilty.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. Since fiscal year 2001, the Department of Justice has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

This case was investigated by the Oxford Division of the Federal Bureau of Investigation, and is being prosecuted by Civil Rights Division Trial Attorneys Jeff Blumberg and Ed Caspar.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 24, 2006 3:56 PM
To: USDOJ- Office of Public Affairs
Subject: LOUISIANA MAN PLEADS GUILTY FOR FEMA HOTEL ASSISTANCE FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 24, 2006
WWW.USDOJ.GOV/USAO/MSS/

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

LOUISIANA MAN PLEADS GUILTY FOR FEMA HOTEL ASSISTANCE FRAUD

JACKSON, Miss. – Derrick Shane Miller of New Orleans pleaded guilty to one count of mail fraud in connection with a scheme to defraud the Federal Emergency Management Agency (FEMA) in its Hotel Assistance program, U.S. Attorney Dunn Lampton of the Southern District of Mississippi and Special Agent in Charge John Raucci of the FBI announced today. Miller admitted using his FEMA registration number to obtain multiple hotel rooms at nine different hotels in Jackson, Miss. from Oct. 28, 2005, through March 31, 2006. As a part of his plea, Miller admitted he rented the rooms to others for cash as part of his scheme to defraud FEMA. In total, Miller defrauded FEMA of $27,811.

Miller was indicted on June 6, 2006, as a result of a joint investigation conducted by the FBI and Mississippi Bureau of Narcotics with assistance provided by the Hinds County Sheriff's Office. Miller was taken into custody by the FBI in New Orleans on June 8, 2006. Miller faces a maximum penalty of 20 years in prison and a $250,000 fine.

"The Katrina Fraud Task Force is an unprecedented law enforcement effort which is aggressively pursuing all complaints of fraud in the wake of Katrina," U.S. Attorney Lampton said. "This case represents another example of the cooperative law enforcement effort in place to detect and apprehend those who have committed fraud. If you commit fraud and are caught, you will be prosecuted."

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division includes members from the FBI, the Federal Trade Commission, the U.S. Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who file false and fraudulent claims.

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If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 24, 2006 5:03 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER CFO OF COMVERSE TECHNOLOGY INC. PLEADS GUILTY TO SECURITIES FRAUD CHARGES

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 24, 2006
www.usdoj.gov/usao/nye

CONTACT: ROBERT NARDOZA
PHONE: (718) 254-6323
FAX: (718) 254-6479

FORMER CFO OF COMVERSE TECHNOLOGY INC. PLEADS GUILTY TO SECURITIES FRAUD CHARGES

BROOKLYN, N.Y. – David Kreinberg, former Chief Financial Officer of Comverse Technology Inc., waived indictment and pleaded guilty to a two-count felony information charging one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud. The plea was announced by U.S. Attorney Roslynn R. Mauskopf of the Eastern District of New York, and Assistant Director-in-Charge Mark J. Mershon of the FBI's New York Field Office. The charges stem from the stock options backdating and slush fund schemes at Comverse from 1998 to 2006.

The conspiracy charge carries a maximum sentence of five years in prison and a fine of up to $250,000. The securities fraud charge carries a maximum sentence of 10 years in prison and a fine of up to $1 million. The charges also require restitution in an amount to be determined by the court at sentencing, currently estimated at $51 million.

Separately, the Securities and Exchange Commission settled its civil charges against Kreinberg under an agreement that provides for a permanent injunction enjoining him from violating

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or aiding and abetting violations of the antifraud, reporting, record-keeping, internal-controls, false-statements-to auditors, Sarbanes-Oxley certification, and ownership-reporting provisions of the federal securities laws; a permanent officer-and-director bar; the payment of over $2.3 million in disgorgement and prejudgment interest; and a permanent suspension from appearing or practicing before the Commission as an accountant.

The case is being prosecuted by Assistant U.S. Attorneys Ilene Jaroslaw, Linda Lacewell, Sean Casey and Kathleen Nandan of the Eastern District of New York.

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Image not available for this document, ID: 0.7.10316.22167-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 24, 2006 5:11 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES ALLEGATIONS OF DISABILITY DISCRIMINATION AGAINST CITY OF SARALAND, ALABAMA

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 24, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES ALLEGATIONS OF DISABILITY DISCRIMINATION AGAINST CITY OF SARALAND, ALABAMA

WASHINGTON – The Justice Department today settled a lawsuit against the city of Saraland, Ala., alleging housing discrimination against individuals with disabilities.

The government's complaint alleged that the city violated the federal Fair Housing Act when it refused, for explicitly discriminatory reasons, to allow the Lewis Community Care Facility Inc. to open a home for ten mentally disabled adults in a residential neighborhood of the city. These residents were to be screened and referred by the Mobile Mental Health Center and were to share living space and common facilities in a home staffed 24 hours per day and regulated by the state of Alabama.

"Today's settlement sends a clear message that the rights of persons with disabilities will be vigorously protected in accordance with federal law," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "All Americans, regardless of disability, have a right to fair housing in their communities."

"It is important for the people of Alabama to know that the civil rights of all our citizens will be protected by the United States Department of Justice, particularly when, as in this case, those individuals are among our most vulnerable," said Deborah J. Rhodes, U.S. Attorney for the Southern District of Alabama.

The settlement order, which must be approved by the U.S. District Court for the Southern District of Alabama, resolves the government's case as well as a consolidated lawsuit filed by the Fair Housing Center of Alabama on behalf of Lewis Community Care and its owners, Shannon and Orin Lewis. Under the settlement, the city has agreed to allow the Lewises to operate their home as planned, and to pay $65,000 in damages and attorneys fees to the Lewises and a civil penalty of $7,000 to the government. The settlement also mandates that certain city employees undergo training on the requirements of the Fair Housing Act, and that the city maintain records relating to future proposals for housing for disabled persons and submit periodic reports to the Justice Department.

The case began when the Lewises filed a complaint with the Department of Housing and Urban Development (HUD). HUD referred the complaint to the Justice Department, which conducted an investigation and filed suit in May 2005.

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The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 212 cases to enforce the Fair Housing Act, including 97 based on disability discrimination. More information about the Civil Rights Division and the laws it enforces can be found at http://www.usdoj.gov/crt.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, October 25, 2006 9:45 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 25, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, October 25, 2006

ATTORNEY GENERAL

11:00 A.M. EDT Attorney General Alberto R. Gonzales will deliver a speech entitled, "*The Rule of Law in the War on Terror*" to the German Marshall Fund.
Atrium
Deutsche Bank
Unter den Linden 13-15
Berlin, Germany
OPEN PRESS

Press inquiries regarding logistics should be directed to Andrew Beach at (202) 353-5929.

PRESS RELEASES

The Tax Division will issue a release on a tax-fraud matter. (Miller)

EVENTS/HEARINGS

No scheduled events or hearings.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169847

Image not available for this document, ID: 0.7.10316.22158-000001

Image not available for this document, ID: 0.7.10316.22158-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 26, 2006 9:48 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 26, 2006

Department of Justice

PRESS GUIDANCE
Thursday, October 26, 2006

ATTORNEY GENERAL

7:30 A.M. EDT Attorney General Alberto R. Gonzales delivered opening remarks at the Cyber Crime Conference with the Minister of Justice of the Netherlands Ernst Hirsch Ballin.
Crown Plaza Hotel
Hague, Netherlands
OPEN PRESS (Only for Attorney General's portion of the program)

PRESS RELEASES

The Civil Division will issue a release. (Miller)

The Environment and Natural Resources Division will issue a release on a settlement matter. (Magnuson)

EVENTS/HEARINGS

11:15 A.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in St. Louis.
FBI Joint Operations Center
2222 Market Street
St. Louis, Missouri
OPEN PRESS

Press inquiries regarding logistics should be directed to Pete Krusing at (314) 231-4324.

3:30 P.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Oklahoma City.
3301 West Memorial Road
Oklahoma City, Oklahoma
OPEN PRESS

Press inquiries regarding logistics should be directed to Gary Johnson at (405) 290-7770.

DOJ_NMG_ 0169850

6:30 P.M. EDT Solicitor General Paul D. Clement will give the keynote speech at the American Bar Association Administrative Law Section Dinner.
Crystal Room
Willard Intercontinental Hotel
1401 Pennsylvania Ave.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Gail Alexander-Wise of the American Bar Association at (202) 662-1095.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.22118-000001

Image not available for this document, ID: 0.7.10316.22118-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 26, 2006 1:57 PM
To: USDOJ- Office of Public Affairs
Subject: $13.9 MILLION CLEAN AIR ACT SETTLEMENT WITH MULTINATIONAL SOYBEAN AND CORN PROCESSOR SECURES MAJOR POLLUTION REDUCTIONS IN EIGHT STATES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 26, 2006
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

$13.9 MILLION CLEAN AIR ACT SETTLEMENT WITH MULTINATIONAL SOYBEAN AND CORN PROCESSOR SECURES MAJOR POLLUTION REDUCTIONS IN EIGHT STATES

Settlement Expected to Eliminate More than 2,200 Tons of Harmful Emissions Annually

WASHINGTON – A multi-state Clean Air Act (CAA) settlement, reached today with oilseed processor Bunge North America Inc. and three of its subsidiaries, will eliminate more than 2,200 tons of harmful pollution emissions per year when fully implemented. The $13.9 million settlement covers 12 plants in eight states, each of which has joined the United States as a co-plaintiff.

The settlement covers eleven soybean processing plants – in Decatur, Ala.; Marks, Miss.; Destrehan, La.; Emporia, Kan.; Council Bluffs, Iowa; Delphos, Ohio; Marion, Ohio; Decatur, Ind.; Morristown, Ind.; Cairo, Ill.; and Danville, Ill. – as well as a corn dry mill extraction plant also located in Danville, Ill. The U.S. alleges that at some or all of these 12 plants, Bunge or a subsidiary violated the CAA by constructing major modifications that increased emissions without obtaining pre-construction permits and without complying with applicable standards of performance for new air pollution sources.

The settlement, which follows other settlements with oilseed processors, including Cargill Inc. and Archer Daniels Midland Co. (ADM), will continue the imposition of lower emission standards on soybean processing plants and will also require other pollution reduction projects, including piloting of a new technology to reduce harmful emissions from coal-burning boilers. When fully implemented, the settlement will eliminate more than 2,200 tons per year of harmful emissions of smog-forming volatile organic compounds (VOCs), nitrogen oxides (NO_x), sulfur dioxide (SO_2) and particulate matter (PM).

"This settlement will result in healthier air in the eleven airsheds where the plants are located. Eliminating over 1,000 tons of emissions of volatile organic compounds, for example, will reduce the formation of ground-level ozone, a pollutant that irritates the lungs and exacerbates diseases such as asthma," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "We remain committed to working with EPA and the states to bring companies and industries into compliance with the laws that protect public health and our environment."

"Agricultural processing facilities can be major sources of air pollution and this settlement secures permanent and substantial emission reductions for citizens in the affected states," said Granta Y. Nakayama,

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EPA's Assistant Administrator for the Office of Enforcement and Compliance Assurance. "This agreement is evidence of the Bush
Administration's continuing commitment to ensuring compliance with the Clean Air Act. EPA expects companies to act responsibly and within the law when it comes to protecting public health and the environment."

Bunge, a multi-state agribusiness based in St. Louis, is the North American operating arm of multinational corporation Bunge Limited, and a leading oilseed processor, corn dry miller, and U.S. exporter of soybeans and soybean-derived products. To extract oil from soybeans or corn, Bunge and its subsidiaries use volatile organic solvents. Emissions of VOCs result because some of the solvent escapes to the atmosphere. NO_x, SO_2 and PM are emitted when fuel is burned to provide heat for the process; additional PM is emitted by handling and preparation of the soybeans or corn.

Once fully implemented, the settlement will cause Bunge and its subsidiaries to reduce their emissions of harmful air pollutants as follows:

- Using engineering approaches appropriate for each plant, the twelve plants' emissions of VOCs, including n-hexane, which is a listed hazardous air pollutant, will be reduced by 1,122 tons per year (tpy).

- A host of pollution control projects at the plants, including the innovative technology pilot, will reduce emissions of SO_2 by 574 tpy, of NO_x by 278 tpy, and of PM by 258 tpy.

The emission reduction projects will cost an estimated $12 million. Bunge will also pay a $625,000 civil penalty, which will be divided among the federal government and the eight states. In addition, Bunge will spend more than $1.25 million to implement supplemental environmental projects which go beyond mere compliance to achieve additional environmental benefits. The supplemental projects, which were selected by and will be supervised by the eight states, include removal of mercury, lead or asbestos from schools in Louisiana, providing hazardous materials response equipment and training in Illinois and Mississippi, providing environmental education in Kansas, abatement of residential lead contamination in Illinois, and retrofitting diesel school buses or other diesel vehicles in Indiana, Ohio, Kansas, Iowa and Alabama.

The Department of Justice lodged the consent decree today in the U.S. District Court for the Central District of Illinois in Urbana in the judicial district and division where the Danville plants are located. The consent decree will be subject to a 30-day public comment period and subsequent judicial approval. It is available on the Justice Department website at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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06-727

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Image not available for this document, ID: 0.7.10316.22107-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 26, 2006 3:11 PM
To: USDOJ- Office of Public Affairs
Subject: BIOPHARMACEUTICAL FIRM INTERMUNE T0 PAY U.S. OVER $36 MILLION FOR ILLEGAL PROMOTION AND MARKETING OF DRUG ACTIMMUNE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 26, 2006
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

BIOPHARMACEUTICAL FIRM INTERMUNE T0 PAY U.S. OVER $36 MILLION FOR ILLEGAL PROMOTION AND MARKETING OF DRUG ACTIMMUNE

WASHINGTON – InterMune, Inc, a Brisbane, Cal., biopharmaceutical company, has agreed to pay the United States more than $36.9 million to resolve criminal charges and civil liabilities in connection with its alleged illegal promotion and marketing of Actimmune, the Justice Department announced today.

Today's settlement resolves allegations that InterMune knowingly caused the submission of false and fraudulent claims for Actimmune that were not eligible for reimbursement because they were for unnecessary and/or off label uses. InterMune will pay $30.2 million for losses suffered by the federal portion of the Medicaid program, the Medicare Program, the Veteran's Administration, the Department of Defense and the Federal Employees Health Benefits program. Under separate civil settlement agreements with the states, the company will also pay nearly $6.7 million to state Medicaid programs.

"It is vital to public health and safety that pharmaceutical companies are deterred from improperly marketing their drugs to doctors and patients to treat illnesses that these drugs are not approved to treat," said Assistant Attorney General Peter D. Keisler. "Today's settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices."

The criminal investigation will be resolved by the filing of an information against InterMune and the company's entry into a deferred prosecution agreement (DPA) with the United States. InterMune is charged with one count of violating the Food, Drug, and Cosmetic Act (FDCA) by promoting, with intent to defraud or mislead, its drug Actimmune for the treatment of idiopathic pulmonary fibrosis (IPF) or lung scarring, a condition for which Actimmune has not been approved by the Food and Drug Administration (FDA). It is further alleged that InterMune acted with an intent to defraud or mislead, thereby elevating the charge to a felony violation of the FDCA. Under the terms of the DPA, the Justice Department agrees to recommend to the court that prosecution of InterMune be deferred for a period of two years, contingent upon the company's past

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and future cooperation in the investigation as well as on its continued efforts to implement comprehensive changes to its compliance policies.

"This office has zero tolerance for fraud against the Medicare program. Given the high concentration of health care and biotech in the Northern District, prosecuting fraud in this industry is one of my highest priorities and we must zealously protect the Medicare Trust Fund against fraud," said Kevin V. Ryan, United States Attorney for the Northern District of California.

Actimmune was approved by the FDA for the treatment of chronic granulomatous disease (disorders of the immune system that are caused by defects in the immune system cells) and severe, malignant osteopetrosis (disease resulting in increased susceptibility to infection and an overgrowth of bony structures that may lead to blindness and/or deafness). However, the vast majority of Actimmune sales during the period of August 2002 through January 2003 were attributable to prescriptions for the treatment of IPF for which there is no FDA-approved treatment.

As further stated in the DPA, from 2000 to 2002, InterMune, Inc. conducted a clinical trial of Actimmune for the treatment of IPF. The trial failed to establish statistically significant evidence of benefit for either the primary or any of the secondary endpoints. Nevertheless, a company press release distributed in August 2002 characterized the clinical trial results as indicating that "Actimmune may extend the lives of patients suffering from this debilitating disease" and further stated that "Actimmune is the only available treatment demonstrated to have clinical benefit in IPF, with improved survival data in two controlled clinical trials."

In addition to the other components of the settlement, InterMune agreed to enter a five-year Corporate Integrity Agreement with the Office of Inspector General for the Department of Health and Human Services.

The two-year investigation was conducted by the Federal Bureau of Investigation; the Food and Drug Administration's Office of Criminal Investigations; the Department of Health and Human Services' Office of Inspector General, Office of Investigations; the Veterans Administration's Office of Investigations; and the Office of Personnel Management's Office of Investigations. The investigation and resolution were handled by attorneys from the Justice Department's Civil Division and the U.S. Attorney's Office for the Northern District of California, as well as the FDA Office of General Counsel.

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Image not available for this document, ID: 0.7.10316.21937-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, October 26, 2006 6:18 PM
To: USDOJ- Office of Public Affairs
Subject: OHIO MAN PLEADS GUILTY TO CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 26, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

OHIO MAN PLEADS GUILTY TO CIVIL RIGHTS CHARGES

WASHINGTON – An Ohio man, David Fredericy, pleaded guilty today to conspiring to commit and for committing hate crimes targeting African-American residents of Cleveland. Specifically, Fredericy, who has been charged along with another individual, Cleveland resident, Joseph Kuzlik, pleaded guilty to conspiracy and interference with federally protected housing rights because of race. He also pleaded guilty to making false statements to federal investigators.

The indictment in this case alleges that Fredericy and Kuzlik engaged in a series of acts intended to threaten and intimidate African-American residents in their neighborhood. The indictment charges, among other acts, that the defendants placed a toxic substance, mercury, on the porch of an inter-racial family with children. As part of his guilty plea, Fredericy admitted that he did so for the purpose of intimidating them because they were an inter-racial family. Fredericy also admitted to lying to federal investigators from the Environmental Protection Agency (EPA), the federal agency that was initially charged with cleaning up the mercury and investigating the incident, for the purpose of keeping his unlawful actions secret.

"Exposing individuals, particularly vulnerable young children, to toxic chemicals because of their race is a despicable form of intolerance," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "This case demonstrates the depravity of racial prejudice. The Department of Justice is committed to preventing and vigorously prosecuting these types of crimes."

U.S. Attorney Gregory White said this of today's guilty plea, "Today's guilty plea is the result of a joint effort by the FBI, the Cleveland Police Department, and the EPA, and demonstrates the commitment of both state and federal law enforcement authorities to protecting every citizen's basic right to live in and enjoy his or her own home without fear of racial intimidation."

The maximum potential penalties for conviction on the conspiracy and civil rights charges are 10 years in prison, a $250,000 fine, and three years of supervised release following any period of incarceration, per count. The maximum term of imprisonment for the false statements charge is five years. A sentencing hearing has not yet been scheduled.

The case is being prosecuted by Assistant U.S. Attorney Ann C. Rowland and Trial Attorney Kristy L. Parker of the Civil Rights Division.

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An indictment is merely an accusation and the defendants are presumed innocent unless proven guilty. All defendants have the right to have their guilt or innocence determined by a jury of their peers following a trial. A guilty plea by one defendant in no way affects the ability of another defendant to exercise his right to a jury trial or the presumption of innocence.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 161 defendants in 102 cases of bias-motivated crimes.

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Image not available for this document, ID: 0.7.10316.21927-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 1

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 27, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 1

Session to be Held in Washington to Focus on Tying

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Nov. 1, 2006, in Washington. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panel on Nov. 1 will explore tying arrangements. The session will be held at the FTC Headquarters Building, 600 Pennsylvania Avenue, N.W., Washington, D.C., Room 432.

Further information is provided below:

Tying (9:30 A.M. to 1:00 P.M.):

David Evans is a visiting professor, faculty of laws, at University College London and vice chairman of LECG Europe.

Robin Cooper Feldman is an associate professor of law at Hastings College of the Law, University of California.

Mark Popofsky is an adjunct professor at Georgetown University Law Center and a partner at Kaye Scholer LLP.

Donald J. Russell is a partner at Robbins, Russell, Englert, Orseck, & Untereiner LLP.

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Michael Waldman is the Charles H. Dyson professor of management and a professor of economics at Cornell University.

Robert D. Willig is a professor of economics and public affairs at Princeton University's Woodrow Wilson School, a director of Competition Policy Associates Inc., and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 10:18 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 27, 2006

Department of Justice

PRESS GUIDANCE
Friday, October 27, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Criminal Division will issue a release on the sentencing of David Safavian. (Sierra)

The Antitrust Division will issue a release on Section II Hearings. (Talamona)

EVENTS/HEARINGS

10:00 A.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in San Antonio.
615 East Houston Street
San Antonio, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to Eric Vasys at (210) 225-6741.

3:35 P.M. CDT FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Dallas.
One Justice Way
Dallas, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to Lori Bailey at (972) 559-5000.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007

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After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 3:18 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL JURY CONVICTS NASHVILLE MAN ON CHILD PORNOGRAPHY OFFENSES INVOLVING MULTIPLE COMMERCIAL WEBSITES

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 27, 2006
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(202) 514-2008
TDD (202) 514-1888

FEDERAL JURY CONVICTS NASHVILLE MAN ON CHILD PORNOGRAPHY OFFENSES INVOLVING MULTIPLE COMMERCIAL WEBSITES

WASHINGTON – A Nashville, Tenn., man has been convicted by a federal jury of 11 child pornography-related offenses for the operation of several Web sites that depicted adolescent boys engaging in sexually explicit activity, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Craig S. Morford of the Middle District of Tennessee announced today.

The federal jury in Nashville returned the guilty verdicts late Thursday against Timothy Ryan Richards, 25, after a two-and-a-half week trial. He was convicted of offenses including distribution and conspiracy to distribute, advertising, production and possession of child pornography, as well as violating the record-keeping requirements associated with the distribution of sexually explicit material. Richards faces a mandatory minimum sentence of 15 years in prison on four of the convictions. Sentencing is scheduled for Jan. 26, 2007.

The investigation of Richards began in September 2005 when federal warrants were issued to search the content of computer servers in Freemont, Calif., and Los Angeles. Agents believed that these servers contained child pornography Web sites associated with then 19-year-old Justin Berry, who had come forward to cooperate with federal authorities in the investigation of the child pornography Web site Justinsfriends.com. Richards was identified as the operator of Justinsfriends as well as several other child pornography Web sites.

"We are pleased that the jury recognized the serious nature of Richards' crimes," said Assistant Attorney General Fisher. "The Department of Justice places a high priority on protecting our children from sexual predators and child pornographers. This verdict is a significant step in our efforts to combat the exploitation of our children."

"I have always believed that a society can have no greater priority than promoting the safety of its most vulnerable members, especially its children," said U.S. Attorney Morford. "That is why this case and this verdict was so significant."

Testimony at trial proved that up until the time of his arrest on Sept. 22, 2005, Richards ran several Web sites depicting adolescent boys engaged in sexually explicit activity. These Web sites included

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www.CaseyandKylesCondo.com, www.CaseysCondo.com, www.PenisClub.com, and www.JustinsFriends.net. The defendant himself created three of those Web sites and took over Justinsfriends in the summer of 2005.

To provide material for the various Web sites, Richards engaged in a sexual relationship with one of the victims when that boy was 14 years old. The defendant filmed and took pictures of himself engaged in sexually explicit conduct with that boy numerous times over four years. The defendant also traveled with that minor into foreign countries, including Australia and Iceland, where he again filmed and photographed sexually explicit activity.

As part of his operation of these commercial child pornography Web sites, the defendant advertised among his sites and others and set up elaborate affiliate marketing programs in which he rewarded others for generating new customers.

At the time of his arrest in September 2005, the defendant was living with a 13-year-old boy. Richards is also under indictment and awaiting trial on one count of distributing obscene materials to that minor.

This case was investigated by the Federal Bureau of Investigation, supported by the FBI's Innocent Images Unit and the Computer and Analysis Recovery Team, The Tennessee Bureau of Investigation, the Department of Justice Child Exploitation and Obscenity Section's High Tech Forensic Investigative Unit, and U.S. Immigration and Customs Enforcement. The case was prosecuted by Assistant U.S. Attorney S. Carran Daughtrey of the U.S. Attorney's Office of the Middle District of Tennessee and trial attorney Kayla Bakshi of the Child Exploitation and Obscenity Section.

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Image not available for this document, ID: 0.7.10316.21848-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 3:44 PM
To: USDOJ- Office of Public Affairs
Subject: NEW YORK MAN ENTERS GUILTY PLEA TO OPERATING AN INTERSTATE ORGANIZATION USING CHILDREN FOR PROSTITUTION

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 27, 2006
WWW.USDOJ.GOV

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(202) 514-2008
TDD (202) 514-1888

NEW YORK MAN ENTERS GUILTY PLEA TO OPERATING AN INTERSTATE ORGANIZATION USING CHILDREN FOR PROSTITUTION

WASHINGTON – A New York City man who led an interstate prostitution enterprise including recruiting and prostituting minor girls in several U.S. cites pleaded guilty today in federal court, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Christopher J. Christie of the District of New Jersey announced today.

Matthew D. Thompkins, a.k.a. "Knowledge," 38, of the Bronx, N.Y. entered his guilty plea today before U.S. District Judge Freda L. Wolfson in U.S. District Court in Trenton, N.J., to conspiracy to transport minors to engage in prostitution and conspiracy to engage in money laundering. In pleading guilty, Thompkins agreed to forfeit $748,243 in funds, three New York properties, one New Jersey property and eight vehicles all of which were derived from or used in the prostitution enterprise.

According to the plea agreement and hearing testimony, Thompkins organized and managed a prostitution ring operating from at least as early as 1999 and continuing until December of 2005 in various U.S. cities, including Atlantic City, N.J.; New York City (including Manhattan and Hunts Point in the Bronx); Las Vegas; Boston; and Miami. Other members of the conspiracy, including Melissa Ramlakhan, Anna Argyroudis, Emily Collins-Koslosky, Jacqueline Collins-Koslosky, and Kemyra Jemerson, would recruit and transport young girls to and from various cities in order to have them work as prostitutes for him. At Thompkins' direction, members of the conspiracy would also hide the proceeds of the illegal prostitution enterprise by converting the proceeds into U.S. postal and Western Union money orders in amounts under the legal reporting requirement of $3,000. To date, over $800,000 in U.S. postal and Western Union money orders have been identified as having been purchased and used by members of the conspiracy.

To date, Ramlakhan, Argyroudis, Emily and Jacqueline Collins-Koslosky, and Jemerson as well as another pimp involved in the conspiracy, Demetrius Lemus, have all pleaded guilty and are awaiting sentencing.

Thompkins faces a mandatory minimum of five years in prison to a maximum of 30 years and a $250,000 fine for conspiring to transport minors. He also faces up to 20 years in prison and the greater of a 250,000 fine or twice the gross amount of any pecuniary gain or twice the amount of any pecuniary loss

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suffered by the victims for conspiring to commit money laundering. Sentencing is currently scheduled for March 2, 2007.

The case is part of the "Innocence Lost" initiative, a cooperative effort to prevent and prosecute cases involving child prostitution between the Federal Bureau of Investigation, the Criminal Division's Child Exploitation and Obscenity Section and the National Center for Missing and Exploited Children. To date, the Innocence Lost Initiative has resulted in 252 open investigations, 614 arrests, 96 complaints, 142 informations or indictments, and 106 convictions in both the federal and state systems.

The case was investigated by Special Agent Daniel Garrabrant of the FBI and Special Agent Tara Nevrincean of the U.S. Postal Service, Office of Inspector General and is being prosecuted by Trial Attorney Sherri A. Stephan of the Child Exploitation and Obscenity Section and Assistant U.S. Attorney Jason Richardson of the District of New Jersey in Camden.

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER GSA CHIEF OF STAFF DAVID SAFAVIAN SENTENCED TO 18 MONTHS IN PRISON ON CHARGES OF OBSTRUCTION, MAKING FALSE STATEMENTS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 27, 2006
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(202) 514-2008
TDD (202) 514-1888

FORMER GSA CHIEF OF STAFF DAVID SAFAVIAN SENTENCED TO 18 MONTHS IN PRISON ON CHARGES OF OBSTRUCTION, MAKING FALSE STATEMENTS

WASHINGTON – Former General Services Administration (GSA) Chief of Staff David H. Safavian was sentenced to 18 months in prison on charges of obstructing a GSA proceeding and making false statements, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Safavian was sentenced today by U.S. District Court Judge Paul Friedman of the District of Columbia. A jury convicted Safavian on June 20, 2006, of four charges stemming from an October 2005 indictment, finding that from May 16, 2002 until January 2004, Safavian made false statements and obstructed investigations into his relationship with former Washington lobbyist Jack Abramoff. The investigations focused on whether Safavian, the chief of staff at the GSA from May 2002 until January 2004, aided Abramoff in his attempts to acquire GSA-controlled property in and around Washington, D.C. In August 2002, Abramoff took Safavian and others on a golf trip to Scotland. From November 2004 until September 2005, Safavian had served as the administrator for the Office of Federal Procurement Policy at the Office of Management and Budget.

The jury heard evidence at trial that Safavian made a false statement to a GSA ethics officer claiming that Abramoff had no business with GSA at the time Safavian was planning to travel with the lobbyist to Scotland. He repeated similar statements to a GSA Office of Inspector General special agent and to investigators from the U.S. Senate Committee on Indian Affairs, again concealing the fact that Abramoff had business before the GSA prior to the August 2002 golf trip and that Safavian was aiding Abramoff in his attempts to do business with GSA.

The case was prosecuted by trial attorneys Peter R. Zeidenberg of the Public Integrity Section and Nathaniel B. Edmonds of the Fraud Section, both part of the Criminal Division at the Department of Justice. The case and the ongoing investigation are being led by special agents of the Federal Bureau of Investigation, the GSA Office of Inspector General, the Department of the Interior Office of Inspector General, and the Internal Revenue Service, Criminal Investigation Division.

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From: USDOJ- Office of Public Affairs
Sent: Friday, October 27, 2006 6:14 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 30 – NOVEMBER 3, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, OCTOBER 27, 2006
WWW.USDOJ.GOV

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(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR OCTOBER 30 – NOVEMBER 3, 2006

Monday, October 30

Events TBD

Tuesday, October 31

Events TBD

Wednesday, November 1

Events TBD

Thursday, November 2

2:00 A.M. EST Thomas O. Barnett, Assistant Attorney General for the Antitrust Division, will deliver remarks on the subject of *Spurring Innovation Through Efficient Antitrust Enforcement* at Yonsei University.
Yonsei University
Seoul, South Korea
OPEN PRESS

Press inquiries regarding logistics should be directed to Gina Talamona at 202-514-2007.

11:50 A.M. CST FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Springfield, Ill.
900 East Linton Avenue

Springfield, Illinois
OPEN PRESS

Press inquiries regarding logistics should be directed to Marshall Stone at 217-757-3528.

2:00 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks at the Criminal Division Awards Ceremony.
Department of Justice
Great Hall
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

4:45 P.M. CST FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Indianapolis.
575 North Pennsylvania Street
Indianapolis, Indiana
OPEN PRESS

Press inquiries regarding logistics should be directed to Wendy Osborne at 317-321-6170.

Friday, November 3

Events TBD

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From: USDOJ- Office of Public Affairs
Sent: Monday, October 30, 2006 9:44 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 30, 2006

Department of Justice

PRESS GUIDANCE
Monday, October 30, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.21539-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 30, 2006 11:01 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT WILL NOT OPPOSE PROPOSAL BY STANDARD-SETTING ORGANIZATION ON DISCLOSURE AND LICENSING OF PATENTS

A PDF of the letter is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 30, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT WILL NOT OPPOSE PROPOSAL BY STANDARD-SETTING ORGANIZATION ON DISCLOSURE AND LICENSING OF PATENTS

WASHINGTON — The Department of Justice announced today that it will not oppose a proposal by the VMEbus International Trade Association (VITA) to implement a policy on the disclosure and licensing of patents. The policy requires the disclosure of essential patents, commitments to license essential patent claims on fair, reasonable, and non-discriminatory terms, and declarations of the most restrictive licensing terms that patent holders will require. The Department said that the proposed policy will enable VITA to make better informed decisions and thereby formulate standards that will benefit consumers.

The Department's position was stated in a business review letter from Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for VITA and its standards development subcommittee, VITA Standards Organization (VSO). VSO is a non-profit organization that develops and promotes standards for VMEbus computer architecture, i.e., robust pathways through which information travels within a computer system. VMEbus systems are found in a wide range of products, including ultrasound and magnetic resonance imaging machines, semiconductor manufacturing equipment, industrial control equipment, and advanced avionics and radar systems.

VITA requested a business review letter from the Antitrust Division expressing its enforcement intentions regarding a proposed patent policy that will impose two requirements on holders of essential patents who participate in VSO standard-setting activities. First, the policy requires that patent holders make early disclosures of patents and patent applications that may be essential to implementing VITA standards once they are adopted. Second, the policy requires that patent holders declare the maximum royalty rate and most restrictive non-price licensing terms they will require from those who must take a patent license in order to implement the eventual VITA standard. These declarations are irrevocable, but patent holders may submit subsequent declarations with less restrictive licensing terms.

DOJ_NMG_ 0169892

Barnett said in the letter that the proposed licensing policy "should preserve, not restrict, competition among patent holders." Requiring the disclosure of a patent holder's most restrictive licensing terms increases competition by enabling VSO to choose between technologies based not only on technical terms, but also licensing terms.

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, Suite 215, Liberty Place, 325 7th Street, N.W., Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure, 28 C.F.R. § 50.6.

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06-734

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DEPARTMENT OF JUSTICE
Antitrust Division

THOMAS O. BARNETT
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October 30, 2006

FACSIMILE TRANSMITTAL

Robert A. Skitol, Esq.
Drinker, Biddle & Reath, LLP
1500 K Street, N.W.
Suite 1100
Washington, D.C. 20005-1209

Dear Mr. Skitol:

This letter responds to your request on behalf of VITA, an international trade association, and its standards development subcommittee, VSO, for a business review letter from the Department of Justice pursuant to our Business Review Procedure, 28 C.F.R. § 50.6. You have requested a statement of the Department's antitrust enforcement intentions with respect to a proposed patent policy designed to ensure that participants in the VSO standard-setting process disclose patents that are essential to implement a new standard and declare the most restrictive licensing terms that will be required to license any such patents.

I. VITA and VSO

VITA is a non-profit standards development organization ("SDO") accredited by the American National Standards Institute ("ANSI"). VITA is comprised of developers, vendors, and users of real-time modular embedded computing systems originally based on the VMEbus computer architecture.[1] This architecture enables engineers to design application-specific

[1] A bus is generally defined as a data path within a computer system. VME stands for VERSAmodule Eurocard, a bus system first developed in 1981 that "would be microprocessor independent, easily upgraded from 16 to 32-bit data paths, implement a reliable mechanical standard and allow independent inventors to build compatible products." VITA, VME Technology FAQ,

computer systems that can be embedded in a wide range of high-performance and mission critical systems such as ultrasound and magnetic resonance imaging machines, semiconductor manufacturing equipment, and industrial control equipment. Since the mid 1990s, VME-based computers have also been increasingly embedded in the advanced avionics and radar systems of space exploration and weapons systems. In such applications, the components must be rugged enough to survive and operate under harsh environmental conditions.

The VME architecture is essentially a standard set of physical plugs that allow the various components of a computer to be physically connected together as well as logical protocols that allow the components to communicate with each other. The VME architecture is designed to allow computer engineers to mount a wide variety of components (processors, memory, and peripheral devices) on VME cards. Those cards can then be plugged into a VME backplane to form a VME computer system. Since its founding in 1981, VITA has promoted the development of standardized physical connectors and logical protocols that make such integration possible. It has finalized thirty-two standards and is currently developing twenty-six more. As the industry undergoes a major technology transition from parallel to serial data transport mechanisms, VITA management anticipates that VSO will actively develop many new standards for serial buses.

VITA standards developed by VSO enable competition in the VME industry. Many firms can and do produce VME hardware (cards, chips, backplanes) because the VME architecture is defined in a series of open VITA standards. Embedded systems developers value the flexibility of being able to integrate a variety of components into a single system and they benefit from competition among manufacturers of both the components and the connecting VME hardware. In addition, VITA's standards are backward compatible, meaning that VME systems can be upgraded with the next generation of technology. Without such industry standards, the developers and users of high-performance application-specific computer systems, such as defense contractors and the military, likely would be unable to purchase off-the-shelf products from an array of vendors and instead likely would be locked in to a proprietary system from one supplier, which may not develop upgrades.

The VSO standard-setting process generally begins when a member proposes work on a new standard. If at least two other members are interested, they can form a working group and begin to draft a specification in a series of face-to-face meetings, teleconferences, and electronic communications. When the working group members are satisfied with the draft specification, the draft is published. Then the draft specification can be formally accepted as a VITA specification or an International Electrochemical Commission Industry Technical Agreement (IEC ITA) by the full VITA membership, or it can be approved as an ANSI standard through a

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http://www.vita.com/vmefaq.html#anchor241615 (last visited Oct. 25, 2006). VITA's current standards development activities go beyond just VME technology.

slightly different process.[2] To simplify the terminology used in this discussion, this letter will refer to an adopted VSO draft specification as a VITA standard.

VSO develops standards in an open process and invites all interested parties to participate. VSO also seeks to encourage the success of its standards by ensuring that industry is able to implement the open VME architecture. To facilitate implementation, VITA makes the actual specifications of the VITA standards easily available to interested parties. Sometimes, however, VSO working groups knowingly incorporate patented technologies when drafting specifications even though the owner of such a patent could impose licensing terms that would significantly restrict the use of a standard. VITA believes that incorporating patented technologies into its standards is consistent with its goal of designing an open VME architecture only "if patent holders agree to license their patents on terms that permit the use of those patents in commercially viable products."[3] VSO has tried to achieve this goal by incorporating patented technology only when the patent holder commits to license on reasonable and non-discriminatory ("RAND") terms.[4] Recent experience, however, has led VITA to conclude that the RAND requirement is insufficient to ensure that its standards remain open.

You represent that several firms in the recent past have claimed to have patents that were essential to the implementation of a VITA standard and have demanded royalties that were significantly higher than expected. In two cases, the VITA member patent holders had previously committed to license on RAND terms. In these cases, developing new standards that did not infringe the asserted patent claims was not a viable option because of the significant cost and delays that would result. Instead, VITA persuaded the patent holders not to assert their patents by developing evidence of prior art that would invalidate the patent claims essential to implement the VITA standard. [5] These challenges were costly and delayed adoption of the standards. In another case, according to VITA, a standard was rendered commercially infeasible

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[2] To be approved as an IEC ITA or as a VITA specification, the draft specification is made available to all VSO members. Seventy-five percent of them must vote on the draft and seventy-five percent of the votes must be affirmative. VITA STANDARDS ORG., VSO POLICIES AND PROCEDURES § 7.2.1.1 (rev. 2.0 June 2005), *available at* http://www.vita.com/VOS-pp-draft2do.pdf. To become an ANSI-approved standard, the draft specification must be available for public comment and two-thirds of ANSI qualified votes must approve the draft. VITA STANDARDS ORG., PROCEDURES FOR THE DEVELOPMENT OF AMERICAN NATIONAL STANDARDS WITHIN THE VITA STANDARDS ORGANIZATION §§ 2-4 (drft. 0.4 2005), *available at* http://www.vita.com/VSO-ansi-process-0d4.pdf.

[3] Letter from Robert A. Skitol to Thomas O. Barnett, Assistant Attorney Gen., U.S. Dep't of Justice 2 (June 15, 2006) [hereinafter VITA-VSO Letter].

[4] *Id.*

[5] *Id.* at 2-3.

by the licensing terms demanded by the patent owner.[6]

VITA anticipates that future standards, such as those needed to facilitate the technology transition to serial buses, will likely incorporate more patented technologies. It has decided to revise its patent policy to enable its members to make better informed decisions in developing and adopting standards. VITA believes that this policy will reduce the likelihood of unexpected hold-up by patent owners that can threaten the openness and commercial viability of future VITA standards.

II. The Proposed VITA Patent Policy

To reduce the likelihood of unexpected licensing terms that threaten the success of future VITA standards and to expand the scope of competition between alternative technological solutions during the standard-setting process, VITA management plans to propose that its membership adopt a new patent policy (the "proposed policy"). The proposed policy is designed to elicit more information from those participating in VSO working groups about patented technologies essential to implementing the standard as well as more specific commitments regarding the fair, reasonable, and non-discriminatory ("FRAND") licensing terms that patent holders will charge once the standard has been set.

Under the proposed policy, each member of a working group must identify all patents or patent applications[7] that he knows about and that he believes may become essential[8] to the implementation of the future standard.[9] In addition, working group members must declare the maximum royalty rates and most restrictive non-royalty terms that the VITA member company he or she represents will request for any such patent claims that are essential to implement the eventual standard. These licensing commitments apply to the implementation of the particular draft VSO specification being developed, and any reaffirmations or revisions of that VITA standard, but they do not apply to other uses of the technology.[10] Although disclosure declarations are irrevocable, patent holders may submit subsequent declarations with less

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[6] *Id.*

[7] For the purposes of this letter, the word "patents" also includes "patent applications."

[8] The patent policy defines "essential" to mean "any claim the use of which is necessary to create a compliant implementation and for which there is no technically and commercially feasible non-infringing alternative." VITA PROPOSED POLICIES AND PROCEDURES § 10.2.1 (2006).

[9] The members of a working group are *individuals* who *represent* a VITA member company. For purposes of the proposed patent policy, VITA defines "working group members" to include "all three levels of membership described in Section 7.1.4 of the VSO Policies and Procedures: sponsors, participants, and observers." *Id.* § 10.2.1 n.1.

[10] *Id.* § 10.3.2.

restrictive licensing terms (including lower royalties). Working group members may consider the various declared licensing terms when deciding which technology to support during the standard-setting process, but the proposed policy forbids any negotiation or discussion of specific licensing terms among working group members or with third parties at all VSO and working group meetings.[11] Finally, the policy provides an arbitration procedure to resolve any disputes over compliance with the patent policy requirements.[12]

A. Disclosure of Patents

The proposed policy requires each working group member to make a "good faith and reasonable inquiry" into the patents owned, controlled, or licensed by the company she represents[13] and to disclose all patents or patent applications that the company owns, controls, or has a license to, that she believes may become essential to the VSO specification the working group is developing.[14] Each working group member also must disclose any known third-party patents or patent applications that he believes may become essential to a draft VSO specification unless doing so would violate a binding confidentiality agreement.[15]

Appendix 6 of the proposed policy contains the declaration form a working group member must use to disclose all essential patents and to declare the associated most restrictive licensing terms.[16] The working group member must disclose the patent number(s) and published patent application number(s), the existence of unpublished patent applications, and the country in which each patent has been granted or application has been made. When practical, for each disclosed patent or patent application, the working group member is to identify the relevant portions of the working group's draft VSO specification that infringes or would require infringing the patented technology.[17] The working group member must commit the VITA member company he or she

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[11] *Id.* § 10.3.4. The proposed policy does not expressly address communications outside the context of VSO and working group meetings. Accordingly, this business review letter also does not address such potential communications.

[12] *Id.* § 10.5

[13] The patent policy requires the working group member to search the member company and its affiliates, which the patent policy defines as "any entity that directly or indirectly controls, is controlled by, or is under common control with, another entity, so long as such control exists." *Id.* § 10.2.1 n.3.

[14] *Id.* § 10.2.1.

[15] *Id.* § 10.2.4. In disclosing a third party patent, a working group members does not take a position on the "essentiality or relevance of the third party claims." *Id.*

[16] *Id.* app. 6.

[17] *Id.* § 10.2.2.

represents to license essential patent claims on defined FRAND terms by specifying the maximum royalty rate (either in terms of dollars or as a percentage of the sale price) as well as the most restrictive non-price licensing terms the VITA member company he or she represents will request for patent claims that are essential to implement the draft VSO specification.[18]

B. Timing of Disclosures

Because the contents of a draft specification and the knowledge of working group members (of essential patents and patent applications) change over time, the proposed policy identifies three specific periods during the standard-setting process when working group members must identify any previously undisclosed essential patents, patent applications, and third-party patents.

First, a VITA member that proposes a new specification must make a patent declaration before a working group is formed to begin drafting the specification. Second, all working group members must make declarations within sixty days after the working group is formed. Third, all working group members must make declarations within fifteen days after the draft specification is published. In addition to these three specific periods, the proposed policy requires each working group member to disclose any previously undisclosed essential patents at the beginning of all face-to-face meetings of the working group. Any such disclosures made at face-to-face meetings must be followed by a declaration within thirty days.[19]

C. Consequences of Failing to Make Disclosures

If the working group member's declaration specifies a maximum royalty rate but does not include draft non-price licensing terms, the VITA member company he or she represents must accept specific limits on any grantback, reciprocal license, non-assert, covenant not to sue, or defensive suspension provisions in its licenses.[20] A working group member who fails to disclose a known essential patent, and/or fails to declare the associated most restrictive licensing terms according to the timing process described above, commits the VITA member company he or she represents to license the essential claims of the undisclosed patent for implementation of the VITA standard to all interested parties on a royalty-free basis and with the restricted non-price

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[18] *Id.* §§ 10.3.1, 10.3.2 & app. 6.E.2.

[19] *Id.* § 10.2.3.

[20] *Id.* § 10.3.2. Under the proposed patent policy a licensor may do no more than: (1) require a licensee to grant a FRAND license for any of the licensees current or future patents claims needed to implement the VITA-VSO standard; (2) require a licensee to grant a reciprocal license to such patent claims; (3) require a licensee not to assert or bring suit to enforce any such patent claims against the licensor; and (4) suspend the license if the licensee sues the licensor for infringement of any such patent claims. *Id.*

terms.[21]

D. Arbitration Procedures for Alleged Noncompliance

Section 10.5 of the proposed policy sets forth specific procedures which may be used if a VSO member believes that a working group member has breached any obligation under the proposed policy.[22] Complainants may file a claim with the chairperson of the applicable working group. If the working group is unable informally to resolve a claim within fifteen days, the chairperson must form an arbitration panel.[23] Once formed, the arbitration panel has forty-five days to gather information and submit a recommendation to the VITA Executive Director on how the dispute should be resolved. The Executive Director must consult with the VITA Board and render a decision on the claim within fifteen days of receiving the panel's recommendation. Finally, if a VSO member calls on the Executive Director to reconsider the decision, the Executive Director must render a final decision within thirty days. The Executive Director may require one or both parties to pay for the costs of the arbitration process.

III. Historical Background Regarding Licensing Discussions Within SDOs

Collaborative standard setting can produce many procompetitive benefits. Performance standards can improve the health and safety of consumers and improve consumers' confidence in a product's quality. Interoperability standards can enable consumers to share information with each other and to interconnect compatible products from different producers. In addition, the collaborative standard-setting process can enable industry participants to share knowledge and develop a "best-of-breed" product or process. Especially in industries with network effects, the collaborative standard-setting process can enlarge markets by overcoming coordination failures among those interested in developing and using the standard so that the products are available to, and used, by more consumers.

The collaborative standard-setting process can also result in exclusionary and collusive practices that have been found to harm competition and violate the antitrust laws. In *American Society of Mechanical Engineers v. Hydrolevel Corp.*, for example, antitrust liability arose when SDO members drafted, revised, and interpreted a safety code for water boilers in an exclusionary way. The members injured competition by conspiring to discourage customers from purchasing one competitor's water boiler safety device by stating that it did not comply with the safety code,

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[21] *Id.* § 10.4.

[22] *Id.* § 10.5.

[23] The arbitration panel must consist of three people: one chosen by the complainant, one chosen by the patent holder, and a panel chair chosen by the first two. The arbitrators chosen by the parties cannot be affiliated with any VITA member represented on the working group in question, and the chair cannot be affiliated with any VITA member or VITA. The VITA Technical Director will act as a non-voting administrator to monitor the panel's progress. *Id.* § 10.5.

even though, in fact, it did.[24] And in *Allied Tube & Conduit Corp. v. Indian Head, Inc.*, steel conduit producers were found to have violated the Sherman Act because they manipulated the standard-setting process by stacking a vote in order to prevent the use of equally viable plastic conduit in the building industry.[25]

In the wake of these cases, many SDOs implemented rules that strictly forbid all activities that could potentially result in antitrust liability, including restrictions on discussions about the terms and conditions of licenses to patents that are essential to a standard. VITA's proposed policy would relax these restrictions somewhat by requiring patent holders to declare the most restrictive terms they will require for licensing the essential claims of the patents they have been required to disclose as part of the VSO standard-setting process.[26] The proposed policy, however, maintains VSO's current prohibition on joint negotiation and discussion of patent licensing terms by working group members (or with third parties) at all VSO and working group meetings.

IV. Agency Analysis

Unless the standard-setting process is used as a sham to cloak naked price-fixing or bid rigging, the Department analyzes action during the standard-setting process under the rule of reason. The Department's analysis of VITA's proposed patent policy under the rule of reason examines both the policy's expected competitive benefits and its potential to restrain competition.

Early in the standard-setting process, VITA working group members often can choose among multiple substitute technological solutions, some of which may be patented. Once a particular technology is chosen and the standard is developed, however, it can be extremely expensive or even impossible to substitute one technology for another. In most cases, the entire standard-setting process would have to be repeated to develop an alternative standard around a different technology. Thus, those seeking to implement a given standard may be willing to license a patented technology included in the standard on more onerous terms than they would have been prior to the standard's adoption in order to avoid the expense and delay of developing a new standard around a different technology.

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[24] 456 U.S. 556, 571 (1982), *aff'g*, 817 F.2d 938 (2d Cir. 1987); *see also Radiant Burners, Inc. v. Peoples Gas Light & Coke Co.*, 364 U.S. 656, 659-60 (1961) (holding agreement by American Gas Association members to refuse to sell gas to customers using a non-Association certified product states a claim of a *per se* violation of section 1 of the Sherman Act).

[25] 486 U.S. 492, 509-10 (1988).

[26] The purpose of both these types of disclosure is to avoid inefficient outcomes and to foster competition between available substitute technologies. Requiring the disclosure of essential patents and patent applications is common among SDOs and raises no antitrust concern.

Requiring patent holders to disclose their most restrictive licensing terms in advance could help avoid this outcome by preserving the benefits of competition between alternative technologies that exist during the standard-setting process. Currently, VITA working group members choose between alternative technologies primarily based on technical merit. They generally have little information about how eventual licensing terms for alternative technologies are likely to differ. Under the proposed policy, each working group member also will be able to compare the most restrictive licensing terms associated with each alternative technology, including freely-available public domain technologies, when deciding which technology to support for inclusion in the draft VSO specification. Disclosure of this information, enforced by the requirement that nondisclosed patents be licensed royalty-free, permits the working group members to make more informed decisions when setting a standard. They might decide, for example, that a cheaper, less technologically elegant solution would be best or they might determine that it is worth including the proffered technological elegance even on the most restrictive terms declared by the patent holder. At a minimum, the disclosure of most restrictive licensing terms decreases the chances that the standard-setting efforts of the working group will be jeopardized by unexpectedly high licensing demands from the patent holder.

The disclosure of each patent holder's most restrictive licensing terms would allow working group members to evaluate substitute technologies on both technical merit and licensing terms. Working group members are likely to use this information when deciding which technologies to include in the standard. This use likely will create incentives for each patent holder to compete by submitting declarations that will increase the chances that its patented technology will be selected.

The proposed policy should not permit licensees to depress the price of licenses for patented technologies through joint action because it prohibits any joint negotiation or discussion of licensing terms among the working group members or with third parties at all VSO and working group meetings.[27] Moreover, working group members will not set actual licensing terms. The patent holder and each prospective licensee will negotiate separately, subject only to the restrictions imposed by the patent holder's unilateral declaration of its most restrictive terms.[28]

Any efforts to reduce competition by using the declaration process as a cover to fix

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[27] If the proposed policy did allow such negotiations and discussions, the Division likely would evaluate any antitrust concerns about them under the rule of reason because such actions could be procompetitive.

[28] When it agrees to license on nondiscriminatory terms as is usually required by SDOs, a patent owner relinquishes its right to restrict the number of licenses it will grant, and its right to require more restrictive terms in exchange for an exclusive license. Requiring patent holders to disclose the most restrictive limits to their FRAND commitment should not further reduce competition between licensees for patent licenses needed to implement the standard.

downstream prices of VME products would be a *per se* violation of section 1 of the Sherman Act, and the Department would not hesitate to condemn such activity. The same would be true of efforts by patent owners to rig their declarations of licensing terms. Thus, VITA, VSO, and its member companies vigilantly should continue to educate working group participants about the severe consequences of such activities.

V. Conclusion

The standards set by VSO are a critical element of the growth and continued innovation in the VME industry. VITA's proposed patent policy is an attempt to preserve competition and thereby to avoid unreasonable patent licensing terms that might threaten the success of future standards and to avoid disputes over licensing terms that can delay adoption and implementation after standards are set. The proposed policy does so by requiring working group members to disclose patents and patent applications that may become essential to implement a draft VSO standard, to commit to license on FRAND terms, and unilaterally to declare the most restrictive licensing terms that will be required. In addition, the proposed policy establishes an arbitration process which may be used to resolve compliance disputes. Adopting this policy is a sensible effort by VITA to address a problem that is created by the standard-setting process itself. Implementation of the proposed policy should preserve, not restrict, competition among patent holders. Any attempt by VITA or VSO members to use the declaration process as a cover for price-fixing of downstream goods or to rig bids among patent holders, however, would be summarily condemned.

The Department has no present intention to take antitrust enforcement action against the conduct you have described. This letter expresses the Department's current enforcement intention. In accordance with our normal practices, the Department reserves the right to bring an enforcement action in the future if the actual operation of the proposed conduct proves to be anticompetitive in purpose or effect.

This statement is made in accordance with the Department's Business Review Procedure, 28 C.F.R. § 50.6. Pursuant to its terms, your business review request and this letter will be made publicly available immediately, and any supporting data you submitted will be made publicly available within 30 days of the date of this letter, unless you request that part of the material be withheld in accordance with paragraph 10(c) of the Business Review Procedure.

Yours sincerely,

Thomas O. Barnett

Thomas O. Barnett

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, October 30, 2006 12:48 PM
Subject: JCON BROADCAST, WEEK OF OCTOBER 30, 2006

JCON BROADCAST, WEEK OF OCTOBER 30, 2006

1. **Excused Absence for Voting**
2. **Research Classes Offered by Library Staff**

Excused Absence for Voting

The Federal Government has a longstanding policy of granting employees limited time off from work, i.e., excused absence, to vote in Federal, State, county, or municipal elections or in referendums on any civic matter in their community. Agencies have discretionary authority to grant excused absence to the extent that such time off does not seriously interfere with agency operations.

The Department offers the following guidelines when granting excused absence for voting:

- Generally, where the polls are not open at least three hours either before or after an employee's regular work hours, the employee may be granted a limited amount of excused absence that will permit the employee to report for work three hours after the polls open or leave from work three hours before the polls close, whichever requires the lesser amount of time off. Reference an employee's "regular work hours" in order to determine the time of day the employee normally arrives and departs from work.

- If an employee's voting place is beyond normal commuting distance and vote by absentee ballot is not permitted, the employee may be granted excused absence (not to exceed one day) to allow the employee to make the trip to the voting place to cast a ballot. If more than one day is needed, the employee may request annual leave or leave without pay for the additional period of absence.

Questions on the above guidance should be referred to your servicing human resources office.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, October 30, 2006 4:38 PM
To: USDOJ- Office of Public Affairs
Subject: LORRAINE EDMO ANNOUNCED AS TRIBAL DEPUTY DIRECTOR OF OFFICE ON VIOLENCE AGAINST WOMEN

Department of Justice

FOR IMMEDIATE RELEASE — OVW
MONDAY, OCTOBER 30, 2006 — PHONE: (202) 307-6026
WWW.USDOJ.GOV/OVW — FAX: (202) 307-3911

LORRAINE EDMO ANNOUNCED AS TRIBAL DEPUTY DIRECTOR OF OFFICE ON VIOLENCE AGAINST WOMEN

WASHINGTON – The Department of Justice has announced the selection of Lorraine Edmo as Tribal Deputy Director of the Office on Violence Against Women. As Deputy Director, Edmo will guide the overall development and management of the tribal grant program as well as provide expert advice and guidance on grants administration, oversee policy and program development, supervise a staff of program specialists dedicated to tribal issues, and direct technical assistance and training initiatives to target the issue of violence against Native women.

Edmo has directed several national organizations that advocate for tribal and national education issues. These include the National Indian Education Association (NIEA), the American Indian Graduate Center (AIGC), and the federally chartered National Fund for Excellence in American Indian Education. Edmo has also served on advisory boards for the Committee for Education Funding as well as the AIGC and the NIEA. She currently serves as an advisory board member for the Washington Internship for Native Students program.

Prior to joining the Department of Justice, Edmo worked with the U.S. Department of the Interior as the Executive Director for the National Fund for Excellence in American Indian Education,

DOJ_NMG_ 0169907

created to raise private support for schools that are a part of the Bureau of Indian Affairs school system. She has also contributed to research and policy issues as a specialist with the Office of Indian Education (OIE) at the U.S. Department of Education.

As Tribal Deputy Director, Edmo will assist in the efforts to explore different innovations regarding violence against Native women and share knowledge that can be replicated nationwide. The position of Tribal Deputy Director is statutorily required and created under Title IX of the Violence Against Women Act of 2005.

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06-XXX

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Image not available for this document, ID: 0.7.10316.21529-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, October 30, 2006 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: RESEND: LORRAINE EDMO ANNOUNCED AS TRIBAL DEPUTY DIRECTOR OF OFFICE ON VIOLENCE AGAINST WOMEN

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 30, 2006
WWW.USDOJ.GOV/OVW

OVW
PHONE: (202) 307-6026
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DOJ_NMG_ 0169911

Prior to joining the Department of Justice, Edmo worked with the U.S. Department of the Interior as the Executive Director for the National Fund for Excellence in American Indian Education, created to raise private support for schools that are a part of the Bureau of Indian Affairs school system. She has also contributed to research and policy issues as a specialist with the Office of Indian Education (OIE) at the U.S. Department of Education.

As Tribal Deputy Director, Edmo will assist in the efforts to explore different innovations regarding violence against Native women and share knowledge that can be replicated nationwide. The position of Tribal Deputy Director is statutorily required and created under Title IX of the Violence Against Women Act of 2005.

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06-736

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info@londonjunto.com

From:	info@londonjunto.com
Sent:	Tuesday, October 31, 2006 7:22 AM
To:	Gorsuch, Neil M
Subject:	Nov. 14th, The London Junto/Harvard Business Forum Presents: Global Macro Expert Phillippe Bonnefoy: "Per Ardua Ad Astra'...Through Adversity,to the Stars: Global Macro in 2007"
Attachments:	tmp.htm

The London Junto Newsletter: November 2006 The London Junto and The Harvard Business Forum Present:

Dear Neil.Gorsuch@usdoj.gov,

Join the London Junto and the Harvard Club of UK Business Forum on November 14th for an evening with Phillippe Bonnefoy, Head of Cedar Partners, and one of the world's leading authorities on Global Macro Hedge Funds.

~~~~~~

"'Per Ardua Ad Astra'...Through Adversity, to the Stars: Global Macro in 2007 "

The granddaddy of all hedge fund strategies, "Global Macro" guaranteed fame and fortune for hedge fund greats George Soros, Louis Bacon, Paul Tudor Jones and Bruce Kovner. Yet in 2006, managers of global macro hedge funds have lagged behind market benchmarks such as the Standard & Poor's 500 Index after being caught off guard by this year's choppy stock, bond and commodity markets. With information travelling at light speed across the globe, is global macro yesterday's game? Can investors still make a fortune betting alongside managers who bet on big picture thematic views? Come listen to and debate the views of one of the world's leading experts in the global macro hedge fund space.

About Philippe Bonnefoy (http://rs6.net/tn.jsp?t=xqhsszbab.0.w7ouszbab.vri5uubab.190&ts=S0211&p=http%3A%2F%2Fwww.cedar-partners.com%2Fteam.php%3Facc%3D1)

Philippe Bonnefoy is Chairman, Tactical Asset Allocation Committee, Cedar Partners; Director, Cedar Fund; and Portfolio Manager of the Katana Fund.
~~~~~~

Philippe began his career at Kidder, Peabody & Co., New York, in 1983, as an analyst in international corporate finance. There, he managed the international equity investments for Kidder, Peabody, later joining ex- colleagues, in 1988, to develop a risk arbitrage proprietary trading group pursuing a number of hedge fund strategies. In 1999, Philippe identified other opportunities in alternative investments. He founded Cedar Partners Investment Management Limited ("CPIM") to provide alternative investment advisory services to financial institutions. Between 1999 and 2001 Philippe was an external consultant to Commerzbank Securities, and from 2002 to 2006 CPIM was the external advisor for alternative investment strategies (which grew to $2bn assets under management) to Commerzbank Capital Markets Corporation. He established the Cedar Fund in 2002, which had been the bank?s proprietary hedge fund investment portfolio.

Philippe is also responsible for overall portfolio positioning, idea generation, strategy weightings and tactical investments for the Katana Fund, to be launched in December. Philippe is currently a member of the Sound Practices Committee of the Alternative Investment Management Association.

DATE: November 14th, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD

The London Junto - http://rs6.net/tn.jsp?t=xqhsszbab.0.t9zzwubab.vri5uubab.190&ts=S0211&p=http%3A%2F%2Fwww.londonjunto.com

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Relevant links

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* Cedar Partners - http://rs6.net/tn.jsp?t=xqhsszbab.0.u7ouszbab.vri5uubab.190&ts=S0211&p=http%3A%2F%2Fwww.cedar-partners.com%2Fhome.php%3Facc%3D1 * Inside The House of Money - http://rs6.net/tn.jsp?t=xqhsszbab.0.v7ouszbab.vri5uubab.190&ts=S0211&p=http%3A%2F%2Fwww.amazon.com%2FInside-House-Money-Traders-Profiting%2Fdp%2F0471794473%2Fref%3Dsr_11_1%2F002-0161098-4769601

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~~~~~~
Nicholas Vardy
The London Junto

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THE DEADLINE FOR REGISTRATION AND PAYMENT IS November 10, 2006 **********

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The London Junto Newsletter: November 2006

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Relevant links

- Cedar Partners
- Inside The House of Money

Dear Neil.Gorsuch@usdoj.gov,

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The granddaddy of all hedge fund strategies, "Global Macro" guaranteed fame and fortune for hedge fund greats George Soros, Louis Bacon, Paul Tudor Jones and Bruce Kovner. Yet in 2006, managers of global macro hedge funds have lagged behind market benchmarks such as the Standard & Poor's 500 Index after being caught off guard by this year's choppy stock, bond and commodity markets. With information travelling at light speed across the globe, is global macro yesterday's game? Can investors still make a fortune betting alongside managers who bet on big picture thematic views? Come listen to and debate the views of one of the world's leading experts in the global macro hedge fund space.

About Philippe Bonnefoy

Philippe Bonnefoy is Chairman, Tactical Asset Allocation Committee, Cedar Partners; Director, Cedar Fund; and Portfolio Manager of the Katana Fund.

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[redacted]

Investment Management Association.

DATE: November 14th, 2006
TIME: 6:30 PM for 7:00 PM
LOCATION: Lansdowne Club
9, Fitzmaurice Place, London. W1J 5JD
The London Junto

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- An opportunity to win a copy of Steven Drobny's Inside the House of Money

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 9:47 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR OCTOBER 31, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, October 31, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Antitrust Division will issue a release on a merger-related matter. (Clarke)

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

The Civil Rights Division will issue a release on a housing discrimination matter. (Magnuson)

The Civil Rights Division will issue a release on voting rights matters. (Magnuson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 10:33 AM
To: USDOJ- Office of Public Affairs
Subject: ORLANDO WOMAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

ORLANDO WOMAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

WASHINGTON — An Orlando, Fla., woman pleaded guilty to forcing a Russian woman to work against her will as a prostitute, the Justice Department announced today.

Yelena Telichenko faces a maximum sentence of up to 20 years in prison, a $250,000 fine, and restitution payments for human trafficking charges. The victim and Telichenko met in Philadelphia where Telichenko persuaded the victim to move to Orlando and engage in prostitution in order to earn money. Telichenko kept the victim in prostitution by repeatedly and brutally beating her whenever she objected.

"Never in America should a woman be forced to prostitute herself," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "All too often, the victims in these types of cases have limited resources and a limited understanding of our language and culture. Through these types of prosecutions, the Civil Rights Division continues its longstanding commitment to protecting some of the most vulnerable members of our society."

"The traffickers we prosecute are the most cynical of criminals; they profit from their countryman's hopes and dream of a better life in this country. They take that hope and twist it into something evil and ugly," said Paul I. Perez, U.S. Attorney for the Middle District of Florida.

The prosecution of individuals involved in human trafficking is a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, compared to the previous six years.

The case was investigated by special agents of the U.S. Bureau of Immigration and Customs Enforcement. The case is being jointly prosecuted by attorneys from the Civil Rights Division and the U.S. Attorney's Office for the Middle District of Florida.

# # #

06-737

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Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, October 31, 2006 11:44 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/31/06 Civil Division News

Ex-air marshal fired over leak sues TSA

Lincoln hospital pays $4 million for overpayments

Amerigroup to Appeal Ill. Decision

Supreme Court hears arguments on legal immunity for feds

Arar apology will likely have to await outcome of court cases: MacKay

Press Release: Experts Warn of Potential Adverse Health Effects From AVA Anthrax Vaccine as DoD Plans to Resume Mandatory Vaccinations; Lawyers Discuss Legal Strategies to Stop Mandatory Program

Los Angeles Times

October 31, 2006

Ex-air marshal fired over leak sues TSA

Nicole Gaouette
Times Staff Writer

Washington — A former federal air marshal filed suit Monday against the Transportation Security Administration for firing him after he revealed an unclassified plan to remove marshals from long-distance flights.

The 2003 disclosure by Robert MacLean came just days after the agency had warned airlines of a hijacking threat to overseas flights. News of the plan to remove marshals from long-distance flights generated outrage in Congress and forced the TSA to reverse its decision.

This April, the agency fired MacLean for leaking information to reporters. In his lawsuit, filed with the U.S. 9th Circuit Court of Appeals, the former air marshal is challenging the agency's contention that the information was sensitive and should not have been disclosed.

Whistle-blower advocates say the case could reaffirm protections for federal employees who release information, as well as set limits on the administration's designation of some material as "sensitive but unclassified," which limits access to that information.

The TSA's plan to cut air marshal presence was at odds with federal law, which makes it a priority to place the marshals on long-distance flights such as the ones targeted by the Sept. 11 hijackers. The agency was trying to cut costs by keeping air marshals off flights that required a hotel stay.

On July 29, 2003, the TSA sent air marshals text messages on their cellphones ordering them to quickly cancel hotel reservations so as not to incur late cancellation fees, MacLean said.

Three days earlier, the agency had issued an "information circular" stemming from a foiled hijacking plot that outlined specific terrorist threats to U.S.-bound aircraft from Australia, Italy and Britain.

"It all comes down to money," MacLean, 36, said Monday. "They made a dangerous decision to save money."

MacLean, an Orange County resident, said the purpose of his suit is to regain his job.

TSA spokeswoman Amy Kudwa declined to comment.

END

AP

October 31, 2006

Lincoln hospital pays $4 million for overpayments

By NATE JENKINS / The Associated Press

A Lincoln hospital has paid $4 million to both the federal and state government to settle claims of erroneous Medicare and Medicaid reports that resulted in overpayments to the hospital in the 1990's.

St. Elizabeth Regional Medical Center paid $2.8 million to the federal government this month as part of a whistleblower lawsuit that has resulted in four other settlements across the country since 2002. The payment from St. Elizabeth to the federal government is the third-largest payment among the five hospitals involved thus far.

Another $1.2 million was paid to the state of Nebraska this month to settle the state component of the suit, according to Donell Martinez, director of health resources for the hospital.

"This was an error on our part and as soon as we became aware of it, we worked collaboratively with state and federal officials to resolve it immediately," Martinez said of the possible overpayments stemming

from the reports filed from 1993 to 1996.

The hospital mischaracterized some expenses related to its neonatal and burn units in reports filed with Medicare and Medicaid, resulting in possible overpayments to the hospital by both programs, according to a news release from the law firm that represents the whistleblower. A California man who used to work for Medicare reimbursement consultant Healthcare Financial Advisors filed the original whistleblower lawsuit in 1998. The whistleblower, Mark Razin, alleged that a number of hospitals that worked with HFA defrauded Medicare and Medicaid.

“A big warning light should have flashed when HFA offered to increase St. Elizabeth’s Medicare payments,” San Francisco attorney Michael P. Brown, an attorney with the firm that represents Razin, said in the news release. “Any time a company promises to increase a health care provider’s Medicare reimbursement, the provider has to closely examine the methods that are used to make sure they are legal.”

While HFA worked for the hospital as a consultant for preparing cost reports in the 1990’s, Martinez said the hospital, not HFA, committed the errors that resulted in possible overpayments. Martinez said the hospital wasn’t aware of the issue until February this year and worked quickly to resolve the issue.

“It was innocent accounting mistakes that resulted in overpayments,” Martinez said. “We now have a very robust compliance program in place.”

The four previous settlements stemming from the lawsuit include hospitals in New Mexico, Texas and California. The largest payment so far came from Lovelace Health System in New Mexico, which paid $24.5 million in 2002, according to the law firm.

END

Insruance Journal

October 30, 2006

Amerigroup to Appeal Ill. Decision

Amerigroup Corp. said that it will appeal a jury verdict that found against the company and its Illinois subsidiary in qui tam litigation tried in the U.S. District Court for the Northern District of Illinois.

The Company release said that a number of the Court's rulings constitute reversible error and impacted the jury's findings. Amerigroup intends to appeal the case to the 7th Circuit Court of Appeals. The Company asserts that it was acting with the knowledge of and in accordance with the direction of the Illinois Department of Public Aid.

"For more than 11 years, we have always worked hard to ensure that we provide our state partners with the highest standards of service and ethics," said Jeffrey L. McWaters, Amerigroup chairman and CEO. "The leadership of our Illinois health plan, including two physicians and two nurses, firmly believe that they did what the Illinois Department of Public Aid asked them to do.

The Company said it will ask the Court to stay the imposition of any damages pending the outcome of its appeal. If the verdict is upheld, AMERIGROUP and its Illinois subsidiary would be required to pay damages of $144 million, which is $48 million trebled. The jury also found that there were 18,130 false claims. Under the Federal False Claims Act, false claims carry a penalty of between $5,500 and $11,000 per claim. Under the Illinois Whistleblower and Reward and Protection Act, false claims carry a penalty of between $5,000 and $10,000 per claim. The Court instructed the jury that each enrollment form

completed by a prospective member during the applicable period constituted a claim for payment. The Company believes that the Court's ruling in that respect was improper and unprecedented.

The suit, which was unsealed in June 2003, alleged that Amerigroup Illinois inappropriately worked to avoid or discourage the enrollment of third-trimester pregnant women between 2000 and 2003. A seven-member jury found in favor of a former Amerigroup employee who brought the lawsuit, the State of Illinois and the U.S. Department of Justice, both of which joined in the suit two years later.

None of the allegations in the lawsuit involved Amergroup's active subsidiaries in its other states.

In some circumstances, the federal government may decide to exclude a company from future contracts as a result of civil verdicts. Amerigroup intends to immediately work to assure the government that exclusion is not warranted because the circumstances in the allegation were unique to Illinois and the Company has adequate controls to ensure prompt detection and reporting of any potential improper activities.

Amerigroup Corp., headquartered in Virginia Beach, Va. identifies itself as a healthcare access provider for low-income Americans through development of managed health care services for the public sector.

END

Government Executive Magazine

October 30, 2006

Supreme Court hears arguments on legal immunity for feds

By Karen Rutzick

The Supreme Court heard arguments Monday about the extent of federal employees' immunity from on-the-job lawsuits.

Under the 1988 Westfall Act, federal employees are immune from suits so long as the Attorney General certifies that they were doing their job when the incident in question occurred. The government then substitutes itself as the defendant.

In the case argued Monday, *Osborn v. Haley*, the high court must decide whether the Attorney General can certify an act as job-related simply by denying that the incident ever occurred. If an employee is sued for an act clearly not in his or her job description, can the government defend the employee anyway if they believe in the employee's innocence?

The nine justices peppered both sides with questions Monday morning in the case, which began in Kentucky in the spring of 2002. In *Osborn v. Haley*, government contractor Pat Osborn sued a Forest Service employee for allegedly convincing her employer, the Land Between the Lakes Association Inc., to fire her. Osborn claimed the employee, Barry Haley, did this after she confronted him for not hiring her for an open contracting officer position with the Forest Service.

"The reason he wasn't acting outside the scope of his employment [could be] that he didn't do what you said he did," Associate Justice David Souter told Osborn's attorney.

One difference between the employee themselves sitting as defendant and the government doing so involves jurisdiction. Employees' cases could be heard by a state court, but the government's involvement brings the case to the federal level.

Justice Antonin Scalia asked Osborn's attorney why "would it make any sense to give a federal employee the benefit of a trial in a federal court when he committed the act...and yet deprive him of the federal court" when the government believes him or her to be innocent.

Osborn's attorney, Eric Grant, argued that the "he-didn't-do-it defense" was not the same as certifying that the act was actually in the scope of employment.

In an analysis of the case, professor Mary Phelan D'Isa of the T.M. Cooley Law School in Lansing, Mich., said the decision will determine the federal government's ability to overcome state jurisdiction for actions against federal employees it wants to defend.

"Any decision of these issues will be of significant importance to the United States because it may dictate how it responds to and defends allegations of wrongdoing by government employees," D'Isa said.

END

The Canadian Press

October 31, 2006

Arar apology will likely have to await outcome of court cases: MacKay

By Murray Brewster

OTTAWA_(CP) _ Any formal U.S. apology to Canadian engineer Maher Arar for his detention, deportation and torture in Syria would have to await the outcome of litigation, Foreign Affairs Minister Peter MacKay said Monday.

A letter received last week from U.S. Secretary of State Condoleezza Rice contained no apology to Arar, a Syrian-born Canadian citizen who was wrongly accused of being a terrorist and sent to Syria from New York in 2002.

At least two court\l "l" cases over Arar's treatment are in legal limbo, limiting the response of both the U.S. and Canadian governments, said MacKay.

"I don't want to jeopardize or compromise the legal standing of Mr. Arar or any other government," he said following a speech to a foreign policy think-tank.

"To that extent the issues of apology will be dealt with in the future."

A lawsuit filed by Arar's Canadian lawyers was put on hold months ago, pending the results of Justice Dennis O'Connor's public inquiry.

In his findings, released Sept. 18, O'Connor concluded the RCMP passed misleading and inaccurate information about Arar to American authorities. Federal government\l lawyers have entered into mediation talks with his legal team.

A lawsuit filed in the U.S. was dismissed in February by a U.S. federal court\l "l" judge, who cited the need for national security but also suggested Canadian complicity in Arar's deportation. Lawyers for Arar say they're considering their next legal move in the U.S.

O'Connor found that no Canadian authorities participated in directly in the decision to send Arar overseas in a process called extraordinary rendition.

In launching a formal protest over Arar's treatment, Prime Minister Stephen Harper said Canada wants the United States to "come clean with its version of events."

Foreign Affairs officials say the letter from Rice, which has not been released publicly, indicates the United States is committed to informing and consulting Ottawa about any Canadian citizen who may be involuntarily sent to a third country.

MacKay said his "most direct and compelling concern is that this never happens again."

To that end, he says the U.S. response is good enough for the moment.

"They've come clean with their commitment not to let this happen again," MacKay said.

The House of Commons passed a unanimous motion at the end of September, apologizing to Arar. But a senior Conservative cabinet member tempered the result by saying MPs voted as individuals and weren't necessarily speaking for the government.

RCMP Commissioner Giuliano Zaccardelli, whose force inaccurately described Arar as an "Islamic extremist," has issued a carefully worded public apology to Arar and his family.

END

PR Newswire

October 31, 2006

Press Release: Experts Warn of Potential Adverse Health Effects From AVA Anthrax Vaccine as DoD Plans to Resume Mandatory Vaccinations; Lawyers Discuss Legal Strategies to Stop Mandatory Program

WASHINGTON, Oct. 30 WASHINGTON, Oct. 30 /PRNewswire/ -- As the Defense Department (DoD) prepares to resume mandatory AVA (Anthrax Vaccine Absorbed) vaccinations for military overseas, medical experts and military personnel warned of adverse health effects they claim were caused by the vaccine , while victims' attorneys strategized about stopping the vaccinations and discussed securing compensation for victims. The discussions occurred at an October 28 Continuing Legal Education (CLE) seminar organized by Byron Holcomb, a leading attorney for victims of the AVA anthrax vaccine and a retired Navy judge advocate general.

Various military personnel recounted how they believe the AVA anthrax vaccine harmed their health and hurt their careers. U.S. Air Force Judge Advocate Captain Kelli Donley developed Idiopathic Spinal Cerebellar Ataxia after receiving the AVA anthrax vaccine. The disease impaired her brain function and motor skills, a U.S. Air Force Medical Evaluation Board ("Board") found. She retired in April of 2006 after the Board granted her a 100 percent disability because she could not practice law or perform tasks requiring high cognitive function or demanding speech.

"Before receiving the anthrax vaccine, I was perfectly healthy and in good shape. Now, I talk with slurred speech, I have trouble walking, and I stopped seeing those seeking legal assistance because their legal issues paled in comparison to mine," said Donley.

Others who spoke of what they believe are the harmful health effects of receiving the AVA anthrax vaccine included Margaret McFann, an Air Force major diagnosed with lupus, and Frank Fisher, MD, a retired Air Force lieutenant colonel diagnosed with Still's disease, a rare illness marked by high, spiky

fevers, rash, and joint pain, which may lead to chronic arthritis.

A medical expert, who strongly believes in the use of safe and efficacious vaccines, warned of serious and significant concerns about the AVA vaccine's safety profile. Mark Geier, MD, PhD, analyzed the safety of millions of doses of the vaccine using the Vaccine Adverse Events Reporting System (VAERS), an epidemiological database maintained by the Centers for Disease Control. His analysis is published in peer-reviewed journals, including Hepato- Gastroenterology and the Journal of Clinical and Experimental Rheumatology. He writes in Hepato-Gastroenterology, "Anthrax vaccine, based upon our analysis of the VAERS, was one of the most reactogenic vaccines we have ever analyzed ... The data showed the use of AVA was frequently followed by a wide variety of reports of adverse reactions that generally occur within 12 days of vaccination."

Lawyers discussed efforts to reverse the government's decision to proceed with mandatory inoculations, as well as legal strategies to gain compensation\l "l" for victims. Attorney Holcomb said, "Our objective is not to stop vaccination of military personnel, it is to stop the mandatory injection of an experimental vaccine\l "l" that has failed the safety test time after time."

Holcomb added, "Military boards have already granted permanent military disability to fifteen victims I represented -- professionals in their early 20's and 30's, with bright futures ahead of them -- who became tragically disabled for life by the AVA anthrax vaccine. The military board decisions validate my firm belief that DoD should not resume mandatory inoculations with this vaccine."

Mark Zaid, Esq., whose lawsuit had until recently blocked the Pentagon's mandatory anthrax vaccination program, is committed to stopping its reinstatement. "The anthrax vaccine is unnecessary, unproven and potentially unsafe -- and should not be unlawfully imposed upon our military forces or contractors," he said.

END

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, October 31, 2006 12:43 PM
Subject: Combined Federal Campaign –e a Star in Someone' Life!

Combined Federal Campaign – Be a Star in Someone's Life!

The Department's Combined Federal Campaign (CFC) officially begins on November 1, 2006. Now is a perfect opportunity to contribute to your community through organizations of interest to you. Key workers are busy distributing materials and supplies, and you will soon receive your Pledge Card and Catalog of Caring.

You are invited to a very special **CFC Rally** to begin this year's campaign at **10:30 a.m. on Monday, November 6th, in The Great Hall** of the RFK Main Justice Building. Snacks will be provided, as well as fine entertainment and great door prizes. A **CFC Charity Fair** will be held in the **1300 and 1400 corridors** of the RFK Main Justice Building before and after the rally.

Be a Star in Someone's Life by contributing! For more information about the Combined Federal Campaign, visit the Department's CFC website at http://www.usdoj.gov/jmd/ps/empcfc.htm. The CFC gives you the power to help your neighbors in need, around the corner, across the Nation, and throughout the world.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 11:57 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SUSPENDS INVESTIGATION OF ENTERCOM COMMUNICATIONS PURCHASE OF N.Y. RADIO STATIONS FROM CBS CORPORATION

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SUSPENDS INVESTIGATION OF ENTERCOM COMMUNICATIONS PURCHASE OF N.Y. RADIO STATIONS FROM CBS CORPORATION

Entercom Plans to Sell Three Rochester Radio Stations to Eliminate Need for Further Justice Department Investigation and to Comply with FCC Ownership Rules

WASHINGTON — The Department of Justice today announced that it has suspended its investigation of Entercom Communications Corporation's proposed acquisition of New York radio stations from CBS Corporation as long as the companies sell three Rochester radio stations as planned. Entercom informed the Department that it planned to divest the three Rochester stations in order to avoid the need for further investigation by the Justice Department and to comply with the Federal Communications Commission's (FCC) local ownership rules. The investigation arose from Entercom's proposed $262 acquisition of 15 radio stations from CBS in Austin, Texas; Cincinnati, Ohio; Memphis, Tenn.; and Rochester, N.Y.

The Department's Antitrust Division had focused its investigation on the Rochester area in which Entercom already owns four radio stations – one AM and three FM – and would acquire four additional FM stations from CBS. The Department was investigating whether Entercom's ownership of eight radio stations in the Rochester area, accounting for more than 57 percent of radio advertising revenue, would reduce competition and raise the price of radio advertising in that market.

The FCC's local ownership rules prohibit Entercom from owning more than five FM stations in one area and would require Entercom to sell two stations. Prior to the conclusion of the Department's antitrust investigation, Entercom advised the Department that it planned to sell CBS's WRMM-FM and WZNE-FM and Entercom's WFKL-FM to a third party. The Department determined that this sale would reduce Entercom's post-transaction share of Rochester radio advertising revenues to about 40 percent. Based on the reduced share of revenue and the characteristics of the radio stations being sold, the Department concluded that it would not have reason to continue its investigation if the proposed sale is completed.

DOJ_NMG_ 0169936

Entercom and CBS have agreed to complete the planned sale – or the sale of an alternative group of Rochester stations that would be subject to Department approval – within three months to a buyer approved by the Department. If the planned sales do not take place, the Department may renew its investigation and could file a complaint and a proposed consent decree in court that would require divestiture of the three Rochester, N.Y. stations.

Entercom, headquartered in Bala Cynwyd, Pa. owns radio stations in 20 markets nationwide. Its 2005 annual revenues were $432.5 million.

CBS is headquartered in New York, N.Y. Its radio segment owns and operates 179 radio stations in 40 markets nationwide. In 2005, it earned $14.5 billion in revenues, approximately 15 percent of which was generated by its radio segment.

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06-740

DOJ_NMG_ 0169937

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 12:20 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTION: JUSTICE DEPARTMENT SUSPENDS INVESTIGATION OF ENTERCOM COMMUNICATIONS PURCHASE OF N.Y. RADIO STATIONS FROM CBS CORPORATION

Correction: Paragraph 1, $262 **million**.

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
WWW.USDOJ.GOV

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JUSTICE DEPARTMENT SUSPENDS INVESTIGATION OF ENTERCOM COMMUNICATIONS PURCHASE OF N.Y. RADIO STATIONS FROM CBS CORPORATION

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DOJ_NMG_ 0169939

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06-740

DOJ_NMG_ 0169940

Image not available for this document, ID: 0.7.10316.21485-000001

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 3:16 PM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: PROTECTING VOTING RIGHTS AND PROSECUTING VOTER FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

FACT SHEET: PROTECTING VOTING RIGHTS AND PROSECUTING VOTER FRAUD

The Department of Justice plays a limited, but important, role with respect to elections. The Justice Department's Criminal and Civil Rights Divisions enforce specific federal laws that help to ensure that all qualified voters have an opportunity to cast their ballots and have them counted. More specifically, the Department is responsible for enforcing federal laws that help prevent and punish fraud and other assaults on the integrity of the election process for federal elections; for ensuring compliance with the Voting Rights Act, including preventing discrimination and voter intimidation; and for protecting the voting rights of servicemembers and overseas citizens, as well as voters with disabilities.

"The right to vote, and to have that vote count, is absolutely central to the existence of freedom," said Attorney General Alberto R. Gonzales. "As the Supreme Court has characterized it, the right to vote is the 'preservative of every other right.' The Department of Justice is committed to both ballot access and ballot integrity and together these ensure that elections reflect the will of the people, which is the foundation of our great Nation."

The Justice Department has led a major enforcement effort to assure compliance with the Voting Rights Act and other federal laws that protect American voters. During this administration, the Voting Section has broken new ground, filing the majority of all cases ever filed under the minority language provisions of the Voting Rights Act, as well as the bulk of all cases ever filed under Section 208 of the Act, which guarantees voters the right to obtain assistance in voting.

Civil Rights Division Election Day Program:

For decades, the Justice Department has conducted an Election Day program to help protect the rights of eligible voters to cast their votes. On Election Day, the Civil Rights Division will implement a comprehensive program to help ensure ballot access.

- Since the passage of the Voting Rights Act of 1965, the Justice Department has regularly sent federal observers and monitors around the country to protect the rights of all voters, including minority voters and voters who need assistance at the polls. This year, the Civil Rights Division will coordinate the

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deployment of hundreds of federal government employees in counties, cities and towns across the country to ensure access to the polls as required by our nation's civil rights laws.

- On Nov. 7, 2006, the Department of Justice will send a record number of federal personnel for a midterm election, including hundreds of Justice Department employees, to over 65 cities or counties in approximately 20 states to monitor the elections.

- In identifying locations where federal monitors may be needed, the Civil Rights Division has sought out the views of many organizations, including advocacy groups for minority voters and voters with disabilities, as well as state and local officials.

- On Election Day, voters will be able to file complaints online on the Voting Section home page http://www.usdoj.gov/crt/voting/index.htm. Civil Rights Division personnel will be available at a specially staffed toll free number, 1-800-253-3931, to receive complaints, and on a dedicated TTY line, 1-888-305-3228, that will be operational beginning Nov. 1, 2006.

- The Civil Rights Division's efforts to ensure voter access in accordance with federal law included training a responsible official, the District Election Officials (DEOs), in every U.S. Attorney's Office across the country on ballot access laws. The process began in 2002 through the Attorney General's Ballot Access and Voting Integrity Initiative. The DEOs receive annual training on these issues in Washington, D.C., and are better prepared to recognize and remediate federal ballot access issues that they may receive on Election Day.

- The Civil Rights Division's commitment to ensuring voter access has resulted in an unprecedented scope of observer and monitor coverage during the past six years. Moreover, a majority of all federal court orders providing for federal observers were obtained or extended by this administration.

- The Civil Rights Division enforces the Voting Rights Act; the National Voter Registration Act; the Uniformed and Overseas Citizens Absentee Voting Act; and the Help America Vote Act. Among other things, these laws prohibit discrimination or intimidation based on race or language; mandate the availability of voter assistance; require minority language election materials in certain jurisdictions; provide for accessible election machines for voters with disabilities and absentee ballots for servicemembers and voters abroad; and require states to ensure that citizens can register at drivers license offices and other state agencies and also ensure that their voter rolls are accurate.

The Attorney General's Ballot Access and Voting Integrity Initiative:

The Attorney General's Ballot Access and Voting Integrity Initiative was created in October 2002 to increase the Department's ability to deter election fraud and discrimination at the polls, and to prosecute these offenses – to make voting easier and cheating harder. It is imperative that in pursuing voting integrity, ballot access is not in any way diminished or harmed.

- On Election Day, the Public Integrity Section of the Justice Department's Criminal Division will have federal prosecutors readily available to receive complaints and take any appropriate action. When the polls open, the Department of Justice – both in Washington, D.C. and in the states – will be available to handle complaints and open investigations.

- District Election Officers have been designated and will be available in each U.S. Attorneys' district to receive and handle any complaints received from the public.

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- The Criminal Division's Public Integrity Section has assigned attorneys to assist with potential election crimes. Lawyers with the section will be on duty from the time the polls open on the east coast until the time they close on the west coast to provide consultation and coordination with the DEOs.

- The Justice Department enforces laws that prohibit voter intimidation, voting by ineligible individuals, bribery, destruction of valid ballots or registrations, counting more votes than there are registered voters, altering vote tallies, voting in multiple counties, abuse of absentee ballots, malfeasance by election officials, the disappearance of ballot boxes, furnishing fraudulent voter registration forms to election registrars, and forging the names of voters on absentee ballot materials.

- Since the Attorney General's Ballot Access and Voting Integrity Initiative was launched in 2002, more than 120 individuals have been charged with election fraud offenses. Eighty-six people have been convicted of voter fraud in that time frame.

- Nearly 300 election fraud investigations have been started since the initiative began in 2002. There are now approximately 200 investigations ongoing throughout the country.

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, October 31, 2006 4:29 PM
Subject: Memo on Restrictions on Political Activities from the Acting Assistant Attorney General for Administration
Attachments: Political Activities.pdf

Restrictions on Political Activities

Attached is a memo on Restrictions on Political Activities from the Acting Assistant Attorney General for Administration

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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JMD … Serving Justice - Securing Results

U.S. Department of Justice

Washington, D.C. 20530

October 24, 2006

MEMORANDUM FOR ALL DEPARTMENT OF JUSTICE EMPLOYEES

FROM: Lee J. Lofthus
Acting Assistant Attorney General
for Administration

SUBJECT: Restrictions on Political Activities

The purpose of this memorandum is to remind you of long-standing rules governing participation in partisan political activities that apply to us as Department of Justice (DOJ) employees, and to ask that you take the time to be sure that you are familiar with the rules.

In 1994 Congress amended the Hatch Act, 5 U.S.C. 7321-7326, to remove certain restrictions on political participation by most government employees. Prior to these amendments, the Hatch Act had prohibited active participation in partisan political activities by virtually all Federal employees. Even with the greater freedom to participate in partisan political activity that many of us enjoy, all Department employees must continue to take care that their activities do not compromise the integrity of the Department in enforcing the law, or create conflict or apparent conflict of interest with the neutral and impartial administration of justice.

The rules that apply to each of us individually are based on our positions. Certain categories of employees are held to the stricter rules than were the norm prior to1994. In DOJ, these employees are career members of the Senior Executive Service (SES), employees of the Criminal Division (CRM), National Security Division (NSD), and the Federal Bureau of Investigation (FBI), all Criminal Investigators and Explosives Enforcement Officers in the Bureau of Alcohol, Tobacco, Firearms and Explosives (BATF), and Administrative Law Judges (ALJ). In addition, as a matter of policy, the Attorney General previously determined that non-career appointees in DOJ would be held to the restrictions of the pre-1994 Hatch Act, which prohibits employees from active participation in political management or partisan political campaigns. Senate-confirmed Presidential appointees, non-career members of the SES and Schedule C appointees who seek approval to attend a partisan event should contact the Office of the Deputy Attorney General or the Office of the Associate Attorney General for approval. The full text of the memoranda containing the rules and DOJ policies are on the Department's website. Career employees should go to http://www.usdoj.gov/jmd/ethics/docs/agpolactcar1.html. Non-career appointees should go to http://www.usdoj.gov/jmd/ethics/docs/agpolactpol.html.

It is also important to understand how the rules on participation in political activity affect other rules. Over the past several years employee use of the Internet has increased dramatically. As you know, the Department's policy allows personal use of most office equipment, including the Internet, where there is negligible cost to the government and no interference with official business. However, I want to stress that partisan political activity in the workplace is treated differently than other personal activities. Since partisan political activity in the workplace is prohibited by the Hatch Act, 5 USC 7325, employees **may not use** the Internet or any other government equipment to engage in partisan political activities. Employees may access partisan political websites on the Internet using a government computer, since merely accessing a partisan site does not violate the Hatch Act. However, additional activities in the workplace directed toward the success or failure of a political party, a candidate for partisan political office, or partisan political group, would violate the Hatch Act and also would violate the Department's rules. For example, inviting individuals to attend a political event, recruiting campaign volunteers or dispersing campaign literature over the Internet or while using a government telephone are prohibited.

Finally, employees should understand that violations of the Hatch Act carry strict penalties, which are enforced by of the U.S. Office of Special Counsel, an independent agency. The presumptive penalty is removal from Federal service, although this may be mitigated to a 30-day suspension.

If you have questions concerning any of these rules or policies, please contact your Deputy Designated Agency Ethics Official (DDAEO), or the Departmental Ethics Office, at (202) 514-8196.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 4:15 PM
To: USDOJ- Office of Public Affairs
Subject: TWO MORE PLEAD GUILTY IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

TWO MORE PLEAD GUILTY IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE, La. – Two more Louisiana residents pleaded guilty in federal court on fraud charges related to hurricane disaster relief programs, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced today.

Edwin L. Franklin of Port Allen, La., pleaded guilty before Chief U.S. District Court Judge Ralph E. Tyson to a two-count indictment charging him with making a false and fraudulent claim for Hurricane Katrina disaster assistance benefits and for making false and fraudulent statements to the Federal Emergency Management Agency (FEMA) regarding damages incurred as a result of Hurricane Katrina. The indictment alleges that the fraudulent claim filed by Franklin resulted in a total disbursement of over $9,000 to Franklin by FEMA. As a result of his guilty plea to the first and second count of the indictment, Franklin faces a maximum sentence of 10 years in prison, a $500,000 fine, or both. The case was investigated by the FBI.

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Doretta V. Francis of Baton Rouge, La., pleaded guilty before U.S. District Court Judge James J. Brady to making a false and fraudulent claim for Hurricane Katrina disaster assistance benefits. As a result of her guilty plea, Francis faces a maximum sentence of five years in prison, a $250,000 fine, or both. The case was investigated by the U.S. Department of Homeland Security's Office of Inspector General.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, La. 70821-4909.

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Image not available for this document, ID: 0.7.10316.21356-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 4:45 PM
To: USDOJ- Office of Public Affairs
Subject: LONGVIEW WOMAN SENTENCED FOR HURRICANE RELATED FRAUD

Department of Justice

United States Attorney Matthew D. Orwig
Eastern District of Texas

FOR IMMEDIATE RELEASE

TUESDAY, OCTOBER 31, 2006

WWW.USDOJ.GOV/USAO/TXE

CONTACT:
DAVILYN BRACKIN
PHONE:
(409) 839-2538
CELL:
(409) 553-9881

LONGVIEW WOMAN SENTENCED FOR HURRICANE RELATED FRAUD

TYLER, Texas – A 29-year-old Longview, Texas, woman has been sentenced for posing as a Hurricane Katrina victim and attempting to defraud the federal government, U.S. Attorney Matthew D. Orwig of the Eastern District of Texas announced today.

Tomisha Embry was sentenced to three years probation and ordered to pay $2,000 in restitution to the federal government for mail fraud. Embry was sentenced by U.S. District Judge Leonard Davis.

"Last year's storms brought out the best and worst in people," said U.S. Attorney Orwig. "We will continue to seek out and aggressively prosecute those who attempted to take advantage of this situation."

According to information presented in court, on Sept. 8, 2005, Embry submitted an application to the Federal Emergency Management Agency (FEMA) seeking disaster assistance. Embry claimed to be a resident of New Orleans at the time of Hurricane Katrina, and reported that she had suffered damage to her property. In fact, Embry was a resident of Gregg County, Texas, and never experienced hurricane-related losses. As a result of this false claim, Embry received a check for $2,000 for disaster-related expenses and was subsequently charged with filing a false claim with FEMA.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

This case was investigated by the FBI and prosecuted by Assistant U.S. Attorney Alan Jackson of the Eastern District of Texas.

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Image not available for this document, ID: 0.7.10316.21374-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 5:51 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES DISCRIMINATION LAWSUIT AGAINST MILWAUKEE NIGHTCLUB

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
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CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES DISCRIMINATION LAWSUIT AGAINST MILWAUKEE NIGHTCLUB

WASHINGTON — The Department of Justice today reached a settlement resolving allegations of racial discrimination with the owner and operator of Eve, a nightclub in Milwaukee, Wis. The Justice Department alleged that the nightclub discriminated against African-American patrons by denying them admission into the nightclub for false reasons. The settlement requires the nightclub to implement changes to its policies and practices in order to prevent such discrimination.

"Barring African-Americans from entering a business is offensive and unlawful, and should be a sad relic of a bygone era," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department of Justice will vigorously enforce federal laws prohibiting such discrimination."

"We will aggressively pursue claims of racial discrimination," said Steven M. Biscupick, U.S. Attorney for the Eastern District of Wisconsin.

The Justice Department's complaint, filed on Dec. 29, 2005, alleged that Eve nightclub, doing business as Eve, violated the Civil Rights Act of 1964 by engaging in a pattern or practice of discrimination against prospective African-American patrons because of their race. The suit further alleged that on numerous occasions the nightclub denied African-Americans entry to Eve for false pretextual reasons, such as inappropriate attire, exclusion due to a private party, or that Eve was already full, while similarly-situated white persons were admitted to Eve.

The consent decree submitted to the court today resolves the matter. The consent decree, pending court approval, requires that Eve comply with federal law by not discriminating against patrons on the basis of race; post and enforce a non-discriminatory dress code policy; implement a system for receiving and investigating complaints of discrimination; and conduct monitoring to ensure that Eve's employees are acting in a non-discriminatory manner consistent with federal law.

Title II of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, religion, or national origin in places of public accommodation, such as nightclubs. Under Title II, the Civil Rights Division can obtain injunctive relief that changes policies and practices to remedy customer discrimination. Title II does

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not authorize the Division to obtain specific relief, such as monetary damages for individual customers who are victims of discrimination.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, October 31, 2006 7:30 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF ROUNDTABLE WITH WAN KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION AND SENIOR JUSTICE DEPARTMENT OFFICIALS ON PROTECTING VOTING RIGHTS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 31, 2006
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TRANSCRIPT OF ROUNDTABLE WITH WAN KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION AND SENIOR JUSTICE DEPARTMENT OFFICIALS ON PROTECTING VOTING RIGHTS AND PROSECUTING VOTER FRAUD

WASHINGTON, D.C.

2:10 PM EST

ASSISTANT ATTORNEY GENERAL KIM: Well, good afternoon and welcome to the Civil Rights Division's conference room. For those of you who have not been here before, this is actually J. Edgar Hoover's old office. And so you actually need to put the microphones down -- (laughter).

But welcome aboard. We've had a very, very busy year this year in the Voting Section. We have filed 17 lawsuits this year. And all of that was done, obviously, to protect the right to vote. And that will be culminated in next Tuesday's election across the country for midterm federal elections and for many localities and jurisdictions. Obviously, there are state and local election cycles as well.

When I mention that number, 17, I think that number is significant. Because it means that the voting section has been extremely busy. But it's also relevant because the average number of lawsuits filed by the voting section over the past 20 years or so is about eight to nine. So they've been extraordinarily productive and aggressive in ensuring that the voting rights of Americans have been preserved. And that commitment continues on to Election Day. Right now, the voting section and people in the sections have been working very, very hard to maintain and implement the monitoring program that will come into effect on election day.

One of the things that we have done in the past six years very aggressively is to work hard to ensure that, on Election Day, we dispatch large numbers of federal observers and monitors to the polls in areas where there may be federal voting rights issues, to try to resolve those issues before they become big problems. And for that reason, we have dispatched a record number, unprecedented numbers of federal observers and monitors to the polls over the past six years, and that commitment will continue on Tuesday. We expect to dispatch a record number of federal personnel for a midterm election cycle this Tuesday.

Rough numbers, right now, we expect to have more than 800 people to be around the country in about 20 states and many political subdivisions within those states, to try to help voters who may need help very discretely, very much observing and trying to flag problems and resolve those problems with coordinators on the ground from the Civil Rights Division who communicate with the state and local election officials, who actually take charge and obviously an ownership of many of these elections.

That is a very brief overview of what we've done and what we intend to do on Tuesday. I'm happy to throw it out for questions and I think some of you at least have many. Sir.

QUESTION: Why did you feel the need to send a record number this year?

ASSISTANT ATTORNEY GENERAL KIM: Well, it's not just this year, and I think that's an important point. We have been sending out record numbers for the past three election cycles. I mean, 2002, 2004 and 2006. In 2004, for the Presidential election, which of course has even greater voter turnout, we sent out an all time record. In 2002, I believe that we hit a record then. And in 2006, we'll be surpassing the record that I believe we set in 2002. So it's been a commitment over six years to try to make sure that federal resources are brought to bear on Election Day to try to ameliorate problems before they become big problems. And at the end of the day, you know, that's what the goal of the Civil Rights Division Voting Section is, is to try to make sure that people have access to the polls in a manner consistent with federal law. And when we can help out, as we can help out on Election Day, that's what we try to do.

QUESTION: Where do you get these observers? And who are they and how are they trained?

ASSISTANT ATTORNEY GENERAL KIM: Yeah, that's a very good question because there are -- if you noticed, I keep using the terms "observers" and "monitors". Those are legally significant terms. Observers are people who have been certified -- I'm sorry. Observers are people who are supplied by the Office of Personnel Management and they are federal employees, and they may be drawn from any federal agency that you can think of across the scope of the federal government. They are dispatched to places that are certified for coverage under the Voting Rights Act, okay, and there are certain jurisdictions across the country, many of them in the deep South, that are certified for observer coverage. And that means that we have the legal authority to send people in there, despite what the local jurisdiction may wish us to do. Now I say that. As a legal matter, the jurisdictions are perfectly happy, by and large, to have us come in and help out. But we have the legal authority to do so, even if they don't want us there.

Now with respect to monitors, monitors are Department of Justice personnel. And the funding for them comes out of the Department of Justice's budget. And we send them to places where there was no observer coverage certified, but we worry that there may be some possible voting rights issues. And so we coordinate with the state and local jurisdiction and they almost always invariably welcome our assistance. And it is in that voluntary arrangement that we send out Department personnel to act as monitors. But once on the ground, they pretty much do the same thing. They're both there to try to be as discrete as possible, as nonconfrontational as possible, but to record, observe and notify federal officials and state officials if there are problems that they see.

QUESTION: And how are they trained?

ASSISTANT ATTORNEY GENERAL KIM: They are trained by Voting Section attorneys in the areas where they are dispatched, usually before the election, usually the day before the election. But many of these people have done this many times in the past, so often there is a great deal of experience that comes from previous election cycles. And don't forget, we also have been spending a lot of time monitoring primary elections, earlier elections, so it's not just that they only get to do this on Election Day.

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QUESTION: So the 800 number refers to observers and monitors?

ASSISTANT ATTORNEY GENERAL KIM: Yes, ma'am.

QUESTION: Okay.

ASSISTANT ATTORNEY GENERAL KIM: Yes.

QUESTION: And the 17 lawsuits, can you give us kind of a status check on where they are? I mean, are they --

ASSISTANT ATTORNEY GENERAL KIM: Many of them are resolved. In many of these cases, it is almost invariably the case that before we file a lawsuit in the Civil Rights Division and certainly in the Voting Section, we engage in extensive pre-suit negotiations. We notify the jurisdiction quietly that we have found a violation of federal law that we believe to exist, and then we negotiate with them. And so often it is the case that we will be able to file the lawsuit as well as a resolution of that lawsuit on the same day.

And so with many of the 17 lawsuits, they are already resolved, they are on the books, and we are into the compliance period. With some of the lawsuits, and I can tick a few off the top of my head, they're still in litigation and we'll be litigating them for a while. I mean, we have a Section 2 lawsuit in Euclid, Ohio, that we're still litigating. We have a lawsuit that we filed recently against the City of Philadelphia that we are litigating.

The bulk of them, if I'm not mistaken, we have settled.

DEPARTMENT OF JUSTICE OFFICIAL: Yes.

QUESTION: And what are they for?

ASSISTANT ATTORNEY GENERAL KIM: Oh, they're for violations of Section 2 of the Voting Rights Act, they're for violations of the NVRA --

QUESTION: Well, talk for human beings I'm writing for.

ASSISTANT ATTORNEY GENERAL KIM: Oh, sure. (Laughter.)

QUESTION: I mean, what would that mean in terms of problems with the machines, they disallowed someone to vote? I mean, what was the gist of some of these lawsuits?

ASSISTANT ATTORNEY GENERAL KIM: The gist of all the lawsuits are a violation of federal law. But the four federal laws that we enforce are the Voting Rights Act, which contains a number of provisions pertaining to freedom to be free from discrimination in voting, freedom to be free from voter intimidation, freedom to be free to have someone help you vote. It's actually a federal requirement that many people are not aware of that you have a federal right to bring an assister with you into the polling place to actually vote with you, in case you are uncomfortable voting alone, so long as that person is not your employer or your union official. Those are the carve outs.

And so the lawsuit that we brought in Long County, Georgia, for example, earlier this year, which we resolved on the same day that we filed it, alleged that county and local election officials were singling out Hispanic surnamed voters for challenges based on their citizenship and qualification to vote. So that was discrimination based on race and we brought that lawsuit and we were able to resolve it.

We have also filed lawsuits against certain states for not having the machines required by the Help America Vote

Act that would allow people with disabilities to vote independently in the federal elections this year. We've also brought lawsuits challenging the states' maintenance of their voter registration lists, to make sure that those lists are being created according to the Help America Vote Act. We've brought additional lawsuits related to the ability of states to make sure that absentee ballots are being mailed for service members abroad, a highly significant issue in a time of war when many of our service members are abroad, as well as to our overseas citizens.

So within the statutes that we have jurisdiction, we have brought cases in almost every single one of them.

QUESTION: And the 20 states that you're going to be in, is that rotated every election or do you just go to the same 20 states all the time?

ASSISTANT ATTORNEY GENERAL KIM: We figure out where the problems are for every election. Every election is unique and so we determine that, you know, with respect to every single election, be it the primary season or the general election. We will be issuing a press release that details exactly where we will be going closer to the election date. And even though we have a pretty good idea of certain states that are definitely going to be covered and certain jurisdictions within those states that are definitely going to be covered, we hold that back until we make our final list together.

QUESTION: Can we get a sneak preview?

ASSISTANT ATTORNEY GENERAL KIM: You can ask to see it for a sneak preview. I just tell you what the official line is.

QUESTION: How close to Election Day? I mean, do you -- do you --

ASSISTANT ATTORNEY GENERAL KIM: I believe the release will go out on Monday, if I'm not mistaken, which is traditionally the case. We usually release it the day before the elections.

QUESTION: When are these people actually dispatched?

ASSISTANT ATTORNEY GENERAL KIM: Obviously, they have to travel there. And obviously, they have to know where they're traveling. But that's internal information at this point. And, you know, they're dispatched -- depending on where they're coming from and where they're going, travel schedules have to vary a little bit.

QUESTION: If you can't identify the places where they're going, can you give us an idea where the new problems and what kinds of new problems you come up with this time around?

ASSISTANT ATTORNEY GENERAL KIM: I've got to say, the new problems are really old problems. I mean, what we're doing in trying to select places to send federal personnel is identify possible violations of federal voting laws. And that could be the age-old issues of, you know, is there discrimination? Are we hearing from minority advocacy groups and groups for the disabled that there are real problems with the voting operation in their jurisdictions? That's a great source of information for us because, you know, we're obviously not everywhere. We're all located in Washington, D.C.

Then there are certain cases where we brought lawsuits recently. And as part of the lawsuit, we have provided that the court ordered that that jurisdiction be certified for observer coverage. Those are areas, because we've seen recent violations, we may want to make sure that those violations are being remedied consistent with the court orders and consistent with what the law requires.

So the only new wrinkle in this election year are the requirements of the Help America Vote Act with respect to the provision for voting machines that allow disabled voters to vote independently, and some of the other new

requirements. But those are the only new federal requirements that come into play in determining what federal laws might be violated in what jurisdiction and therefore what lists are we compiling.

QUESTION: Is there any correlation between where you send monitors and the possible closeness of a specific race?

ASSISTANT ATTORNEY GENERAL KIM: The closeness of a specific race is an issue because, obviously, you know, we want to enforce the federal laws. We can't send people everywhere. So in terms of prioritizing, it is a factor how closely contested the race may be. Because, obviously, that may be a place where we can do some good. More good if a person is up by 40 points. Well, okay, there may be violations but they may be at the margins. Are our monitors better used elsewhere?

So there is no individual factor that really ranks the highest except for, do we see violations of federal voting laws being a real problem here or possibility here. But it is a consideration whether the race is expected to be a close one. Because if we can add some comfort that federal personnel were on the ground and helped monitor elections and helped to solve problems where they were seen, you know, maybe that will add ultimately to the confidence in the outcome of that election.

QUESTION: And if there is a specific site where you don't anticipate a problem but have reports of problems on Election Day, do you have the ability to move people to those sites?

ASSISTANT ATTORNEY GENERAL KIM: Not -- not on Election Day, no. No, I mean, clearly -- as I told you from the 17 lawsuits that we brought this year, our work on Election Day is significant. Another more significant, probably, chunk of our work is actually following up with investigations and litigation where we experience problems that amount to violations of federal law.

QUESTION: What's the split between observers and monitors?

ASSISTANT ATTORNEY GENERAL KIM: It depends on the course of the year, quite frankly. Generally speaking, we have slightly more observers than monitors --

QUESTION: In this case --

ASSISTANT ATTORNEY GENERAL KIM: You know, we won't be releasing those numbers right now, but I would say probably it's going to be roughly two to one, observers to monitors. In the past, it has been as high as I think 30 to one, observers to monitors. But we have been doing a great deal to try to get the Department personnel out to augment the observers we get.

QUESTION: In '04, you sent out 1,090 monitors and observers. When you say "record numbers," do you mean for a midterm?

ASSISTANT ATTORNEY GENERAL KIM: Yes, absolutely. Yes. I mean, I want to compare apples to apples. I mean, midterm elections are very different in scope and size than Presidential election years.

QUESTION: And your predecessor's focus was on voter fraud, which came under a lot of criticism from some traditional civil rights groups, who thought the focus should have been --

ASSISTANT ATTORNEY GENERAL KIM: I don't remember Alex's focus being on voter fraud. I mean, we do have a criminal division here --

QUESTION: A department head at the time (inaudible), and there was even a hotline established for people all

over the country to call in with allegations (inaudible) problems at the polls. (Inaudible.)

ASSISTANT ATTORNEY GENERAL KIM: Oh, absolutely. You're combining two things, which is why I'm looking a little bit confused. First of all, Alex Acosta was my predecessor. His nice picture is hanging up there, so you can refer to it.

His focus, I do not believe, was voter fraud. And I say that just because there has always been a divide in the Department as to the Criminal Division working on voter fraud issues and the Civil Rights Division working on voter access issues, and that distinction remains here today.

We do have a hotline. And that was a hotline that was set up by the Civil Rights Division, if I'm referring to the same one. I'm not sure if the Criminal Division ever had a hotline. No. And the hotline that we set up, and I'm happy to give you that number, you should publicize it, will be available, it will have numerous lines for rollovers so many people can call at the same time, and it will be well manned on election day. But that is a hotline that we will be using to make sure that calls across the country with respect to voter access issues can be reported.

DEPARTMENT OF JUSTICE OFFICIAL: We also have a website up now.

ASSISTANT ATTORNEY GENERAL KIM: Yes, and we also have a website up and that's something that's on -- we can give you that information with respect to a website that you can contact, people can contact across the country to report complaints, as well as a hotline, a toll-free number, a 1-800 number, that will be well staffed here in D.C. on Election Day.

QUESTION: Is the website new this year?

ASSISTANT ATTORNEY GENERAL KIM: I believe that's correct.

DEPARTMENT OF JUSTICE OFFICIAL: It's a new link on our website.

QUESTION: I know, but is it new? Did you do that during an election, having the ability to report complaints via the web?

DEPARTMENT OF JUSTICE OFFICIAL: We did that in 2004 as well.

QUESTION: Are you -- I understand the rationale for the growing number of monitors and observers. But to other -- some people, the notion that lots and lots more federal folks are going to be on the scene might be viewed as intimidation, regardless of whatever your motive may be. I wonder if you're concerned, as you talk about record numbers of folks that are going to be watching the polls, if it's going to have that kind of an effect --

ASSISTANT ATTORNEY GENERAL KIM: I sure hope not. And I sure hope not. I'll tell you why for two reasons. One, the provision for creating observers was created in the Voting Rights Act in 1965, and it was created because the assurance that federal personnel could provide in making sure that elections were conducted in a full and fair fashion consistent with federal law. That's the whole goal and the origin and the genesis of this observation, and we've augmented it over the years with the monitoring provision for sections of -- for parts of the country not certified under the observer coverage provisions of the Voting Rights Act. But I find it awfully sad if a provision created by the Voting Rights Act could be interpreted as somehow trying to suppress voter turnout.

Secondly, we coordinate very closely with many of the minority groups and the disabled groups across the country in getting people out there. And it has been uniformly the case that they encourage us to get people in these locations to make sure that voter access is preserved. I have not heard many allegations, if any, by the civil rights advocacy groups that we deal with that want us to slow it down or narrow or tamp down.

QUESTION: Couldn't the opposite argument be made? That, in fact, this is a -- while a larger effort numerically than in past elections, it's still very modest and, in fact, 800 monitors is one for every thousand precincts. I mean, you've got a very light sprinkling of people. And is that sufficient in order to guard against the things that you have to be careful of?

ASSISTANT ATTORNEY GENERAL KIM: It is always the case that there are two sides to every coin and that argument certainly can be made. I think that the important thing to recognize is, you know, obviously, state and local officials do a terrific job in running elections across the country. Obviously, there are about 4,000 political subdivisions where elections are held around the country. Those 4,000 subdivisions I understand use in excess of one million voting machines on Election Day.

The scope of federal resources brought to bear has to be commensurate with our role in the process. We have taken unprecedented steps to increase the number of federal observers and monitors and, of course, it's going to be push/pull. Are we doing too much? Are we doing too little? But we think we're striking the balance correctly by bringing an unprecedented number to the table.

QUESTION: Do these observers have freedom to go from precinct to precinct within a given jurisdiction? Or are they -- do they sit at the same polling station all day long and --

ASSISTANT ATTORNEY GENERAL KIM: They do both. They do both. I mean, they often will go from one to another. It depends on the jurisdiction, how far the polling places are apart. In some jurisdictions, the polling places are miles and miles apart; some jurisdictions, they're relatively close. And it depends on whether we think it may be more effective for them in a particular precinct to stay at one location all day or to circulate.

QUESTION: If you're sitting in East Los Angeles and you start to hear of problems in South Los Angeles, can you move people down there?

ASSISTANT ATTORNEY GENERAL KIM: Sure. That, of course, will happen. There is a command center that's manned by an experienced Civil Rights Division attorney in all of these locations. And to the extent that people need to be redispatched within a certain venue, as opposed to flown to another venue, that can happen and it does happen.

QUESTION: I have just two questions. One is, can you talk about what you might be doing now as far as monitoring early voting and absentee voting? And then the other question is, when people call in to this hotline, do you actually try and resolve the issues on Election Day or is it something at this point where you're just collecting information?

DEPARTMENT OF JUSTICE OFFICIAL: In the second one, the people who are answering the phones on the hotline, we have a big operation to organize that, will try and resolve problems that can be resolved on Election Day. And we do that typically by contacting the local election officials, bringing the matter to their attention, discussing it with them, and they tend to be very responsive. And there are some things that you just cannot address on Election Day.

And I've already forgotten your first question.

QUESTION: Oh, it was about what you might be doing now as far as monitoring for the early and absentee voting?

DEPARTMENT OF JUSTICE OFFICIAL: Oh, the early and absentee voting? We get -- where we get calls or reports of that, we respond. And we are in close touch, as Mr. Kim said, with the minority advocacy groups around

the country, and looking at newspapers and other sources of information to try and identify places where there are problems. And then we would, you know, again contact the local election officials.

QUESTION: And have things emerged yet?

DEPARTMENT OF JUSTICE OFFICIAL: Things are in a constant state of emergence.

QUESTION: There have been a lot of problems, I think, with some electronic voting machines cutting off candidates' names (inaudible)?

DEPARTMENT OF JUSTICE OFFICIAL: The operation, the mechanics of the election, typically are entirely within the responsibility of state and local officials. We have four statutes, we enforce those four statutes. And where a problem comes up that intersects with one of those four statutes, then we can go in and deal with it. But we do not have plenary authority over state and local elections.

ASSISTANT ATTORNEY GENERAL KIM: And one of the things that I think all of you recognize is that within any jurisdiction, this -- on November 7th, there will be scores of different types of voting machines used across the country to register votes by voters across the country. Even within a single polling place within a single political subdivision that holds elections, you may find more than one type of voting machine to be used in that polling place.

These decisions, what voting machines get used, how they get employed, how many poll workers there are, how long the polls are open, those are decisions for state and local election officials. And to the extent that federal laws are implicated -- I mean, obviously, if they're assigning a certain race of voters certain machines or treating people differently based upon categories, we will get involved.

But the issues of, for example, whether there even should be a manually auditable paper trail is one that really is highly decentralized at this point.

QUESTION: So to kind of follow up on that, it is federal law, right, that there has to be handicap-accessible machines at every polling place; is that accurate?

ASSISTANT ATTORNEY GENERAL KIM: Under the Help America Vote Act, every polling place should have at least one machine that is capable of being used independently by disabled voters.

QUESTION: So what do you do a week before the election when there are reports out of Massachusetts or in Connecticut where all these lever machines are being used and there are hundreds of jurisdictions that don't have accessible machines?

ASSISTANT ATTORNEY GENERAL KIM: I think it's fair to say that the voting section has been in contact with every state across the country over the past year to measure and ensure compliance with the Help America Vote Act. Now, the problem with the Help America Vote Act from a logistical standpoint is its requirements only came into effect in 2006 for the vast majority of states. So our enforcement efforts are geared towards enforcing the law but not making the problem worse. And obviously forcing -- if we find, for example, tomorrow that there are certain jurisdictions across the country that don't have machines for disabled voters in every single one of its polling places, the question is what can we do between now and Election Day to change that? If we think we can do something constructive, that is what we'll do. If we think that we cannot do something constructive and do something that will actually create confusion or a worse situation, then we'll probably try to figure out what better way to enforce the law might exist.

QUESTION: But what authority, if any, do these observers or monitors have? Say you have several polling

places that don't live up to that standard, what can they do?

ASSISTANT ATTORNEY GENERAL KIM: On Election Day, very little. I mean, if they don't have a machine on Election Day that they should have to help disabled voters cast their votes independently, there is not a whole heck of a lot we can do on Election Day. But they can certainly record problems, identify them. And in many instances, observers and monitors have collected information that helps us file affirmative lawsuits in the future. You know, that's not their primary role; their primary role is to try to help people on Election Day. But to the extent that they flag issues, that could be something that we follow up with. Is it a federal law violation? We'll do that.

QUESTION: Are they permitted to, say you've got voters here who don't have access to a machine, disabled voting machine, to move them to another precinct?

ASSISTANT ATTORNEY GENERAL KIM: No. No, it would not take place that way. What they would do is they would call back to the central command center and say, listen, I'm seeing a problem here because there are a lot of voters with disabilities who are showing up. And maybe it would make sense for the state and local election officials to try to get them moved to a locale where they could vote independently because a machine does exist.

That kind of communication takes place all the time. They identify problems on the ground. They are generally advised not to interfere in the problem but try to phone up to the experienced Civil Rights Division attorney, the Civil Rights Division attorney liaisons with the state and local election official. And that relationship usually, in our experience, works quite well. I mean, when we identify problems at that level to a responsible state and local election official, they usually take the corrective action. I mean, they've gone so far as to pull a poll worker from a location when a poll worker was acting inappropriately based upon an observation that one of our monitors made on the ground.

QUESTION: Do you think Congress was being too optimistic in trying to get the Help America Vote Act --

ASSISTANT ATTORNEY GENERAL KIM: See, my Legislative Affairs person back there is just laughing. She knows I'm not going to answer this question. (Laughter.)

QUESTION: I mean, between this and the statewide databases, I mean, did they ask for too much without enough time or money to get this in place?

ASSISTANT ATTORNEY GENERAL KIM: Well, I mean, to be fair to the Help America Vote Act in Congress, which passed it overwhelmingly -- I mean, the Help America Vote Act was passed in 2002. And then funds were appropriated -- I think over $3 billion in funds -- for the states to actually implement its requirements. And the states were given a deadline of I think it was 2004, but given basically a free pass. If you file a statement, you could postpone the requirements to 2006. So there have been several years for states to work to get to compliance.

Now, our review and our litigation under the Help America Vote Act has shown that some states are further along in the process than others. Some states made many good faith efforts to move forward and get into compliance. Some states took very few efforts to get along that way after all these years.

So I'm not sure that I would lay the blame anywhere. But I think it's fair to say that the litigation we brought reflects that many states were not compliant and were not on a real time table for compliance. And where we find those problems, you know, our job is law enforcement. We're going to bring the cases or the consent decrees or the memoranda of agreement or whatever it takes to ultimately get states into compliance.

QUESTION: Is it -- what percentage of the states have taken good faith efforts to come into compliance versus

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not --

ASSISTANT ATTORNEY GENERAL KIM: I don't want to disclose internal deliberations that may be relevant to future litigation decisions. I think it's fair to say, though, we filed four lawsuits under the Help America Vote Act.

DEPARTMENT OF JUSTICE OFFICIAL: Against four states.

ASSISTANT ATTORNEY GENERAL KIM: Yes, against four states thus far. And so, you know, that's where we are right now. And part of this election cycle, by the way, is let's find out how far states are in compliance with the requirements. And obviously, if states are not in compliance, we'll be not only continuing our campaign of talking to them and trying to provide some assistance technically but also, you know, bringing forth litigation if that's what it takes.

QUESTION: And what states were those? Since you've already filed.

ASSISTANT ATTORNEY GENERAL KIM: Oh, the lawsuits?

QUESTION: Yes.

ASSISTANT ATTORNEY GENERAL KIM: We filed against New York, Maine, Alabama and New Jersey.

QUESTION: The Criminal Division, I was just wondering. There have been a lot of allegations about fraudulent registrations, especially in Missouri. And I'm just curious, is that something that you are investigating at this point? What kind of investigations might you be conducting as far as fraudulent voter registrations?

DEPARTMENT OF JUSTICE OFFICIAL: We don't typically -- it's a general rule that we don't comment on ongoing investigations, particularly criminal investigations. I will say, as a general matter, that is precisely the area of jurisdiction of the Criminal Division, among other areas of jurisdiction, that it looks at it. So there are allegations about voter fraud, fraudulent registrations, fraudulent -- you know, intimidation of voters, other factors, ballot box stuffing and things like that, that falls within the purview of an investigation the Criminal Division would do.

QUESTION: So when you have this list of, you know, how many voter fraud cases have been filed, that includes -- that could be fraudulent intimidation as well as other things? Or are these all -- there's always this confusion about what's voter fraud versus intimidation. So do you consider some intimidation to fall under the category of voter fraud?

DEPARTMENT OF JUSTICE OFFICIAL: I don't know about those precise statistics. I mean, I can go back and check on whether or not that's focused purely on voter fraud as opposed to allegations of intimidation.

QUESTION: Because it says nearly 300 election fraud investigations have been started since the --

DEPARTMENT OF JUSTICE OFFICIAL: Right, that sort of category of election fraud within the Criminal Division focuses in on fraudulent registration, ballot box stuffing, things in that category. Intimidation is a slightly different category.

ASSISTANT ATTORNEY GENERAL KIM: Let me just make one point here, because it's been echoed in two questions that I've heard. And now that -- I just want to emphasize, one of the important things you can stress for your readers is that there is a divide within the Department of Justice between what the Civil Rights Division does with elections and what the Criminal Division does during elections. And that divide is intentional. It's been here for a long time. It's been intentional because we don't want to create the appearance that when we have people out

there that they are to collect information on voter fraud lawsuits. We don't want to create the very impression that some of you have been asking questions upon. And that's why we've taken that kind of pain to divide even within the Department of Justice what we do on the flip side, the balance.

And if I could just make it a little bit more colloquial, everyone agrees that we want to make voting easier and fraud harder. And we enforce the first side of that and the Criminal Division enforces the second side of that, in a little nutshell. And so, you know, you would do a lot of service -- I mean, people ask me, what are you worried most about the elections? And I tell them, what I worry about in every election, that people who are registered to vote get out and vote.

And so the Civil Rights Division really tries to encourage that and aid that process. And that's why we send the observers and monitors out there. And it would be a disservice if people believed that we did that for other reasons, unrelated to what the Civil Rights Division's role in this process really is.

QUESTION: (Inaudible) that special instruction went out to every U.S. Attorney's Office to be on the special lookout for voter fraud. And also said that every single FBI field office had an agent standing by. Maybe that's the traditional --

ASSISTANT ATTORNEY GENERAL KIM: Is that the Civil Rights Division's release?

QUESTION: Well, it was the Department's release --

DEPARTMENT OF JUSTICE OFFICIAL: It was a joint release.

QUESTION: -- that covers both Public Integrity and the Civil Rights Division. It seemed to be at the time, it was a very special emphasis on it that I'm not hearing this time.

ASSISTANT ATTORNEY GENERAL KIM: Well, you know, again --

QUESTION: -- trying to draw a distinction --

ASSISTANT ATTORNEY GENERAL KIM: That emphasis is not being placed by me, because it would not be my place to place it. I'm happy to defer to Criminal Division to see if they want to make a similar emphasis this year?

DEPARTMENT OF JUSTICE OFFICIAL: Perhaps a little bit of explanation of our process might be helpful in this context. Every election -- let me just step back for just a second. For every election, every United States Attorney's Office has a designated election officer. And those people are specially designated within the United States Attorney's Office. They are trained both by the Civil Rights Division and the Criminal Division on issues associated with, among other things, election fraud. Every year, for every Presidential and midterm election, the Public Integrity Section of the Criminal Division puts together an initiative so that for every midterm or Presidential election, there are the designated election officials in the United States Attorney's Offices are on duty that day, and there is a control -- central location. You know, folks within the Public Integrity Section are also on duty that day. So what you're making reference to is that particular program which is distinct from the Civil Rights Division's program.

Also, the FBI has a parallel, because all of our criminal investigations, if they're done, have an Agency involvement, classically any federal criminal investigation would have that, whether it's a drug investigation or a firearms investigation, or in this case a voting fraud allegation. The agency that investigates that is the FBI. And they have a parallel organization also in place with designated agents who are available to address problems that might arise during -- during an election.

It's different than observers and monitors. Agents are not observers and monitors. In fact, they don't play any role in that. Our -- if incidents arise during the course of they day, they may be consulted about those matters and they in turn then have to consult the Public Integrity Section. But it's a different -- it's sort of a more of a safety net, an opportunity for us to be available to address problems if they do arise. But it's separate and distinct from the Civil Rights Division's initiative.

QUESTION: (Inaudible) proactively before Election Day put out the word locally?

DEPARTMENT OF JUSTICE OFFICIAL: Yes, as part of this initiative, there are a couple of things that happen. First, the United States Attorney's Offices, the district election officials make contact with state and local election officials. And some of these relationships are long lasting and have already been present for some time.

In addition, the United States Attorney's Offices, one of the suggestions that the Public Integrity Section outlines basically when they put this initiative together every year, and there's a big training session in the summertime to get everybody geared up for this -- they put together a proposed press release that some United States Attorney's Offices issue in the run-up to the election, describing some of the procedures that are in place.

QUESTION: Not to put too fine a point on it, that is the first thing that this release says in terms of what the Department does, responsible for enforcing the federal laws that help prevent and punish fraud.

ASSISTANT ATTORNEY GENERAL KIM: Absolutely. That's an accurate statement. I guess the only thing I disagree with was that my predecessor was focused on preventing voter fraud. There is a division within the Department, is how that gets done. That's the only point I'm trying to make.

QUESTION: Could you talk a little bit about how serious a problem voter fraud is, particularly on Election Day, as opposed to the absentee voter fraud and (inaudible)?

ASSISTANT ATTORNEY GENERAL KIM: I will defer to the Criminal Division on that.

DEPARTMENT OF JUSTICE OFFICIAL: I'm not sure that I can speak to the whole sort of how systemic it is or how widespread it is or other issues like that. I can tell you that, since 2002, when we started I think it's called the Attorney General's Ballot Access and Voting Integrity Initiative, we've prosecuted about 120, in excess of about 120 -- I think it's referenced in the talking points -- election fraud cases, in which over 80 individuals -- 89 is it? -- 86 individuals have been convicted for voter fraud related offenses.

QUESTION: And that's out of how many million votes? I mean, I'm just trying to get a sense of the perspective. How big a problem is this? And are these -- how many of those cases are Election Day fraud cases as opposed to absentee?

DEPARTMENT OF JUSTICE OFFICIAL: I don't know the answer to those questions. I mean, we can -- see if we track that kind of information, because we may not be tracking what's an absentee as opposed to more than just anecdotal recollections of the individuals who are associated with the case.

In terms of, you know, comparing it to the millions of votes, you know, I'm not sure that that's a -- that's sort of an accurate comparison. Yes, there's lots of votes cast every year. But we've identified what we thought were appropriate cases to prosecute and have brought those cases.

QUESTION: There's been a substantial amount of attention to concern about voting machine problems, technical computer problems relating to vote counting and so forth. I would think that it's a heck of a lot tougher to -- for people in your division or the Civil Rights Division to recognize or to be able to identify electronic ballot stuffing

as opposed to the traditional paper ballot stuffing, as an example.

Do you have a legion of computer experts, people who understand the workings of those machines and so forth, who are able to determine and watch for instances of voter fraud with the new technologies?

ASSISTANT ATTORNEY GENERAL KIM: Well, I've got to say, I'm not sure what the Criminal Division has, how many legions they may have. With respect to the safeguards in place and the state and local election official level, I've talked a great deal with the National Association of Secretaries of State, the National Association of Attorneys General, the National Governors Association, as well as with the commissioners on the Election Assistance Commission that was established by the Help America Vote Act. And they are the experts on how elections are run and how machines are certified.

And I've got to tell you, they were all pretty firm in their conviction that, regardless of what machine a voter votes on election day, and there will be dozens and dozens of different type of machines across the country that are being used, they have confidence that once the results of those elections are certified, you can bet on those results as being correct, because of the safeguards in place. There are safeguards at the vendor level, national testing laboratories, at the state level and at the local level with respect to acceptance testing, logic accuracy testing, all these nomenclatures they threw at me, to assure that the voting machines tabulate correctly the results that voters put in on Election Day.

And so it is absolutely the case that the Federal Reserve Bank in New York could be robbed and all the gold bullion could be stolen. But they say that it's very difficult to do so. And once -- if it does happen, if there are allegations, you know, I'm sure that the Criminal Division will pick up with investigations as appropriate to determine whether -- whether the facts give rise to that inference.

DEPARTMENT OF JUSTICE OFFICIAL: Let me just follow up on that. You know, our cases focus specifically on the facts of those particular individual cases. So to follow on Wan's example of the Federal Reserve Bank being robbed, we may not know the details of how the Federal Reserve Bank operates. But to put that case together, we would go and talk to all of the people on the Federal Reserve, we would get the experts in that particular area to assist us in prosecuting the case.

Since we, in the Criminal Division, operate after the fact in terms of some -- there's an allegation of fraud, we then commence an investigation, we would bring together an appropriate team that would include, if it were an election -- an electronic voting machine, we would get the individuals that would be able to identify for us where the root of the problem was, whether it's software code, whether it's interaction with the machine, whether it's some problem with the personnel associated with the machine or something like that. And as the investigation developed, we would bring the required expertise to bear, like we do in any other investigation.

ASSISTANT ATTORNEY GENERAL KIM: I've got to say, I've been talking a lot to Paul DeGregorio, who is the chairman of the EAC, the Election Assistance Commission. He is very knowledgeable on this issue. He has basically brought me up to speed on what I know about this issue, because it has been one that's been publicized a lot this year. He wrote an op ed last week in the McClatchy Newspapers -- am I pronouncing that correctly? -- and it was widely circulated. I really commend it to you. It's a very, very nice and succinct and cogent analysis of why the concerns about electronic voting machines in general, or voting machines even more broadly, are really not one to give him a lot of alarm.

DEPARTMENT OF JUSTICE OFFICIAL: Let's just do two more questions.

QUESTION: I have just a couple, going back to some of the numbers. If you could just spit off a couple more for me? The certified jurisdictions are in how many states?

ASSISTANT ATTORNEY GENERAL KIM: You mean for observer coverage? That's a tricky one, because I'm -- I can show you the map and we can actually get you a copy of the map, how's that? Because even within the states, it's not all the state; it's only certain counties in the states. But we have a nice color-coded map. We'll be happy to give it to you.

QUESTION: Okay. But will it be safe, you know, if I'm looking at the jurisdictions and it's one tiny little corner of Louisiana, for example, is it safe to assume that Louisiana is among those 20 states?

ASSISTANT ATTORNEY GENERAL KIM: Oh, sure -- oh, that we'll be sending people out to?

QUESTION: Yes.

ASSISTANT ATTORNEY GENERAL KIM: No, no. I mean, obviously, there are a lot more jurisdictions that are certified for observer coverage than we'll be sending people out to.

QUESTION: So there will be jurisdictions where it's certified that there needs to be an observer but there won't be?

ASSISTANT ATTORNEY GENERAL KIM: Certified that there can be an observer.

QUESTION: That there can be an observer?

ASSISTANT ATTORNEY GENERAL KIM: Yes. I mean, many of these jurisdictions were established a long time ago, for example. And again, we can give you a map and it's color coded. But we do not send out observers in every election cycle to every jurisdiction that is covered.

QUESTION: That's good to know. So these certified jurisdictions, do they get updated? I mean, you said 1965? They haven't been updated since 1965?

DEPARTMENT OF JUSTICIE OFFICIAL: No, there is no process in the Voting Rights Act, until the recent amendments, for decertification, where the Attorney General does the certification. There are other jurisdictions that are certified by federal court order. And those sunset, typically. In ours, they do so after two federal elections, typically.

QUESTION: Okay, but the map you're going to give us is just the Voting Rights Act?

DEPARTMENT OF JUSTICE OFFICIAL: It's the current. Well, it has the current court cases. It may be missing one county, Cochise County, Arizona, and color coded, if it's the map I'm thinking of. And then the Attorney General certifications.

QUESTION: So it will be everything that's certified for this election?

DEPARTMENT OF JUSTICE OFFICIAL: Except for Cochise County, Arizona.

QUESTION: Except for Arizona.

And then the four lawsuits, they're ongoing, correct? We don't have --

ASSISTANT ATTORNEY GENERAL KIM: No. Only -- they've all been resolved.

QUESTION: Has there been any kind of sanction against the states or any of the other lawsuits --l

DEPARTMENT OF JUSTICE OFFICIAL: Well, when you say "sanction," have we negotiated terms of a consent decree or agreement?

QUESTION: Well, I mean, there's settlement and then there's a carrot and then there's a stick, right? I mean, are any of these states getting the stick in terms of not having complied?

DEPARTMENT OF JUSTICE OFFICIAL: Well, some people would say that us suing them was the stick. I guess it depends on how you characterize the stick.

I mean, all the states are under an affirmative obligation to do things pursuant to certain benchmarks. You know, and if they miss a benchmark, then they may get the proverbial stick. But in the sense that all of these states have a very clearly drafted agreement in a consent decree form, I think all four of them, as to what they need to do going forward to comply with the requirements of HAVA.

Have we moved to have any of them held in contempt? Is that what you're asking?

QUESTION: I guess so.

DEPARTMENT OF JUSTICE OFFICIAL: Okay, the answer is, no. The earliest resolution we had for consent decree this year for the four states was probably spring, summer. Yeah, and so the requirements probably would not have sprung yet. If they miss a deadline or if they don't do something by a certain time, then obviously we would first go back to the table and try to figure out why and how we can fix the problem. And usually if that doesn't work after a while, then we will move for contempt. But that's something we don't like to do. It means the problem is broken and we can't fix it easily.

QUESTION: I don't pretend to know very much about this stuff, so pardon me for --

DEPARTMENT OF JUSTICE OFFICIAL: Neither do I --

QUESTION: Well, that's kind of scary.

DEPARTMENT OF JUSTICE OFFICIAL: I was smiling. I was smiling. (Laughter.)

QUESTION: In New York, it's my understanding that some of the compliance doesn't take effect for another year. Is that right?

ASSISTANT ATTORNEY GENERAL KIM: The time tables for many of the consent decrees that we've negotiated go past this election cycle. And that is true. And the time tables are based on what is logistically possible and feasible under the circumstances. I mean, there is a reason why congress gave states many years to try to implement these requirements. And for some of these states who have not jumped on early and tried to implement quickly, they're well behind the 8-ball time wise and there are only certain things logistically you can do.

I heard a great example about this a few weeks ago. Basically there was a case that we brought in San Diego that, when we reached the table with the local election officials, they convinced us that they could not obtain enough paper stock that would actually implement the change that we needed them to make in time for the elections. Just logistically impossible for them to do so. There just wasn't this kind of paper stock produced in sufficient numbers for them to do so.

It's one of the reasons why certain names can't be taken off ballots when it gets too close to an election. It's just

logistically impossible to do that. So at the end of the day, you know, we're trying to gain compliance but we have to do so in a manner that's practical. You know, we could have ordered, we could have demanded that every state agree to it by Election Day this year. But if that was not feasible, they would have never signed the agreement. No court probably would have ordered it, given that it was not practical.

So at the end of the day, we have to enter agreements that will work and that can be enforced.

QUESTION: And at what point do you bring sanctions or find a state to be incompliant, because if it just keeps -- if a state comes back and says, it's just not feasible, we just can't do it, and --

ASSISTANT ATTORNEY GENERAL KIM: Some of those will ring hollow after a while, because other states are doing it. And if you set a sufficient time table and you know, negotiating ex ante, what that time table will be and they agree to it, that is pretty good basis to believe that they can accomplish it if they work towards it.

DEPARTMENT OF JUSTICE OFFICIAL: Right. The Congress did give the states several billion dollars to come into compliance with HAVA. And there is a separate accounting mechanism that is not under our direct responsibility. Some of the states may have to write a check for -- have to return the funds. And there's a complicated formula in HAVA, in the act itself, and the EAC is responsible for that.

DEPARTMENT OF JUSTICE OFFICIAL: This is the last question.

QUESTION: Can you just help with an example or two of a state where you are going to be deploying more monitors because of the closeness of the race? The senate races in New Jersey, Virginia, Missouri --

ASSISTANT ATTORNEY GENERAL KIM: Well, I mean, there are going to be a lot of close races, or so I hear from you guys.

QUESTION: -- people are keying on --

ASSISTANT ATTORNEY GENERAL KIM: And we will release the complete list on Monday. And the bottom line, as you know, we're looking first and foremost for possible violations of federal voting law. It is a factor as to whether our monitors may help bring some assurance to a close race. And we will be releasing a complete list of those on Monday.

QUESTION: Do the jurisdictions already know that they are going to be monitored?

ASSISTANT ATTORNEY GENERAL KIM: With some jurisdictions, we've actually contacted them because, obviously, we want to negotiate whether we can send monitors there. With some jurisdictions, we have the ability to send observers, but we typically give them a call anyway, just out of courtesy, to let them know that a person will be on the ground --

QUESTION: So, in other words, they're not going to be surprised on Monday that someone is going to show up?

ASSISTANT ATTORNEY GENERAL KIM: They should not be surprised, no. I mean, you know, at the end of the day, we do try to work cooperatively with our state and local partners.

Happy Halloween.

2:55 P.M.

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DOJ_NMG_ 0169976

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Image not available for this document, ID: 0.7.10316.21377-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 01, 2006 9:56 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 1, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 01, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Tax Division will issue a release on a sentencing-related matter. (Miller)

The Civil Rights Division will issue a release on a housing matter. (Magnuson)

EVENTS/HEARINGS

No events/hearings scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0169979

Image not available for this document, ID: 0.7.10316.21270-000001

Image not available for this document, ID: 0.7.10316.21270-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Wednesday, November 01, 2006 11:33 AM
Subject: Public G:Drive Permissions Issues
Importance: High

Public G:\ Drive Permissions Issues

We are currently experiencing permissions issues with the public G:\ drive. You may experience problems accessing files or folders on the G:\ drive. If you experience problems, please contact the SMO/JMD JCON Help Desk at 616-7100. Please be prepared to give the full path name to the file or folder you are having problems with.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, November 01, 2006 12:38 PM
Subject: E-mail Interruption of Service - Internet Incoming and Outgoing E-mail
Importance: High

JCON Internet E-mail Interruption of Service

The Department is currently experiencing a JCON e-mail interruption of service for incoming and outgoing Internet e-mail. A notification will be sent when e-mail flow resumes.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

Amber.JMD

From: Amber.JMD
Sent: Wednesday, November 01, 2006 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Winamac, IN

From: AmberAlert-DOJ
Sent: Wednesday, November 01, 2006 12:35:01 PM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; OIG, AmberAlert (OIG); Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Winamac, IN
Auto forwarded by a Rule

AMBER ALERT:Winamac,IN VEH:'87 Drk blu Ford F-250 TAG:IN 262060L, CHILD:W/F,16,5'3,109,Eye:Blu Hai:Blon SUSP:W/M,51,5'10,210 Eyes/hair:Brn CALL 1-888-58AMBER
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2642

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, November 01, 2006 2:16 PM
Subject: E-mail Interruption of Service - Internet Incoming and Outgoing E-mail Resolved

JCON Internet E-mail Interruption of Service Resolved

The Department's JCON e-mail interruption of service for incoming and outgoing Internet e-mail has been resolved. E-mail is flowing normally.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 01, 2006 3:40 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH KANSAS APARTMENT COMPLEXES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 1, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH KANSAS APARTMENT COMPLEXES

WASHINGTON – The Justice Department today settled a lawsuit against a group of developers, builders, architects and engineers who designed and constructed two apartment complexes in Olathe, Kan. The complaint, filed on April 15, 2002, in the U.S. District Court for the District of Kansas, alleged that the defendants violated federal civil rights laws by designing and constructing the Ridgeview and Indian Meadows apartment complexes without required features for persons with disabilities. The lawsuit arose as a result of a referral to the Department of Justice by the U.S. Department of Housing and Urban Development.

"Persons with disabilities should not be precluded from choosing where to live because of an unlawful lack of accessibility," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Civil Rights Division is committed to enforcing the federal fair housing laws."

The settlement, which must be approved by the court, requires the owners of the complexes to retrofit parking areas, paths and walkways, public and common-use areas, as well as the interiors of ground-floor units, to enhance the accessibility of the complexes to disabled residents and their guests for an estimated cost of about $1.2 million. In addition, the defendants are required to establish funds to pay for enhanced accessibility features upon request, for a total of $200,000, provide $200,000 in damages for unidentified victims, and pay $50,000 in civil penalties. The settlement also requires the defendants to obtain training on the requirements of the Fair Housing Act and the Americans with Disabilities Act.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 212 cases to enforce the Fair Housing Act, including 97 based on disability discrimination. More information about the Civil Rights Division and the laws it enforces can be found on the Justice Department Web site, http://www.usdoj.gov/crt.

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06-739

DOJ_NMG_ 0169986

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Image not available for this document, ID: 0.7.10316.21371-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 01, 2006 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT CRIMINAL DIVISION AWARDS CEREMONY

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, NOVEMBER 1, 2006

CRM
(202) 514-2007

WWW.USDOJ.GOV TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT CRIMINAL DIVISION AWARDS CEREMONY

WASHINGTON–Attorney General Gonzales will deliver remarks at the Criminal Division Awards Ceremony **TOMORROW, THURSDAY, NOVEMBER 2, 2006 at 2:00 P.M. EST.** Secretary of Homeland Security Michael Chertoff will also attend the ceremony to receive the Henry E. Petersen Memorial Award.

WHO: Attorney General Alberto R. Gonzales

WHAT: Criminal Division Awards Ceremony

WHEN: **THURSDAY, NOVEMBER 2, 2006**
2:00 P.M. EST

WHERE: Department of Justice
The Great Hall
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

NOTE: **ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS.** Media interested in attending should enter through the Visitor Center at the Constitution Avenue entrance, between Ninth and Tenth Streets. Due to this ongoing event, cameras must pre-set by 1:30 P.M. EST. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

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06-742

DOJ_NMG_ 0169989

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Image not available for this document, ID: 0.7.10316.21349-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 01, 2006 5:15 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES AND U.S. MARSHALS SERVICE DIRECTOR JOHN CLARK TO HOLD PRESS CONFERENCE ON LAW ENFORCEMENT INITIATIVE

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, NOVEMBER 1, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES AND U.S. MARSHALS SERVICE DIRECTOR JOHN CLARK TO HOLD PRESS CONFERENCE ON LAW ENFORCEMENT INITIATIVE

WASHINGTON – Attorney General Alberto R. Gonzales and U.S. Marshals Service Director John Clark will deliver remarks at a press conference announcing the results of a law enforcement initiative on **THURSDAY, NOVEMBER 2, 2006 at 11:00 A.M. EST.**

WHO: Attorney General Alberto R. Gonzales
John Clark, Director of the U.S. Marshals Service

WHAT: Press Conference

WHEN: **THURSDAY, NOVEMBER 2, 2006**
11:00 A.M. EST

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: **MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** Final pre-set for cameras is 10:30 a.m. All media should arrive no later than 10:45 a.m. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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DOJ_NMG_ 0169993

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Image not available for this document, ID: 0.7.10316.21333-000002

cwebster@carneylaw.com

From: cwebster@carneylaw.com
Sent: Wednesday, November 01, 2006 6:37 PM
To: cwebster@carneylaw.com
Subject: Iraqi troops send a message to failed presidential candidate Jon Carry
Attachments: tmp.htm; image001.jpg

I've received this four or five times today, but not from one of you.

Clifford A. Webster
(206) 622-8020
(360) 357-6500

HALP US JON CARRY -
WE R STUCK HEAR N IRAK

I've received this four or five times today, but not from one of you.

Clifford A. Webster
(206) 622-8020
(360) 357-6500

Picture (Device Independent Bitmap)

Goodling, Monica

From: Goodling, Monica
Sent: Wednesday, November 1, 2006 7:48 PM
To: Gorsuch, Neil M
Subject: Not read: FYI

Goodling, Monica

From: Goodling, Monica
Sent: Wednesday, November 01, 2006 7:48 PM
To: Gorsuch, Neil M
Subject: Not read: RE: Name

Goodling, Monica

From: Goodling, Monica
Sent: Wednesday, November 1, 2006 7:48 PM
To: Gorsuch, Neil M
Subject: Not read: RE: Ken M

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 9:50 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 2, 2006

Department of Justice

PRESS GUIDANCE
Thursday, November 02, 2006

ATTORNEY GENERAL

11:00 A.M. Attorney General Alberto R. Gonzales and U.S. Marshals Service Director John Clark will deliver remarks at a press conference announcing the results of a law enforcement initiative.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 10:30 a.m. All media should arrive no later than 10:45 a.m. All attending should enter the Department on Constitution Avenue between 9th and 10th Streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

2:00 P.M. Attorney General Gonzales will deliver remarks at the Criminal Division Awards Ceremony. Secretary of Homeland Security Michael Chertoff will also attend the ceremony to receive the Henry E. Petersen Memorial Award.
Department of Justice
The Great Hall
950 Pennsylvania Avenue, N.W.
Washington, D.C.
OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 1:30 p.m. All media should arrive no later than 1:45 p.m. All attending should enter the Department on Constitution Avenue between 9th and 10th Streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing-related matter. (Magnuson)

DOJ_NMG_ 0170002

The Civil Rights Division will issue a release on a plea-agreement matter. (Magnuson)

The Tax Division will issue two releases on sentencing-related matters. (Miller)

EVENTS/HEARINGS

2:00 A.M. EST Thomas O. Barnett, Assistant Attorney General for the Antitrust Division, delivered remarks on *Spurring Innovation Through Efficient Antitrust Enforcement* at Yonsei University.

Yonsei University
Seoul, South Korea
OPEN PRESS

Press inquiries regarding logistics should be directed to Gina Talamona at 202-514-2007.

11:50 A.M. CST FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Springfield, Ill.
900 East Linton Avenue
Springfield, Illinois
OPEN PRESS

Press inquiries regarding logistics should be directed to Marshall Stone at 217-757-3528.

4:45 P.M. CST FBI Director Robert Mueller will hold a media availability at the FBI Field Office in Indianapolis.
575 North Pennsylvania Street
Indianapolis, Indiana
OPEN PRESS

Press inquiries regarding logistics should be directed to Wendy Osborne at 317-321-6170.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170003

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Image not available for this document, ID: 0.7.10316.21245-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 11:09 AM
To: USDOJ- Office of Public Affairs
Subject: MORE THAN 1,600 SEX OFFENDER ARRESTS BY U.S. MARSHALS' "OPERATION FALCON III"

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 2, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

MORE THAN 1,600 SEX OFFENDER ARRESTS BY U.S. MARSHALS' "OPERATION FALCON III"

Among 10,773 Fugitives Apprehended in Nationally Coordinated Operation

WASHINGTON – Attorney General Alberto R. Gonzales and U.S. Marshals Service (USMS) Director John F. Clark today announced that a seven-day nationally coordinated fugitive roundup led by the USMS and hundreds of partners from state, local and other federal agencies led to the arrests of 10,733 fugitives. Among those arrested during Operation FALCON III were 1,659 fugitive sex offenders, the largest number ever captured in a single law enforcement effort.

Operation FALCON III (Federal and Local Cops Organized Nationally) was conducted in 24 states east of the Mississippi River, in the District of Columbia and in Puerto Rico. Deputy Marshals teamed up with thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation which ran from Oct. 22-28, 2006.

"Operation FALCON has once again proven how much we can accomplish with our network of federal, state, and local law enforcement," said Attorney General Gonzales. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

High-priority targets for arrest were fugitives wanted for committing sexual offenses, including unregistered convicted sex offenders. Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. Other priority targets were fugitive gang members and violent offenders wanted for homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution. During FALCON III, agents apprehended 364 gang members, cleared 140 open homicide cases and arrested thousands of fugitives sought on kidnapping, robbery, burglary, carjacking, weapons offenses and other violent charges. Additionally, more than 230 weapons were also taken off the streets.

The Operation received a major boost from the Adam Walsh Act, named after the

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murdered son of "*America's Most Wanted"* host John Walsh. The law directs federal resources to the tasks of rounding up sexual predators and helping state and local governments catch convicted individuals who failed to register in communities where they live.

"When the Adam Walsh Act became law this summer the American people expected to see results," said U.S. Marshals Director John F. Clark. "I believe FALCON III fulfilled that promise, thanks to the hard work of Deputy Marshals and their partners serving on our district and regional fugitive task forces. Becaus of their work we brought fugitives to justice, and we hope we brought a bit of peace to the communities they left behind."

One such arrest took place on Oct. 24, 2006, when investigators arrested Allen Marksberry in Rickman, Tenn. Marksberry was an unregistered sex offender, stemming from a 1996 conviction of sexual assault of a child who was under eight years old. After a short standoff, investigators discovered Marksberry wa babysitting several children, all under the age of eleven. After taking the children into protective custody, investigators discovered pornography and drugs inside the home, as well as a separate trailer, which provided the suspect with a clear view of a nearby playground. Investigators also seized a pair of binoculars inside the trailer. Marksberry is now in custody facing additional charges.

FALCON III would not have been possible without the cooperation of more than 1,000 partner agencies from federal, state and local law enforcement communities. On average, more than 3,000 investigators took to the streets each day, working side-by-side with Deputy U.S. Marshals. Director Clark noted the important contributions of the Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco, Firearms and Explosives throughout the week. He also recognized the efforts of the National Center for Missing and Exploited Children, which helped identify high-priority cases.

Participating federal agents also came from the Offices of Inspector General of the Social Security Administration, Department of Veterans Affairs, the Department of Housing and Urban Development and the Department of Agriculture among others.

INTERNATIONAL ARRESTS

Thanks to the efforts of USMS personnel overseas, agents from U.S. Immigration and Customs Enforcement and from the State Department's Diplomatic Security Service, fugitives who fled across international jurisdictions also were successfully targeted. Seven arrests were made abroad, and an additional seven foreign fugitives arrested in the U.S. will be returned to nations where they were sought.

PHOTOS/VIDEOS AVAILABLE

The U.S. Marshals Service has photos of actual arrests during the operation available to press at www.usmarshals.gov/falcon3, as well as fact sheets on arrests nationwide and in each of the participating districts. Dossiers on the "FALCON 15," describing 15 of the most significant cases closed during the operation are available to media at the site. A 10-minute B-roll video package for broadcasters will be available for satelli distribution on Nov. 2, at 2:00 – 2:15 P.M. EST (11:00 – 11:15 A.M. PST) and at 7:00 – 7:15 P.M. EST (4:00 – 4:15 P.M. PST) at C-Band coordinates (IA 6 T-11 Downlink Frequency 3920 V 93 degrees WL), and on Nov. 3, at 4:00 – 4:15 A.M. EST (1:00 – 1:15 A.M. PST) at C-Band coordinates (IA 6 T-17 Downlink Frequency 4040 V 93 degrees WL).

PARTICIPATING AGENCIES

A complete list of all federal, state and local agencies that participated in Operation FALCON III is available at the USMS Web site, www.usmarshals.gov/falcon3.

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Image not available for this document, ID: 0.7.10316.21185-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 11:13 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE "OPERATION FALCON III" PRESS CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 02, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE "OPERATION FALCON III" PRESS CONFERENCE

WASHINGTON, D.C.

Good morning.

I'm joined today by U.S. Marshals Service Director John Clark, Prince George's, Maryland County Sheriff Michael Jackson,
Alexandria, Virginia Sheriff Dana Lawhorne and Alexandria's Chief of Police David Baker.

I'm pleased to announce that, as of this morning, the U.S. Marshals Service has concluded Operation FALCON Three – an intensive, week-long law enforcement campaign in which more than 10,700 fugitives, 1,600 sex offenders – 971 of whom were unregistered – and 360 gang members were arrested. Operation FALCON can also claim seizure of over 230 firearms.

This was the third phase of FALCON – which stands for Federal And Local Cops Organized Nationally. The operation was conducted in 49 judicial districts, generally east of the Mississippi River. Like FALCON Two, which was conducted earlier this year in the Western United States, there was a particular focus on sex offenders and gang members. And I am pleased to announce that this operation has broken all U.S. Marshals records for the number of fugitives, sex offenders, and gang members arrested in one week.

Joined by federal, state and local law enforcement, the Marshals Service leads Operation FALCON, targeting the worst-of-the-worst fugitive felons in the country. The dedicated public servants deputized for this operation have worked long hours over the course of the last week, and their work has paid off.

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As an example of the type of criminals the FALCON team sought to catch, I want to tell you about Allen Marksberry, who was arrested in Rickman, Tennessee last Tuesday.

He was wanted in his county for violating his probation: convicted on state charges of sodomy and sexual abuse in a case involving a seven-year-old girl, Mr. Marksberry had ceased to register as a sex offender as he moved around the state of Tennessee.

At the time of his Operation FALCON arrest, investigators discovered that Marksberry had been babysitting three young children, and a further search of the home resulted in the seizure of a loaded handgun, quantities of marijuana and veterinarian narcotics, police scanners and pornographic photographs, including a picture of Marksberry holding a partially nude young girl. Investigators also discovered a travel trailer behind the home, which provided its occupant with a clear view of a local playground. Inside the trailer, investigators found a pair of binoculars.

Now, Marksberry has already been convicted of some offenses as I mentioned earlier. As to the new charges he will face, Marksberry is – as any defendant is – innocent until proven guilty. He is exactly the type of offender that Operation FALCON aims to get off the streets. And I want to note that we are reviewing all of these cases for potential violations of the new federal crime of failure to register as a sex offender under the Adam Walsh Act.

As a law enforcement official and as a parent, news of a crime committed by someone who is "already wanted for" another crime is always particularly hard to hear about.

I know that we all think the same thing when we hear those stories – if only the guy had been caught and stopped after his first crime, then a second victim could have been spared.

That's the purpose of programs like Operation FALCON – making sure that there aren't second or third victims, especially children, their innocence or even their lives taken by a dangerous fugitive.

My top priorities as Attorney General include the safety of America's neighborhoods and the protection of our children. These are goals that can only be achieved when all the branches of law enforcement are working together, as a national network.

Operation FALCON has once again proven how much we can accomplish when that network is in full force. I am confident in saying that America's neighborhoods are safer today thanks to Operation Falcon Three and the devoted individuals who carried out its work.

I'd like to welcome Director John Clark to the podium to make a statement, and then we'll both be happy to take your questions.

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JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Thursday, November 02, 2006 2:25 PM
Subject: SMO/JMD JCON Service Interruption

SMO/JMD JCON Service Interruption

An outage is required to perform electrical work at the Rockville Data Center. The outage will occur during the posted service window below.

When: Saturday, November 4, 2006, 10:30 pm to Sunday, November 4, 2006 1:00 am

Customers Affected: All SMO/JMD JCON Customers

Unavailable Services:
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers

Available Services: BlackBerry (PIN to PIN messaging is available)

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 4:09 PM
To: USDOJ- Office of Public Affairs
Subject: MEMBERS OF THE HENRY COUNTY SHERIFF'S OFFICE INDICTED ON CHARGES OF RACKETEERING CONSPIRACY, OBSTRUCTION OF JUSTICE, MONEY LAUNDERING, DRUG DISTRIBUTION AND FIREARMS OFFENSES

Department of Justice

United States Attorney John L. Brownlee
Western District of Virginia

FOR IMMEDIATE RELEASE

CONTACT:

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THURSDAY, NOVEMBER 2, 2006

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MEMBERS OF THE HENRY COUNTY SHERIFF'S OFFICE INDICTED ON CHARGES OF RACKETEERING CONSPIRACY, OBSTRUCTION OF JUSTICE, MONEY LAUNDERING, DRUG DISTRIBUTION AND FIREARMS OFFENSES

HENRY COUNTY, Va. – A total of 20 defendants have been charged for their roles in a racketeering conspiracy that included the distribution of illegal drugs, theft of drugs and firearms under the custody of the Henry County Sheriff's Office, money laundering and obstruction of justice, U.S. Attorney John L. Brownlee of the Western District of Virginia announced today. Thirteen of the defendants are current or former employees of the Henry County Sheriff's Office.

"The members of this conspiracy took advantage of the trust placed in them as law enforcement officers," stated U.S. Attorney Brownlee. "Their illegal activities included drug distribution, money laundering, and stealing property that was in the custody of the Henry County Sheriff's Office. Then, when they were confronted by investigators, the defendants lied in an attempt to hide their criminal conduct. The men and women in law enforcement are respected for their

bravery and commitment to service. We will not allow the criminal activities of a small group to tarnish the honorable work that officers in this district perform each day."

According to the indictment, since 1998, sworn officers, employees, and associates of the Henry County Sheriff's Office engaged in a continuous scheme to steal narcotics, firearms, and other contraband from the seized evidence property room. The defendants took cocaine, crack cocaine, marijuana, and firearms, and then sold the stolen drugs and guns back into the community. The indictment also alleges that several of the defendants stole seized firearms and other contraband for their own personal use.

According to the indictment, on March 4, 2005, agents from the Philadelphia office of the Drug Enforcement Administration (DEA) notified agents in Roanoke, Va., that an express mail package containing two kilograms of Ketamine was being delivered to a residence in Martinsville, Va. Ketamine is a sedative/date rape drug. DEA agents made a controlled delivery of the Ketamine to the Martinsville home and arrested William Randall Reed and charged him with illegal possession with the intent to distribute Ketamine.

Reed cooperated and told investigators that the home where the drugs were delivered was a rental property owned by James Alden Vaught, a sergeant with the Henry County Sheriff's Office. Reed said that he paid Vaught in both cash and Ketamine to use the residence as a drug drop. Reed also said he helped Vaught sell two kilograms of cocaine that Vaught had seized from a drug dealer while on duty with the Henry County Sheriff's Office. Reed also said that Bradley Scott Martin, a Deputy with the Henry County Sheriff's Office, has been jointly using and selling Ketamine and steroids for approximately eight years.

James Alden Vaught resigned from the Henry County Sheriff's Office in March 2005 and agreed to cooperate with federal investigators in July 2005. Vaught confirmed the allegations made by William Randall Reed and also revealed that the rental property in Martinsville was used by several officers as a place for extra marital sexual relations. Vaught further stated that he, Bradley Scott Martin, and David Allen King, a vice officer and school resource officer with the Henry County Sheriff's Office, engaged in several illegal transactions involving the distribution of cocaine, crack, marijuana and steroids.

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The indictment further alleges that David Allen King, who was once supervisor over the Henry County Sheriff Office's vice unit, took drugs seized by the Sheriff's Office and falsified destruction orders for the drugs. The stolen drugs were then sold to Wilbert Herman Brown, Ronald Dean Trantham, and William Randall Reed and others. It is estimated that multiple kilograms of cocaine, ounces of crack, and hundreds of pounds of marijuana were taken and re-sold for further illegal distribution in this manner.

The canine handler for the Henry County Sheriff's Office, Walter R. Hairston, would periodically receive drugs in order to train drug smelling dogs. On approximately 10 occasions, Hairston took the seized cocaine and marijuana and gave it to Vaught, who then gave it to others for further illegal distribution.

According to the indictment, Cornelia Bryant Cox, James Harold Keaton, David Allen King, and Patrick David Martin stole firearms, money, electronic equipment, illegal drugs, and other items from the evidence seized by the Henry County Sheriff's Office. It is further charged that Robert Keith Adams, Wilbert Herman Brown, Harold Franklin Cassell, Cornelia Bryant Cox, Kandy D. Hubbard Deshazo, Walter R. Hairston, James Harold Keaton, David Allan King, Steven Varion Preston, and Ronald Dean Trantham attempted to influence, impede and obstruct the federal investigation in this case by making false statements to federal agents, encouraging others to make false statements, committing perjury before a federal grand jury, passing on law enforcement information so co defendants could avoid apprehension, and violating their oaths as law enforcement officers by ignoring illegal activities.

In 2001, a DEA agent from Texas called the Henry County Sheriff's Office to advise them that a drug ledger had been seized which indicated shipments of drugs were being delivered to a "Brad Martin's" house in Martinsville. DEA agents in Texas did not realize that Brad Martin was a Henry County Sheriff's Deputy. Brad Martin took the call and shared this bit of information with David Allan King and James Alden Vaught. Sheriff Harold Cassell was advised of this illegal activity and chose not to take any action.

The indictment alleges that Cassell was advised of various illegal activities involving Henry County Sheriff's deputies including the distribution of two kilograms of cocaine by Vaught and others, the embezzlement of money by Vaught, and the use of steroids by several members of the Henry

County Sheriff's Office. Cassell covered up these illegal activities in several ways: by not pursuing investigations and by agreeing to pass on any law enforcement information to the offending parties so they could avoid apprehension; by making false statements to federal investigators; and by attempting to aid James Alden Vaught in a money laundering scheme to disguise the source of money represented to have been derived from the distribution of cocaine. Specifically, the indictment alleges that on Feb. 24, 2006, Sheriff Harold Cassell attempted to help Vaught give $10,000 of known drug proceeds the appearance of legitimacy by cosigning for a loan for Vaught. Cassell then counseled Vaught to deposit small amounts of cash into a checking account to pay off the loan. In addition, the indictment alleges that Cassell agreed with Vaught never to mention the existence of the money derived from illegal drug distribution and then lied to investigators, saying he knew nothing about Vaught's illegal drug activities.

The case was investigated by the Virginia State Police, DEA, FBI, and the U.S. Postal Inspection Service. Criminal Chief Thomas J. Bondurant and Assistant U.S. Attorney Andrew Bassford will prosecute the case.

An indictment is only a charge and is not evidence of guilt. The defendants are entitled to a fair trial with the burden on the government to prove guilt beyond a reasonable doubt.

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Department of Justice

FOR IMMEDIATE RELEASE — AG
THURSDAY, NOVEMBER 02, 2006 — (202) 514-2007
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TRANSCRIPT OF ATTORNEY GENERAL ALBERTO R. GONZALES AND U.S. MARSHALS SERVICE DIRECTOR JOHN CLARK AT THE "OPERATION FALCON III" PRESS CONFERENCE

WASHINGTON, D.C.

11:08 A.M. EST

ATTORNEY GENERAL GONZALES: Good morning. I'm joined today by U.S. Marshals Service Director John Clark; Prince Georges, Maryland County Sheriff Michael Jackson; Alexandria, Virginia Sheriff Dana Lawhorne; and Alexandria's Chief of Police, David Baker.

And I'm pleased to announce that as of this morning, the U.S. Marshals Service has concluded Operation FALCON III, an intensive week-long law enforcement campaign in which more than 10,700 fugitives, 1600 sex offenders, 971 of whom were unregistered, and 360 gang members, were arrested. Operation FALCON can also claim seizure of over 230 firearms.

This was the third phase of FALCON, which stands for Federal and Local Cops Organized Nationally. The operation was conducted in 49 judicial districts, generally east of the Mississippi River.

Like FALCON II, which was conducted earlier this year in the western United States, there was a particular focus on sex offenders and gang members. And I'm pleased to announce that this operation has broken all U.S. Marshals records for the numbers of fugitives, sex offenders, and gang members arrested in one week.

Joined by federal, state, and local law enforcement, the Marshals Service leads Operation FALCON, targeting the worst of the worst fugitive felons in the country. The dedicated public servants deputized for this operation have worked long hours over the course of the last week, and their work has paid off.

As an example of the type of criminals the FALCON team sought to catch, I want to tell you about Alan Marksberry, who was arrested in Rickman, Tennessee last Tuesday. He was wanted in his county for violating

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his probation, convicted on state charges of sodomy and sexual abuse in a case involving a 7-year-old girl. Mr. Marksberry had ceased to register as a sex offender as he moved around the state of Tennessee.

At the time of his Operation FALCON arrest, investigators discovered that Marksberry had been babysitting three young children, and a further search of the home resulted in the seizure of a loaded handgun, quantities of marijuana and veterinarian narcotics, police scanners, and pornographic photographs, including a picture of Marksberry holding a partially nude young girl. Investigators also discovered a travel trailer behind the home which provided its occupant with a clear view of a local playground. Inside the trailer, investigators found a pair of binoculars. Now, Marksberry has already been convicted of some offenses, as I mentioned earlier. As to the new charges he will face, Marksberry is, as any defendant is, innocent until proven guilty. He is exactly the type of offender that Operation FALCON aims to get off the streets.

And I want to note that we are reviewing all of these cases for potential violations of the new federal crime of failure to register as a sex offender under the Adam Walsh Act.

As a law enforcement official and as a parent, news of a crime committed by someone who is already wanted for another crime is always particularly hard to hear about. I know that we all think the same thing when we hear those stories: If only the guy had been caught and stopped after his first crime, then a second victim could have been spared. That's the purpose of programs like Operation FALCON, making sure that there aren't second or third victims, especially children, their innocence or even their lives taken by a dangerous fugitive.

My top priorities as Attorney General include the safety of America's neighborhoods and our children, and these are goals that can only be achieved when all the branches of law enforcement are working together as a national network. And as we can see, Operation FALCON has shown how much we can accomplish when our network is in full force. I am confident in saying that America's neighborhoods are safer today thanks to Operation FALCON III and the devoted individuals who carried out its work.

I'd like to welcome Director John Clark to the podium to make a statement, and then we'd both be happy to take any questions you might have. Thank you.

Director?

DIRECTOR CLARK: Mr. Attorney General, thank you for supporting this operation and for your commitment to keeping our homeland safe.

I am pleased to announce the truly amazing results of Operation FALCON III. Beginning at midnight, October 22nd, an average of 3,000 federal, state, and local law enforcement officers hit the streets every day until the operation concluded at midnight on October 28th. They hit the streets with one clear focus: apprehend the worst offenders by any means possible wherever they could be found.

While only a small group can fit on this stage to represent those dedicated law enforcement officers, I wish all 3,000, many of whom were deputized as special Deputy U.S. Marshals, could join us here today. They represent over 1,000 different law enforcement agencies from the southernmost tip of Florida to the border in Maine, and hundreds more east of the Mississippi River.

Let me add to what the Attorney General has said and tell you a little bit more about what these dedicated officers accomplished in a one-week period. We arrested 107 people wanted for murder. Over 3,600 narcotics violators were arrested. 232 firearms were recovered. In all, we locked 10,773 fugitives, making America a bit safer.

This operation also had a special focus on apprehending sex offenders who prey on the most innocent among us, and violent gang members who are responsible for much of the criminal activity in our communities. As the Attorney General noted, arresting over 1,600 sex offenders and 360 gang members has to make a difference, and sends a strong message that we will bring them to justice.

With the passage of the Adam Walsh Act, which makes it a federal offense to fail to register as a convicted sex offender, I'm especially pleased that nearly 1,000 unregistered sex offenders were netted in this operation, and I hope this operation sends a reminder message to those who must register.

I'm here to say, however, that because Operation FALCON III has ended, it does not mean that those we didn't catch are safe from apprehension. We will continue to track down the violent criminals wherever they are. For example, a suspected offender who was targeted in the FALCON II operation was apprehended this past week as part of Operation FALCON III because we never gave up pursuing him.

To give you some perspective on the impact this operation made, let me share a story from the FALCON files. Deputy marshals and task force officers entered a house in Maine looking for an unregistered sex offender who was also on probation for gross sexual assault of a person under the age of 13. The victim in this case was an 8-year-old girl. When the FALCON arrest team entered the house, they arrested the suspect and later learned that he had pornographic images on his computer. And this case stands as an example of the potential for further harm to our communities and innocent children.

I want to conclude today by remembering the victims of violent crime, and I want to dedicate this latest FALCON operation to them. The harm brought to victims of violent crime extends beyond the loss of a loved one at the hands of a murder or the pain of a rape victim. When we fail to catch those who commit these crimes, it is the victims and their families and loved ones who live with the knowledge that a dangerous fugitive got away and may also harm some other innocent person. The Department of Justice wants to send a message that victims matter, and justice isn't final until the suspect is apprehended and faces the justice they deserve.
Thank you, and we would now be pleased to take any questions you have.

QUESTION: Director Clark, how many fugitives are there in the United States total, would you estimate? And how many people do you have tracking them under normal -- during a normal workday?

DIRECTOR CLARK: Well, it's estimated that there are about one million fugitives entered into the National Crime Information Center, and perhaps several more that are not in the NCIC system. On an annual -- or I should say on a weekly basis, we apprehend about 1,000 fugitives nationally. So that's some perspective of how many are still out there.

QUESTION: You had 3,000 people in this week-long operation. How many people do you have in fugitive task forces and so forth when there's not an operation like this?

DIRECTOR CLARK: We have several hundred nationally that would work on any given day on apprehending fugitives. And that includes not just the Marshals Service, but our other state and local and federal partners that work on our fugitive task forces.

QUESTION: Sir, can you talk about some of the incidents in Georgia and Florida? I understand there were some shooting incidents.

DIRECTOR CLARK: That's correct. In operations of this nature and because we have targeted the worst of the worst, some of the most violent offenders, there was an incident that is still under investigation, the details of which I cannot share. But there was an incident where a suspect was killed in the Atlanta metro area.

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Additionally, there was an individual who fired at task force officers in the northern Florida area when they were attempting to apprehend the suspect.

QUESTION: Any law enforcement officials hurt?

DIRECTOR CLARK: There were no law enforcement officials hurt, thankfully.

QUESTION: This is the third operation. And so in three of the operations, you've arrested about 30,000 people. Correct? How many of these individuals end up being prosecuted, and how many will end up serving serious jail time?

ATTORNEY GENERAL GONZALES: Well, we obviously hope that they'll all be prosecuted, and hopefully they'll all serve an appropriate length of time in jail. That is our objective, of course, is to apprehend them first and prosecute them. And that's what we intend to do at the Department of Justice.

I can't give you specific numbers, but obviously, we spend a lot of resources, not just at the federal level but at the state and local level, to round up these fugitives. And so we obviously are going to do our very best to ensure a successful prosecution.

QUESTION: Does this put a burden on the local communities and the local jails that have to now deal with a large influx of new prisoners?

ATTORNEY GENERAL GONZALES: Of course there's an additional burden. But we try to help alleviate that burden by providing federal resources where we can. But obviously, we are in the business of apprehending and incarcerating and prosecuting bad guys. And so that is part of the cost of doing business. And so when we have someone in jail, that means that we've done our job. And that is a good thing, not a bad thing.

QUESTION: Some people this morning were questioning the timing of this release in relation to the upcoming election. I just wonder if you could respond to that at all.

ATTORNEY GENERAL GONZALES: I don't know which people you're referring to. Maybe you're questioning the timing. We had no decision -- the Department of Justice played no role in the timing of this program. I'll let Director Clark talk about this. And this was a decision made by the Marshals Service for operational reasons, as I understand it.

DIRECTOR CLARK: The operational planning for FALCON III began many months ago without regard to any political elections coming up with the timing of this. I can assure you that the coordination of getting 3,000-plus officers and agencies and everybody together to do this just takes a lot of coordination.

Another simple fact just included the weather. We wanted to conduct something in the fall, which would be outside the realm of the harsh winter weather that includes the northeastern part of the country. So some of it was just for logistical purposes.

QUESTION: Mr. Gonzales, the question has come up in earlier operations as to why it's taken a big one-week push to get some of these bad guys off the streets, particularly when we're talking about, you know, a hundred-plus murder suspects, sex offenders, high profile targets. Why isn't that happening at that level on a daily and weekly basis? Is it just a matter of resources?

ATTORNEY GENERAL GONZALES: I think a lot of it does have to do with the resources and the commitment of priorities. Here we're talking about a sustained effort between federal and state and local

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officials to focus on the worst offenders. And the truth of the matter is that we don't have the level of resources available either at the federal or state or local level to have this kind of committed push all the time.

And so, you know, obviously I think we do a good job rounding up the people who have engaged in criminal activity, and I think that obviously we are grateful to our state and local officials who are willing to commit the resources to help us during these concentrated efforts to identify and to arrest offenders.

QUESTION: In the next budget, would you request additional money to do a more sustained effort?

ATTORNEY GENERAL GONZALES: Well, we always look to see -- you know, that's something that we work within the Administration and we're working with the Congress in terms of making sure that we have adequate resources to help in these kind of efforts.

You have to understand that the federal component of most state and local budgets is less than 5 percent. And that's nationwide. And so the fact that we may not be able to provide additional resources, sometimes it may or may not have an impact on the ability of state and local departments to engage in certain kinds of activities or certain kinds of programs.

We value very much our relationships with state and local officials, and they are a very partner to what we want to accomplish, and we want to continue working with them. And we'll be working within the Administration and with the Congress to see if we can get additional resources to provide in this kind of activity.

QUESTION: Mr. Gonzales, you've made sex crimes a big part in your term here. And I wonder, after seeing in each of these operations, fugitive operations, you've arrested hundreds and hundreds of sex offenders each time -- this time it's 1600 -- it seems like this is a bottomless pit in some ways. What's your sense of where the nation stands in trying to pick up these people and the level of seriousness of the sex offenses?

ATTORNEY GENERAL GONZALES: I think that there are a number of sex offenders that live in this country. I think we've made good progress in rounding them up. I think Congress has given us additional tools. The sex offender registry is an important tool. We have an obligation to enforce the laws under the Adam Walsh Act.

It's something that I'm concerned about, quite frankly. It is a reason why I've placed a focus on threats to our children from sex offenders and sexual predators. And I'm happy to talk about it any time, anywhere, because I think the American public need to understand it's a serious threat to our children. And what I'm doing is simply enforcing the law. And that's what I'll continue to do as Attorney General.

QUESTION: How many or what portion of these offenders who are arrested are they of the total that are still outstanding? How many additional sex offenders are still throughout the country?

ATTORNEY GENERAL GONZALES: Oh, I couldn't -- I don't have that number here at the podium. Maybe we can get back to you. I'm afraid that there are too many -- there are a lot of sex offenders, quite frankly, that are out there, that pose a threat to our children. And that's why it's important, particularly for parents, to be aware of this, to be educated on how to be smart, to talk to their children about the threat. And obviously, we have state and local officials who are likewise concerned about it, likewise focused on it. And so it's going to require a collaborative effort, I think, to successfully address this.

QUESTION: A large number were failure to register of the sex offenders?

ATTORNEY GENERAL GONZALES: Yes. A large number were failure to register.

QUESTION: In that process, is there actually a warrant out on them, or are you checking one database against the other? How do you identify those people that there's an outstanding charge?

ATTORNEY GENERAL GONZALES: I want to make sure I get this right.

DIRECTOR CLARK: Yes. Those who are arrested as unregistered sex offenders did have an active warrant outstanding at the local level. Now, as the Attorney General said earlier, we're reviewing a number of these cases to see if they might be or should be prosecuted under the new Adam Walsh Act, which makes it a federal offense for failure to register. So we will still review those cases. There were approximately a little bit less than, I think, a thousand of this total number of 1600 that were unregistered sex offenders.

QUESTION: How do you get a local warrant for failure to register? Who is it that sort of checks to see whether or not the guy living in the neighborhood is registered or not?

DIRECTOR CLARK: The local jurisdiction has to actually determine if the individual is registered where they should be. If they find that they are not, they can then seek a warrant to bring that person into court to charge them with the act of failing to register.

QUESTION: Judge Gonzales, while we have you under the bright lights with the television cameras rolling, I wonder if we could get you to talk a little bit about the elections. You issued a written statement yesterday, or your office did, that included a couple of quotes. It sounded like you're confident that there aren't going to be any major problems, at least from the federal point of view, in the upcoming elections. What's your thought about how it's going, how the planning is going, whether you do foresee any difficulties?

ATTORNEY GENERAL GONZALES: Well, let's begin with an understanding that state and local governments have primary responsibility for dealing with elections. They're handled at the state and local level. I'm a former secretary of state, and so I know this quite well. That's where the primary responsibility is. The federal government's role is relatively limited in terms of, you know, making sure there isn't fraud, there isn't -- people's civil rights are not being infringed upon.

Nonetheless, we care very much about the integrity of the election process. And so we are going to have a number of monitors located at polling places throughout the country. And I have a great deal of confidence in state and local officials in ensuring the integrity of elections within their jurisdiction. I understand there are some stories -- I've heard some stories or read some stories -- about concerns about perhaps electronic voting. Again, these are decisions made by local officials as to what kind of voting they want to have occur within their particular jurisdiction. They're tested. These machines are tested, not once, not twice, oftentimes numerous times. Sometimes there are audits before elections. Sometimes there are audits after elections. And so there is a lot of work that's being done by state and local officials to ensure the integrity of our elections. Do mistakes happen from time to time? Of course mistakes happen, but there's been a lot of work that's been done already to minimize the number of mistakes that occur and we will be out there, federal officials, state and local officials will be out there to ensure the integrity of this election.

Thank you very much.

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Image not available for this document, ID: 0.7.10316.21155-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 5:30 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER FT. CAMPBELL SOLDIER INDICTED IN IRAQI CIVILIAN DEATHS

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 2, 2006
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CRM
(202) 514-2007
TDD (202) 514-1888

FORMER FT. CAMPBELL SOLDIER INDICTED IN IRAQI CIVILIAN DEATHS

WASHINGTON – A former Ft. Campbell soldier has been charged with various crimes for conduct including premeditated murder based on the alleged rape of an Iraqi girl and the deaths of the girl and members of her family, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney David L. Huber of the Western District of Kentucky announced today.

Steven D. Green, 21, was charged in the indictment returned today by a federal grand jury in Louisville, Ky., with conduct that would constitute conspiracy to commit murder, conspiracy to commit aggravated sexual abuse, premeditated murder, murder in perpetration of aggravated sexual abuse, aggravated sexual abuse on a person less than 16 years of age, use of firearms during the commission of violent crimes and obstruction of justice. The potential statutory penalties for conviction of these offenses ranges from a term of years to life in prison to death.

The indictment charges Green with crimes arising from an incident that occurred on March 12, 2006, in and around Mahmoudiyah, Iraq. The indictment alleges that during the incident Green and others committed aggravated sexual abuse against a 14-year-old Iraqi girl, whose body was burned after the attack. The indictment also alleges that Green and others killed the girl, her father, mother, and six-year-old sister during the same incident.

Green was discharged from the U.S. Army in May 2006 and is being prosecuted in U.S. District Court under the Military Extraterritorial Jurisdiction Act, a statute that gives U.S. courts jurisdiction to prosecute crimes committed outside the United States by persons who served with the Armed Forces but are no longer subject to military prosecution. Other soldiers who have not been discharged by the Army are currently charged by the Army with taking part in the incident out of which the charges against Green arise.

Green, formerly stationed at Ft. Campbell, Ky., and deployed to Iraq while serving with the 101st Airborne Division of the United States Army, was arrested by the FBI on June 30, 2006, on federal charges of murder and rape pursuant to the Military Extraterritorial Jurisdiction Act. Green is scheduled to be arraigned on the indicted charges on Nov. 8, 2006, at 10 a.m. in Louisville.

DOJ_NMG_ 0170031

An indictment is merely an accusation. All defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

The case was investigated by the FBI and the Criminal Investigation Division of the U.S. Army. The case is being prosecuted by the U.S. Attorney's Office in the Western District of Kentucky and the Domestic Security Section of the Criminal Division.

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06-748

green.indictment.pdf

DOJ_NMG_ 0170032

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT PADUCAH

06 NOV -2 PM 4:23

UNITED STATES OF AMERICA

v. INDICTMENT

STEVEN DALE GREEN NO. 5:06CR-19-R

18 U.S.C. § 2
18 U.S.C. § 371
18 U.S.C. § 924(c)(1)(A)
18 U.S.C. § 924(j)(1)
18 U.S.C. § 1111
18 U.S.C. § 1117
18 U.S.C. § 1512(c)(1)
18 U.S.C. § 2241(a)
18 U.S.C. § 2241(c)
18 U.S.C. § 3261(a)(2)

The Grand Jury alleges:

GENERAL ALLEGATIONS

1. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** was a member of the Armed Forces subject to Chapter 47 of Title 10 (the Uniform Code of Military Justice).

2. On or about May 16, 2006, the defendant **STEVEN DALE GREEN** was discharged from the Army.

3. The acts described in Counts One through Seventeen of this Indictment occurred in and around Mahmoudiyah, Iraq and outside the United States.

4. Venue for the trial of the offenses charged in this Indictment lies within the Western District of Kentucky at Paducah.

5. The conduct described in Counts One through Sixteen of this Indictment would have constituted offenses punishable by imprisonment for more than one year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States.

The Grand Jury charges:

COUNT ONE

CONSPIRACY TO COMMIT MURDER

6. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

7. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** knowingly conspired, confederated, and agreed with others known to the Grand Jury to murder with malice aforethought, Abeer Kassem Hamza Al-Janabi, Hadeel Kassem Hamza Al-Janabi, Kassem Hamza Rachid Al-Janabi, and Fakhriya Taha Mohsine Al-Janabi, which conduct would have constituted an offense under 18 U.S.C. §§ 1111 and 1117 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

DOJ_NMG_ 0170034

OVERT ACTS

8. In furtherance of the conspiracy, and in order to effect the objects thereof, the following overt acts, among others, were committed by one or more members of the conspiracy:

a) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury changed clothing.

b) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury left a traffic control point to which they had been assigned.

c) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury walked to the house of Abeer Kassem Hamza Al-Janabi (age 14), Hadeel Kassem Hamza Al-Janabi (age 6), and their parents Kassem Hamza Rachid Al-Janabi (father) and Fakhriya Taha Mohsine Al-Janabi (mother).

d) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** shot and killed Hadeel Kassem Hamza Al-Janabi.

DOJ_NMG_ 0170035

e) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** shot and killed Kassem Hamza Rachid Al-Janabi.

f) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** shot and killed Fakhriya Taha Mohsine Al-Janabi.

g) On or about March 12, 2006, persons known to the Grand Jury removed articles of clothing from Abeer Kassem Hamza Al-Janabi.

h) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury committed forcible sexual acts against Abeer Kassem Hamza Al-Janabi.

i) On or about March 12, 2006, the defendant **STEVEN DALE GREEN** shot and killed Abeer Kassem Hamza Al-Janabi.

In violation of Title 18, United States Code, Section 3261(a)(2).

DOJ_NMG_ 0170036

The Grand Jury further charges:

COUNT TWO

CONSPIRACY TO COMMIT AGGRAVATED SEXUAL ABUSE

9. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

10. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** knowingly conspired, confederated, and agreed with others known to the Grand Jury to cause Abeer Kassem Hamza Al-Janabi to engage in a sexual act by using force against her and by threatening Abeer Kassem Hamza Al-Janabi and placing her in fear that she would be subject to death and serious bodily injury, which conduct would have constituted an offense under 18 U.S.C. §§ 371, 2241(a), and 2241(c) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

OVERT ACTS

11. In furtherance of the conspiracy, and in order to effect the objects thereof, the following overt acts, among others, were committed by one or more members of the conspiracy:

a) The Grand Jury re-alleges and incorporates by reference Subparagraphs (a) through (i) of Count One of this Indictment.

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In violation of Title 18, United States Code, Section 3261(a)(2).

The Grand Jury further charges:

COUNT THREE

PREMEDITATED MURDER
(Abeer Kassem Hamza Al-Janabi)

12. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

13. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and with premeditation, did unlawfully kill Abeer Kassem Hamza Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

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The Grand Jury further charges:

COUNT FOUR

PREMEDITATED MURDER
(Hadeel Kassem Hamza Al-Janabi)

14. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

15. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and with premeditation, did unlawfully kill Hadeel Kassem Hamza Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

The Grand Jury further charges:

COUNT FIVE

PREMEDITATED MURDER
(Kassem Hamza Rachid Al-Janabi)

16. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

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17. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and with premeditation, did unlawfully kill Kassem Hamza Rachid Al-Janabi by shooting him with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

The Grand Jury further charges:

COUNT SIX

PREMEDITATED MURDER
(Fakhriya Taha Mohsine Al-Janabi)

18. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

19. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and with premeditation, did unlawfully kill Fakhriya Taha Mohsine Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111

DOJ_NMG_0170040

had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

The Grand Jury further charges:

COUNT SEVEN

FELONY MURDER
(Abeer Kassem Hamza Al-Janabi)

20. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

21. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and in perpetration of aggravated sexual abuse, did unlawfully kill Abeer Kassem Hamza Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170041

The Grand Jury further charges:

COUNT EIGHT

FELONY MURDER
(Hadeel Kassem Hamza Al-Janabi)

22. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

23. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and in perpetration of aggravated sexual abuse, did unlawfully kill Hadeel Kassem Hamza Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_ 0170042

The Grand Jury further charges:

COUNT NINE

FELONY MURDER
(Kassem Hamza Rachid Al-Janabi)

24. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

25. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and in perpetration of aggravated sexual abuse, did unlawfully kill Kassem Hamza Rachid Al-Janabi by shooting him with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170043

The Grand Jury further charges:

COUNT TEN

FELONY MURDER
(Fakhriya Taha Mohsine Al-Janabi)

26. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

27. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, with malice aforethought, and in perpetration of aggravated sexual abuse, did unlawfully kill Fakhriya Taha Mohsine Al-Janabi by shooting her with a firearm, which conduct would have constituted an offense under 18 U.S.C. § 1111 had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170044

The Grand Jury further charges:

COUNT ELEVEN

AGGRAVATED SEXUAL ABUSE

28. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

29. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, did knowingly cause and attempt to cause Abeer Kassem Hamza Al-Janabi to engage in sexual acts by using force against her and by threatening Abeer Kassem Hamza Al-Janabi and placing her in fear that she would be subject to death and serious bodily injury, which conduct would have constituted an offense under 18 U.S.C. § 2241(a) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170045

The Grand Jury further charges:

COUNT TWELVE

AGGRAVATED SEXUAL ABUSE WITH CHILDREN

30. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

31. On or about the March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, did knowingly engage and attempt to engage in sexual acts with Abeer Kassem Hamza Al-Janabi, a person who at that time had attained the age of 12 years but had not attained the age of 16 years, and who was at least four years younger than **STEVEN DALE GREEN** and the stated other persons known to the grand jury, which conduct would have constituted an offense under 18 U.S.C. § 2241(c) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_ 0170046

The Grand Jury further charges:

COUNT THIRTEEN

USE OF A FIREARM DURING A CRIME OF VIOLENCE

32. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

33. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, knowingly used, carried, brandished, and discharged a firearm, during and in relation to a crime of violence for which he could be prosecuted in a court of the United States, that is, the murder of Abeer Kassem Hamza Al-Janabi as charged in Count Three of this Indictment, which conduct would have constituted an offense under 18 U.S.C. §§ 924(c)(1)(A) and 924(j)(1) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170047

The Grand Jury further charges:

COUNT FOURTEEN

USE OF A FIREARM DURING A CRIME OF VIOLENCE

34. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

35. On or about the March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, knowingly used, carried, brandished, and discharged a firearm, during and in relation to a crime of violence for which he could be prosecuted in a court of the United States, that is, the murder of Hadeel Kassem Hamza Al-Janabi, as charged in Count Four of this Indictment, which conduct would have constituted an offense under 18 U.S.C. §§ 924(c)(1)(A) and 924(j)(1) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_ 0170048

The Grand Jury further charges:

COUNT FIFTEEN

USE OF A FIREARM DURING A CRIME OF VIOLENCE

36. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

37. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, knowingly used, carried, brandished, and discharged a firearm, during and in relation to a crime of violence for which he could be prosecuted in a court of the United States, that is, the murder of Kassem Hamza Rachid Al-Janabi, as charged in Count Five of this Indictment, which conduct would have constituted an offense under 18 U.S.C. §§ 924(c)(1)(A) and 924(j)(1) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(2) and 2.

DOJ_NMG_0170049

The Grand Jury further charges:

COUNT SIXTEEN

USE OF A FIREARM DURING A CRIME OF VIOLENCE

38. The General Allegations set forth in Paragraphs One through Five of this Indictment are realleged and expressly incorporated herein as if set out in full.

39. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, knowingly used, carried, brandished, and discharged a firearm, during and in relation to a crime of violence for which he could be prosecuted in a court of the United States, that is, the murder of Fakhriya Taha Mohsine Al-Janabi, as charged in Count Six of this Indictment, which conduct would have constituted an offense under 18 U.S.C. §§ 924(c)(1)(A) and 924(j)(1) had it been engaged in within the special maritime and territorial jurisdiction of the United States.

In violation of Title 18, United States Code, Sections 3261(a)(1) and 2.

DOJ_NMG_0170050

The Grand Jury further charges:

COUNT SEVENTEEN

OBSTRUCTION OF JUSTICE

40. On or about March 12, 2006, the defendant **STEVEN DALE GREEN** and others known to the Grand Jury, each aiding and abetting the others, corruptly destroyed, mutilated, and concealed objects, and attempted to do so, with the intent to impair the objects' integrity and availability for use in an official proceeding, by burning the body of Abeer Kassem Hamza Al-Janabi after she had been killed as described in Counts Three and Seven; by burning items of clothing worn during the killings described in Counts Three through Ten; and by throwing into a canal the AK-47 used during the killings described in Counts Three through Ten above.

In violation of Title 18, United States Code, Section 1512(c)(1).

The Grand Jury alleges:

NOTICE OF SPECIAL FINDINGS

41. The allegations in Counts One through Sixteen of this Indictment are realleged and expressly incorporated herein as if set out in full.

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42. As to Counts Three through Ten and Thirteen through Sixteen of this Indictment, the defendant **STEVEN DALE GREEN:**

a) was more than 18 years of age at the time of the offenses (Title 18, United States Code, Section 3591(a));

b) intentionally killed the victim (Title 18, United States Code, Section 3591(a)(2)(A));

c) intentionally inflicted serious bodily injury that resulted in the death of the victim (Title 18, United States Code, Section 3591(a)(2)(B));

d) intentionally participated in an act, contemplating that the life of a person would be taken or intending that lethal force would be used in connection with a person, other than one of the participants in that offense, and the victim died as a result of the act (Title 18, United States Code, Section 3591(a)(2)(C));

e) intentionally and specifically engaged in an act of violence knowing that the act created a grave risk of death to a person, other than one of the participants in the offense, such that participation in the act constituted a reckless disregard for human life and the victim died as a

DOJ_NMG_ 0170052

direct result of the act (Title 18, United States Code, Section 3591(a)(2)(D));

f) committed the offenses described in Counts Three through Ten of this Indictment in an especially heinous, cruel, and depraved manner in that they involved torture and serious physical abuse to the victims (Title 18, United States Code, Section 3592(c)(6));

g) committed the offenses described in Counts Three through Ten of this Indictment after substantial planning and premeditation to cause the death of a person or commit an act of terrorism (Title 18, United States Code, Section 3592(c)(9));

h) the victims of the offenses described in Counts Three, Four, Seven, and Eight of this Indictment were particularly vulnerable due to youth (Title 18, United States Code, Section 3592(c)(11));

i) the defendant intentionally killed or attempted to kill more than one person in a single criminal episode (Title 18, United States Code, Section 3592(c)(16)).

DOJ_NMG_0170053

Pursuant to Title 18, United States Code, Sections 3591 and 3592.

A TRUE BILL

FORE.

for DAVID L. HUBER
UNITED STATES ATTORNEY
WESTERN DISTRICT OF KENTUCKY

DOJ_NMG_ 0170054

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 02, 2006 5:31 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTION: MORE THAN 1,600 SEX OFFENDER ARRESTS BY U.S. MARSHALS' "OPERATION FALCON III"

Corrected: First paragraph numbers were corrected to reflect 10,773 fugitives arrested.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 2, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

MORE THAN 1,600 SEX OFFENDER ARRESTS BY U.S. MARSHALS' "OPERATION FALCON III"

Among 10,773 Fugitives Apprehended in Nationally Coordinated Operation

WASHINGTON – Attorney General Alberto R. Gonzales and U.S. Marshals Service (USMS) Director John F. Clark today announced that a seven-day nationally coordinated fugitive roundup led by the USMS and hundreds of partners from state, local and other federal agencies led to the arrests of 10,773 fugitives. Among those arrested during Operation FALCON III were 1,659 fugitive sex offenders, the largest number ever captured in a single law enforcement effort.

Operation FALCON III (Federal and Local Cops Organized Nationally) was conducted in 24 states east of the Mississippi River, in the District of Columbia and in Puerto Rico. Deputy Marshals teamed up with thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation which ran from Oct. 22-28, 2006.

"Operation FALCON has once again proven how much we can accomplish with our network of federal, state, and local law enforcement," said Attorney General Gonzales. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

High-priority targets for arrest were fugitives wanted for committing sexual offenses, including unregistered convicted sex offenders. Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. Other priority targets were fugitive gang members and violent offenders wanted for homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution. During FALCON III, agents apprehended 364 gang members, cleared 140 open homicide cases and arrested thousands of fugitives sought on kidnapping, robbery, burglary, carjacking, weapons offenses and other violent charges. Additionally, more than 230 weapons were also taken off the streets.

The Operation received a major boost from the Adam Walsh Act, named after the

murdered son of "*America's Most Wanted"* host John Walsh. The law directs federal resources to the tasks of rounding up sexual predators and helping state and local governments catch convicted individuals who failed to register in communities where they live.

"When the Adam Walsh Act became law this summer the American people expected to see results," said U.S. Marshals Director John F. Clark. "I believe FALCON III fulfilled that promise, thanks to the hard work of Deputy Marshals and their partners serving on our district and regional fugitive task forces. Becaus of their work we brought fugitives to justice, and we hope we brought a bit of peace to the communities they left behind."

One such arrest took place on Oct. 24, 2006, when investigators arrested Allen Marksberry in Rickman, Tenn. Marksberry was an unregistered sex offender, stemming from a 1996 conviction of sexual assault of a child who was under eight years old. After a short standoff, investigators discovered Marksberry wa babysitting several children, all under the age of eleven. After taking the children into protective custody, investigators discovered pornography and drugs inside the home, as well as a separate trailer, which provided the suspect with a clear view of a nearby playground. Investigators also seized a pair of binoculars inside the trailer. Marksberry is now in custody facing additional charges.

FALCON III would not have been possible without the cooperation of more than 1,000 partner agencies from federal, state and local law enforcement communities. On average, more than 3,000 investigators took to the streets each day, working side-by-side with Deputy U.S. Marshals. Director Clark noted the important contributions of the Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco, Firearms and Explosives throughout the week. He also recognized the efforts of the National Center for Missing and Exploited Children, which helped identify high-priority cases.

Participating federal agents also came from the Offices of Inspector General of the Social Security Administration, Department of Veterans Affairs, the Department of Housing and Urban Development and the Department of Agriculture among others.

INTERNATIONAL ARRESTS

Thanks to the efforts of USMS personnel overseas, agents from U.S. Immigration and Customs Enforcement and from the State Department's Diplomatic Security Service, fugitives who fled across international jurisdictions also were successfully targeted. Seven arrests were made abroad, and an additional seven foreign fugitives arrested in the U.S. will be returned to nations where they were sought.

PHOTOS/VIDEOS AVAILABLE

The U.S. Marshals Service has photos of actual arrests during the operation available to press at www.usmarshals.gov/falcon3, as well as fact sheets on arrests nationwide and in each of the participating districts. Dossiers on the "FALCON 15," describing 15 of the most significant cases closed during the operation are available to media at the site. A 10-minute B-roll video package for broadcasters will be available for satelli distribution on Nov. 2, at 2:00 – 2:15 P.M. EST (11:00 – 11:15 A.M. PST) and at 7:00 – 7:15 P.M. EST (4:00 – 4:15 P.M. PST) at C-Band coordinates (IA 6 T-11 Downlink Frequency 3920 V 93 degrees WL), and on Nov. 3, at 4:00 – 4:15 A.M. EST (1:00 – 1:15 A.M. PST) at C-Band coordinates (IA 6 T-17 Downlink Frequency 4040 V 93 degrees WL).

PARTICIPATING AGENCIES

A complete list of all federal, state and local agencies that participated in Operation FALCON III is available at the USMS Web site, www.usmarshals.gov/falcon3.

DOJ_NMG_ 0170058

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06-744

DOJ_NMG_ 0170059

Image not available for this document, ID: 0.7.10316.20927-000001

Image not available for this document, ID: 0.7.10316.20927-000002

Amber.JMD

From: Amber.JMD
Sent: Thursday, November 02, 2006 8:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Port Huron, MI

From: AmberAlert-DOJ
Sent: Thursday, November 02, 2006 7:35:01 PM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; OIG, AmberAlert (OIG); Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Port Huron, MI
Auto forwarded by a Rule

AMBER ALERT:Port Huron,MI VEH:92 Blu GMC Sierra TAG:MI YBX482 CHILD:3 W/M 3FT 38LB Eye:Blue Hair:Red SUS:27 W/M 6FT3 210LB Eye:Hazel Hair:Brown CALL810-984-8415
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2662

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, November 02, 2006 11:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Port Huron, MI

From: AmberAlert-DOJ
Sent: Thursday, November 02, 2006 10:01:01 PM
To: AmberAlert ATR; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; COPSAmberAlert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; OIG, AmberAlert (OIG); Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Port Huron, MI
Auto forwarded by a Rule

UPDATE AMBER ALERT:Port Huron,MI CHILD:3 White M 3FT 38LBS Eyes:Blue Hair:Red SUSPECT:27 White M 6FT3 210LBS Eyes:Hazel Hair:Brown CALL 810-984-8415
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2662

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 9:41 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 3, 2006

Department of Justice

PRESS GUIDANCE
Friday, November 03, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170064

Image not available for this document, ID: 0.7.10316.20911-000001

Image not available for this document, ID: 0.7.10316.20911-000002

Miller, Charles S

From: Miller, Charles S
Sent: Friday, November 03, 2006 11:41 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/3/06 Civil Division News

TierOne Bank Awarded $4.5 Million in Damages from Federal Breach of Contract

U.S. FDA seeks injunction against orthopedic implant device manufacturer

Hispanic citizens sue government over raids

Pakistani man's family pleads for pardon to halt deportation

EDITORIAL: Punting habeas - Congress can't complain about activist judges when it knowingly passed a detainee law of questionable constitutionality

Judge tells 'New York Times' to reveal anthrax sources

Business Wire

November 2, 2006

TierOne Bank Awarded $4.5 Million in Damages from Federal Breach of Contract

LINCOLN, Neb.--(BUSINESS WIRE)--Nov. 2, 2006--TierOne Corporation (NASDAQ:TONE) ("Company"), the holding company for TierOne Bank ("Bank"), announced today the United States Court of Federal Claims ("Court") issued an opinion on October 31, 2006 awarding $4.5 million in damages to the Bank in connection with a lawsuit it filed in 1995 claiming the federal government breached its contract with the Bank upon the enactment of the Financial Institutions Reform, Recovery and

Enforcement Act of 1989 ("FIRREA").

The lawsuit stemmed from FIRREA's elimination of nearly $30.0 million of goodwill remaining from three supervisory mergers the Bank completed in 1982. The loss of the goodwill, which had been included as part of the Bank's regulatory capital requirements under federally-approved guidelines at the time of the supervisory mergers, forced the Bank to shrink in size, reduce personnel and eliminate several banking offices in order to meet FIRREA's new, stricter capital requirements.

The Bank's case was initially stayed pending resolution on appeal of a series of similar cases filed in the mid-1990's. In July 1996, the United States Supreme Court ruled in the Winstar case that FIRREA's provisions changing the accounting for supervisory goodwill constituted a breach of contract by the federal government.

In late 2003, the Court of Federal Claims found the federal government was liable to the Bank for breach of contract. In May 2006 a second trial, based solely on the issue of damages resulting from the contract breach, found the Bank was entitled to $4.5 million.

Gilbert G. Lundstrom, chairman and chief executive officer of the Company, said the Bank is currently reviewing the opinion and both the Bank and the federal government retain the right to appeal the Court's ruling to the United States Court of Appeals. Lundstrom said the Bank has made no decision whether to appeal the case.

Corporate Profile

TierOne Corporation is the parent company of TierOne Bank, a $3.4 billion federally chartered savings bank and the largest publicly-traded financial institution headquartered in Nebraska. Established in 1907, TierOne Bank offers customers a wide variety of full-service consumer, commercial and agricultural banking products and services through a network of 70 banking offices located in Nebraska, Iowa and Kansas and nine loan production offices located in Arizona, Colorado, Florida, Minnesota, Nevada and North Carolina.

END

Medical Devices & Surgical Technology Week

November 12, 2006

U.S. FDA seeks injunction against orthopedic implant device manufacturer

The U.S. Food and Drug Administration (FDA) is seeking a permanent injunction against Endotec Incorporated of Orlando, Florida, and Michael J. Pappas, PhD, president; Frederick F. Buechel, MD, medical director; and Jared Pappas, director of regulatory affairs, to stop the illegal distribution of unapproved, total joint replacement devices.

The government's complaint, filed by the U.S. Department of Justice in the U.S . District Court for the Middle District of Florida, charges Endotec with violating the Federal Food, Drug, and Cosmetic Act by distributing total joint replacement devices without an approved premarket application or without an approved clinical study. The complaint states that the company has carried out the illegal distribution of unapproved total joint replacement devices since March 15, 2002, despite the FDA's warnings that these actions were illegal.

The FDA advises consumers who have one of the Endotec replacement joints to continue with standard

medical care and report any adverse events or problems to their physicians. If patients are unsure if they have an Endotec device, they should check with their physician.

These actions violate federal law because data establishing the safety and effectiveness of the devices has not been reviewed by FDA.

FDA requests that physicians report such any adverse events to the FDA's MedWatch Adverse Event Reporting program online at www.fda.gov/MedWatch/report.htm, by phone, 1-800-FDA-1088, or by returning the postage-paid FDA form 3500 which may be downloaded from www.fda.gov/MedWatch/getforms.htm by mail to MedWatch, 5600 Fishers Lane, Rockville, MD 20852-9787, or fax, 1-800-FDA-0178.

The FDA has initiated this action to promote and protect the public health by enforcing the Federal Food, Drug, and Cosmetic Act.

END

Chicago Tribune

Nov. 2, 2006

Hispanic citizens sue government over raids

By Jenny Jarvie
Tribune Newspapers: Los Angeles Times

ATLANTA -- A civil rights group sued the federal government Wednesday on behalf of five Hispanic citizens who say they were detained and harassed by agents carrying out raids targeting illegal immigrants in south Georgia.

The Southern Poverty Law Center said Immigration and Customs Enforcement agents used "Gestapo-like" tactics as they fanned across three Georgia counties in September, breaking into homes and stopping people in their cars because they looked "Mexican."

The class-action suit seeks not only compensatory damages for the plaintiffs--including a landlord whose property was damaged--but also a court order preventing ICE from conducting similar raids.

"This was a widespread sweep, based largely on racial and ethnic profiling, in violation of the 4th and 5th Amendments to the United States Constitution," Mary Bauer, attorney for the plaintiffs, said at a news conference. Those amendments pertain to the right to be free from unreasonable search and seizure and the right to due process.

"Agents saw brown skin," Bauer said, "and made a presumption of illegality."

Marc Raimondi, an ICE spokesman, said the raids were conducted legally. "We don't conduct random sweeps," he said, noting that the agency had spent a month investigating the area and had compiled a list of illegal immigrants who had worked at a poultry plant using fraudulent documents. "Race or ethnicity played no role," he said.

Federal agents searching for undocumented immigrants who worked at the Crider Inc. poultry plant in Stillmore, Ga., arrested more than 125 people in September. No U.S. citizens were arrested, but the suit claims agents "trampled on" the constitutional rights of "every person of Hispanic descent unfortunate enough to get in the way."

Marie Justeen Mancha, a 15-year-old who was born in Texas and lives in Reidsville, Ga., says she was in her bedroom getting dressed for school when she heard men inside her home yelling "illegals" and "Mexicans." In the living room, she says, she saw five men, one with his hand on his gun holster.

"My heart just dropped," she said.

Nearly two dozen armed agents roamed her house and yard without presenting a search warrant, the lawsuit said. Mancha's mother, Maria Christina Martinez, is a U.S. citizen who previously worked at the chicken plant.

According to the suit filed in Atlanta, agents stopped one plaintiff, Maria Margarita Morales, as she was driving home, repeatedly called her "Mexican," grabbed her arm and ordered her to get out of her vehicle.

Bauer said the Southern Poverty Law Center filed the suit, which lists Homeland Security Secretary Michael Chertoff, six ICE administrators and 30 unnamed ICE agents as defendants, to warn federal agents against conducting similar raids.

END

Denver Rocky Mountain News (CO)

November 3, 2006

Pakistani man's family pleads for pardon to halt deportation

Sara Burnett, Rocky Mountain News

A U.S. District Court judge dismissed charges Thursday against a Lakewood man once targeted in a federal terrorism investigation, clearing the way for him to be deported.

Haroon Rashid, a native of Pakistan who has lived in the United States since 1995, was transferred to the custody of U.S. Immigration and Customs Enforcement immediately after Judge Lewis Babcock dismissed charges of conspiracy and making false statements to government officials.

Outside the courthouse, family and friends decried the government investigation, saying Rashid was arrested in 2003 because of anti-Muslim sentiment fueled by the Sept. 11, 2001, terrorist attacks.

Rashid's wife, Saima Saima, said the past few years have been difficult for her and the couple's four children. If Rashid is deported, the family likely will go back to Pakistan as well, she said.

Standing in front of television cameras, the couple's 9-year-old son Talha took cues from his mother and pleaded with Gov. Bill Owens to pardon his father.

Oldest son Yusuf, 11, said it would be "really hard" for the family to return to Pakistan because the children don't speak the language.

"This is our country. We were born here," he said. "We are citizens."

Rashid, 35, who was living in the country legally, and several family members caught the attention of the FBI's Joint Terrorism Task Force shortly after 9/11, court documents show.

After a period of surveillance, a Denver grand jury in March 2003 indicted Rashid and five other family

members on charges of conspiracy to defraud the United States and making false statements in an immigration case.

The government alleged that the family lied to get another relative into the United States without a visa, then lied about his relationship to the family so he could remain here.

During a detention hearing, federal investigators revealed they had reason to think Rashid and other family members were a danger to the public.

Among their reasons was that Rashid traveled to the Pakistan-Afghanistan border shortly after the 9/11 attacks, that he may have participated in a terrorist training camp, and that after returning to the United States, he attempted to buy a gun and a night-vision scope.

Rashid never was charged with anything terrorism-related, however, because doing so would have tipped the government's hand in other cases, authorities have said.

Shortly after his arrest, Rashid was released on bond. While out of jail, he was arrested again, this time for assaulting a 16-year-old boy in Arapahoe County.

A jury convicted Rashid of that crime in 2004 and an immigration judge later ruled that Rashid should be deported.

U.S. Attorney Troy Eid said Thursday his office chose to drop the charges of conspiracy and making false statements because Rashid already has served more time in jail than he would serve if he were convicted of those charges. The U.S. attorney's office also did not want to stand in the way of Rashid's deportation, Eid said.

"He has no right to be in the United States," he added.

But family members and friends insisted that the charges were trumped up and that the assault occurred because Rashid was protecting his children from gang members. They also said Rashid traveled to the Pakistan-Afghanistan border to visit his family, not to train to be a terrorist.

But Eid made no apologies.

"Our office will pursue terrorism investigations wherever they lead," he said.

Rashid has appealed his deportation order to the U.S. Supreme Court, but prosecutors said today they are confident the order will be upheld.

END

Los Angeles Times

November 3, 2006

EDITORIAL: Punting habeas - Congress can't complain about activist judges when it knowingly passed a detainee law of questionable constitutionality

THE BUSH administration has fared miserably with the U.S. Supreme Court when it comes to its more controversial post-Sept. 11 initiatives. That losing streak could be extended now that lawyers for detainees at Guantanamo Bay in Cuba have taken aim at the new Military Commissions Act, which purports to prevent their clients from filing habeas corpus petitions.

If the high court again rules against the administration, President Bush will have himself to blame for obstinately refusing to afford detainees the protection of the Great Writ. But blame also will fall on members of Congress who knew better than to sign off on such flawed legislation. Among them is Sen. Arlen Specter (R-Pa.), the Senate's purported constitutional conscience.

Congress rushed through the Military Commissions Act before its election break in response to the Supreme Court's June ruling that Bush exceeded his authority by establishing military tribunals without congressional authorization. The court also rejected the administration's argument that it lacked jurisdiction to decide that issue.

In separate 2004 cases, the justices held that both U.S. citizens and foreigners detained at Guantanamo could challenge their confinement. Given that history, Specter warned that another judicial rebuke was coming if the Senate barred habeas corpus appeals.

"Surely as we are standing here, if this bill is passed and habeas corpus is stricken, we'll be back on this floor again," Specter said.

Yet after his habeas corpus amendment was shot down, Specter and 13 other supporters voted for the flawed Military Commissions Act. Specter implied that it was all right for Congress to ignore the Constitution because the high court would "clean it up" on appeal.

On Wednesday, that clean-up process began when lawyers for some of the hundreds of Guantanamo detainees with pending habeas complaints asked a U.S. court of appeals to allow their clients to continue challenging their imprisonment, despite the Military Commissions Act.

Echoing one of Specter's arguments, the lawyers noted that the Constitution allows Congress to suspend habeas corpus only in "cases of rebellion or invasion." Serious as the terrorism threat may be, it is neither an invasion nor a rebellion.

The appeals court has a choice: either declare the Military Commissions Act unconstitutional or interpret it in a way that doesn't jeopardize pending habeas actions. Either way, the Supreme Court likely will be asked to resolve the issue.

Even if Specter and other supporters of the Great Writ had voted against the Military Commissions Act, it probably would have passed. But the margin would have been narrower if they had been less willing to punt the question of whether the legislation violates the Constitution.

During John G. Roberts Jr.'s confirmation hearings, Specter complained that the high court had appointed itself Congress' "taskmaster." Roberts replied: "I don't think the court should be a taskmaster for Congress. The Constitution is the court's taskmaster, and Congress' as well."

If Congress took its responsibilities to uphold the Constitution more seriously, there would be fewer problems for Chief Justice Roberts and his colleagues to "clean up."

END

AP

11/3/2006 9:25 AM ET

Judge tells 'New York Times' to reveal anthrax sources

ALEXANDRIA, Va. (AP) — A federal judge upheld an order requiring *The New York Times* to disclose a columnist's confidential sources as part of a libel lawsuit filed over its coverage of the 2001 anthrax attacks.

Former Army scientist Steven Hatfill sued the *Times*, arguing that a series of articles by columnist Nicholas Kristof falsely implicated him in the anthrax mailings that killed five people in late 2001.

U.S. Magistrate Judge Liam O'Grady in October ordered the newspaper to disclose the identities of three of Kristof's sources. The judge said Hatfill's right to move forward with his lawsuit outweighed the limited immunity Virginia gives reporters from disclosing sources.

U.S. District Judge Claude M. Hilton upheld that ruling Tuesday after the *Times* appealed.

Hatfill's lawyers want to question the sources to determine if Kristof's reporting was accurate. The *Times* had cited FBI sources in reporting Hatfill was one of a limited number of people with the access and technical expertise to manufacture the anthrax and that he failed lie-detector tests.

Hatfill was a physician and bioterrorism expert who worked at the Army's infectious disease laboratory at Fort Detrick, Md., in the late 1990s.

The Justice Department has refused to discuss Hatfill but recently said the strain of anthrax used in the attacks was accessible to more people than initially reported. No one has been charged in the attacks.

In Friday's newspaper, George Freeman, vice president and assistant general counsel for the *Times*, called the ruling disappointing but added: "We are confident that in the end, the columns will be vindicated."

END

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 3:06 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER EMPLOYEE OF U.S. MILITARY CONTRACTOR PLEADS GUILTY TO MAKING FALSE STATEMENTS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 3, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER EMPLOYEE OF U.S. MILITARY CONTRACTOR PLEADS GUILTY TO MAKING FALSE STATEMENTS

WASHINGTON – A former employee of a construction company that has contracts with the U.S. Air Force in Iraq, pleaded guilty in U.S. District Court in the Eastern District of Michigan to a one-count criminal information, the Department of Justice announced today.

Samir F. Mahmoud, 56, of Bloomfield, Mich., pleaded guilty to charges of making a false statement stemming from an investigation into possible violations of the Anti-Kickback Act. U.S. District Judge Gerald E. Rosen set a sentencing date for February 2, 2007.

According to the information filed in September 2006, on July 17, 2006, Mahmoud was interviewed by special agents from the Defense Criminal Investigative Service and U.S. Immigration and Customs Enforcement (ICE) regarding allegations of illegal payments and gifts offered to company employees in exchange for promised assistance in obtaining, retaining or altering the Air Force contracts and subcontracts associated with the reconstruction of Iraq. During the interview Mahmoud willfully made materially false statements in that he denied providing gifts to other company employees when he had offered and provided things of value to at least one company employee.

The maximum sentence for a charge of making a false statement is up to five years in prison and a $250,000 fine.

In October 2006, Deputy Attorney General Paul J. McNulty announced the formation of a National Procurement Fraud Task Force designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other governmental programs. The Procurement Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General Community, the Executive Office of the United States Attorneys and others.

The case was prosecuted by Trial Attorneys Nathaniel Edmonds and Stacey Luck of the Criminal Division's Fraud Section.

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06-749

DOJ_NMG_ 0170075

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Image not available for this document, ID: 0.7.10316.20660-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, November 3, 2006 5:01 PM
Subject: E-mail Interruption of Service - Outgoing E-mail
Importance: High

JCON E-mail Interruption of Service

SMO/JMD JCON is currently experiencing an e-mail interruption of outgoing JCON e-mail. Delays are approximately one hour.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: FORT WORTH WOMAN SENTENCED FOR STEALING FEMA FUNDS

Department of Justice

United States Attorney Richard B. Roper
Northern District of Texas

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 3, 2006
WWW.USDOJ.GOV/USAO/TXN

CONTACT: KATHY COLVIN
PHONE: (214) 659-8707
FAX: (214) 767-0978

FORT WORTH WOMAN SENTENCED FOR STEALING FEMA FUNDS

Defendant Took Advantage of a Hurricane Katrina Evacuee

DALLAS, Texas --- Sheila Harris, who was convicted by a federal jury in July on one count of theft of government property and one count of bank burglary, was sentenced today by U.S. District Judge John McBryde to 12 months and one day, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. She was ordered to surrender to the Bureau of Prisons on Dec. 1, 2006.

Harris surrendered to federal authorities on April 27, 2006, on charges outlined in a federal criminal complaint filed two days earlier. A federal grand jury in Fort Worth, Texas, returned a two-count indictment on May 23, 2006, charging her with one count of theft of government property and one count of bank burglary.

At trial, the government showed that Willie Jean Payne advised the Fort Worth Police Department in December 2005 that she was a hurricane evacuee and had been sent a disaster assistance check from Federal Emergency Management Agency (FEMA) in the amount of $21,242. She explained that she had been in Mississippi attending her husband's funeral in November 2005 when Sheila Harris opened a letter addressed to her with the FEMA check enclosed. Harris deposited the check without Ms. Payne's permission, depositing $10,000 into Harris's daughter's bank account and the remainder, $11,242, into Harris's bank account.

The government also presented evidence at trial that Sheila Harris had been Ms. Payne's food stamp administrator. With financial assistance from another individual, Harris had taken in Ms. Payne for a couple of weeks after Ms. Payne's husband was placed in a hospital.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General

DOJ_NMG_ 0170079

community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

U.S. Attorney Richard Roper praised the investigative efforts of the U. S. Secret Service and the Fort Worth Police Department. The case was prosecuted by Assistant U.S. Attorneys Camille Sparks and Paul Gartner.

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DOJ_NMG_ 0170080

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Image not available for this document, ID: 0.7.10316.20637-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 5:48 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 6 – NOVEMBER 10, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, NOVEMBER 3, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 6 – NOVEMBER 10, 2006

Monday, November 6

1:30 P.M. EST

Attorney General Alberto R. Gonzales will participate in a press conference with Secretary of Homeland Security, Michael Chertoff; European Union Vice President Franco Frattini; and Finland's Minister of Justice, Leena Luhtanen, and Minister of Interior Kari Rajamaki regarding the signing of an agreement by the United States and the European Union to improve joint efforts to fight transnational crime.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, November 7

Events TBD

Wednesday, November 8

Events TBD

Thursday, November 9

Events TBD

DOJ_NMG_ 0170083

Friday, November 10

10:30 A.M. EST Solicitor General Paul Clement will deliver the keynote address before the Wisconsin Judicial Conference regarding updates to federal law.
Radisson Paper Valley Hotel
Salon AB
333 W College Ave.
Appleton, Wisconsin
OPEN PRESS

ss inquiries regarding logistics should be directed to Michelle Todd, Public Information Officer for the Wisconsin Supreme Court, at 608- 264-6256.

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DOJ_NMG_ 0170084

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Image not available for this document, ID: 0.7.10316.20631-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 6:16 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES, HOMELAND SECURITY SECRETARY MICHAEL CHERTOFF AND EUROPEAN UNION OFFICIALS TO HOLD PRESS CONFERENCE REGARDING AN AGREEMENT TO IMPROVE JOINT EFFORTS TO FIGHT TRANSNATIONAL CRIME

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, NOVEMBER 3, 2006
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(202) 514-2007
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES, HOMELAND SECURITY SECRETARY MICHAEL CHERTOFF AND EUROPEAN UNION OFFICIALS TO HOLD PRESS CONFERENCE REGARDING AN AGREEMENT TO IMPROVE JOINT EFFORTS TO FIGHT TRANSNATIONAL CRIME

WASHINGTON – Attorney General Alberto R. Gonzales will participate in a press conference with Secretary of Homeland Security Michael Chertoff, European Union Vice President Franco Frattini, Finland's Minister of Justice Leena Luhtanen, and Finland's Minister of Interior Kari Rajamaki regarding the signing of an agreement by the United States and the European Union to improve joint efforts to fight transnational crime on **MONDAY, NOVEMBER 6, 2006 at 1:30 P.M. EST.**

WHO: Attorney General Alberto R. Gonzales
Michael Chertoff, Homeland Security Secretary
Franco Frattini, Vice President of the European Union
Leena Luhtanen, Minister of Justice of Finland
Kari Rajamaki, Minister of Interior of Finland

WHAT: Press Conference

WHEN: **MONDAY, NOVEMBER 6, 2006**
1:30 P.M. EST

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0170087

NOTE: **MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS.** Final pre-set for cameras is 1:00 p.m. All media should arrive no later than 1:15 p.m. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-750

DOJ_NMG_ 0170088

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Image not available for this document, ID: 0.7.10316.20623-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, November 03, 2006 7:06 PM
To: USDOJ- Office of Public Affairs
Subject: TWO DEFENDANTS FOUND GUILTY IN EXTORTION CONSPIRACY CONNECTED WITH SUPERAQUEDUCT CONSTRUCTION CONTRACTS IN SAN JUAN, PUERTO RICO

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 3, 2006
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CRM
(202) 514-2008
TDD (202) 514-1888

TWO DEFENDANTS FOUND GUILTY IN EXTORTION CONSPIRACY CONNECTED WITH SUPERAQUEDUCT CONSTRUCTION CONTRACTS IN SAN JUAN, PUERTO RICO

WASHINGTON — Assistant Attorney General Alice S. Fisher of the Criminal Division announced today that a jury in San Juan, Puerto Rico found two defendants guilty of conspiracy, extortion, and fraud in connection with a public corruption investigation into a construction project in Puerto Rico known as Superaqueduct. The Honorable Jose Antonio Fuste scheduled the sentencing for Jan. 18, 2007.

In early 1995, the defendants, ReneVazquez-Botet and Marcos Morell-Corrada extorted money from engineering and construction contractors based in Puerto Rico who obtained contracts for the construction of Puerto Rico's Superaqueduct, a $372 million project that included the construction of a 50-mile water pipe from the west to the east of the island. The indictment alleged that Vazquez-Botet and Morell-Corrada demanded more than $2 million from the contractors for assistance in securing and preserving their Superaqueduct contracts.

Vazquez-Botet, 51, held a variety of positions with the political party which controlled the executive branch in Puerto Rico during the relevant period. He is also a pediatric ophthalmologist. Under the extortion scheme, between 1996 and 1999 he is alleged to have received cash payments totaling over $300,000 and to have directed that payments be made to third-parties totaling approximately $80,000. The indictment also charges that Vazquez-Botet fraudulently concealed the extortionate payments and other income on his income tax returns for the Commonwealth of Puerto Rico.

Morell-Corrada, 58, served as the Secretary General of the same political party as Vazquez-Botet from 1991 until his resignation in 1996, when he resumed the private practice of law. The indictment alleges that he received approximately $125,000 between September 1997 and May 1999, mostly under the guise of a sham retainer agreement for legal services. He is also alleged to have received payments in the form of purchases of appliances for his residence; the payment of fees he incurred for architectural services related to a building he was rehabilitating; car rentals; and a donation to a basketball team with which he was associated. According to the indictment, Marcos Morell-Corrada fraudulently concealed a portion of his income from the extortion scheme on his tax returns for the Commonwealth of Puerto Rico.

DOJ_NMG_ 0170091

The 14-count indictment charged the defendants with conspiring to commit Hobbs Act extortion, mail and wire fraud. The jury found both defendants guilty on Counts 1- 4 (Conspiracy and three counts of Hobbs Act Extortion); defendant Vasquez-Botet was found guilty on Counts 6-8 (Mail and Wire Fraud); defendant Morrell-Corrada was found guilty on Counts 9 -11, and 13 (Mail and Wire Fraud as to defendant Morrell-Corrada only). Both defendants were acquitted on Count 5 (Hobbs Act Extortion). Defendant Morrell-Corrada was also acquitted on Count 12 (Wire Fraud) and Count 14 (Obstruction of Justice).

This case was tried by Trial Attorneys Mary Butler and Matthew Solomon of the Public Integrity Section of the Criminal Division, U.S. Department of Justice, headed by Acting Section Chief Edward C. Nucci, and investigated by the FBI's San Juan Division, headed by Acting Special Agent in Charge Stanley J. Borgia. The Office of the Comptroller for the Commonwealth of Puerto Rico provided assistance in the investigation. The United States Attorney's Office for the District of Puerto Rico is recused from this matter.

# # #

06-751

DOJ_NMG_ 0170092

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Image not available for this document, ID: 0.7.10316.20635-000002

Amber.JMD

From: Amber.JMD
Sent: Sunday, November 5, 2006 1:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Asheboro, NC

From: AmberAlert-DOJ
Sent: Sunday, November 05, 2006 12:01:02 AM
To: ENRD, Amber-Alerts (ENRD); Amber.JMD; AmberAlert-DOJ; AmberAlert ATR; CRS, AmberAlert (CRS); EOIR, AmberAlert (EOIR); BOP Amber Alert; Civ-Amber; Yun, Jun B; CRT, amber-alerts (CRT); tax, amber-alerts (TAX); USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Whitten, John; Garcia, Linda S; Wahl, Nicole; Goodwin, Paul A; Caffey, Tina D; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Asheboro, NC
Auto forwarded by a Rule

AMBER ALERT:Asheboro,NC CAR:96 SILV Jeep Cherokee NC VNX2652 CHLD:8YR H/M 4FT6 80LB Eye:BRO Hair:BRO SUS:18-21 B/M 5FT7-5FT10 Eye:BRO Hair:BLK CALL 336-318-6927
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2682

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JCON Broadcast (JMD\SMO JCON)

From: JCON Broadcast (JMD\SMO JCON)
Sent: Monday, November 06, 2006 8:26 AM
Subject: Combined Federal Campaign Rally and Charity Fair Today, Monday, November 6, 2006.

Combined Federal Campaign Rally and Charity Fair Today!

The Department's Combined Federal Campaign (CFC) is underway. You are invited to a very special **CFC Rally** to begin this year's campaign **at 10:30 a.m. today, Monday, November 6, 2006, in The Great Hall** of the RFK Main Justice Building. Snacks will be provided, as well as fine entertainment and great door prizes. A **CFC Charity Fair** will be held in the **1300 and 1400 corridors** of the Robert F. Kennedy Main Justice before and after the rally.

Be a star in someone's life by contributing! For more information about the Combined Federal Campaign, visit the Department's CFC website at: <http://www.usdoj.gov/jmd/ps/empcfc.htm>.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 06, 2006 9:51 AM
Subject: Verizon Reports Service outages in the Washington DC Area

Verizon Reports Service Outages in the Washington DC Area

Attention All Department of Justice employees:

Verizon has reported services failures and intermittent outages in their Metropolitan Area Network (MAN), throughout the Washington DC area. Verizon Engineers are currently working the issues and updates will be forwarded once they become available.

Impacted Services to SMO/JMD JCON Customers:

All Department Email Services
Access to Network Resources (G:\, H:\, and M:\ Drives)
BlackBerry Services

All SMO/JMD JCON Customers should expect delays in all services until these issues are resolved. If you have any questions or you would like an update on services, contact the SMO/JMD JCON Helpdesk at 202-616-7100.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 06, 2006 2:57 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S./E.U. TROIKA MEETINGS PRESS CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 6, 2006
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PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S./E.U. TROIKA MEETINGS PRESS CONFERENCE

WASHINGTON, D.C.

Good afternoon.

I am joined today by Homeland Security Secretary Michael Chertoff; Minister of Justice of Finland, Leena Luhtanen; Minister of the Interior of Finland, Kari Rajamaki; Vice President of the European Commission, Franco Frattini [fra-TEE-nee]; and Secretary of State of the German Federal Ministry of the Interior, August Hanning.

We have had a very productive meeting today to discuss a variety of criminal justice issues of great importance to the people of the United States and the European Union, including terrorism, border security, and human trafficking.

The United States and the EU are strong allies in the fight against international criminals, and we grow stronger because of meetings such as this one.

Today the U.S. Department of Justice signed an Executive Agreement with representatives of Eurojust, the judicial cooperation unit of the EU. This agreement will improve coordination between prosecutors in the United States and prosecutors and magistrates in EU member states. And it will enhance our ability to fight international crime.

Recently I visited the headquarters of Eurojust in The Hague, and I was able to see first-hand how such collaborations are helping us to gain the upper hand against criminals around the globe, and make our people safer.

I am pleased that we have been able to reaffirm through this agreement the importance of international cooperation in criminal prosecutions. Under the principals we've set forth today, we will be able to strategize together on cases, and enhance the exchange of evidence to combat transnational crime.

This agreement is one more example of our efforts to work in concert with our European allies to attack the evil of international terrorism. It is also a strong acknowledgement that we must carefully balance our security needs as nations with the preservation of civil liberties for our citizens.

I thank our international colleagues for joining us here today, and I look forward to the full implementation of this agreement. And now I'd like to invite Secretary Chertoff to share a few remarks.

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Image not available for this document, ID: 0.7.10316.20548-000002

Garst, Meghan

From: Garst, Meghan
Sent: Monday, November 6, 2006 3:54 PM
To: USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 9:39 AM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE WITH ATTORNEY GENERAL ALBERTO R. GONZALES, SECRETARY OF HOMELAND SECURITY MICHAEL CHERTOFF, AND EUROPEAN UNION OFFICALS ON AGREEMENT TO IMPROVE EFFORTS TO FIGHT INTERNATIONAL CRIME

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 7, 2006

AG
(202) 514-2007
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TRANSCRIPT OF PRESS CONFERENCE WITH ATTORNEY GENERAL ALBERTO R. GONZALES, SECRETARY OF HOMELAND SECURITY MICHAEL CHERTOFF, AND EUROPEAN UNION OFFICALS ON AGREEMENT TO IMPROVE EFFORTS TO FIGHT INTERNATIONAL CRIME

ATTORNEY GENERAL GONZALES: Good afternoon. I'm joined today by Homeland Security Secretary Michael Chertoff, Minister of Justice of Finland Leena Luhtanen, Minister of the Interior of Finland Kari Rajamaki, Vice President of the European Union Franco Frattini, and Secretary of State of the German Federal Ministry of the Interior August Hanning.

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Under the principles we've set forth today, we will be able to strategize together on cases and enhance the exchange of evidence to combat transnational crime. This agreement is one more example of our efforts to work in concert with our European allies to attack the evil of international terrorism. It is also a strong acknowledgement that we must carefully balance our security needs as nations with the preservation of civil liberties for our citizens.

I thank our international colleagues for joining us here today and I look forward to the full implementation of this agreement.

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And now I would like to invite our colleagues from Finland, Leena and Kari, to make a few remarks. They will be followed by Vice President Frattini and then August Hanning, Secretary of State of the German Interior Ministry.

MINISTER LUHTANEN: (As translated.) Dear media representatives and all those present, we have just had a conference and discussed matters of legislative areas and personal data exchange between the E.U. and on the other hand the U.S. In other words, we are -- have discussed with the E.U. and Russia and the E.U. and the U.S.A. the easing of exchange of personal data and the new directions we are taking are now very visible.

We are talking about the starting points and we have agreed to certain technical principles and the -- these different points of view. We have reached a joint agreement and we will put into effect the -- in this morning's discussion we agreed on a high level contact group to investigate the steps we will take in this connection and the technical problems.

We have good cooperation and evidence of this is the fact that we succeeded in reaching an agreement in October about the safety of air travelers and with these security interests in agreement, it is a real challenge to succeed. This new high-level contact group, which is being set up, will carry this matter forward.

I'd like to mention also that there have been concrete measures achieved. My assistant, criminal division assistant -- deputy attorney is Alice Fisher (phonetic). We can say that we have in practice a joint element, a joint basis on which to go forward with the exchange of data. Therefore, I am very happy that we have -- our joint cooperation will improve.

MINISTER RAJAMAKI: (As translated.) My dear colleagues, the international environment has changed and some matters have come forward. The suddenly increased security matters, the fraternization and recruiting of terrorists, the chairman's -- considers important that we can -- we can go forward in preventing human trafficking. And in this case, the U.S. has done a lot. And they have -- there has been prevention of child abuse over the Internet. On the other hand, it is very important that the EUROPOL also be part of this cooperation. And I trust that this will bring additional value to our cooperation and will help us to achieve greater steps forward and strengthen our security internationally.

There was also in the discussions the (inaudible) group about movement within borders and we are now considering that matter in the European Union. There is one important thing that the joint cooperation between officials, immigration and in the matter of terrorism, will increase the security of citizens. We will also make an evaluation of the future cooperation and will be part of our future program together.

We will have new member states in the E.U. and we are making very careful preparation for the arrangements in their case so that we will be able to remove border barriers so that the U.S. can also trust our actions in this regard, in this visa waiver agreement.

These are a couple of matters that we discussed. Consider it very important that we reject and overcome human trafficking. Thank you.

VICE PRESIDENT FRATTINI: Well, I think that we had indeed a very fruitful meeting. I will be very brief because I think it's very -- what is very important to say, that today we all agreed on the importance of strengthening our Euro-Atlantic cooperation on security, justice and on protecting fundamental rights of people. This is the first political message to be launched. That is a message, a positive message of cooperation.

That's why we decided to establish a high level contact group, not to carry out a bureaucratic exercise but to try to identify how our common values, our common principles can be translated into common proposals. That's the practical cooperation we need. The positive spirit of cooperation is not only possible but absolutely indispensable.

The areas where we need to strengthen our cooperation are of course prevention and fight against the terrorists, which is the first threat against our democracies. Europe and United States should continue to stay very firm on defending values, principles of democracy and fighting terrorism, including prevention of radicalization, including exploring the best way to tackle recruitment of young people, apparently educated and integrated, but ready to become suicide bombers, as it happened recently in Europe.

Cooperation also on practical measures on exchanging data. In this particular field, which is a very sensitive one, we need, on one hand, to explain, first of all, to our public opinion that there is no contradiction between more security and more protection of fundamental rights, including privacy protection. There is no contradiction because, for example, we can find the best way to improve, thanks to technologies, protection of -- from misuse of personal data while increasing protection of lives of our citizens. So no contradiction. We do want more security while protecting in a better way fundamental rights.

Of course, I'm not talking about specific dossiers. I'm talking about a comprehensive approach towards cooperation, operational cooperation and improving mutual trust between law enforcement authorities, between judicial authorities and police authorities, as well. This contact group will have an important role to play, identify -- if I may say -- commonalities, not focus on divisions and different approaches.

The second point, which is also important in my view, is the necessity of encouraging a better public/private cooperation on security. It's absolutely impossible to succeed on fighting for more security without getting involved private sector, industry, private companies and so on.

I've informed our American friends about the launching of a permanent European platform for cooperation between public institutions and private sector on detection of explosives, on protection of critical infrastructures, on risk of misusing biologic and chemical materials and so on. And my view is that building on such experience, which is starting now in Europe, in the near future we could also envisage a permanent transatlantic forum for the cooperation between private and public sector. This is the second message to be launched as a result.

And the third and final point is the importance of addressing together regional issues of common concern. We talked about some key areas, key areas for Europe, key areas for United States as well, for example, how to tackle illegal immigration and trafficking of human beings or trafficking in drugs. In the eastern dimension of Europe, like the region of Balkans, the region of Caucuses, or how to tackle illegal migration and trafficking in human beings from the south that is Euro-African cooperation. I think is very important on this too, regional, extremely important issues to improve our capacity to exchange data and information, for example, about countries of origin of illegal migrants or about the roads of drugs coming from Afghanistan, through central Asia to Europe and finally to the United States as well.

This is just an example on how we intend, thanks to improving cooperation between our institutions and bodies like EUROJUST and EUROPOL and American structures like FBI, for example. Thank you.

MINISTER HANNING: Yes, from my point of view from the next German presidency, I think it was really a very fruitful and successful meeting here. We have discussed a lot of issues of common concern and my impression is that we have reached really considerable results, especially in the question of terrorism.

I think terrorism is one of the most important threats we are all facing. We are facing these threats in Europe, we are facing these threats here in the United States. And we have seen during the summer that we have faced threats against air traffic. We have seen in Germany that we have faced threats against our public transport system.

And to tackle these problems, it's so important to have an exchange of information. I think information is the most important tool for fighting against terrorism. And we have reached here considerable progress. We have to go forward and that will be a very important issue during our presidency.

And one point: Internet. Internet is so very important. Internet is an important platform for recruiting of terrorists, as a communication platform. And therefore, we want to stress the surveillance of Internet as one of the most important points of our presidency.

But on the one side, we have to fight against terrorism with all the means of police, of intelligence services. But the other point and I want to stress it is to win the hearts and minds of the moderate Muslims. And for us in Germany, therefore, we have our Islam dialogue, so called. We do more in Europe and we have discussed it and I've learned that we all have -- we have agreed that we have to do more on behalf of this dialogue in order to win the hearts and minds of the Muslim population worldwide.

And again, it was a very fruitful meeting. And I'm looking forward to our presidency and I'm very optimistic that we achieved -- will achieve further results. Thank you very much.

ATTORNEY GENERAL GONZALES: Okay, we'll take some questions. It would be helpful if you could address your question to the specific minister.

Questions? Yes.

QUESTION: I have one question for the European delegation on the CIA program. With the military commission the U.S. has said it would go ahead with its CIA program. And given that the European Parliament is now investigating whether this was legal, the detention of terror suspects in alleged secret prisons, I'm just wondering what your reaction to that is.

And another question for the American delegation is, on visa waiver program, I'm just wondering did you discuss that today? Because on the European side, there are calls for 10 member states to be added onto the visa waiver program and I'm wondering what progress there is on that point.

SECRETARY CHERTOFF: On the visa waiver, this is obviously an issue that we know concerns European countries which are currently seeking to be admitted to the program. As you probably know, the requirements are set forth in law by an act of Congress. We have a roadmap for countries that are seeking admission to the program. We are currently working with a number of those countries to see what we can do to help them meet the milestones that are necessary to be admitted to the program.

I certainly want to commend the European countries that are currently part of the program for the way in which they acted expeditiously to meet the October 26 requirement of an E-passport with a biometric. So I'm optimistic we can continue to make progress and to help the countries that want to join the program do what they need to do to become eligible.

ATTORNEY GENERAL GONZALES: I'm not part of the European Union but let me just say the United States engages in activities that are absolutely necessary to protect our security, consistent with our domestic and international legal obligations. We are no different than any other country in the world. Every country, every government takes positions to ensure the security of its people consistent with its domestic and international legal obligations.

We will continue to work with our European friends and allies and explain to them exactly what we're doing and try to reassure them about our commitment to the rule of law. But again, there's no disagreement amongst any -- between the United States and the European Union that we are united together against a common enemy who is determined to inflict great harm upon our citizens. And we all understand that we have the right, under our laws, to protect our citizens. And we take that obligation very seriously. We also take equally serious our obligation to do so in a way that is consistent with both our domestic and international legal obligations.

In this particular case, the Military Commissions Act, our Congress has spoken. Our Congress sets policy for the United States of America, for the people of the United States, in terms of what it is that we can do and should be doing to protect America from another attack.

QUESTION: What type of information exchanges are going to be set up? What kind of law enforcement data or intelligence information are the two sides willing to share? And is that spelled out in the treaty?

ATTORNEY GENERAL GONZALES: Well, one of the things we're working through is trying to get as much information as we can that's absolutely necessary to help us identify potential threats. We're not interested in personal information that is of no value at all to governments in conducting investigations and identifying threats. We're not interested in keeping information any longer than we absolutely have to. But what we're trying to do is establish mechanisms, a framework, that we can share information.

And let me just say that we've done so pretty much on a case by case. I don't want to say "ad hoc," but generally looking at specific issues and problems that arise and working out solutions oftentimes on a bilateral basis. And what we all agree today to do is to look at this more strategically. The sharing of information is something that is going to simply continue to grow.

And so to the extent that there are issues because of different traditions and different legal systems that make it more difficult to share information, because of privacy concerns -- which, of course, we all very much respect and want to protect, the privacy rights of individuals -- these are things that we need to work together on and look at this thing strategically and collectively. Again, with the goal, as Vice President Frattini said, with the common objective of the protection of privacy rights but also the security of our respective countries.

QUESTION: Will the United States provide FBI files or certain details from case files if they're requested? Is there a specific --

ATTORNEY GENERAL GONZALES: There is already a lot of information -- I mean, the unsung story in the War on Terrorism is the level of cooperation that exists at the law enforcement level between the United States and European countries. We share a lot of information across the Atlantic, back and forth. That's going to continue.

Again, if we are permitted to do so under our laws and if the Europeans need the information, we're going to share it. And the same is true coming the other way. If in fact we need the information and it can be shared legally under their -- under their laws, they try to find a way to share it. So that cooperation is going to continue. It needs to continue if we hope to continue to protect our respective countries from another attack.

QUESTION: Minister Frattini, I wanted to ask you whether or not the passage of the Military Commissions Act resolves any concerns that Europe has over the treatment of prisoners accused or captured related to terrorist incidents.

VICE PRESIDENT FRATTINI: What kind of act?

QUESTION: The new American legislation regarding the treatment --

VICE PRESIDENT FRATTINI: Yes, well, of course, we don't want to interfere into the domestic American legislation. We are to be sure about the proper level of cooperation at international level between authorities of European member states and American authorities. We cannot make a judgment about an American law, of course.

But exactly because we don't want to make compromises at expenses of security, or at expenses of fundamental rights, we decided today to start working together, United States and European Union, to identify commonalities, points in common, despite differences in legislation. Differences in legislations are normal. But if you agree, if you share values and principles, we have to -- we have to find the best way to translate our common values into common actions.

That's exactly our aim of today's meeting, not to fall into details on commanding one initiative or another initiative. You know very well about the CIA case. CIA case is under inquiry in European Parliament. We are waiting for the final report to be published, I think, beginning of 2007, beginning spring 2007 by European Parliament. Then we will see.

Now, I think in my view, it would be very counterproductive to abandon the strategic vision and to fall all in details about specific initiatives. We will have to renegotiate PNR agreement, of course, because the transitional agreement will expire by July 2007. All these issues will be part of our strategic vision for the future, not only for short-term measures, but for mid-, long-term measures.

ATTORNEY GENERAL GONZALES: Let me just follow up, one final point. One of the concerns that I sometimes heard from across the Atlantic is there was no clear standard. And people wanted to know what standard are you bound by, what laws are you applying. And the legislation provides guidance, provides some standards.

So, to that extent, I would hope and I believe that members of the European Community are more reassured as a result of the Congress speaking on behalf of the American people as to certain level of treatment that we would provide as a matter of law to people detained by the United States of America.

QUESTION: General Gonzales and Secretary Chertoff, and also members of the European delegation, I would like you to comment if possible on the success of the technology and information sharing devoted to counter-

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terrorism, specifically in the context of statistics released today based on the Executive Office of U.S. attorney that's compiled by the TRACK (phonetic) organization at Syracuse University indicating a low and declining number of prosecutions and a high rate of rejection of investigations by the assistant U.S. attorneys for prosecution.

ATTORNEY GENERAL GONZALES: Let me say first of all, I haven't read the report so I don't want to comment too much on it. But the fact that an FBI investigator refers a case over to the Department and the Department does not do a prosecution, let me just say, for example, let's say what the FBI is referring is a hoax. Well, you know, a good prosecutor is going to make an intelligent decision not to move forward with an investigation in that kind of case.

And so I would take the numbers with a grain of salt. And again, the -- we have been fully committed as a department to prosecuting terrorist cases where we absolutely can. We have fought very hard to give the President of the United States all the tools that he needs to bring to justice terrorists, whether through military commissions, sometimes through our military courts. If there is a legitimate case that is out there that can be brought that we can prosecute, we're going to pursue that.

QUESTION: Would you acknowledge it's been helpful there?

ATTORNEY GENERAL GONZALES: The sharing of technology? Whether or not -- have we had good cooperation?

QUESTION: Not only with the Europeans but among U.S. agencies in helping you bring, you know, cases, investigation regarding terrorism threats and --

ATTORNEY GENERAL GONZALES: Absolutely. I think the level of cooperation has been very good, quite frankly. Are here still areas of improvement? No question about it, and we're continuing to work on that every single day.

QUESTION: If I could ask you and Secretary Chertoff a question about the threat levels? Two years ago, from August to right after the election, a certain sector was up on orange alert. Now, this election cycle, we're up on orange from August until whenever.

I'm kind of wondering if you all can talk about why we're still up on the orange alert level for the airline sector and when this might come down, if any time soon?

SECRETARY CHERTOFF: The premise of the question that suggests that there's a linkage between the fact that there's an election and there's an alert change is a false premise. I mean, you know, I think it's now been pretty clearly explained in the previous time there was an elevation it was based on some specific information.

I'm surprised if I need to remind everybody what caused us to elevate to orange in the aviation area in August, because there was a plot that was disrupted. And until we are satisfied that the -- all the threads of the plot have been fully accounted for and everybody who was involved has been fully neutralized. And until we are confident that we have taken steps to institutionalize some of the changes that we've made as a consequence of that plot, we will continue to operate at the current level.

One thing, which I should explain, is much of what orange means is not visible to the traveler. The traveler looks at the measures that are taking place with respect to, for example, liquids or things that occur at screening and doesn't see that a great deal of what orange means is elevated examination of workers who are operating in the sterile area or screening of things that occur behind the scenes at the airport. And so remaining at orange allows us to continue that enhanced set of security procedures for the so-called back office of the airport as well as for the -- for the area that's visible to the public.

The one thing I would point out is we have just very recently had the European Union and the United Kingdom make an adjustment in their rules governing the ability to bring liquids in small quantities on board. The good news is -- this is a great example of cooperation -- we have essentially synchronized our approaches and have -- with the exception of the difference between units of measurement -- we have essentially comparable standards for security in terms of what can be brought on airplanes.

And I think that's indicative of the way in which we continue to work together not only to make sure that we have seamless and well integrated security in Europe and the U.S. and around the world, but to also make it easier for travelers, so that people who adhere to the three-ounce rule will also satisfy the 100 milliliter rule, and vice versa. And that's a positive step forward in terms of cooperation.

QUESTION: So is it safe to assume we won't be coming down from orange alert any time soon?

SECRETARY CHERTOFF: We have to evaluate where we are with the existing intelligence, with what's going on in the world every single day. And I can no more tell you what's going to happen in a week than I can tell you what's going to happen in a month. It's going to depend on what the circumstances are, what the facts are and what the intelligence is.

ATTORNEY GENERAL GONZALES: All right. Thank you, everybody.

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Image not available for this document, ID: 0.7.10316.20512-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, November 7, 2006 10:17 AM
Subject: JCON BROADCAST, WEEK OF NOVEMBER 6, 2006

JCON BROADCAST, WEEK OF NOVEMBER 6, 2006

1. **Flu Shots for 2006/2007 Flu Season**
2. **Federal Employees Health Fair**
3. **Voluntary Leave Bank Program Open Season**
4. **Research Classes Offered by Library Staff**

Flu Shots for 2006/2007 Flu Season

Flu shots are available ***free of charge*** to Department employees as scheduled in each of the health units listed at: http://10.173.2.12/your_health/flu2006.php.

The Centers for Disease Control (CDC) recommends that people in the priority (high-risk) groups listed below receive a flu shot:

- Persons 65 years of age and older.
- Persons aged 2-64 years with underlying chronic medical conditions.
- All women who will be pregnant during the influenza season.
- All children ages 6 months to 23 months.
- Health-care workers involved in direct patient care.
- Out-of-home caregivers and household contacts of children less than 6 months.
- Residents of nursing homes and long-term care facilities.

Note: Women who are pregnant or breastfeeding must have a written statement from their Private Medical Physician to take the vaccine. A consent form can be obtained on line at the link above. If you are unsure if you are high-risk, contact your physician or the Registered Nurse in your designated health unit.

To receive a flu shot, employees MUST go to their designated health unit (see schedule) and MUST present their DOJ employee badge.

Additional information about the flu and vaccines are available at the link above and at: http://www.cdc.gov/flu/keyfacts.htm.

Federal Employees Health Fair

The DOJ Federal Employees Health Fair will be held from 9:00 a.m. to 3:00 p.m., Wednesday, November 8, 2006, in Room 1160 of the National Place Building, 1331 Pennsylvania Avenue, NW, Washington, DC. Please plan to attend the fair to meet the carriers from the various health plans to discuss their benefits for 2007. You may locate the premium rates for 2007 on the Office of Personnel Management's website. To access the premium rates, please click on the following link: **http://www.opm.gov/insure/health/07rates/2007non_postal.pdf.**

Voluntary Leave Bank Program Open Season

As a reminder, it is open season for the Leave Bank.

The Department's Voluntary Leave Bank Program (VLBP) is a special membership program for employees which allows members to pool and request donated leave for use during medical emergencies when all other leave has been exhausted. Annual membership in the VLPB is for a "leave year." You may only join the VLBP during the annual open season, which continues through December 8, 2006.

You may begin or renew your annual membership by contributing a minimum of one pay period of "accrued" annual leave (4, 6, or 8 hours). Your contribution will make you a member of the Leave Bank during leave year 2007, which begins on January 7, 2007.

Please contact your Leave Sharing Coordinator at: http://www.usdoj.gov/jmd/ps/keybank.htm or local Human Resources Office if you wish to become a Leave Bank member, make a contribution, or have any questions regarding this program. You may also visit our website at: http://www.usdoj.gov/jmd/ps/guibank.htm for additional information about this year's Leave Bank Open Season.

Contract Management Course For COTRs

Contracting Officer's Technical Representatives (COTRs) are responsible for day-to-day oversight of contractor performance. Program success relies upon the COTR's ability to detect problems and initiate remedies directly or through the Contracting Officer. In order to be appointed a COTR under a DOJ contract, individuals must meet certain qualifications set out in the Justice Acquisition Regulations (JAR). These include completion of a basic commercial or government-sponsored COTR course as well as training in procurement ethics.

For several years, the JMD Procurement Services Staff has facilitated a 3-day COTR course which meets the JAR's requirements. The course is offered approximately every three months and is conducted by Houseman Associates. This course is appropriate for individuals seeking qualifications to be appointed a COTR.

This 3-day course addresses:

- What the COTR should know about a contract and the contractor prior to performance;
- The COTR's basic duties and responsibilities and the system of delegated procurement authority and what it means to the COTR;
- Techniques for technically monitoring quality and schedule requirements and remedies for nonconforming or delinquent performance;
- COTR reviews and input on contractor invoices, special claims, and contract close-out;
- Technical direction of the contractor's work;
- Modifying the contract through the CO and avoiding constructive changes; and,
- Procurement Ethics

This course is designed for personnel seeking COTR training and related certification. The tuition is **$345.** A session is scheduled from 8:30 a.m. – 4:00 p.m., daily, December 12 - 14, at the Department of Justice, 1331 Pennsylvania Ave, National Place Building, Suite 1160. The building is located on F Street between 13th Street and 14th Street; from Metro – Metro Center Station, exit 13th Street. This course is limited to 30 participants. Registration is on a "first come first serve" basis. The course will not be given if fewer than 20 participants enroll. Tuition is non-refundable, but participant substitutions may be made, up to 24 hours in advance, in lieu of forfeiting tuition.

Registration will be taken up until Friday, December 8, 2006, by one of the following: Government Purchase Card (preferred), Check, Training Authorization (SF-182), or Purchase Order (OF-347) made out to Houseman & Associates, 4644 Timber Ridge Drive, Dumfries, VA 22026. If a Training Authorization (SF-182) is used, it must be mailed or faxed to Houseman & Associates and include the appropriation fund code, a document/purchase order/requisition number, and all required signatures. Participants may register by telephone (703-440-1801) or fax (703-670-8404), or by Internet (www.housemanandassociates.com). The course number is **TR-02** and the course title is "Contract Management for COTRs."

Each registrant will be provided with a confirmation letter once Houseman and Associates has received the proper paperwork. In addition, a purchase card receipt or invoice will be provided for each payment.

Procurement Services Staff only facilitates the COTR training; therefore, each student should come prepared for class. **Registration and Payment are through Houseman and Associates ONLY, not through Procurement Services Staff.**

For questions, contact Charlotte Rausch, Procurement Services Staff, phone (202-307-1987).

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 10:19 AM
To: USDOJ- Office of Public Affairs
Subject: UNITED STATES AND EUROPEAN UNION SIGN AGREEMENT TO IMPROVE JOINT EFFORTS TO COMBAT TRANSNATIONAL CRIME

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 7, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

UNITED STATES AND EUROPEAN UNION SIGN AGREEMENT TO IMPROVE JOINT EFFORTS TO COMBAT TRANSNATIONAL CRIME

WASHINGTON – Attorney General Alberto R. Gonzales announced on Monday that the United States signed an Executive Agreement with Eurojust, the judicial cooperation unit of the European Union (E.U.), which will improve transatlantic law enforcement coordination and enhance the ability of the U.S. and the E.U. to fight international crime. The Agreement will foster the exchange of information between law enforcement communities in the U.S. and the E.U. and will strengthen cooperative efforts to prevent and prosecute organized crime, human trafficking, cybercrime and terrorism.

Specifically, the agreement establishes the position of U.S. Liaison Prosecutor to Eurojust. The Liaison Prosecutor will be based at Eurojust headquarters in The Hague, Netherlands, and will facilitate law enforcement cooperation between the U.S. and the E.U. on a day-to-day basis. The Agreement particularly ensures the protection of personal information and individual privacy for both citizens of the U.S. and the E.U.

"This agreement is just one more example of the strong relationship that exists between the United States and the European Union on law enforcement issues," said Attorney General Gonzales. "It represents an important part of our ongoing efforts to combat transnational crime and international terrorism while protecting the civil liberties of our citizens."

The Executive Agreement was signed following troika meetings hosted by Attorney General Gonzales at the Department of Justice with Secretary of Homeland Security Michael Chertoff, Minister of Justice of Finland Leena Luhtanen, Minister of Interior of Finland Kari Rajamaki and Vice President of the European Commission Franco Frattini.

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06-753

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Image not available for this document, ID: 0.7.10316.20233-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 10:35 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SENDS ELECTION OBSERVERS TO 22 STATES ACROSS THE COUNTRY IN UNPRECEDENTED MONITORING EFFORT FOR A MIDTERM ELECTION

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 6, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SENDS ELECTION OBSERVERS TO 22 STATES ACROSS THE COUNTRY IN UNPRECEDENTED MONITORING EFFORT FOR A MIDTERM ELECTION

WASHINGTON – The Justice Department today announced that it is deploying an unprecedented number of federal personnel to monitor tomorrow's midterm election, sending more that 500 federal observers and more than 350 Justice Department personnel to 69 jurisdictions in 22 states – more than double the total sent on election day in 2002, which was the previous record for a midterm election.

Since the passage of the Voting Rights Act of 1965, the Justice Department has regularly sent observers and monitors around the country to protect election-related civil rights. This summer, President Bush signed the reauthorized Voting Rights Act, which protects the rights of Americans to participate in the electoral process without discrimination. Under the law, the Department of Justice is authorized to ask the Office of Personnel Management (OPM) to send federal observers to areas that have been certified for coverage by a federal court, or the Attorney General, pursuant to the Act.

Federal OPM observers and/or Justice Department personnel will monitor polling place activities in 69 jurisdictions in 22 states throughout the country:

- Chambers County, Ala.
- Lee County, Ala.
- Tuscaloosa County, Ala.
- Apache County, Ariz.
- Cochise County, Ariz.
- Maricopa County, Ariz.
- Navajo County, Ariz.
- Pima County, Ariz.
- Pulaski County, Ark.
- Alameda County, Calif.
- Orange County, Calif.
- San Benito County, Calif.
- San Diego County, Calif.

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- San Francisco, Calif.
- San Mateo County, Calif.
- Santa Clara County, Calif.
- Ventura County, Calif.
- Adams County, Colo.
- Arapahoe County, Colo.
- Denver County, Colo.
- Broward County, Fla.
- Duval County, Fla.
- Hillsborough County, Fla.
- Osceola County, Fla.
- Palm Beach County, Fla.
- Cook County, Ill.
- Chicago, Ill.
- Ford County, Kan.
- Concordia Parish, La.
- New Orleans, La.
- St. Landry Parish, La.
- Boston, Mass.
- Springfield, Mass.
- Hamtramck, Mich.
- Noxubee County, Miss.
- Rosebud County, Mont.
- Colfax County, Neb.
- Bergen County, N.J.
- Essex County, N.J.
- Hudson County, N.J.
- Middlesex County, N.J.
- Salem County, N.J.
- Cibola County, N.M.
- Sandoval County, N.M.
- Kings County, N.Y.
- Queens County, N.Y.
- Richmond County, N.Y.
- Westchester County, N.Y.
- Cuyahoga County, Ohio
- Berks County, Pa.
- Bennett County, S.D.
- Buffalo County, S.D.
- Charles Mix County, S.D.
- Dewey County, S.D.
- Mellette County, S.D.
- Shannon County, S.D.
- Todd County, S.D.
- Ziebach County, S.D.
- Brazos County, Texas
- Ector County, Texas
- Fort Bend County, Texas

- Galveston County, Texas
- Hale County, Texas
- Medina County, Texas
- Travis County, Texas
- Williamson County, Texas
- Wilson County, Texas
- King County, Wash.
- Pierce County, Wash.

The observers and monitors will watch and record activities during voting hours at select polling locations in the aforementioned cities and counties. Civil Rights Division personnel will coordinate the federal activities and maintain contact with local election officials. In addition, the Department has deployed observers and monitors who speak Spanish, as well as Arabic, and a variety of Asian and Native American languages.

The OPM observers and Department personnel will monitor whether certain counties and localities are complying with federal voting laws by, for example, determining whether any voters are challenged improperly on the basis of their race, color, or membership in a language minority group; complying with the language minority provisions of the Voting Rights Act; permitting voters who are blind, have disabilities, or unable to read or write assistance by a person of their choice; and permitting all eligible voters to cast a ballot, or at least a provisional ballot.

Voters will be able to file complaints online on the Voting Section home page at http://www.usdoj.gov/crt/voting/index.htm. Civil Rights Division personnel will be available at a specially staffed toll free number, 1-800-253-3931, to receive complaints, and on a dedicated TTY line for the hearing impaired, 1-888-305-3228.

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice's Web site at http://www.usdoj.gov/crt/voting.

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06-758

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Image not available for this document, ID: 0.7.10316.20225-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 10:50 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE TO SPONSOR NATIONAL METHAMPHETAMINE AWARENESS DAY ON NOVEMBER 30, 2006

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 7, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE TO SPONSOR NATIONAL METHAMPHETAMINE AWARENESS DAY ON NOVEMBER 30, 2006

Partners Include Federal, State and Local Governments, along with Private Sector and Non-Profit Organizations Nationwide

WASHINGTON — The Department of Justice today announced that it will sponsor National Methamphetamine Awareness Day on Nov. 30, 2006, in order to generate awareness about the damaging effects of meth abuse on individuals, families and American communities. Education and public outreach are at the heart of the national drug control strategy, and National Methamphetamine Awareness Day will play an important role in highlighting the nationwide efforts to increase awareness and decrease demand of this highly addictive and dangerous drug.

As part of National Methamphetamine Awareness Day, Attorney General Alberto R. Gonzales will host a national event with federal, state, local and community leaders to discuss the broader impact that meth production and use is having on our communities. Across the nation, U.S. Attorneys, along with state and local leaders, will coordinate a variety of educational events targeting their specific communities.

National Methamphetamine Awareness Day is a coordinated effort not only to reach potential meth users with a message of prevention, but also to educate current users about the programs available to them. In order to increase the impact of this message, the Department is partnering with a number of federal, state and local governments, as well as with private sector and non-profit entities, including: the U.S. Department of Labor; U.S. Department of Health and Human Services; U.S. Department of Interior; Office of National Drug Control Policy; the Drug Enforcement Administration; the Partnership for a Drug-Free America; Boys & Girls Clubs of America; Community Anti-Drug Coalitions of America; Fraternal Order of Police; National District Attorneys Association; National Association of Attorneys General; Inter-Association Task Force on Alcohol and Other Substance Abuse Issues; American Council on Education; National Association of Student Personnel Administrators; American College Health Association; Association of Fraternity Advisors; and the National Panhellenic Conference.

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As part of our ongoing effort to combat meth use, the Department of Justice created a model methamphetamine educational presentation that is available to the public to be used by law enforcement, community groups and local leaders in addressing meth use in their communities. The educational presentation is posted on the Department's new meth Awareness Web site: http://www.usdoj.gov/methawareness.

For more information about National Methamphetamine Awareness Day and how to get involved in your community, contact the U.S. Department of Justice Office of Public Affairs at 202-514-2007 or visit http://www.usdoj.gov/methawareness.

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06-754

DOJ_NMG_ 0170125

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Image not available for this document, ID: 0.7.10316.20220-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 11:55 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 15

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 7, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 15

Session to be Held in Washington, D.C. to Focus on Exclusive Dealing

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Nov. 15, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panels on Nov. 15 will explore exclusive-dealing arrangements. The sessions will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room A.

Further information is provided below:

Exclusive Dealing (9:30 A.M. –12:00 P.M.):

Jonathan M. Jacobson is a partner at Wilson Sonsini Goodrich & Rosati, and commissioner of the Antitrust Modernization Commission.

Howard P. Marvel is a professor of economics, department of economics, at Ohio State University, and professor of law at the Michael E. Moritz College of Law, Ohio State University.

Richard M. Steuer is a partner at Mayer, Brown, Rowe, & Maw LLP.

Mary W. Sullivan is an assistant professor of accountancy at George Washington University.

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Joshua D. Wright is an assistant professor of law at George Mason University School of Law.

Exclusive Dealing (1:30 P.M. – 4:00 P.M.):

Stephen Calkins is a professor of law and the director of graduate studies at Wayne State University Law School, of counsel at Covington & Burling LLP, and former general counsel of the Federal Trade Commission.

Joseph Farrell is a professor of economics at the University of California, Berkeley, and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Benjamin Klein is a professor emeritus, department of economics, at the University of California, Los Angeles.

Abbott (Tad) Lipsky is a partner at Latham & Watkins LLP, and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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06-755

DOJ_NMG_ 0170129

Image not available for this document, ID: 0.7.10316.20231-000001

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 07, 2006 6:23 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES EMPLOYMENT DISCRIMINATION LAWSUIT WITH TALLAHASSEE COMMUNITY COLLEGE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 7, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES EMPLOYMENT DISCRIMINATION LAWSUIT WITH TALLAHASSEE COMMUNITY COLLEGE

WASHINGTON – The Justice Department announced today that it has reached an agreement with Tallahassee Community College (TCC) to resolve an employment discrimination complaint that was filed on Nov. 2, 2006. The complaint, filed in the U.S. District Court for the Northern District of Florida, alleged that TCC subjected an African-American applicant to racial discrimination by not selecting him for the position of HomeSafenet Trainer because of his race in violation of Title VII of the Civil Rights Act of 1964, as amended.

The African-American applicant originally filed a charge of discrimination with the U.S. Equal Employment Opportunity Commission (EEOC), which investigated the charge and found reasonable cause to believe a federal civil rights violation had occurred. After unsuccessfully attempting to resolve the matter, the EEOC referred the matter to the Justice Department.

Under the consent decree, which was approved by the court today, TCC has agreed to offer the applicant $34,363 which includes $32,490 in back pay and $1,873 in accumulated interest.

"Racial discrimination in employment is both unlawful and wrong, and the Department of Justice will vigorously enforce the requirements of Title VII," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We are pleased that TCC worked cooperatively with the Justice Department to reach an amicable settlement of this matter."

Additional information about the Employment Litigation Section within the Justice Department's Civil Rights Division is available on the Department's Web site at http://www.usdoj.gov/crt/emp/index.html.

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06-756

DOJ_NMG_ 0170131

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Image not available for this document, ID: 0.7.10316.20232-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 08, 2006 9:35 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 8, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 08, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Kathleen Blomquist

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170134

Image not available for this document, ID: 0.7.10316.20114-000001

Image not available for this document, ID: 0.7.10316.20114-000002

[redacted]@gibsondunn.com

From: [redacted]@gibsondunn.com
Sent: Wednesday, November 8, 2006 10:47 AM
To: Gorsuch, Neil M; [redacted]@pillsburywinthrop.com; [redacted]@lls.edu; [redacted]@hbsp.harvard.edu; [redacted]@law.berkeley.edu; [redacted]@rodey.com; [redacted]@legalaiddc.org; [redacted]@yahoo.com; [redacted]@gmail.com; [redacted]@kinoy.rutgers.edu; [redacted]@bsfllp.com; [redacted]@nyu.edu; [redacted]@wc.com; [redacted]@nsa.gov; [redacted]@law.umaryland.edu; [redacted]@alumni.duke.edu; [redacted]@yahoo.com; [redacted]@ku.edu; [redacted]@steptoe.com; [redacted]@susmangodfrey.com; [redacted]@law.duke.edu; [redacted]@aya.yale.edu; [redacted]@lls.edu; [redacted]@perkinscoie.com; [redacted]@ca10.uscourts.gov; [redacted]@khhte.com; [redacted]@wc.com; [redacted]@law.uiuc.edu; [redacted]@omlaw.com; [redacted]@fbm.com; [redacted]@law.uchicago.edu; [redacted]@aol.com; [redacted]@jonesday.com; [redacted]@computer.org; [redacted]@email.unc.edu; [redacted]@lls.edu; [redacted]@carltonfields.com; [redacted]@juris.law.nyu.edu; [redacted]@fifo.org; [redacted]@ropesgray.com; [redacted]@vermontlaw.edu; [redacted]@law.harvard.edu; [redacted]@skadden.com; [redacted]@steptoe.com; [redacted]@ce8.uscourts.gov; [redacted]@ffspc.com; [redacted]@aporter.com; [redacted]@post.harvard.edu; [redacted]@ico.com; [redacted]@mindspring.com; [redacted]@law.vanderbilt.edu; [redacted]@howrey.com; [redacted]@mto.com; [redacted]@mail.law.ucla.edu; [redacted]@kirkland.com; [redacted]@yale.edu; [redacted]@law.duke.edu; [redacted]@lawgate.byu.edu; [redacted]@wayne.edu; [redacted]@law.columbia.edu; [redacted]@aol.com; [redacted]@nixonpeabody.com; [redacted]@acsu.buffalo.edu; [redacted]@gmail.com; [redacted]@gibsondunn.com; [redacted]@mail.lawnet.fordham.edu; [redacted]@aporter.com; [redacted]@ymail.yu.edu; [redacted]@aol.com; [redacted]@hrblock.com; [redacted]@aol.com; [redacted]@yale.edu; [redacted]@wilmerhale.com; [redacted]@kl.com; [redacted]@umich.edu; [redacted]@colorado.edu; [redacted]@oslaw.com; [redacted]@omlaw.com; [redacted]@cafc.uscourts.gov; [redacted]@ca5.uscourts.gov; [redacted]@cs.com; [redacted]@aol.com; [redacted]@sullcrom.com; [redacted]@jonesday.com; [redacted]@halefriesen.com; [redacted]@aol.com; [redacted]@wilmerhale.com; [redacted]@aporter.com; [redacted]@aol.com; [redacted]@dpw.com; [redacted]@citizen.org; [redacted]@gibsondunn.com; Higginson, Stephen (USALAE); [redacted]@ku.edu; [redacted]@wilmerhale.com; [redacted]@bsfllp.com; [redacted]@sidley.com; [redacted]@law.stanford.edu; [redacted]@law.duke.edu
Cc: [redacted]@petros-white.com; [redacted]@aol.com
Subject: Election results
Attachments: tmp.htm

At the risk of missing another pol in our midst, let's give a hi five for Rich Cordray, who yesterday won the job of Treasurer of Ohio with 72% of the votes cast.

[redacted]<Gibsondunn.net>" made the following annotations.

This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message.

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[redacted]<Gibsondunn.net>" made the following annotations.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 8:09 AM
To: USDOJ- Office of Public Affairs
Subject: HAWAII MAN INDICTED FOR SELLING NATIONAL DEFENSE SECRETS TO THE PEOPLE'S REPUBLIC OF CHINA

A copy of the superseding indictment is attached.

Department of Justice

United States Attorney Edward H. Kubo
District of Hawaii

FOR IMMEDIATE RELEASE

CONTACT:
ELLIOT ENOKI

THURSDAY, NOVEMBER 9, 2006

PHONE: (808) 541-2850
FAX: (808) 541-2958

WWW.USDOJ.GOV/USAO/HI

HAWAII MAN INDICTED FOR SELLING NATIONAL DEFENSE SECRETS TO THE PEOPLE'S REPUBLIC OF CHINA

WASHINGTON — A federal grand jury in Honolulu has returned an 18-count superseding indictment against Noshir S. Gowadia, age 62, of Maui, Assistant Attorney General for the National Security Division, Kenneth L. Wainstein, and U.S. Attorney Edward H. Kubo Jr. announced today.

The superseding indictment charges Gowadia with performing substantial defense related services for the People's Republic of China (PRC) by agreeing to design, and later designing, a low observable cruise missile exhaust system nozzle capable of rendering the missile less susceptible to detection and interception.

Count one of the superseding indictment charges Gowadia with conspiring to violate the Arms Export Control Act by entering into an illegal agreement to design and assist in the testing of the stealthy cruise missile nozzle. Count two charges Gowadia with the substantive act of performing a defense service for the PRC without first obtaining the necessary licensing approval of the U.S.

Department of State. The superseding indictment describes six trips taken by Gowadia to the PRC for the purpose of discussing, designing and testing the stealthy cruise missile nozzle and describes contacts through covert email addresses between Gowadia and named co-conspirators, one of whom is alleged to be a representative of the PRC's "Foreign Experts Bureau." The superseding indictment also describes Gowadia's covert travel and entry into mainland China for the purpose of assisting the PRC in the development of the stealthy exhaust nozzle.

The superseding indictment also charges Gowadia with three counts of willfully communicating classified national defense information to PRC representatives with the intent that it be used to the advantage of the PRC or to the injury of the United States. These charges each carry a term of imprisonment up to life, with a possible maximum sentence of death if certain statutory criteria are met, and a maximum fine of up to $250,000, or twice the gross gain derived from the violation. The superseding indictment additionally charges Gowadia with two counts of willfully communicating classified national defense information which could be used to the advantage of the PRC, or the injury of the United States to persons in the PRC not entitled to receive it.

The superseding indictment also includes counts from the original indictment charging three counts of communicating classified national defense information to a person not authorized to receive it, and three counts of exporting technical data related to a defense article without an export license.

Gowadia is also charged with the unauthorized retention and possession of classified national defense information and with four counts of laundering the financial proceeds he derived from his unlawful defense service work for the PRC.

The superseding indictment also charges Gowadia with four counts of laundering funds paid to him by the PRC and provides notice of the government's intent to seek forfeiture of property which facilitated the espionage violations or was a proceed of Gowadia's alleged money laundering activities.

"As charged in the superseding indictment, the defendant in this case attempted to profit from his know-how and his knowledge of sensitive military technology," said Assistant Attorney General Wainstein. "This case demonstrates that the Department of Justice will vigorously prosecute those who illegally transfer such information and services to foreign countries."

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Assistant Attorney General Wainstein and U.S. Attorney Edward H. Kubo Jr. each credited the Federal Bureau of Investigation, the U.S. Air Force Office of Special Investigations, the Internal Revenue Service's Criminal Investigation Division, United States Customs and Border Protection and the Bureau of Immigration and Customs Enforcement for their lengthy and tireless efforts in the investigation of this complex case.

The charges in the superseding indictment are merely accusations and a defendant is presumed innocent until proven guilty.

Assistant U.S. Attorney Ken Sorenson and Department of Justice Counterespionage Section Senior Trial Attorney Robert Wallace have supervised this prosecution and will conduct the trial of this case.

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Gowadiasupersedi...

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Attorneys for Plaintiff
UNITED STATES OF AMERICA

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

NOV 08 2006

at 2 o'clock and 14 min M
SUE BEITIA, CLERK

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA, Plaintiff, vs. NOSHIR S. GOWADIA, Defendant	CR. NO. 05-00486-HG-KSC SUPERSEDING INDICTMENT [18 U.S.C. § 794(a), 18 U.S.C. § 793(e), 18 U.S.C. 371, 18 U.S.C. 1957, 22 U.S.C. § 2778(c)]

SUPERSEDING INDICTMENT

The Grand Jury charges:

At all times material to the Indictment:

INTRODUCTORY ALLEGATIONS

1. Defendant NOSHIR S. GOWADIA ("defendant GOWADIA" or "GOWADIA") was a naturalized citizen of the United States. GOWADIA was employed as an engineer by the Northrop Corporation (later known as "Northrop Grumman Corporation," hereafter, "Northrop") from in or about 1968 to in or about 1986, and, in or about 1979, was assigned to a then classified Special Access Program which developed the B-2 Spirit bomber. Specifically, GOWADIA assisted in the development of the unique propulsion system of the B-2 Spirit bomber by utilizing classified design techniques for infrared, visual and radar signature reduction which contributed to the aircraft's low observable capabilities.

2. GOWADIA held a number of positions in various classified programs while at Northrop, most of which involved research and development of aircraft and missiles and related propulsion systems, as well as related low observable and survivability technologies. Additionally, GOWADIA worked as a defense contractor on behalf of the United States of America through his corporate entity, Noshir S. Gowadia, Inc. (NSGI), after he separated from employment with Northrop. In this

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capacity, GOWADIA conducted classified work through contracts with the United States government.

3. Classified information is defined by Executive Order 12958, as amended by Executive Order 13292, as information in any form that: (1) is owned by, produced by or for, or under the control of the United States government; (2) falls within one or more of the categories set forth in Section 1.4 of the Order (including intelligence sources or methods, cryptology, military plans, weapons systems and vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security); and (3) is classified by an original classification authority who determines that its unauthorized disclosure reasonably could be expected to result in damage to the national security. Where the unauthorized disclosure of classified information could reasonably result in "serious" damage to the national security, the information may be classified "SECRET." Where such damage is "exceptionally grave," the information may be classified "TOP SECRET." Certain low observable technologies are subject to additional safeguarding and access requirements as Special Access Programs.

4. GOWADIA, in connection with his employment with Northrop on projects involving classified information, entered into several certain agreements proscribing the unauthorized

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disclosure of any classified information and other information he acquired as part of his performance of his official duties at Northrop. One specific agreement provided that:

a. On or about January 31, 1984, GOWADIA signed a Program Security Briefing Acknowledgment and Non-Disclosure Agreement in which he acknowledged that:

. . . 1. I have been briefed concerning the program indicated above. Having received high[ly] classified information relating to the United States Government, I am aware that its unauthorized disclosure could seriously damage the national security. The transmission or revelation of such information to unauthorized persons could subject me to prosecution under the Espionage Laws (Title 18, U.S.C. Sections 793, 794, 798).

. . . 2. I do solemnly swear or affirm that I will never divulge, publish, or reveal by word, conduct, or any other means, such information or knowledge except when necessary to do so in the performance of my official duties in connection with the Special Program and in accordance with the laws of the United States, unless specifically authorized in writing in each and every case by a duly authorized representative of the United States Government.

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. . . 3. I acknowledge that the information I receive is given only to persons specifically approved for the identified program and may not be further divulged without specific prior written approval from a duly authorized representative of the United States Government. All access is restricted to "must know" based upon my present position of functional use.

Although he ceased employment with Northrop in 1986, GOWADIA signed a debriefing agreement in which he acknowledged that he had a "continuing individual responsibility to the program and to the United States Government for the protection of such information and termination of access to information concerning this program does not relieve me of my obligations under this oath or any other previously executed agreements or those imposed by law, specifically Title 18, U.S.C. Section 793, 794 and 798."

5. In addition to NSGI, GOWADIA established, directed and controlled several corporate entities through which he sought to market defense services specific to items on the United States Munitions List to foreign persons, officials, and entities. These corporate entities were operated as a mechanism to both market defense services, and as a means of obtaining, maintaining, distributing and secreting funds related to GOWADIA's effort to sell defense services, technical data related

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to significant military equipment and classified information concerning protected defense technologies.

The Arms Export Control Act

6. In furtherance of the national security and foreign policy interests of the United States, the United States regulates and restricts the export of arms, munitions, implements of war, and other defense articles and services, pursuant to the Arms Export Control Act (AECA), Title 22, United States Code, Section 2778 *et seq.*

7. The regulations which implement and govern such exports are entitled the International Traffic in Arms Regulations (ITAR), Title 22, Code of Federal Regulations, Sections 120-130.

8. The ITAR promulgates a list of categories of defense articles and defense services which are subject to control by these regulations. This list is called the United States Munitions List, and is found at Title 22, Code of Federal Regulations, Section 121.1.

9. The ITAR defines "defense service" as the furnishing of assistance (including training), to foreign persons, whether in the United States or abroad in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation,

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demilitarization, destruction, processing or use of defense articles. The definition of defense service also includes the furnishing to foreign persons of any technical data controlled under the ITAR, whether in the United States or abroad.

10. The ITAR defines "technical data" to include "information, other than software as defined in §120.10(4), which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles." The definition of the term "technical data" further includes, "classified information relating to defense articles and defense services." Title 22, Code of Federal Regulations, Sections 120.10(1) and (2).

11. No defense articles or defense services, or technical data related thereto, may be exported from the United States to a foreign country without first obtaining a validated license or written approval from the United States Department of State, Directorate of Defense Trade Controls. The definition of export includes the disclosure or transfer of technical data to a foreign person, whether in the United States or abroad, or the performance of a defense service on behalf of, or for the benefit of, a foreign person, whether in the United States or abroad. Title 22, Code of Federal Regulations, Sections 120.17(4) and (5).

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12. Information concerning low observable (stealth) technologies, such as methods and techniques to reduce the infrared and radar signatures of military systems such as missiles and aircraft and their components, is specifically controlled for export in the United States Munitions List, Title 22, Code of Federal Regulations, Section 121.1. Category XIII pertaining to Auxiliary Military Equipment, defines such technologies as "hardware and equipment, which has been specifically designed or modified for military applications, that is associated with the measurement or modification of system signatures for detection of defense articles. This includes but is not limited to signature measurement equipment; prediction techniques and codes; signature materials and treatments; and signature control design methodology. Paragraph (k) of the same category provides that these export controls extend to technical data and defense services related to the defense articles listed in this category. Additionally, information concerning missile systems and components thereof is also specifically controlled for export in the United States Munitions List. Section 121.1, Category IV, pertaining to Launch Vehicles, Guide Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines, which defines such systems as "launch vehicles and missile and antimissile systems including but not limited to guided, tactical

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and strategic missiles, launchers, and systems." Paragraph (h) of the same category provides that export controls extend to "all specifically designed or modified components, parts, accessories, attachments, and associated equipment for the articles in this category." Also, paragraph (I) provides that technical data and defense services directly related to the defense articles enumerated in paragraphs (a) through (h) of this category are also controlled for export. Furthermore, Section 121.1, Categories IV and XIII, provide that all defense articles, technical data and defense services related to low observable technologies described above are considered to be Significant Military Equipment as that term is defined in Section 120.7.

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COUNT ONE

Conspiracy

[18 U.S.C. § 371]

The Grand Jury charges:

13. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12 of the Introductory Allegations of this Superseding Indictment.

14. Beginning in or about January 2002, the exact date being unknown to the Grand Jury, and continuing to on or about late January, 2006, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, unlawfully conspired, confederated, and agreed with unindicted coconspirators Tommy Wong, a/k/a: "Wong Tong-ming", "Wang Dongming" ("Wong"), Henri Nyo, a/k/a: "Hwie Let Nyo", "Henri Njoo" ("Nyo") and other persons known and unknown to the Grand Jury, to knowingly and willfully export defense services and technical data, to include classified information relating to defense articles and defense services, to the People's Republic of China (PRC), without having first obtained a validated license or written approval from the United States Department of State, Directorate of Defense Trade Controls, in violation of Title 22, United States Code, Section

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2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3.

MANNER AND MEANS OF THE CONSPIRACY

15. In order to achieve the objects of the conspiracy, GOWADIA, Nyo and others known and unknown, initiated contact with representatives of the PRC for the purpose of marketing controlled defense technologies related to the reduction of the infrared heat signatures of aircraft and airborne weapons systems. As a part of their conspiracy, GOWADIA and Nyo intended to market and sell GOWADIA's expertise and knowledge derived from his work on the B-2 bomber program and other classified United States government projects on which GOWADIA worked or had access to while employed at Northrop and subsequently as a United States defense contractor.

16. As a further part of the conspiracy, GOWADIA would and did travel to the PRC on at least six (6) occasions between July 2003 and June 2005 for the purpose of meeting with Wong and representatives and technical engineers of the PRC, and others, in order to disclose to officials of the People's Republic of China technical defense data and provide defense services. The defense services performed were in the form of design, test support and test data analysis of advanced propulsion system technologies and low observable technologies for the specific

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purpose of assisting the PRC in designing, testing and analyzing a low observable exhaust nozzle, optimized for significant reduction in the infrared heat signature, for a PRC cruise missile.

17. As a further part of their unlawful plan, GOWADIA and Wong would and did create and utilize covert e-mail addresses to communicate and deliver classified national defense information and other protected defense information and defense services related to the development of a low observable exhaust nozzle for a PRC cruise missile.

18. As a further part of the conspiracy, GOWADIA and Nyo were paid moneys by Wong and other representatives of the PRC for work conducted by GOWADIA in the design, development, testing, and analysis of a low observable exhaust nozzle, optimized for significant reduction in the infrared heat signature, for a PRC cruise missile. GOWADIA was paid approximately $110,000 United States Dollars ("USD") by representatives of the PRC for his assistance.

19. It was further part of the conspiracy that GOWADIA and Wong would and did conceal and secret the frequency, duration and destination of GOWADIA's travel to the PRC by at various times failing to stamp, or making false and misleading stamps, in GOWADIA's passport to conceal his entry into and exit out of Hong

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Kong and mainland China, thereby secreting GOWADIA's entry into mainland China. In addition, in order to further conceal GOWADIA's destinations in mainland China, Wong paid for expenses incurred by GOWADIA during his presence there.

20. It was a further part of the conspiracy that GOWADIA would and did contact Wong and other officials of the PRC by telephone and the Internet for the purpose of communicating classified information related to the national defense as well as other protected technical data and defense services related to defense articles.

OVERT ACTS

In furtherance of the conspiracy and in order to effect the objects thereof, GOWADIA, unindicted coconspirators Wong and Nyo, and others known and unknown to the Grand Jury, did commit overt acts, including, but not limited to, those described below.

21. In or about June 2003, GOWADIA exchanged a series of emails with Nyo in which they planned and coordinated a trip to Chengdu city, Sichuan Province, PRC.

22. In or about July 2003, GOWADIA and Nyo traveled to Hong Kong to meet with Wong, who worked for the PRC government's Foreign Experts Bureau (also known as the State Bureau of Foreign Experts), and others unknown, in order to market GOWADIA's

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expertise in advanced propulsion systems and low observable technologies.

23. On or about July 28, 2003, Wong accompanied GOWADIA and Nyo in entering mainland China from Hong Kong at Shenzhen, in the Guangdong Province of PRC.

24. On or about July 29, 2003, GOWADIA, Nyo, and Wong traveled to the city of Chengdu, in the Sichuan Province in the central part of the PRC, a center for research and development of Chinese fighter aircraft and cruise missiles.

25. On or about July 31, 2003, GOWADIA delivered an oral presentation, supported by a PowerPoint presentation file named "AdvancedExhaustSystems-AeroDBP31Jul03(1).ppt," to representatives of the PRC in which he communicated information concerning advanced propulsion exhaust systems and related low observable technologies which information and technical data related to the national defense and was classified at the SECRET level.

26. On or about August 7, 2003, GOWADIA received $15,000 USD from Nyo as payment for GOWADIA's presentation of information to representatives of the PRC.

27. On or about August 12, 2003, GOWADIA returned to Hawaii from the PRC in possession of the $15,000 USD, which he falsely represented to United States Customs and Border

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Protection officials were funds intended to be used to purchase an antique desk overseas.

28. Between August 8, 2003 and August 29, 2003, GOWADIA exchanged a series of emails with Wong in which they negotiated specific payment amounts for Gowadia's work on the PRC project. Additionally, GOWADIA asked Wong what computer-aided design (CAD) software was used by the PRC, and in what file format did the PRC want data. GOWADIA informed Wong that he used a CAD program called "Solidworks." Wong subsequently provided the information requested.

29. On or about August 30, 2003, GOWADIA received an e-mail from Wong describing information that the PRC representatives wanted to obtain from GOWADIA and Wong before they would commit to funding the project. Wong indicated that if the PRC customer agreed to go forward "they will sent someone meet u again with me next trip to discuss the detail what u design and their requirement."

30. On or about October 26, 2003, GOWADIA made his second trip to the PRC. GOWADIA arrived in Hong Kong, traveled to Shenzen, Guangdong province, PRC, and participated in a meeting with representatives of the PRC, including Wong and others, where he was shown test data for a PRC exhaust nozzle. GOWADIA provided his assessment of this data and offered

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suggestions to correct design problems. At this meeting, GOWADIA and the PRC representatives also discussed his proposal to design and assist in the development of a low observable exhaust nozzle optimized for infrared signature reduction for a PRC cruise missile.

31. On or about November 17, 2003, Wong sent an e-mail to GOWADIA in response to his proposed nozzle development and its associated costs. Wong expressed concern that the costs were significantly higher than GOWADIA's previous verbal estimates.

32. On or about November 29, 2003, Wong sent an e-mail to GOWADIA indicating that he must reduce the price. The e-mail contained the text of a previous e-mail sent by GOWADIA which provided justification for the costs quoted to the PRC, stating, "[t]here is a lot of work required, many iterations, to make a design for a real system."

33. On or about December 21, 2003, GOWADIA transmitted by e-mail a file named "NSGIcapabilities.ppt" to Wong, in his capacity as a representative of the PRC, which contained information classified at the SECRET level. In an accompanying email, GOWADIA stated: "I have attached my capability document which we had to prepare ... for a program. Thought you could use it. Not many people have this strong a resume. I am not sure

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your people appreciate it, maybe just think I am like any other expert."

34. On or about April 15, 2004, GOWADIA prepared an invoice for Wong for the sum of $19,500 USD, billing the PRC for work completed to date on the low observable exhaust nozzle for the PRC cruise missile project.

35. On or about April 19, 2004, GOWADIA made his third trip to the PRC. GOWADIA took a flight from Honolulu to Hong Kong to meet again with PRC representatives.

36. On or about April 20, 2004, GOWADIA arrived in Hong Kong to meet with PRC representatives to discuss GOWADIA's proposal to develop a low observable exhaust nozzle optimized for infrared signature reduction for a PRC cruise missile.

37. On or about April 21, 2004, Wong escorted GOWADIA into mainland China through PRC border personnel, and arranged for GOWADIA to enter mainland China without having his passport stamped.

38. On or about April 22, 2004, GOWADIA met with engineers and other representatives of the PRC in Shenzen and discussed low observable exhaust nozzle design issues for the PRC cruise missile. During this meeting, PRC engineers provided GOWADIA with PRC cruise missile system requirements and nozzle data for the real PRC cruise missile, for which they wanted

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GOWADIA's assistance in designing a new, low observable exhaust nozzle. GOWADIA took this information back with him to Hawaii.

39. At the April 2004 Shenzen meeting, GOWADIA directed Wong to wire money to his Ntech Establishment bank account at UBS in Switzerland for payment of defense services provided by GOWADIA to the PRC.

40. On or about April 24, 2004, GOWADIA sent an invoice to his corporation, Ntech Establishment, for the sum of $20,000, for defense services completed on behalf of "Hong Kong Investors," which was GOWADIA's coded billing designation for work completed on behalf of the PRC.

41. Between April 22, 2004 and June 18, 2004, GOWADIA, using the data provided by the PRC engineers during his previous trip, designed a low observable exhaust nozzle optimized for reduced infrared heat signature for the PRC cruise missile. GOWADIA stored numerous images of the nozzle design on his personal computer. GOWADIA used a computer code (NoshIR) he created in or about 1993 for predicting infrared signatures of aircraft and missiles, to predict the infrared signature of the PRC cruise missile modified with the low observable nozzle he designed and to analyze the lock-on range of the so modified PRC cruise missile against an Air to Air missile of the United

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States. GOWADIA set forth this data in a PowerPoint presentation file named "studyresults.ppt" which he entitled "Study 1."

42. On or about June 22, 2004, GOWADIA made his fourth trip to the PRC to meet with engineers and other PRC representatives concerning the low observable exhaust nozzle he designed for the PRC cruise missile. Upon his departure from Hawaii to travel to the PRC on June 18, 2004, GOWADIA had in his possession a PowerPoint presentation file named "studyresults.ppt" entitled "Study 1", which contained information relating to the national defense classified at the SECRET level. GOWADIA also had in his possession hand-drawn sketches of the low observable exhaust nozzle.

43. On or about June 23, 2004, GOWADIA traveled to Beijing, China with Wong and visited an aeronautical testing facility. GOWADIA was given a tour of the facility where the testing of the nozzles would be conducted. During the tour, GOWADIA identified design flaws and technical deficiencies with the PRC's measurement capabilities. After the tour, GOWADIA gave an oral presentation to PRC representatives using the above-described PowerPoint presentation file named "studyresults.ppt" which he entitled "Study 1" which contained information relating to the national defense, and which was classified at the SECRET level.

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44. On or about August 10, 2004, GOWADIA sent an e-mail to Wong to which was attached a document entitled "Test Plan-August 10, 2004.doc". In this document, GOWADIA identified the specific testing processes, data collection methods and test data analysis methodology that he and the PRC engineers would use throughout the development of the low observable exhaust nozzle.

45. On or about November 27, 2004, GOWADIA traveled to Hong Kong to meet with representatives of the PRC and then traveled to Beijing and observed the actual testing of the low observable exhaust nozzle.

46. On or about November 28, 2004, Wong escorted GOWADIA covertly into mainland China without having his entry documented or passport stamped.

47. On or about November 29, 2004, GOWADIA traveled to Beijing with Wong to visit the same aeronautical testing facility GOWADIA had previously visited in or about June 2004. GOWADIA provided technical advice, assistance and design expertise to PRC engineers regarding the testing of a ½ scale model of both the original PRC exhaust nozzle as well as the low observable exhaust nozzle designed by GOWADIA.

48. On or about January 20, 2005, Wong transmitted an e-mail to GOWADIA which attached a compressed computer ZIP file containing technical data files which contained the measured

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pressure and temperature data collected during the PRC's testing of GOWADIA's low observable exhaust nozzle design which occurred in or about November 2004.

49. Between January 23, 2005 and February 6, 2005, GOWADIA and Wong exchanged a series of e-mails concerning the test data. GOWADIA provided insight into the results of his analysis of the test data, indicating in an e-mail to Wong that "so far results look very good. Just like predicted, temperature of the new one drops very fast as compared to the old one. This is good."

50. On or about February 22, 2005, GOWADIA transmitted to Wong an e-mail to which he attached a PowerPoint file named "Analysis of the Shape on the Flow Field.ppt". This document summarized GOWADIA's analysis of the test results and contained information relating to the national defense classified at the SECRET level.

51. On or about March 5, 2005, GOWADIA transmitted to Wong an e-mail in which he responded to questions from and conclusions of the PRC engineers from their analysis of the data. GOWADIA's response provided the future direction of the project, stating that "[t]he separation on the center cone is for the round (original) nozzle, for the rectangular nozzle due to the

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change in flow field the separation is not there. No need to change the rectangular nozzle."

52. On or about March 20, 2005, GOWADIA transmitted an e-mail to Wong to which he attached a computer file named "Answers - 20 Mar 05.doc." In this e-mail, GOWADIA responded to specific questions from PRC representatives transmitted to him from Wong by e-mail on or about March 18, 2005. GOWADIA provided his prediction concerning the PRC cruise missile's infrared signature and lock-on range against a United States' air-to-air missile. This document contained information relating to the national defense classified at the SECRET level.

53. Between March 21, 2005 and June 13, 2005, GOWADIA and Wong exchanged a series of emails in which GOWADIA and Wong discussed issues surrounding GOWADIA's demands for payment from the PRC.

54. On or about May 9, 2005, Wong transmitted an e-mail to GOWADIA indicating that GOWADIA would be paid an additional $20,000 USD for his services to the PRC.

55. On or about June 13, 2005, Wong transmitted an e-mail to GOWADIA informing him that the PRC's computational fluid dynamic ("CFD") analysis of GOWADIA's low observable exhaust nozzle revealed significant problems with the nozzle's predicted functional performance.

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56. On or about June 18, 2005, GOWADIA transmitted, in response to the aforementioned e-mail, a document entitled "CFD Analysis of Nozzle" in which he provided a detailed explanation of why the PRC's analysis and conclusions concerning the performance of the low observable exhaust nozzle were incorrect.

57. On or about June 22, 2005, GOWADIA transmitted an e-mail to Wong further explaining why the PRC's analysis and conclusions concerning the performance of the low observable exhaust nozzle were incorrect, stating that "I will have to explain it in person."

58. On or about June 25, 2005, GOWADIA traveled for the sixth time to the PRC to meet with Wong and PRC engineers. During this trip, GOWADIA gave an oral presentation to PRC engineers, supported by the PowerPoint file named "Analysis of the Shape on the Flow Field.ppt". This document summarized GOWADIA's analysis of the test results and contained information relating to the national defense classified at the SECRET level.

59. Between late June, 2005 and October, 2005, GOWADIA and Wong exchanged a series of e-mails concerning GOWADIA's ongoing efforts at assisting the PRC in the development of the low observable exhaust nozzle for the PRC cruise missile. On July 18, 2005, GOWADIA transmitted an e-mail to Wong stating

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that, "I am sure the new geometry will not have adverse effect on the engine operation."

60. On or about September 13, 2005, GOWADIA transmitted an e-mail to Wong offering for sale a computer code developed by GOWADIA, which he named the "NoshIR code" which would enable the PRC to conduct its own infrared signature predictions and lock-on range analysis.

61. On or about October 1, 2005, GOWADIA transmitted an e-mail to Wong containing further analysis conducted by GOWADIA on the test data. Regarding his final analysis of the test data for the low observable exhaust nozzle for the PRC cruise missile, GOWADIA provided his assessment of the nozzle's effect on performance parameters such as thrust, fuel consumption and bypass ratio, and stated, "Go ahead and test article full scale. Please let me know the results."

62. Between January 12, 2006 and January 27, 2006, a person using a computer located at the static Internet Protocol ("IP") address of Henri Nyo, accessed one of GOWADIA's e-mail accounts. Following this access, e-mail communications between Nyo, Wong and GOWADIA were deleted from this e-mail account.

All in violation of Title 18, United States Code, Section 371.

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COUNT TWO

Arms Export Control Act

[22 U.S.C. § 2778(c)]

The Grand Jury further charges:

63. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12, and 15 through 62 of Count One of this Indictment.

64. Beginning in or about June 2003, the exact date being unknown to the Grand Jury, and continuing to on or about October 13, 2005, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, did knowingly and willfully export a defense service and related technical data to the People's Republic of China, to wit, the design, development, testing, and analysis of an exhaust nozzle, optimized for significant reduction in the infrared heat signature, for a PRC cruise missile, without having first obtained a validated license or written approval from the Department of State, Directorate of Defense Trade Controls.

All in violation of Title 22, United States Code, Section 2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3.

DOJ_NMG_ 0170167

COUNT THREE

Communicating National Defense Information

to Person Not Entitled to Receive it.

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

65. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5, 15 through 20, and 22 through 26 of Count One of this Indictment.

66. On or about July 31, 2003, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over information relating to the national defense, and having reason to believe that such information could be used to the injury of the United States and to the advantage of any foreign nation, did willfully communicate, deliver, and transmit information relating to the national defense to a person not entitled to receive it, in that GOWADIA delivered an oral presentation to PRC agents and representatives, which was supported by a PowerPoint presentation he created and named "AdvancedExhaustSystems-AeroDBP31Jul03(1).ppt," in which he disclosed information concerning advanced propulsion systems and related low observable technologies, which information related to the national defense and was classified at the SECRET level.

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All in violation of Title 18, United States Code, Sections 793(e) and 2.

COUNT FOUR

Communicating National Defense Information to Person Not Entitled to Receive it.

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

67. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5, 15 through 20, and 33 of Count One of this Indictment.

68. On or about December 21, 2003, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over information relating to the national defense, and having reason to believe that such information could be used to the injury of the United States and to the advantage of any foreign nation, did willfully communicate, deliver, and transmit information relating to the national defense to a person not entitled to receive it, in that GOWADIA transmitted to Wong, an agent and representative of the PRC, an e-mail to which GOWADIA attached a PowerPoint file named "NSGIcapabilities.ppt" which contained a document he created and named "N.S. Gowadia, Inc., Research and Development Aerospace and Marine Technologies" which contained information

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relating to the national defense which was classified at the SECRET level.

All in violation of Title 18, United States Code, Sections 793(e) and 2.

COUNT FIVE

Communicating National Defense Information

to Aid a Foreign Nation

[18 U.S.C. § 794(a)]

The Grand Jury further charges:

69. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5, 15 through 20, and 41 through 43 of Count One of this Indictment.

70. On or about June 23, 2004, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, with the intent and reason to believe that such information was to be used to the injury of the United States and to the advantage of a foreign government, specifically the People's Republic of China, did knowingly and unlawfully communicate, deliver, and transmit, to a foreign government, specifically the People's Republic of China, and to agents, officers, employees, and representatives thereof, directly and indirectly, information relating to the national defense of the United States which was classified at the SECRET level, in that GOWADIA delivered an oral presentation to

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PRC agents and representatives, which was supported by a PowerPoint presentation file named "studyresults.ppt" which contained a document he created and named "Study 1" in which he disclosed information concerning the application of low observable technology to the exhaust nozzle for the PRC cruise missile project, and the evaluation of the effectiveness of the redesigned nozzle.

All in violation of Title 18, United States Code, Sections 794(a) and 2.

COUNT SIX

Communicating National Defense Information

to Aid a Foreign Nation

[18 U.S.C. § 794(a)]

The Grand Jury further charges:

71. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5, 15 through 20, and 50 of Count One of this Indictment.

72. On or about February 22, 2005, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, with the intent and reason to believe that such information was to be used to the injury of the United States and to the advantage of a foreign government, specifically the People's Republic of China, did knowingly and unlawfully communicate, deliver, and transmit,

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to a foreign government, specifically the People's Republic of China, and to agents, officers, employees, and representatives thereof, directly and indirectly, information relating to the national defense of the United States which was classified at the SECRET level, in that GOWADIA transmitted to Wong, an agent and representative of the PRC, an e-mail to which GOWADIA attached a PowerPoint file named "Analysis of the Shape on the Flow Field.ppt", which summarized GOWADIA's analysis of test results.

All in violation of Title 18, United States Code, Sections 794(a) and 2.

COUNT SEVEN

Communicating National Defense Information

to Aid a Foreign Nation

[18 U.S.C. § 794(a)]

The Grand Jury further charges:

73. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5, 15 through 20, and 52 of Count One of this Indictment.

74. On or about March 20, 2005, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, with the intent and reason to believe that such information was to be used to the injury of the United States and to the advantage of a foreign government, specifically the People's Republic of China,

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did knowingly and unlawfully communicate, deliver, and transmit, to a foreign government, specifically the People's Republic of China, and to agents, officers, employees, and representatives thereof, directly and indirectly, information relating to the national defense of the United States which was classified at the SECRET level, in that GOWADIA transmitted to Wong, an agent and representative of the PRC, an e-mail to which GOWADIA attached a computer file he created and named "Answers - 20 Mar 05.doc" in which he provided his infrared signature prediction of the PRC cruise missile outfitted with his modified exhaust nozzle and the associated lock-on range predictions against a United States' air-to-air missile.

All in violation of Title 18, United States Code, Sections 794(a) and 2.

COUNT EIGHT

Communicating National Defense Information

to Person Not Entitled to Receive it.

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

75. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5 of Count One of this Indictment.

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76. On or about October 23, 2002, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over information relating to the national defense, and having reason to believe that such information could be used to the injury of the United States and to the advantage of any foreign nation, did willfully communicate, deliver, and transmit information relating to the national defense to a person not entitled to receive it, in that GOWADIA faxed to a foreign government official in Switzerland a document setting forth a proposal to develop infrared reduction technology for the TH-98 Eurocopter which contained information concerning a defense system of the United States which was classified at the TOP SECRET level.

All in violation of Title 18, United States Code, Sections 793(e) and 2.

COUNT NINE

Communicating National Defense Information

to Person Not Entitled to Receive it.

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

77. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5 of Count One of this Indictment.

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78. On or about November 22, 2004, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over information relating to the national defense, and having reason to believe that such information could be used to the injury of the United States and to the advantage of any foreign nation, did willfully communicate, deliver and transmit information relating to the national defense to a person not entitled to receive it, in that GOWADIA sent an e-mail to a foreign business person in Israel to which he attached a PowerPoint presentation concerning a proposal to develop infrared reduction technology for foreign commercial aircraft which contained information concerning a defense system of the United States, which was classified at the Secret level.

All in violation of Title 18, United States Code, Sections 793(e) and 2.

DOJ_NMG_ 0170175

COUNT TEN

Communicating National Defense Information

to Person Not Entitled to Receive it.

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

79. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5 of Count One of this Indictment.

80. On or about September 6, 2004, in the District of Hawaii and elsewhere, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over information relating to the national defense, and having reason to believe that such information could be used to the injury of the United States and to the advantage of any foreign nation, did willfully communicate, deliver and transmit information relating to the national defense to a person not entitled to receive it, in that GOWADIA sent an e-mail to a foreign business person in Germany setting forth a proposal to develop infrared reduction technology for a foreign commercial aircraft which contained information concerning a defense system of the United States which was classified at the Top Secret level.

All in violation of Title 18, United States Code, Sections 793(e) and 2.

DOJ_NMG_0170176

COUNT ELEVEN

Arms Export Control Act

[22 U.S.C. § 2778(c)]

The Grand Jury further charges:

81. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12 of Count One of this Indictment.

82. On or about October 23, 2002, in the District of Hawaii and elsewhere, defendant NOSHIR S. GOWADIA, did knowingly and willfully export and attempt to export classified technical data, in that GOWADIA faxed to a foreign government official in Switzerland a document setting forth a proposal to develop infrared reduction technology for the TH-98 Eurocopter which contained technical data and information concerning a defense system of the United States which is classified at the TOP SECRET level, without having first obtained a validated license or written approval from the United States Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 127.1 and 127.3.; and Title 18, United States Code, Section 2.

DOJ_NMG_ 0170177

COUNT TWELVE

Arms Export Control Act

[22 U.S.C. § 2778(c)]

The Grand Jury further charges:

83. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12 of Count One of this Indictment.

84. On or about November 22, 2004, in the District of Hawaii and elsewhere, defendant NOSHIR S. GOWADIA, did knowingly and willfully export and attempt to export classified technical data, in that GOWADIA sent an e-mail to a foreign business person in Israel to which he attached a PowerPoint presentation concerning a proposal to develop infrared reduction technology for foreign commercial aircraft which contained information concerning a defense system of the United States, which is classified at the SECRET level, without having first obtained a validated license or written approval from the United States Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 127.1 and 127.3.; and Title 18, United States Code, Section 2.

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COUNT THIRTEEN

Arms Export Control Act

[22 U.S.C. § 2778(c)]

The Grand Jury further charges:

85. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12 of Count One of this Indictment.

86. On or about September 6, 2004, in the District of Hawaii and elsewhere, defendant NOSHIR S. GOWADIA, did knowingly and willfully export and attempt to export classified technical data, in that GOWADIA sent an e-mail to a foreign business person in Germany setting forth a proposal to develop infrared reduction technology for a foreign commercial aircraft which contained technical data and information concerning a defense system of the United States which is classified at the Top Secret level, without having first obtained a validated license or written approval from the United States Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 127.1 and 127.3.; and Title 18, United States Code, Section 2.

DOJ_NMG_0170179

COUNT FOURTEEN

Unlawful Retention of National Defense Information

[18 U.S.C. § 793(e)]

The Grand Jury further charges:

87. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 5 of Count One of this Indictment.

88. On or about October 13, 2005, in the District of Hawaii, NOSHIR S. GOWADIA, the defendant, having unauthorized possession of, access to and control over documents, writings, sketches, blueprints, plans, models, instruments, and notes relating to the national defense, did willfully retain documents, writings, sketches, blueprints, plans, models, instruments and notes relating to the national defense and fail to deliver the same to an officer and employee of the United States entitled to receive it, in that GOWADIA retained in his residence in Maui County, Hawaii, documents, writings, sketches, blueprints, plans, models, instruments, and notes, which were marked as containing, and which did in fact contain, information relating to defense systems of the United States, classified at the SECRET level, to wit:

(a) A single undated chart entitled "Increased Exposure in Frontal Sector" with Secret classification markings.

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The chart has three graphs which contained susceptibility and vulnerability data of an aircraft against surface to air missiles.

(b) An undated chart entitled "High Bypass Ratio Turbofan engine Measured IR Signature" with Secret classification markings. This chart contained infrared signature levels for three different configurations of a military aircraft engine which was modified to reduce its infrared signature.

(c) An undated chart entitled "Typical CFM-56 engine IR Signatures" with Secret classification markings removed. This chart contained signature levels for a baseline CFM-56 engine and two configurations of the engine modified for infrared signature reductions.

(d) An undated chart entitled "F404-400 IR Signature and Contributors" with Secret classification markings. This chart contained infrared signature data, to include the component contributions to the overall infrared signature.

(e) Two undated pages, each of which contained a hand-traced graph without classification markings or titles. The graphs depicted specific data concerning the performance and effectiveness of infrared flares.

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(f) A single page with one hand-traced graph without classification markings or titles, which contained specific data concerning the performance and effectiveness of U.S. air to air missiles and flares.

(g) Two sheets of trace paper with hand-traced graphs numbered 25 through 30 on each sheet. Each sheet contained a portion of each of the graphs which, when the two sheets were superimposed, the resulting graphs revealed specific data concerning U.S. defense systems. Specifically, graph number 27 contained specific data concerning the sensor performance data against various target infrared signatures and related sensor specifications for a U.S. air to air missile system.

(h) A computer file (hereinafter designated "File A") into which GOWADIA inserted portions of an U.S. Air Force report concerning data tables for the radar cross section of major defense weapons systems, specifically, the B1-B, F-15E, and the Air Launched Cruise Missile

(i) A password-protected computer file (hereinafter designated "File B") last modified on or about April 24, 1995, which contained: a compilation of specific functional performance specification data, test data, capabilities, deficiencies, vulnerabilities, and

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infrared and radar cross section data of U.S. major defense systems and articles which were still in use, specifically, U.S. aircraft, air to air missiles, man-portable surface to air missiles, infrared jammer and flare systems; and classified information related to foreign missile threats systems, which was derived from U.S. classified sources.

All in violation of Title 18, United States Code, Sections 793(e) and 2.

COUNT FIFTEEN

Money Laundering

[18 U.S.C. § 1957]

The Grand Jury further charges:

89. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12, and 21 through 62 of Count One of this Indictment.

90. On or about March 15, 2004, in the District of Hawaii, and elsewhere, NOSHIR S. GOWADIA, the defendant, did knowingly engage in a monetary transaction by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, that is, the deposit of funds in the amount of $24,980 into the City Bank business savings account of N.S. Gowadia, Inc., in

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Kihei, Hawaii, such property having been derived from a specified unlawful activity, to wit: the knowing and willful export of a defense service to the People's Republic of China without first obtaining a validated license or written approval from the Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3., as charged in Count 2 of this Superseding Indictment.

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT SIXTEEN

Money Laundering

[18 U.S.C. § 1957]

The Grand Jury further charges:

91. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12, and 21 through 62 of Count One of this Indictment.

92. On or about May 14, 2004, in the District of Hawaii, and elsewhere, NOSHIR S. GOWADIA, the defendant, did knowingly engage in a monetary transaction by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000,

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that is the deposit of funds in the amount of $19,985, into the City Bank business savings account of N.S. Gowadia, Inc., in Kihei, Hawaii, such property having been derived from a specified unlawful activity, to wit: the knowing and willful export of a defense service to the People's Republic of China without first obtaining a validated license or written approval from the Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3., as charged in Count 2 of this Superseding Indictment.

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT SEVENTEEN

Money Laundering

[18 U.S.C. § 1957]

The Grand Jury further charges:

93. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12, and 21 through 62 of Count One of this Indictment.

94. On or about August 3, 2004, in the District of Hawaii, and elsewhere, NOSHIR S. GOWADIA, the defendant, did knowingly engage in a monetary transaction by, through or to a

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financial institution affecting interstate and foreign commerce in criminally derived property of a value greater than $10,000, that is, the deposit of funds in the amount of $19,980 into the City Bank business savings account of N.S. Gowadia, Inc., in Kihei, Hawaii, such property having been derived from a specified unlawful activity, to wit: the knowing and willful export of a defense service to the People's Republic of China without first obtaining a validated license or written approval from the Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3., as charged in Count 2 of this Superseding Indictment.

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT EIGHTEEN

Money Laundering

[18 U.S.C. § 1957]

The Grand Jury further charges:

95. The Grand Jury realleges and incorporates as though set forth in full herein paragraphs 1 through 12, and 21 through 62 of Count One of this Indictment.

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96. On or about August 16, 2004, in the District of Hawaii, and elsewhere, NOSHIR S. GOWADIA, the defendant, did knowingly engage in a monetary transaction by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, that is, the deposit of funds in the amount of $29,980, into the City Bank business savings account of N.S. Gowadia, Inc., in Kihei, Hawaii, such property having been derived from a specified unlawful activity, to wit: the knowing and willful export of a defense service to the People's Republic of China without first obtaining a validated license or written approval from the Department of State, Directorate of Defense Trade Controls in violation of Title 22, United States Code, Section 2778; and Title 22, Code of Federal Regulations, Sections 125.1, 125.2, 125.3, 126.1, 127.1 and 127.3., as charged in Count 2 of this Superseding Indictment.

All in violation of Title 18, United States Codes, Sections 1957 and 2.

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FORFEITURE NOTICE

MONEY LAUNDERING

97. Pursuant to Title 18, United States Code, Section 982(a)(1), a defendant who is convicted of one or more of the offenses set forth in Counts Fifteen through Eighteen shall forfeit to the United States the following property:

a. All right, title and interest in any and all property involved in each offense in violation of Title 18, United States Code, Section 1957, for which the defendant is convicted, and all property traceable to such property, including the following: (1) all money or other property that was the subject of each transaction, transportation, transmission or transfer in violation of Section 1957; (2) all commissions, fees and other property constituting proceeds obtained as a result of those violations; and (3) all property used in any manner or part to commit or to facilitate the commission of those violations.

b. A sum of money equal to the total amount of money involved in each offense for which the defendant is convicted.

ARMS EXPORT CONTROL ACT

98. Pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), a defendant who is convicted of one or more of the offenses set

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forth in Counts One, Two and Eleven through Thirteen shall forfeit to the United States the following property:

a. Any property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of the violations of Title 22, United States Code, Section 2778, for which the defendant is convicted.

b. A sum of money equal to and representing the amount of proceeds obtained as a result of each offense for which the defendant is convicted.

ESPIONAGE ACT

99. Pursuant to Title 18, United States Code, Section 794(d), a defendant who is convicted of one or more of the offenses set forth in Counts Three through Seven shall forfeit to the United States the following property:

a. Any property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of the violations of Title 18, United States Code, Section 794, for which the defendant is convicted.

b. Any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of said violation[s].

DOJ_NMG_0170189

c. A sum of money equal to and representing the amount of proceeds obtained as a result of each offense for which the defendant is convicted.

SUBSTITUTE ASSETS

100. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), a defendant shall forfeit substitute property, up to the value of the amount described in paragraphs 97 through 99, if, by any act or omission of the defendant, the property described in paragraphs 97 through 99, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

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All in accordance with Title 18, United States Code, Sections 981 and 982, Title 28, United States Code, Section 2461(c), and Rule 32.2(a), Federal Rules of Criminal Procedure.

DATED: November 8, 2006, at Honolulu, Hawaii.

A TRUE BILL

/s/ Foreperson
FOREPERSON, GRAND JURY

EDWARD H. KUBO, JR.
United States Attorney
District of Hawaii

ELLIOT ENOKI
First Assistant U.S. Attorney

KENNETH M. SORENSON
Assistant U.S. Attorney

ROBERT E. WALLACE JR.
Senior Trial Attorney
Counterespionage Section
National Security Division

DOJ_NMG_ 0170191

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Image not available for this document, ID: 0.7.10316.20086-000003

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 9:50 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 9, 2006

Department of Justice

PRESS GUIDANCE
Thursday, November 09, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Kathleen Blomquist

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170194

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Image not available for this document, ID: 0.7.10316.20031-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 4:36 PM
To: USDOJ- Office of Public Affairs
Subject: FOUR DEFENDANTS PLEAD GUILTY TO ARSON AND CONSPIRACY CHARGES ASSOCIATED WITH EARTH LIBERATION FRONT AND ANIMAL LIBERATION FRONT

Department of Justice

United States Attorney Karin J. Immergut
District of Oregon

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV/USAO/OR

CONTACT: DIANE PETERSON
PHONE: (503) 727-1066
FAX: (503) 727-1117

FOUR DEFENDANTS PLEAD GUILTY TO ARSON AND CONSPIRACY CHARGES ASSOCIATED WITH EARTH LIBERATION FRONT AND ANIMAL LIBERATION FRONT

EUGENE, Ore. - Daniel Gerard McGowan, Nathan Fraser Block, Joyanna L. Zacher, and Jonathan Mark Christopher Paul today pleaded guilty to criminal conspiracy and related arson charges that occurred from l996 through 2001 in Oregon and four other western states. A status hearing is scheduled for Dec. l4, 2006, when sentencing dates will be set for all 10 defendants who have pleaded guilty.

In addition to admitting participation in the overall conspiracy, McGowan pleaded guilty to active participation in the Jan. 2, 200l, arson at Superior Lumber Company in Glendale, Ore., and the May 2l, 200l, arson at the Jefferson Poplar Farm in Clatskanie, Ore.; Block and Zacher pleaded guilty to the March 30, 200l, arson at Joe Romania Chevrolet Truck Center and the Jefferson Poplar Farm arson; and Paul pled guilty to the July 2l, l997, arson at the Cavel West Horse Meatpacking Plant in Redmond, Ore.

DOJ_NMG_ 0170197

Guilty pleas by these defendants followed earlier guilty pleas by co-defendants Chelsea Dawn Gerlach, Kendall Tankersley, Stanislaus Gregory Meyerhoff, Suzanne Savoie, Darren Todd Thurston, and Kevin Tubbs. Another co-conspirator, Jennifer Kolar, earlier pleaded guilty in a related case in U.S. District Court in Tacoma, Wash. All are awaiting sentencing.

All of these defendants acted in a cell of underground groups known as The Earth Liberation Front (ELF) and The Animal Liberation Front (ALF). According to the conspiracy charges, the group sought to influence and affect the conduct of government, private business, and the civilian population through force, violence, sabotage, mass destruction, intimidation and coercion, and to retaliate against government and private businesses by similar means.

"These four guilty pleas are significant because they resolve the last four defendants who were scheduled for trial," stated U.S. Attorney Karin J. Immergut of the District of Oregon. "Without the relentless work and coordination of all the local, state and federal law enforcement agencies involved, this case would not have been possible."

Other defendants are awaiting sentencing for conspiracy and the following specific crimes:

Stanislas Gregory Meyerhoff:

- Arson, Childers Meat Company; Eugene, Ore.; May 9, l999;
- Arson, Boise Cascade Company; Monmouth Ore.; Dec. 25, l999;
- Destruction of Energy Facility, Bonneville Power Administration high-voltage tower; near Bend, Ore.; Dec. 30, l999;
- Arson, Eugene Police Department West University Public Safety Station; Eugene, Ore.; Sept. 6, 2000;
- Arson, Superior Lumber Company; Glendale, Ore.; Jan. 2, 200l;
- Arson, Joe Romania Chevrolet Truck Center (35 vehicles); Eugene, Ore.; March 30, 200l;
- Arson, Jefferson Poplar Farm; Clatskanie, Ore.; May 2l, 200l;

Meyerhoff also acknowledged his participation in arsons at the Vail Ski Facility in Eagle County, Colo., on Oct. l9, l998. He will plead guilty to multiple counts of arson in that case upon its transfer from the District of Colorado to the District of Oregon.

DOJ_NMG_ 0170198

Chelsea Dawn Gerlach:

- Arson, Childers Meat Company; Eugene, Ore.; May 9, l999;
- Arson, Boise Cascade Company; Monmouth, Ore.; Dec. 25, l999;
- Destruction of Energy Facility, Bonneville Power Administration high-voltage tower; near Bend, Ore.; Dec. 30, l999;
- Arson, Eugene Police Department West University Public Safety Station; Eugene, Ore.; Sept. 6, 2000;
- Arson, Jefferson Poplar Farm; Clatskanie, Ore.; May 2l, 200l;

Gerlach also acknowledged her participation in arsons at the Vail Ski Facility in Eagle County, Colo., on Oct. l9, l998. She will plead guilty to multiple counts of arson in that case upon its transfer from the District of Colorado to the District of Oregon.

Suzanne Nichole Savoie:

- Arson, Superior Lumber Company; Glendale, Ore.; Jan. 2, 200l;
- Arson, Jefferson Poplar Farm; Clatskanie, Ore.; May 2l, 200l;

Kevin Tubbs:

- Arson, U.S. Forest Service Oakridge Ranger Station; Oakridge, Ore.; Oct. 30, l996;
- Arson, Cavel West, Inc., Horse Meatpacking Plan; Redmond, Ore.; July 2l, l997;
- Arson, U.S. Bureau of Land Management (BLM) Wild Horse and Burro Facility; Burns, Ore.; Nov. 30, l997;
- Attempted Arson, U.S. Forest Industries; Medford, Ore.; Dec. 22, l998;
- Arson, Childers Meat Company; Eugene, Ore.; May 9, l999;
- Arson, Eugene Police Department West University Public Safety Station; Eugene, Ore.; Sept. 6, 2000;
- Arson, Superior Lumber Company; Glendale, Ore.; Jan. 2, 200l;
- Arson, Jefferson Poplar Farm; Clatskanie, Ore.; May 2l, 200l;

Kendall Tankersley, also known as Sarah Kendall Harvey:

- Attempted Arson, U.S. Forest Industries; Medford, Ore.; Dec. 22, l998;
- Arson, U.S. Forest Industries; Medford, Ore.; Dec. 27, l998;

In addition to the overall conspiracy, Darren Todd Thurston acknowledged active participation in the Oct. l5, 200l, arson at the BLM's Litchfield Wild Horse and Burro Facility near Susanville, Calif. He will plead guilty to that separate charge upon its transfer to the District of Oregon.

Jennifer Kolar is awaiting sentencing in the Western District of Washington for her part in the overall conspiracy, and:

- Arson, University of Washington Center for Urban Horticulture, Seattle, Wash., May 2l, 200l;
- Arson, Wray Gun Club, Colo.; Oct. l998.

As part of her plea agreement, Kolar will plead guilty as well to the July 2l, l997, arson at the Cavel West Horse Meatpacking Plant in Redmond, Ore.

The four guilty pleas today leave only three co-defendants with unresolved charges in Oregon. Joseph Dibee, Josephine Sunshine Overaker and Rebecca Rubin are fugitives believed to be outside the United States.

Each count of arson and attempted arson carries a mandatory minimum prison term of five years up to a maximum of 20 years. The conspiracy charge carries a maximum sentence of five years.

The case was jointly investigated by the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Eugene Police Department, the Bureau of Land Management, the U.S. Forest Service, the Oregon State Police, the Lane County Sheriff's Office and the Oregon Department of Justice's Criminal Justice Division.

The case is being handled by Assistant U.S. Attorneys Kirk Engdall, John Ray and Stephen F. Peifer.

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DOJ_NMG_ 0170200

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Image not available for this document, ID: 0.7.10316.20016-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 4:50 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER INDICTED, ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER INDICTED, ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE, La. – Another Louisiana resident was indicted and two more were sentenced in federal court today on fraud charges related to a hurricane disaster relief program, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced today.

Michael D. Reed, 56, of Loranger, La., was charged in an indictment by a federal grand jury with three counts of wire fraud in obtaining disaster unemployment benefits for alleged losses resulting from Hurricane Katrina. Reed is charged with defrauding the Louisiana Department of Labor (LDOL) and the Federal Emergency Management Administration (FEMA) by applying for benefits under the disaster unemployment assistance program from on or about Nov. 29, 2005, to on or about May 10, 2006, while allegedly failing to notify LDOL of his continuous employment after the storm. These funds were intended for persons who became unemployed as a result of the disaster. The charges resulted from an investigation conducted by the U.S. Department of Labor, Office of Inspector General. If convicted, Reed faces a maximum sentence of 20 years in prison, a $250,000 fine, or both per count.

DOJ_NMG_ 0170203

Quincy Langley, 29, of Baton Rouge, La., pleaded guilty on July 5, 2006, to an indictment charging him with making a false claim for Hurricane Katrina disaster assistance benefits. He was sentenced today by U.S. District Court Judge James J. Brady to 10 months in prison, a three year term of supervised release and $2,000 in restitution. The U.S. Secret Service; the U.S. Department of Homeland Security, Office of Inspector General; the Social Security Administration, Office of Inspector General; and the Federal Bureau of Investigation (FBI) conducted the investigation of this matter.

Today's indictment brings the total number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds to 80.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24-hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, La. 70821-4909.

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DOJ_NMG_ 0170204

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Image not available for this document, ID: 0.7.10316.20003-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 5:23 PM
To: USDOJ- Office of Public Affairs
Subject: GAINESVILLE MAN INDICTED FOR FEMA FRAUD

Department of Justice

United States Attorney Matthew D. Orwig
Eastern District of Texas

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV/USAO/TXE

CONTACT: DAVILYN BRACKIN
PHONE: (409) 839-2538
FAX: (409) 839-2550

GAINESVILLE MAN INDICTED FOR FEMA FRAUD

SHERMAN, Texas – Duane Ray Clark, 34, of Gainesville, Texas, has been charged with making false claims and false statements in an application with the Federal Emergency Management Agency (FEMA) for disaster assistance, announced U.S. Attorney Matthew D. Orwig of the Eastern District of Texas.

According to information contained in the indictment, Clark filed false applications with FEMA for Disaster Housing Assistance and Individual Assistance claiming to have suffered damages during Hurricane Katrina. As a result of those claims, Clark received disaster assistance in excess of $12,000. If convicted, Clark faces up to five years in federal prison and a $250,000 fine. It is important to note that an indictment is merely a charge and should not be considered as evidence of either guilt or innocence.

"Disaster assistance agencies, such as FEMA, have been looted by greedy individuals trying to make a quick-buck," stated U.S. Attorney Orwig. "We will continue to investigate and prosecute reports of fraud."

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division - includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others. This case is being investigated by the Department of Homeland Security Office of Inspector General and prosecuted by Assistant U.S. Attorney Randall Blake.

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Image not available for this document, ID: 0.7.10316.19765-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 5:45 PM
To: USDOJ- Office of Public Affairs
Subject: OPERATOR OF FOR-PROFIT SOFTWARE PIRACY WEB SITE PLEADS GUILTY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

OPERATOR OF FOR-PROFIT SOFTWARE PIRACY WEB SITE PLEADS GUILTY

Caused Up To $25 Million in Losses to Software Industry

WASHINGTON—The operator of a for-pay Internet site that reproduced significant amounts of pirated computer software pleaded guilty today in federal court, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg of the Eastern District of Virginia, announced today.

Ronnie A. Knott, 36, of Salt Lake City, pleaded guilty in Alexandria, Va., before U.S. District Court Judge T.S. Ellis III to one count of criminal copyright infringement for selling pirated software over the Internet. Knott is scheduled to be sentenced on February 23, 2007, at 9 A.M. before U.S. District Court Judge Gerald Bruce Lee. He faces a maximum sentence of five years in prison and a $250,000 fine.

Beginning in at least early 2005 and continuing until its shutdown by the FBI in May 2006, Knott operated a business called both "Smart PC" and "CDBackups," which provided paid "subscribers" access to infringing copies of software products that were copyrighted by companies such as Adobe Systems Inc., Apple Computer Inc., Microsoft Corporation, and Symantec Corporation. Knott admitted that he received approximately $20,000 in subscription fees for providing this access.

The investigation, which was conducted by agents of the FBI's Washington Field Office, involved an undercover agent who became a subscriber to Knott's service and was able to download more than $30,000 worth of pirated software. Using evidence of the FBI's undercover purchases as probable cause, Knott's operation was taken down in May 2006. Further investigation established that Knott had illegally reproduced copyrighted software with a retail value of nearly $2.5 million.

This case is being prosecuted by Trial Attorney Jay V. Prabhu, of the Criminal Division's Computer Crime and Intellectual Property Section.

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06-757

DOJ_NMG_ 0170210

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Image not available for this document, ID: 0.7.10316.19985-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 10 – NOVEMBER 18, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 10 – NOVEMBER 18, 2006

Friday, November 10

10:30 A.M. EST Solicitor General Paul Clement will deliver the keynote address before the Wisconsin Judicial Conference regarding updates to federal law.
Radisson Paper Valley Hotel
Salon A/B
333 W College Ave.
Appleton, Wisconsin
OPEN PRESS

Press inquiries regarding logistics should be directed to Michelle Todd, Public Information Officer for the Wisconsin Supreme Court, at 608- 264-6256.

Saturday, November 11

Events TBD

Sunday, November 12

Events TBD

Monday, November 13

10:00 A.M. EST Attorney General Alberto R. Gonzales will attend the Martin Luther King National Memorial Ceremonial Groundbreaking with President George W. Bush.
The National Mall
Washington, D.C.

DOJ_NMG_ 0170213

OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, November 14

8:30 A.M. EST FBI Director Robert Mueller will host a press availability with Romanian Justice Minister Monica Macovei.
Ministry of Justice
Bucharest, Romania
OPEN PRESS

Press inquiries regarding logistics should be directed to the FBI National Press Office at 202-324-3691.

1:00 P.M. EST Attorney General Gonzales will participate in a press conference with Terrance P. Flynn, United States Attorney for the Western District of New York, regarding security along the U.S./Canada border.
U.S. Attorney's Office
Library
138 Delaware Avenue
Buffalo, New York
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Wednesday, November 15

Events TBD

Thursday, November 16

9:30 A.M. EST Wan Kim, Acting Assistant Attorney General for the Civil Rights Division will testify before the Senate Judiciary Committee regarding oversight of the Civil Rights Division.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

Attorney General Gonzales will visit the Biltmore Estate in Asheville, North Carolina for the United States/Canada Cross Border Crime Forum, and participate in the following press events:

12:00 P.M. EST The Attorney General will deliver remarks at a working lunch with attendees of the forum regarding the challenges facing U.S. and Canadian law enforcement in securing the border between the countries.
The Lioncrest (at the Biltmore Estate)
Veranda

DOJ_NMG_ 0170214

1 Approach Road
Asheville, North Carolina
OPEN PRESS

2:00 P.M. EST Press Conference highlighting U.S./Canada cross border cooperation with Secretary of Homeland Security Michael Chertoff; Stockwell Day, Canadian Minister of Public Safety and Emergency Preparedness; and Vic Toews, Canadian Minister of Justice.
The Lioncrest
TBD Room
OPEN PRESS

Press inquiries regarding logistics for either event should be directed to Theresa Pagliocca at 202-532-3486.

Friday, November 17

9:30 A.M. EST Solicitor General Paul Clement will deliver opening remarks before the National Lawyers Convention on the subject of limited government.
Mayflower Hotel
Grand Ballroom
1127 Connecticut Ave N.W.
Washington, D.C.
OPEN PRESS

ss Inquiries regarding logistics should be directed to Keith Appell at 703-683-5004 or the Office of Public Affairs at 202-514-2007.

10:00 A.M. EST Attorney General Gonzales will participate in the unveiling of the official portrait of former Attorney General John Ashcroft.
Department of Justice
Great Hall
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Saturday, November 18

10:00 A.M. MST Attorney General Gonzales will address Air Force Academy cadets regarding civil liberties in the War on Terror, and hold a press availability following his remarks.
Fairchild Hall
Lecture Hall F1
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

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DOJ_NMG_ 0170216

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 09, 2006 6:59 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 10 – NOVEMBER 18, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, NOVEMBER 9, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

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Saturday, November 11

Events TBD

Sunday, November 12

Events TBD

Monday, November 13

10:00 A.M. EST

Attorney General Alberto R. Gonzales will attend the Martin Luther King National Memorial Ceremonial Groundbreaking with President George W. Bush.
The National Mall
Washington, D.C.

DOJ_NMG_ 0170219

OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, November 14

8:30 A.M. EST FBI Director Robert Mueller will host a press availability with Romanian Justice Minister Monica Macovei.
Ministry of Justice
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12:00 P.M. EST The Attorney General will deliver remarks at a working lunch with attendees of the forum regarding the challenges facing U.S. and Canadian law enforcement in securing the border between the countries.
The Lioncrest (at the Biltmore Estate)
Veranda

DOJ_NMG_ 0170220

1 Approach Road
Asheville, North Carolina
OPEN PRESS

2:00 P.M. EST Press Conference highlighting U.S./Canada cross border cooperation with Secretary of Homeland Security Michael Chertoff; Stockwell Day, Canadian Minister of Public Safety and Emergency Preparedness; and Vic Toews, Canadian Minister of Justice.
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TBD Room
OPEN PRESS

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OPEN PRESS

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Department of Justice
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OPEN PRESS

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Fairchild Hall
Lecture Hall F1
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

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DOJ_NMG_ 0170222

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Image not available for this document, ID: 0.7.10316.19768-000002

Amber.JMD

From: Amber.JMD
Sent: Friday, November 10, 2006 12:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fremont, CA

From: AmberAlert-DOJ
Sent: Friday, November 10, 2006 12:35:01 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Fremont, CA
Auto forwarded by a Rule

AMBER ALERT:Fremont,CA VEHICLE:Gold Station Wagon Saturn TAG:CA 4CLZ152 CHILD:6 White M 4'0" 68 lbs Eyes:Blue Hair:Brown SUSPECT:56 White M CALL 510-790-6800
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2702

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Friday, November 10, 2006 2:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fremont, CA

From: AmberAlert-DOJ
Sent: Friday, November 10, 2006 2:01:01 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Fremont, CA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Fremont,CA VEHICLE:Gold Station Wagon Saturn TAG:CA 4CLZ152 CHILD:6 W/M 4'0" 68 lbs Eyes:Blue Hair:Brown SUSPECT:56 W/M CALL 510-790-6800
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2702

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, November 13, 2006 9:47 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 13, 2006

Department of Justice

PRESS GUIDANCE
Monday, November 13, 2006

ATTORNEY GENERAL

10:00 A.M. EST Attorney General Alberto R. Gonzales will attend the Martin Luther King National Memorial Ceremonial Groundbreaking with President George W. Bush.
The National Mall
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Environment and Natural Resources Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170227

Image not available for this document, ID: 0.7.10316.19325-000001

Image not available for this document, ID: 0.7.10316.19325-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 13, 2006 10:07 AM
Subject: JCON BROADCAST, WEEK OF NOVEMBER 13, 2006

JCON BROADCAST, WEEK OF NOVEMBER 13, 2006

1. **Federal Employees Health Benefits Open Season**
2. **Annual Leave Restoration Requirements**
3. **Research Classes Offered by Library Staff**

Federal Employees Health Benefits Open Season

The Federal Employees Health Benefits (FEHB) Open Season is here!

Eligible employees can enroll in the Flexible Spending Accounts (FSAFEDS) program. FSAFEDS allows you to set aside money before taxes to pay for a wide range of health care and dependent care expenses. You can find useful information about and sign up for FSAFEDS on its website, www.fsafeds.com. Also, if you currently participate, you must re-enroll for 2007.

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is a new program. FEDVIP allows individuals to sign up for supplemental dental and vision benefits. To sign up for dental and/or vision insurance, please go to the BENEFEDS website at www.benefeds.com.

If you need to make changes to your health insurance, the FEHB open season will run from November 13, 2006, through December 11, 2006. During this time period, you have the option to make changes to your current plan or switch to another plan. For employees of the Offices, Boards, and Divisions, please access an FEHB memo at www.usdoj.gov/jmd/ps/memfehb-os-06.htm. All transactions must be completed by close of business, December 11, 2006. Changes that are made during this 2006 Open Season period are effective January 7, 2007 (the first day of the first full pay period of the new year).

Annual Leave Restoration Requirements

Employees and managers share a long-standing responsibility for planning and scheduling annual leave throughout the year. Positive action should be taken to assure that annual leave is scheduled for use during the year so as to avoid its forfeiture at the end of the leave year.

However, for scheduled leave that cannot be used, there are annual leave restoration procedures for the 2006 leave year. In accordance with the DOJ Order 1630.1B, Leave

Administration dated July 22, 1991, there are strict criteria and documentation requirements which must be met before annual leave in excess of an employee's ceiling (referred to as "use or lose leave") is eligible for restoration, and leave must be scheduled on or before November 25, 2006.

If you have questions, please contact your servicing human resources office for guidance.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 13, 2006 12:50 PM
Subject: 601 Pennsylvania Ave. and P7/ERF: E-mail Interruption of Services
Importance: High

JCON E-mail Interruption of Service to
601 Pennsylvania Ave. and P7/ERF

SMO/JMD JCON Customers located at 601 Pennsylvania Ave. and P7/ERF, are currently experiencing delayed e-mail receipt and delivery services due to a JUTNet circuit issue. Please coordinate your communications with these locations accordingly. An e-mail message will be sent out when the issue is resolved.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 13, 2006 2:17 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT RESOLVES LAWSUIT ALLEGING DISCRIMINATION BY THE CITY OF PHILADELPHIA

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 13, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT RESOLVES LAWSUIT ALLEGING DISCRIMINATION BY THE CITY OF PHILADELPHIA

WASHINGTON – The Justice Department today announced the filing of a settlement order to resolve a lawsuit filed against the city of Philadelphia under the Americans with Disabilities Act (ADA). In September 2004, the Justice Department intervened in a lawsuit filed by John Gill Smith, which alleged that paramedics employed by the city refused to provide him with appropriate medical care upon learning of his HIV status. Under the terms of today's agreement, which still must be approved by a federal court, Philadelphia will provide paramedics employed by the city with ongoing training on appropriate and nondiscriminatory treatment of patients with infectious diseases, specifically HIV/AIDS. The city will also pay Mr. Smith $50,000 in damages.

"Vital emergency medical services must be provided in a non-discriminatory manner to all persons who need them," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to ensuring that cities carry out this important function responsibly and in accordance with federal law."

"This agreement protects both the patient and, by requiring proper training, the emergency responders," said Pat Meehan, U.S. Attorney for the Eastern District of Pennsylvania. "Emergency response is a key link in the continuum of care and this agreement ensures the highest quality of care to those in great need."

Title II of the ADA prohibits public entities, such as the city of Philadelphia, from discriminating against any individual on the basis of disability with respect to the services, programs or activities of the public entity. Section 504 of the Rehabilitation Act includes a parallel prohibition covering programs or activities which receive federal financial assistance.

Additional information about the Civil Rights Division of the Justice Department is available at http://www.usdoj.gov/crt/. Those interested in finding out more about federal disability rights statutes can call the Justice Department's toll-free ADA Information Line at 800-514-0301 or 800-514-0383 (TDD) or access the ADA Web site at http://www.ada.gov.

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DOJ_NMG_ 0170233

DOJ_NMG_ 0170234

Image not available for this document, ID: 0.7.10316.19291-000001

Image not available for this document, ID: 0.7.10316.19291-000002

Amber.JMD

From: Amber.JMD
Sent: Monday, November 13, 2006 3:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Spindale, NC

From: AmberAlert-DOJ
Sent: Monday, November 13, 2006 3:35:01 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Spindale, NC
Auto forwarded by a Rule

AMBER ALERT:Spindale,NC VEH:96 Grey 4D Ford Taurus TAG:NC VZE9527 CHILD:B/F,3YRS, 2'5, 40-43lbs Eye:Brn Hai:Blk SUSP:B/M,5'11,270lbs Hai:Bald CALL 828-286-3464
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2722

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, November 13, 2006 3:36 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN BUFFALO, N.Y.

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, NOVEMBER 13, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN BUFFALO, N.Y.

WASHINGTON – Attorney General Alberto R. Gonzales will hold a press conference to discuss efforts to fight crime along the U.S./Canada border on **TUESDAY, NOVEMBER 14, 2006**.

WHO: Attorney General Alberto R. Gonzales
Terrance "Terry" Flynn, U.S. Attorney for the Western District of New York

WHAT: Press Conference to highlight efforts to fight crime along the U.S./Canada border.

WHEN: Tuesday, November 14, 2006
1:00 P.M. EDT

WHERE: Library
6th Floor
U.S. Attorney's Office
138 Delaware Avenue
Buffalo, N.Y.

NOTE: All media must present valid photo ID and media credentials. Pre-set for camera crews is **no later than 12:15 P.M. EST**. All other media must arrive no later than 12:30 PM EST. All press inquiries regarding logistics should be directed to Evan Peterson at 202-353-5748 or Peggy McFarland at 716-289-7466.

# # #

06-759

DOJ_NMG_ 0170238

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Image not available for this document, ID: 0.7.10316.19292-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, November 13, 2006 5:59 PM
To: USDOJ- Office of Public Affairs
Subject: FOUR ARMY NATIONAL GUARD SOLDIERS PLEAD GUILTY TO CHARGES INVOLVING FRAUD AND THEFT FROM THE ARMY

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 13, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FOUR ARMY NATIONAL GUARD SOLDIERS PLEAD GUILTY TO CHARGES INVOLVING FRAUD AND THEFT FROM THE ARMY

WASHINGTON – Four members of the California Army National Guard pleaded guilty to conspiracy charges related to their embezzlement of money from the U.S. Army, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The defendants, Jennifer Anjakos of Chula Vista, Calif., Lomeli Chavez of Oceanside, Calif., and Derryl Hollier and Luis Lopez of Los Angeles, each pleaded guilty to one count of conspiracy to commit wire fraud in U.S. District Court for the Central District of California in Los Angeles. Each defendant faces up to five years in prison, a fine of $250,000 and supervised release following their incarceration. As part of their plea agreements, the defendants have agreed to cooperate with the government's ongoing investigation. Sentencing has been set for January 29, 2007.

The defendants were members of the 223rd Finance Detachment, a unit of the California National Guard that processes pay for Army National Guard members, and were deployed together to Iraq from March 2004 until February 2005, when they returned to Compton, Calif. Beginning in March 2005, and continuing through December 2005, a co-conspirator accessed a Department of Defense pay-processing computer system and inputted over $340,000 in unauthorized pay and entitlements for himself and the defendants. In return, Anjakos, Chavez, Hollier and Lopez kicked back at least $150,000 of the money they received to the co-conspirator, who in turn laundered those funds through various domestic bank accounts.

These cases are being prosecuted by Trial Attorneys James A. Crowell IV and John P. Pearson of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci of the Criminal Division. These cases are being investigated by the Army Criminal Investigation Division, the Internal Revenue Service Criminal Investigation, the Federal Bureau of Investigation, and the Defense Criminal Investigative Service. The prosecution has received substantial assistance from the Army Audit Agency.

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06-761

DOJ_NMG_ 0170241

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Image not available for this document, ID: 0.7.10316.19259-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, November 13, 2006 6:04 PM
To: USDOJ- Office of Public Affairs
Subject: SHIPPING COMPANY SENTENCED FOR VESSEL POLLUTION

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 13, 2006
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

SHIPPING COMPANY SENTENCED FOR VESSEL POLLUTION

WASHINGTON – The Sun Ace Shipping Company, based in Seoul, South Korea, was sentenced today to pay a $400,000 penalty, a $100,000 community service payment to the National Fish and Wildlife Program, Delaware Estuary Grants Program, which will be used to protect and restore the natural resources of the Delaware Estuary and its watershed, and to a three-year term of probation during which its vessels will be banned from U.S. ports and waters. On Sept. 6, 2006, Sun Ace Shipping pleaded guilty to a one-count information for violating the Act to Prevent Pollution from Ships (APPS) in relation to the operation of a bulk carrier vessel the *M/V Sun New*. A trial date for the Chief Engineer and Second Engineer, who were charged in a three-count indictment with conspiracy, obstruction of justice, and a violation of the APPS, has been set for Dec. 5, 2006, in front of Judge Susan D. Wigenton in Newark, N.J.

Sun Ace Shipping was charged with knowingly failing to maintain an accurate Oil Record Book that fully recorded the disposal of oil residue and bilge into the ocean and then falsifying records to conceal illegal discharges.

Engine room operations on board large oceangoing vessels such as the *M/V Sun New* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an Oily Water Separator. The law also requires that all overboard discharges be recorded in an Oil Record Book, a required log which is regularly inspected by the Coast Guard.

In addition, the government has petitioned the court for an award under the APPS to be granted to three crew members of the *M/V Sun New* who reported the use of the bypass hoses and the illegal dumping to the Seamen's Church Institute of Philadelphia and South New Jersey on Jan. 2, 2006. This report and the subsequent assistance of these three crew men were key to the government's investigation and prosecution of the case. APPS gives the Court the discretion to award up to half of the criminal penalty to the whistleblowers, and the Justice Department has requested that the court divide the $200,000 equally among the three crew men who reported the dumping. The Department's petition is still under review by the court.

This case was investigated by marine inspectors from Coast Guard Sector Delaware Bay and special agents from the Coast Guard Investigative Service and the Environmental Protection Agency Criminal Investigation Division. The case is being prosecuted by Trial Attorney David Kehoe in the Environmental Crimes Section in the Justice Department's Environment and Natural Resources Division.

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06-760

DOJ_NMG_ 0170245

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Image not available for this document, ID: 0.7.10316.19249-000002

Amber.JMD

From: Amber.JMD
Sent: Monday, November 13, 2006 6:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Pine Bluff, AR

From: AmberAlert-DOJ
Sent: Monday, November 13, 2006 6:35:02 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Pine Bluff, AR
Auto forwarded by a Rule

AMBER ALERT:Pine Bluff,AR CHILD:12YRS BLACK F 5FT5IN 110LBS Eyes:BROWN Hair:BROWN CHILD:13YRS BLACK M 5FT4IN Eyes:BROWN Hair:BROWN CALL 870-541-5300
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2723

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Tuesday, November 14, 2006 4:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Rocky Mount, NC

From: AmberAlert-DOJ
Sent: Tuesday, November 14, 2006 4:35:02 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Rocky Mount, NC
Auto forwarded by a Rule

UPDATE AMBER ALERT:Rocky Mount,NC VEHICLE:1994 Teal 4-door Honda Accord TAG:NC VRD3824 CHILD:2 W/F Hair:Brn SUSPECT:B/M 6'00" 200 lbs CALL (252) 972-1411
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2742

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Langford, Natalie

From:	Langford, Natalie
Sent:	Tuesday, November 14, 2006 8:45 AM
To:	CRS AG Weekly Report Recipients
Subject:	CRS AG Weekly 11.14.2006
Attachments:	CRS AG Weekly 11-14-2006.doc

Attached please find the Community Relations Service's Weekly Report for the Attorney General.

Thank you,

Natalie Langford
Community Relations Service
United States Department of Justice
(202) 305-2991

November 14, 2006

MEMORANDUM FOR THE ATTORNEY GENERAL

THROUGH: THE DEPUTY ATTORNEY GENERAL

THROUGH: THE ASSOCIATE ATTORNEY GENERAL

FROM: Sharee M. Freeman
Director, Community Relations Service

SUBJECT: Weekly Report[1]

A. Next Week

No new entries to report.

B. This Week

- ***CRS to Conduct Hate Crimes Program in Boylston, MA***
  On November 15, 2006, CRS will be in Boylston, MA, at the request of the Attorney General of Massachusetts to conduct a Hate Crimes program for the Boylston Regional Police Academy, which serves approximately 66 police departments in the local area. The program seeks to better assist and inform law enforcement officers in addressing and responding to hate incidents that occur in the state, and is being conducted in response to community tensions following a series of racially motivated incidents throughout the area during the past year.

- ***CRS to Monitor Demonstration in Newburgh, NY***
  On November 13, 2006, CRS will be in Newburgh, NY to provide self-marshal training, contingency planning, and technical assistance in monitoring a planned demonstration to be held by African American community leaders and members. The demonstration is reportedly being held to protest concerns and allegations of police use of excessive force, following the recent police fatal shooting of an African American on October 31, 2006.

[1] This report is an internal document that is not intended for distribution outside of the Department of Justice.

DOJ_NMG_ 0170251

- ***CRS to Conduct Student Problem Identification and Resolution of Issues Together Program in Carroll County, MD***
  On November 17, 2006, CRS will be in Carroll County, MD to conduct its Student Problem and Identification and Resolution of Issues Together (SPIRIT) Program at Century High School. The program is being conducted in response to racial tensions and physical altercations among African American, Hispanic, and White students. The program is designed to enhance students' cultural awareness and promote a multicultural learning environment.

- ***CRS to Facilitate Race Dialogue in East Lansing, MI***
  On November 15, 2006, CRS will be East Lansing, MI to facilitate a race dialogue sponsored by Michigan State University. The dialogue is being convened in response to racial tensions among the campus following two separate alleged hate speech incidents, one in which a professor sent racially discriminatory messages to the Arab student body, and a subsequent incident involving racially derogatory messages regarding Hispanic students.

C. Last Week

No new entries to report.

D. Long Range Events

No new entries to report.

COMMUNITY RELATIONS SERVICE CONTACT:
JAIME LYON AT (202) 305-2934

DOJ_NMG_ 0170252

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 14, 2006 9:59 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 14, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, November 14, 2006

ATTORNEY GENERAL

1:00 P.M. EST

Attorney General Gonzales will participate in a press conference with Terrance P. Flynn, United States Attorney for the Western District of New York, regarding security along the U.S./Canada border.
U.S. Attorney's Office
Library
6th Floor
138 Delaware Avenue
Buffalo, New York
OPEN PRESS

All press inquiries regarding logistics should be directed to Evan Peterson at 202-353-5748 or Peggy McFarland at 716-289-7466.

PRESS RELEASES

No releases scheduled.

EVENTS/HEARINGS

8:30 A.M. EST

FBI Director Robert Mueller will host a press availability with Romanian Justice Minister Monica Macovei.
Ministry of Justice
Bucharest, Romania
OPEN PRESS

Press inquiries regarding logistics should be directed to the FBI National Press Office at 202-324-3691.

NIGHT DUTY OFFICER

Charles Miller

DOJ_NMG_ 0170253

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170254

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Image not available for this document, ID: 0.7.10316.19126-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 14, 2006 1:02 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE BUFFALO BORDER VISIT PRESS CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 14, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE BUFFALO BORDER VISIT PRESS CONFERENCE

BUFFALO, NEW YORK

Good afternoon. Joining me on the stage is Erie County Sherriff Timothy Howard and U.S. Attorney Terry Flynn.

I am pleased to be here in Buffalo to commend the important work being done by the U.S. Attorney's Office for the Western District of New York and our law enforcement partners here. I would also like to recognize Mike Battle, the former U.S. Attorney for Western New York and now Director of the Executive Office for U.S. Attorneys, who traveled up with me from Washington.

I had the opportunity today to see some of the border crossings around the area, and to hear about the different challenges to our law enforcement community. I also had the opportunity to discuss the close working relationship we have with our counterparts in Canada. The strong partnership we have with our northern neighbor is crucial to our efforts to face these challenges.

We have worked hard over the past few years to develop innovative programs to tackle many of our greatest challenges along the border…including drugs, firearms, border enforcement, and mass-marketing fraud. We have had many successes, and our hard work is paying off.

Today I am also pleased to announce an important step forward in our efforts against crime in the Western District of New York—the creation of a new Human Trafficking Task Force.

Human trafficking is a violation of the human body, mind, and spirit. And President Bush has made pursuing and prosecuting human traffickers a top priority. Here in the Buffalo area, local law enforcement and non-

DOJ_NMG_ 0170257

governmental organizations came together and sought federal help in their fight against this modern-day slavery, and we are proud to support their cooperative approach.

It was through the cooperation of local groups and the Department of Justice that we were able to shut down a forced labor operation involving Mexican field workers at pumpkin farms not far from here in Albion.

This case shows that no region of our country is immune from the cruelty of human trafficking, and this area is no exception. Indeed, its large ethnic communities and the many farming communities utilizing migrant labor are factors making this area attractive to human traffickers. By coming together to address this problem, Western New York is taking a stand against human exploitation.

We know that we must work together to fight human trafficking, and we must intensify our efforts. Because right now the victims of these criminals are out there…they are suffering, and they are waiting for our help.

I am proud to be working with your local law enforcement, like Sherriff Howard, and your community organizations as we strive to save these men, women, and children so that all of us may enjoy the blessings of our free society.

And now I'd be happy to take any questions.

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Image not available for this document, ID: 0.7.10316.18995-000002

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Wednesday, November 15, 2006 8:54 AM
To:	USDOJ- Office of Public Affairs
Subject:	BOP: JACK ABRAMOFF BEGINS SERVICE OF SENTENCE
Attachments:	Abramoff Press Release.pdf

U.S. Department of Justice

Federal Bureau of Prisons

Federal Correctional Institution
Cumberland, MD 21502

November 15, 2006

For Immediate Release

Stephen Finger, Camp Administrator
Public Information Officer
301-784-1000

Jack Abramoff Begins Service of Sentence

On November 15, 2006, at approximately 6:30 a.m., Jack Abramoff arrived at the Federal Prison Camp, Cumberland, Maryland, for service of his sentence. Abramoff was sentenced in the Southern District of Florida to a term of 70 months imprisonment for Wire Fraud and Conspiracy to Commit Wire Fraud and Mail Fraud. Additionally, he was sentenced to a three-year term of supervised release. The Federal Prison Camp, Cumberland, Maryland is a 334-bed minimum security facility located adjacent to the Federal Correctional Institution. The institution is located south of Cumberland, Maryland, approximately 130 miles west of Washington, DC.

Media Inquiries regarding this announcement may be directed to the Bureau of Prisons Office of Public Affairs at 202-514-6551.

# # #

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 10:12 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 15, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 15, 2006

ATTORNEY GENERAL

No scheduled events.

PRESS RELEASES

The Criminal Division will issue a release on the 1:30 P.M. CDT sentencing of Richard A. Causey in Houston. (Sierra)

EVENTS/HEARINGS

No schedule events.

NIGHT DUTY OFFICER

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170263

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Image not available for this document, ID: 0.7.10316.18623-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 12:23 PM
To: USDOJ- Office of Public Affairs
Subject: NATIONAL DRUG INTELLIGENCE CENTER RELEASES NATIONAL DRUG THREAT ASSESSMENT 2007

Attached please find a copy of the *National Drug Threat Assessment 2007*.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 15, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
NDIC (202) 532-4037

NATIONAL DRUG INTELLIGENCE CENTER RELEASES NATIONAL DRUG THREAT ASSESSMENT 2007

WASHINGTON — The National Drug Intelligence Center, a component of the Department of Justice, has released the *National Drug Threat Assessment 2007* detailing national drug trafficking and abuse trends within the United States. The assessment identifies the primary drug threats to the nation, tracks drug availability throughout the country, and analyzes trafficking and distribution patterns of illicit drugs within the United States. It evaluates the threat posed by illegal drugs comparing availability, production and cultivation, transportation, distribution, and demand.

The *National Drug Threat Assessment 2007* details these emerging threats based on the most currently available law enforcement, intelligence, and public health reporting and data.

Key findings of the report are as follows:

- Following a sharp decrease in methamphetamine production within the United States, Mexican drug trafficking organizations (DTO), who produce ice methamphetamine in Mexico, have gained considerable strength and expanded their presence in drug markets throughout the country, including smaller communities in Midwestern and Eastern states.

- The expanded presence of Mexican DTOs in drug markets throughout the country have enabled some to introduce Mexican black tar and brown powder heroin in southeastern and Midwestern states. Although South American heroin is still the predominant heroin in most eastern drug markets, Mexican DTOs' ability to sell Mexican heroin beyond traditional western state heroin markets presents new challenges to law enforcement.

- Although coca cultivation is higher than previously estimated, cocaine availability and use in the United States have not significantly changed.

- Ecstacy (MDMA) availability and distribution have increased significantly. Asian DTOs based in Canada have gained control over most MDMA distribution in the United States and have expanded distribution to a level similar to that of 2001.

- Asian criminal groups based in Canada have contributed significantly to both the increase in potency of marijuana and its distribution throughout the United States.

- While rates of pharmaceutical drug abuse exceed that of all other drugs except marijuana, recent successes in reducing the illegal diversion of pharmaceutical drugs, particularly pharmaceutical narcotics such as OxyContin, have caused some individuals addicted to such drugs to substitute other drugs, such as heroin, for prescription narcotics.

- Most Mexican and Colombian DTOs have resorted to consolidating illicit drug proceeds into large bulk cash shipments and smuggling them into Mexico primarily through south Texas. U.S. regulatory and law enforcement efforts have made it increasingly difficult for drug traffickers to launder illicit proceeds in U.S. financial institutions.

The National Drug Threat Assessment 2007 was prepared in partnership with federal, state, and local agencies. The assessment also has incorporated information collected through the administration of the National Drug Intelligence Center's national survey of more than 3,200 state and local law enforcement agencies and thousands of field interviews with law enforcement and public health officials.

A copy of the *National Drug Threat Assessment 2007* can be found at our Web site at http://www.usdoj/ndic

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National Drug Threat Assessment

2007

National Drug Intelligence Center
U.S. Department of Justice

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National Drug Threat Assessment 2007

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National Drug Threat Summary

The trafficking of illicit drugs such as cocaine, heroin, marijuana, methamphetamine, and MDMA (the leading drug threats to the United States) is undergoing strategic shifts in response to sustained and effective international and domestic counterdrug efforts. These changes—shifting cocaine and methamphetamine production trends, the increasing influence of Mexican and Asian criminal groups in domestic drug distribution, rising availability of more potent forms of methamphetamine and marijuana, and the substitution of illicit drugs for prescription narcotics—represent great challenges to law enforcement agencies and policymakers attempting to extend recent successes.

Coca cultivation is higher than previously estimated, and cocaine availability and use in the United States has not significantly changed despite record interdictions and seizures. Demonstrable progress in disrupting Colombia coca cultivation since 2001, particularly through aerial eradication, has forced growers to cultivate coca in nontraditional growing areas of Colombia. As a result, intelligence agencies are now challenged to expand their survey areas and reexamine cultivation and production estimates for previous years. Aerial eradication resources will be stretched to cover wider growing areas in Colombia. A lesser concern is the potential for drug trafficking organizations (DTOs) to significantly increase coca cultivation in Bolivia and Peru, where cultivation is much lower than mid-1990s levels but has increased recently in both countries.

Recent success in greatly reducing domestic methamphetamine production has also resulted in new challenges for law enforcement. Following a sharp decrease in methamphetamine production nationally (laboratory seizures decreased 42 percent from 2004 (10,015) to 2005 (5,846), and preliminary 2006 data show continued declines), most production and distribution were consolidated under the control of Mexican DTOs producing and distributing higher purity ice methamphetamine, supplanting local independent powder methamphetamine producers and dealers. As a result, Mexican DTOs gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in midwestern and eastern states. These stronger, more organized, and insulated distribution groups have proven to be much more difficult for local law enforcement to detect and disrupt than the local dealers that they have replaced.

As Mexican DTOs and criminal groups have expanded their control over methamphetamine distribution, many such groups have introduced Mexican black tar and brown powder heroin in southeastern and midwestern states, where Mexican heroin was never or very rarely observed as recently as 2005. Although South American heroin is still the predominant type in most eastern drug markets, Mexican DTOs' ability to advance Mexican heroin beyond traditional western state heroin markets presents new challenges to law enforcement as more groups make the drug consistently available to individuals even in smaller, more rural eastern communities.

Marijuana potency has increased sharply. The production of high potency marijuana in Canada and the United States by Asian criminal groups has been a leading contributor to rising marijuana potency throughout the United States. In fact, average potency of seized marijuana samples has more than doubled from 2000 through 2005, since trafficking by Asian DTOs has increased significantly. Recently, however, Mexican DTOs have also begun producing higher potency marijuana (derived from cannabis cultivated in outdoor plots in California), most likely in an effort to compete with Asian DTOs for high potency marijuana market share. The result may be further increases in average marijuana potency in the United States in the near term.

Since 2004 MDMA trafficking has increased significantly. Canada-based Asian DTOs have also recently gained control over most MDMA distribution in the United States and have expanded distribution of the drug to a level similar to that of 2001, when availability peaked under the control of Israeli DTOs that were largely dismantled by law enforcement. Asian DTOs, however, appear to be stronger than their Israeli predecessors. For example, Asian DTOs trafficking MDMA distribute wholesale quantities of MDMA produced in Canada, and MDMA production by Canada-based Asian groups is increasing. Moreover, Asian DTOs have established much wider distribution networks than did Israeli DTOs. Whereas Israeli MDMA distributors operated primarily in the Los Angeles, Miami, and New York City areas, Asian DTOs have strong distribution networks operating in most states throughout the country.

Rates of pharmaceutical drug abuse exceed that of all other drugs except marijuana, resulting in a high number of pharmaceutical overdose deaths annually. However, recent success within several states in reducing the illegal diversion of pharmaceutical drugs, particularly pharmaceutical narcotics such as OxyContin, through various antidiversion initiatives and monitoring programs has caused some individuals addicted to or dependent on such drugs to substitute other drugs, such as heroin, for prescription narcotics. In some areas, such substitutions among prescription drug abusers have been widespread, creating new challenges for local law enforcement and public health agencies compelled to address a widening local heroin user population.

U.S. regulatory and law enforcement actions, which have made it increasingly difficult for drug traffickers to place illicit proceeds directly into U.S. financial institutions, have resulted in most Mexican and Colombian DTOs avoiding such money laundering methods. Instead, both Mexican and Colombian DTOs transport illicit drug proceeds from U.S. drug markets to other U.S. locations for consolidation. The proceeds often are transported in bulk to an area near the U.S.–Mexico border and are either smuggled into Mexico at Southwest Border ports of entry (POEs), primarily in South Texas, or remitted electronically to Southwest Border locations, where the transferred cash is then smuggled across the U.S.–Mexico border.

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National Drug Threat Assessment 2007

Scope and Methodology

The *National Drug Threat Assessment 2007* is a comprehensive assessment of the threat posed to the United States by the trafficking and abuse of illicit drugs and the diversion and abuse of licit drugs. It was prepared through detailed analysis of the most recent law enforcement, intelligence, and public health data available to counterdrug agencies through the date of publication. However, considerable time lags in some counterdrug reporting occasioned by competing operational priorities, manpower limitations, strained collection capabilities, and proprietary concerns often impede timely reporting of some data, which, to some extent, inhibits the accuracy of predictive analysis. To overcome data deficiencies, recent law enforcement and intelligence community reporting was extensively incorporated into the report.

The *National Drug Threat Assessment 2007* includes information provided by 3,267 state and local law enforcement agencies through the National Drug Intelligence Center's National Drug Threat Survey (NDTS) 2006. State and local law enforcement agencies also provided information through personal interviews with National Drug Intelligence Center Field Program Specialists, a nationwide network of law enforcement professionals assembled by NDIC to promote information sharing among federal, state, and local law enforcement agencies.

This report addresses the trafficking and use of primary drugs of abuse as well as the laundering of proceeds generated through illicit drug sales. It also addresses the role drug trafficking organizations and organized gangs serve in domestic drug trafficking. Major drugs of abuse are discussed in terms of their availability, production and cultivation, transportation, distribution, and demand. Drug trends are also identified and addressed for each Organized Crime Drug Enforcement Task Force (OCDETF) region.

Availability. To evaluate the availability of illicit drugs, analysts considered quantitative information on seizures, investigations, arrests, law enforcement surveys, laboratory analyses, drug purity or potency, and price. Qualitative data, such as the subjective views of individual agencies on availability and the relationship between individual drugs and crime, particularly violent crime, also were considered.

Production and Cultivation. To evaluate illicit drug production and cultivation, analysts considered accepted interagency estimates. Qualitative information pertaining to the presence and level of domestic and foreign activity, general trends in production or cultivation levels, involvement of organized criminal groups, toxicity and other related safety hazards, environmental effects, and associated criminal activity were also considered.

Transportation. To evaluate illicit drug transportation, analysts evaluated interagency estimates of the amounts of specific drugs destined for U.S. markets, involvement of organized criminal groups, smuggling and transportation methods, and indicators of changes in smuggling and transportation methods.

Distribution. The evaluation of illicit drug distribution was mostly qualitative. Analysts considered the extent to which specific drugs are distributed nationally, regionally, and in principal distribution centers based on law enforcement reporting. Also considered were qualitative data pertaining to the involvement of organized criminal groups, including their involvement in wholesale, midlevel, and retail distribution.[1]

Demand. The evaluation of the domestic demand for illicit drugs was based on accepted interagency estimates and data captured in national substance abuse indicators. Quantitative and qualitative information that was evaluated include the estimated number of total users, prevalence of drug use among various age groups, emergency department information, and admissions to treatment facilities. The differing methodologies applied by national substance abuse indicators, as well as their inherent limitations, were considered and addressed in assessing domestic drug demand.

National Drug Threat Survey data used in this report do not imply that there is only one drug threat per state or region or that only one drug is available per state or region. A percentage given for a state or region represents the proportion of state and local law enforcement agencies in that state or region that identified a particular drug as their greatest threat or as available at low, moderate, or high levels. This assessment breaks the country into nine regions as shown in Map 1 in Appendix A. For representation of survey data by regions, see Map 2 and Map 4, respectively, in Appendix A.

1. In this assessment, wholesale distribution refers to the level at which drugs are purchased directly from a source of supply and sold, typically to midlevel distributors, in pound, kilogram, or multiunit quantities. Midlevel distribution refers to the level at which drugs are purchased directly from wholesalers in pound, kilogram, or multiunit quantities and sold in smaller quantities to other midlevel distributors or to retail distributors. Retail distribution refers to the level at which drugs are sold directly to users.

Cocaine

Strategic Findings

- Cocaine production estimates for 2005 are significantly higher because of newly discovered coca fields in Colombia.
- South Texas remains the leading entry area for cocaine smuggled into the United States.
- Mexican DTOs have developed Atlanta as a staging area for direct wholesale cocaine distribution to East Coast drug markets.

Overview

Despite the fact that the highest recorded level of cocaine interdiction and seizure was recorded in 2005—the fifth consecutive record-setting increase—there have been no sustained cocaine shortages or indications of stretched supplies in domestic drug markets. These seemingly inconsistent trends suggest greater source country supply than was previously estimated, an assertion supported by a recent upwardly revised cocaine production estimate for 2005. The movement of cocaine shipments from South America toward the United States, primarily via Mexico, has not abated or noticeably shifted to new routes or conveyance methods despite smugglers' sharply rising losses. Indeed, cocaine trafficking organizations have thus far succeeded in maintaining sufficient cocaine production and subsequent conveyance, primarily to Mexican DTOs who control most domestic wholesale transportation and distribution—a dominance slowly extending eastward.

Colombia coca eradication has forced farmers into nontraditional coca growing areas: Sustained and intense coca eradication in Colombia—the source of an estimated 70 percent of the world's cocaine supply—has diminished coca cultivation in traditional growing areas since Colombian cultivation peaked in 2001. In 2005, however, an 81 percent increase in the landmass surveyed by the U.S. government revealed that some coca growers have adapted to eradication efforts by moving out of traditional growing areas and establishing fields in areas not known for large-scale coca cultivation. In the areas surveyed during 2004, coca cultivation declined from 114,100 hectares in 2004 to 105,400 hectares in 2005. But countrywide, cultivation increased because an additional 39,000 hectares of coca was discovered outside the previously surveyed areas. As a result of the discovery of these new coca fields, the estimated amount of pure cocaine that could have been produced in the Andean region increased from 640 metric tons in 2004 to 780 metric tons in 2005 (see Table 1 on page 4). Since these discoveries, a review of previous yearly coca cultivation and cocaine production estimates has commenced; this review may result in previous annual cocaine production estimates being revised upward.

Coca cultivation in Bolivia and Peru has the potential to increase significantly and to replace some of the decreased cultivation in Colombia: Cocaine production in Bolivia and Peru is at a much lower level than in Colombia. However, illegal coca cultivation has increased to its highest level in 5 years. Moreover, cultivation in these countries could substantially increase, since both countries possess the potential to cultivate much more coca as was demonstrated in 1995, when the countries were estimated to have cultivated 163,900[2] hectares of coca (99,400 hectares more than was cultivated in 2005). Although increased coca cultivation in Bolivia and Peru would not be sufficient to sustain supplies if cultivation in Colombia were significantly diminished, increasing cultivation in Bolivia and Peru would certainly delay any observable shortages in cocaine supplies in U.S. drug markets.

2. Methodologies for estimating coca cultivation have changed since 1995, and using current methodologies would quite likely result in a somewhat higher or lower estimate than that derived in 1995. Nevertheless, there is no question that the amount of coca cultivated in Bolivia and Peru in the mid-1990s greatly exceeds estimates for 2005.

Table 1. Estimated Andean Region Coca Cultivation and Potential Pure Cocaine Production, 2001–2005

	2001	2002	2003	2004	2005
Net Cultivation (hectares)	221,800	200,750	166,300	166,200	208,500
Bolivia	19,900	21,600	23,200	24,600	26,500
Colombia	169,800	144,450	113,850	114,100	144,000
Peru	32,100	34,700	29,250	27,500	38,000
Potential Pure Cocaine Production (metric tons)	920	820	675	640	780
Bolivia	60	60	60	65	70
Colombia	700	585	460	430	545
Peru	160	175	155	145	165

Source: Crime and Narcotics Center.

Record-level cocaine seizures have not forced a shift in cocaine transit routes to the United States or the principal methods of transport: The amount of cocaine lost or seized in transit toward the United States increased for the fifth straight year in 2005 (see Table 2) to the highest level ever recorded. Most of these seizures occurred in the Eastern Pacific and Western Pacific Vectors, usually while en route to Mexico. In fact, approximately 90 percent of the documented cocaine flow events destined for the United States transited the Mexico–Central America corridor (see Map 5 in Appendix A). Although this percentage may be somewhat inflated because of underreporting in other regions, where there are fewer U.S. counterdrug assets or actionable intelligence, the Mexico–Central America corridor is, nevertheless, the predominant transit route for cocaine destined for the United States. The predominance of this transit route has not diminished and, in fact, has increased over the past 7 years despite consistently increasing seizures of cocaine shipments in this corridor. Moreover, the primary modes of conveyance—go-fast boats and fishing vessels—have not changed even as interdictions, arrests of smugglers, and vessel seizures continue to climb. Nevertheless, some smaller shifts have occurred over the past 3 years (extending Eastern Pacific transportation routes farther offshore, using more decoy vessels, and decreasing use of Colombia-flagged smuggling vessels, instead utilizing vessels from less cooperative countries) in response to law enforcement pressure.

Table 2. Cocaine Lost or Seized in Transit Toward the United States in Metric Tons, 2000–2005

2000	2001	2002	2003	2004	2005
117	141	143	157	197	234

Source: *Interagency Assessment of Cocaine Movement.*

Cocaine smuggling into the United States via East Coast, Puerto Rico, and U.S. Virgin Islands POEs has declined to low levels as smuggling via the U.S.–Mexico border, particularly in South Texas, remains very high: Drug seizure data suggest that the practice of smuggling cocaine shipments directly to East Coast POEs or through Puerto Rico and the U.S. Virgin Islands has decreased since 2000, now accounting for less than 26 percent of all cocaine seizures in the arrival zone (see Table 3 on page 5). During that same period, cocaine seizures at the Southwest Border have fluctuated but have usually remained within a consistent range, now accounting for 74 percent of cocaine seizures in the arrival zone. Seizure data further suggest

Table 3. Cocaine Seizures in the U.S. Arrival Zone, in Metric Tons, 2000–2005

Arrival Zone Area	2000	2001	2002	2003	2004	2005
Southwest Border	23	20	23	15	20	23
Puerto Rico/U.S. Virgin Islands	6	6	2	8	7	4
U.S. East Coast	14	11	9	9	5	4
U.S. Other	0	0	0	0	3	0

Source: *Interagency Assessment of Cocaine Movement.*

that within the Southwest Border area during the 7-month period from October 2005 through April 2006 more cocaine was seized in the South Texas Sector (11,157 kg) than in the Southern California Sector (3,871 kg), Arizona Sector (3,465 kg), or West Texas Sector (793 kg). Seizures made at the Laredo, Hidalgo, and Progresso POEs accounted for over 70 percent of the cocaine seized in the South Texas Sector.

Mexican DTOs continue to expand their dominance over wholesale cocaine distribution eastward, using Atlanta as a primary distribution hub for East Coast distribution: Over the past several years, Mexican DTOs have developed cocaine distribution hubs in eastern states to extend their control over wholesale cocaine distributors in East Coast drug markets, slowly supplanting Colombian and Dominican DTOs. Atlanta is the leading cocaine staging and distribution hub developed by Mexican DTOs for cocaine distribution in East Coast drug markets, including those in Florida and New York. Mexican DTOs are also establishing a strong presence in eastern cities such as Cleveland and Columbus (OH) for significant regional distribution. Despite the encroachment of Mexican DTOs, Colombian and Dominican DTOs remain the primary wholesale distributors of cocaine in many large East Coast drug markets, including Boston, Miami, New York City, and Philadelphia, but their control is diminishing. Some Colombian and Dominican organizations in these cities increasingly are employing Mexican DTOs to smuggle cocaine into the United States on their behalf, but they also continue to transport cocaine through the Caribbean, including to Puerto Rico, for subsequent transport to the East Coast.

Cocaine demand is stable: Indicators of domestic cocaine demand show that the demand for cocaine in the United States is relatively stable. According to National Survey on Drug Use and Health (NSDUH) data, past year cocaine use (in any form) by individuals 12 and older has not increased or decreased significantly since 2002. NSDUH and Monitoring the Future (MTF) data indicate that past year cocaine use among adolescents has also remained stable during this same period.

Intelligence Gaps

Interagency Assessment of Cocaine Movement (IACM) estimates of the percentage of cocaine moving toward the United States through the Eastern and Central Caribbean most likely are lower than the actual percentage of the total flow (see Map 5 in Appendix A). The number of drug events recorded by the Consolidated Cocaine Database (CCDB)—the basis of IACM flow estimates—is underreported in those areas because there are fewer U.S. counterdrug assets available in the region to provide such reports. The extent of the underreporting currently is undeterminable.

Methamphetamine

Strategic Findings

- Sharp decreases in domestic methamphetamine production since 2004 have been offset by increased production in Mexico for U.S. distribution by Mexican DTOs.
- Recent strong chemical control efforts in Mexico may be challenging Mexican DTOs' ability to maintain their current high level of methamphetamine production.
- Mexican DTOs and criminal groups are expanding their position relative to methamphetamine distribution, particularly ice methamphetamine distribution, in the eastern United States.

Overview

Methamphetamine production and distribution trends are undergoing significant strategic shifts, resulting in new challenges to law enforcement and public health agencies. For example, marked success in decreasing domestic methamphetamine production through law enforcement pressure and strong precursor chemical sales restrictions has enabled Mexican DTOs to rapidly expand their control over methamphetamine distribution—even in eastern states—as users and distributors who previously produced the drug have sought new, consistent sources. These Mexican methamphetamine distribution groups (supported by increased methamphetamine production in Mexico) are often more difficult for local law enforcement agencies to identify, investigate, and dismantle because they typically are much more organized and experienced than local independent producers and distributors. Moreover, these Mexican criminal groups typically produce and distribute high purity ice methamphetamine that usually is smoked, potentially resulting in a more rapid onset of addiction to the drug.

Recent precursor chemical controls have contributed to a sharp decrease in domestic methamphetamine production: Since April 2004, 44 states have restricted retail sales of ephedrine and pseudoephedrine products to varying degrees.[3] In 2005 federal legislation also restricted retail precursor chemical sales. Retail sales restrictions—supported by sustained law enforcement pressure—have limited the amount of pseudoephedrine available to small-scale methamphetamine producers, resulting in a sharp decrease in the prevalence of small methamphetamine laboratories nationally. In fact, El Paso Intelligence Center (EPIC) National Clandestine Laboratory Seizure System (NCLSS) data show that the overall number of reported methamphetamine laboratory seizures nationwide has decreased 42 percent from 10,015 in 2004 to 5,846 in 2005 (see Figure 1). Preliminary data indicate that this trend has continued in 2006, and the number of laboratory seizures will quite likely decrease further as more states implement similar restrictions—six more states and the District of Columbia are considering retail sales restrictions.

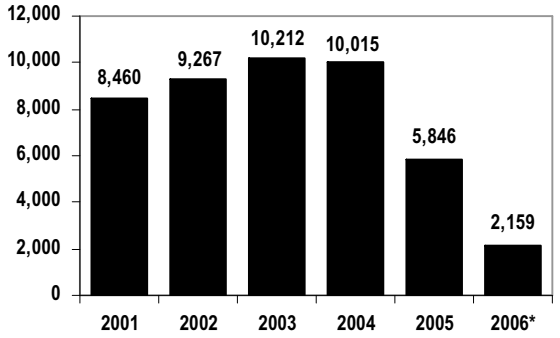

Figure 1. Reported Methamphetamine Laboratory Seizures, 2001–2006.

Source: National Clandestine Laboratory Seizure System (Run date—September 13, 2006).

*Data for 2006 are incomplete.

3. National Alliance for Model State Drug Laws, as of July 28, 2006.

Precursor chemical restrictions and law enforcement pressure have forced most California superlabs to relocate: Restrictions on pseudoephedrine imports from Canada to the United States in 2003 resulted in an immediate and significant decrease in the number of reported domestic superlab[4] seizures (see Figure 2). Many of these laboratories—primarily operated by Mexican criminal groups—relocated to Mexico, where bulk quantities of ephedrine and pseudoephedrine are more available. However, some Mexican criminal groups have remained in the United States to produce methamphetamine in superlabs, particularly in California, that accounted for 30 of 35 reported superlab seizures in 2005. Of the criminal groups that have remained, many have relocated their superlab operations to very remote rural areas, usually in the Central Valley region of California, in an attempt to decrease the risk of detection from sustained, intense law enforcement pressure. Although Mexican criminal groups have long produced methamphetamine on farms and in rural areas of California, this practice has increased since 2002 as law enforcement pressure and public awareness have increased in more populated areas. In fact, superlab seizures in urban areas are now somewhat rare, accounting for only 6 of 30 superlab seizures in California in 2005.

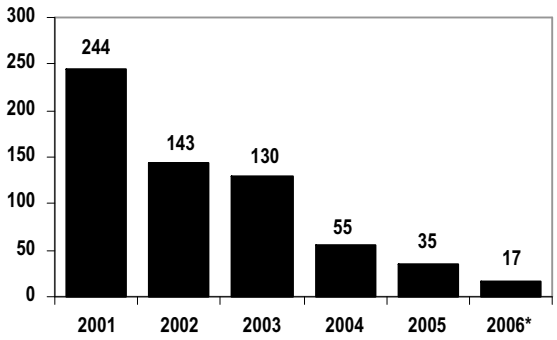

Figure 2. Reported Methamphetamine Superlab Seizures, 2001–2006.

Source: National Clandestine Laboratory Seizure System (Run date—September 13, 2006).

*Data for 2006 are incomplete.

By relocating virtually all superlab operations to rural areas with less law enforcement presence, Mexican criminal groups have been able to maintain significant methamphetamine production in California.

Methamphetamine production in Mexico has increased sharply; however, chemical restrictions may render current production levels difficult to sustain: There are no widely accepted estimates regarding the amount of methamphetamine produced in Mexico; however, ample law enforcement reporting and drug seizure data at the U.S.–Mexico border indicate a significant increase in methamphetamine (particularly ice methamphetamine) production in Mexico since 2003. Further production increases are unlikely in the near term, however, and sustaining the current high level of production in Mexico has become more difficult, since the Government of Mexico recently reduced ephedrine and pseudoephedrine imports 40.8 percent from 224 metric tons in 2004 to 132.5 metric tons in 2005 (with a goal of 70 metric tons for 2006). Attempts to defeat the increasing chemical restrictions in Mexico will quite likely include routing chemical shipments through transit countries, particularly in Central and South America, for subsequent smuggling into Mexico.

Methamphetamine distribution by Mexican criminal groups is expanding to sustain markets previously supplied by local production, particularly in midwestern and eastern states: As methamphetamine production in small-scale laboratories has decreased nationally since 2004, Mexican criminal groups have expanded direct distribution of methamphetamine, even in many smaller communities. For example, in midwestern states such as Iowa, Missouri, Illinois, and Ohio, where methamphetamine laboratory seizures have decreased significantly—in some states by more than 55 percent—Mexican criminal groups have gained control over most distribution of the drug. In fact, the Rocky Mountain High Intensity Drug Trafficking Area (HIDTA) reports that in cities such as

4. Superlabs are those clandestine laboratories capable of producing 10 or more pounds of methamphetamine per production cycle.

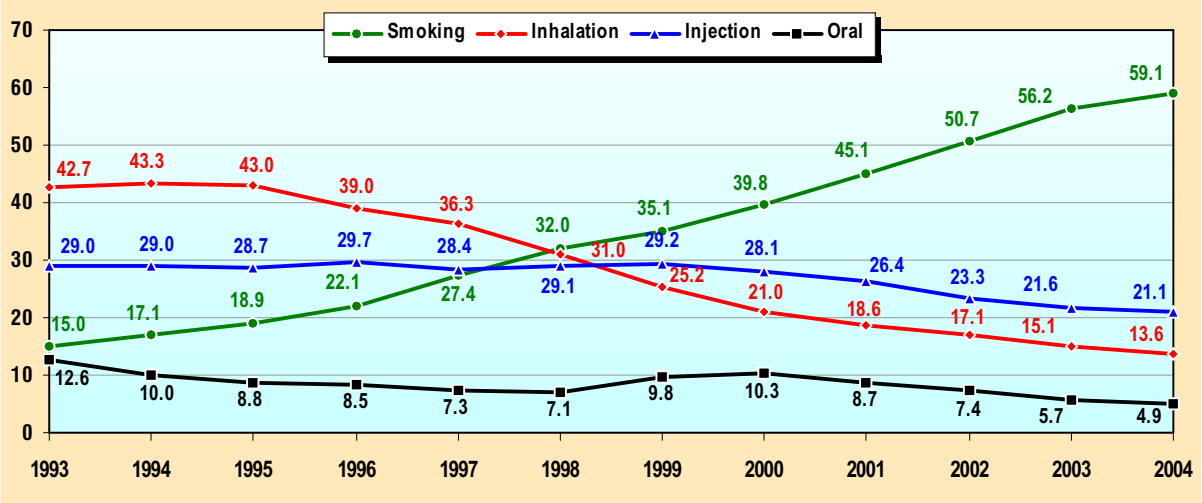

Figure 3. Percentage of primary methamphetamine or amphetamine admissions, by route of administration, 1993–2004.

Source: Treatment Episode Data Set.

Des Moines and Sioux City,[5] where methamphetamine production and distribution previously were controlled by local independent traffickers, Mexican criminal groups, primarily distributing ice methamphetamine, have supplanted independent traffickers. Law enforcement reporting confirms a similar trend throughout much of the Great Lakes, Mid-Atlantic, Florida/Caribbean, Southeast, and West Central Regions. These groups pose an increased challenge to local law enforcement because they are often Mexico-based, well-organized, and experienced drug distributors that have been successful in blending into somewhat insular Hispanic communities or among Hispanic workers employed in the agricultural, landscaping, construction, and meat packaging industries. The ability of Mexican criminal groups to continue the expansion of methamphetamine distribution into more communities in the eastern United States appears to be limited primarily by their capability to further expand methamphetamine production in Mexico.

Increased ice availability is most likely contributing to increased methamphetamine addiction: Since 2001 the availability of Mexico-produced ice methamphetamine—a high purity form of methamphetamine that typically is smoked—has increased sharply in most U.S. methamphetamine markets. According to the National Institute on Drug Abuse (NIDA), smoking methamphetamine may result in more rapid addiction to the drug than snorting or injection because smoking causes a nearly instantaneous, intense, and longer-lasting high. Although casual use of methamphetamine appears to be stable (see Tables 1 and 2 in Appendix B), national-level data show a rise in the number of methamphetamine-related treatment admissions and methamphetamine-dependent individuals nationwide (see Figure 4 and Figure 5 on page 9), particularly since ice availability began to increase. In fact, even prior to the current influx of ice methamphetamine, users were increasingly choosing smoking as their primary mode of administration (see Figure 3). Increased rates of smoking ice methamphetamine, leading to increased rates of addiction will further strain the resources of public health agencies, particularly drug treatment facilities in smaller communities.

5. *Rocky Mountain HIDTA 2006 Annual Report*.

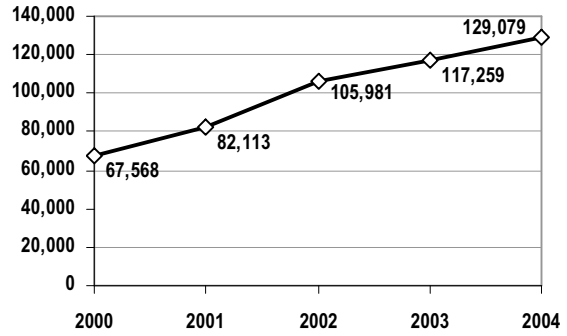

Figure 4. Primary methamphetamine admissions, 2000–2004.

Source: Treatment Episode Data Set.

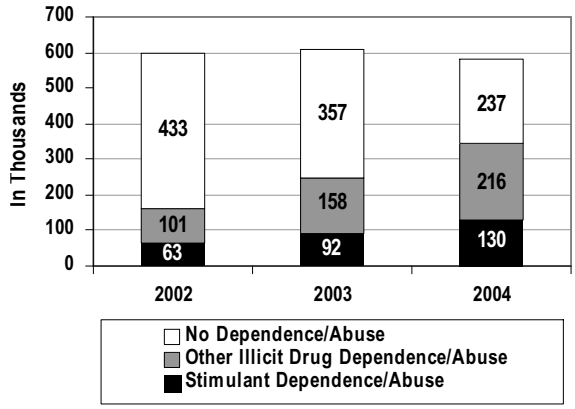

Figure 5. Estimated number of methamphetamine users dependent on or abusing illicit drugs or stimulants, 2002–2004.

Source: National Survey on Drug Use and Health.

Intelligence Gaps

The extent of precursor chemical diversion and trafficking from sources of supply in Asia is unclear. Intelligence and law enforcement reporting confirms the shipment of wholesale (multiton) quantities of ephedrine and pseudoephedrine—often repackaged with vague labeling and disguised as legitimate business transactions—to Mexico from source areas in Asia, particularly Hong Kong and mainland China. However, there are relatively few data available to measure such activity, thereby impeding a full and accurate assessment of the situation.

There are no generally accepted methamphetamine production estimates or comprehensive laboratory seizure data for most foreign countries. This lack of data limits the accuracy of analysis regarding foreign production in areas of particular interest, such as Mexico, Canada, and Asia.

Marijuana

Strategic Findings

- High potency marijuana production, smuggling, and distribution by Canada-based Asian DTOs, primarily of Vietnamese ethnicity, is increasing.
- Higher potency marijuana is now being produced from cannabis cultivated in large outdoor grow sites in California by Mexican and Asian criminal groups.
- Large-scale cannabis cultivation by Mexican criminal groups is expanding beyond California to more areas in the Pacific Northwest and, to a much more limited extent, eastern states.

Overview

Although marijuana use has declined slightly, the threat associated with the drug is increasing because of the rising prevalence of high potency marijuana throughout the country and the expansion of domestic cultivation by Mexican DTOs into more areas of the country. More high potency marijuana is being produced at indoor sites in the United States, while high potency marijuana smuggling, primarily by Canada-based Asian groups, from Canada into the United States is also increasing. These Asian criminal groups are also expanding their distribution networks to control a greater portion of wholesale marijuana distribution, particularly the distribution of high potency marijuana. Moreover, improved cultivation techniques are now rendering high potency marijuana from outdoor cannabis cultivation.

Rising availability of high potency marijuana has pushed average marijuana potency to its highest recorded level, elevating the threat associated with the drug: Most of the marijuana available in the domestic drug markets is lower potency commercial-grade marijuana—usually derived from outdoor cannabis grow sites in Mexico and the United States. However, an increasing, albeit unknown, percentage of the available marijuana is high potency (delta-9-tetrahydrocannabinol (THC)) marijuana derived from indoor, closely controlled cannabis cultivation in Canada and the United States. The rising prevalence of high potency marijuana is evidenced by a significant increase in average potency of tested marijuana samples, particularly since 1993 (see Figure 6). In fact, average potency of all tested samples has increased 52.4 percent (from 5.34 percent THC to 8.14 percent) just within the past 5 years. Rising prevalence of high potency marijuana is further evidenced by high seizures of Canada-

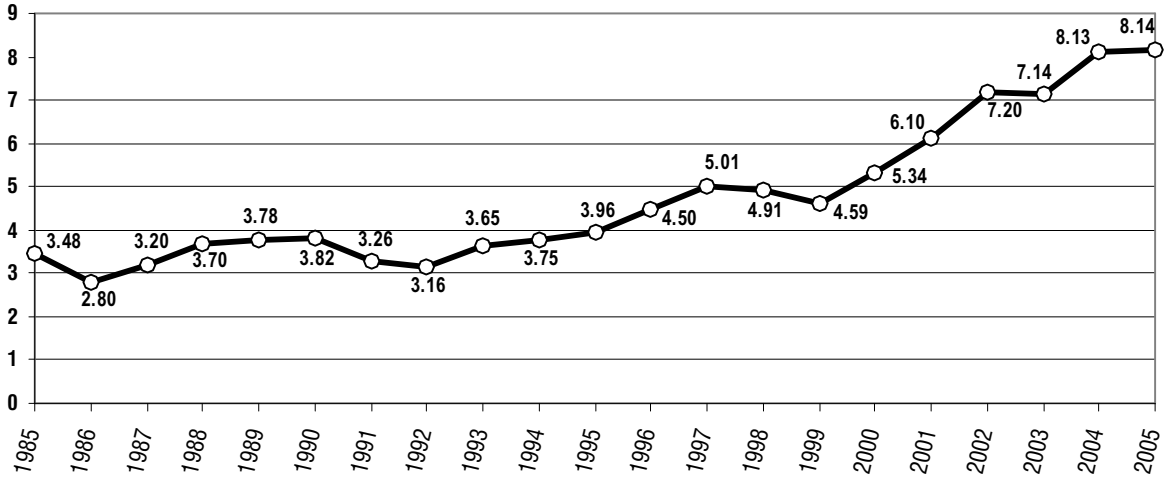

Figure 6. Average percentage of THC in samples of seized marijuana, 1985–2005.

Source: The University of Mississippi Potency Monitoring Project.

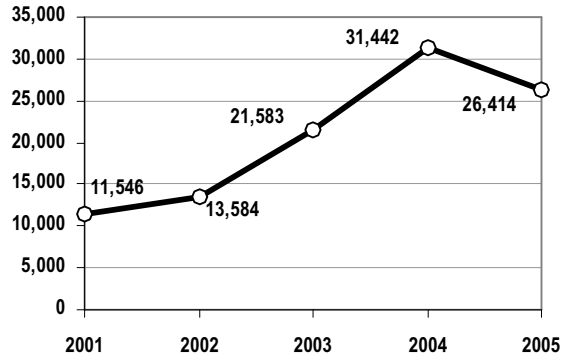

Figure 7. Total marijuana seized in Northern Border states, in kilograms, 2001–2005.

Source: Federal-Wide Drug Seizure System.

produced marijuana (usually high potency marijuana) in U.S.–Canada border states since 2001 (see Figure 7), and rising eradication of indoor cannabis grow sites in the United States that typically produce high potency marijuana (see Table 4 on page 12). The trend toward increased higher potency marijuana as a percentage of the marijuana available overall appears likely to continue. Most recent Government of Canada estimates indicate that production in Canada was increasing significantly and had more than doubled from 2000 through 2004, the most recent data available. Moreover, higher potency marijuana is now being produced in central California from cannabis cultivated in large outdoor sites (see text box), further contributing to an increase in higher potency marijuana availability.

Marijuana production in Mexico may be declining as production in the United States rises: Very limited data from which to accurately gauge foreign and domestic marijuana production appears to indicate a 25 percent decline in marijuana production in Mexico (see Table 5 on page 12) since production peaked in 2003. In 2005 marijuana production estimates for Mexico were only slightly higher than estimates for 2001 and 2002, when a severe drought greatly reduced marijuana production in Mexico; no such conditions account for the recent decrease. During the same period, law enforcement reporting strongly suggests an expansion of domestic cannabis cultivation and marijuana production, particularly in remote areas of public lands including national Forest System lands. These reports are supported by domestic cannabis eradication data for 2005 that show the highest level of cannabis eradication ever recorded (see Table 4 on page 12) at a time when significant National Guard eradication resources were curtailed because of overseas deployments and Hurricane Katrina relief. Those states where cannabis cultivation and eradication were highest in 2005 include California, Kentucky, Tennessee, Hawaii, and Washington. Nonetheless, Mexico will remain a leading source of marijuana.

Higher Potency Marijuana Produced From Cannabis Cultivated Outdoors

Mexican DTOs in central California are producing higher potency marijuana from cannabis cultivated in large outdoor grow sites—a capability not previously observed by Mexican marijuana producers. Mexican DTOs previously produced marijuana from outdoor cultivated cannabis with average THC levels of 2 or 3 percent but now are achieving 8 to 12 percent THC levels through improved cultivation methods. Mexican DTOs, for example, have begun using only select seeds from Mexico, preparing seedlings in greenhouses, planting the seedlings before late April, separating male from female plants prior to pollination, and using high nitrogen fertilizer. The higher potency marijuana produced from outdoor plants in central California often is comparable in quality to Canada-produced BC Bud and commands twice the price of Mexico-produced marijuana available in the region. The full extent to which Mexican DTOs produce high potency marijuana in California is unknown; however, because these groups often cooperate, it is quite likely that this capability will expand within and outside California.

Table 4. Domestic Cannabis Eradication, Outdoor and Indoor Plant Seizures, 2000–2005

	2000	2001	2002	2003	2004	2005
Outdoor	2,597,798	3,068,632	3,128,800	3,427,923	2,996,144	3,938,151
Indoor	217,105	236,128	213,040	223,183	203,896	270,935
Total	2,814,903	3,304,760	3,341,840	3,651,106	3,200,040	4,209,086

Source: Domestic Cannabis Eradication/Suppression Program.

Table 5. Mexico: Cannabis Cultivation and Production, 2001–2005

	2001	2002	2003	2004	2005
Net Cultivation (hectares)	4,100	4,400	7,500	5,800	5,600
Potential Production (metric tons)	7,400	7,900	13,500	10,440	10,100

Source: Crime and Narcotics Center.

Marijuana distribution by Asians DTOs is increasing: Mexican DTOs are the dominant wholesale distributors of marijuana in the United States, and other organizations such as African American, Jamaican, and Cuban DTOs also distribute wholesale quantities of the drug in various areas of the country. However, the control by Asian criminal groups—primarily Vietnamese but also Cambodian, Chinese, Hmong, Korean, Laotian, and Thai groups—over wholesale marijuana distribution has increased significantly, particularly the distribution of high potency marijuana. In fact, significant increases in marijuana distribution by Asian DTOs have been widely reported by law enforcement agencies in the Mid-Atlantic, New England, New York/New Jersey, Pacific, Southeast, and West Central Regions. Rising marijuana distribution by Asian DTOs is a particular concern because many are well-organized Canada-based groups that increasingly distribute high potency Canada-produced marijuana, as well as high potency marijuana that they produce domestically. In fact, Canada-based Asian groups are increasingly operating indoor grow sites in homes in the Pacific Northwest and California purchased or rented and then modified for the purpose of producing two to four crops before abandoning the premises. These Asian criminal groups are often very difficult to detect and investigate because they often are family-based networks operating in insular Asian communities.

Mexican DTOs are expanding their domestic cannabis cultivation operations: Mexican DTOs have long been significant marijuana producers in the United States, operating large-scale outdoor cultivation operations primarily on federal lands in the western United States. However, law enforcement reporting indicates that some of these groups are expanding typical grow areas in California to new areas, primarily in the Pacific Northwest, to avoid aerial detection and increasing law enforcement pressure in California. Albeit to a much lesser extent than expansion into the Pacific Northwest, Mexican cannabis growers operating in California are also increasingly linked to Mexican cannabis growers east of the Mississippi River operating large-scale cannabis grows. Many of these groups maintain their affiliation with the larger groups in California and Mexico and maintain some level of coordination and cooperation among their various operating areas, moving labor and materials to the various sites—even across the country—as needed.

Marijuana transportation across the U.S.–Canada border has increased sharply since 2001: Most foreign-source marijuana smuggled into the United States enters through or between POEs at the U.S.–Mexico border. However, drug seizure data show that the amount of marijuana—usually high potency marijuana—smuggled into the United States from Canada via the U.S.–Canada border has

risen to a significant level. In fact, the quantity of marijuana seized increased 129 percent in a 5-year period from 11,546 kilograms in 2001 to 26,414 kilograms in 2005. Much of the recent increase is attributable to Asian DTOs smuggling high potency marijuana that they produce in Canada across the border into the United States, primarily at POEs in Washington. However, some Asian DTOs have shifted their smuggling operations to POEs in other states, such as Michigan and New York, to support distribution of the drug in eastern states and to enter through and between POEs where they believe there is less law enforcement pressure.

Marijuana demand is declining: Rates of past year use for marijuana are higher than for any other major drug of abuse; however, casual use is stable or decreasing overall. According to NSDUH, rates of past year marijuana use declined very slightly among individuals aged 12 and older from 11 percent (25.7 million users) in 2002 to 10.6 percent (25.4 million users) in 2003 and 2004. MTF data reveal decreases in rates of past year use among most surveyed age groups—including the primary users (18 to 25)—in 2003, 2004, and 2005.

Intelligence Gaps

Outdated or unavailable foreign marijuana production estimates limit an accurate analysis of the impact of marijuana production in several countries, particularly Canada, Colombia, and Jamaica.

Limited incursion by law enforcement into Asian DTOs because of the insular nature of the communities in which they are based degrades accurate analysis as to the full extent of their operations in the United States.

Heroin

Strategic Findings

- The availability of Mexican heroin is increasing, albeit slightly, in eastern heroin markets traditionally supplied by South American heroin.
- Mexican DTOs increasingly are transporting and distributing South American heroin in eastern U.S. drug markets, on behalf of Colombian DTOs.
- Continued declines in heroin production in South America could result in increased availability of Mexican and Asian heroin in eastern U.S. heroin markets.
- Although overall heroin demand appears to be stable, increased levels of abuse among young adults have been noted in some areas.

Overview

Heroin is readily available in most large metropolitan areas and, to varying degrees, in suburban and rural markets throughout the country. Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far reaching in terms of heroin-related deaths, treatment admissions, and emergency department mentions. Since late 2005, the suspected number of heroin-related overdose deaths involving fentanyl has been indicative of the risks attendant to heroin abuse, including inconsistent purity levels and diluents and adulterants that can cause serious and often fatal consequences. Anecdotal reporting from nearly 500 federal, state, and local law enforcement agencies throughout the country along with data from the NDTS 2006 suggests that the highest levels of heroin availability are concentrated in the northeastern United States, where nearly one-third of those agencies interviewed indicated that heroin availability or demand has increased. With few exceptions, availability in most other domestic heroin markets appears to be stable.

Mexican heroin availability is expanding into eastern drug markets: For the past several years, the heroin market in the United States was generally divided along the Mississippi River. To the west of the Mississippi River, black tar heroin and, to a lesser extent, brown powder heroin from Mexico were the primary types available. To the east of the Mississippi, white powder heroin, primarily from Colombia, but also from Southwest and Southeast Asia, was the primary type of heroin available. While users in both markets historically have been reluctant to switch heroin types, law enforcement reporting indicates that Mexican heroin is now available in more markets east of the Mississippi than traditionally has been the case. The Drug Enforcement Administration (DEA) Domestic Monitor Program (DMP) has identified the availability of Mexican heroin in a number of cities east of the Mississippi River, including Chicago and Detroit. While Mexican heroin has been available to varying degrees in Chicago for years, the availability in the other cities indicates that traffickers of Mexican heroin continue to attempt to expand the user base of Mexican heroin and tap into the large heroin user population in the eastern United States. Historically such attempts have failed; however, while it is unlikely that the availability of Mexican heroin will surpass the availability of South American heroin in the eastern United States, current dynamics of the heroin trade could result in a continued gradual increase in the supply of Mexican heroin to the eastern United States. According to DEA, the purity of South American heroin at the retail level has decreased[6] over the past several years (although 2005 data may indicate a reversal of this trend), while the purity of

6. Factors that may have contributed to the decrease in South American heroin purity through 2004 include enhanced law enforcement efforts, increased market competition pressure, geographical expansion of the market area, and deliberate attempts to increase profit margin by increasing total weight with additional diluents.

Mexican heroin has marginally increased.[7] Although it is unlikely that white powder heroin users will switch to black tar heroin, it is conceivable that white powder heroin users would use Mexican brown powder heroin if the purity were to approach that of South American heroin. Moreover, if production continues to decline in South America, a potential shortfall of heroin could be filled with not only white powder heroin from Asia but also higher purity brown powder heroin from Mexico.

Declines in South American heroin production could open more markets for Asian and Mexican heroin traffickers: White powder heroin from South America remains the primary type of heroin available in the eastern United States. However, production in other source countries is more than sufficient to sustain demand if there were to be decreased availability of South American heroin. In 2005 Southwest Asia, primarily Afghanistan, was once again the world's leading supplier of heroin (see Table 6). Heroin from that source continues to supply mainly markets in Asia and Europe, although law enforcement and intelligence reporting indicates that at least moderate quantities of Southwest Asian heroin are available in some U.S. drug markets. Estimates for South American heroin production are unavailable for 2005 because adverse weather precluded adequate sampling in opium cultivation areas. However, heroin production estimates declined significantly in South America from 2001 through 2004. If declines continue to levels that would fail to meet demand in the United States, it is likely that at least some of the demand would be met from Southwest Asian sources in addition to Mexican sources, as heroin production in those source areas remains strong and more than sufficient to support U.S. demand.

Heroin smuggling routes are unchanged, but South American heroin smuggling by Mexican DTOs is increasing: Most heroin available in the United States is transported into the country by two primary routes—commercial air or overland—generally depending on the type of heroin. Mexican heroin typically is transported into the United States overland through and between POEs along the Southwest Border. South American heroin typically is transported into the United

Table 6. Potential Worldwide Heroin Production, in Metric Tons, 2001–2005

	2001	2002	2003	2004	2005
Mexico	10.7	6.8	11.9	8.6	8.0
Colombia	11.4	8.5	7.8	3.8	*
Afghanistan	7.0	150.0	337.0	582.0	526.0
Burma	82.0	60.0	46.0	32.0	36.0
Laos	19.0	17.0	19.0	5.0	3.0
Pakistan	1.0	1.0	5.0	NA	4.0
Thailand	1.0	1.0	NA	NA	NA
Vietnam	1.0	1.0	NA	NA	NA
Guatemala	NA	NA	NA	1.4	0.4
Total	133.1	245.3	426.7	632.8	577.4

Source: Crime and Narcotics Center.
NA–not applicable
*CNC did not report an estimate for Colombia for 2005.

7. The moderate increase in the purity of Mexican heroin most likely is an attempt by Mexican traffickers to maximize their sales potential by improving the product quality to become more competitive.

States by couriers on commercial air carriers to international airports in the United States; most seizures are made at Miami International Airport and John F. Kennedy International Airport. Mexican DTOs also transport South American heroin overland across the Southwest Border on a much smaller, but increasing, scale on behalf of Colombian DTOs. They use the same routes to transport South American heroin as they use to transport Mexico-produced methamphetamine and heroin, cocaine, and marijuana throughout the country.

Mexican DTOs are expanding their control over wholesale heroin distribution even in white heroin markets: Mexican DTOs dominate the wholesale distribution of Mexican heroin in the western United States, while Colombian and Dominican DTOs are the primary wholesale distributors in the large white powder heroin markets in the eastern United States, including New York, Philadelphia, Newark, and the New England area. Nonetheless, law enforcement reporting indicates that distribution patterns may be shifting, albeit slightly. Mexican DTOs increasingly are transporting and distributing South American heroin in some eastern heroin markets, most notably the New York City area. Moreover, Mexican DTOs may be expanding their distribution of Mexican heroin in eastern markets, which traditionally have been supplied with white powder heroin. As Mexican DTOs exert greater control over drug markets in the eastern United States, the availability of Mexican brown powder heroin and, on a smaller scale, Mexican black tar heroin will increase in markets where availability previously was very limited. Street gangs that often obtain heroin from multiple sources control most retail heroin distribution.

Distributors are attracting customers with free samples sometimes mixed with dangerous substances such as fentanyl: As heroin demand has stabilized in most markets, organizations have increasingly used various techniques to gain market share, including giving away free heroin, using brand names to establish repeat customers, and as evidenced by the increase in heroin-fentanyl incidents that have been reported since late 2005, offering "hot bags" of heroin that are mixed with adulterants that increase potency. Recent law enforcement reporting on groups distributing heroin and fentanyl indicates that some gangs gave away free samples of a heroin and fentanyl mixture, while others marketed to addicts specific "brands" purported to contain fentanyl. (See text box on page 17.) Despite the seizure of a laboratory in Mexico that is suspected of being the source of at least some of the fentanyl involved in the recent rash of fentanyl-related overdoses, clandestine fentanyl manufacturers will continue to exploit the market of heroin abusers who continually seek a better high. Moreover, while preliminary reports from law enforcement indicate that most of the heroin/fentanyl seized thus far has contained white powder heroin, it is not unlikely that distributors of Mexican heroin, if they haven't thus far, will adulterate Mexican heroin with fentanyl to obtain a more marketable product.

Prescription narcotic abusers switching to heroin may lead to an increase in heroin demand: Demand for heroin in the United States is largely driven by a well-established population of roughly 800,000 hardcore heroin addicts. Overall, demand is relatively stable, with gradual increases noted in some user populations. The physical need for opiate abusers to obtain opiate-type drugs to stave off withdrawal has led some addicts to switch from prescription drugs to heroin. Anecdotal law enforcement reporting indicates that abusers of pharmaceutical opioids, primarily OxyContin and methadone, but other drugs as well, have switched and continue to switch to heroin, particularly when heroin is more available and cheaper. Anecdotal law enforcement reporting also suggests that, despite NSDUH data that indicates the number of heroin initiates remained significantly unchanged from 2002 through 2004, the number of high school and college age students that are abusing heroin is increasing, particularly in the eastern United States, where many of the abusers began abusing OxyContin before switching to heroin. This trend will most likely continue, as increased

Fentanyl—a synthetic opioid 50 times more powerful than heroin—has been linked to hundreds of fatal and nonfatal overdoses across the Midwest, Northeast, and Mid-Atlantic Regions. Fentanyl-related outbreaks have occurred periodically in various areas of the United States, although none have been as geographically diverse and long-lasting as the most recent outbreak, which began in late 2005, peaked in May 2006, and has since receded sharply. Overdoses during the recent outbreak linked to clandestinely produced fentanyl powder, fentanyl mixed with heroin, and to a lesser extent, fentanyl mixed with cocaine have been reported in Delaware, Illinois, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. A fentanyl laboratory seized in Toluca, Mexico, in May 2006 is believed to be a source for at least some of the fentanyl involved in the recent rash of overdoses; however, the extent of other clandestine production, either domestic or in Mexico, is unknown. Because fentanyl is an opiate and specialized toxicological testing is required to detect the drug in biological samples, many of the overdoses initially were believed to be heroin overdoses. The severity of the problem did not become apparent until the public health community noticed the above-average number of overdoses. NDIC is leading the design, development, and operation of an Internet-based early warning and response system designed to help identify new synthetic drug-related behaviors, such as fentanyl-related outbreaks, at an early stage. The system will evaluate their likely importance and track their development. This system will focus on synthetic drugs and also will be used to monitor outbreaks of abuse for prescription medications, over-the-counter medications, botanical substances and extracts, and chemicals involved in the manufacturing of synthetic drugs.

law enforcement efforts to curb the diversion and abuse of prescription drugs will make prescription opiates more difficult to obtain.

Intelligence Gaps

The amount of Asian heroin, particularly Southwest but also Southeast heroin, transported to the United States is relatively unknown. Law enforcement reporting and heroin indicator programs including the Domestic Monitor Program and Heroin Signature Program suggest that South America is, and will remain, the primary type of white powder heroin available in the United States for the near term. However, law enforcement reporting indicates that Southwest Asian heroin and, to a lesser extent, Southeast Asian heroin, are available in several markets throughout the country. Additional intelligence regarding the transportation and subsequent distribution of Asian heroin in U.S. markets is needed to further quantify the availability of Asian heroin in the United States.

Current estimates of heroin production in South America are unknown because adverse weather in 2005 precluded adequate sampling via satellite imagery in opium cultivation areas. Moreover, a significant decrease in production estimates from 2003 to 2004 coupled with several significant seizures of Asian heroin could indicate greater availability of Asian heroin in the United States than was previously believed.

A precise estimate of the amount of heroin needed to meet U.S. demand is unavailable. The number of factors that figure into such an estimate—i.e., the number of hardcore users, the number of casual users, the number of times an abuser uses per day, the number of days an abuser uses per month—is such that a variation in any or all of the factors results in a wide-ranging estimate.

Pharmaceutical Drugs

Strategic Findings

- The availability of diverted pharmaceutical drugs is high and increasing, fueled by increases in both the number of illegal online pharmacies and commercial disbursements within the legitimate pharmaceutical distribution chain.
- The implementation of pedigree systems such as Radio Frequency Identification (RFID) could help to eliminate the introduction of counterfeits as well as deter the diversion of commonly abused drugs from the legitimate pharmaceutical supply chain.
- Rates of past year use for pharmaceuticals are stable at high levels.
- Demand for prescription narcotics may decline as some users switch to heroin, particularly in areas where law enforcement efforts curb the diversion and availability of prescription drugs.

Overview

The legitimate prescribing and commercial disbursement of pharmaceutical narcotics, depressants, and stimulants ensure the ready availability of such drugs throughout the country, even in remote and small communities (see Figure 8 on page 19). However, the illicit diversion and theft of pharmaceuticals—currently at very high levels nationally—from legitimate supplies have been curbed somewhat in some areas, such as Kentucky, Michigan, Nevada, and Utah, through education, sustained law enforcement pressure, reduced access in pharmacies, and the implementation of Prescription Monitoring Programs (PMPs).[8] Wider employment of additional antidiversion measures such as newer pharmaceutical shipment tracking technology may further reduce large-scale diversion of pharmaceuticals. Working against the progress of law enforcement in reducing pharmaceutical diversion is a consistent rise in the number of Internet pharmacies from which individuals are able to acquire drugs without examination or a prescription. Furthermore, in areas where law enforcement has been successful in reducing illicit availability of pharmaceuticals, many individuals are simply switching to other drugs of abuse as a substitute for pharmaceuticals.

Despite widespread diversion of pharmaceuticals nationally, the availability of pharmaceuticals has been reduced in some areas: The widespread, ready availability of diverted pharmaceutical drugs throughout the country is evidenced not only in ample law enforcement reporting but also in NDTS 2006 data. These data show that 78.8 percent of state and local law enforcement agencies report either high or moderate availability of diverted pharmaceuticals in their area. Although this percentage is high, it represents a slight decrease since 2005 (80.8%), when survey data suggests illicit availability peaked after several years of consistent increases. The reduction appears to be most pronounced in areas where state-level legislation to implement PMPs has been passed, particularly in Kentucky, Michigan, Nevada, Ohio, and Utah. According to DEA, individuals seeking diverted pharmaceuticals in states that have implemented PMPs have, in some cases, turned to traveling to nearby states that do not operate PMPs to illegally obtain pharmaceuticals. As of June 2006, 32 states had enacted legislation requiring PMPs, and 16 additional states were proposing, preparing, or considering such legislation. Implementation of PMPs in more states will result in a reduction in many types of pharmaceutical diversion. U.S. General Accounting Office reporting indicates a reduction in diversion case investigation time by as much as 90 percent in states with PMPs, including Kentucky, Nevada, and Utah, as well as a reduction in indiscriminate prescribing and doctor-shopping.

8. Prescription Monitoring Programs (PMPs) are systems in which controlled substance prescription data are collected in a centralized database and administered by an authorized state agency to facilitate the early detection of trends in diversion and abuse.

Increased implementation of drug pedigree systems like Radio Frequency Identification technology will decrease diversion of pharmaceuticals: RFID tags (transponders) attached to or placed within product packaging enable companies to continuously track, trace, and authenticate the chain of custody for pharmaceuticals—even individual prescription bottles—facilitating a safer and more secure legitimate pharmaceutical supply chain.[9] Mandatory use of the RFID pedigree system for prescription drug shipments is under consideration by the U.S. Food and Drug Administration (FDA); in fact, FDA has recommended widespread use of RFID in the pharmaceutical supply chain by 2007. Several recent small-scale industry pilot programs involving OxyContin and Viagra have reportedly proven successful. Such use on commonly abused pharmaceuticals would deter theft from the legitimate drug supply chain, thereby further reducing the availability of diverted pharmaceuticals in the United States. The resultant reduction in pharmaceutical diversion could be significant, as the quantity of pharmaceuticals diverted through theft from legitimate sources, particularly pharmacies, is approximately 6.8 million dosage units (excluding liquids and powders) each year. Furthermore, RFID will aid law enforcement in pharmaceutical diversion investigations through tracing sources of supply, recovering stolen shipments, and identifying vulnerable areas in the supply chain.

Illegal Internet pharmacies are thwarting progress toward reducing pharmaceutical drug diversion: Pharmaceutical drugs appear to be increasingly diverted from legitimate and illegitimate sources of supply via the Internet; however, the amount obtained through such sources is not quantifiable. Pharmaceutical drugs obtained through Internet pharmacies often are provided without proof of prescription, consultation, or doctor's examination. There are no conclusive estimates regarding the number or location of operational Internet pharmacies because of the vastness of the Internet and the ease with which such sites can be established, closed down, and reopened under different domain names. The number of such pharmacies could range from hundreds to thousands, and many do not require prescriptions upon purchase.

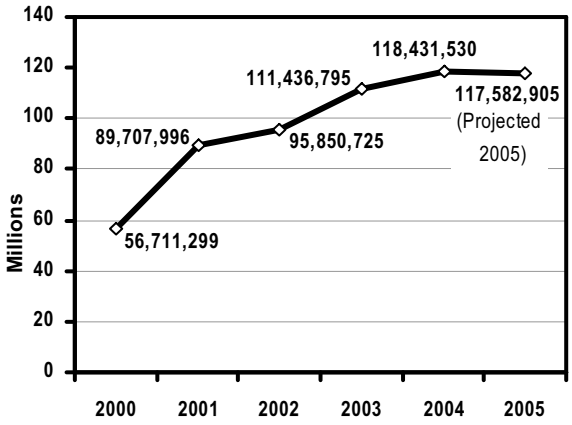

Figure 8. Commercial disbursements of commonly abused pharmaceuticals, United States, 2000–Midyear 2005.*

Source: Drug Enforcement Administration.

*Commonly abused pharmaceuticals include codeine, methylphenidate, oxycodone, hydromorphone, hydrocodone, meperidine, methadone, morphine, fentanyl, cocaine, d-methamphetamine, d-amphetamine, and dl-amphetamine.

Data from the DEA Automation of Reports and Consolidated Orders System (ARCOS) show that the number of commercial disbursements of individual doses of commonly abused pharmaceuticals[10] dramatically increased by 108 percent between 2000 and 2004. ARCOS data for 2005 are available only through midyear; nonetheless, projected commercial disbursements of individual doses of commonly abused pharmaceuticals for 2005 indicate a continued high level of disbursements (see Figure 8).

9. The legitimate supply chain includes wholesale distributors, hospitals, clinics, manufacturers, narcotic treatment programs, pharmacies, practitioners, and other sources such as importers, exporters, and teaching institutions.
10. Commonly abused pharmaceuticals as defined by DEA include codeine, methylphenidate, oxycodones, hydromorphone, hydrocodone, meperidine, methadone, morphine, fentanyl, cocaine, d-methamphetamine, d-amphetamine, and dl-amphetamine.

Demand for diverted pharmaceuticals has fluctuated but remains relatively high: NSDUH data show that the estimated number of persons aged 12 or older reporting past year use of prescription-type pain relievers, tranquilizers, stimulants,[11] or sedatives[12] remained relatively stable from 2002 (14,680,000) to 2005 (15,172,000). Moreover, the rate of past year use among persons aged 12 or older reporting nonmedical use of prescription-type drugs in 2004 (6.2%) was second only to rates of use for marijuana (10.6%) and far surpassed rates of use for cocaine (2.4%) and heroin (0.2%).

Prescription narcotics abusers switching to heroin may lead to a decrease in demand for prescription narcotics: Pharmaceutical drug abuse is higher than rates of use for most illicit drugs (see Table 1 in Appendix B); however, many pharmaceutical drug abusers are substituting illegal drugs, particularly in areas where pharmaceutical drug diversion has been reduced. Although the extent of these substitutions is unclear—there are no reliable data available for analysis—law enforcement and public health reporting supports this assertion. According to field program specialist (FPS) reporting from California, Florida, Michigan, Ohio, and Wisconsin, some opiate abusers in these states who began abusing OxyContin have progressed to using heroin. Significant success in greatly reducing pharmaceutical drug diversion will quite likely result in further substitutions of illegal drugs by those individuals who are dependent on pharmaceuticals.

Intelligence Gaps

There is currently no means of quantifying the actual amount of pharmaceutical drugs diverted and available in the United States because illegal diversion occurs through several methods, including thefts from individuals, manufacturers, and dispensaries; prescription fraud; doctor-shopping, and illegal Internet sales. As a result, it is difficult to measure progress against reducing pharmaceutical diversion.

11. Stimulants include both illicit and prescription methamphetamine.
12. Sedatives do not include over-the-counter drugs.

Other Dangerous Drugs

Strategic Findings

- Since 2004 Canada-based Asian criminal groups (primarily ethnic Vietnamese and Chinese) have been expanding MDMA distribution and have significantly elevated MDMA availability.

- The arrests of several major PCP producers in Southern California (the primary location for domestic PCP production) has caused a decrease in the availability of PCP in the region and will most likely affect availability in the rest of the United States.

- LSD abuse still remains low after a major DEA operation conducted in 2001 dismantled a major LSD producing and trafficking organization.

Overview

The trafficking and abuse of other dangerous drugs (ODDs)—including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), LSD (lysergic acid diethylamide), PCP (phencyclidine), and GHB (gamma-hydroxybutyrate)—collectively represent a moderate threat. Distribution and abuse of LSD, PCP, and GHB have declined to relatively low levels, and notwithstanding the possibility of sporadic, localized outbreaks, a significant national resurgence of these drugs appears unlikely in the near term. However, MDMA distribution by Canada-based Asian criminal groups has expanded significantly to a level approaching that observed in 2001, when availability and abuse of the drug peaked. Although ODDs are less available than pharmaceutical drugs or other major drugs of abuse, such as cocaine, heroin, marijuana, and methamphetamine, the attraction of ODDs, particularly MDMA and GHB, to adolescents elevates the threat associated with these drugs.

MDMA is the only ODD demonstrating significant national or increasing availability: There is little consistent or comprehensive law enforcement reporting regarding the availability of most ODDs. However, DEA System To Retrieve Information From Drug Evidence (STRIDE) data for 2003 to 2005 indicate that the availability of GHB, LSD, and PCP is usually limited to relatively small quantities in few drug markets, while MDMA is readily available in most areas of the United States. For example, STRIDE data show that MDMA seizure samples have been submitted from nearly every state (48), greatly exceeding the number of states from which seized samples of PCP (25), GHB (22), or LSD (18) have been submitted during the same period. Moreover, as seizures of other ODDs have fluctuated somewhat but have remained low (see Table 5 in Appendix B), the amount of MDMA seized by federal law enforcement agencies has increased 186 percent from approximately 1.92 million dosage units seized in 2004 to nearly 5.5 million dosage units in 2005. This trend is likely to continue as Asian criminal groups continue to expand MDMA distribution, raising availability of the drug.

The domestic production of ODDs is very limited and may be decreasing: ODDs are illicitly produced in clandestine laboratories in the United States; however, the number of GHB, LSD, MDMA, and PCP laboratories seized each year is very low—decreasing overall in 2005 (see Table 7 in Appendix B)—and such labs typically are capable of producing only small quantities. Moreover, operators of these domestic laboratories typically are independent producers not associated with large DTOs. Several factors contribute to limited domestic production of LSD and MDMA, particularly the complexity of production and the limited availability of precursor chemicals. Production of GHB and PCP is relatively simple, and precursor chemicals are more available; however, production has quite likely been limited both because of limited demand for the drugs and because the independent producers are incapable of sustained national distribution of the drug. Moreover, several major PCP producers operating in Southern California were arrested in 2005 and 2006, causing a decrease in production. With

respect to MDMA, increasing production in Canada—as indicated by Canadian law enforcement reporting—and continued high production in Europe have proven sufficient to support a recent expansion of distribution in the United States.

Most MDMA is now smuggled into the United States through U.S.–Canada POEs: Over the past 3 years, Canada-based Asian criminal groups have supplanted Israeli DTOs as the primary smugglers of MDMA into the United States after many Israeli MDMA distribution networks operating in the United States were dismantled. Whereas Israeli groups smuggled MDMA into East Coast cities (principally Newark, New York City, and Miami) almost exclusively via couriers on commercial flights from Europe, Canada-based Asian criminal groups most often smuggle the drug into the United States via private and commercial vehicles over the U.S.–Canada border. Almost all of the MDMA smuggled into the United States from Canada is produced in Canada and is transported through U.S.–Canada land POEs. This change in smuggling patterns is evident in seizure data, as more MDMA is being seized at land POEs along the Northern Border than at airport POEs in Newark, New York City, and Miami (see Table 7). Although MDMA seizures in New York are resurging, most seizures are occurring at the Buffalo POE rather than the New York City international airports.

The primary ODD distribution groups remain unchanged: Little change has occurred over the past several years to the primary groups distributing ODDs. Independent distributors, particularly Caucasian males, are the primary wholesale and retail distributors of LSD and GHB, while African American criminal groups and street gangs are the primary wholesale and retail distributors of PCP. In late 2001, when Israeli groups dominated domestic wholesale distribution of MDMA, Canada-based Asian criminal groups began distributing wholesale quantities of MDMA, primarily in the cities of Dallas, Detroit, Los Angeles, New York, San Francisco, and Seattle. Since that time Asian groups have increased their operational networks, often using the six cities as distribution hubs to supplant the Israeli organizations and become the primary wholesale distributors of MDMA in every region of the country. Retail distribution of MDMA is primarily controlled by young Caucasian males at nightclubs and rave parties, although African American street gangs are actively distributing the drug in some areas as well.

As abuse of most ODDs is declining or stable, MDMA abuse is likely to increase: National drug prevalence studies show very low and declining use of GHB, LSD, and PCP for most measured age groups (see Tables 1 and 2 in Appendix B). Rates of past year use for MDMA—the most commonly abused ODD—have also declined, sharply in fact, since rates of use peaked in 2001. Nevertheless, a recent significant resurgence in MDMA

Table 7. MDMA Seizures, in Dosage Units, 2001–2005

	2001	2002	2003	2004	2005
Florida	1,760,308	1,195,503	640,141	144,025	359,208
New Jersey	636,844	218,491	108,266	11,779	43,809
New York	593,376	1,820,538	223,184	417,297	1,234,240
Northern Border States (except New York)	160,228	152,312	34,416	587,455	2,263,040

Source: Federal-Wide Drug Seizure System.

availability and distribution is likely to be manifested in an increase in rates of MDMA use in the near term.

Intelligence Gaps

Many drug prevalence and treatment data sets do not delineate data for some ODDs. As a result, objective statistical corroboration of anecdotal reports regarding ODD use is often difficult, and the true extent of use and treatment fluctuations is unclear.

The level of domestic GHB production is very likely underrepresented in the relatively few GHB laboratory seizures reported to NCLSS, perhaps significantly. GHB is easily converted from GBL (gamma-butyrolactone) without establishing an actual laboratory, and law enforcement officials would often not recognize it as a laboratory without prior intelligence.

Caribbean-based DTOs (especially Dominican DTOs) are transporting MDMA from Europe to islands in the Caribbean, and its prevalence may be increasing in these areas; however, it is unclear how much of the drug is being consumed locally and how much is subsequently smuggled to the United States.

Drug Money Laundering

Strategic Findings

- With Mexican and Colombian DTOs responsible for most wholesale-level drug money laundering in the United States, a significant amount of illicit drug proceeds are moved across the Southwest Border into Mexico annually. Therefore, the Southwest Border remains a serious area of concern for U.S. drug money laundering.

Overview

Mexican and Colombian DTOs are responsible for most wholesale-level drug money laundering in the United States. Mexican and Colombian DTOs together generate, remove, and launder between $8.3 billion and $24.9 billion in wholesale distribution proceeds from Mexico-produced marijuana, methamphetamine, and heroin and South American cocaine and heroin annually.[13] These DTOs primarily use bulk cash and monetary instruments smuggling, wire remittances, and the Black Market Peso Exchange (BMPE).[14]

The Southwest Border area is a primary focus of federal, state, and local law enforcement scrutiny and currency interdiction activities, because of significant bulk cash smuggling activity into Mexico. This activity quite likely is the result of U.S. regulatory and law enforcement actions, which have made it increasingly difficult for drug traffickers to place their illicit proceeds directly into U.S. financial institutions. Both Mexican and Colombian DTOs transport illicit drug proceeds from U.S. drug markets to other U.S. locations for consolidation. The proceeds often are transported in bulk to an area near the U.S.–Mexico border and are either smuggled into Mexico at Southwest Border POEs, primarily in South Texas, or remitted electronically to Southwest Border locations, where the transferred cash is then smuggled across the U.S.–Mexico border.

Although bulk cash smuggling is the principal method for moving drug money out of the country, wire remittances are also relied upon to facilitate drug money laundering. Colombian DTOs use money services businesses (MSBs) to electronically wire-transfer drug proceeds directly to Colombia from major U.S. drug market areas, such as Miami (FL) and New York City. Mexican DTOs generally wire transfer drug proceeds from U.S. market areas to consolidation points near the Southwest Border. Transfers are typically structured in amounts less than $3,000 and sent by several individuals to evade personal identification reporting requirements. The funds are then consolidated and smuggled into Mexico, thereby eliminating any documentation associated with a wire transaction, hiding the intended final destination of the funds.

Once drug proceeds are successfully smuggled into Mexico, one of the following scenarios typically occurs, each with its own risks and advantages for the money launderer:

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13. These figures were derived by multiplying the total quantity of Mexico- and Colombia-produced drugs available at the wholesale level in the United States by the wholesale prices for those drugs.
14. Origin of the BMPE: The system originated in the 1960s, when the Colombian government banned the U.S. dollar intending to increase the value of the Colombian peso and boost the Colombian economy, and it imposed high tariffs on imported U.S. goods hoping to increase the demand for Colombian-produced goods. However, it created a black market for Colombian merchants seeking U.S. goods and cheaper U.S. dollars. Those merchants possessed Colombian pesos in Colombia but wanted cheaper U.S. dollars (purchased under official exchange rates) in the United States to purchase goods to sell on the black market. Colombian traffickers had U.S. dollars in the United States—from the sale of illicit drugs—but needed Colombian pesos in Colombia. Consequently, peso brokers began to facilitate the transfer of U.S. drug dollars to Colombian merchants, and business agreements were forged allowing those Colombian merchants to purchase U.S. dollars from traffickers in exchange for Colombian pesos. Although the ban on possession of U.S. dollars was later lifted, the black market system became ingrained in the Colombian economy, and Colombian drug traffickers continue to rely on this system to launder their U.S. drug proceeds.
Source: Department of Homeland Security Federal Law Enforcement Training Center.

Regulatory Actions Impede Money Laundering Activity

In April 2006 the Financial Crimes Enforcement Network (FinCEN) issued an advisory, *Guidance to Financial Institutions on the Repatriation of Currency Smuggled into Mexico from the United States* (FIN-2006-A003). The advisory warns U.S. institutions of abuses of their financial services by certain Mexican financial institutions, including casas de cambio. Identified suspicious behaviors include small-denomination U.S. bank notes exchanged for cash in large denominations possessed by Mexican financial institutions, large volumes of small-denomination U.S. bank notes sent from Mexican casas de cambio to their accounts in the United States via armored transport or sold directly to U.S. banks, and deposits (including sequentially numbered third-party monetary instruments) by these casas to their accounts at U.S. financial institutions.

On July 5, 2006, FinCEN issued final regulations implementing Section 312 of the USA PATRIOT Act. The rules require each U.S. financial institution that establishes, maintains, administers, or manages a new correspondent account for a foreign financial institution, or a new private banking account in the United States for a non-U.S. person to apply certain anti-money laundering measures. In particular, financial institutions must establish appropriate, specific and, where necessary, enhanced due diligence policies, procedures, and controls that are reasonably designed to enable the financial institution to detect and report instances of money laundering through these accounts. Effective October 2, 2006, the requirements shall apply to each existing correspondent and private banking account established before July 5, 2006.

Source: Financial Crimes Enforcement Network

- Traffickers deposit their drug proceeds into *casas de cambio* (currency exchange houses) or Mexican financial institutions from which the funds are wire-transferred to correspondent accounts at U.S. or foreign banks.

- The cash is transported back into the United States via armored car or courier services. Once across the U.S.–Mexico border, the cash typically is represented as a deposit to a U.S. bank account on behalf of a Mexican casa de cambio or financial institution.

- Mexican DTOs maintain cash in a variety of stash sites, usually located in residences throughout Mexico, in order to access operating funds as needed.

- Funds are smuggled farther south via couriers into Panama, Colombia, and other Latin American countries. Some of the funds transported to these countries are used to facilitate BMPE activity.

The U.S.–Canada border also is impacted, as an estimated $5.2 billion to $21.2 billion is generated through the wholesale distribution of marijuana and MDMA by Canada-based DTOs, and much of those illicit drug proceeds are transported in bulk across the roughly 4,000-mile Northern Border.[15] The length of the border renders currency interdiction difficult. Interdiction is further challenged in some rural corridors, particularly in sovereign tribal lands that incorporate both Canadian and U.S. territories.

Although bulk cash will quite likely remain the preferred method of transporting currency to and across U.S. borders, anti-money laundering regulatory and law enforcement measures will drive some launderers to seek alternative methods to launder drug proceeds, and new technologies—

15. These figures were derived by multiplying the total quantity of Canada-produced drugs available at the wholesale level in the United States by the wholesale prices for those drugs.

such as stored value cards and online payments systems—will provide opportunities for such alternate methods, potentially replacing some traditional money laundering methods. For example, open-system[16] stored value cards are superior to the use of money remitters or bulk cash smuggling via package delivery services and commercial conveyances (airplanes, buses, and trains) because the cards can be used without fear of documentation, identification, law enforcement suspicion, or seizure. Such cards are frequently anonymous and can essentially be used as a cross-border remittance, since card value generally can be added or withdrawn at automated teller machines (ATMs) worldwide. Although loosely regulated under the Bank Secrecy Act (BSA), these cards are not subject to the many reporting and recordkeeping requirements, providing additional anonymity. Unlike cash, the cards cannot be seized by law enforcement for a Currency or Monetary Instrument Report (CMIR)[17] violation. However, law enforcement personnel can seize the cards under separate statutes if there is probable cause to believe that the cards are the proceeds of illegal activity. Online payment systems, including electronic gold, provide anonymity, versatility, and convenience and will continue to gain in popularity with international drug money launderers because such systems utilize the worldwide reach of the Internet and eliminate other problems associated with fluctuating exchange rates for international currencies.

Intelligence Gap

Although the Southwest Border continues to be a significant area of concern for drug money laundering, the extent of similar activity along the Northern Border is largely unknown. A thorough, comprehensive assessment of money laundering activity along that Border would provide the intelligence necessary to counter such activity, thereby eliminating this intelligence gap.[18]

16. Open-system stored value cards have the greatest utility for money laundering related to wholesale-level drug trafficking, as they are similar to traditional credit or debit cards and can be used anywhere that the major credit card parent brand is accepted, frequently including worldwide automated teller machines (ATMs).
17. Currency or Monetary Instrument Reports (CMIRs) must be filed by (a) each person who physically transports, mails, or ships, or causes to be physically transported, mailed, or shipped, currency or other monetary instruments in an aggregate amount exceeding $10,000 at one time from the United States to any place outside the United States or into the United States from any place outside the United States, and (b) Each person in the United States who receives currency or other monetary instruments in an aggregate amount exceeding $10,000 at one time that have been transported, mailed, or shipped to the person from any place outside the United States.
18. The NDIC Money Laundering Group will develop a Northern Border money laundering assessment during fiscal year 2007.

Drug Trafficking Organizations

Strategic Findings

- Mexican DTOs and criminal groups are the most influential and pervasive threats with respect to drug transportation and wholesale distribution in nearly every region of the country and continue to increase their involvement in the production, transportation, and distribution of most major illicit drugs.

- Asian criminal groups have emerged in the United States as the primary transporters and distributors of MDMA and Canada-produced high potency marijuana.

Drug trafficking organizations and criminal groups operating in the United States are numerous and range from small, loosely knit groups that distribute one or more drugs at the retail level to complex, international organizations with highly defined command and control structures that produce, transport, and distribute large quantities of one or more illicit drugs. Among these groups, Mexican organizations are the most widespread and influential traffickers of illicit drugs in the country. Colombian DTOs maintain significant control over South American heroin and cocaine smuggling and distribution in the eastern United States, although their role has diminished as that of Mexican groups has expanded. Asian criminal groups are not as structured as Mexican and Colombian organizations; however, they have established networks throughout the United States and have emerged as significant distributors of MDMA and Canada-produced high potency marijuana. Numerous other DTOs and criminal groups are active in the United States, although in most cases their influence and control are limited to particular regions. (See Table 8 on page 29 for an extensive list of drug trafficking and criminal groups active in each region of the United States.)

Mexican DTO dominance over domestic drug trafficking is expanding: Mexican DTOs have emerged as the primary drug traffickers in almost every region of the country. They use their well-established overland transportation networks to transport cocaine, marijuana, methamphetamine, and heroin—Mexican and increasingly South American—to drug markets throughout the country. Mexican DTOs maintain long-established strongholds over drug trafficking activities in the Southwest, Pacific, Great Lakes, and West Central Regions of the country and at the same time are increasing their influence in every other region of the country, where their involvement was less pronounced in the past, particularly in the eastern United States. The expanding influence of Mexican DTOs has placed them well to respond to several significant developments in recent years. In particular, when the availability of locally produced methamphetamine decreased significantly in the United States, the supply of the drug was virtually uninterrupted, as Mexican DTOs almost immediately increased the supply of Mexico-produced methamphetamine to the United States. Some Mexican DTOs and criminal groups have begun producing marijuana with higher THC levels than in the past in direct response to increasing demand in markets throughout the country for high potency marijuana. Moreover, Mexican drug traffickers have experienced at least limited success in increasing the availability of Mexican heroin in the eastern United States, a venture attempted many times in the past but historically with little success.

Colombian DTOs are relinquishing some direct control over cocaine and heroin smuggling and distribution: Colombian DTOs, which are most active in the northeastern United States, maintain control of the highest levels of importation and distribution of cocaine and South American heroin to that area. However, Colombian DTOs continue to cede transportation and lower-level distribution

to Dominican criminal groups—significant DTOs in their own right—and, increasingly, Mexican DTOs in an effort to insulate themselves from law enforcement. Colombian DTOs contract with Mexican and Dominican DTOs to transport large quantities of cocaine, heroin, and marijuana to the northeastern United States. Colombian DTOs maintain a significant presence in the Southeast Region as well, particularly in South Florida. Many Colombian DTOs use the area as a base of operations from which they maintain control of the highest levels of cocaine and South American heroin importation and distribution. As in the Northeast, Colombian DTOs in the Southeast insulate themselves from law enforcement and either contract or outright sell drugs to other criminal groups, which in turn transport the drugs to and distribute them in the United States. Colombian DTOs are active in other regions of the country, including the Great Lakes, Pacific, and Southwest Regions; however, their influence and control is overshadowed by Mexican DTOs, and their role primarily is one of a source of supply.

Asian DTOs are increasing their control over MDMA and marijuana distribution: The influence and breadth of Asian criminal groups, particularly Vietnamese but also Chinese and Korean groups, are expanding to regions throughout the country. Asian criminal groups are active in every region of the country but are most active in metropolitan areas with large Asian populations, including New York City, Los Angeles, San Diego, Dallas, and Houston. Canada-based Asian criminal groups appear to have emerged as the primary transporters and wholesale distributors of MDMA and increasingly transport and distribute large quantities of high potency marijuana produced in Canada, largely supplanting Israeli MDMA distributors and Caucasian marijuana distributors as the primary traffickers. Also, law enforcement reporting indicates that Asian criminal groups increasingly cultivate cannabis and produce high potency marijuana in the United States and that some are involved in cocaine, heroin, and methamphetamine distribution, although on a much smaller scale than they are involved in MDMA and marijuana distribution. Asian criminal groups, tight-knit networks that typically conduct drug transactions with individuals of similar ethnicity, are difficult to infiltrate.

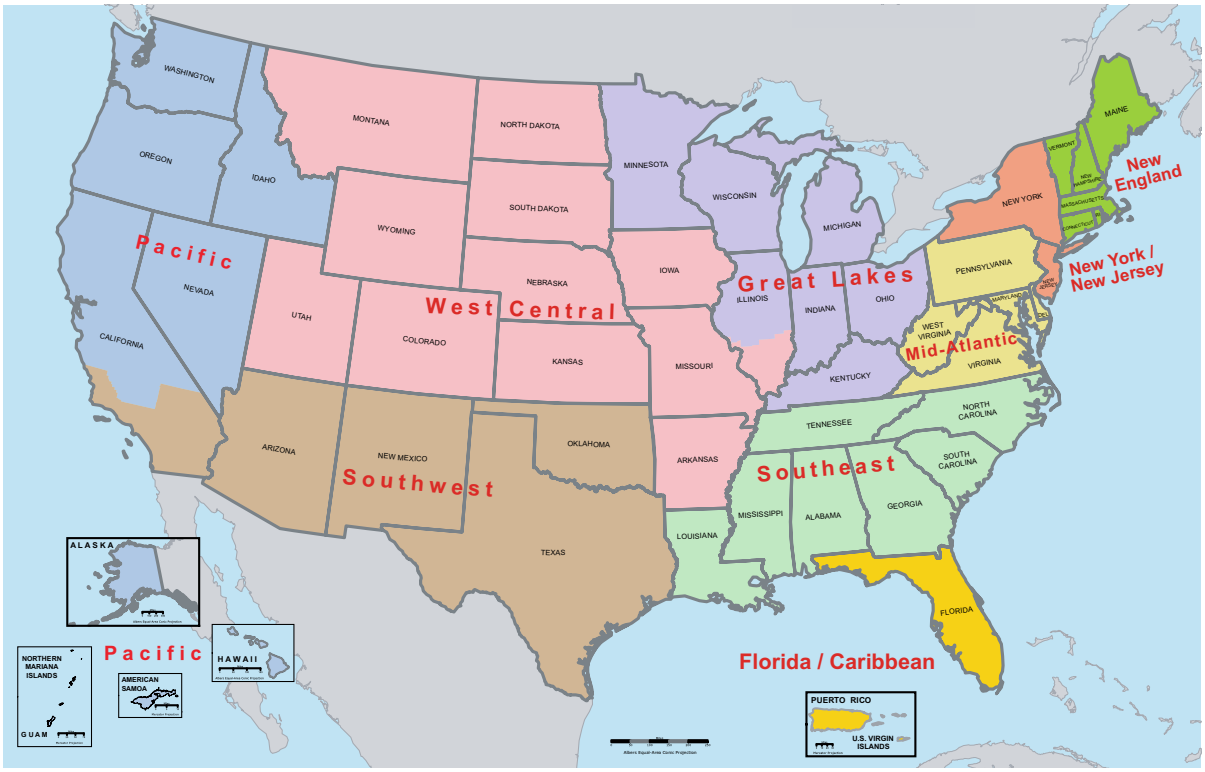
Table 8. Drug Trafficking Organizations or Criminal Groups Operating in the United States

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
Great Lakes	Mexican Colombian African American	Mexican Asian	Mexican Colombian Nigerian African American	Mexican Asian Middle Eastern African American Caucasian	African American Asian Caucasian
Florida/Caribbean	Colombian Mexican Dominican Caribbean-based Venezuelan Haitian Puerto Rican Jamaican Bahamian Cuban Honduran Panamanian Nicaraguan Salvadoran Guatemalan Caucasian African American European Street Gangs	Caucasian Mexican	Colombian Dominican Caucasian Venezuelan Cuban Honduran Panamanian Nicaraguan Salvadoran Guatemalan Puerto Rican Street Gangs African American	Mexican Jamaican Colombian African American Caucasian Cuban Haitian Honduran Panamanian Nicaraguan Salvadoran Street Gangs	Israeli Caucasian Colombian Dominican African American Cuban Street Gangs
Mid-Atlantic	African American Caucasian Colombian Dominican Mexican Puerto Rican	Caucasian Hispanic Mexican	African American Asian Caucasian Colombian Dominican Mexican Puerto Rican West African	African American Asian Caucasian Cuban Colombian Dominican Mexican Puerto Rican	Asian Caucasian Dominican Israeli
New England	African American Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Jamaican Mexican Outlaw Motorcycle Gangs Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Mexican Outlaw Motorcycle Gangs Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Mexican Outlaw Motorcycle Gangs Puerto Rican	African American Cambodian Chinese Laotian Vietnamese Caucasian Colombian Dominican Haitian Honduran Panamanian Nicaraguan Salvadoran Guatemalan Jamaican Mexican Puerto Rican	Cambodian Chinese Laotian Vietnamese Caucasian Outlaw Motorcycle Gangs

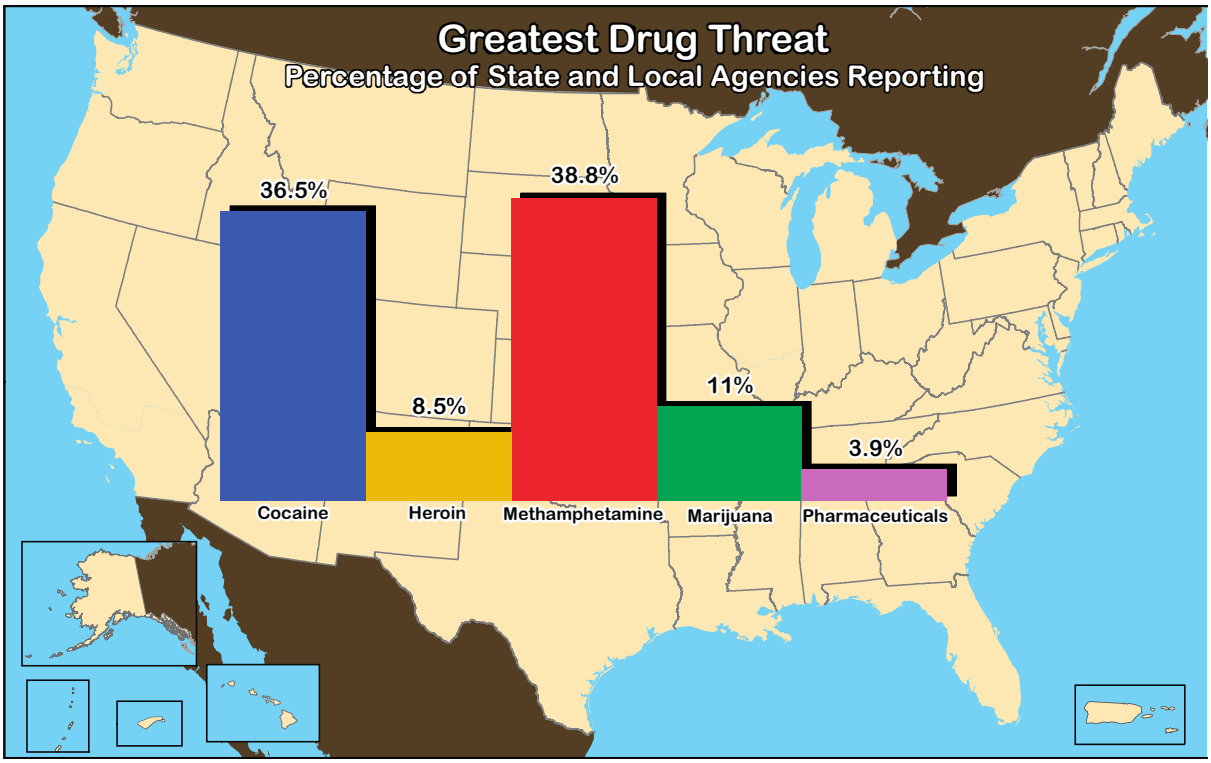
Table 8. Drug Trafficking Organizations or Criminal Groups Operating in the United States (Continued)

Region	Cocaine	Methamphetamine	Heroin	Marijuana	MDMA
New York/New Jersey	African American Caucasian Colombian Dominican Jamaican Mexican Puerto Rican Street Gangs	Caucasian Filipino Mexican	African American Asian Caucasian Colombian Dominican Mexican Pakistani Puerto Rican West African Nigerian Street Gangs	African American Asian Caucasian Colombian Dominican Jamaican Mexican Street Gangs	Caucasian Colombian Dominican Jamaican Mexican Street Gangs Vietnamese
Pacific	Mexican Caucasian Outlaw Motorcycle Gangs Vietnamese Samoan Tongan African American Street Gangs	Mexican Caucasian Outlaw Motorcycle Gangs African American Street Gangs	Mexican Caucasian Outlaw Motorcycle Gangs African American Street Gangs	Caucasian Mexican Vietnamese Indonesian Malaysian African American Street Gangs	Vietnamese Caucasian Outlaw Motorcycle Gangs Indonesian Malaysian African American Mexican
Southeast	Mexican African American	Mexican Caucasian African American Hispanic Asian Outlaw Motorcycle Gangs	African American Mexican Caucasian Street Gangs	Mexican African American Caucasian Asian	Vietnamese Mexican
Southwest	Mexican Colombian African American	Mexican Asian	Mexican Colombian	Mexican Jamaican Asian Caucasian	Asian
West Central	Caucasian Hispanic Mexican Street Gangs	Caucasian Hispanic Mexican Native American Outlaw Motorcycle Gangs Street Gangs	Asian Caucasian Hispanic Mexican Street Gangs	African American Caucasian Hispanic Mexican Vietnamese Outlaw Motorcycle Gangs Street Gangs	Asian Caucasian Vietnamese Street Gangs

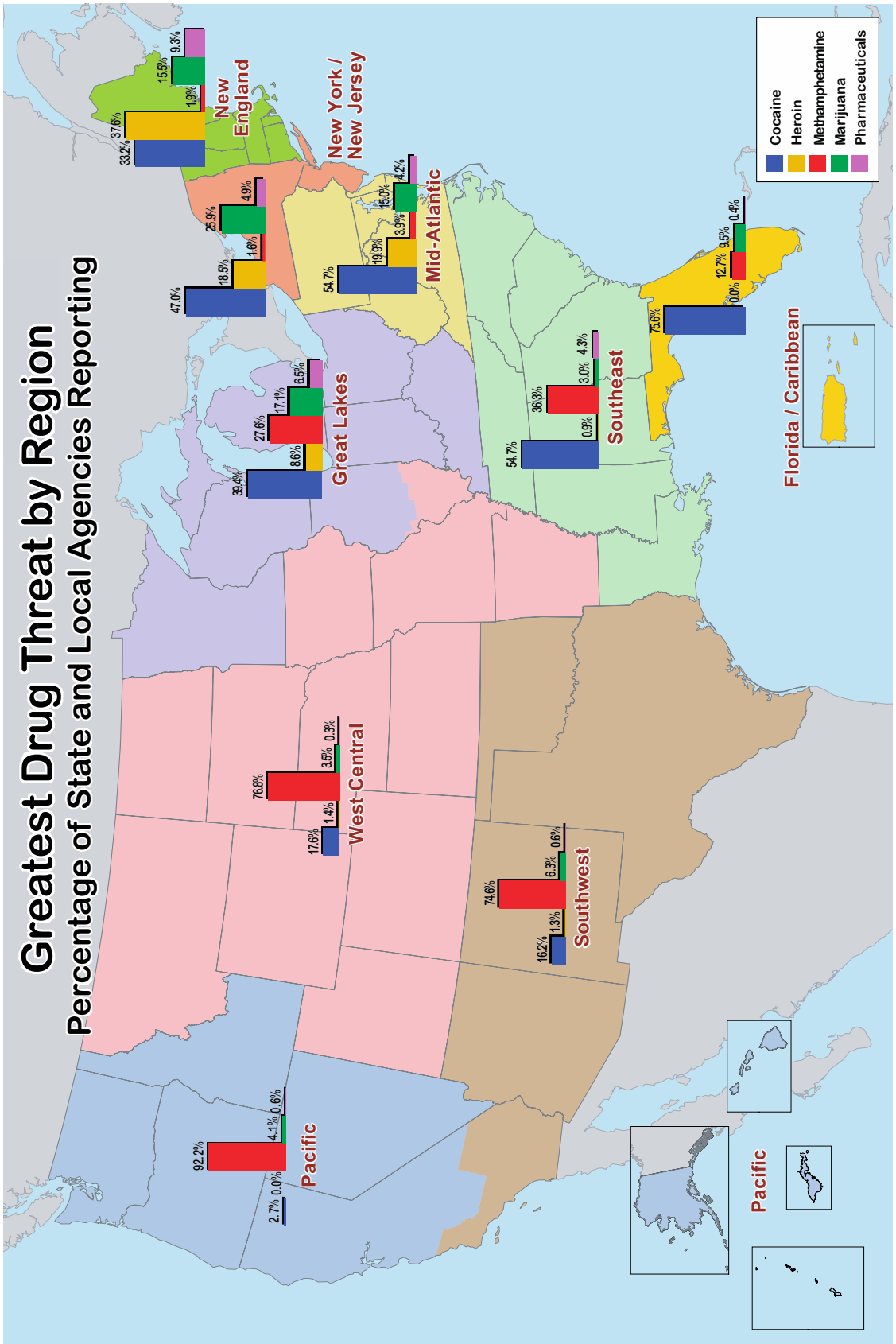
Appendix A. Maps



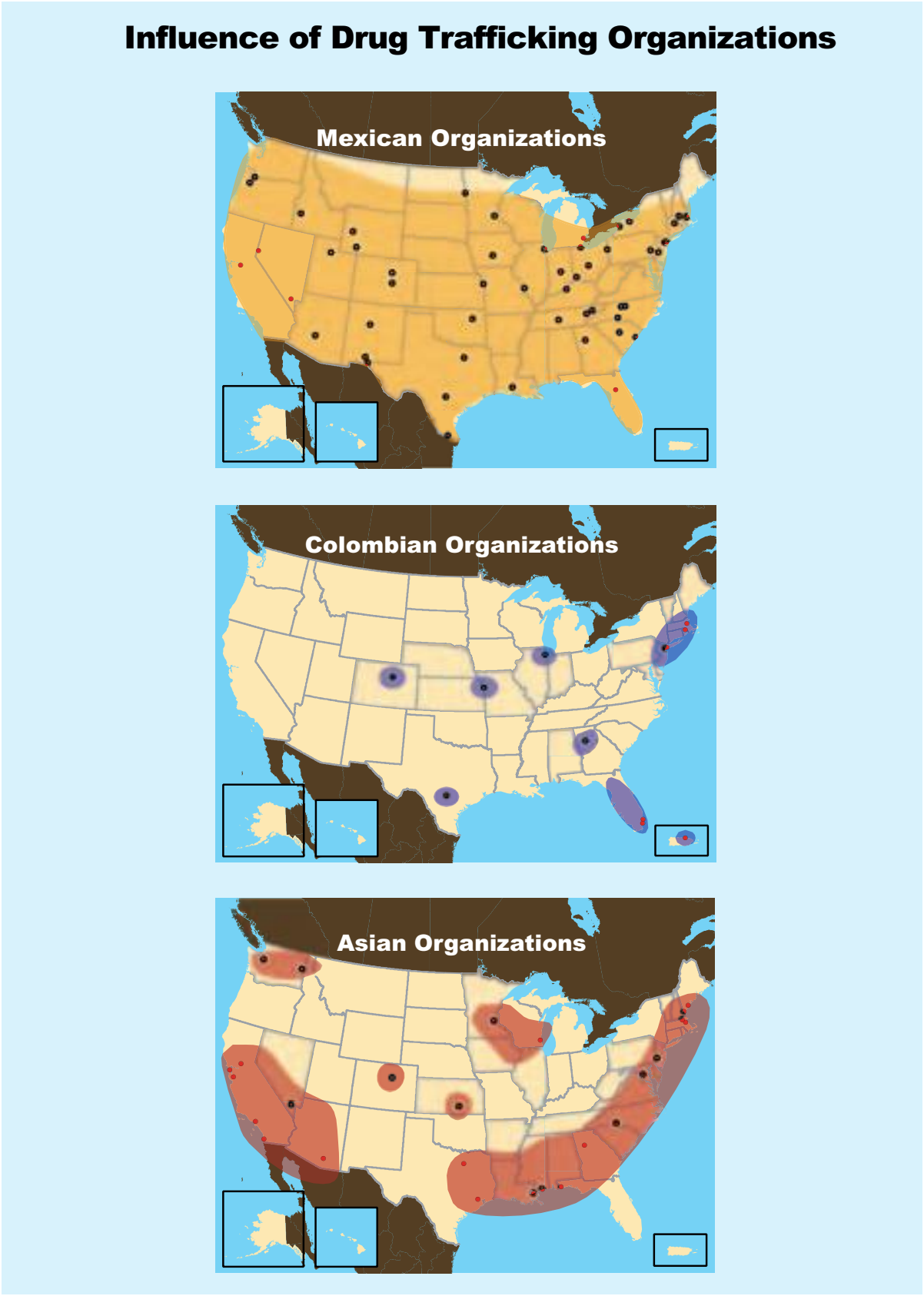
Map 1. Nine regions.



Map 2. National Drug Threat Survey 2006 greatest drug threat as reported by state and local agencies.

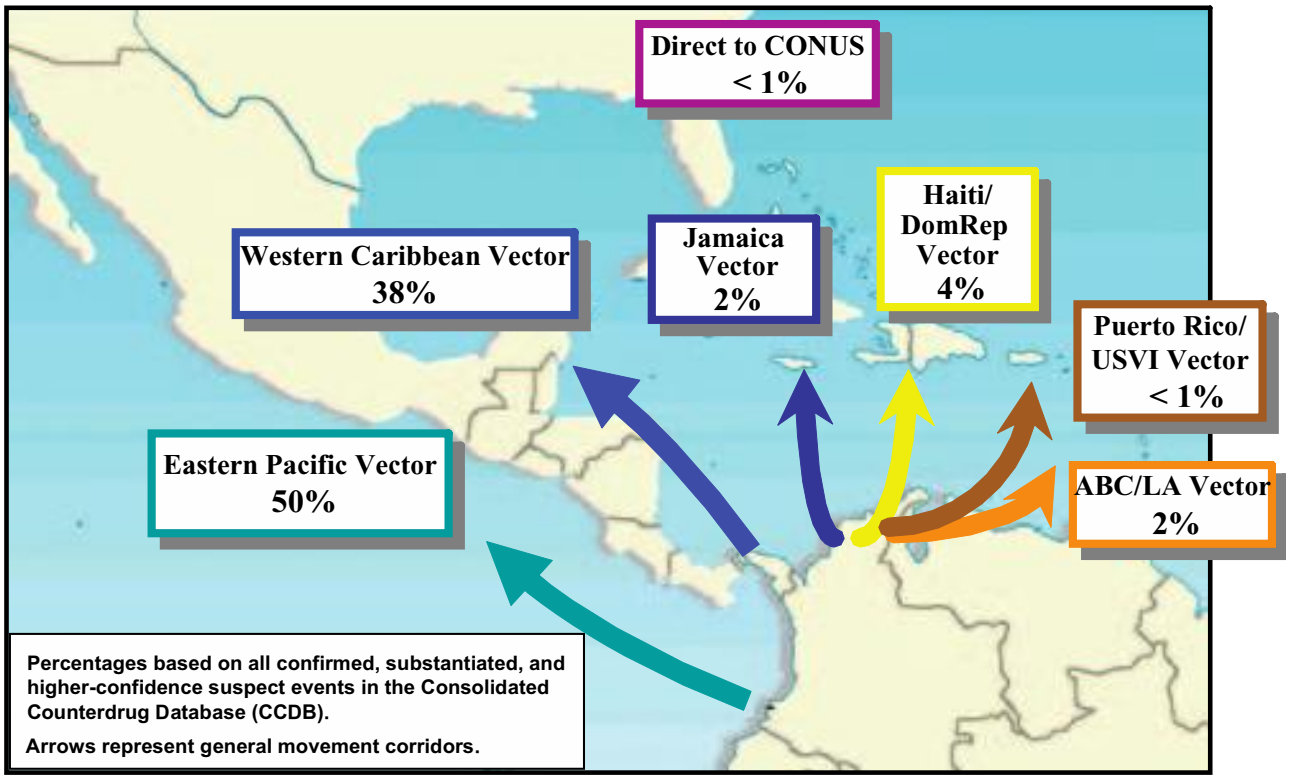


Map 3. Greatest drug threat by region.



Map 4. Areas of influence of drug trafficking organizations in the United States.

Source: Drug Enforcement Administration; Organized Crime and Drug Enforcement Task Force.



Map 5. Vectors in the Transit Zone—CCDB-documented cocaine flow departing South America, January–December 2005.

Source: *Interagency Assessment of Cocaine Movement,* Midyear CY 2006 Update.

Appendix B. Tables

Table 1. NSDUH Trends in Percentage of Past Year Drug Use, 2002–2005

		2002	2003	2004	2005
Major Drugs	**Cocaine (any form)**				
	Individuals (12 and older)	2.5	2.5	2.4	2.3
	Adolescents (12-17)	2.1	1.8	1.6	1.7
	Adults (18-25)	6.7	6.6	6.6	6.9
	Adults (26 and older)	1.8	1.9	1.7	1.5
	Crack				
	Individuals (12 and older)	0.7	0.6	0.5	0.6
	Adolescents (12-17)	0.4	0.4	0.3	0.2
	Adults (18-25)	0.9	0.9	0.8	1.0
	Adults (26 and older)	0.7	0.6	0.5	0.5
	Heroin				
	Individuals (12 and older)	0.2	0.1	0.2	0.2
	Adolescents (12-17)	0.2	0.1	0.2	0.1
	Adults (18-25)	0.4	0.3	0.4	0.5
	Adults (26 and older)	0.1	0.1	0.1	0.1
	Marijuana				
	Individuals (12 and older)	11.0	10.6	10.6	10.4
	Adolescents (12-17)	15.8	15.0	14.5	13.3
	Adults (18-25)	29.8	28.5	27.8	28.0
	Adults (26 and older)	7.0	6.9	7.0	6.9
	Methamphetamine				
	Individuals (12 and older)	0.7	0.6	0.6	0.5
	Adolescents (12-17)	0.9	0.7	0.6	0.7
	Adults (18-25)	1.7	1.6	1.6	1.5
	Adults (26 and older)	0.4	0.4	0.4	0.3
Pharmaceuticals	**Prescription Narcotics**				
	Individuals (12 and older)	4.7	4.9	4.7	4.9
	Adolescents (12-17)	7.6	7.7	7.4	6.9
	Adults (18-25)	11.4	12.0	11.9	12.4
	Adults (26 and older)	3.1	3.3	3.0	3.3
Other Dangerous Drugs	**LSD**				
	Individuals (12 and older)	0.4	0.2	0.2	0.2
	Adolescents (12-17)	1.3	0.6	0.6	0.6
	Adults (18-25)	1.8	1.1	1.0	1.0
	Adults (26 and older)	0.1	0.0	0.1	0.0

Table 1. NSDUH Trends in Percentage of Past Year Drug Use, 2002–2005 (Continued)

		2002	2003	2004	2005
Other Dangerous Drugs (Continued)	**MDMA**				
	Individuals (12 and older)	1.3	0.9	0.8	0.8
	Adolescents (12-17)	2.2	1.3	1.2	1.0
	Adults (18-25)	5.8	3.7	3.1	3.1
	Adults (26 and older)	0.5	0.3	0.3	0.4
	PCP				
	Individuals (12 and older)	0.1	0.1	0.1	0.1
	Adolescents (12-17)	0.4	0.4	0.3	0.3
	Adults (18-25)	0.3	0.4	0.3	0.2
	Adults (26 and older)	0.0	0.0	0.0	0.0

Source: National Survey on Drug Use and Health.

Table 2. MTF Adolescent Trends in Percentage of Past Year Drug Use, 2000–2005

		2000	2001	2002	2003	2004	2005
Major Drugs	**Cocaine (any form)**						
	8th Grade	2.6	2.5	2.3	2.2	2.0	2.2
	10th Grade	4.4	3.6	4.0	3.3	3.7	3.5
	12th Grade	5.0	4.8	5.0	4.8	5.3	5.1
	Crack						
	8th Grade	1.8	1.7	1.6	1.6	1.3	1.4
	10th Grade	2.2	1.8	2.3	1.6	1.7	1.7
	12th Grade	2.2	2.1	2.3	2.2	2.3	1.9
	Heroin						
	8th Grade	1.1	1.0	0.9	0.9	1.0	0.8
	10th Grade	1.4	0.9	1.1	0.7	0.9	0.9
	12th Grade	1.5	0.9	1.0	0.8	0.9	0.8
	Marijuana						
	8th Grade	15.6	15.4	14.6	12.8	11.8	12.2
	10th Grade	32.2	32.7	30.3	28.2	27.5	26.6
	12th Grade	36.5	37.0	36.2	34.9	34.3	33.6
	Methamphetamine						
	8th Grade	2.5	2.8	2.2	2.5	1.5	1.8
	10th Grade	4.0	3.7	3.9	3.3	3.0	2.9
	12th Grade	4.3	3.9	3.6	3.2	3.4	2.5
	MDMA						
	8th grade	3.1	3.5	2.9	2.1	1.7	1.7
	10th grade	5.4	6.2	4.9	3.0	2.4	2.6
	12th grade	8.2	9.2	7.4	4.5	4.0	3.0

Table 2. MTF Adolescent Trends in Percentage of Past Year Drug Use, 2000–2005 (Continued)

		2000	2001	2002	2003	2004	2005
Pharmaceuticals	**Prescription Narcotics**						
	8th Grade	NA	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA	NA
	12th Grade	7.0	6.7	9.4	9.3	9.5	9.0
	Sedatives/Barbiturates						
	8th Grade	NA	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA	NA
	12th Grade	6.2	5.7	6.7	6.0	6.5	7.2
	Tranquilizers						
	8th Grade	NA	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA	NA
	12th Grade	5.7	6.9	7.7	6.7	7.3	6.8
Other Dangerous Drugs	**GHB**						
	8th Grade	1.2	1.1	0.8	0.9	0.7	0.5
	10th Grade	1.1	1.0	1.4	1.4	0.8	0.8
	12th Grade	1.9	1.6	1.5	1.4	2.0	1.1
	Inhalants						
	8th Grade	9.4	9.1	7.7	8.7	9.6	9.5
	10th Grade	7.3	6.6	5.8	5.4	5.9	6.0
	12th Grade	5.9	4.5	4.5	3.9	4.2	5.0
	LSD						
	8th Grade	2.4	2.2	1.5	1.3	1.1	1.2
	10th Grade	5.1	4.1	2.6	1.7	1.6	1.5
	12th Grade	6.6	6.6	3.5	1.9	2.2	1.8
	PCP						
	8th Grade	NA	NA	NA	NA	NA	NA
	10th Grade	NA	NA	NA	NA	NA	NA
	12th Grade	2.3	1.8	1.1	1.3	0.7	1.3

Source: Monitoring the Future.
NA–not available

Table 3. Federal-Wide Drug Seizures, in Kilograms, 2000–2005

Drug	2000	2001	2002	2003	2004	2005
Cocaine	106,616	104,877	102,497	117,044	165,894	173,827
Hashish	10,878	161	621	155	164	409.1
Heroin	1,675	2,496	2,773	2,395	1,845	1,717.2
Marijuana	1,234,555	1,213,988	1,101,496	1,229,678	1,118,608	1,103,608
Methamphetamine	3,471	3,971	2,478	3,856	3,127	4,767.0

Source: Federal-Wide Drug Seizure System.

Table 4. Drug-Related Arrests, United States, 2001–2006

	Drug	2001	2002	2003	2004	2005	2006*
Major Drugs	Cocaine	13,351	12,226	10,951	12,222	12,114	3,557
	Marijuana	6,461	5,509	6,216	6,252	5,599	1,667
	Heroin	3,106	2,578	2,169	2,534	2,141	519
	Methamphetamine	7,363	6,231	6,055	5,893	6,090	1,504
Other Dangerous Drugs	MDMA	1,974	1,506	1,023	937	764	167
	GHB	2	0	10	20	19	0
	LSD	93	27	21	25	8	13
	PCP	87	49	117	67	57	19
	Steroids	72	64	65	95	57	12
Pharmaceuticals	Oxycodone	0	0	27	137	236	74
	Hydrocodone	0	1	17	111	186	67
	Hydromorphone	29	35	28	28	11	3
	Benzodiazepines	30	44	27	23	26	6
	Methylphenidate	0	0	1	1	2	0

Source: Drug Enforcement Administration.

*Data for 2006 are preliminary and incomplete.

Table 5. Other Dangerous Drugs Submitted for Testing in the United States in Dosage Units, 2001–2006

Drug	2001	2002	2003	2004	2005	2006
GHB*	100,218	77,912	130,444	30,719	66,681	470***
LSD**	93,974	1,624	667	146,585	627	567,416
MDMA**	5,475,824	3,745,560	1,905,362	1,473,962	2,502,085	185,061
PCP**	1,037,574	5,786,959	527,986	318,562	13,260	7,088

Source: System to Retrieve Information From Drug Evidence.

*Note: GHB data are derived from the STRIDE Incident Summary Report (63/71A).

**LSD, MDMA, and PCP data are derived from the STRIDE Statistical Summary Report (63/6).

***Data for 2006 are through May 2006

Table 6. Average Purity of Drug Samples Tested, by Percentage, 2001–2004

Drug	Type	2001	2002	2003	2004
Cocaine		78.0	77.0	82.0	84.0*
Heroin	**South America**	78.0	72.0	70.0	64.0
	Southwest Asia	69.0	64.0	62.0	67.0
	Southeast Asia	68.0	73.0	63.0	63.0
	Mexico	30.0	33.0	37.0	39.0
MDMA		53.6	50.6	55.6	53.9
Methamphetamine		39.1	43.6	57.2	60.6

Source: Drug Enforcement Administration.

*Representative of January through July 2004

NA–not available

Table 7. Laboratory Seizures Involving Other Dangerous Drugs, 2001–2005

Drug	2001	2002	2003	2004	2005
GHB	16	10	7	12	2
LSD	0	1	1	0	0
MDMA	13	9	11	16	14
PCP	14	7	10	9	7

Source: National Clandestine Laboratory Seizure System (Run date 7/6/06).

Appendix C. OCDETF Regional Summaries

The following regional drug threat summaries provide strategic overviews of the illicit drug situation in each of the nine OCDETF regions, highlighting significant trends and law enforcement concerns relating to the trafficking and abuse of illicit drugs. The summaries were prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, OCDETF case files, and currently available statistical data.

Florida/Caribbean Regional Overview

Regional Overview

The Florida/Caribbean Region (FCR) encompasses Florida and the U.S. Commonwealth of Puerto Rico. There are four High Intensity Drug Trafficking Area (HIDTA) programs within the region—the Central, North, and South Florida HIDTAs and the Puerto Rico HIDTA. The FCR also has four U.S. Attorney Districts—three in Florida and one in Puerto Rico. Most of the illicit drugs available in the FCR are transported from South American and Caribbean countries; however, geographically, the FCR's proximity to the Gulf Coast region is increasingly being exploited by traffickers to smuggle drugs into the region overland from Mexico. Additionally, Mexican DTOs increasingly are extending and expanding their distribution networks into smaller and more rural communities of Florida as well as urban regions previously controlled by other DTOs.

Drug Threat Overview

Cocaine, heroin, marijuana, and methamphetamine, as well as pharmaceuticals and other dangerous drugs (ODDs) pose varying threats to the FCR. Cocaine and heroin pose the greatest threats to the FCR because they are readily available and widely abused. Further, significant quantities of cocaine and heroin transit the FCR en route to other parts of the United States, especially the Mid-Atlantic and Northeast Regions. Marijuana is the most widely available, abused, and seized drug in the FCR. Indoor cultivation of high quality marijuana is an increasing problem in the FCR. Moreover, some indoor growers in Florida are selling to wholesale distributors in the Northeast. Methamphetamine poses a serious threat to Florida. While precursor laws have caused a decline in methamphetamine production at local laboratories, ice availability is rising, driven by the increasing activity of Mexican DTOs. Pharmaceuticals typically are not distributed by large-scale trafficking organizations; however, abuse of these drugs, particularly powerful prescription opiates, is a serious and ongoing public health concern. The threat posed by ODDs, including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) and GHB (gamma-hydroxybutyrate), is low and decreasing overall in the FCR; however, distribution and abuse of these drugs are a concern in some locations, particularly the large metropolitan areas of Florida.

Strategic Regional Developments

- The increasing dominance of Mexican DTOs in wholesale cocaine distribution in the eastern United States has altered the flow of cocaine into the FCR. Nearly all cocaine previously available in Florida was transported by Caribbean and South American DTOs from South America through the Caribbean; however, large amounts of the drug are now transported into the state by Mexican DTOs from Mexico and the southwestern United States as well as southeastern cities such as Atlanta.

- Indoor cannabis cultivation is significant and increasing in the FCR. Marijuana produced indoors in Florida is increasing in potency and often is transported to the New York and Boston metropolitan areas.

- Methamphetamine is a significant and escalating problem throughout Florida. Mexican DTOs are increasingly supplying large quantities of high purity ice methamphetamine to distributors throughout Florida, and availability and abuse have spread from rural areas of the state to a number of cities, including Orlando and Tampa.

- In 2005 prescription drugs were found to be the cause of or were present in more overdose deaths in Florida than all other illicit drugs combined. Not only are prescription drugs a serious threat in Florida, but abusers and people working for domestic, organized prescription drug diversion rings based outside the FCR often travel to South Florida, obtain prescriptions for and purchase supplies of these drugs, and transport them home for use or resale.

- Each year millions of cargo containers enter ports in the FCR; most of this cargo originates in drug source and transit countries in South and Central America and the Caribbean. Typically, fewer than 5 percent of containers are inspected—less than 1 percent are opened and searched—by customs officials because of manpower limitations.

Variations From National Trends

- The number of indoor cannabis grows in the FCR is likely to increase significantly in the coming year. Marijuana abuse is extremely widespread in the FCR. As many established abusers have been exposed to the superior product, the popularity of marijuana grown indoors will certainly continue to climb, enticing traffickers to establish additional grow sites or to increase the size of existing sites.

- The smuggling of illicit drugs into Puerto Rico and the U.S. Virgin Islands (USVI) in maritime cargo is expected to increase over the next 4 years. The enactment of the Central America–Dominican Republic–United States Free Trade Agreement in 2005—legislation designed to eliminate trade barriers and tariffs among the cosignatories—is being implemented by Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua on a rolling basis over the next year. Also, the construction of the Port of the Americas in Ponce, Puerto Rico, is expected to be completed in the next 2 to 3 years. As commercial activity through Puerto Rico and the USVI increases, DTOs in South and Central America may divert some additional drug flow away from the Central America–Mexico land corridor to the Caribbean corridor, particularly Puerto Rico.

- Although drug smuggling into the FCR via maritime cargo vessels is expected to increase, the transportation of illicit drugs into Puerto Rico and the USVI via go-fast boats will remain significant. First, these vessels can rapidly transport substantial quantities of drugs and offload them at locations inaccessible to larger cargo vessels, including remote areas of the island region. Second, go-fast operations are easier to coordinate than cargo smuggling operations, which require interfacing with many more people to obtain access to a particular port, vessel, and container. Third, using these vessels allows trafficking organizations to maintain closer control of drugs during transit, because the transporters typically work for the organization or are contractors who are being directly paid by the organization to move the drugs.

Great Lakes Regional Overview

Regional Overview

The Great Lakes OCDETF Region encompasses Indiana, Kentucky, Michigan, Minnesota, Ohio, Wisconsin, and the Northern and Central U.S. Attorney Districts of Illinois. It includes the Chicago, Lake County, Michigan, Milwaukee, and Ohio HIDTAs and 13 U.S. Attorney Districts. The region comprises urban areas including Chicago (IL), Cleveland (OH), Columbus (OH), Detroit (MI), Gary (IN), Indianapolis (IN), Louisville (KY), Milwaukee (WI), and Minneapolis/St. Paul (MN), as well as large, sparsely populated agricultural areas, which often are used by traffickers to produce methamphetamine and marijuana. Chicago and Detroit serve as the principal wholesale illicit drug distribution centers in the region, supplying drug markets both in and outside the region.

Drug Threat Overview

The distribution and abuse of cocaine (particularly crack) and, to a lesser extent, heroin and methamphetamine pose the most significant drug threats to most metropolitan areas of the region, while the distribution and abuse of methamphetamine pose the greatest drug threat in rural areas and smaller cities. Marijuana is the most widely available and frequently abused illicit drug in the region but generally poses a lower threat, since its distribution and abuse rarely are associated with violent crime, as is the case with cocaine, heroin, and methamphetamine. The threats posed by other dangerous drugs and the diversion and abuse of pharmaceuticals vary but usually are lower than the threats posed by other major drugs.

Strategic Regional Developments

- The influence of Mexican DTOs over illicit drug transportation and wholesale distribution in the region is unrivaled and has spread from larger cities such as Chicago and Detroit to smaller markets and suburban areas.
- Recent increases in the availability and abuse of illicit drugs in some suburban areas and smaller communities in the Great Lakes Region, particularly in Illinois, Indiana, and Ohio, have contributed to increases in the number of drug abusers and distributors who commit violent crimes (homicide, kidnapping, and assault) and property crimes (automobile theft, shoplifting, and identity theft).
- Heroin use is increasing among affluent, young Caucasian users in areas of Michigan, Ohio, Indiana, and Wisconsin, owing in part to a decrease in negative perceptions regarding heroin use. Heroin use also is increasing among some abusers of prescription narcotics such as OxyContin who switch to heroin when they experience difficulty obtaining prescription narcotics.
- Cannabis cultivation is a significant problem in Kentucky, which ranks second after California in the number of seized indoor and outdoor grow sites.
- Asian criminal groups, primarily ethnic Vietnamese criminal groups from Canada, are smuggling high potency Canada-produced marijuana into the Great Lakes Region at an increasing rate.
- Members of local and nationally affiliated African American and Hispanic street gangs such as Gangster Disciples, Vice Lords, Black Peace Stones, and Latin Kings, who distribute illicit drugs—cocaine, heroin, marijuana, and PCP (phencyclidine)—at various distribution levels in the region have branched out to form additional gangs in cities, including Chicago (IL), Cleveland (OH), and Detroit and Flint (MI).
- Mexican DTOs are the most significant drug money launderers in the Great Lakes Region; they principally transport bulk quantities of cash and monetary instruments overland to Mexico.

Variations From National Trends

- Methamphetamine production levels at small capacity laboratories have decreased in many areas of the Great Lakes Region, paralleling a national trend; however, production has increased overall in Ohio and Michigan during the past 5 years.

- Fentanyl has emerged as a public health threat in some areas of the Great Lakes Region, most notably in Chicago and Detroit, which have reported hundreds of fentanyl-related overdoses and over 100 fentanyl-related deaths since September 2005. A significant number of these overdoses and deaths have been attributed to clandestinely produced fentanyl of an unknown origin, most likely Mexico.

- Retail-level MDMA distribution in the region, which was previously dominated by Caucasian traffickers in loosely organized groups, has expanded to include African American crack dealers. For example, many crack dealers on street corners in Cleveland (OH) now are also selling MDMA along with crack. MDMA was previously sold almost exclusively by Caucasian distributors to teenagers and young adults in middle-class neighborhoods, on college campuses, and at nightclubs, concerts, and raves.

- Prescription monitoring programs in several states in the Great Lakes Region have been successful in detecting trends in pharmaceutical diversion and abuse. For example, doctor-shopping has become more difficult as a result of the implementation of several statewide monitoring programs, including the Michigan Automated Prescription System (MAPS) and the Kentucky All-Schedule Prescription Electronic Reporting (KASPER) System.

- Some retail drug distributors in the Great Lakes Region are laundering drug proceeds through fraudulent real estate transactions and mortgage fraud. The Chicago Police Department estimates that gang members in the city laundered $180 million of their drug proceeds in this manner during the last 3 years.

Mid-Atlantic Regional Overview

Regional Overview

The Mid-Atlantic Region (MAR) is composed of Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. There are three High Intensity Drug Trafficking Areas (HIDTAs) operating within the region—the Philadelphia/Camden HIDTA, the Baltimore/Washington HIDTA, and parts of the Appalachia HIDTA; 10 U.S. Attorney Districts serve the MAR. The extensive transportation infrastructure of the MAR provides drug traffickers virtually unrestricted access to drug markets in the region and enables them to use the region as a conduit in transporting cocaine, marijuana, and methamphetamine from the Southwest and Pacific Regions into the New England and New York/New Jersey Regions, as well as in transporting heroin from New York City and Philadelphia to major heroin distribution centers in the Great Lakes and West Central Regions.

Drug Threat Overview

Cocaine, heroin, methamphetamine, and marijuana are the most abused drugs in the MAR; the abuse of diverted pharmaceuticals is emerging as a serious problem, and the abuse of ODDs is increasing in isolated pockets. Powder cocaine and crack cocaine are consistently identified by a majority of law enforcement agencies in the region as the greatest drug threat in their jurisdiction. Heroin poses a low to moderate and slowly increasing threat to the region; traffickers are expanding distribution of the drug in a rising number of markets. Heroin supplies have become limited in some rural areas of the region because of this expansion into new markets. The threat posed by methamphetamine in the MAR is low to moderate but increasing, especially in areas with large Hispanic populations. Local methamphetamine production is low and declining; however, increasing amounts of high purity ice methamphetamine are being transported into the region by Mexican DTOs, supplanting supplies. Marijuana presents an ongoing threat; availability is high, with Mexican DTOs transporting thousands of pounds of marijuana into and through the region and other groups supplementing availability by producing marijuana locally. Asian DTOs are also transporting and distributing rising amounts of high potency Canadian marijuana, inflating regional supplies. Diverted pharmaceuticals—particularly hydrocodones, oxycodones, and benzodiazepines—are emerging as a significant threat in the region. The availability and abuse of other dangerous drugs such as MDMA, PCP, LSD (lysergic acid diethylamide), and GHB are decreasing, although MDMA and PCP abuse is elevated in some areas.

Strategic Regional Developments

- Powder cocaine and crack cocaine—which pose the greatest drug threat in the MAR—are increasingly being sold to and abused by young Caucasian professionals, blue-collar workers, and students in small cities, towns, and rural areas. Most of the powder cocaine transported into the region is converted into crack cocaine.

- Heroin abuse in the MAR has stabilized at high levels; younger abusers are seeking treatment in increasing numbers and are switching to other drugs that they perceive as less addictive.

- Marijuana availability in the MAR is high and increasing as more high potency Canadian marijuana is transported by traffickers into the region, supplementing Mexican and locally produced supplies.

Variations From National Trends

- Colombian and Dominican DTOs control the wholesale trafficking of cocaine in the MAR, despite the fact that Mexican DTOs serve as dominant wholesale distributors throughout most of the nation. However, Mexican DTOs are strengthening their position in the MAR by establishing alliances with street, prison, and outlaw motorcycle gangs (OMGs).

- Colombian and Dominican DTOs are in firm control of wholesale distribution of heroin, primarily South American heroin, in the MAR. Unlike in a large portion of the country, Mexican DTO involvement in wholesale distribution of heroin is minimal.

- The threat posed to the MAR by methamphetamine is relatively low—the region is one of the few areas in the country where the methamphetamine threat is not significant. However, the threat appears to be increasing.

- Methamphetamine production is low in the MAR; state precursor laws have made production more difficult, and the influx of Mexico-produced methamphetamine, including high purity ice, has satiated demand, making local production unnecessary.

- While the demand for marijuana is declining at the national level, marijuana demand in the MAR is high and increasing. Marijuana-related admissions to publicly funded treatment facilities in the MAR increased almost 50 percent from 2000 through 2004. Marijuana is abused by every ethnic, age, and socioeconomic group. The popularity of high potency marijuana, especially among younger abusers, is a key factor driving the growth in demand.

- The availability of MDMA throughout most of the MAR is lower than the national average, with the exception of some urban areas, college campuses, and the Delaware and Maryland beach locales.

- PCP distribution and abuse are higher than the national average in MAR urban centers, such as Washington D.C., Baltimore, and Philadelphia.

New England Regional Overview

Regional Overview

The New England Region (NER) encompasses the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. There is one HIDTA within the region—the New England HIDTA—as well as six U.S. Attorney Districts, one for each state. Most of the illicit drugs available in the NER are transported from the Southwest Border; however, geographically, the NER shoreline and international border with Canada are often exploited by traffickers to smuggle drugs into the region. Additionally, various criminal groups—primarily highly mobile members of street gangs from southern New England and New York City—increasingly are expanding their drug distribution operations into smaller and more rural communities throughout New England.

Drug Threat Overview

The availability and abuse of opiates, particularly heroin but also diverted pharmaceuticals such as oxycodones (OxyContin, Percocet) and hydrocodone (Vicodin), pose the most significant drug threats to the NER. The region has a large number of opiate addicts who are supplied by a well-established network of heroin and pharmaceutical distributors. Cocaine, particularly crack, is the drug of choice in some areas of the region, including the inner-city neighborhoods of Hartford, Bridgeport, and New Haven (CT), Boston (MA), and Providence (RI). Crack availability has expanded in northern New England, largely because African American and Hispanic criminal groups and street gangs from southern New England have increased distribution operations in the area. Marijuana is widely abused, with high quality, high-priced hydroponic marijuana from Canada and cheaper commercial-grade marijuana from Mexico both readily available in the region. Methamphetamine production and abuse, which were previously concentrated within the gay male community, are increasing among the general population in eastern parts of the NER; however, the threat posed by methamphetamine remains relatively low. The abuse of club drugs such as MDMA, GHB, and ketamine has slightly decreased in recent years, although these drugs remain popular among young adults and teenagers in some areas of the region.

Strategic Regional Developments

- Heroin and diverted opiate pharmaceutical abuse is the greatest drug threat to the NER because of widespread abuse and associated social consequences. Diverted opiate pharmaceutical abuse is spreading among the general population and has fueled increasing heroin abuse in New England, since pharmaceutical abusers often switch to heroin.

- Methadone, an opiate used to treat heroin abuse and chronic pain, has become the leading drug involved in overdose deaths in Maine and New Hampshire. Oxycodone abusers, who are having difficulty obtaining the drug, are using methadone, attempting to achieve an oxycodone-type high. This effect is unattainable from methadone, and the abusers are sometimes overdosing because the drugs have different onset and duration periods.

- Crack cocaine distribution is increasing in northern New England[19] as street gangs from southern New England[20] travel north in an attempt to expand their distribution networks. These gang members often acquire handguns while in northern New England and transport them south, fueling violent crime in the southern part of the region.

19. In this report northern New England refers to Maine, New Hampshire, and Vermont.
20. In this report southern New England refers to Massachusetts, Connecticut, and Rhode Island.

- A rising number of polydrug criminal groups and street gangs are operating from the Lowell and Lawrence (MA) area, the primary New England distribution hub, influencing drug activity throughout much of the region.

- Methamphetamine is an emerging, but low, drug threat to New England. Clandestine laboratory seizures have occurred in Connecticut, Maine, Massachusetts, New Hampshire, and Vermont. Methamphetamine abuse, previously concentrated among members of the gay male communities in Boston and Cape Cod, is now gradually spreading to the general population. Mexican DTOs and Canada-based Asian traffickers, who have ready access to large supplies of methamphetamine, are poised to meet any future increases in demand.

- Canada-based Asian DTOs and OMGs increasingly are smuggling Canada-produced hydroponic marijuana and MDMA, as well as diverted prescription drugs into New England for distribution; they are transporting millions of dollars generated from the sale of these drugs in the United States back to Canada.

Variations From National Trends

- Heroin poses the primary drug threat to New England—the only region of the country where this drug is the leading problem. The heroin problem in the NER is driven in part by pharmaceutical opiate abuse; pharmaceutical opiate abusers often switch to heroin because of the drug's lower cost and higher purity.

- Some opiate abusers in the NER who are undergoing methadone treatment are using cocaine to satisfy drug cravings. Since opiates and stimulants affect different parts of the brain, patients on methadone can still achieve a high by using cocaine.

- Methadone abuse is increasing in the NER; in 2005 the drug emerged as the leading cause of drug-related deaths in Maine and New Hampshire. Some doctors are becoming reluctant to prescribe an oxycodone such as OxyContin because of the drug's high abuse potential; they are now prescribing methadone for pain. Consequently, abusers seeking an oxycodone-type high that is unattainable from methadone are sometimes using excessive amounts of methadone and overdosing.

- The threat posed to the NER by methamphetamine, while increasing, is low—the region is one of the few areas in the country where the methamphetamine threat is not significant. Unlike in the rest of the country, methamphetamine is infrequently produced in the NER. Most of the methamphetamine available in the region is transported by traffickers via mail from California and southwest-ern states as well as Colorado and Oregon. Further, ice methamphetamine is rarely encountered in the NER.

- Significant quantities of high potency marijuana are smuggled to and through the NER from Canada. Asian DTOs, OMGs, Native North Americans, and Caucasian traffickers, and traditional organized crime (TOC) groups have expanded their marijuana production capabilities to Ontario, Quebec, and New Brunswick, where multithousand-plant grows are now often encountered and tens of thousands of plants are seized annually by Canadian authorities. Most of the high potency marijuana produced at these sites is destined for U.S. markets via brokers operating in the Montreal area.

New York/New Jersey Regional Overview

Regional Overview

The New York/New Jersey Region is composed of the entire states of New York and New Jersey. The New York High Intensity Drug Trafficking Area (HIDTA) and portions of the Philadelphia/Camden HIDTA are represented in the region, as are five U.S. Attorney Districts. The region is densely populated and includes approximately 28 million individuals—9.4 percent of the U.S. population. New York City is the most significant drug market in the region and one of the largest in the United States. The region shares a 445-mile border with Canada, which serves as a major conduit for drug smuggling. Secondary markets in the region include Buffalo, Rochester, Syracuse, and Albany in New York and Jersey City, Paterson, Elizabeth, Trenton, and Camden in New Jersey.

Drug Threat Overview

Cocaine and heroin pose the most serious threats to the New York/New Jersey OCDETF Region (NY/NJ Region). Cocaine is frequently abused throughout the region, and crack cocaine poses an increasing problem to urban areas where its sale has become the primary source of income for several violent street gangs. Heroin abuse is extensive in the region and is rapidly spreading to new and younger populations. Young adults in New Jersey, where the purest heroin in the country is sold, are abusing heroin at a rate more than twice the national average. Marijuana is the most commonly abused drug in the NY/NJ Region, and availability of high potency hydroponic marijuana is increasing. Crystal methamphetamine poses a lesser, yet increasing, threat; the drug is rising in popularity and may soon spread to a wider abuser population. MDMA, diverted pharmaceuticals, and ODDs are a concern but, overall, pose a low threat.

Strategic Regional Developments

- Mexican DTOs are transporting an increasing amount of the cocaine and heroin available in the NY/NJ Region and are taking a more significant role in distributing drugs within the region. Their growing involvement has led to a larger volume of drugs being transported to the region overland, mostly from the Southwest Border area, and a significant decline in the amount of drugs being transported from Florida.

- Venezuela is increasingly serving as a departure area for cocaine and South American heroin transported by Colombian DTOs to the region. This development results from some trafficking groups moving their bases of operations from Colombia to Venezuela to avoid increasing law enforcement scrutiny.

- Many Colombian and Dominican DTOs that once stored large quantities of cocaine and heroin in New York City are now stashing the drugs in suburban areas outside the city and bringing smaller amounts into the city on an as-needed basis.

- Members of the Bloods street gang are moving from northern New Jersey to Camden to sell illicit drugs, primarily cocaine and heroin. This has led to increased violence in that part of the region.

- Heroin seemingly is becoming an increasing threat to the region. Abuse is increasing, particularly among youth, and is spreading throughout all demographic classes. In New Jersey heroin abuse has risen among youth to the point where rates of abuse among young adults are more than twice the national average.

- South American heroin is being transported to the region in larger quantities. An interdiction of several kilograms, once considered large by law enforcement, is now considered average.

- Heroin purity in southern New Jersey (although still among the highest in the nation) has declined, causing local abusers to seek alternative methods of use, such as injecting increased amounts, injecting more frequently, or simultaneously abusing other drugs, such as fentanyl or alcohol—combinations that sometimes lead to overdose deaths.

- Italian organized crime groups are increasingly producing high-grade, hydroponic marijuana on Long Island because of the tremendous profit margin and lower penalties for possession and distribution associated with the drug.

- Buffalo has become a major entry point for hydroponic marijuana being transported into the United States from Canada. Various traffickers are bringing the drug in private vehicles across the Peace Bridge and transporting it to markets throughout the New York/New Jersey Region and to cities in other regions.

- The abuse of crystal methamphetamine[21] is increasing within the gay male community and nightclub scene of New York City. Law enforcement and treatment personnel are monitoring this situation closely because these segments of society have long been on the cutting edge of drug trends that later spread to the general population.

- Asian DTOs, primarily Vietnamese and Chinese DTOs, are smuggling MDMA into the region from Canada, using networks previously established for the distribution of Canadian marijuana.

Variations From National Trends

- Heroin poses a more serious threat to the NY/NJ Region than it does to most other regions of the country. The heroin consumed in the NY/NJ Region is among the purest in the nation because of a consistent high level of direct smuggling from Colombia to the region; in New Jersey rates of abuse among young adults are more than twice the national average.

- Some heroin abusers in the region are simultaneously abusing other drugs, such as fentanyl or alcohol—combinations that are beginning to emerge in other parts of the country and that have led to a number of overdose deaths in the NY/NJ Region.

- Significant quantities of high potency marijuana are smuggled to and through the NY/NJ Region from Canada, particularly through the St. Regis Mohawk Reservation, which straddles the Northern Border. Canada-based DTOs transport drugs through the reservation because the risk of law enforcement interdiction there is lower. Further, demand and availability of marijuana, principally high potency marijuana, continue to increase in the NY/NJ Region.

- The threat posed by methamphetamine, while increasing nationally, is low in the NY/NJ Region—one of the few areas in the country where methamphetamine does not pose a significant problem. Only small amounts of methamphetamine are produced in the region; most of the methamphetamine available in the area is transported from California and southwestern states.

21. Law enforcement and treatment authorities in the region use the term crystal methamphetamine to refer to both powder methamphetamine that has been recrystallized and high purity ice methamphetamine. Recrystallized powder is the form most commonly found in the region.

Pacific Regional Overview

Regional Overview

The Pacific Region encompasses northern and central California (including all counties except the southernmost nine), Alaska, Hawaii, Idaho, Nevada, Oregon, and Washington, as well as the U.S. territories of Guam and the Commonwealth of Northern Mariana Islands (CNMI). The region includes the Central Valley California, Hawaii, Nevada, Northern California, Northwest, and Oregon HIDTAs as well as 10 U.S. Attorney Districts. The region's access to major illicit drug production and source areas in Mexico and Canada as well as in Asia and Europe facilitates smuggling of illicit drugs into the United States through the region for distribution to drug markets located throughout the country. Several areas in the Pacific Region have emerged as regional and national distribution centers for wholesale quantities of illicit drugs. Distribution centers include Central Valley (CA) (most notably Bakersfield, Fresno, and Modesto), Las Vegas (NV), Portland (OR), Puget Sound (WA) (most notably Seattle and Tacoma), San Francisco Bay Area (CA), and Yakima Valley/Tri-Cities (WA).

Mexican DTOs and criminal groups are the most influential illicit drug producers, transporters, and wholesale distributors of methamphetamine, cocaine, and Mexico-produced marijuana and heroin in the Pacific Region. The growing influence of Asian DTOs and criminal groups, particularly Vietnamese groups, is one of the most significant drug-related issues in the Pacific Region. These groups are expanding illicit drug operations in the Pacific Region to include increased production of high potency marijuana, increased transportation of BC Bud and MDMA into the region, and increased distribution of these drugs from the region to drug markets throughout the country.

Drug Threat Overview

Methamphetamine is the primary drug threat to the Pacific Region, arising in large part from the high levels of violence and crime associated with the trafficking and abuse of the drug. Increased production, trafficking, and abuse of high potency marijuana also create significant problems for citizens and law enforcement agencies in the Pacific Region as does the multi-level distribution and high abuse levels of heroin and cocaine. The distribution and abuse of ODDs, including MDMA, and diverted pharmaceuticals pose less significant problems than those of other illicit drugs; however, the threat is increasing in many areas.

Strategic Regional Developments

Methamphetamine is increasingly available in the region. Domestically produced methamphetamine had been the primary type of methamphetamine available in the region; however, decreased production in the United States and increased production in Mexico has resulted in Mexican methamphetamine, mostly ice, emerging as the most prevalent type available in the region.

- Methamphetamine production has decreased significantly, largely as a result of successful law enforcement operations and regulatory efforts to control precursor chemicals. Most states in the region have enacted legislation to regulate the sale of ephedrine or pseudoephedrine, and several states have scheduled the substances to further restrict their use.

- Cannabis cultivation and marijuana production have increased significantly throughout the region. Mexican DTOs and criminal groups have significantly increased large-scale outdoor cannabis cultivation and marijuana production operations in the Pacific Region; some groups have shifted resources from methamphetamine to marijuana production, and some have broken away from larger groups to establish their own large-scale operations.

- Some Mexican DTOs and criminal groups are producing marijuana with significantly higher THC (delta-9-tetrahydrocannabinol) levels than in the past.

- Powder cocaine availability is increasing throughout much of the Pacific Region. Law enforcement agencies in California, Idaho, Oregon, and Washington report increases in both the number and the size of cocaine seizures.

- Heroin abuse is increasing slightly in some areas, such as central California. For instance, law enforcement and treatment providers report that heroin use is increasing among some pharmaceutical abusers who first used Vicodin or OxyContin and then switched to heroin because it is cheaper and easier to obtain.

- MDMA availability and abuse are increasing in the Pacific Region, largely because of increased transportation of the drug from Canada, lowered perception of risk by some users, and increased distribution of the drug in the region.

- Many areas of the region, including central California and southern Nevada, report increased abuse of pharmaceuticals. In the San Francisco Bay Area, users purchase pharmaceuticals when they are unable to obtain their drug of choice. Asian DTOs are illicitly obtaining pharmaceuticals from pharmacists in San Francisco and distributing them in the Las Vegas area.

- Casinos in the region afford traffickers potential opportunities to launder drug proceeds. Nevada is the only state that allows commercial casinos; however, four other states in the region—California, Idaho, Oregon, and Washington—have casinos owned and operated by Native American tribes. Some of these casinos have reportedly been used by traffickers to launder illicit drug proceeds generated in the region.

Variations From National Trends

- The level of methamphetamine availability and abuse in the region is among the highest in the country. In Hawaii, methamphetamine is more commonly abused than marijuana—one of the few areas in the country where marijuana is not the most abused drug.

- Some areas of the region have noted a decrease in methamphetamine purity. Law enforcement officials in California, Hawaii, and Nevada have reported lower purity methamphetamine, particularly at midlevel and retail level. It is unclear if this is a long-term trend (an indication of stretched supply) or a temporary condition as local production is supplanted by Mexico-based suppliers.

- Cocaine availability and abuse have increased in many areas of the Pacific Region, quite likely a result of law enforcement efforts to combat methamphetamine trafficking and changing user preferences. Some methamphetamine users are switching to cocaine largely because of the belief that cocaine is safer than methamphetamine.

- MDMA has historically been distributed at clubs, residences, and school campuses; however, it is now distributed at open-air markets in central California by street dealers who employ distribution methods similar to those used for other illicit drugs.

Southeast Regional Overview

Regional Overview

The Southeast Region (SER) encompasses the states of Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. The region includes three HIDTA programs—Atlanta, Gulf Coast, and parts of the Appalachia HIDTA. In addition, there are 18 U.S. Attorney Districts in the SER. Atlanta is the most significant drug distribution hub in the SER. Mexican DTOs have consolidated their control of the Atlanta cocaine, methamphetamine, and marijuana markets and are using Atlanta as a drug distribution hub to transport narcotics to other drug markets in the Mid-Atlantic, New York/New Jersey, and New England Regions. A significant and growing Hispanic population in the SER enables Mexican DTOs, who dominate the transportation and wholesale distribution of cocaine, methamphetamine, and marijuana in the region, to operate without increased risk of detection. The rates of increase in the Hispanic populations of Alabama, Georgia, North Carolina, Tennessee, and South Carolina from 1990 through 2000 were among the highest in the nation.

Drug Threat Overview

The availability and abuse of cocaine and methamphetamine pose the most significant drug threat to the SER. Mexican DTOs transport multiton quantities of cocaine to Atlanta annually for local consumption and for further transportation and distribution throughout the country, particularly to southeastern and Mid-Atlantic markets. The distribution and abuse of methamphetamine, particularly ice methamphetamine, rose dramatically in recent years as Mexican DTOs increased their transportation of the drug to the region. Marijuana is widely cultivated and abused throughout the region; a substantial portion is produced in central and eastern Tennessee. Pharmaceuticals, specifically narcotic analgesics such as oxycodone, hydrocodone, and methadone, are being increasingly diverted and abused throughout the region. ODDs such as GHB, ketamine, and MDMA pose low-level threats to the SER; Canada-based Asian DTOs have emerged as the principal suppliers of MDMA. The drug threat from heroin is limited primarily to parishes around New Orleans.

Strategic Regional Developments

- Local methamphetamine production in the SER has decreased significantly as a result of an influx of Mexico-produced ice methamphetamine into the region, which has made local production less necessary. Additionally, state restrictions on precursor chemicals have made the manufacture of methamphetamine more difficult, contributing to the decline in local production.

- Asian DTOs, primarily Vietnamese groups, have emerged as the primary transporters and distributors of MDMA and Canadian high potency marijuana throughout the SER, particularly in larger cities such as Atlanta and Charlotte.

- Hurricanes Katrina and Rita caused many traffickers to relocate from New Orleans to nearby states such as Texas, Georgia, and Mississippi in 2005, changing drug trafficking patterns in those states. As New Orleans recovers, displaced traffickers and abusers are gradually returning and reestablishing the city as a major drug trafficking area in the SER.

- The availability of Mexican black tar (MBT) heroin has increased significantly over the last year in North Carolina, South Carolina, and Tennessee, largely on account of the rising dominance of Mexican DTOs. Additionally, rising purity levels of black tar heroin have made the drug more attractive to abusers.

Variations from National Trends

- Some Mexican DTOs have occasionally sold wholesale quantities of methamphetamine to retailers while the drug is still wet or damp to increase its weight and, therefore, its price. As the drug dries out, it commonly loses 10 to 20 percent of its weight and sometimes as much as 50 percent.

- Asian traffickers are transporting high-grade hydroponic marijuana from Seattle and Canada to markets in the SER via package delivery services or in private and commercial vehicles.

- The rising dominance of Mexican DTOs has increased the availability of MBT heroin in the SER, particularly in North Carolina, South Carolina, and Tennessee—most heroin available east of the Mississippi River is white heroin.

- Wholesale and retail drug networks based in New Orleans that have been disrupted by hurricane evacuations may not fully rebound in the coming year. However, many wholesale distributors have established successful operations in areas outside New Orleans, including Baton Rouge, Lafayette, Shreveport, and Alexandria (LA), and Hattiesburg (MS). As such, when New Orleans recovers, it will very likely be a more prominent regional distribution center, with several outlying markets.

Southwest Regional Overview

Regional Overview

The Southwest Region encompasses Arizona, Oklahoma, New Mexico, Texas, and the nine southernmost counties in California. Within the Southwest Region are eight HIDTAs—the California Border Alliance Group (CBAG), Los Angeles, Arizona, New Mexico, Houston, North Texas, South Texas, and West Texas—as well as 11 U.S. Attorney Districts. The Southwest Region, which contains the entire 2,000-mile U.S.–Mexico border, is the principal arrival zone for most illicit drugs smuggled into the United States. Mexican DTOs operating in Mexico and the United States exert nearly total control over drug trafficking operations along the U.S.–Mexico border. The Southwest Region also serves as a significant national money laundering hub for the transport and placement of illicit funds derived from the sale of drugs in the region and throughout the country.

Drug Threat Overview

Methamphetamine, cocaine, marijuana, and heroin as well as ODDs and pharmaceuticals pose varying threats to the Southwest Region. The threats posed by methamphetamine and cocaine are growing as a result of the increased involvement of Mexican DTOs in the distribution of these drugs from the Southwest Region to markets throughout the United States. Marijuana is the most seized drug by weight along the Southwest Border and is the most widely available and abused drug in the region. The trafficking and abuse of heroin also are a significant threat because of the amount of Mexican black tar (MBT) and Mexican brown powder (MBP) heroin as well as South American heroin smuggled into and through the region. ODDs and pharmaceuticals pose a much lesser threat because lower volumes of these drugs are smuggled across the border, and national distribution from the region is limited to MDMA and PCP.

Strategic Regional Developments

- Mexican DTOs operating in the Southwest Region are rapidly increasing their influence over drug distribution in all regions of the country. Mexican DTOs exert greater influence over drug trafficking in the United States than any other organizations, and their influence is increasing, particularly with respect to cocaine and methamphetamine distribution.

- The amount of methamphetamine smuggled across the Southwest Border has increased considerably in recent years. Ice methamphetamine is becoming the predominant form of the drug seized in and transshipped from the region and may pose an even more severe threat as a result of increased demand, purity, and profit potential. Methamphetamine production has decreased in the region; however, quantities sufficient for national-level distribution continue to be produced. This decline is primarily a result of the influx of the drug from Mexico, regulatory efforts to control precursor chemicals, and law enforcement efforts.

- Marijuana production has increased in California in response to increased regional and national demand for the drug, particularly higher potency marijuana. Mexican DTOs that cultivate significant quantities of cannabis at large-scale outdoor cannabis grow sites are producing commercial-grade marijuana with slightly higher THC levels than in the past. Various criminal groups are also increasingly producing high-grade marijuana at indoor grow sites in response to increased demand.

- Mexican DTOs are moving away from seasonal marijuana smuggling patterns and now stockpile marijuana shipments and smuggle the drug throughout the year.

- PCP production has decreased during the past year in Los Angeles, one of the primary PCP production areas in the country, largely as a result of the arrests of several major producers. As a result of decreased production, PCP is less available in the Los Angeles area, and national-level distribution most likely will decrease.

- MDMA supplied by Canadian sources is increasingly being distributed in the Southwest Region and could have national-level impact as a result of Los Angeles's role as a large domestic MDMA market. Asian DTOs, one of the primary groups involved in the smuggling of MDMA from Canada into the United States, have established trafficking networks in the Region, particularly Los Angeles and Houston, which could facilitate MDMA distribution in and from these areas.

- The Southwest Region serves as one of the most significant national money laundering centers for illicit drug proceeds generated throughout the United States. The physical transportation of bulk cash and monetary instruments is the principal method used by traffickers to remove illicit drug proceeds from drug market areas to and through the Southwest Region.

Variations From National Trends

- Asian DTOs are increasing their distribution capabilities in the Southwest Region's primary metropolitan areas. Chinese, Korean, and Vietnamese DTOs distribute significant quantities of BC Bud and methamphetamine as well as MDMA in the region. These trafficking organizations obtain the drugs from sources in the Pacific Region and Canada.

- Mexican pharmacies located along the U.S.–Mexico border are a primary source of prescription narcotics, depressants, and steroids distributed in and abused throughout the Southwest Region. San Diego is one of the most significant pharmaceutical smuggling areas in the country, owing to its proximity to Tijuana, which has 10 times the number of pharmacies needed to support its population.

- Law enforcement officials along the entire length of the U.S.–Mexico border are documenting increasingly violent confrontations between law enforcement officials and drug traffickers. Mexican DTOs operating along the border often use violence to facilitate the passage of their illicit cargo.

- Large-scale Mexican DTOs increasingly are using subterranean tunnels in California and Arizona to smuggle illicit drugs (primarily cocaine and marijuana) into the United States.

West Central Regional Overview

Regional Overview

The West Central Region encompasses Arkansas, Colorado, Illinois (Southern District), Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming; the region includes the Rocky Mountain and Midwest HIDTAs as well as fifteen U.S. Attorneys Districts. The West Central region is composed of urban areas as well as expansive, sparsely populated areas that include public and tribal lands. Denver (CO) and Salt Lake City (UT) are the principal distribution centers for illicit drugs in the western half of the West Central Region, and Des Moines (IA), Kansas City (KS), Omaha (NE), and St. Louis (MO) are the principal distribution centers in the eastern half of the region.

Drug Threat Overview

Methamphetamine poses the greatest overall drug threat to the West Central Region while the distribution and abuse of powder and crack cocaine and, to a lesser extent, Mexican black tar (MBT) and Mexican brown powder (MBP) heroin also are significant drug threats, particularly to urban areas. Local methamphetamine production levels have declined significantly; however, Mexican DTOs have flooded the region with a continuous and abundant supply of low-cost, high purity ice methamphetamine, which has sustained supply. Heroin availability and abuse are increasing in some areas of the region, primarily Colorado Springs and Denver (CO), St. Louis (MO), Helena (MT), and Provo, St. George, and Salt Lake City (UT). Marijuana (primarily Mexico-produced but also Canada- and locally produced marijuana) is the most widely available and abused drug in the region. The threat posed by ODDs such as GHB and analogs, khat, LSD, PCP, and psilocybin mushrooms and the diversion and abuse of pharmaceuticals such as OxyContin, Percocet, and Vicodin is low and varies by state.

Strategic Regional Developments

- Mexican DTOs, the dominant illicit drug transporters and distributors in the West Central Region, are expanding their territory and control over drug markets in the region. They use Denver, Des Moines, Kansas City, Omaha, St. Louis, and Salt Lake City as distribution centers to supply markets in midwestern and eastern cities.

- An increasing Hispanic population in the West Central Region has contributed to the dominance of Mexican DTOs. Many undocumented Mexican and Central American nationals come to the region seeking employment, particularly at meatpacking and poultry processing plants. Mexican traffickers easily blend in with these growing Mexican and Central American communities and use them to facilitate drug trafficking operations.

- Methamphetamine production is declining throughout the region; however, Mexican DTOs have more than supplanted lost domestic production with increasing quantities of low cost, high purity ice methamphetamine produced in Mexico. Consequently, drug-related crimes including identity theft, retail theft, burglary, forgery, and currency counterfeiting often linked to increased availability and abuse of ice are increasing.

- Many law enforcement agencies in the West Central Region report a shift in manpower and resources away from investigations of local methamphetamine laboratories to investigations of Mexican DTOs responsible for the increased ice methamphetamine trafficking in the area.

- Some law enforcement personnel believe that cocaine is so abundant and in direct competition with methamphetamine in some areas, such as Denver, that Mexican DTOs are recruiting Hispanic gangs to

"push" the cocaine. This has led to disputes that have fueled increases in violence over struggles to establish and retain distribution areas.

- Canada-based Vietnamese criminal groups increasingly smuggle BC Bud and MDMA into the West Central Region for local consumption and further distribution to other regions.

- Mexican DTOs are increasingly exploiting tribal lands in the West Central Region in order to further their illicit drug distribution activities. Some DTO members are providing free methamphetamine samples to Native Americans, many of whom have become addicts and, in some cases, low level distributors themselves by providing free samples or selling the drug to other Native Americans on reservation lands.

- The abuse of fentanyl and heroin combinations has emerged as a public health threat in St. Louis. There have been more than 50 overdose deaths directly attributed to fentanyl in the St. Louis area during the first 6 months of 2006.

Variations from National Trends

- The distribution and abuse of methamphetamine pose the greatest drug threat throughout the West Central Region.

- Commercial-grade Mexican marijuana is the most common type of marijuana available and abused throughout the region.

- Mexican DTOs are the primary transporters and wholesale distributors of illicit drugs in the region.

- Asian DTOs and OMGs transport illicit drugs via commercial and private vehicles across the Canada–Montana/North Dakota border.

- Asian DTOs are the primary transporters of MDMA and BC Bud in the West Central Region.

Sources

Numerous state and local law enforcement agencies throughout the United States provided valuable input to this report through their participation in the National Drug Threat Survey. A full list of these agencies is included in the *National Drug Threat Survey Report 2005*.

Central Intelligence Agency
- Crime and Narcotics Center

Executive Office of the President
- Office of National Drug Control Policy
  - High Intensity Drug Trafficking Areas
    - Appalachia
    - Atlanta
    - Central Florida
    - Central Valley California
    - Chicago
    - Gulf Coast
    - Hawaii
    - Houston
    - Lake County
    - Los Angeles
    - Michigan
    - Midwest
    - Milwaukee
    - Nevada
    - New England
    - New York/New Jersey
    - Northern California
    - North Florida
    - North Texas
    - Northwest
    - Ohio
    - Oregon
    - Philadelphia/Camden
    - Puerto Rico/U.S. Virgin Islands
    - Rocky Mountain
    - South Florida
    - Southwest Border
    - Washington/Baltimore

National Alliance of Gang Investigators Associations

National Association of Counties

National Center on Addiction and Substance Abuse
- Columbia University

Partnership Attitude Tracking Study

Royal Canadian Mounted Police

United Nations International Narcotics Control Board

U.S. Department of Agriculture
- U.S. Forest Service
  - National Forest System

U.S. Department of Defense
- Defense Intelligence Agency
- Joint Interagency Task Force/West
- Joint Task Force
- Naval Criminal Investigative Service
- U.S. Air Force

U.S. Department of Health and Human Services
- Centers for Disease Control and Prevention
- National Institutes of Health
  - National Institute on Drug Abuse
    - Community Epidemiology Work Group
    - Monitoring the Future
    - University of Mississippi
      - Potency Monitoring Project

Substance Abuse and Mental Health Services Administration
Drug Abuse Warning Network
National Survey on Drug Use and Health
Treatment Episode Data Set
U.S. Food and Drug Administration

U.S. Department of Homeland Security

U.S. Customs and Border Protection
Border Patrol Intelligence Center
U.S. Immigration and Customs Enforcement
U.S. Coast Guard
Maritime Intelligence Center

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives
Bureau of Justice Assistance
Middle Atlantic–Great Lakes Organized Crime Law Enforcement Network
Mid-States Organized Crime Information Center
New England State Police Information Network
Regional Information Sharing Systems
Regional Organized Crime Information Center
Rocky Mountain Information Network
Western States Information Network
Criminal Division
Organized Crime Drug Enforcement Task Force
Drug Enforcement Administration
Atlanta Field Division
Boston Field Division
Caribbean Field Division
Chicago Field Division
Cocaine Signature Program
Dallas Field Division
Denver Field Division
Detroit Field Division
Domestic Cannabis Eradication/Suppression Program
Domestic Monitor Program
El Paso Field Division
El Paso Intelligence Center
National Clandestine Laboratory Seizure System
Federal-Wide Drug Seizure System
Heroin Signature Program
Houston Field Division
Los Angeles Field Division
Miami Field Division
National Forensic Laboratory Information System
Newark Field Division
New Orleans Field Division
New York Field Division
Office of Diversion Control
Philadelphia Field Division
Phoenix Field Division
San Diego Field Division
San Francisco Field Division
Seattle Field Division
Special Operations Division
St. Louis Field Division
System to Retrieve Information From Drug Evidence
Washington, D.C., Field Division
Executive Office for U.S. Attorneys
U.S. Attorneys' Offices
Federal Bureau of Investigation
Albany Field Office
Albuquerque Field Office
Anchorage Field Office
Atlanta Field Office
Baltimore Field Office
Birmingham Field Office
Boston Field Office
Buffalo Field Office
Charlotte Field Office
Chicago Field Office
Cincinnati Field Office
Cleveland Field Office
Columbia Field Office
Dallas Field Office
Denver Field Office
Detroit Field Office
El Paso Field Office
Honolulu Field Office
Houston Field Office
Indianapolis Field Office
Jackson Field Office
Jacksonville Field Office
Kansas City Field Office
Knoxville Field Office
Las Vegas Field Office
Little Rock Field Office
Los Angeles Field Office
Louisville Field Office
Memphis Field Office
Milwaukee Field Office
Minneapolis Field Office
Mobile Field Office
Newark Field Office
New Haven Field Office
New Orleans Field Office
New York Field Office
Norfolk Field Office
North Miami Beach Field Office
Oklahoma City Field Office
Omaha Field Office
Philadelphia Field Office
Phoenix Field Office
Pittsburgh Field Office
Portland Field Office
Richmond Field Office
Sacramento Field Office
Salt Lake City Field Office
San Antonio Field Office

San Diego Field Office
San Francisco Field Office
San Juan Field Office
Seattle Field Office
Springfield Field Office
Federal Bureau of Prisons
U.S. Marshals Service

U.S. Department of State
International Narcotics Control Strategy Report

U.S. Department of the Treasury
Financial Crimes Enforcement Network
Internal Revenue Service
Criminal Investigation Division

U.S. Government Accountability Office

U.S. Postal Service
U.S. Postal Inspection Service

U.S. Sentencing Commission

St. Louis Field Office
Strategic Intelligence and Analysis Unit
Tampa Field Office
Washington, D.C., Field Office

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NDIC publications are available on the following web sites:

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RISS	ndic.riss.net	INTERNET	www.usdoj.gov/ndic

101606

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Image not available for this document, ID: 0.7.10316.19306-000003

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, November 15, 2006 3:12 PM
Subject: Incoming Internet E-mail Delay of 45 to 60 minutes
Importance: High

JCON Inbound Internet E-mail Delay

The Department is currently experiencing a JCON e-mail delay of 45 to 60 minutes on incoming Internet e-mail.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 3:52 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ENRON CHIEF ACCOUNTING OFFICER RICHARD CAUSEY SENTENCED TO 66 MONTHS IN PRISON FOR SECURITIES FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 15, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER ENRON CHIEF ACCOUNTING OFFICER RICHARD CAUSEY SENTENCED TO 66 MONTHS IN PRISON FOR SECURITIES FRAUD

WASHINGTON – Richard A. Causey, former Enron Chief Accounting Officer, has been sentenced to 66 months in prison on a securities fraud charge related to the collapse of the Enron Corporation, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Causey, of The Woodlands, Texas, pleaded guilty on Dec. 28, 2005, to one count of securities fraud. He was sentenced today before Judge Sim Lake of the U.S. District Court in the Southern District of Texas in Houston. In addition to the prison sentence and as part of his plea agreement, Causey agreed to forfeit $1.25 million to the government, pay a $25,000 fine and give up claim to any deferred compensation claims from Enron.

Causey admitted to conspiring with members of Enron's senior management to make false and misleading statements in Enron's filings with the Securities and Exchange Commission (SEC) – and in analyst calls – about the financial condition of Enron, which did not fairly and accurately reflect the company's actual financial performance as he knew it. Causey also admitted to participating with others in senior management in efforts to use Enron's public filings and public statements to mislead the investing public by making false and misleading statements and omitting facts about the true nature of Enron's financial performance.

Enron, once the nation's seventh largest company with stock trading as high as $80 per share in August 1 filed for bankruptcy protection on Dec. 2, 2001, and its stock became virtually worthless.

The investigation into Enron's collapse was conducted by the Enron Task Force, a team of federal prosecutors supervised by the Justice Department's Criminal Division and Special Agents from the FBI and Internal Revenue Service Criminal Investigation. The Task Force received considerable assistance from the SEC. All outstanding Enron-related matters are now being handled by the Fraud Section of the Criminal Division.

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06-763

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Image not available for this document, ID: 0.7.10316.18628-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 5:48 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER DEPUTY SHERRIFF INDICTED ON CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 15, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

FORMER DEPUTY SHERRIFF INDICTED ON CIVIL RIGHTS CHARGES

WASHINGTON – A federal grand jury in Pensacola, Fla., has indicted former Pinnellas County Deputy Sheriff, Richard G. Farnham, on federal civil rights charges relating to the assault of a man while on storm patrol in the aftermath of Hurricane Ivan.

The indictment alleges that on Sept. 20, 2004, Farnham, while acting in his capacity as a deputy sheriff, kicked and deployed a taser on an unnamed victim, and in so doing, willfully deprived the victim of his civil rights. The victim suffered bodily injury as a result of the assault.

The charges contained in the indictment carry a maximum penalty of 10 years in prison and a fine of $250,000. The Federal Bureau of Investigation is investigating this matter. The case is being jointly prosecuted by the Criminal Section of the Department of Justice's Civil Rights Division and by the U.S. Attorney's Office for the Northern District of Florida.

An indictment is merely an accusation and the defendants are presumed innocent unless proven guilty.

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06-767

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 6:36 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN U.S./CANADA CROSS BORDER CRIME FORUM

Department of Justice

FOR PLANNING PURPOSE ONLY
WEDNESDAY, NOVEMBER 15, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN U.S./CANADA CROSS BORDER CRIME FORUM

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks and sign a Memorandum of Understanding with United States and Canadian officials at a working lunch; and participate in a press conference highlighting cross border cooperation between the U.S. and Canada at the U.S./Canada Cross Border Crime Forum beginning **TUESDAY, OCTOBER 10, 2006 at 12:00 P.M. EST.**

WORKING LUNCH REMARKS AND SIGNING (No questions will be taken)

WHO: Attorney General Alberto R. Gonzales
Secretary of Homeland Security Michael Chertoff
Stockwell Day, Canadian Minister of Public Safety and Emergency Preparedness
Vic Toews, Canadian Minister of Justice

WHEN: **12:00 P.M. EST**
THURSDAY, NOVEMBER 16, 2006

WHERE: The Lioncrest (at the Biltmore Estate)
Veranda
1 Approach Road
Asheville, North Carolina
OPEN PRESS (Remarks)
POOL COVERAGE (Signing)

PRESS CONFERENCE

WHO: Attorney General Alberto R. Gonzales

DOJ_NMG_ 0170344

Secretary of Homeland Security Michael Chertoff

WHEN: **2:00 P.M. EST**
TUESDAY, OCTOBER 10, 2006

WHERE: The Lioncrest
Veranda
OPEN PRESS

NOTE: MEDIA WISHING TO COVER THE EVENTS MUST CONTACT SOUTHARD NOWAK, BILTMORE PUBLIC AFFAIRS, AT 828-225-6725 TO GAIN ACCESS TO THE ESTATE. Please arrive at the Estate entrance with valid media credentials no later than 10:45 A.M. Once on the grounds, proceed to the press gathering room at the Deerpark Building. Press inquiries regarding logistics should be directed to Southard Nowak or Theresa Pagliocca at 202-532-3486.

06-766 .

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Image not available for this document, ID: 0.7.10316.18278-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 15, 2006 6:52 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN U.S./CANADA CROSS BORDER CRIME FORUM

Department of Justice

FOR PLANNING PURPOSE ONLY
WEDNESDAY, NOVEMBER 15, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN U.S./CANADA CROSS BORDER CRIME FORUM

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WHO: Attorney General Alberto R. Gonzales
Secretary of Homeland Security Michael Chertoff
Stockwell Day, Canadian Minister of Public Safety and Emergency Preparedness
Vic Toews, Canadian Minister of Justice

WHEN: **12:00 P.M. EST**
THURSDAY, NOVEMBER 16, 2006

WHERE: The Lioncrest (at the Biltmore Estate)
Veranda
1 Approach Road
Asheville, North Carolina
OPEN PRESS (Remarks)
POOL COVERAGE (Signing)

PRESS CONFERENCE

DOJ_NMG_ 0170348

WHO: Attorney General Alberto R. Gonzales
Secretary of Homeland Security Michael Chertoff

WHEN: **2:00 P.M. EST**
THURSDAY, NOVEMBER 16, 2006

WHERE: The Lioncrest
Veranda
OPEN PRESS

NOTE: MEDIA WISHING TO COVER THE EVENTS MUST CONTACT SOUTHARD NOWAK, BILTMORE PUBLIC AFFAIRS, AT 828-225-6725 TO GAIN ACCESS TO THE ESTATE. Please arrive at the Estate entrance with valid media credentials no later than 10:45 A.M. Once on the grounds, proceed to the press gathering room at the Deerpark Building. Press inquiries regarding logistics should be directed to Southard Nowak or Theresa Pagliocca at 202-532-3486.

06-766 .

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, November 16, 2006 8:28 AM
Subject: Portrait Unveiling Ceremony, Friday November 17, 2006

Portrait Unveiling Ceremony

Attorney General Alberto Gonzales will host an unveiling ceremony for the official portrait of John Ashcroft, 79th Attorney General of the United States, at 10:00 a.m., Friday, November 17, 2006, in The Great Hall of the Robert F. Kennedy Main Justice Building. All Department employees in the Washington Metropolitan Area are invited to attend this special ceremony. The event will be broadcast on JusticeVision for those employees unable to attend.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 10:22 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 16, 2006

Department of Justice

PRESS GUIDANCE
Thursday, November 16, 2006

ATTORNEY GENERAL

12:00 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks and sign a Memorandum of Understanding with United States and Canadian officials at a working lunch at the U.S./Canada Cross-Border Crime Forum.

The Lioncrest (at the Biltmore Estate)
Veranda
1 Approach Road
Asheville, North Carolina
OPEN PRESS (Remarks)
POOL COVERAGE (Signing)

2:00 P.M. EST Attorney General Alberto R. Gonzales, Secretary of Homeland Security Michael Chertoff and Acting ATF Director Michael Sullivan will participate in a press conference highlighting cross border cooperation between the U.S. and Canada at the U.S./Canada Cross Border Crime Forum.

The Lioncrest (at the Biltmore Estate)
The Veranda Room
1 Approach Road
Asheville, North Carolina
OPEN PRESS

NOTE: MEDIA WISHING TO COVER THESE EVENTS MUST CONTACT SOUTHARD NOWAK, BILTMORE PUBLIC AFFAIRS, AT 828-225-6725 TO GAIN ACCESS TO THE ESTATE. Please arrive at the Estate entrance with valid media credentials no later than 10:45 A.M. Once on the grounds, proceed to the press gathering room at the Deerpark Building. Press inquiries regarding logistics should be directed to Southard Nowak or Theresa Pagliocca at 202-532-3486.

PRESS RELEASES

The Antitrust Division will issue a release on a price-fixing matter. (Talamona)

The Criminal Division Computer Crimes Section will issue a release on plea-related matter. (Sierra)

DOJ_NMG_ 0170353

EVENTS/HEARINGS

9:30 A.M. EST Wan Kim, Assistant Attorney General for the Civil Rights Division, testified before the Senate Judiciary Committee regarding oversight of the Civil Rights Division.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

NIGHT DUTY OFFICER

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 12:38 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF WAN J. KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, BEFORE THE U.S. SENATE COMMITTEE ON THE JUDICIARY

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
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PREPARED REMARKS OF WAN J. KIM,
ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION,
BEFORE THE U.S. SENATE COMMITTEE ON THE JUDICIARY

WASHINGTON, D.C.

Thank you. Mr. Chairman, Ranking Member Leahy, and distinguished members of the Committee, it is a pleasure to appear before you

I have served as the Assistant Attorney General for the Civil Rights Division for almost exactly one year now. I am honored to serve President Bush, Attorney General Gonzales, and the professionals of the Civil Rights Division in this capacity.

I am pleased to report that the past year was full of outstanding accomplishments in the Civil Rights Division, one in which we obtained many record levels of enforcement. I am proud of the professional attorneys and staff in the Division whose talents, dedication and hard work made these accomplishments possible. My prepared written statement details the accomplishments of each Section of the Division, and I will only address portions of it here. Mr. Chairman, I would ask that the entirety of my prepared statement be placed into the record.

I will take just a brief opportunity to highlight some of the Division's more notable accomplishments during the past year:

- The Voting Section has filed 17 new lawsuits this year, more than doubling the average number of lawsuits filed during the preceding 30 years;
- Just last week, we successfully mounted the largest election monitoring effort ever conducted by the Department of Justice for a mid-term election;
- Earlier this year, the Administration strongly supported passage of the Voting Rights Reauthorization legislation;

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- Last year, we obtained a record number of convictions in the prosecution of human trafficking crimes, deplorable offenses of fear, force and violence that disproportionately affect women and minority immigrants;

- Last year, the Employment Litigation Section filed as many lawsuits challenging a pattern or practice of discrimination as during the last three years of the previous Administration combined;

- Last year, the Housing and Civil Enforcement Section filed more cases alleging sexual harassment than in any year in its history;

- Last year, pursuant to the Attorney General's Operation Home Sweet Home initiative, the Housing and Civil Enforcement Section conducted significantly more tests to ensure compliance with the Fair Housing Act, and we are working to achieve an all-time number of such tests this year;

- Last year, the Disability Rights Section has obtained the highest success rate to date in mediating complaints brought under the Americans with Disabilities Act (80 percent).

- In the past six years, the Disability Rights Section has reached more than 80 percent of the agreements obtained with state and local governments under Project Civic Access, a program that has made cities more accessible and made lives better for more than three million Americans with disabilities;

- In the past six years, we have ensured the integrity of law enforcement by more than tripling the number of agreements reached with police departments, and convicting 50 percent more law enforcement officials for willful misconduct, such as the use of excessive force, as compared to the previous six years;

Before I close, I would like to note that the Division will celebrate its 50th Anniversary next year. As this milestone draws nears, I have reflected upon the work of the Division not only during my own time of service, but over the past half-century. Since our inception in 1957, the Division has accomplished a great deal and we have much to be proud of. While citizens of all colors, from every background, living in all pockets of the country – north and south, rural and urban – have seen gains made on the civil rights front, one need not look back very far to recall a very different landscape.

This point was made more vivid for me when I traveled with Attorney General Gonzales to Birmingham, Alabama, earlier this year. We attended the dedication of the 16th Street Baptist Church as a National Historic Landmark. In 1963, racists threw a bomb in this historically black church, killing four little girls who were attending Sunday School. Horrific incidents like this sparked the passage of the Civil Rights Act of 1964 – the most comprehensive piece of civil rights legislation passed by Congress since Reconstruction. While much has been achieved under that piece of legislation and other civil rights laws, the Division's daily work demonstrates that discrimination still exists. Our work continues.

Thank you, Mr. Chairman and Ranking Member Leahy, for the opportunity to appear before you today. I look forward to your questions.

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Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NINTH ANNUAL UNITED STATES-CANADA CROSS BORDER CRIME FORUM

Department of Justice

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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NINTH ANNUAL UNITED STATES-CANADA CROSS BORDER CRIME FORUM

ASHEVILLE, NORTH CAROLINA

Good afternoon.

I am joined today by Homeland Security Secretary Michael Chertoff and Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives Michael Sullivan.

We have been having very productive meetings yesterday and today to discuss a variety of law enforcement issues of importance to the people of the United States and Canada.

The friendship of our two countries is as healthy as our common border is long. And in the last few years, we have secured unprecedented levels of cooperation between our criminal justice systems.

On Tuesday I visited Buffalo, New York, and was reminded of the challenges that law enforcement agents on both sides of the border are facing. And I saw evidence of the strength of our collaboration with Canada, and our shared commitment to keeping our people safe from crime.

Every day, American law enforcement works side-by-side with our Canadian partners to shut down criminal operations and protect our citizens. Today we share more information, we train together, we conduct joint operations. We are safer, but not yet safe. We must continue to build upon this cooperation, and we must take full advantage of the partnerships formed at gatherings like this one.

The Memorandum of Understanding Regarding Accessing Forensic Firearms Data I have just signed will be a part of our efforts. This agreement will enhance the ability of our countries to share forensic ballistics

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information electronically and in real time. It will improve our ability to identify and link crime scene evidence and will advance our joint efforts to fight gun crimes.

Currently, the ATF uses the same ballistics collection and identification technology as the Royal Canadian Mounted Police. This technology allows us to collect and search images of bullets and cartridge cases recovered from crime scenes, and from firearms seized by law enforcement officers. The Integrated Ballistics Identification System, or IBIS, allows information to be collected nationwide in Canada and the United States.

Before today, ATF and the RCMP shared IBIS data on an ad hoc basis—a viable but cumbersome solution. We could be much more efficient by better connecting our systems, and that is what this agreement seeks to do. The technology has recently been developed to allow us to link these networks, and now we have an agreement in place allowing for a much more integrated process.

Previously, a cop investigating a gun crime in New York, who suspected a connection to a similar crime across the border in Toronto, would face such a complicated and labor-intensive ordeal in pursuing that lead, it was likely to just never happen. Now, he will be able to follow a streamlined electronic trail directly through the IBIS network. Lab techs will be able to compare evidence in both systems, and our law enforcement officers will save valuable time in their investigations—allowing them to concentrate on solving crimes instead of filling out paperwork.

It is an important step forward and a concrete example of how we are tearing down barriers to law enforcement, and constantly strengthening our international partnerships.

And now I would like to invite Secretary Chertoff to make a few comments.

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A PDF of the information is attached below.

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ELPIDA MEMORY EXECUTIVE AGREES TO PLEAD GUILTY FOR PARTICIPATING IN DRAM PRICE-FIXING CONSPIRACY

Executive To Serve Prison Time, Pay $250,000 Criminal Fine

WASHINGTON — A former executive of Elpida Memory, a large Japanese manufacturer of a common computer component called dynamic random access memory (DRAM), has agreed to plead guilty, pay a $250,000 criminal fine, and serve prison time in the United States for participating in a global conspiracy to fix DRAM prices, the Department of Justice announced.

Including today's charge, the Department has charged four companies and 17 individuals, and has secured fines totaling more that $731 million, as a result of its ongoing antitrust investigation into price fixing in the DRAM industry. The $731 million in criminal fines is the second-highest total obtained by the Department of Justice in a criminal antitrust investigation involving a specific industry.

The Department charged that D. James Sogas of Burlingame, Calif., participated in the price-fixing conspiracy in his capacity as vice president of sales for Elpida Memory. Sogas was charged with violating the Sherman Act in a one-count criminal charge alleging participation in an agreement to fix prices of DRAM and to coordinate bids on auctions held by a DRAM purchaser.

Under the plea agreement, which must be approved by the court, Sogas has agreed to serve seven months in prison and to pay a $250,000 criminal fine. In addition, Sogas has agreed to assist the Department of Justice in its ongoing investigation of the DRAM industry.

"The Antitrust Division remains steadfast in its commitment to deter illegal cartel activity and to hold accountable those who participate in price fixing conspiracies," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

DRAM is the most commonly used semiconductor memory product, providing high-speed storage and retrieval of electronic information for a wide variety of computer, telecommunication, and consumer electronic

products. DRAM is used in personal computers, laptops, workstations, servers, printers, hard disk drives, personal digital assistants (PDAs), modems, mobile phones, telecommunication hubs and routers, digital cameras, video recorders and TVs, digital set-top boxes, game consoles and digital music players. There were approximately $25 billion in DRAM sales worldwide in 2005.

According to the one-count felony charge filed today in federal court in San Francisco, Sogas conspired with unnamed employees from other memory makers to fix the prices of DRAM sold to certain original equipment manufacturers from on or about April 1, 2001, to on or about June 15, 2002, and to coordinate bids on Sun Microsystems Inc. auctions held on Dec.5, 2001, and March 26, 2002. The price-fixing scheme directly affected sales to U.S. computer makers Dell Inc., Hewlett-Packard Company, Compaq Computer Corporation, International Business Machines Corporation, Apple Computer Inc., Gateway Inc., and Sun Microsystems Inc., the Department said.

Sogas is charged with carrying out the price-fixing conspiracy by:

- Participating in meetings, conversations and communications with competitors to discuss the prices of DRAM to be sold to certain customers, which led to agreements with his competitors to charge prices of DRAM at certain levels to be sold to certain customers;

- Issuing price quotations in accordance with the agreements reached; and

- Exchanging information on sales of DRAM to certain customers, for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

- Agreeing with competitors to coordinate bids submitted to Sun Microsystems Inc.

"Price fixing will not be tolerated, and we will continue our efforts to bring to justice both domestic and foreign-based executives involved in the conspiracy to fix DRAM prices," said Scott D. Hammond, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement.

Sogas is the first Elpida Memory executive to agree to a prison sentence in the DRAM investigation. Three foreign-based Samsung Electronics Ltd. (Samsung) executives, Sun Woo Lee, Yeongho Kang and Young Woo Lee, pleaded guilty to the DRAM price-fixing conspiracy in March and August 2006. The Samsung employees agreed to serve prison terms ranging from seven to eight months and to each pay a $250,000 criminal fine. On Nov. 8, 2006, Thomas Quinn, a fourth Samsung executive, pleaded guilty and was sentenced to serve eight months in prison and to pay a $250,000 criminal fine for his role in the DRAM price-fixing conspiracy.

In addition, four Hynix Semiconductor Inc. (Hynix) executives, Dae Soo Kim, Chae Kyun Chung, Kun Chul Suh, and Choon Yub Choi, were charged with participating in the DRAM price-fixing conspiracy and agreed to plead guilty and serve jail terms ranging from five to eight months and to each pay a $250,000 criminal fine. In December 2004, four Infineon executives, T. Rudd Corwin, Peter Schaefer, Gunter Hefner and Heinrich Florian, pleaded guilty to the DRAM price-fixing conspiracy. The Infineon employees served jail terms ranging from four to six months and each paid a $250,000 criminal fine.

Also, in December 2003, the Department charged Alfred Censullo, a regional sales manager for Micron Technology Inc., with obstruction of justice. Censullo pleaded guilty and admitted to having withheld and altered documents responsive to a grand jury subpoena served on Micron. Censullo was sentenced to serve six months of home detention.

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On Oct.18, 2006, an indictment was returned against Il Ung Kim and Young Bae Rha, two executives from Samsung and Gary Swanson, an executive from Hynix America, the U.S.-based subsidiary of Hynix, charging them with participating in a global conspiracy to fix the price of DRAM from on or about April1, 2001, until on or about June 15, 2002.

In total, four companies have been charged with price fixing in the DRAM investigation. Samsung, the world's largest DRAM manufacturer, pleaded guilty to the price-fixing conspiracy and was sentenced to pay a $300 million criminal fine in November 2005. Hynix, the world's second-largest DRAM manufacturer, pleaded guilty and was sentenced to pay a $185 million criminal fine in May 2005. In January 2006, Elpida Memory agreed to plead guilty and pay an $84 million fine. In October 2004, German manufacturer Infineon pleaded guilty and was sentenced to pay a $160 million criminal fine.

Today's charge is the result of an ongoing investigation being conducted by the Antitrust Division's San Francisco Office and the Federal Bureau of Investigation (FBI) in San Francisco.

Anyone with information concerning price fixing in the DRAM industry should contact the San Francisco Office of the Antitrust Division at 415-436-6660 or the San Francisco Division of the FBI at (415) 553-7400. Case filings can be viewed on the Antitrust Division's web site, http://www.usdoj.gov/atr/.

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NORTHERN DISTRICT OF CALIFORNIA

E-Filing

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

SI

UNITED STATES OF AMERICA, Plaintiff, v. D. JAMES SOGAS, Defendant.	No. CR **INFORMATION** CR 06 0752 VIOLATION: Title 15, United States Code, Section 1 - Price Fixing and Bid Rigging San Francisco Venue

The United States of America, acting through its attorneys, charges:

I.

DESCRIPTION OF THE OFFENSE

1. D. JAMES SOGAS is made a defendant on the charge stated below.

2. From on or about April 1, 1999, until on or about June 15, 2002, the defendant's corporate employer, Elpida Memory, Inc. ("Elpida"), and coconspirators entered into and engaged in a combination and conspiracy in the United States and elsewhere to suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory ("DRAM") to

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be sold to certain original equipment manufacturers of personal computers and servers ("OEMs"). The combination and conspiracy engaged in by the defendant's corporate employer and coconspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). The defendant joined and participated in the charged conspiracy at various periods of time from as early as April 1, 2001, until on or about June 15, 2002.

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant, his corporate employers, and coconspirators, the substantial terms of which were to agree to fix the prices for DRAM to be sold to certain OEMs and to coordinate bids offered by Sun Microsystems, Inc. ("Sun") on a lot of 1 Gigabyte Next-Generation Dual In-Line Memory Modules ("1 Gigabyte Next-Generation Modules") during Sun auctions on December 5, 2001 and March 26, 2002.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant, his corporate employer, and coconspirators did those things that they combined and conspired to do, including, among other things:

(a) participating in meetings, conversations, and communications in the United States and elsewhere to discuss the prices of DRAM to be sold to certain OEMs;

(b) agreeing, during those meetings, conversations, and communications, to charge prices of DRAM at certain levels to certain OEMs;

(c) issuing price quotations in accordance with the agreements reached;

(d) exchanging information on sales of DRAM to certain OEM customers for the purpose of monitoring and enforcing adherence to the agreed-upon prices;

(e) authorizing, ordering, and consenting to the participation of subordinate employees in the conspiracy;

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(f) participating in meetings, conversations, and communications in the United States and elsewhere to discuss coordinating (*i.e.*, dividing up) among themselves two bids offered by Sun;

(g) agreeing, during those meetings, conversations, and communications, to coordinate two bids offered by Sun;

(h) coordinating among themselves, in accordance with the agreements reached, two bids offered by Sun denying Sun a competitive price;

(i) participating in meetings, conversations, and communications to discuss the submission of prospective bids on two separate lots of 1 Gigabyte Next-Generation Modules offered by Sun;

(j) agreeing, during those meetings, conversations, and communications, to submit complementary bids to ensure the success of their agreement; and

(k) submitting complementary bids for two separate lots of 1 Gigabyte Next-Generation Modules, denying Sun a competitive price.

II.

DEFENDANT AND COCONSPIRATORS

5. During the time period covered by this Information:

(a) Elpida was a corporation organized and existing under the laws of Japan; its wholly owned subsidiary Elpida Memory (USA), Inc. was a corporation organized and existing under the laws of California. Elpida and Elpida Memory (USA), Inc. were engaged in the business of producing and selling DRAM to customers in the United States and elsewhere.

(b) D. James Sogas was employed as Vice President of Sales for Elpida Memory (USA), Inc.

6. Various corporations and individuals, not made defendants in this Information, participated as coconspirators in the offense charged in this Information and performed acts and made statements in furtherance of it.

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7. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

8. DRAM is the most commonly used semiconductor memory product. DRAM provides high-speed storage and retrieval of electronic information in personal computers, servers and other devices. All references to DRAM in this Information include semiconductor memory devices and modules.

9. During the period covered by this Information, the defendant, his corporate employer, and coconspirators sold and distributed DRAM in a continuous and uninterrupted flow of interstate and foreign trade and commerce to customers located in states or countries other than the states or countries in which the defendant, his corporate employer, and coconspirators produced DRAM. The OEMs that were affected by the conspiracy to suppress and eliminate competition were: Dell Inc., Compaq Computer Corporation, Hewlett-Packard Company, Apple Computer, Inc., International Business Machines Corporation, Gateway, Inc., and Sun Microsystems, Inc.

10. The business activities of the defendant, his corporate employer, and coconspirators that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

IV.

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

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ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

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Department of Justice

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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NINTH ANNUAL UNITED STATES-CANADA CROSS BORDER CRIME FORUM LUNCH

ASHEVILLE, NORTH CAROLINA

Thank you, and good afternoon.

I am pleased to be here with you at the ninth annual U.S.-Canada Cross Border Crime Forum, because I believe that the work being done by all of you is vitally important—both in our war against terror, as well as in our daily fight to keep our nations and citizens safe.

The attacks of September 11th taught us that the most beautiful day can suddenly be shattered by a determined act of evil. While terrorism is a primary concern for all of us, it is not our only job. Criminals are constantly searching for new ways to prey upon our communities. To stop them, we must maintain the same vigilance we show against the terrorists.

On Tuesday I visited Buffalo, New York, and I was reminded of the challenges that agents on both sides of the border are facing.

The convenience of multiple routes across the Niagara River is a boon for the free flow of commerce and tourists. But it also makes it easier for criminals to engage in "bridge shopping"—merely switching their route from the Peace Bridge to the Rainbow Bridge, to avoid law enforcement. And I saw how difficult it can be to adequately patrol the river itself, when the sheer size of our border is working against us.

Our success depends on close collaboration among all levels of law enforcement, domestically and internationally. It depends on the innovative thinking and the enthusiasm that come out of these meetings.

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During dinner conversation last night and a wonderful bike ride this morning, I was reminded of the strong kinship we share with our northern neighbor. The friendship of the United States and Canada is as healthy as our common border is long. And in the last few years, we have secured unprecedented levels of cooperation between our criminal justice systems.

I know that there will be times when we disagree. The United States and Canada have different legal systems that guide what each of us can do in cooperating on cases. We must fight the temptation not to cooperate or share information as a result of other disagreements. In truth, we only hurt our own countries when we let our differences keep us apart.

Our partnership has had important successes and gatherings like this one have produced real results. For example, we decided in 2001 to establish Integrated Border Enforcement Teams, or IBETs. This past Spring, we had a major IBET success with Operation Frozen Timber, which targeted the smuggling of drugs across the border by six Canadian organized crime groups, working in British Columbia and Washington state.

The operation, known as "E Printer" in Canada, led to more than 40 arrests. Authorities seized 3,500 kilos of marijuana, 365 kilos of cocaine, three aircraft, and approximately $1.5 million. In one case, the Royal Canadian Mounted Police were able to tip off U.S. agents about a helicopter carrying 150 kilos of marijuana into a Washington state wildlife area. Authorities tracked the helicopter and captured the Canadian smugglers and their American accomplices.

That's the kind of cooperation across borders and among agencies that we are here to develop and celebrate. The need for collaboration will only grow larger as our world grows smaller. More and more crimes know no borders–internet fraud, terrorism, child pornography. We must continue to build upon our success and look for opportunities to further coordinate our efforts.

As an important step forward, today we will be signing a Memorandum of Understanding on forensic firearms data. This agreement will enhance the ability of our countries to share forensic ballistics information electronically and in real time. It will improve our ability to identify and link crime scene evidence and will advance our joint efforts to fight gun crimes. The ATF and RCMP have played a critical role in making this important MOU happen and I thank them for their efforts.

Our shared responsibilities in fighting crime are vast, and neither of our countries can do it alone. Organized crime, narcotics, human trafficking, mass-marketing fraud, and border enforcement are just a few of the challenges we face every day. But I am optimistic, and I hope that our Canadian allies can look to us in the United States as we look to you: as teammates and as partners in guarding the peace and Democracy that we all cherish.

Our enemies--the criminals, terrorists, and gangs--have formed networks to advance their schemes. In response, our network must be stronger and, through efforts like the Cross Border Crime Forum, I know that it is. With outstanding coordination of partners and resources, flexibility, and a passion to succeed, we will prevail.

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And so I want to thank you all for being here at this forum, to thank you for all you have done. The United States and Canada are great allies, and these are great times. And we will face our future stronger together.

But before Minister Day comes to speak, I would like to give a special thanks to Lee Heath, Chief U.S. Postal Inspector, for all of his hard work with the Forum for many years, and for his efforts in organizing this event. Lee would you please join me on stage? Lee will be retiring in December and we would like to present him with this plaque in recognition for his many years of hard work.

I'd now like to invite Minister Day to come and give his remarks.

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From: USDOJ- Office of Public Affairs
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Subject: DEPARTMENT OF JUSTICE AND CANADIAN LAW ENFORCEMENT AGENCIES WORK TOGETHER TO FIGHT GUN CRIME

Please see attached joint U.S./Canada reports on Phishing and Counterfeit Checks and Money Orders.

Department of Justice

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DEPARTMENT OF JUSTICE AND CANADIAN LAW ENFORCEMENT AGENCIES WORK TOGETHER TO FIGHT GUN CRIME

WASHINGTON — U.S. Attorney General Alberto R. Gonzales and Canadian Minister of Public Safety Stockwell Day today signed a memorandum of understanding (MOU) at the ninth annual United States-Canada Cross-Border Crime Forum. The agreement allows for the electronic exchange of ballistics information between the two countries.

Prior to the agreement, there was a limited manual exchange of ballistics information, which was time-consuming and cumbersome. Now, through electronic access, both countries will be able to connect firearms and bullets used in one or more crime scenes across North America. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the Royal Canadian Mounted Police (RCMP) will be the lead agencies responsible for implementing this important law enforcement agreement.

"This agreement paves the way for greater law enforcement collaboration between the United States and Canada," said Attorney General Gonzales. "It will aid criminal investigations involving firearms on both sides of the border and will help ensure the safety of citizens of both nations."

"Criminals are not afraid of crossing the border and committing more crimes using the same illegal weapons," said Minister Day. "With today's agreement, our law enforcement agencies will be able to solve more crimes by connecting firearms and bullets used in one or more crime scenes across North America."

This agreement is one instance of a long track record of collaboration between the United States and Canada, including the establishment of the ATF Office of Assistant Country Attaché in Toronto, mutual assistance with firearms tracing, and joint training initiatives.

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The United States and Canada have consistently engaged in collaborative efforts to effectively share intelligence and information in an effort to stem the illegal flow of U.S.-sourced firearms to Canada. The two nations have instituted the following measures to help fight transnational crime:

- *Sharing Forensic Firearms Data* – The MOU signed today by Attorney General Gonzales and Minister Day enhances the ability of the ATF and the RCMP to share forensic ballistics information electronically and in real time through the Integrated Ballistics Identification System (IBIS). IBIS allows law enforcement officials to collect and search images of bullets and cartridge cases recovered from crime scenes and from the test fires of firearms seized by law enforcement officers. Previously, this information could only be shared by the two countries on a case-by-case basis. This agreement will help connect the two systems and will save law enforcement officers time and effort, allowing them to spend more time solving crimes and less time filling out paperwork.

- *Assistant Country Attaché* – In an effort to properly address the issue of illegal U.S.-sourced firearms in Canada, ATF has expanded its presence in Canada and in August, 2005, assigned an Assistant Country Attaché to focus on the Greater Toronto area's rise in firearms related violence. ATF works closely with the Provincial Weapons Enforcement Unit (PWEU) to support its mandate of tracing firearms used in crimes. ATF facilitates collateral investigations and coordinates efforts in the U.S. to investigate, arrest, and prosecute individuals who traffic firearms illegally into Canada.

- *Comprehensive Gun Analysis and Tracing* – In the fall of 2005, in the wake of an increase in gun violence in the Toronto area, ATF and the RCMP signed an agreement that allows RCMP to use ATF's eTrace system to electronically trace firearms recovered at crime scenes in Canada. Systematic tracing of firearms assists with interdiction efforts of those firearms originating in the U.S. and allows for the identification of sources of such firearms. Canada's Firearms Tracing and Enforcement Program, which is a PWEU initiative, has been providing analysis on guns sourced to the United States for the past several years. The RCMP's National Tracing Unit and PWEU are successfully using ATF's e-Trace to submit requests to ATF's National Tracing Center Division.

- *Joint Collaboration with Initiatives* – ATF is currently working with the Crime Gun Analysis Team in Toronto on firearms-related investigations, coordinating any assistance requested by the Ontario PWEU under this new initiative, assisting with firearms tracing, and any collateral investigations requested from ATF in the United States. ATF also coordinates mutual training initiatives with Canadian law enforcement, such as International Firearms Trafficking Schools and the Serial Number Restoration Training.

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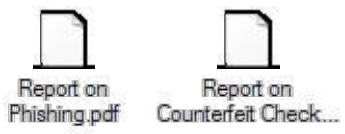

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Public Safety and Emergency Preparedness Canada | Sécurité publique et Protection civile Canada

Public Advisory: Special Report on COUNTERFEIT CHECKS AND MONEY ORDERS

Summary

Recently, law enforcement and regulatory authorities in Canada and the United States have seen a substantial increase in the number of counterfeit checks and money orders that are being sent to consumers in connection with various fraud schemes. The Department of Public Safety and Emergency Preparedness Canada and the United States Department of Justice are jointly issuing a Public Advisory to warn the public about the growing use of counterfeit checks and money orders.

This Public Advisory informs consumers about the risks of accepting and depositing counterfeit checks and money orders in their bank accounts, and the steps that they should take when they receive communications offering to send them a check or money order.

Facts

Recently, law enforcement and regulatory agencies in both Canada and the United States have seen a substantial increase in the number of counterfeit checks and money orders that are being sent to consumers in connection with various fraud schemes. In the United States, the number of Federal Deposit Insurance Corporation special alerts on counterfeit checks, bank drafts, and money orders has increased dramatically in recent years: 50 in 2003, 75 in 2004, 168 in 2005, and 259 in the first three quarters of 2006 – an increase of more than 500 percent in less than four years. The FBI, in fact, has cited "the pervasiveness of check fraud and counterfeit negotiable instrument schemes" as a leading factor in the growth in external bank fraud, which has "replaced bank insider abuse as the dominant [financial institution fraud] problem confronting financial institutions."

- Counterfeit checks and money orders are found in a growing array of fraud schemes. These include –
  - Internet fraud schemes, in which legitimate Internet users are selling

valuable items, such as cars, online, posting their resumes on employment-related websites, or visiting websites that appeal to people who are seeking roommates or have romantic interests.

- Advance-fee schemes, in which consumers are contacted by people who purport to need assistance in moving money out of an African country or to offer an inheritance or lottery winnings.
- Telemarketing fraud schemes, in which consumers are offered a check as supposed payment of a prize or lottery winnings.

What Risks Do Consumers Face If They Deposit Counterfeit Checks or Money Orders in Their Bank Accounts?

Consumers who accept and deposit counterfeit checks or money orders in their accounts learn, too late, that their banks will hold them liable for the full face value of the checks or money orders. In addition, consumers who wire-transfer or mail the specific amount of money that the sender of the check or money order requested will lose that amount of money as well. In other words, if a consumer received and deposited into his bank account a $15,000 check that later proved to be counterfeit, and wired $5,000 of that amount to the check sender, he ultimately would lose $20,000: the full $15,000 amount on the check, and the $5,000 wire transfer. Banks in Canada and the United States have no obligation to return any of that money to the consumer.

In a number of cases, banks that discovered a counterfeit check had been deposited in one of their accounts have contacted the police, believing that the depositor was attempting to engage in check fraud. In some instances, this contact has resulted in the police initially arresting the depositor, before subsequent investigation disclosed that the depositor did not have fraudulent intent at the time of the deposit.

Can People Recognize Checks or Money Orders As Counterfeit?

Sometimes, when criminals have been careless about altering or making copies of a legitimate check or money order, people may see that the images on the face or reverse of the check or money order are light, indistinct, or uneven. People who know that particular checks or money orders have certain special security features may also be able to recognize checks or money orders as possibly fraudulent if they see that one or more of these security features is missing.

The fact remains, however, that many counterfeit checks and money orders are of higher quality, and are likely to deceive even trained bank personnel at first. Criminals can use desktop-publishing software to print out counterfeit checks, often of high quality. Moreover, there is no one type of check or money order that criminals seek to counterfeit. Law enforcement and financial institution regulators know that the full range of counterfeit financial instruments now in use includes bank drafts, cashier's checks, government agency checks, official bank checks, personal checks, personal money orders, teller's checks, and treasurer's checks, as well as personal money orders and

postal money orders.

What Can People Do to Avoid Becoming Victims of a Counterfeit Check/Money Order Scheme?

The Department of Public Safety and Emergency Preparedness Canada and the United States Department of Justice recommend that consumers and businesses take the following steps when someone whom they do not know personally sends them a check or money order to pay for goods or services:

1. If the check or money order is made out in an amount larger than the purchase price for the goods or services, or if you see any signs that the check or money order has been altered in any way (for example, the face amount or signature appears to have been erased or written over), do not deposit the check in your account under any circumstances. A legitimate buyer can provide you with a check or money order in the exact amount of the purchase price. Depositing or cashing a counterfeit check, however, can result in a substantial loss to you.
2. Nor should you wire-transfer any funds from that check or money order back to a buyer if you do not know the buyer personally. If your financial institution or a law enforcement officer tells you that the check or money order you received is counterfeit, do not attempt to redeposit it in your or another bank, as that may subject you to prosecution for check fraud.
3. If the sender of the check refuses to give you a check or money order for the exact amount of the purchase, and insists on sending you a check or money order for a higher amount, do not continue with the transaction. The only reason that someone would insist on sending you a check and requiring that you transfer a portion of the funds back to him is to commit fraud.
4. If you run a business that uses a substantial volume of checks, certain financial institutions offer a service that allows cleared checks to be matched against a data file of issued checks, to ensure that only matched entries are processed and that unmatched checks can be returned to the business rather than negotiated.
    - If you have received a check or money order that you have reason to believe may be counterfeit, you should **keep the actual check or money order, and (if possible) the envelope in which it was mailed to you, for possible future use by law enforcement.**

How Can People Report Possible Counterfeit Checks and Money Orders?

In the United States:

- For possible online crimes involving counterfeit checks and money orders, file an online complaint with the Internet Crime Complaint Center (a joint project of the FBI and National White Collar Crime Center) at http://www.ic3.gov.

- For other possible crimes involving counterfeit checks and money orders, contact the local office of the FBI [http://www.fbi.gov/contact/fo/fo.htm], the Postal Inspection Service [http://www.usps.com/postalinspectors/fraud/ContactUs.htm], or the U.S. Secret Service [http://www.secretservice.gov/field_offices.shtml].

  In Canada:

- The RCMP advises that Canadian consumers contact:
  - Their local police service
  - Their credit bureau, either Equifax Canada (800-465-7166 or http://www.equifax.com/EFX_Canada) orTrans Union Canada (877-525-3823 or http://www.tuc.ca/TUCorp/consumer/personalsolutions.htm)
  - The Phonebusters National Call Centre (toll-free 1-888-495-8501), or
  - Report Economic Crime Online (RECOL) at the RECOL website

Further Information

For further information on counterfeit checks and money orders, please consult the following sources:

FBI Financial Institution Fraud and Failure Report for Fiscal Year 2005, at http://www.fbi.gov/publications/financial/2005fif/fif05.htm

Phonebusters, Cheque Overpayment Fraud, at http://www.phonebusters.com/english/recognizeit_advfeefraudover.html

Postal Inspection Service, Postal Money Order Security, at http://www.usps.com/postalinspectors/moalert.htm

Royal Canadian Mounted Police, Items for Sale and Overpayment of Goods, at http://www.rcmp.ca/scams/overpayment_e.htm

United States Secret Service, Financial Crimes Division, at http://www.secretservice.gov/financial_crimes.shtml

Report on Phishing

A Report to the Minister of Public Safety and Emergency Preparedness Canada and the Attorney General of the United States

Binational Working Group on Cross-Border Mass Marketing Fraud
October 2006

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Report on Phishing

A Report to the Minister of Public Safety and Emergency Preparedness Canada and the Attorney General of the United States

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Executive Summary

Phishing refers to luring techniques used by identity thieves to fish for personal information in a pond of unsuspecting Internet users. It is a general term for the creation and use by criminals of e-mails and websites that have been designed to look like they come from well-known, legitimate and trusted businesses, financial institutions and government agencies. These criminals deceive Internet users into disclosing their bank and financial information or other personal data such as usernames and passwords.

Phishing continues to be one of the rapidly growing classes of identity theft scams on the Internet that is causing both short-term losses and long-term economic damage. In May of 2006, over 20,000 individual phishing complaints were reported, representing an increase of over 34% from the previous year. Recent data suggests that criminals are able to convince up to 5% of recipients to respond to their e-mails, resulting in an increasing number of consumers who have suffered credit card fraud, identity fraud, and financial loss. Estimated losses from phishing attacks are now in the billions of dollars worldwide, and those losses are growing.

Depending on the type of fraud that a criminal commits with the aid of stolen identifying data, individuals and businesses may lose anywhere from a few hundred dollars to tens of thousands of dollars.

Phishing also poses a particular threat because techniques used are constantly evolving. "Vishing," for example**,** involves identity thieves sending an e-mail designed in the same way as a phishing e-mail, yet instead of providing a fraudulent link to click on, the e-mail provides a customer service number that the client must call and is then prompted to "log in" using account numbers and passwords. Alternately, consumers will be called directly and told that they must call a fraudulent customer service number immediately in order to protect their account.

"Spear phishing" is a technique whereby e-mails that appear genuine are sent to all the employees or members within a certain company, government agency, organization, or group. Much like a standard phishing e-mail, the message might look like it comes from an employer, or from a colleague who might send an e-mail message to everyone in the company, in an attempt to gain login information. Spear phishing scams work to gain access to a company's entire computer system.

Phishing, like identity theft, is not confined to borders. Both Canada and the U.S. have undertaken a variety of initiatives and legislative reforms to combat phishing. Many of these initiatives are multi-sectoral, multi-jurisdictional and multi-agency, and extend beyond law enforcement entities.

In an effort to acquire a better understanding of the scope and magnitude of phishing, and the larger concept of identity theft, governments and the law enforcement community, with participation from the private sector, have established public reporting mechanisms.

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Introduction

In October 2004, the Canada-U.S. Cross-Border Crime Forum released a report, prepared jointly by the U.S. Department of Justice (DOJ) and Public Safety and Emergency Preparedness Canada (PSEPC), on Identity Theft. The report identified, among other methods of committing identity theft, the growing use of a technique known as "phishing":

> Consumers will receive "spoofed" e-mails (e-mails that appear to belong to legitimate businesses such as financial institutions or online auction sites). These e-mails will typically redirect consumers to a spoofed website, appearing to be from that same business or entity. Similarly, many consumers receive "pretext" phone calls (phone calls from persons purporting to be with legitimate institutions or companies) asking them for personal information. In fact, the criminals behind these e-mails, websites and phone calls have no real connection with those businesses. Their sole purpose is to obtain the consumers' personal data to engage in various fraud schemes.[i]

The Canada-U.S. Cross-Border Crime Forum determined that it would be appropriate to follow up on the Identity Theft report with a joint report on Phishing and its impact on cross-border criminality. It directed the Canada-U.S. Working Group on Cross-Border Mass-Marketing Fraud, which reports to the Forum annually, to prepare this report. Prepared jointly by the U.S. DOJ and Public Safety and Emergency Preparedness Canada (PSEPC), the report is the result of contributions from the many agency and individual participants in the Working Group from the United States and Canada.

The objective of this report is to define the nature, scope and impact of phishing, to provide the public with information on how to respond to phishing schemes, and to identify current and promising approaches to combating phishing. It includes information on phishing trends, statistics and a discussion of the principal factors affecting the growing use of phishing by fraudsters.

What Is Phishing?

The term *phishing* is a general term for the creation and use by criminals of e-mails and websites – designed to look like they come from well-known, legitimate and trusted businesses, financial institutions and government agencies – in an attempt to gather personal, financial and sensitive information. These criminals deceive Internet users into disclosing their bank and financial information or other personal data such as usernames and passwords, or into unwittingly downloading malicious computer code onto their computers that can allow the criminals subsequent access to those computers or the users' financial accounts.[ii]

Although phishing, identity theft and identity fraud are terms that are sometimes used interchangeably, some distinctions are in order. Phishing is best understood as one of a number of distinct methods that identity thieves use to "steal" information through deception – that is, by enticing unwitting consumers to give out their identifying or

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financial information either unknowingly or under false pretenses, or by deceiving them into allowing criminals unauthorized access to their computers and personal data. The United States and some other countries use the term "identity theft," and the United Kingdom often uses the term "identity fraud," to refer broadly to the practice of obtaining and misusing others' identifying information for criminal purposes. Identity fraud also can be used to refer to the subsequent criminal use of others' identifying information to obtain goods or services, or to the use of fictitious identifying information (not necessarily associated with a real living person) to commit a crime.

Phishing is committed so that the criminal may obtain sensitive and valuable information about a consumer, usually with the goal of fraudulently obtaining access to the consumer's bank or other financial accounts. Often "phishers" will sell credit card or account numbers to other criminals, turning a very high profit for a relatively small technological investment.

The Scope of Phishing

There are no comprehensive statistics on the number of persons whose personal information is obtained through phishing schemes, or the total dollar losses attributable to phishing-related fraud. There are clear indications, however, that phishing has grown substantially over the past two years and has become a matter of concern throughout North America and other regions of the world.

A leading multinational industry coalition that focuses on phishing, the Anti-Phishing Working Group (APWG), issues regular reports about the current volume and types of phishing attacks. The APWG's most recent statistics for August 2006 show the growth and variety of phishing attacks over the past year and more.[iii] In the month of August 2006, for example,

- The APWG received 26,150 unique phishing reports (compared to 13,776 in August 2005 and 6,957 in October 2004). This total represents the second highest number of phishing reports that the APWG has received in a single month.
- The APWG detected 10,091 unique phishing websites worldwide (compared to 5,259 websites detected in August 2005, and only 1,142 in October 2004[iv]).
- 148 separate corporate brands were "hijacked" (misused) in phishing schemes (compared to 84 in August 2005[v]).
- The financial sector was the most heavily targeted for phishing schemes, constituting 92.6 percent of all phishing attacks (compared to 84.5 percent in August 2005).[vi] (For example, leading financial institutions in Canada and the United States, as well as smaller U.S. financial institutions such as credit unions, have frequently been targeted.)
- The APWG found 2,303 unique websites that hosted "keylogging" programs—i.e., programs that record all keystrokes made at a particular computer, enabling criminals to obtain others' usernames, passwords, and other valuable data (compared to 958 such websites in August 2005 and 260 websites in April 2004[vii]). In comparison, the number of unique computer applications that included malicious code such as keylogging software has remained relatively constant (172 in August 2006, compared to 168 in August 2005).

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- The United States was the country hosting the largest percentage of phishing websites (27.7 percent, compared to 27.9 percent in August 2005), while Canada ranked ninth among countries hosting such websites (2.2 percent, compared to 2.21 percent in August 2005). China remains the second most frequent host of phishing websites (14 percent, compared to 12.15 percent in August 2005), and South Korea the third most frequent host of such sites (9.59 percent, compared to 9.6 percent in August 2005[viii]).

Similarly, the Symantec Internet Security Threat Report[ix] for September 2006 reported that from January 1 to June 30, 2006, a total of 157,477 unique phishing messages were detected. This total represents an 81 percent increase over the 86,906 unique phishing messages detected in the preceding six months (July 30 – December 31, 2005) and a 612 percent increase over the 97,592 unique phishing messages detected in the first six months of 2005.[x] Finally, an AOL Canada study reportedly found that nearly one out of three Canadians surveyed had received an e-mail from a company seeking confirmation of their account information.[xi]

In general, phishing schemes have relied heavily on indiscriminate sending of "spam" e-mail to large numbers of Internet users, without regard to the demographic characteristics of those users. But some phishing schemes might disproportionately affect certain segments of the population.[xii] In addition, some phishing schemes, known colloquially as "spear phishing," seek to target more precisely defined groups of online users.[xiii] (See page 8 below.)

The short term effect of these scams is to defraud individuals and financial institutions. Some prior data suggest that in some phishing schemes, criminals were able to convince up to 5 percent of recipients to respond to their e-mails, resulting in a significant number of consumers who have suffered credit card fraud, identity fraud, and financial loss.[xiv] In the long run, phishing may also undermine public trust in the use of the Internet for online banking and e-commerce.

Although data on phishing attempts provide important indications of the dimensions of the phishing problem, several obstacles may prevent complete and accurate measurement. First, victims often have no idea how criminals obtained their data. Victims typically provide their personal information to phishers precisely because they believe the solicitation to be trustworthy. The unexplained and unexpected charges that later appear on their credit card statements often occur so long after the phishing solicitation, and involve items having no relation to the original subject matter of the phishing e-mails and websites, that victims have no reason to understand that there is a connection between these events.

Second, companies that are victimized by phishing may not report these instances to law enforcement. Unlike some other types of Internet-based crime**,** such as hacking**,** that may be conducted surreptitiously, phishing, by its nature, involves public misuse of legitimate companies' and agencies' names and logos. Nonetheless, some companies may be reluctant to report all such instances of phishing to law enforcement -- in part because they are concerned that if the true volume of such phishing attacks were made known to the public, their customers or accountholders would mistrust the companies or they would be placed at a competitive disadvantage.

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As these statistics indicate, phishing continues to be a rapidly growing form of online identity theft that can cause both short-term losses and long-term economic damage. In either event, phishing scams and other identity theft crimes create significant costs that may ultimately be borne by consumers in the form of increased fees from the credit card companies or higher prices from the merchants who accept credit cards.

How Is Phishing Committed?

In a typical phishing scheme, criminals who want to obtain personal data from people online first create unauthorized replicas of (or "spoof") a real website and e-mail, usually from a financial institution or another company that deals with financial information, such as an online merchant. The e-mail will be created in the style of e-mails by a legitimate company or agency, using its logos and slogans. The nature and format of the principal website creation language, Hypertext Markup Language, make it very easy to copy images or even an entire website. While this ease of website creation is one of the reasons that the Internet has grown so rapidly as a communications medium, it also permits the abuse of trademarks, tradenames, and other corporate identifiers upon which consumers have come to rely as mechanisms for authentication.

Phishers typically then send the "spoofed" e-mails to as many people as possible in an attempt to lure them in to the scheme. (In some "spear phishing" attacks (see section on "Spear Phishing" below), phishers have used other illegal means to obtain personal information about a group of people, then targeted that specific group with e-mails that include illegally obtained information to make the e-mails appear more plausible.) These e-mails redirect consumers to a spoofed website, appearing to be from that same business or entity. The criminals know that while not all recipients will have accounts or other existing relationships with these companies, some of them will and therefore are more likely to believe the e-mail and websites to be legitimate. The concept behind many phishing attacks is similar to that of "pretext" phone calls (i.e., phone calls from persons purporting to be with legitimate institutions or companies asking the call recipients for personal information). In fact, the criminals behind these e-mails, websites, and phone calls have no real connection with those businesses. Their sole purpose is to obtain the consumers' personal data to engage in various fraud schemes.[xv]

Phishing schemes typically rely on three elements. First, phishing solicitations often use familiar corporate trademarks and tradenames, as well as recognized government agency names and logos. The use of such trademarks is effective in many cases because they are familiar to many Internet users and are more likely to be trusted without closer scrutiny by the users. Moreover, the indicators that are provided for web browsers to assess the validity and security of a website (e.g., the lock icon or the address bar) can all be spoofed. This problem is further compounded by the lack of standardized protocols among financial institutions for how they will communicate with their customers and what information they will request via the Internet.

Second, the solicitations routinely contain warnings intended to cause the recipients immediate concern or worry about access to an existing financial account. Phishing scams typically create a sense of urgency by warning victims that their failure to comply with instructions will lead to account terminations, the assessment of penalties or fees, or other negative outcomes. The fear that such warnings create helps to further cloud

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the ability of consumers to judge whether the messages are authentic. Even if a small percentage of people who receive these fraudulent warnings respond, the ease with which such solicitations can be distributed to millions of people creates a sizable pool of victims. (It should be noted that some schemes instead are based on offering positive incentives, for example by offering the promise of a payment in return for taking part in an online survey.)

Third, the solicitations rely on two facts pertaining to authentication of the e-mails: (1) online consumers often lack the tools and technical knowledge to authenticate messages from financial institutions and e-commerce companies; and (2) the available tools and techniques are inadequate for robust authentication or can be spoofed. Criminals can therefore use techniques, such as forging of e-mail headers and subject lines, to make the e-mails appear to come from trusted sources, knowing that many recipients will have no effective way to verify the true provenance of the e-mails.

Example – ***Phishing scam targets Royal Bank Customers***

In June 2004, the Royal Bank of Canada notified customers that fraudulent e-mails purporting to originate from the Royal Bank were being sent out asking customers to verify account numbers and personal identification numbers (PINs) through a link included in the e-mail. The fraudulent e-mail stated that if the receiver did not click on the link and key in his client card number and pass code, access to his account would be blocked. These e-mails were sent within a week of a computer malfunction that prevented customer accounts from being updated. The malfunction impacted payroll deposits that were scheduled to enter many accounts, leaving customers at risk of missing mortgage, rent and other payments. The Royal Bank believes it is likely someone tried to take advantage of the situation.

Variants of Phishing

In the first generation of phishing schemes, most phishing attacks relied on the combination of fraudulent e-mails with links to fraudulent websites to obtain Internet users' information. Over the past two years, criminals have increasingly refined their phishing attacks by incorporating various other techniques to contact prospective victims or obtain their information.

"Spear Phishing"

"Spear phishing" is a colloquial term that can be used to describe any highly targeted phishing attack. Spear phishers send spurious e-mails that appear genuine to a specifically identified group of Internet users, such as certain users of a particular product or service, online account holders, employees or members of a particular company, government agency, organization, group, or social networking website. Much like a standard phishing e-mail, the message appears to come from a trusted source, such as an employer or a colleague who would be likely to send an e-mail message to everyone or a select group in the company (e.g., the head of human resources or a computer systems administrator). Because it comes from a known and trusted source, the request for valuable data such as user names or passwords may appear more plausible.

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Whereas traditional phishing scams are designed to steal information from individuals, some spear phishing scams may also incorporate other techniques, ranging from computer hacking to "pretexting" (the practice of getting personal information under false pretences), to obtain the additional personal information needed to target a particular group or to enhance the phishing e-mails' credibility. In essence, some criminals will use any information they can to personalize a phishing scam to as specific a group as possible.[xvi]

Example – *Phishing expedition at heart of AT&T hacking*

In a recent scam, AT&T, a large telecommunications company, had its sales system hacked into, resulting in stolen order information including full names and home addresses, order numbers and credit card numbers. The hackers then sent each customer a highly personalized e-mail indicating that there had been a problem processing their order and re-directing them to a spoofed website where they were prompted to enter further information, including birthdates and Social Security numbers.[xvii]

Redirection and Other Malicious Code-Based Schemes

A second technique that phishers use is to cause targeted Internet users to unknowingly download certain forms of malicious computer code into their office or home computers. One type of phishing scheme that uses malicious code is the so-called "redirection" scheme. Ordinarily, when an Internet user types the address of a particular website (such as "http://reallymybank.com") into an Internet browser, the computer directs the user to the correct website. In a redirection scheme, the malicious code introduced by phishers changes the code inside a user's computer so that, when the user tries to access a particular site by tying in the correct address, the code causes the user, without his knowledge, to be redirected to a phishing website that closely resembles the site that the user intended to access.

Another type of malicious code-related phishing scheme involves the use of keylogging software or a "backdoor" (i.e., code that allows criminals to access a user's computer without the user's knowledge). Once the phisher has caused an Internet user unknowingly to download malicious code that includes the keylogging software to his computer, the keylogger is typically set to operate only when the Internet user uses an Internet browser to access an online financial account. By recoding the user's keystrokes during the log-in process, then retrieving the keystroke data, the phisher can later use the keystroked data to reproduce the user's username and password and access the user's account to make substantial withdrawals from that account. The phisher may even use a "backdoor" to conduct the transaction directly from the user's own computer. This latter technique is intended to deceive security personnel at the financial institution where the user has his account. The user who reports that his account has been illegally accessed is less likely to be believed at first when the financial institution's security personnel trace the unauthorized transaction back to that user's computer.

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"Vishing"

A phishing technique that has received substantial publicity of late is "vishing," or voice phishing. Vishing can work in two different ways. In one version of the scam, the consumer receives an e-mail designed in the same way as a phishing e-mail, usually indicating that there is a problem with the account. Instead of providing a fraudulent link to click on, the e-mail provides a customer service number that the client must call and is then prompted to "log in" using account numbers and passwords. The other version of the scam is to call consumers directly and tell them that they must call the fraudulent customer service number immediately in order to protect their account. Vishing criminals may also even establish a false sense of security in the consumer by "confirming" personal information that they have on file, such as a full name, address or credit card number.[xviii]

Vishing poses a particular problem for two reasons. First, criminals can take advantage of cheap, anonymous Internet calling available by using Voice over Internet Protocol (VoIP), which also allows the criminal to use simple software programs to set up a professional sounding automated customer service line, such as the ones used in most large firms. Second, unlike many phishing attacks, where the legitimate organization would not use e-mail to request personal information from accountholders, vishing actually emulates a typical bank protocol in which banks encourage clients to call and authenticate information.[xix]

Although banks will legitimately phone a client and ask questions to verify the client's identity, consumers must remember that a bank will never ask for PINs or passwords. It is also important that consumers never trust a phone number provided in an e-mail, and instead contact the institution through a number that has been independently verified or obtained through directory assistance. As noted above, this might include the telephone number or website printed on the back of their credit cards or on monthly account statements.

Consumers, law enforcement, and the private sector should assume that as public education about phishing increases, criminals will continue to use these variants but also develop additional variants and refinements to phishing techniques.

The Impact of Phishing

Phishing has four distinct types of impact, both domestically and internationally, that are of concern to the commercial and financial sectors and to law enforcement in both countries:

- *Direct Financial Loss*. Depending on the type of fraud that a criminal commits with the aid of stolen identifying data, consumers and businesses may lose anywhere from a few hundred dollars to tens of thousands of dollars. Indeed, small e-commerce businesses may be particularly hard-hit by identity fraud. For example, because of credit card association policies, an online merchant who accepts a credit card number that later proves to have been acquired by identity theft may be liable for the full amount of the fraudulent transactions involving that card number.

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- *Erosion of Public Trust in the Internet*. Phishing also undermines the public's trust in the Internet. By making consumers uncertain about the integrity of commercial and financial websites, and even the Internet's addressing system, phishing can make them less likely to use the Internet for business transactions. People who cannot trust where they are on the World Wide Web are less likely to use it for legitimate commerce and communications.[xx]

  This perspective finds support in a 2005 *Consumer Reports* survey, which showed declining confidence in the security of the Internet. Among several findings, the survey found that 9 out of 10 American adult Internet users have made changes to their Internet habits because of the threat of identity theft, and of those, 30 percent say that they reduced their overall usage. Furthermore, 25 percent say they have stopped shopping online, while 29 percent of those that still shop online say they have decreased the frequency of their purchases.[xxi]

- *Difficulties in Law Enforcement Investigations*. Unlike certain other types of identity theft that law enforcement agencies can successfully investigate in a single geographic area (e.g., theft of wallets, purses, or mail), phishing – like other types of crime that exploit the Internet -- can be conducted from any location where phishers can obtain Internet access. This can include situations in which a phisher in one country takes control of a computer in another country, then uses that computer to host his phishing website or send his phishing e-mails to residents of still other countries. Moreover, online criminal activity in recent years has often reflected clearcut divisions of labor. For example, in an online fraud scheme, the tasks of writing code, locating hosts for phishing sites, spamming, and other components of a full-scale phishing operation may be divided among people in various locations. This means that in some phishing investigations, timely cooperation between law enforcement agencies in multiple countries may be necessary for tracing, identification, and apprehension of the criminals behind the scheme.

- *Incentives for Cross-Border Operations by Criminal Organizations*. Law enforcement authorities in Canada and the United States are concerned that each of the preceding factors also creates incentives for members of full-fledged criminal organizations in various countries to conduct phishing schemes on a systematic basis. Law enforcement already has indications that criminal groups in Europe are hiring or contracting with hackers to produce phishing e-mails and websites and develop malicious code for use in phishing attacks.

A Prevention and Reporting Checklist for Phishing Schemes

One of the most basic measures that government and the private sector are taking to protect the public from phishing is the provision of specific advice to the public about how to avoid phishing schemes and how to report phishing schemes. It is important to note that, according to a recent phishing study by researchers at Harvard University and the University of California at Berkeley, good phishing websites fooled 90 percent of the participants, nearly one-quarter of the participants did not look at existing anti-phishing

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visual cues (e.g., security indicators), and "some visual deception [phishing] attacks can fool even the most sophisticated users."[xxii]

The following list of advice to the public—derived from information provided by the APWG, the U.S. Federal Trade Commission, and PhoneBusters (the National Call Centre in Canada)[xxiii]—is divided into four parts:

1. **Prevention: What to Do**

- Protect your computer with anti-virus software, spyware filters, e-mail filters, and firewall programs, and make sure that they are regularly updated.
    - Consider installing a Web browser tool bar to help protect you from known phishing fraud websites. (Check with your browser or e-mail provider for such toolbars.)

- Ensure that your Internet browser is up to date and security patches applied.
    - In particular, people who use the Microsoft Internet Explorer browser should immediately go to the Microsoft Security home page—http://www.microsoft.com/security/—to download a special patch relating to certain phishing schemes.

- Be suspicious of any e-mail with urgent requests for personal financial information or threats of termination of online accounts.
    - Unless the e-mail is digitally signed, you can't be sure it wasn't forged or "spoofed."
    - Phishers typically ask for information such as usernames, passwords, credit card numbers, social security numbers, etc.
    - Phisher e-mails are typically not personalized, while valid messages from your bank or e-commerce company generally are.

- When contacting your financial institution, use only channels that you know from independent sources are reliable (e.g., information on your bank card, hard-copy correspondence, or monthly account statement), and don't rely on links contained in e-mails, even if the web address appears to be correct.

- Always ensure that you're using a secure website when submitting credit card or other sensitive information via your Web browser.
    - To make sure you're on a secure Web server, check the beginning of the Web address in your browsers address bar - it should be "https://" rather than just "http://."

- Regularly log into your online accounts.
    - Don't leave them for as long as a month before you check each account.

- Regularly check your bank, credit and debit card statements to ensure that all transactions are legitimate.
    - If anything is suspicious, contact your bank and all card issuers.

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2. Prevention: What Not to Do

- Don't assume that you can correctly identify a website as legitimate just by looking at its general appearance.

- Don't use the links in an e-mail to get to any web page, if you suspect the message might not be authentic.
    - Instead, call the company on the telephone, or log onto the website directly by typing in the Web address in your browser.

- Avoid filling out forms in e-mail messages or pop-up windows that ask for personal financial information.
    - You should only communicate information such as credit card numbers or account information via a secure website or the telephone.

3. Reporting: Suspicious E-mails and Websites

- Always report a "phishing" or "spoofed" e-mail or website to the following groups, whether or not you responded to that phishing e-mail or website:
    - Forward the e-mail to reportphishing@antiphishing.com
    - Forward the e-mail to the "abuse" e-mail address at the company that is being spoofed (e.g. "spoof@ebay.com")
    - In the United States, forward the e-mail to the Federal Trade Commission (FTC) at spam@uce.gov and notify the Internet Crime Complaint Center (IC3) by filing a complaint on its website, http://www.ifccfbi.gov.
        - The IC3 is a joint venture of the FBI and a non-profit organization, the National White Collar Crime Center (NW3C). Through the IC3 website, victims of online crime, including identity theft, can report possible criminal activity. Staff at IC3 analyze these complaints for patterns and levels of possible criminal conduct and, in appropriate cases, provide investigative packages of complaint data and other information to federal, state or local investigators and prosecutors in various metropolitan areas throughout the U.S. The IC3 also shares its Internet fraud and identity theft complaint data with the FTC for inclusion in the FTC's Identity Theft Data Clearinghouse.
        - The FTC developed the Data Clearinghouse in late 1999, to establish a central nationwide repository for law enforcement access to identity theft complaints. Built on the FTC's Consumer Sentinel network, the Clearinghouse provides both U.S. and Canadian members of the Sentinel network with direct, online and secure access to the consumer complaints that the FTC receives through its online complaint form at http://www.consumer.gov/idtheft, a toll-free hotline (1 877 IDTHEFT) and data sharing agreements with other entities, including the Social Security Administration's Office of the Inspector General. Law enforcement officers can search the Clearinghouse database for complaints based on the location of a suspect, a victim or a particular company involved in the misuse of the identities, or many other key elements of the crime. Currently

more than 1,000 law enforcement agencies have direct online access to almost 700,000 identity theft complaints through the Clearinghouse.

- Note: When forwarding spoofed messages, always include the entire original e-mail with its original header information intact.

4. Reporting: Possible Disclosures to Phishers

- If you believe that you have disclosed information in response to a phishing scheme, notify law enforcement authorities immediately.
  - In the United States, notify the Internet Crime Complaint Center (IC3) by filing a complaint on its website, http://www.ifccfbi.gov.
  - In Canada, notify the Royal Canadian Mounted Police by filing a complaint on the Reporting Economic Crime Online (RECOL) website at http://www.recol.ca/, and obtain information about how to deal with identity theft by contacting the PhoneBusters National Call Centre at http://www.phonebusters.com/.
    - RECOL is a web-based initiative that involves an integrated partnership between international, federal and provincial law enforcement agencies, as well as regulators and private commercial organizations that have a legitimate investigative interest in receiving a copy of complaints of economic crime, including identity theft. RECOL also provides data pertaining to trends, as well as information relating to consumer education, prevention and awareness of economic crime.)
    - The PhoneBusters National Call Centre (PhoneBusters) is the Canadian anti-fraud call centre, jointly operated by the Ontario Provincial Police (OPP) and the Royal Canadian Mounted Police (RCMP), that collects information on telemarketing fraud, advanced fee fraud letters and identity theft complaints. Although it has e-mail capacity, most complaints are phoned in to PhoneBusters. The information is then disseminated to the appropriate law enforcement agencies. Due to the ever-increasing number of complaints about identity theft, PhoneBusters started an Identity Theft project in 2002. The data collected at PhoneBusters is a valuable tool in evaluating the effects on the public of various types of fraud. PhoneBusters plays a key role in educating the public about specific fraudulent telemarketing pitches, and also plays a vital role in the collection and dissemination of victim evidence, statistics and documentation. The original mandate of PhoneBusters was to prosecute key individuals in Ontario and Quebec involved in telemarketing fraud under the *Criminal Code of Canada*, but this has been expanded to include facilitating prosecution by U.S. agencies through extradition, and by Industry Canada under the *Competition Act*. In the fall of 2006 PhoneBusters will begin to collect statistics and information relating directly to phishing through the merged Internet reporting opportunities with RECOL.

- Note: A wide range of federally regulated financial institutions in the United States is required to file Suspicious Activity Reports (SARs) with the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN),

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whenever they encounter information that indicates a crime affecting a financial institution (including phishing) may have been committed. U.S. law enforcement agencies may access these reports for investigative purposes. More recently, in response to the growing incidence of identity theft, these reports, known as Suspicious Activity Reports, have been revised to include a box that a financial institution may check if it believes that identity theft is involved in some way with the suspicious activity it is reporting. This revision increases the opportunities for federal agents to identify current or recent identity theft-related crimes affecting financial institutions.

Responses to Phishing: Current and Promising Practices

Private-sector entities and government agencies in Canada and the United States have undertaken a growing variety of measures and initiatives to combat phishing. As explained below, many of these measures and initiatives are multi-sectoral, multi-jurisdictional, and multi-agency, and extend beyond law enforcement entities.

Public Education

Because phishing is a form of identity theft that differs substantially from other, physically-based identity theft techniques, government and the private sector need to ensure that the public receives regularly updated information about the latest phishing techniques and how to recognize them. At the May 2003 Cross-Border Crime Forum, PSEPC (then the Department of the Solicitor General of Canada) and the U.S. Department of Justice jointly issued two public advisories on current trends and developments in identity theft: one directed at consumers and the other at retailers. The advisories highlighted some of the most significant forms of identity theft in Canada and the United States, explaining how to recognize them and how to respond. Since then, various Canadian and U.S. law enforcement agencies have widely disseminated phishing-related information to the public. For example, the U.S. Department of Justice issued a special public advisory on phishing in 2004,[xxiv] the U.S. FTC issued a consumer alert on phishing in 2005,[xxv] and the RCMP has recently posted information about phishing and vishing on its website.[xxvi]

Authentication

Although consumer education programs are an important component of the fight against phishing and other forms of identity theft that involve “social engineering,” they will not suffice to provide adequate protection for the public as phishers continue to refine their attack techniques. The private sector needs to continue its efforts to improve authentication technologies, and to deploy multifactor authentication measures as appropriate, to strengthen the confidence of Internet users in the reliability and provenance of online messages they receive. Greater industry efforts towards standardizing how enterprises will communicate with their clients (e.g., what information they will use for authentication purposes and under what circumstances they will request it) may also be important in addressing this issue.

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Legislative Frameworks

A strong legislative framework is also fundamental to combating identity theft, and specific mechanisms and/or methods used to that end such as phishing. In Canada, there are currently no offences in the *Criminal Code* that directly prohibit or apply to phishing or other methods of obtaining identity information for a criminal purpose. If a phishing attack is using large volumes of "spam" (unsolicited e-mails) that could interfere with a computer system, or if the spam employs deceptive headers so as to avoid spam filters, then certain computer data related offences in the *Criminal Code* may apply. The use of identity information that has been obtained whether by phishing or by other means, could however amount to any of a number of criminal offences, such as fraudulent personation, fraud, or unlawful use of credit card data. The Department of Justice began several years ago to review the *Criminal Code* to determine its adequacy for dealing with the growing problem of identity theft. The Department has begun developing proposals to address some of the limitations of the criminal law in this area and consulting with key stakeholders to obtain their valuable input on legislative amendments.

Another recent development in Canada with implications for phishing-related legislation was the 2004 launch by the Government of Canada of *An Anti-Spam Action Plan for Canada* and the establishment of a government-private sector task force to oversee and coordinate its implementation. In 2005 this task force was asked to produce a report on the status and progress that had been made. The report that they produced, *Stopping Spam: Creating a Stronger, Safer Internet*, set forward 22 recommendations to combat spam, promote public awareness, and restore confidence in e-mail. They also set forward best practices for Internet service providers and other network operators, and for e-mail marketing. Additionally, they recommend that legislation be enacted to prohibit certain forms of spam and other emerging threats to the safety and security of the Internet (e.g. phishing), and that a federal coordinating body should be established to deal with the spam issue on an ongoing basis.[xxvii] This is important for the phishing issue because phishing is usually accomplished through the technique of spamming, which is the sending out of unsolicited bulk e-mails. In the case of phishing, spam routinely allows criminals to distribute their fraudulent e-mails to many consumers at minimal cost.

In the United States, since 1998 federal law, and laws in nearly all of the states, have adopted specific criminal legislation on identity theft that can be applied to phishing.[xxviii] In addition, federal authorities can use a variety of federal fraud offences, such as wire fraud,[xxix] and the CAN-SPAM Act,[xxx] to address both the sending of phishing e-mails and the use of deceptive e-mail headers or other techniques characteristic of criminal spam. Currently, at the direction of President Bush, the President's Identity Theft Task Force is preparing a strategic plan to combat all forms of identity theft more effectively, including possible changes in legislation where appropriate. That plan is expected to be submitted to the White House in early February 2007.[xxxi]

Enforcement

An effective and comprehensive response to identity theft requires the investigation and prosecution of appropriate cases involving phishing schemes. Within the last year, the

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United States has brought a number of federal criminal prosecutions of phishers. For example:

- In August 2006, a Florida man was indicted by a U.S. federal grand jury on charges of wire fraud related to a phishing scheme that included among its targets people seeking to donate to Hurricane Katrina disaster relief efforts. The defendant allegedly created and sold fraudulent "phishing" web sites. The phishing web sites, packaged in "phishing kits" that sometimes included online testimonials requesting donations, deceived visitors into believing they were providing their personal and financial information to a legitimate web site. Among the fraudulent web sites that the defendant allegedly created were ones mimicking sites for the American Red Cross Hurricane Katrina disaster relief efforts and two Canadian financial institutions, Banque Nationale and Desjardins Credit Union. He allegedly sold the phishing sites to would-be scammers for approximately $150 each. One such site, for Banque Nationale, received approximately 8,500 "hits."[xxxii]

- In May 2006, an Iowa man was sentenced to 21 months imprisonment for operating a phishing scam targeting MSN customers. The defendant was convicted after pleading guilty to wire fraud and fraud and related activity in connection with access devices. The sentence also included an order that the defendant pay restitution in the amount of $57,294.07. The defendant admitted that he created a bogus MSN (a division of Microsoft Corporation) website, then sent e-mails to MSN customers requesting that they visit the website and update their accounts by providing credit card account numbers and other personal information. Harris deceived MSN customers into believing that this would result in a fifty percent credit towards their next monthly bill. When the recipients submitted information, it was sent to an e-mail address that Microsoft was eventually able to trace back to the defendant's address in Davenport.[xxxiii]

- In January 2006, a California man was arrested on charges of wire fraud and the unauthorized use of an access device (credit card) in connection with a phishing scam targeting AOL customers. The defendant is accused of sending thousands of e-mails to America Online (AOL) users that appeared to be from AOL's Billing Department. Those fraudulent messages urged the subscribers to "update" their AOL billing information or lose service, and referred them to one of several fraudulent Internet websites where they could input personal and financial account information. The defendant, who allegedly controlled those websites, used the fraudulently obtained information to make unauthorized charges on the credit or debit cards belonging to the duped AOL subscribers. This case was investigated by U.S. authorities with substantial assistance from the Ontario, California Police Department.

Effective investigation and prosecution of phishing, however, also requires that law enforcement authorities (including investigators and prosecutors) receive training on phishing schemes and investigative techniques as part of their training on identity theft. In Canada, the Ontario Provincial Police has organized three international conferences on identity theft that have drawn hundreds of investigators from across Canada, the United States, and other countries. In the United States, the Department of Justice, through its National Advocacy Center, conducts training on phishing and other forms of

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identity theft for federal agents and prosecutors. In addition, both the Canadian Association of Chiefs of Police and the International Association of Chiefs of Police have components that focus specifically on identity theft and cybercrime issues.

Binational and National Coordination

Identity theft-related issues, including phishing, cut across all jurisdictions and involve all levels of government, the law enforcement community, and the private sector. In an effort to avoid duplication of activities and to ensure consistency across all jurisdictions and programs, a number of coordinating bodies has been established at the national, binational, and multinational levels that have been addressing different aspects of identity theft. Because of their interest in and mandate over identity theft, these bodies are also well-suited to facilitate binational and national coordination on phishing in particular.

- **Binational Working Group on Cross-Border Mass Marketing Fraud / Cross-Border Crime Forum** –Since 1997, the Binational Working Group on Cross-Border Mass Marketing Fraud has provided an important mechanism for binational coordination and cooperation on a wide variety of mass marketing fraud issues. This Working Group, which also functions as a sub-group of the Canada-U.S. Cross-Border Crime Forum, has previously highlighted the problem of identity theft through its 2003 report on mass-marketing fraud and its involvement in the preparation of joint public advisories on identity theft for distribution in both countries. Once the strategic plan of the President's Identity Theft Task Force is publicly announced, the Binational Working Group may provide one of the mechanisms for specific discussions about binational coordination of public education, prevention, and enforcement relating to phishing and other forms of identity theft.

- **United Nations Crime Commission Intergovernmental Expert Group on Fraud and the Criminal Misuse of Identity**. Since 2005, under the direction of the United Nations Crime Commission, an Intergovernmental Expert Group has been studying the related problems of fraud and the criminal misuse of identity. The Expert Group, in which both Canada and the United States are active participants, is now preparing a report to the Crime Commission that is expected to include specific discussions of online identity theft, including phishing, as well as recommendations for best practices by government and the private sector.

Conclusion

Phishing is a form of criminal conduct that poses increasing threats to consumers, financial institutions, and commercial enterprises in Canada, the United States, and other countries. Because phishing shows no sign of abating, and indeed is likely to continue in newer and more sophisticated forms, law enforcement, other government agencies, and the private sector in both countries will need to cooperate more closely than ever in their efforts to combat phishing, through improved public education, prevention, authentication, and binational and national enforcement efforts.

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While phishing is a particular threat on its own, it is also important to recognize that the challenges posed to policy makers and law enforcement officials in regards to phishing are those reflected in the larger issue of identity theft as well.

The Report on identity theft presented to the Binational Working Group on Cross-Border Mass Marketing Fraud in October 2004 sets out recommendations to address the threats posed by identity theft, including coordinating public education initiatives, enhancing reporting mechanisms and enforcement, reviewing legislative frameworks and improving document and data integrity and security.[xxxiv]

This report further endorses those recommendations in support of the fight against phishing and identity theft as a whole. In response to those recommendations governments in both countries will continue to work together in an effort to reduce phishing and identity theft.

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[vii] APWG, August 2005
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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 2:13 PM
To: USDOJ- Office of Public Affairs
Subject: TELEMARKETING FIRM OFFICIAL PLEADS GUILTY IN NEW HAMPSHIRE PHONE JAMMING CASE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

TELEMARKETING FIRM OFFICIAL PLEADS GUILTY IN NEW HAMPSHIRE PHONE JAMMING CASE

WASHINGTON – Shaun Hansen, former co-owner of Idaho-based telemarketing firm Mylo Enterprises, pleaded guilty today in federal court in New Hampshire for his involvement in a scheme to jam several New Hampshire telephone lines by placing nearly 1000 hang-up calls on Election Day, 2002, the Department of Justice announced today.

Hansen, 34, was charged in a two-count indictment on March 8, 2006. He pleaded guilty today to one count of conspiring to commit interstate telephone harassment and one count of making repeated and continuous interstate phone calls with intent to harass. Chief Judge Steven J. McAuliffe set sentencing for February 20, 2007 at 10:30 a.m. Hansen will face a maximum of seven years in prison and a fine of up to $500,000.

Hansen admitted that he was contacted by others involved in the scheme and asked to assist in making harassing phone calls to five telephone numbers associated with the New Hampshire Democratic Party and one number associated with the Manchester Professional Firefighters Association on Election Day, November 5, 2002. Hansen agreed that, in return for $2,500, employees of Mylo Enterprises would place repeated hang-up calls to those numbers on that day. At Hansen's direction, employees of Mylo Enterprises in Idaho placed several hundred hang-up calls to those New Hampshire telephone numbers on that morning before the scheme was discontinued.

Hansen was the fourth individual charged in the Department's investigation. Allen Raymond, former president of a Virginia communications consulting company, and Charles McGee, former Executive Director of the New Hampshire Republican State Committee, each pleaded guilty to one count of conspiracy to commit telephone harassment. McGee was sentenced to seven months in prison and Raymond was sentenced to three months. James Tobin, former New England Regional Chairman of the Republican National Committee, was convicted after a December 2005 jury trial on for conspiring to commit, and aiding and abetting the commission of, interstate telephone harassment. He was sentenced to 10 months in prison.

The prosecutions have been led by Andrew Levchuk, Senior Counsel, and Lily Chinn, Trial Attorney, with the Computer Crime & Intellectual Property Section, and by Nicholas Marsh, Trial Attorney with the

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Public Integrity Section. The investigation was conducted by Bedford Resident Agency of the Federal Bureau of Investigation and the New Hampshire State Attorney General's Office.

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Image not available for this document, ID: 0.7.10316.18185-000002

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:00 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: AG TRAVEL TO ST. LOUIS

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:00 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: St. Louis

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Inflight from St. Louis to Washington

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: East St. Louis USAO Visit (Fairview Heighs, Illinois)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Walking Tour of Justice Family Center

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: St. Louis USAO Visit

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Meeting with Federal Judges (East St. Louis)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Press Avail - St. Louis

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:01 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Family Justice Center Opening

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: AG's Strategic Initiatives (Project Safe Childhood)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: AG's Strategic Initiatives re: Gang Initiative

Amber.JMD

From: Amber.JMD
Sent: Thursday, November 16, 2006 3:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Springfield, MO

From: AmberAlert-DOJ
Sent: Thursday, November 16, 2006 3:01:02 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Springfield, MO
Auto forwarded by a Rule

AMBER ALERT:Springfield,MO VEHICLE:'89 Blk Ford Bronco TAG:MO 902TR0 CHILD:W/F,16,5'02,125 Eyes:Blu Hair:Brn SUSPECT:W/M,41,6'2,220 Eyes:Blu CALL 417-864-1810
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2762

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: AG's Strategic Initiatives (Project Safe Childhood)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:02 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:03 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:03 PM
To: Gorsuch, Neil M
Subject: Not read: Declined: Updated: AG's Strategic Initiatives (Project Safe Childhood)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:03 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:03 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: AG's Strategic Initiatives (Gang Initiative)

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:03 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Murder Board I

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:04 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

Boote, John

From: Boote, John
Sent: Thursday, November 16, 2006 3:04 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Updated: Senior Management Meeting

System Administrator

From: System Administrator
Sent: Thursday, November 16, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 865126 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 5:15 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER SENTENCED IN BATON ROUGE ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE, La. – Another Louisiana resident was sentenced in federal court on fraud charges related to a hurricane disaster relief program, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced today.

Terry Watson of Zachary, La., pled guilty on July 5, 2006 to the first count of an indictment charging him with making a false claim for Hurricane Katrina disaster assistance benefits. Watson was sentenced to two years of probation, a $250 fine, $2,000 in restitution and 50 hours of community service. The FBI and the U.S. Department of Homeland Security's Office of Inspector General conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 80.

DOJ_NMG_ 0170441

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force, chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division, includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact U.S. Attorney David R. Dugas of the Middle District of Louisiana, or Assistant U.S. Attorney Lyman Thornton. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0170442

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Image not available for this document, ID: 0.7.10316.18034-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 5:20 PM
To: USDOJ- Office of Public Affairs
Subject: FIVE CHARGED WITH SEX TRAFFICKING A JUVENILE GIRL IN TENNESSEE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

FIVE CHARGED WITH SEX TRAFFICKING A JUVENILE GIRL IN TENNESSEE

WASHINGTON - A federal grand jury in Tennessee today charged five individuals with sex trafficking of a juvenile girl. Juan Mendez, Cristina Andres Perfecto, Raymundo Flores, Raul Santillan-Leon, and Fernando Reyes-Santillan were charged with causing a minor to engage in commercial sex acts. Mendez and Andres Perfecto were further charged with using force, fraud, and coercion to make the girl engage in the commercial sex acts. All five defendants were also charged with conspiracy to launder money and conspiracy to harbor illegal aliens, relating to the operation of a brothel in Memphis, Tenn. If convicted, Mendez and Andres Perfecto could be sentenced to life in prison, while Flores, Santillan-Leon, and Reyes-Santillan each face up to 40 years on the child sex trafficking count, 20 years for the money laundering conspiracy, and 10 years for the conspiracy to harbor illegal aliens.

This indictment supersedes an October 24, 2006 indictment, and incorporates additional alien harboring and prostitution-related charges in the original indictment against Flores, Santillan-Leon, Reyes-Santillan, and seven other defendants. Mendez and Andres Perfecto were additionally charged with another count of using force, fraud, and coercion to make another adult woman engage in a commercial sex act. Mendez, Andres Perfecto, Santillan-Leon, and Reyes-Santillan have been taken into federal custody.

An indictment is merely an accusation, and defendants are presumed innocent unless proven guilty.

The case was investigated by U.S. Immigration and Customs Enforcement, the Federal Bureau of Investigation, the Memphis Police Department and the Metropolitan Nashville Police Department. Assistant U.S. Attorneys Steve Parker and Rae Oliver of the U.S. Attorney's Office for the Western District of Tennessee and trial attorney Jonathan Skrmetti from the Civil Rights Division of the Department of Justice are prosecuting the case.

Human trafficking prosecutions are a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

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DOJ_NMG_ 0170445

DOJ_NMG_ 0170446

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Image not available for this document, ID: 0.7.10316.18023-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 5:51 PM
To: USDOJ- Office of Public Affairs
Subject: TWO MILWAUKEE DOCTORS EACH SENTENCED TO FOUR YEARS IN PRISON FOR FORCING WOMAN TO WORK AS DOMESTIC SERVANT FOR 19 YEARS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

TWO MILWAUKEE DOCTORS EACH SENTENCED TO FOUR YEARS IN PRISON FOR FORCING WOMAN TO WORK AS DOMESTIC SERVANT FOR 19 YEARS

WASHINGTON – Jefferson Calimlim Sr. and his wife Elnora Calimlim, both medical doctors in Milwaukee, Wis., were each sentenced today to four years in prison for forcing a woman to work as their domestic servant and illegally harboring her for 19 years in their Brookfield, Wis. residence. In a related matter, the Calimlims' son, Jefferson Calimlim Jr., was sentenced today to 120 days of home confinement, three years of supervised release, and a $5,000 fine, for illegally harboring the victim.

On May 26, 2006, Jefferson Calimlim, Sr. and Elnora Calimlim were convicted by a Milwaukee federal jury for using threats of serious harm and physical restraint against a Philippine woman to obtain her services, in violation of federal law. Jefferson Calimlim, Jr. was convicted of harboring an illegal alien.

Jefferson Calimlim Sr. and his wife recruited and brought the victim from the Philippines to the U.S. in 1985 when she was 19 years old. In September 2004, federal law enforcement officers, responding to a tip, removed the victim, then age 38, from the Calimlim's residence through the execution of a federal search warrant. The victim testified that for 19 years she was hidden in the Calimlim's home, forbidden from going outside, and told that she would be arrested, imprisoned and deported if she was discovered.

"The promise of freedom has brought millions of people to these shores," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Calimlims had no right to deprive their victim of that freedom. The Justice Department will continue to vigorously prosecute and bring to justice those who victimize some of society's most vulnerable members."

"We will vigorously pursue civil rights cases wherever they occur," said Steven M. Biskupic, U.S. Attorney for the Eastern District of Wisconsin.

"It is a basic and fundamental right to be free, and no person should ever be forced to live in a world of fear, virtual isolation, and servitude," said Brian Falvey, Resident Agent-in-Charge of the Immigration and

DOJ_NMG_ 0170449

Customs Enforcement in Milwaukee. "Today's sentencing is a testament to our solemn commitment to protect those who cannot protect themselves."

Human trafficking prosecutions are a top priority of the Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

This case was prosecuted by Assistant U.S. Attorney Tracy Johnson and Civil Rights Division Trial Attorney Susan French. The case was jointly investigated by the Milwaukee Office of U.S. Immigration and Customs Enforcement and the Federal Bureau of Investigation.

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06-772

DOJ_NMG_ 0170450

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Image not available for this document, ID: 0.7.10316.18025-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 6:12 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOST UNVEILING CEREMONY FOR THE OFFICIAL PORTRAIT OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOST UNVEILING CEREMONY FOR THE OFFICIAL PORTRAIT OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

WASHINGTON – Attorney General Alberto R. Gonzales will host the unveiling ceremony for the official portrait of John Ashcroft, 79th Attorney General of the United States on **FRIDAY, NOVEMBER 17, 2006 at 10:00 A.M. EST.**

WHO: Attorney General Alberto R. Gonzales
Former Attorney General John Ashcroft

WHAT: Portrait Unveiling Ceremony

WHEN: **FRIDAY, NOVEMBER 17, 2006**
10:00 A.M. EST

WHERE: Department of Justice
The Great Hall
950 Pennsylvania Ave. N.W.
Washington, D.C.

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 9:30 A.M.. All media should arrive no later than 9:45 A.M. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

06-775

DOJ_NMG_ 0170453

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Image not available for this document, ID: 0.7.10316.18010-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 6:18 PM
To: USDOJ- Office of Public Affairs
Subject: CIVIL RIGHTS CHARGES FILED AGAINST CARETAKER AT TENNESSEE FACILITY FOR PERSONS WITH SEVERE MENTAL RETARDATION

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

CIVIL RIGHTS CHARGES FILED AGAINST CARETAKER AT TENNESSEE FACILITY FOR PERSONS WITH SEVERE MENTAL RETARDATION

WASHINGTON – Jarvis Malone, a former developmental technician at the Arlington Developmental Center (ADC), was indicted today by a federal grand jury in Memphis, Tenn., with a one count civil rights charge for assaulting one of the center's mentally retarded residents. The ADC is a state-run facility that houses mentally retarded residents for the Tennessee Division of Mental Retardation Services. The count carries a sentence of up to 10 years in prison and $250,000 fine. A trial has not yet been scheduled.

The grand jury charged that Malone assaulted the resident while acting under his official capacity at ADC. In so doing, the indictment says, Malone willfully deprived the resident of the right to be free from the infliction of unnecessary harm by state employees while residing at a state-operated facility.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. Since fiscal year 2001, the Division has convicted 50 percent more such defendants in comparison to the previous six years.

An indictment is merely an accusation, and defendants are presumed innocent unless proven guilty.

Assistant U.S. Attorney Steve Parker of the Western District of Tennessee and Trial Attorney Edward Caspar of the Justice Department's Civil Rights Division are prosecuting this case.

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06-773

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 16, 2006 6:22 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SUES CALIFORNIA LANDLORDS FOR HOUSING DISCRIMINATION AGAINST HISPANIC TENANTS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 16, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SUES CALIFORNIA LANDLORDS FOR HOUSING DISCRIMINATION AGAINST HISPANIC TENANTS

WASHINGTON - The Justice Department today filed a lawsuit against Gary Luke, the owner of two apartment buildings in Garden Grove, Calif., and Mary Ngo, co-owner of one of the properties, alleging a pattern or practice of discriminating against Hispanic tenants. The lawsuit arose as a result of a charge issued by the U.S. Department of Housing and Urban Development.

The complaint, filed in federal district court in the Central District of California, related to the rental policies practiced at the residential buildings located at 13172 and 13192 Adland Street. Specifically, the complaint alleges that the Luke and Ngo terminated the leases of Hispanic tenants to replace them with Vietnamese tenants, misrepresented the availability of units to non-Vietnamese prospective tenants, and made statements in connection with the rental of apartment units that express a preference, limitation, or discrimination based on national origin.

The suit seeks monetary damages to compensate victims, civil penalties, and a court order barring future discrimination.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home is not limited to the areas hit by Hurricane Katrina, and targets housing discrimination all over the country.

For more information about Operation Home Sweet Home, please visit the Justice Department Web site at <http://www.usdoj.gov/fairhousing>. Individuals who believe that they may have been victims of housing discrimination may call the Housing Discrimination Tip Line at 1-800-896-7743, email the Justice Department at fairhousing@usdoj.gov, or contact the U.S. Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion,

DOJ_NMG_ 0170459

sex, familial status, national origin and disability. Since January 2001, the Justice Department's Civil Rights Division has filed 215 cases to enforce the Fair Housing Act, including 22 based on national origin. For more information about the Civil Rights Division and the laws it enforces, go to <http://www.usdoj.gov/crt>.

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06-774

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Image not available for this document, ID: 0.7.10316.17991-000002

System Administrator

From: System Administrator
Sent: Thursday, November 16, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 867027 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, November 16, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 867028 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, November 17, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 867029 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, November 17, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 870363 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 9:47 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 17, 2006

Department of Justice

PRESS GUIDANCE
Friday, November 17, 2006

ATTORNEY GENERAL

10:00 A.M. EST Attorney General Gonzales will participate in the unveiling of the official portrait of former Attorney General John Ashcroft.
Department of Justice
Great Hall
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 9:30 A.M.. All media should arrive no later than 9:45 A.M. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Bureau of Justice Statistics will issue a release. (Peterson)

The Antitrust Division will issue a release on Section II hearings. (Talamona)

EVENTS/HEARINGS

9:30 A.M. EST Solicitor General Paul Clement delivered opening remarks before the National Lawyers Convention on the subject of limited government.
Mayflower Hotel
Grand Ballroom
1127 Connecticut Ave N.W.
Washington, D.C.
OPEN PRESS

NIGHT DUTY OFFICER

DOJ_NMG_ 0170467

Donna Sellers

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170468

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Image not available for this document, ID: 0.7.10316.17959-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 9:58 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 29

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 17, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON NOVEMBER 29

Session to be Held in Washington, D.C. to Focus on Loyalty Discounts

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Nov. 29, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panel on Nov. 29 will explore loyalty discounts. The sessions will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room C.

Further information is provided below:

Loyalty Discounts (9:30 A.M. - 12:00 P.M.):

Joseph Kattan is a partner at Gibson, Dunn & Crutcher LLP.

Thomas Lambert is an associate professor of law at the University of Missouri School of Law.

Barry Nalebuff is the Milton Steinbach professor of management at the Yale University School of Management.

David Sibley is the John T. Stuart III centennial professor in economics at the University of Texas at Austin and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

DOJ_NMG_ 0170471

Loyalty Discounts (1:30 P.M. –4:00 P.M.):

Daniel A. Crane is an associate professor of law at the Yeshiva University Benjamin N. Cardozo School of Law.

Timothy J. Muris is a George Mason University Foundation professor of law, Of Counsel at O'Melveny & Myers LLP, and a former Chairman of the Federal Trade Commission.

Janusz Ordover is a professor of economics at New York University and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Willard K. Tom is a partner at Morgan, Lewis & Bockius LLP and a former Deputy Director of the Federal Trade Commission's Bureau of Competition.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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06-776

DOJ_NMG_ 0170472

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From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 11:11 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PORTRAIT UNVEILING OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 17, 2006
WWW.USDOJ.GOV

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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PORTRAIT UNVEILING OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

WASHINGTON, D.C.

Good morning and welcome.

This morning, on the eve of Thanksgiving celebrations around dinner tables across America, we gather to celebrate the service of John Ashcroft and to say thank you for a job well done as our Attorney General during one of the most historic and difficult periods in our nation's history.

We are joined today by many friends and alumni of the Department of Justice, as well as many special guests – Justice Clarence Thomas, Senator Kit Bond, Homeland Security Secretary Michael Chertoff and Labor Secretary Elaine Chao, thank you for being here – and I want to welcome one and all – whether this is your first time in the Great Hall or a return to once-familiar territory.

I also want to offer a special welcome to John's wife, Janet Ashcroft. Wonderful to see you here today, Janet.

Our other special guest is the artist for General Ashcroft's portrait: John Howard Sanden. I'd like to welcome John and his wife, Elizabeth, to the Department.

You know, several members of the media have commented on the different styles between John and me. And I suppose that's true. For example, John likes blue drapes…I happen to like a more open look.

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General Ashcroft had an open door policy with the press. Given John's high regard for reporters and his close association with both American and foreign journalists, it is not surprising that a large number of members of the media are here for today's hanging.

Recently, I was in Europe in the offices of one of my law enforcement counterparts. As I stood admiring some portraits of former ministers, my host disclosed that he was an artist – a political cartoonist – and that he could draw a self-portrait when he left government, thus saving the taxpayers and his country a few Euros.

I found the image of John Ashcroft sitting in front of a mirror, sketching himself with crayons and watercolors to be interesting. Although we know John has great respect for the taxpayer's money, I think we also appreciate that he didn't try to paint his portrait himself especially given the remarkable talents of Mr. Sanden.

Continuing on with our program please rise and join me in the presentation of the colors and the playing of our National Anthem.

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President Theodore Roosevelt once wrote:

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.

When we think of the man in the arena striving valiantly with great enthusiasm in a worthy cause, it is hard not to think of John Ashcroft. In just the short time that I have known him, John has proven again and again his courage and his strength of character.

We will soon unveil a portrait of not just an Attorney General, but of a consummate statesman. Once-governor, once-senator – John Ashcroft's record of public service is both long and deep. In each of his public roles, he worked tirelessly for the good of the people he served.

As the wonderful patriotic hymn says of America's heroes, I think we can say of John Ashcroft – "who more than self their country loved, and mercy more than life."

In both his state capital and his Nation's capital, John has been a consistent, modest and moral leader.

Here at the Justice Department, John led ably after September 11th – a time that will doubtless stand out in history as one of the most challenging times for our nation, when an unthinkable, monstrous criminal act was

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also an act of war. From my vantage point at the White House, I saw John step up as a warrior for America. A few questioned his approach, but I think his willingness to take the fight to the enemy reassured the American people during those darkest days that this government would not back down in the face of adversity, but would take bold steps to protect them.

Like so many of his law enforcement colleagues, John should know that he deserves a substantial portion of the credit for the fact that America has not been attacked in more than five years.
Thanks to his cool head and insightful perspective, I believe he will be remembered as being the right man at the right time for this incredibly complex and challenging job.

John Ashcroft loves his country, and believes deeply in the rule of law and that "thy liberty" is found in law. He knows that one preserves and protects the other, and his public service is a record of that fact.

It is right and fitting that, from this day forward, John Ashcroft's portrait will hang in the Department of Justice. Because in his public life, John Ashcroft has always stood for justice… everywhere that he stood.

Ladies and gentleman, please join me in welcoming Attorney General John Ashcroft.

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Thank you, John, and thank you Mr. Sanden. We are all honored to have been part of this special ceremony.

I encourage all of you – colleagues, friends and family members – to join us on the 5th floor for refreshments and a chance to take a closer look at this wonderful piece of art.

It has been a pleasure to host you at the Department of Justice. Thank you all for coming.

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System Administrator

From: System Administrator
Sent: Friday, November 17, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 872180 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 12:51 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: HIV-POSITIVE STATE AND FEDERAL PRISONERS DECREASED FOR A FIFTH CONSECUTIVE YEAR

The embargoed reports are attached.

Department of Justice

Office of Justice Programs

EMBARGOED UNTIL 4:30 P.M. EST
SUNDAY, NOVEMBER 19, 2006
www.ojp.usdoj.gov/bjs

Bureau of Justice Statistics
Contact: Stu Smith: 202-307-0784
After hours: 301-983-9354

HIV-POSITIVE STATE AND FEDERAL PRISONERS DECREASED FOR A FIFTH CONSECUTIVE YEAR

More than one third of jail inmates reported a medical problem in a national survey

WASHINGTON — The numbers of both HIV-positive state and federal prisoners and AIDS-related prisoner deaths decreased for the fifth consecutive year, according to a new report by the Justice Department's Bureau of Justice Statistics (BJS). BJS released a separate report that showed an estimated 37 percent of county and municipal jail inmates reported having a current medical problem other than a cold or virus in a national survey.

Between 2003 and 2004, the number of HIV-positive inmates in state and federal prisons fell from 23,663 to 23,046. The number of HIV-positive state and federal prisoners has fallen each year since 1999, when the number stood at 25,807.

During 2004, the number of confirmed AIDS cases in state and federal prisons increased from 5,944 to 6,027. The rate of confirmed AIDS cases in state and federal prisoners (50 per 10,000 prison inmates) was more than three times higher than in the total U.S. population (15 per 10,000 persons).

The number of AIDS-related deaths in state and federal prisons fell from 282 in 2003 to 203 in 2004. The death rate from AIDS in state prisons dropped by one-third — from 21 per 100,000 inmates in 2003 to 14 deaths per 100,000 in 2004.

With the introduction of protease inhibitors and combination antiretroviral therapies in recent years, corrections officials have successfully reduced the number of deaths as well as the rate of death due to AIDS-related causes. During 2004, 6 percent of state inmate deaths were attributable to AIDS — down from 34

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percent in 1995.

Twenty states reported a decrease in the number of HIV-infected prisoners during 2004, and 24 states and the federal system reported an increase. Florida reported the largest increase in HIV-positive inmates, followed by Mississippi (54 new cases). New York reported the largest drop — 500 fewer cases.

Among state prisoners tested, female inmates (1.9 percent) were more commonly reported to be HIV infected than were males (1.6 percent). Black non-Hispanic female inmates reported the highest percentage of HIV infection (3.4 percent). Inmates age 45 or older (2.6 percent) were more likely than those 24 or younger (0.3 percent) to be HIV positive.

According to a recently completed national survey of county and municipal jail inmates, an estimated 229,000 had a medical problem other than a cold or a virus. About 26 percent reported having had a dental problem since admission, 13 percent said they had been injured while in jail, and one percent said they had undergone a surgical procedure.

Among the current medical problems reported, jail inmates were most likely to report having arthritis (13 percent), followed by hypertension (11 percent), and asthma (10 percent). Other specific problems were heart conditions (6 percent); kidney problems and tuberculosis (4 percent each); stroke, diabetes, and hepatitis (3 percent each); as well as cancer, paralysis, liver problems, HIV, and STDs (about 1 percent each).

About 6 in 10 jail inmates age 45 or older reported having a current medical problem, compared to 1 in 4 inmates age 24 or younger. Since their admission to jail more than 40 percent of all inmates reported having had a medical examination.

One-third of jail inmates reported an impairment including learning, speech, hearing, vision, or mobility. Eight percent of jail inmates reported a mental or emotional condition that kept them from participating fully in school, work, or other activities.

The reports, *HIV in Prisons, 2004* and *Medical Problems of Jail Inmates*, were written by BJS statistician Laura M. Maruschak. Following publication, the reports can be found at www.ojp.usdoj.gov/bjs/abstract/hivp04.htm and www.ojp.usdoj.gov/bjs/abstract/mpji02.htm

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

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hivp04.pdf

mpji.pdf

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U.S. Department of Justice
Office of Justice Programs

Embargoed to the public until Sunday, November 19, 2006, 4:30pm EST

Bureau of Justice Statistics Bulletin

November 2006, NCJ 213897

HIV in Prisons, 2004

By Laura M. Maruschak
BJS Statistician

On December 31, 2004, 1.9% of State prison inmates and 1.1% of Federal prison inmates were known to be infected with the human immunodeficiency virus (HIV). Correctional authorities reported that 21,366 State inmates and 1,680 Federal inmates were HIV positive. The number known to be HIV positive totaled 23,046, down from 23,663 at yearend 2003.

Of those known to be HIV positive in all U.S. prisons at yearend 2004, an estimated 6,027 were confirmed AIDS cases, up from 5,944 in 2003. Among State inmates, 0.5% had AIDS; among Federal inmates, 0.4%.

During 2004, 185 State prisoners died from AIDS-related causes, down from 268 in 2003. In 2004, 6% of State inmate deaths were attributed to AIDS, down from 32% in 1995. Among Federal prisoners 18 died from AIDS-related causes, up 4 deaths from the total in 2003.

This report is based on the 2004 National Prisoners Statistics (NPS-1) and the Deaths in Custody Reporting Program (DCRP). Data from NPS-1 are reported on one form by the departments of corrections in 50 States and by the Federal Bureau of Prisons. DCRP data are from individual records for each death. A record includes information on the deceased's characteristics such as gender, age, and race/Hispanic origin.

Highlights

Number of HIV-infected inmates steadily decreasing since 1999

	HIV-positive prison inmates	
Yearend	Number	Percent of custody population
1998	25,680	2.2%
1999	25,807	2.1
2000	25,333	2.0
2001	24,147	1.9
2002	23,866	1.9
2003	23,663	1.9
2004	23,046	1.8

	HIV-positive prison inmates	
Jurisdictions with largest HIV-positive population	Number	Percent of custody population
New York	4,500	7.0%
Florida	3,250	3.9
Texas	2,405	1.7
Federal system	1,680	1.1
California	1,212	0.7
Georgia	1,109	2.2

- Between 2003 and 2004 the number of HIV-positive prisoners decreased 2.6%, while the overall prison population grew 1.7% during the same period.
- At yearend 2004, 2.6% of all female State prison inmates were HIV positive, compared to 1.8% of males.
- During 2004, 20 States reported a decrease in the number of HIV-positive prisoners, and 24 States and the Federal system reported an increase.
- New York held about a fifth of all inmates (4,500 inmates) known to be HIV positive at yearend 2004.
- Florida, with an increase of 138 HIV-positive inmates, reported the largest increase, followed by Mississippi (up 54).
- The overall rate of confirmed AIDS among the prison population (0.50%) was more than 3 times the rate in the U.S. general population (0.15%).

Rate of AIDS-related deaths in State prisons decreased in 2004

	AIDS-related deaths in State prisons		
	Number		Rate per
	Reported		100,000
Year	in NPS-1	Total*	inmates
1995	1,010		100
1996	907		90
1997	538		48
1998	350		30
1999	242		20
2000	185		15
2001	256	311	25
2002	215	283	22
2003	213	268	21
2004	128	185	14

*Total number of deaths for 2001-04 are based on a combination of the National Prisoners Statistics (NPS-1) and Deaths in Custody Reporting Program (DCRP) data.

- In 2004, 203 prisoners died from AIDS-related causes — 185 State inmates and 18 Federal inmates.
- The number of AIDS-related deaths in State prisons decreased 82% from 1995 to 2004.
- Pennsylvania reported the largest number of AIDS-related deaths (21), followed by New York and Florida (both 20). Twenty States reported having no AIDS-related deaths.

Table 1. Inmates in custody of State or Federal prison authorities known to be HIV positive, yearend 2002-04

Jurisdiction[a]	Total HIV cases[b]			HIV cases as a percent of total custody population[c]		
	2004	2003	2002	2004	2003	2002
U.S. total						
Reported[d]	23,046	23,663	23,866	1.8%	1.9%	1.9%
Comparable reporting[e]	22,961	23,653	23,808			
Federal	1,680	1,631	1,547	1.1%	1.1%	1.1%
State	21,366	22,032	22,319	1.9	2.0	2.0
Northeast	6,756	7,394	7,620	4.1%	4.5%	4.6%
Connecticut	477	572	666	2.7	3.2	3.6
Maine	11	10	/	0.6	0.5	/
Massachusetts	215	230	290	2.2	2.3	2.9
New Hampshire	31	21	16	1.3	0.9	0.6
New Jersey	655	657	756	2.9	2.8	3.2
New York	4,500	5,000	5,000	7.0	7.6	7.5
Pennsylvania	693	775	800	1.7	1.9	2.0
Rhode Island	161	120	86	5.1	3.4	2.5
Vermont	13	9	6	0.9	0.6	0.4
Midwest	2,025	2,087	2,133	0.9%	1.0%	1.0%
Illinois	488	551	570	1.1	1.3	1.3
Indiana	/	/	/	/	/	/
Iowa	32	31	33	0.4	0.4	0.4
Kansas	41	32	48	0.5	0.3	0.5
Michigan	575	579	591	1.2	1.2	1.2
Minnesota	44	40	37	0.6	0.5	0.5
Missouri	294	268	262	1.0	0.9	0.9
Nebraska	20	21	24	0.5	0.5	0.6
North Dakota	6	2	4	0.5	0.2	0.4
Ohio	387	416	417	0.9	1.0	1.0
South Dakota	9	11	6	0.3	0.4	0.2
Wisconsin	129	136	141	0.6	0.7	0.8
South	10,691	10,740	10,656	2.1%	2.2%	2.2%
Alabama	270	270	276	1.1	1.0	1.1
Arkansas	102	94	100	0.8	0.7	0.8
Delaware	149	105	128	2.2	1.6	1.9
Florida	3,250	3,112	2,848	3.9	3.9	3.8
Georgia	1,109	1,095	1,123	2.2	2.3	2.4
Kentucky	74	/	/	0.6	/	/
Louisiana	487	511	503	2.5	2.6	2.5
Maryland	792	988	967	3.4	4.2	4.0
Mississippi	254	200	224	2.2	1.6	1.9
North Carolina	647	640	602	1.8	1.9	1.8
Oklahoma	133	162	146	0.8	1.0	0.9
South Carolina	489	520	544	2.2	2.3	2.4
Tennessee	215	208	218	1.5	1.5	1.5
Texas	2,405	2,460	2,528	1.7	1.8	1.9
Virginia	302	361	425	1.0	1.2	1.4
West Virginia	13	14	24	0.3	0.4	0.7
West	1,894	1,811	1,910	0.7%	0.7%	0.7%
Alaska	/	/	16	/	/	0.5
Arizona	155	123	130	0.5	0.4	0.4
California[f]	1,212	1,196	1,181	0.7	0.7	0.7
Colorado	185	162	182	1.1	1.0	1.1
Hawaii	15	27	22	0.4	0.7	0.6
Idaho	33	26	20	0.7	0.6	0.5
Montana	5	4	8	0.2	0.2	0.4
Nevada	116	107	113	1.1	1.0	1.2
New Mexico	25	29	30	0.4	0.5	0.5
Oregon	/	/	42	/	/	0.4
Utah	39	37	58	0.8	0.8	1.4
Washington	102	93	101	0.6	0.6	0.6
Wyoming	7	7	7	0.6	0.6	0.6

/Not reported.

[a]At yearend 2001 responsibility for housing District of Columbia sentenced felons was transferred to the Federal Bureau of Prisons.

[b]Counts published in previous reports have been revised.

[c]Percentages are based on custody counts, except for New Mexico for which percentages are based on its jurisdiction count.

[d]Excludes inmates in jurisdictions that did not report data.

[e]Excludes data from Maine, Kentucky, Alaska, and Oregon for all 3 years due to incomplete reporting.

[f]The number of HIV-positive inmates in California was estimated by applying the percentage of inmates known to be HIV positive in 2002 to the 2004 custody population.

Nearly half of HIV-infected State prison inmates at yearend 2004 were housed in three States

At yearend 2004, HIV-infected inmates were concentrated in a small number of States. New York (4,500), Florida (3,250), and Texas (2,405) held the largest number of HIV-positive inmates (table 1). These three States housed nearly half (48%) of all HIV-infected inmates in State prisons.

Excluding New York, the number of HIV-infected inmates has been stable among the States. Since reaching a peak of 19,333 in 2000, the number has fluctuated reaching a low of 18,546 in 2004. New York estimates are based on data obtained through blind sero-prevalence studies conducted biennially by the New York Department of Health.* Due to this estimation method, New York has reported very large decreases in the number of HIV-positive inmates from year to year.

Yearend	Number of HIV-positive inmates	
	All jurisdictions	Excluding New York
1998	25,680	18,180
1999	25,807	18,807
2000	25,333	19,333
2001	24,147	18,647
2002	23,866	18,866
2003	23,663	18,663
2004	23,046	18,546

*New York draws blood from all entering inmates. Every other year an extra sample from 1,000 sequential receptions in each of 4 reception centers is tested for various diseases including HIV. The percentage with HIV-infection is applied to the total inmate population and then adjusted for length of stay and findings from other studies. Projections are made for the interim years without the blind studies.

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HIV-positive inmates comprised 1.9% of the State prison population in 2004, down from 2.0% in 2003. In Federal prisons HIV-positive inmates comprised 1.1% in 2004, unchanged since 2002. After remaining constant at 1.9% in 2002 and 2003, the overall percentage of the total prison population with HIV decreased to 1.8% in 2004.

	Percent of custody population known to be HIV positive	
Yearend	State	Federal
1998	2.3%	1.0%
1999	2.3	0.9
2000	2.2	1.0
2001	2.0	1.2
2002	2.0	1.1
2003	2.0	1.1
2004	1.9	1.1

Inmates in the Northeast had the highest rate of HIV infection

In the Northeast, 4.1% of the prison population were known to be HIV positive in 2004, followed by 2.1% in the South, 0.9% in the Midwest, and 0.7% in the West. New York had the highest percentage of inmates known to be HIV positive (7.0%), followed by Rhode Island (5.1%) and Florida (3.9%).

North Dakota, South Dakota, Montana, and Wyoming reported fewer than 10 HIV-positive inmates in their prisons. In 2004 every reporting jurisdiction held at least one HIV-positive inmate. Six States reported that fewer than 0.5% of their inmate population were HIV positive.

Between 2003 and 2004, 20 States reported a decrease in the number of HIV-positive inmates. The largest decrease was reported in New York (down 500), followed by Maryland (196), Connecticut (95), and Pennsylvania (82). Twenty-four States and the Federal system reported an increase. The largest increases were reported in Florida (up 138), Mississippi (54), the Federal system (49), Delaware (44), and Rhode Island (41).

A greater percentage of females than males with HIV infection

On December 31, 2004, 20,668 male inmates and 2,084 female inmates in State and Federal prisons were known to be HIV positive (table 2). Overall, 1.7% of male inmates and 2.4% of all female inmates were known to be HIV positive. New York reported the largest numbers of male and female HIV-positive inmates (4,100 and 400, respectively). The second largest numbers of HIV-positive male and female inmates were in Florida (2,911 and 339, respectively), followed by Texas (2,199 and 206, respectively). Two States, Vermont and Montana, reported having no HIV-positive female inmates. Every reporting State had some HIV-positive male inmates.

Over 10% of all female inmates were known to be HIV positive in two States — Rhode Island (15.6%) and New York (14.2%). New York (with 6.7%) was the only State with more than 5% of male inmates known to be HIV positive.

Table 2. Inmates in custody of State and Federal prison authorities known to be HIV positive, by gender, yearend 2004

	Male HIV cases		Female HIV cases	
Jurisdiction	Number	Percent of population	Number	Percent of population
U.S. total				
Estimated[a]	20,951		2,095	
Reported	20,668	1.7%	2,084	2.4%
Federal	1,568	1.1%	112	1.0%
State	19,100	1.8	1,972	2.6
Northeast	6,092	3.9%	664	7.9%
Connecticut	404	2.4	73	5.6
Maine	10	0.5	1	0.9
Massachusetts	184	2.0	31	4.2
New Hampshire	29	1.3	2	1.5
New Jersey	574	2.6	81	7.0
New York	4,100	6.7	400	14.2
Pennsylvania	643	1.7	50	2.8
Rhode Island	135	4.5	26	15.6
Vermont	13	0.9	0	0
Midwest	1,598	0.9%	133	1.1%
Illinois	438	1.1	50	1.8
Indiana	/	/	/	/
Iowa	30	0.4	2	0.3
Kansas	37	0.4	4	0.6
Michigan	534	1.2	41	1.9
Minnesota	42	0.6	2	0.4
Missouri	/	/	/	/
Nebraska	19	0.5	1	0.3
North Dakota	4	0.4	2	2.2
Ohio	361	0.9	26	0.8
South Dakota	8	0.3	1	0.3
Wisconsin	125	0.6	4	0.3
South	9,678	2.1%	1,013	2.8%
Alabama	246	1.0	24	1.4
Arkansas	96	0.8	6	1.0
Delaware	130	2.1	19	3.5
Florida	2,911	3.7	339	6.1
Georgia	1,009	2.1	100	2.9
Kentucky	68	0.6	6	0.7
Louisiana	442	2.4	45	4.6
Maryland	707	3.2	85	7.3
Mississippi	215	2.1	39	2.4
North Carolina	581	1.8	66	2.8
Oklahoma	121	0.8	12	0.6
South Carolina	457	2.2	32	2.1
Tennessee	199	1.5	16	1.4
Texas	2,199	1.7	206	2.0
Virginia	288	1.1	14	0.6
West Virginia	9	0.2	4	1.1
West	1,732	0.7%	162	0.8%
Alaska	/	/	/	/
Arizona	145	0.6	10	0.4
California[b]	1,136	0.7	76	0.7
Colorado	166	1.1	19	1.1
Hawaii	12	0.4	3	0.6
Idaho	26	0.7	7	1.3
Montana	5	0.3	0	0
Nevada	90	0.9	26	3.0
New Mexico	23	0.4	2	0.3
Oregon	/	/	/	/
Utah	29	0.7	10	2.2
Washington	95	0.6	7	0.5
Wyoming	5	0.5	2	1.4

/Not reported.

[a]Includes estimates of the number of inmates with HIV by gender for Missouri.

[b]The number of male and female HIV cases in California was estimated by applying the 2002 gender distribution to the 2004 estimated total with HIV.

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Number of HIV-positive male and female inmates in State prisons declined during 2004

Based on these yearend estimates, the number of HIV-infected females in State prisons decreased from 2,131 to 1,983 and the number of infected males in State prisons decreased from 20,060 to 19,383 during 2004. The estimated number of male HIV-positive inmates in State prisons increased between 1998 and 1999 and has decreased every year since 1999. The estimated number of female HIV-positive inmates in State prisons decreased between 1998 and 1999, increased in 2000, and has decreased every year since 2000. Between 1998 and 2004 the percentage of male HIV-positive inmates decreased from 2.2% to 1.8%, and the percentage of female inmates fell from 3.8% to 2.4%. .

	State prison inmates	
Yearend	Estimated number of HIV-positive inmates*	Percent HIV postive in custody population
Male inmates		
1998	22,045	2.4%
1999	22,175	2.2
2000	21,894	2.1
2001	20,415	1.9
2002	20,273	1.9
2003	20,060	1.8
2004	19,383	1.8
Female inmates		
1998	2,552	3.8%
1999	2,402	3.5
2000	2,472	3.4
2001	2,212	3.1
2002	2,164	2.9
2003	2,131	2.7
2004	1,983	2.4

*To provide year-to-year comparisons, estimates were made for States not reporting a gender breakdown. For each State, estimates were made by applying the percent breakdown by gender from the most recent year.

Confirmed AIDS cases in U.S. prisons increased during 2004

At the end of 2004, a reported 5,483 inmates in U.S. prisons had confirmed AIDS, up from 5,227 in 2003 (table 3). Among those with confirmed AIDS, 4,842 were in State prisons, and 641 were in Federal prisons.

For States that did not provide a breakdown of the number of HIV cases by type of HIV infection, estimates of the number of confirmed AIDS cases were made to provide comparable year-to-year data. Based on yearly estimates, the number of confirmed AIDS cases increased from 5,944 in 2003 to 6,027 in 2004.

Between 1998 and 2004, 32 States and the Federal system consistently reported the number of inmates with confirmed AIDS. As with the reported and estimated numbers, the comparable number of inmates with confirmed AIDS declined between 1998 and 2004, from 5,859 to 5,070.

Table 3. Inmates in custody of State or Federal prison authorities known to have confirmed AIDS, yearend 2003-04

	Confirmed AIDS cases			
	Number		Percent of custody population[a]	
Jurisdiction	2004	2003	2004	2003
U.S. total				
Estimated[b]	6,027	5,944		
Reported	5,483	5,227	0.5%	0.5%
Federal	641	626	0.4%	0.4%
State	4,842	4,601	0.5	0.5
Northeast	1,558	1,555	0.9%	0.9%
Connecticut	213	211	1.2	1.2
Maine	0	0	0	0
Massachusetts	83	78	0.8	0.8
New Hampshire	6	2	0.2	0.1
New Jersey	202	168	0.9	0.7
New York	800	800	1.2	1.2
Pennsylvania	192	240	0.5	0.6
Rhode Island	58	52	1.8	1.5
Vermont	4	4	0.3	0.3
Midwest	389	237	0.2%	0.2%
Illinois	167	76	0.4	0.2
Indiana	/	/	/	/
Iowa	16	2	0.2	--
Kansas	6	4	0.1	--
Michigan	/	/	/	/
Minnesota	18	11	0.2	0.1
Missouri	4	/	--	/
Nebraska	8	10	0.2	0.2
North Dakota	1	0	0.1	0
Ohio	141	123	0.3	0.3
South Dakota	1	11	--	0.4
Wisconsin	27	/	0.1	/
South	2,565	2,452	0.7%	0.7%
Alabama	133	133	0.5	0.5
Arkansas	13	23	0.1	0.2
Delaware	61	31	0.9	0.5
Florida	721	711	0.9	0.9
Georgia	/	/	/	/
Kentucky	53	/	0.5	/
Louisiana	/	/	/	/
Maryland	204	253	0.9	1.1
Mississippi	51	/	0.4	/
North Carolina	249	246	0.7	0.7
Oklahoma	/	/	/	/
South Carolina	212	220	0.9	1.0
Tennessee	66	55	0.5	0.4
Texas	801	778	0.6	0.6
Virginia	/	/	/	/
West Virginia	1	2	--	0.1
West	330	357	0.1%	0.2%
Alaska	/	/	/	/
Arizona	/	/	/	/
California[c]	191	188	0.1	0.1
Colorado	38	35	0.2	0.2
Hawaii	2	4	0.1	0.1
Idaho	/	0	/	0
Montana	0	0	0	0
Nevada	19	20	0.2	0.2
New Mexico	4	29	0.1	0.5
Oregon	/	/	/	/
Utah	11	11	0.2	0.2
Washington	65	70	0.4	0.4
Wyoming	0	0	0	0

/Not reported.

--Less than .05%.

[a]Percents exclude inmates in jurisdictions that did not report type of HIV infection.

[b]Includes estimates of the number of inmates with confirmed AIDS for Arizona, Georgia, Indiana, Louisiana, Michigan, Oklahoma, and Virginia in 2003 and 2004; for Kentucky, Mississippi, Missouri, and Wisconsin in 2003; and for Idaho in 2004. Estimates were based on the most recent data.

[c]The number of confirmed AIDS cases in California was estimated by applying the 2002 percentage to the 2004 estimates of HIV-positive inmates.

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Yearend	Number of confirmed AIDS cases		
	Estimated[a]	Reported[b]	Comparable[c]
1998	6,809	6,282	5,864
1999	7,039	6,642	5,788
2000	6,295	5,696	5,093
2001	6,286	5,754	5,214
2002	5,643	4,898	4,571
2003	5,944	5,227	4,956
2004	6,027	5,483	5,070

[a]In States not reporting confirmed AIDS, estimates were made by applying the percent breakdown by type of HIV infection from the most recent year when data were provided.
[b]Excludes 7 States in 1998, 5 in 1999, 8 in 2000, 6 in 2001, 12 in 2002, 13 in 2003, and 10 in 2004.
[c]The Federal system and 32 States reported in all 6 years.

Confirmed AIDS cases made up 0.5% of inmates in State prisons and 0.4% of those in Federal prisons. Of those known to be HIV-positive inmates, nearly a quarter had confirmed AIDS.

The States with the largest number of confirmed AIDS cases were Texas (801), New York (800), and Florida (721). Combined, these States held nearly half of all confirmed AIDS cases in State prisons. The Federal system held 641 inmates with confirmed AIDS. Thirteen States reported having fewer than 10 confirmed AIDS cases in their prisons; 3 reported having none.

Rhode Island (1.8%) had the highest percentage of confirmed AIDS, followed by Connecticut and New York (both 1.2%). In 13 States, confirmed AIDS cases comprised 0.1% or less of State inmates.

During 2004, 11 States reported a decrease in the number of confirmed AIDS cases. Maryland, with a decrease of 49, had the largest drop in the number of confirmed AIDS cases, followed by Pennsylvania (48) and New Mexico (25). Eighteen States and the Federal system reported an increase in the number of confirmed AIDS cases, led by Illinois (up 91) and New Jersey (34).

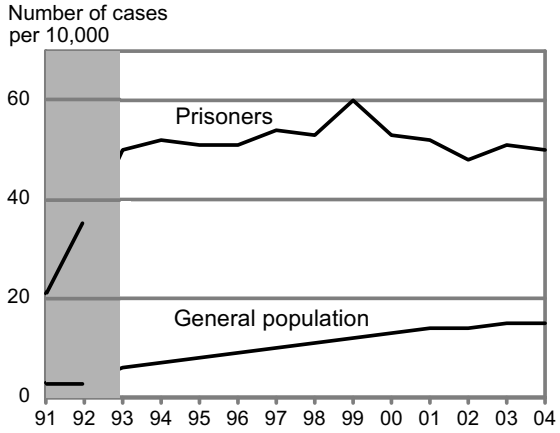
Rate of confirmed AIDS 3 times higher among prison inmates than in the U.S. general population

In every year since 1991, the rate of confirmed AIDS has been higher among prison inmates than in the general population (figure 1). At yearend 2004 the rate of confirmed AIDS in State and Federal prisons was more than 3 times higher than in the total U.S. population. About 50 in every 10,000 prison inmates had confirmed AIDS, compared to 15 in 10,000 persons in the U.S. general population.

Yearend	Percent of population with confirmed AIDS	
	U.S. general population	State and Federal prisoners
1998	0.11%	0.53%
1999	0.12	0.60
2000	0.13	0.53
2001	0.14	0.52
2002	0.14	0.48
2003	0.15	0.51
2004	0.15	0.50

Note: The percent of the general population with confirmed AIDS in each year may be over-estimated due to delays in death reports. See *Methodology* for source of data.

Rate of confirmed AIDS cases, comparing the general population to State and Federal prisoners, 1991-2004



Note: The shaded area covers the period prior to the 1993 expansion of the classification system for HIV infection and the case definition for AIDS. This expansion improved estimates of the number and the characteristics of persons with HIV disease, but complicated interpretation of AIDS trends. The increase in reported AIDS cases in 1993 was largely the consequence of the added surveillance criteria. See *Morbidity and Mortality Weekly Report*, Centers for Disease Control and Prevention, Vol. 43, No. 45, November 18, 1994.

Figure 1

Twenty States test all inmates for HIV at admission or while in prison

Forty-eight States and the Federal Bureau of Prisons reported that they test inmates if they have HIV-related symptoms or if the inmates request a test (table 4). Forty-one States and the Federal system test inmates after they are involved in an incident in which an inmate is exposed to possible HIV transmission, and 17 States and the Federal system test inmates who belong to specific "high-risk" groups.

Missouri, Alabama, and Florida test all inmates upon their release. Arkansas and Nevada test all inmates while in custody. Three States (New York, Alabama, and Oregon) test inmates selected at random.

Circumstances for testing	Number of jurisdictions
Upon clinical indication of need	46
Upon inmate request	45
Upon involvement in an incident	42
Court order	39
High-risk groups	18
All incoming inmates	18
All inmates at time of release	3
Random sample	3
All inmates currently in custody	2

Note: Jurisdiction may report testing inmates under multiple circumstances.

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Table 4. Circumstances under which inmates are tested for the antibody to HIV, by jurisdiction, 2004

Jurisdiction	All inmates: Entering	All inmates: In custody	All inmates: Upon release	High-risk groups	Inmate request	Clinical indication	Involvement in incident	Random sample	Court order	Other
Federal system[a]				X	X	X	X		X	
Northeast										
Connecticut				X	X	X	X		X	
Maine					X	X				
Massachusetts					X					
New Hampshire	X			X		X	X			
New Jersey					X	X			X	
New York				X	X	X	X	X	X	
Pennsylvania				X	X	X	X		X	
Rhode Island	X				X	X	X		X	
Vermont					X	X	X			
Midwest										
Illinois				X	X	X	X		X	
Indiana				X	X	X	X		X	
Iowa	X					X	X			
Kansas				X	X	X	X		X	
Michigan	X				X		X		X	
Minnesota				X	X	X	X		X	
Missouri	X		X	X	X	X	X		X	
Nebraska	X				X	X	X		X	
North Dakota	X				X	X			X	
Ohio	X				X	X	X		X	
South Dakota					X	X			X	
Wisconsin					X	X	X		X	
South										
Alabama	X		X		X	X	X	X	X	
Arkansas	X	X		X	X	X	X		X	X
Delaware					X	X	X		X	X
Florida			X		X	X	X		X	
Georgia	X				X	X	X		X	
Kentucky				X		X	X		X	
Louisiana					X	X	X			
Maryland					X	X	X		X	X
Mississippi	X					X	X		X	
North Carolina					X	X	X			
Oklahoma	X			X	X	X	X			
South Carolina	X				X	X	X		X	X
Tennessee					X	X	X		X	
Texas				X	X	X	X		X	
Virginia					X	X	X		X	
West Virginia				X	X	X	X		X	
West										
Alaska[b]										
Arizona					X	X	X		X	
California					X	X	X		X	
Colorado	X				X	X	X		X	
Hawaii					X	X	X		X	
Idaho	X			X	X	X	X		X	
Montana					X	X	X		X	
Nevada		X								
New Mexico					X					X
Oregon				X	X	X	X	X	X	
Utah	X				X	X	X		X	X
Washington				X	X	X	X		X	X
Wyoming	X				X	X				

[a]The Bureau of Prisons tests a random sample of inmates on alternate years.
[b]Alaska did not report data on testing.

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AIDS-related deaths in State prisons dropped between 1995 to 2004

The number of State inmates who died of Pneumocystis carinii pneumonia, Kaposi's sarcoma, or other AIDS-related diseases peaked in 1995 and steadily decreased until 2001 (figure 2). According to data reported in the NPS-1, the number of AIDS-related deaths decreased by 85 from 213 in 2003 to 128 in 2004 (table 5). This was the largest decrease reported since 1999. Overall, since 1995 the number of AIDS-related deaths has decreased by 882.

Among Federal inmates, 18 died from AIDS-related causes, up from 14 in 2003 (table 6). In 2004 for every 100,000 inmates, 10 died from AIDS-related causes. These AIDS-related deaths accounted for 5% of all deaths in Federal prison.

The introduction of protease inhibitors and combination antiretroviral therapies produced a substantial improvement in the effectiveness of HIV/AIDS care in correctional facilities. See Hammett and Harmon, "Medical Treatment and a Continuum of Care" in *1996-1997 Update: HIV/AIDS, STDs and TB in Correctional Facilities* (July 1999, NCJ 176344).

Deaths in Custody Reporting Program identifies more States with AIDS-related deaths in State prisons

Pursuant to the Death in Custody Reporting Act of 2000, BJS began in 2001 to collect individual-level information about deaths in State prisons (DCRP). Overall, 14 States under-reported AIDS-related deaths in the NPS-1 collection, while 3 States under-reported AIDS-related deaths in DCRP.

For a total of AIDS-related deaths in prisons, DCRP and NPS-1 data were combined (table 7). The most complete data for each State's number of deaths were used to calculate the totals for 2001 through 2004. An additional 57 AIDS-related deaths were identified in 2004, 55 in 2003, 68 in 2002, and 55 in 2001. Adjusted for under-reporting, the number of AIDS-related deaths was 14 per 100,000 State prison inmates in 2004, down from 21 in 2003.

	AIDS-related deaths in State Prisons		
	Number		Rate per
Year	Reported in NPS-1	Total*	100,000 inmates
1995	1,010		100
1996	907		90
1997	538		48
1998	350		30
1999	242		20
2000	185		15
2001	256	311	25
2002	215	283	22
2003	213	268	21
2004	128	185	14

*Total number of deaths for 2001-04 are based on a combination of NPS-1 and DCRP data.

Rate of State prison inmate deaths, by cause, 1991-2004

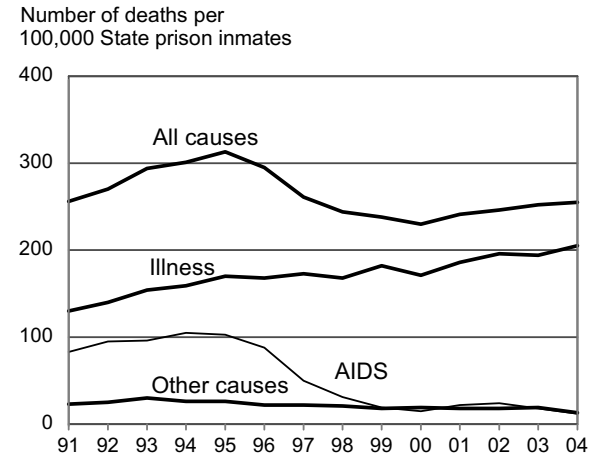

Figure 2

Table 5. Inmate deaths in State prisons, by cause, 2004 and 2003

	Deaths of State inmates			
	Number		Rate per 100,000 inmates*	
Cause	2004	2003	2004	2003
Total	2,915	3,230	222	250
Natural causes other than AIDS	2,255	2,417	172	187
AIDS-related	128	213	10	16
Suicide	167	195	13	15
Accident	27	28	2	2
Execution	56	64	4	5
By another person	47	42	4	3
Other/unspecified	235	271	18	21

*Detail may not add to total due to rounding.

Table 6. Inmate deaths in Federal prisons, by cause, 2004 and 2003

	Deaths of Federal inmates			
	Number		Rate per 100,000 inmates*	
Cause	2004	2003	2004	2003
Total	333	347	186	204
Natural causes other than AIDS	295	315	165	185
AIDS-related	18	14	10	8
Suicide	11	6	6	4
Accident	6	4	3	2
Execution	0	1	0	1
By another person	3	5	2	3
Other/unspecified	0	2	0	1

*Detail may not add to total due to rounding.

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Table 7. Deaths of State prisoners, 2004

Jurisdiction	Prisoner deaths reported: In NPS-1 Total	In NPS-1 AIDS-related	In DCRP[a] Total	In DCRP[a] AIDS-related	Total deaths[b]: All causes Number	All causes Rate per 100,000 inmates	AIDS-related Number	AIDS-related Rate per 100,000 inmates
Total	2,915	128	3,138	179	3,283	250	185	14
Northeast	453	46	453	60	460	264	60	34
Connecticut	34	5	34	11	34	170	11	55
Maine	4	0	4	0	4	199	0	0
Massachusetts	25	0	25	1	25	241	1	10
New Hampshire	/	/	6	0	6	246	0	0
New Jersey	64	7	59	7	64	228	7	25
New York	154	13	154	20	154	238	20	31
Pennsylvania	164	21	163	21	164	403	21	52
Rhode Island	6	0	7	0	7	189	0	0
Vermont	2	0	1	0	2	98	0	0
Midwest	613	10	600	14	613	245	16	6
Illinois	100	4	99	5	100	225	5	11
Indiana	57	1	56	2	57	240	2	8
Iowa	15	0	15	0	15	174	0	0
Kansas	31	1	30	0	31	339	1	11
Michigan	140	0	138	2	140	288	2	4
Minnesota	6	0	6	0	6	70	0	0
Missouri	77	0	77	2	77	250	2	6
Nebraska	7	0	7	0	7	173	0	0
North Dakota	2	0	1	0	2	158	0	0
Ohio	133	4	126	3	133	297	4	9
South Dakota	5	0	5	0	5	161	0	0
Wisconsin	40	0	40	0	40	175	0	0
South	1,559	59	1,461	80	1,569	263	84	14
Alabama	67	/	65	2	67	253	2	8
Arkansas	61	0	35	2	61	453	2	15
Delaware	11	0	13	0	13	186	0	0
Florida	230	17	227	20	230	271	20	24
Georgia	97	6	90	2	97	199	6	12
Kentucky	40	/	42	1	42	236	1	6
Louisiana	109	/	94	8	109	297	8	22
Maryland	80	14	79	15	80	337	15	63
Mississippi	53	2	53	2	53	259	2	10
North Carolina	101	2	95	4	101	289	4	11
Oklahoma	64	2	53	2	64	274	2	9
South Carolina	60	0	50	0	60	248	0	0
Tennessee	65	0	71	3	71	275	3	12
Texas	417	12	395	14	417	247	14	8
Virginia	91	4	86	5	91	257	5	14
West Virginia	13	0	13	0	13	261	0	0
West	290	13	624	25	641	219	25	9
Alaska	10	0	8	0	10	221	0	0
Arizona	63	4	66	4	66	209	4	13
California	/	/	348	12	348	210	12	7
Colorado	45	3	39	3	45	228	3	15
Hawaii	8	0	8	0	8	135	0	0
Idaho	13	0	12	0	13	206	0	0
Montana	12	0	12	0	12	316	0	0
Nevada	33	2	31	2	33	301	2	18
New Mexico	17	0	16	0	17	268	0	0
Oregon	36	1	34	1	36	272	1	8
Utah	14	0	11	0	14	241	0	0
Washington	37	3	37	3	37	223	3	18
Wyoming	2	0	2	0	2	104	0	0

/Not reported.
[a]Based on individual reports submitted to the Deaths in Custody Reporting Program (DCRP).
[b]Data from the National Prisoners Statistics (NPS-1) and DCRP were combined to provide the number of total deaths in each State. The most complete data for each State were used to calculate a total for each State.

For the general population the percentage of deaths due to AIDS remained constant at 4.4% in 2003. In 2003 the percentage of deaths due to AIDS was more than 1½ times higher in the prison population than in the U.S. general population ages 15-54. Nearly 1 in every 13 prisoner deaths were attributable to AIDS-related causes compared to 1 in 23 deaths in the general population.

Year	AIDS-related deaths as a percent of all deaths: State prisoners[a]	U.S. general population age 15-54[b]
1995	34.2%	13.1%
1996	30.8	10.1
1997	18.9	5.8
1998	13.3	5.4
1999	11.2	4.3
2000	8.4	3.9
2001	10.3	4.5
2002	9.1	4.4
2003	8.0	4.4
2004	5.6	...

...Not available.
[a]Percents are based on the number of inmate deaths, excluding those in jurisdictions not reporting AIDS-related deaths.
[b]See *Methodology* for source of data.

In 2004 about 1 in 18 deaths in State prisons due to AIDS-related illnesses

In 2004 for every 100,000 State inmates, 14 died from AIDS-related causes. The most AIDS-related deaths were reported in the South (84), followed by the Northeast (60). Together, these two regions accounted for more than three-quarters of AIDS-related deaths in State prisons.

Pennsylvania reported the largest number of AIDS-related deaths (21), followed by New York and Florida (both 20). Twenty States reported having no AIDS-related deaths.

Relative to the number of inmates, Maryland had the highest rate of AIDS-related deaths (63 per 100,000 inmates), followed by Connecticut (55 per 100,000), Pennsylvania (52 per 100,000), and New York (31 per 100,000).

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Table 8. Profile of inmates who died from AIDS-related causes in State prisons, 2002-04

Characteristic	Number of AIDS-related deaths			Rate of AIDS-related deaths per 100,000 inmates		
	2004	2003	2002	2004	2003	2002
State total*	185	268	283	14	21	22
In DCRP	179	210	245	14	17	20
Gender						
Male	138	202	236	12	18	21
Female	7	8	9	8	10	11
Age						
24 or younger	2	1	0	1	0	0
25-34	20	38	28	5	9	6
35-44	69	97	119	18	26	34
45 or older	54	74	98	23	36	64
Race/Hispanic origin						
White (non-Hispanic)	36	36	50	8	8	12
Black (non-Hispanic)	96	146	163	19	27	30
Hispanic	9	25	30	4	12	15

Note: The AIDS-related death counts by gender, age, race, and Hispanic origin are based on individual reports submitted to the Deaths in Custody Reporting Program (DCRP). See *Methodology.* Detail for 2004 does not add to total because gender, age, and race/hispanic origin were not known for 34 inmates.
*Based on the combination of the National Prisoners Statistics (NPS-1) and DCRP data.

Table 9. State and Federal inmates ever tested or tested since admission for HIV and test results, 2004 and 1997

Characteristic	Percent of inmates who reported results			
	State inmates		Federal inmates	
	2004	1997	2004	1997
Ever tested	84.5%	74.6%	86.8%	79.6%
HIV positive	1.6	2.2	1.0	0.6
Tested since admission	73.1%	59.1%	77.4%	69.7
HIV positive	1.9	2.6	1.1	0.7

Note: Data are from the 2004 and 1997 Surveys of Inmates in State and Federal Correctional Facilities.

For AIDS-related deaths among inmates rates higher for males, blacks, and those age 45 or older

Of the 179 AIDS-related deaths reported in DCRP in 2004, information on gender, age, and race/Hispanic origin is known for 145. Of those, 138 were male, and 7 were female (table 8). Inmates between ages 35 and 44 accounted for almost half of all AIDS-related deaths (69). Black non-Hispanic inmates accounted for about two-thirds of AIDS-related deaths (96).

Relative to the total number of inmates under State jurisdiction, males (12 deaths per 100,000) were 1½ times as likely as females (8 per 100,000) to die from AIDS-related causes during 2004. Black non-Hispanic inmates (19 per 100,000) were nearly 2½ times more likely than whites (8 per 100,000) and almost 5 times more likely than Hispanics (4 per 100,000) to die from AIDS. Inmates age 45 or older had the highest rate of AIDS-related deaths (23 per 100,000), 4½ times the rate among inmates age 25 to 34 (5 per 100,000).

HIV/AIDS reported by prison inmates in personal interviews

The 2004 Survey of Inmates in State and Federal Correctional Facilities asked inmates if they had ever been tested for HIV, if they had been tested since admission, and whether they were HIV positive. (See *Methodology* for further detail.)

Though some inmates may refuse to report that they are HIV positive and others may not know, the survey provided a means to track HIV infection among demographic and "high-risk" groups.

Of inmates who reported being tested since admission and reported a result, 1.9% in State prison and 1.1% in Federal prison reported being HIV positive (table 9).

Among State prisoners who were tested for HIV, female inmates (1.9%) were more likely than male inmates (1.6%) to be HIV positive (table 10). Black non-Hispanic inmates (2.0%) and Hispanic inmates (1.8%) were about twice as likely as white non-Hispanic inmates (1.0%) to report being HIV positive. Among male inmates, 1.9% of black non-Hispanics, 1.8% of Hispanic, and 1.1% of white non-Hispanics said they were HIV positive. Among female inmates, black non-Hispanics (3.4%) and Hispanics (2.7%) were about 6 times as likely as white non-hispanic inmates (.5%) to be HIV positive.

In Federal prisons 1.0% of male inmates and 1.4% of female inmates reported HIV infection. HIV-positive rates were highest among black non-Hispanic female inmates (2.6%).

In both State and Federal prisons, inmates age 34 or younger had the lowest rates of HIV infection. The highest HIV-positive rates in State prisons were among those age 45 or older and in Federal prisons among those age 35-44 (1.9%).

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Table 10. Inmates ever tested for HIV and results, by selected characteristics, 2004

Characteristic	Tested inmates who reported results			
	State prisons		Federal prisons	
	Number*	Percent HIV positive	Number*	Percent HIV positive
All inmates	967,200	1.6%	102,600	1.0%
Gender				
Male	897,700	1.6%	95,000	1.0%
Female	69,500	1.9	7,500	1.4
Race/Hispanic origin				
White (non-Hispanic)	336,700	1.0%	26,800	0.5%
Male	305,800	1.1	24,600	0.5
Female	30,900	0.5	2,200	0
Black (non-Hispanic)	409,000	2.0%	46,600	1.7%
Male	384,700	1.9	44,000	1.7
Female	24,300	3.4	2,600	2.6
Hispanic	166,500	1.8%	24,000	0.4%
Male	156,900	1.8	21,800	0.4
Female	9,500	2.7	2,200	0.8
Age				
24 or younger	159,600	0.3%	8,100	0.7%
25-34	328,900	0.8	39,100	0.4
35-44	300,600	2.5	30,200	1.9
45 or older	178,000	2.6	25,200	1.1
Marital status				
Married	161,400	1.3%	25,400	0.7%
Widowed/divorced	205,900	1.1	23,200	0.6
Separated	49,300	2.9	4,800	2.1
Never married	549,800	1.7	49,100	1.3
Education				
Less than high school	343,900	2.1%	26,400	2.2%
GED	297,900	1.3	29,700	0.4
High school or more	309,300	1.4	42,700	0.9

Note: Data are from the 2004 Surveys of Inmates in State and Federal Correctional Facilities.
*Numbers are rounded to the nearest hundred.

Table 11. Inmates ever tested for HIV and results, by offense and prior drug use, 2004

Characteristic	Tested inmates who reported results			
	State prisons		Federal prisons	
	Number*	Percent HIV positive	Number*	Percent HIV positive
Current offense				
Violent	457,900	1.3%	15,200	1.3%
Drug	201,800	1.8	55,000	0.7
Property	183,800	2.6	6,500	2.6
Public-order	110,700	0.9	18,400	1.6
Prior drug use				
Never	155,400	1.3%	21,000	1.5%
Ever	809,900	1.7	81,200	0.9
In month before arrest	552,300	1.9	51,900	0.8
Used needle to inject drugs	183,800	2.8	13,100	1.3
Shared a needle	77,900	5.1	5,200	2.6

Note: Data are from the 2004 Surveys of Inmates in State and Federal Correctional Facilities.
*Numbers are rounded to the nearest hundred.

In both State and Federal prisons, inmates with less than a high school education were more likely than those with a high school education to be HIV positive.

Among prisoners property offenders reported the highest prevalence of HIV

Inmates held on a property offense in State and Federal prisons had the highest HIV-positive rate (both 2.6%) (table 11). Among State inmates, public-order offenders (0.9%) were least likely to report being HIV positive; among Federal prisoners, drug offenders (0.7%) were least likely to report being HIV positive.

The percentage of State and Federal prison inmates reporting that they were HIV positive varied by degree of involvement in prior drug use. The percentage of State prison inmates who were HIV positive was —

- 1.3% of those who never used drugs
- 1.7% of those who had ever used drugs
- 1.9% of those who used drugs in the month before their current offense
- 2.8% of those who had used a needle to inject drugs
- 5.1% of those who had shared a needle.

Like State inmates, Federal inmates who used a needle and shared a needle had higher rates of HIV infection than those inmates who reported ever using drugs or using drugs in the month before their current offense.

DOJ_NMG_ 0170492

Methodology

National Prisoner Statistics

The National Prisoner Statistics series (NPS-1) includes yearend counts of prisoners by jurisdiction, gender, race, Hispanic origin, and admissions and releases during the year. The series consists of reports from the departments of corrections in the 50 States and the Federal Bureau of Prisons. Since 1991 respondents have indicated the circumstances under which inmates are tested for HIV and have provided the number of HIV-infected inmates in their custody.

Surveys of Inmates in State and Federal Correctional Facilities

The Survey of Inmates in State and Federal Correctional Facilities, 2004, is comprised of two separate surveys: one in State adult correctional facilities and one in Federal correctional facilities. The surveys provide nationally representative data on State prison inmates and sentenced Federal inmates. Both surveys used the same questionnaire and a stratified two-stage sample design where facilities were selected in the first stage and inmates to be interviewed in the second stage.

The State prison sample was selected from a universe of 1,585 facilities that were enumerated in the 2000 Census of State and Federal Correctional Facilities, or had opened between the completion of the Census and May 31, 2003. A total of 287 State prisons participated in the survey; 2 refused, 11 were closed or had no inmates to survey, and 1 was erroneously included in the universe.

The Federal prison sample was selected from 148 Federal prisons and satellite facilities holding inmates on January 4, 2003. Thirty-nine of the 40 Federal prisons selected participated in the survey.

A total of 14,499 inmates in the State facilities were interviewed; 1,653 inmates refused to participate, resulting in a second-stage nonresponse rate of 10.2%. In the Federal survey, after the initial sample of inmates, a secondary sample of 1 in 3 drug offenders was selected for participation in the survey. A total of 3,686 inmates in Federal facilities were interviewed and 567 refused to participate, for a second-stage nonresponse rate of 13.3%.

The accuracy of the 2004 Survey of Inmates in State and Federal Correctional Facilities depends on sampling and measurement errors. Sampling errors occur by chance because a sample rather than a complete enumeration of the population was conducted. Measurement error can be attributed to many sources, such as nonresponse, recall difficulties, differences in the interpretation of questions among inmates, and processing errors.

The sampling error, as measured by an estimated standard error, varies by the size of the estimate and the size of the base population. Estimates for the percentage of inmates ever tested for HIV and the percentage who tested HIV positive have been calculated (appendix table). These standard errors may be used to construct confidence intervals around percentages. For example, the 95-percent confidence interval around the percentage of males in State prisons who were HIV positive is approximately 1.6% plus or minus 1.96 times .20% (or 1.2% to 2.0%).

Detailed descriptions of the methodology for each of these surveys, including standard error tables and links to other reports or findings from these surveys, are available on the BJS Website <www.ojp.usdoj.gov/bjs/abstract/sicf04.htm>.

AIDS in the U.S. resident population

The number of persons with confirmed AIDS in the U.S. general population (age 13 and over) was derived from the Centers for Disease Control and Prevention (CDC), *HIV/AIDS Surveillance Report*, yearend editions 1995-2004. For each year the number of active AIDS cases in the United States was calculated by subtracting the number of cumulative AIDS deaths for people age 15 or older at yearend from the cumulative number of total AIDS cases for people age 13 or older at yearend as listed in the *HIV/AIDS Surveillance Report*.

Appendix table. Standard error estimates for Surveys of State and Federal Correctional Facilities, 2004

	Estimated standard error of the percent of reporting inmates who were HIV positive	
Characteristic	State prisons	Federal prisons
Gender		
Male	0.20%	0.31%
Female	0.35	0.60
Race/Hispanic origin		
White (non-Hispanic)	0.30%	0.49%
Male	0.30	0.51
Female	0.29	:
Black (non-Hispanic)	0.34%	0.74%
Male	0.34	0.72
Female	0.82	1.67
Hispanic	0.47%	0.48%
Male	0.46	0.45
Female	1.05	1.15
Age		
24 or younger	0.23%	0.97%
25-34	0.25	0.30
35-44	0.46	0.80
45 or older	0.61	0.65
Marital status		
Married	0.46%	0.53%
Widowed/divorced	0.38	0.51
Separated	1.23	2.11
Never married	0.28	0.52
Education		
Less than high school	0.39%	0.91%
GED	0.33	0.37
High school graduate or more	0.34	0.45
Current offense		
Violent	0.27%	0.92%
Drug	0.48	0.37
Property	0.60	1.99
Public-order	0.46	0.93
Prior drug use		
Never	0.46%	0.86%
Ever	0.23	0.34
In month before arrest	0.29	0.39
Used needle to inject drugs	0.62	1.00
Shared a needle	1.27	2.21

:Not calculated.

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The rate of confirmed AIDS cases in the U.S. general population was calculated by dividing the annual totals for individuals with AIDS by the population estimates for the U.S. general population of individuals 13 or older prior to 2000 and 15 or older for 2000 and beyond.

AIDS-related deaths in the United States

The number of AIDS-related deaths for persons age 15-54 was derived from the CDC, *HIV/AIDS Surveillance Report*, yearend editions. Deaths in the U.S. population for persons age 15-54 were taken from the CDC, *Monthly Vital Statistics Report*, Vol. 42, No. 2(S); Vol. 43, No. 12; Vol. 43, No. 6(S); Vol. 45, No. 3(S); and Vol. 45, No. 11(S); and from CDC, *National Vital Statistics Report*, Vol. 47, No. 9; Vol. 47, No. 25; Vol. 48, No. 11; Vol. 49, No. 8; Vol. 50, No. 15; and Vol. 53, No. 15.

AIDS-related deaths as a percentage of all deaths in the U.S. population were calculated by dividing the national estimate of AIDS deaths of persons age 15-54 by the national mortality estimates of persons age 15-54 in a given year.

BJS Deaths in Custody Reporting Program

To implement the Death in Custody Reporting Act of 2000 (PL 106-297), BJS developed four quarterly data collections of death records: local jails (begun in 2000), State prisons (2001), State juvenile correctional agencies (2002), and State and local law enforcement agencies (2003). Records include data on the deceased's characteristics (such as age, gender, and race/Hispanic origin), criminal background (such as legal status, offenses, and time in custody), and the death itself (such as cause, time, location, and medical conditions and treatment).

This report in portable document format and in ASCII and its related statistical data and tables—including five appendix tables—are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/>

Office of Justice Programs

Partnerships for Safer Communities
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The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

Laura M. Maruschak wrote this report, under the supervision of Allen J. Beck. Todd D. Minton provided statistical review. Tina Dorsey and Marianne Zawitz edited the report. Jayne Robinson prepared the report for final printing.

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Bureau of Justice Statistics
Special Report

November 2006, NCJ 210696

Medical Problems of Jail Inmates

By Laura M. Maruschak
BJS Statistician

In 2002 an estimated 229,000 jail inmates reported having a current medical problem other than a cold or virus. Many of these problems reflect conditions existing before admission. Medical problems reported by inmates included:

- arthritis (13%)
- hypertension (11%)
- asthma (10%)
- and heart problems (6%).

Under 5% of inmates reported cancer, paralysis, stroke, diabetes, kidney problems, liver problems, hepatitis, sexually transmitted diseases, tuberculosis (TB), or human immunodeficiency virus (HIV).

An estimated 227,200 jail inmates reported having impaired functioning, most commonly a learning impairment (22%), such as dyslexia or attention deficit disorder, or having been enrolled in special education classes. Around 2% of jail inmates said they had a mobility impairment, requiring the use of a cane, walker, wheelchair, or other aids to do daily activities. About 8% of jail inmates said they had a mental health condition that kept them from participating fully in school, work, or other activities.

An estimated 83,000 jail inmates reported being injured since admission. About 7% of jail inmates reported being injured in a fight and 7% reported an injury due to an accident.

The findings in this report are based on the 2002 Survey of Inmates in Local Jails. Data are presented separately on medical problems, impairments, and injuries reported by jail inmates.

Highlights

More than a third of jail inmates reported having a current medical problem

	Percent of inmates		
	Total	Convicted	Unconvicted
Current medical problem*	36.9%	35.8%	37.7%
Any impairment	36.6	35.2	37.0
Injury since admission	13.4	12.6	15.6

*Medical problems include at least 1 of 14 specific problems (see note on table 1). Excludes reports of a cold or flu.

- 42% of inmates who reported a current medical problem said they had seen a health care professional about the problem.
- Nearly two-thirds of jail inmates said they had been tested for tuberculosis since admission; over a fifth reported being tested for HIV.

22% of jail inmates reported having a learning impairment; 11% said they had impaired vision

	Percent of jail inmates		
Type of impairment	Total	Convicted	Unconvicted
Physical	33.9%	32.7%	34.3%
Learning	21.7	20.8	21.5
Speech	3.7	3.4	4.4
Hearing	6.4	6.3	6.0
Vision	11.3	10.5	12.3
Mobility*	1.7	1.4	2.3
Mental	8.3	7.2	9.3

*Includes use of a cane, wheelchair, walker, hearing aid, or other aids in daily activity.

- Around 15% of all jail inmates reported having two or more impairments.
- About 1 in 5 jail inmates said they considered themselves to have a disability.

- Heart valve damage (290 per 10,000 inmates) and arrhythmia (211 per 10,000) were the most commonly reported types of heart problems.
- About a quarter of convicted (26%) and unconvicted (25%) jail inmates reported having a dental problem.
- Inmates age 24 or younger (17%) were more than twice as likely as those age 45 or older (8%) to report being injured since admission.
- About 61% of inmates age 45 or older reported having a current medical problem; 44% reported an impairment.
- More than half (53%) of female jail inmates reported having a current medical problem, compared to about a third (35%) of male inmates.
- About 5% of female jail inmates said they were pregnant at the time of admission.
- Among inmates who were homeless in the year before their arrest, 49% reported a current medical problem, compared to 35% of those who were not homeless.
- More than 4 in 10 inmates reported having a medical exam since admission to jail.

22% of jail inmates reported one medical problem; 14%, two or more

The majority of jail inmates (63%) did not report a current medical problem. Around a fifth (22%) reported having 1 of 14 specific medical problems (See note on table 1) and 14% reported two or more.

Number of current medical problems	Percent of jail inmates		
	Total	Male	Female
0	63.1%	65.2%	47.4%
1	22.4	21.7	28.3
2	8.7	8.1	13.5
3 or more	5.7	5.0	10.8

The prevalence of a current medical problem did not vary by conviction status. Nearly the same percentage of convicted (36%) and unconvicted jail inmates (38%) reported having a current medical problem (table 1).

Medical problems were highest among female and older inmates

More than half (53%) of female jail inmates reported having a current medical problem, compared to about a third (35%) of male jail inmates. Male and female inmates were equally likely to report having had surgery since their admission (about 1.4%).

Among jail inmates age 45 or older, 61% reported a medical problem, compared to a quarter of those 24 or younger. Older and younger inmates were equally likely to report having surgery.

About 1 in 8 jail inmates reported currently having arthritis

Jail inmates reported a wide-range of medical problems, with arthritis as the most common (13%), followed by hypertension (11%), and asthma (10%) (table 2). Heart problems (6%), followed by kidney problems and tuberculosis (4%) were the next most frequently reported medical conditions. With the exception of paralysis, stroke, and tuberculosis, female inmates reported higher levels of each specific type of medical problem than male inmates.

Women most likely to report cervical cancer, men skin cancer

Female inmates reported a higher rate of ever having cancer than males (831 per 10,000 inmates, compared to 108 per 10,000 inmates). By specific type of cancer, 490 per 10,000 female jail inmates reported ever having cervical cancer, 110 per 10,000 reported ovarian cancer, and 91 per 10,000 reported ever having breast cancer.

Male jail inmates most commonly reported ever having skin cancer (37 per 10,000 inmates), followed by lung cancer (15 per 10,000), and testicular and colon cancer (both 13 per 10,000).

Type of cancer	Rate of those who reported ever having cancer by type per 10,000 inmates	
	Male	Female
Any	108	831
Breast	2	91
Cervical	~	490
Uterine	~	49
Ovarian	~	110
Colon	13	29
Prostate	11	~
Testicular	13	~
Lung	15	16
Skin	37	69
Leukemia	10	34

~ Not applicable.

Table 1. Estimated number and percent of jail inmates who reported a medical problem, by conviction status, gender and age, 2002

	Current medical problem*		Had surgery since admission		Dental problem since admission	
	Number	Percent	Number	Percent	Number	Percent
All inmates	229,300	36.9%	8,800	1.4%	159,000	25.6%
Conviction status						
Convicted	121,700	35.8%	5,500	1.6%	89,900	26.5%
Unconvicted	67,800	37.7	2,000	1.1	44,700	24.9
Both	38,700	39.2	1,400	1.4	23,600	23.9
Gender						
Male	191,500	34.8%	7,600	1.4%	138,400	25.2%
Female	37,800	52.6	1,200	1.7	20,600	28.7
Age						
24 or younger	46,600	25.0%	1,700	0.9%	44,200	23.7%
25-34	66,500	33.7	3,700	1.9	49,300	25.0
35-44	70,200	43.3	2,500	1.5	45,500	28.1
45 or older	46,000	60.5	1,000	1.3	20,000	26.4

Note: Number of inmates with each problem was estimated and then rounded to the nearest 100. See *Appendix tables* for standard errors for the survey estimates.
*Inmates were determined to have a current medical problem if they reported currently having at least 1 of 14 specific problems: arthritis, asthma, cancer, diabetes, a heart condition, hypertension, kidney problems, liver problems, paralysis, problems due to a stroke, hepatitis, HIV, a sexually transmitted disease, or tuberculosis.

Table 2. Percent of jail inmates reporting specific current medical problems, by gender and age, 2002

Current medical problem	All inmates	Gender		Age			
		Male	Female	24 or younger	25-34	35-44	45 or older
Arthritis	12.9%	12.0%	19.4%	5.3%	9.4%	16.6%	32.5%
Asthma	9.9	8.7	19.4	10.9	10.8	8.9	7.3
Cancer	0.7	0.5	2.5	0.2	0.7	0.6	2.2
Diabetes	2.7	2.5	4.1	0.6	2.3	2.9	8.4
Heart problem	5.9	5.5	9.2	4.4	4.6	6.4	11.7
Hypertension	11.2	10.8	14.1	5.3	8.5	14.3	26.1
Kidney problems	3.7	3.0	8.9	2.3	4.0	4.4	4.8
Liver problems	0.9	0.8	1.6	0.1	0.4	1.3	3.4
Paralysis	1.3	1.3	1.3	0.3	1.3	1.7	3.1
Stroke	3.2	3.2	3.3	1.3	2.9	4.9	4.8
Hepatitis	2.6	2.3	5.0	0.4	1.4	4.6	7.2
HIV	1.3	1.2	2.3	0.2	1.1	2.1	2.7
Sexually transmitted disease	0.9	0.8	2.0	0.7	0.7	1.0	1.7
Tuberculosis*	4.3	4.3	4.0	2.2	3.8	5.3	8.6

*Includes all inmates who reported ever having TB.

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Heart valve damage was the most commonly reported heart problem

An estimated 880 jail inmates per 10,000 reported ever having a heart problem, including heart valve damage (290 per 10,000 inmates), arrhythmia (211 per 10,000), and angina (130 per 10,000). About 126 per 10,000 had suffered a heart attack.

Heart condition	Ever heart problem per 10,000 inmates, by type
Any	880
Angina	130
Arrhythmia	211
Hardening of arteries	38
Heart attack	126
Heart disease	95
Valve damage	290
Tachycardia	74
Other	43

Prevalence of a medical problem did not change with time served

Inmates who had served a year or more were as likely as those who had served 7 or fewer days to report a current medical problem (about 38%) (table 3). As time served increased, jail inmates who reported having had surgery or a dental problem since admission increased. Among inmates who had served 7 or fewer days, 0.2% reported surgery since admission, compared to 1.6% who had served from 61 to 180 days. About 3.5% of jail inmates who had served more than a year reported having surgery since admission.

Jail inmates who had served more than a year were nearly 3 and a half times more likely than those who had served 7 or fewer days to report having a dental problem since admission.

More than a third of jail inmates reported an impairment

An estimated 227,200 jail inmates said they had an impairment, including a learning, speech, hearing, vision, mobility, or mental impairment (table 4). About 1 in 5 jail inmates said they considered themselves to have a disability (not shown in a table).

Around 22% of jail inmates reported a learning impairment, such as dyslexia or attention deficit disorder, or having been enrolled in special education classes. About 6% of jail inmates reported difficulty hearing a normal conversation even when wearing a hearing aid. Among jail inmates, 11% reported difficulty seeing ordinary newsprint even when wearing glasses.

Based on a single survey question, 8% of jail inmates reported having a mental or emotional condition that kept them from participating fully in school, work, or other activities. In a recent BJS study, an estimated 64% of jail inmates were found to have a mental health problem. This measure was based on a series of survey questions about prior diagnoses of a mental health problem or symptoms of a mental disorder as specified in the Diagnostic and Statistical Manual of Mental Disorder, DSM-IV. It was not restricted to impaired functioning due to a mental health condition. (See *Mental Health Problems of Prison and Jail Inmates*, available at <http://ojp.usdoj.gov/bjs/mhppji.htm>.

Females most likely to report a physical or mental impairment, males a learning impairment

Overall, 39% of female inmates and 36% of male inmates reported having any physical or mental impairment (table 5). Male inmates were more likely than female inmates to report a learning impairment (22% compared to 18%).

Females more commonly than males reported a vision impairment (14% compared to 11%) or a mental impairment (15% compared to 7%).

More than 40% of inmates age 45 or older reported an impairment

Inmates age 45 or older were the most likely to report having a physical or mental impairment, followed by those 24 or younger. Forty-four percent of jail inmates age 45 or older and 38% of those age 24 or younger said they had a physical or mental impairment.

Among the specific physical impairments, 12% of jail inmates age 45 or older reported difficulty hearing, 24% reported difficulty seeing, and 7% had a problem with mobility. A tenth of those age 45 or older said they had a mental impairment.

Table 3. Current medical problems reported by jail inmates, by time served, 2002

	Percent of inmates		
	Curent medical problem	Since admission	
Time since admission		Had surgery	Dental problem
7 or fewer days	38.2%	0.2%	12.2%
8-14 days	34.3	0.7	15.2
15-30 days	37.3	0.4	19.9
31-60 days	36.8	0.8	24.6
61-180 days	37.4	1.6	30.9
181-364 days	35.6	3.9	35.1
1 year or more	37.8	3.5	42.4

Table 4. Estimated number and percent of jail inmates with an impairment, 2002

Type of impairment	All inmates		Convicted		Unconvicted		Both[a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Any	227,200	36.6%	119,300	35.2%	66,400	37.0%	40,000	40.6%
Physical	210,500	33.9	110,800	32.7	61,500	34.3	36,900	37.5
Learning	133,800	21.7	70,300	20.8	38,300	21.5	24,500	25.0
Speech	23,200	3.7	11,400	3.4	7,900	4.4	3,700	3.8
Hearing	39,900	6.4	21,200	6.3	10,800	6.0	7,300	7.5
Vision	69,700	11.3	35,400	10.5	22,000	12.3	11,600	11.8
Mobility[b]	10,500	1.7	4,900	1.4	4,200	2.3	1,400	1.5
Mental	51,500	8.3	24,400	7.2	16,700	9.3	9,700	10.0

Note: Number of inmates with each impairment or mental condition was estimated and then rounded to the nearest 100. Detail equals more than total because inmates may have had more than one impairment.

[a]Includes inmates with a prior conviction, but no new conviction for the current charge.

[b]Includes use of a cane, wheelchair, walker, hearing aid, or other aids in daily activity.

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Inmates age 24 or younger (28%) were more than twice as likely as those 45 or older (11%) to report a learning disability. Four percent of both inmates age 24 or younger and those age 45 or older reported a speech impairment.

15% of jail inmates had 2 or more impairments

Jail inmates typically reported having one impairment (21%). About 10% reported two impairments, and nearly 6% reported having three or more. The number of impairments varied little by age. Inmates age 35 or older (17%) were slightly more likely than those 34 or younger (14%) to have 2 or more impairments.

Number of impairments	Percent of jail inmates by age		
	Total	34 or younger	35 or older
0	63.4%	64.8%	61.1%
1	21.2	20.8	21.9
2	9.8	9.2	10.8
3 or more	5.6	5.2	6.2

Around 1 in 8 jail inmates reported being injured since admission to jail

Overall, an estimated 82,900 jail inmates (13%) reported being injured since admission (table 6). Inmates were equally likely to report that they had been injured in an accident (7%) as to report that they had been injured in a fight (7%).

Injuries highest among male and younger inmates

Among jail inmates, men (14%) were more likely than women (10%) to report being injured since admission. About 7% of males, compared to 4% of females, reported being injured in a fight. Male and female jail inmates reported nearly the same rate of being injured in an accident.

Jail inmates age 24 or younger (17%) were more than twice as likely to have been injured since admission than inmates age 45 or older (8%). They were more than five times as likely to report being injured in a fight since admission (11% compared to 2%).

The percent of inmates who reported being injured in an accident slightly decreased as age increased. About 8% of inmates age 24 or younger reported being injured in an accident, compared to 6% of those age 45 or older.

Violent offenders had higher rates of fight-related injuries

About 11% of violent offenders in jail reported being injured in a fight since admission, compared to 6% of property and drug offenders and 5% of public-order offenders.

Most serious offense	Percent of jail inmates since admission	
	Injured in an accident	Injured in a fight
Violent	8.8%	10.8%
Property	7.1	6.4
Drug	7.0	6.2
Public-order	6.6	4.6

Inmates with an impairment had higher rates of injuries

Among inmates with an impairment, nearly 10% reported being injured in an accident and 10% reported being injured in a fight. Around 6% of those without an impairment had been injured.

Inmates who reported a mental impairment were almost twice as likely as those not reporting a mental impairment to be injured in a fight or in an accident since admission. Nearly 13% of those with a mental impairment were injured in a fight and 12% were injured in an accident. Among those without a mental impairment, almost 7% had been injured in a fight or in an accident.

Type of impairment	Percent of jail inmates since admission	
	Injured in an accident	Injured in a fight
Physical		
Yes	9.7%	9.8%
No	6.3	5.6
Mental		
Yes	11.6%	12.9%
No	7.0	6.5

Table 5. Impairments of jail inmates, by gender and age, 2002

	Percent of inmates who reported an impairment						
	Any impairment	Learning	Speech	Hearing	Vision	Mobility*	Mental
Gender							
Male	36.3%	22.1%	3.8%	6.3%	10.8%	1.7%	7.5%
Female	38.7	18.0	3.3	7.6	14.4	1.7	14.9
Age							
24 or younger	37.5%	28.4%	4.0%	4.0%	7.3%	0.3%	7.1%
25-34	33.0	21.1	3.3	5.2	8.2	1.0	7.2
35-44	36.5	19.8	3.9	8.1	13.5	1.8	10.5
45 or older	44.0	10.7	4.1	12.0	24.1	6.9	9.9

*Includes use of a cane, wheelchair, walker, hearing aid, or other aids in daily activity.

Table 6. Percent of jail inmates who reported an injury since admission, by conviction status, gender and age, 2002

Characteristics	Percent of inmates who reported an injury since admission		
	Total	In an accident	In a fight
Total	13.4%	7.4%	7.0%
Conviction status			
Convicted	12.6%	7.9%	5.9%
Unconvicted	15.6	7.5	8.8%
Both	12.1	5.5	7.7
Gender			
Male	13.8%	7.5%	7.4%
Female	10.1	6.7	4.1
Age			
24 or younger	17.4%	8.2%	10.6%
25-34	13.6	7.5	7.2
35-44	11.2	7.1	4.8
45 or older	7.8	5.8	2.5

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Likelihood of injury increased with time served in jail

Among jail inmates who had served 7 or fewer days at the time of the interview, 4% reported an injury compared to 30% of those jail inmates who had served 1 year or more at the time of the interview (table 7).

The risk of injury due to an accident or a fight increased with time served. About 3% of jail inmates who had served 7 or fewer days reported being injured in an accident, compared to 17% of inmates who had served 1 year or more at the time of interview. Jail inmates who had served 1 or more years at the time of interview were 8 times as likely (16%) to report being injured in a fight as those who had served 7 or fewer days (2%), and about 2½ times as likely as those who had served between 31 and 60 days (7%).

Male inmates incarcerated between 15 days and 1 year were more likely to have been injured than female inmates (figure 1). Among those who had been incarcerated more than 1 year at the time of the interview, females were more likely than males to have been injured.

As time served in jail increased, the prevalence of injuries among inmates age 34 or younger and inmates age 35 or older increased (figure 2). Except for inmates who had served 7 or fewer days, inmates age 34 or younger consistently had higher rates of injuries than those age 35 or older as time served increased.

Jail inmates who reported any impairment had higher rates of injuries than other inmates, regardless of how long they had served in jail (figure 3).

Regardless of the time served in jail, violent jail inmates had higher rates of fight-related injuries than other inmates (figure 4). Among jail inmates who had served 7 or fewer days, nearly 3% of violent offenders and 2% of nonviolent offenders reported having been injured in a fight. Among those inmates who had served a year or more, 22% of violent offenders said they had been injured in a fight, compared to 12% of nonviolent offenders.

Table 7. Percent of jail inmates who reported an injury since admission, by time served, 2002

Time since admission	Percent of inmates who reported an injury: Total	In an accident	In a fight
7 or fewer days	4.3%	2.7%	2.0%
8-14 days	5.3	3.5	2.0
15-30 days	7.1	3.9	3.5
31-60 days	13.1	7.1	6.5
61-180 days	16.6	9.1	9.1
181-364 days	21.0	11.2	11.4
1 year or more	30.0	17.0	15.9

Injuries reported by inmates since admission, by gender and time served

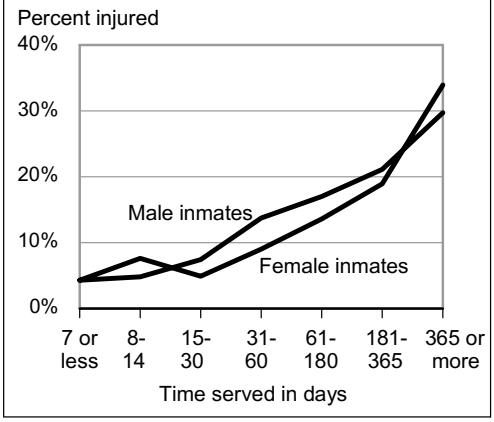

Figure 1

Injuries reported by inmates since admission, by age and time served

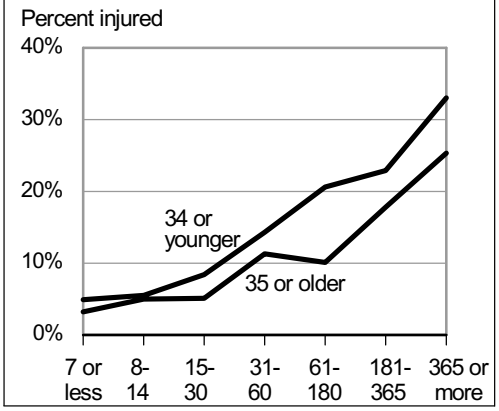

Figure 2

Injuries reported by inmates since admission, by physical impairment or mental and time served

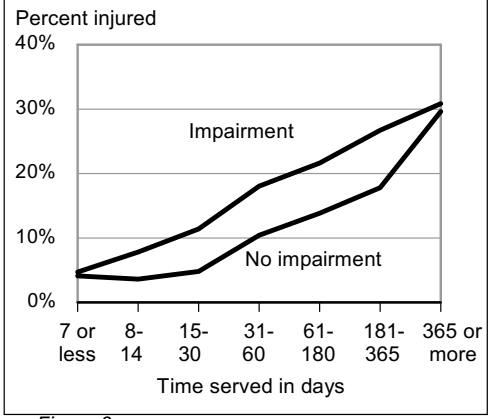

Figure 3

Fight-related injuries reported by inmates since admission, by offense and time served

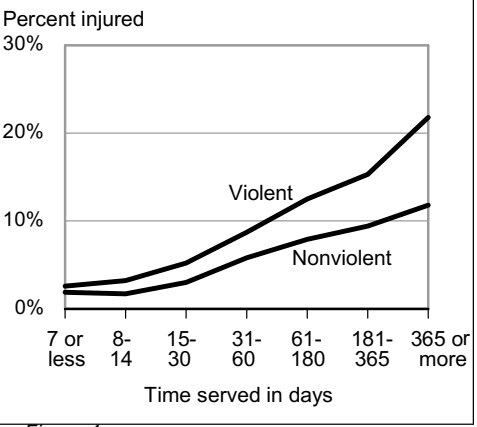

Figure 4

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Health-related problems more common among homeless or unemployed inmates

Of jail inmates who reported being homeless or living in a shelter in the year prior to arrest, nearly half said they had a current medical problem or a physical or mental impairment, compared to a third of those who were not homeless (table 8).

Medical problems and physical or mental impairments were also more prevalent among inmates who reported being unemployed before their arrest or receiving government assistance. Nearly 44% of jail inmates who were unemployed in the month prior to their arrest, compared to 34% of those who were employed, reported having a physical or mental impairment. About 41% of inmates who were unemployed and 35% who were employed reported having a current medical problem.

More than half (57%) of jail inmates who received financial support from government agencies in the month prior to arrest reported a current medical problem. About a third (34%) of jail inmates who received income from wages reported a current medical problem.

Fifty-five percent of inmates who received income from government transfers reported having a physical or mental impairment, compared to 33% of those who reported receiving wages.

Medical problems common among inmates with a history of drug use or dependence

Jail inmates who reported ever using drugs (38%) were more likely than those who never used drugs (31%) to report a current medical problem. Thirty-eight percent of inmates who ever used drugs, compared to 30% of those who never used drugs, reported an impairment. An estimated 53% of jail inmates who reported ever using a needle to inject drugs said they had a current medical problem, compared to 35% of those who did not use a needle. About 45% of jail inmates who used a needle to inject drugs, compared to 37% of those who did not, reported having a physical or mental impairment.

Among jail inmates dependent on or abusing drugs, 4 in 10 reported having a physical or mental impairment, compared to about 3 in 10 inmates who were not dependent on drugs.

Among jail inmates who were dependent on or abusing alcohol, two-fifths reported a current medical problem, compared to about a third of those who were not dependent or abusing alcohol. About 40% of those dependent on or abusing alcohol had an impairment, compared to 34% of those who were not dependent on or abusing alcohol. Alcohol or drug abuse or dependence is based on symptoms for diagnosing substance dependence or abuse in the Diagnostic and Statistical Manual of Mental Disorders - fourth edition (DSM-IV) (See *Substance Dependence, Abuse, and Treatment of Jail Inmates, 2002*, BJS Special Report, www.ojp.usdoj.gov/bjs/abstract/sdatji02.htm.)

Table 8. Health-related conditions reported by jail inmates, by selected background characteristics, 2002

	Percent of inmates				
			Since admission		
	Current medical problem	Impairment	Injured	Surgery	Dental problem
Homeless in year before arrest					
Yes	48.8%	48.8%	16.4%	2.4%	31.3%
No	34.9	34.6	12.9	1.3	24.6
Employed in month before offense					
Yes	35.0%	33.5%	13.6%	1.5%	25.3%
No	41.1	43.6	12.9	1.2	25.0
Source of income					
Wages/salary	34.1%	32.5%	13.2%	1.3%	24.6%
Government transfers	57.1	54.8	16.1	1.5	27.3
Other	39.4	38.9	16.8	1.6	30.0
Alcohol dependence or abuse					
Yes	39.6%	40.0%	13.4%	1.4%	27.2%
No	34.5	33.6	13.5	1.5	24.0
Ever used drugs					
Yes	38.0%	38.0%	14.0%	1.4%	27.4%
No	31.2	30.0	10.5	1.5	17.0
Used drugs in month before arrest					
Yes	36.9%	38.4%	13.8%	1.9%	29.0%
No	35.8	34.2	10.8	1.2	21.6
Used needle to inject drugs					
Yes	53.1%	44.5%	14.4%	2.1%	32.7%
No	34.7	36.6	14.0	1.3	26.3
Drug dependence or abuse					
Yes	39.0%	40.3%	15.6%	1.8%	29.5%
No	34.0	32.2	10.9	1.1	20.9

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Most inmates reported receiving health assessment or medical exams since admission

About 80% of inmates reported that at the time of admission they were questioned about their health or medical history. Nearly half said that staff checked them to see if they were sick, injured, or intoxicated.

More than 4 in 10 jail inmates reported having a medical examination since admission to jail. A third of inmates reported having a blood test since admission. Six in ten inmates said they had been tested for TB, and more than 2 in 10 reported they had been tested for HIV.

Medical service provided	Percent of all jail inmates
At time of admission	
Staff checked to see if you were sick, injured, or intoxicated?	47.3%
Staff asked questions about your health or medical history?	81.1
Staff asked if you had ever thought about suicide?	79.4
Since admission	
Has anyone pricked your skin to test for TB?	62.6%
Have you had a blood test for any reason?	33.6
Has your blood been tested for HIV?	21.6
Have you had a medical exam?	43.1

Among jail inmates who reported a current medical problem, 42% also reported visiting a health care professional because of the medical problem. Twenty percent of inmates who had been injured reported seeing a health care professional, as did 21% of those who said they had a dental problem.

	Percent of inmates who saw a health care professional*
Current medical problem	41.8%
Injury	20.4
Dental problem	20.5

*Of inmates who reported a medical problem.

Since their admission to jail, 44% of female jail inmates reported having a medical examination. Nearly 20% reported having a pelvic exam. About 5% were pregnant at time of admission. Among those female inmates who were pregnant at the time of admission, 48% had received an obstetrics exam since admission and 35% had received some type of pregnancy care, such as instructions on child care, exercises, special diet, medication, or special testing.

	Percent of female jail inmates
Had a medical exam since admission?	44.0%
Had a pelvic exam since admission?	19.8
Were you pregnant at admission?	5.2
If yes to pregnant:	
Had an obstetric exam?	48.0%
Received pregnancy care?	34.9

Methodology

Data in this report are based on hour-long personal interviews with jail inmates. As part of an omnibus survey conducted every 5 to 6 years, these questions provide an opportunity to estimate the prevalence of a variety of diseases, illnesses, chronic problems, and other health-related conditions of inmates.

In the 2002 Survey of Inmates in Local Jails, offenders were randomly selected from a nationally representative sample of facilities and were asked questions regarding their current offense and sentence, criminal history, personal and family background, physical impairment and mental condition, and medical problems since admission to prison. Detailed descriptions of the methodology and sample design can be found in *Profile of Jail Inmates, 2002*, available at <http://www.ojp. usdoj.gov/bjs/abstract/pji02.htm>.

The accuracy of the survey estimates presented in this report depends on two types of error: sampling and nonsampling.

Sampling error is the variation that may occur by chance because a sample rather than a complete numeration of the population was conducted.

Nonsampling error can be attributed to many sources, such as nonresponses, differences in the interpretation of questions among inmates, recall difficulties, and processing errors. The accuracy of the estimates depends on the ability and willingness of inmates to report such problems. Inmate self-reported data may underestimate the prevalence of some medical conditions, especially those problems that require more sophisticated diagnosis and those that are more sensitive in nature. In any survey the full extent of the nonsampling error is never known.

The sampling error, as measured by an estimated standard error, varies by the size of the estimate and the size of the base population. Estimates of the standard errors for selected characteristics have been calculated (see appendix tables at <http://www.ojp.usdoj.gov/bjs/abstract/mpji02.htm>).

DOJ_NMG_ 0170501

U.S. Department of Justice
Office of Justice Programs
Bureau of Justice Statistics

Washington, DC 20531

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Peanlty for Private Use $300

The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

Laura M. Maruschak wrote this report, under the supervision of Allen J. Beck. Lauren E. Glaze provided statistical review. Margaret Noonan verified the report. Tina Dorsey and Carolyn C. Williams edited the report, under the supervision of Doris J. James. Marianne Zawitz provided editorial review. Jayne Robinson prepared the report for final printing.

November 2006, NCJ 210696

This report in portable document format and in ASCII and its related statistical data and tables — [enter description] — are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/abstract/mpji.htm>

Office of Justice Programs

Partnerships for Safer Communities
http://www.ojp.usdoj.gov

DOJ_NMG_ 0170502

Appendix table 1. Standard errors of jail inmates who reported a medical problem, by conviction status, 2002

	Standard error for estimated percentages	
	Convicted	Unconvicted
Current medical problem	0.89%	1.20%
Any impairment	0.09	1.20
Injury since admission	0.61	0.95

Appendix table 2. Standard errors of jail inmates who reported specific current medical problems, by gender, 2002

	Standard error for estimated percentages		
Current medical problem	Total	Male	Female
Any problem	0.65%	0.72%	1.20%
Arthritis	0.48	0.52	0.99
Asthma	0.38	0.41	0.94
Cancer	0.11	0.10	0.37
Diabetes	0.22	0.23	0.46
Heart problem	0.32	0.34	0.70
Hypertension	0.45	0.50	0.81
Kidney problems	0.24	0.25	0.75
Stroke	0.26	0.28	0.40

Appendix table 3. Standard errors of jail inmates with an impairment, by conviction status, 2002

	Percent of jail inmates	
	Convicted	Unconvicted
Any impairment	0.90%	1.20%
Learning	0.81	1.04
Speech	0.36	0.56
Hearing	0.45	0.59
Vision	0.61	0.82
Mobility	0.22	0.37
Mental	0.47	0.75

Appendix table 4. Standard errors of jail inmates with a current medical problem or an impairment, by gender and age, 2002

	Standard error for estimated percentages	
	Current medical problem	Any impairment
Gender		
Male	0.72%	0.75%
Female	1.20	1.28
Age		
24 or younger	1.04%	1.23%
25-34	1.16	1.19
35-44	1.31	1.29
45 or older	1.93	2.04

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Amber.JMD

From: Amber.JMD
Sent: Friday, November 17, 2006 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Cecilia, LA

From: AmberAlert-DOJ
Sent: Friday, November 17, 2006 1:35:01 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Cecilia, LA
Auto forwarded by a Rule

AMBER ALERT:Cecilia,LA VEH:White Maxima or Taurus CHILD: B/M,10yrs,5',100 CHILD: B/M,11yrs,5'3,115 SUSP: B/F,31,5'7,135 Hair:Spiky hair CALL 337-394-3071,2512
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2782

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, November 17, 2006 2:10 PM
Subject: Scheduled Server Maintenance

Scheduled Server Maintenance

When: Saturday, November 18, 2006 12:01 a.m. to 12:30 a.m.
Monday, November 20, 2006 12:01 a.m. to 1:00 a.m.

Event: Scheduled Server Maintenance

Customers Affected: SMO/JMD Customers

Services Unavailable: G:\ Drive

Services Available: All services except for G:\ Drive

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Friday, November 17, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873085 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 4:00 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ENRON EXECUTIVES MICHAEL KOPPER, MARK KOENIG SENTENCED TO PRISON FOR THEIR ROLES IN ENRON FRAUD SCHEME

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, NOVEMBER 17, 2006
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(202) 514-2008
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FORMER ENRON EXECUTIVES MICHAEL KOPPER, MARK KOENIG SENTENCED TO PRISON FOR THEIR ROLES IN ENRON FRAUD SCHEME

WASHINGTON – Former Enron Corp. executives Michael Kopper and Mark Koenig were sentenced to prison terms for their roles in the fraud scheme that led to the collapse of Enron, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Kopper, a former managing director at Enron Corp., was sentenced today to three years and one month in prison by Judge Ewing Werlein of the U.S. District Court for the Southern District of Texas in Houston. Kopper pleaded guilty in August 2002 to one count of conspiracy and one count of money laundering. Kopper admitted participating with other Enron executives in a conspiracy against the company and its shareholders by creating an array of companies designed to disguise Enron's vulnerability to risk and financial loss.

Koenig, former Director of Investor Relations and Executive Vice President at Enron, was sentenced to 18 months in prison by Judge Werlein. Koenig pleaded guilty in August 2004 to aiding and abetting securities fraud. He admitted to participating in a scheme with Enron's senior management – including Kenneth Lay, Jeffrey Skilling, and Richard Causey – to provide false and misleading statements about the performance of two of Enron's core businesses, Enron Broadband Services and Enron Energy Services.

In addition to the prison sentences, both defendants were ordered to pay $50,000 in fines. Kopper had previously agreed to forfeit $12 million, and Koenig had previously agreed to pay approximately $1.5 million through forfeiture and fines. Both defendants cooperated with the government's investigation into Enron's collapse.

Skilling, the former chief executive officer of Enron, was sentenced in October 2006 to 24 years and four months in prison on conspiracy, securities fraud and other charges. Former Enron CEO Kenneth Lay was also convicted on conspiracy, securities fraud and wire fraud charges, but died before sentencing. Causey, Enron's former Chief Accounting Officer, was sentenced earlier this week to 66 months in prison.

The investigation into Enron's collapse was conducted by the Enron Task Force, a team of federal prosecutors supervised by the Justice Department's Criminal Division and Special Agents from the FBI and Internal Revenue Service Criminal Investigation. The Task Force received considerable assistance from the

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Securities and Exchange Commission. All outstanding Enron-related matters are now being handled by the Fraud Section of the Criminal Division.

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06-777

DOJ_NMG_ 0170509

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Image not available for this document, ID: 0.7.10316.17890-000002

System Administrator

From:	System Administrator
Sent:	Friday, November 17, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873667 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 5:53 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 18 – NOVEMBER 24, 2006

Department of Justice

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*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 18 – NOVEMBER 24, 2006

Saturday, November 18

10:00 A.M. MST

Attorney General Gonzales will address Air Force Academy cadets regarding civil liberties in the War on Terror, and hold a press availability following his remarks.
Fairchild Hall
Lecture Hall F1
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Sunday, November 19

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Events TBD

Monday, November 20

Events TBD

Tuesday, November 21

Events TBD

Wednesday, November 22

Events TBD

Thursday, November 23

Thanksgiving Holiday

Friday, November 24

Events TBD

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Image not available for this document, ID: 0.7.10316.17867-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 6:23 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF REMARKS AT OFFICIAL PORTRAIT UNVEILING CEREMONY OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

Department of Justice

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FRIDAY, NOVEMBER 17, 2006
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TRANSCRIPT OF REMARKS AT OFFICIAL PORTRAIT UNVEILING CEREMONY OF FORMER ATTORNEY GENERAL JOHN ASHCROFT

WASHINGTON, D.C.

10:00 A.M. EST

ATTORNEY GENERAL ALBERTO R. GONZALES: Good morning and welcome. This morning on the eve of Thanksgiving celebrations across America, we gather to celebrate the service of John Ashcroft and to say thank you of a job well done as our attorney general during one of the most historic and difficult periods in our nation's history.

We are joined today by many friends and the alumni of the Department of Justice, as well as many special guests. I see that Senator Kit Bond is here; Homeland Security Michael Chertoff; Labor Secretary Elaine Chao. Thank you all for being here. And I want to welcome one and all, whether this is your first time in the Great Hall or a return to once familiar territory, welcome. I also want to offer a special welcome to John's wife, Janet Ashcroft. It's wonderful to see you again, Janet. Our other special guest is the artist for General Ashcroft's portrait, Howard Sanden. I'd like to welcome John and his wife to the department.

You know several members of the media have commented on the different styles between John and me and I suppose that's true. For example John likes blue drapes. I happen to like a more open look. General Ashcroft had an open door policy with the press. Now given John's high regard for reporters, his close association with both American and foreign journalists, it is not surprising that a large member of the media are here for today's hanging. (Laughter.)

Recently I was in Europe in the offices of one of my law enforcement counterparts. As I stood admiring some portraits of foreign ministers, my host disclosed that he was an artist, a political cartoonist, and that he could draw a self-portrait when he left government, thus saving the tax payers and his country a few Euros -- you know where I'm going with this right -- I found the image of John Ashcroft sitting in front of a mirror sketching himself with crayons and watercolors to be very interesting.
Now we know that John has great respect for the tax payer's money and I think we also appreciate that he didn't try

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to paint his portrait himself, especially given the remarkable talents of Mr. Sanden.

Now continuing with our program please rise and join me in the presentation of the colors and the playing of our National Anthem followed the Pledge of Allegiance.

(Presentation of Colors.)

(Singing of the National Anthem.)

(The Pledge of Allegiance.)

ATTORNEY GENERAL GONZALES: Please sit down, take your seats.

President Theodore Roosevelt once wrote, and this is one of my favorite quotes, "it is not the critic who counts: not the man who points out how the strong man stumbles, or where the doer of deeds could have done better. The credit belongs to the man who was actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error and shortcoming, but who does not actually strive to do the deeds, who knows great enthusiasms, the great devotions, who spends himself on a worthy cause; who at the best knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

When we think of the man in the arena striving valiantly with great enthusiasm and a worthy cause, it is hard not to think of John Ashcroft. In just the short time that I've known him, John has proven again and again his courage and his strength of character. We will soon unveil a portrait of not just an attorney general but of a consummate statesman.

Once governor, once senator, John Ashcroft's record of public service is both long and deep. In each of his public roles he worked tirelessly for the good of the people he served. As a wonderful patriotic hymn says of America's heroes, I think we can say of John Ashcroft: "who more than self their country loved and mercy more than life."

In both his state capital and in his nation's capital, John has been a consistent, modest, and moral leader. Here at the Justice Department, John led ably after September 11th; a time that will stand out in history as one of the most challenging times for our nation when an unthinkable, monstrous, criminal act was also an act of war. And from my vantage point at the White House I saw John step up as a warrior for America.

A few questioned his approach, but I think his willingness to take the fight to the enemy reassured the American people during those darkest days that this government would not back down in the face of adversity, but would take bold steps to protect them.

Like so many of his law enforcement colleagues, John should know that he deserves a substantial portion of the credit for the fact that America has not been attacked in more than five years. Thanks to his cool head and his sightful perspective I believe he will be remembered as being the right man at the right time for this incredibly and complex and challenging job.

John Ashcroft loves his country and believes deeply in the rule of law and that liberty is found in law. He knows that one preserves and protects the other and his public service is a record of that fact. It is right and fitting that from this day forward John Ashcroft's portrait will hang in the Department of Justice because in his public life John Ashcroft has always stood for justice everywhere that he stood.

Ladies and gentlemen please join me in welcoming Attorney General John Ashcroft.

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(Applause.)

ATTORNEY GENERAL JOHN ASHCROFT: Thank you very much. Thank you. Please sit down. Thank you very much.

My father would have been proud and my mother would have believed every word of it. I am grateful. I want to thank God for the opportunities that I have enjoyed in public life, the most satisfying and challenging of which was found within these walls. I want to thank President Bush and the American people for the opportunity I had to serve. I'm grateful to Attorney General Gonzales for his kindness to me and for his service.

I want to thank Kit Bond who, when I demonstrated my capacity to lose elections in 1972 thought that, you know, the future may not be as dark as that election was, and he appointed me to public office which gave me an opportunity to serve. I don't know if he, at that time, understood that I would later mature to be not only a politician who became an election winner but also the individual, only individual in the history of the United States, to lose a Senate seat to a deceased opponent, but I thank him for that.

It's a delight to see Attorney General Thornburgh here and Virginia. It's nice that you would be here, and to see Secretary Chertoff and Secretary Elaine Chao, Secretary of Labor. It's very pleasing. I'm grateful that you're here.

I want to thank particularly David Aires and his family for coming. David was my chief of staff and is a person with whom I share an opportunity now. I want to thank Jeff Brock, who is the dean of the Regent University Law School who oversees some of my contact with students and had the wisdom to schedule me to be attendant each semester for two weeks. That's enough time to be exposed to students but not to contaminate them and I'm grateful for that opportunity, Jeff, thank you for coming.

Last but not least I want to thank my wife Janet for her kindness to me and for her consistent support. I want to thank the artist and his wife, Elizabeth. John Sanden is a person of tremendous talent but he's also a person of great personal warmth and I find it to be very pleasing to deal with a person who has great talent but who has a sense of humility about it. And I also am grateful for an artist whose sense of mercy exceeds his sense of justice. You'll know what I mean as soon as this blue drape exposes.
In a way, portraits of attorneys general bring to mind many epochs in the history of this department. But frankly when I think of the four year opportunity and interval that I had to serve America as attorney general, I won't think of the noble work of John Sanden, but I will think of a classic work done when the brushes that touched the canvas of America were held in your hands; a classic work that I believe boldly created with strokes of confidence, a kind of marking of America with liberty and justice that was to be appreciated by me certainly, and I think by the American people.

It was a canvas that showed a community with record low violent crime rates as a result of the brushes in your hands. It showed a bright market place of renewed corporation integrity which had once been marred with reporting which defrauding the American people and investors of billions of dollars. The painting and portrait which you have painted which will reflect the history of this interval in American justice shows the dawning of a generation with reduced drug use and elevated potential for young people because of it.

Last but not least, the portrait which you helped paint with the brushes in your hands was a portrait of a serene landscape absent the horror of recurring terrorism. And there's something unique about the portrait that you painted when the brushes were in your hands. You painted that portrait carefully in a pre-existing frame, the nature of which exceeds the beauty even of the portrait you painted. For the frame represents the highest art that humanity has ever attained, the Constitution of the United States. To work within that framework and to paint in that setting and to do so successfully is the noble work that justice has the opportunity to achieve. And when I remember the portrait that reflects on this department's great work, it is your work, the brushes in your hands, that I will

remember.

The Justice Department of the United States was created in 1870 as America struggled to complete the surgery which was necessary to remediate American liberties most heinous birth defect: slavery. In understanding that setting, I think we see most clearly what the responsibility and opportunity of justice really is. It is the virtuous duty of justice to prevent one man from using his freedom to enslave another man.

As we look to the future, the calling of justice, that noble calling, calls for us, I think, to always keep in mind this responsibility of justice, to make sure that no one uses his freedom to enslave or otherwise injure another. It demands that we continue with intensity our effort to resist the terrorists with all of our might. For like no others the terrorists use freedom and the cover of freedom, and prostitute liberty in order to dominate individuals rather than to liberate individuals and that is something it is the opportunity and duty of justice to resist. The terrorist perverts freedom to impose rather than to inspire and justice has the noble opportunity to make sure that he is not successful. Should we turn from this task we would be unworthy of the great freedom that has been brought to us.

Another threat to liberty cries out for the attention of justice in the days ahead as we turn our vision from the portrait of the past which is fixed to the canvas of the future which is open while the brushes remain in our hands. And that additional threat to liberty which cries out for the attention of justice is the cancer of corruption. The voices of justice and the defense of liberty must be clear and they must be unmistakable. Those who are endowed with the public trust shall not be tolerated in the perversion of the public trust.
Justice, its noble calling and its noble opportunity shall be to expose corruption wherever it is found; justice will excise it wherever it infects; and justice will pursue its punishment with persistence. Freedom itself is the opportunity to have the brush in one's hands.

Tom Paine said it at the time of the American independence, "we have it within our power to make the world over again." No one can change the past. Each of us has the opportunity to shape the future. It should be shaped and we have the noble responsibility, duty, and opportunity to shape it in a way which respects liberty; and steps between those and the public, steps between those who would pervert freedom and the public to guard to public interest. For those who would use their freedom to enslave others, perverted in ways that disrespect the very essence of what American liberty has come to mean and what this department stands for.

Sometimes the words that we say in memory become trite. There are words of recitation more than they are words of reality. But when we conclude the Pledge of Allegiance to the flag of the United States, we talk about not just the ideals of America but the charge and challenge of the Department of Justice because we talk about the fact that there is a necessity that we have liberty and justice for all.

What a privilege it has been for me to be associated with charge and with you and with this great department. I am honored to be here today and thankful and grateful for my association with you. I am grateful for what you have done; the picture you have painted. I am thrilled that the brush is still in your hand and that the landscape and canvas to be filled in the future will reflect the respect for liberty and justice in a profound way and will always be framed in the Constitution of the United States. Thank you very much, and God bless you.

(Applause.)

ATTORNEY GENERAL GONZALES: I'd like to invite the Attorney General, Mrs. Ashcroft, and Mr. Sanden in the unveiling of the portrait.

(Unveiling of the portrait.)

ATTORNEY GENERAL GONZALES: Thank you. We are all honored to have been part of this very special ceremony. I encourage all of you, colleagues, friends, and family to join us on the fifth floor for refreshments and a

chance to take a closer look at this wonderful piece of art. I guess that means it's going to be moved up there. I hope we don't damage it on the way up. It has been a pleasure to host you at the Department of Justice this morning. Thank you for coming.

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From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO ADRESSS AIR FORCE ACADEMY CADETS REGARDING CIVIL LIBERTIES IN THE WAR ON TERROR

Department of Justice

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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO ADRESSS AIR FORCE ACADEMY CADETS REGARDING CIVIL LIBERTIES IN THE WAR ON TERROR

WASHINGTON – Attorney General Gonzales will address Air Force Academy cadets regarding civil liberties in the War on Terror, and hold a press availability following his remarks on **SATURDAY, NOVEMBER 18, 2006 at 10:00 A.M. MST.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks and Media Availability

WHEN: **SATURDAY, NOVEMBER 18, 2006**
10:00 A.M. MST

WHERE: **Remarks**
Fairchild Hall
Lecture Hall F1
U.S. Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

Media Availability
Fairchild Hall
Conference Room
U.S. Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

DOJ_NMG_ 0170524

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 9:15 A.M.. All media should arrive no later than 9:30 A.M. Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or USAFA Public Affairs at (719) 333-7731.

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06-778

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System Administrator

From: System Administrator
Sent: Friday, November 17, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873803 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 17, 2006 6:47 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. AIR FORCE ACADEMY REGARDING CIVIL LIBERTIES AND THE WAR ON TERRORISM

EMBARGOED UNTIL 10:00 A.M. MST SATURDAY NOVEMBER 18, 2007

Department of Justice

EMBARGOED UNTIL 10:00 A.M. MST SATURDAY NOVEMBER 18, 2007

AG

FRIDAY, NOVEMBER 17, 2007 (202) 514-2007

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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. AIR FORCE ACADEMY REGARDING CIVIL LIBERTIES AND THE WAR ON TERRORISM

COLORADO SPRINGS, COLORADO

DOJ_NMG_ 0170529

Good morning.

Somewhere in the world – right now – an Army private stands guard at a lonely lookout post…

Somewhere in the world – right now – a Navy Lieutenant leads his seal team in a covert operation to gather intelligence information…

Somewhere in the world – right now – an Air Force major sits in the cockpit of his F-16 fighter preparing to drop armament over a theater of operations.

And somewhere – right now – an American family is grieving over the loss of a young son … of a daughter … killed in defense of our Country.

The United States is the most powerful nation in the world. Throughout the history of our great nation, our military has been tested and called upon to defend freedom … and warriors have died.

So when I look out at your bright, young faces, I feel a range of emotions. As a parent, I am anxious and concerned for your safety and welfare. As a cabinet official, I feel a sense of comfort that America's best and brightest are leading our military. And as an American citizen, I feel pride and gratitude for your commitment and sacrifice on behalf of 300 million Americans. You chose this noble profession after the September 11th attacks. So you have answered this calling knowing well the dangers and the enemy that confronts the United States in this world of terrorism and asymmetric warfare.

I had a chance, this past summer, to visit for the second time the front-lines of the war on terror in Iraq. And I was inspired by the steadfast resolve of our men and women in uniform, as well as our civil servants who are there to help the Iraqi people establish their new government.

You are here at the Air Force Academy at a time of great historic significance. Your studies and your experience here inevitably focus on your future role in this conflict, because America will rely upon you as we continue to wage this war. As Air Force officers, you will be involved in fighting it. Today, as students, you seek to understand it.

I am here, as Attorney General of the United States, to discuss how civil liberties factor into the fight at hand. I appreciate the topic of this lecture because it is critical that we never lose sight of civil liberties while we fight the War on Terror, or any other war.

To achieve victory at the cost of eroding civil liberties would not really be a victory. We cannot change the core identity of our Nation and claim success.

And our identity has never been in doubt – we are a free people, dedicated to liberty for the popular and the unpopular, committed to the ideal that the People govern themselves, and determined to have a government that cannot extinguish or suppress the rights that make us Americans.

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So I look forward to our discussion today on this vital topic. And I encourage you, during this lecture and whenever you find yourself engaged in conversation or debate on these issues, to keep in mind this irony: that our ability to have this debate is one of the very things our enemy hates about our society.

Free speech. Freedom of association. These values are repulsive to the radical Islamic terrorist. They fear them and suppress them whenever and wherever they can. Yet through those very means, we as a society are protective of that terrorist's rights.

This is ironic, but good. Because, as you well know, America has a unique responsibility to set the global standard for liberty and fair conduct. The world looks to us to set high standards for freedom, and we take that leadership role very seriously. Our commitment to leading by example – on issues from human rights to free speech – is strong.

Indeed, other countries strike a different balance between security and freedom, both in the activities they punish as crimes, and in the procedures with which they do so. In some instances, our allies have adopted or utilized some counterterrorism tools that we have not adopted in the United States because doing so would abridge the civil liberties protected by our constitution.

For example, speaking out in support of past terrorist acts is punishable in several European countries, including Italy, Spain, and France. And after the July 2005 terrorist attacks in London, the United Kingdom passed a law making it a crime to directly or indirectly encourage terrorism, or to disseminate terrorist publications, or to post "terrorist publications" on the Internet. Laws like these contain aspects that would be inconsistent with the First Amendment if adopted in the United States.

Another example: In France, police can hold suspects in custody for up to 96 hours if there are plausible reasons to suspect that the person has been involved in a terrorism offense, or up to six days if there is a serious danger that acts of terrorism are believed to be imminent. Compare this to our country, where there must be a probable cause hearing within 48 hours of a suspect's arrest.

And in the United Kingdom, the arrest or search of a suspected terrorist is allowed if law enforcement "reasonably suspects" the person to be a terrorist or to possess "anything which may constitute evidence that he is a terrorist." This reasonable suspicion standard is a lesser standard than the "probable cause" standard required under the Fourth Amendment of the U.S. Constitution. The terrorism suspect can be detained in the United Kingdom for up to 28 days, and the reviewing official still does not need to find probable cause–only that there are reasonable grounds to believe that detention is necessary to obtain relevant evidence.

In short, there are a variety of approaches to combating terrorism, and each country, including ours, makes choices based on their unique legal system.

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In spite of what I see as America's clear commitment to civil liberties, some critics have suggested that recent U.S. policy decisions are setting a bad example – that we are sacrificing civil liberties, and even that we are doing so in a futile effort against terrorism.

These are myths. Let me share with you the facts.

First, the war is, indeed, broad, difficult and ongoing – but our enemies are on their heels; we are making progress.

We've taken away the "home base" for al Qaeda in Afghanistan. We've destroyed training camps, cut off funding channels, and disrupted means of communication.

Architects of the September 11th attacks have been captured and interrogated … and we have learned vital information from them which has enabled us to prevent further attacks. Khalid Sheikh Mohammed, Abu Zubaydah, and Ramzi bin al Shibh today await justice before a Military Commission at Guantanamo Bay.

We have disrupted plots and put homegrown radicals behind bars. In August of this year, British authorities – with the assistance of the FBI – disrupted what would have been a major terrorist attack on U.S.-bound planes with massive casualties.

So it is a fact that we are safer, even if we are not yet safe.

We are winning because of the tools we have developed, the passion and persistence with which we fight, and the flexibility that our armed forces and law enforcement officials have shown on the battlefields of this conflict – both abroad and also in disrupting terrorist plots at home.

As part of our nation's proud military tradition, you should take great pride in being part of a force that is combating terrorism, world-wide. You will be led by brave men and women who have adapted to the most difficult of circumstances, and I applaud all of you, and all Americans in uniform, for that.

What does this have to do with civil liberties? Some critics, pointing to the tools that are helping us win the War on Terror, have challenged them as inconsistent with our nation's historic commitment to civil liberties. I am disappointed that there are so many myths as a result of those questions, but I welcome the debate and the opportunity I have to address the facts surrounding the Terrorist Surveillance Program, the Patriot Act, as well as Guantanamo Bay and the recent Military Commissions Act—which do not directly relate to Americans' civil liberties, but which indicate how seriously we take even the rights of enemy combatants.

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Common myths about the Terrorist Surveillance Program are that it is an invasion of privacy and an unlawful eavesdropping tool.

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I want to be very clear about the facts here: the Terrorist Surveillance Program does not invade anyone's privacy, unless you are talking to the enemy in this time of war. It targets only international communications in which we have reasonable grounds to believe that one party is a member or agent of al Qaeda or an affiliated terrorist organization.

The TSP is lawful. The President established the Program under both the authority given to him by Congress when it passed the Authorization for Use of Military Force in the wake of the 9/11 attacks, and by his authority under the Constitution.

The Program serves as an essential early warning system, alerting us to the presence of al Qaeda operatives in the United States, and it operates with the speed and agility necessary to protect the nation.

The Program does not violate any constitutional freedoms. History and law both confirm this. The Program is, in fact, nothing more than a modern-day version of the "signals" intelligence that our country has gathered and relied upon in every conflict in our history, and that every nation has relied upon.

In every conflict we have been in, the United States government has needed to know what the enemy is doing, and signals intelligence provides one of the most important ways to do that.

George Washington, for example, steamed open the mail in our earliest fight for freedom. During the Civil War, telegrams were intercepted. During both World Wars, we intercepted telegrams in and out of the United States.

We have always worked to stay a step ahead of our enemies. The President's core duty under the Constitution is to protect the nation from foreign attack, and presidents have always done this by uncovering the communications our enemies use in harming our people.

To be certain that the Program is no broader than it must be, it is regularly reviewed to ensure the protections of civil liberties. Indeed, about every 45 days, the Program is reviewed to ensure that is still necessary, that there is no better way to achieve the same objectives, and that it remains reasonable under the Fourth Amendment.

Importantly, in addition to being lawful, the Terrorist Surveillance Program is effective. Indeed, it has proven to be one of our most effective tools in the war against terrorism. U.S. intelligence officials have confirmed that the program has helped stop terrorist attacks and has saved American lives.

I wish to be very clear: The only purpose of the Terrorist Surveillance Program is to detect and prevent al Qaeda attacks before they can be carried out. It is narrowly focused in every way – by targeting only the communications of al Qaeda, by targeting only international communications, and by requiring high-level approval, as I mentioned before, approximately every 45 days.

Some people will argue nothing could justify the government being able to intercept conversations like the ones the Program targets. Instead of seeing the government protecting the country, they see it as on the verge of stifling freedom.

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But this view is shortsighted. Its definition of freedom – one utterly divorced from civic responsibility – is superficial and is itself a grave threat to the liberty and security of the American people.

As Justice Robert Jackson remarked in the case Terminiello v. City of Chicago, "The choice is not between order and liberty. It is between liberty with order and anarchy without either. There is danger that, if the Court does not temper its doctrinaire logic with a little practical wisdom, it will convert the constitutional Bill of Rights into a suicide pact."

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Justice Jackson's call for, quote, "a little practical wisdom," close quote, applies not only to those who misleadingly attack the Terrorist Surveillance Program, but also to those who endlessly repeat the refrain that the Patriot Act is a threat to our civil liberties.

It is a myth that the Patriot Act empowers the government to be overly intrusive, giving it power that could someday be used to pry into innocent Americans' personal lives.

The fact is that the Patriot Act was born of a well-established criminal justice and national security structure as well as vibrant bi-partisan debate in Congress, both upon its establishment and its renewal.

The Act was written to help the law enforcement and intelligence communities to protect Americans and fight the war on terror. It, in fact, answered the call of career, rank and file law enforcement to update our laws to match law-enforcement tools with modern technology.

The Patriot Act simply ensures that law enforcement and national security personnel have the tools they need to keep us safe from terrorism – and in many cases those tools were already available to law enforcement in other contexts – while also ensuring that those tools are consistent with the Constitution and include appropriate safeguards against government over-reaching.

The Patriot Act does not authorize the government to go into your house or read your mail without probable cause and a warrant.

It does allow law enforcement and intelligence personnel to better share information and better coordinate with each other.

It does give national security investigators tools like those criminal investigators have used for years.

And it does update the law to keep up with evolving technology and increasingly sophisticated terrorists.

Many of the tools in the Patriot Act are identical to those that have been used for years to investigate drug dealers and white-collar crime. They've been used effectively, and they've been used without an adverse impact

on civil liberties. So criticism of the Patriot Act has always begged the question: if we can use these tools successfully and prudently in the area of dealing with, say, drug traffickers, why shouldn't they be used in the war against terrorists who want to import chemical, biological or even nuclear weapons to inflict mass civilian casualties?

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You surely have heard the myth that the U.S. is holding detainees in Guantanamo Bay in violation of international laws and basic human rights. This is not supported by the facts. It is a mistaken perception.

First, the detention facility at Guantanamo exists because it is necessary. The facility will not remain open one day longer than it is needed, but until then we have an obligation to our warriors, to the men and women fighting in uniform, that we hold these individuals while hostilities continue.

The United States has no desire to be the world's jailer, but we do have an obligation to both our own troops and to the soldiers of our allies to detain and remove terrorists from the battlefields of this conflict.

In doing so, the United States strives mightily to meet all of our international obligations. Unfortunately, the debate over U.S. compliance with the Geneva Conventions has been unnecessarily muddied when it comes to Guantanamo.

We read a lot about this in the newspapers and hear about it on TV or the radio – but I'd like to boil it down to one simple fact today: the United States provides individuals detained as enemy combatants at Guantanamo with more procedural protections than those owed to lawful prisoners of war under the Geneva Conventions.

We have put in place extensive procedures to ensure that the individuals we detain at Guantanamo are, in fact, enemy combatants. Every detainee has received, or will receive, a hearing before a Combatant Status Review Tribunal, or "CSRT," a fair military tribunal that exists to determine whether the individual is in fact an enemy combatant.

And detainees have the right to appeal CSRT determinations to the U.S. Court of Appeals for the D.C. Circuit. In other words, every detainee at Guantanamo has the chance to challenge his detention, in court. The Department of Defense has further established Administrative Review Boards, or ARBs, that review the status of each detainee annually and may direct the release of detainees whom the ARB determines no longer pose a threat to the United States and can be repatriated safely to their home countries.

The processes provided detainees are not, however, without risk. As you may know, there have been over a dozen occasions where a detainee was released but then returned to fight against the United States and our allies again. What would you say to the parents of a young soldier who has been killed by someone we had once captured and then released? Whatever process is afforded detainees, it must fully account for the high stakes involved in this war.

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Military Commissions, like international war crimes tribunals, employ procedures that are adapted to wartime circumstances. Nevertheless, they contain all of the procedural protections that civilized nations regard as fundamental.

What is extraordinary, in other words, is how much – not how little – our law protects enemy combatants.

That the government is so anxious to give these rights to enemy combatants, who are not U.S. citizens and are not in the United States, should make it obvious that the government is even more committed to ensuring that the civil liberties of Americans are zealously guarded. When you hear sneering references to "Gitmo," or assertions that military commissions are hopelessly unfair, I hope you will be armed with the facts – and that you will remember that our treatment of enemy combatants is itself evidence of how strongly we value civil liberties.

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And what about torture? Again, there are many misconceptions, and many myths. Let me be clear here today: Our law plainly and unequivocally prohibits torture as well as cruel, inhuman, and degrading treatment. The United States does not engage in torture, and consistent with our law and practice, no evidence obtained by torture shall be admitted at a military commission proceeding.

Torture is not tolerated by this country on the battlefield or off. Anyone who tortures or abuses a detainee tarnishes the service of every honorable student and soldier in this room today. The President has said this, and I will say it again: those who commit torture in the name of the United States government will be prosecuted.

In any discussion of Guantanamo, detainees and military commissions, I think that one final fact helps put things in perspective – and that is the fact that members of al Qaeda are not merely common criminals. Some critics around the world have argued that they are "just" criminals, that their crimes somehow do not amount to war crimes.

But here are the facts: al Qaeda seeks to employ weapons of mass slaughter as a means of achieving political goals against both the civilian and military capacity of the United States, Europe, and our allies throughout the world. Its members continue to fight our Armed Forces on battlefields around the world, and they will continue to do so until we stop them. Al Qaeda has committed acts on a scale that transcends mere crime, as recognized by NATO immediately after the attacks of September 11th. Their crimes are therefore nothing less than war crimes. Given the magnitude of the atrocities al Qaeda has committed, there can be no comparison between the crimes of its members and that of common civilian criminals.

As a final point in this area, I offer an observation: the United States has rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader – an example to follow. Yet we know that the fair and humane treatment of the detainees at Guantanamo will have absolutely no effect on how their confederates treat our soldiers and civilians.

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They will not rise to our good example. They do not and will not obey international law, the law of war or the moral laws of humanity. They will not hold trials or offer counsel or defense. They will torture, abuse and swiftly murder those who they capture. They do not have prisoners; they behead those they capture. And their victims are not limited to those wearing the uniform – they are equal-opportunity murderers, targeting soldiers, humanitarian volunteers, journalists, missionaries, contractors – men and women, young and old – all the same.

In treating terrorist detainees humanely, we accept that there will be no reciprocity on these issues. But we do it because of our values as a nation, and because the United States has always stood, and continues to stand, for the rule of law in the world.

***

In closing, today's visit has resurrected so many memories.
I remember a Saturday morning inspection in my Fourth Class year, when an upperclassman found a dust-bunny underneath my roommate's bunk.

My roommate and I were standing at attention with the upperclassman holding the dust-bunny on his white-gloved index finger just inches from my roommate's face. As he dressed us down for the discrepancy, he looked back and forth between us. Suddenly, at a moment when the upperclassman was looking at me, my roommate blew the dust-bunny off of his outstretched finger.

Needless to say, the mischievous act provoked quite a reaction and that tiny puff of air caused us suffering that lasted several weeks.

Since that year, there have been many important changes here, including the admittance of women. But some things have not changed and should not change … such as the continued value of academy graduates in insuring the safety of our country from enemies across the world.

Since today's war is fought at home, too, by the law enforcement community that I now am part of, I want you to know that for all of us – from the prosecutors and investigators at the Department of Justice and the FBI to state and local police – for all of us, just as it is for all of you, every day is September 12th.

The armed forces are on the front lines, and America is grateful for the ultimate sacrifice – but we fight together when it comes to protecting our wonderful country from the hatred of extremists.

Thank you again for your commitment. I pray that God will watch over you. May He continue to guide your decisions and may He continue to bless the United States of America.

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Amber.JMD

From: Amber.JMD
Sent: Friday, November 17, 2006 8:03 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Detroit, MI

From: AmberAlert-DOJ
Sent: Friday, November 17, 2006 8:02:38 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Detroit, MI
Auto forwarded by a Rule

AMBER ALERT:Detroit,MI VEH:Blu/Bla 4Dr Sedan CHILD:6 B/M 4FT 56LB Bro/Bla CHILD:5 B/F 3FT 36LB Bro/Bla SUSP:25 B/M 5FT7 240LB Eye:Bro Hair:Bla CALL 313-596-5900
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2802

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System Administrator

From:	System Administrator
Sent:	Friday, November 17, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873859 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, November 18, 2006 12:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Baltimore, MD

From: AmberAlert-DOJ
Sent: Saturday, November 18, 2006 12:01:35 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Baltimore, MD
Auto forwarded by a Rule

AMBER ALERT:Baltimore,MD VEHICLE:1995 Gold Nissan Maxima TAG:MD 4AB-S98 CHILD:2 B/M 2'6" 35 lbs SUSPECT:32 B/M 5'6" 185 lbs Eyes:Brn Hair:Blk CALL 410-396-2488
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2803

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, November 18, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873862 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 18, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873863 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 18, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873863 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 18, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873864 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, November 18, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873865 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 18, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873866 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, November 18, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873867 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 19, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873868 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 19, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873869 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, November 19, 2006 12:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Eloy, AZ

From: AmberAlert-DOJ
Sent: Sunday, November 19, 2006 12:35:33 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Goodwin, Paul A; Garcia, Linda S; Caffey, Tina D; Wahl, Nicole; Whitten, John; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Eloy, AZ
Auto forwarded by a Rule

AMBER ALERT:Eloy,AZ CHILD:14 HISPANIC F 5FT5 150LB Eyes:BROWN Hair:BROWN
COMPANION:19YRS HISPANIC M 5FT 140LBS Eyes:BROWN Hair:BLACK CALL 520-466-7324
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2822

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, November 19, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873871 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, November 19, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873872 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 19, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873873 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 19, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873874 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, November 19, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873875 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, November 20, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 873875 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, November 20, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 876896 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 20, 2006 9:49 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 20, 2006

Department of Justice

PRESS GUIDANCE
Monday, November 20, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Civil Division will issue a release on a False Claims Act matter. (Miller)

The Civil Rights Division will issue a release. (Ames)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170560

Image not available for this document, ID: 0.7.10316.17794-000001

Image not available for this document, ID: 0.7.10316.17794-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 20, 2006 10:34 AM
Subject: JCON BROADCAST, WEEK OF NOVEMBER 20, 2006

JCON BROADCAST, WEEK OF NOVEMBER 20, 2006

1. **Combined Federal Campaign**
2. **Making DOJNet a Home Page**
3. **Research Classes Offered by Library Staff**

Combined Federal Campaign

For many of us, Thanksgiving symbolizes the beginning of a Holiday Season that brings us joy and warmth against the cold. Unfortunately, not everyone has the reason or means to fully enjoy the blessings which most of us take for granted. That is why the gift you make to the Combined Federal Campaign (CFC) means so much. Whether it's a child who goes to bed hungry, a homeless person braving the cold, a gravely ill man or woman, or an older person who is sad and alone in the world – your gift can help a charitable organization make a difference in someone's life.

To those who have already given, thank you for your kindness and generosity. For those who are undecided, please take a few moments to review the Catalog of Caring or visit the DOJ CFC website, http://www.usdoj.gov/jmd/ps/empcfc.htm, for more information about how you can help. The CFC theme is "**Be a Star in Someone's Life**". Your contribution could make you a ***Super Star*** to neighbor living with a chronic illness, a young person needing literacy and tutoring, or a family affected by an unanticipated emergency.

Making DOJNet a Home Page

DOJNet, which is available at http://10.173.2.12/, is the Department of Justice's Intranet. DOJNet provides easy access to any information that is of Department wide interest: news, events, tools for doing our jobs, and facts needed by Federal employees. DOJNet is on a secure server that limits access to DOJ employees.

Employees can make DOJNet their default browser home page by following the steps below:

To change your home page to DOJNet in Internet Explorer,

1. Open **Internet Explorer**.
2. Go to the DOJNet Home page by typing http://10.173.2.12 in the Address bar and press **Enter**.
3. From the **Tools** menu, select **Internet Options**.

4. On the **General** tab, click the **Use Current** button.
5. Click **Ok**.

You have successfully changed your home page in Internet Explorer.

To change your home page to DOJNet in Netscape 7.1

1. Open **Netscape 7.1.**
2. Go to the DOJNet Home page by typing http://10.173.2.12 in the Location bar and press **Enter**. Or Choose DOJNet from the Personal Tool Bar.
3. From the **Edit** menu, select **Preferences**.
4. On the Navigator page, click the **Use Current Page** button.
5. Click **Ok**.

You have successfully changed your home page in Netscape 7.1.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, November 20, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 877470 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, November 20, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 877470 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 20, 2006 3:34 PM
To: USDOJ- Office of Public Affairs
Subject: TWO INDIVIDUALS ARRESTED FOR SUPPORTING HIZBALLAH

Attached please find a copy of the indictment.

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 20, 2006
WWW.USDOJ.GOV/USAO/NYS

CONTACT: LAUREN MCDONOUGH
PHONE: (212) 637-2600
FAX: (212) 637-0053

TWO INDIVIDUALS ARRESTED FOR SUPPORTING HIZBALLAH

NEW YORK – An 11 count indictment was unsealed today charging Javed Iqbal, a/k/a "John Iqbal," 42, of Staten Island, N.Y., and Saleh Elahwal, 53, of Matawan, N.J., with providing material support or resources to a foreign terrorist organization, Hizballah. The indictment was announced by U.S. Attorney Michael J. Garcia of the Southern District of New York and Assistant Director in Charge Mark J. Mershon of the New York Field Office of the FBI.

The indictment alleges that, through a company called HDTV Ltd., Iqbal and Elahwal conspired to broadcast Hizballah's TV station, Al Manar, to HDTV's customers from September 2005 through August 2006. "Al Manar" means "the beacon" in Arabic. In exchange, HDTV received payments of thousands of dollars from Al Manar. The indictment further alleges that Iqbal and Elahwal worked to provide electronic equipment relating to satellite television broadcasting to Hizballah through Al Manar.

Iqbal was arrested on related charges on Aug. 23, 2006, pursuant to a criminal complaint. Following his arrest, Iqbal was released on bail, which included electronic monitoring. At the time of Iqbal's arrest, federal agents executed simultaneous search warrants at his home in Staten Island and HDTV's offices in Brooklyn. Iqbal surrendered to law enforcement officials today. Elahwal was arrested at his home this morning. Both defendants will be arraigned on the indictment this afternoon by U.S. District Judge Richard M. Berman.

If convicted of the charges in the indictment, Iqbal and Elahwal each face a maximum sentence of 110 years in prison.

U.S. Attorney Garcia praised the efforts of the FBI's Joint Terrorist Task Force in conducting the investigation. "Javed Iqbal and Saleh Elahwal engaged in transactions that support the terrorist organizations Hizballah and Al Manar, and did so for financial profit," stated U.S. Attorney Garcia. "As terrorist

organizations become more sophisticated, it is critical that we respond using all the enforcement tools the law provides."

"The FBI will continue to police efforts by anyone to prop up designated terrorist organizations like Hizballah," announced FBI Assistant Director Mershon. "Material support can take many forms, including contractual relationships like the one these defendants entered into."

Assistant U.S. Attorney Stephen Miller is in charge of the prosecution. The charges contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - - - - - - - - - - - - - - - -x

UNITED STATES OF AMERICA, : INDICTMENT

- v. - :

00 CRIM. 1054

JAVED IQBAL,
a/k/a "John Iqbal," and
SALEH ELAHWAL, :

Defendants. :

- - - - - - - - - - - - - - - - - - - -x

COUNT ONE

The Grand Jury charges:

Background

1. Hizballah ("Party of God") is an organization based in Lebanon whose stated mission is the establishment of a fundamentalist Islamic state and the destruction of the State of Israel. Hizballah regards the United States as its enemy in this struggle. Since its inception in or about 1982, Hizballah has pursued its mission through, among other things, attacks on civilian targets.

2. At all times relevant to this Indictment, Hizballah has operated Al Manar (the "beacon"), a television station based in Lebanon, that is designed to cultivate support for Hizballah's activities and mission. Through its broadcasts on Al Manar,

Hizballah endeavors, among other things, to raise money for its activities and to recruit volunteers for future attacks.

3. On or about October 8, 1997, Hizballah was designated by the Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act, and has remained so designated through and including the present time.

4. In addition, the Department of Treasury designated Hizballah as a Specially Designated Global Terrorist on or about October 31, 2001. The Department of Treasury separately designated Al Manar as a Specially Designated Global Terrorist on or about March 23, 2006. Hizballah and Al Manar have each remained Specially Designated Global Terrorists at all times since their initial designations by the Department of Treasury.

5. At all times relevant to this Indictment, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, operated HDTV Limited, d/b/a "HDTV Corporation" (hereinafter, "HDTV"), a corporation registered in the State of New York that provided, among other things, satellite television services to customers in the New York City area. At all times relevant to this Indictment, HDTV maintained its main office in Brooklyn, New York, and maintained certain satellite equipment at IQBAL's residence on Staten Island, New York.

DOJ_NMG_0170570

Payments to Broadcast Al Manar – COUNTS ONE THROUGH SIX

COUNT ONE

(Conspiracy To Provide Material Support Or Resources To A Foreign Terrorist Organization – Hizballah)

The Grand Jury charges:

6. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully and knowingly did combine, conspire, confederate, and agree together and with each other to provide "material support or resources," as that term is defined in 18 U.S.C. § 2339A(b), including satellite television broadcasting services, to a Foreign Terrorist Organization, to wit, Hizballah, which was designated by the Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act.

7. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed with others to assist Hizballah by providing satellite television services to Hizballah's

DOJ_NMG_0170571

television station, Al Manar, in exchange for payments of thousands of dollars to HDTV.

(Title 18, United States Code, Section 2339B.)

COUNT TWO

(Providing Material Support Or Resources To A Foreign Terrorist Organization – Hizballah)

The Grand Jury further charges:

8. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

9. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully and knowingly did provide "material support or resources," as that term is defined in 18 U.S.C. § 2339A(b), including satellite television broadcasting services, to a Foreign Terrorist Organization, to wit, Hizballah, which was designated by the Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act, in that IQBAL and ELAHWAL assisted Hizballah by providing satellite television services to Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV.

(Title 18, United States Code, Sections 2339B & 2.)

DOJ_NMG_0170572

COUNT THREE

(Conspiracy to Violate the United Nations Participation Act of 1945 — Hizballah)

The Grand Jury further charges:

10. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

11. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York, Eastern District of New York, and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit, Title 22, United States Code, Section 287c.

12. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed to violate a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL would and did engage in prohibited transactions and dealings with Hizballah by providing satellite television services to Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV, in violation of Title 22, United States Code, Section 287c.

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Overt Acts

13. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about September 14, 2005, ELAHWAL sent an e-mail to a representative of Al Manar offering HDTV's services in broadcasting Al Manar in, among other places, North and South America.

b. On or about November 13, 2005, ELAHWAL signed a contract in Beirut, Lebanon, in which HDTV agreed to provide satellite broadcasting services to Al Manar in exchange for thousands of dollars per month.

c. On or about December 9, 2005, a representative of Al Manar in Beirut, Lebanon, sent approximately $27,975 to HDTV's bank account via wire transfer through a bank in Manhattan.

d. On or about January 4, 2006, a representative of Al Manar in Beirut, Lebanon, sent approximately $27,972 to HDTV's bank account via wire transfer through a bank in Manhattan.

e. On or about February 8, 2006, a representative of Al Manar in Beirut, Lebanon, sent approximately $27,973 to HDTV's bank account via wire transfer through a bank in Manhattan.

f. On or about March 15, 2006, a representative of Al Manar in Beirut, Lebanon, sent approximately $27,973 to HDTV's bank account via wire transfer through a bank in Manhattan.

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g. On or about March 23, 2006, a representative of Al Manar in Beirut, Lebanon, sent an e-mail to IQBAL and ELAHWAL requesting confirmation that HDTV would begin broadcasting Al Manar via the Internet.

h. On or about April 10, 2006, IQBAL sent a facsimile transmission to a representative of a satellite company in Virginia in which he falsely claimed that HDTV had broadcast Al Manar by mistake.

i. On or about June 7, 2006, in a conversation with a confidential informant (the "CI") at HDTV's Brooklyn office, IQBAL offered to provide the CI with access to Al Manar television broadcasts.

j. On or about June 22, 2006, IQBAL and ELAHWAL caused an e-mail to be sent to a representative of Al Manar in Beirut, Lebanon, discussing, among other things, HDTV's efforts to broadcast Al Manar through an intermediary in London, England.

k. On or about July 14, 2006, IQBAL caused a contractor to install a satellite television system in an apartment in Manhattan for the purpose of, among other things, viewing Al Manar television broadcasts.

l. On or about July 20, 2006, IQBAL sent an e-mail to a representative of a company in London, England, regarding that

DOJ_NMG_0170575

company's efforts to use the Internet to broadcast Al Manar to HDTV's customers.

(Title 18, United States Code, Section 371.)

COUNT FOUR

(Violation of the United Nations Participation Act of 1945 - Hizballah)

The Grand Jury further charges:

14. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

15. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, both of whom are United States persons, unlawfully, willfully, and knowingly violated a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL engaged in prohibited transactions and dealings with Hizballah by providing satellite television services to Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV.

(Title 22, United States Code, Section 287c;
Title 18, United States Code, Section 2;
Executive Order 13224; 31 C.F.R. Part 594)

DOJ_NMG_0170576

COUNT FIVE

(Conspiracy to Violate the United Nations Participation Act of 1945 – Al Manar)

The Grand Jury further charges:

16. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

17. From at least on or about March 23, 2006, up to and including in or about August 2006, in the Southern District of New York, Eastern District of New York, and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit, Title 22, United States Code, Section 287c.

18. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed to violate a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL would and did engage in prohibited transactions and dealings with Al Manar by providing satellite television services to Al Manar in exchange for payments of

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thousands of dollars to HDTV, in violation of Title 22, United States Code, Section 287c.

Overt Acts

19. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about April 10, 2006, IQBAL sent a facsimile transmission to a representative of a satellite company in Virginia in which he claimed that HDTV had broadcast Al Manar by mistake.

b. On or about June 7, 2006, in a conversation with a confidential informant (the "CI") at HDTV's Brooklyn office, IQBAL offered to provide the CI with access to Al Manar television broadcasts.

c. On or about June 22, 2006, IQBAL and ELAHWAL caused a letter to be sent to a representative of Al Manar in Beirut, Lebanon, discussing, among other things, HDTV's efforts to broadcast Al Manar through an intermediary in London, England.

d. On or about July 14, 2006, IQBAL caused a contractor to install a satellite television system in an apartment in Manhattan for the purpose of, among other things, viewing Al-Manar.

e. On or about July 20, 2006, IQBAL sent an e-mail to a representative of a company in London, England, regarding that

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company's efforts to use the Internet to broadcast Al Manar to HDTV's customers.

(Title 18, United States Code, Section 371.)

COUNT SIX

(Violation of the United Nations Participation Act of 1945 – Al Manar)

The Grand Jury further charges:

20. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

21. From at least on or about March 23, 2006, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, both of whom are United States persons, unlawfully, willfully, and knowingly violated a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL engaged in prohibited transactions and dealings with Al Manar by providing satellite television services to Al Manar in exchange for payments of thousands of dollars to HDTV.

(Title 22, United States Code, Section 287c;
Title 18, United States Code, Section 2;
Executive Order 13224; 31 C.F.R. Part 594)

DOJ_NMG_0170579

Provision of Equipment to Al Manar – COUNTS SEVEN THROUGH ELEVEN

COUNT SEVEN

(Conspiracy To Provide Material Support Or Resources To A Foreign Terrorist Organization – Hizballah)

The Grand Jury further charges:

22. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

23. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully and knowingly did combine, conspire, confederate, and agree together and with each other to provide "material support or resources," as that term is defined in 18 U.S.C. § 2339A(b), including electronic equipment relating to satellite television broadcasting, to a Foreign Terrorist Organization, to wit, Hizballah, which was designated by the Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act.

24. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed with others to provide

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electronic equipment relating to satellite television broadcasting to Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV.

(Title 18, United States Code, Section 2339B.)

COUNT EIGHT

(Providing Material Support Or Resources To A Foreign Terrorist Organization - Hizballah)

The Grand Jury further charges:

25. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

26. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully and knowingly did provide "material support or resources," as that term is defined in 18 U.S.C. § 2339A(b), including electronic equipment relating to satellite television broadcasting, to a Foreign Terrorist Organization, to wit, Hizballah, which was designated by the Secretary of State as a Foreign Terrorist Organization, pursuant to Section 219 of the Immigration and Nationality Act, in that IQBAL and ELAHWAL provided electronic equipment relating to satellite television broadcasting to

DOJ_NMG_0170581

Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV.

(Title 18, United States Code, Sections 2339B and 2.)

COUNT NINE

(Conspiracy to Violate the United Nations Participation Act of 1945 – Hizballah)

The Grand Jury further charges:

27. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

28. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York, Eastern District of New York, and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit, Title 22, United States Code, Section 287c.

29. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed to violate a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL would and did provide electronic equipment relating to satellite television broadcasting to

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Hizballah's television station, Al Manar, in exchange for payments of thousands of dollars to HDTV, in violation of Title 22, United States Code, Section 287c.

Overt Acts

30. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about November 11, 2005, IQBAL sent an e-mail to a representative of Al Manar to discuss equipment that HDTV would soon send to Al Manar.

b. On or about November 18, 2005, IQBAL and ELAHWAL caused satellite receivers to be shipped to "Almanar TV" in Beirut, Lebanon.

c. On or about December 6, 2005, ELAHWAL sent an e-mail to a representative of Al Manar to discuss equipment that HDTV had provided to Al Manar.

d. On or about January 26, 2006, IQBAL received a facsimile transmission at his Staten Island home from a representative of a shipping company located in Jamaica, New York.

e. On or about March 22, 2006, IQBAL and ELAHWAL caused a "sample power supply part" to be shipped to "Almanar TV" in Beirut, Lebanon.

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f. On or about March 25, 2006, a representative of Al Manar sent an e-mail to both IQBAL and ELAHWAL stating that the "power supply module" had cleared Customs.

g. On or about June 22, 2006, IQBAL and ELAHWAL caused a letter to be sent to a representative of Al Manar in Beirut, Lebanon, discussing, among other things, HDTV's purchase of satellite equipment on behalf of Al Manar.

(Title 18, United States Code, Section 371.)

COUNT TEN

(Violation of the United Nations Participation Act of 1945 – Hizballah)

The Grand Jury further charges:

31. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

32. From at least in or about September 2005, up to and including in or about August 2006, in the Southern District of New York and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, both of whom are United States persons, unlawfully, willfully, and knowingly violated a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL engaged in prohibited transactions and dealings with Hizballah's television station, Al Manar, by providing electronic equipment relating to satellite television

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broadcasting to Al Manar in exchange for payments of thousands of dollars to HDTV.

(Title 22, United States Code, Section 287c;
Title 18, United States Code, Section 2;
Executive Order 13224; 31 C.F.R. Part 594)

COUNT ELEVEN

(Conspiracy to Violate the United Nations Participation Act of 1945 – Al Manar)

The Grand Jury further charges:

33. Paragraphs One through Five of this Indictment are realleged, repeated, and incorporated by reference as if fully set forth herein.

34. From at least on or about March 23, 2006, up to and including in or about August 2006, in the Southern District of New York, Eastern District of New York, and elsewhere, JAVED IQBAL, a/k/a "John Iqbal," and SALEH ELAHWAL, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit, Title 22, United States Code, Section 287c.

35. It was a part and an object of the conspiracy that JAVED IQBAL, a/k/a "John Iqbal," the defendant, a lawful permanent resident alien of the United States, and SALEH ELAHWAL, the defendant, a United States citizen, agreed to violate a regulation issued under Section 5 of the United Nations Participation Act of 1945, in that IQBAL and ELAHWAL would and did provide electronic

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equipment relating to satellite television broadcasting to Al Manar in exchange for payments of thousands of dollars to HDTV, in violation of Title 22, United States Code, Section 287c.

Overt Acts

36. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about March 25, 2006, a representative of Al Manar sent an e-mail to both IQBAL and ELAHWAL stating that the "power supply module" had cleared Customs.

b. On or about June 22, 2006, IQBAL and ELAHWAL caused a letter to be sent to a representative of Al Manar in Beirut, Lebanon, discussing, among other things, HDTV's purchase of satellite equipment on behalf of Al Manar.

(Title 18, United States Code, Section 371.)

[redacted]

Michael Garcia

MICHAEL J. GARCIA
United States Attorney

DOJ_NMG_0170586

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

JAVED IQBAL,
a/k/a "John Iqbal," and
SALEH ELAHWAL,

Defendants.

INDICTMENT

06 Cr. _____

(18 U.S.C. §§ 371, 2339B, & 2;
22 U.S.C. § 287c; Executive Order 13224;
31 C.F.R. Part 594)

MICHAEL J. GARCIA
United States Attorney.

A TRUE BILL

_____

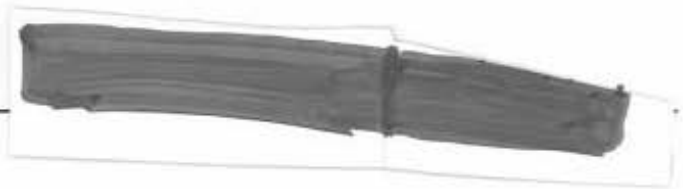

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Image not available for this document, ID: 0.7.10316.17828-000003

Image not available for this document, ID: 0.7.10316.17828-000004

System Administrator

From: System Administrator
Sent: Monday, November 20, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 879786 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 20, 2006 4:58 PM
To: USDOJ- Office of Public Affairs
Subject: GANG MEMBERS SENTENCED TO LIFE IN FEDERAL PRISON FOR ASSAULTS & MURDERS OF AFRICAN-AMERICANS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 20, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

GANG MEMBERS SENTENCED TO LIFE IN FEDERAL PRISON FOR ASSAULTS & MURDERS OF AFRICAN-AMERICANS

WASHINGTON — Three gang members were sentenced today to life in federal prison without the possibility of parole for participating in a six-year conspiracy that led to the assault and murder of African Americans in the Highland Park area of Los Angeles, the Justice Department announced. The defendants, who are members of the *Avenues* street gang, each received two consecutive life sentences from U.S. District Judge Percy Anderson in Los Angeles.

Gilbert Saldana, Alejandro Martinez and Fernando Cazares each were sentenced for their parts in the murders of two African American men. A fourth defendant convicted at trial, Porfirio Avila, who is currently serving a life sentence in state court in the murders of Christopher Bowser and another African American man, is scheduled to be sentenced by Judge Anderson on Dec. 18, 2006. A fifth defendant, Merced Cambero, who is alleged to have been a part of the murders is currently a fugitive and remains under indictment.

The three sentenced today were convicted at trial this summer of being part of a conspiracy that committed numerous violent assaults against African-Americans, including murders that took place in 1999 and in 2000. Members of the conspiracy were found guilty of violating the civil rights of African-Americans in the gang's neighborhood by attacking and sometimes killing the victims.

The jury found that the defendants caused the death of Christopher Bowser, an African American man who was shot while waiting at a bus stop in Highland Park on December 11, 2000. The jury also found that the defendants caused the death of Kenneth Kurry Wilson, an African American man who was gunned down while looking for a parking place in Highland Park on April 18, 1999.

Saldana was convicted of being the triggerman in the Wilson murder and is currently serving a life sentence in state prison for another murder. Martinez was convicted of instigating the Wilson murder by using a racial slur and encouraging his fellow gang members to kill Wilson and Cazares was convicted of serving as a look-out during the Wilson murder.

"Today's sentences send a clear message that this type of racial violence, which devastates individuals and entire communities, will not be tolerated in this country," said Wan J. Kim, Assistant Attorney General for

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the Civil Rights Division. "The Department of Justice is grateful to the victims and witnesses who had the courage to come forward in this case, despite enormous personal sacrifices demanded by the trial, so that the truth about these horrible crimes could come out."

"Hate crimes are some of the most disturbing offenses prosecuted by this office," said Acting U.S. Attorney George S. Cardona. "These defendants will now spend the rest of their lives in federal prison for the despicable act of trying to rid their neighborhood of African-Americans."

"The guilty verdicts in this case represent the successful and unprecedented result of a lengthy investigation into civil rights violations, including multiple violent assaults and murder, committed by this violent gang," said J. Stephen Tidwell, Assistant Director in Charge of the FBI in Los Angeles. "The FBI is thoroughly committed to the protection of civil rights and will investigate all individuals or groups who espouse hate and carry out criminal activity based on hate. The FBI will continue to seek and is offering a $20,000 reward for the remaining fugitive, Merced Cambero, to bring closure to the family of the victim who was murdered based on the color of his skin."

This case was investigated by the FBI and the Los Angeles Police Department, under Los Angeles Police Chief William J. Bratton. The case was prosecuted by the United States Attorney's Office in Los Angeles and the Civil Rights Division of the Department of Justice.

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System Administrator

From:	System Administrator
Sent:	Monday, November 20, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 879844 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, November 20, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 879845 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, November 21, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 879846 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, November 21, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 882850 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 21, 2006 12:14 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL COURT REVOKES U.S. CITIZENSHIP OF FORMER FLORIDA RESIDENT WHO SERVED IN NAZI POLICE UNIT

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 21, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FEDERAL COURT REVOKES U.S. CITIZENSHIP OF FORMER FLORIDA RESIDENT WHO SERVED IN NAZI POLICE UNIT

WASHINGTON – A federal court in Washington, D.C., has entered an order revoking the U.S. citizenship of a former Florida resident for his role in a Ukrainian police unit that participated in the mass murder of over 100,000 Jews in Nazi-occupied Poland during World War II, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

In a complaint filed on Nov. 16, 2006, the Criminal Division's Office of Special Investigations (OSI), which initiated and investigated the case, and the U.S. Attorney's Office for the District of Columbia, alleged that Orest Galan, 84, of Pinellas Park, Fla., joined the Nazi-operated Ukrainian Auxiliary Police (UAP) in the city of L'viv, Ukraine (formerly Poland), in January 1943, and served until at least May 1944, during the Nazi occupation of L'viv. The UAP rounded up Jews, terrorized them, oversaw their forced labor, killed those attempting to escape, and delivered others to Nazi killing sites for mass execution.

Assistant Attorney General Fisher stated, "This case reflects the Justice Department's dedication to the principle that those who helped the Nazi regime carry out its infamous designs do not deserve the privilege of American citizenship or residence."

In a settlement agreement reached last month and filed by the government with the court on Nov. 17, 2006, Galan admitted that he served in the UAP in L'viv during World War II, and he consented to the entry of a federal court order revoking his U.S. citizenship, conceding that he would be deportable from the United States following denaturalization. He further agreed to depart the United States permanently by November 15, 2006. Galan has left the United States for Ukraine and will not be permitted to reenter this country.

According to the complaint, Galan and other uniformed UAP men enforced Nazi persecutory measures against those whom the Nazis deemed dangerous or undesirable because of their race, religion, national origin or political belief, particularly Jews who lived in L'viv. UAP men routinely checked personal identification documents and arrested Jews for failing to produce special work passes or failing to wear armbands bearing the Star of David symbol that identified them as Jews.

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Between March 1942 and June 1943, with the vital assistance of the UAP, almost all of the more than 100,000 Jews in L'viv were seized and transported to killing sites, including the Belzec extermination camp, or to forced labor camps, where most died of starvation, overwork, or disease.

Galan, who was born in what is now Ukraine, entered the United States in 1950 and became a U.S. citizen in 1970. The complaint asserts that his citizenship should be revoked because his wartime service to Nazi Germany rendered him ineligible for a U.S. immigration visa and because he concealed that service when he applied for both a visa and U.S. citizenship.

"Orest Galan and other members of the Ukrainian Auxiliary Police were indispensable accomplices in the Nazis' systematic and brutal destruction of the Jewish community of L'viv," said OSI Director Eli M. Rosenbaum. "Had he told the truth after the war, he never would have been permitted to enter this country, much less become a United States citizen."

The Galan case is a result of OSI's ongoing efforts to identify, investigate, and take legal action against former participants in Nazi persecution who reside in the United States. Since OSI began operations in 1979, it has won cases against 104 individuals who assisted in Nazi persecution. In addition, more than 175 individuals who sought to enter the United States in recent years have been blocked from doing so as a result of OSI's "Watchlist" program, which is enforced in cooperation with the Department of Homeland Security.

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06-781

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System Administrator

From: System Administrator
Sent: Tuesday, November 21, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 883432 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 21, 2006 1:06 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NEW YORK CITY PUBLIC SCHOOL EMPLOYEE PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE CITY'S DEPARTMENT OF EDUCATION

A PDF of the Information is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER, 21, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER NEW YORK CITY PUBLIC SCHOOL EMPLOYEE PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE CITY'S DEPARTMENT OF EDUCATION

WASHINGTON — A former New York City public school employee pleaded guilty today to participating in a conspiracy to defraud the New York City Department of Education and its predecessor, the Board of Education of the City of New York (collectively, NYCDOE) the Department of Justice announced today. Today's guilty plea is the first charge to result from the Department's ongoing antitrust investigation into bid rigging, bribery and fraud in the industrial maintenance and cleaning supplies industry.

Herbert Eyers Bradley, a retired custodial engineer living in Ft. Lauderdale, Fla., pleaded guilty in U.S. District Court in Manhattan to participating in a conspiracy to commit mail fraud and deprive NYCDOE of its right to the honest services of its employees beginning in approximately 1997 and continuing until approximately early December 2001, the Department said. According to the charge, Bradley received kickbacks in exchange for ensuring that companies associated with his co-conspirator were allocated contracts and, later, for ensuring that he would not invite potential competitors to submit bids.

Bradley's plea agreement with the United States, which is subject to court approval, requires him to set aside $12,000 in an escrow fund to pay restitution or fines. Additionally, Bradley has agreed to assist the government in its ongoing investigation.

"Any subversion of the bidding process, particularly where public monies are involved, is a destructive practice that will be prosecuted," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division is committed to investigating and prosecuting both public employees and private individuals who seek to enrich themselves by defrauding our schools."

In July 1999, NYCDOE began requiring its employees, including custodians, to engage in competitive bidding before making purchases or awarding contracts worth more than $250 to vendors who were not on NYCDOE's list of approved vendors and to award the contract to the bidder who provided the "maximum quality for the minimum price." In addition, employees are required to submit bid summary sheets for each purchase made under competitive bidding and are required to get written bids for purchases or contracts worth more than $5,000.

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The Department said that some of the money Bradley received was the result of his participation in a phony invoice scheme whereby NYCDOE either did not receive supplies reflected in the invoices or received only a portion of them. Bradley and his unnamed co-conspirator then shared in the proceeds.

Bradley is charged with conspiracy, a violation of 18 U.S.C. § 371, which carries a maximum penalty of five years of imprisonment and a $250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim, if either of those amounts exceeds the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division and the Office of the Special Commissioner of Investigation for the New York City School District, and the Federal Bureau of Investigation.

Anyone with information concerning bid rigging, bribery, or fraud in the industrial maintenance and cleaning supplies industry, should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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06-782

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	Criminal No.
v.	:	Filed:
HERBERT EYERS BRADLEY,	:	Violation: 18 U.S.C. §371
Defendant.	:	

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Herbert Eyers Bradley ("Bradley") is hereby made a defendant on the charge stated below.

CONSPIRACY
(18 U.S.C. § 371)

I. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Bradley resided in New Jersey.

3. Bradley was employed as a Custodial Engineer ("custodian") for the New York City Department of Education and its predecessor, the Board of Education of the City of New York (collectively, the "NYCDOE").

4. "CC-1" was a co-conspirator who was a salesman for a company as well a sales representative for other companies that sold or purported to sell goods and services to NYCDOE.

5. Whenever in this Information reference is made to any act, deed, or transaction of any corporation or entity, such allegation shall be deemed to mean that the corporation or entity engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

6. Various persons and firms, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

II. BACKGROUND

7. NYCDOE employs custodians to oversee and manage the physical facilities at New York City public schools. NYCDOE custodians' duties and responsibilities include maintenance of the schools to which they are assigned, purchasing goods and services necessary for such maintenance, approving invoices and paying vendors for such goods and services. Custodians receive funding from NYCDOE to carry out their duties and responsibilities, typically on a biweekly basis. Custodians must maintain a separate bank account and check book for NYCDOE funds allocated to them. They must also maintain certain books and records relating to each and every expenditure of NYCDOE funds and submit the requisite documentation to their plant manager. The Auditor General of NYCDOE periodically conducts audits of custodians' books and records on file with the plant managers.

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8. In approximately July 1999, NYCDOE adopted a purchasing policy which required its employees either to purchase goods and services from a list of approved vendors or to solicit at least three competitive telephone bids before purchasing any items which, in the aggregate, totaled more than $250 and three competitive written bids before awarding any contract to provide items which, in the aggregate, totaled more than $5000. This policy applied to the custodians. Prior to approximately July 1999, NYCDOE employees purchased goods and services from vendors of their choosing.

9. With respect to contracts for which competitive bids had been solicited, NYCDOE required its employees, including custodians, to award the contract to the bidder who provided the "maximum quality for the minimum price."

10. NYCDOE also required its employees, including custodians, to prepare a bid summary for each contract awarded pursuant to competitive bidding. The bid summary includes, among other things, information regarding the companies from which bids were received. NYCDOE provided the necessary bid summary forms to be filled out by the custodians.

11. Industrial cleaning and maintenance supplies includes any custodial or janitorial service, item, good, product, material, equipment, or mechanism.

III. DESCRIPTION OF THE OFFENSE

12. From at least as early as 1997 and continuing until at least December 10, 2001, the exact dates being unknown to the United States, in the Southern District of New York

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and elsewhere, Bradley and his co-conspirator, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States of America, to wit, to violate Title 18, United States Code, Sections 1341 and 1346, in violation of Title 18, United States Code, Section 371.

13. It was a part and object of the conspiracy that Bradley, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud NYCDOE, to obtain money and property from NYCDOE by means of false and fraudulent pretenses, representations, and promises, and to deprive NYCDOE of its intangible right to the honest services of its employees, unlawfully, willfully, and knowingly, for the purpose of executing such scheme and artifice, would and did place in post offices and authorized depositories for mail matter, matters and things to be sent and delivered by the Postal Service, and deposit and cause to be deposited matters and things to be sent and delivered by private and commercial interstate carriers, and take and receive therefrom, such matters and things, and knowingly cause to be delivered by mail and such carriers according to the directions thereon, and at the place at which they were directed to be delivered by the persons to whom they were addressed such matters and things, in violation of Title 18, United States Code, Sections 1341 and 1346.

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IV. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

14. During all or some of the period between 1997 and December 10, 2001, Bradley received kickbacks from CC-1 in cash described in ¶¶ 15 and 16, theater tickets, carpeting, pots and pans, tires, and meals. CC-1 paid kickbacks in the form of money or goods and services to Bradley to ensure that he would allocate contracts to companies for which CC-1 was either a salesman or a sales representative and later, for Bradley's assistance in frustrating and subverting NYCDOE's competitive bidding policy for contracts for industrial cleaning and maintenance supplies by ensuring that Bradley would not invite potential competitors to bid on contracts for industrial cleaning and maintenance supplies awarded by NYCDOE schools. The bids Bradley obtained were from companies for which CC-1 was either a salesman or sales representative. As a result, NYCDOE was deprived of its right to the honest services of Bradley.

15. In addition, between 1997 and December 10, 2001, Bradley and his co-conspirator defrauded NYCDOE by causing the schools for which Bradley was the custodian to issue false and fraudulent purchase orders to companies for which CC-1 was either a salesman or a sales representative. Subsequently, CC-1 caused companies associated with him to issue corresponding false and fraudulent invoices which Bradley

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then paid from NYCDOE funds which he maintained. The purchase orders were false and fraudulent in that they purported to order industrial cleaning and maintenance supplies and other supplies, all or part of which were not intended to be delivered. The invoices issued by companies associated with CC-1 were false and fraudulent in that they billed for industrial cleaning and maintenance supplies and other supplies delivered only in part or never in fact delivered. Bradley falsely certified that NYCDOE schools had received all of the goods described in those invoices, and thereby caused NYCDOE to pay the full amount stated in them. In actuality, companies associated with CC-1 sometimes provided only a portion or none of the goods described in the purchase orders and invoices.

16. As one part of the scheme described in ¶ 15 above, Bradley, at CC-1's suggestion, entered into a cash-generating scheme whereby Bradley wrote checks on his custodian's account totaling approximately $9,500 to a company associated with CC-1. CC-1 cashed the checks and Bradley and CC-1 then split the money evenly. Bradley then submitted false invoices from the company to NYCDOE to make it appear that he had expended the money for supplies.

17. At no time did Bradley or his co-conspirators disclose to NYCDOE Bradley's receipt of payments from CC-1. All such payments were made without the knowledge or approval of NYCDOE, and in violation of Bradley's duty of loyalty to NYCDOE.

V. OVERT ACTS

18. In furtherance of the conspiracy, and to effect the illegal objects thereof, the

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defendant and others known and unknown, committed the following overt acts, among others, in the Southern District of New York, and elsewhere:

(a) On numerous occasions, between approximately 1997 and December 10, 2001, pursuant to the conspiracy charged, Bradley and his co-conspirator caused NYCDOE schools to issue numerous false and fraudulent purchase orders to companies associated with CC-1. Some of these purchase orders were sent through the United States mails;

(b) On numerous occasions, between approximately 1997 and December 10, 2001, pursuant to the conspiracy charged, Bradley and his co-conspirator caused companies associated with CC-1 to issue numerous false and fraudulent invoices corresponding to those purchase orders. Some of these invoices were sent through the United States mails and;

(c) On numerous occasions, between approximately 1997 and December 10, 2001, pursuant to the conspiracy charged, Bradley and his co-conspirator caused NYCDOE funds to be paid to companies associated with CC-1. Those funds were paid from bank accounts maintained at banks located in Manhattan.

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IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371.

Dated:

THOMAS O. BARNETT
Assistant Attorney General

SCOTT D. HAMMOND
Deputy Assistant Attorney General

MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice

MICHAEL J. GARCIA
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Image not available for this document, ID: 0.7.10316.17739-000003

Keasley, Monica (ODAG)

From: Keasley, Monica (ODAG)
Sent: Tuesday, November 21, 2006 2:09 PM
To: Gorsuch, Neil M
Subject: Not read: Accepted: Meeting: Anti-Gang Training

Keasley, Monica (ODAG)

From:	Keasley, Monica (ODAG)
Sent:	Tuesday, November 21, 2006 2:09 PM
To:	Gorsuch, Neil M
Subject:	Not read: Accepted: Attorney Client Privilege Waiver

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, November 21, 2006 2:24 PM
Subject: Scheduled Server Maintenance

Scheduled Server Maintenance

When: Saturday, November 25, 2006 12:01 a.m. to 1:00 a.m.

Event: Scheduled Server Maintenance

Customers Affected: SMO/JMD Customers

Services Unavailable: G:\ Drive

Services Available: All services except for G:\ Drive

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Tuesday, November 21, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 884289 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 21, 2006 3:11 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT RECOVERS RECORD $3.1 BILLION IN FRAUD AND FALSE CLAIMS IN FISCAL YEAR 2006

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 21, 2006
WWW.USDOJ.GOV

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(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT RECOVERS RECORD $3.1 BILLION IN FRAUD AND FALSE CLAIMS IN FISCAL YEAR 2006

Largest Amount Ever Recovered in a Single Year

WASHINGTON – The United States in the fiscal year ending September 30, 2006 recovered a record amount of more than $3.1 billion in settlements and judgments in cases involving allegations of fraud against the government, the Justice Department announced today. Previously, the Department's largest recoveries totaled $2.2 billion for FY 2003. The largest of the FY 2006 settlements against two industry giants – Tenet Healthcare Corporation and The Boeing Company – comprised nearly half the total.

"These record recoveries send a clear message that the Justice Department will not tolerate fraud against the government," said Attorney General Alberto Gonzales. "Since 1986, the Justice Department has recovered $18 billion from those who commit fraud. These funds are then restored to their intended public purposes and save taxpayers' money."

"By any measure, it was a remarkable year," said Peter D. Keisler, Assistant Attorney General of the Department's Civil Division. "Recoveries in health care fraud climbed more than a billion dollars over last year, and recoveries outside the health care arena–which accounted for 28 percent of the total–increased by half a billion. Obviously, the system is working."

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Assistant Attorney General Keisler also paid tribute to Senator Charles Grassley of Iowa and Representative Howard L. Berman of California who sponsored the 1986 amendments to the False Claims Act, the government's primary weapon to fight fraud against the government.

Government-initiated claims accounted for $1.8 billion of the total $3.1 billion, while suits brought by whistle blowers under the False Claims Act's *qui tam* provisions accounted for the remaining $1.3 billion. The *qui tam* provisions authorize individuals to file suit on behalf of the United States against those who have falsely or fraudulently claimed federal funds. Such cases run the gamut of federally funded programs from Medicare and Medicaid to defense contracts, disaster assistance and agricultural subsidies.

Individuals who knowingly submit false claims for federal funds are liable for three times the government's loss plus a civil penalty of $5,500 to $11,000 for each false claim. If the United States intervenes in a *qui tam* action, the person who filed the suit may receive from 15 up to 25 percent of the government's recovery. In FY 2006, whistleblowers were awarded $190 million. (This figure does not reflect whistleblower shares for FY 2006 settlements that were or will be determined after Sept. 30, 2006.)

By industry, 72 percent of the recoveries were in health care, 20 percent in defense, and 8 percent other. Health care fraud accounted for $2.2 billion in settlements and judgments, including a $920 million settlement with Tenet Healthcare Corporation, the nation's second largest hospital chain. Although Medicare and Medicaid, both administered by the Department of Health and Human Services, bear the brunt of health care fraud, other programs that are affected include the Federal Employees Health Benefits Program run by the Office of Personnel Management, the TRICARE military health insurance program run by the Department of Defense, and health care programs run by the Department of Veterans Affairs, the Department of Labor and the Railroad Retirement Board.

Defense procurement fraud accounted for $609 million in settlement and judgment awards, including a $565 million settlement with The Boeing Company, the nation's second largest defense contractor.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 21, 2006 3:11 PM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: SIGNIFICANT RECOVERIES IN FISCAL YEAR 2006

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 21, 2006
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FACT SHEET: SIGNIFICANT RECOVERIES IN FISCAL YEAR 2006

- $920 million from Tenet Healthcare Corporation, the nation's second largest hospital chain, to settle allegations of fraud against Medicare and other federally insured health care programs. The settlement included $806 million to resolve claims that Tenet billed Medicare for excessive "outlier" payments. Federal health insurance programs, including Medicare, typically reimburse hospitals a fixed amount for treating a patient with a specific condition or illness, but will reimburse extraordinary "outlier" costs when they are reasonably incurred. The United States alleged that Tenet artificially inflated its charges to make it appear that many of its patients received extraordinary care when, in fact, the treatment that was given was fairly standard and far less costly. The settlement also included $49 million to resolve claims that Tenet paid kickbacks to physicians for patient referrals, $48 million to resolve claims that Tenet billed the Government at a higher rate than was justified by the services performed, and $20 million in pre-settlement interest.

  Government-initiated claims accounted for nearly $770 million of the settlement, with the remaining $150 million attributable to six *qui tam* suits. The relators who filed those suits will share $12 million of the settlement amount.

  For the original press release, see: http://149.101.1.32/opa/pr/2006/June/06_civ_406.html

- $565 million from The Boeing Company, the world's largest aircraft maker and the nation's second largest defense contractor. The settlement resolved two investigations. The first involved allegations that Boeing obtained more than 22,000 pages of Lockheed documents, many containing

confidential, competition sensitive information, to gain an advantage in competitions to win billions of dollars in Air Force and NASA launch services contracts. The second involved allegations that Boeing violated the Procurement Integrity Act by recruiting Darleen A. Druyun, the Air Force's top career procurement officer, for an executive position after her retirement, while she remained responsible for Boeing procurements, including the controversial $23 billion Tanker Deal that was later canceled. The settlement is a record both for DOD and NASA.

For the original press release, see: http://149.101.1.32/opa/pr/2006/June/06_civ_412.html

- $312 million from Serono, S.A., to settle allegations of fraud against Medicaid and other federal health care programs. The Government alleged that Serono, a Swiss drug manufacturer, engaged in illegal schemes to promote and sell its drug, Serostim, used to treat AIDS wasting. The civil settlement resolved allegations that Serono knowingly caused the submission of false claims for Serostim that were not eligible for reimbursement because they were for unnecessary or off label uses and because the claims were for prescriptions induced by kickbacks to physicians and pharmacies. Serono also paid $262 million plus interest to state Medicaid programs, as well as $136.9 million in criminal fines. The relators, several former Serono United States sales employees, received $51.8 million as their share of the federal recovery.

  For the original press release, see: http://www.usdoj.gov/opa/pr/2005/October/05_civ_545.html

- $265 million from St. Barnabas Health Care System, the largest health care system in New Jersey, to resolve allegations that nine of its hospitals fraudulently increased charges to elderly patients to obtain enhanced Medicare reimbursement for outlier claims. The relators were awarded $42.4 million as their share of the settlement.

  For the original press release, see: http://www.usdoj.gov/opa/pr/2006/June/06_civ_373.html

- $130 million from Mario Gabelli, a wealthy Wall Street investor and financier, and from 38 related entities and individuals to resolve allegations that they falsely claimed to qualify for preferences given by the Federal Communications Commission to small businesses in eight auctions for licenses to operate wireless communications. The Government alleged that Mr. Gabelli recruited friends and relatives to serve as officers of sham small business entities that existed only on paper, solely to certify that they met the FCC's small business eligibility rules, when the businesses were in fact controlled by

Mr. Gabelli. The settlement resolved claims that the defendants violated the False Claims Act and were unjustly enriched when they sold the licenses fraudulently won at auction, for huge profits. The whistle blower received $32.2 million as his share of the settlement.

For the original press release, see: http://www.usdoj.gov/opa/pr/2006/July/06_civ_431.html

- $75 million from King Pharmaceuticals, Inc. to resolve allegations that it underpaid rebates owed under the Medicaid program. King paid an additional $50 million to several state governments based on the same allegations. The settlement addressed King's alleged understatement of the "average manufacturer price" and overstatement of its "best price"– the average price and the lowest available price for specific drugs. Pharmaceutical companies are required to report their best price to Medicaid and to rebate the difference between the average manufacturer price and their best price. By understating one and overstating the other, a drug company unlawfully reduces its obligation to pay rebates in violation of the Medicaid program. The relator's share of the federal award was $7.5 million plus additional amounts from the states.

For the original press release, see: http://www.usdoj.gov/opa/pr/2005/November/05_civ_581.html

- $73 million from Beth Israel Medical Center in New York City for false claims for Medicare reimbursement in cost reports from 1992 to 2001. The Government alleged that Beth Israel misrepresented information related to the operating costs of its Kings Highway Division in Brooklyn and improperly claimed certain nonreimbursable costs. These costs included the costs of private offices for Beth Israel's faculty physicians, overhead for its methadone maintenance treatment program, fund-raising and marketing costs, and staff living quarters already paid for through rent collected from Beth Israel employees. The settlement resulted in part from a voluntary disclosure by Beth Israel. The relator received $14.6 million as his share of the settlement.

- $64 million from Peter G. Rogan, the former owner and chief executive officer of the now defunct Edgewater Hospital in Chicago. Following a three-week trial in April 2006, a federal district judge issued a verdict finding Mr. Rogan liable under the False Claims Act for engaging in an illegal kickback scheme at Edgewater. The court found that Mr. Rogan paid physicians for Medicare and Medicaid patient referrals in violation of federal law. The court held that the hospital's cost reports and individual patient claims for patients referred in connection with the scheme were false claims, and awarded treble damages and penalties on just over 1,800 claims.

- $41 million from ABN AMRO Mortgage Group, Inc. (ABN), a wholly owned subsidiary of LaSalle Bank Midwest, N.A., based in Troy, Michigan. ABN settled allegations that it had falsely certified that 28,097 mortgages had been underwritten in compliance with Department of Housing and Urban Development (HUD) requirements, thereby qualifying them for HUD insurance. Over 1000 of these mortgages went into default, triggering substantial losses suffered by HUD in paying its insurance obligations. The settlement was a record for HUD's Federal Housing Administration loan insurance program.

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Image not available for this document, ID: 0.7.10316.17677-000002

System Administrator

From: System Administrator
Sent: Tuesday, November 21, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 885455 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, November 21, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 885456 KB.
Mailbox size limits:

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]@aol.com

From: [redacted]@aol.com
Sent: Tuesday, November 21, 2006 7:56 PM
Subject: No Subject
Attachments: tmp.htm

November 9, 2006
DON'T PANIC IF THE ORDER IS NOT YOURS

Recent callers to our fraud line have received e-mails confirming that a purchase was about to be shipped to them. In each case the e- mail says the item is being charged to their credit card, and in the event they wish to cancel the order, they can do so by filling out a simple form that is provided with the e-mail. Notifying a customer that his order has shipped is not an unusual event. What makes these events worth mentioning is that in each case the person receiving the e-mail did NOT order anything. It is a scam! The sender of the e- mail is trying to get the victim to provide personal information (credit card number, password or pin, bank account, etc.) in order to stop an erroneous charge to the victim's credit card.
What should you do if you receive one of these e-mails?
1. Don't panic. That is exactly what the perpetrator wants you to do. He or she wants you to respond to the e-mails without thinking.
Take a deep breathe and think about how you should respond.
2. Under no circumstances provide the information requested in the e- mail. Save the e-mail in case it is requested by your credit card company or by law enforcement, but do not respond to it. Any communication should be with your credit card company, not the person who sent you the e-mail.
3. Review your credit card statement as soon as you receive it. If someone has put a fraudulent charge on your account, you have sixty (60) days from the date it first appears on your statement to dispute it. After 60 days you are responsible for the charges, even though you did not authorize them.
Need help?
Call the Fraud Assistance Line
[redacted]

November 9, 2006
DON'T PANIC IF THE ORDER IS NOT YOURS

Recent callers to our fraud line have received e-mails confirming that a purchase was about to be shipped to them. In each case the e-mail says the item is being charged to their credit card, and in the event they wish to cancel the order, they can do so by filling out a simple form that is provided with the e-mail. Notifying a customer that his order has shipped is not an unusual event. What makes these events worth mentioning is that in each case the person receiving the e-mail did NOT order anything. It is a scam! The sender of the e-mail is trying to get the victim to provide personal information (credit card number, password or pin, bank account, etc.) in order to stop an erroneous charge to the victim's credit card.

What should you do if you receive one of these e-mails?

1. Don't panic. That is exactly what the perpetrator wants you to do. He or she wants you to respond to the e-mails without thinking. Take a deep breathe and think about how you should respond.
2. Under no circumstances provide the information requested in the e-mail. Save the e-mail in case it is requested by your credit card company or by law enforcement, but do not respond to it. Any communication should be with your credit card company, not the person who sent you the e-mail.
3. Review your credit card statement as soon as you receive it. If someone has put a fraudulent charge on your account, you have sixty (60) days from the date it first appears on your statement to dispute it. After 60 days you are responsible for the charges, even though you did not authorize them.

Need help?

Call the Fraud Assistance Line

[redacted]

System Administrator

From:	System Administrator
Sent:	Tuesday, November 21, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 885461 KB.
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System Administrator

From: System Administrator
Sent: Wednesday, November 22, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 885462 KB.
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System Administrator

From: System Administrator
Sent: Wednesday, November 22, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 22, 2006 9:52 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 22, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 22, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 22, 2006 10:51 AM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF ROUNDTABLE WITH DEPARTMENT OF JUSTICE CIVIL DIVISION OFFICIALS ON CIVIL RECOVERIES IN FISCAL YEAR 2006

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 22, 2006
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TRANSCRIPT OF ROUNDTABLE WITH DEPARTMENT OF JUSTICE CIVIL DIVISION OFFICIALS ON CIVIL RECOVERIES IN FISCAL YEAR 2006

WASHINGTON, D.C.

3:00 P.M. EST, TUESDAY, NOVEMBER 21

TASIA SCOLINOS: Okay, folks. Thanks for coming today. We'll go ahead and get started. This is on the record, I think that you guys know. We'll be talking about the Civil Division's efforts with respect to our amount of money that we've collected from our civil fraud over the last fiscal year.

So it is on the record. I think I'll just have our experts from the Civil Division just introduce themselves and give their titles so you guys know who you're talking to. And I think Peter Keisler, who you all know, Assistant Attorney General in the Civil Division, will just kind of give an overview about the Civil Division's efforts in this area. And then we're happy to take some questions you may have about the press release and other facts related to the issue at hand.

So with that, Peter, do you want to just kick us off? And then if you guys want to just introduce yourself, and then Peter can give an overview.

STUART SCHIFFER: I'm Stuart Schiffer, S-c-h-i-f-f-e-r. And I'm one of Peter's deputies, Deputy Assistant Attorney General in the Civil Division.

MICHAEL HERTZ: I'm Michael Hertz, H-e-r-t-z. I'm Director of the Civil Fraud Section.

PETER KEISLER: And if it helps to lay out the organizational chart so you understand everyone who's here, Mike, as director of the fraud section, he's been in that position since 1984. The fraud section is part of the commercial litigation branch of the Civil Division. Stuart is the deputy assistant attorney general who oversees

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the commercial litigation branch. He's been in that position since 1978. And prior to that, Stuart is one of Mike's predecessors as director of the fraud section.

Each year after the end of the fiscal year we tabulate the recoveries obtained in civil fraud cases, recovering monies lost to the government through fraud, either recovered in settlements or recovered in judgments. And Tasia indicated this is Civil Division's work. I would say that it's not simply the Civil Division, but the Civil Division working with all the U.S. Attorneys' offices around the country. Some of these cases we handle directly. Some of the cases, the U.S. Attorneys handle directly. Often we're working together. So it's department-wide.

Ever since the year 2000, we have, with I think one exception in one year, exceeded the $1 billion mark in each year in terms of amounts recovered in a single fiscal year through fraud, a mark that we've exceeded twice before 2000, in 1994 and 1997. At the end of FY 2003, for the first time ever we exceeded the $2 billion mark when we recovered in that single year $2.2 billion. This year, for the first time ever, we've exceeded the $3 billion mark in a single year, recovering more than $3.1 billion in civil fraud cases.

What does that number tell us? Well, obviously, for one thing, it tells us there's a significant amount of fraud out there. But it also, I think, tells us that the department has a very vigorous program in this area and has given a lot of focus to this area.

This is a species of corporate fraud, and as you know, corporate fraud has been a priority of the department for several years. I think when people think about the department's corporate fraud efforts, probably first and foremost what comes to mind are the high profile accounting and investor fraud cases like Enron and WorldCom and others like that.

But another significant part of the department's corporate fraud efforts has been to pursue fraud against the government. And I think the recoveries here reflect that. Another reflection of the continuing focus in this area was the press conference that the Deputy Attorney General had several weeks ago, which I think some of you attended, announcing a new initiative, a Procurement Fraud Task Force, which is being headed by my counter part in the Criminal Division, Alice Fisher, and which involves the Criminal Division, Civil Division, and the inspector general community.

We've broken down the numbers a variety of ways in this press release, as well as giving you some of the hot single highest dollar cases that comprise it in the appendix. Some of these cases are cases that the department or the government initiated on its own. Many of these cases were initiated by whistleblowers. We then intervened.

I think you're all probably familiar with the way the *qui tam* provisions of the False Claims Act work, although we can go through that at any point if you want. But suffice it to say a very significant number of recoveries come because whistleblowers bring these cases, bring the fraud to our attention, and bring that information forward and enable us then to pursue it. So we continue to feel that a very critical moment in our fraud enforcement efforts was in 1986, when the False Claims Act was amended to revitalize the *qui tam* provisions. And a great deal of the program today is a reflection of the success of those aspects of the Act.

Beyond that, we'll be happy to answer questions you have about things that are in this press release and that either Mike or Stuart or I can address more specifically.

QUESTION: So the whistleblowers, the $1.3 billion, is that more than what you've traditionally seen in past years?

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MR. KEISLER: In terms of percentage of total recovery, actually this is the first year in a while in which the percentage of dollars recovered in non-whistleblower cases exceeds the percentage of dollars recovered in whistleblower cases. But for most of the prior years, it's been the other way around. In terms of absolute numbers, the $1.3 billion is probably greater than most years, smaller than a couple.

QUESTION: How much of that goes to paying off the whistleblowers?

MR. KEISLER: In this last year, we paid $190 million to whistleblowers. You cannot line that up absolutely perfectly with the same cases that comprise the $3.1 billion because sometimes a case is settled or a judgment is reached and there's some lag time before the exact relator's share is calculated. And so some of that $190 million probably relates to settlements or judgments from the tail end of the prior fiscal year, and some of the settlements and judgments reached at the tail end of this year, the relator's share won't be determined until some time a little bit thereafter.

As many of you know, the share is set by statute as a range. So where we intervene in the case, the share is between 15 and 25 percent. Where we don't intervene, it's between 25 and 35 percent. Where it falls within that range is a function of a lot of different factors, like the degree of cooperation from the relator and how essential the relator was to uncovering the fraud and other issues like that.

QUESTION: So that $190 million has been paid out, was paid out in fiscal '06?

MR. KEISLER: The $190 million is money paid out in FY '06, which is why it isn't completely aligned with the cases. But it's largely aligned.

QUESTION: Okay. But it's money that has gone out the door? It's not waiting to go out the door?

MR. KEISLER: Yes.

QUESTION: And your $3.1 billion, does that include the whistleblower money? So not all of this 3.1 is going to the Treasury?

MR. KEISLER: Yes. Yes, that is gross, not net.

QUESTION: Does any of this include Iraq contractor fraud?

MR. KEISLER: I don't think any of this is Iraq contractor fraud. There's one settlement we recently reached in an Iraq case involving a company, EGL, that had supplied military cargo and had fraudulently billed for war risk insurance when that wasn't a permissible cost. And there was a recovery there in the low millions. And I think one of the senior officers was sentenced to 30 months in prison involved with that. But whether that was at the tail end of this last fiscal year or at the beginning of this coming fiscal year, I don't know off the top of my head.

QUESTION: What happened with the Custer Battles cases?

MR. KEISLER: There are a couple of different aspects to the Custer Battles case. The particular fraud claim in that case we did not intervene or speak to one way or another. I think they won a jury verdict with respect to the -- there were a couple different contracts to be tried. One of them was tried. They won a jury verdict, and the judge then threw the jury verdict out as insufficiently supported by the evidence.

We had a significant involvement with the Custer Battles case at the front end because the question was raised whether and to what extent the False Claims Act makes fraud in Iraq actionable at all when what you're talking

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about is fraud against the Coalition Provisional Authority because the defendants in those cases, and defendants in other cases, would argue that's not fraud against the United States. That's fraud against this international organization or it's fraud against Iraq. But it shouldn't be actionable under the False Claims Act.

We filed a brief, and given its importance, Mike as director of the fraud section personally argued the case. And I'll turn this over to him to expand upon it any way he'd like, taking the broadest possible construction of the Act so as to apply to the broadest amount of potential fraud in Iraq against the CPA. The judge agreed with us in part and disagreed with us in part.

He said whether or not a particular fraud against the CPA is actionable under the False Claims Act depends on the source of the funds. If it was appropriated funds, if it's seized funds, if it's funds from a U.N. fund, all those kinds of funds arguably have a different kind of analysis that has to apply to them to determine whether that's considered fraud against the United States or actionable fraud -- actionable fraud against the United States or something that would not be covered by the False Claims Act.

As I said, we argued for the broadest possible application of the Act. The judge agreed with us in part and disagreed with us in part. We certainly have -- while we respect his opinion and judgment, we can continue to argue for the theory that we argued in the Eastern District of Virginia in other courts and our position would remain the same.

Mike, do you want to say anything about --

MR. HERTZ: The only thing is after the argument and the judge's ruling, the case did go forward. Some of it had been thrown out based on his ruling. And then in some respects, he reconsidered aspects of his ruling when he decided to throw out the jury verdict.

QUESTION: Who was the judge?

MR. HERTZ: Judge Ellis in the Eastern District of Virginia.

QUESTION: Okay. That's at the Fourth Circuit now?

MR. HERTZ: I don't think it's there yet because it's not --

MR. SCHIFFER: No. There's one aspect of the case left, so that was not a technically appealable order.

QUESTION: How much of this money actually goes into the U.S. Treasury of the $3.1 billion?

MR. KEISLER: Well, you subtract the relator's share, and again, the $190 million, if you consider that roughly the remainder comes back to the government. Sometimes it will come to the particular agency who was defrauded, sometimes not.

QUESTION: In Boeing, doesn't it go to the Air Force?

MR. KEISLER: Yeah, and NASA. And NASA. Sometimes -- it depends on the appropriations statutes where the actual money goes. But as a general matter, the goal is to return the money to the department or agency that paid it out.

QUESTION: How many Iraq-related False Claims Act cases has the Justice Department intervened on?

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MR. KEISLER: Let's see. We have -- well, we have that EGL case, I guess. We have a number under investigation that are under seal right now, and we can't comment on the ones that are under investigation, obviously.

QUESTION: So one that's public?

MR. KEISLER: Yes, and we've declined a few.

QUESTION: Health care is obviously still a priority. That's the bulk of the stuff, health care cases?

MR. KEISLER: Well, when you say it's a priority, it's the bulk of the cases because that's where we're seeing it. It is a big priority of the department, but to some extent we get referrals. There are *qui tam* cases filed. And we go where the fraud appears to be and where people are bringing cases to us. Seventy-two percent of this is health care fraud.

QUESTION: Now, the Katrina-related fraud, most of that was pretty small potatoes by comparison. But was some of that Civil Division, apart from criminal fines? And how much?

MR. KEISLER: There have been sone. You know, some of that, as you say, is criminal, and I wouldn't talk about it completely in the past tense because some of that is still being looked at. Mike, do you want to talk about Katrina?

MR. HERTZ: Yes. Our experience with other hurricanes is that starting a couple years afterwards, we start getting referrals from various agencies with regard to fraud on grant programs or loan programs, disaster relief programs. And so we expect we may see those in the future. We've had at least one case involving fraud on FEMA in terms of setting up an emergency base camp, the contractor promising more than they could deliver, that we filed suit on and have at least gotten temporary relief in terms of preventing the dissipation of assets. But the merits of that still have to be litigated.

QUESTION: Is it a housing case? You say camp.

MR. HERTZ: I think it was trailers and setting up a base camp.

QUESTION: But you don't have a number, a total number, on fraud related to Katrina and I guess Rita?

MR. HERTZ: Yeah. I don't have a total number.

QUESTION: So it would be mostly contracting as opposed to price-gouging or a payout for the $2,000 per credit card disaster relief fund?

MR. SCHIFFER: Well, we don't use the phrase "small potatoes." But he's right in terms of sheer numbers of cases. There's a Katrina task force that the Criminal Division is in charge of. And in terms of sheer numbers of cases, it would be applying for the grants that were made available to individuals when in fact they weren't affected by Katrina. And most of those are handled with restitution orders, that type of thing, by the U.S. Attorneys. They're handled criminally in the first instance.

QUESTION: Is contracting fraud in those?

MR. SCHIFFER: Those aren't contracting. Those are people saying they were in the hurricane area and lost property or whatever, and were not.

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QUESTION: But, I'm sorry, I don't understand. I thought Criminal was doing a lot of those.

MR. KEISLER: Criminal is doing it, and then we'll seek an order of restitution as part of the criminal disposition. That's how the government will get its money back, as opposed to filing a separate civil action.

QUESTION: How does the number -- how many requests for the government to intervene in these types of cases did you get, say, this past year, and then how does that compare with years past?

MR. HERTZ: Well, we keep track of how many *qui tams* were filed in a given year. In 2006, it looks like there were 382 *qui tam* cases filed. Now, those won't all get resolved in terms of an intervention or declination decision that year. Sometimes it takes multiple years. And we have over the years fairly consistently -- and all the cases are essentially a request for the government to intervene. That's what relators want. That's where all the recoveries are, is when the government decides to intervene, virtually all the recoveries.

We've been very consistent over the years that we end up intervening in about 20 to 25 percent of the cases that are filed. So fully three-quarters or 80 percent end up not panning out.

QUESTION: Do you have 2005 fiscal year numbers for cases?

MR. HERTZ: The number of *qui tams* was 394 in 2005.

QUESTION: Is it good that these numbers keep going up? I mean, you say it's a record settlement. But is this -- you want to send a message, right, to these companies. Does this mean fraud is going up also?

MR. KEISLER: The honest answer is since we don't know what we don't know, it's very hard to say. Any fraud we know about, we go after. What percentage we catch of the total fraud is very difficult to say. But I do think that publicity in this area is helpful, not simply as in terms of the companies, but because there's a whistleblower scheme.

You know, one thing we frequently find is there may be lots and lots of different cases, but particularly when we get an industry, there are some repeat patterns of fraud that we see a lot. There are particular types of pricing fraud in the pharmaceutical area that we see again and again. There are off-label promotion schemes in the pharmaceutical area. There is an outlier scheme that we've seen at multiple hospitals.

And what happens is the first time a case like this is brought, there's a lot of difficult work to do to develop the facts and the legal theory and make it stick. Once we make it stick in a particular case, either through a settlement or a judgment, and that becomes public, that encourages people at other institutions who have been exposed in different ways to similar types of scheme, and then the light bulb goes up over the head and they say, I can file a whistleblower case, too.

And at that point, so much of the groundwork has been done that it's much more likely that they'll come forward and realize what they've got, and the lawyer will be attracted to the case. You know, the investment at the front end in time and analysis has already taken place.

So the more information we get out about what's going on here, it tends to create more cases. And that I think is how the whistleblower provisions were intended to operate.

QUESTION: And this one, you said half, basically half of this, comes from Boeing and Tenet. So is this an unusual year, do you think?

MR. KEISLER: It's not uncommon for a relatively small number of cases to account for a relatively large portion of the dollar recoveries. To have this many cases this large, that's a little unusual and that's one of the reasons we have such a large total number this year.

QUESTION: On the Custer Battles case, if I understand, if I'm recollecting correctly, the jury had found that there was fraud that occurred and that it was just a small piece of the overall money that was in question at that point. The judge then vacated that determination. If that isn't changed on appeal, is there any way that the taxpayers can ever get their money back? Or is there any other authority or entity that can pursue the money from that specific case?

MR. KEISLER: Mike, you want to --

MR. HERTZ: You know, unless the government comes to the determination that in fact it was the government's money and the government should have gone after it, and proceeds through some kind of offset separate and apart from the judicial process, I think the answer is no. And that would be very unlikely. I think it was left to the courts. The courts will decide whether in fact they think the taxpayers are owed this money or not.

QUESTION: Presumably the Iraqi courts can't pursue fraud against the CPA? We can't pursue fraud against the CPA in the Iraqi courts?

MR. HERTZ: You know, I'd have to go back and look at it. There were some terms put in with regard to American contractors and the ability of Iraqi courts to exercise jurisdiction at the time of either the creation or the winding up of the CPA. And I just don't remember what those terms are.

QUESTION: Because I guess the question is then if the Justice Department can't pursue these fraud claims, sort of who can? Is there any recourse for those types of --

MR. HERTZ: Well, that's why we argued for the broad interpretation of the False Claims Act because that was the best way to assert jurisdiction and have a judicial mechanism to recover these funds. And if the courts -- right now there's one district court decision that says no at least with regard to one category of funds that's not subject to the False Claims Act. A broad array of other categories are.

Most of the cases that are likely to come up probably will be fine because they won't involve this one category that the court threw out. But as Peter said, the government is still free to argue before other courts and in the Fourth Circuit if the case gets there that that one category the judge threw out should be subject to the False Claims Act.

MS. SCOLINOS: Last question on this.

QUESTION: It seems like whenever these *qui tam* cases come out, we always -- our eyes bug out because of the amount of money that the individual who brought the case in the first place receives. I mean, it can be really pretty great. I'm just wondering what your sense is of how well these provisions work. Are you really -- you seem to be perfectly content with the way they operate. Or are they meeting the original purposes? Or is it lining pockets of either lawyers or victims?

MR. KEISLER: I think it is working as intended. Remember that the perspective that your question is asked from is the *ex post* perspective. Somebody has received $10 million, $20 million, and you're looking back at that and saying, gee, that seems like a lot of money.

If you think about it *ex ante*, a person who is an employee of the company, a vendor, an accountant, somebody who's exposed to something and is thinking about doing this, there's no guarantee -- all the cost for them is at the front end. They file a case. They're labeled a whistleblower. The atmosphere at their workplace becomes very chilly. Maybe they're retaliated against. Then they have a multi-year battle where the outcome is uncertain. They don't know whether they're going to win or lose. They don't know starting out if they're going to get $10 million or anything. But they're taking, in many cases, a fair amount of risk in bringing this forward.

So the incentive at the end of the day has to be such that people are willing to make the sacrifice and take the risk. And when I talked about the publicity that we get from some of these cases, large recoveries are one thing -- you say your eyes bug out. Well, that's one thing that brings attention and causes other people to come forward.

So I do think that it works as intended. We've never gone back to Congress and said, reduce the share. And the overall recoveries have been going up, so we'd be hard-pressed to complain.

QUESTION: I just wanted to ask one quick follow-up. You'd said that the government intervenes in 20 to 25 percent of cases. Is that because the other 75 to 80 percent aren't good cases, or because you don't have the resources to take on more cases?

MR. HERTZ: When we don't intervene, there can be a myriad of reasons. One is because we don't think it's a good case. It also may be because we believe the relator has sufficient counsel and can proceed on their own. The case may not be a large dollar amount case.

And in some cases, we actually come to the conclusion that it's actually better for a relator to proceed than the government to proceed, especially if you have a case where you know the defendant is going to talk about, the government knew we were doing it this particular way. The particular agency was aware of exactly what we're doing. And sometimes it's easier for an outsider to make that case than the government itself to make that case.

So while certainly one of the principal reasons for declining is that we don't think the case has merit, when we do decline we never explain why because we do want to give the whistleblower the right to go forward without being tainted with the department having labeled this as a bad case.

QUESTION: So you take every good case that you can? And you have the resources to take every fraud case that's out there that's a good one?

MR. HERTZ: Well, like I said, if it's a small dollar amount, you know, there might be a good case that we don't take. The other thing is there's always a question of resources. And I think sometimes you get cases that are filed that are more expansive in terms of a legal theory, and you might be more willing to let the relator try to develop that legal theory as opposed to expend your own resources on that.

And one of the cases that actually is in the writeup, and Peter may want to talk about it, is a case against Mario Gabelli, where the government did initially decline. It was in some respects a more novel legal theory. And as the case developed, the relators came back to the department, asked us to take another look, and then we ultimately made the decision to intervene, which we think helped lead to the settlement.

MS. SCOLINOS: All right. Thanks for your time.

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System Administrator

From: System Administrator
Sent: Wednesday, November 22, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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System Administrator

From: System Administrator
Sent: Wednesday, November 22, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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System Administrator

From: System Administrator
Sent: Wednesday, November 22, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
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System Administrator

From:	System Administrator
Sent:	Wednesday, November 22, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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System Administrator

From:	System Administrator
Sent:	Wednesday, November 22, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
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Amber.JMD

From: Amber.JMD
Sent: Thursday, November 23, 2006 5:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Marietta, GA

From: AmberAlert-DOJ
Sent: Thursday, November 23, 2006 5:35:02 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Marietta, GA
Auto forwarded by a Rule

AMBER ALERT UPDATE:Marietta,GA CAR:Red Pontiac CHLD:8mo H/M Eye:Bro COMPANION:15 H/F 5'4 135lbs Hair:Bro SUSPECT:21 H/M 5'9 170lbs Eye:Bro Hair:Bla CALL 404-619
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2842

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To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 23, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888689 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 23, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888690 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, November 23, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888691 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 23, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888691 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 23, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888692 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Thursday, November 23, 2006 8:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: West Plains, MO

From: AmberAlert-DOJ
Sent: Thursday, November 23, 2006 8:35:33 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: West Plains, MO
Auto forwarded by a Rule

AMBER ALERT:West Plains,MO VEH:Bro 4Dr CHILD:7 MO White F 2FT 16LBS Eyes:Brown Hair:Brown SUSP:32 YO White M 6FT 165LBS Eyes:Brown Hair:Brown CALL 417-256-2244
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2862

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, November 23, 2006 9:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Marietta, GA

From: AmberAlert-DOJ
Sent: Thursday, November 23, 2006 9:01:02 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Marietta, GA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Marietta,GA VEH:97 Red Buick Riveria ABW0438 CHILD:8m Hisp/M COMP:15 Hisp/F 5'4 135 Bro/Bro SUSP:21 Hisp/M 5'9 170 Bro/Bla CALL770-499-3900
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2842

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Thursday, November 23, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888697 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, November 24, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888698 KB.
Mailbox size limits:
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System Administrator

From:	System Administrator
Sent:	Friday, November 24, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 888987 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From:	System Administrator
Sent:	Friday, November 24, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889831 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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System Administrator

From: System Administrator
Sent: Friday, November 24, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889832 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, November 24, 2006 3:42 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 27 – DECEMBER 1, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, NOVEMBER 24, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR NOVEMBER 27 – DECEMBER 1, 2006

Monday, November 27

10:00 A.M. EST Thomas O. Barnett, Assistant Attorney General for the Antitrust Division, will argue for the United States before the U.S. Supreme Court on the case *Bell Atlantic Corp., Et Al. v. William Twombly*, No. 05-1126, as *amicus curiae* in support of the petitioner.
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

Tuesday, November 28

Events TBD

Wednesday, November 29

Events TBD

Thursday, November 30

10:30 A.M. EST Attorney General Alberto R. Gonzales will host a panel discussion with federal, state and community leaders as part of National Methamphetamine Awareness

DOJ_NMG_ 0170670

Day. This event is being hosted by The George Washington University Medical Center.
George Washington University
Media and Public Affairs Building
Jack Morton Auditorium
805 21st Street, N.W.
Washington, D.C.
OPEN PRESS

Early next week the Department of Justice will release an extensive list of National Methamphetamine Awareness Day events happening throughout the country. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. EST

Solicitor General Paul Clement will deliver remarks before the Boston and New England chapters of The Federalist Society previewing the U.S. Supreme Court upcoming term.
Omni Parker House
60 School Street
Boston, Massachusetts
OPEN PRESS

Press inquiries regarding logistics should be directed to Greg Cote of the Federalist Society at 617-345-7008, or to the Office of Public Affairs at 202-514-2007.

Friday, December 1

Events TBD

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DOJ_NMG_ 0170671

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Image not available for this document, ID: 0.7.10316.17586-000002

System Administrator

From:	System Administrator
Sent:	Friday, November 24, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889877 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, November 24, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889877 KB.
Mailbox size limits:
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System Administrator

From:	System Administrator
Sent:	Friday, November 24, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889878 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 25, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889879 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, November 25, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889880 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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System Administrator

From:	System Administrator
Sent:	Saturday, November 25, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889881 KB.
Mailbox size limits:

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, November 25, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889882 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, November 25, 2006 3:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Newark, OH

From: AmberAlert-DOJ
Sent: Saturday, November 25, 2006 3:35:01 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Newark, OH
Auto forwarded by a Rule

AMBER ALERT:Newark,OH VEH:92 Mar 4Dr Ford Taur TAG:OH DVN4446 CHILD:16 Wh F 5'6 238lbs Hr:Brn CHILD:1yo Wh M 2'Hr:Blk SUSP:29 Hisp M 5'5 140lb CALL 740-670-7201
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2882

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, November 25, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889884 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Amber.JMD

From: Amber.JMD
Sent: Saturday, November 25, 2006 6:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Newark, OH

From: AmberAlert-DOJ
Sent: Saturday, November 25, 2006 6:01:01 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Newark, OH
Auto forwarded by a Rule

UPDATE AMBER ALERT:Newark,OH VEH:92 Mar 4Dr Ford Taur OH DVN4446 CHILD:16 W/F 5'6 238lb Hr:Br CHILD:1yo W/M 2'0 Hr:Blk SUSP:29 Hisp/M 5'5 140lb CALL740-670-7201
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2882

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, November 25, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889887 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, November 25, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889888 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 26, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889889 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, November 26, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889890 KB.
Mailbox size limits:

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, November 26, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889890 KB.
Mailbox size limits:

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System Administrator

From:	System Administrator
Sent:	Sunday, November 26, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889891 KB.
Mailbox size limits:

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System Administrator

From:	System Administrator
Sent:	Sunday, November 26, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889892 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, November 26, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889893 KB.
Mailbox size limits:
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System Administrator

From:	System Administrator
Sent:	Sunday, November 26, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Your mailbox size is 889894 KB.
Mailbox size limits:

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To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, November 27, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 889895 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, November 27, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 896285 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 27, 2006 9:51 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 27, 2006

Department of Justice

PRESS GUIDANCE
Monday, November 27, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Tax Division will issue a release on a plea-related matter. (Miller)

EVENTS/HEARINGS

10:00 A.M. EST Thomas O. Barnett, Assistant Attorney General for the Antitrust Division, will argue for the United States before the U.S. Supreme Court on the case *Bell Atlantic Corp., Et Al. v. William Twombly*, No. 05-1126, as *amicus curiae* in support of the petitioner.
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170695

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Image not available for this document, ID: 0.7.10316.17383-000002

From: Miller, Charles S
Sent: Monday, November 27, 2006 10:50 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/27/06 Civil Division News

Court won't hear asylum seeker's plea

Court shuns case of professor, FBI file

Government Urges Supreme Court to Stay Out of Times Case

Lawyers Argue Validity of '98 Online Law

Suit urging rules for treatment of primates revived

CoMeD sues U.S . FDA to force mercury out of medicine

Vaunted Legal Scholar Switches Sides in Supreme Court Patent Case

AP

Nov. 27, 2006

Court won't hear asylum seeker's plea

WASHINGTON - An asylum seeker found to have engaged in terrorist activities in Northern Ireland lost his battle Monday to have the Supreme Court review his lawsuit.

Lawyers told the justices that Malachy McAllister and his children Nicola and Sean face the likelihood of persecution if they are returned to Northern Ireland, the country from which they fled 18 years ago after their home was attacked by paramilitary forces.

The 3rd U.S. Circuit Court of Appeals upheld immigration rulings to remove McAllister and to dismiss the petition by his children to remain in the United States as moot because their mother died two years ago.

McAllister wanted to challenge the provision in asylum law that denies protection to a person who has engaged in terrorist activities. And in regard to the children's asylum claims and the death of their mother, the family pointed to a Supreme Court ruling that says a case is not rendered moot when a live issue or controvery remains.

In the early 1980s, McAllister became involved in the Irish National Liberation Army, a splinter group of the Irish Republican Army. He served time in prison for acting as an armed lookout in the shooting of a police officer and for conspiring to shoot another officer.

DOJ_NMG_ 0170698

After his release from prison, his home was raked with gunfire and his wife was thrown out of a moving vehicle while she was pregnant, his lawyers said in petitioning the Supreme Court for review.

The case is McAllister v. attorney general of the United States, 06-385.

END

AP

Nov. 27, 2006

Court shuns case of professor, FBI file

WASHINGTON - The Supreme Court on Monday refused to consider the case of a Nobel Peace Prize-nominated law professor who wants the U.S. government to expunge his FBI file.

A federal appeals court found that information the government gathered on Mahmoud Cherif Bassiouni is pertinent to authorized law enforcement activity as part of the war on terror. The records are important for evaluating the reliability of FBI intelligence sources, the appeals court found.

The government argued in the lower courts that even though Bassiouni is not a member of any terrorist organization, it is likely agents will continue to receive information about him because of his travels in the Middle East.

Bassiouni is serving the United Nations as an independent expert on human rights in Afghanistan and he was chairman of the U.N. Security Council's commission to investigate war crimes in the former Yugoslavia.

In 1999, Bassiouni was nominated for the Nobel Peace Prize for work on international criminal justice and for his contribution to the creation of the International Criminal Court.

Bassiouni was among the U.N. human rights experts expressing concern about possible irreversible psychiatric symptoms in some suspected terrorists from virtual solitary confinement at the U.S. prison in Guantanamo Bay, Cuba.

The case is Bassiouni v. FBI, 06-142

END

New York Times

November 26, 2006

Government Urges Supreme Court to Stay Out of Times Case

EDMUND L. ANDREWS

WASHINGTON, Nov. 25 The Justice Department asked the Supreme Court on Saturday not to prevent a federal prosecutor from examining the telephone records of two reporters at The New York Times, warning that time is running out in an investigation of leaks about two Islamic charities.

At issue is a Chicago grand jury investigation into information learned by two reporters in 2001 about the government's plan to freeze the assets of two charities that were suspected of having ties to terrorist groups.

Patrick J. Fitzgerald, the United States attorney in Chicago, is seeking to review the telephone records of the two reporters -- Judith Miller, who retired from The Times last year, and Philip Shenon. Prosecutors say the reporters asked for comment from both charities in a way that tipped them off to the coming raids.

The case originated in December 2001, when government officials were preparing to raid the offices of the two charities, the Holy Land Foundation and the Global Relief Foundation.

According to the Justice Department, the reporters contacted both charities and asked questions one day before the raids had been planned. The questions reduced the effectiveness of the searches and endangered the federal agents who carried them out, the government\l "l" said.

In August, a panel on the federal appeals court in Manhattan ruled 2 to 1 that the reporters were not entitled to shield their sources under the First Amendment or under precedents established in common law.

On Friday, The Times asked Justice Ruth Bader Ginsburg of the Supreme Court to delay Mr. Fitzgerald from reviewing

the telephone records until the court has an opportunity to decide whether to hear the case. The court gave the government until Saturday to submit a formal response.

On Saturday, the Justice Department urged the Supreme Court not to get involved in the case, saying that even a temporary stay of the earlier court decision would harm a significant criminal investigation.

The department said prosecutors had less than three weeks left to file charges on some of the possible crimes, because important statutes of limitations will expire on Dec. 13 and Dec. 14 -- five years after the two separate raids took place.

The department also contended that the facts of the case were unusual and would not create a far-reaching precedent allowing the disclosure of a reporter's confidential sources.

This case is separate from an earlier battle between Mr. Fitzgerald and The Times over leaks about the identity of a covert C.I.A. operative.

END

AP

November 26, 2006

Lawyers Argue Validity of '98 Online Law

Associated Press
MARYCLAIRE DALE Associated Press Writer

PHILADELPHIA (AP) _ Justice Department attorneys, defending a law aimed at keeping online pornography from minors, argued that software filters often block valid sites _ on gay rights or sexual health, for example _ that teens might seek out.

"Filters are hindering minors from learning about the world around them. That's a huge problem," government lawyer Joel McElvain said Monday. "There may be reasons the teenagers have problems speaking to their parents about these (issues)."

Under the 1998 Child Online Protection Act, commercial Web publishers who fail to keep material "harmful to minors" away from children could face fines and even prison time. The law has never taken effect, because of a long-running legal challenge filed by Salon.com, the Philadelphia Gay News and other groups represented by the American Civil Liberties Union.

Closing arguments concluded Monday before Senior U.S. District Judge Lowell Reed Jr., ending four weeks of testimony.

Justice attorneys evoked problems with the software filters even as they had defended their use in a 2000 law requiring schools and libraries to block porn if they receive certain federal funds. The high court upheld that law in 2003.

Opponents say the 1998 law is overly vague and would have a chilling effect on their work. They also say it would not apply to foreign Web operators or streaming video and audio. The ACLU argues that filters are more effective than legislation, because they let parents set limits based on their own values and their children's ages.

"If you're a parent who doesn't want sexually explicit material slipping through, then set it (the filter) strictly," ACLU lawyer Chris Hansen told the judge Monday.

The U.S. Supreme Court, indicating the government was unlikely to prevail, granted the ACLU a temporary injunction in 2004.

Technology experts not involved in the case have noted that many parents now have more pressing concerns about their children's use of the Internet, such as online predators and the popularity of social-networking sites.

The Justice Department raised eyebrows as it prepared for trial when it demanded reams of privately held information from Google Inc., Yahoo Inc. and other Internet companies for a study on the prevalence of online pornography.

Google fought a subpoena to turn over 1 million sample queries and 1 million Web addresses in its database, citing trade secrets. A judge sharply limited the scope of the subpoena.

The resulting study, conducted by a University of California, Berkeley statistics professor, concluded that about 1 percent of Web sites indexed by Google and Microsoft Corp. are sexually explicit and that about 6 percent of searches yield at least one explicit Web site.

Hansen said filters can be as much as 98 percent effective in blocking explicit material, even if the most stringent filters also "overblock" a large number of acceptable sites.

Congress first tried to regulate online pornography in 1996 with a law that was largely struck down by the Supreme Court the following year.

The 1998 law narrows the restrictions to commercial Web sites and defines objectionable material as obscene or that which offends "contemporary community standards."

The law, signed by then-President Clinton, requires Web site operators to prevent youngsters from seeing material harmful to children by demanding proof of age _ such as a credit card number _ from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content.

END

AP

Nov. 23, 2006

Suit urging rules for treatment of primates revived

SAN FRANCISCO **-** A federal appeals court on Wednesday reinstated a lawsuit seeking to compel the government to adopt guidelines on how primates should be treated in zoos and research labs.

The 9th U.S. Circuit Court of Appeals sided with animal rights advocates who sued the U.S. Department of Agriculture for not finalizing a draft policy that promotes the "psychological well-being" of nonhuman primates such as chimpanzees and gorillas.

In 2003, the Animal Legal Defense Fund, Animal Welfare Institute and three individuals filed suit after USDA officials said they did not plan to issue guidelines that would require primates to be housed with others of the same species and given tools and toys to play with.

The complaint, filed in a San Francisco federal court, alleged the agency's decision not to finalize the policy was "arbitrary and capricious" and violated the federal Animal Welfare Act of 1985.

The lower court dismissed the lawsuit, ruling that the plaintiffs could not sue the agency for not issuing a policy it had proposed.

The San Francisco-based federal appeals court disagreed in Wednesday's 2-1 ruling and ordered the lower court to review the case.

END

Biotech Business Week

November 27, 2006

CoMeD sues U.S . FDA to force mercury out of medicine

The Coalition for Mercury-free Drugs (CoMeD) recently filed an amended complaint contesting the U.S. FDA response it received on September 26.

CoMeD is asking the court to compel the FDA to: comply with the law, follow existing regulations, and provide proof of the safety and efficacy of mercury in drugs.

This lawsuit was originally filed in August 2006 because the FDA had failed to answer the issues raised in a CoMeD citizen petition (FDA Docket: 2004P-0349), filed on Wednesday, August 4, 2004, by representatives from CoMeD.

Of concern is that mercury, which is second only to plutonium in toxicity, remains in at least 45 different prescribed and over-the-counter drugs (according to the FDA), including various eye ointments, ear solutions, nasal sprays, vaccines, biologics, and perhaps most importantly, in flu vaccines currently being administered to millions of pregnant women, children, and the elderly.

Mercury is toxic to all human systems. Infants and children are especially susceptible to mercury poisoning. Mercury has been implicated in a long list of human chronic disorders including Alzheimer disease, asthma, attention-deficit disorder, autism, diabetes, and multiple sclerosis, among many others.

In a letter sent to the CoMeD and made public on September 27, Dr. Jeffrey Shuren, the FDA acting assistant commissioner for policy, denied the CoMeD petition, yet he admitted the FDA had no proof of the safety of mercury in medicine.

Plaintiffs' lead attorney Clifford Shoemaker stated, "In its response, the FDA refused to address the merits of the complaint. It is not the responsibility of consumers to prove drugs 'unsafe'; it is the FDA's duty to prove drugs are safe. The FDA, ignoring a mountain of scientific evidence and its responsibility to the public, specifically to protect our children, has failed to follow its own statutes and regulations. As we witnessed with Vioxx, the FDA has turned a blind eye to the danger of mercury in medicine."

END

IP Law & Business
11-27-2006

Vaunted Legal Scholar Switches Sides in Supreme Court Patent Case

By Xenia P. Kobylarz

One of the nation's top legal scholars on intellectual property has switched sides in a U.S. Supreme Court case that could decide how patents are granted.

Mark Lemley, a Stanford University professor and of counsel at Keker & Van Nest in San Francisco, initially asked the high court to hear *KSR International Co. v. Teleflex Inc.* But then, in October, Lemley filed a brief asking the Court to take no action in the case, which is scheduled for oral argument on Tuesday.

Lemley has already landed on the winning side of two high court patent fights this year. He filed an amicus brief supporting eBay Inc., which won its closely watched battle against MercExchange LLC in May. The next month he represented the defendant in *LabCorp. v. Metabolite*, persuading the Court to punt the case -- after it had already granted certiorari -- because of a procedural issue. His move in the current case could be a big boost to Teleflex, whose patent on an electronic gas pedal KSR is seeking to invalidate.

It's extremely rare, say Court observers, for a practitioner to change positions in a high court case. Roy Englert, a name partner at Robbins, Russell, Englert, Orserk & Untereiner in Washington, D.C., who has argued 16 cases before the Supreme Court, says the only time he can recall it happening was in 1989, when the U.S. solicitor general's office withdrew its support in a case it initially urged the Court to hear.

That's what happened with Lemley. In June he and 23 other law professors urged the Supreme Court to hear KSR's appeal. Then, in October, he and four different law professors signed on to an amicus brief siding with Teleflex. What happened? Lemley says that after he filed his June certiorari petition, the U.S. Court of Appeals for the Federal Circuit issued three decisions that made him change his mind. "If the Federal Circuit had issued those decisions two years ago, I would not have supported KSR's petition for cert," he says. He also notes that two new law review articles -- written by two of the professors who joined him on the Teleflex brief -- made him realize that the status quo doesn't need fixing.

The KSR case initially attracted the attention of reform-minded patent professors like Lemley, who believed that the Federal Circuit had been too loose with an important standard -- that patents should not cover obvious inventions. At the district court, KSR had argued that Teleflex's patent should be invalidated because it covered an obvious invention. Neither gas pedals nor electronic sensors are new technology, KSR argued. There was nothing innovative in combining the two. The court agreed, but the decision was reversed on appeal. The Federal Circuit ruled that because no one had suggested combining these two technologies in any written prior art, the invention was not obvious.

In their petition, Lemley and company argued that by relying so heavily on written prior art, the Federal Circuit had lowered the patent bar too far. Sometimes an invention is so obvious that no one ever even bothers to write about it, they said.

But in the October amicus brief, Lemley urged the Court not to mess with the Federal Circuit's current standard. "I still think there are obvious patents that slip through, but I think the Federal Circuit's test is the best we've got right now," Lemley now says.

That test is an attempt to overcome the big problem with the obviousness standard. That is, just about everything seems obvious in retrospect (that's why they call football fans Monday morning quarterbacks). When an invention -- like Teleflex's gas pedal -- combines two other inventions, this "hindsight effect" is particularly acute. In its test, the Federal Circuit looks at the prior art to see if there was ever any suggestion made to combine the inventions. If there wasn't, the patent stands. KSR and its supporters criticize the test as being too rigid, because it relies too heavily on written evidence.

Lemley changed his mind about this after reading a paper written by University of Richmond School of Law professor Christopher Cotropia, who found that the court does consider sources besides written prior art. Cotropia, who was a student of Lemley's at the University of Texas School of Law and cowrote the Teleflex brief, analyzed three years' worth of Federal Circuit decisions involving obviousness. (The *Notre Dame Law Review* plans on publishing his article in early 2007.) Lemley also looked at research done by Gregory Mandel, a professor at Albany Law School in New York. Mandel had 247 law student volunteers pose as jurors, and he split them into two groups. One group was told about an invention, and then learned the history of its discovery. This group was much more likely to see an invention as obvious. (It's like being told Bruce Willis's character is a ghost before sitting down to watch "The Sixth Sense.") The other group learned the invention's history first, and was less likely to see the invention as obvious.

In his paper Mandel asserts that "the hindsight problem pervades patent law to an extent not previously recognized." According to Mandel, the Federal Circuit's test is not too strict. In fact, Mandel says that almost no test may be too strict to get rid of hindsight bias. Mandel's study appears in the November issue of the *Yale Journal of Law and Technology*.

Both Mandel and Cotropia started their research prior to the KSR case. "I only heard of this case when the amicus brief from the law professors was filed last year," Cotropia says, noting that the Federal Circuit opinion in KSR was unpublished. But the results of their research have grown in importance since the Supreme Court took the case. The research has convinced Lemley that "there is a serious hindsight bias problem," he says. "But the Federal Circuit has actually done a decent job of distinguishing cases in which people come up with a plausible story for obviousness from those in which they don't."

Other patent law luminaries remain on KSR's side. Robert Merges, director of the Berkeley Center for Law & Technology, was one of the 24 academics who signed the cert petition, and he wrote an October amicus brief in favor of KSR. Merges is aware of the new research. He says that Mandel's experiment was a "very controlled laboratory experiment. As [Mandel] would tell you, it is always a leap of faith to go from a study to a proposal." Merges remains convinced of the need to tighten the Federal Circuit's obviousness standard. "Most everybody in the software industry thinks that the standards for patents have become so low that anyone could just about patent anything," he says.

Big high-tech companies such as Intel Corp., Cisco Systems Inc. and Microsoft Corp. have filed briefs in support of KSR. But Teleflex has an equally impressive list of amici: General Electric Co., 3M, The Procter & Gamble Co. and half a dozen other corporations.

Lemley's support, however, appears to have tipped the scale a bit in Teleflex's favor. Only 14 of the 24 law professors who supported KSR's cert petition signed on to Merges's brief. This is good news to Teleflex's counsel, Supreme Court veteran Thomas Goldstein: "In a highly specialized area of law, justices will care whether the leading experts in the field are on one side or the other," says the Akin Gump Strauss Hauer & Feld partner. "You would certainly much rather have him on your side than against you."

KSR's lawyer James Dabney, a partner at Fried, Frank, Harris, Shriver & Jacobson, says that the change doesn't weaken his client's position at all: "The solicitor general of the United States and the Patent and Trademark Office have filed a brief that strongly disagrees with Mr. Lemley's newly expressed views," he wrote in an e-mail.

Lemley says he has no stake in the game: "I don't really care who wins. My concern is that the Supreme Court not go overboard and throw out the test entirely in favor of a new test. I want them to be aware of these new studies, and that's one of the roles of the amicus brief."

END

DOJ_NMG_ 0170703

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Image not available for this document, ID: 0.7.10316.17419-000003

Image not available for this document, ID: 0.7.10316.17419-000004

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 27, 2006 12:19 PM
Subject: JCON BROADCAST, WEEK OF NOVEMBER 27, 2006

JCON BROADCAST, WEEK OF NOVEMBER 27, 2006

1. **DOJ American Indian/Alaska Native Heritage Program**
2. **Federal Employees Health Benefits Significant Plan Changes and Open Season**
3. **Avoid the Holiday Blues**
4. **Research Classes Offered by Library Staff**

DOJ American Indian/Alaska Native Heritage Program

A program to honor the heritage, culture and contributions that American Indians and Alaska Natives have made to this Nation will be presented at **11:30 a.m., Wednesday, November 29, 2006, in the Great Hall, Robert F. Kennedy Building**. All employees in the Washington Metropolitan Area are invited to observe American Indian and Alaska Native Heritage Month by attending and participating in the program. In view of the special significance of this month, we ask supervisors and managers to inform their employees of this event and to grant them reasonable official time to participate.

Federal Employees Health Benefits Significant Plan Changes and Open Season

The Federal Employees Health Benefits (FEHB) Open Season is here! Employees need to be aware of significant changes to certain health plans. Some plans are dropping out of the FEHB program, some are dropping service areas, and some are dropping options, while new plans are entering the program.

If your plan is dropping out of the FEHB program, you must choose a new health plan during Open Season.

If your plan is dropping an option, you may choose a new health plan during Open Season, or remain with your current plan and be switched automatically to the plan's remaining option.

If your plan is reducing its service areas and your service area is being terminated, you must elect a new health plan during Open Season. If you do not choose a new health plan, you will have to travel to your plan's remaining service area to receive full benefits.

To determine if you are affected by any changes to health coverage, please visit the Office of Personnel Management's (OPM) website at www.opm.gov/asd/htm/2006/06-405.asp.

We encourage you to visit OPM=s web site at http://www.opm.gov/insure/health/index.asp for the most up to date information. OPM will be updating these pages on a regular basis throughout the open season.

If you need to make changes to your health insurance, the FEHB Open Season will run from November 13, 2006, through December 11, 2006. During this time period, you have the option to make changes to your current plan or switch to another plan. For employees of the Offices, Boards, and Divisions, please access an FEHB memo at www.usdoj.gov/jmd/ps/memfehb-os-06.htm. All transactions must be completed by close of business, December 11, 2006. Changes that are made during this 2006 Open Season period are effective January 7, 2007 (the first day of the first full pay period of the new year).

Avoid the Holiday Blues

The holidays are a time of joy … but for some of us, the holidays represent the height of stress due to the many demands we place on ourselves. These demands typically result in feelings of pressure, indulgence in "junk food", and/or increased consumption of alcohol; out-of-control spending, irregular sleep patterns, and fatigue.

Come and meet **Dr. Juliet Francis**, a local D.C. psychologist, who will present free of charge at a **"lunch and learn"** session**, 12:45 to 1:45 p.m., Friday, December 8, 2006, at National Place Building, Room 1160 (corner of 13th and F Streets, NW).** The session, sponsored by the Justice Management Division Employee Assistance Program (EAP), is designed to help you develop healthy strategies for coping with those holiday blues. All employees are welcome.

If you are interested in attending this session, please **fax your name and phone number, to the EAP at (202) 514-8797.**

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From:	System Administrator
Sent:	Monday, November 27, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 896892 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, November 27, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 896892 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, November 27, 2006 3:27 PM
Subject: Emergency Network Outage

Emergency Network Outage

Location: 1425 New York Avenue, Silver Spring, Landover

When: Monday, November 27, 2006, 6:30 p.m. to 7:30 p.m.

Event: Emergency maintenance on the Metropolitan Area Network switch located at 1425 New York Avenue

Customers Affected: All SMO/JMD JCON Customers located at 1425 New York Avenue, Silver Spring, Landover

Other Offices Affected: Civil Division, Civil Rights Division, Criminal Division, Environment Division, and Office of the Inspector General

SMO/JMD JCON Unavailable Services:
Email Services
Intranet Resources
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources

Other Offices - Unavailable Services:
Email Services
Intranet Resources
Internet Resources

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 27, 2006 3:32 PM
To: USDOJ- Office of Public Affairs
Subject: SECOND OHIO MAN PLEADS GUILTY TO CIVIL RIGHTS CHARGES FOR USING TOXIC MERCURY TO INTIMIDATE INTERRACIAL FAMILY

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 27, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

SECOND OHIO MAN PLEADS GUILTY TO CIVIL RIGHTS CHARGES FOR USING TOXIC MERCURY TO INTIMIDATE INTERRACIAL FAMILY

WASHINGTON — Joseph Kuzlik, of Ohio, pleaded guilty today to federal civil rights charges for his role in violating the civil rights of an interracial family in Cleveland. He also pleaded guilty to making false statements to federal investigators. Sentencing has been set for Feb. 23, 2007. On Oct. 26, 2006, David Frederick, another individual charged in the case, entered a guilty plea to the same charges.

Kuzlik pleaded guilty to federal civil rights charges for his role in using force and threats of force to interfere with federally protected housing rights of the victims because of their race. The indictment in this case alleges that Kuzlik and Frederick conspired to engage in a series of acts intended to threaten and intimidate African-American residents in their neighborhood. The indictment charges, among other acts, that the defendants placed mercury, a toxic substance, on the family's porch. As part of his guilty plea, Kuzlik admitted that he did so for the purpose of intimidating the family because they were an interracial family, and that he and his co-defendant were attempting to drive the family out of the neighborhood. Kuzlik also admitted to lying to federal investigators from the Environmental Protection Agency, the federal agency that was initially charged with cleaning up the mercury and investigating the incident, because of an agreement he had with Frederick to keep their actions secret.

"Today's plea sends a clear message that bias-motivated acts of violence are intolerable and will be prosecuted aggressively by the Justice Department consistent with federal law," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "It is a tragedy that crimes such as this occur at all in our nation, but we will not relent in our efforts to protect and defend the civil rights afforded by our Constitution and laws."

U.S. Attorney Gregory White of the Northern District of Ohio said, "Today's guilty plea is the result of a joint effort by the FBI, the Cleveland Police Department and the EPA and demonstrates the commitment of both state and federal law enforcement authorities to protecting every citizen's basic right to live in and enjoy his or her own home without fear of racial intimidation. We must all work together, as a community, to prevent this type of conduct from recurring."

DOJ_NMG_ 0170714

The maximum potential penalties on the conspiracy and civil rights charges are 10 years in prison, a $250,000 fine, and three years of supervised release following any period of incarceration, per count. The maximum term of imprisonment for the false statements charge is five years. A sentencing hearing has not yet been scheduled.

The case is being prosecuted by Assistant U.S. Attorney Ann C. Rowland and Trial Attorney Kristy L. Parker of the Civil Rights Division.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 161 defendants in 103 cases of bias-motivated crimes.

# # #

06-789

DOJ_NMG_ 0170715

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Image not available for this document, ID: 0.7.10316.16991-000002

System Administrator

From: System Administrator
Sent: Monday, November 27, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 896955 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, November 27, 2006 5:05 PM
To: USDOJ- Office of Public Affairs
Subject: ROMANIAN CITIZEN PLEADS GUILTY TO SMUGGLING ALIENS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 27, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

ROMANIAN CITIZEN PLEADS GUILTY TO SMUGGLING ALIENS

WASHINGTON – A Romanian citizen who resides in Davenport, Fla., has pleaded guilty to a charge of inducing aliens to enter the United States illegally, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Paul I. Perez for the Middle District of Florida announced today.

Constantin C. Durbalau, 30, entered the plea today before U.S. District Judge Anne C. Conway at the federal court in Orlando.

In his plea agreement, Durbalau admitted that during the past three years he personally helped as many as 24 Romanians enter or remain in the United States through fraudulent means. As part of this scheme, Durbalau and another individual prepared fraudulent visa applications for the aliens that falsely stated that they were circus performers coming to work in Florida circuses. In fact, the aliens were not circus performers and were not needed at any of the circuses listed in the applications. Rather, the visa applications were simply a means for the aliens to enter or remain in the United States and were provided by Durbalau in return for a fee of between $2,000 and $3,500 per alien.

As part of his plea agreement, Durbalau agreed to be removed to Romania upon the completion of his prison sentence. Sentencing is scheduled for Feb. 12, 2007. Durbalau also agreed to forfeit to the United States approximately $50,000 he earned in smuggling fees.

The case was investigated by the U.S. Department of State's Bureau of Diplomatic Security, and U.S. Immigration and Customs Enforcement and U.S. Citizenship and Immigration Services at the Department of Homeland Security. The case was prosecuted by Assistant U.S. Attorney Cynthia Hawkins of the U.S. Attorney's Office for the Middle District of Florida and Trial Attorney Arlene Reidy of the Domestic Security Section of the U.S. Department of Justice.

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06-790

DOJ_NMG_ 0170719

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Image not available for this document, ID: 0.7.10316.16983-000002

[redacted]@aol.com

From: [redacted]@aol.com
Sent: Monday, November 27, 2006 6:10 PM
Subject: Fwd: Stress Management...
Attachments: Stress Management....msg

[redacted]@southslope.net

From: [redacted]@southslope.net
Sent: Monday, November 27, 2006 9:57 AM
To: [redacted]@aol.com
Subject: Stress Management...
Attachments: tmp.htm

[redacted]

[redacted]

[redacted]

Just in case you've had a rough day, here's a stress management technique recommended in all the latest psychological texts. The funny thing is, it really works.

1. Picture yourself near a stream.

2. Birds are softly chirping in the cool mountain air.

3. No one but you knows your secret place.

4. You are in total seclusion from the hectic place called "the world".

5. The soothing sound of a gentle waterfall fills the air with a cascade of serenity.

6. The water is crystal clear.

7. You can easily make out the face of the Democrat you're holding underwater.

8. See, you're smiling already. Told you it works. [redacted]

[redacted]

Just in case you've had a rough day, here's a stress management technique recommended in all the latest psychological texts. The funny thing is, it really works.

1. Picture yourself near a stream.

2. Birds are softly chirping in the cool mountain air.

3. No one but you knows your secret place.

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6. The water is crystal clear.

7. You can easily make out the face of the Democrat you're holding underwater.

8. See, you're smiling already. Told you it works. [redacted]

System Administrator

From:	System Administrator
Sent:	Monday, November 27, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 897541 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, November 27, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 897542 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, November 28, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 897573 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, November 28, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 900252 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 10:42 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 28, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, November 28, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Criminal Division will issue a release on a public integrity matter. (Miller)

The Civil Rights Division will issue a release on a fair housing matter. (Magnuson)

The Office of Justice Programs will issue a release regarding the Office of Tribal Justice. (Peterson)

EVENTS/HEARINGS

4:00 P.M. EST Thomas O. Barnett, Assistant Attorney General for the Antitrust Division, will deliver remarks before the U.S. Chamber of Commerce.
1615 H Street, NW
Washington, DC

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170729

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Image not available for this document, ID: 0.7.10316.16960-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, November 28, 2006 11:36 AM
Subject: E-mail Service Delay - Incoming and Outgoing E-mail

JCON E-mail Service Delay

The Department is currently experiencing a JCON E-mail service delay for incoming and outgoing Internet e-mail, and inter-Component e-mail, of up to one hour. A notification will be sent when e-mail flow resumes.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Tuesday, November 28, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 900874 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 1:53 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES DISCRIMINATION LAWSUIT AGAINST ALABAMA LANDLORD

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES DISCRIMINATION LAWSUIT AGAINST ALABAMA LANDLORD

WASHINGTON – The Department of Justice today reached a settlement in a case against Beaulah Stevens alleging housing discrimination on the basis of race or color in renting properties owned and managed by the defendant in Saraland, Ala.

The government's complaint alleged that the defendant violated the federal Fair Housing Act when she discriminated against the victim, Michele Jones, upon learning that her child is biracial and that she associated with African Americans. The complaint also alleged that two fair housing tests conducted by the Mobile Fair Housing Center (now known as the Center for Fair Housing, Inc. of Mobile, Ala.) showed that the defendant treated white testers who inquired about the availability of units for rent more favorably than African American testers.

"The intent of the Fair Housing Act is to provide all Americans equal access to housing unencumbered by the pernicious obstacle of racial discrimination," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "This type of racial discrimination is against the law and will not be tolerated."

"This case shows that the Department of Justice and this office believe that housing discrimination is a serious violation of the law," said Deborah J. Rhodes, U.S. Attorney for the Southern District of Alabama. "We will enforce federal laws against racial discrimination."

The case was initiated when Ms. Jones filed a fair housing complaint on behalf of herself and her daughter with the U.S. Department of Housing and Urban Development (HUD). After investigating the matter, HUD issued a charge of discrimination, and the matter was referred to the Justice Department, which filed the lawsuit in May 2005.

"HUD commends the Department of Justice's ongoing commitment to enforcing this nation's fair housing laws," said Kim Kendrick, HUD's Assistant Secretary for Fair Housing and Equal Opportunity. "No one should be denied housing because of his or her race or because of the race of any member of that household. This settlement was not just a victory for this mother and daughter, but it was a greater victory for the principles of justice and equality."

DOJ_NMG_ 0170734

The settlement, which must be approved by the U.S. District Court for the Southern District of Alabama, resolves the government's case as well as the related claims of Ms. Jones and Angela Macon, a neighbor of Ms. Jones, both of whom intervened in the government's lawsuit. Under the settlement, the defendant has agreed to pay more than $40,000 in damages and penalties; to post a nondiscriminatory rental policy; to undergo training on the requirements of the Fair Housing Act; and to submit periodic reports to the Justice Department.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home actively targets housing discrimination all over the country.

More information about Operation Home Sweet Home can be found at http://www.usdoj.gov/crt/housing/fairhousing/index.html. Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line at 1-800-896-7743, e-mail fairhousing@usdoj.gov, or contact the Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 215 cases to enforce the Fair Housing Act, including 65 based on race discrimination. More information about the Civil Rights Division and the laws it enforces can be found at http://www.usdoj.gov/crt.

# # #

06-791

DOJ_NMG_ 0170735

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Image not available for this document, ID: 0.7.10316.16937-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 2:34 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ANNOUNCES NEW TRIBAL JUSTICE AND SAFETY WEB SITE

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
WWW.OJP.USDOJ.GOV

Office of Justice Programs
Contact: Laura C. Keehner: 202-305-5840

DEPARTMENT OF JUSTICE ANNOUNCES NEW TRIBAL JUSTICE AND SAFETY WEB SITE

WASHINGTON — The Justice Department's Office of Justice Programs (OJP) today announced the launch of a new Tribal Justice and Safety Web site, http://www.usdoj.gov/tribaljusticeandsafety. The Internet home page will be a resource for American Indian and Alaska Native tribal governments and communities, and will help the general public and other federal agencies to better understand the resources available for improving safety in Native American communities.

"I am honored to deliver the promise that I made to provide a 'one stop shop' that will enhance the prevention of and response to crime and the administration of justice in Indian country," said Regina B. Schofield, Assistant Attorney General for the Office of Justice Programs. "This will serve as a medium for talking about promising practices across the nation. Crime knows no boundaries, and the Tribal Justice and Safety Web site is another way we are using technology to prevent crime and violence from taking root in our communities."

The site serves as a single source of information about courts, corrections, law enforcement, crime statistics, crime prevention, legal and other public safety issues. It also provides a resource for tribal communities to solicit information about how the Department can meet their informational, training, and funding needs.

OJP has long provided critical support to tribes in such areas as victim and youth services, criminal justice enhancements and alcohol and substance abuse prevention. Through the Justice Programs Council on Native American Affairs, which Assistant Attorney General Schofield established last year, OJP is working to coordinate all of the Department's crime prevention efforts on behalf of Native American tribes. Now both the Council and the new Web site will work to determine how the Department can best serve tribal communities.

Assistant Attorney General Schofield noted that "Only by committing ourselves to a sustained and strategic response to crime and violence in Indian country can tribes realize the dream of safe and peaceful communities."

OJP provides federal leadership in developing the nation's capacity to prevent and control crime,

DOJ_NMG_ 0170738

administer justice, and assist victims. OJP is comprised of the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; the Office for Victims of Crime, and the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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DOJ_NMG_ 0170739

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System Administrator

From: System Administrator
Sent: Tuesday, November 28, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 901254 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 3:17 PM
To: USDOJ- Office of Public Affairs
Subject: COURT ALLOWS DEPARTMENT OF JUSTICE ANTITRUST LAWSUIT AGAINST NATIONAL ASSOCIATION OF REALTORS TO PROCEED

A PDF of the opinion is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

COURT ALLOWS DEPARTMENT OF JUSTICE ANTITRUST LAWSUIT AGAINST NATIONAL ASSOCIATION OF REALTORS TO PROCEED

Lawsuit Challenges NAR Rules that Obstruct Internet-Based Real Estate Brokers from Offering Innovative Services to Consumers

WASHINGTON — The U.S. District Court in Chicago issued a 29-page opinion yesterday allowing the Department of Justice's antitrust lawsuit against the National Association of Realtors (NAR) to proceed. The court rejected NAR's argument that last-minute changes to its policies prevented judicial scrutiny. In denying NAR's motion to dismiss the case, the court stated in its opinion that "NAR has failed, with all respect, to demonstrate that this case should be dismissed at the outset."

"The Department of Justice's Antitrust Division is committed to preserving competition in this vital sector of our nation's economy," said J. Bruce McDonald, Deputy Assistant Attorney General in the Department's Antitrust Division. "We are pleased that the court has allowed the lawsuit to proceed and we look forward to presenting our case at trial."

Background

In September 2005, the Department's Antitrust Division filed a lawsuit challenging that NAR rules limit competition from real estate brokers who use the Internet to serve their customers. In its lawsuit, the Department alleges that NAR's policy prevents consumers from receiving the full benefits of competition and threatens to lock in outmoded business models and to discourage discounting.

The brokers that NAR targeted with its rules operate password-protected Web sites through which they provide information, including property listings, to their customers, potential home buyers. These are sometimes called "virtual office websites" or "VOWs," because a broker operating such a site is able to provide

DOJ_NMG_ 0170742

customers with the same property listing information on-line that customers can obtain by visiting the "brick-and-mortar" office of a traditional broker.

Consumers who work with brokers that operate VOWs are better able to educate themselves about available properties that may meet their requirements. By working with a VOW broker, customers can search the database of local property listings on their own, using their home computers to obtain the same information other brokers provide by less convenient means, such as by hand at their office or via fax, mail or e-mail. Because VOWs enable consumers to research and learn about the marketplace at their own pace and on their own time, brokers who provide this service can, in turn, lower their costs by reducing the time that their agents spend searching the Multiple Listing Service (MLS) database or showing homes the customer dislikes, the Department alleged. Because the Internet can be used to deliver brokerage services more efficiently – resulting in better service and lower prices to consumers – brokers who utilize the Internet represent a competitive challenge to traditional brokers, the Department said.

NAR's policy enables traditional brokers to exercise an "opt out" right to block their competitors' customers from having full on-line access to all of the MLS's listings. When exercised, the opt-out provision prevents VOW brokers from providing all MLS listings that respond to a customer's search, effectively inhibiting the new technology. The Department alleges in its lawsuit that these policies significantly alter the rules that govern MLSs by permitting traditional brokers to discriminate against other brokers based on their business model, denying them the full benefits of MLS participation. The Department's lawsuit seeks to ensure that traditional brokers cannot use NAR's policy to deprive consumers of the benefits of these new ways of competing.

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06-792

DOJ_NMG_ 0170743

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Mark Filip	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	05 C 5140	DATE	11/27/2006
CASE TITLE	USA vs. National Association of Realtors		

DOCKET ENTRY TEXT

ENTER MEMORANDUM OPINION AND ORDER DENYING DEFENDANT'S MOTION TO DISMISS COMPLAINT OF THE UNITED STATES: Defendant's motion to dismiss[22] is respectfully denied.

■ [For further detail see separate order(s).]

Docketing to mail notices.

	Courtroom Deputy Initials:	TBK

DOJ_NMG_ 0170744

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

United States of America,	)	
	)	
Plaintiff,	)	Case No. 05 C 5140
	)	
v.	)	
	)	Hon. Mark Filip
National Association of Realtors,	)	
	)	
Defendant.	)	

MEMORANDUM OPINION AND ORDER DENYING
DEFENDANT'S MOTION TO DISMISS COMPLAINT OF THE UNITED STATES

Plaintiff, the United States of America ("United States" or "Plaintiff"), has filed this civil antitrust suit against the National Association of Realtors® ("NAR" or "Defendant").[1] (D.E. 1.) The Amended Complaint alleges that NAR has violated Section 1 of the Sherman Act, 15 U.S.C. § 1. (D.E. 6.) The case is before the Court on Defendant's motion to dismiss (D.E. 22) for lack of subject matter jurisdiction and for failure to state claims upon which relief can be granted. *See* Fed. R. Civ. P. 12(b)(1) and 12(b)(6). For the reasons stated below, Defendant's motion to dismiss is respectfully denied.

FACTUAL BACKGROUND

NAR is a trade association that establishes and enforces policies and professional standards for its over one million individual member brokers and their affiliated agents and sales

[1] The various docket entries in this case are designated "D.E. __." The term "Realtor®" is a collective membership mark indicating that a real estate broker or agent so designated is a member of the National Association of Realtors.

associates.[2] (D.E. 6 ¶ 1..) NAR's member brokers compete with one another in local brokerage services markets to represent consumers in connection with real estate transactions. (*Id.*) NAR's policies govern the conduct of its members in all fifty states, including all Realtors® and all of NAR's local Realtor® associations ("member boards"). (*Id.* ¶ 13.)

At any one time, there are over 1.5 million homes for sale in the United States. (*Id.* ¶ 18.) It goes without saying, and the Court takes judicial notice, that each year many billions of dollars of residential real estate are sold, with realtors taking commissions on such sales.

The vast majority of residential real estate transactions involve the use of a multiple listing service ("MLS"), a cooperative arrangement brokers have developed to pool information about nearly all properties for sale through brokers in a particular market area.[3] (*Id.* ¶ 5.) MLSs collect detailed information about nearly all properties available for sale through brokers and are alleged to be indispensable tools for brokers servicing consumers in each MLS's market area. (*Id.*) Defendant's local Realtor associations ("member boards") control a majority of the MLSs in the United States. (*Id.*)

The geographic coverage of the MLS serving each town, city, or metropolitan area normally establishes the outermost boundaries of each relevant geographic market. (*Id.* ¶ 17.) In a substantial majority of markets, a single MLS provides the only available comprehensive compilation of listings. (*Id.* ¶ 21.) The vast majority of brokers believe that they must participate in the MLS operating in their local market to adequately serve their customers and

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[2] The facts are taken from the Amended Complaint and presented in a light most favorable to Plaintiff. With respect to facts relevant to the jurisdictional inquiry, the Court has credited Plaintiff's version of material facts, and, to the extent that Defendant has presented uncontroverted evidence on a point, credited Defendant's evidence in that regard. *Accord, e.g., Ezekiel v. Michel*, 66 F.3d 894, 897 (7th Cir. 1995) (collecting cases).

[3] MLSs list virtually all homes for sale through a broker in the areas they serve. (D.E. 6 ¶ 21.)

DOJ_NMG_ 0170746

compete with other brokers. (*Id.* ¶ 23.)

Most home sellers and buyers engage residential real estate brokers, who typically have access to MLS listings, to facilitate transactions. (*Id.* ¶ 17.) The predominant form of payment for brokerage services is a commission—a percentage of the price paid for the property. (*Id.* ¶ 19.) In a typical transaction, the seller agrees to pay a commission to the broker who has contracted with the seller to market the home (the "listing broker"). (*Id.*) If the listing broker finds the buyer, the listing broker keeps the full commission. (*Id.*) Frequently, however, a second broker (the "cooperating broker"), who is also a member of the MLS, finds the buyer, and the two brokers share the commission. (*Id.*) The commission rate is determined by, *inter alia*, the level of competition between brokers in the relevant market. (*See, e.g., id.* ¶ 3.)

NAR's member boards control a majority of the MLSs in the United States. (*Id.* ¶ 5.) NAR promulgates rules governing the conduct of MLSs and requires its member boards to adopt these rules. (*Id.* ¶ 22.) NAR's MLS rules provide for sanctions against member brokers found to have violated MLS rules. (*See, e.g., id.* ¶¶22, 37)

Beginning with the popular growth of the Internet in the late 1990s, a number of NAR member brokers began creating password-protected websites that enabled potential home buyers, once they had registered as customers of the broker, to search the MLS database themselves and to obtain responsive MLS listings over the Internet. (*Id.* ¶¶ 26-27.) These websites came to be known as virtual office websites or VOWs, and brokers who operated primarily or exclusively through a VOW came to be known as VOW-operating brokers. (*Id.* ¶ 26-27.) Certain brokers used password-protected websites and Internet-intensive business models to lower their cost structures by reducing overhead; by transferring search functions to customers; and by reducing

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time spent showing homes to customers, as experience has shown that buyers who search listings themselves frequently tour fewer homes in person before making a purchase. (*Id.* ¶ 27.) Lower cost structures permitted VOW brokers to offer discounted commissions to sellers or to offer commission rebates to buyers. (*Id.*) Brokers also used the Internet to support a "referral" business model, in which the VOW operator refers potential customers to other brokers in exchange for a fee. (*Id.* ¶ 29.)

The United States alleges that the VOW brokers presented a competitive challenge to brokers who provide listings to their customers only or principally by traditional, non-Internet methods. (*Id.* ¶ 30.) In this regard, the United States avers, "[m]any traditional brick-and-mortar brokers fear the ability of VOW operators to use Internet technology to attract more customers and provide better service at a lower cost." (*Id.*) The United States further alleges that Defendant's subsequent VOW policies (discussed further below) were designed to impede competition of this new form. (*Id.* ¶ 31; *see also id.* ¶ 8 ("Defendant—an association of competitors—has agreed to policies that suppress new competition and harm consumers.").) In support of this contention, the United States alleges that Cendant, the nation's largest real estate franchisor and owner of the nation's largest real estate brokerage, asserted in a white paper that it was "not feasible" for traditional brokers to compete with large Internet companies that operated or affiliated with brokers operating VOWs. (*Id.* ¶ 3.) The United States further avers that the chairman of the board of RE/MAX, the nation's second-largest real estate franchisor, publicly expressed concern that VOW brokers would place downward pressure on brokers' commission rates. (*Id.*) In this regard, one broker further complained that because of the lower cost structure of brokers who provide listings to their customers over the Internet, "they are able to kick-back

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1% of the sales price to the buyer." (*Id.*[4]) The United States further alleges that the head of NAR's working group on the VOW regulation argued that new rules were needed to alter the prior traditional MLS arrangements (by which "a broker could provide any relevant listing in the MLS database to any customer—by whatever method the customer or broker preferred, including via the Internet" (*id.* ¶ 33)), because VOW brokers were "scooping up market share just below the radar." (*Id.* ¶ 3.)

Against this backdrop, the United States explains, on May 17, 2003, NAR's Board of Directors adopted a "Policy governing use of MLS data in connection with Internet brokerage services offered by MLS Participants ('Virtual Office Websites')" (hereinafter "Initial VOW Policy"). (*Id.* ¶ 31.) NAR mandated that all 1,600 of its member boards implement the Initial VOW Policy by January 1, 2006. (*Id.*) However, shortly after NAR adopted the Initial VOW Policy, the United States Department of Justice launched an investigation of the policy and its potential anticompetitive effects. (D.E. 23 at 1.) In light of this investigation, NAR advised its member boards that they need not implement the Initial VOW Policy. (*Id.*) Approximately 200 member boards nonetheless implemented the Initial VOW Policy and received NAR's approval of their implementing rules. (D.E. 6 ¶ 31.)

Prior to the adoption of the Initial VOW Policy, a broker could provide any relevant listing in the MLS database to any customer by the method the customer or broker preferred, including the Internet, and including a VOW. (*Id.* ¶ 33.) No "opt-out" rights existed with respect

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[4] The record is unclear as to what the prevailing commission rate(s) are nationwide or in local markets. However, the quotation provided in the United States' operative complaint is clear that the reduced commission is substantially more than simply 1% of the commission typically charged. Or, to put things in more concrete terms, the quotation suggests that the commission is being reduced by 1% of the home price; thus if the traditional commission rate was 6%, the reduction in price charged to the consumer is 1/6 of that rate, or a 16.67% reduction.

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to any means of delivery—no broker was permitted to withhold his or her listings from a rival broker, seemingly under virtually any circumstances. (*Id.*) In addition, nearly all of NAR's member boards required all participants in their affiliated MLSs to submit, with minor exceptions, all of their clients' listings to the MLS. (*Id.*)

The Initial VOW Policy contained an opt-out provision that forbade any broker participating in an MLS from conveying a listing to his or her customers via the Internet without the permission of the listing broker. (*Id.* ¶ 32.) The opt-out provision allowed brokers to direct that their clients' listings not be displayed on any VOW (a "blanket opt-out"). (*Id.*) The opt-out provision also allowed brokers to direct that their clients' listing not be listed on a particular subset of targeted competing broker's or brokers' VOW(s) (the "selective opt-out"). (*Id.*)

According to the United States, the working group that formulated Defendant's Initial VOW policy understood that the opt-out rights were fundamentally anticompetitive and harmful to consumers. (*Id.* ¶ 7.) Two members of the working group wrote that the opt-out right would be "abused beyond belief," with traditional brokers selectively withholding listings from particular VOW-based competitors, as they previously had been unable to do. (*Id.*) The chairman of the working group, according to the United States, also admitted that the opt-out right was likely to be exercised by brokers notwithstanding that "it may not be in the seller's best interest to opt out." (*Id.* (internal punctuation omitted).) However, the chairman "took comfort in the fact that the rule did not require brokers to disclose to clients that their listings would be withheld from some prospective purchasers as a result of the brokers' opt-out decision, thus providing brokers 'flexibility without conversation.'" (*Id.*)

The Initial VOW Policy also contained an "anti-referral" provision that, with minor

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exceptions, forbids VOW operators from referring their customers to "any other entity" for a fee. (*Id.* ¶ 35.) In contrast, no NAR rule limits referrals for a fee by brokers who do not convey MLS listings to customers over the Internet. (*Id.*)

The Initial VOW Policy was obligatory and enforceable. (*Id.* ¶ 37.) Under the terms of the policy, member boards were prohibited from adopting rules "more or less restrictive than, or otherwise inconsistent with" the policy. (*Id.*) Appendix A to the Initial VOW Policy provided for remedies and sanctions for violations of the policy, including financial penalties and termination of MLS privileges. (*Id.*)

On August 31, 2005, after Plaintiff informed NAR of its intention to bring this action, NAR advised its member boards to suspend application of the Initial VOW Policy.[5] (D.E. 24-1 at 2; D.E. 24-3, Ex. 2 ("Internet Listing Display Policy") at 1.) On the same day, NAR rescinded the Initial VOW Policy and announced the adoption of a new "Internet Listings Display Policy" and its revision of an MLS membership policy (together, the "Modified VOW Policy"). (D.E. 24-1 at 2.) The Modified VOW Policy mandated that all NAR members enact rules implementing the Internet Listings Display Policy by July 1, 2006. (D.E. 24-3, Ex. 2 at 5.) NAR subsequently communicated to its member boards that they "wait to adopt" the policy "until [the instant] litigation is over." (D.E. 6 ¶ 38.)

The Modified VOW Policy did not include the selective opt-out provision that was in the Initial VOW Policy. (D.E. 23 at 7.) However, Section I.3 of the Modified VOW Policy contains a blanket opt-out provision that forbids any broker participating in an MLS from conveying a

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[5] The Amended Complaint alleges that the Modified VOW Policy was enacted on September 8, 2005 (D.E. 6 ¶ 38), but this does not appear to be correct. In any event, this minor discrepancy concerning dates is not material for any present purpose.

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listing to his or her customers via the Internet without the permission of the listing broker. (D.E. 6 ¶ 39.) The opt-out provision allows brokers to direct that their clients' listings not be displayed on any competitor's website, provided that the broker opting-out does not display any competitor's listings on its own website, if it has one. (*Id.*) When exercised, this provision would prevent a VOW broker from providing over the Internet the same MLS information that can be provided in person, or through any non-Internet technology, without restriction (*id.*), as had previously been the case for any mode of communication, including Internet-based communication. In addition, NAR's Modified VOW Policy specifically exempts its own "Official Site," Realtor.com, from the blanket opt-out that applies to all Internet sites operated by brokers such as the VOW brokers. (*Id.*)

The Modified VOW Policy also permits MLSs to downgrade the quality of the data feed they provide brokers, effectively restraining brokers from providing Internet-based features to enhance the service they offer their customers. (*Id.* ¶ 41.) The Modified VOW Policy further denies MLS membership and access to listings to brokers operating referral services, depriving Internet-based brokers from referring their customers to other brokers for a fee. (*Id.* ¶ 40.)

The United States filed this suit in September 2005 (D.E. 1), and filed an amended complaint in October 2005. (D.E. 6.) The Amended Complaint alleges that NAR, by adopting the Initial VOW Policy and the Modified VOW Policy, violated Section 1 of the Sherman Act, 15 U.S.C. § 1. Specifically, the Amended Complaint maintains that the aforementioned policies constitute a contract, combination, or conspiracy by and between NAR and its members which unreasonably restrains competition in brokerage service markets throughout the United States to the detriment of American consumers. (*Id.* ¶ 44.) The United States "challenges both policies in

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this action as part of a single, ongoing contract, combination, or conspiracy." (*Id.* ¶ 4.) The United States alleges that the aforesaid combination or conspiracy has had and will continue to have anticompetitive effects in the market for residential real estate services by suppressing technological innovation, reducing competition on price and quality, raising barriers to entry, and restricting efficient cooperation among brokers, thereby making express or tacit collusion more likely. (*Id.* ¶ 45.)

Defendant has filed a motion to dismiss (D.E. 22) what Defendant characterizes as "[P]laintiff's claims challenging the [Initial VOW Policy] and [P]laintiff's claims challenging the opt-out provisions of both the [Initial VOW Policy] and the [Modified VOW Policy]." (D.E. 23 at 22.) As explained below, this is not a challenge to all of the claims made by the United States in the operative complaint. *Accord, e.g., id.* at 6, n.8.

LEGAL STANDARD

When a defendant challenges standing via a motion to dismiss, "'courts must accept as true all material allegations of the complaint, and must construe the complaint in favor of the complaining party.'" *Sanner v. Bd. of Trade*, 62 F.3d 918, 925 (7th Cir. 1995) (quoting *Warth v. Seldin*, 422 U.S. 490, 501 (1975), and collecting numerous circuit precedents). "'The district court may properly look beyond the jurisdictional allegations of the complaint and view whatever evidence has been submitted on the issue to determine whether in fact subject matter jurisdiction exists.'" *Ezekiel v. Michel*, 66 F.3d 894, 897 (7th Cir. 1995) (quoting *Capitol Leasing Co. v. F.D.I.C.*, 999 F.2d 188, 191 (7th Cir. 1993) (per curiam) (further internal quotation marks and

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citations omitted)).[6]

"A motion to dismiss under Rule 12(b)(6) challenges the sufficiency of a complaint for failure to state a claim upon which relief may be granted." *Johnson v. Rivera*, 272 F.3d 519, 520-21 (7th Cir. 2001). In ruling on a motion to dismiss, the court must assume all facts alleged in the complaint to be true and view the allegations in the light most favorable to plaintiffs. *See, e.g., Singer v. Pierce & Assocs., P.C.*, 383 F.3d 596, 597 (7th Cir. 2004). Dismissal for failure to state a claim is appropriate where "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." *Lee v. City of Chicago*, 330 F.3d 456, 459 (7th Cir. 2003) (citing *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957)).[7]

ANALYSIS

Defendant has filed a motion to dismiss "[P]laintiff's claims challenging the [Initial VOW Policy] and [P]laintiff's claims challenging the opt-out provisions of both the [Initial VOW Policy] and the [Modified VOW Policy]." (D.E. 23 at 22.) Defendant argues that Plaintiff lacks standing to obtain injunctive relief for any claim relating to the Initial VOW Policy. (*Id.* at 8.) Defendant further maintains that Plaintiff has failed to state a claim with respect to the opt-out provisions of both VOW policies because neither is a restraint of trade and because Plaintiff has not adequately pleaded anti-competitive effects from the Modified VOW Policy. (*Id.* at 12,

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[6] Contrary to what seems to be Defendant's implicit suggestion, the fact that Defendant has submitted some limited factual materials does not mean that the United States' other uncontradicted averments in its operative complaint are thereby rendered inoperative for purposes of the Rule 12(b)(1) analysis. *See generally Ezekiel v. Michel*, 66 F.3d 894, 897 (7th Cir. 1995) (collecting cases). Otherwise, a defendant could file an affidavit on a minimally relevant or trivial point concerning jurisdiction, and all of the plaintiff's otherwise unchallenged averments relevant to jurisdictional issues would need to be supported by admissible evidence. Defendant offers no authority in support of such a method of analysis.

[7] Contrary to the tenor of many of Defendant's arguments, there are no fact-pleading or heightened pleading requirements for antitrust claims. *See, e.g., S. Austin Coalition Cmty. Council v. SBC Communs., Inc.*, 274 F.3d 1168, 1171 (7th Cir. 2001) (collecting numerous precedents).

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19.)

I. The Court Does Not Lack Jurisdiction To Adjudicate Issues Concerning the Initial VOW Policy or To Grant Equitable Relief Concerning It

Defendant spends considerable effort attempting to preclude any review or analysis of the Initial VOW Policy. In this regard, it argues that "this Court lacks jurisdiction to adjudicate" issues concerning the Initial VOW Policy or to grant equitable relief that impacts on it. (D.E. 23 at 8 (certain capitalization omitted).) This contention is unpersuasive.

To begin, it is important to explain what Defendant concedes before it attempts to excise issues relating to the Initial VOW Policy and any possible injunctive relief relating to its provisions or their impact. First, although Defendant speaks broadly and at length in terms of Article III case-or-controversy requirements, Defendant does not even suggest that this Court lacks Article III jurisdiction to adjudicate the validity of the Modified VOW Policy or to grant injunctive relief concerning its provisions and effects. (See D.E. 70 at 11, n. 6 (Defendant conceding that the Court properly has jurisdiction to adjudicate the validity of the Modified VOW Policy and to enter injunctive relief, as appropriate).) Defendant also concedes that its motion to dismiss does not attempt to dismiss those portions of the United States' complaint concerning NAR and its members' alleged corrosion of data-feed quality, interference with co-branding relationships, and membership rules. (D.E. 23 at 6, n.8.) Those portions of the suit, and the propriety of this Court proceeding concerning them, are therefore unchallenged at the present stage of the litigation.[8]

[8] A defendant's concession as to the propriety of federal court jurisdiction of course does not resolve the issue, and a district court needs to assess the propriety *vel non* of subject matter jurisdiction even if both parties stipulate concerning the issue or otherwise concede it. *See, e.g., Drake v. Minnesota Mining & Mfg. Co.* 134 F.3d 878, 883 (7th Cir. 1998). Nonetheless, the Defendant's concessions about the propriety of the portions of the United States' suit discussed above are well-taken. Put differently, the Court agrees that subject matter jurisdiction and

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Defendant nonetheless seeks to dismiss, pursuant to Fed. R. Civ. P. 12(b)(1), any putative claims of the United States to injunctive relief relating to the provisions of the Initial VOW Policy. (*Id.* at 8.) Specifically, Defendant claims that injunctive relief would not redress any injury caused by the Initial VOW Policy because that policy has been rescinded and replaced by the Modified VOW Policy. (*Id.* at 8-12.) This contention is respectfully rejected.

A. The United States Is Correct That Subject Matter Jurisdiction Is Proper Because of Alleged Continuing Effects of the Initial VOW Policy and The Potential It Could Be Reinstituted

The Defendant is generally correct when it argues that there is a "general rule," by which "[t]here is no case or controversy regarding a request for injunctive relief when the complained of conduct ceased before the lawsuit was brought." (D.E. 23 at 9-10.) However, the authorities Defendant cites in support of what it labels a "general rule" reflect that the United States properly has Article III standing here. For example, *O'Shea v. Littleton*, 414 U.S. 488 (1974), teaches that "[p]ast exposure to illegal conduct does not in itself show a present case or controversy regarding injunctive relief . . . *if unaccompanied by any continuing, present adverse effects*." *Id.* at 495-96 (emphasis added). Under *O'Shea*, a plaintiff must allege something more than exposure to illegal conduct in the past—either continuing violations or continuing effects stemming from them, or a likelihood of defendant resuming the prior conduct as against the Plaintiff—to show that the alleged injury or threatened injury can be redressed by an injunction. *See, e.g., id.*; *Sierakowski v. Ryan*, 223 F.3d 440, 445 (7th Cir. 2000) (stating that, "past wrongs, while not sufficient [alone] to confer standing for injunctive relief, may be evidence that future violations are likely to occur") (citing, *inter alia*, *O'Shea*, 414 U.S. at 496). The United States has met its

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Article III case-and-controversy requirements are satisfied as to these issues, which are central aspects of the suit.

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burden of pleading with respect to the additional showing(s), and thus has demonstrated that an injunction would address its alleged injury.

1. Subject Matter Jurisdiction Exists Because of Alleged Continuing Effects and Violations

The United States alleges that the Initial VOW Policy and the Modified VOW Policy are part of a "single, ongoing contract, combination or conspiracy." (D.E. 6 ¶ 4.) The United States further alleges that the two policies are part of a continuing conspiracy among NAR and its member brokers to restrain competition from VOW brokers. (*Id.* ¶ 38; *see also, e.g.*, *id.* ¶ 45 ("[t]he aforesaid contract, combination, or conspiracy has had and will continue to have anticompetitive effects."). Defendant argues that there is no ongoing conspiracy because "[t]he two policies are different; the latter has replaced the former." (D.E. 23 at 11.) However, the United States alleges that a common purpose driven by a common motive—to restrain the competitive threat posed by Internet-based brokerages—unites the two policies. (*See, e.g.*, D.E. 6 ¶ 42.) The United States' theory in this regard is not implausible given that Defendant appears to have changed its policy under immediate threat of suit and the United States has pleaded that the allegedly illicit motivation behind the Initial VOW Policy also motivated the Modified VOW Policy. (*Id.* ¶¶ 3, 38-44.)

Even more important, the Amended Complaint alleges that the United States and American consumers have and will continue to suffer injury as a result of Defendant's conduct. (*See, e.g.*, *id.* ¶ 45.) Specifically, the Amended Complaint maintains that various brokers exercised their opt-out rights under the Initial VOW Policy, which restricted competition and technological innovation in the real estate brokerage business, particularly in several markets.

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(*Id.* ¶ 34; *see also id.* ¶ 31 (alleging that "[a]pproximately 200 member boards [out of 1,600] implemented the Initial VOW Policy and received NAR's approval of their implementing rules").) The United States further claims in this regard that, were it not for Defendant's past policies, the current market for real estate brokerage services would be more competitive and efficient. (*Id.* ¶ 44-46.) For example, at least one VOW broker was allegedly forced out of business altogether as a result of the alleged misconduct of Defendant and its members. (*See* D.E. 6 ¶ 34.) These allegations are sufficient to establish continuing alleged adverse effects so as to ground subject matter jurisdiction for the United States' claim concerning the Initial VOW Policy.

A contrast with one of Defendant's cited cases is instructive in this regard. In *Stevens v. Northwest Indiana Dist. Council, Int'l B'hood of Carpenters*, 20 F.3d 720 (7th Cir. 1994), the Seventh Circuit determined that the plaintiffs, members of a local of an international union, lacked standing to pursue an "illegal trusteeship" claim against the international because superseding events—the election of a new district council that adopted new policies—meant that the plaintiff's injury was not caused by the international's imposition of any putatively illegal trusteeship. *See id.* at 724 n.11 ("Here, by contrast, the alleged wrong—the trusteeship—ended long before this case began. Whether, in such a circumstance, the complained of injury is adequately traceable for Article III purposes to the past allegedly unlawful conduct is a matter of 'causation,' which is in turn a component of the jurisprudence of standing.") (citation omitted); *see also id.* at 725 ("Any continuing harm flows from measures taken by the elected District Council and is properly addressable through a challenge to their, not the trusteeship's, actions.") (emphasis omitted). In the instant case, the United States has alleged (and Defendant cannot

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meaningfully deny) that both VOW policies were enacted by NAR, and thus the alleged injury is fairly traceable to NAR. Moreover, the United States has plausibly alleged that the allegedly anticompetitive effects which flowed from adoption of the Initial VOW Policy have had enduring effects, at least in certain markets, such that the fact that the Modified VOW Policy putatively has superceded the Initial VOW Policy has not eliminated all effects of the Initial VOW Policy.[9] As a result, subject matter jurisdiction for the United States' claim is well grounded.

2. Subject Matter Jurisdiction Independently Exists Because of the Reasonable Threat of Defendant Resuming the Prior Alleged Misconduct

As the United States contends, there also is subject matter jurisdiction because of a reasonable threat that NAR will resume the prior conduct at issue in the Initial VOW Policy. An instructive case in this regard is *Wilk v. Am. Med. Ass'n*, 895 F.2d 352 (7th Cir. 1990), in which the Seventh Circuit affirmed the district court's issuance of an injunction against the American Medical Association's ("AMA") boycott directed toward chiropractors. *Id.* at 355. Defendant argues that the primary lesson of *Wilk* is that, to defeat the need for injunctive relief, an organization must clearly communicate a change in policy to its members, and that NAR has done so here by adopting the Modified VOW Policy. (D.E. 70 at 9-10 (citing *Wilk*, 895 F.2d at 356).) With all respect, this is not a persuasive reading of the teaching of *Wilk*. In that case, the AMA's failure to communicate its policy change was only one of many factors the court considered when it affirmed the district court's issuance of an injunction. *See id.* at 366 ("The

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[9] In a related context, Seventh Circuit precedent instructs that, when there is factual uncertainty that could be clarified by discovery, jurisdictional dismissal of antitrust claims for lacking a sufficient nexus to interstate commerce is premature. *See, e.g., Bunker Ramo Corp. v. United Business Forms, Inc.*, 713 F.2d 1272, 1282 (7th Cir. 1983). The reasoning is apt here, where the bulk of the instant case is otherwise moving forward into discovery, and Defendant's claim that there is effectively no cognizable possibility of continuing effects is speculative, given that the Initial VOW Policy was adopted in 200 markets, with the approval of the NAR. (D.E. 6 ¶ 31.)

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trial court concluded there were lingering effects of the AMA's conspiracy; that the AMA never acknowledged the lawlessness of its past conduct, and in fact continued to maintain that it had always been in compliance with the antitrust laws; that the AMA had never affirmatively stated that it was ethical for medical physicians to professionally associate with chiropractors; that the AMA had never publicly [related] to its members the admissions made in the trial court about chiropractic's improved nature, despite the fact that the AMA currently claims that it made changes in its policy in recognition of chiropractic's change and improvement . . . . and, finally, that the AMA's systematic, long-term wrongdoing and long-term intent to destroy chiropractic suggested that an injunction was appropriate.") (internal quotations and brackets omitted).

With respect to the various factors discussed in *Wilk*—those concerning the likelihood of future resumption of Defendant's past practices—Plaintiff has alleged that Defendant has never acknowledged the alleged lawlessness of its past conduct and has continued to maintain that it has always been in compliance with the antitrust laws. (*See, e.g.*, D.E. 6 ¶ 43; D.E. 58 at 12.) In addition, the Amended Complaint states that NAR did not adopt the Modified VOW Policy until after the United States informed the NAR of its intention to file suit. (D.E. 6 ¶ 4.) Furthermore, the Amended Complaint asserts that, without an injunction, Defendant is likely to return to its past practices due to the alleged competitive threat posed by VOW brokers to NAR's core constituents. (*See, e.g., id.* ¶¶ 3-4, 43-44.) These factors all point in favor of jurisdiction under the rubric of *O'Shea*'s teaching concerning a Defendant's likelihood of resuming the prior conduct. *Id.*, 414 U.S. at 495-96.

Defendant's citation of *United States v. Oregon State Med'l Society*, 343 U.S. 326 (1952), does not change this conclusion on the record assembled in the suit to date. *Oregon State*

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affirmed a district court's decision, after a lengthy trial, to reject a claim for injunctive relief because the plaintiff did not carry its burden of proving that the defendant was likely to resume its past and clearly abandoned practices. *Id.* at 330; *see also id.* at 333 ("When defendants are shown to have . . . entered into a conspiracy violative of the antitrust laws, courts will not assume that it has been abandoned without clear proof."). An important factor in the decision was that the defendant had ceased the challenged practice seven years prior to the filing of the suit. *See id.* at 334 ("But we find not the slightest reason to doubt the genuineness, good faith or permanence of the changed attitude and strategy of these defendant-appellees which took place in 1941. It occurred seven years before this suit was commenced and, so far as we are informed, before it was predictable. It did not consist merely of pretensions or promises but was an overt and visible reversal of policy, carried out by extensive operations which have every appearance of being permanent because wise and advantageous for the doctors."). If the policy changes were made closer to the onset of litigation, and were not in the members' own economic interests, the result may well have differed. *See id.* at 334 ("It is the duty of the courts to beware of efforts to defeat injunctive relief by protestations of repentance and reform, especially when abandonment seems timed to anticipate suit, and there is probability of resumption") (citing *United States* v. *United States Steel Corp.*, 251 U.S. 417, 445 (1920)). As previously stated, the United States in the instant suit has alleged that NAR only altered its policy after Plaintiff announced its intention to file suit. (*See, e.g.*, D.E. 6 ¶¶ 42, 43, 45.) Moreover, the United States has alleged that both the Initial VOW Policy and the Modified VOW Policy are "part of a single, ongoing contract, combination, or conspiracy" in violation of the Sherman Act. (D.E. 6 ¶ 4.) As a result, there is Article III standing under the prong of *O'Shea* concerning conduct which reasonably may be

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reinstituted, in addition to the aforementioned basis under the prong of O'Shea concerning alleged misconduct with continuing effects.

B. The Initial VOW Policy Still Would Properly Be Within the Scope of Review Given Teaching in Precedent Concerning Appropriate Potential Remedial Relief If a Sherman Act Violation Is Proven By the United States

In addition, and independently, Defendant's attempt to excise the Initial VOW Policy and any of its alleged effects from review in this case is misguided because of well-settled law concerning the potential scope of equitable relief if an antitrust violation is proved by the United States. If the United States shows that an antitrust violation has occurred, such that equitable relief is warranted, the remedy can go beyond the prohibition of those practices which, strictly speaking, were found to constitute the illegal conduct. Thus, for example, *Trabert & Hoeffer, Inc. v. Piaget Watch Corp.*, 633 F.2d 477 (7th Cir. 1980), teaches that:

> It is settled that once a Sherman Act violation is proven, the district court "has the duty to compel action by the conspirators that will, so far as practicable, cure the ill effects of the illegal conduct, and assure the public freedom from its continuance. Such action is not limited to prohibition of the proven means by which the evil was accomplished, but may range broadly through practices connected with acts actually found to be illegal. . . . Relief to be effective must go beyond the narrow limits of the proven violation."

Id. at 485 (quoting *United States v. Ward Baking Co.*, 376 U.S. 327, 330 (1964)); *accord, e.g.*, *Nat'l Society of Prof. Eng'rs v. United States*, 435 U.S. 679, 697-98 (1978) ("Having found the Society guilty of a violation of the Sherman Act, the District Court was empowered to fashion appropriate restraints on the Society's future activities both to avoid a recurrence of the violation and to eliminate its consequences. . . . [Moreover,] advantages already in hand may be held by methods more subtle and informed, and more difficult to prove, that those which, in the first place, win a market. When the purpose to restrain trade appears from a clear violation of the law,

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it is not necessary that all of the untraveled roads to that end be left open and that only the worn one be closed.") (internal citations omitted); *Ford Motor Co. v. United States*, 405 U.S. 562, 573 n.8 (1972) ("The relief which can be afforded [to the United States under the Sherman Act and Clayton Act] is not limited to the restoration of the *status quo ante*. There is no power to turn back the clock. Rather, the relief must be directed to that which is 'necessary and appropriate in the public interest *to eliminate the effects*' . . . or . . . '*cure the ill effects* of the illegal conduct, and *assure the public freedom from* its continuance.'") (quoting *United States v. Du Pont & Co.*, 353 U.S. 586, 607 (1957), and *United States v. United States Gypsum Co.*, 340 U.S. 76, 88 (1951); emphases in *Ford Motor Co.*); *see also Associated Press v. United States*, 326 U.S. 1, 22 (1945) (teaching that, "[t]he fashioning of a decree in an Antitrust case in such [a] way as to prevent future violations and eradicate existing evils" is a subject for the informed discretion of the trial court). As a result, the putative effects of the Initial VOW, and the ways by which it allegedly would impair competitive forces and incentives in relevant markets, cannot be cabined from this case at the outset, as Defendant apparently desires.

In this regard, the Court also notes that, as Defendant elsewhere concedes in a footnote, the Initial VOW Policy "is relevant to the issues that are properly before this Court" (D.E. 70 at 9, n.4), even under Defendant's suggestion that only the Modified VOW Policy be meaningfully reviewed in discovery and, if appropriate, in the proceedings here. The Initial VOW Policy is relevant, at least for discovery purposes, because, for example, issues about the intent of the NAR in passing it will potentially help to illuminate Defendant's intent generally as either benign or improper. *See, e.g., Bd. of Trade of the City of Chicago v. United States*, 246 U.S. 231, 238 (1918) (Brandeis, J.) (stating, in the context of a federal civil antitrust enforcement action, that

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the intent behind a challenged business arrangement or practice is relevant, "not because a good intention will save an otherwise objectionable regulation or the reverse; but because knowledge of intent may help the court to interpret facts and to predict consequences."); *see also* D.E. 6 ¶ 3 (detailing various alleged statements of NAR members and/or officials, in which they noted competitive threats posed by VOW brokers, including an alleged statement by the head of the working group created by NAR to develop regulations for VOWs). As a result, Defendant's effort to withdraw the Initial VOW Policy from the case—even if it had been successful on threshold standing grounds, which it was not—would be unavailing.[10]

Finally, Defendant suggests that "the absence of jurisdiction over the claim for injunctive relief against the . . . [Initial VOW Policy] will save the time and resources of the parties and the Court." (D.E. 70 at 9, n.4.) Defendant then proceeds to suggest that certain discovery about the economic impact (or putative economic impact) of the NAR's Initial VOW Policy is burdensome and inappropriate. (*Id.*; *see also id.* ("Exercising jurisdiction over the . . . [Initial VOW Policy] is thus not only inappropriate as a matter of law; it would also be a waste of the parties' and the Court's resources."). The Court respectfully rejects this suggestion. First, subject matter jurisdiction is not determined on the basis of whether an assertion of it will save the Court or the

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[10] This dynamic simply underscores the atypical nature of Defendant's jurisdictional standing argument. There is no meaningful dispute that there is Article III standing for the United States to proceed in this suit: Defendant makes various concessions and qualifications in the footnotes of its briefs to make clear that it does not contend that the United States lacks Article III standing to bring a civil enforcement action of the general form advanced here under the Sherman Act, and that fact is manifestly correct. Instead, Defendant is unsuccessfully attempting to break off aspects of the case concerning the Initial VOW Policy on Article III standing grounds; as explained elsewhere, the record assembled so far, along with the uncontradicted averments in the United States' pleadings, satisfies the United States' burden of showing that Article III standing exists over the operative complaint in its entirety. Moreover, even if the Initial VOW Policy were outside the strict confines of the Article III "case or controversy," the provisions of the Initial VOW Policy could, under settled Supreme Court and Seventh Circuit precedent spanning back decades, properly be the subject of an injunctive order in the case, as explained at length above.

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parties time and resources.[11] Second, even construed as an argument about the discovery that likely is warranted in the case, the argument seems unpersuasive—although the Court will not resolve definitively any putative discovery disputes or issues in the instant setting. The scope and nature of the case is such that the discovery burdens Defendant notes (*see* D.E. 70 at 9, n.4) would likely not be undue or unwarranted. In any event, they are not a proper basis to find that Article III standing is absent concerning the Initial VOW Policy.

II. The United States Has Not Failed to State a Claim

As previously stated, the United States is subject only to orthodox pleading burdens under Fed. R. Civ. P. 8. *See, e.g., S. Austin Coalition Cmty. Council v. SBC Communs., Inc.*, 274 F.3d 1168, 1171 (7th Cir. 2001) (collecting numerous precedents). Under those standards, the United States has not, as Defendant contends, failed to state a claim.

A. The United States Has Stated a Sherman Act Claim

In the operative complaint, the United States alleges that the NAR and its members have adopted policies and by-laws (that is, the two VOW Policies), enforced by sanctions for non-compliance, "that restrain competition from brokers who use the Internet to more efficiently and cost effectively serve home sellers and buyers." (D.E. 6 ¶ 1; *see also id.* ¶ 11, 22 .) The United States has defined relevant markets and has alleged NAR's market power therein. (*Id.* ¶¶ 23-24.) Moreover, the United States has alleged that the VOW Policies substantially alter the pre-

[11] The Court is skeptical that this assertion is what Defendant wanted to say, as opposed to an awkward rephrasing of other arguments. This skepticism is grounded in the fact that Defendant's briefs are well-written and researched, and very thoughtful and professional, and no one would reasonably contend that subject matter jurisdiction could properly be denied, where it was otherwise appropriate, because such a denial would save the Court and the parties time and money. The Court addresses the contention more as a scope-of-appropriate-discovery argument, which appears to have been intended as an alternative argument made concerning the positive consequences that would flow, in the Defendant's view, from dropping the Initial VOW Policy from the case.

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existing landscape, in which, under prior NAR agreements, rules, and practices, a broker could provide any relevant listing in the MLS listing to a customer by whatever means was desired by the broker or customer, including via the Internet. (*Id.* ¶ 33; *see also id.*¶ 5 ("These [new VOW/Internet] policies significantly alter the rules governing multiple listing services.").) Nearly all of the NAR member boards also had adopted rules that required all members participating in their affiliated MLSs to submit, with minor exceptions, all of the clients' listings to the MLS, and the NAR did not permit any broker to withhold his or her clients' listings from a rival. (*Id.*) The United States has also alleged substantial concrete evidence that, if credited and true, could be understood to reflect that the new VOW Policies were developed and utilized with anti-competitive animus, as well as with a recognition that the VOW Policies would harm American consumers. (*Id.* ¶¶ 3 (collecting statements), 4, 7, 34, 41.) The United States alleges that the VOW Policies produce and will produce a variety of anti-competitive effects, have and will "make express or tacit collusion more likely," and have and will "provide brokers an effective tool to individually or collectively punish aggressive competition by any Internet-based broker." (*Id.* ¶¶ 42, 45.) Under such circumstances, the NAR has failed, with all respect, to demonstrate that this case should be dismissed at the outset.

In this regard, the Court notes that MLSs are joint ventures among competing brokers to share their clients' listings and to cooperate in other ways. (D.E. 6 ¶ 21.) The most fulsome treatment of realtor MLSs in appellate precedent is provided in *United States v. Realty Multi-List, Inc.*, 629 F.2d 1351 (5th Cir. 1980), a decision which reversed a grant of summary judgment against the government concerning realtor rules regarding MLS participation. *See id.* at 1388-89. *Realty Multi-List* stated that, "[w]hen a group of competitors like the members of RML join

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together to cooperate in the conduct of their business, there naturally arise antitrust suspicions." *Id.* at 1370. *Realty Multi-List* further taught that while "a multiple listing service may create significant competitive advantages both for its members and for the general public, there exists the potential for significant competitive harms when the group, having assumed significant power in the market, also assumes the power to exclude other competitors from access to its pooled resources." *Id.*; *see also id.* at 1371 (stating that "where a broker is excluded from a multiple listing service with the requisite market power without an adequate justification in the competitive needs of the service, both the broker and the public are clearly harmed.").

Defendant concedes, for present purposes at least, that the challenged VOW Policies and rules are the product of a "combination among NAR's members," which is a prerequisite for the practices to be actionable under Section 1 of the Sherman Act. (D.E. 23 at 12; *see also*, *e.g.*, D.E. 6 ¶ 4 (United States challenging the VOW Policies "as part of a single, ongoing contract, combination, or conspiracy").) NAR nonetheless claims that the VOW Policies cannot constitute actionable restraints of trade.

Applicable precedent recognizes the obvious fact that not all contracts or combinations among marketplace participants are actionable restraints of trade that violate the Sherman Act. *See*, *e.g.*, *Business Electronics Corp. v. Sharp Electronics Corp.*, 485 U.S. 717, 723 (1988) ("Since the earliest decisions of this Court interpreting this provision [*i.e.*, Section 1 of the Sherman Act], we have recognized that it was intended to prohibit only unreasonable restraints of trade.") (citing *Nat'l Collegiate Athletic Assn. v. Board of Regents of the University of Oklahoma*, 468 U.S. 85, 98 (1984); and *Standard Oil Co. v. United States*, 221 U.S. 1, 60 (1911)). Instead, with the exception of certain, limited *per se* prohibitions not relevant here (*e.g.*,

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the *per se* prohibition of horizontal price-fixing efforts), "whether particular concerted action violates § 1 of the Sherman Act is determined through case-by-case application of the so-called rule of reason–that is, 'the factfinder weighs all of the circumstances of the case in deciding whether a restrictive practice should be prohibited as imposing an unreasonable restraint on competition.'" *Sharp Electronics, Corp.*, 485 U.S. at 723 (citation omitted); *see also, e.g., Nat'l Society of Prof. Eng'rs*, 435 U.S. at 691 (stating that, under longstanding precedent, "the Court has adhered to the position that the inquiry mandated by the Rule of Reason is whether the challenged agreement is one that promotes competition or one that suppresses competition. 'The true test of legality is whether the restraint imposed is such as merely regulates and thereby promotes competition or whether it is such as may suppress or even destroy competition.'") (quoting *Board of Trade of the City of Chicago*, 246 U.S. at 238); *Realty Multi-List*, 629 F.2d at 1369 (employing Rule of Reason analysis to review realtor/MLS rules and practices); *Austin Bd. of Realtors v. E-Realty, Inc.*, No. Civ. A-00-CA-154 JN, 2000 WL 34239114, at *2 (W.D. Tex. March 30, 2000) (issuing preliminary injunction, after employing Rule of Reason analysis, against realtor board's restrictive practices concerning MLS access for Internet-focused realty company; stating further that the plaintiff/e-Realty model "allow[ed] the client to initially bypass the Realtor by becoming a client of e-Realty and conducting his own search" and that e-Realty often could "charge a lower commission than traditional Realtors").[12] In this regard, precedent

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[12] Defendant notes that the preliminary injunction later was dissolved when the realtor board in *Austin Bd. of Realtors* modified certain business practices. *See Austin Bd. of Realtors v. E-Realty, Inc.*, No. Civ. A-00-CA-154 JN, unpublished order attached as exhibit to D.E. 23 at 2-4 (W.D. Tex. Sept. 12, 2000). However, that result does not support throwing out the United States' suit under Rule 12(b)(6). The *Austin Bd. of Realtors* district court merely lifted the preliminary injunction on the grounds that the plaintiff had failed to demonstrate continuing threat of irreparable injury, and the district court did not pass on the underlying merits of the plaintiff's claim. *See id.* at 4. Accordingly, the case does not stand as authority for the proposition that the United States' suit is fatally defective as pleaded.

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further reflects that a group of market participants cannot immunize "arrangements or combinations designed to stifle competition . . . by adopting a [group] membership device accomplishing that purpose." *Associated Press*, 326 U.S. at 19.

Defendant cites various cases in support of its contention that the government's suit must be dismissed at the outset, but these cases do not support that result. For example, Defendant cites *Schachar v. American Academy of Ophthalmology*, 870 F.2d 397 (7th Cir. 1989), in support of its argument that, when the association leaves its members free to act independently,[13] Section 1 is not implicated. (D.E. 23 at 14 (citing *Schachar*, 870 F.2d at 398-400).) However, *Schachar* is not of assistance to Defendant because the defendant association in *Schachar—i.e.*, the American Academy of Opthalmology ("AAO")—did not have the ability to restrict supply by issuing a press release stating that a medical procedure was "experimental." At best, the plaintiff's argument in that case was that the press release had anticompetitive effects because it reduced demand for the procedure. *Schachar*, 870 F.2d at 399. Unlike the present case, the AAO did not create a regulatory regime governing supply backed up by sanctions. *See id.* ("[I]n a market with thousands of providers . . . . what any one producer does cannot curtail output; someone else will step in. Other trade association cases . . . involved enforcement devices . . . . These enforcement mechanisms are the 'restraints' of trade. Without them there is only uncoordinated individual action, the essence of competition.") (internal citations omitted). No member doctor was bound by the AAO's opinion—if a doctor expressed an opinion contrary to

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[13] Recall please that, under the Modified VOW Policy, individual realtors are given the option to exercise a blanket opt-out, such that customers will be stripped of Internet-access to MLS listings (*e.g.*, via VOW Brokers) and only can receive them in other ways; the Initial VOW Policy allowed the individual realtor even more discretion, so as to effect a blanket opt-out or to effect selective, individualized opt-outs.

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the press release, or attempted to perform the procedure, he or she would not face sanctions from the AAO. *See generally id.* Nor was competition limited, as "someone else . . . [could] step in" and provide the medical procedure. *Id.* Here, the NAR regime is backed up by sanctions and further is alleged to promote, *inter alia*, express and tacit anti-competitive collusion and to provide a NAR-created mechanism to punish overly aggressive competition from any Internet-based broker. (*See, e.g.*, D.E. 6 ¶¶ 37, 42, 45.) Moreover, the VOW Policies allegedly single out Internet access, allegedly without any legitimate basis, for unique treatment vis-a-vis all other methods by which a broker can provide information to a client—with the potential and intended effect, it is alleged, of corroding competitive forces concerning price and quality. (*See, e.g., id.* ¶¶ 33, 39, 45.)[14]

In sum, Defendant's contention that the United States has failed even to plead a claim is unpersuasive. Discovery may (or may not) prove that the United States' allegations are unfounded, but Defendant and its members have entered into collective action that purports to regulate how they will compete in the marketplace. Under such circumstances, the United States is entitled to proceed forward. *See, e.g., Realty Multi-List, Inc.*, 629 F.2d at 1370.

B. The United States Has Sufficiently Alleged Anti-Competitive Effects

Defendant also alleges that the United States has failed to sufficiently allege anti-competitive effect from the challenged VOW policies. Defendant maintains that the specific factual averments concerning anticompetitive effect all relate to the Initial VOW Policy, and that

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[14] Defendant cites additional cases that suffer from the same defect discussed in the context of *Schachar*–the association was not implementing a rule that was enforced with sanctions against members who violate the rule. For example, in *Consolidated Metal Prods. v. Am. Petroleum Inst.*, 846 F.2d 284 (5th Cir. 1988), the association certified products (which admittedly had commercial value), but it did not, by failing to certify a particular product for approval, adopt any rule that imposed sanctions against members or constrain others to follow its recommendations or limit consumer-access to products at all. *Id.* at 293.

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any allegations with respect to the Modified VOW Policy are "pleaded in conclusory fashion" (D.E. 23 at 19), and thus the case should be dismissed for failure to state a claim. (*Id.* at 19-20.)

The short answer to Defendant's argument is that it is—at least as to a substantial bulk of the argument as advanced—based on the rejected notion that there is an express or implicit heightened pleading burden against the United States for antitrust cases. Thus, Defendant's cited cases—some from out-of-circuit, and none from the Seventh Circuit after its decision in *S. Austin Coalition Cmty. Council v. SBC Communs., Inc.*, 274 F.3d 1168 (7th Cir. 2001)—are of no assistance to Defendant, as *S. Austin* made clear that no such heightened pleading burdens are applicable here. *Id.* at 1171 (collecting cases).

The Court further notes that Defendant does not dispute that Plaintiff has alleged adequate anticompetitive effects with respect to the Initial VOW Policy. (D.E. 23 at 19.) In acknowledging Plaintiff's allegations, though, Defendant narrowly characterized the alleged anticompetitive effect as deriving from a broker's or several brokers' decision to "target the VOW of a particular MLS participant." (*Id.* at 20.) Underlying Defendant's argument is an assumption that the "blanket" opt-out imposes higher costs on the broker deciding to opt-out, and thus it is less likely to be used than the selective opt-out.[15] However, Plaintiff has alleged that "Internet-based business models present a competitive challenge to brokers who provide listings to their customers *only by traditional methods*." (D.E. 6 ¶ 30 (emphasis added).) Thus, Plaintiff's theory does not depend upon a "selective" or "targeted" opt-out right—if a number of

[15] The Modified VOW Policy provides that if a broker exercises its opt-out rights, it may not display listings of other MLS participants on its own website. Defendant correctly notes that everyone has the same right to opt-out (D.E. 70 at 12), but does not meaningfully challenge Plaintiff's facts that the opt-out is of more detriment to a VOW broker than to a broker that does not use a website to deliver listings to client, or that the opt-out undermines brokers who have a referral-based business model (*i.e.* they do not have their own listings). (*See* D.E. 6 ¶¶ 39-40.)

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more traditional brokers do not provide their customers with information via a password-protected website, they are not deterred from opting out because they do not use a website to display competitors' listings. Plaintiff has also alleged harm to competition from the threat of opting out. (*See, e.g.*, D.E. 6 ¶ 45 (amended complaint alleging that, by restraining competition from VOW brokers, NAR's policies "ha[ve] had and will continue to have anticompetitive effects," including "suppressing technical innovation," reducing competition among brokers based "on price and quality," and "raising barriers to entry."); *see also id.* ¶¶ 42, 45 (stating that Policies will "make express or tacit collusion more likely," and have and will "provide brokers an effective tool to individually or collectively punish aggressive competition by any Internet-based broker.").) On the basis of these allegations, a factfinder could infer that anti-competitive effect (or its substantial potential if not corrected) has been shown. *See, e.g.*, *United States v. Rockford Mem'l Corp.*, 898 F.2d 1278, 1283 (7th Cir. 1990) (Section 1 of the Sherman Act can be used by the government to "prevent transactions likely to reduce competition substantially"). In addition, Plaintiff's allegations with respect to actual exercise of opt-out rights apply to the blanket opt-out rights in the Modified VOW Policy. Brokers in Emporia, Kansas collectively exercised their "blanket opt-out" rights, which resulted in an Internet-based competitor discontinuing the operation of his website. (*See* D.E. 58-2, Ex. A; *see also* D.E. 6 ¶ 34.) Such allegations confirm the sufficiency of the United States' allegations of anti-competitive effect and the reasonable potential thereof. In sum, the United States has offered sufficient allegations of anti-competitive effect, including various specific allegations, that, when viewed in the light most favorable to the United States, would allow a factfinder to conclude that the Modified VOW Policy has anticompetitive effects. At this stage of the proceedings, the United States has

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alleged enough to satisfy Rule 8.

CONCLUSION

For the reasons discussed above, Defendant's motion to dismiss (D.E. 22) is respectfully denied.

So ordered.

Mark Filip
United States District Judge
Northern District of Illinois

Date: 11/27/06

DOJ_NMG_ 0170773

Image not available for this document, ID: 0.7.10316.16950-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 4:15 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER IRS REVENUE AGENT SENTENCED FOR CONSPIRACY AND CAUSING THE FAILURE TO FILE CURRENCY TRANSACTION REPORTS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
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CRM
(202) 514-2008
TDD (202) 514-1888

FORMER IRS REVENUE AGENT SENTENCED FOR CONSPIRACY AND CAUSING THE FAILURE TO FILE CURRENCY TRANSACTION REPORTS

WASHINGTON – Clarence Walker, a former Revenue Agent for the Internal Revenue Service (IRS), was sentenced to 40 months in prison on charges of conspiracy and causing the failure to file Currency Transaction Reports (CTRs), Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

In addition to the prison sentence, Judge Saundra Brown Armstrong of the Northern District of California, Oakland Division, sentenced Walker to 12 months of home confinement, three years of supervised release and fined him $30,000. A federal jury in Oakland, Calif., convicted Walker following a two-week trial in June 2006.

Walker, 56, of San Jose, Calif., was a public official who worked as a Revenue Agent for the IRS. Walker was responsible for educating businesses that cashed checks, such as liquor and grocery stores, about the requirement to file CTRs. Walker then monitored the stores' compliance. CTRs must be filed for all cash transactions over $10,000. They enable the government to track cash transactions in an effort to detect tax violations and other criminal activity.

At trial, the jury heard evidence that despite Walker's obligation to educate businesses about and ensure their compliance with the CTR laws and regulations, Walker entered into a conspiracy with others to hide cash transactions in order to help fund a company selling illegitimate computer software. During the conspiracy, Walker cashed over $400,000 in checks at businesses he monitored, while instructing the check-cashers not to file the required CTRs in order to disguise the cash transactions from law enforcement.

This case was prosecuted by trial attorneys James A. Crowell IV and Matthew C. Solomon of the Public Integrity Section of the Criminal Division, headed by Acting Section Chief Edward C. Nucci, and the case was investigated by the Treasury Inspector General for Tax Administration and the IRS Criminal Investigation.

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System Administrator

From: System Administrator
Sent: Tuesday, November 28, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 903612 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 5:38 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA 'CHILD MODELING' WEB SITE OWNERS INDICTED FOR CONSPIRING WITH ALABAMA PHOTOGRAPHER TO PRODUCE CHILD PORNOGRAPHY

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
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(202) 514-2008
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FLORIDA 'CHILD MODELING' WEB SITE OWNERS INDICTED FOR CONSPIRING WITH ALABAMA PHOTOGRAPHER TO PRODUCE CHILD PORNOGRAPHY

WASHINGTON – A federal grand jury in Birmingham, Ala., has indicted two Florida men and a Web site corporation on charges of conspiring to use minors to engage in sexually explicit conduct for the purpose of producing visual depictions and with knowingly transporting in interstate commerce visual depictions of minors engaging in sexually explicit conduct, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Alice H. Martin for the Northern District of Alabama announced today.

The 80-count indictment unsealed today charges Marc Evan Greenberg, 42, Jeffrey Robert Libman, 39, and Webe Web Corporation, all of the Ft. Lauderdale, Fla. area.

A two-count criminal information charging Jeff Pierson, 43, of Brookwood, Ala. was also unsealed today. Pierson was charged with conspiring to transport child pornography in interstate commerce using a computer from January 2003 through 2004, and with having transported child pornography in interstate commerce using a computer during that time.

"The indictment alleges that these defendants conspired to produce pornographic images of under-aged girls posing in lascivious positions for profit, under the pretense of offering professional modeling services," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "The Department of Justice is committed to the protection of our children from those who violate the law and sexually exploit minors for commercial gain."

"The images charged are not legitimate child modeling, but rather lascivious poses one would expect to see in an adult magazine. Here lewd has met lucrative, and exploitation of a child's innocence equals profits," said U.S. Attorney Alice H. Martin.

The Indictment alleges that from December 2002 through April 2005, Greenberg, Libman, and Webe Web, conspired with Pierson to use minors to engage in sexually explicit conduct for the purpose of producing visual depictions of that conduct. Specifically, it is charged that Greenberg and Libman established a purported "child modeling" Web site business under the name Webe Web Corporation. The business operated using

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three primary Internet Web sites: a central Web site, an advertising Web site, and Web sites for each individual child "model."

Webe Web's central Web site represented to be "a Web site to promote models ages 7 thru 16 and their photographers." On the central Web site, a "gallery" or "previews" of 15-21 photographs of various underage female children could be viewed for free. If the viewer wanted to see additional photographs, he would click "Join" and subscribe to the "models" individual Web site where he could view approximately 100 photographs of the child. The typical cost to
view each individual child's website was $25 per month to subscribe and $20 per month thereafter.

Webe Web promoted subscriptions to these individual sites through its free advertising Web site. Babble Club allowed members to receive a "free sample" of images of the children. It encouraged the purchase of subscriptions to individual child Web sites, and hosted discussion boards/groups which were devoted to each individual child's Web site. Babble Club members made postings to the discussion boards, which included comments on specific images they liked, the type of clothing and poses they liked, and poetry written to the photographed child. Certain members posted expressions of fondness and devotion for a photographed child. Most of the Babble Club members were adult men who were not affiliated with the modeling industry.

After a viewer "subscribed" he could view numerous photographs of the individual child which were not accessible on Webe Web's central or advertising Web sites. These individual sites were similar in domain name style with the child's name followed by model. In order to encourage continued monthly subscriptions, Webe Web would regularly update the photographs posted and delete older photographs. Webe Web had groups of photographers under contract that supplied images and in return received a percentage of the gross subscription fees generated at the various sites.

The Indictment stated that Pierson was a photographer who produced visual depictions of minors engaged in sexually explicit conduct in Alabama and transmitted those images to Greenberg, Libman, and Webe Web in Florida. They then posted the images to the individual Web sites, and advertised and promoted photographs through Babble Club.

Specifically, the indictment alleges that in 2002, Libman and Pierson began communicating about this business venture. During 2003, Pierson sent children's photographs to Florida from Alabama which depicted sexually explicit conduct. These images were subsequently used to create different individual child websites for Webe Web in 2003. In December of 2003, Pierson received a "profitability detail statement" from Webe Web outlining his 2003 profits generated by the individual childs' websites.

In 2004, Pierson again sent children's photographs from Alabama to Florida which depicted sexually explicit conduct. These images were subsequently used to create additional individual child Web sites. During 2004, Pierson received monthly statements which detailed the number of subscriptions to each of the individual child Web sites, the gross income of each site, and his cut of the proceeds. He also had numerous conversations with the defendants regarding the updating of images, drop in subscriptions, issues with postings or banners, and suggestions on how to conceal dates of his pictures when discussions on Babble Club regarding a date were posted that could hurt sales on the site. Pierson's photography accounted for a substantial portion of the images of children posted by Webe Web.

If convicted of this conspiracy Greenberg and Libman face a penalty of imprisonment of not less than 15 years nor more than 30 years, and a fine of $250,000. The corporation faces a fine of $500,000.

If convicted on the charges in the Information, Pierson faces a penalty of imprisonment of not less than five years nor more than 20 years on each count and a fine of $250,000 on each count.

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"The Webe Web investigation is the culmination of countless hours of dedicated law enforcement officers and prosecutors in an aggressive law enforcement action that will bring justice to those who exploit our children across the United States," stated Carmen Adams, Special Agent in Charge, Federal Bureau of Investigation, Birmingham Field Division.

"The U. S. Postal Inspection Service is very pleased to join in the efforts to investigate anyone suspected of trafficking child pornography. Postal Inspectors are committed to aggressively pursing anyone suspected of using the United States Mail to sexually exploit children and seeking their prosecution to the fullest extent of the law," said Martin D. Phanco, Inspector in Charge, Atlanta Division.

Counts 2 through 79 in the indictment charge Greenberg, Libman, and Webe Web with knowingly transporting in interstate commerce visual depictions of a minor engaging in sexually explicit conduct. These allegations involve images of children which were published between 2004 and 2005. If convicted, the defendants face a possible penalty of not less than 5 years and not more than 20 years in federal prison, and a fine of $250,000 per count.

Count 80 in the indictment seeks forfeiture of proceeds traceable to these offenses but not less than $600,000 in addition to real property located at 1881 Middle River Drive, Condominium #201, Ft. Lauderdale, Fla. 33305, and Internet domain names and Web site content associated with the business.

The joint investigation is being conducted by the Federal Bureau of Investigation and the U.S. Postal Inspection Service. Assistant U.S. Attorney Jim Phillips is prosecuting this case in cooperation with Department of Justice Trial Attorney Jennifer Toritto Leonardo of the Child Exploitation and Obscenity Section in the Criminal Division.

Members of the public are reminded that the indictment and information contain only charges. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

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GJ #35
AHM/JEP: Oct.2006

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF ALABAMA

SOUTHERN DIVISION

UNITED STATES OF AMERICA)
)
v.)
)
MARC EVAN GREENBERG,)
JEFFREY ROBERT LIBMAN,)
and)
WEBE WEB CORPORATION)

I N D I C T M E N T

The Grand Jury charges:

INTRODUCTION

That at all times material to this indictment:

1. Defendant MARC EVAN GREENBERG was President and a Director of Defendant WEBE WEB CORPORATION. GREENBERG was a resident of the Fort Lauderdale, Florida area.

2. Defendant JEFFREY ROBERT LIBMAN was Vice President and a Director of Defendant WEBE WEB CORPORATION. LIBMAN was a resident of the Fort Lauderdale, Florida area.

3. Defendant WEBE WEB CORPORATION was a Florida corporation with offices located in the Fort Lauderdale, Florida area.

4. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION created, operated, and maintained what they purported to be "child modeling" websites. Most websites featured one child, ranging in age from about 7 years old to about 16 years old.

5. Each child's website could be accessed through a central website known as www.childsupermodels.com which was free to join and had links to each individual child's website. The www.childsupermodels.com http://www.childsupermodels.comhttp://www.childsupermodels.comwhttp://www.childsupermodels.comebsite (hereafter "CSM website") was represented to be "a website to promote models 7 thru 16 and their photographers." Most of the individual websites were identified with the child's alias name and the word "model." Each child's website could also be accessed through the individual site's web address, such as www.allison-model.com. http://www.allison-model.com.

6. Regardless of whether the child's individual website was accessed through the CSM website or directly through the child's individual website address, http://www.allison-model.com,the home page for each child's website generally showed a picture or a collage of pictures of the featured child. The viewer could

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click on "enter" and was directed to a page which contained about 15-21 "galleries," or preview pictures, of the child in different clothing outfits. Each of the preview pictures featured the child in a different clothing outfit. It was free to view the preview pictures on the CSM website. If the viewer wanted to subscribe to a child's individual website, the viewer clicked on "join" and then could purchase a 30-day membership to the website for approximately $25 for the first month, and approximately $20 per month thereafter. Defendant WEBE WEB CORPORATION received the monies generated by subscriptions to these individual child websites. After paying the fee, a member could then click on each of the galleries and view approximately 100 other pictures of the child in the same outfit as in the preview picture. New galleries were added approximately every 10 days to two weeks. The older galleries were dropped off the websites as newer ones were added.

7. To encourage continuing subscriptions, new galleries featuring fresh or additional images of the child were required from the photographers on a regular basis, sent to Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION, and published on the child's individual site. To view all the new images in the new galleries, customers had to pay for continuing access to the websites.

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8. Defendant WEBE WEB CORPORATION had a group of photographers under contract with the company to photograph children and send the pictures to Defendant WEBE WEB CORPORATION. The photographers were paid a percentage of the gross subscription fees received by Defendant WEBE WEB CORPORATION from individual subscribers to each site.

9. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION created and maintained the CSM website and the individual child websites, published the photographers' pictures on the websites, collected the money from the websites' customers, advertised the individual child websites on the CSM website and elsewhere, and handled technical aspects of publishing the pictures via the internet.

10. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION created, owned, and had final control over www.babbleclub.com (hereafter "Babble Club"). Babble Club was established as an advertising tool and "fan club" for those interested in the children appearing on the CSM website. Anyone could join Babble Club for free and Babble Club members received "free sample" images of the children to encourage the Babble Club members to purchase subscriptions to individual child websites.

11. Babble Club hosted discussion boards or groups. Separate discussion groups were devoted to each child. Members commented on images of the

children they liked, what kind of clothing and poses they would like to see the child in, wrote poetry to the child, and expressed feelings of fondness and devotion for the child. The postings in the discussion groups revealed that most of the Babble Club members were adult men who were not affiliated with the modeling industry. Babble Club was hosted on servers owned or leased by Defendant WEBE WEB CORPORATION.

12. Coconspirator Jeff Pierson was a photographer of children and operated a business in the Birmingham, Alabama area known as BSM or Beautiful Super Models. Coconspirator Pierson was a major supplier of images of children featured on the CSM website. Coconspirator Pierson recruited and selected the children, photographed them, and sent the images from the Northern District of Alabama to Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION in the Fort Lauderdale, Florida area.

COUNT ONE: (18 U.S.C. § 2251(a) and (e))

13. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 12 of the Introduction of this indictment as though fully set out herein, and further charges:

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THE CONSPIRACY AND ITS OBJECTS

14. That from in or about December, 2002, and continuing to in or about April, 2005, within the Northern District of Alabama, and elsewhere, the defendants,

MARC EVAN GREENBERG,
JEFFREY ROBERT LIBMAN,
and
WEBE WEB CORPORATION,

did knowingly conspire with each other and with coconspirator Jeff Pierson and with other persons and entities known and unknown to the Grand Jury, to use minors to engage in sexually explicit conduct, as defined in Title 18, United States Code, Section 2256(2), for the purpose of producing visual depictions of such conduct, knowing and having reason to know that such visual depictions would be transported in interstate and foreign commerce and mailed, and with such visual depictions having been produced using materials that had been mailed, shipped, and transported in interstate and foreign commerce by any means, in violation of Title 18, United States Code, Section 2251(a) and (e).

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the coconspirators sought to accomplish the objects of the conspiracy included the following:

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15. Coconspirator Jeff Pierson photographed minors engaging in sexually explicit conduct.

16. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION received visual depictions of minors engaged in sexually explicit conduct from coconspirator Pierson.

17. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION, through their maintenance and final control of Babble Club, advertised, issued, and published photographs of minors engaged in sexually explicit conduct made by coconspirator Pierson.

18. Defendants GREENBERG, LIBMAN, and WEBE WEB CORPORATION issued and published photographs of minors engaged in sexually explicit conduct on individual websites identified by the child's name and the word "model," such as www.allison-model.com.

OVERT ACTS

19. In furtherance of the conspiracy and to achieve its objects, one or more of the coconspirators committed the following overt acts, among others, in the Northern District of Alabama, and elsewhere, on or about the following dates:

a.) On December 28, 2002, Defendant LIBMAN emailed coconspirator Pierson and explained how many images of each child Defendant

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LIBMAN needed to open a website, and approximately how much money could be made from each website.

b.) On December 30, 2002, Defendant LIBMAN emailed coconspirator Pierson and explained Defendant LIBMAN's and Defendant GREENBERG's roles in the operation of Defendant WEBE WEB CORPORATION. Defendant LIBMAN described himself as "the guy who builds and runs the site." Defendant LIBMAN described Defendant GREENBERG's role as "tech support, system admin, and handles all the banking and transactions."

c.) On January 19, 2003, Defendant GREENBERG and coconspirator Pierson discussed by email how the children on the CSM website were to be compensated. GREENBERG further stated to co-conspirator Pierson in the email, "you will have access to all our sites if you want so that you may compare styles, poses, techniques, etc."

d.) On January 31, 2003, the "Sandi-model" galleries photographed by coconspirator Pierson were published by Defendant WEBE WEB CORPORATION on www.Sandi-model.com.

e.) In or about March, 2003, Defendant WEBE WEB CORPORATION sent a wire transfer of funds from a Webe Web bank account to co-

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conspirator Pierson's bank account in payment for coconspirator Pierson's share of profits generated from each child's individual website.

f.) On May 10, 2003, "Lacey-Teen-model" galleries, photographed by coconspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.Lacey-teen-model.com.http://www.Lacey-teen-model.com.

g.) On August 2, 2003, Defendant WEBE WEB CORPORATION registered the domain name "babbleclub.com."

h.) On August 7, 2003, "Olivia-model" galleries, photographed by co-conspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.Olivia-model.com.http://www.Olivia-model.com.

i.) On November 8, 2003, "Allison-model" galleries, photographed by coconspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.Allison-model.com.http://www.Sandi-model.com.

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j.) On November 15, 2003, "Lily-model" galleries, photographed by coconspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.Lily-model.com.

k.) In or about December, 2003, Defendant WEBE WEB CORPORATION sent a profitability detail statement to coconspirator Pierson for the period January 2003 thru December 2003, detailing profits generated by the individual child's websites operated by the Defendant WEBE WEB CORPORATION.

l.) On January 4, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

m.) On January 15, 2004, "LilAmber" galleries, photographed by coconspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.LilAmber.com.

n.) On January 26, 2004, "Bunny-model" galleries, photographed by coconspirator Pierson, were published by Defendant WEBE WEB CORPORATION on www.Bunny-model.com.

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o.) On February 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

p.) On March 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

q.) On April 4, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

r.) On May 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

s.) On June 6, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of

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subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

t.) On July 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

u.) On August 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

v.) On August 12, 2004, Defendant GREENBERG emailed coconspirator Pierson indicating that he had discussed the CSM website with Defendant LIBMAN that day. Defendant GREENBERG also indicated that, at coconspirator Pierson's request, he had terminated a "debate" going on in a discussion page on Babble Club concerning a child named "Kimmy."

w.) On September 7, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the

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gross income of each site, and coconspirator Pierson's cut of the proceeds.

x.) On September 11, 2004, coconspirator Pierson emailed Defendant LIBMAN and asked him to update images on the Doriemodel.com site using galleries 40, 42 and 44.

y.) On October 6, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

z.) On November 7, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

aa.) On December 5, 2004, Defendant WEBE WEB CORPORATION sent a monthly statement to coconspirator Pierson detailing the number of subscriptions to each of the individual child websites, the gross income of each site, and coconspirator Pierson's cut of the proceeds.

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bb.) On December 12, 2004, in response to coconspirator Pierson's comment that orders from the websites were extremely low, Defendant GREENBERG stated, "no reason that I can see. They dropped right at Thanksgiving."

cc.) On December 13, 2004, coconspirator Pierson emailed Defendant GREENBERG requesting Defendant GREENBERG to "put Corina's banner as site of the week" on the CSM website.

dd.) On December 14, 2004, in response to coconspirator Pierson's email in paragraph cc. above, Defendant GREENBERG e-mailed him and stated, "done. Orders seem to be picking back up."

ee.) On December 15, 2004, coconspirator Pierson emailed Defendant GREENBERG and stated, "Candy's gallery page is screwed up the only image that is showing is the update image." On the same day Defendant GREENBERG responded via email, "it is ok for me."

ff.) On December 18, 2004, BSM emailed Defendant LIBMAN to thank LIBMAN for "listening" to suggestions regarding the layout of www.Kimmy-model.com.

gg.) On December 19, 2004, coconspirator Pierson emailed Defendant LIBMAN and stated, "I think you missed Kristy's bonus set."

hh.) On December 20, 2004, coconspirator Pierson and Defendant LIBMAN discussed by email problems with "bunny's bonus pic."

ii.) On December 21, 2004, Defendant LIBMAN and coconspirator Pierson discussed publishing Kristy's Christmas set number 42 to www.Kristy-model.com.

jj.) On December 22, 2004, coconspirator Pierson emailed Defendant GREENBERG and Defendant LIBMAN requesting a return banner be placed on www.Shirley-model.com's gallery page. On the same date, Defendant GREENBERG replied by email that, "Jeff has been notified."

kk.) On December 23, 2004, coconspirator Pierson emailed Defendant GREENBERG complaining that a discussion on Babble Club regarding the date that pictures of Lil Amber were made would hurt sales on the site. On the same date, GREENBERG responded in an email, "i saw the posts . . . ." In this same email, Defendant GREENBERG also stated that he did not think that this discussion would affect sales, but suggested a way coconspirator Pierson could conceal the dates his pictures were taken.

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ll.) On December 23, 2004, Defendant GREENBERG emailed coconspirator Pierson and told him that he (Greenberg) had purchased the domain names that Pierson requested.

mm.) On December 27, 2004, coconspirator Pearson emailed Defendant GREENBERG and stated, "Did Jeff tell you we have Bailey back on the schedule for a shoot?" On the same date, Defendant GREENBERG responded by email, "good to know. i was going to put shirley up on CSM earlier. I've had nothing but server/upgrade issues all day. i'll do it now."

nn.) On December 29, 2004, Defendant LIBMAN emailed coconspirator Pierson in response to a problem with a link on the Lacey model site and stated, "change gallery to video."

oo.) On December 30, 2004, coconspirator Pierson requested that Defendant LIBMAN place a new banner for the Sandi model site on the CSM website. On the same date, Defendant LIBMAN responded by email and asked, "Do you have a sandi and friends banner?"

pp.) On January 1, 2005, Defendant WEBE WEB CORPORATION emailed coconspirator Pierson two separate emails indicating a daily

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sales report for sales at the Sandi model archives and the Sandi-model.com website. Each email ended, "Thank you, Marc."

qq.) On January 2, 2005, Defendant WEBE WEB CORPORATION emailed coconspirator Pierson a daily sales report for sales at the Sandi model archives and the Sandi-model.com website. The email ended, " Thank you, Marc."

rr.) On January 3, 2005, Defendant WEBE WEB CORPORATION emailed coconspirator Pierson a daily sales report for sales at the Sandi model archives and the Sandi-model.com website. The e-mail ended, " Thank you, Marc."

COUNTS TWO THROUGH SEVENTY-NINE: (18 U.S.C. § 2252(a)(1))

The Grand Jury charges:

1. On or about the dates indicated below for each count, in Jefferson County, within the Northern District of Alabama, and elsewhere, the defendants,

MARC EVAN GREENBERG,
JEFFREY ROBERT LIBMAN,
and
WEBE WEB CORPORATION,

did knowingly transport and ship in interstate and foreign commerce visual depictions of a minor under the age of eighteen engaging in sexually explicit

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conduct, as defined in Title 18, United States Code, Section 2256(2), said visual depictions being of such conduct, in violation of Title 18, United States Code, Section 2252(a)(1).

2. The allegations of paragraph one are incorporated and realleged for each count below as though fully set out therein with the images in each count identified by the child's "model" name and image numbers as known to the Grand Jury.

Count	Date	Child/Image
2	9/27/04	Allison (Image 1) Allison (Image 8)
3	11/18/04	Allison (Image 11)
4	11/22/04	Allison (Image 4) Allison (Image 5)
5	12/15/04	Allison (Image 9) Allison (Image 10)
6	12/22/04	Allison (Image 2) Allison (Image 3)
7	1/20/05	Allison (Image 6)
8	4/5/05	Allison (Image 12) Allison (Image 13)
9	9/24/04	Bailey (Image 14) Bailey (Image 15) Bailey (Image 21)

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Count	Date	Child/Image
10	9/27/04	Bailey (Image 16)
		Bailey (Image 24)
11	10/8/04	Bailey (Image 17)
		Bailey (Image 18)
		Bailey (Image 20)
12	12/14/04	Bailey (Image 22)
		Bailey (Image 23)
13	1/12/05	Bailey (Image 19)
14	10/06/04	Bunny (Image 25)
15	1/27/05	Bunny (Image 28)
16	3/3/05	Bunny (Image 27)
17	4/5/05	Bunny (Image 26)
		Bunny (Image 29)
18	4/1/05	Candy (Image 34)
		Candy (Image 35)
		Candy (Image 36)
19	4/4/05	Candy (Image 30)
		Candy (Image 40)

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Count	Date	Child/Image
20	4/5/05	Candy (Image 31)
		Candy (Image 32)
		Candy (Image 33)
		Candy (Image 37)
		Candy (Image 38)
		Candy (Image 39)
		Candy (Image 41)
		Candy (Image 42)
		Candy (Image 43)
21	12/14/04	Corina (Image 47)
22	12/20/04	Corina (Image 46)
23	1/21/05	Corina (Image 48)
		Corina (Image 44)
		Corina (Image 45)
		Corina (Image 49)
		Corina (Image 50)
		Corina (Image 51)
		Corina (Image 52)
24	9/27/04	Dorie (Image 60)
25	3/02/05	Dorie (Image 53)
		Dorie (Image 55)
26	1/20/05	Dorie (Image 57)
27	2/4/05	Dorie (Image 58)
		Dorie (Image 59)
28	2/7/05	Dorie (Image 54)
		Dorie (Image 56)

Count Date Child/Image

29	3/24/05	Dorie (Image 61)
30	3/29/05	Kristy (Image 70) Kristy (Image 68)
31	3/30/05	Kristy (Image 63) Kristy (Image 64) Kristy (Image 65) Kristy (Image 66) Kristy (Image 67) Kristy (Image 69)
32	9/27/04	Lacey (Image 73)
33	11/1/04	Lacey (Image 77)
34	11/23/04	Lacey (Image 78) Lacey (Image 88) Lacey (Image 90) Lacey (Image 91) Lacey (Image 95)
35	1/20/05	Lacey (Image 89)
36	1/28/05	Lacey (Image 71) Lacey (Image 74) Lacey (Image 79)
37	1/30/05	Lacey (Image 72) Lacey (Image 80)
38	2/18/05	Lacey (Image 93)
39	3/2/05	Lacey (Image 92)

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Count	Date	Child/Image
40	3/25/05	Lacey (Image 76) Lacey (Image 75)
41	3/31/05	Lacey (Image 81) Lacey (Image 82)
42	4/6/05	Lacey (Image 83) Lacey (Image 86) Lacey (Image 87) Lacey (Image 94)
43	4/7/05	Lacey (Image 85)
44	9/27/04	LilAmber(Image 96)
45	1/30/05	LilAmber(Image 103)
46	2/23/05	LilAmber(Image 98)
47	3/19/05	LilAmber(Image 97) LilAmber(Image 99) LilAmber(Image 102) LilAmber(Image 101)
48	3/24/05	LilAmber(Image 100)
49	10/12/04	Lily (Image 110)
50	12/20/05	Lily (Image 108)
51	1/19/05	Lily (Image 104)
52	1/20/05	Lily (Image 109)

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Count	Date	Child/Image
53	3/30/05	Lily (Image 106)
54	4/4/05	Lily (Image 105)
55	4/5/05	Lily (Image 107)
56	3/2/05	Olivia (Image 111)
57	9/24/04	Sabrina (Image 112)
58	9/27/04	Sabrina (Image 114)
59	11/1/04	Sabrina (Image 117)
60	11/16/04	Sabrina (Image 113)
61	1/20/05	Sabrina (Image 116)
62	1/28/05	Sabrina (Image 115)
63	3/20/05	Sabrina (Image 118)
64	10/12/04	Sandi (Image 119)
65	12/15/04	Sandi (Image 125) Sandi (Image 123)
66	1/13/05	Sandi (Image122)
67	1/20/05	Sandi (Image 130)
68	2/3/05	Sandi (Image 121) Sandi (Image 126) Sandi (Image 129) Sandi (Image 131)

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Count	Date	Child/Image
69	2/22/05	Sandi (Image 127)
70	2/25/05	Sandi (Image 128)
71	3/4/05	Sandi (Image 124)
72	4/12/05	Sandi (Image 120)
73	10/6/04	Tori (Image 132)
74	11/16/04	Tori (Image 144)
75	1/20/05	Tori (Image 133) Tori (Image 134)
76	2/4/05	Tori (Image 139) Tori (Image 140) Tori (Image 141) Tori (Image 148)
77	4/4/05	Tori (Image 136) Tori (Image 142) Tori (Image 143) Tori (Image 145) Tori (Image 146) Tori (Image 147) Tori (Image 137) Tori (Image 138)
78	3/2/05	Kimmy (Image 148) Kimmy (Image 149) Kimmy (Image 150)

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Count	Date	Child/Image
79	2/9/05	Shirley (Image 151) Shirley (Image 152) Shirley (Image 153)

All in violation of Title 18, United States Code, Section 2252(a)(1).

COUNT EIGHTY: (18 U.S.C. § 2253(a)(1), (a)(2), and (a)(3))

The Grand Jury charges:

1. That the Introduction and Counts One through Eighty-Three of this Indictment are incorporated by reference herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 2253(a).

Forfeiture

2. As a result of the foregoing offenses alleged in Counts One through Eighty-Three of this Indictment, defendants

MARC EVAN GREENBERG,
JEFFREY ROBERT LIBMAN,
and
WEBE WEB CORPORATION,

shall forfeit to the United States:

(a) any visual depiction described in Title 18, United States Code, Sections 2251 or 2252, or any book, magazine, periodical, film, videotape, or other

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matter which contains any such visual depiction, which was produced, transported, mailed, shipped or received in violation of Chapter 110 of the United States Code;

(b) any property, real or personal, constituting or traceable to gross profits or other proceeds derived from said offenses, including but not limited to the aggregate sum of $600,000.00 and all interest thereon;

(c) any property, real or personal, used or intended to be used to commit or to promote the commission of such offenses, including but not limited to all rights and interests in the following real property:

1881 Middle River Drive, Condominium #201,

Fort Lauderdale, FL 33305,

and including but not limited to all rights and interests in the following internet domain names, together with all copies of website content therefrom:

(1) www.allison-model.com

(2) www.bailey-model.com

(3) www.bunny-model.com

(4) www.candy-model.com

(5) www.corina-model.com

(6) www.dorie-model.com

(7) www.kristy-model.com

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(8) www.lacey-teen-model.com

(9) www.lilamber.com

(10) www.sandiandfriends.com

(11) www.lily-model.com

(12) www.sabrina-model.com

(13) www.sandi-model.com

(14) www.tori-model.com

(15) www.kimmy-model.com .com

(16) www.shirley-model.com

(17) www.childsupermodels.com

(18) www.childsupermodel.com

(19) www.babbleclub.com

3. If any of the property described above as being subject to forfeiture pursuant to Title 18, United States Code, Section 2253(a)(1), (a)(2), and (a)(3), as a result of any act or omission of the defendants MARC EVAN GREENBERG, JEFFREY ROBERT LIBMAN, and WEBE WEB CORPORATION,

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

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(4) has been substantially diminished in value; or

(5) has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 2253(a).

A TRUE BILL

FOREMAN OF THE
GRAND JURY

ALICE H. MARTIN
UNITED STATES ATTORNEY

JAMES E. PHILLIPS
ASSISTANT UNITED STATES ATTORNEY

JENNIFER TORITTO LEONARDO
TRIAL ATTORNEY
U.S. DEPARTMENT OF JUSTICE

DOJ_NMG_ 0170811

From: USDOJ- Office of Public Affairs
Sent: Tuesday, November 28, 2006 6:30 PM
To: USDOJ- Office of Public Affairs
Subject: TWO CHARGED IN PLAN TO AID TALIBAN

A copy of the indictment is attached.

Department of Justice

United States Attorney Donald J. DeGabrielle, Jr.
Southern District of Texas

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 28, 2006
WWW.USDOJ.GOV/USAO/TXS

CONTACT: JOHN YEMBRICK
PHONE: (713) 567-9388
FAX: (713) 718-3300

TWO CHARGED IN PLAN TO AID TALIBAN

HOUSTON, Texas – An indictment has been brought against a U.S. citizen and a citizen of Pakistan in the country on an expired student visa for allegedly planning to aid the Taliban, U.S. Attorney Don DeGabrielle announced today.

Kobie Diallo Williams, also known as Abdul Kabeer and Abdul Kabir, 33, a U.S. citizen and Houston resident, and Adnan Babar Mirza, 29, a Pakistani national who overstayed a student visa, are charged with conspiring to train with firearms with a goal to fight with the Taliban against coalition forces in the Middle East and providing approximately $350 in cash to support terrorist groups. Mirza is also charged with three violations of federal firearms law. The four-count indictment was returned under seal by a Houston grand jury on Wednesday, Nov. 22, 2006, and unsealed today after the appearance of both men before a U.S. magistrate judge.

"In this post 9/11 era, threats against our international security efforts are taken most seriously," said U.S. Attorney DeGabrielle.

“While these subjects did not operate at a high level of sophistication in comparison with the 9/11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East,” said FBI Special Agent in Charge Roderick Beverly.

Kobie Diallo Williams surrendered himself to members of the FBI’s Joint Terrorism Task Force (JTTF) today. Adnan Babar Mirza, who has been in the custody of the Immigration and Customs Enforcement on related immigration violations, was transferred into the custody of JTTF agents this morning. Both Williams and Mirza have been ordered to remain in federal custody without bond pending further criminal proceedings.

According to allegations in the indictment, Williams and Mirza, a citizen of Pakistan who entered the United States on a student visa on Aug. 15, 2001, viewed the United States and coalition military forces on the

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ground in Afghanistan and Iraq as invaders, and in April 2005 agreed that they should travel to the Middle East to fight with the Taliban to engage in battlefield jihad.

To hone their skills in anticipation for battlefield jihad, the indictment alleges Williams and Mirza agreed to train with firearms at various locations located in Harris and surrounding counties. On at least eight occasions between May 20, 2005, and June 17, 2006, the men engaged in firearms training, and at times in reconnaissance training.

As part of and during the alleged conspiracy, Williams and Mirza are accused of agreeing to offer financial support to Taliban fighters and their families. Federal law prohibits contributions of goods or services to the Taliban, one of several specially designated global terrorist organizations. Williams allegedly provided support – $200 on or about June 28, 2005, and another $150 on May 25, 2006 – intended for Taliban members or their families.

As a student visa holder, Mirza is prohibited from possessing firearms. Furthermore, once his student visa expired on Dec.12, 2005, Mirza's status changed to that of being illegally in the United States. Illegal aliens are also prohibited from possessing firearms. The indictment charges Mirza in three counts of unlawfully possessing firearms during three firearms training sessions occurring in May 2005, March 2006 and May 2006 (Counts Two through Four).

If convicted of the conspiracy charge set forth in Count One, Williams and Mirza face a maximum punishment of five years imprisonment, a fine of $250,000 and three years supervised release. Each of the three firearms alleged against Mirza in Counts Two through Four carry a maximum penalty of 10 years imprisonment, a fine of $250,000 and three years supervised release, upon conviction.

The investigation resulting in the charges was led by the Houston Division of the FBI and the agency's JTTF with participation by: The Bureau of Alcohol, Tobacco, Firearms and Explosives, Immigration and Customs Enforcement, the Houston Police Department, the Texas Department of Public Safety and the Sheriff's Offices of San Jacinto and Montgomery Counties. Assistant U.S. Attorneys Shelley J. Hicks and Glenn Cook are prosecuting the case.

An indictment or an information is a formal accusation of criminal conduct, not evidence. Defendants are presumed innocent unless and until convicted through due process of law.

# # #

Sealed
Public and unofficial staff access to this instrument are prohibited by court order.

Sealed
Public and unofficial staff access to this instrument are prohibited by court order.

UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
FILED
NOV 29 2006
MICHAEL N. MILBY, CLERK OF COURT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA §
§
VS §
§
KOBIE DIALLO WILLIAMS §
aka ABDUL KABEER §
aka ABDUL KABIR §
§
ADNAN BABAR MIRZA §

CRIMINAL NO. H 06 -421

FILED UNDER SEAL

INDICTMENT

THE GRAND JURY CHARGES:

COUNT ONE

A. INTRODUCTION

1. At all times material to this Indictment, Kobie Diallo Williams aka Abdul Kabeer aka Abdul Kabir was a citizen of the United States.

2. At all times material to this Indictment, Adnan Babar Mirza was a citizen of Pakistan. Adnan Babar Mirza was issued an F-1 Student Visa permitting him to enter the United States for educational purposes on August 15, 2001. Adnan Babar Mirza's student visa expired on December 12, 2005.

B. OBJECTS OF THE CONSPIRACY

On or about April 2005, and continuing to on or about the date of this Indictment, in the Houston Division of the Southern District of Texas and elsewhere,

KOBIE DIALLO WILLIAMS
aka ABDUL KABEER
aka ABDUL KABIR and
ADNAN BABAR MIRZA,

defendants herein, did unlawfully and knowingly combine, conspire, confederate and agree with others known and unknown to:

(a) Knowingly and unlawfully possess firearms that had been shipped or transported in, or affected interstate or foreign commerce, namely: an Armalite, Inc., model M15A4, .223 caliber semi automatic rifle; a Savage Arms, Inc., model 10, .308 caliber bolt action rifle; and a Winchester shotgun, at a time when the defendant, Adnan Babar Mirza, had been admitted to the United States under a nonimmigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act pursuant to Title 8, United States Code, Section 1101(a)(26)), in violation of Title 18, United States Code, Sections 922(g)(5)(B) and 924(a)(2);

(b) Knowingly and unlawfully possess in and affecting interstate or foreign commerce firearms and ammunition, namely: one thousand rounds of .223 caliber ammunition; an Armalite, Inc., model M15A4, .223 caliber semi automatic rifle; a Winchester shotgun; and a Remington Arms Co., model 870, 12 gauge pump action shotgun, while the defendant Adnan Babar Mirza, was an alien illegally or unlawfully in the United States (post December 12, 2005), in violation of Title 18, United States Code, Sections 922(g)(5)(A) and 924(a)(2); and

(c) Willfully and unlawfully violate Presidential Orders and Executive Regulations issued under Chapter 35 of Title 50, United States Code, in that the defendants did willfully and unlawfully make a contribution of goods and services, to wit: United States currency, to and for the benefit of a specially

designated global terrorist organization, to wit: the Taliban, in violation of Title 50, United States Code, Section 1705(b); Title 31, Code of Federal Regulations, Sections 545.204 and 545.205; Executive Order No. 13224, 66 Fed. Reg. 49079 (2001); 65 Fed. Reg. 41549 (2000); Executive Order 13129, 64 Fed. Reg. 36759 (1999).

C. MANNER AND MEANS OF THE CONSPIRACY

During the period of the conspiracy:

1. The defendants, Kobie Diallo Williams (Williams) and Adnan Babar Mirza (Mirza), would and did agree that they should travel to the Middle East to fight with the Taliban to engage in battlefield jihad; Williams and Mirza viewed the United States and Coalition military forces on the ground in Afghanistan and Iraq as invaders;

2. Williams and Mirza would and did agree: (1) to offer financial support to Taliban fighters (hereafter "the fighters") and their families; and (2) to train with firearms to hone their skills for battlefield jihad.

3. Williams and Mirza would and did meet at various shooting ranges and camp sites in the Southern District of Texas for the purpose of conducting firearms and paramilitary training to hone their skills with weapons to assist fighters engaging United States forces in Afghanistan, Pakistan and Iraq; and

4. Williams would and did encourage and assist Mirza's firearms training knowing that Mirza was in the United States pursuant to an F-1 student visa issued by the United States Government.

D. OVERT ACTS

The following overt acts, among others, were committed in furtherance of the conspiracy and to accomplish its goals and objects:

1. On or about May 20, 2005, through May 22, 2005, Williams and Mirza trained with firearms on property located in Walker County, Texas.

2. On or about June 28, 2005, Williams provided $200 in financial support intended for the fighters and their families.

3. On or about May 25, 2006, Williams provided $150, financial support earmarked for the fighters and their families.

4. On or about June 4, 2005, Williams and Mirza trained with firearms at the American Shooting Center in Houston, Texas.

5. On or about July 15, 2005, through July 17, 2005, Williams and Mirza trained with firearms at property located in Montgomery County.

6. On or about January 13, 2006, through January 15, 2006, Williams and Mirza engaged in reconnaissance training with firearms at property located in Montgomery County, Texas.

7. On or about March 10, 2006, through March 11, 2006, Williams and Mirza engaged in reconnaissance training with firearms on property located in Montgomery County, Texas.

8. On or about June 17, 2006, Williams and Mirza trained with firearms at a shooting range located in Harris County, Texas.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

On or about May 20, 2005, through May 22, 2005, in the Houston Division of the Southern District of Texas,

ADNAN BABAR MIRZA,

defendant herein, then being an alien admitted to the United States under a nonimmigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act pursuant to Title 8, United States Code, Section 1101(a)(26)), knowingly and unlawfully possessed firearms that had been shipped or transported in, or affected interstate or foreign commerce, namely, an Armalite, Inc. model M15A4, .223 caliber semi automatic rifle; a Savage Arms, Inc., model 10, .308 caliber bolt action rifle; and a Winchester shotgun.

In violation of Title 18, United States Code, Sections 922(g)(5)(B) and 924(a)(2).

COUNT THREE

On or about March 10, 2006, in the Houston Division of the Southern District of Texas,

ADNAN BABAR MIRZA,

defendant herein, who, being an alien illegally and unlawfully present in the United States, knowingly and unlawfully possessed in and affecting interstate and foreign commerce, firearms, namely an Armalite, Inc., model M-15A4, .223 caliber semi automatic rifle and a Winchester shotgun.

In violation of Title 18, United States Code, Sections 922(g)(5)(A) and 924(a)(2).

COUNT FOUR

On or about May 20, 2006, in the Houston Division of the Southern District of Texas,

ADNAN BABAR MIRZA,

defendant herein, who, being an alien illegally and unlawfully present in the United States, knowingly and unlawfully possessed in and affecting interstate and foreign commerce, firearms, namely an Armalite, Inc., model M-15A4, .223 caliber semi automatic rifle; a Savage Arms, Inc., model 10, .308 caliber bolt action rifle; a Remington Arms Co., model 870, 12 gauge pump action shotgun; and a Winchester shotgun.

In violation of Title 18, United States Code, Sections 922(g)(5)(A) and 924(a)(2).

A TRUE BILL:

Original signature on file

FOREPERSON OF THE GRAND JURY

DONALD J. DeGABRIELLE
United States Attorney

By: _____

Shelley J. Hicks, Assistant United States Attorney
Glenn Cook, Assistant United States Attorney
United States Attorney's Office
Southern District of Texas
(713) 567-9000

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Image not available for this document, ID: 0.7.10316.16912-000003

System Administrator

From:	System Administrator
Sent:	Tuesday, November 28, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 904540 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, November 28, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 904541 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Wednesday, November 29, 2006 1:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Middletown, OH

From: AmberAlert-DOJ
Sent: Wednesday, November 29, 2006 1:35:01 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Middletown, OH
Auto forwarded by a Rule

AMBER ALERT:Middletown,OH VEHICLE:1999 Gold Ford Taurus TAG:OH DQM6260 CHILD:8 B/M 4'0" CHILD:9 B/M 5'2" SUSPECT:32 B/M 6'0" 160lbs Hair:Blk CALL 1-877-262-3764
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2902

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Wednesday, November 29, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 904543 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, November 29, 2006 8:31 AM
Subject: DOJ American Indian/Alaska Native Heritage Program: Today 11:30 am

DOJ American Indian/Alaska Native Heritage Program

A program to honor the heritage, culture, and contributions that American Indians and Alaska Natives have made to this Nation will be presented at **11:30 a.m., today, Wednesday, November 29, 2006, in the Great Hall, Robert F. Kennedy Building**. All employees in the Washington Metropolitan Area are invited to observe American Indian and Alaska Native Heritage Month by attending and participating in the program. In view of the special significance of this month, we ask supervisors and managers to inform their employees of this event and to grant them reasonable official time to participate.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 9:01 AM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL, STATE AND LOCAL OFFICIALS AND LEADERS JOIN TOGETHER IN OVER 100 EVENTS ACROSS THE COUNTRY TO MARK NATIONAL METHAMPHETAMINE AWARENESS DAY

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 29, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

FEDERAL, STATE AND LOCAL OFFICIALS AND LEADERS JOIN TOGETHER IN OVER 100 EVENTS ACROSS THE COUNTRY TO MARK NATIONAL METHAMPHETAMINE AWARENESS DAY

National Methamphetamine Awareness Day Events Represent Largest Single-Day Educational Effort on the Dangers of "Meth"

WASHINGTON — On Nov. 30, the Department of Justice, along with federal, state and local officials and leaders, will sponsor the first National Methamphetamine Awareness Day, the largest single nationwide education effort to date warning against the dangers of using meth. On Nov. 27, President George W. Bush issued a proclamation declaring Nov. 30, 2006 to be National Methamphetamine Awareness Day as part of a nationwide effort to further educate the American public about the effects of methamphetamine abuse on American families and communities. Education and public outreach are at the heart of the national drug control strategy, and National Methamphetamine Awareness Day will play an important role in highlighting nationwide efforts to increase awareness and decrease demand of this highly addictive and dangerous drug.

As part of National Methamphetamine Awareness Day, Attorney General Alberto R. Gonzales will host a panel discussion with leading experts to discuss the impact that meth production and use has on individuals, the environment and communities across the country. Additionally, over one hundred events will be hosted by federal, state and local officials and leaders as part of the nationwide effort to educate the American public about the damaging effects of meth abuse.

National Methamphetamine Awareness Day is a coordinated effort not only to reach potential meth users with a message of prevention, but also to educate current users about the programs available to them. In order to increase the impact of this message, the Department has partnered with a number of federal, state and local governments, as well as with private sector and non-profit entities, including the U.S. Department of Labor; U.S. Department of Health and Human Services; U.S. Department of Interior; Office of National Drug Control Policy; the Drug Enforcement Administration (DEA); the Partnership for a Drug-Free America; Boys & Girls Clubs of America; Community Anti-Drug Coalitions of America; Fraternal Order of Police; National District Attorneys Association; National Association of Attorneys General; National Sheriffs' Association; International Association of Chiefs of Police; National Organization for Victims Assistance; Inter-Association

DOJ_NMG_ 0170827

Task Force on Alcohol and Other Substance Abuse Issues; American Council on Education; National Association of Student Personnel Administrators; American College Health Association; Association of Fraternity Advisors; and the National Panhellenic Conference.

A comprehensive list of events led by federal law enforcement is below. Additional events led by state and local officials and community leaders will also take place around the nation, but are not listed here. For information about these events, please contact the Department of Justice Office of Intergovernmental and Public Liaison at 202-514-3465.

PARTICPATING SENIOR DEPARTMENT OF JUSTICE OFFICIALS:

Attorney General Alberto R. Gonzales
U.S. Department of Justice
Attorney General Alberto R. Gonzales will lead a panel discussion with federal, state and community leaders regarding the dangers of meth use and what individuals and communities can do to address this very serious problem. Panel participants will include: Dr. H. Westley Clark, Director of the Center for Substance Abuse Treatment at the U.S. Department of Health and Human Services; Attorney General Robert F. McDonnell of the Commonwealth of Virginia; Deputy Assistant Administrator Joseph T. Rannazzisi of the U.S. Drug Enforcement Administration; Vicki West Sickels, Research Counselor for Iowa Health in Des Moines, Iowa; and Dr. Nora D. Volkow, Director of the National Institute on Drug Abuse for the National Institutes of Health. The George Washington University Medical Center is hosting this event.

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Deputy Attorney General Paul J. McNulty
U.S. Department of Justice
Deputy Attorney General Paul J. McNulty will participate in a Meth awareness presentation at Long & Foster Realtors in Centreville, Va. Deputy Attorney General McNulty will be joined by Sergeant James Cox of the Fairfax County Police Department and Eileen McLaughlin of the Fairfax County Public Schools Safe & Drug Free Youth.

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Assistant Attorney General Rachel Brand
Office of Legal Policy
U.S. Department of Justice
Assistant Attorney General Rachel Brand of the Office of Legal Policy will participate in multiple events throughout her home state of Iowa as part of National Methamphetamine Awareness Day. The events will include a press conference with U.S. Attorney Matthew Whitaker of the Southern District of Iowa and Iowa Drug Policy Coordinator Marv Van Haaften in Des Moines, Iowa; a speech to the Iowa Drug Task Force Conference in Altoona, Iowa; a tour of Mercy Rehab Center and Shelter for meth addicted women and mothers in Des Moines, Iowa; and a presentation at the Panhellenic Council meeting at Iowa State University.

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Assistant Attorney General Alice Fisher
Criminal Division
U.S. Department of Justice
Assistant Attorney General Alice Fisher of the Criminal Division delivered remarks at the 3rd Annual Drug Endangered Children Conference on Nov. 27, 2006 in Nashville, Tenn.

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Press inquiries regarding details of the event should be directed to the Office of Public Affairs at 202-514-2007.

UNITED STATES ATTORNEYS:

United States Attorney Leura Garrett Canary
Middle District of Alabama
U.S. Attorney Leura Garrett Canary will participate in local television interviews regarding meth abuse in the Middle District of Alabama. Local stations include: WSFA (NBC), WAKA (ABC) and Alabama Public Television.

For more information about National Meth Awareness Day events in the Middle District of Alabama contact Retta Goss at 334-223-7280.

United States Attorney Alice H. Martin
Northern District of Alabama
U.S. Attorney Alice H. Martin of the Northern District of Alabama will participate in educational programs about methamphetamine in several local high schools on Nov. 30. Additional participants include the district attorney's offices and the DEA.

For more information about National Meth Awareness Day events in the Northern District of Alabama contact Greg Dimler at 205-244-2001.

United States Attorney Deborah J. Rhodes
Southern District of Alabama
U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama will host a Meth Awareness event and presentation at the Mobile Convention Center from 8:30 A.M. EST until 4:30 P.M. EST. Additional participants will include key federal law enforcement agency heads; the Executive Director of the Drug Education Council; the Executive Director of Boys and Girls Clubs; along with other local officers and partners.

For more information about National Meth Awareness Day events in the Southern District of Alabama contact Charles McNichol at 251-441-5845.

United States Attorney Nelson P. Cohen
District of Alaska
The U.S. Attorney's Office for the District of Alaska, in partnership with the DEA, Anchorage Police Department, and the District Attorney's Office, will participate in two educational events as part of National Meth Awareness Day. First, the U.S. Attorney's Office will participate in a presentation with the chief pharmacists for each national pharmacy chain serving in the District of Alaska to discuss current federal and state law, policies of pharmacy chains and give an update on prosecution efforts. Second, the U.S. Attorney's Office will participate in an informational presentation to local college students regarding the dangers of meth. Additionally, the U.S. Attorney's Office and their partners will pass out information to at-risk youth in the community.

For more information about National Meth Awareness Day events in the District of Alaska contact Chuck Farmer at 907-271-4274.

United States Attorney Paul K. Charlton
District of Arizona
U.S. Attorney Paul K. Charlton of the District of Arizona will participate in a radio interview and call-in show in Spanish with La Buena ONDA, KNUV-1190 on Nov. 28, and will participate in a radio interview on KTAR Phoenix FM radio on Nov. 30. Additionally, the U.S. Attorney's Office for the District of Arizona has

partnered with the DEA to host a Methamphetamine Awareness Event at Arizona State University to educate students on the relationship between meth and violent crime and subsequent effects on communities, families and children.

For more information about National Meth Awareness Day events in the District of Arizona contact Wyn Hornbuckle at 602-514-7500.

United States Attorney H.E. Bud Cummins III
Eastern District of Arkansas
U.S. Attorney H.E. Bud Cummins III of the Eastern District of Arkansas will host an event at the Arkansas State University on Nov. 30. Immediately following the event, U.S. Attorney Cummins will host a press conference on the progress made in fighting meth production and use in the Eastern District of Arkansas and the problems that still exist. Additionally, the DEA will have their mobile meth lab on hand to educate students.

For more information about National Meth Awareness Day events in the Eastern District of Arkansas contact Assistant U.S. Attorney Tim Griffin at 501-340-2673.

United States Attorney George S. Cardona
Central District of California
U.S. Attorney George S. Cardona of the Central District of California will host an event on Nov. 30 to emphasize the dangers of methamphetamine, specifically the harmful effects of methamphetamine on mothers and children. Assisting in this presentation will be representatives from state and local law enforcement agencies, women's shelters and the DEA.

For more information about National Meth Awareness Day events in the Central District of California contact Timothy J. Searight at 213-894-2434.

United States Attorney McGregor Scott
Eastern District of California
U.S. Attorney McGregor Scott of the Eastern District of California will participate in an event with the California Department of Alcohol and Drug Programs to highlight the reduction of meth super labs in the Central Valley of California. Additionally, U.S. Attorney Scott will participate in interviews with radio shows in Bakersfield, Fresno, Sacramento and Redding on enforcement, prevention and treatment of the meth epidemic.

For more information about National Meth Awareness Day events in the Eastern District of California contact U.S. Attorney McGregor Scott at 916-554-2700.

United States Attorney Carol C. Lam
Southern District of California
U.S. Attorney Carol C. Lam of the Southern District of California will host a media availability on Nov. 30 in order to generate awareness about the damaging effects of meth abuse on individuals and families in the San Diego community. The press event will provide important information regarding the risks to women and children as well as focusing on the physical, psychological and emotional dangers associated with methamphetamine. The event will highlight the numerous law enforcement, prevention and education organizations' successes in the ongoing fight against methamphetamine trafficking and abuse.

Additional Participants will include: DEA Special Agent Dan Simmons; Acting Special Agent In Charge (SAC) Alan Poleszak; Assistant Special Agents In Charge (ASACs), 14 Assistant U.S. Attorneys from the Narcotics Enforcement Section, as well as other federal, state and local agencies involved in law enforcement and drug awareness programs; the Methamphetamine Enforcement Team; and the Methamphetamine Laboratory Group.

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Also participating from the U.S. Attorney's Office are Timothy D. Coughlin, Chief of USAO Narcotics Unit; Alana M. Wong, Deputy Chief of the Narcotics Unit; Assistant U.S. Attorney Orlando B. Gutierrez; and an additional 13 USAO's Narcotics Attorneys. Tony Loya, National Coordinator of the National Methamphetamine Chemical Initiative (NMCI), will be available for phone interviews.

For more information about National Meth Awareness Day events in the Southern District of California contact Timothy D. Coughlin or Orlando B. Gutierrez at 619-557-5610.

United States Attorney Kevin Ryan
Northern District of California
The U.S. Attorney's Office for the Northern District of California will participate in a joint presentation with the DEA at the School of the Arts in San Francisco.

For more information about National Meth Awareness Day events in Colorado contact Luke Macaulay at 415-436-6757.

United States Attorney Troy A. Eid
District of Colorado
U.S. Attorney Troy Eid of the District of Colorado will appear on local television morning news programs and author an opinion editorial to discuss the dangers of methamphetamine abuse in the state of Colorado. A breakfast will be hosted by U.S. Attorney Eid and the Colorado District Attorney's Council along with a presentation by a state meth task force regarding the dangers of meth. Additional participants include local, state and federal law enforcement.

For more information about National Meth Awareness Day events in Colorado contact Jeff Dorschner at 303-454-0100.

United States Attorney Kevin J. O'Connor
District of Connecticut
U.S. Attorney Kevin J. O'Conner of the District of Connecticut will hold a press conference at 11:00 A.M EST in Hartford, Conn. Additional participants will include Governor M. Jodi Rell; Chief State Attorney Kevin T. Kane; Connecticut Commissioner of Public Safety Leonard C. Boyle; DEA Resident Agent in Charge Brian Crowell; and Norwalk Police Chief Harry Rilling.

For more information about National Meth Awareness Day events in the District of Connecticut contact Tom Carson at 203-821-3722.

United States Attorney Colm F. Connolly
District of Delaware
U.S. Attorney Colm F. Connolly of the District of Delaware will take part in a public presentation regarding methamphetamine at the First State Community Action Agency in Georgetown, Del. A representative from the DEA will give a presentation discussing several aspects of methamphetamine production and use.

For more information about National Meth Awareness Day events in the District of Delaware contact Kimberlynn Reevees at 302-573-6277.

United States Attorney Jeffrey A. Taylor
District of Columbia
U.S. Attorney Jeffrey A. Taylor of the District of Columbia will participate in a public presentation about the dangers of methamphetamine, both for users and the community, as well as demand reduction strategies.

Partners in this presentation include representatives from the DEA, Metropolitan Police Department and the D.C. crystal meth working group.

For more information about National Meth Awareness Day events in the District Columbia contact Amy Jeffress at 202-514-7566.

United States Attorney Paul Ignatius Perez
Middle District of Florida
U.S. Attorney Paul I. Perez of the Middle District of Florida will join U.S. Attorney Lisa Godbey Wood of the Southern District of Georgia in a press conference and presentation at the Southern States Investigators Meeting on Thursday, Nov. 30 at the Jekyll Island Conference Center in Jekyll Island, Ga. The Conference will bring together law enforcement from Florida, Georgia and other southern states to discuss recent trends in drug enforcement, including meth distribution.

For more information about National Meth Awareness Day events in the Middle District of Florida contact Steven Cole at 813-274-6000.

United States Attorney Gregory R. Miller
Northern District of Florida
U.S. Attorney Gregory R. Miller of the Northern District of Florida will submit an editorial on the dangers of methamphetamine for publication in newspapers throughout the district. Presentations will be made at Parent Teacher Association meetings and Florida Department of Law Enforcement training sessions. Additionally, the DEA will be distributing demand reduction literature on the campuses of the University of West Florida in Pensacola and Florida State University in Tallahassee. The Northern District of Florida will issue a joint press release with the Florida Department of Law Enforcement and DEA concerning National Meth Awareness Day events.

For more information about National Meth Awareness Day events in the Northern District of Florida contact Karen Rhew at 850-942-8430.

United States Attorney R. Alexander Acosta
Southern District of Florida
U.S. Attorney R. Alexander Acosta for the Southern District of Florida will host a workshop presented in cooperation with the South Florida Methamphetamine Task Force Group and the Center for the Administration of Justice at Florida International University at the U.S. Attorney's Office in Miami. Featured speakers will include U.S. Attorney Acosta, DEA Special Agent Dean Wolpert and Dr. David Fawcett.

For more information about National Meth Awareness Day events in the Southern District of Florida contact Alicia Valle at 305-961-9000.

United States Attorney Frank Maxwell Wood
Middle District of Georgia
U.S. Attorney Frank Maxwell Wood of the Middle District of Georgia will sponsor a community event on Friday, Dec. 1, to give the public greater insight into the dangers posed by the methamphetamine epidemic. The invitation has been extended to the Rotary Club, Exchange Club, Career Woman's Network, American Association of University Women and Bibb County Principals and Counselors.

For more information about National Meth Awareness Day events in the Middle District of Georgia contact Sue McKinney at 478-621-2602.

United States Attorney David E. Nahmias

Northern District of Georgia
U.S. Attorney David E. Nahmias will hold a press conference with representatives from the DEA; Georgia Bureau of Investigation, Board of Regents of the University System of Georgia Chancellor's Office; Georgia Department of Education, Georgia Department of Human Resources Prevention Services; Georgia Council on Substance Abuse; and the Georgia Foundation on Nov. 30. The event will focus on the dangers that methamphetamine poses for college students. An e-mail will be sent to college and university students in Georgia warning them of the dangers of meth.

For more information about National Meth Awareness Day events in the Northern District of Georgia contact Charysse Alexander at 404-581-6040.

United States Attorney Lisa Godbey Wood
Southern District of Georgia
U.S. Attorney Lisa Godbey Wood will join with Director Vernon Keenan of the Georgia Bureau of Investigation (GBI) and U.S. Attorney Paul I. Perez of the Middle District of Florida at a press conference and presentation on Thursday, Nov. 30 at the Jekyll Island Conference Center in Jekyll Island, Ga. The Conference brings together law enforcement from Florida, Georgia and other southern states to discuss recent trends in drug enforcement including meth distribution.

For more information about National Meth Awareness Day events in the Southern District of Georgia contact Dan Drake at 912-652-4422.

United States Attorney Leonardo M. Rapadas
District of Guam
U.S. Attorney Leonardo M. Rapadas of the District of Guam, together with Tony Marquez, Resident Agent in Charge of the DEA and Governor Felix Camacho, will host a public awareness outreach. U.S. Attorney Rapadas will also be featured on local television station KUAM and will issue a press release on the importance of combating meth.

For more information about National Meth Awareness Day events in the District of Guam contact U.S. Attorney Rapadas at 671-472-7332.

United States Attorney Edward H. Kubo, Jr.
District of Hawaii
U.S. Attorney Edward H. Kubo, Jr. of the District of Hawaii and Hawaii Lt. Governor James R. Aiona will hold an event at the Ala Moana Shopping Center. Additional participants will include: Honolulu Mayor Mufi Hannemann; Associate Special in Charge Anthony Williams of the DEA; and the Director of the Anti-Drug Coalition of Hawaii. The Hawaii State Narcotics Division will set up displays and distribute pamphlets at the event.

For more information about National Meth Awareness Day events in Hawaii contact Elliot Enoki at 808-541-2850.

United States Attorney Tom Moss
District of Idaho
U.S. Attorney Tom Moss of the District of Idaho will host a town hall meeting at Boise State University at 12:00 P.M. CST on Nov. 30 entitled "Why You Should Care about the Methamphetamine Problem." The meeting will focus on the medical, economic and societal harms of methamphetamine, and its effects on children and families. The one-hour presentation will feature Keith Weis of the DEA, a slide show presentation by Assistant U.S. Attorney Monte Stiles and a panelist who has just graduated from Idaho's local drug court.

For more information about National Meth Awareness Day events in the District of Idaho contact Jean McNeil at 208-334-1211.

United States Attorney Rodger A. Heaton
Central District of Illinois
U.S. Attorney Rodger A. Heaton of the Central District of Illinois will issue a news release highlighting the district's cooperative role in increasing the local awareness and response to meth production.

For more information about National Meth Awareness Day events in the Central District of Illinois contact Sharon Paul at 217-492-4450.

United States Attorney Randy Massey
Southern District of Illinois
U.S. Attorney Randy Massey for the Southern District of Illinois hosted a methamphetamine awareness class which was open to the public on Nov. 27. Additional participants in this educational effort were members of the Illinois State Police Methamphetamine Response Team and the Metropolitan Enforcement Group of Southwestern Illinois.

For more information about National Meth Awareness Day events in the Southern District of Illinois contact Ranley Killian at 618-628-3700.

United States Attorney Joseph S. Van Bokkelen
Northern District of Indiana
U.S. Attorney Joseph S. Van Bokkelen of the Northern District of Indiana will have a special informational session on Nov. 30 in South Bend, Ind. The conference, "Community Analysis Process for Planning Strategies," will involve teams from multiple jurisdictions throughout the Northern District of Indiana consisting of law enforcement, community and civic organizations to representatives from schools, municipal government and the local judiciary. The purpose of the session is to assist executive teams to develop a community-wide action plan based on needs using a comprehensive strategic approach for addressing crime, violence and substance abuse.

For more information about National Meth Awareness Day events in the Northern District of Indiana contact James Mesterharm at 219-937-5500.

United States Attorney Susan W. Brooks
Southern District of Indiana
U.S. Attorney Susan W. Brooks of the Southern District of Indiana will host an educational session for college students, followed by a panel discussion and press conference at DePauw University in Greencastle, Ind. Participants will include representatives from the Governor's Office, the DEA, as well as local partners.

For more information about National Meth Awareness Day events in the Southern District of Indiana contact Mary Bippus at 317-226-6333.

United States Attorney Charles W. Larson
Northern District of Iowa
U.S. Attorney Charles W. Larson of the Northern District of Iowa with hold a press conference at the Novis Treatment Center in Cedar Rapids, Iowa – a future outpatient treatment center for methamphetamine addicts. The purpose of this press conference is to highlight the "Meth and More" educational campaign that was developed in the Northern District of Iowa to bring awareness to the dangers of methamphetamine. Additional participants include federal and local law enforcement agents; representatives from the Iowa Office of Drug

Control Policy; and representatives from the Area Substance Abuse Information Center and Novis Treatment Center.

For more information about National Meth Awareness Day events in the Northern District of Iowa contact Bob Teig at 319-363-6333.

United States Attorney Matt Whitaker
Southern District of Iowa
U.S. Attorney Matt Whitaker of the Southern District of Iowa will host a media conference at 10:00 A.M. CST at the state capitol in Des Moines, Iowa. Additional participants will include Assistant Attorney General Rachel Brand of the Office of Legal Policy; Iowa Attorney General Tom Miller; Kevin Techau, Commissioner of the Iowa Department of Public Safety; and Marv VanHaaften, Director of the Governor's Office of Drug Control Policy. At 12:00 P.M. CST, U.S. Attorney Whitaker will deliver an address at the State Drug Task Force Conference. A visit to House of Mercy, a women's drug treatment center, is also scheduled.

For more information about National Meth Awareness Day events in the Southern District of Iowa contact Al Overbaugh at 515-284-6283.

United States Attorney Eric F. Melgren
District of Kansas
U.S. Attorney Eric F. Melgren for the District of Kansas hosts the Kansas Methamphetamine Summit on Nov. 28 and 29 at the Hyatt Regency Hotel in Wichita Kan. U.S. Attorney Melgren will appear on Cox Cable Channel 7 in a video-taped ceremony with Wichita Mayor Carlos Mayans, Wichita Police Chief Norman Williams and Sedgwick County Sheriff Gary Steed to receive a proclamation by the Wichita City Council declaring Meth Awareness Day. The District of Kansas will issue a press release regarding methamphetamine on Nov. 30, and U.S. Attorney Melgren will be available for media interviews.

For more information about National Meth Awareness Day events in the District of Kansas contact Jim Cross at 316-269-6481.

United States Attorney Amul R. Thapar
Eastern District of Kentucky
U.S. Attorney Amul R. Thapar of the Eastern District of Kentucky will host National Methamphetamine Awareness Day events at Toyota Motor Manufacturing, the Rotunda of the State Capitol, and at the University of Kentucky. Partners for the events will include the Kentucky Office of Drug Control Policy and the Drug Endangered Child Training Network. Additional participants will include Assistant U.S. Attorney Hydee Hawkins; Law Enforcement Coordinator Danny Smith; Public Information Officer Courtney Yopps; and Cindy Long, Secretary to the U.S. Attorney.

For more information about National Meth Awareness Day events in the Eastern District of Kentucky contact Hydee Hawkins at 859-233-2661 extension 274.

United States Attorney David L. Huber
Western District of Kentucky
U.S. Attorney David L. Huber of the Western District of Kentucky will hold a press conference to discuss National Methamphetamine Awareness Day with DEA representatives at 10:00 A.M. CST in Louisville, Ky.

For more information about National Meth Awareness Day events in the Western District of Kentucky contact Phil Chance at 502-582-5911.

United States Attorney Jim Letten

Eastern District of Louisiana
U.S. Attorney Jim Letten of the Eastern District of Louisiana will participate in two interviews with four local television stations during the week of National Meth Awareness Day along with DEA Special Agent in Charge William J. Renton, Jr.
Local stations include: WVUE (Fox); WGNO (ABC); WWL TV (CBS); and WDSU (NBC).

For more information about National Meth Awareness Day events in the Eastern District of Louisiana contact Kathy English at 504-680-3000.

United States Attorney Donald W. Washington
Western District of Louisiana
U.S. Attorney Donald W. Washington will be available for media interviews on Nov. 30. The DEA Shreveport office will give presentations at Northwestern State University (Natchitoches/Alexandria), Louisiana State University Shreveport (Shreveport), Bossier Parish Community College (Bossier City), Grambling State University (Grambling/Ruston), and the University of Louisiana at Monroe (Monroe).

For more information about National Meth Awareness Day events in the Western of Louisiana contact Vicki Chance at 318-676-3600.

United States Attorney Rod J. Rosenstein
District of Maryland
U.S. Attorney Rod J. Rosenstein of the District of Maryland will host a press conference with representatives from the DEA and local law enforcement to raise awareness about the dangers of methamphetamine, how to recognize it in your community, and what to do about it. The event will take place at the U.S. Attorney's Office in Baltimore.

For more information about National Meth Awareness Day events in the District of Maryland contact Vickie LeDuc at 410-209-4800.

United States Attorney Michael J. Sullivan
District of Massachusetts
U.S. Attorney Michael J. Sullivan of the District of Massachusetts will partner with the DEA to make presentations to high school students in Springfield, Worchester and Boston. Participants will include local District Attorneys and Police Chiefs. DEA and U.S. Attorney's Office representatives from the District of Massachusetts will make appearances on various radio programs in the Commonwealth and give interviews to local television stations.

For more information about National Meth Awareness Day events in the District of Massachusetts contact Samantha Martin at 617-748-3139 or Christina Sterling at 617-748-3356.

United States Attorney Paula Silsby
District of Maine
U.S. Attorney Paula Silsby of the District of Maine will issue a joint press release with the Maine Attorney General which will summarize local prevention efforts, including enacted legislation to place pseudophedrine behind pharmacy counters, a National Alliance for Drug Endangered Children Conference, and recent cross training efforts with drug agents and child protective workers. The District of Maine will also host a presentation at both the Portland and Bangor offices entitled "A Community Partnership Approach to Addressing Methamphetamine."

For more information about National Meth Awareness Day events in the District of Maine contact Mark Terison at 207-780-3257.

United States Attorney Stephen J. Murphy, III
Eastern District of Michigan
U.S. Attorney Stephen J. Murphy, III of the Eastern District of Michigan will partner with U.S. Attorney Margaret M. Chiara of the Western District of Michigan in a state-wide press conference. Additional participants include Colonel Peter C. Munoz, Director of the Michigan State Police; Director Donald L. Allen, Jr. of the State of Michigan Office of Drug Control Policy; Deputy Director Mary Anne Solberg of the Office of National Drug Control Policy; Director Abraham Azzam of the Michigan HIDTA; and Special Agent in Charge Robert Corso of the DEA's Detroit Division.

For more information about National Meth Awareness Day events in the Eastern District of Michigan contact U.S. Attorney Stephen J. Murphy at 313-226-9100.

United States Attorney Margaret M. Chiara
Western District of Michigan
U.S. Attorney Margaret Chiara of the Western District of Michigan will partner with U.S. Attorney Stephen J. Murphy of the Eastern District of Michigan in a state-wide press conference and will issue a press release for all media in the Western District of Michigan. Additionally, Assistant U.S. Attorney Niles Kessler will participate in a press open house in the Grand Rapids U.S. Attorney's Office along with the DEA. Press kits will be distributed to tribal newspapers located east of the Mississippi River, and the Battle Creek Weed and Seed volunteers will hold a press conference with Assistant U.S. Attorney Kessler. Additional participants include Colonel Peter C. Munoz, Director of the Michigan State Police; Director Donald L. Allen Jr. of the State of Michigan Office of Drug Control Policy; Deputy Director Mary Anne Solberg of the Office of National Drug Control Policy; Director Abraham Azzam of the Michigan High Intensity Drug Trafficking Areas; and Special Agent in Charge Robert Corso of the DEA's Detroit Division.

For more information about National Meth Awareness Day events in the Western District of Michigan contact Kaye Hooker at 616-456-2404.

United States Attorney Rachel K. Paulose
District of Minnesota
U.S. Attorney Rachel K. Paulose of the District of Minnesota will join a panel of prevention and intervention specialists, including representatives from the Hazelden Foundation, to provide a "meth update" to an audience of 75 community, law enforcement and social service leaders. The event will be hosted by the Chisago County Meth Task Force. Speakers will highlight what has been done to date at the state and federal levels to address the meth problem. They also will discuss the need to develop multi-disciplinary approaches to deal with the problem in the future.

In addition, U.S. Attorney Paulose will join Minnesota Department of Public Safety Commissioner Michael Campion in writing an article that will appear on the editorial page of the St. Paul Pioneer Press on Nov. 28 to preview National Meth Awareness Day.

For more information about National Meth Awareness Day events in Minnesota contact Jeanne F. Cooney at 612-664-5611.

United States Attorney Jim M. Greenlee
Northern District of Mississippi
U.S. Attorney Jim M. Greenlee will participate in three press conferences with Assistant U.S Attorneys Charles W. Spillers and Curtis Ivy from the Organized Crime Drug Enforcement Task Force. The first will be held on Nov. 30 in West Point, Miss., at 9:00 A.M. CST. Participants will include the Mississippi Bureau of Narcotics, the DEA, the West Point Chief of Police and Oktibbeha County Sheriff. The second conference will be held in Tupelo, Miss., at 11:00 A.M. CST. Participants will include the Mississippi Bureau of Narcotics, the DEA, the

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Tupelo Chief of Police and the Lee County Sheriff. At 2:00 P.M. CST, a final press conference will be held in Greenwood, Miss., with the DEA, Greenwood Chief of Police and the Leflore County Sheriff.

For more information about National Meth Awareness Day events in the Northern District of Mississippi contact David Crews at 662-234-3351.

United States Attorney Dunn O. Lampton
Southern District of Mississippi
U.S. Attorney Dunn O. Lampton of the Southern District of Mississippi will sponsor a presentation to students at Mississippi College in Clinton, Miss., and distribute informational materials to local news outlets. Additionally, a press release highlighting recent district activity combating meth will be issued.

For more information about National Meth Awareness Day events in the Southern District of Mississippi contact Sheila Wilbanks at 601-965-4480.

United States Attorney Catherine L. Hanaway
Eastern District of Missouri
U.S. Attorney Catherine L. Hanaway will speak before the Missouri Kiwanis Club in Moberly Mo. and the Missouri Teachers Association in Hannibal, Mo., on Wednesday, Nov. 29 U.S. Attorney Hanaway will also speak with AT&T employees in St. Louis on Thursday, Nov. 30. Additionally, the Eastern District of Missouri will issue a press release outlining the successes of the Methamphetamine Initiative.

For more information about National Meth Awareness Day events in the Eastern District of Missouri contact Jan Diltz at 314-539-7719.

United States Attorney Bradley J. Schlozman
Western District of Missouri
U.S. Attorney Bradley J. Scholzman of the Western District of Missouri will participate in a series of speaking events to high school students on Nov. 30. Additional participants include local police and narcotics investigators. The Western District of Missouri has partnered with the Oak Grove Police Department, Jackson County Drug Task Force, and Oak Grove High School to raise awareness about meth abuse.

For more information about National Meth Awareness Day events in the Western District of Missouri contact Gregg Coonrod at 816-426-4234.

United States Attorney William Mercer
District of Montana
U.S. Attorney William Mercer of the District of Montana will conduct a media forum on Nov. 30 regarding methamphetamine prevention, enforcement and treatment. Participants will include: Mental Health Center; the Rimrock Foundation; City Drug Court; County Drug Court; the Montana Meth Project and the DEA. Other event participants include First Assistant U.S. Attorney Kurt G. Alme; Assistant U.S. Attorney Marcia K. Hurd; and Sally K. Frank, Secretary to U.S. Attorney Mercer.

For more information about National Meth Awareness Day events in the District of Montana contact First Assistant U.S. Attorney Kurt G. Alme at 406-247-4638.

United States Attorney Joe W. Stecher
District of Nebraska
U.S. Attorney Joe W. Stecher will co-host a press conference at 1:00 P.M. CST with Nebraska Governor Dave Heineman. Presentations will also take place at local colleges and high schools. Additional participants include the Nebraska Attorney General Jon Bruning; Omaha Police Chief Thomas Warren; the Nebraska State Patrol;

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DEA and FBI Special Agents in Charge; PRIDE Omaha; and representatives from the North and South Omaha Boys and Girls Clubs.

For more information about National Meth Awareness Day events in the District of Nebraska contact Joe Jeanette at 402-661-3725.

U.S. Attorney Daniel G. Bogden
District of Nevada
U.S. Attorney Daniel G. Bogden of the District of Nevada will coordinate efforts between the U.S. Attorney's Office, the DEA and Nevada's Department of Public Safety to give educational presentations to schools throughout the district regarding methamphetamine awareness.

For more information about National Meth Awareness Day events in the District of Nevada contact Pam Martin at 702-388-6336.

United States Attorney Thomas P. Colantuono
District of New Hampshire
U.S. Attorney Thomas P. Colantuono of the District of New Hampshire will host a press conference with the DEA announcing the seizure of methamphetamine. Additionally, panel discussions will be presented at the New Hampshire Community Technical College in Stratham, N.H. and at the University of New Hampshire in Durham, N.H.

For more information about National Meth Awareness Day events in the District of New Hampshire contact Linda Tomlinson at 603-225-1552.

United States Attorney Christopher J. Christie
District of New Jersey
U.S. Attorney Christopher J. Christie will facilitate a program on Nov. 30 involving presentations targeted to first responders who may enter clandestine methamphetamine labs while performing their duties. The program will include a discussion of the meth problem in the United States and the role of the media in assisting law enforcement in combating the meth problem through prevention. DEA meth lab specialists will discuss meth labs in general, with a focus on how to identify a meth lab.

For more information about National Meth Awareness Day events in New Jersey contact Mike Drewniak at 973-645-2877.

United States Attorney David C. Iglesias
District of New Mexico
U.S. Attorney David C. Iglesias of the District of New Mexico will announce efforts to coordinate distribution of the "Just Think Twice" classroom curriculum to New Mexico's schools and tribal and local law enforcement agency contacts within the district. On Nov. 30, the State Drug Czar is also hosting a round table discussion on methamphetamine abuse in New Mexico. The panel will include the DEA, the U.S. Attorney's Office, the White House Office of National Drug Control Policy, the State Drug Czar, and various prevention and treatment professionals.

For more information about National Meth Awareness Day events in New Mexico contact Norman Cairns at 505-224-1521.

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

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U.S. Attorney Roslynn R. Mauskopf will participate in a press conference hosted by the DEA regarding methamphetamine abuse and production in the Eastern District of New York. Partners in the event are the DEA and the Suffolk County Police Department.

For more information about National Meth Awareness Day events in the Eastern District of New York contact Robert Nordoza at 718-259-6323.

United States Attorney Terrance P. Flynn
Western District of New York
U.S. Attorney Terrance P. Flynn of the Western District of New York will partner with DEA and area hospitals to host an educational event at Hilbert College in Hamburg, N.Y., to provide information to college students about the dangers of methamphetamine use.

For more information about National Meth Awareness Day events in the Western District of New York contact Peggy McFarland at 716-843-5700.

United States Attorney George E.B. Holding
Eastern District of North Carolina
U.S. Attorney George E.B. Holding of the Eastern District of North Carolina will hold a press conference at 3:00 P.M. EST on Nov. 30, to discuss the problems of methamphetamine abuse. Additional participants will include DEA Resident Agent in Charge (RAC) Donny Hansen of the Raleigh Resident Office, DEA RAC Emmett Highland of the Wilmington Resident Office, N.C. State Bureau of Investigation Assistant Director Jerry Ratley, Johnston County Sheriff Steve Bizzelle, Harnett County Sheriff Larry Rollins, and Sampson County Sheriff Jimmy Thornton.

For more information about National Meth Awareness Day events in the Eastern District of North Carolina contact Elisabeth Regan at 919-856-4845.

United States Attorney Anna Mills Wagoner
Middle District of North Carolina
U.S. Attorney Anna Mills Wagoner of the Middle District of North Carolina will participate in scheduled events at the Guilford County Jail in Greensboro, N.C., and Guilford Technical Community College (GTCC). U.S. Attorney Wagoner will talk about the dangers of methamphetamine with female prisoners housed in the Guilford County Jail. In addition, the Department of Justice Meth 101 video will be shown. The video will also be shown to a number of classes at GTCC. Press releases and press conferences are also planned.

For more information about National Meth Awareness Day events in the Middle District of North Carolina contact U.S. Attorney Anna Mills Wagoner at 336-333-5351.

United States Attorney Gretchen C.F. Shappert
Western District of North Carolina
U.S. Attorney Gretchen C.F. Shappert will participate in a morning press conference in Hendersonville, N.C., to emphasize the problem of imported methamphetamine and the scope of the joint law enforcement efforts in Henderson County. U.S. Attorney Shappert will also address 7th graders at East Junior High School in Marion, N.C. A second press conference will emphasize the problem of local methamphetamine production, the successes currently being experienced as a result of concentrated and coordinated law enforcement efforts, and the positive impact of the passage of North Carolina state laws restricting the availability of necessary ingredients for meth production.

For more information about National Meth Awareness Day events in the Western District of North Carolina contact Suellen Pierce at 704-344-6222.

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United States Attorney Drew H. Wrigley
District of North Dakota
U.S. Attorney Drew H. Wrigley of the District of North Dakota will participate in a local radio interview with WDAY-AM Radio.

For more information about National Meth Awareness Day events in North Dakota contact Julie Hough at 701-297-7400.

United States Attorney Gregory A. White
Northern District of Ohio
U.S. Attorney Gregory A. White will hold a press conference at the Bureau of Criminal Investigation at the Ohio Peace Officer Training Center in Richfield, Ohio. A short video will be shown. Additional participants will be representatives of the county prosecutors and county Sheriffs from Cuyahoga, Summit and Ashtabula Counties; and local and state law enforcement officials.

For more information about National Meth Awareness Day events in the Northern District of Ohio contact William J. Edwards at 216-622-3600.

United States Attorney Sheldon J. Sperling
Eastern District of Oklahoma
U.S. Attorney Sheldon J. Sperling of the Eastern District of Oklahoma will speak to community leaders at an event hosted by Moskogee Rotary Club to discuss the history of meth in the Eastern District of Oklahoma.

For more information about National Meth Awareness Day events in the Eastern District of Oklahoma contact Sheldon Sperling at 918-684-5100.

United States Attorney David E. O'Meilia
Northern District of Oklahoma
U.S. Attorney David E. O'Meilia will participate in a public presentation on methamphetamine awareness entitled "Meth 360" on Nov. 30 from 4:00 P.M. CST until 6:00 P.M. CST at Tulsa Public Schools. The "Meth 360" program has made approximately 18 meth awareness presentations over the past three months to various groups in the Tulsa area.

For more information about National Meth Awareness Day events in the Northern District of Oklahoma contact Randal Edgmon at 918-382-2730.

United States Attorney John C. Richter
Western District of Oklahoma
U.S. Attorney John Richter will hold a press conference with the DEA Special Agent in Charge and the Director of the Oklahoma Bureau of Narcotics (OBN). The press conference will include a briefing on meth facts, a show and tell with a drug dog, and the OBN's model meth lab. U.S. Attorney Richter will also be interviewed live on KOKC talk radio program "Reid Mullins In The Morning With Oklahoma's First News."

For more information about National Meth Awareness Day events in the Western District of Oklahoma contact Bob Troester at 405-553-8809.

U.S. Attorney Karin J. Immergut
District of Oregon
U.S. Attorney Karin J. Immergut will hold a press conference to highlight past achievements and future goals in fighting meth abuse and participate in a presentation of Office of National Drug Control Policy (ONDCP)

awards to the Oregon Governor's Meth Task Force and to the Oregon Board of Pharmacy. Additional participants include the Oregon Governor's Office, Oregon Governor's Meth Task Force, Oregon Board of Pharmacy, ONDCP, DEA, Oregon Narcotics Enforcement Association, Oregon Alliance for Drug Endangered Children, Oregon Partnership, and Oregon Criminal Justice Commission.

For more information about National Meth Awareness Day events in the District of Oregon contact Diane Peterson at 503-727-l066.

United States Attorney Patrick L. Meehan
Eastern District of Pennsylvania
U.S. Attorney Patrick L. Meehan of the Eastern District of Pennsylvania, in cooperation with the DEA, will hold a Clan Lab response drill in the borough of Doylestown in Bucks County, Pa. The DEA will set up a mock meth lab in the garage of a Doylestown residence and local police, fire and DEA officials will respond. U.S. Attorney Meehan, the DEA Special in Agent in Charge, and representatives from local fire, police and government will hold a press conference following the demonstration. The conference will highlight the dangers associated with meth and clandestine laboratories. It will also advise the public on what to do if they suspect a meth lab is located in their neighborhood. At the close of the press conference, a one hour presentation by the DEA and Bucks County Council on Alcoholism and Drug Dependence will be offered to the public. Also in attendance will be a 10th grade class from a local high school.

For more information about National Meth Awareness Day events in the Eastern District of Pennsylvania contact Jim Schultz at 215-861-8449.

United States Attorney Thomas A. Marino
Middle District of Pennsylvania
U.S. Attorney Thomas A. Marino of the Middle District of Pennsylvania will issue a press release tying the national event to local enforcement efforts in conjunction with federal, state and local partners.

For more information about National Meth Awareness Day events in the Middle District of Pennsylvania contact Heidi Havens at 570-348-2800.

United States Attorney Mary Beth Buchanan
Western District of Pennsylvania
U.S. Attorney Mary Beth Buchanan for the Western District of Pennsylvania will partner with the DEA, the Pennsylvania Attorney General's Office Drug Demand Reduction Unit, and the Crawford County District Attorney's Office and Coroner's Office to sponsor a Meth Awareness Seminar at 7:00 P.M. EST at Linesville High School in Linesville, Pa. In the Pittsburgh area the U.S. Attorney's Office, the DEA and City of Duquesne Police Department will sponsor a Community Crime Watch Seminar at 6:30 P.M. EST. This program will focus on the damaging effects of methamphetamine use on individuals, families and communities.

For more information about National Meth Awareness Day events in the Erie area contact Assistant U.S. Attorney Marshall Piccinini at 814-452-2906. For information on events in the Pittsburgh area contact Assistant U.S. Attorney Stephen Kaufman at 412-894-7377.

United States Attorney Robert Clark Corrente
District of Rhode Island
U.S. Attorney Robert Clark Corrente will hold a joint press conference and issue a release announcing the formation of a state-wide methamphetamine working group. The District of Rhode Island will partner with the Rhode Island State Department of Mental Health, Retardation and Hospitals; Rhode Island Substance abuse treatment, Detoxification, Methadone Maintenance, and Methadone Detoxification; DEA; Rhode Island State

Attorney General's Office; Rhode Island Department of Corrections; and the Rhode Island Department of Health to combat the meth epidemic.

For more information about National Meth Awareness Day events in the District of Rhode Island contact Hollie Capuano at 401-709-5000.

United States Attorney Reginald Lloyd
District of South Carolina
U.S. Attorney Reginald Lloyd of the District of South Carolina co-sponsored a press conference on Wednesday, Nov. 28, and will issue a press release on Nov. 30 discussing the methamphetamine problem and community outreach efforts. A conference will be held Nov. 27-30 at the Embassy Suites Hotel in Myrtle Beach, S.C. Assistant U.S. Attorney Regan Pendleton led a discussion group on Nov. 28, and U.S. Attorney Reginald Lloyd served as luncheon speaker on that same date. Following U.S. Attorney Lloyd's speech, a press conference involving South Carolina Attorney General Henry McMaster, DEA Assistant Special Agent in Charge John Ozaluk and heads of the conference's agency co-sponsors was held.

For more information about National Meth Awareness Day events in the District of South Carolina contact Assistant U.S. Attorney Mark Moore at 803-929-3062.

United States Attorney Martin J. Jackley
District of South Dakota
U.S. Attorney Martin J. Jackley of the District of South Dakota will appear with Governor Mike Rounds and South Dakota Attorney General Larry Long at a joint press conference on Nov. 30. Additionally, U.S Attorney Jackley will participate in presentations at local high schools and women's shelters.

For more information about National Meth Awareness Day events in South Dakota contact Mark Salter at 605-330-4400.

United States Attorney James R. Dedrick
Eastern District of Tennessee
U.S. Attorney James R. Dedrick will join the Tennessee Methamphetamine Task Force to launch a campaign entitled “Stop Meth in Tennessee, Start Right Now,” at a press conference at the Grundy County Courthouse in Altamont, Tenn. The Tennessee Methamphetamine Task Force consists of members from state and local law enforcement agencies, the Tennessee Bureau of Investigation, the Tennessee National Guard Counterdrug Division, the Tennessee Highway Patrol, the District Attorneys of Tennessee, the DEA, and the U.S. Attorney’s Offices for the Eastern, Middle and Western Districts of Tennessee.

For more information about National Meth Awareness Day events in the Eastern District of Tennessee contact Gregg Sullivan at 423-752-5140.

United States Attorney Craig Morford
Middle District of Tennessee
U.S. Attorney Craig Morford will participate in a press conference on Nov. 30 that will address missed opportunities for intervention and how to take the steps to create alliances against meth abuse in the community.

For more information about National Meth Awareness Day events in the Middle District of Tennessee contact David Boling at 615-736-5151.

United States Attorney David Kustoff
Western District of Tennessee
U.S. Attorney David Kustoff will conduct a radio interview on WNWS Talk Radio

on Nov. 30, and will speak on behalf of 20 agencies involved in the Western Tennessee Methamphetamine Task Force, which include chiefs, sheriffs, district attorneys and agents from throughout the Western District of Tennessee.

For more information about National Meth Awareness Day events in the Western District of Tennessee contact U.S. Attorney David Kustoff or Leigh Anne Jordan at 901-544-4231.

United States Attorney Matthew D. Orwig
Eastern District of Texas
U.S. Attorney Matthew D. Orwig of the Eastern District of Texas will hold a press conference in which he will present a Certificate of Appreciation to state representatives who introduced legislation limiting over-the-counter pseudophrine sales. There will also be a press conference held in Beaumont, Texas, including speeches from a former meth addict, health officials, and a law enforcement officer. In Sherman, Texas local health officials and law enforcement officers will speak about meth.

For more information about National Meth Awareness Day events in the Eastern District of Texas contact Davilyn Brackin at 409-839-2538.

United States Attorney Richard B. Roper III
Northern District of Texas
U.S. Attorney Richard B. Roper III of the Northern District of Texas will sponsor a program, along with the DEA, to generate public awareness on the damaging effects of meth abuse on individuals, families and communities. At the program, DEA chemists will conduct a demonstration of manufacturing meth, and will offer tours of the DEA truck lab.

For more information about National Meth Awareness Day events in the Northern District of Texas contact Kathy Colvin at 214-659-8707.

United States Attorney Donald J. DeGabrielle, Jr.
Southern District of Texas
U.S Attorney Donald J. DeGabrielle Jr. will host an educational symposium with students from three local universities as well as local law enforcement partners. Remarks will be delivered by U.S. Attorney DeGabrielle and Special Agent in Charge James Craig of the DEA.

For more information about National Meth Awareness Day events in the Southern District of Texas contact Nancy Herrera at 713-567-9000.

United States Attorney Johnny K. Sutton
Western District of Texas
U.S. Attorney Johnny K. Sutton of the Western District of Texas has presentations scheduled at the following local schools on Nov. 30: Cedar Park High School St. Phillip's College University of Texas at Austin Downtown campus, University of Texas at Margaret Tobin Avenue, Harlandale Middle School, and Regan High School. Additional participants include the DEA, San Antonio Police Department, Texas National Guard, San Antonio Fighting Back, San Antonio Council on Alcohol & Drug Abuse, and the University of Texas San Antonio Alcohol & Drug Task Force.

For more information about National Meth Awareness Day events in the Western District of Texas contact Shana Jones at 210-384-7100.

United States Attorney Brett L. Tolman
District of Utah

U.S. Attorney Brett L. Tolman will host a series of training sessions which will be held at the Salt Lake City Library Auditorium. The topics include Treatment Options, Effects on the Brain and Behavior, The Psychological Effects of Meth on Children, Preventing Substance Abuse, and Methamphetamine: An International Perspective. DARE officers will focus on meth prevention and education issues in Utah school classes on National Methamphetamine Awareness Day, as well.

For more information about National Meth Awareness Day events in Utah contact Barbara Bearnson or Melodie Rydalch at 801-524-5682.

United States Attorney Thomas D. Anderson
District of Vermont
U.S. Attorney Thomas D. Anderson of the District of Vermont will issue a joint press release with the Vermont State Police regarding the dangers of meth and the steps being taken at the federal and state levels to combat meth use and production.

For more information about National Meth Awareness Day events in Vermont contact Jeanine M. Blais at 802-951-6725.

United States Attorney Chuck Rosenberg
Eastern District of Virginia
U.S. Attorney Chuck Rosenberg will participate in an assembly at West Potomac Academy in Fairfax County, Va., as part of the events on Methamphetamine Awareness Day. The assembly will be followed by a press conference at 11:00 A.M. EST.

For more information about National Meth Awareness Day events in the Eastern District of Virginia contact Jim Rybicki at 703-299-3700.

United States Attorney John L. Brownlee
Western District of Virginia
U.S. Attorney John L. Brownlee will be the moderator and host for a panel discussion and the viewing of a "Meth Kills" video that will be held at the Boys and Girls Clubs for Harrisonburg and Rockingham County. "Meth Kills" is a 13-minute video produced by U.S. Attorneys Office for the Western District of Virginia and is currently being distributed to every high school in Virginia, warning kids to stay away from methamphetamine. U.S. Attorney Brownlee will be available for media interviews.

For more information about National Meth Awareness Day events in the Western District of Virginia contact Heidi Coy at 540-857-2250.

United States Attorney James A. McDevitt
Eastern District of Washington
U.S. Attorney James A. McDevitt has scheduled a press conference on Nov. 30 at 3:00 P.M. PST to address the meth problem in the community and answer questions from the press. The office has partnered with local non-profit organizations and the DEA to run a full-page color ad on Meth Awareness and will coordinate a feature article in the local newspaper focusing on the local Drug Endangered Children (DEC) program. Additional press conference participants include DEA Resident Agent in Charge Scott Hanten, Spokane County Sheriff Ozzie Knezovich, Spokane Police Chief Anne Kirkpatrick, as well as representatives of the Washington State Patrol, the Greater Spokane Substance Abuse Council, and Partners with Families and Children.

For more information about National Meth Awareness Day events in the Eastern District of Washington contact Thomas Rice at 509-353-2767.

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United States Attorney John McKay
Western District of Washington
U.S. Attorney John McKay for the Western District of Washington, along with the DEA, will be providing speakers at a variety of venues including a university Rotary event in Seattle.

For more information about National Meth Awareness Day events in the Western District of Washington contact Emily Langlie at 206-553-7970.

United States Attorney Sharon L. Potter
Northern District of West Virginia
U.S. Attorney Sharon L. Potter will participate in a presentation at Wheeling Jesuit University to a Risk Prevention Wellness class of approximately 50 students, resident advisors and professors. There will be a Wheeling Intelligencer newspaper insert written by student reporters for "Teen Line" entitled, "A Teen's Perspective on Meth," and employees of the U.S. Attorney's Office will distribute pamphlets about meth awareness at local venues. There will also be a presentation to students at Wheeling Park High School in the Substance Abuse Health Classes.

For more information about National Meth Awareness Day events in the Northern District of West Virginia contact George Fahey at 304-234-0100.

United States Attorney Charles T. Miller
Southern District of West Virginia
U.S. Attorney Charles T. Miller will participate in presentations to the employees of American Electric Power in North Charleston, W.V., and to college students and staff at West Virginia State University in Institute, W.V.

For more information about National Meth Awareness Day events in the Southern District of West Virginia contact Deanna Eder at 304-340-2390.

United States Attorney Steven M. Biskupic
Eastern District of Wisconsin
U.S. Attorney Steven M. Biskupic of the Eastern District of Wisconsin will host a press conference in conjunction with the DEA that will focus on methamphetamine lab awareness and demand reduction strategies. Local and state law enforcement will also participate in the press conference.

For more information about National Meth Awareness Day events in the Eastern District of Wisconsin contact Bill Lipscomb at 414-297-1700.

United States Attorney Erik Peterson
Western District of Wisconsin
U.S. Attorney Erik Peterson will appear on WEAU-TV's morning show in Eau Claire, the largest city in northwest Wisconsin and the area hardest hit by meth in the Western District. He will be interviewed on WAYY radio between 8:20 A.M. CST and 9:00 A.M. CST, and WAXX radio which will be aired on six radio affiliates covering 27 counties in northwest and north central Wisconsin.

For more information about National Meth Awareness Day events in the Western District of Wisconsin contact Myra Longfield at 608-250-5461.

United States Attorney Matthew Mead
District of Wyoming
U.S. Attorney Matthew Mead will participate in radio talk shows in the Cheyenne media market regarding the meth problems encountered throughout the District and in Indian Country, and will join Governor Dave

Freudenthal in a news conference scheduled to be held at the Historic Union Pacific Depot in Cheyenne. Governor Freudenthal will sign a proclamation designating Nov. 30 as Wyoming Methamphetamine Awareness Day. They will be joined by Mr. Mike Johnson, the head of a successful community-based meth imitative in Uinta County, Wyo.

U.S. Attorney Mead and Governor Freudenthal will be joined at the news conference by the Wyoming Attorney General, various state legislators, the Director of the Wyoming Department of Health, the Special Agent in Charge of the DEA, the Director of the Wyoming Division of Criminal Investigation, the Cheyenne Chief of Police, the Sheriff of Laramie County, representatives of community based meth initiatives from selected communities throughout the state, and other community and state leaders.

For more information about National Meth Awareness Day events in the District of Wyoming contact Tony Young and John Powell at 307-772-2124.

DRUG ENFORCEMENT ADMINISTRATION:

ATLANTA DIVISION

Atlanta Division Office

On Nov. 30, state and federal law enforcement will participate in a joint press event at the state capitol. Additionally, the State Chancellor's Office will disseminate a mass e-mail to all college students in the state of Georgia. The Chancellor's Office has responsibility over all public health institutions and affiliates. This e-mail will inform students of the dangers associated with meth. There will also be several links: one that provides more in-depth information about meth and another that lists treatment resources. See the U.S. Attorney section for details and point of contact for press inquiries.

Charlotte District Office

On Nov. 30, the DEA and the U.S. Attorney's Office for the Western District of North Carolina will participate in press conferences on three Organized Crime Drug Enforcement Task Force methamphetamine cases. See the U.S. Attorney section for details and point of contact for press inquiries.

Nashville District Office

DEA representatives will to participate in a joint press conference regarding initiatives to combat meth in the state of Tennessee. See the U.S. Attorney section for details and point of contact for press inquiries.

Columbia District Office

From Nov. 27-30, the South Carolina Drugs of Abuse Conference will be held to continue to examine the methamphetamine problems in South Carolina, as well as to address other issues created by illicit drug use throughout the state. Approximately 400 participants, including enforcement officers, judges, social services and attorneys will attend.

On Nov. 28 during the conference, the South Carolina DEA Assistant Special Agent in Charge, U.S. Attorney Reggie Lloyd of the District of South Carolina, the Director of the Department of Public Safety, and the Director of the Department of Alcohol and Other Drug Abuse Services will hold a press event regarding National Methamphetamine Awareness Day and the state's efforts to combat methamphetamine and assist drug-endangered children. See U.S. Attorney section for details and point-of-contact for press inquiries.

CHICAGO DIVISION

Chicago Division Office

"Target America: Opening Eyes to the Damage Drugs Cause" is an exhibit open at the Museum of Science & Industry in Chicago. On Nov. 30, there will be a special agent speaking with school groups and other visitors

about meth in the section of the exhibit that features the Meth Motel Room recreation. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Indianapolis District Office
On Nov, 30, DEA Assistant Special Agent in Charge Dennis Wichern will participate in an informational briefing at DePauw University with U.S. Attorney Susan Brooks of the Southern District of Indiana, the Indiana Governor's Office, Mayor of Greencastle, Meth Free Indiana, Drug Free Indiana, and multiple Indiana county law enforcement agencies. See U.S. Attorney section for details and point of contact for press inquiries.

Milwaukee District Office
On Nov. 30, the DEA will make a presentation on methamphetamine that includes setting up a mock lab for the U.S. Attorney's Office, the local media and local law enforcement. This is a briefing for members of the media on the dangers of methamphetamine, followed by an opportunity to video a mock clandestine laboratory set-up and law enforcement's response/safety equipment. See U.S. Attorney section for details and point of contact for press inquiries.

Center City District Office
DEA Assistant Special Agent in Charge Thomas Kelly and U.S. Attorney Rachel K. Paulose will participate in a discussion forum hosted by the Chisago Meth Task Force. Additional participants will include BCA Superintendent Tim O'Malley, Chisago County Court Judge Robert Rancourt, Hazelden Researcher Carol Falkowski, and others to be announced. See U.S. Attorney section for details and point of contact for press inquiries.

DALLAS DIVISION
Dallas Division Office
On Nov. 28, the DEA and the U.S. Attorney's Office for the Northern District of Texas will hold a joint media event regarding the dangers of meth. Two DEA chemists will display a mock clandestine laboratory and demonstrate the dangers of mixing chemicals to make meth. Special Agent in Charge Capra, the DEA Lab Director Davis, and two Assistant U.S. Attorneys will talk about meth and its effects prior to the demonstration. Ms. Linda Green-Bennett, widow of Oklahoma State Trooper Nik Green, who was murdered by a meth dealer, and Dr. Kleinschmidt, a toxicologist and director of the North Texas Poison Control Center, will also speak. See U.S. Attorney section for details and point of contact for press inquiries.

Oklahoma City District Office
On Nov. 30, the DEA and the Oklahoma County District Attorney's Office will address 350 foster parents and grandparents on the signs and symptoms of drug abuse and how kids hide drugs/paraphernalia in their backpack. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

DETROIT DIVISION
Detroit Division Office
On Nov. 14, the Detroit Demand Reduction Coordinator (DRC) made a presentation on current teen drug use issues at a conference for administrators and counselors for alternative high schools from across Michigan. Methamphetamine was a key topic during the presentation.

On Nov. 29, the Detroit DRC will be participating in the Ferndale, Mich. Town Hall Meeting at Ferndale High School: "Methamphetamine – The Emerging Dangers: There's Nothing Pretty About Tina."

On Nov. 30, DEA Detroit will be participating in a Methamphetamine Awareness Day press conference in Lansing, Mich. with U.S. Attorney Margaret M. Chiara of the Western District of Michigan and U.S. Attorney Stephen J. Murphy of the Eastern District of Michigan. Topics will include Drug Endangered Children issues,

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and a discussion on the state of "imported methamphetamine" versus domestic methamphetamine in Michigan. See U.S. Attorney section for details and point of contact for press inquiries.

On Dec. 1, the Detroit DRC will be conduct a Methamphetamine and Other Current Drug Trends presentation to secondary school administrators and educators from Genesee County.

Grand Rapids Resident Office
On Nov. 30, the DEA and the U.S. Attorney's Office for the Western District of Michigan will host an open house for the media at the Grand Rapids U.S. Attorneys Office. See U.S. Attorney section for details and point of contact for press inquiries.

Cleveland Resident Office
The Cleveland Resident Office will participate in a press conference with the U.S. Attorney's Office for the Northern District of Ohio on Nov. 30th. See U.S. Attorney section for details and point of contact for press inquiries.

Louisville District Office
On Nov. 30, the Kentucky Assistant Special Agent in Charge and U.S. Attorney David L. Huber of the Western District of Kentucky are planning a Methamphetamine Awareness Day press conference. See U.S. Attorney section for details and point of contact for press inquiries.

During Nov. 28-30, the Kentucky Demand Reduction Coordinator (DRC) will be assisting with workshops on Methamphetamine's Drug Endangered Children at the Ending Assault and Domestic Violence Conference in Lexington. Media inquiries regarding logistics should be directed to DEA Public Affairs at 202-307-7977.

EL PASO DIVISION
El Paso Division Office
On Nov. 30, the DEA, the U.S. Attorney's Office for the Western District of Texas, the FBI, ICE, the El Paso Police Department, the El Paso County Sheriffs Department and two Community Coalition Leaders will partner to have a panel discussion on methamphetamine for the media. The Lab Group will have a mock methamphetamine laboratory on display**.** The DEA and the U.S. Attorney's Office are issuing a joint announcement to press and area coalitions about National Methamphetamine Awareness Day and encouraging the coalitions to participate. See U.S. Attorney section for details and point of contact for press inquiries.

Albuquerque District Office
On Nov. 30, the U.S. Attorney's Office for the District of New Mexico and the New Mexico Drug Czars Office will issue a joint press release about the DEA's "Just Think Twice" Web site for teens and its new accompanying curriculum available to teachers. See U.S. Attorney section for details and point of contact for press inquiries.

On Nov. 30, the State Drug Czar is also hosting a round table discussion on methamphetamine abuse in New Mexico. The panel will include the DEA, the U.S. Attorney's Office, the White House Office of National Drug Control Policy, the State Drug Czar, and various prevention and treatment professionals.

HOUSTON DIVISION
Houston Division Office
On Nov. 30, the DEA, in conjunction with the U.S. Attorney's Office for the Southern District of Texas, will give a presentation at the University of Houston main campus Student Activities Center from 11:00 A.M. CST to 1:00 P.M. CST. The presentation will include discussions about the legal, medical and social implications and dangers of meth abuse. See U.S. Attorney section for details and point of contact for press inquiries.

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San Antonio District Office
On Nov. 30, the DEA, in conjunction with the U.S. Attorney's Office for the Western District of Texas, San Antonio Fighting Back, and San Antonio Council on Alcohol and Drug Abuse will make presentations at two San Antonio area high schools and two colleges. See U.S. Attorney section for details and point of contact for press inquiries.

Beaumont Resident Office
On Nov. 30, the DEA, in conjunction with the U.S. Attorney's Office for the Eastern District of Texas, is planning a one-hour press conference-style presentation at Lamar University, which will include a talk by law enforcement leaders, a former methamphetamine abuser, and a medical doctor concerning the clinical issues of methamphetamine use. See U.S. Attorney section for details and point of contact for press inquiries.

Austin Resident Office
On Nov. 30, DEA representatives will be speaking at the Austin High School. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

LOS ANGELES DIVISION
Los Angeles Division Office
On Nov. 30, the DEA and an Acting U.S. Attorney for the Central District of California will have a Meth Awareness Exhibit open to the media. The exhibit will highlight dangers of meth with a mock meth lab and presentations by the DEA lab, prevention coalition members and possibly a former meth user. The event will be held at the federal building. Attendees will include law enforcement, political leaders, community coalitions, faith leaders, and students. See U.S. Attorney section for details and point of contact for press inquiries.

Honolulu District Office
On Nov. 30, the DEA and the U.S. Attorney's Office for the District of Hawaii have planned an event at the Ala Moana Shopping Center to highlight meth awareness. Other federal agencies, state and county agencies, and health providers will also attend. See U.S. Attorney section for details and point of contact for press inquiries.

Las Vegas District Office
On Nov. 30, the Assistant Special Agent in Charge and the U.S. Attorney's Office for the District of Nevada will be participating in education events around the District. See U.S. Attorney section for details and point of contact for press inquiries.

Reno Resident Office
A Meth Awareness event at the Reno-Sparks Indian Colony with the Tribal Police Department is planned for Nov. 29. Additionally, a meth awareness event is planned for Nov. 30 with the Reno Demand Reduction Coalition. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

MIAMI DIVISION
Miami Division Office
On Nov. 30, the U.S. Attorney's Office for the Southern District of Florida, the Miami Division Associate Special Agent in Charge and the South Florida Methamphetamine Task Force will be giving presentations to coalitions and law enforcement agencies and will be addressing clandestine labs and announcing the new law addressing methamphetamine. The event will be held at the U.S. Attorney's Office in Miami. See U.S. Attorney section for details and point of contact for press inquiries.

Orlando District Office
On Nov. 30, the Miami Division Demand Reduction Coordinator (DRC), the Assistant Special Agent in Charge, the Sheriff's Department, and the University of Central Florida will conduct a methamphetamine

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presentation at the University of Central Florida. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Pensacola Resident Office
The DEA Pensacola Resident Office, in conjunction with the U.S. Attorney's Office for the Northern District of Florida, has arranged presentations with the following groups in accordance with the National Methamphetamine Awareness Day: the Parents/Teachers Association (PTA) – Escambia County School District and the Gulf Coast Red Ribbon Committee. See U.S. Attorney section for details and point of contact for press inquiries.

Florida Department of Law Enforcement State Certification/Training Class for new police officer recruits Literature and Demand Reduction materials on methamphetamine will also be distributed to the following locations: University of West Florida – Student Resource/Commons Center, the Health Center and the Campus Police Department Tallahassee Resident Office.

Tallahassee Resident Office
On Nov. 30, in conjunction with the U.S. Attorney's Office for the Northern District of Florida, the Tallahassee Resident Office will conduct Meth Awareness at the Florida State University Campus. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

NEW ENGLAND DIVISION
Boston Division Office
On Nov. 30, radio interviews will be conducted in Boston, Springfield, and Cape Cod. A television interview with Fox News will be aired on Nov. 30. The DEA and U.S. Attorney's Office for the District of Massachusetts personnel will speak at three area high schools. See U.S. Attorney section for details and point of contact for press inquiries.

Manchester Resident Office
On Nov. 30, the DEA and the U.S. Attorney's Office for the District of New Hampshire will hold a press conference to talk about methamphetamine and the recent seizure being prosecuted at office. They anticipate releasing a video of that seizure as well as setting up a mock lab demonstration.

Additionally, the Demand Reduction Coordinator (DRC) is working with the State Assistant Attorney General on an event in New Hampshire. On Nov. 30, several presentations and a press conference will be held in the Seacoast region of New Hampshire. Participating agencies will be the U.S. Attorney's Office, the State Attorney General's Office, State Department of Health and Human Services and the DEA. See U.S. Attorney section for details and point of contact for press inquiries.

New Haven District Office
On Nov. 30, a press conference will be held at the Capitol with the Governor, the U.S. Attorney's Office for the District of Connecticut, and DEA. The map display from Operation Wildfire, as well as brochures and pamphlets for distribution, will be provided by the DEA. See U.S. Attorney section for details and point of contact for press inquiries.

NEW JERSEY DIVISION
Newark Division Office
On Nov. 30, the DEA, the U.S Attorney's Office for the District of New Jersey, and the Morris County Prosecutor's Office are planning a Methamphetamine Safety and Awareness Seminar for First Responders as part of the National Methamphetamine Awareness Day. This is part of an ongoing program/training DEA Newark is putting on for prosecutors, police and fire officials and trainees, EMT's, health care workers, etc. See U.S. Attorney section for details and point of contact for press inquiries.

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NEW ORLEANS DIVISION

New Orleans Division Office

On Nov. 27, Special Agent in Charge William Renton and U.S. Attorney Jim Letten of the Eastern District of Louisiana will be interviewed about the National Methamphetamine Awareness Day with WVUE (Channel 8) and WGNO (Channel 26) at 11:00 A.M. CST and 2:30 P.M. CST, respectively.

On Nov. 27, the *Times-Picayune* interviewed Special Agent in Charge Renton and U.S. Attorney Letten about the methamphetamine problem. The story ran on Nov. 28.

On Nov. 29, the Demand Reduction Coordinator will appear with U.S. Attorney Letten on the 12:00 P.M. CST show at WDSU (Channel 6).

On Nov. 30, news anchor Jill Heazu with WWL will do a story on the morning show.

On Nov. 30, either Special Agent George Cazenavette IV or Special Agent Jason Gill will be giving a presentation at 6:00 P.M. CST at Tulane University. Also, the *Times-Picayune* will be covering the Tulane presentation.

Lafayette Resident Office

On Nov. 30, Special Agent Doug Delaureal and Group Supervisor Ken Babineaux will be interviewed by Suzanne Chaillot, who is a guest reporter for the *Daily Advertiser*, and the *Times of Acadiana*. The interview will be on all aspects of methamphetamine and its impact on the local area.

Little Rock District Office

On Nov. 30, the Little Rock District Office is conducting Meth Awareness Training for the Arkansas Department of Health and Human Services at the Little Rock District Office Training Room. Demand Reduction Coordinator Special Agent Keith Warzecha is conducting this training for approximately 50-75 state employees who make home visits for the Department of Health and Human Services. Media inquiries regarding logistics should be directed to DEA Public Affairs at 202-307-7977.

In addition, on Nov. 30, the DEA Little Rock District Office is assisting the U.S. Attorney's Office for the Eastern District of Arkansas on meth awareness training at the Arkansas State University located in Jonesboro, Ark. The Little Rock District Office will be supplying instructors for this training for Arkansas State University student on this one day training session. See U.S. Attorney section for details and point of contact for press inquiries.

Jackson District Office

On Nov. 30, the U.S. Attorney's Office for the Southern District of Mississippi and the DEA will conduct an educational event at the Mississippi College. The DEA will make a presentation on the dangers of methamphetamine to a student audience. See U.S. Attorney section for details and point of contact for press inquiries.

Oxford Resident Office

The DEA and the U.S. Attorney's Office for the Northern District of Mississippi will be participating on three press conferences around the District regarding National Meth Awareness Day. See U.S. Attorney section for details and point of contact for press inquiries.

Birmingham Resident Office

On Nov. 30, Group Supervisor Matt Germanowski, along with Assistant U.S. Attorney Greg Dimler and Mr. Rob Savage, Commander, Etowah County Drug Task Force, will give a methamphetamine presentation to a

school assembly at the Gadsden High School in Gadsden, Ala. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Montgomery District Office
On Nov. 30, Group Supervisor Sherri Gonzalez and U.S. Attorney Leura G. Canary will participate in local television interviews. See U.S. Attorney section for details and point of contact for press inquiries.

Mobile District Office
On Nov. 30, the U.S. Attorney's Office for the Southern District of Alabama will participate in a Gang and Drugs Conference, where the U.S. Attorney will discuss the growing methamphetamine threat in Mobile and Southern Alabama. The morning program will be directed by business leaders, civic groups, Weed and Seed participants and employees of women's shelters. The afternoon session will be a closed-door session directed to law enforcement officers and local prosecutors. See U.S. Attorney section for details and point of contact for press inquiries.

NEW YORK DIVISION
New York Division Office
On Nov. 30, the DEA will host a "Methamphetamine and Clandestine Laboratory Awareness" Training at the Division Office. The training is open to local, state, and federal law enforcement as well as the press. The training will include:

- Methamphetamine: Abuse, Effects and Trends
- Clan Labs: Recognition, Dangers, Production Methods and Response Protocols
- Investigation and Prosecution of Clan Lab Cases
- Overview of State and Federal Laws
- Drug Endangered Children

The New York Division has compiled a New York-focused methamphetamine brochure which will be distributed to schools throughout the state. Special Agents will visit schools on that day and pass out brochures to students and teachers and field questions about the dangers of methamphetamine.

In addition, the Division Office will hold an Operation Red Fusion press conference on Nov. 29 and will announce the training being provided on Meth Awareness Day.

Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

PHILADELPHIA DIVISION
Philadelphia Division Office
On Nov. 8 and 9, the Philadelphia Division conducted three separate programs on the dangers of meth to area law enforcement personnel, school administrators, teachers and parents.

On Nov. 15, the Philadelphia Division hosted and presented a day long meth awareness training conference for law enforcement officers from the Philadelphia area. This conference was attended by 150 law enforcement officers and prosecutors.

On Nov. 30, the DEA and the U.S. Attorney's Office for the Eastern District of Pennsylvania will host a program "Dangers of Meth" for the citizens of Bucks County. See U.S. Attorney section for details and point of contact for press inquiries.

On Nov. 30, the U.S. Attorney's Office for the Western District of Pennsylvania will host a Meth Awareness seminar in Erie, Penn. The DEA will also host a Methamphetamine Awareness training in Duquesne. The

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training will be for law enforcement and firefighters. See U.S. Attorney section for details and point of contact for press inquiries.

PHOENIX DIVISION

Phoenix Division Office

DEA representatives from the Tuscon area will be giving a presentation to middle school student on the dangers of methamphetamine. DEA Tuscon representatives will also have a helicopter and a K-9 unit to support the training on Nov. 30. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

DEA Yuma is coordinating with Yuma County Sheriff's Office (YCSO) Methamphetamine Task Force to conduct a radio presentation to the community on "Live and Local with Russ Clark" with KBLU AM 560 on Nov. 30. DEA and YCSO will also be given small blocks of time on FM 95.1 and FM 100.9 to raise awareness in the community we live in about National Meth Awareness Day.

Special Agents Ron Anson and Greg Wales of the Lake Havasu Office will be talking with some of the local youth groups in the area about the dangers of methamphetamine. The youth groups will have an age range between 12 and 18. The presentations will consist of a PowerPoint presentation, along with questions and answers.

DEA Special Agents Paul Spera and Rene Amarillas will be teaming with local METRO Narcotics Task Force Agents in Nogales, Ariz. Agents will travel to Calabasas and Desert Shadow Middle Schools where material specific to methamphetamine awareness and life choices will be presented by the agents.

Additionally, a joint U.S. Attorney's Office and DEA press release will be issued to the media outlets in Arizona regarding Meth Awareness Day and promoting the Web sites and event.

ROCKY MOUNTAIN DIVISION

Denver Division Office

DEA representatives will deliver a presentation at Aurora High School in Colorado where there has been a significant meth problem. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

ST. LOUIS DIVISION

St. Louis Division Office

On Nov. 30, Public Information Officer Shirley Armstead and Demand Reduction Coordinator Robert Hanson will participate in a press conference following the strategic planning session for the Meth Action Coalition at 2:00 P.M. CST in Jefferson County, Mo. Immediately following the press conference, there will be a community open house with the meth displays from 2:15 P.M. CST to 4:00 P.M. CST. Community members and organizations will be invited. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Cape Girardeau Resident Office

On Nov. 30, a DEA Special Agent will speak to a Criminal Justice class at Southeast Missouri State University. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Carbondale Post of Duty

On Nov. 29, Special Agent Roger Ehler will present a Meth Awareness Program to grade school and high school administrators and teachers in Mt. Vernon, Ill. On Nov. 30, Special Agent Ehler will conduct a presentation at John A. Logan Community College. Media inquiries regarding logistics should be directed to DEA Public Affairs at 202-307-7977.

Kansas City District Office

On Nov. 30, Demand Reduction Coordinator Michael Scalise will set up a booth with meth information and a video presentation on the campus of the University of Kansas. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Omaha District Office
On Nov. 30, a DEA Special Agent from the Omaha District Office will speak at the University of Nebraska to students enrolled in the Criminal Justice Program. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Des Moines Resident Office
On Nov. 30, a presentation is scheduled at Grandview College with a constitutional law class, and another presentation is scheduled at the Women's Junior League of Des Moines, Iowa. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Cedar Rapids Resident Office
On Nov. 30, a Task Force Officer will demonstrate the Drug Endangered Children (DEC) motor home to the Heart of Iowa, a women's drug rehabilitation center in Cedar Rapids. The motor home is used to respond to drug sites where children are present. It affords law enforcement with the ability to provide the children affected by the meth drug site with a safe haven. The purpose is to demonstrate to the public our ability to provide immediate protection to mothers and children two may have been exposed to a meth lab situation. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Sioux Falls Resident Office
On Nov. 30, Resident Agent in Charge Richard Mulholland will make a presentation at the University of Sioux Falls. He will also set up a booth with meth information and a meth video. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Rapid City Post of Duty
On Nov. 30, the DEA and the U.S. Attorney's Office for the District of South Dakota will conduct several meth awareness presentations for students at two high schools. See U.S. Attorney section for details and point of contact for press inquiries.

SAN DIEGO DIVISION
San Diego Division Office
On Nov. 30, a press release will be issued that will discuss the National Methamphetamine Awareness Day and highlight successful methamphetamine cases made in the San Diego area. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

SAN FRANCISCO DIVISION
San Francisco Division Office
On Nov. 30, the Demand Reduction Coordinator (DRC) from the San Francisco Division will speak at the Tribal Child Welfare and Tribal Courts Conference. In addition, the DRC will conduct two breakout sessions: one on how other communities are attacking the problem and what the Indian Community can learn from them, and the other on Drug Endangered Children, national protocols, and how they may be adapted to the Indian Community. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Sacramento District Office
The Demand Reduction Coordinator (DRC) is working with the San Francisco Police Department to arrange a methamphetamine presentation at a San Francisco High School on Nov. 30. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

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SEATTLE DIVISION

Seattle Division Office

On Nov. 30, a Meth 360 Community Presentation is scheduled at the University Sunrise Rotary Club for business owners and university employees that serve the University of Washington community. Coalition and presentation partners include: Special Agent in Charge Benson; University of Washington; University of Washington Campus Police; Chief, Seattle Police Department; U.S. Attorney's Office for the Western District of Washington; Tacoma Safe Streets Coalition; the Partnership for a Drug Free America; and the N.W. HIDTA. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Yakima Resident Office

On Nov. 30, a Meth Awareness Program is being planned for the Executive Board of the Yakima City Council and the Yakima Police Department. Coalition and presentation partners include the DEA, the Washington State Patrol and the Partnership for a Drug Free America.

On Nov. 30, a Methamphetamine Informational Booth is planned at the Mid Valley Mall in Sunnyside, Wash. The event will be open to the public. Coalition and Presentation partners are the DEA and Washington State Patrol. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Spokane Resident Office

On Nov. 30, a Meth Awareness briefing will be given to the media at the Resident Office. Coalition and presentation partners include the DEA, U.S. Attorney James McDevitt of the Eastern District of Washington, and the Spokane Greater Substance Abuse Council. See U.S. Attorney section for details and point of contact for press inquiries.

Boise Resident Office

On Nov. 30, the DEA will hold a Meth Awareness and Youth Gang Summit for students, youth, local law enforcement, and community leaders. Presentation partners will include the DEA, the Boise Police Department and the U.S. Attorney's Office for the District of Idaho. See U.S. Attorney section for details and point of contact for press inquiries.

Anchorage District Office

On Nov. 30, a Meth Awareness Presentation will be given at the University of Alaska at Anchorage to students, teachers, and school board staff. Coalition and Presentation partners include the DEA, Anchorage School District, The Partnership for a Drug Free America, and others. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Portland District Office

On Nov. 30, a Meth Awareness Presentation will be given at the Oregon Health Sciences Portland University. The target audience includes students from the Medical, Dental, and Nursing programs. Coalition and presentation partners include the DEA, Oregon Department of Public Health, and others. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

WASHINGTON, D.C. DIVISION

Washington, D.C. Division Office

On Nov. 30, the Washington Division Office Reduction Program, in conjunction with the U.S. Attorney's Office for the District of Columbia, will hold a forum as part National Methamphetamine Awareness Day. DEA Richmond Special Agent Mark James will address the audience during the event. See U.S. Attorney section for details and point of contact for press inquiries.

Baltimore District Office

DOJ_NMG_ 0170856

On Nov. 30, the DEA Assistant Special Agent in Charge and U.S. Attorney's Office for the District of Maryland will hold a press conference at the U.S. Attorney's office in Baltimore. The U.S. Attorney's Office will address the Combat Meth Act followed by a meth presentation conducted by the Baltimore Demand Reduction Coordinator. See U.S. Attorney section for details and point of contact for press inquiries.

On Nov. 30, the Baltimore Demand Reduction Coordinator and the Headquarters Demand Reduction Office will provide methamphetamine training to the Prince George's County Health and Social Service employees who conduct home visits. Media inquiries should be directed to DEA Public Affairs at 202-307-7977.

Charleston Resident Office
On Nov. 30, the Resident Agent in Charge and U.S. Attorney Charles T. Miller of the Southern District of West Virginia will meet with American Electric and Power Company employees–approximately 100 people– regarding employee safety and related drug awareness and on-the-job issues in West Virginia. See U.S. Attorney section for details and point of contact for press inquiries.

On Nov. 30, the Resident Agent in Charge and U.S. Attorney Miller will also visit West Virginia State University to address criminal justice students and professors and discuss the dangers of meth use/abuse, meth trafficking in the community and the state and federal legislation designed to combat meth manufacture and distribution. See U.S. Attorney section for details and point of contact for press inquiries.

Virginia
On Nov. 30, the DEA Washington Division Demand Reduction Program, in conjunction with the U.S. Attorney's Office in the Eastern District of Virginia will host an assembly at the West Potomac Academy as part of National Meth Awareness Day. The assembly will have approximately 75 to 100 students from local high schools who are participants in various Criminal Justice, pharmaceutical, and law programs. See U.S. Attorney section for details and point of contact for press inquiries.

ADDITIONAL FEDERAL AGENCY EVENTS:

OFFICE OF NATIONAL DRUG CONTROL POLICY
Illinois Regional Event
Secretary Dr. Carol Adams of the Illinois Department of Human Services, along with Director Roger Walker, Jr. and Assistant Director Deanne Benos, both of the Illinois Department of Corrections will hold a press conference to mark National Meth Awareness Day. The press conference will be at 9:00 A.M. CST at the Illinois Department of Corrections in East St. Louis.

For more information about this National Meth Awareness Day event, contact the Office of National Drug Control Policy at 202-395-6618.

Washington, D.C. Regional Event
The Office of National Drug Control Policy will hold a press conference entitled "Making the Drug Problem Smaller: International Cooperation Against Methamphetamine." The event will be held at the Foreign Press Center in Washington, D.C. at 1:00 P.M. EST. The event is for foreign press only.

For more information about this National Meth Awareness Day event, contact the Office of National Drug Control Policy at 202-395-6618.

Oregon Regional Event
The Governor's Meth Task Force and the Oregon Board of Pharmacy will hold a press conference with federal and state officials to mark National Meth Awareness Day. The event will be held in the U.S. Courthouse in Portland, Ore. at 1:00 P.M. PST.

For more information about this National Meth Awareness Day event, contact the Office of National Drug Control Policy at 202-395-6618.

Idaho Regional Event
The Treasure Valley Alcohol Drug Coalition will hold a press conference to mark National Meth Awareness Day in Boise, Idaho.

For more information about this National Meth Awareness Day event, contact the Office of National Drug Control Policy at 202-395-6618.

Michigan Regional Event
The Office of State Drug Control Policy will hold a press conference with state and local officials in Lansing, Mich. The event will be held at 10:00 A.M. EST at the Lewis Cass Building.

For more information about this National Meth Awareness Day event contact the Office of National Drug Control Policy at 202-395-6618.

Kentucky Regional Event
Deputy Secretary Teresa A. Barton of the Justice & Public Safety Cabinet will hold a press conference with state officials to raise awareness about the meth epidemic. The event will be held at 3:00 P.M. EST at the Governor's Office in Frankfurt, Ky.

For more information about this National Meth Awareness Day event contact the Office of National Drug Control Policy at 202-395-6618.

New Mexico Regional Event
The New Mexico Drug Czar Herman Silva will hold a meeting with federal and state officials at the State Capitol in Santa Fe, N.M. at 10:00 A.M. MST.

For more information about this National Meth Awareness Day event contact the Office of National Drug Control Policy at 202-395-6618.

U.S. DEPARTMENT OF LABOR
Occupational Safety and Health Administration
Dr. Don Wright, Director of Occupational Medicine at the Occupational Safety and Health Administration, and local officials will give a presentation entitled "Meth 360" to members of the Tysons Corner Rotary Club. The event will take place at 7:30 A.M. EST in Vienna, Va.

For more information about this National Meth Awareness Day event, contact OSHA's Office of Communications at 202-693-1999.

U.S. DEPARTMENT OF INTERIOR
Secretary Dirk Kempthorne
Secretary of the Interior Dirk Kempthorne will be holding a press conference with the National Congress of American Indians (NCAI). They will be announcing a new partnership with NCAI and the Partnership for a Drug-Free America to do meth prevention programs in Indian Country. The press conference will be at 1:00 P.M. EST at the Press Club's Murrow Room in Washington, D.C. There will be a call in line at 888-568-1774.

For more information about Department of the Interior National Meth Awareness Day events, contact Shane Wolf at 202-208-6416.

DOJ_NMG_ 0170858

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06-795

DOJ_NMG_ 0170859

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Image not available for this document, ID: 0.7.10316.16889-000002

System Administrator

From: System Administrator
Sent: Wednesday, November 29, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 907782 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 9:58 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 29, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 29, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Criminal Division will issue a release on a fraud-related matter. (Sierra)

The Bureau of Justice Statistics will issue a release. (Peterson)

EVENTS/HEARINGS

1:40 P.M. EST The Antitrust Division will hold joint public hearings with the Federal Trade Commission designed to examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful.
Federal Trade Commission
Conference Center Building
Conference Room C
602 New Jersey Avenue, N.W.
Washington, DC
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

10:00 A.M. EST The Environment and Natural Resources Division will present oral arguments before the U.S. Supreme Court in *Massachusetts v. EPA*, a challenge brought by a coalition of states and environmental groups to the Environmental Protection Agency's 2003 denial of a rulemaking petition seeking regulation of Carbon Dioxide and other greenhouse gas emissions from new motor vehicles sold in the U.S.
The Supreme Court
1 First Street, N.E.
Washington, DC

DOJ_NMG_ 0170863

OPEN PRESS

Press inquiries regarding logistics should be directed to the Supreme Court's Public Information Office at (202) 479-3211.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170864

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Image not available for this document, ID: 0.7.10316.16887-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 10:21 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 29, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, November 29, 2006

ATTORNEY GENERAL

No public events.

PRESS RELEASES

The Criminal Division will issue a release on a fraud-related matter. (Sierra)

The Civil Division will issue a release on a False Claims Act matter. (Miller)

The Bureau of Justice Statistics will issue a release. (Peterson)

EVENTS/HEARINGS

1:30 P.M. EST The Antitrust Division will hold joint public hearings with the Federal Trade Commission designed to examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. Joint hearings on the same topic were also held today at 9:30 A.M. EST.
Federal Trade Commission
Conference Center Building
Conference Room C
602 New Jersey Avenue, N.W.
Washington, DC
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

10:00 A.M. EST The Environment and Natural Resources Division will present oral arguments before the U.S. Supreme Court in *Massachusetts v. EPA*, a challenge brought by a coalition of states and environmental groups to the Environmental Protection Agency's 2003 denial of a rulemaking petition seeking regulation of Carbon Dioxide and other greenhouse gas emissions from new motor vehicles sold in the U.S.

DOJ_NMG_ 0170867

The Supreme Court
1 First Street, N.E.
Washington, DC
OPEN PRESS

Press inquiries regarding logistics should be directed to the Supreme Court's Public Information Office at (202) 479-3211 x 1.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170868

Image not available for this document, ID: 0.7.10316.16879-000001

Image not available for this document, ID: 0.7.10316.16879-000002

Amber.JMD

From: Amber.JMD
Sent: Wednesday, November 29, 2006 10:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Middletown, OH

From: AmberAlert-DOJ
Sent: Wednesday, November 29, 2006 10:35:01 AM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Middletown, OH
Auto forwarded by a Rule

UPDATE AMBER ALERT:Middletown,OH VEH:1999 Gold Ford Taurus TAG:OH DQM6260 CHILD:8 B/M 4'0" CHILD:9 B/M 5'2" SUSP:32 B/M 6'0" 160lbs Hair:Blk CALL 1-877-262-3764
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2902

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 11:21 AM
To: USDOJ- Office of Public Affairs
Subject: KELLOGG BROWN AND ROOT (KBR) TO PAY $8 MILLION TO SETTLE ALLEGATIONS OF FRAUD

Department of Justice

FOR IMMEDIATE RELEASE

WEDNESDAY, NOVEMBER 29, 2006

WWW.USDOJ.GOV

CIV (202) 514-2007
TDD (202) 514-1888

KELLOGG BROWN AND ROOT (KBR) TO PAY $8 MILLION TO SETTLE ALLEGATIONS OF FRAUD

WASHINGTON – Kellogg Brown and Root (KBR) has agreed to pay the United States $8 million to settle allegations of overcharging and other procurement irregularities regarding the Houston-based company's billings to the Army under a contract for logistical support of military operations in the Balkans during 1999 and 2000, the Justice Department announced today. The settlement resolves allegations under the False Claims Act that concerned various purchase orders awarded to 10 different foreign KBR subcontractors or vendors.

Part of the allegations concerned double-billing or delivery of non-comforming products by aggregate suppliers for use in the construction of Camp Bondsteel in Kosovo. The other matters generally involved inflation of prices for various goods resulting from the alleged failure to ensure competitive procurements.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," said Peter D. Keisler, Assistant Attorney General for the Department's Civil Division.

The U.S. Army Criminal Investigation Division and the Defense Criminal Investigative Service participated in the investigation of this matter.

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# # #

06-797

DOJ_NMG_ 0170873

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Image not available for this document, ID: 0.7.10316.16862-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, November 29, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 909007 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 1:29 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF TASIA SCOLINOS, DIRECTOR OF PUBLIC AFFAIRS, ON THE UNITED STATES' SETTLEMENT WITH BRANDON MAYFIELD

A copy of the settlement is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 29, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

STATEMENT OF TASIA SCOLINOS, DIRECTOR OF PUBLIC AFFAIRS, ON THE UNITED STATES' SETTLEMENT WITH BRANDON MAYFIELD

"The United States today entered into a settlement with Brandon Mayfield, who was arrested after the misidentification of his fingerprint as matching one recovered in connection with the 2004 Madrid train bombings in which 191 people were killed.

"The Justice Department's Office of Inspector General in a report released in January 2006 found that the FBI did not initiate its investigation of Mr. Mayfield because of his Muslim faith and that the FBI did not misuse any provisions of the USA Patriot Act. Additionally, the Inspector General made suggestions for improving the FBI's fingerprint identification process, and the FBI has adopted many of those suggestions, as well as suggestions made by an independent panel of fingerprint experts, to ensure that what happened to Mr. Mayfield does not happen again. The United States apologized to Mr. Mayfield as part of the settlement agreement.

"The Justice Department's Office of Professional Responsibility in December 2005 found that the federal prosecutors who handled the investigation of Mr. Mayfield acted appropriately, professionally and ethically in this matter."

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06-796

Mayfield settlement final for ...
Mayfield apology final.pdf

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The United States of America apologizes to Mr. Brandon Mayfield and his family for the suffering caused by the FBI's misidentification of Mr. Mayfield's fingerprint and the resulting investigation of Mr. Mayfield, including his arrest as a material witness in connection with the 2004 Madrid train bombings and the execution of search warrants and other court orders in the Mayfield family home and in Mr. Mayfield's law office.

The United States acknowledges that the investigation and arrest were deeply upsetting to Mr. Mayfield, to Mrs. Mayfield, and to their three young children, and the United States regrets that it mistakenly linked Mr. Mayfield to this terrorist attack. The FBI has implemented a number of measures in an effort to ensure that what happened to Mr. Mayfield and the Mayfield family does not happen again.

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF OREGON

BRANDON MAYFIELD, et. al., Plaintiffs, v. UNITED STATES OF AMERICA, et al., Defendants.	)	Civil Action No. CV06-305 AA
BRANDON MAYFIELD, et. al., Plaintiffs, v. ALBERTO R. GONZALES, et al., Defendants.	)	Civil Action No. CV04-1427 AA

STIPULATION FOR COMPROMISE
SETTLEMENT AND RELEASE

It is hereby stipulated by and between the undersigned plaintiffs and defendants, by and through their respective attorneys, as follows:

1. Except as specifically provided in paragraph 8 below, the United States of America agrees, in full settlement and satisfaction of any and all claims, demands, rights, and causes of action of whatsoever kind and nature for monetary, injunctive, declaratory, or any other form of relief,

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arising directly or indirectly from or by reason of any and all injury or damage of any kind (including but not limited to bodily and personal injury (including emotional injury), death, injury to or loss of property, the consequences of any such injury, death, or loss, and attorney's fees or other legal costs), whether known or unknown and whether foreseen or unforeseen, resulting or to result from, or relating to, the subject matter of the above-captioned actions, that plaintiffs or their guardians, heirs, executors, administrators, or assigns, and each of them, now have or may hereafter acquire, against the United States of America, its agents, servants, employees, and contractors, or any other person or entity, to:

a. pay the sums of $1,900,000.00 to Brandon Mayfield, $25,000.00 to Mona Mayfield, $25,000.00 to Shane Mayfield, $25,000.00 to Sharia Mayfield, and $25,000.00 to Samir Mayfield, said entire Two Million Dollars ($2,000,000.00) to be paid as described in paragraph 3 below;

b. destroy the FISA take, as defined in paragraph 4 below;

c. return the copies of the material witness materials to the plaintiffs, as defined in paragraph 5 below; and

d. apologize to the plaintiffs, as spelled out in Attachment 3 hereto.

2. Except as specifically provided in paragraph 8 below, the plaintiffs and their guardians, heirs, executors, administrators, and assigns, and each of them, agree to release, reimburse, indemnify, and hold harmless the United States of America, its agents, servants, employees, and contractors (including but not limited to Alberto R. Gonzales, John Ashcroft, Richard K. Werder, Terry Green, Michael Wieners, Eduardo Sanchez, and John T. Massey) from and against any liability or further or future litigation or pursuit by any of the plaintiffs, their

DOJ_NMG_ 0170880

guardians, heirs, executors, administrators, or assigns of any claim encompassed by paragraph 1 above against any person or entity; and the defendants and their guardians, heirs, executors, administrators, and assigns, and each of them, agree to release, reimburse, indemnify, and hold harmless the plaintiffs from and against any liability or further or future litigation or pursuit by any of the defendants, their guardians, heirs, executors, administrators, or assigns of any claim encompassed by paragraph 1 above against the plaintiffs or any of them.

3. Payment of the Two Million Dollars referenced in paragraph 1.a. above will be made by one government wire transfer to the trust account of plaintiffs' attorney Gerry Spence. Plaintiffs' attorneys agree to obtain a dismissal of the above-captioned actions with prejudice (including any appellate proceedings pending in either such action, and including appeal No. 04-30432 (9th Cir.) in the material witness proceeding, *In re: Federal Grand Jury* 03-01, Misc. No. 04-MC-9071 (D. Or.)), except as specifically provided in paragraph 8 below, with each party bearing its own fees, costs, and expenses.

4. The term "the FISA take," as referenced in paragraph 1.b. above, is defined for purposes of this Stipulation for Compromise Settlement and Release as the communications intercepts that were acquired by the FBI pursuant to the FISA electronic surveillance authority targeting Brandon Mayfield and the materials that were seized or reproduced by the FBI pursuant to the FISA physical search authority targeting Brandon Mayfield. Any materials, in whatever form or place, derived directly or indirectly from or related to the FISA take as defined herein that are not included within the above definition of such term shall be known as "derivative FISA materials." The government's obligation under paragraph 1.b. above does not extend to derivative FISA materials.

DOJ_NMG_ 0170881

5. The term "the copies of the material witness materials," as referenced in paragraph 1.c. above, is defined for purposes of this Stipulation for Compromise Settlement and Release as the copies, retained by the government pursuant to the Order of September 20, 2004 of the Honorable Judge Jones of this Court after the originals had been returned to the plaintiffs, of the materials seized pursuant to search warrants issued by the U.S. District Court for the District of Oregon in May 2004 in *In re: Federal Grand Jury* 03-01, Misc. No. 04-MC-9071, No. 04-MC-9070 (A)-(F), and No. 04-MC-9072 relating to the plaintiffs, except that such term does not include the classified National Defense Document that was seized pursuant to such search warrants. The plaintiffs agree that Elden M. Rosenthal, counsel for the plaintiffs, will retain the copies of the material witness materials for three years following the date on which this Stipulation for Compromise Settlement and Release is approved by this Court, and that Mr. Rosenthal will make such copies available in response to a request from an appropriate authority in connection with an official investigation or proceeding.

6. This Stipulation for Compromise Settlement and Release is not, and should not be construed as, an admission of liability or fault on the part of the United States, its agents, servants, employees, or contractors. This settlement is entered into by the parties for the purpose of compromising disputed claims and avoiding the expenses and risks of further litigation.

7. It is agreed by and among the parties that each party will bear his, her, or its own costs, fees, and expenses and that any attorney's fees owed by the plaintiffs will be paid out of the settlement amount and not in addition thereto.

8. As indicated in paragraph 2 above, the parties agree that there is one specific claim that is not resolved as part of this settlement. As part of this Stipulation for Compromise Settlement

DOJ_NMG_ 0170882

and Release, the United States agrees not to oppose the filing of the plaintiffs' Proposed Amended Complaint (Attachment 1 hereto), and as part of this Court's approval of this Stipulation for Compromise Settlement and Release (as described further in paragraph 11 below), this Court grants leave for the plaintiffs to file such Amended Complaint. The parties agree that the sole claim that is not released as part of this settlement and that is at issue in such Amended Complaint is the plaintiffs' claim that 50 U.S.C. 1804 (relating to electronic surveillance under the Foreign Intelligence Surveillance Act) and 50 U.S.C. 1823 (relating to physical searches under such Act) violate the Fourth Amendment on their face, and the parties agree that the sole relief that will be awarded should the plaintiffs prevail on such claim is a declaratory judgment that one or both of such provisions is in violation of the Fourth Amendment and that, if such a declaratory judgment is entered with respect to one or both of such provisions and becomes final and not subject to further judicial review, the United States shall not use such provision(s) with respect to the plaintiffs. The parties further agree that this claim will be litigated based solely on the Amended Complaint, the parties' Recitation of Stipulated Facts (Attachment 2 hereto), and memoranda of law, and that no answer to the Amended Complaint will be filed; no discovery, evidentiary hearing, or other factual proceedings of any kind will occur at any stage; and the plaintiffs' complaint will not be further amended. The parties further agree that the United States reserves the right to raise any and all defenses and arguments, including but not limited to lack of jurisdiction, in opposition to such claim, and that the United States does not necessarily agree with the allegations of the Amended Complaint, but that the United States stipulates, for purposes of this litigation only, to the facts recited in the Recitation of Stipulated Facts.

DOJ_NMG_ 0170883

9. The persons signing this Stipulation for Compromise Settlement and Release warrant and represent that they possess full authority to bind the persons on whose behalf they are signing to the terms of the settlement. As to the plaintiffs who are minors, the plaintiffs must obtain court approval of the settlement at their expense. The plaintiffs agree to obtain such approval in a timely manner, time being of the essence. In the event the plaintiffs fail or are unable to obtain such court approval, this Stipulation for Compromise Settlement and Release is null and void. Plaintiffs further agree that the United States may void this settlement at its option in the event such approval is not obtained in a timely manner.

10. The parties agree that this Stipulation for Compromise Settlement and Release, including all attachments, may be made public in its entirety, and the plaintiffs expressly consent to such release and disclosure pursuant to 5 U.S.C. § 552a(b).

11. The parties' agreement is conditioned upon this Court's approval of all terms of this Stipulation for Compromise Settlement and Release, including all attachments. If this Court does not approve all terms of this Stipulation for Compromise Settlement and Release, including all attachments, this Stipulation for Compromise Settlement and Release is null and void.

12. It is contemplated that this Stipulation for Compromise Settlement and Release may be executed in several counterparts, with a separate signature page for each party. All such counterparts and signature pages, together, will be deemed to be one document.

Executed this _____ day of _____, 2006.

APPROVED AS TO FORM:

THE SPENCE LAW FIRM LLC

_____

BRANDON MAYFIELD, Plaintiff

DOJ_NMG_ 0170884

GERRY SPENCE, of Attorneys
for Plaintiffs

Executed this _____ day of _____, 2006.

MONA MAYFIELD, Plaintiff

ROSENTHAL & GREENE, P.C.

Elden M. Rosenthal, of Attorneys
for Plaintiffs

Executed this _____ day of _____, 2006.

MONA MAYFIELD, as guardian
ad litem for SHANE MAYFIELD,
Plaintiff

MICHELE LONGO EDER, LLC

Michele Longo Eder, of Attorneys
for Plaintiffs

Executed this _____ day of _____, 2006.

MONA MAYFIELD, as guardian
ad litem for SHARIA MAYFIELD,
Plaintiff

Executed this _____ day of _____, 2006.

MONA MAYFIELD, as guardian
ad litem for SAMIR MAYFIELD,
Plaintiff

DOJ_NMG_ 0170885

Executed this _____ day of _____, 2006.

_____
ELIZABETH J. SHAPIRO
Attorney for Defendants
UNITED STATES OF AMERICA,
FEDERAL BUREAU OF INVESTIGATION,
DEPARTMENT OF JUSTICE, and ALBERTO GONZALES

Executed this ____ day of _____, 2006.

_____
RICHARD K. WERDER, Defendant

Executed this ____ day of _____, 2006.

_____
TERRY GREEN, Defendant

Executed this ____ day of _____, 2006.

_____
MICHAEL WIENERS, Defendant

Executed this _____ day of _____, 2006.

_____
EDUARDO SANCHEZ, Defendant

DOJ_NMG_ 0170886

Executed this ____ day of _____, 2006.

_____
JOHN T. MASSEY, Defendant

APPROVED AS TO FORM:

GREENSPUN, DAVIS & LEARY, P.C

_____
Christie A. Leary, of Attorneys for
Defendant Massey

APPROVED this _____ day of _____, 2006:

_____
THE HONORABLE ANN L. AIKEN
United States District Judge

DOJ_NMG_ 0170887

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Image not available for this document, ID: 0.7.10316.16853-000004

System Administrator

From:	System Administrator
Sent:	Wednesday, November 29, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 909521 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, November 29, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 909522 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 4:49 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES AND OTHER JUSTICE DEPARTMENT SENIOR OFFICIALS TO PARTICIPATE IN NATIONAL METHAMPHETAMINE AWARENESS DAY EVENTS

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, NOVEMBER 29, 2006
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES AND OTHER JUSTICE DEPARTMENT SENIOR OFFICIALS TO PARTICIPATE IN NATIONAL METHAMPHETAMINE AWARENESS DAY EVENTS

WASHINGTON –Attorney General Alberto R. Gonzales, Deputy Attorney General Paul J. McNulty, and Rachel Brand, Assistant Attorney General for Legal Policy will participate in events for National Methamphetamine Awareness Day on **THURSDAY, NOVEMBER 30, 2006**.

METHAMPHETAMINE AWARENESS PANEL DISCUSSION

WHO: Attorney General Alberto R. Gonzales

Dr. H. Westley Clark
Director of the Center for Substance Abuse Treatment
U.S. Department of Health and Human Services

Robert F. McDonnell
Attorney General
Commonwealth of Virginia

Joseph T. Rannazzisi
Deputy Assistant Administrator
U.S. Drug Enforcement Administration

Vicki West Sickels
Research Counselor
Iowa Health, Des Moines, Iowa

DOJ_NMG_ 0170892

Dr. Nora D. Volkow
Director of the National Institute on Drug Abuse
National Institutes of Health

WHAT: Panel discussion

WHEN: **THURSDAY, NOVEMBER 30, 2006**
10:30 A.M. EST

WHERE: George Washington University
Media and Public Affairs Building
Jack Morton Auditorium
805 21st Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: Pre-set for television camera crews wishing to cover the panel discussion is **no later than 9:45 A.M. EST.** All other media wishing to cover the Attorney General's remarks must arrive **no later than 10:00 A.M. EST.** Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Cynthia Gismegian at (202) 330-9508.

EDUCATIONAL PRESENTATION

WHO: Deputy Attorney General Paul J. McNulty

Alex M. Azar II
Deputy Secretary
U.S. Department of Health and Human Services

James Cox
Sergeant
Fairfax County Police Department

Eileen McLaughlin
Special Project Teacher, Safe and Drug Free Youth
Fairfax County Public Schools

WHAT: Educational presentation on the dangers of methamphetamine

WHEN: **THURSDAY, NOVEMBER 30, 2006**
11:00 A.M. EST

WHERE: Long & Foster Realtors
6101 Redwood Square Center
Centreville, Va.
OPEN PRESS

DOJ_NMG_ 0170893

NOTE: Pre-set for television camera crews wishing to cover the Deputy Attorney General's presentation is **no later than 10:30 A.M. EST.** All other media wishing to cover the Deputy Attorney General's remarks must arrive **no later than 10:45 A.M. EST.** Press inquiries regarding logistics should be directed to Mary-Jane Atwater at (202) 316-1198.

PRESS CONFERENCE

WHO: Rachel Brand, Assistant Attorney General for the Office of Legal Policy

Matt Whitaker
U.S. Attorney, Southern District of Iowa

Marvin Van Haaften
Director, Iowa Office of Drug Control Policy

WHAT: Press conference

WHEN: **THURSDAY, NOVEMBER 30, 2006**
10:00 A.M. CST

WHERE: Iowa State Capitol
Kennedy Conference Room (Ground Floor)
East 9th Street and Grand Avenue
Des Moines, Iowa
OPEN PRESS

NOTE: Pre-set for television camera crews wishing to cover the press conference is **no later than 9:30 A.M. CST.** All other media wishing to cover Assistant Attorney General Brand's remarks must arrive **no later than 9:45 A.M. CST.** Press inquiries regarding logistics should be directed to Alvin Overbaugh of the U.S. Attorney's Office at (515) 284-6283 or Dale Woolery of the Iowa Office of Drug Control Policy at (515) 242-6391.

# # #

06-798

DOJ_NMG_ 0170894

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Image not available for this document, ID: 0.7.10316.16814-000002

Miller, Charles S

From: Miller, Charles S
Sent: Wednesday, November 29, 2006 5:26 PM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: Court orders emergency agency to resume Katrina housing payments

AP

Nov. 29, 2006

Court orders emergency agency to resume Katrina housing payments

The Associated Press

A federal judge ordered the Bush administration Wednesday to immediately resume making housing payments for thousands of people displaced by Hurricane Katrina.

U.S. District Judge Richard J. Leon's ruling was the second court victory for Katrina victims this week. A federal judge in Louisiana said Monday that many homeowners might be entitled to more insurance money for flood damage.

In the Washington case, Leon said the Federal Emergency Management Agency didn't adequately explain why it ended a housing assistance program for people who lost their homes in the 2005 storm.

This spring and summer, FEMA told thousands of evacuees that they were no longer eligible for housing reimbursement or that they had to reapply. Leon said the computer-generated letters FEMA sent out were too vague and described the application process as "Kafkaesque." Until FEMA explains itself and allows victims to appeal, Leon said the government must keep making housing payments.

"It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," Leon wrote.

Leon's ruling was issued as a temporary injunction requested by the Association of Community Organizations for Reform Now, which filed suit in August saying FEMA had violated the rights of Katrina victims by abruptly stopping housing payments.

FEMA did not immediately comment on the ruling.

In Louisiana, U.S. District Judge Stanwood Duval Jr. sided with New Orleans homeowners who argued that the language excluding water damage from some insurance policies was ambiguous. He said a lawsuit against The Allstate Corp., The St. Paul Travelers Companies Inc. and other insurers could go forward.

He said the insurance policies did not distinguish between floods caused by an act of God — such as excessive rainfall — and floods caused by an act of man, which would include the levee breaches following Katrina's landfall on Aug. 29, 2005.

If successful, the lawsuit could cost insurers $1 billion in Louisiana alone, industry officials said, and could lead to similar lawsuits in other states. The insurance companies pledged to appeal the ruling.

END

From: USDOJ- Office of Public Affairs
Sent: Wednesday, November 29, 2006 5:40 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: ONE IN EVERY 32 ADULTS WAS IN PRISON, JAIL,ON PROBATION, OR ON PAROLE AT THE END OF 2005

Department of Justice

Office of Justice Programs

ADVANCE FOR RELEASE AT 4:30 P.M. EST
THURSDAY, NOVEMBER 30, 2006
www.ojp.usdoj.gov/bjs

Bureau of Justice Statistics
Contact: Stu Smith: 202-307-0784
After hours: 301-983-9354

ONE IN EVERY 32 ADULTS WAS IN PRISON, JAIL, ON PROBATION, OR ON PAROLE AT THE END OF 2005

WASHINGTON — As of Dec. 31, 2005, there were 1,525,924 prisoners being held by state and federal correctional authorities, the Justice Department's Bureau of Justice Statistics (BJS) announced in a report published today. At the same time, a separate BJS survey found that the adult U.S. correctional population, including those on probation or parole, reached a high of more than 7 million men and women for the first time. About 3 percent of the U.S. adult population, or 1 in every 32 adults, were in the nation's prisons and jails or on probation or parole at the end of last year.

Between Jan. 1 and Dec. 31, 2005, the number of inmates under state jurisdiction rose by 21,534 (1.6 percent). At the same time, the federal population rose 7,290 (4 percent). Overall, the U.S. prison population rose 1.9 percent during 2005 – the same as the growth in 2004. On Dec. 31, 2005, nearly 2.2 million inmates were held in state and federal prisons or county and municipal jails — the equivalent of 1 in every 136 U.S. residents.

Fourteen states reported increases of at least 5 percent during 2005; 11 states reported decreases. The federal system remained the largest prison system (with 187,618 inmates under its jurisdiction), followed by California (170,676) and Texas (169,003). During 2005, several states experienced significant growth, led by South Dakota (up 12 percent), Montana (up 11 percent) and Kentucky (up 10 percent).

Although state and federal prison releases continue to increase (reaching 672,000 in 2004, the latest available data), the number of admissions to prison (697,000 in 2004) still exceeds the number of releases. In 2004, about two-thirds of state prison admissions were new court commitments and the other third was comprised of returned parole violators.

Depending on the measure of capacity, state prisons in 1995 were operating between 14 percent and 25 percent over capacity. Since then, states have added bed space at a faster rate than the growth in the inmate population. At the end of 2005, state prisons were operating between 1 percent under and 14 percent over

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capacity. The federal system was operating at 34 percent over capacity.

In 2005, nearly 107,500 state and federal inmates (7 percent of prison inmates) were held in private prison facilities; another 73,097 (5 percent of inmates) were held in local jails. The proportion of inmates held in privately-operated or local jail facilities for state or federal authorities has been stable since 2000. About a quarter of all inmates in privately-operated facilities were being held for the federal system (27,046).

At the end of 2005, there were 4,162,536 adult men and women on probation. Probationers are criminal offenders who have been sentenced to a period of conditional supervision in the community, generally in lieu of incarceration. During 2005, the probation population grew by 19,070, or 0.5 percent, which was the smallest increase since the survey began in 1980.

There were 784,408 adult men and women on parole as of Dec. 31, 2005. Parolees are criminal offenders supervised conditionally in the community following a prison term. The parole population grew by 12,556 — an increase of almost 2 percent during 2005.

Fifty percent of all probationers in 2005 had been convicted of a felony, 49 percent of a misdemeanor and 1 percent for other infractions. Twenty-eight percent were under supervision for a drug law violation.

One state, Mississippi, had an increase of 10 percent or more in its probation population during 2005 (17 percent). Nine states had increases of 5 percent or more. The adult probation population decreased in 15 states. Maine had the largest decrease (9 percent).

During the year, more than 2.2 million adults were discharged from probation supervision, and about 3 in 5 probationers had successfully met the conditions of their supervision.

Eleven states had increases of 10 percent or more in their parole population during 2005. Arkansas had the largest increase (23 percent), followed by North Dakota (17 percent). Fourteen states reported a decrease in their parole population. Nebraska (down 17 percent) was the only state with a double-digit decrease.

Mandatory releases from prison as a result of a sentencing statue or good-time provision comprised 51 percent of those entering parole in 2005, up from 45 percent in 1995. Overall success rates for parolees have remained stable over the last decade (45 percent in 1995 and 2005).

Following publication, the reports, "Prisoners in 2005" (NCJ-215092), written by BJS statisticians Paige M. Harrison and Allen J. Beck, and "Probation and Parole in the United States, 2005" (NCJ-215091), written by BJS statisticians Lauren E. Glaze and Thomas P. Bonczar, can be found at http://www.ojp.usdoj.gov/bjs/abstract/p05.htm and http://www.ojp.usdoj.gov/bjs/abstract/ppus05.htm

For additional information about Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at http://www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

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U.S. Department of Justice
Office of Justice Programs

Embargoed for release to the public until Thursday, November 30, 2006, 4:30 pm EST

Bureau of Justice Statistics Bulletin

November 2006, NCJ 215091

Probation and Parole in the United States, 2005

By Lauren E. Glaze
and Thomas P. Bonczar
BJS Statisticians

During 2005 the total Federal, State, and local adult correctional population — incarcerated or in the community — grew by 60,700 to over 7 million. The growth of 0.9% during the year was less than half of the average annual increase of 2.5% since 1995. About 3.2% of the U.S. adult population, or 1 in every 32 adults, were incarcerated or on probation or parole at yearend 2005.

The probation population increased 0.5% in 2005 to reach 4,162,536 on December 31. This represented an increase of 19,070 additional probationers, or the smallest increase in the last 26 years. The adult parole population reached a total of 784,408 on December 31, 2005. It grew 1.6%, or slightly more than the average annual increase of 1.4% since 1995.

Persons under adult correctional supervision, 1995-2005

Year	Total estimated correctional population[a]	Community supervision		Incarceration	
		Probation	Parole	Jail	Prison
1995	5,342,900	3,077,861	679,421	507,044	1,078,542
2000	6,445,100	3,826,209	723,898	621,149	1,316,333
2001	6,581,700	3,931,731	732,333	631,240	1,330,007
2002	6,758,800	4,024,067	750,934	665,475	1,367,547
2003	6,883,200	4,073,987	774,588	691,301	1,390,279
2003 (revised)[b]	6,924,500	4,120,012	769,925	691,301	1,390,279
2004	6,995,300	4,143,466	771,852	713,990	1,421,911
2005	7,056,000	4,162,536	784,408	747,529	1,446,269
Percent change, 2004-2005	0.9%	0.5%	1.6%	4.7%	1.7%
Average annual percent change 1995-2005[c]	2.5%	2.5%	1.4%	3.9%	3.0%

Note: Counts of probationers, parolees, and prisoners are for December 31. All jail counts are for June 30. Jail and prison counts include inmates held in private facilities. Totals in 2000 through 2005 exclude probationers held in jail or prison.

[a]Because some offenders may have multiple statuses, totals were rounded to the nearest 100.

[b]Due to changes in reporting, total probation and parole counts include estimated counts for Massachusetts, Pennsylvania, and Washington based on reporting methods comparable to 2004.

[c]Percent change is based on comparable reporting agencies, excluding 226,192 probationers from agencies added since 1995. See *Methodology*.

Highlights

Probation —

· The adult probation population grew 0.5% in 2005. This was an increase of 19,070 probationers, or the smallest increase in the last 26 years.

· About 50% of all probationers had been convicted of a felony, 49% of a misdemeanor, and 1% of other infractions. Twenty-eight percent were on probation for a drug law violation, and 15% for driving while intoxicated.

· One State, Mississippi (up 17%), had an increase of 10% or more in its probation population in 2005.

· The adult probation population decreased in 15 States, led by Maine (down 9%) and Vermont (down 8%).

Parole —

· In 2005 the Nation's parole population grew 1.6%. This was an increase of 12,556 parolees during the year.

· Mandatory releases from prison as a result of a sentencing statute or good-time provision comprised 51% of those entering parole in 2005, up from 45% in 1995.

· 11 States had double-digit increases in their parole population in 2005, led by Arkansas (up 23%), North Dakota (up 17%), and West Virginia (up 16%).

· 14 States had a decrease in their parole population. Nebraska (down 17%) was the only State with a decrease of more than 10%.

Nearly 5 million persons on probation or parole

The number of adult men and women in the United States who were being supervised on probation or parole at the end of 2005 reached a new high of 4,946,944, up from 3,757,282 on December 31, 1995. These data were collected in the 2005 Annual Probation Survey and the 2005 Annual Parole Survey, conducted by the Bureau of Justice Statistics (BJS).

Probationers are criminal offenders who have been sentenced to a period of correctional supervision in the community in lieu of incarceration. Parole is a period of conditional supervised release following a prison term. Prisoners may be released to parole either by a parole board decision or by mandatory conditional release.

In 2005 the growth in the combined probation and parole populations was 0.6%. An additional 31,626 probationers or parolees were added during the year.

Probationers accounted for half the growth in the correctional population since 1990

Probationers accounted for more than half the total growth in the correctional population since 1990 (figure 1). Overall, the correctional population increased by nearly 2.5 million, or 57%, from 1990 to 2005. Probationers accounted for 53% of the growth (or 1,492,000), followed by prisoners (25%, or 703,000), jail inmates (12% or 342,000), and parolees (9% or 253,000).

	Increase in correctional population, 1990-2005	
	Number	Percent
Total[a]	2,480,000	100%
Probation[b]	1,492,000	53.5
Parole	253,000	9.1
Prison	703,000	25.2
Jail	342,000	12.3

[a]Details may not sum to total because some offenders have multiple statuses.
[b]Excludes 226,192 probationers from agencies added since 1995.
See *Methodology*.

Community supervision declined as a percentage of the correctional population

Between 1990 and 2005 the prison population was the fastest growing correctional population, with an average annual increase of 4.5%, followed by jails (4.2%), and parole and probation (2.6% each).

As a percentage of the correctional population, offenders under community supervision accounted for 69% of the correctional population in 2005 (down from nearly 74% in 1990), while those incarcerated accounted for 31% (up from 26% in 1990).

Probationers continued to account for the majority of all persons under correctional supervision in 2005 (58%, down from 61% in 1990). Parolees were 11% of the total population in 2005 (down from 12% in 1990). Prisoners increased to 20% of the total correctional population (up from 17% in 1990), while jail inmates increased to 10% (up from 9% in 1990).

Correctional supervision rate rose sharply from 1980 to 2005

The rate of U.S. adult residents under correctional supervision nearly tripled between 1980 (1,117 per 100,000) and 2005 (3,150 per 100,000). During 2005 the U.S. resident population increased at a higher rate (1.1%) than the population under correctional supervision (0.9%). Despite growth in the total correctional population from 6,995,300 in 2004 to 7,056,000 in 2005, the rate of U.S. men and women under correctional supervision in 2005 (3,150 per 100,000 adult residents) remained about the same as in 2004 (3,156).

Year	Total estimated correctional population	Supervision rate per 100,000 adults*
1980	1,842,100	1,117
1985	3,013,100	1,709
1990	4,350,300	2,337
1995	5,342,900	2,737
2000	6,445,100	3,052
2001	6,581,700	3,078
2002	6,758,800	3,122
2003	6,924,500	3,160
2004	6,995,300	3,156
2005	7,056,000	3,150

*Rates are computed using the U.S. adult resident population on January 1 of the following year.

Number of persons under correctional supervision by type of supervision, 1995-2005

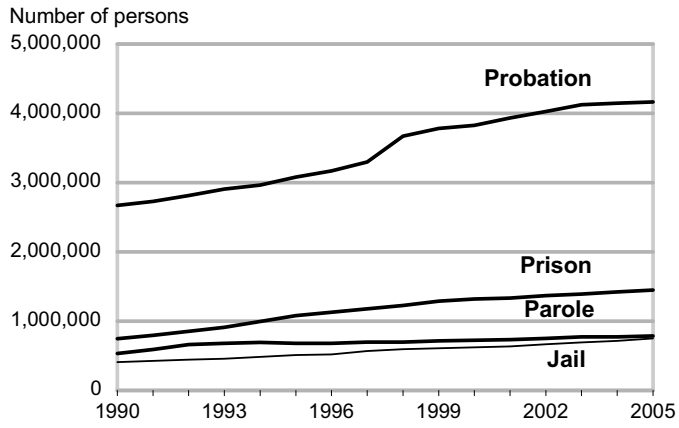

Figure 1

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Table 1. Community corrections among the States, yearend 2005

10 States with the largest 2005 community corrections populations	Number supervised	10 States with the largest percent increase	Percent increase, 2004-05	10 States with the highest rates of supervision, 2005	Persons supervised per 100,000 adult residents*	10 States with the lowest rates of supervision, 2005	Persons supervised per 100,000 adult residents*
Probation:							
Texas	430,312	Mississippi	17.1%	Massachusetts	3,350	New Hampshire	457
California	388,260	West Virginia	9.6	Rhode Island	3,091	West Virginia	533
Florida	277,831	Wyoming	9.2	Minnesota	2,988	Utah	578
Ohio	239,036	Kentucky	8.0	Delaware	2,828	Nevada	709
Michigan	178,609	Montana	7.8	Ohio	2,745	Kansas	723
Pennsylvania	167,561	Alabama	6.0	Indiana	2,583	Maine	776
Massachusetts	165,365	North Dakota	5.6	Texas	2,580	Virginia	788
Illinois	143,136	New Mexico	5.5	Michigan	2,350	North Dakota	791
New Jersey	139,091	Arkansas	5.1	Washington	2,155	New York	810
Indiana	121,014	Virginia	4.9	New Jersey	2,117	South Dakota	899
Parole:							
California	111,743	Arkansas	22.7%	Pennsylvania	787	Maine	3
Texas	101,916	North Dakota	16.7	Arkansas	782	Florida	34
Pennsylvania	75,732	West Virginia	16.4	Oregon	766	Rhode Island	41
New York	53,533	New Mexico	16.1	Louisiana	712	North Carolina	47
Illinois	34,576	Kentucky	15.8	Texas	611	Nebraska	50
Louisiana	24,072	Vermont	14.9	California	421	North Dakota	57
Georgia	22,851	Mississippi	12.1	Missouri	414	Massachusetts	73
Oregon	21,499	Delaware	11.3	South Dakota	414	Virginia	78
Michigan	19,978	Colorado	11.0	Wisconsin	365	Mississippi	90
Ohio	19,512	South Dakota	10.2	New York	364	Delaware	92

Note: This table excludes the District of Columbia as a wholly urban jurisdiction, Georgia probation counts which include probation case-based counts for private agencies, and Idaho probation counts in which estimates for misdemeanors were based on admissions.
*Rates are computed using the estimated adult resident population in each State on January 1, 2006.

6 of the 10 States with largest probation populations also had large parole populations

Texas, California, Ohio, Michigan, Pennsylvania, and Illinois had 6 of the 10 largest probation populations in the Nation at yearend 2005 (table 1). These 6 States accounted for more than a third of all probationers (37%). The same 6 States were among the 10 States with the largest parole populations in the Nation. Almost half of all parolees were supervised within these 6 States (46%).

Texas and California accounted for more than 1 million adults supervised in the community, or about 1 in 5 probationers and parolees. Each State had at least a half million adults on probation or parole: Texas with 532,228, and California with 500,003.

Among the other States, Massachusetts had the largest percentage of its adult population under community supervision (3.4% at yearend 2005), followed by Texas (3.2%) and Rhode Island (3.1%).

California had the largest parole population and the second largest probation population in the Nation. The percentage of California's adult population under community supervision was 1.9%, or slightly below the Nation's percentage of 2.2%.

Eight States reported rates of community supervision below 1,000 per 100,000 adult residents. New Hampshire had the lowest rate of supervision in the community (595 offenders per 100,000 adults).

	Number under community supervision per 100,000 adult residents
New Hampshire	595
West Virginia	632
Utah	766
Maine	779
North Dakota	848
Virginia	866
Nevada	926
Kansas	948

9 States reported an increase of 5% or more in their probation population

In 2005 Mississippi (up 17%) had the largest increase in probationers, followed by West Virginia (up 10%), and Wyoming (up 9%). A total of 32 States reported an increase in their adult probation population during 2005.

Fifteen States had fewer adults on probation at the end of 2005 than at the beginning of the year. Maine (down 9%) led the Nation with the largest decrease, followed by Vermont (down 8%), and Washington (down 6%).

DOJ_NMG_ 0170905

Table 2. Adults on probation, 2005

Region and jurisdiction	Probation population, 1/1/2005	2005 Entries	2005 Exits	Probation population, 12/31/05	Percent change, 2005	Number on probation per 100,000 adult residents, 12/31/05
U.S. total	4,143,466	2,228,300	2,209,700	4,162,536	0.5%	1,858
Federal	28,602	12,135	14,402	26,719	-6.6%	12
State	4,114,864	2,216,200	2,195,300	4,135,817	0.5	1,846
Northeast	702,328	277,800	285,700	694,396	-1.1%	1,658
Connecticut[a]	54,067	28,250	26,245	56,072	3.7	2,092
Maine	8,907	4,890	5,677	8,120	-8.8	776
Massachusetts[a]	163,719	84,343	82,697	165,365	1.0	3,350
New Hampshire	4,285	3,440	3,110	4,615	:	457
New Jersey	143,315	45,136	49,360	139,091	-2.9	2,117
New York	124,853	34,644	40,472	119,025	-4.7	810
Pennsylvania[a,b]	167,366	67,300	67,000	167,561	0.1	1,741
Rhode Island[a]	26,085	5,410	5,882	25,613	-1.8	3,091
Vermont[a]	9,731	4,341	5,138	8,934	-8.2	1,820
Midwest	958,730	609,500	594,300	973,807	1.6%	1,950
Illinois[a]	143,871	60,951	61,686	143,136	-0.5	1,500
Indiana[a]	121,675	98,681	99,342	121,014	-0.5	2,583
Iowa	22,408	15,829	14,833	23,404	4.4	1,018
Kansas	14,439	19,755	19,184	15,010	4.0	723
Michigan[a,b]	176,630	130,200	128,300	178,609	1.1	2,350
Minnesota	113,121	70,752	66,800	117,073	3.5	2,988
Missouri	54,848	25,179	26,413	53,614	-2.2	1,208
Nebraska	17,994	15,330	14,856	18,468	2.6	1,387
North Dakota	3,749	2,808	2,597	3,960	5.6	791
Ohio[a,b]	230,758	141,300	133,000	239,036	3.6	2,745
South Dakota	5,372	3,196	3,260	5,308	-1.2	899
Wisconsin	53,865	25,505	24,195	55,175	2.4	1,298
South	1,667,198	908,800	894,600	1,681,455	0.9%	2,067
Alabama[a]	36,799	14,039	11,843	38,995	6.0	1,121
Arkansas	28,771	8,435	6,958	30,248	5.1	1,431
Delaware	18,725	14,643	14,906	18,462	-1.4	2,828
District of Columbia[a]	7,585	7,216	7,414	7,387	-2.6	1,696
Florida[a,b]	278,606	240,000	240,800	277,831	-0.3	2,002
Georgia[a,b,c]	423,547	215,500	216,200	422,848	:	:
Kentucky	32,619	20,800	18,300	35,230	8.0	1,100
Louisiana	38,231	13,772	13,695	38,308	0.2	1,133
Maryland	76,676	38,282	39,365	75,593	-1.4	1,793
Mississippi	20,375	8,124	4,635	23,864	17.1	1096
North Carolina	111,537	62,157	62,068	111,626	0.1	1,693
Oklahoma[a,b]	28,404	14,600	14,100	28,865	1.6	1,065
South Carolina	38,941	14,768	14,360	39,349	1.0	1,212
Tennessee[a,b]	47,099	24,800	22,600	49,302	4.7	1,072
Texas	428,836	181,333	179,857	430,312	0.3	2,580
Virginia[a]	43,470	27,078	24,959	45,589	4.9	788
West Virginia[b]	6,977	3,200	2,500	7,646	9.6	533
West	786,608	420,100	420,500	786,159	-0.1%	1,546
Alaska	5,547	1,022	878	5,680	2.4	1,182
Arizona[a,b]	70,532	39,700	39,100	71,138	0.9	1,606
California[a]	384,852	195,343	191,935	388,260	0.9	1,462
Colorado[a,b]	57,779	29,900	31,000	56,623	-2.0	1,613
Hawaii[d]	16,113	6,236	5,524	16,825	4.4	1,693
Idaho[a,e]	44,579	35,717	36,584	43,712	:	:
Montana[a,b]	7,634	4,500	3,900	8,233	7.8	1,121
Nevada	12,645	6,305	6,019	12,931	2.3	709
New Mexico[a,b]	17,725	8,500	7,500	18,706	5.5	1,287
Oregon	43,324	17,852	16,323	44,853	3.5	1,597
Utah	10,267	5,312	5,500	10,079	-1.8	578
Washington[a,b,d]	111,193	66,900	73,800	104,293	-6.2	2,155
Wyoming	4,418	2,828	2,420	4,826	9.2	1,216

Note: Because of nonresponse or incomplete data, the probation population for some jurisdictions on December 31, 2005, does not equal the population on January 1, plus entries, minus exits.
: Not calculated.

[a]Some or all data are estimated.

[b]Data for entries and exits were estimated for nonreporting agencies.

[c]Counts include private agency cases and may overstate the number under supervision.

[d]Due to a change in the State agency's recordkeeping procedures, data are not comparable to previous reports.

[e]Counts include estimates for misdemeanors based on admissions.

DOJ_NMG_ 0170906

19,070 probationers added in 2005

During 2005 the probation population grew by 19,070. The growth in the number of probationers (0.5%) was the smallest growth in probation since the survey began in 1980.

At yearend 2005 the probation supervision rate totaled 1,858 probationers per 100,000 adult U.S. residents — the equivalent of 1 in every 54 adults (table 2). Two States, Massachusetts (3,350 per 100,000) and Rhode Island (3,091 per 100,000), had more than 3% of their adult resident population under probation supervision.

A total of 10 States had fewer than 1% of their adult resident population under probation supervision. One State, New Hampshire (457 per 100,000), had a rate below 500 probationers per 100,000 adult residents.

Small growth in probation population during 2005

Since 2001 the growth in probation has steadily dropped. The annual change was 2.8% in 2001, 2.3% in 2002, 1.2% in 2003, and 0.6% in 2004.

The 0.5% growth in the probation population during 2005 was the smallest in the last 26 years.*

	Annual increase	
Year	Number	Percent change
2000	46,287	1.2%
2001	105,522	2.8
2002	92,336	2.3
2003	49,920	1.2
2004	23,454	0.6
2005	19,070	0.5

*Since *Probation and Parole in the United States, 2004*, was published, Washington State revised their 2004 data which resulted in the 2003-04 national percent change increasing from 0.2% to 0.6%.

Growth in probation since 1990 linked to entries

Since 1990 the probation population has steadily increased from 2,670,200 to 4,162,536 in 2005 (figure 2). Although the number of entries decreased from 1990 (1,637,600) to 1994 (1,397,500), entries exceeded exits during that period, resulting in an average annual increase of 3.0% in the probation population. The number entering probation has increased each year since 1994, except for a 2.0% decrease in 2001 and a 0.5% decrease in 2004.

From 1995 through 1999 the annual increase in the probation population fluctuated between 87,000 and 120,000 additional probationers each year (figure 3). Beginning in 2001 the annual increase in the number of probationers declined from 105,500 to 92,300 in 2002, to 49,900 in 2003, to 23,400 in 2004. In 2005 the annual increase reached its lowest since data collection began in 1980 — an additional 19,070 probationers.

Annual probation population and entries to probation, 1990-2005

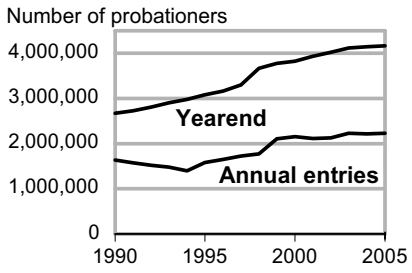

Figure 2

5 States accounted for nearly a third of the growth in probation from 1995 to 2005

In absolute numbers the probation population increased by 858,500 between 1995 and 2005. California experienced the largest growth (107,700), followed by Pennsylvania (60,700), Michigan (37,200), Illinois (33,600), and Minnesota (33,300). These five States accounted for 32% of the growth in probation since 1995.

Between 1995 and 2005 New York had the largest decrease in the number of probationers (49,000), followed by Washington (16,200), and the Federal system (8,700).

Largest increases, 1995-2005	
California	107,700
Pennsylvania	60,700
Michigan	37,200
Illinois	33,600
Minnesota	33,300
Largest decreases, 1995-2005	
New York	-49,000
Washington	-16,200
Federal system	-8,700
District of Columbia	-3,000
Kansas	-1,500

Annual increase in probation population, 1995-2005

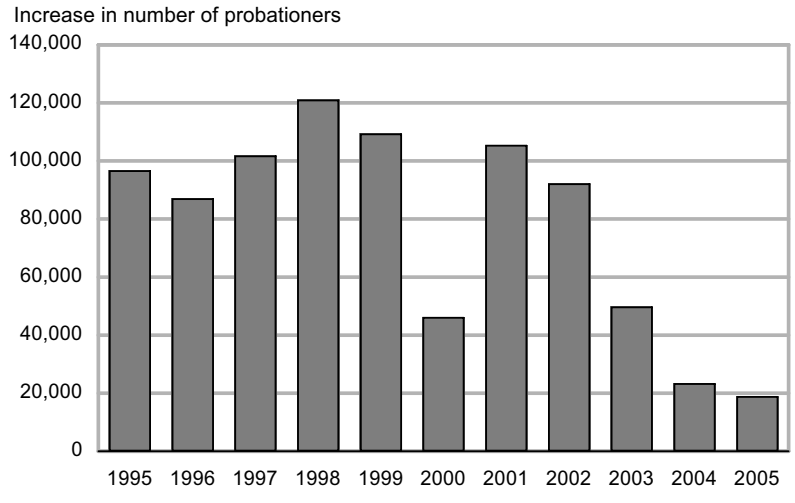

Figure 3

DOJ_NMG_ 0170907

At yearend 2005 almost 1 in 4 probationers were female; more than 1 in 2 were white

Nationwide women represented a slightly larger percentage of the probation population in 2005 than in 1995 (table 3). Women were 23% of adults on probation in 2005 (956,200), up from 21% in 1995.

At yearend 2005 more than half of all probationers were white (2,290,500); almost a third were black (1,239,600); and an eighth were Hispanic (539,700). Persons of other races comprised about 2% of probationers (92,600).

Direct sentences more common in 2005 than 1995

A larger percentage of probationers in 2005 had received a direct sentence to probation (57%) than in 1995 (48%). A smaller percentage had a probation sentence combined with incarceration (10% compared to 15% in 1995). The percentage of probationers that received a suspended sentence to incarceration has slowly declined, from 26% in 1995 to 22% in 2005.

Half of all probationers convicted of a felony

Probationers convicted of a felony (50%) accounted for a larger percentage of the population than probationers convicted of a misdemeanor (49%). About 1% of probationers had been convicted of other infractions.

The largest percentage of the probation population was convicted of a drug law violation (28%), followed by a DWI (15%) and larceny/theft (12%).

Seven in 10 probationers were under active supervision at yearend. Probationers under active supervision are required to regularly report to a probation authority in person, by mail, or by telephone. The percentage of probationers required to report regularly declined steadily, from 79% in 1995 to 70% in 2005.

About 1 in 10 persons still on probation had absconded at yearend 2005. Though still on probation, absconders had failed to report and could not be located. The percentage of absconders on probation increased slightly in the last 10 years (10% in 2005, up from 9% in 1995).

Success rates have remained stable since 1995

Fifty-nine percent of the more than 2.2 million adults discharged from probation in 2005 had successfully met the conditions of their supervision. The percentage of probationers discharged successfully has varied between 62% (1995) and 59% (2005). Probationers discharged from supervision because of incarceration due to a new offense or rule violation has varied, from 21% in 1995 to 15% in 2000 to 16% in 2005. Another 3% of those discharged from probation had absconded and 13% had their probation revoked without incarceration.

Table 3. Characteristics of adults on probation, 1995, 2000, and 2005

Characteristic	1995	2000	2005
Total	100%	100%	100%
Gender			
Male	79%	78%	77%
Female	21	22	23
Race/Hispanic origin			
White[a]	53%	54%	55%
Black[a]	31	31	30
Hispanic	14	13	13
American Indian/Alaska Native[a]	1	1	1
Asian/Native Hawaiian/other Pacific Islander[a]	--	1	1
Status of probation			
Direct imposition	48%	56%	57%
Split sentence	15	11	10
Sentence suspended	26	25	22
Imposition suspended	6	7	9
Other	4	1	2
Status of supervision			
Active	79%	76%	70%
Inactive	8	9	9
Absconder	9	9	10
Supervised out of State	2	3	2
Residential/other treatment program	...	...	1
Warrant status	...	...	6
Other	2	3	2
Type of offense			
Felony	54%	52%	50%
Misdemeanor	44	46	49
Other infractions	2	2	1
Most serious offense[b]			
Sexual assault	...	...	3%
Domestic violence	...	...	6
Other assault	...	...	10
Burglary	...	...	5
Larceny/theft	...	...	12
Fraud	...	...	6
Drug law violations	...	24	28
Driving while intoxicated	16	18	15
Minor traffic offenses	...	6	5
Adults entering probation			
Without incarceration	72%	79%	76%
With incarceration	13	16	18
Other types	15	5	6
Adults leaving probation			
Successful completions	62%	60%	59%
Incarceration	21	15	16
With new sentence	5	3	4
With the same sentence	13	8	7
Unknown	3	4	5
Absconder[c]	...	3	3
Discharge to custody, detainer, or warrant	...	1	1
Other unsuccessful[c]	...	11	13
Death	1	1	1
Other	16	9	7

Note: For every characteristic there were persons of unknown type. Detail may not sum to total because of rounding.
--Less than 0.5%.
...Not available.

[a]Excludes persons of Hispanic origin.

[b]Does not include all offenses; therefore, will not add to 100%.

[c]In 1995 absconder and other unsuccessful statuses were reported among other.

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Table 4. Adults on parole, 2005

Region and jurisdiction	Parole population, 1/1/05	2005 Entries	2005 Exits	Parole population, 12/31/05	Percent change, 2005	Number on parole per 100,000 adult residents, 12/31/05
U.S. total	771,852	516,400	503,800	784,408	1.6%	350
Federal	89,589	36,121	34,549	91,211	1.8%	41
State	682,263	480,300	469,300	693,197	1.6	309
Northeast	154,309	70,200	72,400	152,120	-1.4%	363
Connecticut	2,552	2,813	2,794	2,571	0.7	96
Maine	32	1	1	32	0.0	3
Massachusetts	3,854	5,062	5,337	3,579	-7.1	73
New Hampshire	1,212	861	671	1,402	:	139
New Jersey	13,880	10,818	10,824	13,874	0.0	211
New York	54,524	23,340	24,331	53,533	-1.8	364
Pennsylvania[a]	76,989	26,300	27,500	75,732	-1.6	787
Rhode Island[b]	344	381	389	338	-1.7	41
Vermont[b,c]	922	657	520	1,059	14.9	216
Midwest	127,338	99,252	95,760	130,830	2.7%	262
Illinois	34,277	35,636	35,337	34,576	0.9	362
Indiana	6,627	6,446	5,778	7,295	10.1	156
Iowa[b]	3,325	2,665	2,430	3,560	7.1	155
Kansas[b]	4,525	4,500	4,359	4,666	3.1	225
Michigan	20,924	10,429	11,375	19,978	-4.5	263
Minnesota	3,676	5,035	4,745	3,966	7.9	101
Missouri	17,400	13,458	12,484	18,374	5.6	414
Nebraska	801	869	1,003	667	-16.7	50
North Dakota	246	728	687	287	16.7	57
Ohio	18,882	9,956	9,326	19,512	3.3	224
South Dakota	2,217	1,848	1,621	2,444	10.2	414
Wisconsin	14,438	7,682	6,615	15,505	7.4	365
South	229,775	104,986	100,733	234,007	1.8%	288
Alabama	7,745	3,030	3,523	7,252	-6.4	208
Arkansas	13,476	8,130	5,075	16,531	22.7	782
Delaware	539	361	300	600	11.3	92
District of Columbia[c]	5,253	2,112	2,180	5,288	0.7	1,214
Florida	4,484	6,198	5,897	4,785	6.7	34
Georgia	23,344	11,366	11,859	22,851	-2.1	338
Kentucky	8,255	5,727	4,420	9,562	15.8	298
Louisiana	24,219	13,330	13,477	24,072	-0.6	712
Maryland	14,351	7,658	7,738	14,271	-0.6	339
Mississippi	1,758	996	784	1,970	12.1	90
North Carolina	2,882	3,506	3,287	3,101	7.6	47
Oklahoma[c]	4,329	1,488	1,800	4,017	-7.2	148
South Carolina	3,237	1,050	1,132	3,155	-2.5	97
Tennessee[b]	8,223	3,748	3,126	8,721	6.1	190
Texas	102,072	32,701	32,857	101,916	-0.2	611
Virginia	4,392	2,570	2,463	4,499	2.4	78
West Virginia	1,216	1,015	815	1,416	16.4	99
West	170,841	205,866	200,380	176,240	3.2%	347
Alaska[b]	949	645	621	973	2.5	202
Arizona	5,728	11,782	11,402	6,108	6.6	138
California[b]	110,262	162,329	160,848	111,743	1.3	421
Colorado	7,383	6,880	6,067	8,196	11.0	234
Hawaii	2,296	632	722	2,119	-7.7	213
Idaho	2,370	1,443	1,331	2,482	4.7	233
Montana[b]	810	570	545	835	3.1	114
Nevada	3,610	2,612	2,257	3,965	9.8	217
New Mexico	2,469	1,439	1,042	2,866	16.1	197
Oregon	20,515	9,037	8,053	21,499	4.8	766
Utah	3,246	2,502	2,471	3,277	1.0	188
Washington[d]	10,640	5,668	4,740	11,568	8.7	239
Wyoming	563	327	281	609	8.2	153

Note: Because of nonresponse or incomplete data, the parole population for some jurisdictions on December 31, 2005, does not equal the population on January 1, plus entries, minus exits.
: Not calculated.
[a]Data for entries and exits were estimated for nonreporting county agencies.
[b]Excludes parolees in one of the following categories: absconder, out of State, or inactive.
[c]All data were estimated.
[d]Due to a change in recordkeeping procedures, data are not comparable to previous reports.

Parole population grew by 12,556 during 2005

At the end of 2005 a total of 784,408 adult men and women were on parole or mandatory conditional release following a prison term (table 4). The population grew by 12,556 parolees during the year, or 1.6%. This was greater than the average annual increase of 1.4% since 1995 (table 5).

At yearend 2005, 350 persons were under parole supervision per 100,000 adult residents, or 1 in every 286 adults in the United States. Pennsylvania (787 per 100,000), Arkansas (782), and Oregon (766) had the highest rates of parole supervision. Maine, which abolished parole in 1975, had the lowest rate of supervision (3 per 100,000).

Parole populations increased in 33 States

At total of 33 States and the District of Columbia had more adults on parole at the end of 2005 than at the beginning of the year. Double-digit increases were reported in 11 States. Arkansas (up 23%) had the largest increase, followed by North Dakota (up 17%), and West Virginia (up 16%).

Table 5. Change in the number of adults on parole, 1995-2005

Year	Annual change Number	Annual change Percent
1995	-10,950	-1.6%
1996	312	0.0
1997	15,054	2.2
1998	1,598	0.2
1999	18,072	2.6
2000	9,441	1.3
2001	8,435	1.2
2002	18,601	2.5
2003	23,654	3.1
2004	1,927	0.2
2005	12,556	1.6
Total increase, 1995-2005	104,987	15.4%
Average annual increase, 1995-2005	10,499	1.4%

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A total of 14 States reported a decrease in their parole population during 2005. Nebraska (down 17%) had the only double-digit decrease. Four States had decreases of 5% or more: Hawaii (down 8%), Oklahoma and Massachusetts (both down 7%), and Alabama (down 6%).

State parole population increasing after stability during the 1990s

From 1980 to 1992 the State parole population increased from 196,800 to 618,700, or an average of 10% annually (figure 4). From 1992 to 1998, the growth in the population slowed, increasing a total of 10,500 or the equivalent of an average annual increase of nearly 0.3%. In the following period, 1998 to 2005, the State parole population added 64,000 parolees, or 1.4% annually.

Growth in State parole linked to entries

From 1980 to 1990 the number of entries to State parole supervision more than tripled, from 113,400 to 349,000. State parole entries continued to rise during the 1990s (up an average of 2.4% annually). Parole discharges also increased during the period (up an average of 4.6% annually).

From 2000 to 2005 the number of State parole entries continued to exceed the number of exits. Both rose slowly, 1.7% annually.

Year	State entries	State exits
2000	441,600	432,200
2001	445,600	439,100
2002	436,300	420,000
2003	459,100	440,500
2004	465,500	448,800
2005	480,300	469,300
Average annual percent change, 2000-05	1.7%	1.7%

Discretionary releases to parole supervision continued to decline

As a percentage of all releases from State prison, discretionary releases by a parole board steadily declined from 55% in 1980 to 22% in 2004 (figure 5). From 1980 to 1995 mandatory parole releases increased (from 19% to 39%).

Mandatory releases remained fairly stable between 1995 and 2004 (39%). These trends were consistent with the change in release policy occurring within many States after 1980, resulting in a shift away from discretionary releases in favor of determinate sentences and mandatory supervised release. (See *Trends in State Parole, 1990-2000*, October 2001, NCJ 184735.)

Releases from State prison due to expiration of sentence increased from 13% of all releases in 1990 to 21% in 2001. Between 2001 and 2004 expiration of sentence releases declined to 19%.

From 1990 (5%) through 1999 (6%) releases to probation remained stable. Since 2000 releases to probation have steadily increased from 6% to 10% in 2004.

Annual State parole population and entries to State parole, 1980-2005

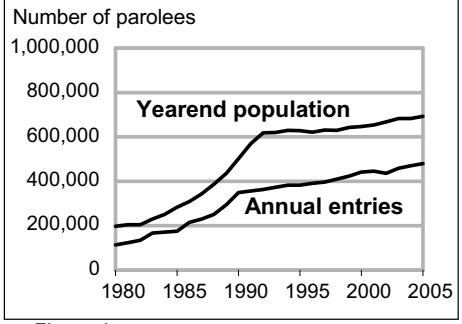


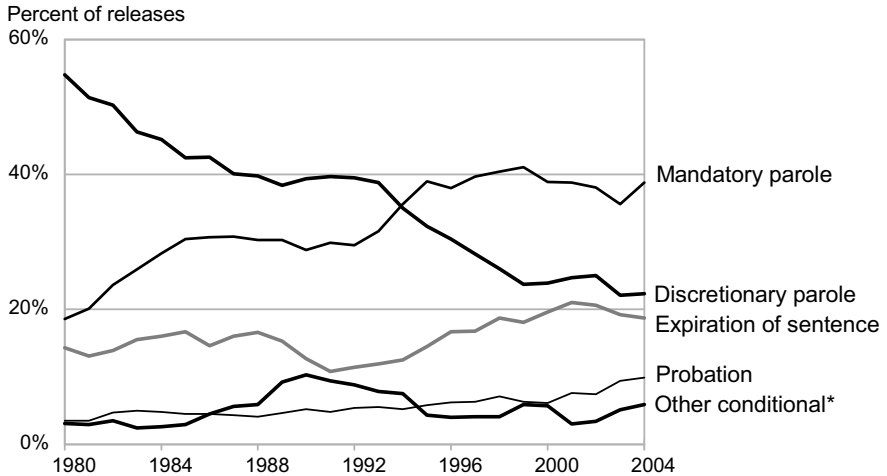
Figure 4

Other conditional releases have fluctuated over the years (3% in 1980, up to 10% in 1990, down to 6% in 2000). Since 2001 (3%) other conditional releases have steadily increased, reaching 6% in 2004.

Proportion of females on parole increased between 1995 and 2005

At yearend 2005 women made up about 1 in 8 adults on parole (93,000) (table 6). A greater percentage of women were on parole at the end of 2005 (12%), compared to 1995 (10%).

Releases from State prison, by method of release, 1980-2004



Note: Data are from the National Prisoners Statistics (*NPS-1*) series.
*Other conditional releases include: provisional releases, supervised work furloughs, releases to home arrest or boot camp programs, conditional pardons, conditional medical releases, or unspecified releases.

Figure 5

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As a percentage of all parolees, blacks decreased from 45% in 1995 down to 40% in 2005. During this same period, the percentage of parolees who were white steadily increased (34% in 1995, 38% in 2000, and 41% in 2005).

Almost 1 in 5 parolees were Hispanic (141,100). About 2% of parolees were of other races (12,700).

Table 6. Characteristics of adults on parole, 1995, 2000, and 2005

Characteristic	1995	2000	2005
Total	100%	100%	100%
Gender			
Male	90%	88%	88%
Female	10	12	12
Race/Hispanic origin			
White[a]	34%	38%	41%
Black[a]	45	40	40
Hispanic	21	21	18
American Indian/ Alaska Native[a]	1	1	1
Asian/Native Hawaiian/ other Pacific Islander[a]	--	--	1
Status of supervision			
Active	78%	83%	83%
Inactive	11	4	4
Absconder	6	7	7
Supervised out of State	4	5	4
Other	--	1	1
Sentence length			
Less than 1 year	6%	3%	6%
1 year or more	94	97	94
Type of offense			
Violent	...	...	25%
Property	...	...	25
Drug	...	...	37
Public order	...	...	6
Other	...	...	7
Adults entering parole			
Discretionary parole	50%	37%	31%
Mandatory parole	45	54	51
Reinstatement	4	6	8
Other	2	2	10
Adults leaving parole			
Successful completion	45%	43%	45%
Returned to incarceration	41	42	38
With new sentence	12	11	12
With revocation pending	18	30	25
Other	11	1	1
Absconder[b]	...	9	11
Other unsuccessful[b]	...	2	2
Transferred	2	1	1
Death	1	1	1

Note: For every characteristic there were persons of unknown type. Detail may not sum to total because of rounding.
--Less than 0.5%.
...Not available.
[a]Excludes persons of Hispanic origin.
[b]In 1995 absconder and other unsuccessful statuses were reported among other.

More than 8 in 10 parolees were under active supervision

Active supervision requires parolees to regularly report to a parole authority in person, by mail, or by telephone. This type of supervision increased as a percentage of all parolees, from 78% in 1995 to 83% in 2000. In 2005 the percentage of parolees on active supervision (83%) remained stable.

Parolees on inactive status, excluded from regular reporting but still on parole, decreased as a percentage of all parolees, from 11% in 1995 to 4% in 2005. Another 7% of all parolees still on parole in 2005 had absconded, 4% were supervised out of State, and 1% were supervised through some other type of status.

About 4 in 10 parolees served a sentence for a drug offense

About 94% of all parolees had been sentenced to 1 year or more in State or Federal prison at yearend 2005. The largest percentage of parolees had been convicted of a drug offense (37%, down from 40% in 2002).

Type of offense	2002	2005
Violent	24%	25%
Property	26	25
Drug	40	37
Public order	...	6
Other*	10	7

Note: 2002 was the first year data for type of offense were collected.
...Not available.
*In 2002 public order offenses were reported among other offenses.

Since 2002 the percentage of parolees supervised for property (26%) and violent (24%) offenses remained stable. An equal percentage of parolees were supervised for property (25%) and violent offenses (25%) at yearend 2005.

In 2005, 7% of parolees had been convicted of other offenses, such as public order violations or unclassified offenses, up from 10% in 2002.

Percent of successful exits, by type of supervision, 1995-2005

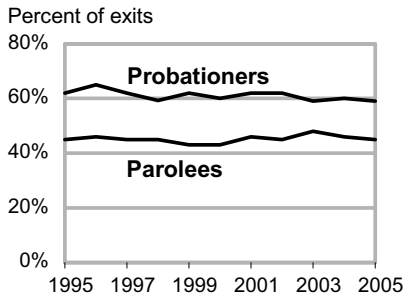

Figure 6

Rates of success for parolees have remained stable since 1995

As a percentage of all discharges, parolees who successfully met the conditions of their supervision have remained nearly stable between 1995 and 2005 (45% in both years) (figure 6). During this period the success rates for parolees were consistently lower than the success rates for probationers (62% in 1995 and 59% in 2005).

Since 1995 the total estimated number of parolees discharged from supervision increased from 391,300 to 503,800 in 2005. During this time the number of successful exits increased from 176,300 to 227,600.

Estimated exits from parole	1995	2005
Total	391,300	503,800
Successful	176,300	227,600
Returned to incarceration	160,000	191,800
Transferred	9,800	4,700
Death	4,400	5,200
Other*	40,800	74,500

*Includes absconder and other unsuccessful exits.

In 2005, 191,800 parolees were discharged from supervision and returned to incarceration because of a new offense or rule violation, up from 160,000 in 1995. While the number of parolees returned to incarceration increased, the percentage of all exits resulting in re-incarceration remained nearly stable (41% in 1995 and 38% in 2005).

DOJ_NMG_ 0170911

Methodology

The Annual Probation Survey and Annual Parole Survey provide a count of the total number of persons supervised in the community on January 1 and December 31, 2005, and a count of the number entering and leaving supervision during the year. These surveys cover all 50 States, the District of Columbia, and the Federal system. The first annual report on probation and parole was released in 1979.

Data for the Federal system are from the Administrative Office of the U.S. Courts as provided to the BJS Federal Justice Statistics Program.

Because many States update their population counts, the January 1, 2005, numbers may differ from those previously published for December 31, 2004.

Probation

The 2005 Annual Probation Survey was sent to 466 respondents — 33 central State reporters, the District of Columbia, the Federal system, and 431 separate State, county, or court agencies. States with multiple reporters were Alabama (3), Arizona (2), Colorado (8), Florida (43), Georgia (5), Idaho (2), Kentucky (3), Michigan (127), Missouri (2), Montana (4), New Mexico (2), Ohio (185), Oklahoma (3), Pennsylvania (2), Tennessee (3), Washington (35), and West Virginia (2).

Since 1995 the survey coverage has been expanded to include 180 additional agencies. At yearend 2005, 226,192 probationers were under the supervision of these agencies.

This report in portable document format and in ASCII and its related statistical data and tables are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/abstract/ppus05.htm.>.

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Parole

The 2005 Annual Parole Survey was sent to 54 respondents, including 50 State central reporters, the District of Columbia, the Federal system, the California Youth Authority, and 1 municipal agency in Alabama.

Federal parole as defined here includes supervised release, parole, military parole, special parole, and mandatory release.

The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

BJS Bulletins present the first release of findings from permanent data collection programs.

Lauren E. Glaze and Thomas P. Bonczar wrote this report, under the supervision of Allen J. Beck. Margaret E. Noonan provided statistical verification. Seri Palla Irazola conducted the data collection. The processing of data was conducted by the authors. Tina Dorsey and Doris J. James edited the report. Jayne Robinson prepared the report for printing.

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Appendix table. Adults on probation and parole, 1990, 1995, 2000, and 2005

Region and jurisdiction	Adults on probation at yearend — 1990	1995	2000	2005	Adults on parole at yearend — 1990	1995	2000	2005
U.S. total	2,670,234	3,077,861	3,826,209	4,162,536	531,407	679,421	723,898	784,408
Federal	58,222	35,457	31,669	26,719	21,693	51,461	76,069	91,211
State	2,612,012	3,042,404	3,794,540	4,135,817	509,714	627,960	647,829	693,197
Northeast	466,006	538,941	573,280	694,396	128,946	175,207	159,653	152,120
Connecticut	46,640	54,507	47,636	56,072	291	1,233	1,868	2,571
Maine	7,549	8,641	7,788	8,120	/	55	28	32
Massachusetts[a]	72,459	43,680	45,233	165,365	4,720	5,256	3,703	3,579
New Hampshire	3,146	4,347	3,629	4,615	522	785	944	1,402
New Jersey	72,341	126,759	130,610	139,091	23,298	37,867	11,709	13,874
New York	145,266	168,012	186,955	119,025	42,837	55,568	57,858	53,533
Pennsylvania[a]	97,327	106,823	121,176	167,561	56,657	73,234	82,345	75,732
Rhode Island	15,366	18,850	20,922	25,613	321	591	331	338
Vermont	5,912	7,322	9,331	8,934	300	618	867	1,059
Midwest	567,839	675,380	896,061	973,807	65,693	86,598	103,331	130,830
Illinois	95,699	109,489	139,029	143,136	17,671	29,541	30,196	34,576
Indiana	68,683	95,267	109,251	121,014	3,778	3,200	4,917	7,295
Iowa	13,895	16,579	21,147	23,404	2,111	2,340	2,763	3,560
Kansas	22,183	16,547	15,992	15,010	5,751	6,094	3,829	4,666
Michigan	133,439	141,436	170,276	178,609	11,901	13,862	15,753	19,978
Minnesota	59,323	83,778	115,906	117,073	1,873	2,117	3,072	3,966
Missouri	42,322	41,728	53,299	53,614	9,196	13,001	12,563	18,374
Nebraska	14,654	13,895	21,483	18,468	632	661	476	667
North Dakota	1,731	2,320	2,847	3,960	116	114	110	287
Ohio[b]	83,380	103,327	189,375	239,036	7,945	7,432	18,248	19,512
South Dakota	3,160	3,745	4,214	5,308	620	688	1,481	2,444
Wisconsin	29,370	47,269	53,242	55,175	4,099	7,548	9,923	15,505
South	1,042,012	1,248,608	1,573,215	1,681,455	215,773	240,478	225,955	234,007
Alabama	27,686	33,410	40,178	38,995	5,970	7,793	5,484	7,252
Arkansas	15,983	22,397	28,409	30,248	3,971	4,685	8,659	16,531
Delaware	12,223	16,124	20,052	18,462	1,283	1,033	579	600
District of Columbia	9,742	10,414	10,664	7,387	5,346	6,340	5,332	5,288
Florida[b]	210,781	243,736	296,139	277,831	2,064	11,197	5,982	4,785
Georgia[c]	134,840	142,954	321,407	422,848	22,646	19,434	21,556	22,851
Kentucky[b]	7,482	11,499	19,620	35,230	3,183	4,257	4,614	9,562
Louisiana	30,191	33,753	35,854	38,308	8,877	19,028	22,860	24,072
Maryland	82,898	71,029	81,523	75,593	11,192	15,748	13,666	14,271
Mississippi	8,221	9,595	15,118	23,864	3,478	1,510	1,596	1,970
North Carolina	77,829	97,921	105,949	111,626	9,883	18,501	3,352	3,101
Oklahoma	24,411	27,866	30,969	28,865	3,236	2,356	1,825	4,017
South Carolina	32,287	39,821	44,632	39,349	3,543	5,545	4,378	3,155
Tennessee	32,719	36,485	40,682	49,302	11,327	8,851	8,093	8,721
Texas	308,357	421,213	441,848	430,312	109,726	103,089	111,719	101,916
Virginia	21,303	24,264	33,955	45,589	9,048	10,188	5,148	4,499
West Virginia	5,059	6,127	6,216	7,646	1,000	923	1,112	1,416
West	536,155	579,475	751,984	786,159	99,302	125,677	158,890	176,240
Alaska	3,599	3,481	4,779	5,680	568	459	525	973
Arizona	30,397	40,614	59,810	71,138	2,711	4,109	3,474	6,108
California	305,700	280,545	343,145	388,260	67,562	91,807	117,647	111,743
Colorado	31,111	42,687	50,460	56,623	2,396	3,024	5,500	8,196
Hawaii	11,667	12,957	15,525	16,825	1,425	1,689	2,504	2,119
Idaho[b,d]	4,377	5,308	35,103	43,712	243	619	1,409	2,482
Montana[b]	4,052	4,318	6,108	8,233	811	744	621	835
Nevada	7,700	8,634	12,189	12,931	2,850	2,863	4,056	3,965
New Mexico	6,294	8,524	10,461	18,706	1,224	1,366	1,670	2,866
Oregon	37,631	39,725	46,023	44,853	8,023	15,019	17,579	21,499
Utah	5,830	8,562	9,800	10,079	1,561	2,700	3,231	3,277
Washington[a,b]	84,817	120,466	154,466	104,293	9,615	875	160	11,568
Wyoming	2,980	3,654	4,115	4,826	313	403	514	609

/Not reported.
[a]Due to a change in recordkeeping procedures, probation and parole counts for 2005 are not comparable to previous years.
[b]Due to expanded coverage, probation counts for 2000 and 2005 are not comparable to previous years.
[c]Probation counts for 2000 and 2005 include private agency cases and may overstate the number under supervision.
[d]Probation counts for 2000 and 2005 include estimates for misdemeanors based on admissions.

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Prisoners in 2005

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The total number of prisoners under the jurisdiction of Federal or State adult correctional authorities was 1,525,924 at yearend 2005. During the year the States added 21,534 prisoners and the Federal prison system added 7,290 prisoners. Overall, the Nation's prison population grew 1.9%, which was less than the average annual growth of 3.1% since yearend 1995.

The rate of incarceration in prison at yearend 2005 was 491 sentenced inmates per 100,000 U.S. residents, up from 411 in 1995. About 1 in every 108 men and 1 in every 1,538 women were sentenced prisoners under the jurisdiction of State or Federal authorities.

Overall, the United States incarcerated 2,320,359 persons at yearend 2005. This total represents persons held in —

— Federal and State prisons (1,446,269, which excludes State and Federal prisoners in local jails)

— territorial prisons (15,735)

— local jails (747,529)

— facilities operated by or exclusively for the Bureau of Immigration and Customs Enforcement (10,104)

— military facilities (2,322)

— jails in Indian country (1,745 as of midyear 2004)

— juvenile facilities (96,655 as of 2003).

Highlights

The Nation's prison population rose 1.9% in 2005

Prison population	Number of inmates	Incarceration rate, 12/31/05	Inmates per 100,000 residents*	Growth, 12/31/04 to 12/31/05	Percent change
5 highest:					
Federal	187,618	Louisiana	797	South Dakota	11.9%
California	170,676	Texas	691	Montana	10.9
Texas	169,003	Mississippi	660	Kentucky	10.4
Florida	89,768	Oklahoma	652	Nebraska	7.9
New York	62,743	Alabama	591	Alabama	7.7
5 lowest:					
North Dakota	1,385	Maine	144	Georgia	-4.6%
Maine	2,023	Minnesota	180	Maryland	-2.4
Wyoming	2,047	Rhode Island	189	Louisiana	-2.3
Vermont	2,078	New Hampshire	192	Mississippi	-2.2
New Hampshire	2,530	North Dakota	208	Arkansas	-2.1

*Prisoners with a sentence of more than 1 year.

During 2005 —

• Fourteen States had prison population increases of at least 5%, led by South Dakota (up 11.9%), Montana (up 10.9%), and Kentucky (up 10.4%).

• Eleven States experienced prison population decreases, led by Georgia (down 4.6%), Maryland (down 2.4%), Louisiana (down 2.3%), and Mississippi (down 2.2%).

• State inmates held in private prison facilities increased 8.8%, reaching 80,401 at yearend 2005.

• Federal inmates held in private facilities increased 9.2% to 27,046.

• State and Federal inmates held in local jails decreased 1.8% to 73,097.

On December 31, 2005 —

• 1 in every 136 U.S. residents was in prison or jail.

• Local jails housed 73,097 State and Federal inmates (4.8% of all prisoners).

• State prisons were operating between 1% below and 14% above capacity; Federal prisons were operating at 34% above capacity.

• Women made up 7.0% of all inmates, up from 6.1% in 1995.

• About 8.1% of black males age 25 to 29 were in State or Federal prison, compared to 2.6% of Hispanic males and 1.1% of white males in the same age group.

Nearly 2.2 million persons in prison or jail at yearend 2005

On December 31, 2005, a total of 1,446,269 inmates were in the custody of State and Federal prison authorities, and 747,529 were in the custody of local jail authorities (table 1). (Custody is defined on page 11.) The total incarcerated population increased by 58,463, or 2.7% from yearend 2004. This is less than the average annual increase of 3.3% since 1995.

Including inmates in public and privately operated facilities, the number of inmates in State prisons increased 1.3% during 2005; the number in Federal prisons, 5.1%; and in local jails, 4.7%.

The rate of incarceration in prison and jail was 737 inmates per 100,000 U.S. residents in 2005, up from 601 in 1995. At yearend 2005, 1 in every 136 U.S. residents was incarcerated in a State or Federal prison or a local jail.

U.S. prison population rose 1.9% during 2005

In 2005 the percentage increase in inmates under State or Federal jurisdiction (1.9%) was the same as recorded in 2004 (table 2). (Jurisdiction is defined on page 11.) The population under the jurisdiction of State and Federal authorities increased by 28,824 inmates during 2005, slightly larger than the increase in 2004 (up 28,499). Since December 31, 1995, the U.S. prison population has grown an average of 44,321 inmates per year (3.1%).

The Federal prison population totaled 187,618 at yearend 2005, up from 180,328 at yearend 2004. About 12% of all prisoners were serving time in the Federal system.

Table 1. Number of persons held in State or Federal prisons or in local jails, 1995-2005

Year	Total inmates in custody[a]	Prisoners in custody on December 31		Inmates held in local jails	Incarceration rate[b]
		Federal	State		
1995	1,585,586	89,538	989,004	507,044	601
2000	1,937,482	133,921	1,176,269	621,149	684
2001	1,961,247	143,337	1,180,155	631,240	685
2002	2,033,022	151,618	1,209,331	665,475	701
2003	2,081,580	161,673	1,222,135	691,301	712
2004	2,135,335	170,535	1,243,745	713,990	723
2005	2,193,798	179,220	1,259,905	747,529	737
Percent change, 12/31/04-12/31/05	2.7%	5.1%	1.3%	4.7%	
Average annual increase, 12/31/95 - 12/31/05	3.3%	7.2%	2.5%	4.0%	

Note: Counts include all inmates held in public and private adult correctional facilities.
[a]Total counts include Federal inmates in non-secure privately operated facilities (7,144 in 2005, 7,065 in 2004, 6,471 in 2003, 6,598 in 2002, 6,515 in 2001, and 6,143 in 2000).
[b]Number of prison and jail inmates per 100,000 U.S. residents at yearend.

Table 2. Change in State and Federal prison populations, 1995-2005

Year	Custody	Jurisdiction	Percent change*
1995	88,395	71,172	6.7%
1996	49,222	57,494	5.1
1997	48,800	58,785	5.0
1998	47,905	58,420	4.7
1999	36,957	43,796	3.4
2000	25,182	18,191	1.3
2001	14,647	15,521	1.1
2002	37,457	36,112	2.6
2003	29,330	56,956	4.0
2004	30,472	28,499	1.9
2005	24,845	28,824	1.9
Average annual increase, 1995-2005	43,321	44,527	3.1%

Note: Counts based on comparable methods were used to calculate the annual increase and percent change.
*Percent change in total number of prisoners under State and Federal jurisdiction.

15,735 inmates held in U.S. Territories at yearend 2005

The U.S. Territories and Commonwealths – American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands – reported 15,735 inmates in the custody of their prison systems at yearend 2005, a decrease of 22 persons from 2004. Puerto Rico held the largest number of sentenced prisoners, 11,469 at yearend 2005.

Prisoners with a sentence of more than 1 year totaled 12,399 (more than three-quarters of the total territorial prison population).

Relative to the resident population in the Territories, the rate of incarceration was 287 prisoners per 100,000 residents. Of the 5 Territories, the U.S. Virgin Islands had the highest prison incarceration rate (400 inmates per 100,000 residents), followed by Guam (with 301).

Prisoners in custody of correctional authorities in the U.S. Territories and Commonwealths, yearend 2004 and 2005

Jurisdiction	Total			Sentenced to more than 1 year			
	2005	2004	Percent change, 2004-05	2005	2004	Percent change, 2004-05	Incarceration rate, 2005*
Total	15,735	15,757	-0.1 %	12,399	12,185	1.8 %	287
American Samoa	222	258	-14.0	174	165	5.5	301
Guam	505	393	28.5	238	122	95.1	141
Commonwealth of the Northern Mariana Islands	149	150	-0.7	83	98	-15.3	103
Commonwealth of Puerto Rico	14,263	14,380	-0.8	11,469	11,374	0.8	293
U.S. Virgin Islands	596	576	3.5	435	426	2.1	400

*The number of prisoners with a sentence of more than 1 year per 100,000 persons in the resident population. Midyear population estimates were provided by the U.S. Census Bureau, International Data Base.

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14 States reported increases of at least 5% during 2005; 11 States had decreases

Between January 1 and December 31, 2005, South Dakota experienced the largest increase in prison population (up 11.9%), followed by Montana (up 10.9%), Kentucky (up 10.4%), and Nebraska (up 7.9%) (table 3). Eleven States experienced a decline. Georgia had the largest decline (down 4.6%), followed by Maryland (down 2.4%), Louisiana (down 2.3%), and Mississippi (down 2.2%).

In absolute numbers four jurisdictions grew by at least 2,000 inmates during 2005, including the Federal system (up 7,290), Florida (up 4,235), California (up 4,120), and Alabama (up 2,001). Georgia and New York had the largest drop in inmates (down 2,355 and 1,008, respectively).

Overall, the number of inmates under jurisdiction in the West grew 3.2%, followed by those in the Midwest (1.6%), the Northeast (1.1%), and the South (1.0%).

Prison incarceration rate reached 491 per 100,000 residents in 2005, up from 411 in 1995

Eleven States exceeded the national prison incarceration rate of 491 per 100,000 residents, led by Lousiana (797), Texas (691), Mississippi (660), and Oklahoma (652) (table 4). Seven States, led by Maine (144), Minnesota (180), and Rhode Island (189), had rates that were less than half the national rate.

Since 1995 the sentenced inmate population in State prisons has increased an average 3.0% per year. During this period, 12 States had an average annual growth of at least 5%, led by North Dakota (up 9.3%), West Virginia (up 7.9%), and Oregon (up 7.5%). Between 1995 and 2005 the Federal system grew an average of 7.1% per year. In absolute numbers this is an average annual increase of 8,251 inmates.

Table 3. Prisoners under the jurisdiction of State or Federal correctional authorities, by region and jurisdiction, 2004 and 2005

Region and jurisdiction	12/31/2005	06/30/2005	12/31/2004	Percent change from — 12/31/04 to 12/31/2005	Percent change from — 6/30/05 to 12/31/2005
U.S. Total	1,525,924	1,513,213	1,497,100	1.9%	0.8%
Federal	187,618	184,484	180,328	4.0%	1.7%
State	1,338,306	1,328,729	1,316,772	1.6	0.7
Northeast	172,910	173,125	170,982	1.1%	-0.1%
Connecticut[a]	19,442	19,744	19,497	-0.3	-1.5
Maine	2,023	2,084	2,024	0.0	-2.9
Massachusetts	10,701	10,495	10,144	5.5	2.0
New Hampshire	2,530	2,561	2,448	3.3	-1.2
New Jersey	27,359	28,124	26,757	2.2	-2.7
New York	62,743	62,963	63,751	-1.6	-0.3
Pennsylvania	42,380	41,540	40,963	3.5	2.0
Rhode Island[a]	3,654	3,639	3,430	6.5	0.4
Vermont[a]	2,078	1,975	1,968	5.6	5.2
Midwest	254,706	252,406	250,592	1.6%	0.9%
Illinois	44,919	44,669	44,054	2.0	0.6
Indiana	24,455	24,244	24,008	1.9	0.9
Iowa[b]	8,737	8,578	8,525	2.5	1.9
Kansas	9,068	9,042	8,966	1.1	0.3
Michigan	49,546	49,014	48,883	1.4	1.1
Minnesota	9,281	9,187	8,758	6.0	1.0
Missouri	30,823	31,066	31,081	-0.8	-0.8
Nebraska	4,455	4,284	4,130	7.9	4.0
North Dakota	1,385	1,338	1,327	4.4	3.5
Ohio	45,854	44,976	44,806	2.3	2.0
South Dakota	3,463	3,344	3,095	11.9	3.6
Wisconsin	22,720	22,664	22,959	-1.0	0.2
South	606,236	606,361	600,269	1.0%	0.0%
Alabama	27,888	27,740	25,887	7.7	0.5
Arkansas	13,511	13,469	13,807	-2.1	0.3
Delaware[a]	6,944	7,180	6,927	0.2	-3.3
Florida	89,768	87,545	85,533	5.0	2.5
Georgia[b]	48,749	47,682	51,104	-4.6	2.2
Kentucky	19,662	18,897	17,814	10.4	4.0
Louisiana	36,083	37,254	36,939	-2.3	-3.1
Maryland	22,737	23,276	23,285	-2.4	-2.3
Mississippi	20,515	20,856	20,983	-2.2	-1.6
North Carolina	36,365	36,399	35,434	2.6	-0.1
Oklahoma	24,826	23,702	24,508	1.3	4.7
South Carolina	23,160	23,896	23,428	-1.1	-3.1
Tennessee	26,369	26,208	25,884	1.9	0.6
Texas	169,003	171,338	168,105	0.5	-1.4
Virginia	35,344	35,667	35,564	-0.6	-0.9
West Virginia	5,312	5,252	5,067	4.8	1.1
West	304,454	296,837	294,929	3.2%	2.6%
Alaska[a]	4,812	4,630	4,554	5.7	3.9
Arizona[b]	33,471	32,664	32,515	2.9	2.5
California	170,676	166,532	166,556	2.5	2.5
Colorado	21,456	20,841	20,293	5.7	3.0
Hawaii[a]	6,146	6,071	5,960	3.1	1.2
Idaho	6,818	6,526	6,375	6.9	4.5
Montana	3,509	3,369	3,164	10.9	4.2
Nevada	11,782	11,565	11,365	3.7	1.9
New Mexico	6,571	6,595	6,379	3.0	-0.4
Oregon	13,411	13,317	13,183	1.7	0.7
Utah	6,373	6,013	5,991	6.4	6.0
Washington	17,382	16,688	16,614	4.6	4.2
Wyoming	2,047	2,026	1,980	3.4	1.0

[a]Prisons and jails form one integrated system. Data include total jail and prison population.

[b]Population based on custody counts.

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Table 4. Sentenced prisoners under the jurisdiction of State or Federal correctional authorities, yearend 1995, 2004, and 2005

Region and jurisdiction	12/31/2005	12/31/2004	12/31/1995	Percent change, 2004-05	Average change, 1995-05[a]	Incarceration rate, 2005
U.S. Total	1,461,132	1,433,728	1,085,022	1.9%	3.0%	491
Federal	166,173	159,137	83,663	4.4	7.1	56
State	1,294,959	1,274,591	1,001,359	1.6	2.6	435
Northeast	162,641	161,121	155,030	0.9%	0.5%	298
Connecticut[b]	13,121	13,240	10,419	-0.9	2.3	373
Maine	1,905	1,961	1,326	-2.9	3.7	144
Massachusetts[c]	9,081	8,688	10,427	4.5	-1.4	239
New Hampshire	2,520	2,448	2,015	2.9	2.3	192
New Jersey[d]	27,359	26,757	27,066	2.2	0.1	313
New York	62,743	63,751	68,486	-1.6	-0.9	326
Pennsylvania	42,345	40,931	32,410	3.5	2.7	340
Rhode Island[b]	2,025	1,894	1,833	6.9	1.0	189
Vermont[b]	1,542	1,451	1,048	6.3	3.9	247
Midwest	252,845	249,545	192,177	1.3%	2.8%	383
Illinois[d]	44,919	44,054	37,658	2.0	1.8	351
Indiana	24,416	23,939	16,046	2.0	4.3	388
Iowa[d]	8,737	8,525	5,906	2.5	4.0	294
Kansas[d]	9,068	8,966	7,054	1.1	2.5	330
Michigan	49,546	48,883	41,112	1.4	1.9	489
Minnesota	9,281	8,758	4,846	6.0	6.7	180
Missouri[d]	30,803	31,061	19,134	-0.8	4.9	529
Nebraska	4,330	4,038	3,006	7.2	3.7	245
North Dakota	1,327	1,238	544	7.2	9.3	208
Ohio[d]	45,854	44,806	44,663	2.3	0.3	400
South Dakota	3,454	3,088	1,871	11.9	6.3	443
Wisconsin	21,110	22,189	10,337	-4.9	7.4	380
South	583,132	576,292	446,491	1.2%	2.7%	539
Alabama	27,003	25,257	20,130	6.9	3.0	591
Arkansas	13,383	13,668	8,520	-2.1	4.6	479
Delaware[b]	3,972	4,087	3,014	-2.8	2.8	467
Florida	89,766	85,530	63,866	5.0	3.5	499
Georgia[e]	48,741	51,089	34,168	-4.6	3.6	533
Kentucky	19,215	17,140	12,060	12.1	4.8	459
Louisiana	36,083	36,939	25,195	-2.3	3.7	797
Maryland	22,143	22,696	20,450	-2.4	0.8	394
Mississippi	19,335	19,469	12,251	-0.7	4.7	660
North Carolina	31,522	30,683	27,914	2.7	1.2	360
Oklahoma[d]	23,245	22,913	18,151	1.4	2.5	652
South Carolina	22,464	22,730	19,015	-1.2	1.7	525
Tennessee[d]	26,369	25,884	15,206	1.9	5.7	440
Texas	159,255	157,617	127,766	1.0	2.2	691
Virginia	35,344	35,564	27,260	-0.6	2.6	464
West Virginia	5,292	5,026	2,483	5.3	7.9	291
West	296,341	287,633	207,661	3.0%	3.6%	431
Alaska[b]	2,781	2,632	2,042	5.7	3.1	414
Arizona[e]	31,411	31,106	20,291	1.0	4.5	521
California	168,982	164,933	131,745	2.5	2.5	466
Colorado[d]	21,456	20,293	11,063	5.7	6.8	457
Hawaii[b]	4,422	4,174	2,590	5.9	5.5	340
Idaho	6,818	6,375	3,328	6.9	7.4	472
Montana	3,509	3,164	1,999	10.9	5.8	373
Nevada	11,644	11,280	7,713	3.2	4.2	474
New Mexico	6,292	6,111	3,925	3.0	4.8	323
Oregon	13,390	13,167	6,515	1.7	7.5	365
Utah	6,269	5,915	3,447	6.0	6.2	252
Washington	17,320	16,503	11,608	5.0	4.1	273
Wyoming	2,047	1,980	1,395	3.4	3.9	400

[a]The average annual percentage increase from 1995 to 2005.

[b]Prisons and jails form one integrated system. Data include total jail and prison population.

[c]The incarceration rate includes an estimated 6,200 inmates sentenced to more than 1 year but held in local jails or houses of corrections.

[d]Includes some inmates sentenced to 1 year or less.

[e]Population figures based on custody counts.

Female prisoners increased 2.6% during 2005; male prisoners, 1.9%

During 2005 the number of females under the jurisdiction of State or Federal prison authorities increased by 2.6% (table 5). The number of males in prison rose 1.9%. At yearend 2005, 107,518 females and 1,418,406 males were in prison. Since 1995 the annual rate of growth in female prisoners averaged 4.6%, which was higher than the 3.0% increase in male prisoners. By yearend 2005 females accounted for 7.0% of all prisoners, up from 6.1% in 1995 and 5.7% in 1990.

Relative to their number in the U.S. resident population, males were over 14 times more likely than females to be incarcerated in a State or Federal prison. At yearend 2005 there were 65 sentenced female inmates per 100,000 females in the resident population, compared to 929 sentenced male inmates per 100,000 males.

Since 1995 the total number of male prisoners has grown 34%; the number of female prisoners, 57%. At yearend 2005, 1 in every 1,538 women and 1 in every 108 men were incarcerated in a State or Federal prison.

Table 5. Number of prisoners under the jurisdiction of State or Federal correctional authorities, by gender, yearend 1995, 2004, and 2005

	Males	Females
All inmates		
2005	1,418,406	107,518
2004	1,392,278	104,822
1995	1,057,406	68,468
Percent change, 2004-05	1.9%	2.6%
Average annual change, 1995-2005	3.0%	4.6%
Sentenced to more than 1 year		
2005	1,362,530	98,602
2004	1,337,730	95,998
1995	1,021,059	63,963
Percent change, 2004-05	1.9%	2.7%
Incarceration rate*		
2005	929	65
2004	920	64
1995	781	47

*The number of prisoners with a sentence of more than 1 year per 100,000 U.S. residents on December 31.

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Over a third of female prisoners held in the 3 largest jurisdictions

Texas (13,506), the Federal system (12,422), and California (11,667) held more than a third of all female inmates at yearend (table 6). Oklahoma (129 sentenced female inmates per 100,000 female residents), Idaho (110), and Mississippi (107) had the highest female incarceration rates. States with the lowest female incarceration rates were concentrated in the Northeast, led by Rhode Island (with 10 sentenced female prisoners per 100,000 female residents), Massachusetts (12), and Maine (17).

Thirteen States had an average annual increase in the female prison population of more than 10% between 1995 and 2005, led by North Dakota (18.2%), Idaho (14.1%), and West Virginia (14.0%). During this period the State female prison population increased an average of 4.5% per year; the Federal female prison population increased 5.3% per year.

Privately operated prisons held 7.0% of State and Federal inmates in 2005

Since yearend 2000 the number of Federal inmates held in private facilities increased 74.2%, while the number held in State facilities increased 7.0%. As a percentage of all inmates under State and Federal jurisdiction, the number held in private facilities has increased slightly to 7.2% in 2005.

	Number of inmates in privately operated facilities			Percent of all inmates
	Total	State	Federal	
2005	107,447	80,401	27,046	7.0%
2004	98,628	73,860	24,768	6.6
2003	95,707	73,842	21,865	6.5
2002	93,912	73,638	20,274	6.5
2001	91,953	72,702	19,251	6.5
2000	90,542	75,018	15,524	6.5

At yearend 2005, 33 States and the Federal system reported a total of 107,447 prisoners held in privately operated prison facilities (table 7). Private facilities held 6.0% of all State prisoners and 14.4% of Federal prisoners. Among States, Texas (with 17,517 State inmates housed in private facili-

Table 6. Female inmates under the jurisdiction of State or Federal correctional authorities, yearend 1995, 2004, and 2005

Region and jurisdiction	Number of female inmates			Percent change		Incarceration rate, 2005[b]
	2005	2004	1995	2004 to 2005	Average, 1995 to 2005[a]	
U.S. total	107,518	104,822	68,468	2.6%	4.6%	65
Federal	12,422	12,164	7,398	2.1	5.3	7
State	95,096	92,658	61,070	2.6	4.5	58
Northeast	9,202	8,910	8,401	3.3%	0.9%	28
Connecticut	1,489	1,488	975	0.1	4.3	43
Maine	129	125	36	3.2	13.6	17
Massachusetts[c]	788	741	656	6.3	1.9	12
New Hampshire	133	119	109	11.8	2.0	20
New Jersey	1,449	1,470	1,307	-1.4	1.0	32
New York	2,802	2,789	3,615	0.5	-2.5	28
Pennsylvania	2,029	1,827	1,502	11.1	3.1	32
Rhode Island	231	208	157	11.1	3.9	10
Vermont	152	143	44	6.3	13.2	30
Midwest	16,855	16,545	10,864	1.9%	4.5%	50
Illinois	2,725	2,750	2,196	-0.9	2.2	42
Indiana[c]	1,884	1,892	892	-0.4	7.8	59
Iowa	800	757	425	5.7	6.5	53
Kansas	674	620	449	8.7	4.1	49
Michigan[c]	2,111	2,113	1,842	-0.1	1.4	41
Minnesota	604	544	217	11.0	10.8	23
Missouri	2,511	2,507	1,174	0.2	7.9	84
Nebraska	423	369	211	14.6	7.2	44
North Dakota	155	129	29	20.2	18.2	49
Ohio	3,260	3,185	2,793	2.4	1.6	55
South Dakota	356	292	134	21.9	10.3	90
Wisconsin	1,352	1,387	502	-2.5	10.4	45
South	45,140	44,789	27,366	0.8%	5.1%	75
Alabama	1,965	1,748	1,295	12.4	4.3	79
Arkansas	1,144	962	523	18.9	8.1	78
Delaware	555	557	358	-0.4	4.5	44
Florida[c]	6,153	5,660	3,660	8.7	5.3	67
Georgia	2,893	3,436	2,036	-15.8	3.6	63
Kentucky	2,004	1,560	734	28.5	10.6	90
Louisiana	2,309	2,386	1,424	-3.2	5.0	99
Maryland	1,097	1,180	1,079	-7.0	0.2	35
Mississippi	1,786	1,796	791	-0.6	8.5	107
North Carolina[c]	2,589	2,430	1,752	6.5	4.0	42
Oklahoma	2,455	2,484	1,815	-1.2	3.1	129
South Carolina	1,514	1,562	1,045	-3.1	3.8	64
Tennessee[c]	2,022	1,905	637	6.1	12.2	66
Texas	13,506	13,958	7,935	-3.2	5.5	97
Virginia	2,668	2,706	1,659	-1.4	4.9	69
West Virginia	480	459	129	4.6	14.0	52
West	23,899	22,414	14,439	6.6%	5.2%	66
Alaska	465	397	243	17.1	6.7	57
Arizona	2,896	2,765	1,432	4.7	7.3	85
California[c]	11,667	11,188	9,082	4.3	2.5	62
Colorado	2,120	1,900	713	11.6	11.5	91
Hawaii	732	699	312	4.7	8.9	70
Idaho	791	647	212	22.3	14.1	110
Montana	354	323	112	9.6	12.2	75
Nevada	944	878	530	7.5	5.9	78
New Mexico	666	581	278	14.6	9.1	63
Oregon	1,015	985	465	3.0	8.1	55
Utah	572	511	161	11.9	13.5	45
Washington	1,455	1,330	793	9.4	6.3	45
Wyoming[c]	222	210	106	5.7	7.7	88

[a]The average annual percent increase from 1995 to 2005.

[b]The number of female prisoners with a sentence of more than 1 year per 100,000 U.S. residents.

[c]Growth from 1995 to 2005 may be slightly overestimated due to a change in reporting from custody to jurisdiction counts.

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ties) and Florida (with 6,261) reported the largest populations in 2005.

Five States had at least 25% of their prison population housed in private prisons, led by New Mexico (43%), Wyoming (41%), Hawaii (31%), Alaska (28%), and Montana (26%).

At yearend 2005, 8.5% of State inmates in the South and 7.2% in the West were in privately operated facilities. The Northeast (2.1%) and Midwest (1.2%) had the lowest percentage of State inmates in private facilities.

In 2005 local jails held almost 5% of State and Federal prisoners

At the end of 2005, 35 States and the Federal system reported a total of 73,097 State and Federal prisoners held in local jails or other facilities operated by county or local authorities. These inmates held in local jails represented 4.8% of all prisoners in 2005.

Louisiana had the largest percentage of its State inmate population housed in local jails (45%). Four other states had at least a fifth of their population housed in local jails: Kentucky (29%), Tennessee (27%), West Virginia (24%), and Mississippi (22%).

Among State prisoners in the South, 10.0% were held in local jails. In the West, 2.1% of State prisoners were in local jails, and in the Midwest and Northeast both had 1.2% of their State prisoners in local jails.

From yearend 2000 to 2005 the number of Federal inmates held in local jails decreased by more than half, while the number of State inmates in local jails rose about 19%.

	Number of State and Federal inmates held in local jails			Percent of all inmates
	Total	State	Federal	
2005	73,097	72,053	1,044	4.8%
2004	74,445	73,246	1,199	5.0
2003	73,440	70,162	3,278	5.0
2002	72,550	69,173	3,377	5.0
2001	70,681	67,760	2,921	5.0
2000	63,140	60,702	2,438	4.5

Table 7. State and Federal prisoners held in private facilities or local jails, by jurisdiction, yearend 2004 and 2005

Region and jurisdiction	Private facilities			Local jails		
	2005	2004	Percent of inmates[a]	2005	2004	Percent of inmates[a]
U.S. total	107,447	98,628	7.0%	73,097	74,445	4.8%
Federal[b]	27,046	24,768	14.4	1,044	1,199	0.6
State	80,401	73,860	6.0	72,053	73,246	5.4
Northeast	3,571	3,347	2.1%	1,990	1,555	1.2%
Connecticut	0	0	0	~	~	~
Maine	20	32	1.0	0	0	0.0
Massachusetts	0	0	0	212	236	2.0
New Hampshire	0	0	0	13	9	0.5
New Jersey	2,600	2,510	9.5	1,754	1,258	6.4
New York	0	0	0	11	52	0.0
Pennsylvania	503	366	1.2	0	0	0.0
Rhode Island	0	0	0	~	~	~
Vermont	448	439	21.6	~	~	~
Midwest	3,030	3,477	1.2%	3,171	3,267	1.2%
Illinois	0	0	0	0	0	0.0
Indiana	115	641	0.5	1,695	2,024	6.9
Iowa	0	0	0	0	0	0.0
Kansas	0	0	0	0	0	0.0
Michigan	0	480	0	53	52	0.1
Minnesota	760	307	8.2	674	484	7.3
Missouri	0	0	0	0	0	0.0
Nebraska	0	0	0	0	0	0.0
North Dakota	47	35	3.4	45	43	3.2
Ohio	2,075	1,929	4.5	0	0	0.0
South Dakota	10	6	0.3	99	42	2.9
Wisconsin	23	79	0.1	605	622	2.7
South	51,823	48,267	8.5%	60,621	62,966	10.0%
Alabama	320	244	1.1	2,281	1,645	8.2
Arkansas	0	0	0	1,056	1,230	7.8
Delaware	0	0	0	~	~	~
Florida	6,261	4,328	7.0	41	42	0.0
Georgia	4,778	4,693	9.8	4,948	5,117	10.1
Kentucky	2,224	1,746	11.3	5,674	5,084	28.9
Louisiana	2,952	2,921	8.2	16,183	17,469	44.8
Maryland	129	127	0.6	142	135	0.6
Mississippi	4,779	4,744	23.3	4,426	4,624	21.6
North Carolina	210	212	0.6	0	0	0.0
Oklahoma	5,908	5,905	23.8	1,850	1,807	7.5
South Carolina	14	6	0.1	384	429	1.7
Tennessee	5,162	5,105	19.6	7,112	6,577	27.0
Texas	17,517	16,668	10.4	10,569	13,228	6.3
Virginia	1,569	1,568	4.4	4,679	4,502	13.2
West Virginia	0	0	0	1,276	1,077	24.0
West	21,977	18,769	7.2%	6,271	5,458	2.1%
Alaska	1,365	1,392	28.4	~	~	~
Arizona	4,800	4,176	14.3	185	186	0.6
California	2,801	2,989	1.6	2,518	2,452	1.5
Colorado	4,039	2,819	18.8	393	638	1.8
Hawaii	1,902	1,666	30.9	~	~	~
Idaho	1,596	1,263	23.4	569	133	8.3
Montana	895	895	25.5	687	687	19.6
Nevada	0	0	0	148	153	1.3
New Mexico	2,843	2,686	43.3	122	0	1.9
Oregon	0	0	0	48	18	0.4
Utah	0	0	0	1,246	1,189	19.6
Washington	890	327	5.1	332	1	1.9
Wyoming	846	556	41.3	23	1	1.1

~Not applicable. Prison and jails form an integrated system.

[a]Based on the total number of inmates under State or Federal jurisdiction, by jurisdiction and region.

[b]Includes Federal inmates held in non-secure privately operated facilities (7,065 in 2004 and 7,144 in 2005).

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Table 8. Reported Federal and State prison capacities, yearend 2005

Region and jurisdiction	Type of capacity measure			Custody population as a percent of —	
	Rated	Operational	Design	Highest capacity[a]	Lowest capacity[a]
Federal	119,371	...	...	134%	134%
Northeast					
Connecticut[b]	...	...	...	...	...
Maine	1,897	1,897	1,897	103%	103%
Massachusetts	...	...	7,778	133	133
New Hampshire	2,419	2,238	2,213	100	109
New Jersey	...	25,949	...	89	89
New York	59,904	61,330	53,843	103	117
Pennsylvania	38,347	38,347	38,347	108	108
Rhode Island	3,861	3,861	4,054	84	88
Vermont	1,716	1,716	1,355	94	120
Midwest					
Illinois	33,801	33,801	29,861	133%	150%
Indiana	17,590	24,167	...	94	129
Iowa	...	...	7,238	121	121
Kansas	9,357	...	...	97	97
Michigan	...	49,837	...	99	99
Minnesota	...	8,203	...	97	97
Missouri	...	30,788	...	99	99
Nebraska	...	3,969	3,175	111	139
North Dakota	1,005	952	1,005	126	134
Ohio	35,531	...	...	121	121
South Dakota	...	3,445	...	97	97
Wisconsin[c]	...	17,325	...	127	127
South					
Alabama[d]	...	25,206	12,444	95%	193%
Arkansas	13,500	13,283	12,610	92	99
Delaware	6,679	6,665	5,475	102	124
Florida	...	88,156	66,641	98	130
Georgia	...	47,542	...	103	103
Kentucky	12,301	12,301	12,301	103	103
Louisiana	19,371	20,050	...	97	100
Maryland	...	22,647	...	100	100
Mississippi[e]	22,403	...	...	72	72
North Carolina[f]	...	...	31,500	116	116
Oklahoma[e]	24,145	24,145	24,145	95	95
South Carolina	...	23,169	...	97	97
Tennessee	20,122	19,670	...	96	98
Texas[c]	162,075	158,024	162,075	86	88
Virginia	31,358	...	...	93	93
West Virginia	3,655	4,226	3,655	96	110
West					
Alaska	3,098	3,206	...	107	111%
Arizona	28,077	33,938	30,051	84	102
California	...	164,159	87,250	102	193
Colorado	...	14,153	12,836	120	133
Hawaii	...	3,487	2,451	110	157
Idaho	5,845	5,553	5,845	80	84
Montana[e]	...	1,591	...	121	121
Nevada[e]	11,063	20,895	7,766	56	150
New Mexico[e]	...	6,713	6,227	98	106
Oregon	...	12,646	12,646	102	102
Utah	...	6,203	6,411	79	82
Washington	12,992	15,014	15,014	112	129
Wyoming	1,283	1,260	1,231	97	102

... Data not available.
[a]Population counts are based on the number of inmates held in facilities operated by the jurisdiction. Excludes inmates held in local jails, in other States, or in private facilities.
[b]Connecticut no longer reports capacity because of a law passed in 1995.
[c]Excludes capacity of county facilities and inmates housed in them.
[d]Design capacity defined as the original design capacity.
[e]Includes capacity of private and contract facilities and inmates housed in them.
[f]Reported standard operating capacity. See jurisdiction notes.

23 States and the Federal system operated at or above highest capacity

To estimate the capacity of their prisons, jurisdictions were asked to supply three measures for capacity at yearend 2005: rated, operational, and design capacities. These measures were defined as follows:

Rated capacity is the number of beds or inmates assigned by a rating official to institutions within the jurisdiction.

Operational capacity is the number of inmates that can be accommodated, based on a facility's staff, existing programs, and services.

Design capacity is the number of inmates that planners or architects intended for the facility.

Twenty-three jurisdictions gave only 1 measure or the same figure for each measure (table 8). For the 27 jurisdictions with more than 1 reported type of capacity, estimates of population as a percent of capacity are based on the highest and lowest figures provided.

At yearend 2005, 26 States reported that they were operating below 100% of their highest capacity, and 23 States and the Federal prison system reported operating at 100% or more of their highest capacity. Nevada, operating at 56% of its highest capacity,

Table 9. State prison population as a percent of capacity, 1995-2005

	State prisons
Highest capacity	1,212,576
Lowest capacity	1,049,421
Population as a percent of capacity*	
Highest	
1995	114
2000	100
2001	101
2002	101
2003	100
2004	99
2005	99
Lowest	
1995	125
2000	115
2001	116
2002	117
2003	116
2004	115
2005	114

*Excludes prisoners held in local jails and in privately operated facilities (unless included in the reported capacity).

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reported the lowest percent of capacity occupied. Alabama and California, both 93% over their lowest reported capacity, had the highest percent of capacity occupied.

At yearend 2005 the Federal prison system was operating at 34% over capacity. Overall, State prisons were operating between 99% of their highest capacity and 114% of their lowest capacity (table 9).

60% of State and Federal inmates black or Hispanic at yearend 2005

At yearend 2005 black inmates represented an estimated 40% of all inmates with a sentence of more than 1 year, while white inmates accounted for 35% and Hispanic inmates, 20%.

Although the total number of sentenced inmates rose sharply (up 35% between 1995 and 2005), there were small changes in the racial and Hispanic composition of the inmate population.

At yearend 2005, black males (547,200) outnumbered white males (459,700) and Hispanic males (279,000) among inmates with a sentence of more than 1 year (table 10). About 40% of all male inmates sentenced to more than 1 year were black.

	Percent of State or Federal prisoners[a]	
	1995	2005
Total	100%	100%
Hispanic	17.6	20.2
One race[b]		
White	33.5	34.6
Black	45.7	39.5
Other races	3.2	2.7
Two or more races[b]	--	3.0

[a]Based on jurisidiction counts of inmates with a sentence of more than 1 year.
[b]Excludes Hispanics.
--Not collected.

Comparisons with previous estimates of inmates by race and Hispanic origin are constrained by new collection methodologies. Following guidelines provided by the Office of Management and Budget, estimates in 2005 were made separately for persons identifying with one race (97%) and those identifying with two or more races (3%). Adoption of these guidelines reduced the number and percent of inmates identified as non-Hispanic white and black.

An estimated 8% of black males, age 25 to 29 in prison in 2005

When incarceration rates are estimated separately by age group, black males in their twenties and thirties are found to have high rates relative to other groups (table 11). Expressed in terms of percentages, 8.1% of black males age 25 to 29 were in prison on December 31, 2005, compared to 2.6% of Hispanic males and about 1.1% of white males in the same age group.

Although incarceration rates drop with age, the percentage of black males age 45 to 54 in prison at yearend 2005 was 3.1% — a rate higher than the highest rate among Hispanic males (2.6% for those age 25 to 29), and more than twice the highest rate among white males (1.2% for those age 30 to 34).

Female incarceration rates, though substantially lower than male incarceration rates at every age, reveal similar racial and ethnic differences. Black females (with an incarceration rate of 156 per 100,000) were more than twice as likely as Hispanic females (76 per 100,000) and over 3 times more likely than white females (45 per 100,000) to have been in prison on December 31, 2005. These differences among white, black, and Hispanic females were consistent across all age groups.

Table 10. Number of sentenced prisoners under State or Federal jurisdiction, by gender, race, Hispanic origin, and age, yearend 2005

	Number of sentenced prisoners							
	Males				Females			
Age	Total[a]	White[b]	Black[b]	Hispanic	Total[a]	White[b]	Black[b]	Hispanic
Total	1,362,500	459,700	547,200	279,000	98,600	45,800	29,900	15,900
18-19	26,300	7,200	11,800	5,600	1,200	500	400	200
20-24	218,700	62,700	94,200	50,400	11,900	5,300	3,600	2,300
25-29	244,800	67,000	106,600	59,600	15,300	6,700	4,700	2,900
30-34	224,200	69,800	92,000	51,100	17,400	8,100	5,100	2,900
35-39	207,200	72,300	81,600	41,600	19,400	9,000	6,000	3,000
40-44	185,200	70,900	71,000	31,600	16,500	7,800	5,100	2,400
45-54	189,800	76,300	71,100	29,500	13,800	6,500	4,300	1,800
55 or older	63,500	32,900	17,600	9,000	3,000	1,800	700	300

Note: Based on estimates by gender, race, Hispanic origin, and age from the 2004 Survey of Inmates in State Correctional Facilities and updated from jurisdiction counts by gender at yearend 2005. Estimates were rounded to the nearest 100. See *Methodology* for details.
[a]Includes American Indians, Alaska Natives, Asians, Native Hawaiians, other Pacific Islanders, and persons identifying two or more races.
[b]Excludes Hispanics and persons identifying two or more races.

Table 11. Number of sentenced prisoners under State or Federal jurisdiction per 100,000 residents, by gender, race, Hispanic origin, and age, yearend 2005

	Number of sentenced prisoners per 100,000 residents							
	Males				Females			
Age	Total[a]	White[b]	Black[b]	Hispanic	Total[a]	White[b]	Black[b]	Hispanic
Total	929	471	3,145	1,244	65	45	156	76
18-19	619	274	1,920	791	29	20	61	38
20-24	2,016	948	6,345	2,493	118	85	248	137
25-29	2,342	1,098	8,082	2,618	153	113	339	158
30-34	2,234	1,172	7,726	2,450	177	138	391	165
35-39	1,953	1,067	6,630	2,255	185	134	435	184
40-44	1,641	923	5,472	1,975	145	102	345	164
45-54	899	493	3,136	1,327	63	41	163	85
55 or older	208	135	697	416	8	6	19	13

Note: Based on estimates of the U.S resident population on January 1, 2006, by gender, race, Hispanic origin, and age. Detailed categories exclude persons identifying with two or more races.
[a]Includes American Indians, Alaska Natives, Asians, Native Hawaiians, other Pacific Islanders, and persons identifying two or more races.
[b]Excludes Hispanics and persons identifying two or more races.

DOJ_NMG_ 0170922

Half of State prisoners were violent offenders

In absolute numbers an estimated 650,400 inmates in State prison at yearend 2003 (the latest available offense data) were held for violent offenses: 151,500 for murder, 176,600 for robbery, 124,200 for assault, and 148,800 for rape and other sexual assaults (table 12). In addition, 262,000 inmates were held for property offenses, 250,900 for drug offenses, and 86,400 for public-order offenses.

Overall, the proportion of violent offenders increased from 47% in 1995 to 52% in 2003. Property offenders decreased from about 23% in 1995 to 21% in 2003; drug offenders decreased from 22% to 20%.

	Percent of sentenced inmates	
	1995	2003
Total	100%	100 %
Violent	46.5	51.8
Property	22.9	20.9
Drug	21.5	20.2
Public-order	8.7	6.9
Other	0.3	0.5

Offenses of State prisoners varied by gender, race, and Hispanic origin

More than half (53%) of male State prisoners were serving time for a violent offense in 2003, compared to around a third (35%) of female prisoners (table 13). Females were more likely than males to be serving time for property offenses (30% compared to 20%) and drug offenses (29% compared to 19%).

Offense types also varied by race and Hispanic origin. Approximately half of white, black, and Hispanic State inmates were violent offenders. White prisoners were more likely to be serving time for a property offense (27%), compared to blacks (18%) and Hispanics (17%). Nearly a quarter of black State inmates (24%) and Hispanic inmates (23%) were drug offenders, compared to a seventh of white inmates (14%).

Table 12. Estimated number of sentenced prisoners under State jurisdiction, by offense, gender, race, and Hispanic origin, yearend 2003

Offense	All inmates	Male	Female	White[a]	Black[a]	Hispanic
Total	1,256,400	1,173,600	82,800	453,400	562,100	219,200
Violent offenses	650,400	621,600	28,800	227,100	294,000	116,600
Murder[b]	151,500	142,800	8,700	46,900	72,200	28,600
Manslaughter	17,700	15,900	1,800	7,100	7,600	2,600
Rape	61,300	60,800	500	31,500	21,900	6,700
Other sexual assault	87,500	86,300	1,200	49,300	20,000	16,600
Robbery	176,600	169,600	7,000	39,500	106,300	28,300
Assault	124,200	116,900	7,300	40,000	53,400	28,100
Other violent	31,700	29,300	2,400	12,700	12,600	5,600
Property offenses	262,000	237,100	24,900	120,100	100,700	37,200
Burglary	137,600	132,100	5,500	61,000	53,600	21,000
Larceny	49,000	41,200	7,800	21,900	20,400	6,000
Motor vehicle theft	20,600	19,500	1,100	8,200	7,000	4,900
Fraud	30,400	21,700	8,700	16,700	11,100	2,100
Other property	24,400	22,600	1,800	12,300	8,600	3,100
Drug offenses	250,900	226,800	24,100	64,800	133,100	50,100
Public-order offenses[c]	86,400	82,000	4,400	38,500	31,800	14,100
Other/unspecified[d]	6,800	6,200	600	2,900	2,500	1,200

Note: Data are for inmates with a sentence of more than 1 year under the jurisdiction of State correctional authorities. The numbers of inmates by gender were based on jurisdiction counts at yearend (NPS-1); numbers by race and Hispanic origin were based on data from the 2004 Survey of Inmates in State Correctional Facilities; and numbers within each category by offense were estimated using the National Corrections Reporting Program, 2003.
All estimates were rounded to the nearest 100. Detail may not add to total due to rounding.
[a]Excludes Hispanics.
[b]Includes nonnegligent manslaughter.
[c]Includes weapons, drunk driving, court offenses, commercialized vice, morals and decency charges, liquor law violations, and other public-order offenses.
[d]Includes juvenile offenses and unspecified felonies.

Table 13. Estimated percent of sentenced prisoners under State jurisdiction, by offense, gender, race, and Hispanic origin, yearend 2003

Offense	All inmates	Male	Female	White[a]	Black[a]	Hispanic
Total	100%	100%	100%	100%	100%	100%
Violent offenses	51.8%	53.0%	34.8%	50.1%	52.3%	53.2%
Murder[b]	12.1	12.2	10.5	10.4	12.8	13.0
Manslaughter	1.4	1.4	2.2	1.6	1.4	1.2
Rape	4.9	5.2	0.6	7.0	3.9	3.1
Other sexual assault	7.0	7.4	1.4	10.9	3.6	7.6
Robbery	14.1	14.4	8.4	8.7	18.9	12.9
Assault	9.9	10.0	8.8	8.8	9.5	12.8
Other violent	2.5	2.5	2.9	2.8	2.2	2.5
Property offenses	20.9%	20.2%	30.0%	26.5%	17.9%	17.0%
Burglary	11.0	11.3	6.6	13.5	9.5	9.6
Larceny	3.9	3.5	9.4	4.8	3.6	2.7
Motor vehicle theft	1.6	1.7	1.3	1.8	1.3	2.3
Fraud	2.4	1.8	10.5	3.7	2.0	1.0
Other property	1.9	1.9	2.2	2.7	1.5	1.4
Drug offenses	20.0%	19.3%	29.1%	14.3%	23.7%	22.9%
Public-order offenses[c]	6.9%	7.0%	5.3%	8.5%	5.7%	6.4%
Other/unspecified[d]	0.5%	0.5%	0.8%	0.6%	0.4%	0.5%

Note: Data are for inmates with a sentence of more than 1 year under the jurisdiction of State correctional authorities. Detail may not add to total due to rounding.
[a]Excludes Hispanics.
[b]Includes nonnegligent manslaughter.
[c]Includes weapons, drunk driving, court offenses, commercialized vice, morals and decency charges, liquor law violations, and other public-order offenses.
[d]Includes juvenile offenses and unspecified felonies.

DOJ_NMG_ 0170923

Changing Federal prison population related to drug and immigration offenses

Prisoners sentenced for drug offenses constitute the largest group of Federal inmates (55%) in 2003, down from 60% in 1995 (table 14). On September 30, 2003, the date of the latest available data in the Federal Justice Statistics Program, Federal prisons held 86,972 sentenced drug offenders, compared to 52,782 at yearend 1995.

Between 1995 and 2003 the number of Federal inmates held for public-order offenses increased 170%, most of which was accounted for by the increase in immigration offenses (up 394%). The number of immigration offenders rose from 3,420 in 1995 to 16,903 in 2003. Immigration violators represented over 10% of Federal inmates in 2003.

The number of weapons offenders held in Federal prisons increased about 120% (from 7,446 to 16,377) between 1995 and 2003. Weapons offenders represented about 10% of the Federal inmate population in 2003.

Violent offenders under Federal jurisdiction increased 46% from 1995 to 2003, and accounted for almost 8% of the total growth during the period. Homicide offenders increased 146%, from 1,068 in 1995 to 2,632 in 2003.

While the number of offenders in each major offense category increased, the number incarcerated for a drug offense accounted for the largest percentage of the total growth (49%), followed by public-order offenders (38%).

Table 14. Number of sentenced inmates in Federal prisons, by most serious offense, 1995, 2000, and 2003

Offense	Number of sentenced inmates in Federal prisons 2003	2000	1995	Percent change, 1995-2003	Percent of total growth, 1995-2003
Total	158,426	131,739	88,658	78.7%	100%
Violent offenses	16,688	13,740	11,409	46.3%	7.6%
Homicide[a]	2,632	1,363	1,068	146.4	2.2
Robbery	10,398	9,712	8,377	24.1	2.9
Other violent	3,658	2,665	1,964	86.3	2.4
Property offenses	11,283	10,135	7,842	43.9%	4.9%
Burglary	567	462	177	220.3	0.6
Fraud	8,241	7,506	5,823	41.5	3.5
Other property	2,475	2,167	1,842	34.4	0.9
Drug offenses	86,972	74,276	52,782	64.8%	49%
Public-order	42,325	32,325	15,655	170.4%	38.2%
Immigration	16,903	13,676	3,420	394.2	19.3
Weapons	16,377	10,822	7,446	119.9	12.8
Other	9,045	7,827	4,789	88.9	6.1
Other/unspecified[b]	1,158	1,263	970	19.4%	0.3%

Note: All data are from the BJS Federal justice database. Data are for September 30 and based on sentenced inmates, regardless of sentence length.
[a]Includes murder, nonnegligent manslaughter, and negligent manslaughter.
[b]Includes offenses not classified.

The number of Immigration and Customs Enforcement detainees increased 2.6% during 2005

The U.S. Bureau of Immigration and Customs Enforcement (ICE) reported 19,562 detainees on December 31, 2005, up from 19,057 at yearend 2004. Nearly two-thirds of these detainees (12,509) were held in Federal or State prisons and local jails. About a fifth were held in ICE-operated facilities (3,782) and private facilities under exclusive contract to ICE (2,365).

The number of detainees under ICE jurisdiction more than doubled between 1995 and 2005. This increase most affected State prisons, local jails, and other facilities maintaining intergovernmental agreements with ICE. These facilities held 12,509 detainees in 2005, up from 2,286 in 1995.

Among the 19,562 detainees held for immigration violations at yearend 2005, 10,153 had been convicted of criminal offenses, and 1,583 had pending criminal cases (not shown in table). Detainees convicted of violent offenses (28.0%) and drug offenses (28.7%) constituted the largest groups under ICE jurisdiction, followed by public-order offenses (19.2%) and property offenses (15.3%).

Detainees under the jurisdiction of the Bureau of Immigration and Customs Enforcement (ICE), by type of facility, yearend 1995, 2004, and 2005

Facility type	Number of detainees 2005	2004	1995	Percent change, 2004-05
Total	19,562	19,057	8,177	2.6%
ICE-operated facilities	3,782	4,545	3,776	-16.8
Private facilities under exclusive contract to ICE	2,365	1,678	652	40.9
Federal Bureau of Prisons	860	1,214	1,282	-29.2
Other Federal facilities	46	50	181	-8.0
Intergovernmental agreements	12,509	11,570	2,286	8.1%
State prisons	276	178	8	55.1
Local jails	8,322	7,877	1,984	5.6
Other facilities	3,911	3,515	294	11.3

DOJ_NMG_ 0170924

Number of prisoners held by military authorities up 6.7% during 2005

There were 2,322 prisoners under military jurisdiction at yearend 2005. Fifty-eight percent of the prisoners held by the Army, Air Force, Navy, Marine Corps, and Coast Guard had a sentence of 1 year or more. At yearend 2005 the Army's disciplinary barracks, Fort Leavenworth, Kansas, and six other local or regional Army facilities held the largest share of inmates under military jurisdiction (41%). The 6 Marine Corps facilities held 23% of all inmates; the 34 Air Force facilities held 18% of all inmates; and the 11 Navy facilities held 17% of all inmates.

The operational capacity of the 58 military confinement facilities was 3,286 (not shown in table). At yearend 2005 these facilities were operating at 71% of their operational capacity. About 87% of prisoners held by the Army, Air Force, Navy, and Marine Corps were convicted inmates; 13% were unconvicted.

Prisoners under military jurisdiction, by branch of service, yearend 2004 and 2005

Branch of service	Total 2005	Total 2004	Percent change, 2004-05	Sentenced to more than 1 year 2005	Sentenced to more than 1 year 2004	Percent change, 2004-05
To which prisoners belonged						
Total	2,322	2,177	6.7%	1,340	1,295	3.5%
Air Force	422	400	5.5	258	243	6.2
Army	949	853	11.3	638	614	3.9
Marine Corps	527	495	6.5	209	241	-13.3
Navy	406	409	-0.7	223	188	18.6
Coast Guard	18	20	-10.0	12	9	33.3
Holding prisoners						
Total	2,322	2,177	6.7%	1,340	1,295	3.5%
Air Force	120	109	10.1	24	11	118.2
Army	1,059	998	6.1	818	811	0.9
Marine Corps	470	416	13.0	133	153	-13.1
Navy	673	654	2.9	365	320	14.1

Methodology

National Prisoner Statistics

The Bureau of Justice Statistics (BJS), with the U.S. Census Bureau as its collection agent, obtains yearend and midyear counts of prisoners from departments of correction in each of the 50 States and the Federal Bureau of Prisons.

The National Prisoner Statistics (NPS) distinguishes prisoners in custody from those under jurisdiction. To have custody of a prisoner, a State must hold that person in one of its facilities. To have jurisdiction means that a State has legal authority over the prisoner. Prisoners under a State's jurisdiction may be in the custody of a local jail, another State's prison, or other correctional facilities. Some States are unable to provide both custody and jurisdiction counts.

Excluded from NPS counts are persons confined in locally administered confinement facilities who are under the jurisdiction of local authorities. NPS counts include all inmates in State-operated facilities in Alaska, Connecticut, Delaware, Hawaii, Rhode Island, and Vermont, which have combined jail-prison systems. NPS excludes inmates held by the District of Columbia (DC), which as of yearend 2001 operated only a jail system.

Military Corrections Statistics

BJS obtains yearend counts of prisoners in the custody of U.S. military authorities from the Department of Defense Corrections Council. In 1994 the council, comprised of representatives from each branch of military service, adopted a standardized report (DD Form 2720) with a common set of items and definitions. This report gives data on persons held in U.S. military confinement facilities inside and outside the continental United States, by branch of service, gender, race, Hispanic origin, conviction status, sentence length, and offense. It also has data on the number of facilities, their design, and rated capacities.

Other inmate counts

In 1995 BJS began collecting yearend counts of prisoners from the departments of correction in the U.S. Territories (American Samoa, Guam, and U.S. Virgin Islands) and U.S. Commonwealths (Northern Mariana Islands and Puerto Rico). These counts include all inmates for whom the Territory or Commonwealth government had legal authority (inmates under jurisdiction) and all inmates physically located in prison or jail facilities (inmates in custody). These counts are collected by gender, race, Hispanic origin, and sentence length. In addition, BJS obtains reports of the total design, rated, and operational capacity of correctional facilities.

Estimating age-specific incarceration rates

The number of sentenced prisoners within each group was estimated for men, women, whites, blacks, and Hispanics. In 2005 estimates were produced separately for inmates under State jurisdiction by combining data by gender from NPS and data by race and Hispanic origin from the 2004 Survey of Inmates in State Correctional Facilities.

The Federal Justice Statistics Program (FJSP) provided counts of sentenced Federal inmates by age for each demographic group at the end of fiscal year 2003. The NPS provided counts of sentenced Federal inmates by gender at yearend 2005 and counts by race and Hispanic origin at midyear 2005. The FJSP counts were converted to percentages and multiplied by the NPS totals at yearend 2005.

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U.S. Department of Justice
Office of Justice Programs
Bureau of Justice Statistics

Washington, DC 20531

Official Business
Penalty for Private Use $300

NCJ 215092

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Estimates of the U.S. resident population for January 1, 2006, by age, gender, race and Hispanic origin were obtained from the U.S. Census Bureau. Age-specific rates of incarceration for each demographic group were calculated by dividing the estimated number of sentenced prisoners in each age group by the number of U.S. residents in each age group and then multiplying by 100,000. Detailed categories exclude persons identifying with two or more races. Totals by gender include all inmates and U.S. residents, regardless of racial identification.

This report in portable document format and in ASCII and its related statistical data and tables are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/abstract/p05.htm>

Office of Justice Programs

Partnerships for Safer Communities
http://www.ojp.usdoj.gov

The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

BJS Bulletins present the first release of findings from permanent data collection programs.

This Bulletin was written by Paige M. Harrison and Allen J. Beck. Todd M. Minton verified the report. Tina Dorsey and Carolyn Williams edited the report, under the supervision of Doris J. James. Jayne Robinson prepared the report for final printing.

November 2006, NCJ 215092

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NPS jurisdiction notes

Alaska — Prisons and jails form one integrated system. All NPS data include jail and prison populations. Counts exclude individuals in electronic and special monitoring programs.

Arizona — Population counts are based on custody data. Counts exclude 64 sentenced inmates housed in contracted local jail facilities, some awaiting transfer to the DOC.

Inmates held in other States are excluded from counts.

California — Population counts include felons and civil addicts who are temporarily absent, such as in court, jail or hospital.

Colorado — Population counts include 207 male and 11 female inmates in the Youthful Offender System.

Capacity figures exclude 6 privately run facilities under contract with the Department of Corrections.

Connecticut — Prisons and jails form one integrated system. All NPS data include jail and prison populations.

Legislation in 1995 abolished the capacity law so that prisons no longer have a rated or operational capacity. Design capacity is recorded separately in each facility.

Delaware — Prisons and jails form one integrated system. All NPS data include jail and prison populations. Jurisdiction counts exclude inmates housed in facilities in other States.

Capacity counts include Department of Correction halfway houses.

Federal — Custody counts include inmates housed in privately operated secure facilities under contract with BOP or with State or local government that has an intergovernmental agreement. Custody counts exclude offenders under home confinement.

Rated capacity excludes contract beds.

Georgia — Population counts are based on custody data, including inmates in privately operated facilities.

Facilities in Georgia are not given rated or design capacities.

Hawaii — Prisons and jails form one integrated system. All NPS data include jail and prison populations.

Idaho — Rated capacity is defined as 100% of the maximum capacity; operational capacity as 95% of the maximum.

Illinois — Population counts are based on jurisdiction data. Counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year.

Iowa — Population counts are based on custody data. Counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year or less.

Kansas — Population counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year or less.

Louisiana — Counts are as of December 28, 2005. Counts include 16,069 males and 1,400 females housed in local jails as a result of a partnership with the Louisiana Sheriffs' Association and local authorities.

Massachusetts — By law, offenders may be sentenced to terms of up to 2 1/2 years in locally operated jails. Such offenders are included in counts and rates for local jails. About 6,200 inmates with sentences of more than 1 year were held in local jails in 2005.

Michigan — Operational capacity includes institution and camp net capacities and populations in community programs.

Minnesota — Counts include inmates housed in local jails, on work release or community work programs, or housed in a private contract facility.

Mississippi — Operation and design capacities include private prison capacities.

Missouri — Design capacities are not available for older prisons. Operational capacity is defined as the number of available beds including those temporarily off-line.

Montana — Capacity figures include 2 county operated regional prisons (an estimated 300 beds), 1 private prison (500 beds), and a State operated boot camp (60 beds).

Nebraska — Operational capacity is defined as stress capacity (or 125% of design capacity), which is ordered by the governor and set by the Department of Corrections.

Nevada — Rated capacity is defined as emergency capacity. Design capacity is defined as one bed per cell.

New Jersey — Population counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year.

North Carolina — Capacity figures refer to standard operating capacity, based on single occupancy per cell and 50 square feet per inmate in multiple occupancy units.

Ohio — Population counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year or less.

Oklahoma — Population counts exclude inmates awaiting transfer in local jails.

Capacity figures include private prisons and contract jails.

Oregon — Inmates with under a 1 year maximum sentence remain under the control of local counties.

Rhode Island — Prisons and jails form one integrated system. All NPS data include jail and prison populations.

South Carolina — Population counts include 25 inmates who were unsentenced, under safekeeping, or ICE status.

South Dakota — Operational capacity is planned capacity. Rated and design capacities are not recognized.

Tennessee — Population counts of inmates with a sentence of more than 1 year include an undetermined number with a sentence of 1 year.

Texas — Jurisdiction counts include inmates serving time in a pre-parole transfer (PPT) or intermediary sanctions facility (ISF), substance abuse felony punishment facility (SAFPF), temporary releases to counties, and paper-ready inmates in local jails.

Capacity figures include public, privately operated, and county contracted facilities that are State funded. Non-contracted county jail beds are excluded.

Vermont — Prisons and jails form one integrated system. All NPS data include jail and prison populations.

Virginia — Rated capacity is the DOC count of beds, which takes into account the number of inmates that can be accommodated based on staff, programming, services, and design.

Washington — A recently revised law allows increasing numbers of inmates with sentences of less than 1 year to be housed in prison.

Wisconsin — Operational capacity excludes contracted local jails, Federal, other State, and private facilities.

Counts include 886 offenders admitted as temporary probation and parole placements.

DOJ_NMG_ 0170927

System Administrator

From:	System Administrator
Sent:	Wednesday, November 29, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 910334 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, November 29, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 910343 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 30, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 910343 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, November 30, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 913629 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 10:03 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR NOVEMBER 30, 2006

Department of Justice

PRESS GUIDANCE
Thursday, November 30, 2006

ATTORNEY GENERAL

10:30 A.M. EST Attorney General Alberto R. Gonzales will participate in a panel discussion on methamphetamine awareness with federal, state and local leaders.
George Washington University
Media and Public Affairs Building
Jack Morton Auditorium
805 21st Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: Pre-set for television camera crews wishing to cover the panel discussion is **no later than 9:45 A.M. EST.** All other media wishing to cover the Attorney General's remarks must arrive **no later than 10:00 A.M. EST.** Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Cynthia Gismegian at (202) 330-9508.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

The Environment and Natural Resources Division will issue a release. (Magnuson)

EVENTS/HEARINGS

8:30 A.M. EST Assistant Attorney General Kenneth L. Wainstein of the National Security Division participated in a roundtable panel discussion on *Survey of New Developments in National Security Law:*
Executive Branch Perspectives as part of the American Bar Association's 16th Annual Review of the Field of National Security Law.
Marriot at Metro Center
775 12th Street N.W.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0170932

11:00 A.M. EST Deputy Attorney General Paul J. McNulty will participate in an educational presentation with federal and local leaders.
Long & Foster Realtors
6101 Redwood Square Center
Centreville, Va.
OPEN PRESS

NOTE: Pre-set for television camera crews wishing to cover the Deputy Attorney General's presentation is **no later than 10:30 A.M. EST.** All other media wishing to cover the Deputy Attorney General's remarks must arrive **no later than 10:45 A.M. EST.** Press inquiries regarding logistics should be directed to Mary-Jane Atwater at (202) 316-1198

10:00 A.M. CST Rachel Brand, Assistant Attorney General for the Office of Legal Policy, will participate in a press conference with federal and local leaders.
Iowa State Capitol
Kennedy Conference Room (Ground Floor)
East 9th Street and Grand Avenue
Des Moines, Iowa
OPEN PRESS

NOTE: Pre-set for television camera crews wishing to cover the press conference is **no later than 9:30 A.M. CST.** All other media wishing to cover Assistant Attorney General Brand's remarks must arrive **no later than 9:45 A.M. CST.** Press inquiries regarding logistics should be directed to Alvin Overbaugh of the U.S. Attorney's Office at (515) 284-6283 or Dale Woolery of the Iowa Office of Drug Control Policy at (515) 242-6391.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0170933

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Image not available for this document, ID: 0.7.10316.16782-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 10:29 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES HOSTS EDUCATIONAL EVENT WITH LEADING EXPERTS ON DRUG ABUSE AS PART OF NATIONAL METHAMPHETAMINE AWARENESS DAY

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 30, 2006
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ATTORNEY GENERAL ALBERTO R. GONZALES HOSTS EDUCATIONAL EVENT WITH LEADING EXPERTS ON DRUG ABUSE AS PART OF NATIONAL METHAMPHETAMINE AWARENESS DAY

National Methamphetamine Awareness Day Events Represent Largest Single-Day Educational Effort on the Dangers of "Meth"

WASHINGTON — Attorney General Alberto R. Gonzales today participated in an educational event at The George Washington University as part of National Methamphetamine Awareness Day, the largest single-day national education effort warning against the dangers of meth abuse. Today's event brought together the nation's leading experts on drug abuse to discuss the impact that meth production and use has on individuals, the environment and communities across the country.

Methamphetamine is a powerfully addictive drug that dramatically affects users' minds and bodies. Chronic use can lead to violent behavior, paranoia, and an inability to cope with the ordinary demands of life. According to the 2005 National Survey on Drug Use and Health, individuals in the 18-25 age group are the most likely to be using meth. Additionally, it is estimated that more than 10 million people have abused meth, with approximately 512,000 users in 2005.

Over the past five years, the Department of Justice and law enforcement around the nation have made significant progress combating the supply of methamphetamine by reducing the number of small meth labs in the U.S.; however, meth use continues to be a problem. National Methamphetamine Awareness Day is a coordinated effort not only to reach potential meth users with a message of prevention, but also to educate current users about the programs available to them.

"While the damaging effects of methamphetamine abuse are often clearly displayed on the faces of its victims, it is the wake of destruction meth leaves on families, communities and the environment that makes this drug so devastating to society," stated Attorney General Alberto R. Gonzales. "National Methamphetamine Awareness Day is an important opportunity to raise awareness about the dangers of meth abuse and reduce demand for this very addictive and destructive drug."

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Attorney General Gonzales was joined today by a panel of experts that included Dr. H. Westley Clark, Director of the Center for Substance Abuse Treatment for the Substance Abuse and Mental Health Services Administration (SAMHSA) at the U.S. Department of Health and Human Services; Attorney General Robert F. McDonnell of the Commonwealth of Virginia; Deputy Assistant Administrator Joseph T. Rannazzisi of the Office of Diversion Control at the Drug Enforcement Administration; Vicki West Sickels, Research Counselor for Iowa Health in Des Moines, Iowa; and Dr. Nora D. Volkow, Director of the National Institute on Drug Abuse for the National Institutes of Health. Today's event was hosted by The George Washington University Medical Center. The panel discussion covered topics including what meth is and the scope of the problem nationwide, the production process and the dangers involved, the effects meth has on the mind and body, the impact meth has on the community, and effective prevention and treatment.

On Nov. 27, President George W. Bush issued a proclamation declaring Nov. 30, 2006 to be National Methamphetamine Awareness Day as part of a nationwide effort to further educate the American public about the effects of methamphetamine abuse on families and communities. Leading this effort, the Department of Justice coordinated over 100 events across the country by working with partners at the federal, state and local level, in the government, private and non-profit sectors. Additionally, the Department launched Meth 101, a powerful educational tool that is available to the public for use by law enforcement, community groups and local leaders in addressing meth use in their communities. The educational presentation is posted on the Department's new Meth Awareness Web site: http://www.usdoj.gov/methawareness.

In order to increase the impact of the National Methamphetamine Awareness Day message, the Department of Justice partnered with a number of federal, state and local governments, as well as with private sector and non-profit entities, including the U.S. Department of Labor; U.S. Department of Health and Human Services; U.S. Department of Interior; Office of National Drug Control Policy; the Drug Enforcement Administration (DEA); the Partnership for a Drug-Free America; Boys & Girls Clubs of America; Community Anti-Drug Coalitions of America; Fraternal Order of Police; National District Attorneys Association; National Association of Attorneys General; National Sheriffs' Association; International Association of Chiefs of Police; National Organization for Victims Assistance; Inter-Association Task Force on Alcohol and Other Substance Abuse Issues; American Council on Education; National Association of Student Personnel Administrators; American College Health Association; Association of Fraternity Advisors; and the National Panhellenic Conference.

For more information about National Methamphetamine Awareness Day events in your community, contact the U.S. Department of Justice Office of Public Affairs at 202-514-2007 or visit http://www.usdoj.gov/methawareness.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 10:30 AM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: DEPARTMENT OF JUSTICE EFFORTS TO COMBAT METHAMPHETAMINE USE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 30, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: DEPARTMENT OF JUSTICE EFFORTS TO COMBAT METHAMPHETAMINE USE

"Methamphetamine abuse shatters families and threatens our communities. On National Methamphetamine Awareness Day, we underscore the dangers of methamphetamine and reaffirm our collective responsibility to combat all forms of drug abuse."

President George W. Bush, November 28, 2006

Methamphetamine is a powerfully addictive drug that dramatically affects users' minds and bodies. Fighting the dangerous proliferation of methamphetamine remains a significant priority for the Bush Administration. In addition to undertaking a significant public education campaign through National Methamphetamine Awareness Day, the Department of Justice and its components have taken the following steps to fight this epidemic:

Department of Justice Efforts to Combat Methamphetamines

- Attorney General Alberto R. Gonzales directed the U.S. Attorney's Offices to make the prosecution of methamphetamine cooks and distributors—especially those who are repeat offenders—a high priority. In response, the U.S. Attorneys are seeking stiff sentences for major players in the methamphetamine trade. During the past 10 years, the U.S. Attorneys have more than quadrupled the number of methamphetamine cases filed and defendants charged.

- The Department has provided specialized training to police officers and sheriffs' deputies on how to best respond to methamphetamine-related situations. In the 2004 and 2005 fiscal years, the Department more than tripled the number of methamphetamine training courses offered nationwide.

- The Department established the Anti-Methamphetamine Coordination Committee to oversee the ongoing implementation of Department initiatives and to ensure effective coordination of its anti-methamphetamine efforts.

Drug Enforcement Administration (DEA) Efforts to Combat Methamphetamines

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- The DEA administered approximately 8,600 clandestine lab clean-ups for state and local agencies in fiscal year 2005 and approximately 4,600 in fiscal year 2006.

- Between 1998 and 2006, the DEA trained 10,312 state and local law enforcement officers and has trained and/or participated in training for more than 2,400 foreign law enforcement officers in a variety of investigative, enforcement, and regulatory methods related to clandestine laboratory investigations and/or methamphetamine trafficking. Of this number, in excess of 1,500 Mexican law enforcement officials received some form of training in the past year.

- In fiscal year 2006, the DEA made 6,233 methamphetamine-related arrests and seized 1,550 kilograms of the drug.

- In fiscal year 2005, the DEA estimated that it committed approximately $176 million to combating methamphetamine, through operations, methamphetamine lab dismantling and removal, and regulatory control of precursor chemicals.

- Since March 2005, the DEA Mobile Enforcement Teams (MET) have made methamphetamine investigations a priority. In fiscal year 2005, 41 percent of new MET deployments targeted methamphetamine trafficking organizations. The DEA provides assistance through the MET program to state and local law enforcement in major drug investigations.

- The DEA established a Methamphetamine Task Force that is responsible for gathering information from relevant sources, analyzing it, and making recommendations for improving and targeting the federal government's policies with respect to the production and trafficking of methamphetamine.

- The DEA's Demand Reduction program enhances prevention programs across the nation by developing strategic alliances with prevention and treatment agencies, community coalitions, and state and local governments.

    ► The DEA's teen Web site, www.JustThinkTwice.com, has a link called "Got Meth?" dedicated to methamphetamine issues. Since its launch, the Web site has attracted more than 1.5 million visitors.

Organized Crime and Drug Enforcement Task Force (OCDETF) Efforts to Combat Methamphetamines

- The OCDETF program works to dismantle the most significant drug trafficking organizations. Between fiscal years 2003 and 2005, the number of OCDETF investigations involving methamphetamine increased by 59 percent.

    ► In fiscal year 2005, OCDETF cases resulted in 725 indictments charging 2,224 defendants with methamphetamine violations. In all, 137 organizations were dismantled and the activities of 80 organizations disrupted.

- The fiscal year 2006, the OCDETF Consolidated Priority Organizational Target (CPOT) list has identified eight of the 46 designated organizations as being engaged in methamphetamine trafficking.

    ► At the end of the fourth quarter of fiscal year 2006, the DEA had 166 active Priority Target Organization (PTO) investigations linked to those eight CPOTs, of which 33 were active PTO investigations with methamphetamine as the primary narcotic.

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► Since the inception of the PTO program in 2001, the DEA has disrupted and dismantled more than 481 PTOs where methamphetamine was the primary narcotic involved.

Bureau of Prisons (BOP) Efforts to Combat Methamphetamines

- The BOP provides appropriate substance abuse treatment to all eligible inmates, including those diagnosed with methamphetamine abuse or dependence. Such treatment has been proven to reduce recidivism and relapse in participants.

  ► In fiscal year 2005, 22,776 inmates participated in some form of drug abuse education; 18,027 male and female inmates participated in BOP's residential drug abuse treatment programs.

Office of Justice Programs (OJP) Efforts to Combat Methamphetamines

- Since 1999, OJP has awarded more than $45 million in methamphetamine-related grants.

- OJP has sponsored 11 methamphetamine-related conferences attended by more than 2,400 people and has sponsored 20 meetings, training sessions and presentations on methamphetamine, victims of methamphetamine abuse, and drug endangered children.

Bureau of Justice Assistance (BJA) Efforts to Combat Methamphetamines

- In addition to maintaining www.methresources.gov, an online clearing house of methamphetamine-related events and information, BJA sponsors numerous methamphetamine-specific grant programs, including: methamphetamine response training for tribal law enforcement, Indian alcohol and substance abuse demand reduction programs, a pilot re-entry program for methamphetamine addicted offenders, residential substance abuse treatment programs for state correctional and detention facilities, and community, law enforcement, and youth organization partnerships at the local level.

Community Oriented Policing Services (COPS) Efforts to Combat Methamphetamines

- COPS supports state, local and tribal law enforcement and their fight against methamphetamine through grants, training, conferences, technical assistance, dissemination of best practices, publications and evaluations.

  ► Since 1998, COPS has invested more than $448 million nationwide to combat the spread of methamphetamine.

  ► Currently, the Partnership for a Drug-Free America is devoting two COPS grants ($2 million in fiscal year 2005 and $3 million in fiscal year 2006) to funding methamphetamine public awareness and prevention campaigns.

International Efforts to Combat Methamphetamines

- In order to address the methamphetamine coming across our border, the administration is continuing its cooperation with Mexican law enforcement authorities to halt the spread of methamphetamine by disrupting and dismantling methamphetamine trafficking organizations.

- In May 2006, Attorney General Alberto R. Gonzales, joined by the Mexican Attorney General, unveiled Department of Justice-led initiatives aimed at improving enforcement, increasing law enforcement

training, improving information sharing, and increasing public awareness of the dangers of methamphetamine.

- The DEA and the government of Mexico have pledged to establish specialized methamphetamine enforcement teams on their respective sides of the border. In Mexico, these teams will focus on investigating and targeting the most wanted Mexican methamphetamine drug trafficking organizations, while DEA-led efforts on the U.S. side will focus on methamphetamine traffickers and organizations transporting and distributing the drug.

- A new joint initiative between the DEA and Department of Homeland Security's Customs and Border Protection Service is focusing on ports of entry within the United States, targeting suspicious cargo that is likely to be related to methamphetamine trafficking organizations.

- A bilateral leadership planning conference took place this fall in Mexico aimed at reducing methamphetamine production and demand and at improving targeting efforts.

- In addition, the DEA, State Department, and other government agencies have led training programs on methamphetamine and interdiction methods for Mexican police officials in locations throughout the United States, Mexico and Central America. By the end of this year, 1,000 officers will be trained.

- The government of Mexico has placed stricter regulatory controls on pseudoephedrine and placed import quotas on the methamphetamine precursor chemicals that are tied to the country's legitimate needs.

- In March 2006, the United Nations Commission on Narcotic Drugs (CND) adopted the synthetic drug precursor resolution proposed by the United States and cosponsored by a number of CND member nations. The resolution urges countries to report shipments of bulk chemicals and pharmaceutical preparations to the International Narcotics Control Board (INCB) for further review. This resolution will be extremely helpful to law enforcement because pharmaceutical preparations – such as tablets containing ephedrine and pseudoephedrine – had previously been excluded from such reporting. The INCB is also now authorized to share shipment information on pharmaceutical preparations containing methamphetamine precursors with law enforcement and regulatory authorities to prevent or interdict diverted shipments.

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JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Thursday, November 30, 2006 10:47 AM
Subject: Scheduled Server Maintenance

Scheduled Server Maintenance

As part of the modernization project affecting SMO/JMD JCON e-mail systems, the JCON PMO has scheduled an e-mail server migration for this weekend. This migration will be performed during a 12 hour window starting 9:00 pm, Friday December 1st until 9:00 am, Saturday December 2nd.

During this service window, customers should not experience any problems. However, there is a possibility that incoming and outgoing e-mail sent from the internet and other Components could be returned as undeliverable. This means that the message did not reach the intended recipient and would need to be re-sent. Please coordinate your external e-mail communications plans around this outage.

When:	Friday, December 1, 2006, 9:00 p.m. to Saturday, December 2, 2006, 9:00 a.m.
Event:	Scheduled Server Maintenance
Customers Affected:	SMO/JMD Customers
Services Available:	All JCON Services
Required Action:	Please shutdown and power off your workstation before leaving.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Point your cursor to Shut Down and click the right button.
4. Choose the Shutdown and Power off option. This will log your workstation out of the JMD/SMO JCON network and power off the desktop.

Check the Intranet, DOJNet, at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 12:02 PM
To: USDOJ- Office of Public Affairs
Subject: LAS VEGAS COURT BLOCKS TAX PREPARER'S ALLEGED SCHEME ESTIMATED TO HAVE COST TREASURY $31 MILLION

Injunction Orders Attached Below

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 30, 2006
WWW.USDOJ.GOV

TAX
(202) 514-2007
TDD (202) 514-1888

LAS VEGAS COURT BLOCKS TAX PREPARER'S ALLEGED SCHEME ESTIMATED TO HAVE COST TREASURY $31 MILLION

Scheme Allegedly Helped Customers Fraudulently Conceal Income

WASHINGTON – Lynn Lakers, a Boulder City, Nev., tax-return preparer, has been permanently barred in connection with an alleged offshore-trust tax scam, the Justice Department announced today. It is alleged that Lakers, participating with three others, prepared false tax returns for phony trusts sold by her fellow defendants. She consented to the injunction order. According to the complaint, the Internal Revenue Service (IRS) estimates that this tax fraud scheme resulted in at least $31 million in lost revenue to the federal Treasury.

The other two defendants who consented to a permanent injunction earlier this year are Daniel Young of Las Vegas, who allegedly created phony domestic and foreign trusts to move customers' assets from the United States to offshore banks located in the West Indies, and Stephen Nestor of Boise, Idaho, a former IRS revenue officer who allegedly signed false tax returns on behalf of customers' bogus trusts. The case remains pending against a fourth defendant, Reinhold Sommerstedt. More information about this case is available at http://www.usdoj.gov/tax/txdv06122.htm.

Judge Brian E. Sandoval of the U.S. District Court for the District of Nevada entered injunctions against Nestor and Young in May 2006 and against Lakers on Nov. 20th. The injunctions prevent the three individuals from promoting the alleged tax-fraud scheme or preparing tax returns based on it. They must also give the

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government a list of their customers' names, addresses, e-mail addresses, telephone numbers, and Social Security numbers. Nestor and Young have already complied with this portion of the injunction order.

According to the government's complaint, the scheme allegedly helped customers hide their income from the IRS in Caribbean bank accounts. The defendants' customers allegedly used phony loans and gifts to repatriate their money while concealing it from the IRS. Customers allegedly paid as much as $14,500 to participate in the scheme.

Offshore transactions and trust misuse are two of the IRS's Dirty Dozen tax scams for 2006, which are listed at http://www.irs.gov/newsroom/article/0,,id=154293,00.html.

Since 2001 the Justice Department has obtained injunctions against more than 200 tax-fraud promoters and tax-return preparers. More information about these efforts can be found at http://www.usdoj.gov/tax/taxpress2006.htm. Information about the Justice Department's Tax Division can be found at http://www.usdoj.gov/index.html.

# # #

06-802

DOJ_NMG_ 0170949

Case 2:06-cv-00273-BES-GWF Document 35-2 Filed 06/16/2006 Page 1 of 5

IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF NEVADA

UNITED STATES OF AMERICA, Plaintiff, v. REINHOLD V. SOMMERSTEDT; DANIEL J. YOUNG; STEPHEN R. NESTOR; and LYNN A. LAKERS, Defendants.	Case No. 2:06-CV-00273-BES-GWF **ORDER OF PERMANENT INJUNCTION AS TO DEFENDANT LYNN A. LAKERS**

Plaintiff United States has filed a complaint for permanent injunction against the defendants Reinhold V. Sommerstedt, Daniel J. Young, Stephen R. Nestor and Lynn A. Lakers. Defendant Lynn A. Lakers, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402, 7407, and 7408. Defendant Lakers further waives any right she may have to appeal from this permanent injunction. The plaintiff and defendant Lakers agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against defendant Lakers for asserted violations of the Internal Revenue Code nor precludes defendant Lakers from contesting any such penalties.

1695905.11

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and under 26 U.S.C. §§ 7402, 7407, and 7408.

2. The Court finds that defendant Lakers has neither admitted nor denied the United States' allegations that she has engaged in conduct subject to penalty under §§ 6700 and/or 6701 of the Internal Revenue Code.

3. Defendant Lakers and her agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order are permanently enjoined under 26 U.S.C. §§ 7402 and 7408 from:

a) Organizing or selling or otherwise promoting the foreign trust conduit scheme described in the complaint, or any substantially similar scheme;

b) Engaging in any other activity subject to penalty under IRC § 6700, including organizing or selling any plan or arrangement and making in connection therewith a statement regarding the allowance of a tax deduction, the excludability of income, or the securing of any other tax benefit that defendant Lakers knows or has reason to know is false or fraudulent as to any material matter;

c) Engaging in activity subject to penalty under IRC § 6701, including preparing or assisting in the preparation of a document relating to a matter material under the internal revenue laws that includes a position that defendant Lakers knows will, if used, result in understatement of another person's federal tax liability;

d) Engaging in any other conduct subject to penalty under the Internal Revenue Code;

e) Engaging in any other conduct interfering with the administration and enforcement of the internal revenue laws; and

f) misrepresenting any of the terms of this Order.

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4. Defendant Lakers shall contact by mail all individuals and entities known to her to have purchased defendant Sommerstedt's trust schemes, plans, arrangements or programs, and enclose a copy of this permanent injunction, and defendant Lakers shall file with the Court, within 30 days of the date this permanent injunction is entered, a certification signed under penalty of perjury confirming that she has done so;

5. Defendant Lakers is permanently enjoined under IRC §§ 7402 and 7407 from:

(a) Preparing any federal income tax or informational return in accordance with the foreign trust conduit scheme described in the complaint in this civil action, or any substantially similar scheme;

(b) Preparing any federal income tax return or informational return for a foreign trust;

(c) Engaging in any conduct subject to penalty under IRC §§ 6694, 6695 or 6701; and

(d) Preparing any tax return that defendant Lakers knows or has reason to know contains a position for which there was not a realistic possibility of being sustained on its merits or will result in the substantial understatement of the tax liability of another person.

6. Defendant Lakers shall provide to counsel for the United States, within 14 days after entry of this Order, a complete list of the persons for whom Lakers has prepared or assisted in preparing any federal income tax return, amended return, or refund claim at any time from January 1, 2000 through the present, such list to include for each such person the name, address, phone number, e-mail address, social security number or employer identification number, and the tax period(s) to which or for which each such return, amended return, or refund claim relates.

7. Defendant Lakers shall file with the Clerk of this Court, within 22 days after entry of the Court's order or judgment of injunction a sworn certificate of compliance, signed under penalty of perjury, stating that she has complied with the foregoing directive.

DOJ_NMG_ 0170952

8. The United States may engage in post-judgment discovery to ensure compliance with this permanent injunction.

IT IS SO ORDERED this 20 day of NOVEMBER, 2006.

BRIAN E. SANDOVAL
UNITED STATES DISTRICT JUDGE

DOJ_NMG_ 0170953

Prepared and submitted by:

DANIEL G. BOGDEN
United States Attorney

Date: June 16, 2006

ROBERT D. METCALFE
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Attorneys for the Plaintiff,
United States of America

Seen and agreed to:

Date: 6/2/06

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Attorney for the Defendant,
Lynn A. Lakers

U.S. DISTRICT COURT
DISTRICT OF NEVADA
FILED
MAY - 3 2006
CLERK, U.S. DISTRICT COURT
DEPUTY

IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF NEVADA

UNITED STATES OF AMERICA, Plaintiff, v. REINHOLD V. SOMMERSTEDT; DANIEL J. YOUNG; STEPHEN R. NESTOR; and LYNN A. LAKERS, Defendants.	Case No. 2:06-CV-00273-BES-GWF **STIPULATED ORDER OF PERMANENT INJUNCTION AS TO DEFENDANT STEPHEN R. NESTOR**

Plaintiff United States has filed a complaint for permanent injunction against the defendants Reinhold V. Sommerstedt, Daniel J. Young, Stephen R. Nestor and Lynn A. Lakers. Defendant Stephen R. Nestor, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402 and 7408. Defendant Nestor further waives any right that he may have to appeal from this permanent injunction. The plaintiff and defendant Nestor agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against defendant Nestor for asserted violations of the Internal Revenue Code nor precludes defendant Nestor from contesting any such penalties.

618.1

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and under 26 U.S.C. §§ 7402 and 7408.

2. The Court finds that the defendant Nestor has neither admitted nor denied the United States' allegations that he has engaged in conduct subject to penalty under §§ 6700 and/or 6701 of the Internal Revenue Code.

3. Defendant Nestor and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order are permanently enjoined under 26 U.S.C. §§ 7402 and 7408 from:

a) Organizing or selling or otherwise promoting the foreign trust conduit scheme described in the complaint, or any substantially similar scheme;

b) Engaging in any other activity subject to penalty under IRC § 6700, including organizing or selling any plan or arrangement and making in connection therewith a statement regarding the allowance of a tax deduction, the excludability of income, or the securing of any other tax benefit that defendant Nestor knows or has reason to know is false or fraudulent as to any material matter;

c) Engaging in activity subject to penalty under IRC § 6701, including preparing or assisting in the preparation of a document relating to a matter material under the internal revenue laws that includes a position that defendant Nestor knows will, if used, result in understatement of another person's federal tax liability;

d) Engaging in any other activity subject to penalty under any other penalty provision in the Internal Revenue Code;

e) Engaging in any other conduct interfering with the administration and enforcement of the internal revenue laws.

f) misrepresenting any of the terms of this Order.

618.1

DOJ_NMG_ 0170956

4. Defendant Nestor shall contact by mail all individuals and entities who have purchased his trust schemes, plans, arrangements or programs, and enclose a copy of this permanent injunction, and shall file with the Court, within 30 days of the date this permanent injunction is entered, a certification signed under penalty of perjury confirming that he has done so;

5. Defendant Nestor shall produce to counsel for the United States, within 30 days of the date this permanent injunction is entered, a list identifying by name, Social Security number, address, e-mail address, and telephone number all individuals or entities that have purchased any of defendants' tax schemes, plans, arrangements, or programs, and defendant Nestor shall file with the Court, within 30 days of the date this permanent injunction is entered, a certification signed under penalty of perjury confirming that he has done so.

6. The United States may engage in post-judgment discovery to ensure compliance with this permanent injunction.

IT IS SO ORDERED this 3rd day of May, 2006.

BRIAN E. SANDOVAL
UNITED STATES DISTRICT JUDGE

618.1

DOJ_NMG_ 0170957

Prepared and submitted by:

DANIEL G. BOGDEN
United States Attorney

Date: May 2, 2006

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Attorneys for the Plaintiff,
United States of America

Seen and agreed to by:

Date: 4-7-06

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Attorney for the Defendant,
Stephen R. Nestor

DOJ_NMG_ 0170958

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Image not available for this document, ID: 0.7.10316.16780-000004

IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF NEVADA

UNITED STATES OF AMERICA, Plaintiff, v. REINHOLD V. SOMMERSTEDT; DANIEL J. YOUNG; STEPHEN R. NESTOR; and LYNN A. LAKERS, Defendants.	Case No. 2:06-CV-00273-BES-GWF **STIPULATED ORDER OF PERMANENT INJUNCTION AS TO DEFENDANT DANIEL J. YOUNG**

Plaintiff United States has filed a complaint for permanent injunction against the defendants Reinhold V. Sommerstedt, Daniel J. Young, Stephen R. Nestor and Lynn A. Lakers. Defendant Daniel J. Young, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402 and 7408. Defendant Young further waives any right that he may have to appeal from this permanent injunction. The plaintiff and defendant Young agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against defendant Young for asserted violations of the Internal Revenue Code nor precludes defendant Young from contesting any such penalties.

1678452.11

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and under 26 U.S.C. §§ 7402 and 7408.

2. The Court finds that the defendant Young has neither admitted nor denied the United States' allegations that he has engaged in conduct subject to penalty under §§ 6700 and/or 6701 of the Internal Revenue Code.

3. Defendant Young and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order are permanently enjoined under 26 U.S.C. §§ 7402 and 7408 from:

a) Organizing or selling or otherwise promoting the foreign trust conduit scheme described in the complaint, or any substantially similar scheme;

b) Engaging in any other activity subject to penalty under IRC § 6700, including organizing or selling any plan or arrangement and making in connection therewith a statement regarding the allowance of a tax deduction, the excludability of income, or the securing of any other tax benefit that defendant Young knows or has reason to know is false or fraudulent as to any material matter;

c) Engaging in activity subject to penalty under IRC § 6701, including preparing or assisting in the preparation of a document relating to a matter material under the internal revenue laws that includes a position that defendant Young knows will, if used, result in understatement of another person's federal tax liability;

d) Engaging in any other activity subject to penalty under any other penalty provision in the Internal Revenue Code;

e) Engaging in any other conduct interfering with the administration and enforcement of the internal revenue laws.

f) misrepresenting any of the terms of this Order.

DOJ_NMG_ 0170962

4. Defendant Young shall contact by mail all individuals and entities who have purchased his trust schemes, plans, arrangements or programs, and enclose a copy of this permanent injunction, and shall file with the Court, within 30 days of the date this permanent injunction is entered, a certification signed under penalty of perjury confirming that he has done so;

5. Defendant Young shall produce to counsel for the United States, within 30 days of the date this permanent injunction is entered, a list identifying by name, Social Security number, address, e-mail address, and telephone number all individuals or entities that have purchased any of defendants' tax schemes, plans, arrangements, or programs, and defendant Young shall file with the Court, within 30 days of the date this permanent injunction is entered, a certification signed under penalty of perjury confirming that he has done so.

6. The United States may engage in post-judgment discovery to ensure compliance with this permanent injunction.

IT IS SO ORDERED this 17th day of MAY, 2006.

BRIAN E. SANDOVAL
UNITED STATES DISTRICT JUDGE

DOJ_NMG_ 0170963

Prepared and submitted by:

DANIEL G. BOGDEN
United States Attorney

Date: May 11, 2006

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Attorneys for the Plaintiff,
United States of America

Seen and agreed to by:

Date: May 9, 2006

DANIEL J. YOUNG
710 Ocaso Street
Las Vegas, Nevada 89138

Defendant

1678452.11

DOJ_NMG_ 0170964

System Administrator

From: System Administrator
Sent: Thursday, November 30, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 1:07 PM
To: USDOJ- Office of Public Affairs
Subject: UNITED STATES ANNOUNCES CLEAN AIR ACT SETTLEMENT WITH PSEG FOSSIL LLC FOR VIOLATIONS OF 2002 CONSENT DECREE

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 30, 2006
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DOJ (202) 514-2007
EPA (212) 637-3664
TDD (202) 514-1888

UNITED STATES ANNOUNCES CLEAN AIR ACT SETTLEMENT WITH PSEG FOSSIL LLC FOR VIOLATIONS OF 2002 CONSENT DECREE

Utility Required to Pay Significantly Increased Penalties and Reduce Emissions

WASHINGTON – The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Justice today announced that they have lodged with federal district court in New Jersey, a Clean Air Act (CAA) settlement with PSEG Fossil LLC related to PSEG's failure to comply with a 2002 consent decree requiring installation of pollution controls at its coal-fired power plants in Jersey City and Hamilton, N.J. This new settlement, which was done in coordination with the state of the New Jersey and which is subject to court approval, secures additional air pollution reductions, tighter controls, valuable environmental projects and a significant penalty.

Under the terms of today's settlement, PSEG will be required to pay a civil penalty of $6 million—$4.25 million to the federal government and $1.75 million to New Jersey. PSEG will also perform environmental mitigation projects valued at $3.25 million to reduce particulate matter from diesel engines in New Jersey.

"The new agreement with PSEG will benefit New Jersey's environment," said Alan J. Steinberg, EPA Regional Administrator. "The agreement contains new, more stringent requirements than those to which we originally agreed. Failure to comply with a consent decree is serious business, and we will hold the parties accountable until every obligation is satisfied. These changes will advance our commitment to improving air quality for New Jersey and its neighbors."

"PSEG failed to live up to its obligations under the 2002 Consent Decree, putting air quality and public health at risk," said Granta Y. Nakayama, EPA Assistant Administrator for the Office of Enforcement and Compliance Assurance. "This new agreement shows that there are serious consequences to violating court orders like the 2002 Consent Decree, and that EPA will take the necessary steps to enforce its prior agreements to ensure that the public is protected from excessive air pollution."

DOJ_NMG_ 0170966

"This amended settlement provides increased public health benefits over the original settlement," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "The new hardware commitments in the Amendment add assurance that toxic mercury emissions will be dramatically reduced and will also provide important long-term reductions in NOx and SO2 emissions."

The amended agreement, signed by the United States and the state of New Jersey, requires the electric utility to accelerate the installation of air pollution control equipment at its Mercer plant, to install additional control equipment that was not previously required and to carry out a host of interim pollution control measures in exchange for delaying the installation of pollution controls required under the original timeline at the Hudson Plant.

Under the 2002 consent decree, PSEG was required to install pollution control equipment at the Mercer and Hudson plants to reduce sulfur dioxide, nitrogen oxide and particulate matter (PM), and take steps to reduce mercury and carbon dioxide emissions. The utility did install pollution control equipment for nitrogen oxides known as selective catalytic reduction (SCR) at its Mercer plant. SCR is capable of reducing nitrogen oxides (NOx) by approximately 90%. However, PSEG Fossil has failed to take the necessary steps to install required pollution control equipment at the Hudson facility as required by the original settlement.

To compensate for the pollution reductions not achieved due to PSEG's noncompliance, PSEG will be required to install an acid gas scrubber—state-of-the-art technology for removing sulfur dioxide from exhaust gases produced by the power plant -- at one of the Mercer plants by 2010, two years earlier than the previous requirement to install it by 2012. PSEG will also install an acid gas scrubber at the other Mercer plant in 2010 as required by the 2002 agreement. PSEG Fossil must also now meet a new NOx emissions limit at the Mercer plant starting Jan. 1, 2007. In addition, the company will install baghouses or dust collection chambers at its Mercer plant, which were not required under the original agreement, to cut pollution more than a less effective technology it was previously using. Lastly, PSEG is required to use carbon injection systems, not previously required, to reduce mercury emissions from the Mercer facility.

At the Hudson Power Plant, PSEG will be required to take interim steps to reduce emissions of NOx, sulfur dioxide (SO2) and PM until the required pollution control equipment is installed or the unit is shut down. These interim measures include year-round operation of the existing NOx control equipment utilizing selective non-catalytic reduction to reduce NOx, use of ultra-low sulfur coal, compliance with annual emission caps for NOx and SO2, and operation of an electrostatic precipitator and a fly ash conditioning system to control PM. Installation of permanent controls will be delayed until Dec. 31, 2010, unless PSEG chooses to shut down the unit altogether in 2008. If PSEG does not shut down the Hudson facility and installs permanent controls, PSEG will also be required to install a more effective baghouse than previously required and use a carbon injection system to reduce mercury emissions from this facility after the pollution control equipment is installed.

As a result of the more stringent emission limits and installation of controls, the new settlement will likely result in ever greater reductions in air pollution than agreed to in the original consent decree. For the period of the consent decree, PSEG will significantly reduce its emissions of NOx by 534 tons, SO2 by 257 tons and fine particle emissions by 252 tons.

The utility has also elected to shut down other fossil fuel burning units in Kearny, N.J. These shutdowns will further reduce air pollution. PSEG will be required to install continuous emissions monitoring systems that measure pollutants emitted into the atmosphere in exhaust gases for soot and mercury at its Hudson and Mercer plants. These new requirements will enable the company to continuously track these pollutants and enable it to take appropriate steps to address any problems observed. The EPA will use information from these monitors to determine PSEG's compliance with the emissions limits.

DOJ_NMG_ 0170967

Should PSEG fail to meet the requirements of the amended consent decree, they will be subject to stipulated penalties, ranging from $10,000 per day to $32,500 per day contingent on the type and length of the violation. The amendment also imposes new recordkeeping and reporting obligations to ensure that PSEG stays on schedule with the terms of the agreement.

SO2 and NOx are significant contributors to acid rain; NOx also increases low level ozone, which causes smog; fine particulate matter causes haze. All of these pollutants cause severe respiratory problems and exacerbate cases of childhood asthma.

The modified consent decree, which is subject to a 30-day public comment period and final court approval, is available on the Justice Department Web site at http://www.usdoj.gov/enrd/Consent_Decrees.html. More about the EPA's efforts in combating air pollution is available at http://www.epa.gov/Region2.

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Image not available for this document, ID: 0.7.10316.16721-000003

From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 1:51 PM
To: USDOJ- Office of Public Affairs
Subject: MIAMI HOSPITAL PAYS $15.4 MILLION TO RESOLVE FRAUD CASE FOR KICKBACKS & MEDICALLY UNNECESSARY TREATMENTS

Department of Justice

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THURSDAY, NOVEMBER 30, 2006
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MIAMI HOSPITAL PAYS $15.4 MILLION TO RESOLVE FRAUD CASE FOR KICKBACKS & MEDICALLY UNNECESSARY TREATMENTS

WASHINGTON – Larkin Community Hospital in Miami and its current and former owners, Dr. Jack Michel, Dr. James Desnick, Morris Esformes and Philip Esformes, have paid $15.4 million to settle federal and Florida civil health care fraud claims against them, the Justice Department announced today. Additionally, 34 related companies owned by the Esformes that were used to operate nine assisted living facilities are part of the settlement along with Claudia Pace, an employee of one of the Esformes-owned companies; and Frank Palacios, a long-time employee of the hospital.

The settlement resolves the civil case entitled United States v. Jack Jacobo Michel, M.D., et al., which the government filed in 2004, alleging violations of the False Claims Act. The state of Florida joined the suit later that year.

The government alleged that in 1997, Larkin, then owned by Desnick, paid kickbacks to physicians in return for patient admissions. The United States contended that the primary recipient of the kickbacks was Jack Michel, who was paid for patient admissions to Larkin by himself and his brother, Dr. George Michel. Jack Michel purchased Larkin in 1998. In 2000, Desnick was a party to a $14 million settlement with the United States for a similar kickback scheme from 1992 to 2000 at another facility he owned, Doctors Hospital of Hyde Park in Chicago.

DOJ_NMG_ 0170972

The United States also alleged in the Michel suit that from 1998 to 1999, Jack Michel, George Michel, Morris Esformes, Philip Esformes, Frank Palacios and Claudia Pace conspired to admit patients to Larkin for medically unnecessary treatment. The government asserted that some of these patients came from assisted living facilities owned and operated by Jack Michel, Morris Esformes and Philip Esformes.

"The Department of Justice is committed to vigorously litigating cases about conduct that undermines the integrity of the Medicare and Medicaid programs," said Peter D. Keisler, Assistant Attorney General for the Department's Civil Division. "We will not tolerate health care providers who pay kickbacks or perform medically unnecessary treatments on elderly beneficiaries in order to generate Medicare and Medicaid payments."

The case was investigated by the U.S. Department of Health and Human Services, Office of Inspector General; the Federal Bureau of Investigation; and the Florida Medicaid Fraud Control Unit. The case was handled by the Justice Department's Civil Division, the U.S. Attorney's Office for the Southern District of Florida in Miami and the Office of the Attorney General of the state of Florida.

# # #

06-803

DOJ_NMG_ 0170973

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System Administrator

From:	System Administrator
Sent:	Thursday, November 30, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Sent:	Thursday, November 30, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 6:25 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PANEL DISCUSSION HOSTED BY ATTORNEY GENERAL ALBERTO R. GONZALES FOR NATIONAL METHAMPHETAMINE AWARENESS DAY

Department of Justice

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THURSDAY, NOVEMBER 30, 2006
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TRANSCRIPT OF PANEL DISCUSSION HOSTED BY ATTORNEY GENERAL ALBERTO R. GONZALES FOR NATIONAL METHAMPHETAMINE AWARENESS DAY

WASHINGTON, D.C.

10:30 A.M. EST

MS. KATZ: Good morning, everyone. I am Ruth Katz, Dean of the School of Public Health and Health Services here at the George Washington University Medical Center, and I bring you a very, very warm welcome. We're delighted to have you here.

Let me also extend a welcome on behalf of Dr. John F. Williams, the University's provost and Vice President for Health Affairs. Unfortunately, Dr. Williams is out of the country, and he obviously could not be with us this morning, but I know how terribly delighted he is that we are able to host this event here at GW.

We have come together today to educate ourselves about the grave public health danger of methamphetamine. As many of you know, the Department of Justice has dedicated today as National Methamphetamine Awareness Day. Discussions similar to this one are taking place all across the country right now. But we are especially fortunate, because the Attorney General, Alberto Gonzales, is here to speak with us and guide our conversation this morning.

It is fitting that GW has been chosen as the site for this exchange here in Washington, because our medical center trains both clinicians and public health professionals. As we consider how best to curb the widespread use of a terribly powerful addictive stimulant, it is obviously that the combined expertise of these disciplines must be brought to bear.

All of that tells us that we must respond to the meth epidemic with a wise mix of policies. That includes, at least in part, identifying, prevention and risk reduction interventions that work, and funding culturally sensitive community-based approaches with a demonstrated capacity to change norms.

It is also vital, of course, to make treatment readily available to those who are prepared to fight back against addiction.

Last year the CDC, the Centers for Disease Control and Prevention, hosted a national consultation of scientists, public health officials and community providers to talk about some of these issues and to identify needed research and programs. Putting their ideas and other good ones like those into action requires adequate resources and a strong national commitment. National Meth Awareness Day and meetings like this one here at GW are important steps for making that happen.

As we will hear from our distinguished panel this morning, dealing with meth is a true inner disciplinary problem. To solve it, we must draw not only from public health and medicine, but also from law enforcement, environment science and other fields. Local, state and federal agencies all have essential roles to play as well.

To present the panel and set the stage for today's discussion, it is now my great pleasure to introduce the Honorable Alberto R. Gonzales, Attorney General of the United States.

Alberto Gonzales has served as the nation's top law enforcement officer since February 2005 when he was sworn in as our 80th Attorney General. Prior to his service at the Department of Justice, Attorney General Gonzales was counsel to President George W. Bush. He also served as a justice on the Texas Supreme Court, and as Texas Secretary of State, where he was a senior adviser during the younger George Bush's tenure as governor.

Before entering public service, Attorney General Gonzales practiced law in Houston, Texas. An Air Force veteran who attended the Air Force Academy, he was born in San Antonio and raised in Houston. He is a graduate of Texas public schools, Rice University and Harvard Law School, for which we at GW will greatly forgive him.

(Laughter.)

MS. KATZ: We are honored, very honored to have him with us today. Ladies and gentleman, the Honorable Alberto Gonzales.

ATTORNEY GENERAL ALBERTO R. GONZALES: Thank you.

(Applause.)

ATTORNEY GENERAL GONZALES: Thank you, Dean. I am reminded by her comments, by the dean's comments, that my first acceptance letter to a law school was George Washington, so, what might have been.

I am indeed pleased to be here to talk, to have a dialogue, a discussion with this audience, but also primarily with the American people, primarily with parents, about the dangers of meth.

I've done town hall meetings around the country, talking about methamphetamine, and I've had a lot of parents come up to me afterwards and say, you know, we had no idea about the seriousness of this issue, and you really need to do more to educate the American public. And that's the reason why President Bush has declared this National Methamphetamine Awareness Day. It is a day where we're going to spend some time talking about the issues of meth.

We have an outstanding panel today. These are the experts, and they will be doing most of the talking. I'll try to moderate the discussion by asking what I hope will be interesting questions. Some of these will be fairly basic questions. Many of you in the audience have a lot of experience, a lot of knowledge about this area, but we want to get it down to a fairly basic level, because there are many people in the American population, quite frankly, that don't know about meth and don't know about the effects of meth.

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So let me begin by introducing our panelists. We are joined by Dr. H. Westley Clark. He's the Director of the Center for Substance Abuse Treatment at the U.S. Department of Health and Human Services. Also joined by Robert F. McDonnell, Attorney General of the Commonwealth of Virginia; Joseph T. Rannazzisi, Deputy Assistant Administrator for the Office of Diversion Control at the U.S. Drug Enforcement Administration; Vicki West Sickles, a research counselor with Iowa Health, Des Moines, and herself a former meth addict, and we obviously look forward to hearing her insights about that experience; and Dr. Nora D. Volkow, Director of the National Institute on Drug Abuse at the National Institutes of Health.

I'm going to -- our discussion today will last for about an hour, and we're going to cover five main areas today, beginning with what is meth and the scope of the problem. Secondly, a discussion about the production process. Third, the effects meth has on the mind and body. Fourth, the impact on the community. And finally, effective prevention and treatment.

So we'll go about an hour. I'll try to keep us on time. And then we'll have about twenty minutes or so that we'd like to entertain questions from the audience.

So I'd like to begin by focusing on the scope and nature of the problem, and we'll begin with a question to Dr. Volkow. Now some people are confused about what kind of drug methamphetamine is. Let's have a general introduction to the American public about what is it.

DR. VOLKOW: Good morning, everybody. It's a pleasure to be here, and I'm glad that there has been recognition of the importance of methamphetamine, among other things, by declaring it Methamphetamine Day.

Methamphetamine is a stimulant drug. And what do we mean by a stimulant? It's a drug that will activate you. Drugs of abuse, all of them, have a common characteristic, and that is they increase the concentration of a chemical called dopamine. And dopamine is a chemical that activates pleasure centers in your brain. Now the ability of increasing dopamine is different for different types of drugs of abuse. All of them do it, whether it's alcohol, heroin, marijuana, methamphetamine, but they do it in different ways.

And of the drugs of abuse, methamphetamine is the one that leads to the highest concentrations of dopamine in the brain, and this is likely to account for the fact that probably methamphetamine is one of the most addictive of all of the drugs of abuse.

What happens when you increase dopamine in your brain? Dopamine is there not for you to take drugs. Dopamine is there to activate the brain and say this is extraordinarily important. It's not only pleasurable, but pleasure in nature is linked with a behavior that will ensure survival. In this case, taking methamphetamine is not going to ensure survival.

But your brain is reading it as this is a signal that says this is important for survival. So this is actually recorded in your memory very powerfully such that you will next time you get exposed to a place where you took the methamphetamine, generate the emotion that it felt having had the drug, and this will likely want you to take it again.

And this is what initiates, is believed to be what initiates the drive and the interest in the drug that with repeated administration will result in those that are vulnerable in physical changes in their brain that will ultimately lead to what we call addiction, which basically the way that we define addiction is that compulsive use of a drug despite the fact that the person no longer wants to take and, and despite its catastrophic consequences.

So, methamphetamine is a drug of abuse. It's a stimulant. It activates, and of the drugs of abuse, is the one that leads to the highest concentrations of dopamine in the brain.

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ATTORNEY GENERAL GONZALES: Well, we know it's a powerful, addictive stimulant. Are there legitimate uses for methamphetamine? Is it ever prescribed?

DR. VOLKOW: Interestingly, yes, they were. Methamphetamine is an amphetamine, and we use amphetamines traditionally for the treatment of attention deficit disorder, and indeed at one point, methamphetamine was approved for the treatment of attention deficit disorder.

What happens is that the effects of a drug are a function also not just of its chemical characteristics, but the way that you take it. So when you were using -- when we were using methamphetamine for the treatment of attention deficit disorder, we would use it in a tablet in low concentrations, whereas when people have used methamphetamine, they take it in much higher doses, and very frequently by other routes of administration, such as injecting or smoking, which are much more dangerous both -- vis-a-vis its side effect, adverse consequences to the body, but also vis-a-vis the dangerousness of addiction.

ATTORNEY GENERAL GONZALES: Mr. Rannazzisi, meth has become a national problem. It's not just a regional problem. Can you talk a little bit about what is the history of the use of meth in the United States?

MR. RANNAZZISI: Oh, absolutely. Good morning. First of all, I'd like to build on what Dr. Volkow said. Methamphetamine is a synthetic substance. It's totally synthetic. It's man-made. We don't have to worry about somebody growing a plant somewhere in the world and then extract the product. It's man-made, relies on chemicals. So, obviously, without the chemicals, there is no drug, you can't make it.

Now in the '70s and '80s, methamphetamine was pretty much concentrated in the West and Southwest. California, a large hotbed for methamphetamine manufacture. And what we had was biker groups or independents who were making small amounts, a pound, pound and a half, two pounds, sometimes ounces, in labs. And these labs were not crude labs. They definitely weren't labs you'd see at major drug companies, but they had reaction flasks and Reese flux condensers and they were making the product using a very, very difficult method that required industrial chemicals. And that went along from the '70s and '80s.

As we approached the '90s, the methods changed. They refined the methods and actually the method became easier, and that method spread. Several methods using what they call the Burch reduction method or using iodine spread eastward. You didn't need glassware anymore. You didn't need chemicals. You could go out into the retail market and buy chemicals, buy pseudoephedrine, go to your local farm and obtain anhydrous ammonia or use an ammonia-based fertilizer to get the chemical you need. Go to the store and buy Duracell batteries and extract the lithium or remove the lithium strip from the Duracell battery. And that's basically all you needed to make meth.

So as we saw it spread, we saw places that were traditionally not meth locations, like Missouri and Kansas, Iowa, explode with methamphetamine. Why? Because I know longer needed to go to the local dealer, the local biker to obtain my product. I could just make it myself. And that's exactly what happened.

So that's why places like Missouri had over 2,000 lab incidents in 2003, 2004, 2005. Now, what happened? The states saw that there was an issue, and the states dealt with it. The states came out with restrictions, restricting the sale of pseudoephedrine products. And what we saw was a dramatic reduction. We peaked in 2004. We had about 17,700 lab incidents in the U.S. Seventeen thousand, seven hundred labs that had to be -- incidents -- that had to be cleaned up by your local police departments and federal departments.

Well, since the state restrictions and now with the Combat Meth Act, we went from 17,700 incidents to about 12,500 in 2005. And this year, we don't look to cross 9,000 lab incidents. So the legislation is working.

ATTORNEY GENERAL GONZALES: We'll talk to General McDonnell about state regulations and whether or not they've been effective, how effective that they've been. And we know that meth is spreading across the United States. I want to ask Dr. Clark, who is using meth right now? What are the demographics here?

DR. CLARK: We estimate that there are about 1.4 million people who have used methamphetamine in the past year. We know that the past month use of methamphetamine hovers around about 512,000 people. There is ethnic variations in the use of methamphetamine with Native Americans, Native Hawaiians, Pacific Islanders, American Indians, Alaska native and white Americans being the groups that are using methamphetamine the largest.

We also know that there is a lot of use in rural states, states previously that did not have a problem with stimulant abuse, states like North Dakota and South Dakota, parts of Tennessee, western parts of Virginia. So, in short, methamphetamine affects a wide range of ethnic groups, a wide range of socioeconomic groups, and a wide range of geographic areas.

ATTORNEY GENERAL GONZALES: Is the use and abuse of this drug different than what you see with other kinds of drugs?

DR. CLARK: It's a stimulant, and those individuals who respond to stimulants are more inclined to use it. But many people use what we call poly substances. So they will add methamphetamine to alcohol or add methamphetamine to marijuana. So, in a sense, once you're in the illicit drug arena, once you know your favorite dealer if you're not making it yourself, the dealer also brings other drugs that can be used. But again, it does target specific areas, as Dr. Volkow pointed out. So those individuals who are looking for reinforcement in those areas would tend to prefer methamphetamine.

ATTORNEY GENERAL GONZALES: Let's move on to the production process. Mr. Rannazzisi, as a DEA agent, you've had a lot of experience with illegal sale and production of meth. We know that meth can be produced in mom and pop labs in your neighborhoods. We also know it's being imported into the United States. I don't want to get into specific instructions for how to make meth, but what kind of ingredients are we talking about?

MR. RANNAZZISI: Well, it depends on the type of lab. Again, as I've said before with the smaller labs, which is about 20 percent of the meth consumed in the United States, these small toxic labs, everything is available in the retail sector. I mean, you could buy just about any chemical you need to manufacture meth or obtain it by stealing it off of farms or from farm bureau co-ops. But it's readily available.

The larger labs, the larger labs that are run by organizations, produce about 80 percent of the meth consumed in the United States, roughly 80 percent. These large labs operating in the United States and in Mexico are controlled by large organizations, Mexican organizations. Those organizations use their trafficking routes to get the drug out into the market. They're using industrial chemicals. They're buying their chemicals in bulk. They're using ton quantities of ephedrine or pseudoephedrine that they obtain from foreign manufactures. They obtain large amounts of chemicals like iodine from foreign manufactures.

So there's two components here. There's the small labs that rely on retail sale chemicals and products, and then those larger labs, what we call the super labs, that ones that produce ten pounds or more on a 24-hour production cycle, that rely on bulk chemicals, both tableted and bulk powder.

ATTORNEY GENERAL GONZALES: If someone in the audience were walking around their neighborhood, what would be telltale signs that in fact there's meth production going on?

MR. RANNAZZISI: That's a very interesting question. It used to be when there were actually these large labs, and we still have large labs, but there's things we always looked for. It's raining and the people in the house are outside smoking. Why? Because a lot of the chemicals they use are volatile and they could explode, like ether.

We used to see a lot of people covering their windows with like black plastic or newspaper so you couldn't see in. Chemical odors, really pungent odors that you wouldn't forget once you smelled it. Things like people dumping or you see like land that's been colored by waste, red waste. That's basically what we were looking for.

Traffic in and out of a location late at night or early in the morning, and not very long stays. Maybe they come in for, you know, a couple of minutes and then leave two, three, four o'clock in the morning.

That's what we used to see, especially around hotel rooms, we saw a lot of labs operating in hotel rooms where, you know, you'd see this traffic. And it's a perfect place to cook because, you know, you cook and then you leave, and the waste is left behind.

ATTORNEY GENERAL GONZALES: And so what should the American public do if you're walking around your neighborhood and you come upon a site where it smells kind of funny, chemical odor, there's some red waste. You notice some odd-looking folks going in and out of the place. I mean, what should be people do when they suspect that there is meth production going on?

MR. RANNAZZISI: Well, we always say call your local police department or DEA office immediately. You know, that's the first thing you should do. If you happen upon a lab or you happen upon a discarded lab, never touch anything. And you can tell if it's a discarded lab. You'll see like a propane cylinder that has a discolored valve that just isn't right with a bunch of big mason jars or dishes that have a cakey substance that is discolored.

Don't touch anything. If you walk into a place that could potentially have a lab, don't touch anything. Don't turn off any electricity. Let it sit. Back yourself out, avoid as much exposure as possible, and call the local police department or the local DEA office.

Now in the '70s or '80s, there was not very many lab teams. Today, every major police department, every county sheriff, drug task forces, they all have specially trained police officers, law enforcement officers, that go out and take care of these lab sites. That's available to everybody and they're all trained.

ATTORNEY GENERAL GONZALES: Okay. Thank you. General McDonnell, we talked about what the states have done to combat meth, passage of laws restricting access to precursor chemicals. The President signed in March of this year the Combat Meth Act. Can you talk a little bit about whether or not -- how do you see these laws? Are they effective? Are they helping us in fighting the spread of meth?

MR. McDONNELL: Well, I think they've been enormously effective in the last two years since these laws at the state and federal level were put into effect. A lot of it's awareness, and that's why I appreciate the Department of Justice and George Washington University doing what they're doing today to be able to talk about this.

This is one of those law enforcement problems that kind of snuck up on the states. Nobody heard much about this back four or five years ago, but I know in Virginia, we went from one lab incident to 78 in a period of just a few short years.

MR. McDONNELL: -- In Virginia, we passed a couple of important laws. One was a precursor law that created a new felony offense for the possession of the precursor elements, such as Sudafed and other things, with the intent to distribute.

It gave law enforcement the ability to go in without actually having manufacture completed but with the core elements in place with the intent to manufacture. And then secondly, we passed a law as further implemented by a governor's executive order to require -- and this is what's been most effective, I think, General -- is to require that these precursor elements, pseudoephedrine containing elements, be put behind the counter.

Many stores, Wal-Mart and others, were doing it voluntarily before that, but this required the items that are not scheduled substances -- they're not controlled substances, but they still were subject to abuse, and so they were required to be put behind the counter and for those customers who purchased it to actually have to sign for it -- how many they bought, the date, their name, their address, and so forth -- which puts a little more accountability on the part of the buyer if they were going to go in and buy certain amounts.

The other thing that was done is a limit on the amount of the substance that could be purchased. In Virginia, we limited it to nine grams per day. Now the federal act -- and I appreciate the General's leadership on that -- that passed in -- I think the President signed it in March of this year -- limited that to 3.6 grams per day and, I believe, 9 grams in a 30-day period and also required these additional registration requirements.

That has had a huge effect, the combined state and federal action over the last year. In Virginia alone, from fiscal year 2004 to -- from 2005 to 2006, we've gone from 79 lab incidents down to 23, almost a 75 percent reduction in the number of labs that have been discovered in Virginia. And a lot of it is because they just can't get access to the high volume of Sudafed and/or ephedrine containing products.

And so it is working. The combined state-federal approach is working. It's something that needs to continue because the nature of the addiction is so acute. It's cheap and easy to manufacture if you can get your hands on the precursor elements. You can get the recipes off the internet. Up until a couple years ago, you could get as much of the product that you wanted to make the methamphetamine inside any pharmacy or Wal-Mart, and it was highly profitable.

But I think we're -- these laws now that were passed in the last couple of years, General, have been very successful. And Virginia is, I think, reflective of what's happening nationally. I was just at the National Association of Attorneys General meeting yesterday down in Florida, and this was a huge issue that we discussed. We see these programs being implemented at state to state level as well to tighten up their meth laws in every state.

ATTORNEY GENERAL GONZALES: I couldn't agree more. I have to commend states for the leadership they've shown on this issue. They were out front and very early on identified the problem. And many of them passed laws dealing with limiting access to precursor chemicals. And obviously those of us at the federal level saw that it was working effectively, and that was the impetus for having some federal legislation.

I want to move now to a discussion on the effects of meth on mind and body. Dr. Volkow, you spoke already about some of the effects on the brain. I don't know whether or not you want to elaborate on the short-term and long-term effects of that. But I'd also like you to talk a little bit about the toll on a person's body that occurs when someone uses meth, both long term and short term.

DR. VOLKOW: Yes. And indeed, again, I was commenting before that methamphetamine is considered to be one of the most addictive of the drugs -- of abuse. But it's also considered to be one of the most toxic, and I'll go into an explanation about why there is concerns in the scientific world about these.

I was commenting about the fact that methamphetamine is a drug that induces the largest increases in dopamine. Now dopamine, being a chemical that's indispensable for your brain to learn that something is important for survival, triggers and facilitates learning. And it is believed that the physical changes that are linked with addiction actually relate to these physical changes akin to those that your learn when you memorize something. But it's a memory of an emotion; it's a memory of an experience.

And when these become so ingrained in your brain, this can take over other motivations. Now what we've also come to recognize is that not all of the drugs are the same. And they are not the same in their ability to produce addiction.

Cocaine has been recognized for many years to be very addictive, and yet when they look at the clinical data, for example, over all in average -- there is variation between one person and the other -- but in average, it may take a person two or three years to become addicted to cocaine. In the case of methamphetamine, the addiction can proceed within one year, and this highlights the importance and the seriousness of the effects of methamphetamine in the brain.

The other thing about methamphetamine is that the increases in dopamine are so large that they actually damage the cells that are producing that dopamine itself, which does not happen with other drugs like cocaine, heroin, or marijuana. So at that level, methamphetamine is much more toxic to the brain than these other ones because ultimately it is disrupting, damaging the cells that allow us ultimately to feel pleasure.

And indeed, one of the things that happens across all addictions but even more marked in the people that are addicted to methamphetamine is that though even when they get initially taking the drug they feel great, as they continue to take it, they take it no longer to feel great, but to feel normal because if they don't take it they feel horrible.

The dopamine, which is what gives us our excitement, our motivation, our drive to do things, has been basically -- those cells have been damaged and so you normally no longer respond to everyday events, so that -- vis-a-vis the consequences in the brain.

In the brain also, as in the rest of the body, methamphetamine, being a stimulant, has the characteristics of producing blood vessels to constrict. It's called vessel constriction. Now there are certain organs that are very sensitive to the delivery of blood; if blood is not delivered properly, they suffer very rapidly damage.

The number one organ for that is the brain. If blood is not properly delivered that can result in a stroke. What are the consequences? Well, it depends where the stroke happens. So if it happens in the back part of your brain, you may become blind from taking methamphetamine. If it happens in the areas of the brain that are involved with movement, you may become paralyzed from taking methamphetamine. So the consequences are pretty dire.

If it happens in your heart, what can happen? You can develop a myocardial infarction. And indeed, what these communities where methamphetamine is very prevalent are observing is that the number one reason for admissions with cardiac problems in young people is because they are taking methamphetamine.

There are many other body organs that suffer from it. We know that skin, for example, is very damaged. We all heard about the issue of the -- and the meth mouth. And that is, in part, a function not just of the adverse chemicals that are used in order to produce a methamphetamine, but also by vascular constriction. Your skin as well as your gums require proper delivery of blood to them, and if its not they start to damage themselves. So these can affect, as I say, organs that we see but also organs that we do not see.

And finally, there is another aspect about methamphetamine that has been very problematic, and that is the notion that methamphetamine -- being a stimulant, one of the things that it does is it increases sexual arousal. Not only does it increase sexual arousal, but evidently it decreases inhibitory control, and as a result of that, people take this drug and engage in practices and behaviors that they would have not done otherwise. This puts them at very high risk of risky behaviors that can turn out to result in HIV/AIDS or Hepatitis C vaccine [sic].

And this property of methamphetamine of increased sexual arousal is utilized -- is used -- people use it for that specific purpose, and that has made methamphetamine play a very important role in terms of continuing in the dissemination of the HIV epidemic. Not, in this case, because people are injecting it -- if they are injecting contaminated materials, yes -- but because the drug itself is producing changes in their mental state that leads them to very risky behaviors.

ATTORNEY GENERAL GONZALES: Thank you, Doctor. Blindness and possible heart problems, using your ability to appreciate pleasure -- you can really see how powerful a stimulant -- how powerfully addictive a drug this must be to have people risk all of that in order to enjoy meth.

I want to introduce Miss Sickels, who is with us. We are fortunate to have a one-time meth user who managed to beat it, and even better, to dedicate herself to helping others beat it. So I would invited Miss Sickels to talk a little bit about her own personal experience with meth.

MS. SICKELS: Good morning. It's a privilege to be here this morning.

When I first used methamphetamine in 1988, I'd never heard of it. I didn't know what it was. I had experimented with drugs in college and became addicted to cocaine for a time when I was in college, but I graduated from college in '86, and then was very careful to avoid hard drugs after that.

But in 1988, I had just lost my father, and I was grieving, and I had -- I was sort of at loose ends, didn't quite know what to do with myself, didn't have any goals -- had some goals, but they didn't make any sense. And I met a man who asked me if I wanted to try some crank. And I asked him what it was, and he said, "Oh, it's like speed, sort of like coke. I'll chop it up. You can snort a line."

And so I thought it's what you did when you couldn't find any cocaine. And the first time I did it -- it was October 19th, 1988 -- I was intoxicated. I would consider that alcohol was probably my gateway drug. I was intoxicated when I tried almost anything else that I did. But so I didn't feel it right away, but I woke up in the morning, sat straight up in bed at six o'clock in the morning and felt fantastic, and wanted to jump up and grab my journals and write poetry, and I felt so creative and energetic. And I loved it.

Right from then, it was odd and fantastic and I loved it. But I didn't have to go out and do it again the next night, though I was really looking forward to seeing this guy again the next weekend -- and did it again. And did it weekends for about a couple of months, maybe a month, and then he and I started using together every day and injecting meth.

And rapidly it became the only thing that I did. I quit working. I was just using meth, and it pretty much took over my being. At first, you know, it gave me energy. I had energy for my creative projects. I wasn't depressed about my father. I felt great.

You know how you always wish -- there's not enough hours in the day to do what you think you need to get done? Well, this makes every one of the 24 hours of the day available to you, and that was attractive to me. I wanted all that time, and I wanted all that energy.

But eventually I couldn't get anything done without it. I couldn't get off the couch unless I had some meth. And so it quickly became -- I needed it for energy, and I needed it for motivation, and it took me quite some time and quite a little effort to get off of it, more than one treatment, in fact.

And mentally, you know, I was stimulated, I was confident, I felt great at the beginning. At the end mentally, I was obsessive, I was compulsive, I was looking for bugs that weren't there. I was staring out the windows at things that weren't there. I mean it really kind of made me lose my mind, and my main focus was then using and getting more meth and dealing with the projects that I had in mind.

And physically I would say -- physically I was fortunate. I lost a lot of weight. I had the bug thing going on, but I resisted the picking, so I didn't pick scars onto my face. I didn't see a dentist for the last five years I was using, so I had some periodontal stuff going on, but I didn't lose any teeth.

I ended up with Hepatitis C though. I am -- I was an injecting drug user. And what they say about Hepatitis C is that if you inject for even one year, you have an 80 percent likelihood of ending up with Hepatitis C, so I came away with that.

ATTORNEY GENERAL GONZALES: You mentioned some signs, and other panelists have mentioned it as well, but what would you look for in terms of identifying someone as a meth user?

MS. SICKELS: I would say hyperactive kind of energy is the first giveaway, a noticeable increase in the level of energy. And a change in sleeping patterns, somebody who has pushed their bedtime way back into the middle of the night somewhere and then gets up at the crack of dawn, that's a pretty good sign.

ATTORNEY GENERAL GONZALES: That's what I do every day. (Laughter.)

MS. SICKELS: Is that with coffee?

ATTORNEY GENERAL GONZALES: A lot of caffeine.

MS. SICKELS: Well, it would be a change from what their usual behavior was -- is what you would look for.

You would look for a change in their usual -- the company that they keep, if their friends -- a lot of times when someone starts using, they find friends who are doing the same thing that they are. Their old friends drop by the wayside. They stop calling mom; they stop showing up for holidays -- that would definitely be a giveaway.

You know, a lot of people are --

ATTORNEY GENERAL GONZALES: how many people -- you talked about -- is it called crank bugs?

MS. SICKELS: Yes.

ATTORNEY GENERAL GONZALES: -- where they imagine the sensation of bugs either on top of their skin or underneath their skin, they scratch and scratch, and they develop sores.

MS. SICKELS: Mm-hmm.

ATTORNEY GENERAL GONZALES: Do you happen to know or any of the panelists happen to know what percentage of users develop this kind of symptom?

MS. SICKELS: I don't have any numbers, but the -- what I see in the clinic where I work, about half of the people who come in have sores on their arms or on their face that they've scratched at.

I actually -- we talked about medical profession as being a point of intervention. I once -- I thought that I had -- I had been digging in the carpet. I had to have marijuana to take the edge off of my high because I didn't like the anxious edge. So if I didn't have any marijuana, I would dig in the carpet or in the furniture looking for it obsessively.

And I thought that I had parasites under my fingers. I was certain that I had just dug them in -- like dust mites. And I went to a doctor and said, "I'm certain that I have parasites in my skin." And he said -- he looked at me, he said, "Those are calluses." I said, "No, no. I'm certain they're parasites."

So he took a razor -- he was a kindly older gentleman -- he cut a little bit of my skin off, what I thought was a parasite, put it under the microscope, said, "Look there, that's skin." So I looked in the microscope. I said, "No. I see a spine. That's a parasite." He said, "Parasites do not have spines. Go home and go to bed."

ATTORNEY GENERAL GONZALES: Any other signs, panelists, we ought to be looking for?

DR. VOLKOW: I think one that is pretty frequent is a loss of weight. One of the things that methamphetamine does -- all of the amphetamines remove your weight and your hunger. And indeed, that's important too, from another perspective, in that sometimes some girls will start using methamphetamine because they want to lose weight and not per se because they want to get high. And they get hooked, and indeed that may keep them taking the drug.

So yes, methamphetamine makes you lose weight pretty rapidly. It also -- the more you take the more evident this becomes -- people become very suspicious and paranoid.

And I agree with you. The main sign that you get when someone has shifted into a pattern of abuse, a change in their personality. So if you've always been very compulsive and wake up at five in the morning, I wouldn't worry. But if that is something that's all of a sudden different, then you want to understand what happened.

DR. CLARK: Also, especially in the workforce, this issue of the paranoia can become problematic. Individuals who are at work start to suspect other employees of threatening or plotting, and so the notion of workplace violence becomes an issue, and we need to be very careful about that. I think that's one of the reasons that we have workplace drug testing, because the person's judgment becomes impaired, particularly if they're operating heavy equipment, large motor vehicles. Their reaction time is altered and with the impaired judgment they're liable to increase their risk for accidents.

ATTORNEY GENERAL GONZALES: Okay.

MS. SICKELS: there's a physical thing that happens, too. There's a lot of kind of twitchy, fidgety thing that goes on, picking things up, putting them down, taking things apart, trying to put them back together. There's a thing that happens with the jaw where the jaw is working back and forth, and even a change in the posture because your muscles tense up, so there can be a change in the way somebody stands or walks or the way their face moves. So there's physical characteristics as well.

ATTORNEY GENERAL GONZALES: Thank you. Let's have a brief discussion now on the impact on the community. I want to begin with Mr. Rannazzisi.

We talked about the dangers of producing meth, and can you elaborate about the environmental problems caused by domestic meth production?

MR. RANNAZZISI: Yes, sir. Well, they say that one pound -- the manufacture of one pound of meth produces between five and six pounds of hazardous waste. And the labs I've been -- the waste is -- there's a lot of waste in there. The fact is that they have to get rid of it somehow, so what they usually do is either they dump it in a rural area -- they dump it in a park or they'll pour the waste down the sewer system.

Well, I don't know if it's -- if it's put in a park, the soil will be contaminated. If it goes into the sewer system, it could get into our water system, and obviously you have contaminated water.

When we go in and clean up a lab, we don't do what's called a remediation. We do a gross contaminant removal. We remove all of the gross contaminant from the lab, but that does not mean there's no toxic substance left in the

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lab; there is residual toxicity in that lab. And to remove that residual toxicity, you'd have to pull down the walls and pull out the carpet or the floors, and that's a problem.

We leave that to the landowner. The fact is that it's his property; he's got to remove that contaminant. So you could buy a place that -- buy property that had a lab on it and walk in there and not know that you're living in a place where there's residual contamination. We've had instances where residual contamination has caused respiratory problems for the new owners. They didn't know why, and later they found that the residual contamination was the cause of their respiratory problems.

So environmentally and also the health of the individuals in these labs or in these former labs -- it creates a major impact on the environment and on the citizens.

ATTORNEY GENERAL GONZALES: Dr. Clark, as I've traveled around the country, I've heard some heartbreaking stories about the effect on children who are in these homes. How does meth use and production affect children?

DR. CLARK: I'm glad you asked that. It's an important thing for us to keep in mind that many of these home labs -- parents are -- they have the kids in the next room or in the very room while they're producing methamphetamine. You've got a lot of toxic substances being produced, so the children are exposed to the noxious fumes. Some of these fumes not only can cause respiratory damage; they can also cause behavioral and neurologic damage in the children.

Some of these labs explode. You've got kids in the labs who then are exposed to the risk of explosion and burns. You've got children whose parents are so preoccupied with the production and consumption of the methamphetamine that they really don't have much time left to nurture and protect their children. So you've got neglected children, physically or sexually abused because parents -- as Joseph pointed out, you've got a lot of traffic coming in and out, and while the parents may not be sexual predators, sexual predators avail themselves to the children because the parents are preoccupied with the manufacturing and the consumption of methamphetamine.

So a lot of concern about children. Most jurisdictions -- actually all fifty jurisdictions now have drug-endangered children teams that are working with child welfare in order to protect kids. And they work with law enforcement when they go in -- drug-endangered children teams, and in order to mitigate the damage done.

And then of course, you've got the issue of burdening the foster care system by increasing the demand with children who are in meth homes or have parents who are on methamphetamine and can't parent.

MS. SICKELS: I would like to speak to that as well. I've seen, from my personal experience, and also in the clinic now where I work, that it's become a multi-generational problem where if the parent's addiction is allowed to continue unabated, eventually those children are pretty much destined to follow in their foot steps because it's a way of life in their household.

I've had young people come to me who can't go home for support from their family because their parents and everyone in their household is using. And I've had people who have told me that they started using as young as nine years old with siblings or even step-parents that are there in the house. So it's become a multi-generational problem.

ATTORNEY GENERAL GONZALES: What about the effect of meth on crime, General? What kind of crimes -- people who engage in meth, how does that affect the crime in a local community?

MR. McDONNELL: Because the epidemic proportions of the meth phenomenon are so new, we don't have great statistics at the state or the national level on it yet. There's been some surveys I know in Illinois, and Oregon and

others that indicate that as much as 30 to 40 percent of the total jail population is in for meth-related crime. But most jurisdictions don't keep separate statistics about the link between meth and the criminal act.

But based on what you've heard from both of the doctors about the nature of meth and how it affects the body, I think there's three categories anecdotally that we can say -- and we've seen it in Virginia -- that have increased. One is the garden variety property crimes: larceny, burglars, forgery and entering, bad checks, things like that -- people that just need money because of the nature of the addiction and the amount of money that it takes to support that addiction if they're not manufacturing themselves. If they've got to buy, they're engaged in a significant amount of property crime.

The second would be domestic violence and child abuse. You heard Dr. Clark just speak about that. It goes into really two categories. One is having young children being around the manufacture of the product itself is a very abusive environment. And secondly, the compulsion of the user to do other things has them to neglect the child. And we've seen an increase in particularly the western part of Virginia of child neglect charges.

And thirdly, and this is a new phenomenon. It's gotten some national articles written about it. And that is the rise in the link of internet-related crimes with methamphetamine use because you can stay up for extended periods of time, as you heard from everybody, and you have -- there's great energy and a compulsive nature of the addiction that we're seeing -- again, anecdotally, an increase in various types of internet crime like identify theft and fishing and farming and some of these new types of internet crimes that are going on because people can stay at that computer screen for 12, 15, 24 hours at a time if they're high on meth and looking for new and creative ways to try to scam somebody else out of their money, their identity, or their property via the internet.

So even though it's anecdotal, I don't think we have any great national numbers. Those are the categories generally that we see in Virginia.

ATTORNEY GENERAL GONZALES: Okay. Thank you. Now the final topic, which is prevention and treatment. Miss Sickels, I understand that meth addiction can be very, very difficult to treat, but it can be treated. Can you talk to us about your experience in treatment?

MS. SICKELS: Certainly. First of all, even though I became tired of doing it and what it was doing to my life, I could never make the decision that I'm sick of this and I want to quit and get myself to where I needed to be. That was never able to happen for me.

What had to happen was somebody noticed that I wasn't -- the first time I went to treatment was in 1993, and it was my family who noticed I wasn't taking good care of my son, who was three years old at the time, and they told me that they were going to remove him from my care if I didn't get some help. So at that time, I checked myself into treatment. I was 28-day inpatient.

They suggested a halfway house. I said, "No, I have a house. I'll just go home and go to 12 Step meetings and do what needs to be done." And I did that, and I stayed clean for six months. And at the end of that six months, I was as depressed as I'd ever been, and actually feeling like if this is all there is, I don't really care to go on. But I had a child, so I didn't actually become suicidal.

What I did was relapse on sex is the way I tell the story because I was going to 12 Step meetings and I started to get involved with somebody who was there, and the sexual activity really stoked me in my brain again.

Dr. Volkow has some great slides that show the regular dopamine in a person's brain as big red spots, and then at six months into recovery there are no red spots in the brain. The dopamine is not -- the brain hasn't started to produce it again on its own.

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So at six months into recovery, when I was thinking that things should be getting better, I still felt like hell, and so I looked for another way to feel better. And I started with sex, and within a couple of weeks I was using again, and injecting. And I knew I didn't want to live that way.

And I would tell people -- I would go to the 12 Step meetings and say, "I've had a spiritual awakening now," as a result of my relapse, and I did feel better because I now had dopamine in my brain again.

But I knew I didn't want to live that way, and I kept saying, "This is my relapse vacation. I'm going to get myself together and get off it again." Well, it took five years before I could get that done, and in that five years, I went places in my addiction that I never wanted to go -- homeless, and fired from jobs, and evicted, and jailed for hitting someone. It was then my addiction got really ugly.

And at the end of that five years, when I could finally get into treatment again, it was legal intervention. Actually, it was in 1998 when the labs started exploding on the scene and we were hanging around with people who were cooking. So when the whole little village of us who were manufacturing meth were raided, I was able to get out of that situation and into treatment, and into treatment that lasted.

The last time I went to treatment in 1998, I said, "Put me on the list for a halfway house because if that's what it takes I never want to have to go on another relapse vacation." So that time, in 1998, I did the inpatient treatment. I did the 90 days at a halfway house. I'm fortunate to have a sister who is clean and productive, and she allowed me to live with her for a couple of years.

And it took me that amount of time to really start feeling good about life and myself and be able to set goals and learn how to live again. It was that long-term, extended -- attending meetings and going to aftercare, and really getting the support that I needed for -- it was over a year; it was almost two years.

ATTORNEY GENERAL GONZALES: What would you tell others to do to prevent their families and their friends from getting introduced to meth or getting addicted to meth?

MS. SICKELS: I would tell them, for one thing, be aware. That's why I think that this day is so important. I was completely unaware of what meth was and what it did to people and how it impacted their lives. I had no idea about it when I started using it. And I like to think that if I'd been aware of what methamphetamine was and what it entailed, I would have avoided it.

The other thing is, when I became vulnerable to it was a time when I was not coping with things that were going on in my life. And just in terms of prevention in general for all kinds of substance abuse, I think we need to do a better job of educating people about how to cope with the trials and tribulations that life throws at all of us.

I got to college, and I hadn't experienced anything, and then when I was in college and things started occurring that were upsetting and caused me to be depressed, I didn't have any coping skills. So I think that we as a society need to do a better job of helping one another learn how to deal with things.

ATTORNEY GENERAL GONZALES: Okay. Dr. Clark, in your experience, what types of treatment programs have proven to be most effective in dealing with meth?

DR. CLARK: One of the things that I want to acknowledge, first off, is the importance that law enforcement has played in terms of treatment process, and that is drug courts. And law enforcement has actually been very useful in referring people to treatment. I think Vicki's point is well taken.

It's treatment approaches then with drug court, with law enforcement referrals. We use various psychological, psycho-social treatments, nothing inherently unique to a methamphetamine.

There is no targeted model, but different models like the matrix model -- it's a manualized treatment strategy originally developed to address cocaine. It's put together, is fostered by NIDA. SAMPS has also played a role in promoting the matrix model. It's a combination of integrated strategies: individual counseling, cognitive behavioral treatment, motivational interviewing, family intervention, toxicology screen, urine testing, participation in 12 Step programs.

The other treatment that we're using now is called recovery focus. That's getting community organizations, faith-based organizations involved in the recovery from the use of methamphetamine.

I think Miss Sickels's point was well taken. After you've done the detox, after you've done the acute treatment, what do you do then? And by relying on entities like 12 Step programs, faith-, community-, and recovery-oriented strategy, we're able to normalize that person's existence and get beyond the acute effects -- and then dealing with some of the psychological walls that people run into down the road.

So these are the things that we are involved in. There's no specific medication that you can give a person. People are using antidepressants for some effects and Dr. Volkow can comment about some of the medication development strategies that NIDA is promoting, but the key issue is we're working with our states.

Our state governors' organizations are trying to include some of these developments like motivational incentives in the strategies. For instance, Christy Dye in Arizona has put together a nice little demonstration project where people are given incentives to stay in treatment, stay in the recovery process.

ATTORNEY GENERAL GONZALES: Dr. Volkow?

DR. VOLKOW: I will comment on that treatment -- but before I get into that, because I think that it's so extraordinarily important that it was mentioned is the notion of how important it is to do prevention because ultimately if you can prevent drug abuse, you then don't have to worry about all of the consequences, and the earlier you can do that, the more likely you are to succeed.

Why? Because a lot of the drug experimentation, we know, happens during adolescence, and unfortunately, as it was commented, sometimes during childhood. Why do kids take drugs? They take drugs because they are curious. They take drugs because their friends are doing it, because they want to have a good time, without really a clear understanding of the consequences. And as a society, we need to know what works in prevention or not.

And one of the things from research that has come across consistently is that one of the most important elements in that algorithm about what works is the family. And most of the prevention programs -- therefore emphasize the involvement of the parents and the family in the prevention process against the use of drugs.

So that's -- I did want to highlight that because it can never, ever, ever be underestimated -- the importance of prevention.

In treatment, there are currently, as Dr. Clark was commenting -- we do not have currently any medications for the treatment of methamphetamine. However, we're working on different strategies that look very promising.

One of them is the possibility of developing a vaccine against methamphetamine. This has been successful. We are actually at the stages of doing phase three clinical trials both for nicotine vaccine -- the pharmaceuticals involved with that -- and also for a cocaine vaccine. We're also working on a heroin vaccine.

Methamphetamine has been harder to do. We have succeeded on developing the antibodies itself but not through a vaccine, and that's very useful when you get a patient that has intoxicated with serious arrhythmia on their heart or

where you need to do an intervention right away. The antibodies will basically allow you to get rid of the methamphetamine.

But we want to be able to do that for someone who, for example, goes to rehabilitation and then is out there -- you protect them by the vaccine so that, if they relapse because they have a stressor in their life, they'll have the vaccine; they will not feel the drug. That's one.

Then we are working with a medication that has been shown to be quite effective in improving the ability of your brain to exert control of your emotions and your desires, which is one of the functions that is eroded, is damaged by the use of chronic drugs. So -- all of us are always in position maybe throughout the day, of "I want this," "I want the chocolate," but I catch myself saying it; I don't want to do it, and I exert cognitive control to say I shouldn't do it. Well, that is one of the areas that's damaged by drugs, very much damaged by methamphetamine, so we're developing medications there.

Another type of medications that has shown already in clinical studies promise for methamphetamine -- most studies -- is anti-epileptics. Certain anti-epileptic medications evidently are able to decrease the craving and the desire for the drug that a person may feel when they get exposed to a place where they have taken the drug, or when they feel depressed, or when they feel stress.

And finally, interestingly, this is data that has come from Europe where they show that methylphenidate, which is a medication that we use Ritalin for the treatment of attention deficit disorder, showed promising results in amphetamine injection drug-users. And there was a study in Amsterdam -- so these are different types of medications that we're working with.

At the same time, we are optimizing and trying to take advantage of methodologies and technologies to be able to tailor behavioral interventions that can increase the likelihood that a person will stay clean of drugs. So we're working on both fronts.

And the other big initiative that we have, because Dr. Clark mentioned it, but it is incredibly important, is the opportunity that we have when an individual that has a problem with substance abuse ends up in the criminal justice system. That's an extraordinary opportunity to institute treatment. And it will, as has been heard -- and I've heard it many, many times. It has made a difference in a person's life because it allowed them to have treatment that was of a sufficient long duration at an aftercare that made the difference between being able to stay drug free or fall out or going back.

And the treatments in the criminal justice system have shown to be effective not just in what you said, on helping people stop taking the drugs, but in significantly decreasing the rate of incarceration, and that's why another aspect that is very, very important.

DR. CLARK: One final thing on that is screening and brief intervention involving healthcare practitioners, making sure that we increase awareness among physicians, nurses, nurse practitioners, physician assistants, dentists, and anybody else in the primary care delivery system -- I think Vicki's point was well taken that she had problems with gingivitis -- and we need to make sure that dentists are aware about not only meth mouth but ask the question -- if people show up in the emergency room, asking the questions, people showing up in the healthcare centers, asking the questions.

So part of what we're trying to do with the Office of National Drug Control Policy -- is promoting is making sure healthcare providers are knowledgeable about addiction. Too often we find that they're not knowledgeable and there's a missed opportunity. And by the time its written on the wall, in the newspaper, and on TV, it's sort of after the fact. What we're trying to do is identify these issues early.

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ATTORNEY GENERAL GONZALES: General, I understand that you're engaged in an excellent cooperative effort with the U.S. Attorney's Office in the Western District. Can you talk a little bit about that?

MR. McDONNELL: Sure. We've done some of the traditional law-enforcement cooperation, like looking at the penalty structures between state and federal law. And we realized we had some work to do at the state level, and we've bumped up the penalties to get it closer to what the federal law requires.

We talk about cases where there's joint state police or federal authority investigations to see whether they ought to go to state or federal court, and so that's been helpful. But I think we realized also that we have a role to play in the prevention side.

I think the panel has been very clear about getting a message, particularly to adolescents, young people, about not getting started. There's a lot of ways to do that. One I just discovered a couple days ago is this little bracelet to get to young kids, sort of like the Lance Armstrong approach. This says, "not even once." It's a black arm band to kind of remind kids don't ever start.

You heard Miss Sickels's example, just the first time was so good she kept coming back. Well, John Brownlee, who is the U.S. Attorney for the Western District of Virginia, do an outstanding job, but as part of your Project Safe Neighborhood program, General Gonzales -- decided he would created a video with a very clear message. It's called Meth Kills.

And he invited me to be a part of that, and we really took an approach to try to get the message to young kids starting not in high school, but in the middle schools with a tough love message about the legal consequences, and what you heard today, the medical consequences of using meth, because kids care about their appearance and kids think their future is forever. But what they don't understand is what six months on meth will do to you.

And so this video -- it's about 15 minutes long. It's actually a DVD that's been produced over the last couple months. We just stared distributing it to schools all over Virginia just about a month ago. But it's got some healthcare providers talking about what you heard today, about the physical impact on your body in a very short order of methamphetamine.

It's got Mr. Brownlee and I and the state police superintendent talking about the legal consequences of using, manufacturing drugs, and what a felony will do to a young person for the rest of your life. And then, very powerfully is, we got folks like Miss Sickels, three folks who are recovering methamphetamine users telling their story about what methamphetamine has done to their life. So we think it is a very powerful, tough love message.

He's raised some public and private money to get this all over the state. We think it's going to be very powerful. It's gone to all the schools, all the PTAs, to educate both parents and kids about this, and I think it's going to have an impact.

We've also cooperated on something called Meth Watch. Many states have programs like this to be able to enlist the help of the private sector in discovering methamphetamine laboratories such as just training -- commonsense things like training cleaning personnel in hotels and motels around the state so they look for the evidence of -- the remnants of a meth lab, the folks that pick up the trash so that they know if they find things in the trash that look like they're a discarded methamphetamine cooking apparatus they can promptly notify law enforcement, and then the investigation can start.

All that is very helpful from an investigative side, too. So he's done a great job with the Project Safe Neighborhood implementation in this area, General, and we think it's going to have an impact with kids in Virginia.

ATTORNEY GENERAL GONZALES: Thank you. We have found meth labs in homes and apartments, in penthouses, and vehicles, in parks -- they're all over the place. So that concludes the panel portion of this morning's program.

I would now like to invite the audience to ask questions. I think we have mics available if you want to ask a question. Please give us your name, who you were with, and, if you can, specify which panel member you would like to answer your question. So why don't we begin?

QUESTION: Hi. I'm Marcia Lee Taylor from the Partnership for a Drug Free America. I was interested to hear the panel talk today about the changing trends in meth use in the country from the production by the biker gangs to the mom-and-pop labs, and now, with the effectiveness of the federal and state laws, the decrease in the mom-and-pop labs.

I'm wondering, as we're still seeing meth coming over the border now in more traditional distribution routes, if, Mr. Rannazzisi, you could talk a little bit about what you're seeing in the future. Do you think this is going to be more of an urban problem in the future than a rural one, it is now?

MR. RANNAZZISI: I don't think we could characterize it as a rural problem anymore. We've seen labs in New York City. We've seen -- two or three years ago we had a lab in a vehicle right in D.C. It's not a rural -- it's not only a domestic problem; it's a global problem. Meth is everywhere.

Now we are seeing a dramatic decrease in the small labs, which is great for us, but we are also seeing these large organizations taking up the slack and actually flooding the market in many areas, both rural and urban, with methamphetamine.

So what are we doing? Well, we know the organizations, for the large part, are Mexican organizations. We're working very closely with the government of Mexico. We're training their officers to detect labs, to understand how to develop these investigations.

We've trained Mexican law enforcement officers in all aspects of methamphetamine clandestine lab activity. We're putting clandestine lab trained Mexican officials in what we call the "lab hot spots" in Mexico, Sinaloa, Sonora, Baha Norte, Michocan, so we are training them. We are working closely with them. We have task forces on both sides of the border that are working together, trading information. Together we are going to address the problem.

Meth is going to be on the street -- just because we see a downturn in the small labs -- meth is going to be there. We have to work with our counterparts in Mexico and Canada. But remember, it's a global problem -- Oceania, Europe, Southeast Asia, all have meth problems. Canada has got labs. Mexico has got labs. Labs are pretty much all over the place.

So I think that working with the Mexican government, we should be able to slow down the process of meth coming into the country, but we also have to look past Mexico. We have to look at Southeast Asia. It has become a major meth manufacturing area.

ATTORNEY GENERAL GONZALES: Let me just say that on this particular issue, several months ago the Mexican Attorney General and I went to a conference in Texas that focused on dealing with this issue of meth, and there we announced a series of initiatives to try to address it, and I have had a number of conversations with the Mexican Attorney General about this issue. He is likewise very concerned about the issue.

We have also had conversations in my travels, say, for example with China, discussions about limiting, trying to discourage or at least get some help from the Chinese government with respect to their exportation of precursor chemicals which finds its way into Mexico and creates a problem for the United States.

So we realize we have a problem, an issue a challenge with respect to importation of meth through our southern border and we are working with our Mexican counterparts to try to deal with it.

Other questions? We have got one back here. We have one over there. Also have got one back here.

QUESTION: Thank you. It was a fascinating discussion this morning. My name is Leroy Charles. I am a vice president here at the George Washington University Medical Center, and the young lady sort stole over to my questioning, but I'll sort of ask in a different way.

What is the, let's say, the pecking order for illicit drug use in the United States with meth? And the reason why I asked that question, if you go up 95 North, 45 minutes, we know that Baltimore has a serious heroin population. We know here in the District of Columbia back in the late '80s, early '90s, we had a crack cocaine problem. So where would you rant meth? Is it an epidemic in this country?

Again, we have talked about demographics, but what is the geography of meth? Is it urban? Is it suburban? Is it rural? What is it exactly?

DR. CLARK: Well, the answer to that is yes.

(Laughter.)

DR. CLARK: And I think it's an important thing to keep in mind, so what we are trying to do is promote through prevention and detection the individual experience in the specific jurisdiction, so whereas Baltimore may have more of an opioid, heroin problem, D.C. also has one, but D.C. has a subpopulation, gay-lesbian, of gay and bisexual men who use methamphetamine for sexual purposes, as Dr. Volkow pointed out.

We have got methamphetamine in western Virginia, but not necessarily in northeastern Virginia, so what we all have to do is work with the health authorities and the law enforcement to understand what is going on in the respective communities.

We just funded a grant in Boston, Massachusetts has a low prevalence of methamphetamine problem but again in the gay community there is a higher prevalence. South Dakota has a high prevalence of methamphetamine use among adolescents relative to the rest of the country, so not only is it peculiar to particular geographic areas, but also certain age groups where the use is more prevalent, so we need to be working with state authorities, governors, law enforcement and public health people, rather than assuming it's not going to happen.

It's low prevalence in the African American community, but it is not zero prevalence in the African American community -- something that people need to keep in mind, so with increasing sophistication you are able to address these issues.

MR. McDONNELL: And I think the reason for that, if you look over the last couple of decades about drug use, and I think it's generally true across the country, is marijuana has generally been sort of, along with alcohol, been one of the gateway drugs to other types of drug use. Cocaine kind of burst on the scene a couple of decades ago, and was along with LSD became kind of the hard core drug of choice. Then crack became the poor man's cocaine, and now methamphetamine has become the poor man's crack, because of the price out there in the market, because up until these most recent laws to take the precursor elements off the shelf, it was so easy to make.

The recipes are on the internet. You could cook it yourself. And so that's why I think it's become such an issue, as Dr. Clark pointed out, in northern Virginia -- it really does differ. In rural Virginia, the whole I-81 corridor is where we see most of the labs and most of the use of methamphetamines in Virginia. The inner cities is primarily

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still crack, so some of it is a cultural thing in terms of what the drug of choice is, but until we make the availability of the precursor elements extremely tight, it is still going to be a huge problem in virtually any community based on what their choice of the drug is.

ATTORNEY GENERAL GONZALES: Yes?

QUESTION: Ed Hutcheson of the National Sheriffs Association.

My question is actually directed toward Mr. Rannazzisi, with the DEA.

MR. RANNAZZISI: Yes, sir.

QUESTION: And we'd heard from Attorney General McDonnell in regards to how we are curbing access to the amphetamine portion of making methamphetamine.

Could you go into some more detail about perhaps how other, the other elements, the precursor elements, are being curbed at the national level?

MR. RANNAZZISI: Well, to start off, the government as a whole is working in the international community to stop large amounts of precursors from going into production countries like Mexico and the United States through the International Narcotics Control Board. We have held many meetings with the source countries, and we are trying to get a strong control over where precursor chemicals are transiting throughout the world.

That is the key. If we can control those precursor chemicals, the ephedrines, pseudoephedrine, ephedra-alkaloids, those types of chemicals, we won't have a meth problem.

Now locally iodine is a major problem, where we have steps in place to regulate iodine now, making it a List 1 chemical. We also have, we are looking at -- you know, the solvents are very difficult to control because solvents are widely used. Same thing with the acids and the drain cleaners and things like that.

So our concentration is mostly with the precursors. Now there have been -- some of the states have worked with anhydrous ammonia, which is a major component to one of the manufacturing processes, using an additive in the anhydrous ammonia to try and limit the amount of methamphetamine that can be produced. I believe Iowa is working on that project, and I believe they are seeing successes with that.

We are working internationally with the major precursor chemicals with the production countries and then locally -- the states, with the help of the federal government, are trying to control chemicals like anhydrous and iodine, things like that.

ATTORNEY GENERAL GONZALES: Questions -- here, here, here. Back here as well.

QUESTION: Good morning. My name is Dr. Christina Catlett, and I am an emergency physician here at GW. I trained actually at Hopkins in Baltimore, so I can spot heroin and crack a mile away, no problem. If you had asked me how many cases of methamphetamine abuse I have seen here at GW, I would have said probably three to five, and I thought that was because it wasn't a problem in this particular area of Washington, D.C. We have a fairly white collar crowd at GW.

What I am realizing is that I think we are just not recognizing it, and I wanted to say thank you to Ms. Sickels for pointing out some of the psycho-motor clues that might help us detect somebody who is either intoxicated with methamphetamine or a chronic methamphetamine abuser.

I am wondering if there aren't some more physical clues that I need to be looking for. Pupillary either dilatation or constriction. Is there an acute withdrawal syndrome that I need to be recognizing? Changes in blood pressure or pulse? Anything that might be helpful to those of us that are clinicians that need to recognize this in the field.

DR. VOLKOW: Yeah, well, what you will -- well, the are physical symptoms and signs that you will see in the patient will depend of course whether the patient is intoxicated or whether it's on withdrawal, and if it's intoxicated, it would be akin to what you see with other stimulant drugs at high doses.

So you will see increases in blood pressure. Methamphetamine increases blood pressure, produces significant increases in heart rate, produces vasoconstriction, and that's what you will see. And the element of paranoia, suspiciousness, agitation, anxiety -- that restlessness is very, very typical in the intoxication state, and the person may be diaphoretic.

In the withdrawal, on the other hand, you see a very different picture, and you see someone that is much more anergic. Sometimes it's actually even difficult to arouse them. They fall asleep and you cannot wake them up, so it is a completely almost opposite picture one and the other.

At the end of the day, though, I mean, you are going to ask the question, but if you definitely have a suspicion, you do a drug toxicology test. You can screen. That's one of the advantages in terms of methamphetamine, that methamphetamine is a drug that we can screen, number one, and number two, because it takes a long time for your body to detoxify, you'll be able to pick it up. And I think that's one of the elements that we should be more proactive perhaps on starting to do -- testing for methamphetamine in those situations where you suspect that.

Very important, for example, one of the things that to me has been very frustrating as the director of NIDA is to get a perspective about the impact of drugs in car accidents, because most emergency rooms are not testing for the drugs if you a person in an accident, since the insurance will not pay then for the treatment.

Well, that's utterly wrong. We need to start to recognize that we need to treat the patient. That's our obligation as physicians, but at the same time, we need to understand the nature of what brought them there. So we cannot have both of them together.

So I would encourage when you suspect based on the physical signs, that you screen for drugs, for the methamphetamine.

DR. CLARK: You've got individuals who are presenting, as was previously mentioned, with dermatologic lesions, individuals who are presenting, especially if they're relatively young, with renal functions or with coughs, with evidence of strokes, with paresthesias, you may want to ask about that, particularly between the ages of 18 and 45, where, as some of the emergency literature points out, anybody who comes in who's 30 years old with chest pain, you better rule out a stimulant, because unless that person has a family history of early cardiac dysfunction, disrhythmias, it's more likely some exogenous precipitant. So these are the kinds of things that you'll want to check out.

Someone who's brought in, as Vicki pointed out, she goes to her doctor and says, look, you know, I've got these things under my hands. And you examine them and there's nothing there. You may want to -- you want to rule out substance use. And so we are promoting routine screening with the objective of helping that person deal with the problem. This whole notion of screening and brief intervention, early intervention, so that indeed we start communicating the message that it is not something that's purely organic. It's something associated with your substance use.

ATTORNEY GENERAL GONZALES: Okay. There's a question back here.

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QUESTION: Thank you very much. My name is Dr. David Goldsmith. I'm on the faculty in the School of Public Health. One of the things that has arisen in some of our thinking about this was discussed very briefly, and I just would like to raise it again.

We have heard about concerns about the -- and was mentioned, the solvents and the other chemicals that are used in the meth cooking process. And I am wondering if there are guidelines and suggestions for protecting the law enforcement personnel. In some cases, it's going to be first responders, in other cases, fire department personnel who may be the first people on the scene of finding a meth lab.

And as an extension of that, a question about remediation of some of the cooked chemicals, the meth chemicals that are flushed down the toilet or disposed of in backyard waste areas and things like that. Is there more guidance with regards to how communities can do a better job of remediating some of these hazardous materials?

MR. RANNAZZISI: Well, let's take the second question first. There is a book that was just published this year. It's an update called The Clandestine -- Guidelines for Clandestine Laboratory Clean-Ups. I believe it's on the DEA website. That basically sets out what the guidelines are for cleaning up a clandestine lab and how agencies should approach cleaning up a clandestine lab.

As far as remediation, again, remediation is a very, very difficult task. A special company has to come in to do the remediation. There was a study done, was it National Jewish Hospital study? But there was a study done on lab toxicity. I can't remember the study. I believe it was National Jewish Hospital study, and it showed residual contamination in labs at certain points in time. It's a study that you really should look at.

Again, law enforcement goes in and we do gross contaminant removal. We take away all the immediate waste. We can't do a residual cleanup, we can't do a remediation, because we just don't have the resources nor -- it's just a very difficult process to do. And when you're dealing with 17,700 incidents, it becomes an impossible task.

Health departments are notified when we go in and do a lab cleanup. Health departments, local county agencies, and we expect that with their notification, they'll take the proper steps with the home owner.

Now as far as first responders, DEA trains many police officers throughout the year, clandestine lab response, first responder and train the trainer for first responder. We try and get local officers trained so then they can turn around and train their departments in what to look for.

Now if you've gone through the clandestine lab training course, the lab safety and lab investigation course, you're perfectly trained to go out and dismantle one of these labs, to go in and operate safely and effectively. You should not have any issue -- you're issued all the equipment to safely go in and dismantle.

Now, obviously, fire departments are usually, especially in a lab explosion, they'll be the first on the scene. We're hoping that those train the trainers, those trainers that we've trained, go out and not only do the police departments but do the fire departments as well.

And our divisions have -- our division officers, our clandestine lab safety officers and our clandestine lab coordinators in our divisions throughout the United States have actually gone out and trained fire departments.

So we're trying to get the word out. We're trying to get everybody to understand the dangerous nature of these labs and what to do when you get in there. It's just, you know, we need help. There's only 5,000 DEA agents, and there's a very small portion of them that are lab trained, so that's why we use the train the trainer program.

DR. CLARK: We have been working with the DEA. SAMSA, ONDCP, with governor summits. And I think the DEA has been very assertive in not only the hands-on, but also getting the message out at the governors level where

you've got prevention people, environmental health people, as well as law enforcement and first responders. So I think this ongoing dialogue heightens the awareness and provides access to information. It isn't just a one-shot we're going to train five people.

So I want to remind Joseph that the DEA has been active in the governors summit, and we've had these summits in multiple jurisdictions across the country, and it's an ongoing commitment, and we're working most recently with Scott Burns at ONDCP to continue to foster that. So that information is an ongoing thing, because we know people come and go in the workforce. But with the ongoing top-to-bottom kind of exposure of the information, that awareness persists.

ATTORNEY GENERAL GONZALES: Well, we've come to the end of our time, and I apologize to those who have been unable to ask questions, but I want to be respectful of the panelists' time.

I want to thank the panelists for participating in today's forum. I also of course want to thank George Washington for hosting today's forum. I also want to acknowledge our dedicated partners who are here today from the Partnership for a Drug Free America, the Community Anti-Drug Coalitions of America, the Fraternal Order of Police and the National District Attorneys Association. So, your participation, your involvement in this issue, being here today, sends a very strong signal.

The information we gather here today, sharing it with people in the communities, is probably the best deterrent for meth use and meth addiction, and this is the beginning of the dialogue. It's certainly not the end of the dialogue. It's very, very important that we take the information that we've learned today and share it with the communities around the country. And that will be the most effective way in dealing with this problem.

So, again, thank you for coming.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, November 30, 2006 6:40 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER GUILTY PLEA TO KATRINA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 30, 2006
WWW.USDOJ.GOV/USAO/MSS

CONTACT: SHEILA WILBANKS
PHONE: 601-965-4480
FAX: (601) 965-4409

ANOTHER GUILTY PLEA TO KATRINA FRAUD

JACKSON, Miss. – Tommy Touchstone of Purvis, Miss., pleaded guilty to making a false statement to the U.S. Department of Agriculture (USDA), U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today.

In pleading guilty, Touchstone admitted that he made a false statement to the USDA Farm Service Agency for reimbursement monies he claimed through the Emergency Conservation Program. Touchstone received more than $10,000 from the Emergency Conservation Program by providing false and fraudulent invoices for fence repair, bulldozer clearing, and labor on his farm. Touchstone admitted that the work was never done although he represented to the Farm Service Agency it was completed. The Emergency Conservation Program was set up to help land owners repair fences and agricultural lands that were damaged due to Hurricane Katrina.

Tommy Touchstone is to be sentenced before U.S. District Judge Keith Starrett on March 1, 2006, at 10:45 A.M. The maximum sentence for Touchstone is five years in prison and a $250,000 fine.

In September 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the Department of Homeland Security-Office of Inspector General Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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System Administrator

From: System Administrator
Sent: Thursday, November 30, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 915638 KB.
Mailbox size limits:

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To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
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System Administrator

From: System Administrator
Sent: Thursday, November 30, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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System Administrator

From: System Administrator
Sent: Friday, December 01, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
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System Administrator

From: System Administrator
Sent: Friday, December 01, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 10:02 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 1, 2006

Department of Justice

PRESS GUIDANCE
Friday, December 01, 2006

ATTORNEY GENERAL

The Attorney General will travel to Mexico City, Mexico, as part of the official U.S. delegation to the inaugural ceremony of Mr. Felipe Calderon Hinojosa, President-elect of the United Mexican States.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

The Antitrust Division will issue a release on joint Department of Justice/Federal Trade Commission Hearings on Single Firm Conduct. (Talamona)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171011

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Image not available for this document, ID: 0.7.10316.16702-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 11:01 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON DECEMBER 6

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 1, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON DECEMBER 6

Session to be Held in Washington, D.C. to Focus on Misleading and Deceptive Conduct

WASHINGTON -- The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Dec. 6, 2006, in Washington, D.C. As previously announced, these hearings will examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panel on Dec. 6 will explore the circumstances in which misleading and deceptive conduct may be considered exclusionary. The session will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room A.

Further information is provided below:

Misleading and Deceptive Conduct (9:30 A.M.–1:00 P.M.):

Michael F. Brockmeyer is a partner at Frommer Lawrence & Haug LLP and an adjunct professor of law at the University of Maryland School of Law.

George S. Cary is a partner at Cleary Gottlieb Steen & Hamilton LLP and a former Deputy Bureau Director of the FTC's Bureau of Competition.

Susan A. Creighton is a partner at Wilson Sonsini Goodrich & Rosati PC and a former Director of the FTC's Bureau of Competition.

R. Preston McAfee is the J. Stanley Johnson professor of business economics and management at the California Institute of Technology.

Gil Ohana is the director of Antitrust and Competition at Cisco Systems Inc.

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Richard P. Rozek is a senior vice president at NERA Economic Consulting.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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06-804

DOJ_NMG_ 0171015

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Image not available for this document, ID: 0.7.10316.16701-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 1, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 919982 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, December 1, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 919983 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 4:25 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD CONFERENCE

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 1, 2006
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AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD CONFERENCE

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks on Justice Department efforts to protect children and prosecute sex predators through Project Safe Childhood at the Project Safe Childhood Conference on **MONDAY, DECEMBER 4, 2006**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks on Justice Department efforts to protect children and prosecute sex predators through Project Safe Childhood

WHEN: Monday, December 4, 2006
8:30 A.M. EST

WHERE: Grand Hyatt Washington
Independence Ballroom
1000 H Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for camera crews is **no later than 7:30 A.M. EST**. All other media must arrive **no later than 8:00 A.M. EST.** All press inquiries regarding logistics should be directed to Kimberly Smith at (202) 353-5505.

# # #

06-805

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Image not available for this document, ID: 0.7.10316.16692-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 4:37 PM
To: USDOJ- Office of Public Affairs
Subject: VIOLENT CRIME AT SCHOOL CONTINUES TO FALL

Department of Justice

Office of Justice Programs

ADVANCE FOR RELEASE AT 4:30 P.M. EST
SUNDAY, DECEMBER 3, 2006
www.ojp.usdoj.gov/bjs

Bureau of Justice Statistics
Contact: Stu Smith: 202-307-0784
After hours: 301-983-9354

VIOLENT CRIME AT SCHOOL CONTINUES TO FALL

WASHINGTON — The rate of serious violent crime — rape, sexual assault, robbery and aggravated assault — at the nation's schools fell from six victimizations per 1,000 students in 2003 to four per 1,000 in 2004, according to a new report by the Justice Department's Bureau of Justice Statistics (BJS) and the Department of Education's National Center for Education Statistics.

From July 1, 2004, through June 30, 2005, preliminary reports show there were 21 homicides at school. During the previous year, 19 homicides occurred at school, according to preliminary data. In the most recent school year for which overall homicide data were available (2003 to 2004), homicides of school age children were about 50 times more likely to occur away from school than at school.

Serious violent victimization rates were lower at school than away from school for each survey year from 1992 through 2004. During the same time the violent crime rate at school dropped by 54 percent and thefts at school dropped by 65 percent. The violent crime rate went from 48 victimizations per 1,000 students 12 to18 years old to 22 per 1,000 students. The theft rate dropped from 95 per 1,000 students in the same age group to 33 per 1,000.

During 2004, younger students (those from 12 to 14 years old) were more likely than older students (15 to 18 years old) to be crime victims at school, whereas older students were more likely than younger students to be victims of crimes away from school.

In 2005, 28 percent of students 12 to18 years old reported being bullied at school during the six months prior to the survey. Of those students who reported being bullied, 24 percent reported that they had sustained an injury as a result of the incident. Among students in grades 9 through 12, 43 percent reported they drank alcohol at school or elsewhere and 4 percent reported drinking on school property during the 30 days prior to the 2005 survey. There were no measurable differences by grade levels of drinking alcohol on school property, but students in higher grades were more likely than students in lower grades to report drinking anywhere.

While the rate of violent victimization continues to fall, other aspects of safety in schools have not shown short-term improvement. During 2005, 24 percent of students reported that there were gangs at their schools, a 3 percent increase from 2003 (21 percent). Other school behavior measures, such as fighting at

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school, carrying a weapon and drinking remain at their 2003 levels.

Some indicators show student safety has improved over the past decade. Between 1995 and 2005, the percentage of students who reported avoiding one or more places in school declined from 9 percent to 4 percent. Fourteen percent of students surveyed in 2005 reported having been involved in a physical fight on school property during the past 12 months, compared with 16 percent in 1993. Between 1993 and 2005, the percentage of students in grades 9 through 12 who reported carrying a weapon to school in the preceding 30 days declined from 12 percent to 6 percent.

During 2005, nearly all students 12 to 18 years old encountered at least one security measure at school. The percentage of students who observed the use of security cameras at their schools increased from 39 percent in 2001 to 58 percent in 2005. At the same time, 90 percent of all students reported seeing school staff members or other adult supervisors in the hallway, and 68 percent of students reported the presence of security guards or assigned police officers at their school.

The report, *Indicators of School Crime and Safety: 2006* (NCJ-214262) was written by BJS statistician Katrina Baum; Rachel Dinkes and Grace Kena, of the Education Statistics Services Institute in the American Institutes for Research; and Emily Forrest Cataldi, of MPR Associates Inc. Following publication, the report can be found at http://www.ojp.usdoj.gov/bjs/abstract/iscs06.htm

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at http://www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

# # #

BJS07004

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System Administrator

From:	System Administrator
Sent:	Friday, December 1, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920369 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 6:37 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER TAMIMI GLOBAL EXECUTIVE SENTENCED IN KICKBACK SCHEME FOR MILITARY SUBCONTRACTS IN KUWAIT

Department of Justice

United States Attorney Rodger A. Heaton
Central District of Illinois

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 1, 2006
WWW.USDOJ.GOV/USAO/ILC

CONTACT: SHARON PAUL
PHONE: (217) 492-4450
FAX: (217) 492-4512

FORMER TAMIMI GLOBAL EXECUTIVE SENTENCED IN KICKBACK SCHEME FOR MILITARY SUBCONTRACTS IN KUWAIT

Former KBR Employee Accepting Kickbacks Also Sentenced

ROCK ISLAND, Ill. – The former Director of Operations in Kuwait and Iraq for Tamimi Global Company, a Saudi Arabian company, Mohammad Shabbir Khan, was sentenced today to a term of 51 months in prison for having paid kickbacks to a Kellogg, Brown & Root Services, Inc. (KBR) employee to secure two military dining subcontracts valued at $21.8 million. U.S. District Judge Joe B. McDade further ordered Khan to pay a fine of $10,000 and restitution of $133,860, the amount Khan admitted he paid to the KBR employee.

Immediately before Khan's sentencing, in a separate hearing, also in Rock Island, the now-former KBR employee, Stephen Lowell Seamans, was sentenced to a term of 12 months and one day in prison for his role in the kickback scheme with Tamimi. Seamans was also ordered to pay restitution of $380,130. That conduct included Seamans' accepting kickbacks from another company related to the award of a Camp Arifjan, Kuwait, cleaning services subcontract.

"Today's sentences demonstrate the consequences of cheating the system and violating the public's trust," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "We will continue to pursue those that seek to enrich themselves by offering illegal favors at the expense of honest citizens."

"The Department of Justice is committed to prosecuting anyone who manipulates the system for their own benefit," said U.S. Attorney Rodger A. Heaton for the Central District of Illinois. "Today's sentences should help deter others who resort to procurement fraud as a means to scam U.S. taxpayers."

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In June 2006, Khan pleaded guilty to 12 counts of wire fraud and one count each of money laundering conspiracy and making a false statement. Seamans pleaded guilty in March 2006 to one count each of wire fraud and money laundering conspiracy.

The scheme, as outlined in court proceedings and documents, resulted in Khan paying $133,000 in kickbacks to Seamans, one of two KBR procurement materials and property managers in Kuwait responsible for negotiation, execution and administration of subcontracts on KBR's behalf under the U.S. Army's prime contract known as LOGCAP III. Khan paid Seamans the kickbacks to secure two subcontracts for Tamimi Global Company for military dining facilities: a $14.4 million dollar subcontract at Camp Arifjan, Kuwait, and a subcontract of $7.4 million dollars at a palace in Baghdad, Iraq.

LOGCAP (Logistics Civil Augmentation Program), a U.S. Army program, uses civilian contractors to support the logistical needs of the U.S. military forces. In December 2001, the LOGCAP III prime contract was awarded to KBR by the U.S. Army Operations Support command, with headquarters at the Rock Island Arsenal in Rock Island, and was administered by the Army Field Support Command, also at the Rock Island Arsenal.

Khan pleaded guilty to offering Seamans a kickback following a birthday party Khan hosted for Seamans in October 2002. Seamans accepted the kickback offer for the Camp Arifjan dining facility subcontract and on Oct. 14, 2002, the one-year $14.4 million subcontract was awarded to Tamimi. In April 2003, Seamans provided Khan with bid information Tamimi needed to secure the award for another dining facility services subcontract at a palace in Baghdad. Tamimi was subsequently awarded the $7.4 million subcontract for the six-month period of April through October 2003.

Khan's pleas to the money laundering conspiracy and false statement offense relate to his and a former Tamimi manager's scheme to cover up kickback payments Khan had made to Seamans. This scheme included Khan and the Tamimi manager meeting with Seamans in London and instructing Seamans to use international wire transfers of money to cover up the kickback payments. Khan also made various false statements to federal law enforcement officers in an effort to cover up the kickback payments to Seamans.

Pursuant to a cooperation agreement, Seamans voluntarily disclosed that he also accepted a $5,000 cash kickback from another company in November 2002 for a cleaning services subcontract. That company's managing partner later offered to employ Seamans or use him as a consultant for $1.2 million annually. In May 2003, the company paid Seamans $300,000 as an advance on the $1.2 million arrangement while Seamans was still employed by KBR. Thereafter, the managing partner and Seamans agreed to terminate their arrangement, and Seamans received no further payment. Seamans disclosed that he did not return any of the $300,000.

Khan has remained detained in the custody of the U.S. Marshals Service since his arrest in Rock Island in March 2006. He will be transferred to the custody of the Bureau of Prisons to serve his prison sentence. U.S. District Judge McDade ordered Seamans to report to the Bureau of Prisons on Jan. 22, 2007 to begin serving his prison term.

In October 2006, Deputy Attorney General Paul J. McNulty announced the formation of a National Procurement Fraud Task Force designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. The Procurement Fraud Task Force, chaired by Assistant Attorney General Fisher, includes the Federal Bureau of Investigation, the U.S. Inspectors General community, the Executive Office for United States Attorneys and others.

Several investigative agencies participated in this criminal investigation, including: the Federal Bureau of Investigation, Springfield Division; the Internal Revenue Service Criminal Investigation Division, Chicago Field Office; the Defense Criminal Investigative Service, Central Field Office, St. Louis, Mo.; the U.S. Army

DOJ_NMG_ 0171028

Criminal Investigation Command, North Central Fraud Field Office, Detroit, Mich.; and, New Scotland Yard Metropolitan Police Service.

The cases were prosecuted by Supervisory Assistant U.S. Attorney Jeffrey B. Lang, Assistant U.S. Attorney Greggory R. Walters and Senior Trial Attorney John Michelich of the Criminal Division's Fraud Section.

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06-806

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System Administrator

From: System Administrator
Sent: Friday, December 01, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920445 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 01, 2006 7:11 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 4 – DECEMBER 8, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 1, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 4 – DECEMBER 8, 2006

Monday, December 4

8:30 P.M. EST

Attorney General Alberto R. Gonzales will deliver remarks on Justice Department efforts to protect children and prosecute sex predators through Project Safe Childhood at the Project Safe Childhood Conference
Grand Hyatt Washington
Independence Ballroom
1000 H Street, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

10:00 A.M. EST

Solicitor General Paul Clement will argue on behalf of the government before The Supreme Court in two cases, *Parents Involved v. Seattle School District No. 1*, and *Meredith v. Jefferson County Board of Education.*
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

Tuesday, December 5

DOJ_NMG_ 0171033

Events TBD

Wednesday, December 6

9:30 A.M. EST FBI Director Robert Mueller will testify before the Senate Judiciary Committee regarding FBI Oversight.
Dirksen Senate Office Building
Room 226
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:30 P.M. EST Clifford White, Director of the Executive Office for United States Trustees (EOUST), will testify before the Senate Judiciary Committee regarding oversight of the Implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act.
Dirksen Senate Office Building
Room 226
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

4:00 P.M. EST Michael J. Sullivan, Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives will deliver remarks at the dedication of Colombia's new Explosives Information and Firearms Tracing Center.
Direccion Central de Policia Judicial Headquarters
Bogota, Colombia
OPEN PRESS

Press inquiries regarding logistics should be directed to Alberto Rodriguez at 011-571 383-2418 or to ATF Public Affairs at 202-927-8500.

Thursday, December 7

Events TBD

Friday, December 8

12:15 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks at the National Conference of State Legislatures.
Hyatt Regency San Antonio
Regency West Ballroom
123 Losoya Street
San Antonio, Texas
OPEN PRESS

DOJ_NMG_ 0171034

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

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Amber.JMD

From: Amber.JMD
Sent: Friday, December 01, 2006 9:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fort Myers, FL

From: AmberAlert-DOJ
Sent: Friday, December 01, 2006 9:01:01 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Fort Myers, FL
Auto forwarded by a Rule

AMBER ALERT:Fort Myers,FL VEH:Drk blu or bla 2Dr Chev Blzer or Frd Expl CHILD:1Month White M 12LBS Hair:Black SUSP:White F Heavyset Hair:Black CALL 239-338-2120
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2922

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Friday, December 1, 2006 9:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fort Myers, FL

From: AmberAlert-DOJ
Sent: Friday, December 01, 2006 9:35:02 PM
To: AmberAlert ATR; Amber.JMD; ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); BOP Amber Alert; Civ-Amber; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert-DOJ; USAEO-AmberAlert@usa.doj.gov; Amber AlertUSPC; CRS, AmberAlert (CRS); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov
Cc: Garcia, Linda S; Wahl, Nicole; Dewey, Christopher R.
Subject: [Amber Alert] AMBER Alert: Fort Myers, FL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Fort Myers,FL VEH:Drk blu or bla 2Dr Chev Blzer or Frd Expl CHILD:1Mo Hisp/M 12LBS Hair:Black SUSP:W/F Heavyset Hair:Black CALL 239-338-2120
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2922

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Friday, December 01, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920493 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 2, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920494 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 2, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920495 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 02, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920495 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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System Administrator

From: System Administrator
Sent: Saturday, December 02, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920496 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, December 2, 2006 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fort Myers, FL

From: AmberAlert-DOJ
Sent: Saturday, December 02, 2006 4:35:02 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Fort Myers, FL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Fort Myers,FL VEH:Dark blue or black 2Door Chev/Ford Blaz/Exp CHILD:1MO W/M 12LBS Hair:BLK SUSPECT:W/F Heavyset Hair:BLK CALL 239-338-2120
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2922

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Saturday, December 02, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920501 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 02, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920502 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 2, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920502 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920503 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920504 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920505 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920506 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920507 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920507 KB.
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System Administrator

From: System Administrator
Sent: Sunday, December 03, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920508 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From:	System Administrator
Sent:	Monday, December 4, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 920509 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 04, 2006 8:33 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROJECT SAFE CHILDHOOD CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 4, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROJECT SAFE CHILDHOOD CONFERENCE

WASHINGTON, D.C.

Good morning.

My favorite time of the day is when I tuck my sons in bed. I hold them and ask if they're doing ok, I hear their prayers and kiss them goodnight. I try to listen carefully to what they say and study how their eyes light up when telling a story. Sometimes we laugh. These are magical moments for any parent. Life feels pure and sweet … and everything seems possible. The breadth of a child's imagination and the depth of their dreams knows no limits in those twilight conversations.

But the morning dawn pulls back the curtains and reveals a harsher reality. A child's innocence is under siege every day from images, sounds, movies and music. And by far, the greatest threat is the one posed by sexual pedophiles and predators. We are here today to discuss what else can be done to protect our children from these cowardly villains, who hide in the shadows of the Internet.

I know that you are already doing a lot to safeguard the innocence of our children through Project Safe Childhood. Thank you and God Bless you.

Now I am going to ask that you and I do more … because quite honestly, what we are presently doing is not enough. It is not enough for us to become educated about child exploitation. It is not enough for us to be sickened. It is not enough for us to condemn. This is a national problem, requiring a national dialogue and creative thinking.

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I think it is time to take Project Safe Childhood to the next level by asking that all of its partners – everyone here in this room today and your colleagues back home – join together in building a foundation for a national, zero-tolerance attitude towards pedophiles and sexual predators.

As a society, we already share a revulsion for what these criminals do to our children. The crimes are so terrible, that people are uncomfortable talking about them.

But if we are to make real progress…

If we are to really stop pedophiles and predators before they strike…

We need to move our country past revulsion and on to determination fueled by outrage, and finally on to action by parents, community organizations, law enforcement and victims groups. It is now your responsibility to inspire everyone in your communities to face this brutal threat with the same boldness that you do.

I have a vision for Project Safe Childhood that will make it the foundation on which we will build a national, zero-tolerance culture.

Today, I wish to share that vision with you … and I will ask for your help because no man or woman can do this alone.

- First, to put it in the simplest of terms, we need to get pedophiles and predators off the street.

This means being aggressive in the cases you bring – show the world that there is no gray area when it comes to hurting kids.

We must transform ourselves before we can transform America into a place where children's safety is a guarantee.

We must therefore train ourselves so that *no* lead will ever cross the threshold of a U.S. Attorney's Office, local police precinct or advocacy center without some kind of follow-up and action. If there is evidence that a child has been hurt, I want to see an arrest, a thorough investigation and a merciless prosecution if you have the evidence.

I know this is a tall order. It's asking you to pour even more blood, sweat and tears into this work than you already do – and what you already do is a lot.

But if we work together, we can make it happen. Remember – that's the structure that Project Safe Childhood has given you.

As I have said before, I see Project Safe Childhood as a strong, three-legged stool: one leg is the federal contribution led by United States Attorneys around the country; another is state and local law enforcement,

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including the outstanding work of the Internet Crimes Against Children task forces funded by the Department's Office of Justice Programs; and the third is non-governmental organizations, like the Financial Coalition Against Child Pornography and the National Center for Missing and Exploited Children.

We must embrace the strength of this structure. We must talk to each other. Brainstorm and be creative. And go after these criminals with the full force of our laws.

- Second, once we get them off the street, we need to keep the pedophiles and predators behind bars.

We must seek stiff penalties for these criminals. If your state penalties are more aggressive, it should be a state-level case. If the federal law will put a pedophile behind bars for longer, I want it to be a federal case.

Again, when we work together, we can make that happen. I've seen it. Under the Project Safe Childhood structure, state, local and federal partners *are* getting creative and seeking the toughest sentences possible. We have seen some great examples of this.

I'm very pleased to be able to announce today some additional funding that will help you make tough sentences a reality.

We're making half a million dollars available for a Project Safe Childhood program – a program that will bring state and local law enforcement together with federal prosecutors from their regions. We are determined to equip law enforcement with all the knowledge they need so that they can work their cases and present them to our U.S. Attorneys' offices when necessary. When state and local law enforcement can work as easily with federal prosecutors as they already do with their district attorneys, a major obstacle to genuine cooperation will be overcome. Constantly expanding our ability to work together quickly and effectively is what Project Safe Childhood is all about.

The training program will be kicked off at the NCMEC headquarters in early 2007 and, thereafter, delivered around the country.

Because I don't want just a few great examples of cooperation. I want it to be the standard operating procedure for everyone involved in PSC, nationally.

I am also interested in taking advantage of the mandates that Congress has given us on this issue.

We've had outstanding support from Capitol Hill over the past six years. They've given law enforcement additional tools to remove this blight from our neighborhoods.

For example, I will support the development and implementation of new regulations for the Bureau of Prisons to pursue the civil commitment of mentally abnormal or disordered sex offenders who would pose a serious

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danger to others if released. Congress has been creative; they've given us the right to pursue that path and others like it, and we are going to.

We're already implementing a number of other mandates that were included in the Adam Walsh Act. For example, I'm proud to say that the President just appointed Laura Rogers to be the Department's first SMART office coordinator. With her appointment, the Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking Office will now be able to get to work on numerous important functions relating to the sex offender registry. Improving that registry, and giving the requirement to register some teeth was a creative step that is going to help all of us protect America's children.

Cooperative law-enforcement work on the registry has already led to some great stories of success. The first case brought under the Adam Walsh Child Protection and Safety Act involved a fugitive who was arrested by the Social Security Administration for allegedly using a false name and another man's Social Security number as he tried to set up a new identity for himself. It turns out that this individual was convicted for assaulting a police officer and possession of sexually exploitive material in Idaho in 2003 … and he was wanted on a probation violation in another state for failing to register as a sex offender. He had done so at his first address, but did not re-register when he moved and then fled the state.

Deputy U.S. Marshals – working with the Social Security Administration and the local U.S. Attorney's office – built a case against the man, and he was charged via criminal complaint for failing to register as a sex offender. The charges were brought in October, making his the first case charged under the new act.

It's clear that cooperation is working – and we're going to make it work even better.

- The third, and potentially most important step we all need to take to achieve this zero-tolerance vision is old-fashioned communication – raising our voices, together, to raise awareness and teach prevention.

When he talked about the importance of the civil rights movement, Martin Luther King said that *"History will have to record that the greatest tragedy of this period of social transition was not the strident clamor of the bad people, but the appalling silence of the good people."*

That is still true today. For us to be silent on this issue is to fall short of our responsibilities as leaders of a battle to protect society's most innocent and most vulnerable: our children.

We must seed our communities with our knowledge and our passion. Remember that this communication starts with each other, the Project Safe Childhood partners. U.S. Attorneys' offices need to be calling their state and local partners constantly – and we at the Department should be hearing from you.

I don't ever want to hear that one of our U.S. Attorneys didn't return your call. And I don't' want to hear that an ICAC commander didn't return a U.S. Attorney call.

When we work together, when we talk to each other, we save kids from unthinkable abuse – it's that simple.

In a recent District of Minnesota case, the importance of community involvement, communications and the strength of the Project Safe Childhood structure was evident when a tip from a concerned citizen led to the indictment of a registered sex offender on five counts of production of child pornography. The defendant was observed at a public park with a group of young boys and a digital camera. The concerned citizen called the St. Paul Police Department, who ultimately requested assistance from the Minnesota Internet Crimes Against Children Task Force, who then included the National Center for Missing and Exploited Children, the FBI, the U.S. Secret Service, Midwest Children's Resource Center, the Ramsey County Attorney's Office and the U.S. Attorney's Office in the investigation.

With all hands on deck, it was discovered that the defendant had been manufacturing child pornography for years. The Project Safe Childhood coalition in Minnesota was ultimately able to rescue several boys from continuing abuse and exploitation.

That, my friends, is a true success story.

It reminds us that we can't communicate too much when it comes to investigating and prosecuting these crimes. We can't have too many partnerships or too much help from everyday citizens when it comes to protecting our kids.

That is why Project Safe Childhood exists, and that is the power of its potential.

But as I said earlier, even more is needed. We need to take this effort to the next level.

We all need to be on the same page and we should be talking to parents, teachers and other community groups as often as we can. Keep learning from your partners, then keep sharing with your communities – teach them how to recognize trends and signs of abuse, and how to take action if they suspect that a child is being abused.

This message needs to be heard at the local Chamber of Commerce meeting as much as it does at the school board meeting. Because every adult is responsible for protecting the next generation of children. And we can't succeed in protecting them unless we establish a true zero-tolerance culture.

I think the President put it very well when he signed the Adam Walsh Act. He said: "Protecting our children is our solemn responsibility. It's what we must do. When a child's life or innocence is taken it is a terrible loss -- it's an act of unforgivable cruelty. Our society has a duty to protect our children from exploitation and danger."

As leaders, our duty is clear. We must not only arrest, investigate and prosecute – we must speak, and speak again, and speak more loudly and more clearly if we aren't being heard.

It's uncomfortable to describe the rape of a three-year-old. It's uncomfortable to hear about it.

But we must tell the stories, and we must make it okay to listen.

Because when responsible citizens stop and see what is being done to our kids … and how determined pedophiles and predators are to get access to children and continue committing these unthinkable crimes … they, like you, will be moved to help.

The average citizen will step between molesters and their victims.

They will notify authorities when they think something 'just isn't right.'

They will follow the example of Tracie Dean, whose story was shared by Oprah Winfrey earlier this year. Tracie took action when she couldn't stop thinking about the little girl she saw at a convenience store who "just didn't belong" with the man next to her.

Tracie couldn't put the child's face out of her head. Maybe it was the look in her eyes, she didn't know… but she returned to the convenience store – hundreds of miles from her home – and worked with the store manager and ultimately with local police to find out the story of the little girl she had seen, the girl she was so worried about and she didn't know quite why.

As it turns out, Tracie was right. The man who she'd seen with the child was arrested and has been charged with statutory rape, sexual abuse and sodomy in connection with that girl and a 17-year-old boy also found living with him. Doctors confirmed that the young girl had been severely sexually assaulted.

Thanks to Tracie, that little girl is finally safe from the man who was hurting her. She is now in foster care and we pray that her wounds – both physical and emotional – are healing today.

We have the infrastructure, we have the desire and we have the responsibility… to create a nation of Tracie Deans.

If everyone acts like she did, the number of people actively protecting children every day, everywhere they go, will absolutely dwarf the number of twisted souls who are trying to hurt them.

We have the power to change the battlefield, and the victory of safe childhoods will be our legacy.

Conclusion

People often ask me what keeps me up at night. Obviously the threat of a terrorist attack never leaves my mind, and it is the top priority of our government to keep that from happening.

But it is the faces of child victims that haunt my dreams. I can see their eyes, that awful emptiness, as if their tiny souls are trying to detach themselves from their desecrated bodies.

I see the victim's images as part of my work. But now they are part of my heart, and I am not going to tire in this fight to protect them.

I know you are with me. That is why, today, we are brothers and sisters in a common cause – you and me, standing shoulder to shoulder, like sentinels at the watch.

President Bush has talked to the American people about the need for *armies of compassion* to rise up to battle the evils of our society.

We are not yet there on this issue, but our band of soldiers grows stronger every day. Parents and community groups will be our infantry. The Internet Crimes Against Children Task Forces will be our cavalry. And our prosecutors will be our artillery.

The next time I see you all, I want our battalion ready to go.
I look forward to meeting with you on that day, when we are routinely catching and prosecuting the criminal who is buying child pornography and has signed up to be a summer camp counselor… but hasn't yet touched a child.

A day when justice is served before an already-abusive parent invites his daughter's friends over for a slumber party.

A day when we never hear from the people who brag on the Internet about being revolutionaries, fighting for the so-called "sexual rights of children" – as though they are doing kids a favor by sexually molesting and exploiting them.

I want these pedophiles off the streets.

I want them put away for as long as the law will allow.

And I want society to act as one united front against this threat.

You and I won't tolerate the continued victimization, exploitation and desecration of our children.

And soon, with your help, no one else in this nation will, either.

May God bless and guide your important work, and may he continue to bless this great nation. Thank you.

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Image not available for this document, ID: 0.7.10316.16634-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, December 04, 2006 8:40 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES CALLS FOR AMERICANS TO JOIN THE FIGHT AGAINST CHILD SEXUAL EXPLOITATION

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 4, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES CALLS FOR AMERICANS TO JOIN THE FIGHT AGAINST CHILD SEXUAL EXPLOITATION

WASHINGTON – Attorney General Alberto R. Gonzales today delivered remarks at the Justice Department's Project Safe Childhood conference on Department efforts to prosecute sex predators and protect children from sexual exploitation through Project Safe Childhood. He called upon Americans to report suspicious behavior and signs of abuse, and upon federal and state prosecutors to aggressively pursue sex predators.

Project Safe Childhood, announced by the Attorney General in February 2006, creates a coordinated national response to the growing threat posed to America's youth by online sexual exploitation. It brings federal, state and local law enforcement communities together in order to maximize resources and obtain the strictest penalties available against sex predators under federal and state law.

As technology advances and as the Internet becomes more accessible, the number of computer-facilitated sexual exploitation crimes committed against children — including child pornography offenses and "traveler" or enticement crimes — continues to grow.

"The sexual abuse and exploitation of children is one of the most disturbing crimes known to humankind," said Attorney General Gonzales. "Much has been done to protect and defend them, but more must be done. Through Project Safe Childhood, the Department of Justice and our law enforcement partners are able to work together to pursue and prosecute sex predators with greater coordination and determination than ever before."

In addition to its emphasis on increasing the prosecutions of sex predators, Project Safe Childhood works to increase public awareness about the presence of pedophiles on the Internet. Project Safe Childhood has partnered with the National Center for Missing and Exploited Children (NCMEC) and The Ad Council on a public education campaign targeted to children and their parents. The campaign, including print, broadcast and web content, will debut in early 2007.

Project Safe Childhood includes five key components:

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- *Integrated federal, state and local efforts to investigate and prosecute child exploitation cases*
  The U.S. Attorneys have partnered with ICAC Task Forces that exist within their districts and other federal, state and local law enforcement partners working in their districts to implement Project Safe Childhood. Working with these partners, the U.S. Attorneys have developed district-specific strategic plans to coordinate the investigation and prosecution of child exploitation crimes; to identify and rescue victims; and to coordinate local training, educational and awareness programs.

- *Major case coordination by the Criminal Division*
  The Department's Child Exploitation and Obscenity Section (CEOS), in conjunction with the FBI's Innocent Images Unit, has integrated the Project Safe Childhood Task Forces into pursuing local leads generated from CEOS major national operations.

- *Increased federal involvement in child pornography and enticement cases*
  Given the beneficial investigative tools and stiffer punishments available under federal law, U.S. Attorneys and the federal investigative agencies have increased the number of sexual exploitation investigations and prosecutions. The goal is to ensure the worst offenders get the maximum amount of jail time possible.

- *Training of federal, state and local law enforcement*
  Members of the Project Safe Childhood Task Forces have attended training programs facilitated by the National Center for Missing and Exploited Children (NCMEC), the ICAC program and other ongoing programs, in order to be taught to investigate and prosecute computer-facilitated crimes against children, as well as to pursue leads from national operations and from NCMEC's CyberTipline and Child Victim-Identification programs.

- *Community awareness and educational programs*
  Project Safe Childhood has partnered with NCMEC and the ICAC Task Force program to raise awareness about the threat of online sexual predators and to provide the tools and information parents and youngsters need in order to report suspicious activity on the Internet. The public education campaign, featuring print, broadcast and web content, will debut in the spring of 2007.

# # #

06-807

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Image not available for this document, ID: 0.7.10316.16614-000002

System Administrator

From: System Administrator
Sent: Monday, December 04, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, December 04, 2006 10:52 AM
Subject: JCON BROADCAST, WEEK OF DECEMBER 4, 2006

JCON BROADCAST, WEEK OF DECEMBER 4, 2006

1. **Federal Employees Health Benefits Significant Plan Changes and Open Season**
2. **Grace Period for Flexible Spending Accounts**
3. **Voluntary Leave Bank Program Open Season Extended**
4. **Holiday Season Blood Drive—December 14, 2006**
5. **Be a Star—Contribute Through the Combined Federal Campaign (CFC)**
6. **Getting Ready for the New Year Early! Be A HealthierFed in 2007**

Federal Employees Health Benefits Significant Plan Changes and Open Season

The Federal Employees Health Benefits (FEHB) Open Season is here! Employees need to be aware of significant changes to certain health plans. Some plans are dropping out of the FEHB program, some are dropping service areas, and some are dropping options, while new plans are entering the program.

If your plan is dropping out of the FEHB program, you must choose a new health plan during Open Season.

If your plan is dropping an option, you may choose a new health plan during Open Season, or remain with your current plan and be switched automatically to the plan's remaining option.

If your plan is reducing its service areas and your service area is being terminated, you must elect a new health plan during Open Season. If you do not choose a new health plan, you will have to travel to your plan's remaining service area to receive full benefits.

To determine if you are affected by any changes to health coverage, please visit the Office of Personnel Management's (OPM) website at www.opm.gov/asd/htm/2006/06-405.asp.

We encourage you to visit OPM's web site at http://www.opm.gov/insure/health/index.asp for the most up to date information. OPM will be updating these pages on a regular basis throughout the open season.

If you need to make changes to your health insurance, the FEHB Open Season will end December 11, 2006. Until then, you have the option to make changes to your current plan or switch to another plan. For employees of the Offices, Boards, and Divisions, please access an FEHB memo at www.usdoj.gov/jmd/ps/memfehb-os-06.htm. All transactions must be completed by close of business, December 11, 2006. Changes that are made during this 2006 Open Season period are effective January 7, 2007 (the first day of the first full pay period of the new year).

Grace Period for Flexible Spending Accounts

For those employees enrolled in the Flexible Spending Account (FSAFEDS) Program, you have until March 15, 2007, to incur expenses which will be reimbursed from the previous year's account. The "grace period" provides more time for you to use the funds in your FSA account. During the grace period, eligible expenses incurred January 1, through March 15, 2007, can be applied towards your prior year balance. The intent is to help accountholders avoid forfeiting any of the funds they deposited in FSA accounts. You do have to be employed with the Federal Government through December 31, 2006, to be eligible for the grace period.

OPM has adopted the grace period on behalf of all agencies and employees that are part of FSAFEDS, and has also extended the filing deadline for claims (including claims incurred during the "grace period") from April 30, 2007, to May 31, 2007.

For more information on the grace period and reconciliation, please visit the FSAFEDS website at https://www.fsafeds.com/fsafeds/news.asp#FinalGrace.

Voluntary Leave Bank Program Open Season Extended

Open season for the Leave Bank has been extended to December 22, 2006.

The Department's Voluntary Leave Bank Program (VLBP) is a special membership program for employees that allows members to pool and request donated leave for use during medical emergencies when all other leave has been exhausted. Annual membership in the VLBP is for a "leave year." **You may only join the VLBP during the annual open season.**

You may begin or renew your annual membership by contributing a minimum of one pay period of "accrued" annual leave (4, 6, or 8 hours). Your contribution will make you a member of the Leave Bank during leave year 2007, which begins on January 7, 2007.

Please contact your Leave Sharing Coordinator at http://www.usdoj.gov/jmd/ps/keybank.htm or local Human Resources Office if you wish to become a Leave Bank member, make a contribution, or have any questions regarding this program. You may also visit our website at http://www.usdoj.gov/jmd/ps/guibank.htm for additional information about this year's Leave Bank Open Season.

Holiday Season Blood Drive—December 14, 2006

The Department will conduct a Holiday Season Blood Drive from 8:30 a.m. to 2:00 p.m., on Thursday, December 14, 2006, in the Great Hall of the Robert F. Kennedy Main Justice Building. Please contact your organization recruiter or call Lynn Sutton on 305-8986 to schedule your appointment to give the gift of life.

Volunteers who donate blood may be granted up to four hours of excused absence for recuperative purposes.

Be a Star - Contribute Through the Combined Federal Campaign (CFC)

Your contributions make a big difference in the lives of those in need. In fact, your contribution to an organization in CFC--no matter how small--can make you a star for others. The organizations in the CFC respond every day to help families in need, serve those who are suffering from life-threatening illnesses, and build stronger communities. Your contribution can help these efforts, and many others, continue in the coming year! During this Holiday Season, take a look at the Catalog of Caring and find an organization that is of interest to you. Or, go to our website at http://www.usdoj.gov/jmd/ps/empcfc.htm. You can search for charities online and create your Pledge Card through *e-CFC*. Give generously and remember every dollar can change the world. *Be a Star in Someone's Life!*

Getting Ready for the New Year Early! Be a HealthierFed in 2007

The Department of Justice, Office of Personnel Management, and the President's Council on Physical Fitness and Sports are again teaming to host the HealthierFeds Physical Activity Challenge scheduled to take place January 22 to March 18, 2007. All employees and their families are encouraged to participate.

The goals of the HealthierFeds Physical Activity Challenge are to inspire employees to be physically active and to build a spirit of camaraderie around physical fitness. The Challenge will allow employees the opportunity to set a fitness goal and record their progress through an interactive website. The Challenge will include all, from those who already practice an active lifestyle to those who currently are less active. Participants

will be able to choose from nearly 100 activities to earn points, offering enough variety and flexibility to sustain interest and enthusiasm.

Details on registration, rules for participation, and other information will be distributed as the Challenge draws closer. In the meantime, it is never too early to set resolutions for a healthier, more physically fit future for yourself and your families.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, December 04, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928105 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: Amber.JMD
Sent: Monday, December 04, 2006 10:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Albertville, AL

From: AmberAlert-DOJ
Sent: Monday, December 04, 2006 10:35:53 AM
To: Civ-Amber; BOP Amber Alert; Amber.JMD; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Albertville, AL
Auto forwarded by a Rule

AMBER ALERT:Albertville,AL VEH:1994 Light Blue Nissan Altima CHILD:5YR B/M 3FT 65LBS Eyes:BROWN Hair:BLACK SUSPECT:B/M 5FT9-5FT11 200-220LBS CALL 256-878-1212
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2942

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!
^@

System Administrator

From: System Administrator
Sent: Monday, December 04, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928107 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, December 04, 2006 3:02 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Albertville, AL

From: AmberAlert-DOJ
Sent: Monday, December 04, 2006 3:01:48 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Albertville, AL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Albertville,AL VEH:94 Lt Blue Nissan Altima AL 31J068V CHILD:5YR B/M 3FT 65LB Eye:BRO Hair:BLK SUS:B/M 5FT9-5FT11 200-220LB CALL 256-878-1212
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2942

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, December 04, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928110 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, December 4, 2006 6:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Albertville, AL

From: AmberAlert-DOJ
Sent: Monday, December 04, 2006 6:01:08 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Albertville, AL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Albertville,AL VEHICLE:94 Turquoise Nissan Altima CHILD:5YR B/M 3FT 65LB Eyes:BRO Hair:BLK SUSPECT:B/M 5FT9-5FT11 200-220LB CALL 256-878-1212
---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2942

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, December 04, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928113 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 4, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928114 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, December 5, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 928114 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 05, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 931368 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 05, 2006 9:59 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 5, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, December 05, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on Project Civic Access. (Magnuson)

The Environment and Natural Resources Division will issue a release on vessel pollution. (Magnuson)

EVENTS/HEARINGS

10:30 A.M. EST The Antitrust Division will participate in a Microsoft status conference hearing before Judge Colleen Kollar-Kotelly of the U.S. District Court for the District of Columbia.
United States District Court for the District of Columbia
333 Constitution Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the U.S. District Court at 202-354-3000.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171085

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Image not available for this document, ID: 0.7.10316.16520-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, December 5, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 931962 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From:	System Administrator
Sent:	Tuesday, December 5, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 931982 KB.
Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 05, 2006 2:46 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT CIVIL RIGHTS DIVISION COMMEMORATES 150th AGREEMENT MILESTONE FOR PROJECT CIVIC ACCESS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 5, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT CIVIL RIGHTS DIVISION COMMEMORATES 150th AGREEMENT MILESTONE FOR PROJECT CIVIC ACCESS

WASHINGTON – The Justice Department today announced the signing of its 150th agreement with local government entities under Project Civic Access, a Department initiative to bring cities, counties, and other government localities into full compliance with the Americans with Disabilities Act (ADA). The Department has conducted reviews in all 50 states, as well as Puerto Rico and the District of Columbia; and the 150 agreements are helping to improve lives and broaden opportunities for more than 3 million Americans with disabilities.

The announcement was made at a commemorative event held in Charleston, W.V., to celebrate the milestone. At the event, Assistant Attorney General for the Civil Rights Division Wan J. Kim signed Project Civic Access agreements with three local government entities: Kanawha County Parks and Recreation, Metro 911 of Kanawha County, and Kanawha County.

"From day one, all three entities welcomed the Department's investigation. This type of cooperation by local governments across the country has helped make Project Civic Access a big success," said Assistant Attorney General Kim. "As a result of today's agreements, people with disabilities will be able to participate fully in fundamental aspects of American life in Kanawha County, including attending town hall meetings, viewing government Web sites, enjoying local parks and recreational facilities, accessing emergency services, and voting at their local polling places. Their increased participation benefits all Americans."

Assistant Attorney General Kim remarked that the Project Civic Access review of Kanawha County was undertaken on the Department's own initiative under the authority of Title II of the ADA, rather than resulting from a complaint. Kanawha County was chosen by the Department because nearly 22 percent of the county's population is comprised of people with disabilities—7 percent higher than the national average.

"We are committed to making the County's programs, parks, and 911 system accessible to everyone who lives in or visits our County. The County Commissioners, Parks and Recreation Board, and Metro 911 Board welcomed the opportunity to work with the Justice Department to figure out where access for people with disabilities could be improved, and we have already started making those improvements," said W. Kent Carper, President of the Kanawha County Commission.

DOJ_NMG_ 0171090

Assistant Attorney General Kim also announced the issuance of the first installment of new technical assistance materials the Civil Rights Division is developing to assist state and local officials in complying with ADA requirements. The new technical assistance materials, entitled "The ADA Best Practices Tool Kit for State and Local Governments," will teach state and local officials how to conduct accessibility audits of their own programs, services, activities and facilities.

"State and local officials have asked us to show them how to identify barriers to access for people with disabilities. The Tool Kit is a very practical type of technical assistance. It tells government officials what to review and what questions to ask in order to identify ADA problems," said Assistant Attorney General Kim.

The first installment of the Tool Kit provides a general overview of basic ADA requirements applicable to state and local governments, a checklist to determine if basic ADA administrative requirements are being met, and sample forms that can be used to meet those requirements.

Project Civic Access was initiated to ensure that people with disabilities have an equal opportunity to participate in civic life. As part of the project, Departmental investigators, attorneys, and architects survey state and local government facilities and programs across the country for the purpose of identifying modifications needed to comply with ADA requirements. Depending on the circumstances in each community, the agreements address specific areas where access can be improved.

People interested in finding out more about the ADA, today's agreements, or the ADA Best Practices Tool Kit can access the ADA Home Page at http://www.ada.gov or call the toll-free ADA Information Line at (800) 514-0301 or (800) 514-0383 (TTY).

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06-809

DOJ_NMG_ 0171091

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Image not available for this document, ID: 0.7.10316.16509-000002

[redacted]

Subject: HSC Action Item Meeting
Location: GSA Bldg., 7th & D Sts, Room 3327

Start: Friday, December 08, 2006 12:30 PM
End: Friday, December 08, 2006 2:30 PM
Show Time As: Tentative
[redacted]
Recurrence: (none)
[redacted]
Meeting Status: Not yet responded
[redacted]
Organizer: [redacted]
Required Attendees: CAP WG
[redacted]
Attachments: Action Items 12_8_06 listing.doc[redacted]
[redacted] [redacted]

When: Friday, December 08, 2006 12:30 PM-2:30 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg., 7th & D Sts, Room 3327

~~*~*~*~*~*~*~*~*~*

All-

First, my sincere thanks to all of you for your assistance and time in reviewing the HSC report for Action Item 5.1.1.2. We are good to go and begin discussing next steps. That being said this meeting is to circle the wagons on the next steps for 5.1.1.2 and the HSC Action Items on the attached document below.

Please note we do have a conference call as well for those unable to attend in person and as this is relatively short notice. I will send out an agenda by COB Thursday, December 7th.

Conference Call: [redacted] or [redacted]

Pin: 409798

If there is anything that anyone would like to see on the agenda, please let me know.

Regards,

[redacted]
[redacted]
Economist
O: [redacted]
F: [redacted]
[redacted]@dhs.gov

Action Items

5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities. **Meeting would be for next steps to talk to private sector. We only have clearance from HSC to talk to private sector for this item. DUE DATE: 6 months**

6.3.2.3 -- HHS, in coordination with DHS and DOD and in collaboration with mathematical modelers, shall complete research identifying optimal strategies for using voluntary home quarantine, school closure, snow day restrictions, and other community infection control measures, within 12 months. Measure of performance: guidance developed and disseminated on the use of community control. **DUE DATE: 12 months**

5.1.3.2 -- DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services. **DUE DATE: 12 months**

5.3.5.6 -- DOT and DHS, in coordination with NEC, Treasury, DOC, HHS, DOS, and the interagency modeling group, shall assess the economic, safety, and security related effects of the pandemic on the transportation sector, including movement restrictions, closures and quarantine, and develop strategies to support long-term recovery of the sector, within 6 months of the end of a pandemic. Measure of performance: Economic and other assessments completed and strategies implemented to support long-term recovery of the sector. **DUE DATE: within 6 months of end of pandemic.**

5.3.4.4 -- DHS and DOT, in coordination with USDA, DOI, DOC and DOS, shall consult with the domestic and international travel industry (e.g., carriers, hospitality industry, and travel agents) and freight transportation partners to discuss travel and border options under consideration and assess potential economic and international ramifications prior to implementation. Measure of performance: Initial stakeholder contacts and solicitation for inputs conducted within 48 hours of an outbreak and re-established if additional countries affected. **DUE DATE: Within 48 hours of an outbreak. This one goes hand in hand with several other action items (5.3.5.6, 5.1.1.2, etc.)**

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, December 5, 2006 4:34 PM
Subject: JCON E-mail Service Disruption

JCON E-mail Service Disruption

The Department is currently experiencing an intermittent JCON e-mail service disruption. Mail sent between Components may be affected.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, December 5, 2006 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fort Myers, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, December 05, 2006 4:35:02 PM
To: USAEO-AmberAlert@usa.doj.gov; AMBERALERT.ATR@usdoj.gov;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); amber-alerts.CRT@usdoj.gov;
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Jun.B.Yun@usdoj.gov; AmberAlert.EOIR@usdoj.gov; AmberAlert USTP;
AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST;
ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Fort Myers, FL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Fort Myers,FL VEH:Dark blue or black 2Door Chev/Ford Blaz/Exp CHILD:1MO W/M 12LBS Hair:BLK SUSPECT:W/F Heavyset Hair:BLK CALL 1-877-667-1296 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2922

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Tuesday, December 5, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 932120 KB.
Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 05, 2006 5:05 PM
To: USDOJ- Office of Public Affairs
Subject: VESSEL'S CHIEF & SECOND ENGINEERS PLEAD GUILTY TO COVERING UP OIL DUMPING

Department of Justice

FOR IMMEDIATE RELEASE ENRD
TUESDAY, DECEMBER 5, 2006 (202) 514-2007
WWW.USDOJ.GOV TDD (202) 514-1888

VESSEL'S CHIEF & SECOND ENGINEERS PLEAD GUILTY TO COVERING UP OIL DUMPING

Korean Vessel Used Hoses to Bypass Pollution Prevention Equipment

WASHINGTON — The Chief Engineer and Second Engineer of the *M/V Sun New* have pleaded guilty to environmental crimes and obstruction of justice in relation to the operation of the bulk carrier vessel, the Justice Department announced today. The owner and operator of the vessel, Sun Ace Shipping Company, which is based in Seoul, South Korea, has previously pleaded guilty to a similar violation in conjunction with this case.

Chief Engineer Chang-Sig O pleaded guilty to obstruction of justice for maintaining a false Oil Record Book and lying to the Coast Guard about his knowledge of the bypass hoses used to circumvent pollution control equipment.

Second Engineer, Mun Sig Wang, pleaded guilty to a violation of the Act to Prevent Pollution from Ships for presenting a false Oil Record Book to the U.S. Coast Guard in Camden, N.J., on Jan. 3, 2006. The false record book concealed the dumping of oily wastes overboard using the "magic pipe" built to bypass the vessel's oil-water separator.

Chang-Sig O faces up to five years in prison and a $250,000 fine. The maximum statutory penalty for Mun Sig Wang is six years in prison and a $250,000 fine.

"The defendants admitted that they used bypass hoses to circumvent required pollution control equipment and then lied and falsified records to conceal their illegal dumping," said David M. Uhlmann, Chief of the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division. "The Justice Department is determined to continue its vessel pollution prosecutions until shipping companies and their crews comply with the laws designed to protect our environment from illegal pollution."

Engine room operations on board large oceangoing vessels such as the *Sun New* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an Oily Water Separator. The law also requires that all overboard discharges be recorded in an Oil Record Book, a required log which is regularly inspected by the Coast Guard.

DOJ_NMG_ 0171100

A joint factual statement filed in District Court in New Jersey pursuant to Sun Ace's guilty plea stated that on the night of Jan. 3, 2006, U.S. Coast Guard inspectors boarded the *Sun New* and discovered that members of the engine room crew has used bypass hoses to discharge oily wastes overboard into the ocean without using the vessel's oil-water separator. Upon further investigation, inspectors discovered that the crew of the *Sun New* had disposed of significant amounts of oily waste into the ocean at least twice during the voyage from South Korea to New Jersey.

In September, a grand jury in Newark, N.J., returned a three-count indictment charging Chang-Sig O and Mun Sig Wang with conspiracy, obstruction of justice, and a violation of the Act to Prevent Pollution from Ships in connection with the use of the two bypass hoses.

The case was investigated by marine inspectors from Coast Guard Sector Delaware Bay, and special agents from the Coast Guard Investigative Service and the Environmental Protection Agency Criminal Investigation Division. The case is being prosecuted by Trial Attorney David P. Kehoe in the Environmental Crimes Section in the Justice Department's Environment and Natural Resources Division and Assistant U.S. Attorney Bradley A. Harsch of the U.S. Attorney's Office for the District of New Jersey.

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06-810

DOJ_NMG_ 0171101

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Image not available for this document, ID: 0.7.10316.16506-000002

System Administrator

From: System Administrator
Sent: Tuesday, December 05, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 932178 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

From: [redacted]
Sent: Tuesday, December 05, 2006 6:55 PM
To: [redacted]@yahoo.com
Subject: Post-CFR Holiday Party Gathering - Tues, Dec. 12, 8 pm (at Cloud)

EVENT: Post-CFR Holiday Party

TIME: 8:00 pm - ?

PLACE: Cloud (1 Dupont Circle at New Hampshire Ave – south side of circle)

Feel free to bring along friends and guests. Please note that this is NOT an official CFR event.

For those term members attending or unable to attend the CFR Holiday Party on Tuesday, December 12th from 6 to 8 pm, please note that there will be a gathering of term members and guests immediately after the event at Cloud *(across the Circle from the Washington Club, venue of the CFR holiday event)*

Want to start your own business? Learn how on Yahoo! Small Business.

System Administrator

From: System Administrator
Sent: Tuesday, December 05, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 932183 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 6, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 932184 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

[redacted] (DHS)

Subject: HSC Action Item Meeting
Location: GSA Bldg., 7th & D Sts, Room 3327

Start: Friday, December 08, 2006 12:30 PM
End: Friday, December 08, 2006 2:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Randall, Jenny (DHS)
Required Attendees: [redacted] Gorsuch, Neil M; [redacted]

Attachments: Action Items 12_8_06 listing.doc

When: Friday, December 08, 2006 12:30 PM-2:30 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg., 7th & D Sts, Room 3327

~~*~*~*~*~*~*~*~*~*

All-

First, my sincere thanks to all of you for your assistance and time in reviewing the HSC report for Action Item 5.1.1.2. We are good to go and begin discussing next steps. That being said this meeting is to circle the wagons on the next steps for 5.1.1.2 and the HSC Action Items on the attached document below.

Please note we do have a conference call as well for those unable to attend in person and as this is relatively short notice. I will send out an agenda by COB Thursday, December 7th.
Conference Call: [redacted] or [redacted] Pin: 409798 If there is anything that anyone would like to see on the agenda, please let me know.
Regards,

[redacted]
Economist
O [redacted]
F: [redacted]
[redacted]@dhs.gov

<<Action Items 12_8_06 listing.doc>>

Action Items

5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities. **Meeting would be for next steps to talk to private sector. We only have clearance from HSC to talk to private sector for this item. DUE DATE: 6 months**

6.3.2.3 -- HHS, in coordination with DHS and DOD and in collaboration with mathematical modelers, shall complete research identifying optimal strategies for using voluntary home quarantine, school closure, snow day restrictions, and other community infection control measures, within 12 months. Measure of performance: guidance developed and disseminated on the use of community control. **DUE DATE: 12 months**

5.1.3.2 -- DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services. **DUE DATE: 12 months**

5.3.5.6 -- DOT and DHS, in coordination with NEC, Treasury, DOC, HHS, DOS, and the interagency modeling group, shall assess the economic, safety, and security related effects of the pandemic on the transportation sector, including movement restrictions, closures and quarantine, and develop strategies to support long-term recovery of the sector, within 6 months of the end of a pandemic. Measure of performance: Economic and other assessments completed and strategies implemented to support long-term recovery of the sector. **DUE DATE: within 6 months of end of pandemic.**

5.3.4.4 -- DHS and DOT, in coordination with USDA, DOI, DOC and DOS, shall consult with the domestic and international travel industry (e.g., carriers, hospitality industry, and travel agents) and freight transportation partners to discuss travel and border options under consideration and assess potential economic and international ramifications prior to implementation. Measure of performance: Initial stakeholder contacts and solicitation for inputs conducted within 48 hours of an outbreak and re-established if additional countries affected. **DUE DATE: Within 48 hours of an outbreak. This one goes hand in hand with several other action items (5.3.5.6, 5.1.1.2, etc.)**

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 9:41 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 6, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, December 06, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

The Antitrust Division will issue a release on a criminal matter. (Talamona)

EVENTS/HEARINGS

9:30 A.M. EST FBI Director Robert Mueller testified before the Senate Judiciary Committee regarding FBI Oversight.
Dirksen Senate Office Building
Room 226
Washington D.C.
OPEN PRESS

2:30 P.M. EST Clifford White, Director of the Executive Office for United States Trustees (EOUST), will testify before the Senate Judiciary Committee regarding oversight of the Implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act.
Dirksen Senate Office Building
Room 226
Washington D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

DOJ_NMG_ 0171111

4:00 P.M. EST Michael J. Sullivan, Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives will deliver remarks at the dedication of Colombia's new Explosives Information and Firearms Tracing Center.
Direccion Central de Policia Judicial Headquarters
Bogota, Colombia
OPEN PRESS

Press inquiries regarding logistics should be directed to Alberto Rodriguez at 011-571 383-2418 or to ATF Public Affairs at 202-927-8500.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171112

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System Administrator

From: System Administrator
Sent: Wednesday, December 06, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 936099 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Wednesday, December 06, 2006 11:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Philadelphia, PA

From: AmberAlert-DOJ
Sent: Wednesday, December 06, 2006 11:01:08 AM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Philadelphia, PA
Auto forwarded by a Rule

AMBER ALERT:Philadelphia,PA VEHICLE:Black CHILD:11 Hisp M 5' 85 lbs SUSPECT:Black M SUSPECT:Black M SUSPECT:Black M CALL 911
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2962

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Wednesday, December 06, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 936122 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 1:30 PM
To: USDOJ- Office of Public Affairs
Subject: SENIOR DOJ OFFICIALS AND DEPARTMENT OF HOMELAND SECURITY TO HOLD PRESS CONFERENCE

Department of Justice

FOR PLANNING PURPOSE ONLY
WEDNESDAY, DECEMBER 6, 2006
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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

SENIOR DOJ OFFICIALS AND DEPARTMENT OF HOMELAND SECURITY TO HOLD PRESS CONFERENCE

WASHINGTON – Senior Justice Department officials and the Department of Homeland Security will hold a press conference on a criminal matter **TODAY at 3:00 P.M. EDT.**

WHO: Alice S. Fisher, Assistant Attorney General, Criminal Division
R. Alexander Acosta, U.S. Attorney, Southern District of Florida
Julie L. Myers, Assistant Secretary of Homeland Security, Immigration and Customs Enforcement
Arthur M. Cummings, Deputy Assistant Director, Counterterrorism Division, Federal Bureau of Investigation

WHAT: Press Conference

WHEN: **WEDNESDAY, DECEMBER 6, 2006**
3:00 P.M. EST

WHERE: 7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a driver's license) as well as VALID MEDIA CREDENTIALS. Final pre-set for cameras is 2:30 p.m. All media should arrive no later than 2:45 p.m. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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06-812

DOJ_NMG_ 0171119

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Image not available for this document, ID: 0.7.10316.16488-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 1:43 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER U.S. ARMY CONTRACTING DIRECTOR PLEADS GUILTY TO BRIBERY AND FILING FALSE FEDERAL INCOME TAX RETURNS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 6, 2006
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CRM
(202) 514-2008
TDD (202) 514-1888

FORMER U.S. ARMY CONTRACTING DIRECTOR PLEADS GUILTY TO BRIBERY AND FILING FALSE FEDERAL INCOME TAX RETURNS

WASHINGTON – A former Director of Contracting for the U.S. Army has pleaded guilty to accepting bribes in exchange for awarding U.S. Army contracts at an Army recreational facility in Germany and to filing false federal income tax returns, Assistant Attorney General Alice S. Fisher for the Criminal Division announced today.

Steven G. Potoski, 46, of Shriesheim, Germany, a former civilian employee of the U.S. Army, pleaded guilty to a criminal information charging him with one count of bribery and three counts of filing false tax returns in U.S. District Court in the Eastern District of New York in Central Islip before Judge Sandra J. Feuerstein.

According to the information filed, between August 1998 and July 2005, Potoski served as Director of Contracting for the Edelweiss Lodge and Resort, Armed Forces Recreation Center (AFRC Europe), in Garmisch, Germany. The Department of the Army serves as the executive agent for the AFRC Europe and operates it on behalf of the Department of Defense. Patrons at the AFRC Europe include active duty U.S. military personnel serving in Afghanistan and Iraq.

While serving as Director of Contracting, Potoski accepted bribes from contractors and subcontractors in exchange for contract awards related to work at the AFRC Europe. To fund and conceal the bribes, the contractors and subcontractors agreed with Potoski to fraudulently inflate the price of the contracts and to submit the inflated contracts to Potoski for approval. In some instances, the contractors and subcontractors would pay Potoski, and others at Potoski's direction, the difference between the inflated and actual contract price. In other instances, the contractors and subcontractors would split with Potoski the difference between the actual and the inflated price of the contract. In all, Potoski accepted over $350,000 in bribes from 15 contractors or subcontractors – two American contractors, 12 German contractors, and one British contractor. Potoski also accepted bribes from defense contractors in the form of home renovations, automobile maintenance, airline tickets, hotel rooms and furniture, among other things.

DOJ_NMG_ 0171122

Potoski faces a maximum sentence of 15 years in prison and a $250,000 fine for the bribery count and a maximum of three years in prison and $100,000 fine for each count of filing false tax returns.

The case was investigated by the U.S. Army Criminal Investigation Division Command and the Internal Revenue Service-Criminal Investigations Division. It is being prosecuted by Deputy Chief Steve A. Linick and Trial Attorney Suzanne R. Clement of the Fraud Section of the Criminal Division, with assistance from Allen Bode, Assistant U.S. Attorney, Eastern District of New York.

This case is part of the National Procurement Fraud Initiative that was announced by Deputy Attorney General Paul J. McNulty in October 2006, which is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Alice S. Fisher, and which includes U.S. Attorneys' Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies.

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06-811

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System Administrator

From:	System Administrator
Sent:	Wednesday, December 6, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 936210 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 3:12 PM
To: USDOJ- Office of Public Affairs
Subject: ROY BELFAST JR. AKA CHUCKIE TAYLOR INDICTED ON TORTURE CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 6, 2006
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ROY BELFAST JR. AKA CHUCKIE TAYLOR INDICTED ON TORTURE CHARGES

Justice Department Brings First-Ever Torture Charges

WASHINGTON – A federal Grand Jury in Miami charged Roy Belfast Jr. with various crimes related to the alleged 2002 torture of a person in Liberia, Assistant Attorney General Alice S. Fisher of the Criminal Division, U.S. Attorney R. Alexander Acosta of the Southern District of Florida, Assistant Secretary Julie L. Myers for Immigration and Customs Enforcement (ICE), and Assistant Director Joseph Billy Jr. for the Counterterrorism Division of the Federal Bureau of Investigation announced today.

Roy M. Belfast Jr., 29, aka Chuckie Taylor, aka Charles Taylor, Jr., aka Charles Taylor II, aka Charles McArther Emmanuel, was charged in an indictment returned today by a federal grand jury in Miami with one count of torture, one count of conspiracy to torture, and one count of using a firearm during the commission of a violent crime. The indictment charges Taylor, son of former Liberian President Charles Taylor, with participating in the torture of an individual on or about July 24, 2002, in and around Monrovia, Liberia. The defendant, who was born in the United States, is alleged to have been serving in his father's government in Liberia at the time of the incident.

According to the indictment, on or about July 24, 2002, the victim was abducted from his home and transported to various locations, finally arriving at the residence of then-Liberian President Taylor. The defendant observed questioning of the victim at this location. The victim was then transported for continued interrogation to the residence of a co-conspirator, who was a member of the Liberian Special Security Service.

According to the indictment, while at this residence, the defendant and others tortured the victim. The torture included repeatedly burning the victim's flesh with a hot iron, burning various parts of his body with scalding water, including forcing the victim to hold scalding water in his hands at gunpoint, repeatedly electrically shocking the victim's genitalia and other body parts, and rubbing salt into the victim's wounds.

"This marks the first time the Justice Department has charged a defendant with the crime of torture," said Assistant Attorney General Fisher. "Crimes such as these will not go unanswered."

DOJ_NMG_ 0171127

"The allegations in this case include acts of torture, such as burning flesh with a hot iron, burning flesh with scalding water, and applying electric shocks," U.S. Attorney Acosta stated. "Such conduct is criminal and constitutes torture and must be prosecuted."

"Today's indictment against Charles "Chuckie" Taylor marks a key milestone in ICE's longstanding efforts to bring human rights violators to justice," said Assistant Secretary Myers. "This is a clear message that the United States will not be a safe haven for human rights violators."

"This case is a demonstration of our tireless efforts to ensure that justice is served," said Assistant Director Joseph Billy, Jr. of the FBI.

This defendant is currently in federal custody in connection with a criminal charge of passport fraud, to which he pleaded guilty on Sept. 15, 2006. His sentencing is scheduled for Dec. 7, 2006. This defendant is being prosecuted under a statute that criminalizes torture and provides U.S. courts jurisdiction to hear cases involving acts of torture committed outside the United States if the offender is a U.S. national or is present in the United States, regardless of nationality.

The statutory maximum penalty for conviction on all offenses is life imprisonment.

An indictment is merely an accusation. All defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

The joint investigation is being conducted by ICE and the FBI. The case is being prosecuted by Trial Attorney John Cox of the Criminal Division, Assistant U.S. Attorney Karen Rochlin of the Southern District of Florida, and Trial Attorney Brenda Sue Thornton of the National Security Division.

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06-813

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 06-20758 CR-ALTONAGA

18 U.S.C. § 2340A(c)
18 U.S.C. § 2340A
18 U.S.C. § 924(c)
18 U.S.C. § 2

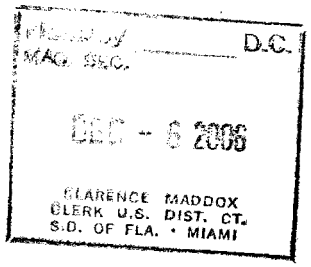
WILLIAM C. TURNOFF

UNITED STATES OF AMERICA

v.

ROY M. BELFAST, Jr.,
a/k/a "Chuckie Taylor,"
a/k/a "Charles Taylor, Jr.,"
a/k/a "Charles Taylor II,"
a/k/a "Charles McArther Emmanuel,"

Defendant.
_____/



INDICTMENT

The Grand Jury charges that:

INTRODUCTORY ALLEGATIONS

1. The defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** was born in Boston, Massachusetts, under the name of Charles Emmanuel.

2. The defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** had his name legally changed to Roy McArthur Belfast, Jr. on January 30, 1990.

DOJ_NMG_0171131

3. The defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** is present in the United States, having arrived at Miami International Airport in Miami-Dade County in the Southern District of Florida on March 30, 2006, and having remained in Miami-Dade County in the Southern District of Florida through and including the filing date of this Indictment.

4. As used in this Indictment and as defined in 18 U.S.C. § 2340, "torture" means an act committed by a person acting under color of law specifically intended to inflict severe physical pain or suffering (other than pain or suffering incidental to lawful sanctions) upon another person within his custody and physical control.

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The Republic of Liberia (hereinafter "Liberia") was a country located in West Africa, sharing borders with the countries of Guinea, Sierra Leone and the Ivory Coast.

2. The capital of Liberia was the city of Monrovia, Liberia.

3. The President of Liberia was Charles McArthur Taylor.

4. The offices and official residence of the President of Liberia were located in Monrovia in a building known as the Executive Mansion.

5. The personal residence of Charles McArthur Taylor was located in a compound known as Whiteflower, in the Congotown section of Monrovia.

6. The defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** was the son of Charles McArthur Taylor, the President of Liberia.

DOJ_NMG_ 0171132

7. The national military for Liberia was the Armed Forces of Liberia ("AFL").

8. The national police force for Liberia was the Liberian National Police ("LNP").

9. Liberia also had an armed security force known as the Special Security Service ("SSS") with responsibilities that included combating armed rebel groups and providing security for government officials.

10. Liberia also had an armed security force known as the Antiterrorist Unit ("ATU") with responsibilities that included providing security for the President.

11. During 2002, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** had authority to command members of the Antiterrorist Unit.

12. During 2002, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles Emmanuel,"** participated in joint activities of Liberian security forces, including the Antiterrorist Unit, the Special Security Service and the Liberian National Police.

13. During 2002, Liberia had both non-violent groups and armed rebel groups opposed to the Taylor presidency.

COUNT ONE

1. Paragraphs 1-4 of the Introductory Allegations portion of this Indictment and Paragraphs 1-13 of the General Allegations portion of this Indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about July 24, 2002, while outside of the United States and in Liberia, the defendant,

DOJ_NMG_ 0171133

ROY M. BELFAST, JR.,
a/k/a "Chuckie Taylor,"
a/k/a "Charles Taylor, Jr.,"
a/k/a "Charles Taylor II,"
a/k/a "Charles McArther Emmanuel,"

did knowingly conspire with others known and unknown to the Grand Jury to commit torture, in that the defendant and others conspired to commit acts, under the color of law, with the specific intent to inflict severe physical pain and suffering upon a person known to the grand jury (referred to herein as "the victim") within their custody and physical control.

Object of the Conspiracy

It was the object of the conspiracy to obtain information from the victim about actual, perceived or potential opponents of the Taylor presidency including by committing torture, in violation of Title 18, United States Code, Sections 2340A and 2340(1).

Acts In Furtherance Of The Conspiracy

In furtherance of the conspiracy and to accomplish its purpose and objects, at least one of the conspirators committed, or caused to be committed, outside of the United States, at least one of the following acts, among others:

1. On or about July 24, 2002, members of the Antiterrorist Unit and the Liberian National Police detained and abducted the victim from the victim's home.

2. On or about July 24, 2002, members of the Liberian National Police and others transported the victim to various locations, finally arriving at Whiteflower, the residence of Charles McArthur Taylor.

DOJ_NMG_ 0171134

3. On or about July 24, 2002, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** observed questioning of the victim at Whiteflower.

4. On or about July 24, 2002, the victim was transported for continued interrogation to the residence of a co-conspirator who was a member of the Special Security Service (referred to herein as "the co-conspirator").

5. On or about July 24, 2002, the defendant **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II"a/k/a "Charles McArther Emmanuel,"** left Whiteflower for the residence of the co-conspirator.

6. On or about July 24, 2002, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** and the coconspirator interrogated the victim at the residence of the co-conspirator.

7. On or about July 24, 2002, while threatening the victim at gunpoint, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther Emmanuel,"** forced the victim to hold scalding water in his hands.

8. On or about July 24, 2002, the co-conspirator poured scalding water on other locations of the victim's body.

9. On or about July 24, 2002, the co-conspirator repeatedly applied a hot iron to the victim's flesh, causing burning and scarring in various locations.

10. On or about July 24, 2002, the defendant, **ROY M. BELFAST, Jr., a/k/a "Chuckie Taylor," a/k/a "Charles Taylor, Jr.," a/k/a "Charles Taylor II," a/k/a "Charles McArther**

DOJ_NMG_ 0171135

Emmanuel," repeatedly shocked the victim's genitalia and other body parts with an electrical device.

11. On or about July 24, 2002, the co-conspirator rubbed salt into the victim's open wounds.

12. On or about July 24, 2002, members of the conspiracy sent the victim to the first of several detention facilities.

All in violation of Title 18, United States Code, Section 2340A(c).

COUNT TWO

1. Paragraphs 1-4 of the Introductory Allegations portion of this Indictment and Paragraphs 1-13 of the General Allegations portion of this Indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about July 24, 2002, while outside of the United States and in Liberia, the defendant,

ROY M. BELFAST, JR.,
a/k/a "Chuckie Taylor,"
a/k/a "Charles Taylor, Jr.,"
a/k/a "Charles Taylor II,"
a/k/a "Charles McArther Emmanuel,"

and others known and unknown to the grand jury did, while specifically intending to inflict severe physical pain and suffering, commit and attempt to commit torture, while acting under color of law, by committing acts against another person known to the grand jury (referred to herein as "the victim,") including repeatedly burning the victim's flesh with a hot iron, forcing the victim at gunpoint to hold scalding water in the victim's hands, burning other parts of the victim's flesh with scalding water, repeatedly shocking the victim's genitalia and other body parts with an electrical device, and rubbing salt into the victim's wounds, while the victim was within the defendant's custody and physical control, in violation of Title 18, United States Code, Sections 2340A and 2340(1), and Title 18, United States Code, Section 2.

DOJ_NMG_ 0171136

COUNT THREE

1. Paragraphs 1-4 of the Introductory Allegations portion of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about July 24, 2002, the defendant,

ROY M. BELFAST, JR.,
a/k/a "Chuckie Taylor,"
a/k/a "Charles Taylor, Jr.,"
a/k/a "Charles Taylor II,"
a/k/a "Charles McArther Emmanuel,"

did knowingly use and carry a firearm during and in relation to a crime of violence and did possess a firearm in furtherance of a crime of violence, for which the defendant may be prosecuted in the United States, that is, a violation of Title 18, United States Code, Section 2340A(c) as set forth in Count One of this Indictment, and Title 18, United States Code, Section 2340A as set forth in Count Two of this Indictment; all in violation of Title 18, United States Code, Section 924(c)(1)(A).

A TRUE BILL

FOREPERSON

for

R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY

KAREN E. ROCHLIN
ASSISTANT UNITED STATES ATTORNEY

JOHN F. COX III, TRIAL ATTORNEY
UNITED STATES DEPARTMENT OF JUSTICE

for BRENDA SUE THORNTON, TRIAL ATTORNEY
UNITED STATES DEPARTMENT OF JUSTICE

DOJ_NMG_ 0171137

System Administrator

From: System Administrator
Sent: Wednesday, December 06, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 936871 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 5:15 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER TELECOM OWNER INDICTED FOR SCHEME TO DEFRAUD FEDERAL E-RATE PROGRAM

A PDF of the indictment is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 6, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER TELECOM OWNER INDICTED FOR SCHEME TO DEFRAUD FEDERAL E-RATE PROGRAM

WASHINGTON — A federal grand jury in McAllen, Texas, returned a nine-count indictment alleging that the former president and owner of ATE Tel Solutions Inc., which does business as ATE Telecom Solutions Inc. (ATE Tel), committed wire fraud in a scheme to defraud the federal E-Rate program, the Department of Justice announced today. The charges stem from fraudulent applications for payment that Rafael G. Adame submitted on behalf of ATE Tel to the Federal Communications Commission's (FCC) Universal Service Administrative Company (USAC).

Including today's filing, 14 individuals and 12 companies have been charged as part of the Antitrust Division's ongoing investigation into fraud and anti-competitive conduct in the E-Rate program. Six companies and three individuals have either pleaded guilty, agreed to plead guilty, or have entered civil settlements. The defendants have agreed to pay criminal fines and restitution totaling more than $40 million. Two of the individuals have each been sentenced to serve six years in prison.

According to the indictment, from Dec. 1, 2001, until May 1, 2003, Adame submitted fraudulent invoices for payment to the Schools and Libraries Division of USAC. The indictment further charges that, as a result of his scheme to defraud the E-Rate program, Adame fraudulently obtained $141,273 in payments from USAC. The charges in the indictment include nine counts of wire fraud.

"Committing fraud upon the E-Rate program harms underprivileged school districts," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division will continue to vigorously pursue those who cheat the competitive process and take money away from this federal program."

The E-Rate program subsidizes the provision of Internet access and telecommunications services, as well as internal computer and communications networks, to economically disadvantaged schools and libraries. The program was created by Congress in the Telecommunications Act of 1996 and is administered by the USAC, a non-profit corporation, under the auspices of the FCC.

DOJ_NMG_ 0171139

Adame owned and operated ATE Tel, a vendor that provided computer-related goods and services through the E-Rate program to various school districts, including Weslaco Independent School District (Weslaco I.S.D.) in South Texas. Adame devised a scheme to defraud the E-Rate program through illegitimate invoices which were transmitted via wire communications to USAC. On these invoices Adame entered fabricated data, such as false customer bill dates and false amounts for reimbursement. USAC then relied on this illegitimate information to transmit wire transfers for the indicated amount into Adame's bank account. By making false representations on invoices filed with USAC, Adame received payments in excess of what was authorized and for work that was not actually performed.

The wire fraud charges, 18 U.S.C. § 1343, carry a maximum penalty per count of 20 years in jail, and a $250,000 fine.

The charges announced today resulted from an ongoing national investigation of fraud in the E-Rate program. The investigation giving rise to today's charges is being conducted by the Antitrust Division's Dallas Field Office and the Federal Communications Commission's Office of Inspector General.

Anyone with information concerning fraud or anti-competitive conduct in the E-Rate program should contact the Dallas Field Office of the Antitrust Division at 214-661-8600.

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06-814

DOJ_NMG_ 0171140

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION

UNITED STATES OF AMERICA	§	
	§	
vs.	§	**Criminal No.**
	§	
RAFAEL GONGORA ADAME	§	

INDICTMENT

THE GRAND JURY CHARGES:

Counts One through Nine
(Wire Fraud 18 U.S.C. §1343)

At all times relevant to this indictment:

1. Rafael Gongora Adame, defendant herein, is an individual who resides in the Southern District of Texas.

2. The defendant owned and operated ATE Tel Solutions, Inc. d/b/a ATE Telecom Solutions, Inc. ("ATE Tel") in McAllen, Texas. ATE Tel, incorporated in Texas, was a vendor that provided computer-related goods and services to various school districts including Weslaco Independent School District ("Weslaco I.S.D.").

3. In 1996, Congress passed the Telecommunications Act, which authorized the Federal Communications Commission to collect money from telephone users and spend that money on a program, titled E-Rate, to foster connectivity between schools, libraries, and rural health facilities and the Internet. The FCC utilizes a nonprofit corporation, Universal Service Administrative Company ("USAC"), to administer the program.

4. USAC is located in Washington, D.C. USAC's School and Library Division is located in Whippany, New Jersey. As part of the E-Rate program, USAC provides money to eligible schools and libraries to pay a substantial portion of the cost of telecommunication services,

Internet access, internal connections, and basic maintenance.

5. Weslaco I.S.D. is located in Weslaco, Texas. Weslaco, a medium size school district in south Texas, contracted with ATE Tel for various computer hardware and services for several of its schools and the district office for the purpose of connecting to the Internet through the E-Rate program administered by USAC.

THE OFFENSE

6. From in or about December 2001 and continuing to in or about May 2003, in the Southern District of Texas, and within the jurisdiction of the Court, defendant

RAFAEL GONGORA ADAME

having devised and intending to devise a scheme and artifice to defraud and to obtain money and property from USAC, by means of false and fraudulent pretenses, representations, and promises, well knowing at the time that said pretenses, representations, and promises would be and were false and fraudulent when made, and for the purpose of executing the scheme and artifice to defraud and for obtaining money and property, did knowingly cause to be transmitted by means of wire communication in interstate commerce, that is from inside the State of Texas to outside the State of Texas, certain writings, signs, signals and sounds in violation of Title 18, United States Code, Section 1343.

THE METHOD AND MEANS OF THE SCHEME AND ARTIFICE

7. It was part of the scheme and artifice to defraud, that defendant would produce or cause to be produced certain invoices regarding Weslaco I.S.D. that were not legitimate. The defendant would enter false invoicing data, such as false customer bill dates and false amounts for reimbursement on invoices he submitted to the USAC website via the Internet, which were transmitted by means of wire communications in interstate commerce to USAC's School and Library Division in Whippany, New Jersey. The defendant also transmitted to USAC by

DOJ_NMG_ 0171142

facsimile, an invoice bearing false amounts he purportedly charged Weslaco I.S.D. in response to questions about the amount he requested for reimbursement from USAC. USAC relied on the false information contained in the invoices submitted by the defendant to USAC to transmit wire transfers for the amount indicated into defendant's bank account at McAllen National Bank. By making false representations on invoices filed with USAC, defendant received payments in excess of what was authorized and for work that was not actually performed.

THE EXECUTION OF THE SCHEME AND ARTIFICE

8. In order to execute the scheme and artifice, the defendant committed the following acts, among others, in the Southern District of Texas and elsewhere:

9. From in or about December 2001 to May 2003, the defendant, RAFAEL GONGORA ADAME, did knowingly cause to be transmitted to USAC invoices by means of wire communication in interstate commerce, that is from McAllen, Texas, inside the State of Texas to outside the State of Texas, that is Whippany, New Jersey, certain writings, signs, signals and sounds transmitting certain information including as set forth hereafter:

Count	Transmission Date(s)	False Customer Bill Date	Invoice Funding Request Number	Amount Requested
1	12-17-01	12-1-01	598221	$177,643.91
2	1-29-02	1-1-02	598117	$358,529.95
3	6-21-02	6-1-02	597721	$572,762.72
4	6-26-02	6-21-02	597721	$572,762.72
5	12-16-02	12-16-02	806245	$21,272.60
6	2-12-03	2-1-03	806245	$2,855.60
7	3-20-03	3-18-03	806245	$20,857.50
8	4-11-03	4-10-03	806245	$19,715.60
9	5-6-03	5-2-03	806245	$10,099.50

DOJ_NMG_ 0171143

As a result of these writings, signs, signals, and sounds transmitted by means of wire communication in interstate commerce, defendant fraudulently obtained from USAC amounts in excess of amounts authorized as follows:

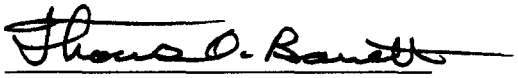
Count	Transmission Date(s)	Invoice Funding Request Number	Amount of Loss
1	12-17-01	598221	$25,504.94
2	1-29-02	598117	$9,254.17
3	6-21-02	597721	$53,428.78
4	6-26-02	597721	0
5	12-16-02	806245	$2,127.26
6	2-12-03	806245	$285.56
7	3-20-03	806245	$20,857.50
8	4-11-03	806245	$19,715.60
9	5-6-03	806245	$10,099.50

DOJ_NMG_ 0171144

In violation of Title 18, United States Code, Section 1343.

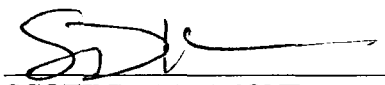
A TRUE BILL

FOREPERSON



THOMAS O. BARNETT
Assistant Attorney General

DUNCAN S. CURRIE
Chief, Dallas Field Office
Antitrust Division



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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 5:58 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF ROY BELFAST JR. AKA CHUCKIE TAYLOR ON TORTURE CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 6, 2006
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TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF ROY BELFAST JR. AKA CHUCKIE TAYLOR ON TORTURE CHARGES

WASHINGTON, D.C.

3:08 P.M. EST

MS. FISHER: Good afternoon. My name is Alice Fisher, the Assistant Attorney General of the Criminal Division. I am joined today by Alex Acosta, the U.S. Attorney for the Southern District of Florida, Miami, Art Cummings, Deputy Assistant Director of the FBI, and Julie Myers, Assistant Secretary of the Immigration and Customs Enforcement Service, ICE.

Today a federal grand jury in Miami, Florida, has indicted Roy Belfast, Jr., also known as Charles Taylor, Jr., for participating in the July 2002 torture of a victim in Monrovia, Liberia. Taylor, age 29, faces one count of torture, one count of conspiracy to commit torture, and possession of a firearm during the commission of a violent crime.

This marks the first time the Department of Justice has indicted an individual with torture charges. The torture and conspiracy charges each carry a sentence of up to 20 years, and the possession of a firearm charge carries a sentence of seven years to life imprisonment.

I note that the indictment is merely an allegation and a defendant is presumed innocent unless and until proven guilty.

As alleged in the indictment, July 24th, 2002, Taylor was a member of the Liberian regime working for his father, then-President of Liberia Charles Taylor. As alleged in the indictment, on or about July 24th, 2002, the victim was abducted from his home. He was then transported to various locations, ending up at the residence of then-President of Liberia Charles Taylor. While at the residence, defendant Charles Taylor, Jr. watched the victim being interrogated. The victim was then taken from that residence and transported to the residence of a co-conspirator. That co-conspirator was a member of the Liberian Special Security Service.

At that residence, Charles Taylor, Jr. and his co-conspirator interrogated the victim in order to obtain information about the actual, perceived or potential information about opponents of then-President Charles Taylor.

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As alleged in the indictment, during this interrogation, Charles Taylor, Jr. and his co-conspirator committed torture by repeatedly burning the victim with a hot iron on various parts of his body, causing burning and scarring; by pouring scalding hot water onto the victim; by holding a gun pointed at the victim while forcing the victim to hold scalding water in his hands; by repeatedly electrically shocking the victim's genital areas and other parts of his body; and then by rubbing salt into the victim's wounds.

These crimes are heinous, and they are torture as alleged in the indictment today. I want to thank the Immigration and Customs Enforcement Service for their very hard work investigating this case, the Federal Bureau of Investigation for their very hard work, and the prosecutors from the Southern District of Florida as well as the Domestic Security Section from the Criminal Division.

And I'll now turn it over to the U.S. Attorney from Florida, Alex Acosta.

MR. ACOSTA: Good afternoon. Earlier today, a Miami-based federal grand jury charged Roy Belfast, also known as Charles Taylor, Jr., with committing and conspiring to commit acts of torture. As alleged in the indictment, Charles Taylor, Jr. and his co-conspirator engaged in acts of torture that included pouring scalding water on the victim's hands and the victim's body, applying a hot iron to the victim's flesh in several locations, causing the flesh to burn and to scar, and applying electric shocks to the victim's genitalia and to other sensitive parts of the victim's body. Acts such as these constitute torture. They are criminal, they are heinous, and they must be prosecuted.

An indictment like today's is the result of the dedicated work of a team of agents and prosecutors. And I just want to take a minute to thank each and every one of them. I want to thank the agents from ICE and from the FBI who worked on this indictment, and in particular I want to thank Miami Assistant United States Attorney Karen Rockland and trial attorneys John Cox and Brenda Sue Thornton for their work, for their relentless and their dedicated work investigating and prosecuting this case.

Thank you.

MS. MYERS: Good afternoon. Today's indictment of Charles "Chucky" Taylor is a historic case. This is the first time anyone has been charged under the U.S. torture statutes. The case also stands as a tribute to the men and women who worked swiftly and diligently to bring Charles Taylor, Jr. to justice.

ICE would like to acknowledge all of their efforts, particularly all of those efforts with the folks represented here today, as well as the efforts of the Department of State's Diplomatic Security Service investigators, who supported the case.

Reports of the atrocities that incurred in Liberia and what has been charged in the indictment, it's nothing short of horrific. And unfortunately, incidents like these are not isolated. The United States has always been a place of refuge and freedom from oppression for millions. We must never deny safe haven to those with a genuine and legitimate fear of persecution. But we must also ensure that those who come here seeking freedom and the rule of law do not have to fear that their oppressor may become their neighbor.

This is a core value for ICE. That's why back in the summer of 2003 one of the first actions of newly created agency was the creation of the Human Rights Violators and Public Safety Unit and its legal counterpart, the Human Rights Law Division. The Human Rights Violators and Public Safety Unit oversees the investigations of individuals alleged to have committed crimes such as torture, suppression of religious freedom, persecution and genocide. The Human Rights Law Division is responsible for providing legal advice to agents and litigators, ICE field attorneys, in potential persecutor and human rights abusers cases.

There's no question that the case against Charles Taylor, Jr. is historic, but is only one of numerous criminal

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investigations of suspected human rights violators in the United States where ICE agents are working closely with the Department of Justice on a variety of charges.

In addition, ICE attorneys are currently litigating more than 800 cases and deportation proceedings involving human rights from more than 85 countries.

We are determined through our work in these units to ensure that the United States will not serve as a safe haven for individuals who engage in human rights abuses. And the investigation, prosecution and removal of these individuals is a top priority for the Department of Homeland Security.

Taylor's indictment sends a clear message to those who would prey upon the weak and the helpless. America will not be your safe haven, and we will work together to bring you to justice.

Thank you.

MS. FISHER: Thanks. Does anybody have any questions? Yeah?

QUESTION: If cases like this have -- this isn't the first incidence of such horrific torture -- why was this case decided to be the first one in how many years you said that -- where torture charges were brought?

MS. FISHER: Well, we brought this case because it was a good case that we could prove, and these cases are hard cases. In this case alone, we had agents from, you heard it, three different agencies, flying all over the world to get evidence from people that might not live in cities, from people outside of cities, and they've got to compile that.

This was a very thorough investigation and this indictment is one that was ready to bring forward at this time.

QUESTION: And, Alice, related to that, what is the history of this particular statute? When precisely did this torture statute go on the books, and why do you suppose it wasn't used before?

MS. FISHER: Well, this statute was part -- was implemented after the convention against torture, which the U.S. was a signatory to, and I believe the statute was passed in 1994 and it has been amended on a couple of times since that time.

QUESTION: If I can ask you or the FBI, what, if you can give us more information how you tracked down these alleged victims, how you persuaded them to testify, if they feared reprisals? Are they out of the U.S. or have they been brought here for what is expected to be very compelling testimony, I would imagine?

MS. FISHER: I think that these victims, as any victims of such abuse are very brave, and it is very difficult for them to come forward for obvious reasons to talk about the crimes that have been committed against them. For obvious reasons of privacy, it's our policy not to talk about specifics about the victim in this particular case at this time. But we have agents both from the Bureau and from ICE that are very well trained in this area to try to solicit information from victims so we can bring prosecutions like this forward.

I don't know, Julie, if you had anything you wanted to add?

MS. MYERS: No. I think you've really covered that.

MS. FISHER: Okay. Art? Okay. Yes?

QUESTION: What's the status of the defendant?

MS. FISHER: The status of the defendant. This defendant was flying through the U.S. in March of this year and was detained there on passport fraud charges. He has pled guilty to those charges in Miami and is currently detained in prison.

QUESTION: In Miami?

MS. FISHER: In Miami.

QUESTION: What was his sentence on the passport charges?

MS. FISHER: He has not been sentenced yet. That sentencing will take place tomorrow.

QUESTION: And how many victims are we talking about, one?

MS. FISHER: One victim is part of this indictment that we bring here today.

QUESTION: Are there more?

MS. FISHER: There's one victim charged as part of this conspiracy today.

QUESTION: Do you happen to know if the new government of Liberia has its own charges out on him for anything?

MS. FISHER: Well, we do know that there are charges outstanding on his father, former president of Liberia. Those charges I think were brought in 2003 in Sierra Leone, and former President Taylor is being detained on charges with regard to that. I am not aware of other charges brought against Charles Taylor, Jr. elsewhere.

QUESTION: Okay. And there's no request by the current Liberian government for Chuckie Taylor?

MS. FISHER: I'm not aware.

QUESTION: So the victim in this case is alive?

MS. FISHER: You know, for reasons of privacy, I don't want to talk about any details about the victim here, but I can tell you that we believe that our evidence in this case is strong, and that's why we brought this indictment.

QUESTION: On a different subject, the Iraq Study Group came out today and for the recommendations related to the Justice Department to have the Department essentially oversee the Ministry of the Interior and to have more U.S. police forces go on, more Justice Department personnel take over the training of the Iraqi police. Is that something that you've been consulted on? And just any of your reaction to the recommendations.

MS. FISHER: Well, I think the President said this morning that the Administration is going to go through all the recommendations, and I believe that the Department of Justice will certainly look at the recommendations that are made with regard to what we're doing in Iraq.

I traveled to Iraq this past summer and was able to meet with the Department of Justice representatives and many representatives from the U.S. government when I was over there, and I can just say I'm so thankful for their courageous work over there every day.

But we're certainly going to study the recommendations.

QUESTION: Just a follow-up on why this statute has not been employed before. I mean, there have been a number, as was mentioned before, of horrendous incidents here. I mean, hate crimes, people being, you know, you could characterize it as torture, people being dragged through the streets, that sort of thing. Why again has it not been used in those particular cases?

MS. FISHER: Well, I'm happy to say that we are using it and this indictment demonstrates that we're committed to enforcing that statute when we can. There's jurisdictional elements to this statute. It applies to U.S. citizens or those present in the U.S. For this particular defendant, he was born in the U.S. and he was present in the U.S. as of March when he tried to fly through the United States.

There are issues with regard to evidence. Again, agents in this case had to fly across the world to try to get the evidence and try to talk to victims and things like that. So, they're hard cases. And we need to make sure that the facts fit the statute, and we need to make sure that we investigate it.

I'm very thankful that these agencies standing behind me were able to put the resources behind this that were necessary to conduct a very intensive investigation in order to bring us where we are today.

MODERATOR: Do we have a last question?

(No response.)

MS. FISHER: Thanks. Have a good day.

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Image not available for this document, ID: 0.7.10316.16401-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 06, 2006 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: Mississippi Sergeant Pleads Guilty to Civil Rights Violations

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 6, 2006
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TDD (202) 514-1888

MISSISSIPPI SERGEANT PLEADS GUILTY TO CIVIL RIGHTS VIOLATIONS

Fourth Individual Charged, Third to Plea Guilty in Relation to Events at Harrison County Adult Detention Center

WASHINGTON — Dedri Yulon Caldwell, a former Sergeant with the Harrison County Sheriff's Department in Mississippi, pleaded guilty today to a one-count criminal information charging her with conspiring to violate the civil rights of inmates. The charge arises from Caldwell's actions as a corrections officer at the Harrison County Adult Detention Center from April 2001 through December 2005. Caldwell faces up to 10 years in prison and a fine of $250,000 for the offense.

In documents filed in federal court today, Caldwell admitted that for more than five years, she and other corrections officers participated in a conspiracy to intentionally use excessive force to punish, intimidate, injure, oppress, threaten and retaliate against inmates at the jail.

"Officers of the law hold a critical role in our society. They are the guardians of justice," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "While the overwhelming majority of law enforcement officials carry out their important work with extraordinary professionalism, the Justice Department will vigorously prosecute abuses consistent with federal law."

In August 2006, Ryan Michael Teel, a former Deputy of the Harrison County Sheriff's Department, was charged in a two-count indictment relating to the circumstances surrounding the death of an inmate who died as a result of injuries sustained at the prison earlier this year. Teel faces a maximum penalty of life in prison on count one of the indictment, and a maximum penalty of 20 years in prison and a fine of $250,000 on count two. Two other former officers, Regina Rhodes and Morgan Thompson, have also pleaded guilty to participating in a conspiracy to violate the civil rights of inmates.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

DOJ_NMG_ 0171155

Civil Rights Division prosecutors Lisa M. Krigsten and John Cotton Richmond and Assistant U.S. Attorney Jack B. Lacy, Jr. handled this matter for the Department.

###

06-815

DOJ_NMG_ 0171156

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Image not available for this document, ID: 0.7.10316.16410-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, December 6, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 937715 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 6, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 937715 KB.
Mailbox size limits:

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 7, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 937716 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 9:34 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 7, 2006

Department of Justice

PRESS GUIDANCE
Thursday, December 07, 2006

ATTORNEY GENERAL

No public events scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171162

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Image not available for this document, ID: 0.7.10316.16399-000002

System Administrator

From: System Administrator
Sent: Thursday, December 07, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 941362 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

From: [redacted]
Sent: Thursday, December 07, 2006 10:24 AM
To: [redacted] Gorsuch, Neil M;

Cc: [redacted] (DHS)
Subject: REMINDER: Economic Roundtable, December 13th
Attachments: DHS Economic Roundtable Synopsis and Bio.doc

REMINDER: We have our last Economic Roundtable of 2006 on Wednesday, December 13th with Charlotte Kirshner. We look forward to seeing everyone before the holidays!!

When: Wednesday, December 13, 2006 11:30 AM-1:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg, 7th & D Sts, Room 3651

~~*~*~*~*~*~*~*~*~*

All-

We are pleased to announce our next Economic Roundtable. Our speaker will be [redacted] a Ph.D. student in the School of Public Policy and Public Administration at The George Washington University. Her

presentation will discuss completed and ongoing research regarding the determinants of local government spending on public safety (police, fire and EMS) and the effects federal grants have on such local spending.

Please see the attached bio and presentation synopsis.

Date: December 13, 2006
Time: 1130-1300
Location: GSA Building, 7th & D Streets SW, Room 3651

We will be down at the entrances letting people in who don't have a DHS badge. Please utilize the center entrance with the handicap ramp and weather overhang as it is the best point of entry for visitors. For those coming in via Metro, it is the L'Enfant Plaza Station.

As always, you do not need to be a PhD economist to attend. Please bring your lunch, your friends and your questions!!

We look forward to seeing you there!!

[redacted]
Economist
O[redacted]
F[redacted]
[redacted]@dhs.gov

Synopsis

This presentation will discuss both completed and ongoing research regarding the determinants of local government spending on public safety (police, fire and EMS) and the effects federal grants have on such local spending. An initial analysis was conducted using local payroll data for police, fire and EMS personnel aggregated to the state level from 1998 through 2004; the analysis compared spending trends before and after September 11th. Additionally, the data were analyzed to determine if the presence or absence of certain critical infrastructure risk factors (e.g., major airports, seaports, mass transit systems, nuclear power plants, etc.) influenced spending on police fire and EMS. The results of the initial study showed that there was no significant difference in spending on public safety personnel before and after September 11th when aggregated at the state level. Of the critical infrastructure risk factors analyzed, only the presence of a major mass transit system was correlated with increased spending by states, but this difference was found both before and after September 11th. Because analysis at the state level may mask important factors in how spending occurs in those cities most at risk for terrorist attacks, the next – and on-going – phase of the research is a study using city level data to determine if there are income or substitution effects associated with the federal homeland security grants, and whether those effects vary with critical risk factors. The long-term purpose of this research is to determine the conditions under which federal grants designed to increase preparedness for disasters, especially for terrorist attacks, will actually be used to increase the public safety capabilities that can contribute to preparedness.

Bio:

[redacted]

Miller, Charles S

From: Miller, Charles S
Sent: Thursday, December 07, 2006 10:43 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 12/7/06 Civil Division News

Hicks wins urgent hearing

Canadian police chief resigns over case in which U.S. deported alleged terrorist to Syria

Pakistani Denver man wins temporary reprieve from deportation

Albano to testify in FBI suit

Family sues U.S . Mint for return of rare 'double eagle' coins

2 former GE employees settle claims

Utility wins DoE waste lawsuit

US - TRACFONE SUES GOVERNMENT TO STOP BLACK-MARKET EXPORT

Advertiser (Australia)

December 7, 2006

Hicks wins urgent hearing

LAWYERS for Australian terrorist suspect David Hicks have won an urgent hearing before the Federal Court in a desperate bid to have him home by Christmas.

Hicks' legal team filed papers with the court in Sydney yesterday, arguing the Federal Government should

be ordered to demand that the United States free him from the Guantanamo Bay prison where he has been held for almost five years.

They accused the Government, Attorney-General Philip Ruddock and Foreign Affairs Minister Alexander Downer of failing in their constitutional duty to provide adequate assistance to Hicks as an Australian citizen abroad.

A directions hearing has been set for December 15 and Hicks' Adelaide-based lawyer David McLeod said he hoped the legal action would make the Government review its approach to Hicks' case and ensure he received a fair trial.

END

AP

December 7, 2006

Canadian police chief resigns over case in which U.S. deported alleged terrorist to Syria

By ROB GILLIES

Associated Press Writer

TORONTO_The head of Canada's national police resigned Wednesday, a day after he gave contradictory testimony about the force's handling of a case in which a Canadian citizen was deported by the United States to Syria where he was tortured.

On Tuesday, Royal Canadian Mounted Police Commissioner Giuliano Zaccardelli said he got his facts wrong when he testified at a House of Commons committee in September about when he first knew that Canadian police had passed erroneous information to U.S. authorities about Maher Arar.

"Commissioner Zaccardelli submitted his resignation to me and I have accepted it," Prime Minister Stephen Harper said. "The commissioner has indicated to me that it would be in the best interests of the RCMP to have new leadership."

Zaccardelli appeared before a Parliament committee on Tuesday to "set the record straight," as he put it, about when he knew police had passed erroneous information to the U.S. that led to Arar's deportation to Syria as a suspected al-Qaida agent.

Zaccardelli indicated in testimony on Sept. 28 that he knew of that mistake shortly after Arar was deported in 2002. But on Tuesday he said he had been mistaken and did not become aware of it until a Canadian government commission issued a report this year.

Arar was detained at New York's John F. Kennedy Airport in 2002 during a stopover on his way home to Canada from a vacation in Tunisia. The U.S. turned Arar over to Syria where he says he was tortured, tossed in a small cell and finally released after nearly a year of confinement.

After his release, Arar made detailed allegations about whippings with electrical cables that Canadian authorities determined were credible.

A government commission this year concluded that telling U.S. authorities that Arar was a "man of interest" and may have had ties to Islamic extremists likely led to his deportation.

Arar was exonerated of all suspicion of terrorist activity and has become the best-known case of extraordinary rendition _ the U.S. transfer of foreign terror suspects without court approval to third countries where they can be subjected to torture.

Arar's lawyer, Lorne Waldman, told CBC that Zaccardelli's resignation "is the first step in the accountability process."

END

AP

December 7, 2006

Pakistani Denver man wins temporary reprieve from deportation

By JON SARCHE

Associated Press Writer

DENVER_ U.S . Supreme Court Justice Stephen Breyer on Wednesday temporarily blocked the deportation of a Pakistani man in Denver who was convicted of misdemeanor assault three years ago.

Attorneys for Haroon Rashid, who came to the United States legally, have said the conviction does not meet the standard necessary under federal immigration law to justify deportation.

Breyer's order will remain in effect while the full Supreme Court considers whether to take his appeal of the deportation order.

If the court turns him down, the government would be free to deport him. But if the justices accept the case, Rashid would be allowed to remain in the United States at least until the court decides whether deportation is justified.

Rashid, who was jailed for more than two years after he was targeted as a possible terrorist shortly after the Sept. 11, 2001, terrorism attacks, was never charged with terrorism-related offenses. He is being held by U.S. Immigration and Customs Enforcement.

U.S. District Judge Lewis Babcock on Nov. 2 allowed the government to drop all charges against Rashid. Prosecutors had made that request to have Rashid deported.

U.S. Attorney Troy Eid said federal agents investigated Rashid over statements he allegedly made while visiting his hometown of Quetta, on the Pakistan-Afghanistan border, in 2001 and 2002. Rashid had allegedly said he might try to obtain weapons and fight U.S. soldiers in Afghanistan.

The case evaporated in 2004, and prosecutors decided to pursue lesser immigration charges. Because of the 2003 conviction, which came after Rashid attacked a young gang member who hassled his family, Eid said Rashid "has no right to be in the United States."

The 10th U.S. Circuit Court of Appeals in Denver had earlier turned down Rashid's request to block deportation

Eid's spokesman, Jeff Dorschner, declined comment but said the government\l "I" hoped that if the Supreme Court decided to take the case, it would uphold the appeals court's decision.

Defense attorney Andrew Reid said Rashid's case represents a split among the federal appeals courts about what crimes can justify deportation for immigrants who are legally in the country.

"The (standard) the immigration service is using to justify deportation of Haroon Rashid has been held to apply only to felony offenses and not to state misdemeanor offenses in most other decisions around the country," Reid said. "The 10th Circuit is the only circuit to my knowledge that has held a state misdemeanor assault charge meets the definition of an aggravated felony for this purpose."

He said it could be more than a year before the Supreme Court decides whether to consider the case.

It's unclear whether Rashid's case would be affected by an 8-1 Supreme Court ruling Tuesday in which justices said deportation is not justified for some people convicted of drug possession under state laws. Also Tuesday, the court heard arguments in the case of a Peruvian immigrant in California who pleaded guilty to unlawfully taking a car, prompting the government to seek his deportation. The 9th U.S. Circuit Court of Appeals ruled that the Peruvian man's conviction did not justify deportation and the government appealed.

Rashid is a member of an extended family caught up in the government's broad sweep for immigrants with possible terrorist ties after 9-11. No member of that family was charged with terror-related offenses, but two have pleaded guilty to immigration charges.

Abdul Qayyum, who was accused of lying to immigration officials to help a relative enter the country, was sentenced to a year of probation. That relative, Irfan Kamran, pleaded guilty to a petty offense.

END

The Republican

December 6, 2006

Albano to testify in FBI suit

By STEPHANIE BARRY

SPRINGFIELD - Former Springfield Mayor Michael J. Albano is among witnesses scheduled to testify in Boston federal court on behalf of four men and their families suing the government for an FBI-sanctioned frame-up in a 1965 murder.

Albano, once a Massachusetts Parole Board member, joins two former governors, notorious gangster-cum-informants and corrupt federal agents as witnesses for Peter Limone, Joseph Salvati and the estates of the late Louis Greco and Enrico "Henry" Tameleo.

The four - two of whom died in prison - were wrongly convicted of the murder of Edward "Teddy" Deegan, who met a shower of mob bullets in a dark alley in Chelsea. They were falsely identified by onetime hit man Joseph "The Animal" Barboza, whom the FBI wooed as a top-level informant in the 1960s. The three initially received death sentences in 1969, later commuted to life in prison.

What's more, the government knew it, even ignoring chatter about the then-proposed hit picked up on a secret FBI wire tap before Deegan's ambush, according to once-secret bureau records presented to bolster the plaintiffs' case.

Reports on the matter were made public during a 2001 U.S. Justice Department probe that exposed collusion among former Boston agents and their informants. Limone and Salvati were released after 30

years; Greco and Tameleo were pardoned posthumously. Their families are suing for malicious prosecution and conspiracy.

So, what does Albano have to do with a 40-year cover-up?

He's glad you asked.

Albano's once-lauded tenure as mayor, 1996-2004, was tainted when his administration became the subject of a federal corruption probe starting around 2000.

Albano argued he was targeted, in part, because he voted to pardon Limone in 1983. He said two FBI agents, one named in the Boston lawsuit, tried to bully him while the state police launched an investigation. Albano contended tangling with the bureau won him a spot on a black list, though investigators have denied this.

Many local political observers looked askance at Albano's theory as several in his administration were charged in federal court in connection with various scandals at City Hall.

More than a dozen were convicted and still more face trial, but Albano was never charged. He declined to run for a fifth term in 2003, moving into the private sector.

Contacted recently, the former mayor confirmed he will testify at the trial in U.S. District Court in Boston. He declined to discuss the case further, citing a gag order.

However, the complaint filed by the plaintiffs in 2002 refers directly to the FBI's treatment of parole board members who supported pardons for Limone, Salvati and Greco in the 1980s. Albano served from 1982 to 1994.

"FBI agents ... caused state law enforcement officials to investigate members of the Advisory Board of Pardons who had voted in favor of commutation to determine if they had relationships with 'organized crime,' with the intent to discourage members of the Board from supporting any future petitions for commutation by Limone," the complaint reads.

The trial began Nov. 16. Albano may testify next week.

Others on the witness list:

Gov. William F. Weld, Massachusetts U.S. attorney for a period in the 1980s;

Gov. Michael S. Dukakis, whom the plaintiffs argue was misled by federal investigators and denied commutations for Limone and others, and

Stephen "The Rifleman" Flemmi, now serving a life sentence for 10 murders.

The plaintiffs also intend to introduce testimony from the late H. Paul Rico, the former FBI agent who facilitated the Boston cover-up and died in federal prison in 2004 while awaiting trial for a Miami murder.

Barboza and Flemmi's brother, Vincent, were suspected to have committed the murder. Barboza was gunned down in San Francisco in 1976. Vincent Flemmi died of a drug overdose in prison. As for any connection between the Boston cover-up and the current corruption investigation in this city, the local FBI supervisor scoffed at Albano's theory.

"When I got here in 2001, I had never, ever heard of Michael Albano," Springfield FBI supervisor Michael G. O'Reilly said during a recent interview. "Organized crime was so entrenched, I felt there had to be public corruption. I made it a priority. ... If it affected his administration, so be it."

END

AP**Error! Hyperlink reference not valid.**December 6, 2006

Family sues U.S . Mint for return of rare 'double eagle' coins

By JOANN LOVIGLIO

Associated Press Writer

PHILADELPHIA_A family claims in a federal lawsuit that the U.S. Mint illegally seized 10 gold coins, among the rarest and most valuable in the world, that the family had found among a dead relative's possessions.

The lawsuit, filed Tuesday in U.S. District Court in Philadelphia, alleges that the Mint violated the Constitution and broke federal forfeiture laws by refusing to return the 1933 coins to the family after confirming their authenticity.

The plaintiffs are seeking immediate return of the "double eagle" coins, said their attorney, Barry H. Berke.

Joan S. Langbord discovered the coins in a safe deposit box belonging to her deceased father, longtime Philadelphia jeweler Israel Switt, in 2003. She and her sons, Roy and David, are named as plaintiffs in the suit.

In 2002, a 1933 double eagle was sold for $7.59 million _ the highest price ever paid for a coin. After a legal battle, the coin dealer was permitted to sell it at auction on the condition he split the proceeds with the Mint.

The suit states that the Langbords were aware of that settlement and contacted the Mint to disclose the coins' existence and "attempt to reach an amicable resolution of any issues that might be raised."

Government officials authenticated the coins but refused to return them and said they must have been stolen from the Philadelphia Mint in the early 1930s because they had never been in circulation, according to the lawsuit.

Switt, who died in 1990, told Secret Service agents in 1944 that he had possessed and sold nine 1933 double eagles, according to the Mint. All were tracked down by the government and destroyed between 1944 and 1952.

Mint officials have said that the coins are so rare that their value could not be calculated. A Mint spokesman declined to comment, saying that the Mint had not yet been officially served.

Defendants named in the suit include the Mint, the Treasury Department, and officials in those agencies.

"The Mint's lawless position is that by merely claiming the coins were somehow removed from the Mint unlawfully in the 1930s, they can take the Langbords' property without proving it in a court of law," Berke said.

Double eagles were first struck in 1850. They are so named because they had a face value of $20, twice the amount of gold coins known as eagles.

The 445,500 coins from 1933, designed by famed sculptor Augustus Saint-Gaudens, were melted into gold bars after President Franklin D. Roosevelt took the country off the gold standard.

Two of the coins, which feature a flying eagle on one side and a figure representing liberty on the other, were permitted to be spared from the melting pot and are at the Smithsonian Institution, but a handful of others also mysteriously survived.

The coins at the center of the lawsuit were briefly displayed this summer for an American Numismatic Association's convention in Denver. They have been secured at the U.S. Bullion Depository in Fort Knox, Ky.

END

AFX

December 6, 2006

2 former GE employees settle claims

LOUISVILLE, Ky. (AFX) - Two former employees at a General Electric Co. plant in western Kentucky have settled claims that they were retaliated against for complaining that the facility was allegedly shipping defective aircraft parts.

Dennis LeFan and Jason Gibson's claims were part of a 2000 federal lawsuit that alleged GE covered up defects in turbine blades and vanes at its Madisonville plant. The U.S. Attorney's office announced in July that it had reached an $11.5 million settlement with GE on a portion of the suit's claims, but the government was not involved in the employees' personal retaliation allegations.

Both men alleged in the suit they had property vandalized and were treated as pariahs by fellow employees and supervisors once they complained about alleged deficiencies at the plant.

LeFan and Gibson settled the retaliation claims late last month and those portions of the suit were dismissed by a federal judge, their attorney, Al Priddy of Louisville, said Tuesday. The amount of the settlements were not disclosed.

'It was adequate for the clients,' Priddy said.

A third former employee, Harold Dilback, has not reached an agreement on his retaliation claim, Priddy said.

A spokesman for GE said the company has not admitted any wrongdoing in the settlements and agreed to them in order to put an end to the court cases.

'We really strongly disputed all the allegations in their claim, but we have opted to settle it out of court,' said Rick Kennedy, a spokesman based in Cincinnati. 'It was the easiest way really to expedite this issue.' Kennedy declined to disclose the settlement amount.

LeFan and Gibson didn't return calls for comment Tuesday.

The two filed the original suit in federal court in Owensboro in October 2000, and five more employees joined it in 2002. It was filed under the U.S. False Claims Act, which allows private citizens to sue on behalf of the federal government.

Under the July settlement, the False Claims Act allegations against GE and two of its subsidiaries were dismissed. The seven employees split about 20 percent of that settlement's amount, or $2.35 million, and the remaining balance went to the government.

The suit alleged the parts were shipped from the GE plant in Madisonville without meeting government blueprint requirements. The blade and vane parts alleged to be defective were metal air foils that force air through a jet engine. The parts were meant for F-16 and F-14 fighter jets and the Sea Stallion and MH-60 Blackhawk helicopters.

Dilback's retaliation claim has not been settled because his case differs from LeFan's and Gibson's, Priddy said. Dilback was fired in 2003.

'We're hopeful we can find a way to resolve that, too,' Priddy said.

In a separate lawsuit, Richard Gardner, a former supervisor at the Madisonville plant, alleged he was fired for testifying before a federal grand jury looking into allegations the plant shipped defective parts. A federal judge ordered the suit into mediation earlier this year.

END

Nuclear Engineering Internationa; December 7, 2006

Utility wins DoE waste lawsuit

The US Court of Federal Claims has awarded the Sacramento Municipal Utility District (SMUD) $39.8 million for breach of contract against the United States' Department of Energy.

The suit relates to the failure of the DoE to take title to spent fuel from SMUD's reactors, as set out in the 1983 Nuclear Waste Policy Act.

The award comes after two related trials on the storage of spent nuclear fuel from SMUD's now closed Rancho Seco Generating Station.

The government had not followed through on its obligation to collect and dispose of SMUD's spent fuel due to delays in opening the Yucca Mountain repository or another federal storage facility, consequently SMUD was forced to develop and implement a dry storage facility.

In 1998, SMUD brought suit in the Court of Federal Claims to recover the cost of building, loading, and operating the dry-storage system.

The judgment also validates SMUD's decision to move the spent nuclear fuel at Rancho Seco to dry storage.

According to a statement from the utility, the company took this action "when it became apparent that the federal government was not making progress on the Yucca Mountain disposal site in Nevada."

END

WirelessEurope's Daily Bulletin

December 7, 2006

US - TRACFONE SUES GOVERNMENT TO STOP BLACK-MARKET EXPORT

Tracfone, a Miami-based pre-paid MVNO is suing the U.S. Copyright Office in an attempt to stop resellers from disabling its software on handsets and then shipping the low retail cost handsets to foreign countries.

The MVNO fought a largely losing battle with middlemen who buy up its cheap phones at retailers such as Wal-Mart and Target, then disable software on the handset and repackage them for sale abroad, largely Latin America and Hong Kong.

The practice drew the attention of state and federal investigators earlier this year when arrests in Michigan and Ohio targeted potential use of the phones by terrorists. But prosecutors dropped terrorism charges quickly in both cases.

In a ruling recently by the Library of Congress, handset owners would be allowed to break software locks on their handsets to use them with competing carriers.

Attorney for Tracfone Jim Baldinger said, "Criminals may take advantage of the ambiguous language and ambiguous wording of this exemption and use it as a shield to hide behind and protect their criminal activity from prosecution."

END

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, December 07, 2006 11:27 AM
Subject: Fire Alarm Testing - MAIN Justice Building

FIRE ALARM TESTING – MAIN JUSTICE BUILDING

The fire alarm system in the MAIN Justice Building will be tested beginning at 7:00 p.m., Friday, December 8th. The primary focus will be on the recently repaired fire alarm equipment in the basement areas as well as SCIF areas. During the test, the alarms, strobes and public address announcements will be sounded and all alarm devices will be observed and verified for operational purposes. The entire test will take approximately 4 hours to complete. Prior to the sounding of the alarms, a public address announcement will be made advising any remaining occupants in the building of the impending tests.

Check **DOJNet**@ http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Thursday, December 7, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 941432 KB.
Mailbox size limits:

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 1:09 PM
To: USDOJ- Office of Public Affairs
Subject: TWO OHIO SHERIFF'S DEPUTIES INDICTED ON CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 7, 2006
WWW.USDOJ.GOV

CRT
(202) 616-2777
TDD (202) 514-1888

TWO OHIO SHERIFF'S DEPUTIES INDICTED ON CIVIL RIGHTS CHARGES

WASHINGTON – Two Lucas County, Ohio, sheriff's deputies were charged today with violating the civil rights of a juvenile who was in their custody, conspiring to obstruct and actually obstructing a federal investigation of the incident. The two defendants, Troy Jackson, 45, and Marc Odoms, 38, both of Toledo, were charged with violations of federal law for depriving the rights of the victims while acting in their official capacity as sheriff's deputies, tampering with witnesses and conspiring to obstruct justice. Odoms was also charged with making false statements.

The indictment charges that on Jan. 20, 2005, Jackson, while on official duty, physically assaulted a handcuffed juvenile detained at the Lucas County Juvenile Justice Center by striking him multiple times in the eye and the side of the face. The indictment further charges that Odoms watched the assault and failed to intervene and that Jackson and Odoms subsequently both agreed to and eventually did obstruct a federal investigation of the assault by creating false written reports and making false statements to authorities investigating the incident.

If convicted, both men face a maximum sentence of 10 years in prison and fines of $250,000 on each criminal civil rights and obstruction charge. Odoms faces an additional five years in prison on the false statements charge.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Department of Justice has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

An indictment is merely an accusation and the defendants are presumed innocent unless proven guilty.

The case is being prosecuted by Trial Attorneys Kristy L. Parker and Eric Gibson of the Justice Department's Civil Rights Division and by the U.S. Attorney's Office for the Northern District of Ohio.

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Image not available for this document, ID: 0.7.10316.16391-000002

System Administrator

From:	System Administrator
Sent:	Thursday, December 7, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 941489 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

From: [redacted]
Sent: Thursday, December 07, 2006 3:16 PM
To: [redacted] Gorsuch, Neil M; [redacted]
Cc: [redacted] (DHS)
Subject: Agenda: HSC Action Item meeting 12/08 1230-1430hrs
Attachments: planning assumptions HHSPanfluPlan.pdf; Planning Assumptions NatSratPanFlu_implementation.pdf; FINAL 5_1_1_2 Report with HHS Concurrence 12_04_06.doc; COMPILED Models Matrix HSC Tasker 11_27_06 - Highnam mods.xls; FINAL B2B Questions HSC Tasker 11_27_06.xls; FINAL H2H Priority_NonPriority Model Questions HSC Tasker 11_27_06.xls; AGENDA HSC Action Items Meeting 12_08_06.doc

All-

Please find attached the agenda for tomorrow's meeting (1230-1430 hrs, GSA Bldg, 7th & D, Room 3327). I look forward to seeing everyone and laying down the path forward for these five Action Items. I will be downstairs at the main entrance (has the ramp and all-weather overhang) to sign in the non-DHS persons. If there are any questions/concerns, please feel free to contact me.

For those who are unable to attend in person, the following is the call in information:
Conference Call: [redacted] or [redacted]
Pin: 409798

Best,
[redacted]

[redacted]
Economist
O[redacted]
F[redacted]
[redacted]@dhs.gov

Consequence Assessment and Policy Working Group (CAP WG) Meeting

December 8, 2006
1230 - 1430

AGENDA

1. Introductions

2. HSC Action Items
   a. 5.1.1.2
      i. HSC report submitted (attached)
      ii. Matrices (B2B Priority Questions, H2H Priority Questions, Models)
      iii. Assumptions (HHS and National Strategy) (attached)
      iv. Next steps

   b. 5.1.3.2 –Outline strategy: HSC has only given clearance to talk to private sector stakeholders for 5.1.1.2

   c. 5.3.5.6 -- Outline strategy: HSC has only given clearance to talk to private sector stakeholders for 5.1.1.2

   d. 5.3.4.4 -- Outline strategy: HSC has only given clearance to talk to private sector stakeholders for 5.1.1.2

   e. 6.3.2.3 -- Outline strategy: HSC has only given clearance to talk to private sector stakeholders for 5.1.1.2

3. Next Meetings: smaller groups v. whole group

Action Items

5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities. **Meeting would be for next steps to talk to private sector. We only have clearance from HSC to talk to private sector for this item. DUE DATE: 6 months**

6.3.2.3 -- HHS, in coordination with DHS and DOD and in collaboration with mathematical modelers, shall complete research identifying optimal strategies for using voluntary home quarantine, school closure, snow day restrictions, and other community infection control measures, within 12 months. Measure of performance: guidance developed and disseminated on the use of community control. **DUE DATE: 12 months**

5.1.3.2 -- DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services. **DUE DATE: 12 months**

5.3.5.6 -- DOT and DHS, in coordination with NEC, Treasury, DOC, HHS, DOS, and the interagency modeling group, shall assess the economic, safety, and security related effects of the pandemic on the transportation sector, including movement restrictions, closures and quarantine, and develop strategies to support long-term recovery of the sector, within 6 months of the end of a pandemic. Measure of performance: Economic and other assessments completed and strategies implemented to support long-term recovery of the sector. **DUE DATE: within 6 months of end of pandemic.**

5.3.4.4 -- DHS and DOT, in coordination with USDA, DOI, DOC and DOS, shall consult with the domestic and international travel industry (e.g., carriers, hospitality industry, and travel agents) and freight transportation partners to discuss travel and border options under consideration and assess potential economic and international ramifications prior to implementation. Measure of performance: Initial stakeholder contacts and solicitation for inputs conducted within 48 hours of an outbreak and re-established if additional countries affected. **DUE DATE: Within 48 hours of an outbreak. This one goes hand in hand with several other action items (5.3.5.6, 5.1.1.2, etc.)**

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
	Models of Disease Spread							
USDA	**North American Animal Disease Spread Model**	A herd-based, spatial, stochastic disease simulation model for use with fast spreading infectious disease	[redacted]aphis.usda.gov	USDA/APHIS Veterinary Services, Centers for Epidemiology and Animal Health, $670,500 requested in FY06 for Avian Influenza specific model enhancements and avian influenza parameter data collection; salary and benefits for analysts not included	$670,500 requested in FY06 for Avian Influenza specific model enhancements and avian influenza parameter data collection	Model simulates outbreak in a population of animal herds or flocks. Stochastic elements allow individual units (e.g., flocks) to behave differently each time the model is run. Multiple options available for response. Output evaluated to determine most efficient response in different circumstances; output feeds into economic models for economic analysis of impact.	Population variable including location and size of flocks, contact between flocks (adjusted for biosecurity efforts, etc.); disease description parameters; disease spread parameters; response parameters including effectiveness of detection, surveillance movement controls, and capacity to destroy or vaccinate flocks; cost parameters to allow accounting during course of outbreak.	Number of herds/flocks and animals infected, detected, destroyed, vaccinated reported daily and at end, for a single iteration or summarized for multiple iterations; date of first detection, destruction, etc., and duration of outbreak; costs associated with outbreak reported daily and at end; state of each unit each day; contact picture - each exposure with result each day; events - which units detected, vaccinated, etc. reported daily; map of herds/flocks with colors representing daily status.
DHS NISAC	**EpiSIR / EpiSEIR**	Simple deterministic models including homogeneous mixing and age-structured multi-group mixing, often with seasonal variation, multiple species.	[redacted]DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted]Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	More detailed than generational model.	Disease parameters: infectivity, time ranges for residence in each of the disease stages, morbidity and mortality rates for demographic groups, contact rates for demographic groups, initial immunities for demographic groups, reproduction number, fraction of population infectious prior to being symptomatic. Scenario parameters: number of people initially infected in each demographic group, population sizes. Policy parameters: efficacy of vaccine and anti-virals, time for vaccine to provide immunity, amount of available vaccine or anti-viral, rate of application of anti-virals or vaccine, effectiveness of contact tracing and compliance with quarantine policies.	Number of people in each disease stage as a function of time, also number of fatalities, total recovered, total immune as a function of time and demographic group.
DHS NISAC	**EpiHist / EpiBucket**	Detailed deterministic models with realistic disease manifestations, sojourn time distributions, activities and demographics.	[redacted]DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted]Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	More detailed than ODE models.	In addition to those for ODE models above: detailed disease stage duration distributions (sojourn distributions)	Number of people in each disease stage as a function of time, also number of fatalities, total recovered, total immune as a function of time and demographic group.
DHS NISAC	**EpiC**	Stochastic discrete event simulation in Longini-like community for making ensembles of outbreaks and evaluating the ensemble statistics, and exploring approximate community structures.	[redacted]DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted]Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	More detailed than deterministic models.	Detailed disease manifestation, transmission parameters, activity pattern information drawn from census	Number of people in each disease stage as a function of time, also number of fatalities, total recovered, total immune as a function of time and demographic group.
DHS S&T	**EpiCast**	Extension of community modeling approach to national scale. Incorporates inter census tract worker flow mobility and long-distance travel, allowing realistic national modeling.	[redacted]DHS S&T Biological Countermeasures Office Program Manager [redacted]@dhs.gov [redacted]Los Alamos National Laboratories [redacted]@lanl.gov	DHS/S&T Biological Countermeasures	$0	Used to assess medical and social interventions (alone and in various combinations) with individual resolution on a national scale, including antivirals, vaccines, travel restrictions, quarantines/social distancing, and school closure.	The number of people in each census tract in each disease stage, as a function of time (daytime or nighttime populations, each day). If desired, these can be further broken down by age group, employment status, and/or household size.	The output is a nationwide visualization of epidemic modeling at census tract level of resoltuion.
DHHS MIDAS	**Penn MIDAS Model**	This agent-based (flock-based) model provides a platform for the poultry industry and government agencies to evaluate and compare control strategies, especially vaccination strategies at county level. There is no economic component.	[redacted]@mail.nih.gov [redacted]@ret.upenn.edu	NIGMS MIDAS Project; Infectious Disease Model funded through grant to the University of Pennsylvania, $281,147 TC	Model anticipates use in avian pandemic flu planning; funding of $281,147.	This agent-based (flock-based) model for LPAI & HPAI has already been tested at county level in Pennsylvania. So far, it has been used to evaluate culling strategies in the face of an outbreak and vaccination strategies assuming an outbreak is imminent and there is not enough vaccine for all flocks. There is no economic component. The definition of success is to achieve the smallest attack rate possible.	Required variable inputs (1) location of poultry farms (Lat & Long), (2) number of birds per flock. Required fixed inputs (already estimated): (1) parameters of the kernel which determines transmission between flocks assuming an animal movement ban has been implemented.	Number of flocks infected, number of flocks culled, number of flocks vaccinated.

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Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
Input parameters using a user-friendly entry wizard. Outputs are all exportable in multiple formats and can be used in other software programs or used in economic models.	PC based, MS - windows. Executable contains all needed software. Can be used on a grid system. Supercomputer version available as well - same model, different interface.	Knowledge of the model requirements and specifications. Knowledge of the epidemiology of the disease in question. Knowledge of the population of interest - distribution, interactions that affect disease spread.	Daily time steps. Spatially explicit, using actual unit locations to interact.	Model gives results for individual units, daily; summarizes results for entire population daily; summarizes results for entire iteration and for multiple iterations.		Use of vaccination in an FMD outbreak in the US (published paper Schoenbaum and Disney, 1995); Issues related to FMD vaccine bank; Potential laboratory capacity need in the US for an FLM outbreak (underway); Stress on Information technology system in case of an FMD outbreak (underway); also used in training and readiness exercises.	Early versions complete. Expect latest version release April 1, 2006. Enhancements will be ongoing.	2 months	Reviewed using data from the UK FMD outbreak in 2001; Review by panel of experts	
Excel or other spreadsheet application. Re-calculation and output plots automatically regenerated when input variables are changed.	Any desktop or laptop running a spreadsheet application	Excel user	Point model with no spatial scales; arbitrary temporal scales	Aggregate	Quick turn-around, simple representation, easy interpretation of results, easily understood and accepted methodology. Can reproduce highly aggregate results of more detailed models except during early and late stages of epidemic.	Medical and social interventions, including antivirals, vaccines, quarantines/social distancing, and school closure.	91-100%	0-3 mos.	Considered the standard for aggregate modeling, to which other models are compared. Calibrated and re-formulated traditional models to match macroscopic properties demonstrated to emerge from microscopic realism using EpiSimSS.	
Excel or other spreadsheet application	Any desktop or laptop running a spreadsheet application	Excel user	Point model with no spatial scales; arbitrary temporal scales	Aggregate	More realism and flexibility than ODE models, still quick turn-around. Can reproduce highly aggregate results of more detailed models except during early and late stages of epidemic.	Medical and social interventions, including antivirals, vaccines, quarantines/social distancing, and school closure.	91-100%	0-3 mos.	Calibrated to EpiSimS at mid-level detail. Approach is well-verified in literature.	
Java GUIs	Any desktop or laptop with Java	Basic Computer skills to run; minimal analytical skills to interpret simple results.	Communities of thousands to tens-of-thousands; arbitrary temporal scales	Individuals	Simplest tool to consider approximate social networks. Using exploration of parameter space around regions calibrated to more detailed models, enables improved response time while still getting realism and confidence of detailed model	Medical and social interventions, including antivirals, vaccines, quarantines/social distancing, and school closure.	91-100%	0-3 mos.	Community-level transmission has been verified against accepted models. Also cross-verified with EpiSimS.	
Text-based input/output file formats which are providing linkage into ArcGIS (e.g., using ArcGIS to define the initial conditions or to analyze the resulting spatiotemporal evolution).	Unix-based C/MPI code, typically run on 100-300 CPUs of a Linux cluster.	Users would need to work with code developers to both run model and interpret results. HPC experience required to run.	National spatial scale; arbitrary temporal scales	Individuals within census tract-level spatial resolution, 12-hour day/night periods	Only tool to resolve transportation of infected individuals across entire country at census tract level, while resolving aggregate social networks for realistic spread.	Has been used to assess various medical and social interventions (single and in combination), including antivirals, vaccines, travel restrictions, quarantines/social distancing, and school closure.	Model is 100% complete, but more complex interventions (e.g. regionally staged responses, critical personnel, or specific venues) would require further development.	0-3 mos.	Community-level transmission has been verified against accepted models; national-level transmission (timescales & spatial evolution) is in good qualitative agreement with past pandemics and other models.	
Model is still a research tool. No standard GUI. Standard MATLAB input and output methods.	WINDOWS based using MATLAB	Required team includes members with (1) Understanding of MATLAB, (2) Poultry Science, (3) Emergency Management	Spatial Scale: Tested so far for flocks located on one to three counties in Pennsylvania. Not intended as a model of national spread. Meant to guide strategy at a local level.	Flock	The model uses an already tested network modelling architecture (Keeling et al. Foot and Mouth Disease).	Compares and evaluates culling and vaccination strategies with respect to impact on epidemic attack rate	Provided a map of flock locations in affected area and estimates of individual flock sizes were available, could be immediately implemented by Smith and Rorres. Not yet suitable for outside use for lack of a user friendly GUI. 100% complete, but with continuous improvements in progress.	Immediate	Model appears to generate patterns that experienced field workers would regard as typical.	

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Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS NISAC	**EpiSimS**	Based on second and meter resolution population mobility with fully resolved daily activity patterns and all associated demographics to generate a complete and fully detailed, realistic social network, on which a fully detailed disease model is propagated.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Especially useful for investigation of realistic interventions, since they can be implemented explicitly where most other model types require arbitrary and unvalidatable parameter modifications. Also useful in validation of less detailed approaches, especially for aggregate models.	Census, activity surveys, transportation network, home and business locations and properties, initial conditions, detailed disease manifestation, demographically- and activity-resolved transmission, intervention strategies	Since this is fully resolving the microscopic details of an epidemic, anything can be measured. Can provide detailed information about affected populations and their usage of other infrastructures. Can provide absentee rates at the level of individuals with all associated information (demographics, workplace and industry, family members, activity patterns, etc.)
DHHS MIDAS	**EpiSimS**	Based on second and meter resolution population mobility with fully resolved daily activity patterns and all associated demographics to generate a complete and fully detailed, realistic social network, on which a fully detailed disease model is propagated.	[redacted] NIGMS [redacted]@mail.nih.gov [redacted] Virginia Bioinformatics Institute [redacted]@vt.edu	NIGMS MIDAS Project; Infectious Disease Model funded through grant to VBI, $672,051 TC	Chicago and National Flu Models funded through grant to VBI, $672,051 TC	Especially useful for investigation of realistic interventions, since they can be implemented explicitly where most other model types require arbitrary and unvalidatable parameter modifications. Also useful in validation of less detailed approaches, especially for aggregate models.	Census, activity surveys, transportation network, home and business locations and properties, initial conditions, detailed disease manifestation, demographically- and activity-resolved transmission, intervention strategies	Since this is fully resolving the microscopic details of an epidemic, anything can be measured. Can provide detailed information about affected populations and their usage of other infrastructures. Can provide absentee rates at the level of individuals with all associated information (demographics, workplace and industry, family members, activity patterns, etc.)
DHHS MIDAS	**Imperial College MIDAS SE Asia Flu Model**	A spatially explicit simulation of the 85 million people residing in Thailand and in a 100-kmwide zone of contiguous neighboring countries. The model explicitly incorporates households, schools and workplaces, as these are known to be the primary contexts of influenza transmission.. The disease status of the population is updated 4 times daily.	[redacted] NIGMS/MIDAS [redacted]@mail.nih.gov [redacted] U. of Pittsburgh [redacted]@pitt.edu	NIGMS MIDAS Project; Infectious Disease Model funded through subcontract to Imperial College, total grant costs $864,530	Pandemic Flu modeled in SE Asia through subcontract to Imperial College; ca. $100,000 DC	Model is useful in assessing the effectiveness of target prophylaxis in the same household, school, or workplace, effect of school closures and restriction of travel. Object is to assess epidemic suppression at source.	LandScan- population density. National Statistical Office Thailand, Population and Labor Statistics and National Statistical Office Thailand, Population Census 2000 – household size and age structure. Thailand, Population and Labor Statistics and National Statistical Office Thailand, Education and Public Health Statistics. Schools - Size: Ministry of Education Thailand, Class size data for Thai schools. Travel data: Survey of migration in Thailand 1995, contained information about travel to schools and/or workplaces and random travel.	Epidemic curves and Movie of disease spread
DHHS MIDAS	**Imperial College MIDAS US National Flu Model**	A spatially explicit simulation of the 300 million people residing in the continential US. The model explicitly incorporates households, schools and workplaces. Domestic travel is representated and the model is seeded with international travel. The disease status of the population is updated 4 times daily.	[redacted] NIGMS/MIDAS [redacted]@mail.nih.gov [redacted] U. of Pittsburgh [redacted]	NIGMS MIDAS Project; Infectious Disease Model funded through subcontract to Imperial College, total grant costs $864,530	US National Pandemic Flu model through subcontract to Imperial College; ca. $100,000 DC	Assesses usefulness of border controls, area quarantine, restricted travel across zones, antiviral treatment, case isolation, and poorly matched or effective vaccines	LandsScan - 2003 with regular grid size Household size and age distribution generated from US census data and with no regional patterns. US private school census, National Center for Ed. Statistics national file on public schools containing grades, capacity and addresses. STP84, Airline traffic O-D study (2005)	Epidemic curves and Movie of disease spread
DHS NISAC	**Loki-Infection**	A networked agent-based simulation tool. Extremely flexible and can easily be reconfigured to consider arbitrary complexity of social contact network with multiple overlapping groups (networks), policies, etc. Example configuration is that of a stylized small town of 10,000 but can likely be extended by an order of magnitude..		DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Model is used to assess the spread of infectious disease, and evaluate efficacy of policies that modify the behavior of targeted groups.	Disease parameters: Disease periods, disease infectivity, mortality. Agent parameters: Relative infectivity, relative susceptibility. Group parameters: Composition, internal network configuration contact rates. Policy parameters: Flexible.	Numbers of individuals in the variety of relevant states (infected, infective, non-symptomatic infective, symptomatic, symptomatic circulating, symptomatic stay at home, hospitalized, recovered, dead, etc) as a function of time. Analysis can be amended to yield costs associated with illness and load on health care system.
DHS NISAC	**Discrete Event Simulation**	A stochastic, discrete-event time simulation for modeling the spread of infectious disease. Number of initially infected individuals continually generates more infective people (population size does not influence the performance and results of the model). The status of each infected individual is updated independently and individually. It is very easy to implement decision testing for policies and rules. It is useful for short term disease spread, and modeling can be used for disease spread in multiple regions.		DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Model is used to predict the spread of infectious disease including mortality and number of infectives, and for evaluation of the efficacy of antiviral/vaccine policies to optimize policy for a given situation.	Disease parameters: Disease periods, disease infectivity, mortality. Number of initial infected people. Policy parameters: Antiviral efficacy, antiviral availability, health care resources.	Number of infected people, mortality. Policy testing: Number of antivirals required, number of health care resources required for given condition.

DOJ_NMG_ 0171191

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
Java GUIs	Linux cluster. Tens of CPUs for millions of people or hundreds of CPUs for tens of millions will enable 100-1000 times real-time run speeds on 32-bit platform with 2 GB RAM per CPU.	Novice can set up problems; HPC experience required to run; simple results are obvious, more sophisticated (and useful) analyses require trained analyst.	City through regional spatial scales; arbitrary temporal scales	Individuals, seconds, meters	No other model has both this level of detail and this level of scaling. No other model can investigate arbitrary intervention strategies in such a realistic way, providing confidence to results. No other model can produce such rich social networks of regions this large.	Behavior modification (including self-isolation, quarantine, visiting sick relatives in hospitals, etc.), arbitrary treatments (masks, hand sanitizer, vaccines, anti-virals, etc.) and delivery methods (ring delivery, mass, targeted, etc.), travel restrictions (as boundary conditions), closures (schools, business districts, shopping, restaurants, bars, etc.)	Model is 100% complete, but new capabilities are always being added.	0-3 mos.	Existing models verified. Can be easily calibrated to gross epidemic properties, such as attack rates and case fatality rates, and emergent properties of the simulation also show a strong correlation to historical epidemics.	
Java GUIs	Linux cluster. Tens of CPUs for millions of people or hundreds of CPUs for tens of millions will enable 100-1000 times real-time run speeds on 32-bit platform with 2 GB RAM per CPU.	Novice can set up problems; HPC experience required to run; simple results are obvious, more sophisticated (and useful) analyses require trained analyst.	Regional scale, Calibrated models of Portland, OR and Chicago, IL in production. National-scale models are under development.	Individuals, seconds, meters	No other model has both this level of detail and this level of scaling. No other model can investigate arbitrary intervention strategies in such a realistic way, providing confidence to results. No other model can produce such rich social networks of regions this large.	Behavior modification (including self-isolation, quarantine, visiting sick relatives in hospitals, etc.), arbitrary treatments (masks, hand sanitizer, vaccines, anti-virals, etc.) and delivery methods (ring delivery, mass, targeted, etc.), travel restrictions (as boundary conditions), closures (schools, business districts, shopping, restaurants, bars, etc.)	EpiSims is modified from time to time as needed to meet the requirements of particular studies. The open-source NIH maintained version of the EpiSims software differs from the NISAC version due to diverging study requirements.	Calibrated models for pandemic influenza in Chicago and Portland, OR have been in production since summer '05. Any other regions of the US can be made ready in a few months, depending on calibration required.	Models are calibrated to historical epidemiological and sociological data. Results for pandemic influenza models have been extensively compared to and verified against other models.	
Text based parameter strings	C++ program, LINUX SUSE9.0 OS, distributed (shared memory) application	High level programming and infectious disease expertise	This model, and an Emory University model, were developed and tested in collaboration.	Agent based 85M agents	A spatially explicit simulation of the 85 million people residing in Thailand and in a 100-kmwide zone of contiguous neighboring countries. The model explicitly incorporates households, schools and workplaces, as these are known to be the primary contexts of influenza transmission.. The disease status of the population is updated 4 times daily.	Verification of model is complete. Validation of model is incomplete. Pathogen characteristics need to be established, natural history parameters determined, social network patterns understood and behavioral responses to a pandemic determined before the model is validated.	100% complete	now	Verification of model is complete. Validation of model is incomplete. Pathogen characteristics need to be established, natural history parameters determined, social network patterns understood and behavioral responses to a pandemic determined before the model is validated.	
Text based parameter strings	C++ program, LINUX SUSE9.0 OS, distributed (shared memory) application	High level programming and infectious disease expertise	This model, and an Emory University model, were developed and tested in collaboration.	Agent based 300M agents	A spatially explicit simulation of the 300 million people residing in the continential US. The model explicitly incorporates households, schools and workplaces. Domestic travel is represented and the model is seeded with international travel. The disease status of the population is updated 4 times daily.	Verification of model is complete. Validation of model is incomplete. Pathogen characteristics need to be established, natural history parameters determined, social network patterns understood and behavioral responses to a pandemic determined before the model is validated.	100% complete	now	Verification of model is complete. Validation of model is incomplete. Pathogen characteristics need to be established, natural history parameters determined, social network patterns understood and behavioral responses to a pandemic determined before the model is validated.	
Input information can be directly input from any type of source. Social network can also be developed independently through expert elicitation and questionnaires.	2GB RAM per processor, can be used either single or multi processor as desired, Unix, Linux, Windows, Mac	Users would need to work with code developers to both run model and interpret results. However, users may be able to gain the necessary training by working closely with developers for approximately one week, and then be able to run simulations as wells as modify the code from their home institutions. Knowledge of the model methodology and inherent assumptions is necessary for accurate interpretation of results.	A local community, barrio, company, institution, health care facility, etc., or combination of the above	Individuals	Versatile, adaptable, expandable. Many simulations can be run quickly at small scale to scope mitigation strategies and consider their robustness to uncertainty. Can be used in combination with other approaches where, after insight has been gained, results can be used to adjust either parameters or point to the appropriate large scale simulations that would be critical to perform.	Agent-based model can be adapted to a wide variety of policy questions. Current applications have been targeted at evaluating the efficacy of policies that modify the behavior of targeted groups.	Model is 100% complete; however, modifications will be required for specific applications	0-3 mos.	Verification will be required for each specific application	
Output decisions can be fed into other infrastructure models.	The model runs on a PC, and was developed using ARENA V. 10 software.	Model is easily executable and variables can be changed using a customized window. Knowledge of the model methodology and inherent assumptions is necessary for accurate interpretation of results.	No restriction on spatial or temporal scales; however, it is optimally used for short time periods (days or weeks).	Individuals	Model can easily accommodate disease spread among multiple regions, and has flexibility for testing alternative policy options.	Model provides decision support for vaccine or antiviral allocation (including health care resources) in multiple or single infected regions. It can be used to analyze and assess the impacts of disease spread under various conditions.	71-80%	0-3 mos.	The model was verified through comparison with other models (Loki-Infectnet and CIPDSS) and model results presented in the literature.	

DOJ_NMG_ 0171192

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS NISAC	**CIPDSS General Infectious Disease Model**	A susceptible-exposed-infected-recovered (SEIR) model of the spread of infectious disease and the effectiveness of alternative protective measures. Disease parameters can be adjusted to represent a wide range of infectious diseases, both contagious and non-contagious. The model includes multiple demographic groups based on age and employment status. The model also includes the option of instituting alternative vaccination strategies (e.g., ring vaccination and mass vaccination) and the use of anti-virals or other treatment mechanisms. Finally, the model includes transmission of the disease between two different geographic regions as defined through a leakage rate.		DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total	$0	The model is used to predict the spread of infectious disease in relatively large populations (metropolitan scale and above) including mortality, fraction of the population that is ill (with binning of illness severity). The model is used to evaluate the efficacy of alternative protective measures, especially vaccination, quarantine, and use of anti-virals. The model accounts for behavioral responses of the population and how those behaviors may impact the effectiveness of protective measures under considerations.	Disease parameters: infectivity, time ranges for residence in each of the disease stages, morbidity and mortality rates for demographic groups, contact rates for demographic groups, initial immunities for demographic groups, reproduction number, fraction of population infectious prior to being symptomatic. Scenario parameters: number of people initially infected in each demographic group, population sizes, travel rate between geographic areas. Policy parameters: efficacy of vaccine and anti-virals, time for vaccine to provide immunity, amount of available vaccine or anti-viral, rate of application of anti-virals or vaccine, effectiveness of contact tracing and compliance with quarantine policies.	Number of people in each disease stage as a function of time, also number of fatalities, total recovered, total immune as a function of time and demographic group.
DHHS CDC	**FluAid**	A simple, rate-based model providing a) estimates of potential number of deaths, hospitalizations and outpatients due to next influenza pandemic; and b) estimates of potential impact on health care resources (hospital beds, outpatient visits) For each result, model provides a range of results. user can later input values.		Office of Surveillance, NCID, CDC: Budget $0. Work is part of assigned duties.	$0. Work is part of assigned duties	Provides a) estimates of potential number of deaths, hospitalizations and outpatients due to next influenza pandemic; and b) estimates of potential impact on health care resources (hospital beds, outpatient visits) For each result, model provides a range of results.	Population of interest by 3 age groups. Rates (range: most likely, minimum, maximum) of death, hospitalization, outpatient by 3 age groups and 2 risk groups. Gross clinical attack rates (range); Percent of each age group with high risk conditions; population by age group; health care system: # hospital beds, # providers able to see outpatients for 'flu; morgue capacity; assumed # weeks pandemic activity; Goals for vaccination coverage; percent of doses administered by public health; time to administer 1 dose. User can readily alter these inputs, allowing for estimates of impact for near limitless number of scenarios.	Number of deaths, hospitalizations and outpatient visits by age group over a range of assumed gross clinical attack rates. For each age group, at each assumed gross clinical attack rate, estimates are given for "most likely" minimum and maximum. Proportion of cases by risk and age group; Impact on health care resources % hospital beds needed; outpatient visits as % of capacity; Morgue capacity % required; Number of doses need to meet pre-set vaccination goals; number of public health workers needed to give vaccinations: Results produced in tabular forma and in Excel graphs (suitable for cut-and-paste for presentations etc.., etc.)
DHHS CDC	**CommunityFlu**	A stochastic model at the individual level to model the effectiveness of community-wide interventions. The model will allow evaluation of groups of interventions, including vaccination, distribution of antiviral, and use of other measures to potentially decrease influenza transmission between individuals (e.g., use of masks). Will also have modules to consider the costs and economic benefits of various interventions (or combinations of such).		CDC: At this point in time, Budget $0. Work is part of assigned duties. We are trying to secure funding for additional resources.	Budget $0. Work is part of assigned duties. We are trying to secure funding for additional resources.	Model the effectiveness of community-wide interventions. The model will allow evaluation of groups of interventions, including vaccination, distribution of antiviral, voluntary withdrawal of ill persons, and use of other measures to potentially decrease influenza transmission between individuals (e.g., use of masks).	Pandemic illness rates. Person-to-person transmission rates, by 4 age groups. Probabilities of hospitalization and death, given 'flu-related illness. Rates of contacts at home, day care, school, workplaces, communities. Assumed rates (range) of effeteness of interventions Costs of interventions.	Levels of reduction in deaths and hospitalizations by rates of compliance with given intervention(s). Costs and benefits of given interventions by levels of compliance
LLNL	**Multi-scale Epidemiological and Economic Simulation and Analysis (MESA) Decision Support System**	A nation-wide spatial and stochastic epidemiological model of farm-to-farm disease spread coupled with economic models and resource tracking capabilities.		DHS Science & Technology Directorate is funding LLNL to develop a decision support system for foreign animal diseases.	$0	The model addresses policy to prepare for and respond to foreign animal disease incursions. Questions that are common to FMD, HPAI, and other foreign animal diseases include stockpile investments, appropriate vaccine usage, depopulation strategies, and size of containment zones.	Farm locations and numbers of animals present in each of the susceptible species; frequency and distance distribution of animal, human, and fomite movements; incubation, subclinical infectious, and infectious periods; time to detection; resource requirements to quarantine, vaccinate, and depopulate premises; partial budgets for livestock operations under baseline, quarantine, surveillance and other outbreak situations.	Outbreak duration; numbers of farms and animals destroyed for disease control or pre-emptive depopulation; numbers of farms and animals vaccinated (if any); farms and regions quarantined and duration of quarantine; resources requested and used; resource outages; adaptive changes to response policy (e.g., due to resource demands); dollar cost of controls; economic adjustments to baseline livestock operations including added biosecurity and welfare slaughter; financial losses to farms and other livestock industry during the outbreak; census of breeding animals and young stock at end of outbreak.

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Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
GID model has been integrated with health care, infrastructure, and economics models to provide an overall systems view of epidemic management. Data can be provided as a comma-delimited or tabs separated file.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Users would need to work with code developers to both run model and interpret results. However, users may be able to gain the necessary training by working closely with developers for approximately one week, and then be able to run simulations as well as modify the code from their home institutions.	Two geographic regions are represented – typically a metropolitan area and the rest of the United states. The geographic regions can be extended to represent a moderate number of additional regions or two represent two metropolitan regions, two countries, etc.	Aggregates population into 6 - 8 demographic age groups.	Parameterizable to represent a wide range of diseases. The disease spread portion of the model has been integrated with health care, infrastructure and economic models to provide a broad systems level picture of the efficacy and consequences of alternative policy measures. Model has been shown to be able to emulate highly aggregate results from much higher fidelity models such as Epi-Cast. Results can be turned around rapidly (hours to days).	Given current preparedness/response plans, how long will it take the pandemic to move through an urban community? How do alternative protective measures compare to current response plans? If the USG implements travel restrictions (International), how long of a delay can be expected? How long before we are out of the pandemic? How long before the next waves? How can we plan for the next waves to prevent any additional decline?	91-100%	0-3 mos.	Disease spread model, mass and ring vaccination results have been compared to literature for other diseases (50% complete with respect to validation)	
Stand alone program but some of the results (graphs) are written into Excel. Output can be readily used/ transferred to FluSurge and FluWorkLoss	Runs on a "standard" PC or laptop computer. IBM-compatible computer system that runs on MS Windows95 (or higher). MS Excel97 is required if you want to graph the results. (We recommend that the IBM-compatible computer have at least a 486 or Pentium microprocessor chip. Since FluAid requires the use of Windows95, we recommend that the computer have at least 8-16MB of installed RAM.	Program designed to be used by persons with little or no training/ experience with math models. Intended audience; Public health officials at national, state, and local levels. This program has been used extensively in the U.S. (at the national, state and local levels) and internationally.	User designates population (e.g., national, state, county). FluAid provides estimates of total impact after the pandemic has occurred. Does not describe how pandemic "unfolds" over time - provides estimates of total impact after pandemic is finished.	User designates population (e.g., national, state, county).	Simple-to-use, download from internet; Run many scenarios in an afternoon; Use with FluSurge and FluWorkLoss (see below).	Provides estimates of total number of deaths, hospitalizations and outpatients by age and risk group. Within "reason" can enter almost any population (country, state, city, county, etc., etc.)	100% complete and now available (first version completed in 1999). Finished and available online. http://www.dhhs.gov/nvpo/pandemics/.	Finished and available online. http://www.dhhs.gov/nvpo/pandemics/.	This program has been used extensively in the U.S. (at the national, state and local levels) and internationally.	
	It will run on a PC	Some basic appreciation of the epidemiology of flu. Intended audience is public health officials.	Duration of pandemic.	Population is a scale representation. Model tracks 1,000 persons scaled by age, according to local under consideration. Can model town, city, state or country.	Simple-to-use, download from internet; Run many scenarios in an afternoon	Effectiveness of community-wide interventions. Costs and benefits of such interventions.	Initial stages	Uncertain		
On the input side, the model allows definition of any type(s), sizes and location of livestock or poultry operations, including industry data, and random and intelligent random locations generated using a GIS. In addition, the model is ideally suited to link to economic models of farm and other business response to controls and market conditions during and after an outbreak, including models of cash flow and risk of banknuptcy, and models of market regionalization. Model outputs can be aggregated at state and county levels as a function of time to provide inputs needed by economic models.	Individual simulations can run on a PC (2 GB memory). Model is designed to run on clusters of workstations or massively parallel computers for multiple simulations. A single simulation can take from five minutes to ten hours depending on the extent of the outbreak. A typical Monte Carlo analysis comprises from 100 to 500 simulations.	The decision support system has a GUI user interface to facilitate both input as well as output and analysis functions. Expert knowledge of industry operations and livestock epidemiology is required to modify default parameters. Model interface allows experts users to specify regional and seasonal parameters for livestock operations and disease spread.	Disease spread and financial consequences are calculated at the farm level on a daily basis. Costs of control are resolved at the county level. The system runs at the national scale.	Model calculates disease spread and farm outputs on a daily basis across the entire country. National resource requirements can impact local supplies. National livestock ouput can feed back to farm production decisions. Outputs are reported for individual simulations and averages (and percentiles) of many runs to address both extreme events and average outcomes.	Unique nation-wide scalability feature calculates disease spread from farm to farm, and from farms to aggregations of farms in outlying counties and states. Model supports aggregation and disaggregation of production decisions and economic impact. Model incorporates regional and seasonal variation in parameters of disease spread and livestock production. Model includes feedback loops for producer behavior and adaptive controls in response to control policies and evolution of the outbreak. Model provides detailed understanding of disease spread and economic impacts at the farm level, to be used by other models, including aggregated economic impact models.	Model was designed as a decision support system to address policy questions for livestock and poultry disease control. Examples include controls of quarantine and surveillance zones and livestock/poultry movements; choice of vaccination vs. culling of infected and adjacent premises, triggers for adaptive control policies, and value of investments in stockpiles and routine surveillance for foreign livestock disease.	Basic model is complete. GUI and post analysis facilities are 50% complete. Ability to treat HPAI is limited by data input for poultry industry and migratory wild birds (0% complete; no funding)	Initial modeling of HPAI is limited by time to develop input parameters for poultry and wild birds. Estimated time to launch is six months from beginning of data acquisition.	Model has been verified for foot and mouth disease in US livestock. Model has not yet been applied to HPAI.	

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Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHSCIPDSS	**CIPDSS General Infectious Disease Model**	A susceptible-exposed-infected-recovered (SEIR) model of the spread of infectious disease and the effectiveness of alternative protective measures. Disease parameters can be adjusted to represent a wide range of infectious diseases, both contagious and non-contagious. The model includes multiple demographic groups based on age and employment status. The model also includes the option of instituting alternative vaccination strategies (e.g., ring vaccination and mass vaccination) and the use of anti-virals or other treatment mechanisms. Finally, the model includes transmission of the disease between two different geographic regions as defined through a leakage rate.	[redacted] DHS/S&T/CPR CIP Portfolio Manager [redacted]@dhs.gov [redacted] CIPDSS Co-PI Sandia National Laboratories [redacted]@sandia.gov [redacted] CIPDSS Co-PI Los Alamos National Laboratories [redacted]@lanl.gov	DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total	$0	The model is used to predict the spread of infectious disease in relatively large populations (metropolitan scale and above) including mortality, fraction of the population that is ill (with binning of illness severity). The model is used to evaluate the efficacy of alternative protective measures, especially vaccination, quarantine, and use of anti-virals. The model accounts for behavioral responses of the population and how those behaviors may impact the effectiveness of protective measures under considerations.	Disease parameters: infectivity, time ranges for residence in each of the disease stages, morbidity and mortality rates for demographic groups, contact rates for demographic groups, initial immunities for demographic groups, reproduction number, fraction of population infectious prior to being symptomatic. Scenario parameters: number of people initially infected in each demographic group, population sizes, travel rate between geographic areas. Policy parameters: efficacy of vaccine and anti-virals, time for vaccine to provide immunity, amount of available vaccine or anti-viral, rate of application of anti-virals or vaccine, effectiveness of contact tracing and compliance with quarantine policies.	Number of people in each disease stage as a function of time, also number of fatalities, total recovered, total immune as a function of time and demographic group.
DHS S&T	**ANL Model of Avian Influenza in the United States Poultry Industry**	This agent-based model would provide a flexible platform for the poultry industry, government agencies, and local communities to understand key characteristics of the avian influenza transmission process and to help determine the cost-effectiveness of proposed control measures and other management strategies.	[redacted] ANL [redacted]@lanl.gov	N/A	N/A	Agent-based GIS model designed to focus on the epidemiology of avian influenza virus transmission. It will include ecology, industry, and mitigation modules. Agents will be designed to simulate virus transmission among wild and domestic flocks, and resulting impacts on United States poultry producers, shippers, brokers, and processors. Users could include veterinary epidemiologists, poultry industry managers, and government decision-makers.	Avian influenza transmission pathways, wild bird migratory flyways, poultry industry supply chain, weather factors, and ecology.	Areas where infection of United States poultry industry facilities might be likely, infection vulnerabilities, economic impacts of infections, and possible impacts of mitigation measures.
DHS S&T	**Immunoassays and reagents for AIV detection; AIV Characterization; Diagnostic labs**	FAZD is developing immunoreagents and immunoassays for detection and identification of AIV in fowl. Also is modeling the spread of AIV from wild to domestic fowl and in bird markets and is characterizing AIV in Live Bird Market Settings; Has AIV diagnostic lab capabilities	[redacted] Director, FAZD [redacted]	DHS S&T ORD UP FAZD	~$300,000	Assays and reagents will be able to discriminate between infected vs. vaccinated birds. May be used in the field or in the lab using samples collected from live bird markets. Lab diagnostics available upon request for specific analyses	Grant resources	The major outcome for this project is a set of assays that can be used for active and passive AI virus surveillance and are scaleable to mass throughput via robotic systems.
DHS S&T	**Models of Microbial Agents dose-response, contagion, and risk communication**	CAMRA is modeling several microbiological agents' dose-response effects, fate and transport and feasibility of detection methods	[redacted] CAMRA Co-director, Michigan State University	DHS S&T ORD UP CAMRA	Unknown, generic modeling approaches of diseases at present.	Models, when developed, will provide estimates of risk and "safe" exposures	Lab research, grant resources	Models, papers, software; clean-up standards and exposure guidelines
DHS S&T	**Foodborne illness models and effects of pathogenic incursions in the food supply chain**	NCFPD researchers developed 1. supply chain models to track pathogen incursion in the food supply, from suppliers, wholesalers, distributors, to individual retailers. These models can be adapted to follow the distribution of infected animals. 2. a software tool, the consequence management system (CMS) to model pathogen incursions into a food system on a national level, includign distribution, consumption, morbidity, and mortality . 3. a joint effort with DHS-OIP and the food industry to develop checklists for preparation for and response to an influenza outbreak, and 4. economic models that estimate the economic impact of a food system attack, including expected cost impacts and ways to get industry to adopt best practices and technologies.	[redacted] eputy Director [redacted]	DHS S&T ORD UP NCFPD	Approx: $1 million, related models	Widespread pandemic can cause food system to collapse. Anticipation and countermeasures will reduce dislocation and economic effects	Research resources	Models, papers, software
DHS S&T	**LANL**	modeling at the host/virus molecular level				addresses infectivity contagiousness and virulence for humans		
DHS S&T	**LLNL-Multiple modeling resources**	The BKC provides in-depth analysis of biodefense issues, such as material threat analyses, which can require rapid analysis and modeling of biodefense information while considering emerging information from the intelligence and scientific research communities. BKC is a single point of contact for authoritative biodefense information to the Homeland Security Operations Center and senior officials. Tactical rapid-response requests to BKC are channeled through S&T's NSTTAR (also located at Livermore).	LLNL - Biodefense Knowledge Center, POC [redacted] or NSTTAR (24/7 response number 925-424-2424)	DHS S&T ORD	None			

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Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
GID model has been integrated with health care, infrastructure, and economics models to provide an overall systems view of epidemic management. Data can be provided as a comma-delimited or tabs separated file.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Users would need to work with code developers to both run model and interpret results. However, users may be able to gain the necessary training by working closely with developers for approximately one week, and then be able to run simulations as well as modify the code from their home institutions.	Two geographic regions are represented – typically a metropolitan area and the rest of the United states. The geographic regions can be extended to represent a moderate number of additional regions or two represent two metropolitan regions, two countries, etc.	Aggregates population into 6 - 8 demographic age groups.	Parameterizable to represent a wide range of diseases. The disease spread portion of the model has been integrated with health care, infrastructure and economic models to provide a broad systems level picture of the efficacy and consequences of alternative policy measures. Model has been shown to be able to emulate results from much higher fidelity models such as Epi-Cast. Results can be turned around rapidly (hours to days).	Given current preparedness/response plans, how long will it take the pandemic to move through an urban community? How do alternative protective measures compare to current response plans? If the USG implements travel restrictions (International), how long of a delay can be expected? How long before we are out of the pandemic? How long before the next waves? How can we plan for the next waves to prevent any additional decline?	91-100%	0-3 mos.	Disease spread model, mass and ring vaccination results have been compared to literature for other diseases (50% complete with respect to validation)	
Graphical user interface.	Windows based distributed computational system using Simphony (ANL-developed agent-based modeling platform).	Ecologists, veterinary epidemiologists, poultry industry specialists and managers, and emergency managers.	Spatial scale – United States; Temporal scale – annual	County/municipality level	Agent-based modeling techniques can reveal counter-intuitive outcomes because they are not predictive. Instead, these models allow interaction of autonomous individual agents in a manner that simulates reality more accurately than other modeling methods.	The model would help to assess options for mitigation and consequence management associated with possible avian influenza infection in the United States poultry industry.	0%	6-12 months	Not initiated.	N/A
		Significant expertise required.	local to national		Bird models	How AI can spread; containment options	50%	12		
		Unknown	variable		Ties together dose-response, transmission, fate and transport into a realistic whole.	How to communicate risk to the public and professionals with different categories of microbes.	0%	36-60		
	windows	variable, accessible through NCFPD	local to national		focusing specifically on effects of flu pandemic on food supply, whether foodborne or not.	appropriate preparation and response to pandemic for continued food production				

DOJ_NMG_ 0171196

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS S&T	**LLNL-Multiple modeling resources**	Food contamination, agricultural crop, water and Hoof and Mouth disease simulations. Model for Hoof and Mouth disease decision support system. Models for bio-detection/sensor architecture design. Economic analysis of events. Developing models for event reconstruction of airborne threats. Common chemical and bio end-to-end threat analysis architecture. Models for examining trade-off effects of policies. Ability to rapidly generate models and run simulations (significant assets in high performance computing to draw upon) .	LLNL, Homeland Security System Studies Group, POC [redacted] for NSTTAR (24/7 resonse number 925-424-2424)		None			
DHS S&T	**ANL BWIC (Biological warning incident characterization)**	Robust, fully integrated biowarning and incident characterization system. It combines and integrates information from both biosurveillance, environmental monitoring systems.	[redacted] ANL, [redacted] anl.gov	DHS S&T ORD	None	situational awareness and data integration	biosurveillance, meteorological and environmental monitoring data	modeling results from the suite of models integrated into the system
DHS S&T	**ANL**	Model for rapid and effective community response for dispensation of vaccinations and anti-viral drugs	[redacted]			system dynamics model designed to find solutions to logistical barriers that prevent or delay efficient receipt and mass dispensation of vaccines and other treatments for AI		
DHS S&T	**Hazard Prediction and Analysis Capability (HPAC)**	Products for planning, post-event analysis, and emergency response, including a capability for assessing atmospheric dispersions of chemical and biological materials. Also has additional capabilities for use in planning, post-event analysis, and emergency response.	Oak Ridge National Laboratory [redacted]	Defense Threat Reduction Agency	0	Time based prediction of hazard progression including lethality zones	Infection rates, infection spread rates, GIS data sets	Visual plume model overlaid on GIS/maps
DHS S&T	**Emergency evacuation Transportation modeling**	Assisting Federal, State and local agencies and volunteer organizations in analyzing and improving local and regional transportation systems and networks.	Oak Ridge National Laboratory [redacted]	Supported by DOE through National Transportation Research Center	0	Addresses issue of evacuation based on transportation corridors		
DHS S&T	**Evacuation Time Estimation Modeling**	Human response and behavior in emergencies and evacuation behavior	Oak Ridge National Laboratory [redacted]	DOE and FEMA ($2M for all FEMA)	Unknown	Addresses issues of human reactions to evacuation		
DHS S&T	**Aerosol anthrax - estimation of inhalation dose to population**	Environmental Measurements Laboratory, Dr. Alfred Cavallo, 212-620-3396	N/A	Interpretation of aerosol size distribution data relating to airborne contamination and estimate of potential for aerosol deposition in respiratory system	N/A	~ 1 hour after receipt of data	Analysis of particle size distributions of alpha-emitting radon progeny	Consultation provided from home office
DHS S&T	**Aerosol anthrax - multimedia transport analysis**	Environmental Measurements Laboratory, Dr. Hsi-Na (Sam) Lee, 212-620-6607	N/A	Estimation of transport and dispersion of aerosol anthrax in environment (air, water, soil)	N/A	2-3 hours after receipt of required data	Urban Dispersion Program plume modeling	Consultation provided from home office
DHS S&T	**Data Visualization and Integration Technologies to Create Actionable Knowledge**	The key strength of data visualization technologies is the capability to overlay and integrate disparate data sets, and create actionable knowledge that would not otherwise be readily available on which to base government actions. For example, data that could be included and geospatially analyzed for an influenza pandemic could include: medical overlays (i.e., locations of civilian and military hospitals/no. beds); locations of vaccines, influenza drugs, and pharmaceuticals; staging areas; potential evacuation centers; veterinarian resources; licensed poultry operations; migratory bird travel corridors; decontamination facilities; and domestic and international travel hubs.	PNNL POCs: [redacted] email: [redacted]@pnl.gov [redacted] email: [redacted]@pnl.gov	DOE Clients: Various, including DHS (NVAC)	$0	It is likely, in this day of modern international travel, that a pandemic will enter the country through multiple routes and locally spread in multiple areas of the country. The infection may be identified differently in different locations, perhaps attributed to colds or flu in some locations. This tool can be used to detect an emergence of disease over different locations or used to track the spread of the disease based upon a variety of input data.	Inputs can be a wide variety of data selected based on availability or relative value for early detection. For example, hospital visits, pharmaceutical orders, school absences, etc. could all be entered for visualization to detect emergent patterns. Inputs could also include resources to combat disease spread such as locations of vaccines, hosital beds, etc.	A combined implementation of spatially visualized data and information analytics that can identify appropriate response mechanisms relevant to the mitigation of an influenza epidemic or pandemic event.
DHS S&T	**Dispersion of Air Borne Bio-Threats**	Some biological pathogens may be transmitted through the air. PNNL has modeled the transmission of various air-borne contaminants in a variety of naturally occurring and man-made circumstances. If a pandemic causing pathogen transmits through the air*, modeling of transmission in an urban environment must consider meterological conditions and the effects of large structures that block, funnel, and in other ways direct the wind patterns that transmit the threat. Additionally, the threat to building occupants depends upon dispersion characteristics with the building. On a larger scale the transmission of air-borne contaminants are impacted by meterological and natural geography such as mountains, valleys, and large bodies of water. *Note: This pathway is not expected for pandemic influenze, but is important for other bio scenarios.	PNNL POC: [redacted] email: [redacted]@pnl.gov	DOE Clients: DHS	$0K	Model used to predict transmission of air-borne resistant diseases. Model would not be applicable for diseases that require direct contact or pathogens that are short-lived such that they don't spread via air-borne transmission.	Inputs are meterological information and geographical (or spatial) information about the location from which air-borne pathogens may spread. For application to indoors disease spread inputs would be based on the building ventilation characteristics.	Outputs are a spatial distribution of levels of pathogen exposure.

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Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
BWIC interfaces with the ESSENCE Sydromic Surveillance System and with the Disaster Management Interoperability Service (DMIS)	Cross-platform (but deployed on Linux OS), server requires at least 4 processors, client can by typical desk-top computer.	Moderate and BWIC provides training for the system	local scale since BWIC is a city-specific application		Open license-free Client/Server Architecture that seamlessly integrates diverse information streams and analysis tools -- Architecture flexible and modular so that additional models can be added or swapped with existing models to make the system adaptable to new uses.	Can provide integrated avian flu modeling, situational awareness, and decision support.	50%	6 months	N/A BWIC is an integration of existing models, not a model in itself	
	PC compatible/Web based	Requires person knowledgeable in HPAC to operate and interpret								
		Requires person knowledgeable in model to operate and interpret								
		Requires person knowledgeable in model to operate and interpret								
Aerosol size distribution data	2 hours during normal working hours; within 12 hours other times	CDC; New York City Department of Health								
Source information (mass, size distribution), topographical and meteorological information	2 hours during normal working hours; within 12 hours other times	CDC; LLNL-NARAC; New York City Department of Health								
Coordination on data/information availability with CDC, DHS, DHHS, NGA, USDA, NIH	Computation requirements depends upon the amount and type of input data to visualize. Typically, visualizations can be prepared on a single Windows based PC.	Experience inputing different types of data sets and selecting groupings is most helpful for efficient visualization.	The spatial and temporal scales are completely flexible depending upon the scales of the input data.		The Unique Strength of PNNL Visualization and Data Integration is the ability to present complex data in a manner that is most conducive to comprehension and decision making.		Multiple tools for data visualization are ready to implement. Data visualization for pandemic influenza would involve identifying the proper input data and sources. This stage is 0% complete.	0-3 mos., Tools are immediately available.	The models have been verified to represent the data accurately. The key verification must come that the input data selected accurately reflects the expects outcomes. This must be addressed based upon individual application.	
	Model runs on Windows-based PCs.	Model operation requires familiarity with model and air-dispersion type data. Intergretation of results requires an understanding of the relationship between disease transmission and exposure of air-borne pathogens.	Spatial scales depend upon the detail of the input data and the time frame the pathogen remains viable while air-borne. If the pathogen remained viable for very long periods (unlikely for pandemic) the spatial scale could span many miles. If the pathogen could remain viable for minutes to hours then the model would focus on the near spatial field, a few city blocks, from the source or within the same building.	Depends upon input data.		Where would the risks be greatest for transmission of an air-borne pathogen? What circumstances impact the distribution of air-borne threats?	Air-dispersion modeling applied to urban environments is ready to deploy.	0-3 mos.	Models have been verified for air-dispersion. Relating transmission of air-borne particles (pathogens) to transmission of disease must be validated.	Must assume that a reliable model of exposure to air-borne pathogens to communication of disease is established for target pathogen.

DOJ_NMG_ 0171198

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
	Infrastructure Impact Models							
USDA	**SAS-USA/GSEA**	A Multi-Regional Input-Output (MRIO) and Social Accounting System with fully integrated inter-industry transaction accounts, interregional and international trade accounts, and an interface to a food and agricultural geographic information system account.	[redacted]ers.usda.gov; Economic Research Service	Geo-Spatial Economic Analysis	$0	This system associates capacity changes in production assets and infrastructures, or impedances to market process', with economic flow estimates that either emanate from assets or pass through a process.	Percent of diminished capacity, by type of asset, infrastructure, or process, by geographic reference; or Percent change in final market demand (consumer, export/import, investment, government), by region and type of product.	Business outputs, jobs, wages, and profits directly and indirectly associated with the model inputs, by region (50-States, D.C., or U.S. custom port district) and sector (162-business sectors spanning all U.S. production activities), which emphasis on food and agricultural sector details.
DHS CIPDSS	**CIPDSS Suite of Interdependent Infrastructure Models**	CIPDSS is a computer simulation and decision analytic tool that informs decision makers about tradeoffs between alternative protective measures and operational tactics, or who need to allocate limited resources to protect our Nation's critical infrastructures. The CIPDSS models are a suite of aggregate models of each of the infrastructures which are integrated to represent interdependencies between the infrastructures. CIPDSS models the primary interdependencies that link the seventeen critical infrastructures and key resources together and calculates the impacts that cascade into these interdependent infrastructures and into the national economy.	[redacted] DHS/S&T/PPOR CIP Portfolio Manager [redacted]@dhs.gov CIPDSS Co-PI Sandia National Laboratories [redacted]@sandia.gov CIPDSS Co-PI Los Alamos National Laboratories [redacted]@lanl.gov	DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total	$0	Explanatory modeling of infrastructures and the consequences of large-scale infrastructure disruptions. The models focus particularly on assessing the adequacy of infrastructure capacities (e.g., in this context, the capacity of the health care system in terms of staffed hospital beds, specialized equipment etc.), on cascading effects, and unexpected consequences of policy options under consideration.	Infrastructure capacities are key model parameters included in the current suite. Scenario drivers for these models include demand for services (e.g., the number of ill people requiring hospitalization, the duration of hospital stays, requirements for specialized equipment for treatment). Additional inputs are scenario specific but if policies being evaluated included impacts on capacity (e.g., restricting travel or transportation services) the effect of the policy on capacity would need to be estimated	Effectiveness of each of the infrastructures in terms of ability to meet demand or shortfall in ability to meet demand – e.g., shortfall in staffed hospital beds. In addition, standard decision metrics include number of fatalities, number and severity of illness, economic impacts in terms of lost gross state product.
DHS NISAC	**IEISS**	Flexible and extensible object-oriented software framework for the modeling, simulation, and analysis of interdependent infrastructures represented as interconnected network structures. Performs integrated energy system modeling at the physics level.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Represents the behavior of energy transmission network systems (such as electric power systems and natural gas pipelines) using detailed physics and engineering algorithms. Provides utility that low fidelity models that use economic methods, aggregate balance, flow, or graph theory do not.	Models of the represented infrastructures (e.g., electric power transmission systems) including component characterizations (e.g., generation capacities, alternate fuel types). Highly tolerant of missing data.	Service and outage areas, network characterization. Service outage restoration estimates. Contingency analysis.
DHS NISAC	**Railroad-Network Analysis System (R-NAS)**	A non-linear, optimization-based analytic model of commodity movements on the national rail transportation network. R-NAS includes a network model for flow prediction resulting from changes in capacity on selected user specified rail links.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	R-NAS provides impact assessments defined by geographic or policy-based rail service outages), specifically focusing on changes to commodity flows on the US rail system. This system's output provides data in a usable format for use by regional and national economic models. R-NAS can be used to analyze a range of additional questions related to loss of capacity in the rail system.	R-NAS uses a national rail network and the Private 10% Rail Waybill Sample as fundamental input providing the basis for model operation. Custom network flow algorithms use as input user-defined rail outages. Model scenario inputs consist of establishing an outage area for rail transport [e.g., one or more regions, states, county(ies), metropolitan area(s), specific track segment(s)] and commodity group service times (durations goods can be acceptably in-transit on network). The model also includes a "service time" parameter for limiting the amount of time (on average) a particular commodity group can traverse the rail system.	Numbers of carloads per day of commodities (by commodity groups) that cannot be successfully conveyed from shipper to receiver within defined service times on the affected rail network. An estimate of the volume, by commodity group, traversing each section of the major rail transport corridors. Estimates for alternative flow patterns, by commodity group, avoiding the user-defined outage area. Estimates of overall congestion on the rail system due to the outage area.
DHS NISAC	**Air Transport Optimization Model (ATOM)**	A Mixed Integer Linear Program (MILP), optimization-based analytic model of passenger movements on the national air transportation system.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	ATOM allows assessment of the potential impacts on air passenger routing given a particular defined extended geographic or policy-based airport (or equipment) impact. Impact can be in the form of traffic slow-downs or complete shutdowns. ATOM is intended to address significant outages with durations greater than those of weather delays (i.e., > 1 week).	Extensive air traffic data from Bureau of Transportation Statistics used as fundamental input and basis for model operation – already included in ATOM. Model scenario inputs consist of establishing an impacted area for air transport [e.g., one or more region(s), state(s), county(ies), metropolitan area (s), airport(s)].	Statistics on passengers re-routing, airport operations affected, impacts on neighboring airports affected by re-routed traffic. Provides an overall assessment of the impact to the national air transport system as a result of a user-defined outage. ATOM provides direct economic impact figures based on 2004 data, which can be provided to regional and national economic models for the determination of indirect economic impact.

DOJ_NMG_ 0171199

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
On the inputs side, SAS-USA/GSEA can directly interface with geographically resolved physical process models such as disease spread models, multi-modal freight routing models, etc. On the output side, seamlessly facilitates data development for behavioral/market-clearing economic models, risk models, and other social science modeling platforms.	The economic system accounts are currently calibrated using a SUN Workstation with a duel 64-bit processor and Solaris operating system. Model applications are run in a standard PC Windows environment using SQL and GIS software applications. The full SAS-USA/GSEA platform resides on a 1-tera-byte secure server.	Requires little expertise to generate standard queries from the baseline data system. These produce highly detailed and integrated market and infrastructure data. To run scenario based interfaces with physical process model inputs and/or behavioral modeling outputs requires specialized expertise.	The version 1 system is calibrated to a 1997 economic system database which is still the current U.S. baseline economic system account. When used as an interface, the spatial and temporal scale is determined by the input system.	A 51-region State level resolution is developed for calibrating the inter-industry (input-output), interregional, and international accounts. Using the GIS interface, the system can generate outputs for county level applications.	An effective platform for translating geographically resolved process modeling output into a highly detailed economic metric and to pass these on to behavior/market clearing models for economic analysis, or pass back to a process model for iterative analysis.	A very broad spectrum of policy questions can be addressed, but was primarily build to examine food and agricultural issues.	71-80%	4-6 mos.	A beta version has been developed and successfully used in a number of actual and hypothetical applications. Methodology has been published in peer reviewed technical Journal and presented to a wide range of peer audiences with technical, applied, and policy expertise.	
The CIPDSS models have been integrated with the CIPDSS General Infectious Disease Model and economics models to provide an overall systems view of epidemic management. Data can be provided as a comma-delimited or tabs separated file.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Users would need to work with code developers to both run model and interpret results.	Two geographic regions are represented – typically a metropolitan area and regional representation of the rest of the United States at a state level at minimum. Model runs typically simulate periods of several weeks up to 12-18 months. While the integration time step may be shorter, outputs are typically represented in hours or days.	Models can be run at an aggregate level to look at metropolitan and national impacts.	The CIPDSS suite of models is unique in its broad representation of infrastructure interdependencies at both national and metropolitan scales coupled to economic consequence models and a range of event scenarios, specifically a general infectious disease model. CIPDSS is able to consider not just the efficacy of protective measures within the health care system but broader impacts on the economy and the potential impact of population behavioral responses (e.g. staying at home to care for ill family members or to reduce exposure).	What is the impact on the US critical infrastructures? Are current infrastructure capacities in the health care and emergency response sectors adequate? What are rough estimates of additional resources and infrastructure capabilities required to address pandemic influenza?			Individual sectors have had cross model comparisons and comparison to historical events	
GUI for analysis use, XML model definition input file formats. Relational database interface for model storage. Support of GIS file formats input and output.	Windows and Linux plus other Java JRE 1.4-enabled platforms.	Generally usable by an analyst with domain expertise (electric power, natural gas, water) A tutorial is available. The tools have been used by non-domain experts.	No essential restriction on spatial scale, models range from national to regional in size. No explicit temporal limit, time dependent simulation capability being enhanced.	High resolution. Modeling elements in the various infrastructures are modeled at the individual physical level. System modeling is implemented at the physics component level.	Integrated simulation environment for analyzing the steady state behavior of coupled and non-coupled network infrastructures. Current architecture supports energy and distribution-level water sector representations. Water sector simulations are paving the way for other fluid infrastructures, such as POL, crude oil, storm water, etc. Performs integrated energy system modeling at the physics level.	What is the level and nature of dependence and interdependence between infrastructures? Which geographic areas will be affected by an outage of service? Do cascading outages exist within and/or between infrastructures?	71-80%	Electric power and natural gas sectors (for which data exists) - available now. Water analysis capability ready in 2-3 months. Petroleum and crude oil analysis capability will follow upon verification of water simulations.	Energy sector models have had cross model validation, as well as comparison to historical events. Cross model validation has been performed for current water models.	
R-NAS is an integrated Geographic Information System (GIS), user interface, suite of analytic solvers, and database. Data input and output can be facilitated using a spreadsheet format. Outage(s) and commodity service times can be taken from scenario reports, news information, government official/customer input, industry representatives, etc. and entered directly into the model via the user interface.	Single-processor Windows-based machine. Runs as "customized off-the-shelf" model utilizing TransCAD® (Caliper Corporation) commercial software base for model interface. Software installation and hardware (USB) key required to run TransCAD®.	Minimal amount of training required to operate interface, set scenarios, and run model. R-NAS team expert input suggested to ensure correct interpretation of model results. R-NAS analysts are available to assist with scenario definition and execution, and output interpretation and documentation.	National rail transportation network, with results on basis of representative day on the rail system.	Commodity groups [collections of similar or related individual commodities, represented by Standard Transportation Commodity Codes (STCCs) – 7-digit STCCs can be aggregated into any number of commodity groups - default is currently 13 representative groups]	The only known national rail model that allows evaluation of commodity flow across the US rail system when infrastructure outages are present. These off-normal operating conditions are analyzed while considering overall traffic patterns, network capacities and rail yard congestion. Output from other models can help determine potential areas of rail service outage. Output from R-NAS can be used as input to economic models to examine impact of lack of commodity movements.	What is the impact to the transportation of commodities moved on the rail network if the network experiences some type of outage (physical damage) or is impacted by a policy decision [embargo of particular region(s), embargo of particular commodity(ies) through particular region(s)]?	91-100%	0-3 mos.	Anecdotal evidence that model correctly predicts response of rail transportation network under conditions of stress and/or outage (e.g., Hurricane Katrina). Specific validation of rail routing strategies would require access to rail company proprietary operational plans and procedures.	
ATOM is an integrated Web-based user interface, custom analytical solvers, and database management system. Airport impacts can be taken from scenario reports, news information, government official/customer input, airport and industry representatives, etc. User-defined scenarios are created using the Web Interface. Data input and output can be facilitated using a spreadsheet format.	Web-based model, with requirements for both client and server sides. Client side: Mac or PC with Internet Explorer 5.x (or greater) used to review data, set scenario parameters, and submit model runs. Microsoft Excel required to view exported data tables. Google Earth required to use map visualization capabilities. Server side: Dual-processor Windows-based machine. Installation of custom developed model suite (interface, model formulation). CPLEX and AMPL used for backend optimization calculations. Google Earth software used to generate visualization maps.	Scenarios are easily defined via the Web Interface, but due to the complexity of the underlying data, expert analyst support is required. ATOM expert analysts are available to help define and execute scenarios and to analyze, interpret, and document the extensive results provided by each model run.	National air transportation network, with results on basis of representative day on air network. Intended for use with air impacts greater than those typically associated with weather delays (i.e., >1 week).	Individual passengers, types of aircraft, individual airports.	The only known national air model that allows evaluation of off-normal operating conditions, while considering typical traffic and network capacities. Output from other models can help determine potential areas of airport impact. Output from ATOM can be used as input to economic models to examine impact of modified air service and passenger movements.	What is the impact to the national air transportation system and the ability to move passengers, freight, and cargo if airport operations at one or more airports are impacted either due to physical damage or policy-based travel or operational restrictions?	91-100%	0-3 mos.		

DOJ_NMG_ 0171200

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS NISAC	**National Petroleum Model**	A system dynamics model of the US petroleum infrastructure, including production, importation, and SPR storage of crude oil, refining capability, pipeline transportation, and importing of refined products.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Sandia National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Model is used to evaluate if refined products will become unavailable given specified disruptions to any part of the national petroleum infrastructure. Model could be adapted to adjust the capacity of each system component to account for impacts due to labor shortages.	Capacity of import terminals, refineries, and pipelines. Assumptions about disruption scenarios. Estimates of labor availability.	The flow rate and stocks of crude oil and refined products at each part of the infrastructure.
DHS NISAC	**National Natural Gas (NG) Model**	A system dynamics model of the US natural gas infrastructure, including production and imports of NG, underground storage, and pipeline transportation.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Sandia National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Model is used to evaluate if NG will become unavailable given specified disruptions to any part of the national NG infrastructure. Model could be adapted to adjust the capacity of each part of the system to account for labor shortages.	Capacity of import terminals, NG production and storage, and pipelines. Assumptions about disruption scenarios. Estimates of labor availability.	The flow rate and stocks of NG at each part of the infrastructure.
DHS NISAC	**Sea Port Operations Model**	A system dynamics model of individual container ports.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Sandia National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Model is used to simulate port throughput given disruptions to labor, electric power, telecommunications, or surface transportation. Provides detailed simulation of the impacts of different inspection and security policies.	Capacity of all aspects of port operation. Assumptions about infrastructure disruption. labor availability, and security practices.	The flow rate and stocks of containers at each part of the port and delivered to importers.
DHS NISAC	**WISE**	Water system infrastructures including potable water supply, sewage collection, and stormwater.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Simulation in support of analysis of transmission and distribution scale water infrastructure systems, flood events (e.g., rain, storm surge), spatial estimates for water demand, and water quality.	Water infrastructure network hydraulic models (e.g., pipes, valves, tanks, pumps) and geospatial layout, treatment plant locations & operations, contaminant properties, precipitation and predicted storm surge.	Flows, pressures, velocities and concentrations measured at pipes and junctions. Includes such derived values as population exposures, service and outage areas. Flood inundation areas. Using other elements of the NISAC toolset, general infrastructure interdependencies can be analyzed.
DHS NISAC	**FinSim**	An agent-based model of the payment system infrastructure that includes the FedWire, FedACH, and FDIC institutions. Models the payment system at the transactions-level, and determines how the payments and financial systems are affected by disruptions to the financial, telecommunications, and energy sectors.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Financial system infrastructure (e.g., FedWire, FedACH, FDIC institutions) including coupling to the energy and telecommunication sectors. Impacts on financial system, particularly payments system, from disruptions to financial, telecommunications, and energy systems. Evaluation of mitigation and response strategies by banks, other financial system participants, and Federal Reserve.	Participant directories (geo-coded), financial system flows (rate/traffic characterizations) and payment & settlement characterizations (i.e., algorithms).	Liquidity impacts as a result of outages caused by natural or terrorism events. Derived from network performance characteristics produced by the simulation. Evaluation of mitigation and response strategies by banks, other financial system participants, and Federal Reserve.

DOJ_NMG_ 0171201

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
Input and output information exchanged through team reports.	Low computational requirement, requires commercial software Vensim	Understanding of national-scale petroleum dynamics and data provided by DOE/EIA.	Spatial resolution is by PADDs, except in gulf coast region which is broken into 6 regions (e.g., Houston region). Time step is typically 1 day, simulated total time is typically weeks to 6 months.		We are unaware of other models with the same capability Could use estimates of labor availability from other models as input.	Will refined products become unavailable, given specified disruptions to any part of the national petroleum infrastructure? With some model adaptations, how will labor shortages impact the national petroleum and refining system?	71-80%	0-3 mos.	Model will require updating of parameters and testing of revisions to be used for a specific problem.	
Input and output information exchanged through team reports.	Low computational requirement, requires commercial software Vensim	Understanding of national-scale NG dynamics and data provided by DOE/EIA	Spatial resolution is by DOE/EIA reporting regions. Time step is typically 1 day, simulated total time is typically weeks to several years.		We are unaware of other models with the same capability. Could use estimates of labor availability from other models as input.	Will NG become unavailable, given specified disruptions to any part of the national NG infrastructure? With some model adaptations, how will labor shortages impact the NG system?	71-80%	0-3 mos.	Model will require updating of parameters and testing of revisions to be used for a specific problem.	
Input and output information exchanged through team reports.	Low computational requirement, requires commercial software PowerSim	Understanding of port operation and cargo statistics.	Spatially, a single port is represented as about 10 individual components. Time step is typically 1 hour, with total simulated time ranging from several weeks to 1 year.		We are aware of another model (developed internally at Sandia National Laboratories) that uses a discrete event approach to track individual containers. This system dynamics model could use estimates of labor availability from other models as input.	How will port throughput change, given disruptions to labor, electric power, telecommunications, or surface transportation. What will be the impacts of different inspection and security policies?	71-80%	0-3 mos.	Model will require updating of parameters and testing of revisions to be used for a specific problem.	
Arc GIS model build & output visualization, IEISS interconnectivity, basic XML model definition file formats.	Windows and Linux plus other Java JRE 1.4-enabled platforms; models are interfaced to ArcGIS.	Generally usable by an analyst experienced in water hydrology & hydraulics.	Resolution from transmission system to individual physical component (e.g., valve).	high (physical component)	Interdependency studies supported by coupling to other infrastructure representations in IEISS framework (energy sector) and Urban Infrastructure Suite elements (e.g., Public Health Sector).	What is the availability of potable water and what is its quality? What regions are flooded and what infrastructures are impacted? What are the implications of electric power outages on water service?	90% (Water quality and flood tools are complete but not fully validated. Interdependency simulation requires validation of solver.)	0-3 mos.	Cross model validation is on-going.	
ArcGIS based consequence & restoration assessment, basic XML model definition file formats. Inputs from historical financial system data and from other tools on telecommunication and energy availability (e.g., MIITS and IEISS, respectively).	Java-based can be run on multiple platforms. Current version can be run on stand-along personal computer; planned to run on computer cluster or super-computer for transaction-level simulation of payment system.	While some results would be self-explanatory, it will be necessary to work with either developers or maintainers of system to: 1) set up scenarios; and 2) interpret results of simulations.	Spatial scale is national while the temporal scales range from individual transactions to extended periods (months). Model allows impacts to propagate from and to international arena.	Individual financial sector institutions (currently, approximately 93,000 participants in the US model) at the transaction level (approximately 10,000 transactions per minute is the eventual goal). Aggregation to different time scales is currently implemented. Outages at the local telephone exchange or individual financial system participants can be represented.	Interdependency studies supported by coupling to other infrastructure representations in IEISS framework (energy sector) and Urban Infrastructure Suite elements (e.g., Model of Telecommunications Sector - MIITS). Explicit dependency of the state of financial system on the state of the telecommunications system. Ability to model overall financial system impacts due to interdependencies between payment system and other components of the financial system.	Impacts of disruptions to financial system. Possible response and mitigation measures by individual banks and Federal Reserve System, including liquidity provisions by the Federal Reserve. Impacts on other financial intermediaries.	55-80 percent complete. FedWire is most developed and is 75-85 percent complete.	FedWire studies: 0-3 months; General financial system impacts: 0-6 months.	FedWire algorithms verified against Finland Payment System Simulator. Currently in the process of defining MOU with Federal Reserve Board in order to validate against transaction-level data. The telecommunications component has been validated in a number of real-world studies. Software testing is on-going.	

DOJ_NMG_ 0171202

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS NISAC	**Loki-Payment**	Agent-based model of the wholesale payment system representing the flow of large-value payments among banks. May be parameterized to reproduce the statistical characteristics of Fedwire	DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov Sandia National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Possible impacts on payment flows resulting from operational disruptions at one or more banks; effectiveness of mitigations undertaken by the Federal Reserve in the event of such disruptions	Statistical characteristics of the set of banks and of interbank payment flows; implications of staff shortfalls on payment processing	Comparative performance of the payment system under disrupted conditions, including delays, congestion, fraction of unsettled payments
DHS NISAC	**FAIT Tool**	Fast analysis infrastructure tool for determining dependencies between infrastructure elements and assessing impacts of lost/reduced function for individual assets.	DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov Sandia National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Identification of assets; specification through natural language of data associated with an asset; visual verification through external web sources for imagery data (Google Maps, TerraServer)	User selection of an asset for analysis, based on one of several search techniques.	Itemized list of assets which are strong candidates to be interdependent with the asset selected by the user; other analyses (co-location, economic analysis) can be performed on the asset as well. Summarization of results reported in output as a word document.
DHHS CDC	**FluSurge**	FluSurge 2.0, is a spreadsheet-based software program that estimates the potential surge in demand for hospital-based healthcare during the next pandemic. For each week of the pandemic, FluSurge calculates the potential demand for hospital beds, beds in intensive care units, and mechanical ventilators. Demand for resources is compared to actual capacity. FluSurge is a companion to the previously released FluAid 2.0, which provides estimates of the total deaths, hospitalizations, and outpatient visits that may occur during the next influenza pandemic.	[redacted]MS, Ph.D. Senior Health Economist CDC/NCID/OD/OS Mailstop D-59 1600 Clifton Rd Atlanta, GA 30333 PH [redacted] e-mail [redacted]@cdc.gov	Office of Surveillance, NCID, CDC: Budget $0. Work is part of assigned duties.	$0. Work is part of assigned duties.	Provides estimates of the potential surge in demand for hospital-based healthcare during the next pandemic. For each week of the pandemic, FluSurge calculates the potential demand for hospital beds, beds in intensive care units, and mechanical ventilators. Demand for resources is compared to actual capacity.	Population by age group (3 age groups); Numbers of licensed hospital beds, ICU-beds and mechanical ventilators; user selects assumed duration of pandemic (6, 8 or 12 weeks) and gross clinical attack rate (15%, 25%, or 35%). User can alter up to 7 assumed input values that impact resource use (e.g., days in bed, % patients requiring ICU, average proportion of influenza death than occur in hospital). User can readily alter number of assumed total deaths and hospitalizations (can be calculated using FluAid), allowing for limitless number of pandemic scenarios.	Total hospital admissions by day of pandemic (3 estimates: Most likely, minimum, maximum); Impact, by week, on hospital resources 9e.g., % beds required, % ICU-beds required, % ventilators required). Can examine impact of changing inputs, such as assumed number of days in bed, or % of influenza patients requiring ICU or ventilator.
DOT	**Freight Analysis Framework II**	The FAF2 is a GIS-based capacity and congestion analysis tool relating infrastructure capacity to both freight movement and passenger travel. It is a follow-on to the FAF1, which is currently available. However, FAF1 is based on proprietary data, so its results cannot be released outside of the USDOT unless they are aggregated to the state level.	[redacted]@DOT.GOV, FHWA-Freight Management and Operations Office	Federal Highway Administration, Office of Freight Management and Operations	$0	The model is designed to evaluate infrastructure capacity and congestion as related to freight shipment.	Current existing infrastructure capacity/condition, commodity flow O-D data, passenger travel data, and algorithm for traffic assignment	States of congestion, capacity shortages/surplus, corridors/routes where freight travels, tons/dollars of freight moved on a route or within a corridor.
DHS CIPDSS	**Critical Infrastructure Protection Decision Support System (CIP/DSS)**	CIP-DSS is a risk-informed Decision Support System that provides insights for making critical infrastructure protection decisions by considering all seventeen CI/KA and their primary interdependencies. CIPDSS is a computer simulation and decision analytic tool that informs decision makers about tradeoffs between alternative protective measures and operational tactics, or who need to allocate limited resources to protect our Nation's critical infrastructures. The CIPDSS models are a suite of aggregate models of each of the infrastructures which are integrated to represent interdependencies between the infrastructures. CIPDSS models the primary interdependencies that link the seventeen critical infrastructures and key resources together and calculates the impacts that cascade into these interdependent infrastructures and into the national economy.	[redacted] DHS/S&T/PPR CIP Portfolio Manager [redacted]@dhs.gov [redacted] CIPDSS Co-PI Sandia National Laboratories [redacted]@sandia.gov [redacted] CIPDSS Co-PI Los Alamos National Laboratories [redacted]@lanl.gov	DHS/S&T Critical Infrastructure Protection Portfolio $6.9M DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total ?	$0.00	Analysis of Alternatives for reducing the impact of Pandemic influenza (utilizes disease, infrastructure and decision models). Explanatory modeling of infrastructures and the consequences of large-scale infrastructure disruptions. The models focus particularly on assessing the adequacy of infrastructure capacities (e.g., in this context, the capacity of the health care system in terms of staffed hospital beds, specialized equipment etc.), on cascading effects, and unexpected consequences of policy options under consideration. Explanatory modeling of infrastructures and the consequences of large-scale infrastructure disruptions. The models focus particularly on assessing the adequacy of infrastructure capacities (e.g., in this context, the capacity of the health care system in terms of staffed hospital beds, specialized equipment etc.), on cascading effects, and unexpected consequences of policy options under consideration.	Infrastructure capacities are key model parameters included in the current suite. Scenario drivers for these models include demand for services (e.g., the number of ill people requiring hospitalization, the duration of hospital stays, requirements for specialized equipment for treatment). Additional inputs are scenario specific but if policies being evaluated included impacts on capacity (e.g., restricting travel or transportation services) the effect of the policy on capacity would need to be estimated	evaluation of alternatives for the significant reduction in economic and human health impacts; guidance to Fed, State, and local decision makers for improved preparedness in both the public and private sectors. Effectiveness of each of the infrastructures in terms of ability to meet demand or shortfall in ability to meet demand – e.g., shortfall in staffed hospital beds. In addition, standard decision metrics include number of fatalities, number and severity of illness, economic impacts in terms of lost gross state product.
DHS S&T	**Emergency Preparedness and Response Integrated Simulation Models**	Estimating surge capacity requirements; emergency response planning; supplies and transportation planning, incident commander logistics assistance and control.	[redacted] PACER Co-Director [redacted]	DHS S&T ORD UP PACER - Johns Hopkins	None yet	Simulation Integration Framework (APL) Multiple Simultaneous Effects (APL) Event, Behavior, Economics, Response (Brookings) Biosensor Fusion Standards (UB) Surveillance Standards for WMD (JHU) Testing/Evaluation of Emerging Technologies (APL)	Research resources	Models, papers, software

DOJ_NMG_ 0171203

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
Extent of staffing shortfalls and the implications for payment processing at specific banks are needed. These may be derived from other models or stipulated as part of the scenario definition. Liquidity injections used to stabilize the system, and the latency or reliability of the payment system, may inform economic models	Single-threaded JAVA application; runs under any OS with a JAVA run-time environment; multiple processors facilitate uncertainty analyses	Users would need to work with code developers to both run model and interpret results. However, users may be able to gain the necessary training by working closely with developers for approximately one week, and then be able to run simulations as wells as modify the code from their home institutions. Knowledge of the model methodology and inherent assumptions is necessary for accurate interpretation of results.	Scope may be as large as the wholesale payment system in the US;	Individual financial institutions are simulated based on statistics of the population of banks in the US. Specific institutions are not represented	Unique in representing behavioral responses of banks. Other models are available for simulating payment processing using pre-defined rules. Liquidity injections used to stabilize the system, and the latency or reliability of the payment system, may inform economic models	What are the possible impacts on payment flows resulting from operational disruptions at one or more banks? What will be the effectiveness of mitigations undertaken by the Federal Reserve in the event of such disruptions?	90%	0-3 mos.	Calibrated using network topology and traffic under normal circumstances; many disrupted conditions of interest have never occurred and validation is impossible in these cases.	
Web-based GUI	Server-based capability; requires minimal internet connection and browser for usage. Requires server, data access (for currently developed capability) or architecting (for separable capabilities)	Requires some knowledge of infrastructure and interdependencies, as rules will in some cases capture assets for which dependency is unlikely in spite of rule matching.	not a simulation per se; captures fixed set of data for CONUS.	individual physical assets in the covered infrastructures (electric power; petroleum, oil and lubricants; natural gas; and wire line telecommunications)	Unique in capturing dependencies and co-locations utilizing rule set; provides rapid information, structure for compilation of information. Economic model (REAcct, described below) incorporated into FAIT structure. Compilation format allows for attachment of model results from any model to a specific analysis asset.	What assets are likely to be disrupted due to cascading effects if a particular asset is disrupted?	for developed infrastructures: 85%; for planned infrastructures: 25%	For developed infrastructures: 0-3 months; for planned infrastructures: 12-24 months	Rule set validation conducted both during development as well as on-the-fly by users. Rule set specifically over captures dependencies to meet analyst needs.	
Spreadsheet, with macros, for Excel. Can be used in conjunction with FluAid and FluWorkLoss	FluSurge uses the Windows* operating system (Microsoft Windows 2000 or higher) and Excel (Microsoft Office 2000 or higher). We recommend using a computer with at least a 486 Pentium processor and at least 128MB RAM. FluSurge requires up to 2 megabytes of storage space on the computer's hard drive.	Program designed to be used by persons with little or no training/ experience with math models. Intended audience; Public health officials and hospital administrators at national, state, and local levels. This program has been used extensively in the U.S. (at the national, state and local levels) and internationally	User designates population (e.g., national, state, county), time line (duration of pandemic) and gross clinical attack rate. FluSurge provides estimates of demand for hospital beds, ICU-beds, ventilators by day for the duration of the pandemic.	User designates population (e.g., national, state, county). Results produced by day of pandemic	Simple-to-use, download from internet; Run many scenarios in an afternoon; Use with FluAid and FluWorkLoss	FluSurge calculates the potential demand, by day of pandemic for hospital beds, beds in intensive care units, and mechanical ventilators. Demand for resources is compared to actual capacity.	100% complete and now available (first version completed in 1999). Finished and available online. http://www.dhhs.gov/nvpo/pandemics/.	Finished and available online. http://www.dhhs.gov/nvpo/pandemics/.	This program has been used extensively in the U.S. (at the national, state and local levels) and internationally.	
The commodity flow database, passenger travel database, and the transportation network are all compatible with commercially available GIS software	PC-based. With a minimum of 1 GB RAM	Must be familiar with both transportation demand modeling practice/program and GIS	Sub-state/Annual average daily as default. It can be modified to user specification.	Sub-state	Links freight movements to both transportation infrastructures and passenger travel	FAF has been used to provide answers and data to a broad spectrum of policy questions as related to modal issues, investment, truck size and weight, etc.	60%	7-9 mos.	Verification will be continuous	
The CIPDSS models have been integrated with the CIPDSS General Infectious Disease Model and economics models to provide an overall systems view of epidemic management. Data can be provided as a comma-delimited or tabs separated file.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Users would need to work with code developers to both run model and interpret results.	Two geographic regions are represented – typically a metropolitan area and regional representation of the rest of the United States at a state level at minimum. Model runs typically simulate periods of several weeks up to 12-18 months. While the integration time step may be shorter, outputs are typically represented in hours or days.	Models can be run at an aggregate level to look at metropolitan and national impacts.	The CIPDSS suite of models is unique in its broad representation of infrastructure interdependencies at both national and metropolitan scales coupled to economic consequence models and a range of event scenarios, specifically a general infectious disease model. CIPDSS is able to consider not just the efficacy of protective measures within the health care system but broader impacts on the economy and the potential impact of population behavioral responses (e.g. staying at home to care for ill family members or to reduce exposure).	What is the impact on the US critical infrastructures? Are current infrastructure capacities in the health care and emergency response sectors adequate? What are first order estimates of additional resources and infrastructure capabilities required to address pandemic influenza? What mitigation measures or infrastructure investments are preferred given the threat risk?	61-70%	0-3 mos.	Individual sectors have had cross model comparisons and comparison to historical events	
	windows & web based apps	Training, if needed can be developed	local to national		Models attempt estimate the dimensions of a "surge" in demand for medical aid, facilities, vaccines in response to an outbreak. Access to JHU resources: Medical School, Dept. of Emergency Medicine, School of Public Health, Advanced Physics Labs, affiliate	Resource allocation, pandemic impacts.	0%	24	N/A	

DOJ_NMG_ 0171204

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS S&T	**Social science models and data**	Estimating public response to outbreaks and containment options; identifying the characteristics required to improve resiliency and recovery	[redacted] START Director [redacted]	DHS S&T ORD UP START	• Survey – $167,000 • Best Practices – $145,000 • Risk Communication – $74,000 • CART -$148,000	Several START Projects are relevant in determining our response and recovery capacity in the event of an AI incident. These projects are briefly described below: • National Household Survey - This project will design, conduct, and analyze a survey to describe, explain, and predict public preparedness, mitigation, and avoidance actions, intended actions, and relevant perceptions for major hazards with an emphasis on the hazard of terrorism. • Best Practices for Preparing Communities: Citizen Engagement in Public Health Planning - This project will employ group-process methods to produce guidance for leaders on actively engaging citizens in public health emergency planning, with an emphasis on bioterrorism. • Communicating about the Risks of Mass-Casualty Terrorism in Diverse Communities - This project is designed to gain a better understanding of the emotions, perceptions, comprehension, and decision-making of culturally and economically diverse populations with respect to homeland security threats. Utilizing content analyses of risk communications from government entities to diverse public audiences, with an emphasis on those messages related to mass-casualty terrorism (e.g., biological or chemical terrorism), this project will focus on explaining and understanding risk reactions among diverse social groups for an evolving situation of threat. • Mental Health, Community Resilience, and the Terrorist Threat - This research team has developed and pilot tested a new protocol, the Community Assessment of Resilience Tool (CART). The CART is a clinically relevant and theoretically driven assessment tool for communities to evaluate their resilience so that it will be possible to assess the relative resilience of different communities and changes in resilience capacity over time, and also to intervene in order to enhance resilience.	• Survey results, focus group results, risk communications, individual indicators of resilience.	New data for further analysis; conference on disaster planning to prevent panic in a flu pandemic followed by best practices guidance (conference and published papers will verify the benefits of including citizens in emergency planning and evaluate the feasibility of inclusive planning in the context of pandemic flu's and situations involving mass casualties, medical triage, scare antivirals and vaccines, and community-wide disease containment); white papers on risk perception and risk communication with specific populations; a validated Community Assessment of Resilience Tool.
DHS NISAC	**TRANSIMS**	Multi-scale representation of transportation sector, incorporating population mobility, routing and microsimulation of vehicles.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] Los Alamos National Laboratories [redacted]@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	High-resolution estimates of traffic dynamics and criticality of transportation networks.	TRANSIMS offers several levels of detail; most detailed level requires synthetic population demographics. Also required: Network topology.	Criticality estimates of infrastructure components; detailed population activities, vehicle movement/dynamics, and aggregated information such as traffic flow characterization. Using other elements of the NISAC toolset, general infrastructure interdependencies can be analyzed.
DHS S&T	**ORD UP FAZD Ag Infrastructure Recovery TAMU**	develop recommendations to approach recovery of animal agriculture infrastructure	[redacted]	DHS S&T ORD UP FAZD		Damage assessment on major parts of infrastructure (milk etc)		
DHS S&T	**SRNL - Savannah River NL**	linear and non linear statistical modeling to forecast trends of disease incidents over time for continents, states or regions	[redacted]	DHS S&T ORD				spacial maps inidcating areas most likely of next occurance and trends of disease over time
DHS S&T	**PNNL Pandemic Disease Effects Prediction Model**	Predicts effects of pandemic disease outbreak on continuity of civilian or military operations	PNNL POC: [redacted]@pnl.gov	DOE; PNNL; $200K	$20K	Model used to predict effects on military or civilian (eg, first responders) operations of widespread infectious disease outbreak (natural disease, or willful BW attack). Effects data predicted by model enable proactive, advanced planning of mitigation and consequence management strategies and associated costs.	(1) Outbreak conditions: disease parameters settings for particular outbreak, based on actual observations "in-stride", or on arbitrary characteristics of hypothetical outbreak; (2) infectious disease outbreak incidence curves, from any epidemiological model; (3) organizational operations models (eg, logistics, transportation, resource allocation) that relate personnel to continuity of operations.	predicted spatial and temporal degradation of operations under various conditions of pandemic disease stress.
DHS S&T	**ANL - Infrastructure Analysis and Assessment**	Infrastructure Analysis and Assessment (Is this a model?) NOT A MODEL BUT A CAPABILITY FOR ANALYSIS	[redacted]				The Infrastructure Analysis and Assessment is not a classical model with inputs and outputs but more of a capability based on the staff at Argonne working for the Infrastructure Protection group in evaluating vulnerabilities for key infrastructure elements across the country. While an extremely valuable and clearly applicable asset to the Avian Influenza issue, classifying this capability as a model is a misnomer.	

DOJ_NMG_ 0171205

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
	Windows?	Reports will be written with practitioners in mind and assessment tool geared toward community mental health workers.	variable			All projects will have policy implications particularly post-event in how to construct risk communication messages and prepare community leaders on how to encourage resilience in the face of the challenges of a major recovery effort.	25%	Unknown	Some operational, some in development, some uninitiated.	
Text-based input/output file formats which are providing linkage into ArcGIS (e.g., using ArcGIS to define the initial conditions or to analyze the resulting spatial-temporal evolution) or alternate visualization tool.	Distributed simulation; requires mid-range computing cluster (e.g., around 100 CPUs) for detailed runs for vehicle-level simulation; flow-level simulation can be executed on a single processor. Code written in C++. Typically run on Linux-based systems.	Transportation-sector knowledge, familiarity with underlying population characterization (including population dynamics), scripting knowledge, and -- for high-resolution runs -- distributed cluster expertise required.	Spatial scale is currently regional. Temporal scale unlimited, typically at second-level of resolution but can be aggregated as needed; typically used for 24hour periods.	High. Models individual vehicle movement across roads.	Unique scalability and general purpose for transportation questions. (used by DOT for transportation planning)	Impact of modifications to the (vehicle) transportation infrastructure on travel times, emissions, etc? Implementation planning for evacuation policies and procedures. Identification critical transportation infrastructure assets based on traffic characteristics.	Released by DOT as open source.	0 (ready for use)	Underway, has been reviewed by individual Metropolitan Planning Offices (MPOs). Specific modules have been fully verified, other components under review.	
Disease incidence curves are input into the computer through dynamic plug and play interface to determine personnel attrition. The model then predicts impacts, which are non-linear, of the spread of infectious disease on continuity of operations.	Windows based model can run on desktop or laptop PC.	Operations analysts and public health epidemiology expertise. (both present in depth at PNNL)	Scalable from large organizations (e.g. US Joint Combatant Commands - 300,000 personnel); to medium-sized organizations, (e.g. NYPD/FDNY - 40,000/ 16,000 personnel) down to individual departments (e.g. 100 personnel), for duration of epidemic (days to months).	impacts on operations are predicted from initial outbreak effects up to and including Overall Critical Attrition Point (operations cease)	Model is unique for predicting effects linking epidemiological disease spread models with organizational continuity of operations. Use with any epidemiological model that generates an incidence curve (e.g. EpiSim, Imperial model, or other). Demonstrated that operational effects are not linear with respect to pandemic disease attrition rates of personnel.	How will the target organization's operations be affected by a pandemic flu? Model specifically addresses this, by predicting the impacts of a disease outbreak on an organization's performance level and continuity of operations, utilizing "tunable" disease parameters selected on the basis of actual observations (intra- or post-epidemic) or hypothetical experimental designs (pre-epidemic).	Development Complete	Ready to deploy	Validated on one small (Yokota AFB, Japan) and one large (Hickam AFB, Hawaii) model of airport operations	Assumption--Target organization's operational model accurately represents personnel vs. operations efficiencies. Assumptions are not agency specific.

DOJ_NMG_ 0171206

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS S&T	**Emergency management - food, water, and shelter**	Research assessments of post-disaster recovery of food and water supplies and sheltering provisions	Oak Ridge National Laboratory [redacted]	DOE and FEMA ($2M for all FEMA)	Unknown	Addresses issues associated with food, water, and shelter during and after evacuation.		
DHS S&T	**Mass Care**	Assisting federal, state, local and private sector agencies in assessing and improving the assistance provided to the victims of a disaster. This includes the delivery of mass care services such as shelter, feeding, and emergency first aid to disaster victims; the establishment of systems to provide bulk distribution of emergency relief supplies; and, the collection of information to report victim status and assist in family reunification.	Oak Ridge National Laboratory [redacted] contact through [redacted]	Various		Addresses issue of mass care situations with limited infrastructure.		
	Economic Models							
USDA	**Food and Agricultural Policy Simulator**	Annual, dynamic econometric model of U.S . agricultural sector	[redacted]ers.usda.gov; Economic Research Service	Market and Trade Economics Division	$0	The model contains four broad types of relationships: definitional, institutional, behavioral, and temporal. Model reflects payment formulas established by legislation. Fapsim may be solved in conjunction with multi-country, multi-commodity Linker system. System serves as basis for USDA baseline projections.	USDA data on acreage, production, stocks, prices, policy, macroeconomic factors, input prices and trade	USDA data on acreage, production, stocks, prices, policy, macroeconomic factors, input prices and trade for corn, sorghum, barley, oats, wheat, rice, soybeans, soybean meal, soybean oil, upland cotton, cattle, hogs, broilers, turkeys, eggs, and dairy. Sub-models contain equations for fluid milk, frozen dairy products, cheese, butter, non-fat dry milk. Additional sub-models estimate government outlays, net farm income, value of exports, retail food prices and consumer expenditures on food.
USDA	**Livestock Disease Simulation Model**	Multiple commodity, partial equilibrium agricultural sector model covering approximately 20 commodities ranging from retail foods to crop production and land use	[redacted] CEAH/NAHMS/APHIS/USDA, [redacted]@aphis.usda.gov	PREISM Cooperative Agreement, Purdue University. Approx. $85,000	$3,000	Model determines the impacts on prices, quantities, and economic welfare of livestock disease shocks for livestock products, livestock, feeds, crops, and land values	Supply-Use and price data, elasticities, unit revenue shares, livestock feed balances	prices, quantities produced, traded, consumed, slaughtered, ending inventories also factor returns, consumer surplus, producer surplus, value of inventories
USDA	**BAS Economic Model**	Multiple commodity, partial equilibrium, welfare model	[redacted] [redacted]@aphis.usda.gov	USDA/APHIS Veterinary Services, Centers for Epidemiology and Animal Health, $55,000 requested for interface enhancements in FY 06	$55,000 requested for interface enhancements	Model determines economic welfare impacts, and price and quantity changes resulting from (1) supply shocks due to a disease epidemic, (2) trade effects from international market closures and openings, and (3) demand shocks due to changes in consumption patterns	Equilibrium prices and quantities for domestic demand and supply, and international trade, price elasticities of demand and supply.	Changes in equilibrium prices and quantities for domestic demand and supply, and international trade. Changes in consumer and producer surplus discounted over time.
DHS NISAC	**N-ABLE**	Large-scale agent-based microeconomic simulation of firm-level impacts, supply chain interactions with other firms, firm-level adaptation to infrastructure (e.g., airlines, airports, land border crossings) and other disruptions, changes in regional commodity flows (by mode of transport) and aggregate regional/national economic performance.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Analysis that estimates firm-level impacts, including: (1) impacts on medical industry of trying to respond to a pandemic of this size (production and distribution of vaccines and other medical care); (2) identification and analysis of industries critically affected by disruption of infrastructures (e.g., air transport, border crossings) and economic sectors (e.g., individual, family, and corporate workplace absenteeism); (3) redundancies and other means of the country to adapt to the disruption over short time intervals.	Spatial, temporal, and industry-specific change in activity of economic firms (e.g., due to absenteeism, borders and other infrastructure disruptions, or government action). Uses Dun & Bradstreet, BEA, and other publicly available data sources to create simulated firms.	Number, types, locations of firms impacted by pandemic influenza; loss of output/sales, employment, and include, by firm. Changes in regional activity and of infrastructure usage due to short-run structural changes in the economy (regional infrastructure loss, regional absenteeism).
DHS CIPDSS	**CIPDSS Economic Consequence Estimation Models**	As part of the overall metro and national CIPDSS models, the economic components of these models estimate the economic impacts of (1) changes in metropolitan and national morbidity and mortality, (2) transportation and energy capacity, and (3) economic demand.	[redacted] DHS/S&T/PPR CIP Portfolio Manager [redacted]@dhs.gov [redacted] CIPDSS Co-PI [redacted] National Laboratories [redacted]@sandia.gov [redacted] CIPDSS Co-PI Los Alamos National Laboratories [redacted]@lanl.gov	DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total	$0	Analysis of interdependencies between infrastructures and metro/national economy, when both are subject to man-made and natural disruptions.	Parameters of disease propagation (e.g., R0), infrastructure capacity losses, economic demand shocks, all at the metropolitan or national level.	Rates of morbidity and mortality, loss of infrastructure services , loss of economic output (GDP, employment).
DHS NISAC	**REMI**	Large-scale (51-region, 70-industry) dynamic, long-run macroeconomic simulation of the U.S. economy.	[redacted] DHS Infrastructure Protection/Risk Management Division [redacted]@dhs.gov [redacted] National Laboratories [redacted]@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Long-run impacts caused by significant short-run shocks and by long-run structural changes to the economy.	(1) State-level (or national) levels of morbidity and mortality; rates of overall worker absenteeism, by industry where possible; (2) infrastructure disruptions, by type and duration (e.g., air transport, border crossings).	Loss of GDP, employment, and income, by region (state) and nationally, by industry, and by year; changes in energy prices, interest rates, government tax revenues and other secondary macroeconomic measures.

DOJ_NMG_ 0171207

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
		Requires person knowledgeable in model to operate and interpret								
		Requires a physicial experienced in emergency medicine and mass care situations								
	PC -based	Requires expertise.	national/annual	national by major commodities	Incorporates both domestic and international shocks, current version is stochastic, output and analysis using model is regularly viewed and used within USDA.	Broad spectrum	100%	Now	Continuous validation process as Fapsim is calibrated to the new USDA baseline as baseline is developed.	
User supplied disease shocks from NAADSM or similar. User determined trade interruptions and consumer reaction. Output could be passed to a computable general equilibrium model to determine impacts on other sectors. Outputs could also be used in representative farm models.	MS-Windows Excel	Knowledge of dynamic economic simulation modeling, Knowledge of economic welfare concepts including producer surplus, consumer surplus, and capital valuation theory plus open economy partial equilibrium models	National quarterly model	Model gives national level supply-use, price, and economic welfare	Quarterly, multiple commodity agricultural simulation model with vertical and horizontal linkages among livestock products, livestock, feeds, and crops with a focuses on modeling livestock disease shocks	Impacts from: Animal removals, export/import restrictions, domestic demand changes, additional processing and marketing costs, farm commodity policy	81-90%	0-3 mos.	Verification will proceed in tandem with use. Annual model previously published also still in use.	
User supplied disease shocks from NAADSM disease spread model or similar. User determined trade interruptions and consumer reaction.	PC-based, MS-Windows Excel	Knowledge of static partial equilibrium economic welfare concepts including producer surplus, consumer surplus. Also, knowledge of time value of money, as well as trade theory	Current version can operate with up to six separate user-defined spatial regions. Time scale is variable, but typically annual.	Model gives regional level impacts for up to six user-defined regions.	Capable of differentiating regional impacts of disease spread and impacts in different livestock/poultry production types (such as small versus large poultry operations)	Evaluation of alternative disease risk mitigation strategies, such as surveillance, vaccination, depopulation. Evaluation of impacts of import bans. Other general uses.	100%	Immediate	Model has had routine use in APHIS Regulatory Impact Analyses	
(1) Input information taken from other teams, other models, and with GIS data (e.g., shapefiles of outage areas, of absenteeism); (2) Output information given in the form of tables, graphs, and GIS shapefiles.	Java client that submits simulations to and receives results from Unix-based simulation suite. Suite runs on single-CPU Apple G5 and Linux machines to massively parallel computing clusters (e.g., Thunderbird) at Sandia.	Understanding of microeconomics; supply chain analysis; regional economic accounting; firm-level use of electric power, telecommunications, and transportation; and macroeconomic modeling.	Individual-firm, county, state, and national spatial scales; from daily to yearly temporal scales.	Individual firms, and constituent members of firms (buyers, production supervisors, sellers)	Uniqueness: ability to capture intra-firm and inter-firm economic dynamics that cause and are result of the larger infrastructure and macroeconomic phenomena (e.g., a national transportation disruption). Use with other models is addressed in terms of input/output	What types of public epidemiology and infrastructure policies result in the lowest impacts to the industrial and consumer/household sectors of the economy? What types of firms are impacted the most (small, medium, large)? In what sectors and regions of the country are they located? How do changes in infrastructure conditions change demand in the economy **and vice versa**?	71-80%	0-3 mos.	In progress	
Input and output information exchanged through team reports and GIS datafiles.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Understanding of disease spread, infrastructure operations, and macroeconomics.	Metropolitan and national spatial scale; daily or hourly temporal scale	Aggregate: 18 sectors defined by 2-digit NAICS codes	The CIPDSS suite of models is unique in its broad representation of infrastructure interdependencies at both national and metropolitan scales coupled to economic consequence models and a range of event scenarios, specifically a general infectious disease model. CIPDSS is able to consider not just the efficacy of protective measures within the health care system but broader impacts on the economy and the potential impact of population behavioral responses (e.g. staying at home to care for ill family members or to reduce exposure).	What is the economic impact on the US? How do alternative protective measures alter the economic impact? Are infrastructure sectors impacted differentially? Which ones?				
Input and output information exchanged through team reports and GIS datafiles.	Windows XP.	Understanding of macroeconomics, supply shocks, demand shocks, price effects, regional economic modeling, and long-run structural changes to the national economy.	State and national spatial scales; annual temporal scale	Two-digit NAICS industries	Models the dynamic, multi-year structural changes to the economy that result from a pandemic, at a useful industrial and regional (i.e., state) level.	What are the long term consequences of particular AI public policy? What are the first year and multi-year impacts of lost labor force (due to AI mortality), of temporarily closing our borders?	91-100%	0-3 mos.	Completed (externally)	

DOJ_NMG_ 0171208

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DHS NISAC	**FAIT REAcct**	Regional economic accounting tool within the FAIT architecture; allows for the calculation of direct and indirect economic impacts of a disruption to infrastructure for a specified region for a given duration and intensity	Jon M. MacLaren DHS Infrastructure Protection/Risk Management Division (202) 282-8719 jon.m.maclaren@dhs.gov Theresa Brown Sandia National Laboratories (505) 844-5247 tjbrown@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Best used in analysis of intermediate-term disruptions to infrastructure (7-30 days)	User identification of counties directly impacted, with specification of percentage of the county's economy that is disrupted (in aggregate) and the duration of the disruption (in days). Other inputs include US, county employment; US Annual Output; and industry-level multipliers.	Direct and indirect economic impacts of a disruption to infrastructure for a specified region for a given duration and intensity, by state, county, and sector of industry.
DHS NISAC	**Benefit/Cost**	Analytical technique for comparing alternate government response strategies.	Jon M. MacLaren DHS Infrastructure Protection/Risk Management Division (202) 282-8719 jon.m.maclaren@dhs.gov Theresa Brown Sandia National Laboratories (505) 844-5247 tjbrown@sandia.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	Public policy analysis, e.g., regarding levels and prioritization of vaccinations, length and location of pandemic influenza-mitigating transportation and borders disruptions, effective distribution of Federal relief funds)	Pandemic influenza decision tree describing government decisions and actions as a function of current state of pandemic; levels of morbidity and mortality; costs of government programs, total (indirect plus direct) impacts to the economy.	Analytical ranking of alternative government prevention and loss mitigation strategies.
DHS NISAC	**MIITS**	Multi-scale Integrated Information and Telecommunications System. High-resolution, scalable model and simulation for public switched telephone network, cellular phone network, and Internet.	Jon M. MacLaren DHS Infrastructure Protection/Risk Management Division (202) 282-8719 jon.m.maclaren@dhs.gov Randy Michelsen Los Alamos National Laboratories (505) 665-1522 rem@lanl.gov	DHS Infrastructure Protection / Risk Management Division, National Infrastructure Simulation and Analysis Center (NISAC)	$0	High-resolution estimates of load distribution, throughput, latency, and criticality of telecommunications networks.	MIITS offers several levels of detail; most detailed level requires synthetic population with activities (from TRANSIMS module); less detailed approach leverages US census data directly. Also required: Network topology.	Criticality estimates of infrastructure components; detailed load distribution of calls or other network traffic over the course of a day (temporal aspect). Using other elements of the NISAC toolset, general infrastructure interdependencies can be analyzed.
DHHS CDC	**FluWorkLoss**	FluWorkLoss estimates the number of days lost from work (either due to worker falling ill, or having to stay at home to care for household member who is sick) due to an influenza pandemic whose length and virulence are determined by user. Work day losses are calculated by day of (user specified) duration of pandemic.	Martin I. Meltzer, MS, Ph.D. Senior Health Economist CDC/NCID/ODDOS Mailstop D-59 1600 Clifton Rd Atlanta, GA 30333 Ph: 404-639-7778 e-mail: MMeltzer@cdc.gov	Office of Surveillance, NCID, CDC: Budget $0. Work is part of assigned duties.	$0. Work is part of assigned duties	Provides estimates of work days lost due to an influenza pandemic. Work days, in FluSurge, can be lost either due to a worker being ill themselves, or due to a worker having to stay home to care for a sick household member.	Population of interest by age group (3 age groups). Assumed workdays lost to care for sick household members, by age group and health outcomes (deaths, hospitalizations, outpatients, ill self care). Assumed workdays lost to illness in worker, by health outcomes (deaths, hospitalizations, outpatients, ill self care). Employment rate. % workers cohabiting or living in households > 1 person. User selects assumed duration of pandemic (4,6, 8 or 12 weeks) and gross clinical attack rate (15%, 25%, or 35%).	Total work days lost, by day of pandemic, due to illness in either worker or workers household. Calculated as both total workdays and percent of workdays lost, by day of pandemic.
DOT	**U.S. Commercial Aviation Partnership (USCAP) Econometric Tool.**	The model is unique in its attempt to assess the operational and economic consequences of policy actions on the entire air transportation system. The model includes a broad range of system tools, including those that are relevant for airlines, airports, aircraft manufacturers, supplier industries, and the federal government (FAA, DHS, TSA). These models include detailed sub-models that address operational issues such as security screening and queuing, airport operations, and aircraft operations and economics.	The USCAP tool is the intellectual property of the Boeing Company; members of the USCAP Partnership, which includes DOT and DHS/TSA, can request that the model be used to address policy or economic issues of concern to the Partnership. Point of contact at DOT: Larry Phillips, Senior Economic Policy Advisor, Aviation and International Affairs, 202.366.4382. Point of Contact at Boeing: Bob Peterson; 206.391.0356.	The USCAP model has been made available to federal agencies and departments without any direct cost. Federal staff have worked closely with their counterparts at Boeing and other private-sector organizations to develop and validate the model.	No funds have been allocated; however the USCAP model could be used to evaluate the economic impact of events such as avian flu on the air transportation sector.		Behavioral assumptions (i.e., how affected parties are expected to respond to an event), any direct costs imposed on the air transportation system, or pertinent assumptions regarding the impact of an event on air transportation operations (e.g., number of flights, types of equipment operated, average load factors, cost of screening passengers for flu-like symptoms). The USCAP model draws on many analytical techniques and disciplines -- e.g., probability theory, queuing theory, regression analysis, non-parametric statistics, and Monte Carlo simulation.	The tool was developed to inform decision makers about the cost and operational consequences of aviation security procedures and protocols. The model is designed to estimate, over a multi-year period, the direct and indirect cost to the entire aviation system of different security procedures and protocols. However, the model can also be used to estimate the cost and economic impact of other events, such as a dramatic decline in passenger demand for commercial air service because of an avian flu pandemic.

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Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
	Server-based capability; requires minimal internet connection and browser for usage. Requires server, data access (for currently developed capability) or architecting (for separable capabilities)		Local, state, and national spatial scales; arbitrary temporal scale	County-level aggregations	allows for very fast economic analyses at the county level, most accurate when utilized for disruptions between 7 and 30 days.	allows for comparison of economic consequences of different disruptions on different geographic locations	for county level analysis: 85%; for future vision (incorporating other data and ZIP level analysis: 30%	0-3 months at county level; 9-12 months at ZIP level	Results validated against actual events	
Input and output information exchanged through team reports and GIS datafiles.	Spreadsheet	Basic knowledge of public policy and economy policy, at national, state, and local levels.	Local, state, and national spatial scales; arbitrary temporal scale	Aggregate	Provides a straightforward, model-agnostic metric for comparing the relative cost effectiveness of alternative, competing government strategies for mitigating the economic impacts of AI.	What government prevention and loss mitigation strategies are most effective, when measured (simply) in economic costs?	91-100%	0-3 mos.	Completed	
Text-based input/output file formats which are providing linkage into ArcGIS (e.g., using ArcGIS to define the initial conditions or to analyze the resulting spatial-temporal evolution) or alternate visualization tool.	Distributed simulation; requires mid-range computing cluster (e.g., around 100 CPUs) for detailed runs for packet-level simulation; call-level simulation can be executed on a single processor. Code written in C++. Typically run on Linux-based systems.	Telecommunications knowledge, scripting knowledge, and -- for high-resolution runs -- distributed cluster expertise required.	Spatial scale is national for PSTN with the ability to focus in on a metropolitan area if desired. Internet functionality is also national, with a simplified protocol structure, packet-level simulation at metropolitan level. Temporal scale untimited; typically used for 24hour periods.	High. Models individual physical switches or routers, packets and calls.	Unique scalability and general purpose (PSTN, Internet, cell phone) modeling interdependencies among those networks. Interaction with IEISS on power outages	How will telecom loads change in crisis event? How will increased load impact particular locations (e.g. hospitals)? What miligation strategies can be proposed to ensure continued connectivity in crises for critical services?	PSTN: 95%; Cell phone networks: 80%; Internet: 60%	0-5 months	PSTN and cell phone intra-NISAC verification ongoing. Internet verification under development	
Spreadsheet, with macros, for Excel. Can be sued in conjunction with FluAid.	FluWorkLoss uses the Windows operating system (Microsoft Windows 2000 or higher) and Excel (Microsoft Office 2000 or higher). We recommend using a computer with at least a 486 Pentium processor and at least 128MB RAM. FluWorkLoss requires up to 2 megabytes of storage space on the computer's hard drive.	Program designed to be used by persons with little or no training/ experience with math models. Intended audience; Public health officials and businesses at national, state, and local levels. This program has been beta tested at state and international levels.	User designates population (e.g., national, state, county), time line (duration of pandemic) and estimates of work loss per health outcome. FluWorkLoss provides estimates of workdays lost by day of pandemic.	User designates population (e.g., national, state, county, individual business). The smaller the business the less certain the results. Results produced by day of pandemic	Simple-to-use, download from internet; Run many scenarios in an afternoon; Use with FluAid and FluSurge	FluWorkLoss estimates the number of days lost from work (either due to worker falling ill, or having to stay at home to care for household member who is sick) due to an influenza pandemic whose length and virulence are determined by user. Losses are calculated by day of pandemic.	In beta testing 95%+ complete.	Launch by June 2006 (launch means post on web for all to access).	Beta tested.	
The tool is the intellectual property of the Boeing Company.	The model runs on a high-level Excel format; it embodies several widely accepted statistical and analytical techniques, such as probability theory, regression analysis, queuing theory, non-parametric statistics, and Monte Carlo simulation, among others.	Substantial aviation industry expertise; however, collectively, the Partnership employs a cadre of air transportation industry analysts, statisticians, economists, engineers, and financial analysts, all of whom are familiar with the model and its structure.		The domestic air transportation system -- airlines, airports, equipment manufacturers, supplier industries, and various federal activities.	The USCAP model is a powerful tool. The model was developed to estimate the economic and operational impacts to the domestic aviation industry -- airlines (passenger and cargo), airports, suppliers, manufacturers, the FAA and DHS/TSA -- of new aviation security rules and procedures. The model, however, is not limited to estimating the cost of new security rules, and can be used to address other economic and policy issues.	The model was developed to provide decision makers with better information about the cost and operational impacts of new aviation security procedures and regulations following the 9/11 attacks. The model, however, is capable of addressing other policy and economic questions.	100%.	Available on demand.	The USCAP tool has been verified by outside experts and has been used in several policy-driven exercises. Senior officials at DHS, TSA, DOT and other federal agencies and departments have been briefed about the model's structure and its ability to address security and non-security policy questions.	

DOJ_NMG_ 0171210

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DOT	**TEAMS (Transportation Economic Analysis Modeling System)**	TEAMS started out as the transportation module of NEMS (National Energy Modeling System) at the Energy Information Administration (EIA). NEMS is the mid-term forecasting model within EIA used to produce the Annual Energy Outlook and other studies. As such, it was originally designed as an energy sector model, incorporating Global Insight macroeconomic projections to measure economic impacts for all end user sectors of the economy (residential, commercial, industrial, and transportation), technology interfaces, and all energy sectors. Each sector of the economy contains operational use components with stock models for advanced and current technologies. Contains forecasts through 2030 at a Census division level.	David Chien, 202-366-2087, david.chien@dot.gov; Research and Innovative Technology Administration (RITA)/Bureau of Transportation Statistics (BTS)	Office of Advanced Studies/Transportation Economics Program	$0	TEAMS incorporates economic data, sectoral inputs for operational aspects, technology costs and performance, behavioral econometric equations and choice submodules for end use sectors, and linear programming models for energy supply in combination with econometric equations representing the economy. The model contains feedback to the economic model, and solves iteratively through convergence to a solution.	TEAMS uses inputs on the automotive fleet from R.L. Polk and Wards Automotive and fuel economy data from NHTSA. It uses Federal Highway Administration data and Bureau of Transportation Statistics (BTS) data from the National Household Travel Survey on vehicle-miles traveled. Freight flow data come from the BTS Commodity Flow Survey and the Census Vehicle Inventory and Use Survey (both of which are scheduled to be canceled due to budget cuts). Aircraft fleet data come from the Federal Aviation Administration, while airline financial and operating data come from the BTS.	TEAMS has four submodules that forecast transportation demands for Light-Duty Vehicles, Aviation, Freight Transport, and Miscellaneous (including transit and intercity passenger rail). The Freight Transport submodule generates freight transport demands by mode and by size and vintage of truck. Technology choice is endogenous within the model. The model generates transportation operational data such as vehicle-miles traveled, energy consumption by end use and demand sector, energy consumption per capita, technology penetration and fuel efficiency, fuel price and economic effects, emissions including greenhouse gases, and economic outputs.
DOT	**Freight Analysis Framework Commodity Flow Database**	This is the commodity flow O-D data with units of tonnage and $ for year 2002, and years between 2010 and 2025 with a 5 year interval covering the entire US with sub-state geographic resolution.	Tianjia Tang, 202-366-2217, Tianjia.Tang@DOT.GOV, FHWA-Freight Management and Operations Office	Federal Highway Administration, Office of Freight Management and Operations	$0	The database has three separate tables. The first table covers all domestic commodity Origin-Destination (O-D) flows. The second table covers import/export commodity flows with Mexico and Canada via land border crossings. The third table covers import and export commodity flows through US seaports and airports. Various commodity flow data can be extracted from the database from both consumption and production standpoints.	This is a database. The only input need is "query" commands	Commodity-specific and mode-specific O-D (both tonnage and dollar) at sub-state geographic levels can be obtained. There are 43 SCTG 2-digit commodity types, 138 geographic areas and seven transportation modes are associated with the data.
DHS NISAC	**NISAC Agent -Based Laboratory for Economics**							
DHS CIPDSS	**CIPDSS Economic Consequence Estimation Models**	As part of the overall metro and national CIPDSS models, the economic components of these models estimate the economic impacts of (1) changes in metropolitan and national morbidity and mortality, (2) transportation and energy capacity, and (3) economic demand.	Paul Domich DHS/S&T/PPR CIP Portfolio Manager Paul.Domich@dhs.gov 202 254 6312 Sharon DeLand CIPDSS Co-PI Sandia National Laboratories 505 844 8740 smdelan@sandia.gov Dennis R. Powell CIPDSS Co-PI Los Alamos National Laboratories 505 665 3839 drpowell@lanl.gov	DHS/S&T Critical Infrastructure Protection Portfolio $8.6M Total	$0	Analysis of interdependencies between infrastructures and metro/national economy, when both are subject to man-made and natural disruptions.	Parameters of disease propagation (e.g., R0), infrastructure capacity losses, economic demand shocks, all at the metropolitan or national level.	Rates of morbidity and mortality, loss of infrastructure services , loss of economic output (GDP, employment).
DHS S&T	**ORD UP FAZD TAMU Risk assessment and analysis for planning of defense to avian flu**	Risk based understanding of how different disease protocols can lower expected cost of total system and reduce event to event costs.	Neville Clarke 979.845.2855	DHS S&T ORD UP FAZD				
DHS S&T	**Wide range of risk-based economic models of bio-threats**	Risk-based economic models tailored to specific AI related problems and proposed solutions; risk assessment and risk communication tools; regional and national economic consequence models (direct and indirect); decision analysis models; interactive game-theory based models and simulations of threats and responses.	Detlof von Winterfeldt CREATE Director 714.305.0162	DHS S&T ORD UP CREATE	$25,000 (appr.)	Different issues require different structural risk assessment models. Generally easy to adapt existing models with short turn around. Data availability an issue. Expert elicitation may have to be used to reduce uncertainty.	Survey results. Transactions data. Transportation data. Fixed proportions models, elasticities. Descriptions of policy alternatives and predicted effects.	Relative impacts, costs and benefits of alternative policies; new data for further analysis.
DHS S&T	**Emergency Management - Economic**	Economic impact and recovery and post-disaster market recovery modeling	Oak Ridge National Laboratory Dr. John Sorensen (865) 576-2716	DOE and FEMA ($2M for all FEMA)	Unknown	Addresses economic recovery options after a major incident.		

DOJ_NMG_ 0171211

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
The economic model which outputs national accounts forecasts at the Census division level could be hooked with any model using aggregate economic data. With off-line analysis or assumption changes, the model could be used for scenario analysis of security impacts upon various economic sectors of the economy and energy sectors.	TEAMS can operate on any PC if only particular end use sectors of the economic model are to be used. However, if a fully integrated model run is needed, then the requirements are: Data inputs: 10–15 MB; Sourcecode: > 120 MB; 512 MB RAM; Pentium processor; PC platform; FORTRAN; Eviews software; OML linear programming software	BTS used to have 1 person maintaining TEAMS. The current NEMS model at EIA, which forms the basis of TEAMS, employs approximately 40 full-time employees and 4 full-time contractors. Therefore, enhancing, updating, and maintaining the model requires significant resources, but these updates are done annually by EIA. However, several agencies and national laboratories work with versions of the NEMS models and usually employ two to four people to operate and maintain the model for their uses.	TEAMS is a computer-based energy-economy modeling system of the U.S. energy markets for the midterm period through 2030. However, the model has very detailed operational and technology choice algorithms for each demand and supply sector. Forecasts are generated on an annual basis.	The TEAMS model operates at a Census region and Census division level.	The strength of NEMS/TEAMS is that the economic and input data for the model are updated each year to the latest available data, and the model is full integrated with an economic model so that dynamic equilibrium can account for feedback effects from each demand sector to the economy and back. Outputs or inputs can be changed easily through input files, so that technology specific assumptions and scenarios can be performed easily. Many of the outputs could be linked to other transportation models or other sectoral models.	The TEAMS model can show how changes in the macroeconomy (including those caused by pandemic influenza) affect demands for transportation. If the changes in transportation demands are specified for particular commodities, the model can project changes in demands for particular modes of transportation. The model can also show how reductions in transportation capacity can reduce GDP. The original purpose of the NEMS/TEAMS model was to project energy, economic, environmental, and security impacts on the United States of alternative energy policies and of different assumptions about energy markets.	91 - 100% complete. Although the model is operational within EIA, it would take approximately a week to bring the latest model into operational mode within USDOT, as the latest model from EIA must be downloaded, tested, and adjusted.	One week. However, it may take up to a month or more if large changes ot the model are needed. Small changes could take less than a week.	The current model at EIA has the latest up-to-date information and is updated annually around September of every year, but the latest version is available in February. In order to conduct a full integrated run with the latest Global Insight economic model, BTS would have to renew the contract with Global Insight for approx. $25K. Stand-alone scenario analysis could be run with assumed changes in economic inputs.	
The database is a stand-alone product. However, it serves as one of many modules in the FAF package.	PC-based. The database is over 100 MB. A PC with over 1 GB RAM is desirable.	MS Access, SAS or any other database experience	The database is based on the 2002 base case data. Future projections cover years between 2010 and 2035 with a 5-year interval.	Sub-state level. There is a total of 138 geographic regions.	This is the only publicly available comprehensive commodity flow database covering the US. The database covers virtually all sectors of freight movements in the US at a sub-state geographic resolution.	The database is one of the many modules used to run the FAF. It provides answers and data to a broad spectrum of policy questions as related to modal issue, investment, truck size and weight, etc.	The 2002 base case OD database has been released. The projected future commodity flow data will be released by the end of May, 2006.	4-6 mos.	The first generation of the FAF has been in place for over 5 years. With the current FAF2 development, validation will be carried out every 5 years and it will be in sync with the Commodity Flow Survey (CFS).	
Input and output information exchanged through team reports and GIS datafiles.	Desktop PC running Windows; models are implemented in Vensim™ This configuration is more than adequate for individual point cases and small sensitivity studies Models may also be run on a Linux cluster (solver license is $500/node) Parameter values and metadata for case studies are stored in an Oracle database on a Windows NT server	Understanding of disease spread, infrastructure operations, and macroeconomics.	Metropolitan and national spatial scale; daily or hourly temporal scale	Aggregate: 18 sectors defined by 2-digit NAICS (North American Industry Classification System) codes	The CIPDSS suite of models is unique in its broad representation of infrastructure interdependencies at both national and metropolitan scales coupled to economic consequence models and a range of event scenarios, specifically a general infectious disease model. CIPDSS is able to consider not just the efficacy of protective measures within the health care system but broader impacts on the economy and the potential impact of population behavioral responses (e.g. staying at home to care for ill family members or to reduce exposure).	What is the economic impact on the US? How do alternative protective measures alter the economic impact? Are infrastructure sectors impacted differentially? Which ones?	61-70%	0-3 mos.	continuing assessment: initial study of avian influenza national economic costs matched the cost reported in aCongressional Budget Office report within 10%	
Depends on model	Most models are PC-windows based or adaptable.	Models not fully developed	Variable	Economic models have resolution at the census tract level and at the State level		Policy implications: relative effectiveness, costs and benefits of alternative policies;	0-5%	Unknown	Some operational, some in development, some uninitiated	
		Requires person knowledgeable in model to operate and interpret								

DOJ_NMG_ 0171212

Submitter	Model / Tool	Description	POC, name phone e-mail,agency; if appropriate, POC at National Lab, contact info.	Agency Program in which model resides; FY 06 budget for Agency Program	FY 06 funds allocation for model use on pandemic influenza	Utility: Problem / Solution Space	Inputs	Outputs
DOC	**LIFT & ILLIAD**	ESA maintains an annual contract for the modeling capabilities and the forecasts of an interindustry model of the U.S. economy called LIFT (for Long-term Interindustry Forecasting Tool) and its add-on model called Iliad. The *LIFT* model is a fully dynamic and integrated interindustry-macroeconomic model. At its core is the interindustry model, which calculates outputs for about 100 industries based on econometric forecasts of demands for each good, as well as the dynamically changing structure of the economy. These industries encompass all industries in the economy, including infrastructure industries. The interindustry model also calculates prices for each industry, based on intermediate costs of production and value added. Macroeconomic results in the model are determined in large part through the aggregation of forecast industry variables. The Iliad model translates the forecast from LIFT to a finer level of industrial detail. Iliad maintains detail for 320 industrial sectors. The calculation of outputs, imports, prices and employment are endogenous to Iliad.	David Henry, Office of Policy Development, Economics and Statistics Administration, U.S. Department of Commerce; 202-482-2566; david.henry@esa.doc.gov	ESA's FY06 expenditures for the LIFT and Iliad models and extra consulting time is $43,700, including 10 days of consulting time at $10,400. ESA's contract is with INFORUM of the Interindustry Research Fund, Inc in College Park, MD. Currently, there is only one (1) user of the LIFT and Iliad models in ESA. Since the 2006 contract has a limitation of 10 days of consulting with INFORUM, ESA would need new resources to undertake any major modeling exercise.			Inputs into the model would depend on the type of question being asked. For instance, if we asked the model what would be the impact of a 30% reduction in the labor force, then the inputs would be the reduction in employment by industry for each of the industries affected. The outputs of the model would include the impact on production for all industries, and labor productivity. Through "bottom-up" accounting, the model would also determine the impacts on macroeconomic variables such as GDP and inflation. We may want to incorporate assumptions regarding the levels of imports and exports into the model as well depending on the global nature of the pandemic. In addition to industry impacts, the model also provides the effect on the macroeconomy; i.e., impact on GDP and consumer spending and so on.	If on the other hand, we input the model that consumer spending is reduced by a certain amount or that business investments are reduced, then these would be our macroeconomic inputs and the model could determine changes in demand, supply and employment by industry. In addition, the inputs to portions of the macroeconomy would generate outputs that would tell us about the remaining portions of the economy and overall impact on GDP.
DHHS AHRQ	**BERM**	This computer model predicts the number and type of staff needed to respond to a major disease outbreak or bioterrorism attack on a given population. Version 2.0 includes a customizable staff model; it offers more flexibility but requires more inputs.	Nathaniel Hupert, MD MPH, Weill Medical College of Cornell University, (212) 746-3049, Email: nah2005@med.cornell.edu	DHHS AHRQ	$0	BERM predicts the number and type of staff needed to respond to a major disease outbreak or bioterrorism attack on a given population. This model will calculate estimates of recommended per-clinic and campaign-wide core staff and support staff based on user inputs. Model allows users to enter each process time and population proportion individually, rather than selecting 'scenarios'. BERM allows planners to formulate realistic mass antibiotic dispensing and vaccination contingency plans for their target populations.		
DHHS AHRQ	**Surge Model**	Tool for estimating hospital resources required to treat casualties resulting from a WMD attack	Tom Rich, Abt Associates	DHHS AHRQ		The Surge Model estimates the hospital resources needed to treat casualties arising from biological (anthrax or smallpox), chemical (chlorine, sulfur mustard, or sarin), nuclear (1 KT or 10 KT explosion), or radiological (dispersion device or point source) attacks.	Population size and density, time delay between exposure and symptom onset, mass prophylaxis campaign parameters, condition of casualties upon arrival at the ED	Surge Model estimates the following: the number of casualties arriving at the hospital, by arrival condition (e.g., mild or severe symptoms) and day; the number of casualties in the hospital, by unit (ED, ICU, or floor) and day; the cumulative number of dead or discharged casualties, by day; and the required hospital resources (personnel, equipment, and supplies) to treat casualties, by unit and day. For some of the resources, the Surge Model also displays the available resources in your area, which can be compared to the daily resource requirements.
DHHS AHRQ	**Prophylaxis/Vaccination Center Model**	**This computer model is designed to give estimates of the number of staff you would need to operate a mass prophylaxis center given the specific population size and staff limitations of your jurisdiction.**	**Nathaniel Hupert, MD MPH, Weill Medical College of Cornell University, (212) 746-3049, Email: nah2005@med.cornell.edu**	**DHHS AHRQ**	**$0**	**Will help public health and emergency management planners understand the logistical and staffing needs of a large-scale prophylaxis campaign designed to cover a specific target population. Will help planners better understand the number of sites and number and type of staff required to accomplish the campaign in the chosen time frame.**	**Population size, duration of campaign, staff characteristics, site characteristics, and event characteristics.**	**Patient flow rate, staff requirements including core staff, active staff, and support staff.**
DHHS AHRQ	**Caseload Calculator**	This computer model is an interactive model that estimates the rate of onset of symptomatic illness for individuals exposed to a bio agent under varying mass prophylaxis response strategies.	Nathaniel Hupert, MD MPH, Weill Medical College of Cornell University, (212) 746-3049, Email: nah2005@med.cornell.edu	DHHS AHRQ	$0	The model lets users interactively evaluate the impact of changes in exposure scenarios and pre-hospital response tactics on the number of potential cases showin gup to regional hospitals. For example, it can show the relative impact of improved surveillance vs. improved logistics on the rate of casualties resulting from an exposure.	Information on the disease agent, population exposure, and logistics of the mass prophylaxis response.	Daily or cumulative casualaties, and percentage of infected individuals who are given prophylaxis soon eough to prevent the need for hospitalization ("save rate").
DHS S&T	**Training**	Training associated with medical management of biological agent casualties	Oak Ridge National Laboratory Dr. John Sorensen (865) 576-2716	DOE and FEMA ($2M for all FEMA)	Unknown	Addresses issues of advanced training prior to evacuation		
DHS S&T	**Decontamination**	Reentry into contaminated areas and effectiveness of decon procedures	Oak Ridge National Laboratory Dr. John Sorensen (865) 576-2716	DOE and FEMA ($2M for all FEMA)	Unknown	Addresses decontamination training		

DOJ_NMG_ 0171213

Interfaces	Computational Power (CPUs) & Application (Windows/web-based, etc.) Needs	Expertise Required to Run Model and Interpret Results	Spatial / Temporal Scale	Resolution	Uniqueness or Strength, Use with Other Models	Policy Questions Addressed/Answered via Model	Stage of Development (% complete)	Readiness to Use (Months to launch)	Status of Verification of the Model	Assumptions of Model (Agency specific or HSC?)
The LIFT/Iliad models are fully interactive interindustry models that interface with a macroeconomic breakdown of the economy.	Any current PC can run both the LIFT and Iliad models. LIFT and Iliad are DOS based.	An experienced user of LIFT and Iliad would be needed to avoid extended training. Any trained economist/industry analyst could interpret the results.			LIFT/Iliad is both top-down and a bottoms up model. That is, a top-down approach consists of inputing changes to variables in the macroeconomy to get impacts on industries and employment while a bottoms-up approach would input a change to an industry or industries to get impacts on other industries and the economy. LIFT and Iliad can be integrated with an international system of models and a Bi-lateral Trade Model (BTM) maintained by INFORUM. ESA does not have an ongoing contract or budget for the use of these models. INFORUM's current international system of country models include the United States, Canada, Mexico, Japan, Korea, China, Germany, France, United Kingdom, Italy, Spain, Austria and Belgium. Models of Australia, Holland, Poland, Hungary, Russia, South Africa, India, and Thailand are underway, but not yet a part of the linked system. The models are linked together with the BTM. BTM, as its name implies, shows bilateral trade flows between the countries in the system for some 120 commodities.	What would be the macroeconomic and industrial impacts for disruptions in specific industries such as air travel or tourism? What will be the impact of reduced imports and/or exports resulting from border closings have on employment and prices for industries, for consumers, and the overall U.S. economy? How will an economic crisis in Asian countries caused by an outbreak of bird flu in Thailand impact the U.S. economy, industries, and consumption? How will Federal orders to stockpile production of essential goods impact on U.S. industries, U.S. prices, and U.S. consumers? What are the employment and output effects by industry stemming from the imposition of trade barriers on certain agricultural goods?	Complete	Ready to use contingent on resource constrainits described under the budget category, above.	See Inforum's main web page http://www.inforum.umd.edu for a more detailed discussion of all of Inforum's models and capabilities.	
Excel spreadsheet or web-based version	Any desktop or laptop running Excel, or PC based MS Windows	Size of population, duration of campaign, anticipated staff parameters, dispensing site characteristics, event characteristics	User designated size of population and length of event	Aggregate, user designated	Simple to use, expandable as needed. Can be downloaded from internet, or run from the internet.		100% complete	Finished and available.	Available upon request	
Web-based model will run on a PC		Model is easily executable, but meaningful inputs on population required for meaningful outputs.	Greater accuracy if used on medium to large MSAs.	Aggregate, user designated	Can support NIH-MIDAS modeling information, DHS BWIC and MTAs health and medical response. Simple to use, and can be run from the internet.				Available upon request	
Excel spreadsheet or web-based version	**Any desktop or laptop running Excel, or PC based MS Windows**			**Aggregate**	Simple to use, and can be run from the internet.		100% complete	Finished and available.	Available upon request	
Excel spreadsheet or web-based version	Any desktop or laptop running Excel, or PC based MS Windows				Simple to use, and can be run from the internet.				Available upon request	
		Requires person knowledgeable in model to operate and interpret								
		Requires person knowledgeable in model to operate and interpret								

DOJ_NMG_ 0171214

Report to the Homeland Security Council for National Pandemic Planning Action Items Assigned to the Department of Homeland Security

Action Item# 5.1.1.2 *HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, US Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities.*

Work Group Representation

The composition of this work group currently consists of:

- Department of State – Economic Bureau
- Department of Transportation
- Sandia Laboratories
- Department of the Treasury
- Department of Health and Human Services
    - Office of Public Health Emergency Preparedness
    - National Institutes of Health
- Department of Justice
- Department of Agriculture
- Department of Homeland Security
    - Immigration and Customs Enforcement
    - Weapons of Mass Destruction Operations
    - US Coast Guard
    - Chief Financial Officer
    - Infrastructure Protection
    - Private Sector Office
    - Chief Medical Officer
    - Customs and Border Protection
    - Science & Technology Directorate
- Department of Commerce,
- Council of Economic Advisors
- Department of Labor
- Department of Defense
    - NORAD/NORTHCOM
    - Army Proponency Office for Preventive Medicine,
    - OASD
    - Joint Chiefs of Staff
- Housing and Urban Development
- Department of Education
- Los Alamos National Laboratories
- Lawrence Livermore National Laboratories
- Federal Reserve Board
- Environmental Protection Agency
- National Economic Council
- Department of Energy
- Department of the Interior
- US Trade Representative

We are expanding to include private sector stakeholders as well, now that we have been permitted to do so by HSC as of 11/8/06.

The current working group has met eight times from January through April 2006 with additional discussions taking place during and after this timeframe via email and phone calls. On July 11, 2006, the group submitted its Federal agency recommendations regarding priorities and modeling capabilities to the Office of the Chief Medical Officer. Its next meeting will be held during the first weeks of December.

Planning Assumptions

The planning assumptions used during this effort are those as listed in the National Strategy released May 2006. These assumptions include:

- Susceptibility to the pandemic influenza virus
- Disease attack rate of approximately 30 percent in the overall population during the pandemic
- Asymptomatic patients will be able to transmit the infection
- Epidemics will last six to eight weeks
- There will be multiple waves of disease outbreak across the country.

The planning assumptions for the epidemiology models greatly affect all other downstream modeling and must been looked at as only one set of assumptions upon which other assumptions for economic, societal and international modeling will be based. It is important to recognize that assumptions will change in the event that a real pandemic emerges. For example, the case fatality rate, while still unknown, is arguably the most important piece of information. Ideally, the models and the interfaces between models would allow for changes based on updated information in near-real time.

This action item is on-going as additional information will need to be incorporated into this group from other action items (5.2.4.1, 5.2.4.7, 5.2.4.3, 5.3.4.4, etc.). This is due to the fact these actions (planning assumptions, protocols) influence the planning assumptions and inputs that will be used for the various models, which, ultimately, influences the output of those models. Additionally, as our planning and preparedness continue, agencies may change their priorities and develop new assumptions, and new policies/protocols. As such, this group will updating the matrices to reflect this as well as any new models and/or new data needs, Our current planning assumptions and the planning assumptions of several of the other action items we need input from have not been reviewed and commented upon by the private sector stakeholders. We received approval to reach out for this next step of review and discussion on 11/8/06. However, this approval was limited to this action item only.

Priorities

The working group separated the questions that need to be addressed for decisions and planning assumptions into high priority and low priority questions. Both sets of questions have a column that states whether or not the answer to the question is required for policy and decision-making.

Prioritized questions are listed from 1 to 3 with 1 being highest priority and 3 the lowest. Priorities are not aligned with any single issue, but are based upon the expertise of the group and the needs of the agencies they represent.

Highest priority has been given to

- Labor supply
- Financial flows into/out of the US

- Health care demand
- Financial and health instability in foreign countries
- Output from the critical infrastructure/key resource sectors
- Screening protocols/policies
- Workplace/school closures
- Vaccines/anti-viral stockpile/dissemination policies
- Effects on GDP
- Household employment factors

Prioritized and non-prioritized items may be need to be revised upon input from other action items and pending outreach with the key private sector stakeholders. Please see the included spreadsheets for bird-to-bird (B2B) and human-to-human (H2H) model questions. As the USG continues its pandemic planning, agencies may identify new priorities and move others down to lower priority based on new input regarding the pandemic, new input regarding agency response capability, etc. As such, this action item is on-going to reflect and map these changes.

Recommendations

The working group presented recommendations regarding the capability of each model and the questions to be answered.

USDA currently has several models to be used for outbreak simulation and the economic impact of an outbreak on the agricultural sector including food prices and food quantity.

The DOC has an integrated inter-industry macroeconomic model that can be used to estimate industrial and economic impacts of various pandemic scenarios and the impacts of Federal policy choices, such as border closures, to mitigate the effects of pandemic influenza spread. In addition to estimating likely macroeconomic impacts such as to Gross Domestic Product, the model can estimate the impacts to such industry variables as output, employment and prices for about 100 industries across the economy. In the disaggregated model add-on, impacts can be estimated for 320 industries.

DOT has several transportation modeling capabilities for modeling and forecasting demand on the transportation sectors.

HHS/CDC, HHS/NIH, HHS/AHRQ, DOD/DTRA, DHS NISAC and CIP-DSS all have access to epidemiology models for use in outbreak simulation and counter measure impacts. These models use a variety of approaches to estimate outcomes and consequences of intervention strategies and policies. Using several models as planning tools has the advantage of providing some test of models' reliability. DHS holds the most comprehensive modeling capability with the interaction between NISAC and CIP-DSS for modeling a pandemic from the beginning of an outbreak through countermeasure utilization to infrastructure impact and the resultant economic impact.

These models and additional information are all listed in the recommendations (Models Capable Information) section of the H2H spreadsheet. The individual models provide information from point of contact, monies needed to run, inputs and outputs, expertise required to run, computational requirements, strengths/weaknesses are listed in a separate spreadsheet. This action item requested priorities for pandemic, models and modeling capabilities. Any modeling being considered requires investment for data collection, refining inputs, running and testing the models.

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Intense Bird-Bird Transmission									
General Characteristics of the Disease									
Q. Are there parts of the country in which it is more likely to contract the disease from poultry than from human to human transmission?							Ag		
Baselines to Measure Impacts and Effectiveness									
What are the economic costs and health benefits of:									
•Screening of cargo (all or targeted)			Required	Needed Immediately					
•Quarantine of cargo			Required	Needed Immediately					
•Screening of international cargo transportation crews (truck drivers, ship crews)			Required	Needed Immediately					
•Maritime entry/exit procedures recommended to PCC (applying Notice of Arrival rules to all ships, health screening for all passengers and crew, restricting port access, reducing number of seaports accepting ships).			Required	Needed Immediately					
Economic and Industry Impacts									

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Q. What would be the economic effect in the U.S. if imports of live birds were prevented? How important are imports of live birds to industry output or to final consumption in the poultry sector?	Ag	3	Useful, not required	Needed Immediately				US imports very few live birds and almost all enter from Canada. Model should focus on Canadian-US trade.	Impact information is rated "useful, not required" because once HPAI is detected in another country, policy response is well established.
Q. What would be the likely impact on the domestic poultry industry from bird flu? What would be the likely impact on consumers and on exports?	Ag	3	In between	Needed Immediately				Models would need to assess changes in the supply of poultry (due to culling) and potential changes in demand (due to changes in consumer preferences).	Impact information is rated as "in between" because avian influenza viruses that cause HPAI are highly virulent and mortality rates in infected flocks often approach 100%. Once a HPAI is confirmed, policy response is clear, no need to estimate further impacts.
Q. What are the direct and indirect economic impacts of a disruption (to infrastructure) for a specified region for a given duration and intensity, by state, county, and sector of industry.	Econ		Required	Needed within 6-9 months					
Q. What might be the range of global responses (e.g., containment strategies), and what would be the resulting economic and supply chain impacts to the U.S.? What are the short-term versus long-term, permanent changes to the U.S. economy?	Econ/ Infra		Required	Needed Immediately		Billions $			
Stability of the Critical Infrastructure									
Food Manufacturing and Agriculture									

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Q. What are the economic impacts on the poultry industry associated with a limited HPAI outbreak (a single state outbreak that is eradicated fairly quickly), a more extensive HPAI outbreak (a multiple state outbreak that is eventually eradicated), and a human-to-human outbreak. This includes the impacts from shocks to domestic supply and export and domestic demand for poultry? We differentiate between export and domestic demand shocks because trade restrictions will affect export markets even though domestic markets may be unchanged.	Ag		In between	Needed Immediately				Models would need to assess changes in the supply of poultry (due to culling) and potential changes in demand (due to changes in consumer preferences).	USDA has several models capable of evaluating alternative supply and demand shocks. Greatest unknown is how long it will take to eradicate the virus. Rated as "in between" once a HPAI is confirmed, policy response is clear, no need to estimate further impacts.
Q. What are upstream and downstream economic impacts associated with each of the scenarios? This includes impacts on feed and other livestock markets?	Ag		In between	Needed Immediately				Models would need to know the substitution elastcities between poultry and other protein souces (e.g. pork) if consumers preferences change. Models would also need to know feeding ratios to estimate how changes in demand affect feed markets.	USDA has several models capable of evaluating upstream and downstream impacts. Greatest unknown is how consumers tastes may change in response to AI.
Q. What are the government costs associated with indemnity payments for the eradication of domestic poultry? What are the government costs associated with disposal of the carcasses?	Ag		Required	Needed Immediately				Accurate price information is critical in determining indemnity rates.	Important note: USDA does not pay for poultry that dies because of AI. USDA only makes indemnity payments for poutlry killed to prevent the disease spread.
Potential Government Policies									

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Q. What are USDA's policies to deal with Avian Flu in poultry flocks? Can the disease be contained? What are the costs and benefits associated with these policies?	Ag		Required	Needed Immediately				Models would be helpful to determine appropriate response strategy (eg..vacinate vs. cull) and disposal options.	Overall USDA policies are well developed. US has had experience with HPAI in the past. It can be contained if found early.

DROP DOWN MENUS

Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed
Required	Needed Immediately	Strategic	Tens of Millions $	Epi
Useful, not required	Needed pre-H to H and within 6 months	Operational	Hundreds of Millions $	Ag
In between	Needed after first H-H	Tactical	Billions $	Infrastructure
		Unknown	Tens of Billions $	Economic
			Unknown	Combination
				Unknown

Deleted cells from Economic Impacts

Q. What are the near-term effects on Gross Domestic Product (GDP), output and employment? What are the long-run effects?	Econ/ Other	Useful, not	Needed pre-H to H and within 6 months	
Q. What percent of the workforce will have prolonged absenteeism and for what duration would that be? Can we determine the impact of paid versus unpaid absences?	Econ	Required	Needed Immediately	
Q. To what extent would large-scale, extended absences of air traffic controllers and dock workers disrupt supply chains and impact the U.S. economy in general?	Infra	In between	Needed Immediately	
Q. Which industries are the most severely affected? How does the impact on industries affect supply chain and ultimately, how does the effect on supply chain impact final demand to consumers?	Infra	Required	Needed Immediately	
Q. Do we expect any changes in foreign exchange rates? Will international capital fly to safe havens?	Econ	In between	Needed pre-H to H and within 6 months	
Q. What is the infection and morbidity distribution among the population so that we can determine civilian labor force impacts?	Epi/ Econ	Required	Needed Immediately	
Q. How would the unemployment rate vary with the age distribution of morbidity? What are the short-term and long-term economic impacts if morbidity is concentrated among young adults, versus among the very young and very old?	Epi/ Econ	In between	Needed Immediately	
Q. What is the impact on the travel and tourism industry?	Infra	Required	Needed pre-H to H and within 6 months	
Q. What is the impact on global and U.S. financial stability?	Econ	Required	Needed Immediately	
Q. Are all parts of the world affected by bird flu at the same time, or is there some understanding of how the geographical pattern may unfold?	Ag	Required	Needed Immediately	
Q. What would be the effects on U.S. international trade and on world trade?	Econ	Required	Needed Immediately	
Q. What are the potential global and regional differences in response and susceptibility to disease, and 1) how may these impact the spread of disease to the U.S. population, 2) how does this affect impact to the U.S. supply chains, 3) what types of firms in what industries are impacted the most, due to absenteeism, freight disruptions, and government response strategies.	Epi/ Econ/ Infra	Required	Needed Immediately	

Q. Depending on the duration of the spread and severity of infection, how long can we expect an economic recovery to take?	Epi/ Econ	Required	Needed Immediately	
Q. Can we expect that the likely spread of the disease will lead to disparate regional economic impacts? Can we get a likely geographic spread of the disease in the U.S. so that we can consider regional impacts?	Econ	In between	Needed pre-H to H and within 6 months	
Q. What are the domestic impacts of HPAI outbreaks in other countries? This includes impacts on the domestic poultry, other livestock, and feed. We have seen a recent decline in the growth of poultry exports. How much this due to HPAI is unclear.	Ag	Useful, not	Needed Immediately	

Billions $			
Billions $			
Billions $			
Tens of Billions $			
Tens of Billions $			
Tens of Billions $			
Billions $			

Tens of Billions $			

PRIORITIZED

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Intense Human-Human Transmission (Pandemic)									
Baselines to Measure Impacts and Effectiveness									
Q. What is the likely impact of a pandemic influenza outbreak, in the absence of interventions, on the baseline levels of:			Required	Needed Immediately					
•GDP, employment and household income (distributional information for the last two would be very helpful)		1	Required	Needed Immediately			Combination Epi/Econ	MIDAS will offer insights on possible absenteeism rates. LIFT/Iliad. NISAC economic models. CIPDSS could address GDP, household income.	
•Labor supply (due to illness, care giving, fear of the disease), including distributional impacts (age, region, sector, etc.) and the sensitivity of those impacts to assumed disease characteristics (e.g., age distribution of morbidity).		1	Required	Needed Immediately			Combination Epi/Econ	MIDAS will offer insights. LIFT/Iliad. NISAC economic and CIP/DSS interdependency models	
•Health care demand		1	Required	Needed Immediately				MIDAS will offer insights on possible absenteeism rates. NISAC and CIP/DSS epi/healthcare infrastructure models	
•Interest and exhange rates		1	Required	Needed Immediately					
•Financial flows to/from the U.S.		1							
•Financial instability in foreign countries		1	Required	Needed Immediately					
•Demand in various economic sectors (face-to-face services, transportation ....)		1	Required	Needed Immediately			Economic	LIFT/Iliad	
•Travel to and from the U.S.		1	Required	Needed Immediately					

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
•Travel within the U.S.		1	Required	Needed Immediately				CIPDSS behavior/decision models could provide insight (not prediction)	
•Trade in 'critical' goods and services and key production inputs (we recognize all of these terms need to be defined—that's the first step)		1	Required	Needed Immediately			Economic	LIFT/Iliad	
•Output in 'critical ' sectors such as food, healthcare, utilities, energy, banking and finance, and telecommunications, considering disruptions to labor supply and supply chains. Identifying the 'breaking point' for each critical sector would be helpfule--that is, what level of disruption to a critical sector causes it to cease functioning at a minimum required level. (Analysis should include feedback effects of economic and infrastructure disruptions on ability to contain disease spread and recover from outbreak).		1					Economic	LIFT/Iliad	
•Health insurer outlays		2	Required	Needed Immediately					
•Health care provider finances		2	Required	Needed Immediately					
•Health care expenditures of the uninsured		2	Required	Needed Immediately					
•Output in non-critical economic sectors		2					Economic	LIFT/Iliad	
Q. What are the economic costs and health benefits of (some of these overlap with the MIDAS runs and others are points being discussed in various HSC PCCs):			Required	Needed Immediately				MIDAS effort may provide input into our thinking about relative value of health screening (may increase the value)	
•Mandatory passenger health screening at international points of entry (land, sea and air facilities separately)		1	Required	Needed Immediately				MIDAS effort may provide input into our thinking about relative value of health screening (may increase the value)	
•Mandatory health screening at foreign ports of departure for passengers traveling to the U.S.		1	Required	Needed Immediately					

	Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
•Restrictions on travel at international ports of entry (full ban or U.S. citizens and residents only; separately by land, sea, air)	1	Required	Needed Immediately			Economic	LIFT/Iliad. NISAC Air transportaton (ATOM) and economic models	
•Screening of cargo (all or targeted)	1	Required	Needed Immediately					
•Quarantine of cargo	1	Required	Needed Immediately			Economic	LIFT/Iliad	
•Screening of international cargo transportation crews (truck drivers, ship crews)	1	Required	Needed Immediately					
•Domestic travel restrictions (in line with PCC options)	1	Required	Needed Immediately			Combination Epi/Econ	MIDAS effort looking at voluntary (50%) and coercive (90%) reductions in travel when performed in conjunction with targeted, layered containment. LIFT/Iliad	
•Reducing the number of international entry/exit airports (in line with PCC recommendations)	1	Required	Needed Immediately			Economic	LIFT/Iliad	
•School closures (at various breadths of closure relative to outbreak area (i.e., in affected communities only? Within radius of x miles relative to identified cases? State/region-wide?)	1	Required	Needed Immediately				MIDAS will offer insights on area closure (when virus arrives in a community) v. reactive closure (when virus documented in each school).	
•Workplace closures (by type of workplace and breadth of closure relative to outbreak)	1	Required	Needed Immediately			Combination Epi/Econ	MIDAS effort designed to explore keeping workplaces open. LIFT/Iliad	
•Maritime entry/exit procedures recommended to PCC (applying Notice of Arrival rules to all ships, health screening for all passengers and crew, restricting port access, reducing number of seaports accepting ships).	1	Required	Needed Immediately			Economic	LIFT/Iliad	
•Changes to the priority given to (and definitions of) 'critical' sectors and occupations in vaccine distribution plans, considering different assumptions about the number of available vaccine doses?	1							

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
•Various levels of compliance with voluntary protective measures (generic social distancing, reduction of non-essential travel...)		2	Required	Needed Immediately				MIDAS capable. CIPDSS has some capabilities to represent measures and compliance. Mapping from "social distancing" to reduction in contact rates is unclear.	
•Urban transits			Required	Needed Immediately					
•Combinations of the interventions above			Required	Needed Immediately				MIDAS capable.	
Economic and Industry Impacts									
Q. What are the direct and indirect economic impacts of a disruption (to infrastructure) for a specified region for a given duration and intensity, by state, county, and sector of industry.		2	Required	Needed within 6-9 months				NISAC infrastructure and economic models. CIPDSS could contirbute to parts of this -- not all regions, not all sectors.	
Q. Do the macroeconomic consequences differ depending on whether the human to human transmission originates in the U.S. or abroad?		3	Required	Needed Immediately			Economic	LIFT/Iliad. NISAC economic models	

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments

NON - PRIORITIZED

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Intense Human-Human Transmission (Pandemic)									
General Characteristics of the Disease									
Q. How long will the first wave of the pandemic last? How long before the second wave, and subsequent waves, if any?			Required	Needed Immediately			Epi	MIDAS initiative is testing a suite of interventions which will reduce morbidity and mortality by reducing disease transmission and dramatically change the shape of the epi curve, probably eliminating "wave effect". Assumption is that continual seeding of communities will occur until vaccine is developed.	

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Q. How long will it take for a pandemic to run through an urban community? How long for a rural community? Is the likely path of the disease transmission more between urban areas or between urban and rural?			Required	Needed Immediately		Hundreds of Millions $		MIDAS initiative will offer some insights, especially in "unmitigated scenario" (as worst case). Recent work in Science by Viboud et al. addresses thrid question and she can weigh in on this question if necessary. EpiSims and Loki-Infect (NISAC epi models)	
Q. Are there parts of the country in which it is more likely to contract the disease from poultry than from human to human transmission?									
Q. Once human-to-human pandemic influenza is established in the U.S., at what point (if any) do measures to screen travelers and cargo to prevent the introduction of the virus into the United States become counterproductive?									If strategy proves to be efficacious at significantly reducing community transmission, screening should probably continue, since issue then becomes preventing introductions to unaffected communities as long as possible. It becomes "counterproductive" if all attempts at domestic containment prove futile and an uncontrolled domestic pandemic occurs.
Q. Given current preparedness/response plans, how long will it take for the pandemic to spread from the East Coast to the West Coast? Or West Coast to East? North to South? South to North? If there are differences in time, what causes the differences?									MIDAS initiative will offer insights although not with precise directionality suggested by question.
Managing the Illness									

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Q. What chance is there that intensive use of antivirals combined with measures to increase social distance might contain a pandemic in its earliest stages before widespread geographic spread beyond the source area (say in SE Asia) has occurred?			Required	Needed Immediately		Billions $		Loki-Infect is a generic modeling tool that could be applied to this issue (NISAC epi model). CIPDSS can add value by calibrating to higher fidelity models and showing a broader spectrum of consequences (interdependencies).	Papers already published on this topic. Hatchett will suggest to MIDAS that it consider rerunning Thai model using parameters being explored in current runs.
Q. Could antivirals be used in the early stages of a national epidemic to prevent or significantly slow spread, and how might antivirals be optimally targeted to achieve this?			Required	Needed Immediately		Billions $		MIDAS effort will definitely offer insight on this question. Likely best approach is treatment/prophylaxis in affected communities with strict community containment measures. EpiSims and Loki-Infect (NISAC epi models)	
Q. Are measures to increase social distance likely to significantly slow the spread of pandemic influenza nationally, e.g. through quarantines, closure of schools/workplaces, cessation of mass public gatherings, restricting travel?			Required	Needed Immediately		Tens of Billions $		MIDAS effort will definitely address this question, for both voluntary and coercive restrictions. EpiSims and Loki-Infect (NISAC epi models)	
Q. Given a limited antiviral stockpile, what is the optimal strategy for using antivirals to limit mortality, morbidity and/or hospitalizations in (a) the general population, and (b) essential workers (e.g. healthcare, emergency services)?			Required	Needed Immediately		Tens of Billions $		MIDAS effort can address a) only. NISAC can address a) using Epi-Sims and Loki-Infect (NISAC epi models) and b) through use of healthcare model in EpiSims	

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Q. Given the delays in production, what impact is vaccine likely to have on the first or second waves of a pandemic, and how best might limited early vaccine stocks be used to minimize morbidity/mortality or limit transmission?			Required	Needed Immediately		Tens of Billions $		MIDAS is looking at second part of question. If community strategy works vaccine will be the thing that allows communities confidently to lift restrictions, so it would have a very significant impact. EpiSims and Loki-Infect (NISAC epi models). CIPDSS could be adapted to address vaccine production issues.	
Q. Assuming vaccines and antivirals are largely ineffective, what mitigation strategies can be proposed? Which of these are most effective and what are their cascading impacts? Which would be implemented at the national, regional, or local levels?			Required	Needed Immediately		Billions $		Effective alternative mitigation strategies can be proposed by understanding the dynamics of interactions between disease spread, social interactions, and economics. This set of questions appears to encompass the other questions within this document. A broad suite of models (e.g., MIDAS, NISAC, and CIPDSS) are required to evaluate alternative options that are proposed a priori or identified through analysis.	First, even partially efficacious measures can make significant contributions. Strategy makes us rethink our understanding of value of vaccines/antivirals. If they fail completely, we are left with the social distancing strategies that are being modeled.

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Q. If supplies of vaccines and antivirals are limited, how would these limited resources be used most effectively?			Required	Needed Immediately		Billions $		MIDAS can address this for varying Ro's and rates of public compliance with strategy. In addition to impacts on population (mortality and morbity using epi models, need to evaluate impacts on sectors within the population - NISAC epi, economic and infrastructure models and CIPDSS infrastructure interdependency and economic impact models are applicable.	
Q. What strategies and resources would be available for implementing quarantines?			Required	Needed Immediately		Tens of Billions $			
Q. With the data which is likely to be available, will it be possible in real time to assess the effectiveness of interventions during a pandemic and identify threshold points at which intervention priorities would need to change (e.g. from early containment to later protection of essential services)?			Required	Needed Immediately		Tens of Billions $		MIDAS may offer insights. Combined NISAC epi modeling and CIPDSS epi modeling and uncertainty analysis can be used to develop decision maps identifying effective strategies within differing disease parameter ranges. This approach could be used to develop an adaptive response policy. These contingencies could potentially be addressed in the analysis ahead of time.	Interestingly it is low virulence scenarios where the judgment calls will be hardest.
Q. Given the uncertainty in the likely (age-specific) virulence of the next pandemic virus, how do the optimal policies of antiviral use and social distance measures change as a function of virulence?			Required	Needed Immediately		Billions $		NISAC epi, economic and infrastructure models. CIPDSS uncertainty analyses may also be applicable.	

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Q. How quickly and with what geographic pattern would an uncontrolled pandemic be expected to spread globally?							EPICAST	
Q. Once a pandemic virus is introduced to a country, what will be the likely speed and pattern of spread to all major conurbations/population centers?							EPICAST	See work by Viboud et al. in recent Science.
Q. How does the total effectiveness (in terms of reductions in transmission, morbidity or mortality) of a policy of antiviral use scale with the size of the stockpile available (e.g. equivalent of treatment courses for 1, 5, 10, 25% of the population), and does the >optimal= policy change as a function of the number of doses stockpiled?							Current MIDAS modeling suggests that current stockpiles might be adequate if Ro<3.0 and strategy applied consistently with decent (60%) compliance. Cost of adding workplace prophylaxis appears to be prohibitive in all scenarios. NISAC epi models (EpiSims, Loki-Infect). CIPDSS would represent these effects in assessing infrastructure interdependency impacts.	
Q. How can the following preparedness measures at 50% and 70% efficacy minimize the number of influenza cases and ergo deaths in the event of an H5N1 pandemic from SE Asia on American soil via airports (also consider morbidity, rate of spread, rate of workforce debilitation):							MIDAS is looking at 30-60-90% compliance for isolation, quarantine, and keeping kids home. MIDAS is exploring "enhanced social distancing" which would encompass masks but not at 50%-70% parameters. Can explain at length if necessary.	

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▪H5N1 vaccine (20 M doses for 10 M persons in the critical workforce) Tamiflu (20 M treatment courses) for hospitalized persons (est. 8.5 M in U.S.)								MIDAS exploring various approaches to using prepandemic vaccine at anticipated stockpile levels. CIPDSS could address questions of what fraction of workforce is ill and how quickly they might they be reconstituted.	
▪N95 masks (30 M)								MIDAS exploring various approaches to using prepandemic vaccine at anticipated stockpile levels. CIPDSS could address questions of what fraction of workforce is ill and how quickly they might they be reconstituted.	
▪Quarantine of confirmed cases for respiratory disease								MIDAS capable. CIPDSS could address questions of what fraction of workforce is ill and how quickly they might they be reconstituted.	
▪6 M treatment courses of antiviral drugs at the onset of a pandemic in the U.S. for prophylactic usage in household contacts of confirmed cases as early containment measures								MIDAS capable. CIPDSS could address questions of what fraction of workforce is ill and how quickly they might they be reconstituted.	
▪RØ = 2								MIDAS capable. CIPDSS could address questions of what fraction of workforce is ill and how quickly they might they be reconstituted.	

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Q. During human-to-human stage, for unvaccinated CBP Officers and TSA screeners who interact with 300-400 travelers daily, the employees have no PPE, and encounter a passenger(s) with pandemic influenza, what is the probability they will become infected and ill? (Social distancing is not an option in the work place)								
Q.What is the probability that an infected but asymptomatic CBP/TSA person will infect subsequent travelers? (Premise being they will virus shed before they know they are ill).								
Q. Same scenario as above, adding N-95 PPE for employees?								
Q. Once human-to-human pandemic influenza is established in the U.S., at what point (if any) do measures to screen travelers and cargo to prevent the introduction of the virus into the United States become counterproductive?								If strategy proves to be efficacious at significantly reducing community transmission, screening should probably continue, since issue then becomes preventing introductions to unaffected communities as long as possible. It becomes "counterproductive" if all attempts at domestic containment prove futile and an uncontrolled domestic pandemic occurs.

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Q. Given current preparedness/response plans, how long will it take for the pandemic to spread from the East Coast to the West Coast? Or West Coast to East? North to South? South to North? If there are differences in time, what causes the differences?									If strategy proves to be efficacious at significantly reducing community transmission, screening should probably continue, since issue then becomes preventing introductions to unaffected communities as long as possible. It becomes "counterproductive" if all attempts at domestic containment prove futile and an uncontrolled domestic pandemic occurs.
Q. What level of production and distribution of protective equipment is needed to protect health care workers? The general population?			Required	Needed Immediately		Hundreds of Millions $		NISAC epi models; CIPDSS infrastructure models	
Q. Is the current capacity for the production and distribution of infection-control devices (protective equipment such as surgical masks, N95 respirators, and other protective equipment) sufficient to protect workers with high risks of exposure, such as health care workers? How about teachers, retail workers, and others in direct contact with the public while at work?			Required	Needed pre-H to H and within 6 months		Hundreds of Millions $		MIDAS effort may offer insights in this regard, if we know current production capacity. NISAC and CIP/DSS epi models	
Q. What level of supply is needed and where should the supplies be stockpiled for most effective deployment? How should we prioritize what populations receive such supplies upon deployment?			Required	Needed Immediately		Billions $		NISAC and CIP/DSS epi, population mobility and infrastructure models	

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Q. What actions (closing ports, closing schools, etc.) best slow the spread of the disease or reduce morbidity?			Required	Needed Immediately		Tens of Billions $		MIDAS initiative will provide insight. NISAC epi models; CIPDSS could provide a screening function for measures.	
Q. Would closing major portions of the transportation infrastructure reduce the severity of the pandemic in terms of morbidity, mortality, and the macroeconomic impact? What are the specific impacts from disruptions to public transportation, the rail network, trucking, air transportation, and the ports?			Required	Needed Immediately		Tens of Billions $		MIDAS effort should provide insight. Likely won't affect morbidity/mortality but macroeconomic tradeoffs need to be explored, since preventing spread of disease could spare communities the imposed cost of targeted, layered containment. NISAC infrastructure and epi models, CIP/DSS interdependency models	
Baselines to Measure Impacts and Effectiveness									
First Scenario: This would be an unconstrained scenario with people continuing to carry on their daily lives as they would without bird flu. This is, of course, an unrealistic scenario, but comparison with the second scenario, it would serve to highlight the importance of actions that families can take to lessen the severity of the disease.								MIDAS capable. CIPDSS has done preliminary analysis on this.	
Second Scenario: This would include some of the basic social distancing measures that would be expected to be taken by households, but would not include the closing of schools. I think this should be categorized as the primary baseline scenario from which to estimate the impacts of policy choices.								MIDAS capable. CIPDSS had planned to make modifications that could contribute; woulde leverage higher resolution model results.	

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Third Scenario: This would include specifically the closing of schools to limit the spread of the disease. How effective would be this action?								Not in absence of other interventions. MIDAS has already explored closing schools as an isolated option. CIPDSS had planned to make modifications that could contribute; woulde leverage higher resolution model results.	
Fourth Scenario: This would include the government et. al. policy responses such as quarantines, anti-viral, and vaccination programs to slow the spread of the disease. How effective would this be?								CIPDSS had planned to make modifications that could contribute; woulde leverage higher resolution model results.	
Q. How do we know the effects of social distancing? If an infected person is 3 feet away from you or 6 feet away, how does the probability of becoming infected change? How much does it change? And, how do we know that?									Not in absence of other interventions.
Q. What do the models tell would be the most effective means by which to eliminate or slow the propagation of the virus?			Required	Needed Immediately		Tens of Billions $		MIDAS will offer insights. NISAC and CIP/DSS epi models	
Q. What are impacts of uncertainties associated with differential response timing and mitigation actions?			Required	Needed Immediately		Tens of Billions $		MIDAS will offer insights. NISAC and CIP/DSS epi models	
Q. What are the economic costs and health benefits of (some of these overlap with the MIDAS runs and others are points being discussed in various HSC PCCs):			Required	Needed Immediately				MIDAS effort may provide input into our thinking about relative value of health screening (may increase the value)	

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Q. How sensitive are these impacts to the key modeling assumptions?			Required	Needed Immediately			Economic	LIFT/Iliad. CIPDSS has capabilities to support uncertainty analyses	MIDAS modelers may be able to perform sensitivity analyses to the extent possible. It's a combinatorial problem coupled with fact that interventions have interdependencies.
Economic and Industry Impacts									
Q. What are the near-term effects on Gross Domestic Product (GDP), output and employment? What are the long-run effects?		Useful, not requ	Needed pre-H to H and within 6 months					NISAC infrastructure and economic models. CIPDSS could contirbute; defer to NISAC.	
Q. What percent of the workforce will have prolonged absenteeism and for what duration would that be? Can we determine the impact of paid versus unpaid absences?			Required	Needed Immediately				NISAC economic models. CIPDSS has some capability to address the costs of absences at a very macro scale.	
Q. Which industries are the most severely affected? How does the impact on industries affect supply chain and ultimately, how does the effect on supply chain impact final demand to consumers?			Required	Needed Immediately				NISAC economic models; NISAC and CIP/DSS Interdependency Models	
Q. Do we expect any changes in foreign exchange rates? Will international capital fly to safe havens?			In between	Needed pre-H to H and within 6 months					
Q. What is the infection and morbidity distribution among the population so that we can determine civilian labor force impacts?			Required	Needed Immediately				NISAC epi models	
Q. How would the unemployment rate vary with the age distribution of morbidity? What are the short-term and long-term economic impacts if morbidity is concentrated among young adults, versus among the very young and very old?			In between	Needed Immediately		Billions $		NISAC epi models	

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Q. What is the impact on the travel and tourism industry?			Required	Needed pre-H to H and within 6 months		Billions $		NISAC economic models	
Q. What is the impact on global and U.S. financial stability?			Required	Needed Immediately		Tens of Billions $			
Q. What would be the effects on U.S. international trade and on world trade?			Required	Needed Immediately		Tens of Billions $		NISAC economic models	
Q. What might be the range of global responses (e.g., containment strategies), and what would be the resulting economic and supply chain impacts to the U.S.? What are the short-term versus long-term, permanent changes to the U.S. economy?			Required	Needed Immediately		Billions $		NISAC economic models	
Q. What are the potential global and regional differences in response and susceptibility to disease, and 1) how may these impact the spread of disease to the U.S. population, 2) how does this affect impact to the U.S. supply chains, 3) what types of firms in what industries are impacted the most, due to absenteeism, freight disruptions, and government response strategies.			Required	Needed Immediately		Billions $		not clear this is a modeling question yet - more scoping the modeling question	
Q. Depending on the duration of the spread and severity of infection, how long can we expect an economic recovery to take?			Required	Needed Immediately		Tens of Billions $			
Q. Can we expect that the likely spread of the disease will lead to disparate regional economic impacts? Can we get a likely geographic spread of the disease in the U.S. so that we can consider regional impacts?			In between	Needed pre-H to H and within 6 months					
Stability of the Critical Infrastructure									
Q. How quickly will demand for health services surpass the health care infrastructures capacity?			Required	Needed Immediately				NISAC and CIP/DSS epi models	
Q. How long would that last and would it be repeated?			Required	Needed Immediately				NISAC and CIP/DSS epi models	

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Q. How will U.S. infrastructures be impacted by a potential influenza pandemic? (Infrastructures include agriculture, food, healthcare, water and wastewater, oil and gas, electric power, banking and finance, defense industrial base, telecommunications, chemical supply chains, transportation of people and commodities.) How will these impacts affect delivery of basic services (e.g., electrical power, water, food, transportation) and affect disease spread and recovery?			Required	Needed Immediately		Tens of Billions $		NISAC and CIP/DSS epi and infrastructure models	
•How much vaccine would be required to maintain a functioning infrastructure?			Required	Needed Immediately		Billions $		NISAC and CIP/DSS epi and infrastructure models	
•What lead times would be required to ensure that sufficient vaccines or antivirals were available			Required	Needed Immediately		Billions $			
Q. What are the numbers, types, and locations of firms most impacted by pandemic influenza? Characterize loss of output/sales, employment, and income, by firm. What are the expected changes in regional activity and infrastructure usage due to short-run structural changes in the economy (regional infrastructure loss, regional absenteeism).			In between	Needed pre-H to H and within 6 months		Billions $		NISAC economic models	
Medical									
Q. Will there be enough vaccine to keep this sector operational?			Required	Needed Immediately		Billions $		NISAC epi models	
Q. How quickly will demand for health services surpass the health care infrastructures capacity?			Required	Needed Immediately		Billions $		NISAC epi models	
Q. How long would that last and would it be repeated?			Required	Needed Immediately		Billions $		NISAC epi models	
Q. What is the anticipated demand for anti-viral drugs and vaccine? Is there sufficient supply available?			Required	Needed Immediately		Billions $		NISAC epi models - but not sure a model is needed to answer this question	

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Q. What are the effects of uncertainties in disease characteristics on response effectiveness and on economic impacts? Very high levels of uncertainty exist, particularly for disease characteristics that cannot be resolved before the virus attains human to human transmission capability.			In between	Needed pre-H to H and within 6 months		Billions $		NISAC epi and economic models	
Q. What is the variability in global social and medical systems, and how would this impact the spread and consequences of pandemic influenza?			Required	Needed Immediately		Billions $			
Food Manufacturing and Agriculture									
Q. Does there come a point when the virus causes this sector to function at a less than required rate to provide for essential needs?			Required	Needed Immediately		Billions $		CIP/DSS infrastructure interdependency models	
Q. What are the impacts on the food distribution system of a pandemic (scenario 3)?			Required	Needed Immediately		Billions $		CIP/DSS infrastructure interdependency models	
Transportation									
Q. Once pandemic influenza is established in the U.S., what effects will it have on the supply and demand for transportation services, and what effects will restrictions in transportation supply have on the U.S. economy?			Required	Needed pre-H to H and within 6 months		Billions $		NISAC epi, economic and infrastructure models	
Q. What critical supplies will become unavailable in certain locations because of a shortage of transportation capacity, and what can be done to mitigate those shortages?			Required	Needed pre-H to H and within 6 months		Billions $		NISAC epi, economic and infrastructure models	
Q. What effects will domestic restrictions on passenger travel and freight transportation have on the U.S. economy, or on particular regional economies?			Required	Needed Immediately		Billions $		NISAC transportation infrastructure models	

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Q. At what point could the decrease in passengers cause the air carriers to cease operations? NOTE: These include a "fear" factor that may be estimated or may require a sensitivity analysis.			Required	Needed pre-H to H	Operational	Billions $			These include a "fear" factor that may be estimated or may require a sensitivity analysis.
Q. What will be the economic and operational impact of travel restrictions?			Required	Needed pre-H to H	Strategic	Tens of Billions $		NISAC economic and transportation models	
Q. How will the funneling of international flights to airports with designated CDC quarantine stations affect the aviation industry including the airports losing passengers?			Required	Needed pre-H to H and within 6 months	Operational	Hundreds of Millions $		NISAC air transportation model	
Q. How will a pandemic flu affect passenger enplanements?			Required	Needed pre-H to H and within 6 months	Strategic	Tens of Billions $		NISAC air transportation model	
Q. Will a decrease of passengers be relatively localized or equally distributed across the nation?			Useful, not required	Needed after first H-H	Strategic	Billions $			
Q. How will passenger fear of contracting disease affect enplanements (i.e. severe drop-off as in SARS?)			Required	Needed pre-H to H and within 6 months	Strategic	Tens of Billions $			
Q. What effects will restrictions on international passenger and freight transportation (adopted in response to an outbreak of pandemic influenza abroad) have on the U.S. economy?			In between	Needed within 6-9 months				NISAC Transportation infrastructure and economic models	
Q. How many hours worth of PPE will be required per FTE?			Required	Needed pre-H to H and within 6 months	Operational	Tens of Millions $			This may be more of an operational research type of issue rather than a system modeling question
Q. What is the impact of a 48-hour isolation period for air cargo arriving from economic impacted areas?			Required	Needed Immediately	Operational	Hundreds of Millions $		NISAC Transportation infrastructure and economic models	
Q. To what degree would the population shift from common carrier (aviation, rail) to individual modes of transportation (POV)?			Required	Needed pre-H to H and within 6 months	Strategic	Billions $			
Q. What will the duration of the pandemic be?			Required	Needed Immediately	Strategic	Tens of Billions $		NISAC epi models	

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Q. What effects will a pandemic influenza have on the U.S. transportation industry that endure beyond the time period of the pandemic itself, and what can be done to help the U.S. transportation system recover from these enduring effects?			In between	Needed pre-H to H and within 6 months		Billions $		NISAC economic models	
Energy									
Q. Is the current capacity for the production and distribution of infection-control devices (protective equipment such as surgical masks, N95 respirators, and other protective equipment)? How might such devises be deployed by government or industry to protect workers with high risks of exposure or workers to the maintenance of key infrastructures?			Required	Needed Immediately		Tens of Billions $		NISAC epi, economic and infrastructure models	
Q. Should caches of infection-control/protective equipment and supplies be stockpiled throughout the U.S. to be available for distribution in the event of a pandemic? What level of supply is needed and where should the supplies be stockpiled for most effective deployment? What role would FEMA, DOD play in such efforts? What role might the private sector play?			Required	Needed Immediately		Billions $		NISAC epi, economic and infrastructure models	
Q. What are the specific impacts to the energy system from disruptions to public transportation, the rail network, trucking, air transportation, and the ports? What effects will restrictions on international freight and commodity transportation (adopted in response to an outbreak of pandemic influenza abroad) have on U.S. energy supplies.			Required	Needed Immediately		Billions $		NISAC epi, economic and infrastructure models	

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Q. If pandemic influenza is established in the U.S., what effects will it have on the supply and demand for fuels including transportation fuels, home heating and cooling, industry and commercial energy demand?			Required	Needed Immediately				NISAC epi, economic and infrastructure models	
Q. To what extent would large-scale, extended absences of dock workers from ports disrupt critical petroleum and natural energy supply chains and impact the U.S. economy in general?			In between	Needed pre-H to H and within 6 months		Billions $		NISAC epi, economic and infrastructure models	
Q. What critical supplies will become unavailable in certain locations because of energy shortages and what can be done to mitigate those shortages? What role will FEMA and DOD play in a flu pandemic?			In between	Needed pre-H to H and within 6 months		Billions $		NISAC epi, economic and infrastructure models	
Q. With the data which is likely to be available, will it be possible to assess the capacity of the energy infrastructure to maintain needed supplies and services?			In between	Needed pre-H to H and within 6 months		Billions $			
Q. What increased vulnerabilities to other energy related types of events (e.g. terrorist or weather-related) may be caused by pandemic flu preparation or response?			In between	Needed pre-H to H and within 6 months		Hundreds of Millions $			
Water, Communications, Financial									
Potential Government Policies									
Q. What would be the effect on transmission of restricting travel (and exit and entry screening) between affected and unaffected countries, and how effective would such measures need to be to delay spread significantly?			Required	Needed Immediately				NISAC epi, economic and infrastructure models	

		Priority of Issue (1=Top, 3=Lowest)	Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed	Models Capable Information	Additional Comments
Q. After a pandemic is declared in a foreign country, we may have 2 months to prepare. If H5N1 flu were transmitted to the U.S., what impact would deployment and distribution of new H5N1 vaccine have, assuming 70% or 90% efficacy for ablation of disease and a production and distribution rate of 4, 10, and 20 M doses per week?			Required	Needed Immediately					
Q. If Mexico and/or Canada impose travel restrictions to and from their countries to the U.S., what would be the impact to the U.S. economy and industries and what USG policies should be activated to avoid serious disruptions?			Required	Needed Immediately				NISAC economic and infrastructure models	
Q. What are the costs and benefits associated with USG imposed social distancing measures?			Required	Needed Immediately				NISAC epi, economic and infrastructure models	
Q. What is the best overall strategy for minimizing the impacts to human health and national economic security? A composite analysis must pull together the previous analyses' results to identify and evaluate alternative mitigation strategies that minimize human health and economic impacts in the U.S. in the event global strategies fail to contain the disease. This includes identification of regional characteristics that may influence costs and effectiveness [population density, income levels, health care system differences, transportation network characteristics] of response strategies. This also requires the assessment of a range of multiple, condition-based intervention strategies (a combination of the most effective delay and "herd immunity" tactics identified in previous questions).			Required	Needed Immediately		Tens of Billions $		NISAC epi, economic and infrastructure models	

DROP DOWN MENUS

Required to Make Actionable Decisions/Policies	How Soon the Answer Will Be Needed	Strategic, Ops, or Tactical	Economic Implications	Model(s) Needed
Required	Needed Immediately	Strategic	Tens of Millions $	Epi
Useful, not required	Needed pre-H to H and within 6 months	Operational	Hundreds of Millions $	Ag
In between	Needed after first H-H	Tactical	Billions $	Infrastructure
		Unknown	Tens of Billions $	Economic
			Unknown	Combination
				Unknown

Deleted cells from Economic Impacts

Q. What are the near-term effects on Gross Domestic Product (GDP), output and employment? What are the long-run effects?	Econ/ Other	Useful, not	Needed pre-H to H and within 6 months	
Q. What percent of the workforce will have prolonged absenteeism and for what duration would that be? Can we determine the impact of paid versus unpaid absences?	Econ	Required	Needed Immediately	
Q. To what extent would large-scale, extended absences of air traffic controllers and dock workers disrupt supply chains and impact the U.S. economy in general?	Infra	In between	Needed Immediately	
Q. Which industries are the most severely affected? How does the impact on industries affect supply chain and ultimately, how does the effect on supply chain impact final demand to consumers?	Infra	Required	Needed Immediately	
Q. Do we expect any changes in foreign exchange rates? Will international capital fly to safe havens?	Econ	In between	Needed pre-H to H and within 6 months	
Q. What is the infection and morbidity distribution among the population so that we can determine civilian labor force impacts?	Epi/ Econ	Required	Needed Immediately	
Q. How would the unemployment rate vary with the age distribution of morbidity? What are the short-term and long-term economic impacts if morbidity is concentrated among young adults, versus among the very young and very old?	Epi/ Econ	In between	Needed Immediately	
Q. What is the impact on the travel and tourism industry?	Infra	Required	Needed pre-H to H and within 6 months	
Q. What is the impact on global and U.S. financial stability?	Econ	Required	Needed Immediately	
Q. Are all parts of the world affected by bird flu at the same time, or is there some understanding of how the geographical pattern may unfold?	Ag	Required	Needed Immediately	
Q. What would be the effects on U.S. international trade and on world trade?	Econ	Required	Needed Immediately	
Q. What are the potential global and regional differences in response and susceptibility to disease, and 1) how may these impact the spread of disease to the U.S. population, 2) how does this affect impact to the U.S. supply chains, 3) what types of firms in what industries are impacted the most, due to absenteeism, freight disruptions, and government response strategies.	Epi/ Econ/ Infra	Required	Needed Immediately	

Q. Depending on the duration of the spread and severity of infection, how long can we expect an economic recovery to take?	Epi/ Econ	Required	Needed Immediately	
Q. Can we expect that the likely spread of the disease will lead to disparate regional economic impacts? Can we get a likely geographic spread of the disease in the U.S. so that we can consider regional impacts?	Econ	In between	Needed pre-H to H and within 6 months	
Q. What are the domestic impacts of HPAI outbreaks in other countries? This includes impacts on the domestic poultry, other livestock, and feed. We have seen a recent decline in the growth of poultry exports. How much this due to HPAI is unclear.	Ag	Useful, not	Needed Immediately	

Billions $			
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Tens of Billions $			

planning assumptions

Pandemic preparedness planning is based on assumptions regarding the evolution and impacts of a pandemic. Defining the potential magnitude of a pandemic is difficult because of the large differences in severity for the three 20th-century pandemics. While the 1918 pandemic resulted in an estimated 500,000 deaths in the U.S., the 1968 pandemic caused an estimated 34,000 U.S. deaths. This difference is largely related to the severity of infections and the virulence of the influenza viruses that caused the pandemics. The 20th century pandemics have also shared similar characteristics. In each pandemic, about 30% of the U.S. population developed illness, with about half seeking medical care. Children have tended to have the highest rates of illness, though not of severe disease and death. Geographical spread in each pandemic was rapid and virtually all communities experienced outbreaks.

Pandemic planning is based on the following assumptions about pandemic disease:

- Susceptibility to the pandemic influenza subtype will be universal.
- The clinical disease attack rate will be 30% in the overall population. Illness rates will be highest among school-aged children (about 40%) and decline with age. Among working adults, an average of 20% will become ill during a community outbreak.
- Of those who become ill with influenza, 50% will seek outpatient medical care.
- The number of hospitalizations and deaths will depend on the virulence of the pandemic virus. Estimates differ about 10-fold between more and less severe scenarios. Because the virulence of the influenza virus that causes the next pandemic cannot be predicted, two scenarios are presented based on extrapolation of past pandemic experience (Table 1).

Table 1. Number of Episodes of Illness, Healthcare Utilization, and Death Associated with Moderate and Severe Pandemic Influenza Scenarios*

Characteristic	Moderate (1958/68-like)	Severe (1918-like)
Illness	90 million (30%)	90 million (30%)
Outpatient medical care	45 million (50%)	45 million (50%)
Hospitalization	865,000	9,900,000
ICU care	128,750	1,485,000
Mechanical ventilation	64,875	742,500
Deaths	209,000	1,903,000

*Estimates based on extrapolation from past pandemics in the United States. Note that these estimates do not include the potential impact of interventions not available during the 20th century pandemics.

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Risk groups for severe and fatal infections cannot be predicted with certainty.

- Risk groups for severe and fatal infections cannot be predicted with certainty. During annual fall and winter influenza season, infants and the elderly, persons with chronic illnesses, and pregnant women are usually at higher risk of complications from influenza infections. In contrast, in the 1918 pandemic, most deaths occurred among young, previously healthy adults.
- The typical incubation period (the time between acquiring the infection until becoming ill), for influenza averages 2 days. We assume this would be the same for a novel strain that is transmitted between people by respiratory secretions.
- Persons who become ill may shed virus and can transmit infection for one-half to one day before the onset of illness. Viral shedding and the risk for transmission will be greatest during the first 2 days of illness. Children will shed the greatest amount of virus and, therefore are likely to pose the greatest risk for transmission.
- On average about 2 secondary infections will occur as a result of transmission from someone who is ill. Some estimates from past pandemics have been higher, with up to about 3 secondary infections per primary case.
- In an affected community, a pandemic outbreak will last about 6 to 8 weeks. At least two pandemic disease waves are likely. Following the pandemic, the new viral subtype is likely to continue circulating and to contribute to seasonal influenza.
- The seasonality of a pandemic cannot be predicted with certainty. The largest waves in the U.S. during 20th century pandemics occurred in the fall and winter. Experience from the 1957 pandemic may be instructive in that the first U.S. cases occurred in June but no community outbreaks occurred until August and the first wave of illness peaked in October.

In an affected community, a pandemic outbreak will last about 6 to 8 weeks.
At least two pandemic disease waves are likely.

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doctrine for a pandemic

HHS will be guided by the following principles in initiating and directing its response activities:

1) In advance of an influenza pandemic, HHS will work with federal, state, and local government partners and the private sector to coordinate pandemic influenza preparedness activities and to achieve interoperable response capabilities.[2]
2) In advance of an influenza pandemic, HHS will encourage all Americans to be active partners in preparing their states, local communities, workplaces, and homes for pandemic influenza and will emphasize that a pandemic will require Americans to make difficult choices. An informed and responsive public is essential to minimizing the health effects of a pandemic and the resulting consequences to society.
3) In advance of an influenza pandemic, HHS, in concert with federal partners, will work with the pharmaceutical industry to develop domestic vaccine production capacity sufficient to provide vaccine for the entire U.S. population as soon as possible after the onset of a pandemic and, during the pre-pandemic period, to produce up to 20 million courses of vaccine against each circulating influenza virus with pandemic potential and to expand seasonal influenza domestic vaccine production to cover all Americans for whom vaccine is recommended through normal commercial transactions.
4) In advance of an influenza pandemic, HHS, in concert with federal partners and in collaboration with the States, will procure sufficient quantities of antiviral drugs to treat 25% of the U.S. population and, in so doing, stimulate development of expanded domestic production capacity sufficient to accommodate subsequent needs through normal commercial transactions. HHS will stockpile antiviral medications in the Strategic National Stockpile, and states will create and maintain local stockpiles.
5) Sustained human-to-human transmission anywhere in the world will be the triggering event to initiate a pandemic response by the United States. Because we live in a global community, a human outbreak anywhere means risk everywhere.
6) The US will attempt to prevent an influenza pandemic or delay its emergence by striving to arrest isolated outbreaks of a novel influenza wherever circumstances suggest that such an attempt might be successful, acting in concert with WHO and other nations as appropriate. At the core of this strategy will be basic public health measures to reduce person-to-person transmission.

[2] Throughout this document, the term "state and local" is inclusive of municipal, county, territorial, and tribal governments and health authorities.

In advance of an influenza pandemic, HHS will encourage all Americans to be active partners in preparing their states, local communities, workplaces, and homes for pandemic influenza and will emphasize that a pandemic will require Americans to make difficult choices.

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7) At the onset of an influenza pandemic, HHS, in concert with federal partners, will work with the pharmaceutical industry to procure vaccine directed against the pandemic strain and to distribute vaccine to state and local public health departments for pre-determined priority groups based on pre-approved state plans.

8) At the onset of an influenza pandemic, HHS, in collaboration with the states, will begin to distribute and deliver antiviral drugs from public stockpiles to healthcare facilities and others with direct patient care responsibility for administration to pre-determined priority groups.

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Planning Assumptions

Planning Assumptions for the Implementation Plan

Pandemics are unpredictable. While history offers useful benchmarks, there is no way to know the characteristics of a pandemic virus before it emerges. Nevertheless, we must make assumptions to facilitate planning efforts. Federal planning efforts assume the following:

1. Susceptibility to the pandemic influenza virus will be universal.

2. Efficient and sustained person-to-person transmission signals an imminent pandemic.

3. The clinical disease attack rate will be 30 percent in the overall population during the pandemic. Illness rates will be highest among school-aged children (about 40 percent) and decline with age. Among working adults, an average of 20 percent will become ill during a community outbreak.

4. Some persons will become infected but not develop clinically significant symptoms. Asymptomatic or minimally symptomatic individuals can transmit infection and develop immunity to subsequent infection.

5. While the number of patients seeking medical care cannot be predicted with certainty, in previous pandemics about half of those who became ill sought care. With the availability of effective antiviral medications for treatment, this proportion may be higher in the next pandemic.

6. Rates of serious illness, hospitalization, and deaths will depend on the virulence of the pandemic virus and differ by an order of magnitude between more and less severe scenarios. Risk groups for severe and fatal infection cannot be predicted with certainty but are likely to include infants, the elderly, pregnant women, and persons with chronic or immunosuppressive medical conditions.

7. Rates of absenteeism will depend on the severity of the pandemic. In a severe pandemic, absenteeism attributable to illness, the need to care for ill family members, and fear of infection may reach 40 percent during the peak weeks of a community outbreak, with lower rates of absenteeism during the weeks before and after the peak. Certain public health measures (closing schools, quarantining household contacts of infected individuals, "snow days") are likely to increase rates of absenteeism.

8. The typical incubation period (interval between infection and onset of symptoms) for influenza is approximately 2 days.

9. Persons who become ill may shed virus and can transmit infection for one-half to one day before the onset of illness. Viral shedding and the risk of transmission will be greatest during the first 2 days of illness. Children will play a major role in transmission of infection as their illness rates are likely to be higher, they shed more virus over a longer period of time, and they control their secretions less well.

10. On average, infected persons will transmit infection to approximately two other people.

11. Epidemics will last 6 to 8 weeks in affected communities.

12. Multiple waves (periods during which community outbreaks occur across the country) of illness are likely to occur with each wave lasting 2 to 3 months. Historically, the largest waves have occurred in the fall and winter, but the seasonality of a pandemic cannot be predicted with certainty.

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Subject: Re: Agenda: HSC Action Item meeting 12/08 1230-1430hrs

[redacted]

Sent from my BlackBerry Handheld.

----- Original Message -----
From: [redacted]@dhs.gov]
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[redacted]@dhs.gov>; <CTR>"; [redacted]@ustr.eop.gov>; [redacted]
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Cc: [redacted]@dhs.gov>
Subject: Agenda: HSC Action Item meeting 12/08 1230-1430hrs

All-

Please find attached the agenda for tomorrow's meeting (1230-1430 hrs, GSA Bldg, 7th & D, Room 3327). I look forward to seeing everyone and laying down the path forward for these five Action Items. I will be downstairs at the main entrance (has the ramp and all-weather overhang) to sign in the non-DHS persons. If there are any questions/concerns, please feel free to contact me.

For those who are unable to attend in person, the following is the call in information:
Conference Call: [redacted] or [redacted]
Pin: 409798

Best,

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Economist
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From: [redacted]

Sent: Thursday, December 7, 2006 3:34 PM

To: [redacted](DHS); [redacted](DHS); [redacted](DHS); [redacted](DHS); [redacted]@ustr.eop.gov; [redacted]@nic.odci.gov; [redacted]@eia.doe.gov; [redacted]@hud.gov; [redacted]@frb.gov; [redacted]@dtra.mil; [redacted]@doc.gov; [redacted]@do.treas.gov; [redacted]@llnl.gov; [redacted](DHS); [redacted]@science.doe.gov; [redacted]@dol.gov; [redacted]@osd.mil; [redacted](DHS); [redacted]@sandia.gov; [redacted]@state.gov; [redacted]@sandia.gov; [redacted]@northcom.mil; [redacted]@osd.mil; dclancy@omb.eop.gov; [redacted]@do.treas.gov; [redacted]@state.gov; [redacted]@hq.med.va.gov; [redacted]@ucia.gov; [redacted]@sandia.gov; [redacted]@frb.gov; [redacted]@frb.gov; [redacted]@dhs.gov; [redacted]@hhs.gov; [redacted]@state.gov; [redacted]@nigms.nih.gov; [redacted]@sandia.gov; [redacted]@do.treas.gov; [redacted]@hhs.gov; [redacted]@associates.dhs.gov; [redacted](DHS); [redacted]@hq.doe.gov; [redacted]@osophs.dhhs.gov; Gorsuch, Neil M; [redacted]@aphis.usda.gov; [redacted]@usda.gov; [redacted]@dot.gov; [redacted]@niaid.nih.gov [redacted]@hq.dhs.gov; [redacted]@esa.doc.gov; [redacted]@cea.eop.gov; [redacted]@mail.nih.gov; [redacted]@uscg.dhs.gov; [redacted]@dol.gov; [redacted]@oce.usda.gov [redacted](DHS); rkalmus@cea.eop.gov; [redacted]@usgs.gov; [redacted]@osd.mil; [redacted]@northcom.mil; [redacted]@doc.gov; [redacted]@dol.gov; [redacted]@ucia.gov [redacted]@ed.gov [redacted]@dol.gov; [redacted](DHS); [redacted]@hq.doe.gov; [redacted](DHS); [redacted]@frb.gov; [redacted]@nhs.gov; [redacted](DHS); [redacted]@dot.gov; [redacted](DHS); [redacted]@dot.gov; [redacted](DHS); [redacted]@osd.mil; [redacted]@llnl.gov; [redacted]@cdc.gov [redacted]@lanl.gov [redacted]@afmic.detrick.army.mil; [redacted]@cen.amedd.army.mil; [redacted]@sandia.gov; [redacted]@esa.doc.gov; hunter_moorhead@who.eop.gov; [redacted]@osd.mil; [redacted]@frb.gov [redacted]@hud.gov; [redacted]@qedllc.com; [redacted](DHS); [redacted]@dot.gov; Otis, Lee L; [redacted]@epa.gov; [redacted]@ahrq.hhs.gov; [redacted]@ios.doi.gov; [redacted](DHS); [redacted]@frb.gov; [redacted](DHS); [redacted]@state.gov; timothy_l._reynolds@who.eop.gov; [redacted]@hhs.gov; [redacted](DHS); [redacted]@sandia.gov; [redacted](DHS); [redacted]@associates.dhs.gov; [redacted]@dol.gov; Shaw, Aloma A [redacted]@lanl.gov; marty_p._smith@who.eop.gov; [redacted]@do.treas.gov; [redacted]@mail.doc.gov [redacted]@usda.gov; [redacted]@js.pentagon.mil [redacted]@dot.gov; [redacted]@aphis.usda.gov; [redacted]@state.gov; [redacted]@science.doe.gov; [redacted](DHS); [redacted];

[redacted]@dot.gov; [redacted]@ios.doi.gov; [redacted]@dot.gov;
[redacted]@hhs.gov; jonathan_a._wolfson@cea.eop.gov;
[redacted]@do.treas.gov; [redacted]@eh.doe.gov

Subject: Re: Agenda: HSC Action Item meeting 12/08 1230-1430hrs

[redacted]lay evans will be on the call.

[redacted]

Sent from my BlackBerry Handheld.

----- Original Message -----
From [redacted]
Sent: 12/07/2006 03:29 PM
To: [redacted]@dhs.gov; [redacted]@DHS.GOV; [redacted]
[redacted]@dhs.gov; [redacted]@dhs.gov"; [redacted]@dhs.gov; "Singletary, Lynda <CTR>"; [redacted]
[redacted]@ustr.eop.gov>; [redacted]@nic.odci.gov>
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[redacted]@aphis.usda.gov>; [redacted]@usda.gov>; "Harris, Joan"
[redacted]@dot.gov> [redacted]@niaid.nih.gov>; [redacted]@hq.dhs.gov>; [redacted]
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<lee.l.otis@usdoj.gov>; [redacted]@epa.gov>; [redacted]@dhs.gov>; [redacted]
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[redacted]@dhs.gov>; [redacted]@frb.gov>;

[redacted]@dhs.gov> [redacted] [redacted]@state.gov>; "Reynolds, Timothy L." <timothy_l._reynolds@who.eop.gov>; [redacted]@dhs.gov>; [redacted]@hhs.gov>; [redacted]@dhs.gov>; [redacted]@sandia.gov>; [redacted]@dhs.gov>; [redacted]@dhs.gov>; [redacted]@dhs.gov>; [redacted]@associates.dhs.gov>; [redacted]@dol.gov>; "Shaw, Aloma A <DOJ>"; [redacted]@lanl.gov>; "Smith, Marty P." <marty_p._smith@who.eop.gov>; [redacted]@do.treas.gov>; [redacted]@mail.doc.gov>; [redacted]@usda.gov>; [redacted]@js.pentagon.mil>; [redacted]@dot.gov>; [redacted]@aphis.usda.gov>; [redacted]@state.gov>; [redacted]@science.doe.gov>; [redacted]@dhs.gov>; [redacted]@dhs.gov>; [redacted]@dot.gov>; [redacted]@ios.doi.gov>; [redacted]@dot.gov>; [redacted]@hhs.gov>; "Wolfson, Jonathan A." <jonathan_a._wolfson@cea.eop.gov>; [redacted]@do.treas.gov>; [redacted]@eh.doe.gov>
Subject: Re: Agenda: HSC Action Item meeting 12/08 1230-1430hrs

[redacted]

Sent from my BlackBerry Handheld.

----- Original Message -----
From: [redacted]@dhs.gov]
Sent: 12/07/2006 03:15 PM
To: [redacted]@DHS.GOV>; [redacted]@dhs.gov>; [redacted]@dhs.gov>; [redacted]<CTR>"; "Ames, Fred" <fred_ames@ustr.eop.gov>; [redacted]@nic.odci.gov> [redacted]@eia.doe.gov> [redacted]@hud.gov> [redacted]@frb.gov>; "[redacted]@dtra.mil>; [redacted]@doc.gov>; [redacted]@dhs.gov>; [redacted]@do.treas.gov>; [redacted]@llnl.gov>; [redacted]@dhs.gov>; [redacted]@science.doe.gov> [redacted]@dol.gov>; [redacted]@osd.mil>; [redacted]@dhs.gov>; [redacted]@sandia.gov>; [redacted]@state.gov>; [redacted]@sandia.gov>; [redacted]@northcom.mil>; [redacted]@osd.mil>; "Clancy, Dean" <dclancy@omb.eop.gov>; [redacted]@do.treas.gov>; [redacted]@dhs.gov>; [redacted]@state.gov>; [redacted]@hq.med.va.gov>; [redacted]@ucia.gov>; [redacted]@sandia.gov>; [redacted]@frb.gov> [redacted]@dhs.gov>; [redacted]@dhs.gov>; [redacted]@hhs.gov>; [redacted]@state.gov>; [redacted]@dhs.gov> [redacted]@nigms.nih.gov> [redacted]@sandia.gov> [redacted]@do.treas.gov>; [redacted]@hhs.gov>; [redacted]@associates.dhs.gov> [redacted]@dhs.gov>; [redacted]@hq.doe.gov>; [redacted]@uscg.dhs.gov> [redacted]@osophs.dhhs.gov>; "Gorsuch, Neil (DOJ)" <neil.gorsuch@usdoj.gov>; [redacted]@aphis.usda.gov> [redacted]@usda.gov> [redacted]@dot.gov> [redacted]@niaid.nih.gov>; [redacted]@hq.dhs.gov> [redacted]@esa.doc.gov>; "Herring, Bradley" <bradley.j.herring@cea.eop.gov> [redacted]@mail.nih.gov> [redacted]@uscg.dhs.gov> [redacted]@dol.gov> [redacted]@oce.usda.gov> [redacted]CTR>"; "Kalmus, Rebecca" <rkalmus@cea.eop.gov> [redacted]@usgs.gov>; [redacted]@osd.mil> [redacted]@northcom.mil> [redacted]@doc.gov> [redacted]@dol.gov> [redacted]@ucia.gov> [redacted]@ed.gov> [redacted]@dol.gov> [redacted]@dhs.gov> [redacted]@hq.doe.gov> [redacted]@dhs.gov> [redacted]@frb.gov> [redacted]@hhs.gov> [redacted]@dhs.gov> [redacted]@dot.gov> [redacted]@DHS.GOV> [redacted]@dot.gov> [redacted]@dhs.gov>

[redacted]@osd.mil>; [redacted] [redacted]@llnl.gov> [redacted]@cdc.gov>; [redacted]
@lanl.gov>; '[redacted] @afmic.detrick.army.mil>; '[redacted]
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<lee.l.otis@usdoj.gov>; [redacted] [redacted]@epa.gov>; "[redacted]@dhs.gov>; [redacted]
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[redacted]@lanl.gov>; "Smith, Marty P." <marty_p._smith@who.eop.gov> [redacted]
[redacted]@do.treas.gov> [redacted]@mail.doc.gov>; [redacted]
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[redacted]@hhs.gov>; "Wolfson, Jonathan A." <jonathan_a._wolfson@ceq.eop.gov> [redacted]
[redacted]@do.treas.gov> [redacted]@eh.doe.gov>

Cc: [redacted] <[redacted]@dhs.gov>

Subject: Agenda: HSC Action Item meeting 12/08 1230-1430hrs

[redacted]

All-

Please find attached the agenda for tomorrow's meeting (1230-1430 hrs, GSA Bldg, 7th & D, Room 3327). I look forward to seeing everyone and laying down the path forward for these five Action Items. I will be downstairs at the main entrance (has the ramp and all-weather overhang) to sign in the non-DHS persons. If there are any questions/concerns, please feel free to contact me.

For those who are unable to attend in person, the following is the call in information:
Conference Call: [redacted] or [redacted]
Pin: 409798

Best,

[redacted]

[redacted]
Economist
C [redacted]
F [redacted]
[redacted]@dhs.gov

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 4:00 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AND HOLD MEDIA AVAILABILITY ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, DECEMBER 7, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AND HOLD MEDIA AVAILABILITY ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

WASHINGTON –Attorney General Alberto R. Gonzales will deliver remarks before the National Conference of State Legislatures on Justice Department efforts to protect children from exploitation and prosecute sexual predators through Project Safe Childhood and hold a media availability immediately following on **FRIDAY, DECEMBER 8, 2006.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks and media availability

WHEN: **FRIDAY, DECEMBER 8, 2006**
12:15 P.M. CST

WHERE: **REMARKS**
National Conference of State Legislatures Plenary Luncheon
Hyatt Regency Hotel
West Ballroom
123 Losoya Street
San Antonio, Texas
OPEN PRESS

MEDIA AVAILABILITY
Hyatt Regency Hotel
Live Oak Room
123 Losoya Street
San Antonio, Texas

OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. **All media** wishing to cover the Attorney General's remarks **must arrive no later than 11:30 A.M. CST**. Following the Attorney General's remarks, press should immediately proceed to the Live Oak Room for the media availability. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Bill Wyatt of the National Conference of State Legislatures at (202) 413-0534.

# # #

06-818

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Image not available for this document, ID: 0.7.10316.15902-000002

Amber.JMD

From: Amber.JMD
Sent: Thursday, December 7, 2006 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Rosharon, TX

From: AmberAlert-DOJ
Sent: Thursday, December 07, 2006 4:35:19 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); USTP, AmberAlert; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Rosharon, TX
Auto forwarded by a Rule

AMBER ALERT:Rosharon,TX VEH:87 Blu Chev Camaro V64GNM CHLD:2.5 W/M Eye:Blu Hair:Blo SUS:W/F 5FT5 Eye:Bro Hair:Red SUS:W/M 6FT1 Eye:Blu Hair:Bro CALL979-864-2392
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2982

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Thursday, December 07, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 943210 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 4:45 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE TO ANNOUNCE AWARD TO REDUCE COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN

Department of Justice

Office of Justice Programs

FOR PLANNING PURPOSES ONLY
THURSDAY, DECEMBER 7, 2006
WWW.OJP.USDOJ.GOV

Office of Justice Programs
Contact: Summer Larson
(202) 307-0703

******* MEDIA ADVISORY *******

DEPARTMENT OF JUSTICE TO ANNOUNCE AWARD TO REDUCE COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN

CHICAGO– The U.S. Department of Justice's Office of Justice Programs will announce a $1 million award to the Salvation Army and its partners for a new initiative to combat the commercial sexual exploitation of children in the U.S. on **FRIDAY, DECEMBER 8, 2006, 11:00 A.M. EST.**

WHO: **J. Robert Flores**, Administrator, Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice
Major Ronald Foreman, National Social Services Secretary,
The Salvation Army National Headquarters
Rachel Lloyd, Founder/Director,
Girls Educational and Mentoring Services (GEMS)
Mark Rodgers, Dean of Graduate School of Social Work, Dominican University
Adam Freer, Project Director, The Salvation Army's Commercial Sexual Exploitation of Children, Community Capacity Building Initiative

WHAT: Announcement of $ 1 Million Award

WHEN: **FRIDAY, DECEMBER 8, 2006**
11:00 A.M. CST

WHERE: Hilton Garden Inn
10 East Grand Avenue
12th floor
Chicago, Illinois

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NOTE: All media must present valid photo ID and media credentials. Pre-set for camera crews is **no later than 10:00 A.M. CST**. All other media must arrive **no later than 10:30 A.M. CST.** All press inquiries regarding logistics should be directed to Summer Larson at (202) 514-7838.

# # #

OJJDP06076

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From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 6:31 PM
To: USDOJ- Office of Public Affairs
Subject: SON OF NEWARK DAY CARE OPERATOR CHARGED WITH RECEIVING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Kevin V. Ryan
Northern District of California

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 7, 2006
WWW.USDOJ.GOV/USAO/CAN

CONTACT: LUKE MACAULAY
PHONE: (415) 436-6757
FAX: (415) 436-7234

SON OF NEWARK DAY CARE OPERATOR CHARGED WITH RECEIVING CHILD PORNOGRAPHY

Defendant Allegedly Received Images of Young Children Being Subjected To Sexual Bondage and Torture

OAKLAND Calif. – A Bay Area man who lives in a home that formerly served as a licensed day care facility made his initial appearance in federal court here this morning to face charges of receiving child pornography, U.S. Attorney Kevin V. Ryan of the Northern District of California announced today. The charges are the result of an investigation by U.S. Immigration and Customs Enforcement (ICE) and the Newark Police Department.

Tony Pooya Aflatooni, 27, of Newark, Calif., appeared before U.S. Magistrate Judge Wayne D. Brazil this morning. Aflatooni was arrested by ICE agents at San Francisco International Airport yesterday on a criminal complaint charging him with receipt of child pornography. The criminal complaint alleges that Aflatooni possessed thousands of images and videos of minors engaged in

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sexually explicit conduct, including graphic images of infants and children being subjected to sexual bondage and torture.

According to the complaint, Aflatooni lived with his mother, who operated a state-licensed child care facility out of their Newark residence at 36023 Spruce Street. The facility ceased operation Nov. 30, the same day investigators searched the residence.

Aflatooni's arrest came after he boarded a plane to leave the country after learning he was under investigation. U.S. Customs and Border Protection officers in San Francisco report that the defendant boarded a plane to Paris on Dec. 4, and caught a connecting flight to Iran. Aflatooni returned to the U.S. after Iranian authorities denied him entry.

"While the Internet is a useful tool, it has the potential to facilitate heinous criminal conduct" stated U.S. Attorney Kevin V. Ryan. "This is another example of our continuing focus on the protection of children, who are some of the most vulnerable members of our society. I thank ICE, and the Newark Police Department for their dedication to this case."

The investigation into Aflatooni stems from a lead provided by an ICE undercover agent in Oregon who was monitoring an Internet chat room. Based on that lead, ICE agents and Newark police officers executed a search warrant at Aflatooni's residence Nov. 30, 2006. During the search, officers seized a desktop computer, 95 CDs and DVDs, a thumb drive, and a digital camera with a memory card. Among the child pornography found on the DVDs were images and videos of infants and prepubescent children being subjected to bondage, sexual torture, and sex acts with adults.

According to the complaint, several images of a prepubescent girl in various lascivious positions and states of undress were taken by the defendant with his camera. Those images were of a child who was under the care of the defendant's mother at the time the pictures were taken.

According to the Newark Police Department, all of the families from the day care center's client list dating back to 2002 have been contacted and interviewed. The Newark Police Department advises that there have been no reports or evidence of any additional crimes or molestation. If the public has additional information regarding the local facets of this investigation, they should contact Detective Sergeant Renny Lawson with the Newark Police Department at 510-790-7247.

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The defendant is being held in custody following his arraignment on the criminal complaint. The defendant's next court appearance is scheduled for Dec. 11, 2006, at 10 a.m. before Magistrate Judge Brazil in Oakland, Calif.

The maximum statutory penalty for receipt of child pornography, in violation of 18 U.S.C. Section 2252 (a)(2)(A) and (B), is imprisonment for 20 years, a fine of $250,000, and three years of supervised release..

A criminal complaint contains only allegations against an individual and, as with all defendants, Mr. Aflatooni must be presumed innocent unless and until proven guilty. This case is being prosecuted by Assistant U.S. Attorneys Vineet Gauri and Michelle Morgan-Kelly.

In February 2006, Attorney General Gonzales announced the creation of Project Safe Childhood (PSC), an initiative designed to protect children from sexual abuse and exploitation through the Internet. PSC is intended to help law enforcement and community leaders develop a coordinated strategy to prevent, investigate and prosecute sexual predators, abusers and pornographers who target children.

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Amber.JMD

From: Amber.JMD
Sent: Thursday, December 7, 2006 6:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Gatlinburg, TN

From: AmberAlert-DOJ
Sent: Thursday, December 07, 2006 6:35:18 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); USTP, AmberAlert; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Gatlinburg, TN
Auto forwarded by a Rule

AMBER ALERT:Gatlinburg,TN VEHICLE:White Jeep Cherokee CHILD:3 White F 3FT 35LBS Eyes:Brown Hair:Light Brown CALL 865-436-5181
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2983

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 07, 2006 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: JURY CONVICTS FOUR STOCKBROKERS INVOLVED IN PUMP-AND-DUMP SCHEME OPERATED IN SAN DIEGO

Department of Justice

Acting United States Attorney George S. Cardona
Central District of California

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 7, 2006
WWW.USDOJ.GOV/USAO/CAC

CONTACT: THOM MROZEK
PHONE: (213) 894-2434
FAX: (213) 894-0141

JURY CONVICTS FOUR STOCKBROKERS INVOLVED IN PUMP-AND-DUMP SCHEME OPERATED IN SAN DIEGO

LOS ANGELES – A federal jury today convicted four men who were affiliated with a San Diego brokera house on securities fraud charges related to a "pump-and-dump" scheme that cost victims more than $5 million.

The four defendants worked at a now-defunct brokerage firm, Hampton Porter Investment Bankers LLC, sold certain stocks to clients without disclosing the company's financial interests in the stocks.

Bryan Laurienti, 50, of Peoria, Ariz., David Montesano, 39, of Winchester, Calif., Curtiss Parker, 45, of La Jolla, and Donald Samaria, 37, of San Diego, worked as brokers at Hampton Porter and were found guilty today of conspiracy and securities fraud after an approximate four-week trial. The maximum penalty for each count is five years in prison.

The defendants are scheduled to be sentenced by U.S. District Judge Terry J. Hatter Jr. on Mar. 12, 2007.

The evidence presented to the jury showed that Hampton Porter held regular sales meetings at which Hampton Porter co-owner, John Laurienti, and former Hampton Porter retail manager, James Green, pressured brokers to sell "house stocks" – the term given to stocks in which Hampton Porter had a special financial interest the brokers sold the house stocks to their customers, Hampton Porter paid the brokers additional "special incenti compensation, which was not disclosed to the customers.

Additionally, John Laurienti and Green enforced a "no net-sales" policy, under which customers were prevented from selling their shares of house stock because brokers delayed or failed to execute sell orders. In furtherance of that policy, Hampton Porter brokers also engaged in "cross-trading," where shares of one client were sold to another client. The defendants also conducted unauthorized trades and used high-pressure sales tactics, as well as false statements, to induce customers to purchase the house stocks. As the price of the house stocks rose, Hampton Porter owners sold their holdings and realized significant profits.

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The jury that convicted the four men today acquitted a fifth defendant, Michael Losse. A sixth defendant in the case, Adam Gilman, pleaded guilty in 2003 to securities fraud and was sentenced to 18 months in prison. Also in 2003, co-conspirators Gregory Walker and James Green pleaded guilty to conspiracy to commit securities fraud. In April 2005, John Laurienti pleaded guilty to the same charge. In July 2006, co-defendant Troy Peters pleaded guilty to a single count of securities fraud, as well as an extortion charge in an unrelated case from the Eastern District of New York. Walker, Green, John Laurienti and Peters will be sentenced in the coming months.

The case was co-prosecuted by the Fraud Section of the Department of Justice and the U.S. Attorney's Office. This case is the result of an investigation by the Federal Bureau of Investigation. The NASD Criminal Prosecution Assistance Group provided substantial assistance during the investigation.

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DOJ_NMG_ 0171283

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Image not available for this document, ID: 0.7.10316.15894-000002

System Administrator

From: System Administrator
Sent: Thursday, December 07, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 943649 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Thursday, December 7, 2006 8:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Gatlinburg, TN

From: AmberAlert-DOJ
Sent: Thursday, December 07, 2006 8:01:08 PM
To: Amber.JMD; BOP Amber Alert; Civ-Amber; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Yun, Jun B; EOIR, AmberAlert (EOIR); USTP, AmberAlert; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Gatlinburg, TN
Auto forwarded by a Rule

UPDATE AMBER ALERT:Gatlinburg,TN VEHICLE:White Jeep Cherokee CHILD:3 White F 3FT 35LBS Eyes:Brown Hair:Light Brown CALL 865-436-5181
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http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=2983

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System Administrator

From: System Administrator
Sent: Thursday, December 07, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 943652 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 08, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 943653 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 08, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 946237 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 10:04 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 8, 2006

Department of Justice

PRESS GUIDANCE
Friday, December 08, 2006

ATTORNEY GENERAL

12:15 P.M. CST Attorney General Alberto R. Gonzales will deliver remarks before the National Conference of State Legislatures on Justice Department efforts to protect children from exploitation and prosecute sexual predators through Project Safe Childhood and hold a media availability immediately following.
National Conference of State Legislatures Plenary Luncheon
Hyatt Regency Hotel
West Ballroom
123 Losoya Street
San Antonio, Texas
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. **All media** wishing to cover the Attorney General's remarks **must arrive no later than 11:30 A.M. CST**. Following the Attorney General's remarks, press should immediately proceed to the Live Oak Room for the media availability. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Bill Wyatt of the National Conference of State Legislatures at (202) 413-0534.

PRESS RELEASES

The Criminal Division will issue a release on a public integrity matter. (Lesch)

The Office of Justice Programs will issue a release from the Bureau of Justice Statistics. (Peterson)

The Office of Justice Programs will issue a release on a Project Safe Childhood award. (Peterson)

EVENTS/HEARINGS

11:00 AM EST The U.S. Department of Justice's Office of Justice Programs will announce a $1 million award to the Salvation Army and its partners for a new initiative to combat the commercial sexual exploitation of children in the U.S.
Hilton Garden Inn

DOJ_NMG_ 0171291

10 East Grand Avenue
12th floor
Chicago, Illinois
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for camera crews is **no later than 10:00 A.M. CST**. All other media must arrive **no later than 10:30 A.M. CST.** All press inquiries regarding logistics should be directed to Summer Larson at (202) 514-7838.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171292

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Image not available for this document, ID: 0.7.10316.15876-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 12:13 PM
To: USDOJ- Office of Public Affairs
Subject: ALASKA STATE REPRESENTATIVE THOMAS T. ANDERSON INDICTED ON CHARGES OF EXTORTION, CONSPIRACY, BRIBERY AND MONEY LAUNDERING

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

ALASKA STATE REPRESENTATIVE THOMAS T. ANDERSON INDICTED ON CHARGES OF EXTORTION, CONSPIRACY, BRIBERY AND MONEY LAUNDERING

WASHINGTON – A federal grand jury in Anchorage, Alaska, has indicted Thomas T. Anderson, a current elected member of the Alaska State House of Representatives, on charges of extortion, conspiracy, bribery, and money laundering, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The seven-count indictment returned on Dec. 6, 2006, charges Anderson with two counts of extortion, one count of bribery, one count of conspiracy, and three counts of money laundering in connection with the use of a sham corporation to hide the identity of the bribery payments. The indictment further alleges that Anderson solicited and received money from an FBI confidential source in exchange for Anderson's agreement to perform official acts to further a business interest represented by the confidential source.

The indictment also alleges that from July 2004 to March 2005, Representative Anderson, along with an individual identified as "Lobbyist A," solicited and received $26,000 in payments from an FBI confidential source, in exchange for Anderson's agreement to take official acts as a member of the Alaska State Legislature. According to the indictment, Anderson and Lobbyist A participated in the creation of a sham corporation to conceal the existence and true origin of the payments, and used the sham corporation to funnel a portion of the $26,000 to Anderson.

According to the indictment, the FBI confidential source was a consultant for a private corrections company located outside the state of Alaska, and Anderson and Lobbyist A initiated contact with the FBI confidential source in order to solicit bribery payments. The FBI confidential source, however, never communicated those solicitations or any other information to the corrections company due to the undercover nature of the operation. The corrections company was not implicated in the corrupt activities that are alleged in the indictment.

If convicted, Anderson faces a maximum penalty of 20 years and a $250,000 fine on the extortion counts; a maximum penalty of 20 years and a $500,000 fine on each of the money laundering counts; a

maximum penalty of 10 years and a $250,000 fine on the bribery count; and a maximum penalty of five years and a $250,000 fine on the conspiracy count.

An indictment is merely an accusation and defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

This case is being prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, which is headed by Acting Chief Edward C. Nucci, as well as Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by Special Agents of the FBI.

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06-819

Indictment filed.pdf

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USAO

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Acting Chief, Public Integrity Section

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Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA, Plaintiff, vs. THOMAS T. ANDERSON, Defendant.	No. 3:06-CR-000999 COUNT 1: CONSPIRACY TO COMMIT EXTORTION UNDER COLOR OF OFFICIAL RIGHT, BRIBERY, AND MONEY LAUNDERING Vio. 18 U.S.C. § 371 COUNT 2: INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT Vio. 18 U.S.C. § 1951(a) and § 2 COUNT 3: BRIBERY CONCERNING PROGRAMS RECEIVING FEDERAL FUNDS Vio. 18 U.S.C. § 666(a)(1)(B) and § 2 COUNTS 4-6: MONEY LAUNDERING Vio. 18 U.S.C. § 1956(a)(1) and § 2 COUNT 7: INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT Vio. 18 U.S.C. § 1951(a) and § 2

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INDICTMENT

The Grand Jury charges that:

COUNT ONE

CONSPIRACY TO COMMIT EXTORTION UNDER COLOR OF OFFICIAL RIGHT, BRIBERY, AND MONEY LAUNDERING (18 U.S.C. § 371)

General Allegations

At all times material to this Indictment:

1. THOMAS T. ANDERSON (hereinafter "ANDERSON"), was an elected member of the Alaska House of Representatives. ANDERSON represented District 19, located in Anchorage. ANDERSON was first elected to the House of Representatives in November 2002, and was re-elected in November 2004.

2. Alaska Strategic Consultants was an Alaska limited liability corporation that was owned by ANDERSON. ANDERSON established Alaska Strategic Consultants on November 9, 1999. ANDERSON maintained a business bank account for that entity at Wells Fargo Bank, a bank whose business affected interstate commerce, and was the sole signatory on the account.

3. A company known to the grand jury but unnamed (hereinafter referred to as "Corrections Company") was a corporation headquartered in a State other than the State of Alaska and engaged in the business of building and managing privately-owned prisons, halfway houses, and other types of correctional and treatment facilities. Corrections Company had multiple interests within the state of Alaska, including, without limitation: (1) a series of halfway houses in the Anchorage area that provided services to the State; (2) a planned juvenile treatment facility to be

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built in Anchorage; and (3) a planned privately-operated state prison, which was to be built in Alaska and operated by Corrections Company.

4. "CS-1" was an individual operating as a Confidential Source for the Federal Bureau of Investigation ("FBI"). CS-1 made monetary payments to ANDERSON and Lobbyist A, identified below, with money provided to CS-1 by the Federal Bureau of Investigation. At various times, CS-1 also worked as a lobbyist for Corrections Company.

5. Lobbyist A was a lobbyist who had a contract to provide lobbying services for Corrections Company. Lobbyist A, whose lobbying efforts for Corrections Company related primarily to the planned juvenile treatment facility to be built in Anchorage, frequently worked with CS-1 on matters related to Corrections Company.

6. Pacific Publishing was an Alaska corporation created by Lobbyist A on or about August 2, 2004. At various times, the co-conspirators also referred to Pacific Publishing as "Pacific Publications" and "Alaska Publishing." Pacific Publishing had a business bank account at Wells Fargo Bank, a bank whose business affected interstate commerce.

7. The Alaska Public Offices Commission ("APOC") was an agency of the Alaska state government that, among other duties, received and retained financial disclosure forms filed by members of the Alaska State Legislature during their service. Under Alaska state law, every current member of the Alaska State Legislature was required to file a financial disclosure form each year.

The Conspiracy

8. Beginning in or about July 2004 and continuing until in or about March 2005, in the District of Alaska and elsewhere, the defendant, THOMAS T. ANDERSON, an elected public

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official of the Alaska State Legislature, together with Lobbyist A, and others both known and unknown to the grand jury, did knowingly and unlawfully conspire, confederate, and agree together and with each other:

(A) to obstruct, delay and affect in any way and degree commerce and the movement of articles and commodities in commerce by extortion, that is, to unlawfully obtain under color of official right money from another with his consent for ANDERSON and Lobbyist A not due ANDERSON or his office, in agreement for the performance of official acts, in violation of Title 18, United States Code, Section 1951(a);

(B) to corruptly solicit, demand, agree to accept, and accept a thing of value of $5,000 or more for ANDERSON while an agent for the State of Alaska, an entity that received more than $10,000 in federal funding during calendar year 2004, with the intent that ANDERSON would be influenced and rewarded in connection with any business, transaction or series of transactions of the State of Alaska, in violation of Title 18, United States Code, Section 666 (a)(1)(B); and

(C) to knowingly conduct a financial transaction which involved the proceeds of specified unlawful activity, that is, violations of Title 18, United States Code, Sections 1951(a) and 666(a)(1)(B), with the intent to promote the carrying on of specified unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting said financial transaction knew that the funds involved in the financial transaction

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represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i) and (B)(i).

Goals of the Conspiracy

9. It was a goal of the conspiracy for ANDERSON to receive money in exchange for agreeing to perform, and ultimately performing, official acts as a member of the Alaska State Legislature, for the purpose of enriching himself and advancing the business interests of Corrections Company within the State of Alaska.

10. It was a further goal of the conspiracy to structure the payments to ANDERSON through a shell corporation – Pacific Publishing – as a means of concealing the motivation for ANDERSON's agreement to perform and attempted and eventual performance of official acts on behalf of Corrections Company and concealing from APOC, the State of Alaska and its citizens the true nature and source of the monetary payments.

Manner and Means of the Conspiracy

11. ANDERSON and his co-conspirators executed the conspiracy by agreeing to create and use a shell corporation, Pacific Publishing, which ANDERSON and Lobbyist A would use to receive and distribute the monetary payments from CS-1 while simultaneously concealing the true nature and origin of those payments. In exchange for the payments, ANDERSON agreed to perform, and ultimately did perform, official acts to benefit CS-1 and Corrections Company. In furtherance of the conspiracy, Lobbyist A created Pacific Publishing to construct and operate an internet-based website that ostensibly would contain information and articles concerning state and local politics in Alaska and for which ANDERSON would purportedly write articles.

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12. In actuality, Pacific Publishing simply served as a conduit through which ANDERSON received illegal payments from CS-1. These payments from CS-1 to Pacific Publishing were disguised as fees for banner advertising on the website for Corrections Company. ANDERSON in fact wrote no articles for Pacific Publishing. Pursuant to the conspiracy, CS-1 wrote checks totaling $24,000 to Pacific Publishing. Lobbyist A then in turn passed a portion of the money onto ANDERSON as payment for his agreement to perform official acts to benefit business interests of Corrections Company. ANDERSON then falsely reported the receipt of his payments from CS-1 on his annual financial disclosure form for calendar year 2004.

13. ANDERSON agreed to perform, attempted to perform, and performed official acts as a member of the Alaska State Legislature in exchange for the illegal payments from CS-1 through Lobbyist A in order to further Corrections Company's business projects. ANDERSON performed the following acts to execute the conspiratorial agreement: securing positions on specific legislative committees and subcommittees; agreeing to vote for legislation concerning the private corrections project; lobbying other elected public officials to support the same legislation; writing letters; contacting public officials; speaking publicly at a public hearing on behalf of Corrections Company's business projects; and other similar official acts.

OVERT ACTS

14. In furtherance of the conspiracy, and in order to effect its objects, the co-conspirators committed, among others, the following overt acts in the District of Alaska and elsewhere:

15. On or about July 16, 2004, in a recorded conversation, Lobbyist A asked CS-1 to consider whether they could "try with [Corrections Company] to help out TOM ANDERSON."

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16. On or about July 21, 2004, in a recorded conversation, Lobbyist A met with CS-1 and told CS-1 that ANDERSON and Lobbyist A were "forming kind of like a partnership," that Lobbyist A and ANDERSON were "pitching a bunch of people" to try to get money for ANDERSON, and "what would be great is if I [Lobbyist A] could get [Corrections Company] to hire TOM ANDERSON through me," and that in exchange for money "[ANDERSON would] [b]e our boy in Juneau."

17. Between in or about late July 2004 and early August 2004, Lobbyist A and CS-1 decided that: (a) Lobbyist A would create a shell corporation, Pacific Publishing, that would purport to construct and operate an internet-based website that would provide information and articles concerning state and local politics in Alaska; (b) CS-1 would pay $24,000 in three equal installments of $8,000 to Pacific Publishing, but record those payments for a "banner advertisement" on the website for Corrections Company; and (c) Lobbyist A would take the money from CS-1 and pay ANDERSON through Pacific Publishing so that "[ANDERSON] doesn't have to report any of my clients, just the money that he gets paid by a company that he writes the column for."

18. Between in or about late July 2004 and early August 2004, Lobbyist A and CS-1 discussed how, in exchange for monetary payments from CS-1, ostensibly on behalf of Corrections Company, ANDERSON would take official acts as a member of the Alaska State Legislature in order to further Corrections Company's business projects, including, without limitation: securing positions on specific legislative committees and subcommittees; voting for legislation concerning the private Corrections project; lobbying other elected public officials to support the same legislation; and other similar official acts.

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19. On or about July 28, 2004, in a recorded conversation between ANDERSON, Lobbyist A, and CS-1 in Anchorage, ANDERSON told CS-1 that ANDERSON could become a member of any Alaska House of Representatives subcommittees that ANDERSON "needed to be" a member of to benefit CS-1 and Corrections Company.

20. On or about July 29, 2004, in a recorded conversation, Lobbyist A reassured CS-1 that ANDERSON would take official acts in exchange for the monetary payments from CS-1, stating that "[i]f I was a Soviet spy and I was looking for a legislator to recruit...[ANDERSON]'d be the one I'd get . . .[because ANDERSON] needs the money."

21. On or about August 17, 2004, in a recorded conversation, ANDERSON told CS-1 that he would take official acts to help further Corrections Company's interests within the state of Alaska, in exchange for $24,000 in payments from CS-1 that needed to be paid to ANDERSON through Pacific Publishing, an entity that ANDERSON knew was a sham and was "not going to do anything for" Corrections Company.

22. On or about August 17, 2004, in the same recorded conversation, ANDERSON told CS-1 that he wanted the payments to go to Lobbyist A, and then through Pacific Publishing, because "no one can ever, if anyone ever says [unintelligible], I say, hey, I work for [Lobbyist A], I don't know what the hell you're talking about. . . . APOC only needs to know [Lobbyist A] pays me and then we're always safe."

23. On or about August 17, 2004, in the same recorded conversation, ANDERSON told CS-1 that he would "call [the Commissioner of the Department of Corrections] in October and say, 'In November you better have [this feasibility study] done'" in response to CS-1 specifically

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mentioning that Corrections Company needed immediate assistance on pushing the State of Alaska Department of Corrections to conduct a feasibility study concerning the potential for a private prison within the State.

24. On or about August 19, 2004, Lobbyist A received a check for $8,000 from CS-1.

25. On or about August 21, 2004, Lobbyist A wrote a check, drawn on the bank account of Pacific Publishing, made payable to Alaska Strategic Consultants in the amount of $3,328.

26. On or about August 23, 2004, ANDERSON deposited the $3,328 check into the Alaska Strategic Consultants bank account.

27. On or about October 20, 2004, in a recorded conversation, ANDERSON told CS-1 that ANDERSON would become a member of two particular House of Representatives subcommittees for the 2005 session of the Alaska State Legislature: Corrections and Health and Social Services ("HESS"), which CS-1 previously had told ANDERSON he needed to join in order to assist Corrections Company.

28. On or about October 20, 2004, in a recorded conversation, ANDERSON asked CS-1 to draft a letter for ANDERSON to send to the Commissioner of Department of Corrections and then send the letter to ANDERSON's personal email account with America Online ("AOL") in response to CS-1 asking ANDERSON to send a letter to the Commissioner of the State of Alaska Department of Corrections that advocated for certain benefits to halfway houses operated by Corrections Company, and for ANDERSON to request a meeting with the Commissioner to discuss the issue.

29. On or about October 20, 2004, in the same recorded conversation, ANDERSON stated, "Awesome. Awesome. I appreciate it" in response to CS-1's statement to ANDERSON that

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he had prepared a second $8,000 check and planned to give that check to Lobbyist A later that day.

30. On October 21, 2004, ANDERSON faxed a letter, using letterhead from the Alaska State Legislature House of Representatives and in his capacity "[a]s a member of the House Finance Committee's Corrections Sub-Committee," from ANDERSON's legislative office in Anchorage to the Commissioner of the State of Alaska Department of Corrections that described a problem concerning Anchorage-based halfway houses, and requested a meeting between ANDERSON and the Commissioner to discuss the issue.

31. On or about October 21, 2004, Lobbyist A wrote a check, drawn on the bank account of Pacific Publishing, made payable to Alaska Strategic Consultants in the amount of $3,500.

32. On or about October 22, 2004, CS-1 personally gave a check for $8,000, which was made payable to Pacific Publishing, to Lobbyist A.

33. On or about October 25, 2004, ANDERSON deposited the $3,500 check into the Alaska Strategic Consultants bank account.

34. On or about October 29, 2004, ANDERSON met with the Commissioner of the State of Alaska Department of Corrections in ANDERSON's legislative office in Anchorage to discuss matters relating to the halfway houses operated in Alaska by Corrections Company.

35. On or about November 16, 2004, in a recorded conversation between ANDERSON and CS-1, ANDERSON reassured CS-1 that ANDERSON would continue to take official acts in exchange for the money being paid to him by CS-1, including casting "votes in the legislature," by stating:

> ANDERSON: That's why when you say, when you kinda giggle and say, 'hey, TOM, we're doing this to help you, it's

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really not for your web thing'...

CS-1: Right.

ANDERSON: ... but we have to have something.... I mean, unless you want me to [quit the legislature] and, you know, work for you. But no, you don't want that. You want votes in the legislature, I would assume.

CS-1: Of course.

36. On or about November 17, 2004, ANDERSON appeared at a public hearing in Anchorage, Alaska at CS-1's request concerning a Certificate of Need ("CON") that Corrections Company needed to obtain in connection with a proposed juvenile treatment facility to be operated by Corrections Company.

37. On or about November 17, 2004, while at that public hearing, ANDERSON, after identifying himself as Chairman of the Alaska State Legislature's Regulatory Review committee, told the attendees that ANDERSON hoped to have regulations and guidelines passed in connection with the CON, and further told the attendees that ANDERSON was not there on behalf of any entity seeking a CON.

38. On or about November 27, 2004, after Corrections Company ran into a problem concerning its plan to receive a CON from the State of Alaska Department of Health and Human Services for its proposed juvenile treatment facility, ANDERSON sent an email from his personal AOL email account to CS-1 that stated, "[i]n light of the recent decision by HESS to delay the CON issuance, please advise how I can assist."

39. On or about December 21, 2004, in a recorded meeting, ANDERSON discussed with CS-1 the CON that Corrections Company needed and told CS-1, "So we have to get the CON."

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40. On or about December 21, 2004, ANDERSON accepted a check for $8,000, made payable to Pacific Publishing, from CS-1.

41. On or about December 21, 2004, Lobbyist A wrote a check, drawn on the bank account of Pacific Publishing, made payable to Alaska Strategic Consultants in the amount of $4,000.

42. On or about December 21, 2004, ANDERSON deposited the $4,000 check into the Alaska Strategic Consultants bank account.

43. On or about January 24, 2005, ANDERSON, using his personal AOL email account, sent an email to CS-1 stating: "I noted your recommendation of the importance of HESS and Correction subcommittees to the Budget, and am now on them...." and "Let me know your concerns and I'll assist where necessary."

44. Between December 2004 and February 2005, ANDERSON asked an elected public official to contact the Commissioner of the Alaska Department of Health and Human Services on Corrections Company's behalf to get the CON process changed.

45. In or about February 2005, in a recorded meeting between ANDERSON, CS-1 and the elected public official identified in Paragraph 44, the elected public official confirmed that he/she had contacted the Commissioner of the Alaska Department of Health and Human Services to further the CON sought by Corrections Company at ANDERSON's request.

46. On or about March 15, 2005, ANDERSON made a required filing with APOC for calendar year 2004 in which ANDERSON falsely listed that he received $10,000 in compensation

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from Pacific Publishing and did not list either CS-1 or Corrections Company as providing ANDERSON with any money during calendar year 2004.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT (18 U.S.C. § 1951(a) and § 2)

47. Paragraphs 1 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

48. Between in or about July 2004 and March 2005, in the District of Alaska and elsewhere, the defendant,

THOMAS T. ANDERSON,

an elected member of the Alaska State Legislature, did knowingly attempt to obstruct, delay and affect in any way and degree commerce and the movement of articles and commodities in interstate commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951; that is, ANDERSON and Lobbyist A unlawfully obtained from CS-1, with his consent under color of official right, $24,000 not due ANDERSON or his office in agreement that ANDERSON would perform official acts in exchange for the monetary payments from CS-1.

All in violation of Title 18, United States Code, Sections 1951(a) and 2.

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COUNT THREE

BRIBERY CONCERNING PROGRAMS RECEIVING FEDERAL FUNDS
(18 U.S.C. § 666(a)(1)(B) and § 2)

49. Paragraphs 1 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

50. In calendar years 2004 and 2005, the State of Alaska received in excess of $10,000 from the United States government under Federal programs involving grants, subsidies, loans, guarantees, insurance, and/or other forms of Federal assistance.

51. Between in or about July 2004 and March 2005, in the District of Alaska and elsewhere, the defendant,

THOMAS T. ANDERSON,

an elected member of the Alaska State Legislature and an agent of the government of the State of Alaska, did knowingly and corruptly solicit, demand, accept, and agree to accept something of value of $5,000 or more from CS-1, intending to be influenced and rewarded in connection with a business, transaction, or series of transactions of the State of Alaska.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNTS FOUR THROUGH SIX

MONEY LAUNDERING
(18 U.S.C. § 1956(a)(1)(A)(i), § 1956(a)(1)(B)(i) and § 2)

52. Paragraphs 1 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

53. On or about the dates listed below, in the District of Alaska and elsewhere, the defendant,

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THOMAS T. ANDERSON,

did knowingly conduct and attempt to conduct the following financial transactions, that is, deposits of checks drawn on the Pacific Publishing bank account into the bank account of Alaska Strategic Consultants, affecting interstate commerce:

Count	Amount	Date of Check	Check From	Deposited To
FOUR	$3,328.00	August 21, 2004	Pacific Publishing	Alaska Strategic Consultants
FIVE	$3,500.00	October 21, 2004	Pacific Publishing	Alaska Strategic Consultants
SIX	$4,000.00	December 21, 2004	Pacific Publishing	Alaska Strategic Consultants

which involved the proceeds of a specified unlawful activity, that is, violations of Title 18, United States Code, Sections 1951(a) and 666(a)(1)(B),

(1) with the intent to promote the carrying on of specified unlawful activity; and

(2) knowing that the transactions were designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity,

and that while conducting each foregoing financial transaction, knew that the funds involved in the financial transactions represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), and 2.

DOJ_NMG_ 0171311

COUNT SEVEN

INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT (18 U.S.C. § 1951(a) and § 2)

54. Paragraphs 1 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

55. On or about November 16, 2004, in a recorded conversation in ANDERSON's Alaska State Legislature office in Anchorage, Alaska, ANDERSON met with CS-1 and told him that ANDERSON was upset that Lobbyist A had kept a portion of the $16,000 paid to date by CS-1. When CS-1 made clear that the agreed payments from CS-1 were explicitly in exchange for ANDERSON's agreement to take official acts at CS-1's request, ANDERSON reaffirmed this fact:

CS-1: Well, this is, you know, TOM, I guess my concern is I don't need [Lobbyist A]'s vote.

ANDERSON: I know.

CS-1: You know, I don't need his support on issues.

ANDERSON: I know.

CS-1: You know, I don't need him to speak Wednesday night at [a public hearing relating to a project in which Corrections Company has an interest].

ANDERSON: Exactly.

56. On or about November 16, 2004, in the same recorded conversation in ANDERSON's legislative office, ANDERSON told CS-1 that, with respect to the third $8,000 payment due from CS-1, "I don't want to split that with [Lobbyist A]."

DOJ_NMG_ 0171312

57. On or about November 16, 2004, in the same recorded conversation in ANDERSON's legislative office, when CS-1 responded that Lobbyist A might become estranged if ANDERSON kept the entire $8,000 third payment and suggested that CS-1 could instead provide ANDERSON with additional money instead, ANDERSON told CS-1 that "if there's a way you can think of that, that would be nice."

58. On or about December 21, 2004, ANDERSON met with CS-1 and accepted a $2,000 check from CS-1. The check was made payable to ANDERSON.

59. Between in or about July 2004 and March 2005, in the District of Alaska and elsewhere, the defendant,

THOMAS T. ANDERSON,

an elected member of the Alaska State Legislature, did knowingly attempt to obstruct, delay and affect in any way and degree commerce and the movement of articles and commodities in interstate commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951; that is, ANDERSON unlawfully obtained from CS-1 with his consent under color of official right

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$2,000 not due ANDERSON or his office in agreement that ANDERSON would perform official acts in exchange for the monetary payments from CS-1.

All in violation of Title 18, United States Code, Sections 1951(a) and 2.

A TRUE BILL.

s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

s/ Edward C. Nucci per NAM
EDWARD C. NUCCI
Acting Chief, Public Integrity Section

NICHOLAS A. MARSH
EDWARD P. SULLIVAN
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Public Integrity Section
United States Department of Justice
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DATED: 12/6/06

DOJ_NMG_ 0171314

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Image not available for this document, ID: 0.7.10316.15889-000003

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 12:18 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

UPDATED: As reflected below, the Attorney General's remarks have been moved to 12:25 P.M. CST and will be conducted via video conference. The media availability originally scheduled to follow the Attorney General's remarks has been cancelled.

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 9, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

WASHINGTON –Attorney General Alberto R. Gonzales will deliver remarks via video conference before the National Conference of State Legislatures on Justice Department efforts to protect children from exploitation and to prosecute sexual predators through Project Safe Childhood today, **FRIDAY, DECEMBER 8, 2006.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks

WHEN: **FRIDAY, DECEMBER 8, 2006**
12:25 P.M. CST

WHERE: National Conference of State Legislatures Plenary Luncheon
Hyatt Regency Hotel
West Ballroom
123 Losoya Street
San Antonio, Texas
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. **All media** wishing to cover the Attorney General's remarks **must arrive no later than 12:00 P.M. CST**. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Bill Wyatt of the National Conference of State Legislatures at (202) 413-0534.

DOJ_NMG_ 0171317

# # #

06-818

DOJ_NMG_ 0171318

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Image not available for this document, ID: 0.7.10316.15832-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 12:35 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE ANNOUNCES INITIATIVE TO COMBAT COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.OJP.USDOJ.GOV

Office of Justice Programs
Contact: Summer Larson
(202)-307-0703

DEPARTMENT OF JUSTICE ANNOUNCES INITIATIVE TO COMBAT COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN

CHICAGO – The U.S. Department of Justice's Office of Justice Programs (OJP) today announced a $1 million award to the Salvation Army and its partners for a new initiative to reduce and eliminate the commercial sexual exploitation of children in the United States. The funding will be used to develop a national, multi-site training and technical assistance program to assist five selected cities in coordinating investigative, prosecutorial and victim service resources.

Today's announcement was made at the first meeting of the Commercial Sexual Exploitation of Children (CSEC) Community Capacity Building Initiative in Chicago, where representatives from federal, state and local organizations gathered to build alliances to combat commercial sexual exploitation of children.

"We are coming together to protect our children through a unique partnership," said OJP Assistant Attorney General Regina B. Schofield. "This program draws upon the commitment and expertise of law enforcement, prosecutors, community advocates, and most importantly, the victims themselves."

The two-year cooperative agreement was awarded to the Salvation Army and its primary partners, Girls Educational and Mentoring Services (GEMS), Polaris Project, Bilateral Safety Corridor Coalition. The five selected cities are Atlantic City, Chicago, Denver, San Diego and Washington, D.C.

Combating the sexual exploitation of children is a major priority of the Department of Justice. In February 2006, Attorney General Alberto R. Gonzales announced the Project Safe Childhood initiative. Project Safe Childhood brings together U.S. Attorneys, federal, state and local law enforcement, and non-government organizations to combat the proliferation of technology-facilitated sexual exploitation crimes against our nation's children. For more information on Project Safe Childhood, please visit the Web site http://www.projectsafechildhood.gov.

The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of

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Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at http://www.ojp.usdoj.gov.

# # #

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System Administrator

From:	System Administrator
Sent:	Friday, December 8, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 947925 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 1:36 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: THE NUMBER OF DEATH ROW INMATES DECLINED FOR FIFTH STRAIGHT YEAR DURING 2005

THE REPORT IS ATTACHED.

Department of Justice

Office of Justice Programs

ADVANCE FOR RELEASE AT 4:30 P.M. EST
SUNDAY, DECEMBER 10, 2006
WWW.OJP.USDOJ.GOV/BJS

Bureau of Justice Statistics
Contact: Stu Smith: 202-307-0784
After hours: 301-983-9354

THE NUMBER OF DEATH ROW INMATES DECLINED FOR FIFTH STRAIGHT YEAR DURING 2005

WASHINGTON — The Federal Bureau of Prisons and 36 states held 3,254 inmates on death row at the end of last year, which was 66 fewer such inmates than at the end of 2004, the Justice Department's Bureau of Justice Statistics (BJS) announced today. The 2005 drop was the fifth consecutive year the number of prisoners with a death sentence had fallen. There were 3,601 death row prisoners on Dec. 31, 2000.

During 2005, 128 inmates were put on death row, which was the lowest number of admissions since 1973 when 44 persons were admitted. This was the third consecutive year such admissions had declined.

Sixteen states executed 60 prisoners last year, which was one more execution than in 2004. It was 38 fewer than in 1999, the peak year for executions since the U.S. Supreme Court reinstated the death penalty in 1976. Those executed during 2005 had been under a sentence of death for an average of 12 years and three months, or 15 months longer than for inmates executed in 2004.

Texas carried out 19 executions last year. Indiana, Missouri and North Carolina each executed five inmates. Ohio, Alabama and Oklahoma executed four each. Georgia and South Carolina executed three each. California executed two. Connecticut, Arkansas, Delaware, Florida, Maryland and Mississippi each executed one. Fifty-nine men and one woman were executed during 2005. The execution in Connecticut was the first in that state since 1960.

Four States (California, Texas, Florida and Pennsylvania) held half of all death row inmates as of Dec. 31, 2005. The Federal Bureau of Prisons held 37 death row inmates.

Among the inmates sentenced to death for whom information was available, 65 percent had a prior felony conviction, including 8 percent with at least one previous homicide conviction. Nearly 4 in

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10 inmates under a death sentence committed the capital crime while on probation, parole or in some other criminal justice status.

Fifty-six percent of death row inmates were white and 42 percent were black. The 362 Hispanic inmates under sentence of death accounted for 13 percent of inmates with a known ethnicity. Ninety-eight percent of all inmates were male and 2 percent were female.

The average age of death row inmates on Dec. 31, 2005, was 42 years old. The oldest death row inmate was 90; the youngest was 20. Among inmates for whom the date of arrest was available, 11 percent (342 of the 2,985 inmates) were 19 or younger at the time of their arrest.

Of the 7,320 people under a death sentence between 1977 and 2005, 14 percent had been executed, 4 percent died from causes other than execution and 37 percent received other dispositions. A slightly higher percentage of whites (16 percent) than blacks and Hispanics (11 percent) have been executed.

During the first 11 months of 2006, fewer executions have been carried out compared with the same period in 2005. As of Nov. 30, 2006, 14 states had executed 52 inmates. This is three fewer than the number executed as of the same date in 2005.

Lethal injection accounted for all 60 executions during 2005 and 51 of the 52 executions in the first 11 months of 2006. Thirty-seven states authorized the use of lethal injection as of Dec. 31, 2005, up from 32 in 1995. Between 1977 and 2005, 836 of the 1,004 executions (83 percent) were by lethal injection.

The report, *Capital Punishment, 2005* (NCJ-215083) was written by BJS statistician Tracy L. Snell. Following publication, the report can be found at <http://www.ojp.usdoj.gov/bjs/abstract/cp05.htm>

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at <http://www.ojp.usdoj.gov/bjs>.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at <http://www.ojp.usdoj.gov>.

# # #

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U.S. Department of Justice
Office of Justice Programs

Embargoed to the public until Sunday, December 10, 2006, 4:30 pm EST

Bureau of Justice Statistics Bulletin

December 2006, NCJ 215083

Capital Punishment, 2005

By Tracy L. Snell
BJS Statistician

Sixteen States executed 60 prisoners during 2005. The number executed was 1 more than in 2004. Those executed during 2005 had been under sentence of death an average of 12 years and 3 months, or 15 months longer than the period for inmates executed in 2004.

At yearend 2005, 3,254 prisoners were under sentence of death. California held the largest number on death row (646), followed by Texas (411), Florida (372), and Pennsylvania (218). Thirty-seven people were under a Federal death sentence.

During 2005, 24 States and the Federal prison system received 128 prisoners under sentence of death. Admissions in California (23), Florida (15), Texas (14), and Alabama (12) accounted for half of those sentenced to death in 2005.

In 2005, 59 men and 1 woman were executed. The racial/ethnic distribution of those executed included 38 whites, 19 blacks, and 3 Hispanics (all white). All of the executions were carried out by lethal injection.

From January 1, 1977, to December 31, 2005, 1,004 inmates were executed by 33 States and the Federal Bureau of Prisons. Nearly two-thirds of the executions occurred in 5 States: Texas (355), Virginia (94), Oklahoma (79), Missouri (66), and Florida (60).

Highlights

Status of the death penalty, December 31, 2005

Executions during 2005[a]		Number of prisoners under sentence of death[b]		Jurisdictions without a death penalty
Texas	19	California	646	Alaska
Indiana	5	Texas	411	District of Columbia
Missouri	5	Florida	372	Hawaii
North Carolina	5	Pennsylvania	218	Iowa
Ohio	4	Ohio	199	Maine
Alabama	4	Alabama	189	Massachusetts
Oklahoma	4	North Carolina	174	Michigan
Georgia	3	Arizona	109	Minnesota
South Carolina	3	Georgia	107	North Dakota
California	2	Tennessee	103	Rhode Island
Connecticut	1	Oklahoma	86	Vermont
Arkansas	1	Louisiana	83	West Virginia
Delaware	1	Nevada	82	Wisconsin
Florida	1	24 other jurisdictions	475	
Maryland	1			
Mississippi	1			
Total	60	Total	3,254	

[a]For 2006 data on executions, see page 11.
[b]See table 4 for complete list.

· At yearend 2005, 36 States and the Federal prison system held 3,254 prisoners under sentence of death, 66 fewer than at yearend 2004. This represents the fifth consecutive year that the population has decreased.

· Of those under sentence of death, 56% were white, 42% were black, and 2% were of other races.

Persons under sentence of death

	1995	2005
White	1,742	1,805
Black	1,296	1,372
American Indian	24	31
Asian	19	34
Unknown race	10	12

· The 362 Hispanic inmates under sentence of death accounted for 13% of inmates with a known ethnicity.

· Fifty-two women were under sentence of death in 2005, up from 47 in 1995.

· The 128 inmates received under sentence of death during 2005 represent the smallest number of admissions since 1973.

· Of the 7,320 people under sentence of death between 1977 and 2005, 14% were executed, 4% died by causes other than execution, and 37% received other dispositions.

· The number of States authorizing lethal injection increased from 32 in 1995 to 37 in 2005. In 2005, all of the executions were by lethal injection, compared to 88% in 1995.

· Since 1977, 836 of the 1,004 executions (83%) were by lethal injection.

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Six States revised death penalty statutes in 2005

At yearend 2005 the death penalty was authorized by 38 States and the Federal Government (table 1). No State enacted new legislation authorizing capital punishment in 2005.

The United States Supreme Court struck a portion of the Missouri capital punishment statutes on March 1, 2005 (Roper v. Simmons, U.S. 125 S.Ct. 1183 (2005)). The Court upheld the ruling of the Missouri Supreme Court that imposition of the death penalty on persons under age 18 at the time their crimes were committed is cruel and unusual punishment and therefore prohibited by the Eighth and Fourteenth Amendments.

During 2005, 6 States revised statutory provisions relating to the death penalty. By State, the changes were as follows:

Arizona — Added four new aggravating factors: murder committed to promote a street gang or criminal syndicate; murder with the intent to prevent cooperation with law enforcement or to prevent or retaliate for court testimony; murder committed in a cold, calculated manner; murder committed by using a "remote stun gun" (A.R.S. §13-703 (F)(11-14)), effective 8/12/2005.

Delaware — Revised its code of criminal procedure to remove a requirement that alternate jurors be sequestered until conclusion of the guilt phase of capital trials (Del. Code Ann. 11 §4209(b)(1)), effective 7/12/2005.

Nevada — Revised the capital statute to increase the minimum age of eligibility for a death sentence from 16 to 18 years at the time the offense was committed (NRS 176.025), effective 5/3/2005.

Table 1. Capital offenses, by State, 2005

Alabama. Intentional murder with 18 aggravating factors (Ala. Stat. Ann. 13A-5-40(a)(1)-(18)).

Arizona*. First-degree murder accompanied by at least 1 of 14 aggravating factors (A.R.S. § 13-703(F)).

Arkansas*. Capital murder (Ark. Code Ann. 5-10-101) with a finding of at least 1 of 10 aggravating circumstances; treason.

California*. First-degree murder with special circumstances; train wrecking; treason; perjury causing execution.

Colorado*. First-degree murder with at least 1 of 17 aggravating factors; treason.

Connecticut*. Capital felony with 8 forms of aggravated homicide (C.G.S. 53a-54b).

Delaware*. First-degree murder with aggravating circumstances.

Florida*. First-degree murder; felony murder; capital drug trafficking; capital sexual battery.

Georgia*. Murder; kidnapping with bodily injury or ransom when the victim dies; aircraft hijacking; treason.

Idaho*. First-degree murder with aggravating factors; aggravated kidnapping; perjury resulting in death.

Illinois*. First-degree murder with 1 of 21 aggravating circumstances.

Indiana*. Murder with 16 aggravating circumstances (IC 35-50-2-9).

Kansas*. Capital murder with 8 aggravating circumstances (KSA 21-3439).

Kentucky*. Murder with aggravating factors; kidnapping with aggravating factors (KRS 32.025).

Louisiana*. First-degree murder; aggravated rape of victim under age 12; treason (La. R.S. 14:30, 14:42, and 14:113).

Maryland*. First-degree murder, either premeditated or during the commission of a felony, provided that certain death eligibility requirements are satisfied.

Mississippi. Capital murder (97-3-19(2) MCA); aircraft piracy (97-25-55(1) MCA).

Missouri*. First-degree murder (565.020 RSMO 2000).

Montana. Capital murder with 1 of 9 aggravating circumstances (46-18-303 MCA); capital sexual assault (45-5-503 MCA).

Nebraska*. First-degree murder with a finding of at least 1 statutorily-defined aggravating circumstance.

Nevada*. First-degree murder with at least 1of 15 aggravating circumstances (NRS 200.030, 200.033, 200.035).

New Hampshire. Six categories of capital murder (RSA 630:1, RSA 630:5).

New Jersey. Murder by one's own conduct, by solicitation, committed in furtherance of a narcotics conspiracy, or during commission of a crime of terrorism (NJSA 2C:11-3c).

New Mexico*. First-degree murder with at least 1 of 7 statutorily-defined aggravating circumstances (Section 30-2-1 A, NMSA).

New York*. First-degree murder with 1 of 13 aggravating factors (NY Penal Law §125.27).

North Carolina*. First-degree murder (NCGS §14-17).

Ohio*. Aggravated murder with at least 1 of 10 aggravating circumstances (O.R.C. secs. 2903.01, 2929.02, and 2929.04).

Oklahoma. First-degree murder in conjunction with a finding of at least 1 of 8 statutorily-defined aggravating circumstances.

Oregon. Aggravated murder (ORS 163.095).

Pennsylvania. First-degree murder with 18 aggravating circumstances.

South Carolina*. Murder with 1 of 11 aggravating circumstances (§ 16-3-20(C)(a)).

South Dakota*. First-degree murder with 1 of 10 aggravating circumstances; aggravated kidnapping.

Tennessee*. First-degree murder with 1 of 15 aggravating circumstances (Tenn. Code Ann. § 39-13-204).

Texas. Criminal homicide with 1 of 9 aggravating circumstances (TX Penal Code 19.03).

Utah*. Aggravated murder (76-5-202, Utah Code Annotated).

Virginia*. First-degree murder with 1 of 13 aggravating circumstances (VA Code § 18.2-31).

Washington*. Aggravated first-degree murder.

Wyoming. First-degree murder.

*As of December 31, 2005, 27 States excluded mentally retarded persons from capital sentencing: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, South Dakota, Tennessee, Utah, Virginia, and Washington. Mental retardation is a mitigating factor in South Carolina.

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Ohio — Amended the code of criminal procedure to exempt mentally retarded persons from capital sentences (O.R.C. 2929.06(A)) and to allow imposition of the death penalty in cases where an appeals court previously vacated a death sentence (O.R.C. 2929.06(E)), effective 3/23/2005.

Texas — Added as an aggravating factor murder of an officer of the court (Tex. Penal Code §19.03(a)(9), effective 9/1/2005.

Utah — Added to the definition of aggravated murder homicide involving desecration of a dead human body (Utah Code Ann. §76-5-202(e)) or dismembering, mutilation, or disfiguring of the victim's body, either before or after death (§76-5-202(s)), effective 5/2/2005.

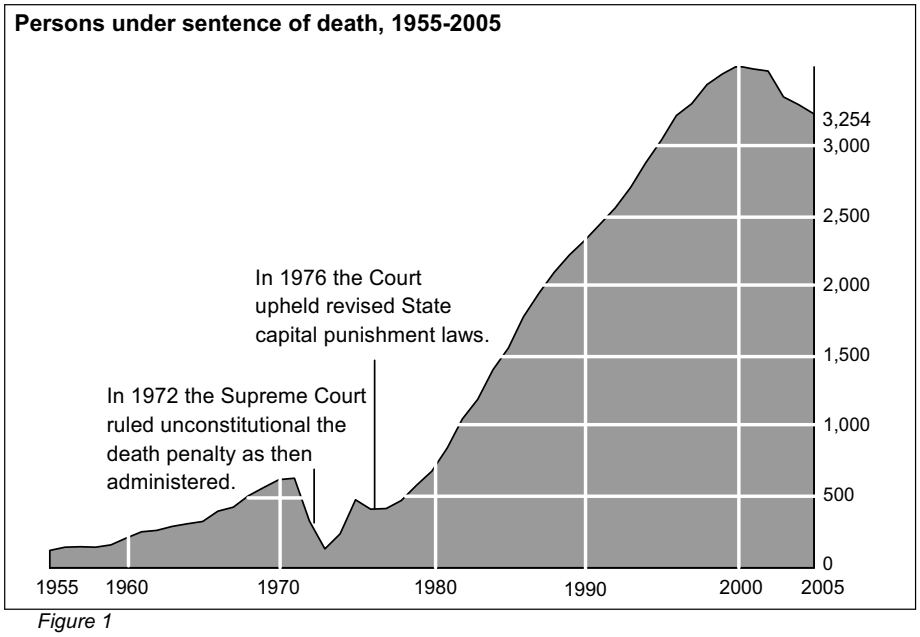

Figure 1

Most States provide for automatic review of capital sentences

Of the 38 States with capital statutes at yearend, 37 provided for review of all death sentences regardless of the defendant's wishes. In South Carolina the defendant had the right to waive sentence review if he or she was deemed competent by the court (State v. Torrence, 473 S.E. 3d 703 (S.C. 1996)). Federal death penalty procedures did not provide for automatic review after a sentence of death had been imposed.

The State's highest appellate court usually conducted the review. If either the conviction or sentence was vacated, the case could be remanded to the trial court for additional proceedings or retrial. As a result of retrial or resentencing, a death sentence could be reimposed.

While most of the 37 States authorized automatic review of both the conviction and sentence, Idaho, Montana, Oklahoma, South Dakota, and Tennessee required review of the sentence only. In Idaho review of the conviction had to be filed through appeal or forfeited. In Indiana and Kentucky, a defendant could waive review of the conviction.

In Virginia a defendant could waive an appeal of trial court error but could not waive review of the death sentence for arbitrariness and proportionality.

In Mississippi the question of whether the defendant could waive the right to automatic review had not been addressed. In Wyoming neither statute nor case law precluded a waiver of appeal.

Arkansas implemented a rule requiring review of specific issues relating to both capital convictions and sentences (Ark. R. App. P. — Crim 10). Recent case law held waivers of this review are not permitted (Newman v. State, No. CR02-811, 2002 Westlaw 31030906 (Ark. Sept. 12, 2002)).

Lethal injection was authorized by most States with capital statutes

As of December 31, 2005, lethal injection was the predominant method of execution, authorized by 37 States (table 2).

Nine States authorized electrocution; four States, lethal gas; three States, hanging; and three States, firing squad.

Seventeen States authorized more than 1 method — lethal injection and an alternative method — generally at the election of the condemned prisoner. Five of these 17 States stipulated which method must be used depending on the date of sentencing. One State authorized hanging only if lethal injection could not be given. Three States authorized alternative methods if lethal injection is ever ruled to be unconstitutional: 1 authorized lethal gas, 1 authorized electrocution or firing squad, and 1 authorized firing squad.

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The method of execution of Federal prisoners is lethal injection, pursuant to 28 CFR, Part 26. For offenses under the Violent Crime Control and Law Enforcement Act of 1994, the method is that of the State in which the conviction took place (18 U.S.C. 3596).

Most jurisdictions had set 18 as minimum age for capital sentences

As of December 31, 2005, 18 States and the Federal system required a minimum age of 18 for which the death penalty could be imposed (table 3).

In some States the minimum age was set forth in the statutory provisions that determine the age at which a juvenile may be transferred to adult court for trial as an adult. While the ruling in *Roper v. Simmons* effectively makes the minimum age 18 for capital punishment, 14 States had statutes that specified an age of eligibility between 14 and 17.

Six jurisdictions did not specify a minimum age for which the death penalty could be imposed.

Number under sentence of death declines for fifth straight year

Thirty-six States and the Federal prison system held a total of 3,254 prisoners under sentence of death on December 31, 2005, a decrease of 66 since the end of 2004 (table 4). This was the fifth consecutive year that the number of prisoners under a sentence of death declined, down from 3,601 on December 31, 2000.

Three States reported 44% of the Nation's death row population: California (646), Texas (411), and Florida (372). The Federal Bureau of Prisons held 37 inmates at yearend. Of the 39 jurisdictions authorizing the death penalty during 2005, New Hampshire and Kansas had no one under a capital sentence, and New York, South Dakota, Colorado, Montana, New Mexico, and Wyoming had 4 or fewer.

Among the 37 jurisdictions with prisoners under sentence of death at yearend 2005, 9 had more inmates than a year earlier, 21 had fewer inmates, and 7 had the same number.

Table 2. Method of execution, by State, 2005

Lethal Injection			Electrocution	Lethal gas
Alabama[a]	Kentucky[a,b]	Ohio	Alabama[a]	Arizona[a,c]
Arizona[a,c]	Louisiana	Oklahoma[a]	Arkansas[a,d]	California[a]
Arkansas[a,d]	Maryland	Oregon	Florida[a]	Missouri[a]
California[a]	Mississippi	Pennsylvania	Kentucky[a,b]	Wyoming[a,e]
Colorado	Missouri[a]	South Carolina[a]	Nebraska	
Connecticut	Montana	South Dakota	Oklahoma[f]	
Delaware[a,g]	Nevada	Tennessee[a,h]	South Carolina [a]	
Florida[a]	New Hampshire[a]	Texas	Tennessee[a,h]	
Georgia	New Jersey	Utah[a]	Virginia[a]	
Idaho[a]	New Mexico	Virginia[a]		
Illinois	New York	Washington[a]		
Indiana	North Carolina	Wyoming[a]	Hanging	Firing Squad
Kansas			Delaware[a,g]	Idaho[a]
			New Hampshire[a,i]	Oklahoma[f]
			Washington[a]	Utah[j]

[a]Authorizes 2 methods of execution.

[b]Authorizes lethal injection for persons sentenced on or after 3/31/98; inmates sentenced before that data may select lethal injection or electrocution.

[c]Authorizes lethal injection for persons sentenced after 11/15/92; inmates sentenced before that date may select lethal injection or gas.

[d]Authorizes lethal injection for those whose offense occurred on or after 7/4/83; inmates whose offense occurred before that data may select lethal injection or electrocution.

[e]Authorizes lethal gas if lethal injection is held to be unconstitutional.

[f]Authorizes electrocution if lethal injection is held to be unconstitutional and firing squad if both lethal injection and electrocution are held to be unconstitutional.

[g]Authorizes lethal injection for those whose capital offense occurred on or after 6/13/86; those who committed the offense before that date may select lethal injection or hanging.

[h]Authorizes lethal injection for those whose capital offense occurred after 12/31/98; those who committed the offense before that date may select electrocution by written waiver.

[i]Authorizes hanging only if lethal injection cannot be given.

[j]Authorizes firing squad if lethal injection is held unconstitutional. Inmates who selected execution by firing squad prior to May 3, 2004, may still be entitled to execution by that method.

Table 3. Minimum age authorized for capital punishment, 2005

Age 16 or less	Age 17	Age 18	None specified
Alabama (16)	Florida	California	Arizona
Arkansas (14)[a]	Georgia	Colorado	Idaho
Delaware (16)	New Hampshire	Connecticut	Louisiana
Kentucky (16)	North Carolina	Federal system	Montana[b]
Mississippi (16)	Texas	Illinois	Pennsylvania
Missouri (16)		Indiana	South Carolina
Oklahoma (13)		Kansas	
Utah (14)[c]		Maryland	
Virginia (14)[c]		Nebraska	
		Nevada	
		New Jersey	
		New Mexico	
		New York	
		Ohio	
		Oregon	
		South Dakota	
		Tennessee	
		Washington	
		Wyoming	

Note: Information reported in this table reflects the minimum age as defined by statute as of 12/31/2005. The United States Supreme Court ruling in *Roper v. Simmons* (2005) declared unconstitutional imposition of the death penalty on persons under age 18.

[a]See Ark. Code Ann. 9-27-318(c)(2)(Supp 2001).

[b]Montana law specifies that offenders tried under the sexual assault statute be 18 or older. No statutory minimum age is specified for other capital offenses.

[c]Age for transfer to adult court is 14.

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Table 4. Prisoners under sentence of death, by region, State, and race, 2004 and 2005

Region and State	Prisoners under sentence of death, 12/31/04			Received under sentence of death			Removed from death row (excluding executions)[a]			Executed			Prisoners under sentence of death, 12/31/05		
	Total[b]	White[c]	Black[c]	Total[b]	White[c]	Black[c]	Total[b]	White[c]	Black[c]	Total[b]	White[c]	Black[c]	Total[b]	White[c]	Black[c]
U.S. total	3,320	1,856	1,390	128	70	52	134	80	51	60	41	19	3,254	1,805	1,372
Federal[d]	32	11	20	6	5	1	1	0	1	0	0	0	37	16	20
State	3,288	1,845	1,370	122	65	51	133	80	50	60	41	19	3,217	1,789	1,352
Northeast	240	86	143	8	2	6	11	4	7	1	1	0	236	83	142
Connecticut	7	4	3	1	1	0	0	0	0	1	1	0	7	4	3
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	11	4	7	0	0	0	1	0	1	0	0	0	10	4	6
New York	2	1	1	0	0	0	1	1	0	0	0	0	1	0	1
Pennsylvania	220	77	132	7	1	6	9	3	6	0	0	0	218	75	132
Midwest	298	161	134	11	7	4	9	7	2	14	7	7	286	154	129
Illinois	6	5	1	1	0	1	0	0	0	0	0	0	7	5	2
Indiana	27	21	6	1	1	0	3	2	1	5	5	0	20	15	5
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	51	26	25	2	1	1	2	2	0	5	1	4	46	24	22
Nebraska	8	7	1	2	2	0	0	0	0	0	0	0	10	9	1
Ohio[e]	202	98	101	5	3	2	4	3	1	4	1	3	199	97	99
South Dakota	4	4	0	0	0	0	0	0	0	0	0	0	4	4	0
South	1,840	1,010	807	70	34	33	87	51	35	43	32	11	1,780	961	794
Alabama	193	101	92	12	6	6	12	8	4	4	4	0	189	95	94
Arkansas	38	16	22	2	0	2	1	1	0	1	1	0	38	14	24
Delaware	17	13	4	0	0	0	0	0	0	1	1	0	16	12	4
Florida	367	242	125	15	7	8	9	8	1	1	1	0	372	240	132
Georgia	110	57	52	3	1	2	3	1	2	3	3	0	107	54	52
Kentucky	35	28	7	1	0	1	0	0	0	0	0	0	36	28	8
Louisiana	87	30	56	4	1	3	8	2	6	0	0	0	83	29	53
Maryland	8	2	6	0	0	0	0	0	0	1	0	1	7	2	5
Mississippi	70	33	36	2	2	0	3	2	1	1	1	0	68	32	35
North Carolina	180	72	101	6	3	1	7	3	4	5	4	1	174	68	97
Oklahoma	92	48	38	5	4	0	7	3	4	4	1	3	86	48	31
South Carolina	71	35	36	3	0	3	3	1	2	3	2	1	68	32	36
Tennessee	101	59	40	2	1	1	0	0	0	0	0	0	103	60	41
Texas	448	264	179	14	9	5	32	22	9	19	14	5	411	237	170
Virginia	23	10	13	1	0	1	2	0	2	0	0	0	22	10	12
West	910	588	286	33	22	8	26	18	6	2	1	1	915	591	287
Arizona	107	91	10	8	6	2	6	4	0	0	0	0	109	93	12
California	637	379	232	23	15	5	12	10	2	2	1	1	646	383	234
Colorado	3	1	2	0	0	0	1	0	1	0	0	0	2	1	1
Idaho[e]	22	22	0	0	0	0	4	4	0	0	0	0	18	18	0
Montana	4	3	0	0	0	0	0	0	0	0	0	0	4	3	0
Nevada	83	49	33	1	1	0	2	0	2	0	0	0	82	50	31
New Mexico	2	2	0	0	0	0	0	0	0	0	0	0	2	2	0
Oregon	30	27	2	1	0	1	0	0	0	0	0	0	31	27	3
Utah	10	7	2	0	0	0	1	0	1	0	0	0	9	7	1
Washington	10	5	5	0	0	0	0	0	0	0	0	0	10	5	5
Wyoming	2	2	0	0	0	0	0	0	0	0	0	0	2	2	0

Note: Some figures shown for yearend 2004 are revised from those reported in Capital Punishment, 2004, NCJ 211349.
The revised figures include 14 inmates who were either reported late to the National Prisoner Statistics program or were not in custody of State correctional authorities on 12/31/04 (3 each in Florida and Arizona; 2 each in Tennessee and Texas; and 1 each in Georgia, Kentucky, Oklahoma, and Idaho). The revised figures also exclude 8 inmates who were relieved of a death sentence before 12/31/04 (2 in Pennsylvania; and 1 each in Missouri, Nebraska, Arkansas, Maryland, and North Carolina).
Data for 12/31/2004 have been revised to exclude 1 inmate in the Federal Bureau of Prisons who was erroneously reported.

[a]Includes 21 deaths from natural causes (6 in California; 3 in Florida; 2 each in Ohio, Alabama, and Georgia; and 1 each in Arkansas, Louisiana, North Carolina, Oklahoma, Idaho, and Nevada); 3 deaths from suicide (1 each in Ohio, Mississippi, and Texas); and 1 death from a drug overdose (California).

[b]Totals include persons of races other than white and black.

[c]The reporting of race and Hispanic origin differs from that presented in tables 8 and 10. In this table white and black inmates include Hispanics.

[d]Excludes persons held under Armed Forces jurisdiction with a military death sentence for murder.

[e]One inmate under sentence of death in Ohio was erroneously reported as being under sentence of death in Idaho in the 2004 report.

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The largest increase occurred in the California (9), followed by Florida and the Federal Bureau of Prisons (5 each). The largest decreases were in Texas (37), Indiana (7), and North Carolina and Oklahoma (6 each).

Persons under sentence of death, by race, 1968-2005

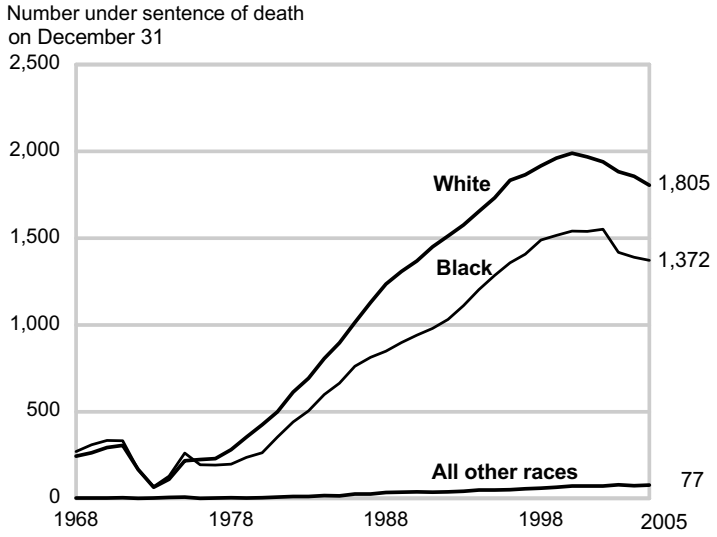

Figure 2

Table 5. Demographic characteristics of prisoners under sentence of death, 2005

Characteristic	Percent of prisoners under sentence of death, 2005		
	Yearend	Admissions	Removals
Total number under sentence of death	3,254	128	194
Gender			
Male	98.4%	96.1%	97.4%
Female	1.6	3.9	2.6
Race			
White	55.5%	54.7%	62.4%
Black	42.2	40.6	36.1
All other races*	2.4	4.7	1.5
Hispanic origin			
Hispanic	12.7%	15.5%	13.3%
Non-Hispanic	87.3	84.5	86.7
Education			
8th grade or less	14.3%	9.9%	24.1%
9th-11th grade	36.9	31.7	36.7
High school graduate/GED	39.6	48.5	29.5
Any college	9.2	9.9	9.6
Median	11th	12th	11th
Marital status			
Married	22.2%	17.6%	16.3%
Divorced/separated	20.5	19.6	22.5
Widowed	2.9	3.9	2.2
Never married	54.4	58.8	59.0

Note: Calculations are based on those cases for which data were reported. Detail may not add to total due to rounding. Missing data by category were as follows:

	Yearend	Admissions	Removals
Hispanic origin	410	18	21
Education	465	27	28
Marital status	337	26	16

*At yearend 2004, other races consisted of 28 American Indians, 32 Asians, and 14 self-identified Hispanics. During 2005, 3 American Indians and 3 Asians were admitted; and 1 Asian and 2 self-identified Hispanic inmates were removed.

During 2005 the number of white and black inmates under sentence of death declined (by 51 and 18, respectively). The number of persons of other races (including American Indians, Asians, and self-identified Hispanics) increased from 74 to 77.

Men made up 98% (3,202) of all prisoners under sentence of death (table 5). Whites accounted for 56%; blacks, 42%; and other races, 2%. Other races included 31 American Indians, 34 Asians, and 12 persons whose race was unknown. Among those for whom ethnicity was known, 13% were Hispanic.

52 women on death row at yearend

During 2005 the number of women sentenced to be executed remained unchanged at 52 (table 6). Five women were received under sentence of death, five were removed from death row, and 1 was executed. Women were under sentence of death in 18 States and the Federal system. Two-thirds of women on death row at yearend were being held in five States: California, Texas, Pennsylvania, North Carolina, and Alabama.

State	Women under sentence of death, 12/31/05		
	All races*	White	Black
Total	52	35	14
California	14	10	2
Texas	9	5	4
Pennsylvania	5	2	3
North Carolina	4	2	1
Alabama	3	1	2
Ohio	2	2	0
Tennessee	2	2	0
Arizona	2	2	0
Federal	1	1	0
Delaware	1	1	0
Florida	1	1	0
Georgia	1	1	0
Idaho	1	1	0
Kentucky	1	1	0
Mississippi	1	1	0
Oklahoma	1	1	0
Virginia	1	1	0
Indiana	1	0	1
Louisiana	1	0	1

*Includes races other than white and black.

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The number of Hispanics under sentence of death declined from 368 to 362 during 2005. Seventeen Hispanics were received under sentence of death; 20 were removed from death row; and 3 were executed. More than three-quarters of the Hispanics were held in 3 States: California (136), Texas (112), and Florida (31).

The gender, race, and Hispanic origin of those under sentence of death at yearend 2005 were as follows:

	Persons under sentence of death, 12/31/05	
	Male	Female
White	1,770	35
Hispanic	330	3
Black	1,358	14
Hispanic	13	0
Other races	74	3
Hispanic	14	2

Among all inmates under sentence of death for whom date of arrest was available, half were age 20 to 29 at the time of arrest for their capital offense; 11% were age 19 or younger; and fewer than 1% were age 55 or older (table 7). The average age at time of arrest was 28 years.

On December 31, 2005, 33% of all inmates were age 30 to 39, and 61% were age 25 to 44. The youngest offender under sentence of death was 20; the oldest was 90.

8% of inmates under sentence of death had a prior homicide conviction

Among inmates under a death sentence on December 31, 2005, for whom criminal history information was available, 65% had prior felony convictions, including 8% with at least one previous homicide conviction (table 8).

Among those for whom legal status at the time of the capital offense was available, 40% had an active criminal justice status. Fewer than half of these were on parole and a quarter were on probation. The remaining third had charges pending, were incarcerated, had escaped from incarceration, or had some other criminal justice status.

Table 6. Hispanics and women under sentence of death, by State, 2004 and 2005

Region and State	Under sentence of death, 12/31/04[a]		Received under sentence of death		Death sentence removed[b]		Under sentence of death, 12/31/05	
	Hispanics	Women	Hispanics	Women	Hispanics	Women	Hispanics	Women
U.S. total	368	52	17	5	23	5	362	52
Federal	2	0	0	1	0	0	2	1
Alabama	1	3	0	1	0	1	1	3
Arizona	18	2	2	0	3	0	17	2
California	131	15	6	0	1	1	136	14
Colorado	1	0	0	0	0	0	1	0
Connecticut	1	0	1	0	0	0	2	0
Delaware	2	1	0	0	0	0	2	1
Florida	31	1	0	0	0	0	31	1
Georgia	3	1	0	0	0	0	3	1
Idaho	1	1	0	0	0	0	1	1
Illinois	2	0	0	0	0	0	2	0
Indiana	1	1	0	0	0	0	1	1
Kentucky	1	1	0	0	0	0	1	1
Louisiana	1	1	0	0	0	0	1	1
Mississippi	0	1	0	0	0	0	0	1
Nebraska	2	0	1	0	0	0	3	0
Nevada	7	1	0	0	0	1	7	0
New Mexico	1	0	0	0	0	0	1	0
North Carolina	3	4	0	0	0	0	3	4
Ohio	5	1	1	1	0	0	6	2
Oklahoma	3	1	0	0	1	0	2	1
Oregon	2	0	0	0	0	0	2	0
Pennsylvania	22	5	0	1	0	1	22	5
Tennessee	1	2	0	0	0	0	1	2
Texas	124	9	6	1	18	1	112	9
Utah	2	0	0	0	0	0	2	0
Virginia	0	1	0	0	0	0	0	1

[a]The count of Hispanics under sentence of death at yearend 2004 has been revised.
[b]Includes 3 Hispanic men and 1 woman in Texas who were executed in 2005.

Table 7. Age at time of arrest for capital offense and age of prisoners under sentence of death at yearend 2005

Age	Prisoners under sentence of death			
	At time of arrest		On December 31, 2005	
	Number*	Percent	Number	Percent
Total number under sentence of death on 12/31/05	2,985	100%	3,254	100%
17 or younger	14	0.5	0	
18-19	328	11.0	0	
20-24	825	27.6	61	1.9
25-29	669	22.4	321	9.9
30-34	510	17.1	495	15.2
35-39	320	10.7	583	17.9
40-44	174	5.8	589	18.1
45-49	89	3.0	533	16.4
50-54	36	1.2	307	9.4
55-59	14	0.5	228	7.0
60-64	4	0.1	85	2.6
65 or older	2	0.1	52	1.6
Mean age	28yrs.		42yrs.	
Median age	27yrs.		41yrs.	

Note: The youngest person under sentence of death was a black male in Alabama, born in May 1985 and sentenced to death in October 2005.
The oldest person under sentence of death was a white male in Arizona, born in September 1915 and sentenced to death in June 1983.
*Excludes 269 inmates for whom the date of arrest for capital offense was not available.

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Criminal history patterns differed by race and Hispanic origin. More blacks (70%) than whites (62%) or Hispanics (61%) had a prior felony conviction. About the same percentage of whites (8%), blacks (9%), and Hispanics (7%) had a prior homicide conviction. A slightly higher percentage of Hispanics (23%) or blacks (17%) than whites (14%) were on parole when arrested for their capital offense.

Table 8. Criminal history profile of prisoners under sentence of death, by race and Hispanic origin, 2005

	Number of prisoners under sentence of death				Percent of prisoners under sentence of death[a]			
	All[b]	White[c]	Black[c]	Hispanic	All[b]	White[c]	Black[c]	Hispanic
U.S. total	3,254	1,472	1,359	362	100%	100%	100%	100%
Prior felony convictions								
Yes	1,936	833	868	204	65.0%	61.6%	70.3%	61.3%
No	1,042	520	367	129	35.0.	38.4	29.7	38.7
Not reported	276							
Prior homicide convictions								
Yes	269	121	116	26	8.4%	8.4%	8.7%	7.3%
No	2,926	1,327	1,214	331	91.6	91.6	91.3	92.7
Not reported	59							
Legal status at time of capital offense								
Charges pending	227	115	92	17	7.8%	8.7%	7.6%	5.2%
Probation	307	116	148	37	10.5	8.8	12.3	11.3
Parole	471	186	202	74	16.2	14.1	16.7	22.6
On escape	42	23	12	6	1.4	1.7	1.0	1.8
Incarcerated	102	53	39	8	3.5	4.0	3.2	2.4
Other status	14	5	7	1	0.5	0.4	0.6	0.3
None	1,752	825	707	184	60.1	62.4	58.6	56.3
Not reported	339							

[a]Percentages are based on those offenders for whom data were reported. Detail may not add to total because of rounding.

[b]Includes American Indians, Alaska Natives, Asians, Native Hawaiians, and other Pacific Islanders.

[c]White and black categories exclude Hispanics.

Number of persons sentenced to death decreased for third straight year

Between January 1 and December 31, 2005, 24 State prison systems and the Federal Bureau of Prisons reported receiving 128 inmates under sentence of death. More than half of the inmates were received in 5 jurisdictions: California (23), Florida (15), Texas (14), Alabama (12), and Arizona (8).

All 128 prisoners who were received under sentence of death had been convicted of murder; 5 were female. By race, 70 were white and 52 were black. Of the 128 new admissions, 17 were Hispanic.

Year	Inmates received under sentence of death
1995	325
1996	323
1997	281
1998	306
1999	283
2000	236
2001	166
2002	168
2003	153
2004	138
2005	128

The 128 admissions to death row in 2005 marked a decline of 10 from the 138 admissions recorded in 2004, and represented the smallest number received in a year since 44 persons were admitted in 1973 (not shown in table).

109 persons had their death sentences removed or overturned

Twenty-two States and the Federal Bureau of Prisons reported 109 persons whose death sentences were removed or overturned. Appeals courts vacated 59 sentences while upholding the convictions and vacated 8 sentences while overturning the convictions. Texas reported the largest number of inmates whose death sentences were removed (31 removals). Two States reported commutations of death sentences: Indiana (2) and Virginia (1).

Thirty-nine inmates in six States had their death sentences removed because a portion of the statute under which they were sentenced was delcared unconstitutional.

As of December 31, 2005, 89 of 107 persons who were formerly under sentence of death were serving a life sentence. One inmate had been resentenced to 50 years; two to 45 years; and one to 20 years. Two inmates were awaiting a new trial, 11 were awaiting resentencing, and 1 had no action taken after being removed from under sentence of death. The current status of two inmates was not available.

25 persons died while under sentence of death in 2005

Twenty-one persons under sentence of death died from natural causes during 2005 — 6 in California; 3 in Florida; 2 each Ohio, Alabama, and Georgia; and 1 each in Arkansas, Louisiana, North Carolina, Oklahoma, Idaho, and Nevada. Three inmates committed suicide — one each in Ohio, Mississippi, and Texas. One died in California as the result of a drug overdose.

6,940 persons under sentence of death since 1977

From 1977, the year after the Supreme Court upheld the constitutionality of revised State capital punishment laws, to 2005, a total of 6,940 persons entered prison under sentence of death. During these 29 years, 1,004 persons were executed, and 3,062 were removed from under a death sentence by appellate court decisions and reviews, commutations, or death.[1]

[1]An individual may have been received and removed from under sentence of death more than once. Data are based on the most recent sentence.

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Admissions and removals from a death sentence, 1977-2005

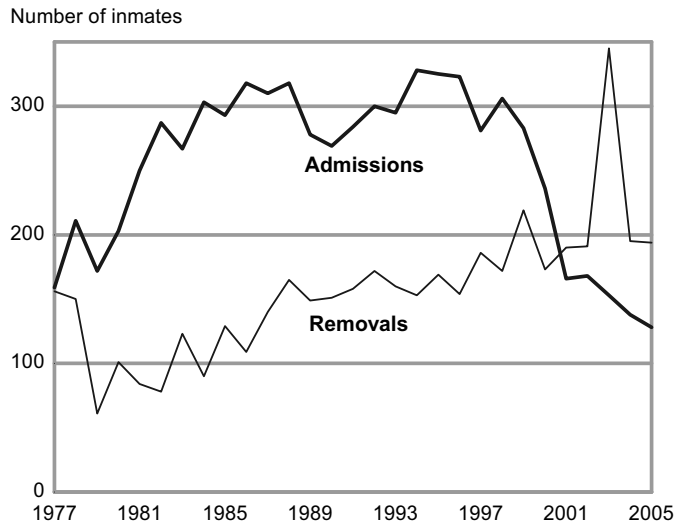

Figure 3

Among individuals who received a death sentence between 1977 and 2005, 3,388 (49%) were white, 2,825 (41%) were black, 611 (9%) were Hispanic, and 116 (2%) were other races. The distribution by race and Hispanic origin of the 4,066 inmates who were removed from death row between 1977 and 2005 was as follows: 2,101 whites (52%), 1,646 blacks (40%), 264 Hispanics (7%), and 55 persons of other races (1%). Of the 1,004 who were executed, 584 (58%) were white, 339 (34%) were black, 67 (7%) were Hispanic, and 14 (1%) were of other races.

60 inmates were executed during 2005

During 2005 Texas carried out 19 executions; Indiana, Missouri, and North Carolina each executed 5 persons; Ohio, Alabama, and Oklahoma, 4 persons each; Georgia and South Carolina, 3 each; California, 2; and Connecticut, Arkansas, Delaware, Florida, Maryland, and Mississippi, 1 each. The inmate executed in Connecticut was the first execution in that State since 1960.

Fifty-nine of the inmates executed in 2005 were male and one was female. Thirty-eight were white; 19 were black; and 3 were Hispanic.

After the Supreme Court reinstated the death penalty in 1976, 33 States and the Federal Government executed 1,004 prisoners:

1977	1	1993	38
1979	2	1994	31
1981	1	1995	56
1982	2	1996	45
1983	5	1997	74
1984	21	1998	68
1985	18	1999	98
1986	18	2000	85
1987	25	2001	66
1988	11	2002	71
1989	16	2003	65
1990	23	2004	59
1991	14	2005	60
1992	31		

During this 29-year period, 5 States executed 654 prisoners: Texas (355), Virginia (94), Oklahoma (79), Missouri (66), and Florida (60). These States accounted for two-thirds of all executions. Between 1977 and 2005, 993 men were executed: 575 were white non-Hispanic; 337, black non-Hispanic; 67, Hispanic; 8, American Indian; and 6, Asian. Eleven women were executed: 9 white non-Hispanic and 2 black non-Hispanic.

According to data collected by the Federal Government, from 1930 to 2005, 4,863 persons were executed under civil authority (table 9). Military authorities carried out an additional 160 executions between 1930 and 1961 (not shown in table).

Table 9. Number of persons executed, by jurisdiction, 1930-2005

State	Number executed	
	Since 1930	Since 1977
U.S. total	4,863	1,004
Texas	652	355
Georgia	405	39
New York	329	0
California	304	12
North Carolina	302	39
Florida	230	60
South Carolina	197	35
Ohio	191	19
Virginia	186	94
Alabama	169	34
Mississippi	161	7
Louisiana	160	27
Pennsylvania	155	3
Arkansas	145	27
Oklahoma	139	79
Missouri	128	66
Kentucky	105	2
Illinois	102	12
Tennessee	94	1
New Jersey	74	0
Maryland	73	5
Arizona	60	22
Indiana	57	16
Washington	51	4
Colorado	48	1
Nevada	40	11
District of Columbia	40	0
West Virginia	40	0
Federal system	36	3
Massachusetts	27	0
Delaware	26	14
Connecticut	22	1
Oregon	21	2
Utah	19	6
Iowa	18	0
Kansas	15	0
New Mexico	9	1
Montana	8	2
Wyoming	8	1
Nebraska	7	3
Idaho	4	1
Vermont	4	0
New Hampshire	1	0
South Dakota	1	0

DOJ_NMG_ 0171335

Between 1977 and 2005, 7,320 prisoners were under death sentences for varying lengths of time (table 10). The 1,004 executions accounted for 14% of those under sentence of death. A total of 3,062 prisoners (42%) were removed by means other than execution. A higher percentage of whites (16%) were executed as compared with both blacks and Hispanics (11% each). Somewhat larger percentages of blacks (43%) and whites (42%) than Hispanics (31%) were removed from under a death sentence by means other than execution.

Inmates executed in 2005 had been under sentence of death an average of 12 years and 3 months

Among all prisoners executed between 1977 and 2005, the average time between the imposition of the most recent sentence received and execution was more than 10 years (table 11). White prisoners had spent an average of 10 years and 3 months, and black prisoners, 10 years and 11 months.

For the 1,004 prisoners executed between 1977 and 2005, the most common method of execution was lethal injection (836). Other methods used included electrocution (152), lethal gas (11), hanging (3), and firing squad (2).

Method of execution	Executions, 1977-2005				
	White	Black	Hispanic	American Indian	Asian
Total	584	339	67	8	6
Lethal injection	491	267	65	7	6
Electrocution	80	69	2	1	0
Lethal gas	8	3	0	0	0
Hanging	3	0	0	0	0
Firing squad	2	0	0	0	0

Persons executed, 1930-2005

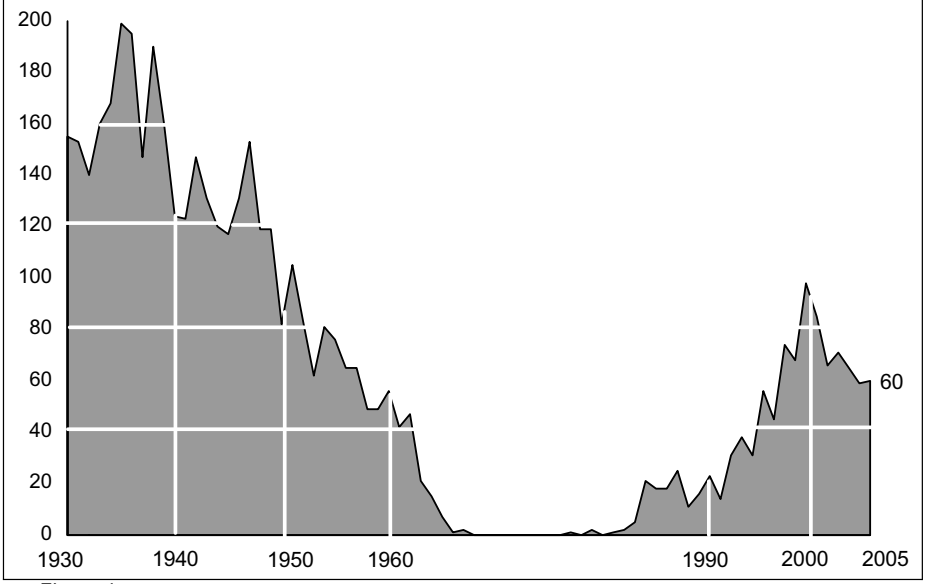

Figure 4

Table 10. Executions and other dispositions of inmates sentenced to death, by race and Hispanic origin, 1977-2005

Race/Hispanic origin[b]	Total under sentence of death 1977-2005[b]	Prisoners executed		Prisoners who received other dispositions[a]	
		Number	Percent of total	Number	Percent of total
Total	7,320	1,004	13.7%	3,062	41.8%
White[c]	3,573	584	16.3%	1,517	42.5%
Black[c]	3,005	339	11.3	1,307	43.5
Hispanic	626	67	10.7	197	31.5
All other races[c,d]	116	14	12.1	41	35.3

[a]Includes persons removed from a sentence of death because of statutes struck down on appeal, sentences or convictions vacated, commutations, or death by other than execution.

[b]Includes 6 persons sentenced to death prior to 1977 who were still under sentence of death on 12/31/05; 374 persons sentenced to death prior to 1977 whose death sentence was removed between 1977 and 12/31/2005; and 6,940 persons sentenced to death between 1977 and 2005.

[c]Excludes persons of Hispanic origin.

[d]Includes American Indians, Alasks Natives, Asians, Native Hawaiians, and other Pacific Islanders.

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Among prisoners under sentence of death at yearend 2005, the average time spent in prison was 10 years and 8 months, up 6 months from that in 2004. The median time between the imposition of a death sentence and yearend 2005 was 9 years and 10 months.

Inmates under sentence of death	Elapsed time since sentencing	
	Mean	Median
Total	128 mo	118 mo
Male	129	118
Female	90	85
White	132	122
Black	129	121
Hispanic	114	97

Overall, the average time for women was 7 years and 6 months, 39 months less than that for men (10 years and 9 months). On average, whites, blacks, and Hispanics had spent from 114 to 132 months under a sentence of death.

Table 11. Time under sentence of death and execution, by race, 1977-2005

Year of execution	Number executed			Average elapse time from sentence to execution for:		
	All races[a]	White[b]	Black[b]	All races[a]	White[b]	Black[b]
Total	1,004	648	341	125 mo	123 mo	131 mo
1977-83	11	9	2	51 mo	49 mo	58 mo
1984	21	13	8	74	76	71
1985	18	11	7	71	65	80
1986	18	11	7	87	78	102
1987	25	13	12	86	78	96
1988	11	6	5	80	72	89
1989	16	8	8	95	78	112
1990	23	16	7	95	97	91
1991	14	7	7	116	124	107
1992	31	19	11	114	104	135
1993	38	23	14	113	112	121
1994	31	20	11	122	117	132
1995	56	33	22	134	128	144
1996	45	31	14	125	112	153
1997	74	45	27	133	126	147
1998	68	48	18	130	128	132
1999	98	61	33	143	143	141
2000	85	49	35	137	134	142
2001	66	48	17	142	134	166
2002	71	53	18	127	130	120
2003	65	44	20	131	135	120
2004	59	39	19	132	132	132
2005	60	41	19	147	144	155

Note: Average time was calculated from the most recent sentencing date.
[a]Includes American Indians, Alaska Natives, Asians, Native Hawaiians, and other Pacific Islanders.
[b]Includes Hispanics.

Advance count of executions: January 1, 2006 – November 30, 2006

To provide the latest data on capital punishment, BJS gathers information following each execution. The data include the date of execution, the jurisdiction, method used, and the name, race, and gender of each person executed.

From January 1, 2006, through November 30, 2006, 14 States had executed 52 inmates, 3 fewer than the number executed during the same period in 2005.

Two States accounted for more than half of the executions carried out during this period: Texas performed 24, and Ohio executed 5.

Lethal injections accounted for 51 of the executions; electrocution, for 1.

Thirty-one of those executed were white and 21 were black. No women were executed.

Jurisdiction	Number of executions	Method used
Texas	24	Lethal injection
Ohio	5	Lethal injection
North Carolina	4	Lethal injection
Oklahoma	4	Lethal injection
Virginia*	4	Lethal injection
Florida	3	Lethal injection
Indiana	1	Lethal injection
Alabama	1	Lethal injection
Mississippi	1	Lethal injection
South Carolina	1	Lethal injection
Tennessee	1	Lethal injection
California	1	Lethal injection
Montana	1	Lethal injection
Nevada	1	Lethal injection
Total	52	

*Virginia executed 1 prisoner by electrocution.

Final counts for 2006 will appear in Capital Punishment 2006, to be released in late 2007. This annual report will consist of data collected from State and Federal correctional agencies. The report will cover all persons under sentence of death on December 31, 2006, as well as those removed from under sentence of death.

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Office of Justice Programs
Bureau of Justice Statistics

Washington, DC 20531

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Methodology

Capital punishment information is collected annually as part of the National Prisoner Statistics program (NPS-8). This data series is collected in two parts: data on persons under sentence of death are obtained from the department of corrections in each jurisdiction currently authorizing capital punishment; and information on the status of death penalty statutes is obtained from the Office of the Attorney General in each of the 50 States, the District of Columbia, and the Federal Government. Data collection forms and more detailed tables are available on the BJS website <www.ojp.usdoj.gov/bjs/abstract/cp05.htm>.

NPS-8 covers all persons under sentence of death at any time during the year who were held in a State or Federal nonmilitary correctional facility. Included are capital offenders transferred from prison to mental hospitals and those who may have escaped from custody. Excluded are persons whose death sentences have been overturned by the court, regardless of their current incarceration status.

The statistics reported in this Bulletin may differ from data collected by other organizations for a variety of reasons: (1) NPS-8 adds inmates to the population under sentence of death not at sentencing but at the time they are admitted to a State or Federal correctional facility; (2) If inmates entered prison under a death sentence or were reported as being relieved of a death sentence in one year but the court had acted in the previous year, the counts are adjusted to reflect the dates of court decisions (see note on table 4 for the affected jurisdictions); and (3) NPS counts are always for the last day of the calendar year and will differ from counts for more recent periods.

This report in portable document format and in ASCII and its related statistical data and tables are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/abstract/cp05.htm>.

Office of Justice Programs

Partnerships for Safer Communities
http://www.ojp.usdoj.gov

All data in this report have been reviewed for accuracy by the data providers in each jurisdiction prior to publication.

The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

BJS Bulletins present the first release of findings from permanent data collection programs.

This bulletin was written by Tracy L. Snell under the supervision of Allen J. Beck. Thomas P. Bonczar provided statistical verification. James J. Stephen and Lyndon Diaz provided statistical review. Tina L. Dorsey and Carolyn Williams produced the report, and Jayne Robinson prepared the report for final printing under the supervision of Doris J. James. At the U.S. Census Bureau, Nicole Gist collected the data under the supervision of Steven M. Bittner and Marilyn M. Monahan.

December 2006, NCJ 215083

DOJ_NMG_ 0171338

Appendix table 1. Federal laws providing for the death penalty, 2005

8 U.S.C. 1342 — Murder related to the smuggling of aliens.

18 U.S.C. 32-34 — Destruction of aircraft, motor vehicles, or related facilities resulting in death.

18 U.S.C. 36 — Murder committed during a drug-related drive-by shooting.

18 U.S.C. 37 — Murder committed at an airport serving international civil aviation.

18 U.S.C. 115(b)(3) [by cross-reference to 18 U.S.C. 1111] — Retaliatory murder of a member of the immediate family of law enforcement officials.

18 U.S.C. 241, 242, 245, 247 — Civil rights offenses resulting in death.

18 U.S.C. 351 [by cross-reference to 18 U.S.C. 1111] — Murder of a member of Congress, an important executive official, or a Supreme Court Justice.

18 U.S.C. 794 — Espionage.

18 U.S.C. 844(d), (f), (i) — Death resulting from offenses involving transportation of explosives, destruction of government property, or destruction of property related to foreign or interstate commerce.

18 U.S.C. 924(i) — Murder committed by the use of a firearm during a crime of violence or a drug-trafficking crime.

18 U.S.C. 930 — Murder committed in a Federal Government facility.

18 U.S.C. 1091 — Genocide.

18 U.S.C. 1111 — First-degree murder.

18 U.S.C. 1114 — Murder of a Federal judge or law enforcement official.

18 U.S.C. 1116 — Murder of a foreign official.

18 U.S.C. 1118 — Murder by a Federal prisoner.

18 U.S.C. 1119 — Murder of a U.S. national in a foreign country.

18 U.S.C. 1120 — Murder by an escaped Federal prisoner already sentenced to life imprisonment.

18 U.S.C. 1121 — Murder of a State or local law enforcement official or other person aiding in a Federal investigation; murder of a State correctional officer.

18 U.S.C. 1201 — Murder during a kidnapping.

18 U.S.C. 1203 — Murder during a hostage taking.

18 U.S.C. 1503 — Murder of a court officer or juror.

18 U.S.C. 1512 — Murder with the intent of preventing testimony by a witness, victim, or informant.

18 U.S.C. 1513 — Retaliatory murder of a witness, victim, or informant.

18 U.S.C. 1716 — Mailing of injurious articles with intent to kill or resulting in death.

18 U.S.C. 1751 [by cross-reference to 18 U.S.C. 1111] — Assassination or kidnapping resulting in the death of the President or Vice President.

18 U.S.C. 1958 — Murder for hire.

18 U.S.C. 1959 — Murder involved in a racketeering offense.

18 U.S.C. 1992 — Willful wrecking of a train resulting in death.

18 U.S.C. 2113 — Bank-robbery-related murder or kidnapping.

18 U.S.C. 2119 — Murder related to a carjacking.

18 U.S.C. 2245 — Murder related to rape or child molestation.

18 U.S.C. 2251 — Murder related to sexual exploitation of children.

18 U.S.C. 2280 — Murder committed during an offense against maritime navigation.

18 U.S.C. 2281 — Murder committed during an offense against a maritime fixed platform.

18 U.S.C. 2332 — Terrorist murder of a U.S. national in another country.

18 U.S.C. 2332a — Murder by the use of a weapon of mass destruction.

18 U.S.C. 2340 — Murder involving torture.

18 U.S.C. 2381 — Treason.

21 U.S.C. 848(e) — Murder related to a continuing criminal enterprise or related murder of a Federal, State, or local law enforcement officer.

49 U.S.C. 1472-1473 — Death resulting from aircraft hijacking.

DOJ_NMG_ 0171339

Appendix table 2. Prisoners sentenced to death and the outcome sentence, by year of sentencing, 1973-2005

Year of sentence	Number sentenced to death	Number of prisoners removed from under sentence of death							Under sentence of death 12/31/2005
				Appeal or higher courts overturned					
		Execution	Other death	Death penalty statute	Conviction	Sentence	Sentence commuted	Other or unknown reasons	
1973	42	2	0	14	9	8	9	0	0
1974	149	11	4	65	15	30	22	1	1
1975	298	6	4	171	24	67	21	2	3
1976	233	14	6	136	17	43	15	0	2
1977	137	19	4	40	26	33	7	0	8
1978	185	36	6	21	36	65	8	0	13
1979	151	28	13	2	28	59	6	1	14
1980	173	45	13	3	29	50	12	0	21
1981	223	55	14	0	42	78	12	1	21
1982	267	60	19	0	39	74	12	1	62
1983	252	63	20	1	27	66	14	2	59
1984	284	64	16	2	45	68	12	8	69
1985	262	46	11	1	41	80	13	4	66
1986	300	67	21	1	47	61	13	5	85
1987	287	51	21	5	40	68	7	7	88
1988	291	54	14	1	34	66	13	0	109
1989	258	40	13	0	31	54	12	1	107
1990	251	43	12	0	36	45	15	1	99
1991	268	36	10	1	35	42	10	0	134
1992	287	38	14	0	27	48	19	0	141
1993	287	47	16	1	19	31	15	0	158
1994	315	54	11	7	27	43	11	0	162
1995	315	44	16	6	15	36	12	0	186
1996	317	24	12	4	19	50	12	0	196
1997	275	16	6	3	21	35	5	0	189
1998	298	15	8	3	20	27	8	0	217
1999	277	9	8	9	16	27	10	0	198
2000	232	8	6	4	11	26	9	0	168
2001	162	6	3	3	5	16	2	0	127
2002	167	1	2	4	3	9	5	0	143
2003	153	2	3	2	0	1	0	0	145
2004	138	0	0	2	0	0	0	0	136
2005	128	0	1	0	0	0	0	0	127
Total, 1973-2005	7,662	1,004	327	512	784	1,406	341	34	3,254

Note: For those persons sentenced to death more than once, the numbers are based on the most recent death sentence.

DOJ_NMG_ 0171340

Appendix table 3. Prisoners under sentence of death on December 31, 2005, by State and year of sentencing

State	Year of sentence for prisoners sentenced to and remaining on death row, 12/31/2005														Under sentence of death, 12/31/05	Average number of years under sentence of death, 12/31/05
	1974-82	1983-84	1985-86	1987-88	1989-90	1991-92	1993-94	1995-96	1997-98	1999-00	2001-02	2003	2004	2005		
California	44	34	33	49	60	60	55	74	69	74	39	22	11	22	646	12.0
Florida	34	20	20	30	26	48	42	28	27	37	23	10	12	15	372	12.7
Texas	15	6	8	15	15	32	34	40	54	67	57	31	23	14	411	8.8
Tennessee	9	6	12	9	6	8	4	7	11	8	10	6	5	2	103	12.5
Alabama	8	4	5	11	16	10	21	21	31	20	17	6	7	12	189	9.9
Arizona	6	5	4	14	10	13	15	8	8	1	2	8	7	8	109	11.9
Pennsylvania	5	8	18	20	19	19	33	21	20	22	15	6	5	7	218	11.7
Nevada	5	8	5	8	9	4	6	16	7	7	1	4	1	1	82	13.2
Georgia	5	1	5	8	9	11	9	13	21	13	4	1	4	3	107	11.2
Mississippi	5			1	4	5	9	8	11	9	9	3	2	2	68	9.5
North Carolina	3	1	1		2	9	34	39	31	26	12	6	4	6	174	8.9
Idaho	2	1	2	2	3	1	1	2			2		2		18	13.7
Kentucky	1	4	4	2		4	4	1	5	5	3		2	1	36	11.9
Indiana	1	2	1	1		3	1	3	2	2	2	1		1	20	11.5
Missouri	1	1	2	2	1	5	1	10	8	3	5	3	2	2	46	9.5
Arkansas	1				1	3	7	5	8	6	3		2	2	38	8.9
Ohio		16	22	15	15	20	15	28	24	12	14	8	5	5	199	11.9
Oklahoma		3	2	3	1	1	4	11	21	12	8	9	6	5	86	7.5
South Carolina		3	1		4	5	6	11	8	7	10	5	5	3	68	8.4
Maryland		3						1	1	1			1		7	*
Montana		1		1		1		1							4	*
Nebraska		1	1					2		2	1		1	2	10	7.9
Louisiana			3	5	1	3	4	16	19	14	7	1	6	4	83	8.3
Utah			2	1	1	1	1	2		1					9	*
New Jersey					2		3	3	1				1		10	10.5
Connecticut					1	2		1		1			1	1	7	*
Oregon						4	3	5	6	5	3	2	2	1	31	7.7
Delaware						2	3		1	1	5	2	2		16	6.7
Washington						1	2	1	2		4				10	8.1
Federal system							2	2	5	4	6	2	10	6	37	4.1
South Dakota							1		1		2				4	*
New Mexico								1			1				2	*
Colorado								1				1			2	*
Virginia									3	6	5	5	2	1	22	4.3
Wyoming									1				1		2	*
Illinois												2	4	1	7	*
New York												1			1	*
Total	145	128	151	197	206	275	320	382	406	366	270	145	136	127	3,254	10.7

Note: For those persons sentenced to death more than once, the numbers are based on the most recent death sentence.
*Averages not calculated for fewer than 10 inmates.

DOJ_NMG_ 0171341

Appendix table 4. Number sentenced to death and number of removals, by jurisdiction and reason for removal, 1973-2005

State	Total sentenced to death, 1973-2005	Number of removals, 1973-2005					Under sentence of death, 12/31/05
		Executed	Died	Sentence or conviction overturned	Sentence commuted	Other removals	
U.S. total	7,662	1,004	327	2,702	341	34	3,254
Federal	47	3	0	6	1	0	37
Alabama	368	34	20	123	2	0	189
Arizona	261	22	12	111	6	1	109
Arkansas	105	27	3	35	2	0	38
California	851	12	50	128	15	0	646
Colorado	20	1	2	14	1	0	2
Connecticut	10	1	0	2	0	0	7
Delaware	52	14	0	22	0	0	16
Florida	907	60	41	414	18	2	372
Georgia	308	39	12	141	8	1	107
Idaho	42	1	3	17	3	0	18
Illinois	298	12	14	97	156	12	7
Indiana	99	16	2	53	6	2	20
Kansas	8	0	0	8	0	0	0
Kentucky	77	2	4	34	1	0	36
Louisiana	228	27	6	104	7	1	83
Maryland	53	5	2	35	4	0	7
Massachusetts	4	0	0	2	2	0	0
Mississippi	182	7	4	100	0	3	68
Missouri	174	66	9	51	2	0	46
Montana	15	2	2	6	1	0	4
Nebraska	30	3	3	12	2	0	10
Nevada	141	11	12	32	4	0	82
New Jersey	52	0	3	31	0	8	10
New Mexico	28	1	1	19	5	0	2
New York	10	0	0	9	0	0	1
North Carolina	517	39	15	281	8	0	174
Ohio	388	19	19	140	11	0	199
Oklahoma	332	79	12	153	2	0	86
Oregon	56	2	1	22	0	0	31
Pennsylvania	371	3	16	128	6	0	218
Rhode Island	2	0	0	2	0	0	0
South Carolina	190	35	4	80	3	0	68
South Dakota	5	0	1	0	0	0	4
Tennessee	216	1	13	94	3	2	103
Texas	994	355	32	144	51	1	411
Utah	26	6	1	9	1	0	9
Virginia	145	94	6	12	10	1	22
Washington	38	4	1	23	0	0	10
Wyoming	12	1	1	8	0	0	2
Percent	100%	13.1%	4.3%	35.3%	4.4%	0.4%	42.5%

Note: For those persons sentenced to death more than once, the numbers are based on the most recent death sentence.

DOJ_NMG_ 0171342

Appendix table 5. Executions, by State and method, 1977-2005

State	Number executed	Lethal injection	Electrocution	Lethal gas	Hanging	Firing squad
U.S. total	1,004	836	152	11	3	2
Federal	3	3	0	0	0	0
Alabama	34	10	24	0	0	0
Arizona	22	20	0	2	0	0
Arkansas	27	26	1	0	0	0
California	12	10	0	2	0	0
Colorado	1	1	0	0	0	0
Connecticut	1	1	0	0	0	0
Delaware	14	13	0	0	1	0
Florida	60	16	44	0	0	0
Georgia	39	16	23	0	0	0
Idaho	1	1	0	0	0	0
Illinois	12	12	0	0	0	0
Indiana	16	13	3	0	0	0
Kentucky	2	1	1	0	0	0
Louisiana	27	7	20	0	0	0
Maryland	5	5	0	0	0	0
Mississippi	7	3	0	4	0	0
Missouri	66	66	0	0	0	0
Montana	2	2	0	0	0	0
Nebraska	3	0	3	0	0	0
Nevada	11	10	0	1	0	0
New Mexico	1	1	0	0	0	0
North Carolina	39	37	0	2	0	0
Ohio	19	19	0	0	0	0
Oklahoma	79	79	0	0	0	0
Oregon	2	2	0	0	0	0
Pennsylvania	3	3	0	0	0	0
South Carolina	35	29	6	0	0	0
Tennessee	1	1	0	0	0	0
Texas	355	355	0	0	0	0
Utah	6	4	0	0	0	2
Virginia	94	67	27	0	0	0
Washington	4	2	0	0	2	0
Wyoming	1	1	0	0	0	0

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From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 1:44 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL TASK FORCE ARRESTS ROCKFORD MAN IN FOILED PLAN TO SET OFF GRENADES IN ROCKFORD SHOPPING MALL

Attached please find complaint and affidavit.

Department of Justice

United States Attorney Patrick J. Fitzgerald
Northern District of Illinois

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV/USAO/ILN

CONTACT: RANDALL SAMBORN
PHONE: (312) 353-5300
FAX: (312) 353-2067

FEDERAL TASK FORCE ARRESTS ROCKFORD MAN IN FOILED PLAN TO SET OFF GRENADES IN ROCKFORD SHOPPING MALL

CHICAGO – A Rockford, Ill., man was arrested and charged with allegedly planning to set off several grenades in garbage cans at a shopping mall in Rockford, about 90 miles west of Chicago, federal authorities announced today. The defendant, Derrick Shareef, was arrested Wednesday without incident by agents of the FBI-led Chicago Joint Terrorism Task Force (JTTF) when he met with an undercover agent at a store parking lot in Rockford to trade a set of stereo speakers for four hand grenades and a hand gun. He was charged with one count of attempting to damage or destroy a building by fire or explosion and one count of attempting to use a weapon of mass destruction in a complaint filed today in U.S. District Court in Chicago, announced Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois.

Shareef, 22, of Rockford, was scheduled to have his initial court appearance at 1:00 p.m. today before U.S. Magistrate Judge Maria Valdez in Federal Court in Chicago.

"Once the threat Shareef posed was detected by the Joint Terrorism Task Force, his activities and movements were under constant surveillance and there was no imminent risk to the public," Mr. Grant said. "By using an undercover agent, confidential sources and physical surveillance, the JTTF was in position to continuously monitor Shareef's activities and was prepared to intervene before he could act. This case demonstrates the value of teamwork and the partnership embodied in the JTTF."

Mr. Fitzgerald said, "While these are very serious charges, at no time was the public in any imminent peril as a result of the defendant's activities."

Both officials noted the charges allege that Shareef was acting alone.

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Shareef allegedly planned to set off grenades at the CherryVale Shopping Mall, near the junction of Interstate 90 and Interstate 39 on the east side of Rockford. The mall, which has approximately 130 retail stores, is owned by CBL & Associates Properties, Inc, based in Chattanooga, Tenn. The mall was among several potential targets that Shareef allegedly discussed during the course of the investigation – the others were primarily local government facilities.

According to an FBI affidavit supporting the complaint, Shareef became acquainted this past September with an individual in Rockford, whom he allegedly told during the course of their acquaintance that he wanted to commit acts of violent jihad against civilians as well as other crimes to obtain funds to further his goals. Unknown to Shareef was that his acquaintance (CS) was cooperating with the FBI. The CS told Shareef that he would introduce him to a friend who was able to obtain weapons. In fact, the CS's purported friend was an undercover agent.

During the investigation, the CS recorded many conversations with Shareef. On Nov. 29, 2006, Shareef mentioned "courthouses, city hall, government places, government facilities," as potential targets. In a conversation the following day, Shareef and the CS discussed the mall as another potential location. About 6:15 p.m. on Nov. 30, 2006, Shareef and the CS went to the CherryVale Mall while under surveillance. They walked around the mall, discussing the layout and spots where they might set off several grenades simultaneously to create more pandemonium, according to the affidavit.

In a conversation on Dec. 1, 2006, Shareef and the CS discussed purchasing hand grenades from the undercover agent, as well as the timing mechanism of the grenades, the charges allege. While driving to the mall a second time in the CS's car, they discussed shaving their body hair and meditating to prepare for an attack. When they arrived at the mall – again under surveillance – Shareef and the CS walked around, allegedly measuring the time it would take to walk from one point in the mall to other points.

On Dec. 2, 2006, while driving around Rockford in the CS's car and still under surveillance, Shareef and the CS discussed providing a set of stereo speakers that Shareef owned to the undercover agent in exchange for four grenades and two hand guns, the affidavit states. Later that day, Shareef and the CS each videotaped each other making statements that, according to the complaint, are commonly made by individuals planning attacks on civilians as part of violent jihad.

In a telephone conversation on Monday Dec. 4, 2006 Shareef and the undercover agent allegedly agreed to exchange the stereo speakers for the weapons, with the agent confirming that he could deliver four grenades, which he called "pineapples," and a "9," which referred to a 9 millimeter handgun, with delivery set for Wednesday Dec. 6, 2006.

Shareef and the CS arrived at a store parking lot on Walton Road in Rockford, where the undercover agent was already waiting, about 12:25 p.m. on Wednesday. After greeting each other, Shareef showed the agent a set of stereo speakers in the trunk of the CS's car and moved them to the trunk of the agent's car. The undercover agent then opened a locked case in the trunk of his car and showed Shareef four non-functioning grenades, a 9 millimeter handgun and several rounds of nonfunctioning ammunition. Shareef took the key to the lock box, picked it up and moved the purported weapons to the trunk of the CS's car. At that time, the undercover agent gave a pre-determined signal and JTTF agents surveilling the transaction arrested Shareef without incident.

The Chicago FBI's JTTF is comprised of federal, state and local law enforcement agencies from throughout the Northern District of Illinois, all of whom contributed to the investigation.

The government is being represented by Assistant U.S. Attorneys Jake Ryan and Victoria J. Peters.

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If convicted, each charge in the complaint carries a maximum penalty of life in prison and a $250,000 fine. Note, however, that the Court would determine the appropriate sentence to be imposed.

The public is reminded that a complaint contains only charges and are not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

# # #

Shareef Final Complaint Cover ...

Shareef Final Complaint Affida...

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Image not available for this document, ID: 0.7.10316.15844-000002

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

AFFIDAVIT

I, Jared Ruddy, Federal Bureau of Investigation, being duly sworn, state as follows:

1. I am a Special Agent in the Federal Bureau of Investigation ("FBI") and have been so employed for more than two years. I am currently assigned to an FBI Counterterrorism squad as well as the Chicago Joint Terrorism Task Force ("JTTF"). My duties include the investigation of individuals who criminally violate the criminal laws of the United States Code. The information contained in this affidavit is based on personal knowledge, information supplied to me by other law enforcement officers, conversations with a confidential source that participated in this investigation, and review of certain documents and records related to this investigation. This Affidavit is submitted for the limited purpose of showing that probable cause exists to charge defendant DERRICK SHAREEF, also known as ("a.k.a.") "Talib Abu Salam Ibn Shareef," with (1) attempting to maliciously damage and destroy, by means of fire and an explosive, a building and real and personal property used in interstate commerce and in any activity affecting interstate commerce, in violation of 18 U.S.C. § 844(i) and (2) attempting to use a weapon of mass destruction against persons and property within the United States, and the offense and the results of the offense would have affected interstate commerce, in violation of 18 U.S.C. § 2332a(a)(2)(D). Thus, I have not set forth each and every fact known concerning this investigation.

Background of the Investigation

2. Beginning in September 2006, SHAREEF became acquainted with an individual in Rockford, Illinois. During the course of their acquaintance, SHAREEF advised this individual that

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he (SHAREEF) wanted to commit acts of violent jihad against targets in the United States as well as commit other crimes in order to obtain funds to further his (SHAREEF's) goals of violent jihad. Unbeknownst to SHAREEF, his acquaintance ("CS") was cooperating with the FBI.[1] During their acquaintance, SHAREEF advised the CS that he (SHAREEF) wanted to obtain weapons to commit violent jihad. The CS advised SHAREEF that he (the CS) had a friend who was able to obtain weapons and that he (the CS) would introduce SHAREEF to the friend. In fact, the CS's purported friend was an undercover law enforcement agent ("UCA").

SHAREEF and the CS Discuss Potential Targets and Visit CherryVale Shopping Center

3. On or about Wednesday, November 29, 2006, in a recorded conversation, SHAREEF and the CS discussed SHAREEF's goals regarding an attack.[2] The CS said to SHAREEF, "when you were talking to me earlier, you seemed really upset." SHAREEF responded: "I was already upset from previous things." The CS then asked: "So, what you wanna do? I was thinking about it upstairs." SHAREEF responded: "A target? . . . I want some type of city hall-type stuff right now, federal court houses." The CS then asked: "I didn't know how serious you are, 'cause I gotta know . . ." SHAREEF interrupted: "No, hell no, I don't talk calm when it comes to this. I'm talking about stuff that's like, . . . 'cause man the courthouse in DeKalb where I be going every month them

[1]The CS has provided credible and reliable information to FBI in the past which has been corroborated through various means including surveillance and the review of taped conversations.

[2]Throughout this affidavit, I will provide my interpretation of the contents of various recorded conversations. My interpretation of these conversations is based upon my training and experience as an agent, my knowledge of the investigation to date, my conversations with the CS, the context of the recorded conversations, and my conversations with other law enforcement agents experienced in criminal investigations. Further, any transcriptions of conversations are in draft form and have not been finalized.

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niggers do weak as hell. You go in there and you clock the first three niggers at the door that they got, and you up in there, you know what I'm saying? And everything else is gonna have to be tactical. But see when you dealing with stuff like that, the courthouse, there's always a PD [police department] right down the block. Know what I'm saying? I just want to smoke a judge." After some additional discussion, the CS asked SHAREEF: "When you wanna plan on doing this? Because we have to make specific plans and dates, time." SHAREEF responded: "Well, I wanna case one first, we can case one when you get the car back." The CS then asked: "What about time frame? . . . 'Cause you got to prepare for everything?" SHAREEF responded: "What do you think? I like the Holiday season." A few moments later, SHAREEF stated: "You gotta do stuff, hell we ain't gotta hit nobody, just blow the place up. You gotta do stuff under severe weather conditions. That helps too. Doing stuff in the snow, rain because you see less pigs out there. That's tactical." Later in the conversation, SHAREEF stated: "I'm thinking stuff like courthouses, city hall, government places, government facilities." The CS then asked: "So, you serious," and SHAREEF responded: "I'm serious. . . ."

4. The following day, on or about Thursday, November 30, 2006, at approximately 6:00 p.m., the CS advised SHAREEF that he (CS) had received a call from the UCA.[3] The CS stated that the UCA had asked during the call whether SHAREEF planned to purchase any weapons from the UCA. The CS and SHAREEF then engaged in a discussion about places where they could conduct an attack against civilians. Specifically, the CS then asked if SHAREEF believed it was a better idea

[3]During this investigation, the FBI provided the CS with an audiotaping device that the CS has used to record many of the conversations he has had with SHAREEF. Several of the conversations described in this affidavit between SHAREEF and the CS were captured by this audiotaping device.

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to "hit the mall," and SHAREEF responded that the mall was "just one potential place." The CS then stated: "I mean, alright, we gotta look at it this way, we want to disrupt Christmas." SHAREEF responded: "Oh hell yeah, the mall is where it's at." The CS then asked SHAREEF if he believed that they needed grenades for the attack, and SHAREEF responded that they did. The CS stated: "You go in there and toss a grenade, and no one's gonna know who did it." SHAREEF responded: "No one's gonna be expecting no shit like that." SHAREEF then stated: "The last thing anybody gonna be thinking about at the mall is a damn grenade." Later in the conversation, the CS asked SHAREEF: "What targets you wanna hit, the mall's good?" SHAREEF responded: "Any place that's crowded, like a mall is good, anything, any government facility is good." SHAREEF told the CS: "I swear by Allah man, I'm down for it too, I'm down for the cause, I'm down to live for the cause and die for the cause, man." In the same conversation, SHAREEF stated: "Here, we're gonna check out some places, see where you could possibly lob one, do you toss it, do you, could you just sit it down and tip off, speed walk away."

5. At approximately 6:15 p.m., on November 30, 2006, FBI surveillance personnel who were following SHAREEF observed SHAREEF and the CS arrive at the CherryVale Shopping Center in Rockford, Illinois. As they arrived at the mall, SHAREEF and the CS continued their conversation which was still being recorded. Specifically, SHAREEF stated: "I think, ah, if we do, do something like this, we gotta do, we gotta do it simultaneously, like you would have to hit one spot and I'll do another one." The CS responded: "That's fine." SHAREEF then stated: "Just meet back up, so it would create more pandemonium, and nobody will really be looking at, you know, nobody will be looking for anyone suspicious 'cause it'll be 80 million people running." SHAREEF and the CS then continued walking around the mall property and discussing the layout of the mall.

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While they were in the mall, the CS asked SHAREEF: "But if you ever wanna back out, 'cause you gotta let me know before I make the phone call, 'cause I'm checking your heart now. . . 'Cause I have to call my boy, man." SHAREEF responded: "I'm down." The CS then stated: "We ain't gonna get caught, don't worry." SHAREEF responded: "I'm not worried about getting caught, not alive." The CS then stated: "If we die, then we die." SHAREEF responded: "I'm gonna fast for like three days before." During this conversation at the mall, FBI surveillance personnel were following SHAREEF.

SHAREEF and the CS Visit the CherryVale Shopping Center a Second Time

6. The following day, on or about Friday, December 1, 2006, the CS advised SHAREEF:

"He said he had an order for 11, . . . 11 pineapples." SHAREEF responded: "Shit, did he do that so he could give 'em to us wholesale?" The CS stated: "No, he said that he'd sell them to us for $50 a pop." The CS then stated, you can change the time up to 15 seconds." SHAREEF asked: "How do you do that?," and the CS answered: "You crank it, there's a crank on it." SHAREEF then asked: How do you know you cranking that shit the right way?," and the CS responded: You gotta listen." SHAREEF then responded: "And then explode." The CS then stated: "He said the longer you take, the harder the pin, the harder the hammer." SHAREEF responded: "So that shit gonna be like Boom!" Based on my training and experience as well as the context of the call, I believe that the CS and SHAREEF were discussing purchasing hand grenades from the UCA. Specifically, I believe that the CS and SHAREEF were discussing the timing mechanism on the grenades which SHAREEF and the CS intended to purchase from the UCA. Approximately fifteen minutes after the preceding part of the discussion occurred, the CS and SHAREEF got into the CS's vehicle. The two men then

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engaged in a discussion about shaving their body hair and meditating to prepare. Based on my training and experience as well as the context of the call, I believe that the CS and SHAREEF were discussing the preparations they would undertake prior to committing an attack.

7. A few minutes after SHAREEF and the CS discussed shaving their body hair and meditating, SHAREEF stated: "I'm ready man, these Kafirs [a term translated as "infidel"] don't give a damn about us, niggers don't care what happens to the Umma [an Arabic word meaning community or nation that is commonly used to mean the collective nation of Islamic states], about sisters getting raped, about brothers losing their (UI). They don't care, man. All they care about is (UI). . . I probably would have eventually ended up just stabbing the shit outta some Jews or something. Just stabbing them niggers with a steak knife. Dude, I ain't gonna lie. Because during that war with Hezbollah, man, I had already started to look at synagogues out here and in the DeKalb area and everything. I was looking at synagogues, I was doing Mapquest. . . . One of them was down the block from the masjid [mosque], I knew that they do their thing on Saturdays, right. I was like, I'm gonna lay low out here, I'm gonna camp out overnight, be out there on Friday night after Jumma" [Friday payer] or Saturday morning about 12:00 or 1:00 o'clock., I be there. And as soon as I see them fools going in the building, I had planned on trying to grab one, depending on how it was, niggers trying to run in the building all at once and open up shop, I was just going to go over there and shank one or two of them." A few minutes later, SHAREEF stated: "They definitely gonna know that this shit ain't over, and they not as safe as they thought."

8. Several minutes later, SHAREEF and the CS arrived again at the CherryVale Shopping Center. When they arrived at the mall, the CS stated: "This place gonna be tore up in about two weeks." SHAREEF responded: "Damn, dude, niggers gonna be gloomy as hell out here,

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I don't know how the nationwide effect gonna be, but . . . ." The CS then asked: "You don't think it's gonna be gloomy nationwide?," and SHAREEF responded: "I don't think it's gonna be gloomy nationwide like 9/11 . . . " The CS then asked: "You don't think so?" SHAREEF answered: "No, not this. This ain't big enough. It's big enough here locally." At about the time this conversation was taking place, FBI surveillance personnel observed SHAREEF and the CS enter the mall. After they entered the mall, SHAREEF and the CS walked around the mall measuring the amount of time it would take to walk from one point in the mall to other points. The two men also discussed placing grenades in the garbage cans at the mall. At one point in the conversation, SHAREEF stated: "It would be hard trying to do three, though, 'cause that's three pins you gotta pull." The CS then stated: "I'm glad you came up with the idea, though, the garbage can. That's sweet," and SHAREEF responded: "That's pandemonium. The garbage going to be shrapnel." A few minutes later, the CS stated: Don't forget, man, we should get the grenades some time next week," and SHAREEF responded: "Yeah." The CS then stated: "So you should try to get as much flous [an Arabic term for money] as you can get 'cause we need it," and SHAREEF responded: I got a little change in the bank." The CS then stated: "All you need is like $100, that's two grenades," and SHAREEF answered: "I'm pretty sure I can get more than that from my sister." Several minutes later, SHAREEF stated: "If Allah wills a lot of people around that garbage can, that place is crowded." The CS responded: "It's gonna be crowded and that can is going to blow that whole area out. Upstairs and everything. You know that. And your favorite term is sprinkler systems coming on." SHAREEF then laughed, and stated: "Sprinklers coming on."[4]

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[4]The CherryVale Shopping Center is operated by CBL & Associates, a real estate investment trust that is headquartered in Chatanooga, Tennessee and traded on the New York Stock Exchange. According to the CherryVale Shopping Center's website, the shopping center

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SHAREEF Makes a Videotaped Statement

9. The following day, on or about Saturday, December 2, 2006, FBI surveillance personnel observed the CS and SHAREEF driving around Rockford in the CS's vehicle. During this period that SHAREEF and the CS were driving in the CS's vehicle, the CS and SHAREEF discussed providing a set of stereo speakers that SHAREEF owned to the UCA in exchange for four hand grenades and two handguns. Again, the two men discussed their plans to detonate the grenades in the garbage cans at the mall. Specifically, the CS stated: "I told him just to get us four grenades. You think that'll be enough?" SHAREEF responded: "Yeah, and the sidearms, right." SHAREEF then asked the CS: "How much do we need for 'Cap' [the UCA]?" The CS answered: "He didn't say, I think what he gonna do is just take the speakers and say 'even,' you know what I am saying, for the grenades and the two pistols." During this conversation, the CS asked SHAREEF if he (the CS) died before the attack, would SHAREEF carry the attack out on his own. SHAREEF responded: "Uh huh. I'll still do this." After this part of the conversation occurred, SHAREEF and the CS arrived at a residence where SHAREEF kept the speakers. At the residence, SHAREEF and the CS obtained a set of speakers.

10. Later that day, on or about Saturday, December 2, 2006, the CS and SHAREEF each videotaped each other making statements. Agents assigned to this investigation obtained a copy of the video from the CS and have viewed it and transcribed it. In the video, SHAREEF states: "This may be my last will and testament, the last words that I have spoken to those who know me, to those who do not know me. My name is Talib Abu Salam Ibn Shareef. I am 22 years of age. I am from

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has 130 stores, including numerous stores operated by companies that do business in multiple states.

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America, and this tape is to let you guys know, who disbelieve in Allah, to let the enemies of Islam know, and to let the Muslims alike know that the time for jihad is now. . . . Be strong, oh Mujahideen. Be strong oh brothers who want to fight for jihad. . . . This is a warning to those who disbelieve, that we are here for you, and I am ready to give my life. . . . May Allah protect me on this mission we conduct. . . . So do not cry, do not mourn for me. Do not believe what the kafir [infidel] will say about me when you read in the newspapers and when you see the television articles about me. Do not believe this. Understand that your son is a strong man. . . who believes and fears his Lord to the degree that he will give his life." Based on my training and experience, it is common for individuals planning attacks on civilians as part of violent jihad to make videotaped statements.

11. On or about Monday, December 4, 2006, the UCA contacted the CS by telephone. This call was recorded and an initial transcription of the call has been prepared. In the call, the UCA asked the CS if he could speak with SHAREEF. The UCA then asked SHAREEF: "So, you're finally ready to do something, huh?," and SHAREEF responded: "Yeah, we ready to put it down." The two men then agreed to exchange the stereo speakers for the weapons. The UCA then stated: "What I got lined up for you, is a, I got four of them pineapples, and then I got that 9 . . ." SHAREEF responded: "Alright." The UCA then stated: "So I'm gonna try and get you that. But, it's gonna work out nice, so we should be all set." SHAREEF responded: "That's good news, man. This is good news." The UCA then advised SHAREEF: "I'm gonna roll through on Wednesday – I'm gonna roll through there." Based on my training and experience as well as the context of the call and my discussions with the UCA, I believe that the UCA and SHAREEF were discussing the delivery of four hand grenades and a hand gun to SHAREEF on Wednesday, December 6, 2006.

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12. On or about Wednesday, December 6, 2006, at approximately 11:50 a.m., the UCA contacted the CS by telephone and asked the CS if he (the CS) and SHAREEF were ready to meet to exchange the stereo speakers for the weapons. The CS responded that he (the CS) and SHAREEF were ready. The CS and the UCA then agreed to meet at a store parking lot located on Walton Road in Rockford, Illinois a short time later. At approximately 12:25 p.m., agents assigned to the investigation observed the CS and SHAREEF arrive at the parking lot where the UCA was already waiting. After the CS and SHAREEF arrived, the UCA, SHAREEF, and the CS greeted each other near the CS's car. (This meeting was recorded in video and audio format.) SHAREEF then opened the trunk to the CS's vehicle and showed the UCA a set of speakers. After a brief discussion about the speakers, SHAREEF picked up the speakers and carried them to the open trunk of the UCA's vehicle. The CS did not walk with SHAREEF and the UCA to the UCA's car. At the trunk of the UCA's vehicle, the UCA advised SHAREEF that he had locked the weapons in a lock box, and he kept them in a lock box in the event police ever stopped him. The UCA then opened a lock box in the trunk of his vehicle and showed SHAREEF four non-functioning grenades, a 9 millimeter hand gun, and several rounds of non-functioning ammunition. SHAREEF and the UCA then discussed the operation of the grenades. Specifically, SHAREEF asked the UCA how long between the time the grenade pin was pulled and the time that the grenade went off. The UCA explained that the time was approximately three to five seconds. The UCA then closed the lock box, SHAREEF took key to the lock box, and SHAREEF picked up the lock box. SHAREEF then placed the lock box containing the purported weapons inside the trunk of the CS's car. At the time that SHAREEF placed the lock box in the trunk, the UCA gave a pre-determined signal to agents who were

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surveilling the transaction, and the agents arrested SHAREEF without incident.

13. Based upon the aforementioned information obtained from tape recordings, documents and witnesses, coupled with my experience investigating federal crimes, I believe that there is probable cause to believe that DERRICK SHAREEF violated (1) 18 U.S.C. § 844(i) by attempting to maliciously damage and destroy, by means of fire and an explosive, a building and real and personal property used in interstate commerce and in any activity affecting interstate commerce and (2) 18 U.S.C. § 2332a(a)(2)(D) by attempting to use a weapon of mass destruction against persons and property within the United States, and the results of the offense would have affected interstate commerce.

FURTHER THE AFFIANT SAYETH NOT

_____
Jared Ruddy
Special Agent, FBI

Sworn to me before and subscribed in my presence on this _____ day of December 2006

_____
United States Magistrate Judge

DOJ_NMG_ 0171360

AUSA Vicki Peters (312) 353-5319
AUSA Jake Ryan (312) 886-7629

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

UNITED STATES OF AMERICA

v.

CRIMINAL COMPLAINT

DERRICK SHAREEF,
a.k.a. "Talib Abu Salam Ibn Shareef,"

CASE NUMBER:

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. From in or about November 29, 2006 to in or about December 6, 2006 in Winnebago County, in the Northern District of Illinois the defendant(s) did (Track Statutory Language of Offense)

attempt to maliciously damage and destroy, by means of fire and an explosive, a building and real and personal property used in interstate commerce and in any activity affecting interstate commerce; and
attempt to use a weapon of mass destruction against persons and property within the United States, and the offense and the results of the offense would have affected interstate commerce,

in violation of Title 18 United States Code, Section(s) 844(i) and 2332a(a)(2)(D).

I further state that I am a(n) Special Agent, Federal Bureau of Investigation and that this complaint is based on the following facts:

See attached affidavit.

Continued on the attached sheet and made a part hereof: X Yes ___ No

Signature of Complainant

Sworn to before me and subscribed in my presence,

December 8, 2006 at Chicago, Illinois
Date City and State

Maria Valdez
United States Magistrate Judge
Name & Title of Judicial Officer

Signature of Judicial Officer

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 1:47 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES

SAN ANTONIO, TEXAS
(VIA VIDEOCONFERENCE)

Good afternoon.

My favorite time of the day is when I tuck my sons in bed. I hold them and ask if they're doing ok, I hear their prayers and kiss them goodnight. I try to listen carefully to what they say and study how their eyes light up when telling a story. Sometimes we laugh. These are magical moments for any parent. Life feels pure and sweet … and everything seems possible. The breadth of a child's imagination and the depth of their dreams know no limits in those twilight conversations.

But the morning dawn pulls back the curtains and reveals a harsher reality. A child's innocence is under siege every day from images, sounds, movies and music. And by far, the greatest threat is the one posed by pedophiles and sexual predators. We must do all that we can to protect our children from these cowardly villains who hide in the shadows of the Internet.

I know that you are already doing a lot in your states to safeguard the innocence of our children. Many of you have been leaders in the fight against online predators and in creating sex offender registries to help keep your communities safe. For that I want to say thank you, and God Bless you.

But more can be done.

That's why in February of this year I announced Project Safe Childhood, a Justice Department initiative aimed at ending abuse and exploitation of kids through the internet. Project Safe Childhood marshals the efforts of

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law enforcement at the federal, state, and local level, along with non-governmental organizations, so that we can make the best use of our resources and obtain the toughest penalties possible under the law.

Earlier this week I attended a gathering of law enforcement, prosecutors and advocacy groups, and I asked them to go back home to inspire everyone in their communities to face this brutal threat with the same boldness that they do. And now I have a request for everyone in this room today as well: please join me, and each other, in building a national, zero-tolerance attitude towards pedophiles and sexual predators.

As a society, we already share a revulsion for what these criminals do to our children. But if we are to really stop pedophiles and predators before they strike…we need to move our country past revulsion, on to determination fueled by outrage, and finally on to action by parents, community organizations, legislators and law enforcement.

- First, to put it in the simplest of terms, we need to get pedophiles and predators off the streets.

I told prosecutors this week that they need to be aggressive in the cases they bring – to show the world that there is no gray area when it comes to hurting kids.

I have asked law enforcement to discipline themselves so that no lead will ever cross the threshold of a prosecutor's office, local police precinct or advocacy center without some kind of follow-up and action. If there is evidence that a child has been hurt, I want to see an arrest, a thorough investigation, and a merciless prosecution if we have the evidence.

As leaders in your States, you have the power to improve investigations, to get pedophiles and predators off the streets by reviewing your computer forensic capabilities and ensuring that they are up-to-speed for dealing with the criminals who target our children, as well as other offenders who use the Internet to facilitate their crimes. We cannot allow ourselves to be "outgunned" by criminals whose knowledge of the Internet and computers exceeds our own. I urge all of you to make sure you build the necessary computer forensic capacity for your law enforcement agencies.

- Second, once we get them off the street, we need to keep the pedophiles and predators behind bars.

This is an area where you as legislators can make a unique contribution to our partnership. We must have stiff state-level penalties for these criminals. I've told law enforcement that where state laws are more aggressive, it should be a state-level case. If the federal law will put a pedophile behind bars for longer, it should be a federal case.

But in order for prosecutors to have the tools they need, there must be strong laws at both the federal and state level. State and local prosecutors far outnumber those at the federal level, and they must be empowered to fully join in this fight. Many of you here today have done an outstanding job on this point, and I want to commend you for that.

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But there are still two states that do not criminalize possession of child pornography without intent to distribute. In six states it is possible for someone to be convicted of possession as only a misdemeanor.

While most states' child pornography laws consider persons under age 18 to be minors, five jurisdictions continue to set the age limit at 17, and five others set it at only 16.

And 20 jurisdictions do not provide mandatory minimum sentences for those convicted of production, distribution, or possession with intent to distribute child pornography.

As a former State government official myself, I can assure you that nobody is more willing than I am to acknowledge that our great national experiment in Democracy and Federalism requires us to celebrate our diversity of laws. But there are some things I think we can agree on, including that perpetrators of these vile crimes should face some minimum sentence. I am not here to tell you exactly what that minimum should be; that's for you to decide.

And again, many of you have already had that debate and adopted minimum sentences. I only respectfully, and I repeat, respectfully, ask those states that have not taken action to join the national consensus of setting some meaningful floor in sentencing these criminals. There should not be any place in this country where a judge could let a child sex offender go free with nothing more than probation. There should not be any jurisdiction where predators can hide behind weak laws.

So experiment with the precise contours of your own laws – and maybe we all will learn from you. But I submit that no State in our Nation can do its duty by its kids unless it has protective laws with real teeth.

On our end, the Department of Justice is determined to step up with funding and assistance to equip law enforcement with all the knowledge they need so that they can work their cases.

I also support new regulations for the federal Bureau of Prisons to pursue the civil commitment of mentally abnormal or disordered sex offenders who would pose a serious danger to others if released. Congress has been creative; under the Adam Walsh Act they've given us the right to pursue that path and others like it, and we are going to.

For those of you who have done so much to protect children, civil commitment laws are another area you might consider in your states as a way of keeping dangerous offenders from re-offending … by continuing to incapacitate them, and by providing them treatment.

- The third, and potentially most important step we all need to take to achieve zero-tolerance is old-fashioned communication – raising our voices, together, to raise awareness and teach prevention.

When he talked about the importance of the civil rights movement, the Reverend Martin Luther King, Junior, said that "History will have to record that the greatest tragedy of this period of social transition was not the strident clamor of the bad people, but the appalling silence of the good people."

That is still true today. For us to be silent on this issue is to fall short of our responsibilities as leaders in a battle to protect society's most vulnerable: our children.

We must seed our communities with our knowledge and our passion. Remember that this communication starts with each other. At conferences like this one, you should be talking to each other about what initiatives are working in your states—what creative methods you and your partners are using to fight this fight.

Sexual predators gladly cross state lines to achieve their goals; we must cooperate across those lines to achieve ours. The citizens of this great country expect us to work together to keep them safe. They want us to be creative and to remember that all of us here today are on the same side.

You are the leaders of your communities, and you have voices that will be heard. Everyone who cares about this issue and has access to the bully pulpit should be talking to parents, teachers, and community groups as often as we can. We need to keep learning from our partners, then keep sharing with our communities – teach them how to recognize signs of abuse, and how to take action if they suspect that a child is being abused.

This message needs to be heard at the local Chamber of Commerce meeting as much as it does at the school board meeting. Because every adult—every adult--is responsible for protecting the next generation of children. And we can't succeed in protecting them unless we establish a true zero-tolerance culture.

I think the President put it very well when he signed the Adam Walsh Act. He said: "Protecting our children is our solemn responsibility. It's what we must do. When a child's life or innocence is taken it is a terrible loss -- it's an act of unforgivable cruelty. Our society has a duty to protect our children from exploitation and danger."

As leaders, our duty is clear. We must not only legislate, investigate, and prosecute – we must speak, and speak again, and speak more loudly and more clearly if we aren't being heard.

Because when responsible citizens stop and see what is being done to our kids … and how determined predators are to get access to children … they, like you, will be moved to help.

The average citizen will step between molesters and their victims. They will notify authorities when they think something 'just isn't right.'

They will follow the example set by Tracie Dean earlier this year. Tracie took action when she couldn't stop thinking about the little girl she saw at a convenience store who "just didn't belong" with the man next to her.

Tracie couldn't put the child's face out of her head. Maybe it was the look in her eyes, she didn't know… but she returned to the convenience store – hundreds of miles from her home – and worked with the store manager

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and local police to find out the story of the little girl she had seen, the girl she was so worried about though she didn't know quite why.

As it turns out, Tracie was right. The man who she'd seen with the child was arrested and has been charged with statutory rape, sexual abuse and sodomy in connection with that girl and a 17-year-old boy also found living with him. Doctors confirmed that the young girl had been severely sexually assaulted.

Thanks to Tracie, that little girl is finally safe from the man who was hurting her. She is now in foster care and we pray that her wounds – both physical and emotional – are healing today.

We have the ability to create a nation of Tracie Deans.

If everyone acts like she did, the number of people actively protecting children every day, everywhere they go, will absolutely dwarf the number of twisted minds trying to hurt them.

People often ask me what keeps me up at night. Obviously the threat of a terrorist attack never leaves my mind, and it is the top priority of our government to keep that from happening.

But it is the faces of child victims that haunt my dreams. I can see their eyes, that awful emptiness, as if their tiny souls are trying to detach themselves from their desecrated bodies. The images of these victims have become part of my heart, and I am not going to tire in this fight to protect them.

I know you are with me. That is why, today, we are brothers and sisters in a common cause – you and me and the good citizens you represent, standing shoulder to shoulder, like sentinels at the watch.

President Bush has talked to the American people about the need for armies of compassion to rise up to battle the evils of our society.

We are not yet there on this issue, but our band of soldiers grows stronger every day. Parents and community groups will be our infantry. Strong laws will be our artillery. And our prosecutors will be our cavalry.

Our fight owes so much to the leadership shown by many of you in this room. Today I want to encourage you to go back to your states and work to make your laws as strong as possible, to give your prosecutors the powerful weapons they need for this battle.

I think there are some basic principles on which we should be unified, and I would ask all states to achieve these three things:

- Criminalize as a felony all child pornography offenses.
- Adopt harsher sentences and mandatory minimums.
- And set the definition of a "child" at 18 years.

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And for those of you whose laws already do all that and more, I suggest you look for other creative opportunities to advance our cause. Work to develop digital forensics capacity in your State labs. Consider the option of civil commitment for dangerous sexual predators. Hit child pornographers in their wallets by requiring restitution for their victims.

I know you join me in looking forward to the day when we are routinely catching and prosecuting the criminal who is buying child pornography and has signed up to be a summer camp counselor … but hasn't yet touched a child.

A day when justice is served before an abusive parent invites his daughter's friends over for a slumber party.

A day when we never hear from the people who brag on the Internet about being revolutionaries, fighting for the so-called "sexual rights of children" – as though they are doing kids a favor by sexually molesting and exploiting them.

I want these pedophiles off the streets.

I want them put away for as long as the law will allow.

And I want all of society to act as one united front against this threat.

I know you join me in each of these goals. You and I won't tolerate the continued victimization, exploitation, and desecration of our children. And soon, with your help, no one else in this nation will, either.

Thank you for your leadership on this and on so many other issues, such as comprehensive immigration reform. We look forward to working with you on these issues over the coming months.

May God bless you, and each of your States, and may he continue to bless the greatest nation on earth, the United States of America.

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Image not available for this document, ID: 0.7.10316.15722-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Friday, December 8, 2006 2:26 PM
Subject: System Maintenance MAIN Switch Upgrades
Importance: High

SMO/JMD JCON Service Interruption

As a part of a JCON Switch Upgrade Project, an outage is required. The outage will occur during the posted service window below. This upgrade will be performed on resources located in the RFK Main Justice Building.

When: Sunday, December 10, 2006, 12:01 am to 2:30 am

Event: JCON Cisco Catalyst Upgrade

Customers Affected: Select Areas of Main Justice Building, JCON Customers

- Office of the Attorney General
- Office of the Deputy Attorney General
- Office of the Assistant Attorney General for Administration
- Office of the Chief Information Officer
- Executive Secretariat
- Conference Center
- Consolidated Executive Office
- Security and Emergency Planning Staff (SEPS)
- Library Staff
- SEPS/Command Center
- Operations Services Staff
- Office of Legislative Affairs
- Office of Public Affairs
- Office of Legal Policy
- Office of the Inspector General
- Office of Legal Counsel
- Multimedia/Facilities & Administrative Services

Unavailable Services:

- Email Services
- Internet Resources
- G:\ Drive Resources
- H:\ Drive Resources
- M:\Drive Resources
- Network Printers

Available Services: BlackBerry (PIN to PIN messaging is available)

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, December 08, 2006 2:28 PM
Subject: Fire Alarm Testing - MAIN Justice Building - REMINDER

FIRE ALARM TESTING – MAIN JUSTICE BUILDING

The fire alarm system in the MAIN Justice Building will be tested beginning at 7:00 p.m., Friday, December 8th. The primary focus will be on the recently repaired fire alarm equipment in the basement areas as well as SCIF areas. During the test, the alarms, strobes and public address announcements will be sounded and all alarm devices will be observed and verified for operational purposes. The entire test will take approximately 4 hours to complete. Prior to the sounding of the alarms, a public address announcement will be made advising any remaining occupants in the building of the impending tests.

Check **DOJNet** @ http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Friday, December 8, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948585 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 3:45 PM
To: USDOJ- Office of Public Affairs
Subject: OFFICIALS TO ANNOUNCE BOGUS BUSINESS OPPORTUNITY SWEEP

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

OFFICIALS TO ANNOUNCE BOGUS BUSINESS OPPORTUNITY SWEEP

WASHINGTON — The Federal Trade Commission, Department of Justice, and U.S. Postal Inspection Service will announce a federal and state law enforcement sweep targeting bogus business opportunities and work-at-home scams. The press conference on **Tuesday, DECEMBER 12 at 10:30 a.m.** will announce **more than 100 law enforcement actions** and new education materials. **Consumer guests who invested in bogus business opportunities will also be telling their stories.**

WHO: Peter Keisler, Assistant Attorney General for the Civil Division
Deborah Platt Majoras, FTC Chairman
Lee Heath, Chief U.S. Postal Inspector

Consumer guests who invested in bogus business opportunities

WHAT: Press Conference

WHEN: **TUESDAY, DECEMBER 12, 2006**
10:30 A.M.

WHERE: Federal Trade Commission, Room 432
600 Pennsylvania Ave NW
Washington, DC
OPEN PRESS

NOTE: Press inquiries regarding logistics should be directed to Jackie Dizdul, FTC Public Affairs at 202-326-2180 or 202-746-1578. Reporters interested in attending the press conference will be permitted access to Room 432 at 10:00 A.M. Reporters unable to attend may access the press conference by calling:

1-800-497-7708
Chairperson: Gail Kingsland
Conference ID number: 4055095

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The lines will open at 10:15 a.m.

# # #

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Image not available for this document, ID: 0.7.10316.15711-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 8, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948629 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 5:34 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF WAN J. KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, ON ORDER OF A REMEDIAL VOTING PLAN IN U.S. V. OSCEOLA COUNTY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV

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(202) 616-2777
TDD (202) 514-1888

STATEMENT OF WAN J. KIM, ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, ON ORDER OF A REMEDIAL VOTING PLAN IN U.S. V. OSCEOLA COUNTY

"We are extremely pleased with today's court ruling, which orders a five single-member district remedial plan to replace Osceola County's unlawful at large election system," said Wan J. Kim, Assistant Attorney General for the Justice Department's Civil Rights Division. "Moving forward with elections next spring under a lawful plan is an important victory for all the residents of Osceola County, Fla. and particularly for its Hispanic citizens who have been denied the right guaranteed by the Voting Rights Act to full and equal participation in the democratic process in county government."

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06-822

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Image not available for this document, ID: 0.7.10316.15729-000002

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

-vs- **Case No. 6:05-cv-1053-Orl-31DAB**

OSCEOLA COUNTY, FLORIDA and DONNA BRYANT, Supervisor of Elections,

Defendants.

ORDER

On October 18, 2006 this Court issued its Opinion finding that Defendants (collectively referred to herein as the County) had violated Section 2 of the Voting Rights Act. (Doc. 89). That Opinion ordered the parties to submit proposed remedial plans by November 22, 2006. A hearing on the remedial plans was held on December 7, 2006.

The County's remedial plan was legislatively enacted on November 13, 2006, following a public hearing, by adoption of Resolution No. 06-078(R). That plan proposed to increase the number of county commissioners from five to seven, with five single-member districts and two at-large seats elected county-wide. The County proposes a special election to be held in the Spring of 2007, at which time two single-member district commissioners would be elected to four year terms: District 3 (the Hispanic majority district for which there would be no incumbent) and District 4 (in which Ken Smith is the incumbent). In addition, the two county-wide at-large seats

would be elected–Group 1 for a four-year term and Group 2 for a two-year term.[1] The three commissioners elected in 2004, Messrs. Owen (District 1), Shipley (District 2) and Lane (District 5) would continue to serve the balance of their four-year terms.

The United States objected to the County's plan, contending that the only appropriate remedy is a five-member single district plan. The United States proposed two such plans with all five seats to be elected in the spring special election. The single-member district plans proposed by the United States were drawn based on 2000 Census data. Each plan contains a Hispanic majority district with no incumbent. The plans are compact and within the allowable ten percent deviation. Also, with minor necessary exceptions, both plans build districts using whole precincts. The only significant difference between the two plans is that plan 2 separates two incumbent commissioners–Messrs. Smith and Shipley.

For proportionality purposes, the County drew its districts using certificate of occupancy data to update the Census data. Notwithstanding the County's effort to refine that data, the Court concluded that 2000 Census data should be used for remedial purposes. (See this Court's Order at Doc. 96). On December 6, 2006, the parties stipulated to using the districts outlined in the United States' second remedial plan. (Doc. 97).[2] Therefore, the only remaining issue in dispute is whether the two additional at-large seats proposed by the County are consistent with the remedial purposes of the Act.

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[1]The variance in term-lengths is necessary to create staggered elections.

[2]See County Resolution No. 06-092(R), dated December 6, 2006.

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The County contends that its legislative plan is entitled to deference, and should be adopted unless it is in violation of the Act. *Wise v. Lipscomb,* 437 U.S. 535, 540 (1978); *Tallahassee Branch of NAACP v. Leon County*, 827 F.2d 1436, 1438 (11th Cir. 1987). The United States, on the other hand, argues that this Court does not have the authority to approve the County's plan because it increases the size of the legislative body. The United States relies on a line of cases in the Eleventh Circuit stemming from the United States' Supreme Court's decision in *Holder v. Hall,* 512 U.S. 874 (1994). None of those cases, however provide clear direction under the circumstances presented here.

In *Holder,* the Court held that a Section 2 challenge based on the size of a legislative body could not be successful, because the Court would have no guidance in choosing a benchmark against which to compare the current system. *Id.* at 881, 885. *Holder* was about liability, not remedy. In this case, liability has already been determined, and was not based on the size of the Board.

The Eleventh Circuit first applied *Holder* in *Nipper v. Smith,* 39 F.3d 1494 (11th Cir. 1994). In *Nipper,* the Court refused to find liability in a case in which all of Plaintiffs' comparison plans involved changes in the size of the governmental body. Again, the Court held that a liability challenge based on the size of the body could not be successful. The *Nipper* Court did state that, under *Holder*, "federal courts may not *mandate* as a section 2 remedy that a state or political subdivision alter the size of its elected bodies." *Id* at 1532 (emphasis supplied). However, the holding does not necessarily preclude a court from *approving* a change in the size of the electoral body as part of a legislatively enacted Section 2 remedy.

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Essentially, the line of cases cited by the United States stand firmly for the principal that judicially enacted plans, or even plans proposed by the parties, that increase the size of an elected body are impermissible. However, none of those cases address remedial plans that were enacted by a legislative body, as is the case here. Furthermore, none of them purport to overrule cases such as *Wise* and *Leon County* which support the principal of deference to legislative plans, even when they alter the size of elected bodies. Therefore, it appears that the law regarding whether district courts have the power to approve a legislatively enacted increase in the size of an elected body is unclear. However, this Court need not decide that issue, because, in this case, the County's 5-2 plan is not a full and adequate remedy and therefore cannot be approved in any case.

In Section 2 cases, it is clear that any remedy sanctioned by the Court must completely remedy "the prior dilution of minority voting strength and provide equal opportunity for minority citizens to participate and to elect candidates of their choice." *White v. Alabama,* 74 F.3d 1058, 1069 (11th Cir. 1996). While courts may not ensure or require that minorities receive proportional representation in any elected body, the equal opportunity to elect candidates is at the heart of the Section 2. *Id.* at 1072. The County's plan, in effect, perpetuates the vote dilution that this case seeks to resolve.

Under the United States' plan, the Hispanic community would have a reasonable opportunity to elect one out of five members of the Board (20%). Under the County's plan, however, that opportunity is diluted to one out of seven (14%). Furthermore, the United States has presented evidence that, with a board of seven members, the Hispanic community should have an opportunity to elect two board members (28%), because if Osceola County were to be split into

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seven districts, a plan can be drawn in which two of those districts are majority Hispanic.[3] As this Court has already found, Hispanics in Osceola County have no reasonable opportunity to elect members in an at-large election. Therefore, given the high degree of historically polarized voting, the extra two at large seats are completely out of the reach of the Hispanic community. The County's plan results in an unequal opportunity for Hispanics to elect members of the Board, and therefore, is not a full and adequate remedy to the Section 2 violation.

Finally, the United States' agreed in open court to the implementation of the schedule and pre-registration plan proposed by the County. Thus, this Court approves the United States' Proposed Remedial Plan 2,[4] as well as the County's proposed electoral schedule and pre-registration proposal.[5]

DONE and **ORDERED** in Chambers, Orlando, Florida on December 8, 2006.

GREGORY A. PRESNELL
UNITED STATES DISTRICT JUDGE

Copies furnished to:

Counsel of Record
Unrepresented Party

[3]In fact, in the seven district model, there is a third district that is 46% Hispanic, and therefore Hispanics would have an opportunity to substantially influence the election of three members of the Board.

[4]A five single-member district plan, using the map contained in the stipulation. (Doc. 97 at 7).

[5]Outlined in the calendar attached to the County's Proposed Remedial Plan. (Doc 92 at 37-42).

DOJ_NMG_ 0171386

From: USDOJ- Office of Public Affairs
Sent: Friday, December 08, 2006 5:36 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN NEW ORLEANS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 8, 2006
WWW.USDOJ.GOV

CRT
(202) 616-2777
TDD (202) 514-1888

JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN NEW ORLEANS

WASHINGTON - The Justice Department today announced that on Dec. 9, 2006, it will monitor the congressional runoff election in New Orleans, La., to ensure compliance with the Voting Rights Act.

The Department monitors will watch and record activities during voting hours at polling locations in the city. A Civil Rights Division attorney will coordinate the federal activities and maintain contact with local election officials.

Each year, the Justice Department deploys hundreds of federal observers from the Office of Personnel Management, as well as departmental staff, to monitor elections across the country. In 2004, a record 1,463 federal observers and 533 Department personnel were sent to monitor 163 elections in 105 jurisdictions in 29 states. This compares to the 640 federal observers and 103 Department personnel deployed in 2000. On Nov. 7, 2006, the Department deployed an unprecedented number of federal personnel to monitor the midterm election, sending more that 500 federal observers and more than 350 Justice Department personnel to 69 jurisdictions in 22 states – more than double the total sent on Election Day in 2002 – the previous record for a midterm election.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

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06-823

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Image not available for this document, ID: 0.7.10316.15710-000002

System Administrator

From: System Administrator
Sent: Friday, December 08, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948819 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, December 8, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948820 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 9, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948820 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948821 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948822 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948823 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948824 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948825 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 09, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948826 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 10, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948826 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 10, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948827 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 10, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948828 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 10, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948829 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 10, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948830 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 10, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948831 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 10, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948832 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 948832 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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See client Help for more information.

Oxford Alumni and Continuing Education

From: Oxford Alumni and Continuing Education
Sent: Monday, December 11, 2006 8:13 AM
To: Gorsuch, Neil M
Subject: Alumni Email Forwarding Service, 2007 Travel Brochure and Continuing Education

Oxford |Banner

Dear Oxford Alumni and Friends

This e-newsletter contains the latest news about Oxford 's alumni activities from the Oxford University Society. We are also pleased to give you an update about Oxford 's short courses - online and residential.

Oxford Alumni Weekend 14-16 September, 2007 - Save the date!
Make sure you save the weekend of the 14 th to the 16 th of September, 2007 so you can return to Oxford for the University's first alumni weekend. There will be college events, a chance to collect your MA, panels, lectures, performances, visits and tours, and sporting contests. Online booking from an interactive website starts on the 1 st of April, 2007. Programme details will be added to the Society's website from mid-February.

Alumni Email Forwarding Service
This service is now available to all Oxford alumni. This is your chance to sign up for an Oxford-based email address, which you can keep for life. The service is free, includes anti-virus checking and spam scoring , and is easy to use. Any messages sent to your alumni email address will b! e automat

OUS Travel Programme 2007
The new OUS Travel Brochure 2007 is now available. This brochure features a unique trip to Antarctica , which will be a once in a lifetime experience. Other new trips include 'Exploring the Veneto', accompanied by Professor Richard Cooper. Two new cruise companies are included in this brochure: Cunard and Spirit of Adventure.

To see an online copy of the new 2007 brochure, please click here: Alumni travel brochure . If you would prefer a paper copy of the brochure, please contact OUS by email: travel@ousoc.ox.ac.uk

The Boat Race: Saturday 7 April 2007
We will watch the 2007 Boat Race from 'the ultimate riverside venue', the Fulham Football Club at Craven Cottage. Fulham's new conference facilities offer plasma screen televisions for when the bo! ats are o

Insider's Oxford with Continuing Education
For those of you able to spend time with us in Oxford, we have an exciting new residential programme to be held at Merton College from 18 - 24 March 2007 called 'Insider's Oxford'.

Online Short Courses from Continuing Education
Our online short courses have expanded again! January sees the launch of our second online archaeology course: Exploring Roman Britain as well as two new online philosophy courses: Introduction to Political Philosophy and

Are you new to studying online? You can now see an example of the study material from each of our online courses, and some of the discussions, online short course demonstration. Our short courses students also benefit from free access to Oxford University Press's complete suite of online resources – for more details see Access to OUP resources.

Enrolment forms can be downloaded from the course web pages - do send in your completed form as soon as possible as course places are limited. Visit: Online Short Courses to find out more, including full course and fee details, and to enrol.

Best wishes,

Nancy Kenny , Secretary of Oxford University Society
Tristram Wyatt , Director of Distance and Online Learning

If you prefer not to receive future information about the Oxford University Society or online course offerings from Oxford , simply reply to this message and let us know.

1998 Data Protection Act

The data used for this mailing are securely held in the University Development Office and will be treated confidentially and with sensitivity for the benefit of the University of Oxford , its members and friends. The data are available to our international offices, colleges, faculties, academic and administrative departments, recognised alumni societies, sports and other clubs associated with the University, and to agents contracted by the University for particular alumni-related projects.

Data are used for a full range of alumni activities, including the sending of University publications, the promotion of benefits and services available to alumni, notification of alumni events and of programmes involving academic and administrative departments. Data may al lso be us

System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 956478 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 11, 2006 9:53 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 11, 2006

Department of Justice

PRESS GUIDANCE
Monday, December 11, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171410

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Image not available for this document, ID: 0.7.10316.15494-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, December 11, 2006 11:29 AM
Subject: JCON BROADCAST, WEEK OF DECEMBER 11, 2006

JCON BROADCAST, WEEK OF DECEMBER 11, 2006

1. **Federal Employees Health Benefits Open Season is Almost Over**
2. **Holiday Season Blood Drive—December 14, 2006**
3. **NO FEAR ACT Training Requirement For All DOJ Employees**
4. **Research Classes Offered By Library Staff**

Federal Employees Health Benefits Open Season is Almost Over

The Federal Employees Health Benefits (FEHB) open season is just about over!!! Today, December 11, 2006, is the last day to make changes to your current plan or switch to another plan. Changes to your FEHB should be made through Employee Self Service (ESS). If you do not have access to ESS or need assistance, please contact your servicing personnel office. Changes that are made during this 2006 Open Season period are effective January 7, 2007 (the first day of the first full pay period of the new year).

During the FEHB 2006 Open Season, eligible employees can enroll in the Flexible Spending Accounts (FSAFEDS) program. FSAFEDS allows you to set aside money before taxes to pay for a wide range of health care and dependent care expenses.

FSA elections must be made annually during the FEHB Open Season, which ends December 11, 2006!!!! Even if you enrolled during last year's open season, you must make a new election to continue participating in 2006. You can find useful information about FSAFEDS on its website, www.fsafeds.com. FSAFEDS representatives are available to answer your questions. They may be reached at 1-877-FSAFEDS (1-877-372-3337) Monday through Friday from 9:00 a.m. until 9:00 p.m., Eastern Time. (TTY line: 1-800-952-0450.)

Last but not least—to take advantage of the new Federal Employees Dental and Vision Insurance Program (FEDVIP), you must enroll during open season. FEDVIP allows individuals to sign up for supplemental dental and vision benefits. Coverage will be effective December 31, 2006. To sign up for dental and/or vision insurance, please go to the BENEFEDS website at www.benefeds.com.

Don't forget—today, December 11, 2006, is the last day of open season!

Holiday Season Blood Drive—December 14, 2006

The Department will conduct a Holiday Season Blood Drive from 8:30 a.m. to 2:00 p.m., on Thursday, December 14, 2006, in the Great Hall of the Robert F. Kennedy Main Justice Building. Please contact your organization recruiter or call Lynn Sutton on 305-8986 to schedule your appointment to give the gift of life.

Volunteers who donate blood may be granted up to four hours of excused absence for recuperative purposes.

NO FEAR ACT Training Requirement for all DOJ Employees

The Notification and Federal Employee Antidiscrimination and Retaliation Act (NO FEAR Act) requires Federal agencies to be held accountable for violations of antidiscrimination and whistleblower protection laws. In accordance with this Act, all Federal agencies are required to train and notify their Federal employees on their rights and responsibilities under the antidiscrimination and whistleblower protection laws every two years. DOJ components will be providing either online, video or classroom training for each of their employees to meet this requirement. Please look for further information from your component's Training Coordinator. Employees of DOJ components participating in the online training will receive an e-mail notification with a link to the training.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957087 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957087 KB.
Mailbox size limits:
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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, December 11, 2006 3:35 PM
Subject: MAIN Justice Building Fitness Center Opens for Business

MAIN Justice Building Fitness Center Opens for Business

We are happy to announce that renovations to the fitness center located in the basement of the MAIN Justice Building have been completed, and the fitness center will resume normal operations starting on Tuesday, December 12th (6:45 a.m. to 7:30 p.m., Monday through Friday). The facility has been closed since June 25th due to damage received from the flooding of the MAIN Justice building.

Welcome back all!

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957092 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 11, 2006 6:31 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO VISIT INTERNET CRIMES AGAINST CHILDREN FACILITY AND PARTICIPATE IN PRESS CONFERENCE ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, DECEMBER 11, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO VISIT INTERNET CRIMES AGAINST CHILDREN FACILITY AND PARTICIPATE IN PRESS CONFERENCE ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

WASHINGTON – Attorney General Alberto R. Gonzales will visit the Delaware County Internet Crimes Against Children facility and participate in a press conference on Justice Department efforts to protect children from exploitation and to prosecute sexual predators through Project Safe Childhood on **TUESDAY, DECEMBER 12, 2006.**

WHO: Attorney General Alberto R. Gonzales
U.S. Attorney Patrick Meehan

WHAT: Briefing and Tour of Delaware County Internet Crimes Against Children Facility
Press Conference

WHEN: **BRIEFING**
TUESDAY, DECEMBER 12, 2006
10:40 A.M. EST

TOUR
TUESDAY, DECEMBER 12, 2006
11:35 A.M. EST

PRESS CONFERENCE
TUESDAY, DECEMBER 12, 2006
11:50 A.M. EST

WHERE: **BRIEFING**
Courthouse and Government Center

DOJ_NMG_ 0171419

201 West Front Street
Philadelphia, Pa.
TELEVISION COVERAGE AT TOP

TOUR
Courthouse and Government Center
201 West Front Street
Philadelphia, Pa.
POOL COVERAGE ONLY

PRESS CONFERENCE
Basement Conference Room
Courthouse and Government Center
201 West Front Street
Philadelphia, Pa.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for briefing is no later than 10:10 A.M. EST. Pre-set for tour is no later than 11:00 A.M. EST. Television crews wishing to cover the press conference must arrive no later than 11:20 A.M. EST. **All other media** wishing to cover the press conference **must arrive no later than 11:35 A.M. EST**. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Richard Manieri of the U.S. Attorney's Office at (215) 206-1241.

# # #

06-824

DOJ_NMG_ 0171420

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Image not available for this document, ID: 0.7.10316.15214-000002

System Administrator

From:	System Administrator
Sent:	Monday, December 11, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957137 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 11, 2006 7:26 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO VISIT INTERNET CRIMES AGAINST CHILDREN FACILITY AND PARTICIPATE IN PRESS CONFERENCE ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

UPDATED: Please note that all events will all take place in **Media, Pa.**

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, DECEMBER 11, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO VISIT INTERNET CRIMES AGAINST CHILDREN FACILITY AND PARTICIPATE IN PRESS CONFERENCE ON JUSTICE DEPARTMENT EFFORTS TO COMBAT CHILD EXPLOITATION

WASHINGTON – Attorney General Alberto R. Gonzales will visit the Delaware County Internet Crimes Against Children facility and participate in a press conference on Justice Department efforts to protect children from exploitation and to prosecute sexual predators through Project Safe Childhood on **TUESDAY, DECEMBER 12, 2006.**

WHO: Attorney General Alberto R. Gonzales
U.S. Attorney Patrick Meehan

WHAT: Briefing and Tour of Delaware County Internet Crimes Against Children Facility
Press Conference

WHEN:

BRIEFING
TUESDAY, DECEMBER 12, 2006
10:40 A.M. EST

TOUR
TUESDAY, DECEMBER 12, 2006
11:35 A.M. EST

PRESS CONFERENCE
TUESDAY, DECEMBER 12, 2006
11:50 A.M. EST

DOJ_NMG_ 0171424

WHERE: **BRIEFING**
Courthouse and Government Center
201 West Front Street
Media, Pa.
TELEVISION COVERAGE AT TOP

TOUR
Courthouse and Government Center
201 West Front Street
Media, Pa.
POOL COVERAGE ONLY

PRESS CONFERENCE
Basement Conference Room
Courthouse and Government Center
201 West Front Street
Media, Pa.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for briefing is no later than 10:10 A.M. EST. Pre-set for tour is no later than 11:00 A.M. EST. Television crews wishing to cover the press conference must arrive no later than 11:20 A.M. EST. **All other media** wishing to cover the press conference **must arrive no later than 11:35 A.M. EST**. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Richard Manieri of the U.S. Attorney's Office at (215) 206-1241.

# # #

06-824

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Image not available for this document, ID: 0.7.10316.15217-000002

[redacted]

From: [redacted]
Sent: Monday, December 11, 2006 7:58 PM
To: [redacted]@yahoo.com
Subject: REMINDER: Post-CFR Holiday Party, 8:00 pm, CLOUD

EVENT: Post-CFR Holiday Party

TIME: Tuesday, Dec 12, 8:00 pm - ?

PLACE: Cloud (1 Dupont Circle at New Hampshire Ave - south side of circle)

Feel free to bring along friends and guests. Please note that this is NOT an official CFR event.

For those term members attending or unable to attend the CFR Holiday Party on Tuesday, December 12th from 6 to 8 pm, please note that there will be a gathering of term members and guests immediately after the CFR event at Cloud *(across the Circle from the Washington Club, venue of the CFR holiday event)*

Everyone is raving about the all-new Yahoo! Mail beta.

System Administrator

From: System Administrator
Sent: Monday, December 11, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957183 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 12, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 957184 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, December 12, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 960245 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 10:25 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 12, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, December 12, 2006

ATTORNEY GENERAL

10:40 A.M. EST Attorney General Alberto R. Gonzales will participate in a briefing at the Delaware County Internet Crimes Against Children facility.
Courthouse and Government Center
201 West Front Street
Media, Pa.
TELEVISION COVERAGE AT TOP

11:35 A.M. EST Attorney General Alberto R. Gonzales will participate in a tour of the Delaware County Internet Crimes Against Children facility.
Courthouse and Government Center
201 West Front Street
Media, Pa.
POOL COVERAGE AT TOP

11:50 A.M. EST Attorney General Alberto R. Gonzales will participate in a press conference on Justice Department efforts to protect children from exploitation and to prosecute sexual predators through Project Safe Childhood.
Basement Conference Room
Courthouse and Government Center
201 West Front Street
Media, Pa.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for briefing is no later than 10:10 A.M. EST. Pre-set for tour is no later than 11:00 A.M. EST. Television crews wishing to cover the press conference must arrive no later than 11:20 A.M. EST. **All other media** wishing to cover the press conference **must arrive no later than 11:35 A.M. EST**. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Richard Manieri of the U.S. Attorney's Office at (215) 206-1241.

PRESS RELEASES

DOJ_NMG_ 0171432

The Civil Division will issue a joint release with the Federal Trade Commission. (Miller)

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

10:30 A.M. EST The Federal Trade Commission, Department of Justice, and U.S. Postal Inspection Service will announce a federal and state law enforcement sweep targeting bogus business opportunities and work-at-home scams.
Federal Trade Commission
Room 432
600 Pennsylvania Ave NW
Washington, DC
OPEN PRESS

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171433

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Image not available for this document, ID: 0.7.10316.15182-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 10:31 AM
To: USDOJ- Office of Public Affairs
Subject: U.S. DEPUTY ATTORNEY GENERAL PAUL J. McNULTY REVISES CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 12, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

U.S. DEPUTY ATTORNEY GENERAL PAUL J. McNULTY REVISES CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

New Guidance Further Encourages Corporate Compliance

NEW YORK – U.S. Deputy Attorney General Paul J. McNulty announced today during a speech at a meeting of the Lawyers for Civil Justice in New York that the Department of Justice is revising its corporate charging guidelines for federal prosecutors throughout the country.

The new guidance revises the Thompson Memorandum, which was issued in January 2003 by then-Deputy Attorney General Larry D. Thompson and titled the "Principles of Federal Prosecution of Business Organizations." The memo provides useful guidance to prosecutors in the field through nine factors to use when deciding whether to charge a corporation with criminal offenses.

The guidance continues to require consideration of the factors from the Thompson memo but adds new restrictions for prosecutors seeking privileged information from companies. Specifically, it creates new approval requirements that federal prosecutors must comply with before they can request waivers of attorney-client privilege and work product protections from corporations in criminal investigations.

"Our efforts to investigate and prosecute corporate fraud in the past five years through the President's corporate initiative have been tremendously successful," said Deputy Attorney General Paul J, McNulty. "With this new guidance, we want to encourage corporations to prevent corruption through self-policing and continue to punish wrongdoers through cooperation with law enforcement."

The new guidance requires that prosecutors must first establish a legitimate need for privileged information, and that they must then seek approval before they can request it. When federal prosecutors seek privileged attorney-client communications or legal advice from a company, the U.S. Attorney must obtain written approval from the Deputy Attorney General. When prosecutors seek privileged factual information from a company, such as facts uncovered in a company's internal investigation of corporate misconduct, prosecutors must seek the approval of their U.S. Attorney. The U.S. Attorney must then consult with the Assistant Attorney General of the Criminal Division before approving these requests.

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The guidance cautions prosecutors that attorney-client communications should be sought only in rare circumstances. If a corporation chooses not to provide attorney-client communications after the government makes the request, prosecutors are directed not to consider that declination against the corporation in their charging decisions. Prosecutors are told to request factual information first and make sure they can establish a legitimate need to go further before requesting a waiver of privilege to obtain attorney-client communication or legal advice.

The new memorandum also instructs prosecutors that they cannot consider a corporation's advancement of attorneys' fees to employees when making a charging decision. A rare exception is created for those extraordinary instances where the advancement of fees, combined with other significant facts, shows that it was intended to impede the government's investigation. In those limited circumstances, fee advancement may be considered only if it is authorized by the Deputy Attorney General.

The changes announced today by Deputy Attorney General McNulty were made after careful review and numerous meetings with those in the business and legal communities who raised concerns about the Department's guidance.

"We will safeguard every tool prosecutors need to fight fraud and continue our aggressive efforts in rooting out corruption in our financial markets to protect the interests of the investing public," said Deputy Attorney General McNulty. "The Department supports the sanctity of attorney-client privilege. We encourage full and frank communication between corporate employees and their lawyers. With this new guidance, I will personally approve all future requests for attorney-client communications."

For more information about the McNulty Memorandum, or to obtain a copy, contact the U.S. Department of Justice Office of Public Affairs or visit http://www.usdoj.gov.

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Image not available for this document, ID: 0.7.10316.15104-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 10:34 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE LAWYERS FOR CIVIL JUSTICE MEMBERSHIP CONFERENCE REGARDING THE DEPARTMENT'S CHARGING GUIDELINES IN CORPORATE FRAUD PROSECUTIONS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 12, 2006
WWW.USDOJ.GOV

DAG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE LAWYERS FOR CIVIL JUSTICE MEMBERSHIP CONFERENCE REGARDING THE DEPARTMENT'S CHARGING GUIDELINES IN CORPORATE FRAUD PROSECUTIONS

NEW YORK

Good morning. Thank you for that introduction.

It is a pleasure to be here with you today to discuss ways in which we can improve the administration of justice and promote compliance with the law. Serving as Deputy Attorney General is an extraordinary privilege because I have a front row seat to watch highly talented and professional people accomplish great things every day. The devoted men and women I work with serve a vital mission, including the war on terrorism and the struggle against violent crime, gangs, drug trafficking and child exploitation. We remain vigorously engaged in the protection of civil rights. And we have taken on the critical fight against corruption, both in the halls of government and the offices of corporate America.

It is extremely satisfying to know that these efforts have made a real difference in people's lives, whether it's the liberation of a neighborhood besieged by a violent gang or the prevention of another catastrophic terrorist attack.

Those who investigate and prosecute corporate fraud should share in this sense of satisfaction. When we look back to the corporate scandals of 2000 and 2001, we remember that it was a time of great concern for the American investor and all those whose hopes and dreams were connected to investments. Public trust in our financial markets and corporate America was at an all-time low with the large-scale bankruptcies of companies like Worldcom and Enron. We saw the wild excesses of corporate executives, Dennis Kozlowski and Bernie Ebbers, spending millions of dollars in corporate compensation, throwing lavish parties, charging enormous personal expenses to their companies. All of these excesses occurred while their own shareholders and the investing public remained blissfully ignorant of their frauds.

Then the bottom fell out. The most telling story of this national crisis had to be Enron. Enron was a story about a company - a group of people - who were bright, motivated and considered themselves to be the

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"smartest guys in the room" -- widely viewed to be professionals at the top of their field. But at some point, the corporate culture of that company went completely off-track. At Enron, it became all about whether they could "close the deal," or whether managers could book enough earnings to meet the increasingly relentless upward targets established by the company.

That's when the fraud began – the shifting of liabilities off the books, the creation of partnership entities with no economic value, the booking of earnings that did not exist. And all sorts of people inside and outside the company -- employees, lawyers and accountants – either sat back and said nothing or saw their concerns swept aside. No one stood up publicly to say "no" when the deals crossed the line.

When these stories were splashed across the front pages of the newspaper, those of us in the law enforcement community met the challenges of this crisis aggressively. The investing public was counting on us to ensure that our capital markets were honest places of enterprise, places where they could invest their hard-earned dollars and know that they had a real chance at a fair return. Employees needed to know that when they worked for a company for twenty or thirty years, the pension plan would be available for them in retirement. The law enforcement community, criminal prosecutors and civil regulators were obligated to take action.

Our response to this outcry reflected the duty we owe to the American public. As prosecutors, we are committed to the fair administration of justice and equal treatment under the law. Our duty is to enforce the law -- duties not all that different from the duties of a corporate officer or director. Or at least they should not be. Directors and officers owe a fiduciary duty to a corporation's shareholders, the corporation's true owners, and they owe duties of honest dealing to the investing public when releasing regulatory filings and making public statements.

The faithful execution of these duties by corporate leadership serves the same values in promoting public trust and confidence that our criminal prosecutions are designed to serve.

In fact, the best corporate prosecution is the one that never occurs. Through successful corporate compliance efforts, investor harm can be avoided. Corporate officials must be encouraged to seek legal advice if they are in doubt about the requirements of the law.

There must also be integrity in what the company does when investigating misconduct. In internal investigations of corporate wrongdoing, corporate counsels play a quasi-public role, not because they are an arm of the prosecutor, but because they are acting on behalf of their investors and must vindicate the good name of the company. To do the job right, corporate attorneys have told me that they need full and frank communication between attorney and employee if they are expected to steer conduct away from law-breaking or uncover criminal wrongdoing.

The attorney-client privilege is an important part of the legal framework supporting this compliance and accountability. The privilege promotes thorough and complete disclosure from a corporate employee to his attorney and candid advice from legal counsel. It is one of the oldest and most sacrosanct privileges in American law. In a government investigation, the corporation and its employees must have the ability to retain and communicate with a lawyer. If that relationship is interfered with, if those communications are unfairly breached, it makes it harder for companies to detect and remedy wrongdoing. And the reality is that the use and preservation of the attorney-client privilege is often not an issue.

Many have argued that the Department's corporate charging guidance, also known as the Thompson Memorandum, has discouraged seeking legal advice and full and candid communication between lawyer and client. Counsel have complained that we are demanding blanket waivers and making waivers a prerequisite for cooperation. This perception, well founded – or not, is said to be discouraging corporate compliance by chilling attorney-client communications.

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Today, I'm announcing revisions to the Thompson Memorandum. The previous guidance is superseded, and a new memorandum, under my signature, will provide revised guidance to corporate fraud prosecutors across the country.

The memorandum clarifies the intent of the Thompson Memorandum in connection with how prosecutors evaluate a company's cooperation in making their charging decisions.

As an initial matter, let me point out that the Thompson Memorandum was not intended to encourage practices that chill attorney-client communications, as is currently perceived by some. The revised guidance now addresses that concern. The attorney-client waiver policy found in the Thompson Memo was first articulated in the Holder Memo adopted during the previous administration. My memorandum now amplifies the limited circumstances under which prosecutors may ask for waivers of privilege.

First, my policy now makes clear that attorney-client communications should only be sought in rare cases; that is, that legal advice, mental impressions and conclusions and legal determinations by counsel are protected. Before they are requested, the United States Attorney must seek approval directly from me. I must personally approve each waiver request for attorney-client communications. Both the request for approval and my authorization will be in writing.

Second, to support the request, prosecutors must show a "legitimate need" for the information. If they cannot meet that test, I will not authorize their seeking privileged information. To meet this test, prosecutors must show:

(1) the likelihood and degree to which the privileged information will benefit the government's investigation;

(2) whether the information sought can be obtained in a timely and complete fashion by using alternative means that do not require waiver;

(3) the completeness of the voluntary disclosure already provided; and

(4) the collateral consequences to the corporation in requesting a waiver.

This is a substantial test and it addresses the criticism that prosecutors are merely asking for blanket waivers in every circumstance. I do not agree that blanket waivers were routinely sought in the past, but establishing this test ensures that requesting waiver is a thoughtful, considered process and that prosecutors are not requesting waiver from corporations without examining their real need for the information.

The privilege is protected to such an extent, that even if the prosecutors have established a legitimate need and I approve the request for the waiver, the Department will not hold it against the corporation if it declines to give the information. That is, prosecutors will not view it negatively in making a charging decision.

Now this is not to say that if the corporation decides to give us the information, we will not consider it favorably. The government wants to encourage cooperation and the production of information where requested. Certainly a corporation would want to receive credit for its production of privileged materials if the decision is made to waive the privilege.

There is another category of information that the guidance identifies, a category that is much less intrusive on the attorney-client privilege because it does not require the disclosure of legal advice. Prosecutors may also seek investigative facts obtained by corporate counsel in their own internal investigation of corporate

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wrongdoing. Where the government is seeking investigative facts, there now is a different approval requirement.

In my experience, corporations have a strong incentive to turn over factual information to government investigators. The alternative may be a prolonged criminal investigation, employee grand jury appearances, search warrants and the production of millions of pages of documents. This takes a toll on a company - stock prices plummet, employees leave because of the disruption in business operations or job insecurity, a customer base shrinks, and the company is now perceived as a credit risk. Public confidence in the company erodes.

That's why corporate counsel turns over facts - it wants a fast and thorough criminal investigation so that the company can get itself, and its business operations, back on track.

And yet, even with a relatively non-controversial request for factual information, the request cannot be made informally. Prosecutors still have to establish a legitimate need and submit a written request for approval to the United States Attorney. The United States Attorney considers that request in consultation with the Assistant Attorney General of the Criminal Division. Ultimately, if the request is approved, the United States Attorney must communicate the request in writing to the company.

And if, after receipt of fact information, the prosecutors still believe that they need more intrusive information which may implicate attorney-client communications such as legal advice, then they can come to me as I previously outlined to obtain approval to request that information.

These requirements address the concerns that were raised by corporate defense advocates in the past year. This guidance is very protective of the attorney-client privilege and work product doctrine and it should satisfy anyone who may be concerned about the perception of a "culture of waiver" in corporate investigations. I disagree that there is such a culture but to the extent that the perception exists, this new memorandum and the new practices it requires thoroughly address the issue.

Another part of the guidance which is now revised is the way in which prosecutors may consider the advancement of attorneys' fees by the corporation. In general, the Thompson Memorandum simply directed that a federal prosecutor, as part of assessing whether a corporation cooperated with a government investigation, may look at whether the company is paying the attorneys' fees of individuals alleged to have committed the fraud.

The new memorandum clarifies the intent of the Thompson Memorandum. Let me emphasize this -- the advancement of attorneys' fees has always been a rare consideration in our corporate prosecutions. Most states have indemnification statutes which empower corporations to indemnify or advance fees to their employees. Corporations often include indemnification provisions in their charters, bylaws or separate agreements to attract skilled employees. The prior guidance specifically stated that where there was a legal or contractual obligation to advance fees, prosecutors could not consider that factor. Because corporations often do have these provisions which have been construed by courts to provide advancement and indemnification, fee advancement could be, and was, considered rarely.

The new guidelines now generally prohibit prosecutors from considering whether a corporation is advancing attorneys' fees to employees or agents under investigation or indictment.

So the guidance generally prohibits consideration of fees, but in those extremely rare cases, fee advancement can be considered where the totality of the circumstances show that it was intended to impede a government investigation.

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As a practical matter, this factor is never considered alone. It is always combined with other telling facts to show that the corporation is attempting to shield itself and its culpable employees. Corporations may use advancement, and other methods, to stop the flow of information from the company to the government so that we cannot investigate the conduct effectively. But as I said, this is very, very rare. When it happens, prosecutors must come to me for approval before they can consider this factor in charging decisions.

The revisions in our guidance make sense, while still preserving the Department's right to obtain needed privileged information where appropriate. And they encourage the company's compliance efforts; that is, companies now know that the Department is not going to request this information out of convenience. Prosecutors will only ask when there is a legitimate need.

The Department respects a company's right to ferret out wrongdoing with in its ranks – to do its own self-policing. It respects the confidential communications between counsel and employees during an internal investigation and the corporation's right to assert privilege. This new guidance reflects that respect.

But along with this respect, we also have expectations. We expect corporate counsel to insist on compliance with the law. As you have told us, lawyers are indispensable in advising companies and their officers on what the law says and why a company's best interests require compliance with it. The Department expects corporate counsel to provide "good counsel," to advise corporate leadership that a particular, possibly illegal, course of action will harm not only the company's own shareholders, but the investing public as well. We expect that corporate counsel will stand up against those in corporate leadership who pillage corporate coffers to benefit themselves rather than their shareholders. After all, the job of corporate counsel is to protect those shareholders and to ensure that corporate leadership is truthful with the investing public.

In my experience, corporate leaders recognize that they have common goals with the Department. They are honorable men and women who want to foster a culture of integrity at their companies. This is not only because they take pride in what they do and desire that culture, but also because they recognize that it is their duty, it is what their board of directors requires of them.

The revisions in the new memorandum are designed to affirm that kind of corporate leadership. The memorandum places great weight on the honor and integrity in the relationship between corporate leaders, shareholders and the investing public. Our guidance conveys the expectation that you, as counsel representing corporations, also recognize that fiduciary duty. After all, our jobs, public and private, serve the American investor - and the American investor justifiably demands that we do the right thing.

At long last, Kenneth Lay and Jeffrey Skilling were convicted, but the lingering effects of the Enron scandal are not really over. The dreams of those Enron employees were shattered when their retirement savings disappeared. Now, those employees, and their families, will be living with the hardship caused by fraud for the rest of their lives.

The American public cannot afford another round of corporate scandals. We rely on you to help us ensure it does not happen again. Sustaining the achievements of the past five years will require devotion to duty by prosecutors, defense lawyers and corporate counsel. If we are faithful to these duties, America's financial markets will continue to support the hopes and dreams of all its citizens.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 10:41 AM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL, STATE LAW ENFORCERS COMPLETE BOGUS BUSINESS OPPORTUNITY SWEEP

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 12, 2006
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

FEDERAL, STATE LAW ENFORCERS COMPLETE BOGUS BUSINESS OPPORTUNITY SWEEP

Crackdown Includes More Than 100 Law Enforcement Actions

WASHINGTON — The Justice Department and the Federal Trade Commission (FTC) today announced Project FAL$E HOPE$, a federal and state law enforcement sweep targeting bogus business opportunities and work-at-home scams. The crackdown includes more than 100 law enforcement actions by the FTC, the Department of Justice, the United States Postal Inspection Service, and law enforcement agencies in 11 states. In four of the new FTC cases alone, consumers have lost more than $30 million.

"When the states and the federal government, civil and criminal enforcers, all work together – sharing information, partnering resources, and coordinating our efforts – we can make very significant progress against these unlawful businesses," said Peter D. Keisler, Assistant Attorney General for the Justice Department's Civil Division. He went on to describe 23 fraud convictions obtained in 2006, and the sentencing of 25 defendants to a total of over 160 years' imprisonment for causing over $86,000,000 in consumer loss.

"Bogus business opportunities trample on Americans' dreams of financial independence," said FTC Chairman Deborah Platt Majoras. "If a business opportunity promises no risk, little effort, and big profits, it almost certainly is a scam. These scams offer only a money pit, where no matter how much time and money is invested, consumers never achieve the riches and financial freedom promised. "

Project FAL$E HOPE$ includes new cases announced today, developments in existing cases, criminal convictions, and state actions, as well as new education materials for advertising sales staff on screening ads for bogus business opportunities.

Federal Actions

The bogus business opportunities targeted in the FTC cases include vending machines, ATM and Internet terminals, display racks for coffee and ink cartridges, Internet-based businesses, envelope stuffing, medical billing, and others.

The FTC today announced nine new cases:

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The Results Group – Working out of a boiler room in Phoenix, the operation charged between $99 and $599 to build and host Web sites "affiliated" with the Web sites of Fortune 500 retail companies such as Amazon.com and Overstock.com. Consumers would make money when those retailers paid commissions for sales made through the consumers' Web sites. In fact, the large retailers were unaware of any such affiliation, and consumers made no money. The FTC charged that the operation falsely represented that purchasers would receive substantial income as well as substantial assistance from an expert staff, and used false and misleading statements to encourage consumers to buy the business opportunity.

HBG Publications – Consumers were told that for their $40 "registration fee" they would get everything they needed from HBG to earn $7 for every envelope they stuffed for them, and that their $40 would be refunded after the first 100 envelopes. Instead, consumers received instructions on how to buy their own ads, and to collect $7 from each person who responded to their ads. The FTC's complaint charged that HBG misrepresented that consumers were likely to earn a substantial amount of money and that they would pay consumers $7 for every envelope they stuffed. The court granted the FTC's request for a temporary restraining order against the defendants, halted their misrepresentations to consumers, and froze their assets. The FTC thanks the Better Business Bureau of the Southland for its assistance in this case.

EDI Health Claims Network – The FTC alleged that EDI made material misrepresentations when it sold consumers its work-at-home electronic medical billing business opportunity. Consumers reported that EDI promised they would give them the name of their first medical billing client or lead lists of potential clients. In addition, EDI told them they could earn $1,200 per month with just one client. After consumers paid $5,985, EDI told consumers that they had to find their first client on their own, and to start by looking in the yellow pages. The vast majority of purchasers never found a single client, never processed a single claim, and never made a dime. The FTC also alleged that EDI failed to provide interested consumers with information required by the Franchise Rule. The court granted the FTC's request for a temporary restraining order and asset freeze. Soon after, the defendants agreed to a preliminary injuction that bars EDI from selling its business opportunities.

Holiday Ink – The FTC charged that Holiday Ink sold ink cartridge display racks by misrepresenting that purchasers would earn a substantial income, misrepresenting the locations available for the racks, and using shills to reinforce those false claims. The FTC also charged the defendants did not provide complete and accurate disclosure documents, did not provide an earnings claim disclosure, and did not have a reasonable basis for their earnings claims. Consumers invested a minimum of $7,950 for three racks, up to $55,950 for 20 racks, to take part in the business opportunity.

Money Making Secret – These defendants put a new spin on an old scam by promising "Top 12 Programs to Make Big Money!" and charging consumers between $47 and $129 to access their "members only" Web site with their "money-making secrets." The Internet-based programs were varied, including online survey programs, free government grant money programs, mystery shopper programs, and online data-entry programs. However, these programs did not exist, or did not offer quick and easy money with little time or effort as promised. The FTC's complaint charges the defendants with making false and unsubstantiated earnings claims.
Route Wizard – The operation advertised that consumers could make "$1,710 per week" after buying its candy vending machine business opportunities and promised "prime locations" that had already been secured. Prices ranged from $7,000 to $59,000, and were supposed to include everything needed to start a business: vending machines, a recommended, professional locator service, and support to launch the business. The FTC's complaint charged the operation made false earnings claims and deceptive representations about available locations, provided phony references, and did not provide complete and accurate disclosure documents, as required.

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Fidelity ATM – The FTC charged that these scammers, selling ATMs, misrepresented the basic facts of their business opportunity: that purchasers would earn substantial profits; that the company had, or would have, secured locations for the ATMs within 45 days; that the ATMs would be installed and operational in the same time period; and that the company would provide substantial assistance, such as relocating underperforming machines. The complaint also alleges that they did not make required Franchise Rule disclosures and had no substantiation for their earnings claims.

Business Card Experts – BCE claimed in advertisements that consumers could earn $150,000 in their first year, and its sales representatives told consumers they could recoup their initial investment – between $10,000 and $25,000 – within three to five months. The FTC alleged that BCE used false and deceptive earnings claims and phony references to lure consumers into buying the dealerships, which gave consumers the right to sell color business cards and other materials produced by BCE.

Mid-South Distributors – The businessman behind Mid-South sold greeting card display racks by misrepresenting the potential earnings that consumers could make, according to the FTC. The FTC also alleged that he did not provide any disclosure documents to purchasers, as required. For an investment of $8,500 or more, purchasers were promised everything they needed to start a business: an initial inventory of greeting cards, display racks for the cards, and profitable locations where the defendant would supposedly place the cards and racks for the purchaser. The court granted the FTC's request for a preliminary injunction against the defendants, halting their misrepresentations to consumers, and froze their assets.

In addition, the FTC is referring three new civil penalty cases to DOJ for filing:

Lifestyle Vending – These vending machines dispensed loose candy or sodas and snacks, and required a minimum investment of $5,495. Lifestyle Vending offered a lifetime warranty on the machines and claimed the recommended location service would relocate any machines for two years at the purchaser's request. The FTC complaint charged the defendants did not provide the required basic disclosure document to prospective purchasers and did not have a reasonable basis for earnings claims.

Universal Advertising – By spending at least $3,995, purchasers bought display racks that hold business cards and brochures. Universal Advertising touted the growth potential of their business opportunity and offered a "lifetime e-mail coaching guarantee." The complaint charged they failed to provide a basic disclosure document and made earnings claims without providing the required earnings claim document.

Vend Direct – Vend Direct sold bulk candy vending machines, with packages starting at $5,995. The complaint charged they did not give an accurate and complete disclosure form to purchasers, and made earnings claims without providing the required earnings claim document.

The FTC also announced major developments in recent months in 13 cases:

Elite Designs – The operation promised consumers they could go into business selling jewelry, since they would supply consumers with jewelry, display racks, locations for the racks, all the paperwork they needed, and a full-time service staff. The complaint charged the defendants gave incomplete and inaccurate disclosure documents and did not have substantiation for earnings claims. To settle the charges, the defendants will pay $225,000, and the individual in charge is banned from ever again selling franchises or business ventures.

Wholesale Marketing Group – According to the FTC, the operation promised to pay consumers a substantial income, merely for stuffing envelopes or mailing brochures, without having to sell anything. After consumers invested $60 to $180, they learned they would be paid only if their mailings resulted in sales (and, even then, consumers never received any income). Four of the seven defendants charged in the complaint have settled the

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charges and cannot make misrepresentations during the sale or advertising of any product or service, and will give up essentially all of their assets.

Stefanchik – According to the FTC, the operation deceptively telemarketed and sold a business opportunity by representing that consumers would quickly earn substantial money in their spare time by using Stefanchik's method for buying and selling promissory notes for mortgages held by private individuals. The FTC alleged that, contrary to defendants' claims, virtually no one made money from the program, regardless of the time and effort they invested. The FTC charged the operation made false and unsubstantiated earnings claims, and falsely told consumers that their personal coaches had experience in the paper business and would be readily available to assist consumers with the program. Four of the six defendants charged in the complaint have settled the charges, agreeing to an order prohibiting future misrepresentations and violations of the Telemarketing Sales Rule.

USA Beverages – The defendants offered a coffee display-rack business opportunity. The order against one defendant permanently halts his misrepresentations. A default judgment against all the other defendants requires they pay $2,565,610.81. (See press release dated November 16, 2005.)

Network Services Depot – The defendants offered Internet kiosk business opportunities. The court granted the FTC's motion for summary judgment, finding all the defendants liable for violations of the FTC Act and Franchise Rule, and holding defendants Charles Castro and Gregory High personally liable for restitution. (See press release dated April 6, 2005)

Medical Billers Network – The defendants offered a medical billing business opportunity. The court recently entered a contempt order against all of the defendants, finding them liable for violations of the preliminary injunction and ordering expanded financial discovery. (See press release dated February 22, 2005.)

QTX – The defendants offered a work-at-home craft assembly business opportunity building bead houses. The court entered a preliminary injunction against one of the defendants, Juan Matos, doing business as QTX halting the misrepresentations. (See press release dated September 27, 2006.)

McLain – A purported former preacher, his two sons, and his companies sold a healthcare business opportunity promising consumers millions of dollars if they participated in an alleged network of Medicaid providers. The FTC charged the defendants' business model would have required participants to break numerous state and federal laws. In addition, the FTC charged that defendants did not provide the assistance they promised consumers and that they violated the Franchise Rule. The defendants agreed to a preliminary injunction, halting their operations. (See press release dated July 31, 2006.)

Cornerstone Marketing – The defendants offered location services for consumers' terminals and display racks. They agreed to a preliminary injunction, halting their misrepresentations. (See press release dated July 19, 2006.)

Success Vending Group – The court ordered the defendants to pay almost $9.3 million after finding that they duped consumers into paying for vending machine business opportunities. The court also banned all of the corporate defendants, and three of the four individual defendants, from selling business ventures. The fourth individual defendant was prohibited from violating the FTC Act and the Franchise Rule. The relief defendant in the case was ordered to pay more than $560,000. A relief defendant is not accused of wrongdoing, but has allegedly received ill-gotten gains and does not have a legitimate claim to them. (See press release dated May 9, 2005)

Sun Ray Trading – The defendants sold fraudulent work-at-home envelope stuffing schemes via spam and multiple Web sites. A judgment was entered against two individual defendants barring future

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misrepresentations and violations of the CAN-SPAM Act, and requiring them to turn over frozen assets. (See press release dated June 13, 2006)

Internet Marketing Group – The defendants offered phone card and Internet kiosk business opportunities. The settlement prohibits future misrepresentations and violations of the FTC Act, the Franchise Rule, and the Do Not Call provisions of the Telemarketing Sales Rule. The corporate defendants turned over all of their remaining assets, and two individual defendants paid more than $197,000. (See press release dated May 30, 2006.)

World Traders Association – The defendants offered a surplus-goods business opportunity, where consumers paid for access to overstocked or discontinued merchandise, training, and lead lists of clients who would want to purchase the goods. The FTC charged that the defendants never made good on their promises. Judgments were entered against two of the six individual defendants. The FTC's case against two of the remaining defendants was stayed because of a pending criminal prosecution. The Commission's case against the remaining defendants is scheduled to go to trial in May 2007. (See press release dated March 23, 2006.)

DOJ also obtained numerous criminal convictions as part of the sweep, putting business opportunity scammers behind bars. In the past year, USPIS was active against business opportunity scams perpetrated through the mail, obtaining cease and desist orders, restitution, and other remedies.

State Enforcement Actions

State law enforcement actions were announced by the Arizona Attorney General's Office; California Attorney General's Office; California Department of Corporations; Connecticut Department of Banking, Securities and Investments Division; Florida Department of Agriculture & Consumer Services; Indiana Attorney General's Office; Kentucky Attorney General's Office; Louisiana Attorney General's Office; Maryland Attorney General's Office, Securities Division; Texas Attorney General's Office; Washington State Department of Financial Institutions, Securities Division; and Wisconsin Department of Financial Institutions. The Wisconsin Department of Agriculture, Trade and Consumer Protection also personally warned consumers to beware of bogus business opportunities.

New Education Material

The FTC has new guidance for publishers, offering them help to screen out deceptive ads for business opportunities. The alert, "Ads for Business Opportunities: How to Detect Deception," suggests advertising sales staff to give an extra look at ads that make claims such as: "No risk! Guaranteed" "Quick and Easy!" "Earn $2,000 a month."

The FTC alert warns that legitimate business ventures involve risks, start-up businesses require a lot of work to get off the ground, and that the law requires earnings claims in ads be accompanied by the number and percentage of previous purchasers who achieved the income.

Consumers should visit the FTC's Web site at www.ftc.gov/bizopps for information in English and Spanish on spotting and avoiding business opportunity scams. The site includes an e-card consumers can use to warn their friends about business opportunity scams.

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendant has actually violated the law. The case will be decided by the court.

DOJ_NMG_ 0171451

NOTE: A stipulated final order is for settlement purposes only and does not constitute an admission by the defendant of a law violation. A stipulated final order requires approval by the court and has the force of law when signed by the judge.

Copies of the related documents are available from the FTC's Web site at http://www.ftc.gov and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at http://www.ftc.gov/ftc/complaint.htm. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to thousands of civil and criminal law enforcement agencies in the U.S. and abroad.

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06-826

DOJ_NMG_ 0171452

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Image not available for this document, ID: 0.7.10316.15156-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 10:46 AM
To: USDOJ- Office of Public Affairs
Subject: SENIOR JUSTICE DEPARTMENT OFFICIAL TO HOLD BACKGROUND BRIEFING ON REVISED CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, DECEMBER 12, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

SENIOR JUSTICE DEPARTMENT OFFICIAL TO HOLD BACKGROUND BRIEFING ON REVISED CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

WASHINGTON — A senior Justice Department official will hold a background briefing on revised charging guidelines for prosecuting corporate fraud **TUESDAY, DECEMBER 12, 2006 at 12:30 P.M. EST.** A limited number of lines will be available to join by conference call.

WHO: Senior Justice Department Official

WHAT: Briefing on Corporate Fraud Charging Guidelines

WHEN: **TUESDAY, DECEMBER 12, 2006**
12:30 P.M. EST

WHERE: This background briefing will only be available through the conference line.

NOTE: To join the conference call, dial 1-800-860-2442. Reporters must ask for the Department of Justice conference call for access. For press inquiries regarding logistics please contact the Office of Public Affairs at (202) 514-2007.

# # #

06-827

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Image not available for this document, ID: 0.7.10316.15102-000002

From: Miller, Charles S
Sent: Tuesday, December 12, 2006 11:09 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 12/12/06 Civil Division News

Former assistant DA testifies in civil trial; He was unaware of lie in slay case

Patriot Act to be spotlighted in Muslim charity case

Muslim charity: Dismiss charges

Court hears appeals on ruling against Pentagon personnel system

Appeals panel hears arguments on Defense labor relations rules

Second part of Arar report to focus on RCMP

Boston Globe

December 12, 2006

Former assistant DA testifies in civil trial; He was unaware of lie in slay case

By Shelley Murphy, Globe Staff

Jack I. Zalkind thought he did everything he could to make sure that Mafia hitman Joseph "The Animal" Barboza was telling the truth when he implicated six men in a 1965 gangland killing, the former assistant Suffolk district attorney testified yesterday.

But Zalkind said he prosecuted the case without knowing that the FBI had secret reports that indicated Barboza was lying and had falsely implicated four of the six.

"I have no memory of seeing any FBI reports prior to the trial," said Zalkind, who helped convict Joseph Salvati, Peter Limone, Louis Greco, and Henry Tameleo for the slaying of petty thief Edward "Teddy" Deegan in a Chelsea alley.

All four men were exonerated when the FBI reports surfaced five years ago.

Yesterday, Zalkind was the first live witness to testify in a federal civil trial that began last month, seeking more than $100 million in damages from the federal government for Limone, 72, and Salvati, 74, who spent more than 30 years in prison each, and the families of Tameleo and Greco, who both died in prison.

Recounting Barboza's version of Deegan's slaying, Zalkind said the hitman-turned-government witness said that Limone offered him $7,500 to kill Deegan. Tameleo, the alleged second in command of the New England Mafia, had sanctioned the slaying. Barboza said Salvati and Greco helped carry out the murder.

Zalkind said he had warned Barboza, "God forbid if you're putting someone there who wasn't there," but he said Barboza insisted, "I'm not lying."

Zalkind said he also confronted Barboza about whether his close friend, Vincent "Jimmy" Flemmi, was one of the killers. But, he said Barboza's statement that he did not involve Flemmi because he used drugs and was hot-tempered "seemed rational to me."

The civil suit alleges that the FBI knew that Barboza was lying to protect Flemmi, who was an FBI informant and the brother of another FBI informant, Stephen "The Rifleman" Flemmi.

The FBI recruited Barboza as a witness and used him in an earlier trial.

But Zalkind testified that he did his own work to corroborate Barboza's testimony before the Deegan murder trial and said the FBI "had nothing to do with the preparation of the case."

Barboza, who admitted to participating in Deegan's slaying and was given leniency for his cooperation, was shot to death in 1976 in San Francisco.

Two other men convicted in Deegan's slaying were not exonerated. Ronald Cassesso died in prison and Wilfred Roy French was later released.

Yesterday, Cassesso's lawyer, Ronald J. Chisholm, testified that FBI agent H. Paul Rico had promised Cassesso that he would not do prison time for Deegan's slaying if he agreed to testify against the others and back up Barboza's version of events.

But, Chisholm said, Cassesso told him he had rejected Rico's offer, telling the agent, "I'm not going to frame innocent men."

END

AP

December 12, 2006

Patriot Act to be spotlighted in Muslim charity case

DETROIT_Attorneys for the U.S. Justice Department may intervene to defend the Patriot Act in a federal case involving a Detroit-area Muslim charity, court documents show.

Southfield-based Life for Relief and Development filed suit last month in U.S. District Court in Detroit against Comerica Bank seeking an injunction barring it from sharing information it may have about the charity with other banks. Comerica had told the charity that it planned to terminate the accounts Nov. 15, but granted an extension.

Justice Department attorneys filed a notice earlier this month saying they may "intervene in this action to defend the constitutionality" of a section of the law that allows financial institutions to share information about suspected money laundering or terrorist activity, the Detroit Free Press reported Tuesday.

FBI agents assigned to a terrorism task force searched Life's offices on Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members.

The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq.

Meanwhile, protests are planned outside several Detroit-area Comerica branches Friday and Saturday, and some Arab Americans and Muslims say they will close their accounts with the bank.

Kathy Pitton, a Comerica vice president, said in an e-mail that the bank "has had a strong partnership with the Arab-American community for many years."

END

Dallas Morning News

December 12, 2006

Muslim charity: Dismiss charges

Group accused of Hamas ties cites terror ruling in California

By MICHAEL GRABELL / The Dallas Morning News

Attorneys for a former Richardson charity accused of funneling money to Hamas asked a federal judge Monday to throw out the criminal charges, arguing that a recent court ruling declared the president's authority to designate terrorist groups unconstitutional.

The federal court ruling in California found that President Bush's order after the Sept. 11, 2001, terrorist attacks was unconstitutionally vague. Holy Land Foundation attorneys wants a Dallas judge to make a similar ruling about President Clinton's 1995 order, designating Hamas a terrorist group.

"The president's discretion is just completely unfettered," said Holy Land lawyer Nancy Hollander. "There's no criteria under which he exercises his authority, and there's no mechanism by which a designated group can challenge that designation."

Kathy Colvin, a Justice Department spokeswoman in Dallas, said prosecutors are preparing a written challenge to the motion.

Holy Land, which called itself the largest Muslim charity in the U.S., was shut down in December 2001, accused of supporting militant operations in the West Bank and Gaza. The charity says donations supported poor children left orphans by the Israeli-Palestinian conflict. A trial is set for July.

Holy Land's request was prompted by a Nov. 21 ruling by U.S. District Judge Audrey Collins of Los Angeles. The case involved U.S. charities seeking to help the Kurdistan Workers' Party, which wants to create a homeland for the Kurds in Turkey, and the Liberation Tigers, which is seeking independence for the Tamil people in Sri Lanka.

Judge Collins struck down Mr. Bush's order, freezing the charities' assets, because she said it provided no explanation as to why the groups were designated terrorists and didn't outline how to contest the designations.

A lawyer for the groups told The Associated Press that it was akin to the blacklists of the McCarthy era.

A Justice Department spokesman in Washington, D.C., declined to discuss how the ruling would affect other prosecutions of alleged terrorist supporters, such as the Holy Land case.

"We were reviewing, and we had not made a determination as to how we would respond," spokesman Charles Miller said.

U.S. District Judge Joe Fish of Dallas is not bound by the California decision and last week rejected challenges to the constitutionality of other national security laws.

On Friday, Judge Fish denied a challenge to the law that prevents defendants from seeing classified information that may be used against them in court.

Holy Land's attorneys have filed a motion, asking the judge to reconsider.

The co-founder and former chairman of Holy Land, Ghassan Elashi, was sentenced in October to nearly seven years in prison for violating export laws with his brothers and their company InfoCom Corp.

END

Federal Times

December 12, 2006

Court hears appeals on ruling against Pentagon personnel system

By TIM KAUFFMAN

Three years ago, Congress gave the Defense Department authority to craft a new labor relations system outside existing rules governing collective bargaining. At the same time, Congress said the department couldn’t remove an employee’s right to organize and bargain collectively.

These two seemingly contradictory statements are at the heart of a legal dispute that could decide whether the department can proceed with changes to personnel rules affecting 650,000 civilian employees.

“The question is: Has the department reasonably interpreted the phrase ‘collective bargaining’?” Judge David Tatel said Dec. 11, effectively summarizing the case before the U.S. Court of Appeals for the District of Columbia Circuit.

The answer is up to Tatel and two other appellate judges to decide.

The three-judge panel heard oral arguments Dec. 11 from attorneys representing the government and unions, who sued the department in November 2005 for creating a system that failed to protect employees’ rights to bargain collectively.

The hearing lasted twice as long as the 40 minutes initially set aside for arguments, as the judges peppered the lawyers with detailed questions concerning what specific sections of the 2003 law meant.

Judge Brett Kavanaugh said two provisions in the law authorizing the Pentagon’s National Security Personnel System (NSPS) provide “strong support” to the union’s arguments: one section that gives employees the right to organize and bargain collectively, and another section that prohibits the department from waiving Chapter 71 of Title 5 governing labor relations.

However, two other provisions seem to support the government’s case: one section that allows the department to ignore Chapter 71 when writing personnel management rules, and another that allows the department to create a labor relations system without regard to Chapter 71.

Joe Goldberg, the attorney who argued on behalf of the 13 federal employee unions that filed the lawsuit, said provisions allowing the department to create a labor relations system outside Chapter 71 apply only to the mechanics of creating the system, not what is bargained under the system.

Goldberg, assistant general counsel at the American Federation of Government Employees, said Congress clearly required collective bargaining under NSPS. However, the department created a system that provided nothing close to collective bargaining, he argued.

It’s “a classic case of rule-making overreach,” Goldberg said.

A lower court agreed. In February, Judge Emmett Sullivan of the U.S. District Court for the District of Columbia said NSPS infringes on employees’ collective bargaining rights, fails to provide an independent third-party review of labor-management disputes, and lacks a fair process to resolve appeals of adverse management actions.

The government appealed the ruling to the appeals court, which is expected to issue its decision this spring.

Judge Sullivan’s ruling was rife with references to an earlier case involving the Homeland Security Department. In that case, the same appeals court currently debating NSPS ruled that Homeland Security’s authority to waive portions of Title 5 governing labor relations “does not include the power to rewrite the core meaning of collective bargaining,”

William Kanter, a Justice Department attorney who argued the NSPS case on behalf of the government, said that unlike with Homeland Security, Congress gave the Pentagon specific authority to craft a labor relations system outside Title 5 rules.

There are other differences between the statutes related to Homeland Security and Defense, Kanter said. The collective bargaining system created under NSPS will expire in November 2009 unless Congress decides otherwise. If the new system expires, the department must revert to following the labor relations rules outlined in Chapter 71.

This sunset provision shows that Congress gave Defense much more latitude to deviate from existing collective bargaining rules than Homeland Security, where changes were more restrictive yet permanent, he said.

“This project is in essence akin to an experimental one,” Kanter said.

Bolstering the government’s case, Kavanaugh said the sunset provision seems to suggest that Congress didn’t intend for Chapter 71 to apply to the collective bargaining system created under NSPS, since it specifically stated that Chapter 71 would apply if the NSPS system expires.

But the sunset provision seemed to backfire on Kanter at one point, when the judges questioned the department’s authority to use so-called implementing issuances to override collective bargaining agreements. In response, Kanter referred to the sunset clause.

“If we’re not doing it right, Congress can tell us that in two years,” Kanter said.

“You mean we should just wait for that to happen?” responded Tatel.

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END

Government Executive Magazine

December 12, 2006

Appeals panel hears arguments on Defense labor relations rules

By Karen Rutzick

A panel of appeals court judges heard arguments Monday over the legality of the Defense Department's proposed labor relations system for civilian employees.

After losing in a lower court in February -- and following two losses for the Homeland Security Department's similar system -- government lawyers continued to argue that Congress gave the Pentagon authority to make far-reaching changes to collective bargaining.

In the 2004 Defense authorization bill, Congress granted the department authority to create a new human resources system, based on the notion that the current system was too rigid and outdated to allow the department to respond with agility to modern threats of terrorism.

Pentagon officials said they have the authority to override collective bargaining agreements after they are reached and the ability to narrow the items that can be bargained over as much as they want. But a coalition of federal labor unions sued the department to say the rules effectively eliminate collective bargaining.

Judges Brett Kavanaugh, David Tatel and Stephen Williams of the U.S. Court of Appeals for the District of Columbia heard an hour and a half of arguments Monday, but they could take until the summer to issue an opinion. Either side could then appeal to the full court of appeals, the Supreme Court or both.

Justice Department lawyer William Kanter, representing the Defense Department, argued that Congress included a sunset provision -- all labor relations changes revert to the old system in 2009 unless Congress actively votes to make them permanent -- to allow experimentation.

"It tells you that Congress knew it was charting a new course," Kanter said.

Tatel, a Clinton appointee and the lone Democrat on the panel, said, however, that there are many time-limited statutes that are decided on by the courts, and the sunset clause might not supersede the need for a system that is legal.

Congress said in its legislation that the Pentagon could remake labor relations rules, but had to ensure collective bargaining. Kanter argued that the Pentagon could define collective bargaining as it sees fit, but union lawyers asked the judges to look to the decision in the Homeland Security Department's case for a definition.

In that decision, appellate judge Harry Edwards said the proposed rules "effectively eliminate all meaningful bargaining over fundamental working conditions. In no sense can such a limited scope of bargaining be viewed as consistent with [Congress'] mandate that DHS 'ensure' collective bargaining rights for its employees."

Kavanaugh -- who President Bush appointed in May 2006 and who served in the White House as legal counsel and then staff secretary for Bush from 2001 until the president appointed him to his current position -- pushed union lawyer Joe Goldberg on the Pentagon's authority to create a new labor system.

Kavanaugh pointed out that Congress included a qualifier in the language that ensured collective bargaining: "subject to the provisions of this chapter and any exclusion from coverage or limitation on negotiability established pursuant to law." There is no qualifying language in the part of the law giving the secretary authority to create a new system to fit Defense's national security mission.

The judges also pressed Kanter on the department's proposal to create a new internal labor relations board, which would investigate and decide on labor-management disputes in place of the governmentwide Federal Labor Relations Authority.

The judges questioned whether the National Security Labor Relations Board, whose members would be appointed by the Defense secretary, would be sufficiently independent, as Congress required.

The third judge on the appeals panel, Williams, is a Reagan appointee who became a senior judge in 2001.

END

CBC

December 12, 2006

Second part of Arar report to focus on RCMP

The second part of Justice Dennis O'Connor's report in the Maher Arar affair will recommend creating an independent agency to review the national security activities of the RCMP, said a man who worked on the report.

Reg Whitaker, a member of a panel that advised O'Connor on the policy phase of his work, said the report to be released Tuesday will be more significant than the first one.

Whitaker said O'Connor will suggest ways to improve the level of accountability at the RCMP.

"If there had been appropriate accountability mechanisms in place … what happened to Mr. Arar could have been prevented in the first place," Whitaker said.

"But secondly, if it had happened, there would have been a mechanism in place that could have provided accountability as to what happened."

O'Connor, who led the public inquiry into the Arar case, released the first part of his report last September, outlining what happened to the Syrian-born Canadian engineer and why.

Arar was stopped at a New York airport on his way home from a vacation in September 2002. U.S. officials accused him of links to al-Qaeda and deported him to Syria, where he was imprisoned and tortured for months.

O'Connor concluded the U.S. decision to deport Arar was "very likely" based on misleading information provided by the Mounties that wrongly suggested the Ottawa computer engineer was linked to the militant group.

RCMP Commissioner Giuliano Zaccardelli resigned last week after telling a Commons committee that he had given incorrect testimony on the Arar affair in September.

Whitaker said Tuesday's report will suggest ways to make the RCMP as accountable as Canada's spy service.

"CSIS, for example, does have a series of mechanisms that have been in operation for some time to ensure accountability but the RCMP has, shall we say, a very poorly formed mechanism for ensuring accountability."

Calls made for expansion

Some have suggested the government expand the review committee that currently oversees activities at CSIS to keep an eye on all organizations that deal with security and intelligence — from the RCMP and CSIS to border services and immigration.

But former solicitor general Wayne Easter said a single organization would be unwieldy and that the RCMP needs its own agency.

"It becomes too big and too cumbersome. There is two distinct, different roles between CSIS and the RCMP. Yes, there is overlap in terms of investigations and intelligence matters, but they're two distinct operations."

Easter also hopes the government creates a parliamentary committee on security and intelligence that would receive reports from the new oversight agency. Committee members would be sworn to secrecy.

END

Image not available for this document, ID: 0.7.10316.15097-000001

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 11:20 AM
To: USDOJ- Office of Public Affairs
Subject: Department of Justice Revised Charging Guidelines for Prosecuting Corporate Fraud
Attachments: McNulty Memo.pdf

Attached please find revised charging guidelines for prosecuting corporate fraud announced today by Deputy Attorney General Paul McNulty.

U.S. Department of Justice

Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: Heads of Department Components
United States Attorneys

FROM: Paul J. McNulty
Deputy Attorney General

SUBJECT: Principles of Federal Prosecution of Business Organizations

The Department experienced unprecedented success in prosecuting corporate fraud during the last four years. We have aggressively rooted out corruption in financial markets and corporate board rooms across the country. Federal prosecutors should be justifiably proud that the information used by our nation's financial markets is more reliable, our retirement plans are more secure, and the investing public is better protected as a result of our efforts. The most significant result of this enforcement initiative is that corporations increasingly recognize the need for self-policing, self-reporting, and cooperation with law enforcement. Through their self-regulation efforts, fraud undoubtedly is being prevented, sparing shareholders from the financial harm accompanying corporate corruption. The Department must continue to encourage these efforts.

Though much has been accomplished, the work of protecting the integrity of the marketplace continues. As we press forward in our enforcement duties, it is appropriate that we consider carefully proposals which could make our efforts more effective. I remain convinced that the fundamental principles that have guided our enforcement practices are sound. In particular, our corporate charging principles are not only familiar, but they are welcomed by most corporations in our country because good corporate leadership shares many of our goals. Like federal prosecutors, corporate leaders must take action to protect shareholders, preserve corporate value, and promote honesty and fair dealing with the investing public.

We have heard from responsible corporate officials recently about the challenges they face in discharging their duties to the corporation while responding in a meaningful way to a government investigation. Many of those associated with the corporate legal community have expressed concern that our practices may be discouraging full and candid communications between corporate employees and legal counsel. To the extent this is happening, it was never the intention of the Department for our corporate charging principles to cause such a result.

Therefore, I have decided to adjust certain aspects of our policy in ways that will further promote public confidence in the Department, encourage corporate fraud prevention efforts, and clarify our goals without sacrificing our ability to prosecute these important cases effectively. The new language expands upon the Department's long-standing policies concerning how we evaluate the authenticity of a corporation's cooperation with a government investigation.

This memorandum supersedes and replaces guidance contained in the Memorandum from Deputy Attorney General Larry D. Thompson entitled Principles of Federal Prosecution of Business Organizations (January 20, 2003) (the "Thompson Memorandum") and the Memorandum from the Acting Deputy Attorney General Robert D. McCallum, Jr. entitled Waiver of Corporate Attorney-Client and Work Product Protections (October 21, 2005)(the "McCallum Memorandum").

U.S. Department of Justice

Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: Heads of Department Components
United States Attorneys

FROM: Paul J. McNulty
Deputy Attorney General

SUBJECT: Principles of Federal Prosecution of Business Organizations

Federal Prosecution of Business Organizations[1]

I. Duties of the Federal Prosecutor; Duties of Corporate Leaders

The prosecution of corporate crime is a high priority for the Department of Justice. By investigating wrongdoing and bringing charges for criminal conduct, the Department plays an important role in protecting investors and ensuring public confidence in business entities and in the investment markets in which those entities participate. In this respect, federal prosecutors and corporate leaders share a common goal. Directors and officers owe a fiduciary duty to a corporation's shareholders, the corporation's true owners, and they owe duties of honest dealing to the investing public in connection with the corporation's regulatory filings and public statements. The faithful execution of these duties by corporate leadership serves the same values in promoting public trust and confidence that our criminal prosecutions are designed to serve.

A prosecutor's duty to enforce the law requires the investigation and prosecution of criminal wrongdoing if it is discovered. In carrying out this mission with the diligence and resolve necessary to vindicate the important public interests discussed above, prosecutors should be mindful of the common cause we share with responsible corporate leaders. Prosecutors should also be mindful that confidence in the Department is affected both by the results we achieve and by the real and perceived ways in which we achieve them. Thus, the manner in

[1] While these guidelines refer to corporations, they apply to the consideration of the prosecution of all types of business organizations, including partnerships, sole proprietorships, government entities, and unincorporated associations.

which we do our job as prosecutors – the professionalism we demonstrate, our resourcefulness in seeking information, and our willingness to secure the facts in a manner that encourages corporate compliance and self-regulation – impacts public perception of our mission. Federal prosecutors recognize that they must maintain public confidence in the way in which they exercise their charging discretion, and that professionalism and civility have always played an important part in putting these principles into action.

II. Charging a Corporation: General Principles

A. General Principle: Corporations should not be treated leniently because of their artificial nature nor should they be subject to harsher treatment. Vigorous enforcement of the criminal laws against corporate wrongdoers, where appropriate, results in great benefits for law enforcement and the public, particularly in the area of white collar crime. Indicting corporations for wrongdoing enables the government to address and be a force for positive change of corporate culture, alter corporate behavior, and prevent, discover, and punish white collar crime.

B. Comment: In all cases involving corporate wrongdoing, prosecutors should consider the factors discussed herein. First and foremost, prosecutors should be aware of the important public benefits that may flow from indicting a corporation in appropriate cases. For instance, corporations are likely to take immediate remedial steps when one is indicted for criminal conduct that is pervasive throughout a particular industry, and thus an indictment often provides a unique opportunity for deterrence on a massive scale. In addition, a corporate indictment may result in specific deterrence by changing the culture of the indicted corporation and the behavior of its employees. Finally, certain crimes that carry with them a substantial risk of great public harm, e.g., environmental crimes or financial frauds, are by their nature most likely to be committed by businesses, and there may, therefore, be a substantial federal interest in indicting the corporation.

Charging a corporation, however, does not mean that individual directors, officers, employees, or shareholders should not also be charged. Prosecution of a corporation is not a substitute for the prosecution of criminally culpable individuals within or without the corporation. Because a corporation can act only through individuals, imposition of individual criminal liability may provide the strongest deterrent against future corporate wrongdoing. Only rarely should provable individual culpability not be pursued, even in the face of an offer of a corporate guilty plea or some other disposition of the charges against the corporation.

Corporations are "legal persons," capable of suing and being sued, and capable of committing crimes. Under the doctrine of *respondeat superior*, a corporation may be held criminally liable for the illegal acts of its directors, officers, employees, and agents. To hold a corporation liable for these actions, the government must establish that the corporate agent's actions (I) were within the scope of his duties and (ii) were intended, at least in part, to benefit the corporation. In all cases involving wrongdoing by corporate agents, prosecutors should consider the corporation, as well as the responsible individuals, as potential criminal targets.

Agents, however, may act for mixed reasons -- both for self-aggrandizement (both direct and indirect) and for the benefit of the corporation, and a corporation may be held liable as long as one motivation of its agent is to benefit the corporation. *See United States v. Potter*, 463 F.3d 9, 25 (1st Cir. 2006) (stating that the test to determine whether an agent is acting within the scope of employment is whether the agent is performing acts of the kind which he is authorized to perform, and those acts are motivated--at least in part--by an intent to benefit the corporation). In *United States v. Automated Medical Laboratories*, 770 F.2d 399 (4th Cir. 1985), the Fourth Circuit affirmed a corporation's conviction for the actions of a subsidiary's employee despite its claim that the employee was acting for his own benefit, namely his "ambitious nature and his desire to ascend the corporate ladder." The court stated, "*Partucci* was clearly acting in part to benefit AML since his advancement within the corporation depended on AML's well-being and its lack of difficulties with the FDA." Furthermore, in *United States v. Sun-Diamond Growers of California*, 138 F.3d 961, 969-70 (D.C. Cir. 1998), *aff'd on other grounds*, 526 U.S. 398 (1999), the D.C. Circuit rejected a corporation's argument that it should not be held criminally liable for the actions of its vice-president since the vice-president's "scheme was designed to -- and did in fact -- defraud [the corporation], not benefit it." According to the court, the fact that the vice-president deceived the corporation and used its money to contribute illegally to a congressional campaign did not preclude a valid finding that he acted to benefit the corporation. Part of the vice-president's job was to cultivate the corporation's relationship with the congressional candidate's brother, the Secretary of Agriculture. Therefore, the court held, the jury was entitled to conclude that the vice-president had acted with an intent, "however befuddled," to further the interests of his employer. *See also United States v. Cincotta*, 689 F.2d 238, 241-42 (1st Cir. 1982) (upholding a corporation's conviction, notwithstanding the substantial personal benefit reaped by its miscreant agents, because the fraudulent scheme required money to pass through the corporation's treasury and the fraudulently obtained goods were resold to the corporation's customers in the corporation's name).

Moreover, the corporation need not even necessarily profit from its agent's actions for it to be held liable. In *Automated Medical Laboratories*, the Fourth Circuit stated:

> [B]enefit is not a "touchstone of criminal corporate liability; benefit at best is an evidential, not an operative, fact." Thus, whether the agent's actions ultimately redounded to the benefit of the corporation is less significant than whether the agent acted with the intent to benefit the corporation. The basic purpose of requiring that an agent have acted with the intent to benefit the corporation, however, is to insulate the corporation from criminal liability for actions of its agents which <u>may</u> be inimical to the interests of the corporation or which may have been undertaken solely to advance the interests of that agent or of a party other than the corporation.

770 F.2d at 407 (emphasis added; *quoting Old Monastery Co. v. United States*, 147 F.2d 905, 908 (4th Cir.), *cert. denied*, 326 U.S. 734 (1945)).

III. Charging a Corporation: Factors to Be Considered

A. General Principle: Generally, prosecutors apply the same factors in determining whether to charge a corporation as they do with respect to individuals. *See* USAM § 9-27.220, *et seq*. Thus, the prosecutor must weigh all of the factors normally considered in the sound exercise of prosecutorial judgment: the sufficiency of the evidence; the likelihood of success at trial; the probable deterrent, rehabilitative, and other consequences of conviction; and the adequacy of noncriminal approaches. *See id.* However, due to the nature of the corporate "person," some additional factors are present. In conducting an investigation, determining whether to bring charges, and negotiating plea agreements, prosecutors must consider the following factors in reaching a decision as to the proper treatment of a corporate target:

1. the nature and seriousness of the offense, including the risk of harm to the public, and applicable policies and priorities, if any, governing the prosecution of corporations for particular categories of crime (see section IV, *infra*);

2. the pervasiveness of wrongdoing within the corporation, including the complicity in, or condonation of, the wrongdoing by corporate management (see section V, *infra)*;

3. the corporation's history of similar conduct, including prior criminal, civil, and regulatory enforcement actions against it (see section VI, *infra*);

4. the corporation's timely and voluntary disclosure of wrongdoing and its willingness to cooperate in the investigation of its agents (see section VII, *infra*);

5. the existence and adequacy of the corporation's pre-existing compliance program (see section VIII, *infra*);

6. the corporation's remedial actions, including any efforts to implement an effective corporate compliance program or to improve an existing one, to replace responsible management, to discipline or terminate wrongdoers, to pay restitution, and to cooperate with the relevant government agencies (see section IX, *infra*);

7. collateral consequences, including disproportionate harm to shareholders, pension holders and employees not proven personally culpable and impact on the public arising from the prosecution (see section X, *infra*);

8. the adequacy of the prosecution of individuals responsible for the corporation's malfeasance; and

9. the adequacy of remedies such as civil or regulatory enforcement actions (see section XI, *infra).*

B. Comment: In determining whether to charge a corporation, the foregoing factors must be considered. The factors listed in this section are intended to be illustrative of those that should be considered and not a complete or exhaustive list. Some or all of these factors may or may not apply to specific cases, and in some cases one factor may override all others. For example, the nature and seriousness of the offense may be such as to warrant prosecution regardless of the other factors. In most cases, however, no single factor will be dispositive. Further, national law enforcement policies in various enforcement areas may require that more or less weight be given to certain of these factors than to others. Of course, prosecutors must exercise their judgment in applying and balancing these factors and this process does not mandate a particular result.

In making a decision to charge a corporation, the prosecutor generally has wide latitude in determining when, whom, how, and even whether to prosecute for violations of federal criminal law. In exercising that discretion, prosecutors should consider the following general statements of principles that summarize appropriate considerations to be weighed and desirable practices to be followed in discharging their prosecutorial responsibilities. In doing so, prosecutors should ensure that the general purposes of the criminal law -- assurance of warranted punishment, deterrence of further criminal conduct, protection of the public from dangerous and fraudulent conduct, rehabilitation of offenders, and restitution for victims and affected communities -- are adequately met, taking into account the special nature of the corporate "person."

IV. Charging a Corporation: Special Policy Concerns

A. General Principle: The nature and seriousness of the crime, including the risk of harm to the public from the criminal conduct, are obviously primary factors in determining whether to charge a corporation. In addition, corporate conduct, particularly that of national and multi-national corporations, necessarily intersects with federal economic, taxation, and criminal law enforcement policies. In applying these principles, prosecutors must consider the practices and policies of the appropriate Division of the Department, and must comply with those policies to the extent required.

B. Comment: In determining whether to charge a corporation, prosecutors should take into account federal law enforcement priorities as discussed above. *See* USAM § 9-27-230. In addition, however, prosecutors must be aware of the specific policy goals and incentive programs established by the respective Divisions and regulatory agencies. Thus, whereas natural persons may be given incremental degrees of credit (ranging from immunity to lesser charges to sentencing considerations) for turning themselves in, making statements against their penal interest, and cooperating in the government's investigation of their own and others' wrongdoing, the same approach may not be appropriate in all circumstances with respect to corporations. As an example, it is entirely proper in many investigations for a prosecutor to consider the corporation's pre-indictment conduct, *e.g.*,voluntary disclosure, cooperation, remediation or restitution, in determining whether to seek an indictment. However, this would not necessarily be appropriate in an antitrust investigation, in which antitrust violations, by definition, go to the

heart of the corporation's business and for which the Antitrust Division has therefore established a firm policy, understood in the business community, that credit should not be given at the charging stage for a compliance program and that amnesty is available only to the first corporation to make full disclosure to the government. As another example, the Tax Division has a strong preference for prosecuting responsible individuals, rather than entities, for corporate tax offenses. Thus, in determining whether or not to charge a corporation, prosecutors must consult with the Criminal, Antitrust, Tax, and Environmental and Natural Resources Divisions, if appropriate or required.

V. Charging a Corporation: Pervasiveness of Wrongdoing Within the Corporation

A. General Principle: A corporation can only act through natural persons, and it is therefore held responsible for the acts of such persons fairly attributable to it. Charging a corporation for even minor misconduct may be appropriate where the wrongdoing was pervasive and was undertaken by a large number of employees or by all the employees in a particular role within the corporation, *e.g.*, salesmen or procurement officers, or was condoned by upper management. On the other hand, in certain limited circumstances, it may not be appropriate to impose liability upon a corporation, particularly one with a compliance program in place, under a strict *respondeat superior* theory for the single isolated act of a rogue employee. There is, of course, a wide spectrum between these two extremes, and a prosecutor should exercise sound discretion in evaluating the pervasiveness of wrongdoing within a corporation.

B. Comment: Of these factors, the most important is the role of management. Although acts of even low-level employees may result in criminal liability, a corporation is directed by its management and management is responsible for a corporate culture in which criminal conduct is either discouraged or tacitly encouraged. As stated in commentary to the Sentencing Guidelines:

> Pervasiveness [is] case specific and [will] depend on the number, and degree of responsibility, of individuals [with] substantial authority ... who participated in, condoned, or were willfully ignorant of the offense. Fewer individuals need to be involved for a finding of pervasiveness if those individuals exercised a relatively high degree of authority. Pervasiveness can occur either within an organization as a whole or within a unit of an organization. *See* USSG §8C2.5, comment. (n. 4).

VI. Charging a Corporation: The Corporation's Past History

A. General Principle: Prosecutors may consider a corporation's history of similar conduct, including prior criminal, civil, and regulatory enforcement actions against it, in determining whether to bring criminal charges.

B. Comment: A corporation, like a natural person, is expected to learn from its mistakes. A history of similar conduct may be probative of a corporate culture that encouraged, or at least condoned, such conduct, regardless of any compliance programs. Criminal prosecution of a

corporation may be particularly appropriate where the corporation previously had been subject to non-criminal guidance, warnings, or sanctions, or previous criminal charges, and it either had not taken adequate action to prevent future unlawful conduct or had continued to engage in the conduct in spite of the warnings or enforcement actions taken against it. In making this determination, the corporate structure itself, *e.g.,* subsidiaries or operating divisions, should be ignored, and enforcement actions taken against the corporation or any of its divisions, subsidiaries, and affiliates should be considered. *See* USSG § 8C2.5(c) & comment.(n. 6).

VII. Charging a Corporation: The Value of Cooperation

A. General Principle: In determining whether to charge a corporation, that corporation's timely and voluntary disclosure of wrongdoing and its cooperation with the government's investigation may be relevant factors. In gauging the extent of the corporation's cooperation, the prosecutor may consider, among other things, whether the corporation made a voluntary and timely disclosure, and the corporation's willingness to provide relevant evidence and to identify the culprits within the corporation, including senior executives.

B. Comment: In investigating wrongdoing by or within a corporation, a prosecutor is likely to encounter several obstacles resulting from the nature of the corporation itself. It will often be difficult to determine which individual took which action on behalf of the corporation. Lines of authority and responsibility may be shared among operating divisions or departments, and records and personnel may be spread throughout the United States or even among several countries. Where the criminal conduct continued over an extended period of time, the culpable or knowledgeable personnel may have been promoted, transferred, or fired, or they may have quit or retired. Accordingly, a corporation's cooperation may be critical in identifying the culprits and locating relevant evidence. Relevant considerations in determining whether a corporation has cooperated are set forth below.

1. Qualifying for Immunity, Amnesty or Pretrial Diversion

In some circumstances, granting a corporation immunity or amnesty or pretrial diversion may be considered in the course of the government's investigation. In such circumstances, prosecutors should refer to the principles governing non-prosecution agreements generally. *See* USAM § 9-27.600-650. These principles permit a non-prosecution agreement in exchange for cooperation when a corporation's "timely cooperation appears to be necessary to the public interest and other means of obtaining the desired cooperation are unavailable or would not be effective." Prosecutors should note that in the case of national or multi-national corporations, multi-district or global agreements may be necessary. Such agreements may only be entered into with the approval of each affected district or the appropriate Department official. *See* USAM §9-27.641.

In addition, the Department, in conjunction with regulatory agencies and other executive branch departments, encourages corporations, as part of their compliance programs, to conduct internal investigations and to disclose their findings to the appropriate authorities. Some agencies, such as the Securities and Exchange Commission and the Environmental Protection Agency, as well as the Department's Environmental and Natural Resources Division, have formal voluntary disclosure programs in which self-reporting, coupled with remediation and additional criteria, may qualify the corporation for amnesty or reduced sanctions. Even in the absence of a formal program, prosecutors may consider a corporation's timely and voluntary disclosure in evaluating the adequacy of the corporation's compliance program and its management's commitment to the compliance program. However, prosecution and economic policies specific to the industry or statute may require prosecution notwithstanding a corporation's willingness to cooperate. For example, the Antitrust Division offers amnesty only to the first corporation to agree to cooperate. This creates a strong incentive for corporations participating in anti-competitive conduct to be the first to cooperate. In addition, amnesty, immunity, or reduced sanctions may not be appropriate where the corporation's business is permeated with fraud or other crimes.

2. Waiving Attorney-Client and Work Product Protections[2]

The attorney-client and work product protections serve an extremely important function in the U.S. legal system. The attorney-client privilege is one of the oldest and most sacrosanct privileges under U.S. law. *See Upjohn v. United States*, 449 U.S. 383, 389 (1976). As the Supreme Court has stated "its purpose is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice." *Id.* The work product doctrine also serves similarly important interests.

Waiver of attorney-client and work product protections is not a prerequisite to a finding that a company has cooperated in the government's investigation. However, a company's disclosure of privileged information may permit the government to expedite its investigation. In addition, the disclosure of privileged information may be critical in enabling the government to evaluate the accuracy and completeness of the company's voluntary disclosure.

Prosecutors may only request waiver of attorney-client or work product protections when there is a legitimate need for the privileged information to fulfill their law enforcement obligations. A legitimate need for the information is not established by concluding it is merely

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[2] The Sentencing Guidelines reward voluntary disclosure and cooperation with a reduction in the corporation's offense level. *See* USSG §8C2.5(g). The reference to consideration of a corporation's waiver of attorney-client and work product protections in reducing a corporation's culpability score in Application Note 12, was deleted effective November 1, 2006. *See* USSG §8C2.5(g), comment. (n.12).

desirable or convenient to obtain privileged information. The test requires a careful balancing of important policy considerations underlying the attorney-client privilege and work product doctrine and the law enforcement needs of the government's investigation.

Whether there is a legitimate need depends upon:

(1) the likelihood and degree to which the privileged information will benefit the government's investigation;

(2) whether the information sought can be obtained in a timely and complete fashion by using alternative means that do not require waiver;

(3) the completeness of the voluntary disclosure already provided; and

(4) the collateral consequences to a corporation of a waiver.

If a legitimate need exists, prosecutors should seek the least intrusive waiver necessary to conduct a complete and thorough investigation, and should follow a step-by-step approach to requesting information. Prosecutors should first request purely factual information, which may or may not be privileged, relating to the underlying misconduct ("Category I"). Examples of Category I information could include, without limitation, copies of key documents, witness statements, or purely factual interview memoranda regarding the underlying misconduct, organization charts created by company counsel, factual chronologies, factual summaries, or reports (or portions thereof) containing investigative facts documented by counsel.

Before requesting that a corporation waive the attorney-client or work product protections for Category I information, prosecutors must obtain written authorization from the United States Attorney who must provide a copy of the request to, and consult with, the Assistant Attorney General for the Criminal Division before granting or denying the request. A prosecutor's request to the United States Attorney for authorization to seek a waiver must set forth law enforcement's legitimate need for the information and identify the scope of the waiver sought. A copy of each waiver request and authorization for Category I information must be maintained in the files of the United States Attorney. If the request is authorized, the United States Attorney must communicate the request in writing to the corporation.

A corporation's response to the government's request for waiver of privilege for Category I information may be considered in determining whether a corporation has cooperated in the government's investigation.

Only if the purely factual information provides an incomplete basis to conduct a thorough investigation should prosecutors then request that the corporation provide attorney-client communications or non-factual attorney work product ("Category II"). This information includes legal advice given to the corporation before, during, and after the underlying misconduct occurred.

This category of privileged information might include the production of attorney notes, memoranda or reports (or portions thereof) containing counsel's mental impressions and conclusions, legal determinations reached as a result of an internal investigation, or legal advice given to the corporation.

Prosecutors are cautioned that Category II information should only be sought in rare circumstances.

Before requesting that a corporation waive the attorney-client or work product protections for Category II information, the United States Attorney must obtain written authorization from the Deputy Attorney General. A United States Attorney's request for authorization to seek a waiver must set forth law enforcement's legitimate need for the information and identify the scope of the waiver sought. A copy of each waiver request and authorization for Category II information must be maintained in the files of the Deputy Attorney General. If the request is authorized, the United States Attorney must communicate the request in writing to the corporation.

If a corporation declines to provide a waiver for Category II information after a written request from the United States Attorney, prosecutors must not consider this declination against the corporation in making a charging decision. Prosecutors may always favorably consider a corporation's acquiescence to the government's waiver request in determining whether a corporation has cooperated in the government's investigation.

Requests for Category II information requiring the approval of the Deputy Attorney General do not include:

(1) legal advice contemporaneous to the underlying misconduct when the corporation or one of its employees is relying upon an advice-of-counsel defense; and

(2) legal advice or communications in furtherance of a crime or fraud, coming within the crime-fraud exception to the attorney-client privilege.

In these two instances, prosecutors should follow the authorization process established for requesting waiver for Category I information.

For federal prosecutors in litigating Divisions within Main Justice, waiver requests for Category I information must be submitted for approval to the Assistant Attorney General of the Division and waiver requests for Category II information must be submitted by the Assistant Attorney General for approval to the Deputy Attorney General. If the request is authorized, the Assistant Attorney General must communicate the request in writing to the corporation.

Federal prosecutors are not required to obtain authorization if the corporation voluntarily offers privileged documents without a request by the government. However, voluntary waivers must be reported to the United States Attorney or the Assistant Attorney General in the Division where the case originated. A record of these reports must be maintained in the files of that office.

3. Shielding Culpable Employees and Agents

Another factor to be weighed by the prosecutor is whether the corporation appears to be protecting its culpable employees and agents. Thus, while cases will differ depending on the circumstances, a corporation's promise of support to culpable employees and agents, *e.g.*, through retaining the employees without sanction for their misconduct or through providing information to the employees about the government's investigation pursuant to a joint defense agreement, may be considered by the prosecutor in weighing the extent and value of a corporation's cooperation.

Prosecutors generally should not take into account whether a corporation is advancing attorneys' fees to employees or agents under investigation and indictment. Many state indemnification statutes grant corporations the power to advance the legal fees of officers under investigation prior to a formal determination of guilt. As a consequence, many corporations enter into contractual obligations to advance attorneys' fees through provisions contained in their corporate charters, bylaws or employment agreements. Therefore, a corporation's compliance with governing state law and its contractual obligations cannot be considered a failure to cooperate.[3] This prohibition is not meant to prevent a prosecutor from asking questions about an

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[3] In extremely rare cases, the advancement of attorneys' fees may be taken into account when the totality of the circumstances show that it was intended to impede a criminal investigation. In these cases, fee advancement is considered with many other telling facts to make a determination that the corporation is acting improperly to shield itself and its culpable employees from government scrutiny. *See discussion in* Brief of Appellant-United States, *United States v. Smith and Watson*, No. 06-3999-cr (2d Cir. Nov. 6, 2006). Where these circumstances exist, approval must be obtained from the Deputy Attorney General before prosecutors may consider this factor in their charging decisions. Prosecutors should follow the authorization process established for waiver requests of Category II information (see section VII-2, *infra*).

attorney's representation of a corporation or its employees.[4]

4. Obstructing the Investigation

Another factor to be weighed by the prosecutor is whether the corporation, while purporting to cooperate, has engaged in conduct intended to impede the investigation (whether or not rising to the level of criminal obstruction). Examples of such conduct include: overly broad assertions of corporate representation of employees or former employees; overly broad or frivolous assertions of privilege to withhold the disclosure of relevant, non-privileged documents; inappropriate directions to employees or their counsel, such as directions not to cooperate openly and fully with the investigation including, for example, the direction to decline to be interviewed; making presentations or submissions that contain misleading assertions or omissions; incomplete or delayed production of records; and failure to promptly disclose illegal conduct known to the corporation.

5. Offering Cooperation: No Entitlement to Immunity

Finally, a corporation's offer of cooperation does not automatically entitle it to immunity from prosecution. A corporation should not be able to escape liability merely by offering up its directors, officers, employees, or agents as in lieu of its own prosecution. Thus, a corporation's willingness to cooperate is merely one relevant factor, that needs to be considered in conjunction with the other factors, particularly those relating to the corporation's past history and the role of management in the wrongdoing.

VIII. Charging a Corporation: Corporate Compliance Programs

A. General Principle: Compliance programs are established by corporate management to prevent and to detect misconduct and to ensure that corporate activities are conducted in accordance with all applicable criminal and civil laws, regulations, and rules. The Department encourages such corporate self-policing, including voluntary disclosures to the government of any problems that a corporation discovers on its own. However, the existence of a compliance program is not sufficient, in and of itself, to justify not charging a corporation for criminal conduct undertaken by its officers, directors, employees, or agents. Indeed, the commission of such crimes in the face of a compliance program may suggest that the corporate management is

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[4] Routine questions regarding the representation status of a corporation and its employees, including how and by whom attorneys' fees are paid, frequently arise in the course of an investigation. They may be necessary to assess other issues, such as conflict-of-interest. Such questions are appropriate and this guidance is not intended to prohibit such inquiry.

not adequately enforcing its program. In addition, the nature of some crimes, *e.g.*, antitrust violations, may be such that national law enforcement policies mandate prosecutions of corporations notwithstanding the existence of a compliance program.

B. Comment: A corporate compliance program, even one specifically prohibiting the very conduct in question, does not absolve the corporation from criminal liability under the doctrine of *respondeat superior*. *See United States v. Basic Construction Co.*, 711 F.2d 570 (4th Cir. 1983) ("[A] corporation may be held criminally responsible for antitrust violations committed by its employees if they were acting within the scope of their authority, or apparent authority, and for the benefit of the corporation, even if... such acts were against corporate policy or express instructions."). In *United States v. Potter*, 463 F.3d 9, 25-26 (1st Cir. According to the court, a corporation cannot "avoid liability by adopting abstract rules" that forbid its agents from engaging in illegal acts; "even a specific directive to an agent or employee or honest efforts to police such rules do not automatically free the company for the wrongful acts of agents." Similarly, in *United States v. Hilton Hotels Corp.*, 467 F.2d 1000 (9th Cir. 1972), *cert. denied*, 409 U.S. 1125 (1973), the Ninth Circuit affirmed antitrust liability based upon a purchasing agent for a single hotel threatening a single supplier with a boycott unless it paid dues to a local marketing association, even though the agent's actions were contrary to corporate policy and directly against express instructions from his superiors. The court reasoned that Congress, in enacting the Sherman Antitrust Act, "intended to impose liability upon business entities for the acts of those to whom they choose to delegate the conduct of their affairs, thus stimulating a maximum effort by owners and managers to assure adherence by such agents to the requirements of the Act.[5] It concluded that "general policy statements" and even direct instructions from the agent's superiors were not sufficient; "Appellant could not gain exculpation by issuing general instructions without undertaking to enforce those instructions by means commensurate with the obvious risks." *See also United States v. Beusch*, 596 F.2d 871, 878 (9th Cir. 1979) ("[A] corporation may be liable for the acts of its employees done contrary to express instructions and policies, but ... the existence of such instructions and policies may be considered in determining whether the employee in fact acted to benefit the corporation."); *United States v. American Radiator & Standard Sanitary Corp.*, 433 F.2d 174 (3rd Cir. 1970) (affirming conviction of corporation based upon its officer's participation in price-fixing scheme, despite corporation's defense that officer's conduct violated its "rigid anti-fraternization policy" against any socialization (and exchange of price information) with its competitors; "When the act of the agent is within the scope of his employment or his apparent authority, the corporation is held

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[5] Although this case and *Basic Construction* are both antitrust cases, their reasoning applies to other criminal violations. In the *Hilton* case, for instance, the Ninth Circuit noted that Sherman Act violations are commercial offenses "usually motivated by a desire to enhance profits," thus, bringing the case within the normal rule that a "purpose to benefit the corporation is necessary to bring the agent's acts within the scope of his employment." 467 F.2d at 1006 & n4. In addition, in *United States v. Automated Medical Laboratories*, 770 F.2d 399, 406 n.5 (4th Cir. 1985), the Fourth Circuit stated "that Basic Construction states a generally applicable rule on corporate criminal liability despite the fact that it addresses violations of the antitrust laws."

legally responsible for it, although what he did may be contrary to his actual instructions and may be unlawful.").

While the Department recognizes that no compliance program can ever prevent all criminal activity by a corporation's employees, the critical factors in evaluating any program are whether the program is adequately designed for maximum effectiveness in preventing and detecting wrongdoing by employees and whether corporate management is enforcing the program or is tacitly encouraging or pressuring employees to engage in misconduct to achieve business objectives. The Department has no formal guidelines for corporate compliance programs. The fundamental questions any prosecutor should ask are: "Is the corporation's compliance program well designed?" and "Does the corporation's compliance program work?" In answering these questions, the prosecutor should consider the comprehensiveness of the compliance program; the extent and pervasiveness of the criminal conduct; the number and level of the corporate employees involved; the seriousness, duration, and frequency of the misconduct; and any remedial actions taken by the corporation, including restitution, disciplinary action, and revisions to corporate compliance programs.[6] Prosecutors should also consider the promptness of any disclosure of wrongdoing to the government and the corporation's cooperation in the government's investigation. In evaluating compliance programs, prosecutors may consider whether the corporation has established corporate governance mechanisms that can effectively detect and prevent misconduct. For example, do the corporation's directors exercise independent review over proposed corporate actions rather than unquestioningly ratifying officers' recommendations; are the directors provided with information sufficient to enable the exercise of independent judgment, are internal audit functions conducted at a level sufficient to ensure their independence and accuracy and have the directors established an information and reporting system in the organization reasonably designed to provide management and the board of directors with timely and accurate information sufficient to allow them to reach an informed decision regarding the organization's compliance with the law. *In re: Caremark*, 698 A.2d 959 (Del. Ct. Chan. 1996).

Prosecutors should therefore attempt to determine whether a corporation's compliance program is merely a "paper program" or whether it was designed and implemented in an effective manner. In addition, prosecutors should determine whether the corporation has provided for a staff sufficient to audit, document, analyze, and utilize the results of the corporation's compliance efforts. In addition, prosecutors should determine whether the corporation's employees are adequately informed about the compliance program and are convinced of the corporation's commitment to it. This will enable the prosecutor to make an informed decision as to whether the corporation has adopted and implemented a truly effective compliance program that, when consistent with other federal law enforcement policies, may result in a decision to charge only the corporation's employees and agents.

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[6] For a detailed review of these and other factors concerning corporate compliance programs, *see* USSG §8B2.1.

Compliance programs should be designed to detect the particular types of misconduct most likely to occur in a particular corporation's line of business. Many corporations operate in complex regulatory environments outside the normal experience of criminal prosecutors. Accordingly, prosecutors should consult with relevant federal and state agencies with the expertise to evaluate the adequacy of a program's design and implementation. For instance, state and federal banking, insurance, and medical boards, the Department of Defense, the Department of Health and Human Services, the Environmental Protection Agency, and the Securities and Exchange Commission have considerable experience with compliance programs and can be very helpful to a prosecutor in evaluating such programs. In addition, the Fraud Section of the Criminal Division, the Commercial Litigation Branch of the Civil Division, and the Environmental Crimes Section of the Environment and Natural Resources Division can assist U.S. Attorneys' Offices in finding the appropriate agency office and in providing copies of compliance programs that were developed in previous cases.

IX. Charging a Corporation: Restitution and Remediation

A. General Principle: Although neither a corporation nor an individual target may avoid prosecution merely by paying a sum of money, a prosecutor may consider the corporation's willingness to make restitution and steps already taken to do so. A prosecutor may also consider other remedial actions, such as implementing an effective corporate compliance program, improving an existing compliance program, and disciplining wrongdoers, in determining whether to charge the corporation.

B. Comment: In determining whether or not a corporation should be prosecuted, a prosecutor may consider whether meaningful remedial measures have been taken, including employee discipline and full restitution. A corporation's response to misconduct says much about its willingness to ensure that such misconduct does not recur. Thus, corporations that fully recognize the seriousness of their misconduct and accept responsibility for it should be taking steps to implement the personnel, operational, and organizational changes necessary to establish an awareness among employees that criminal conduct will not be tolerated. Among the factors prosecutors should consider and weigh are whether the corporation appropriately disciplined the wrongdoers and disclosed information concerning their illegal conduct to the government.

Employee discipline is a difficult task for many corporations because of the human element involved and sometimes because of the seniority of the employees concerned. While corporations need to be fair to their employees, they must also be unequivocally committed, at all levels of the corporation, to the highest standards of legal and ethical behavior. Effective internal discipline can be a powerful deterrent against improper behavior by a corporation's employees. In evaluating a corporation's response to wrongdoing, prosecutors may evaluate the willingness of the corporation to discipline culpable employees of all ranks and the adequacy of the discipline imposed. The prosecutor should be satisfied that the corporation's focus is on the integrity and credibility of its remedial and disciplinary measures rather than on the protection of the wrongdoers.

In addition to employee discipline, two other factors used in evaluating a corporation's remedial efforts are restitution and reform. As with natural persons, the decision whether or not to prosecute should not depend upon the target's ability to pay restitution. A corporation's efforts to pay restitution even in advance of any court order is, however, evidence of its "acceptance of responsibility" and, consistent with the practices and policies of the appropriate Division of the Department entrusted with enforcing specific criminal laws, may be considered in determining whether to bring criminal charges. Similarly, although the inadequacy of a corporate compliance program is a factor to consider when deciding whether to charge a corporation, that corporation's quick recognition of the flaws in the program and its efforts to improve the program are also factors to consider.

X. Charging a Corporation: Collateral Consequences

A. General Principle: Prosecutors may consider the collateral consequences of a corporate criminal conviction in determining whether to charge the corporation with a criminal offense.

B. Comment: One of the factors in determining whether to charge a natural person or a corporation is whether the likely punishment is appropriate given the nature and seriousness of the crime. In the corporate context, prosecutors may take into account the possibly substantial consequences to a corporation's officers, directors, employees, and shareholders, many of whom may, depending on the size and nature (*e.g.,* publicly vs. closely held) of the corporation and their role in its operations, have played no role in the criminal conduct, have been completely unaware of it, or have been wholly unable to prevent it. Prosecutors should also be aware of non-penal sanctions that may accompany a criminal charge, such as potential suspension or debarment from eligibility for government contracts or federal funded programs such as health care. Whether or not such non-penal sanctions are appropriate or required in a particular case is the responsibility of the relevant agency, a decision that will be made based on the applicable statutes, regulations, and policies.

Virtually every conviction of a corporation, like virtually every conviction of an individual, will have an impact on innocent third parties, and the mere existence of such an effect is not sufficient to preclude prosecution of the corporation. Therefore, in evaluating the severity of collateral consequences, various factors already discussed, such as the pervasiveness of the criminal conduct and the adequacy of the corporation's compliance programs, should be considered in determining the weight to be given to this factor. For instance, the balance may tip in favor of prosecuting corporations in situations where the scope of the misconduct in a case is widespread and sustained within a corporate division (or spread throughout pockets of the corporate organization). In such cases, the possible unfairness of visiting punishment for the corporation's crimes upon shareholders may be of much less concern where those shareholders have substantially profited, even unknowingly, from widespread or pervasive criminal activity.

Similarly, where the top layers of the corporation's management or the shareholders of a closely-held corporation were engaged in or aware of the wrongdoing and the conduct at issue was accepted as a way of doing business for an extended period, debarment may be deemed not collateral, but a direct and entirely appropriate consequence of the corporation's wrongdoing.

The appropriateness of considering such collateral consequences and the weight to be given them may depend on the special policy concerns discussed in section III, *supra*.

XI. Charging a Corporation: Non-Criminal Alternatives

A. General Principle: Non-criminal alternatives to prosecution often exist and prosecutors may consider whether such sanctions would adequately deter, punish, and rehabilitate a corporation that has engaged in wrongful conduct. In evaluating the adequacy of non-criminal alternatives to prosecution, *e.g.*, civil or regulatory enforcement actions, the prosecutor may consider all relevant factors, including:

1. the sanctions available under the alternative means of disposition;

2. the likelihood that an effective sanction will be imposed; and

3. the effect of non-criminal disposition on federal law enforcement interests.

B. Comment: The primary goals of criminal law are deterrence, punishment, and rehabilitation. Non-criminal sanctions may not be an appropriate response to an egregious violation, a pattern of wrongdoing, or a history of non-criminal sanctions without proper remediation. In other cases, however, these goals may be satisfied without the necessity of instituting criminal proceedings. In determining whether federal criminal charges are appropriate, the prosecutor should consider the same factors (modified appropriately for the regulatory context) considered when determining whether to leave prosecution of a natural person to another jurisdiction or to seek non-criminal alternatives to prosecution. These factors include: the strength of the regulatory authority's interest; the regulatory authority's ability and willingness to take effective enforcement action; the probable sanction if the regulatory authority's enforcement action is upheld; and the effect of a non-criminal disposition on federal law enforcement interests. *See* USAM §§ 9-27.240, 9-27.250.

XII. Charging a Corporation: Selecting Charges

A. General Principle: Once a prosecutor has decided to charge a corporation, the prosecutor should charge, or should recommend that the grand jury charge, the most serious offense that is consistent with the nature of the defendant's conduct and that is likely to result in a sustainable conviction.

B. Comment: Once the decision to charge is made, the same rules as govern charging natural persons apply. These rules require "a faithful and honest application of the Sentencing Guidelines" and an "individualized assessment of the extent to which particular charges fit the specific circumstances of the case, are consistent with the purposes of the federal criminal code, and maximize the impact of federal resources on crime." *See* USAM § 9-27.300. In making this determination, "it is appropriate that the attorney for the government consider, inter alia, such factors as the sentencing guideline range yielded by the charge, whether the penalty yielded by such sentencing range ... is proportional to the seriousness of the defendant's conduct, and whether the charge achieves such purposes of the criminal law as punishment, protection of the public, specific and general deterrence, and rehabilitation." *See* Attorney General's Memorandum, dated October 12, 1993.

XIII. Plea Agreements with Corporations

A. General Principle: In negotiating plea agreements with corporations, prosecutors should seek a plea to the most serious, readily provable offense charged. In addition, the terms of the plea agreement should contain appropriate provisions to ensure punishment, deterrence, rehabilitation, and compliance with the plea agreement in the corporate context. Although special circumstances may mandate a different conclusion, prosecutors generally should not agree to accept a corporate guilty plea in exchange for non-prosecution or dismissal of charges against individual officers and employees.

B. Comment: Prosecutors may enter into plea agreements with corporations for the same reasons and under the same constraints as apply to plea agreements with natural persons. *See* USAM §§ 9-27.400-500. This means, *inter alia*, that the corporation should be required to plead guilty to the most serious, readily provable offense charged. As is the case with individuals, the attorney making this determination should do so "on the basis of an individualized assessment of the extent to which particular charges fit the specific circumstances of the case, are consistent with the purposes of the federal criminal code, and maximize the impact of federal resources on crime. In making this determination, the attorney for the government considers, *inter alia*, such factors as the sentencing guideline range yielded by the charge, whether the penalty yielded by such sentencing range ... is proportional to the seriousness of the defendant's conduct, and whether the charge achieves such purposes of the criminal law as punishment, protection of the public, specific and general deterrence, and rehabilitation." *See* Attorney General's Memorandum, dated October 12, 1993. In addition, any negotiated departures from the Sentencing Guidelines must be justifiable under the Guidelines and must be disclosed to the sentencing court. A corporation should be made to realize that pleading guilty to criminal charges constitutes an admission of guilt and not merely a resolution of an inconvenient distraction from its business. As with natural persons, pleas should be structured so that the corporation may not later "proclaim lack of culpability or even complete innocence." *See* USAM §§ 9-27.420(b)(4), 9-27.440, 9-27.500. Thus, for instance, there should be placed upon the record a sufficient factual basis for the plea to prevent later corporate assertions of innocence.

A corporate plea agreement should also contain provisions that recognize the nature of the corporate "person" and ensure that the principles of punishment, deterrence, and rehabilitation are met. In the corporate context, punishment and deterrence are generally accomplished by substantial fines, mandatory restitution, and institution of appropriate compliance measures, including, if necessary, continued judicial oversight or the use of special masters. *See* USSG §§ 8B1.1, 8C2.1, *et seq*. In addition, where the corporation is a government contractor, permanent or temporary debarment may be appropriate. Where the corporation was engaged in government contracting fraud, a prosecutor may not negotiate away an agency's right to debar or to list the corporate defendant.

In negotiating a plea agreement, prosecutors should also consider the deterrent value of prosecutions of individuals within the corporation. Therefore, one factor that a prosecutor may consider in determining whether to enter into a plea agreement is whether the corporation is seeking immunity for its employees and officers or whether the corporation is willing to cooperate in the investigation of culpable individuals. Prosecutors should rarely negotiate away individual criminal liability in a corporate plea.

Rehabilitation, of course, requires that the corporation undertake to be law-abiding in the future. It is, therefore, appropriate to require the corporation, as a condition of probation, to implement a compliance program or to reform an existing one. As discussed above, prosecutors may consult with the appropriate state and federal agencies and components of the Justice Department to ensure that a proposed compliance program is adequate and meets industry standards and best practices. See section VIII, *supra*.

In plea agreements in which the corporation agrees to cooperate, the prosecutor should ensure that the cooperation is complete and truthful. To do so, the prosecutor may request that the corporation waive attorney-client and work product protection, make employees and agents available for debriefing, disclose the results of its internal investigation, file appropriate certified financial statements, agree to governmental or third-party audits, and take whatever other steps are necessary to ensure that the full scope of the corporate wrongdoing is disclosed and that the responsible culprits are identified and, if appropriate, prosecuted. See generally section VII, *supra*.

This memorandum provides only internal Department of Justice guidance. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal. Nor are any limitations hereby placed on otherwise lawful litigative prerogatives of the Department of Justice.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 12:20 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES VISITS DELAWARE COUNTY INTERNET CRIMES AGAINST CHILDREN TASK FORCE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 12, 2006
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ATTORNEY GENERAL GONZALES VISITS DELAWARE COUNTY INTERNET CRIMES AGAINST CHILDREN TASK FORCE

PHILADELPHIA – Attorney General Alberto R. Gonzales today toured the Delaware County Internet Crimes Against Children (ICAC) Task Force in Philadelphia. As part of the visit, Attorney General Gonzales met with members of the task force to discuss the importance of protecting children from online sexual exploitation.

The ICAC Task Force Program was created to help state and local law enforcement agencies enhance their investigative response to offenders who use Internet, online communication systems or other computer technology to sexually exploit children. Each ICAC Task Force works with state and local law enforcement agencies to develop an effective response to cyber enticement and child pornography cases by assisting with forensic and investigative components, providing training and technical assistance, victim services and community education. There are currently 46 ICAC Task Forces nationwide.

"The ICAC Task Forces are critical to our nation's effort to safeguard young people from online victimization and abuse," said Attorney General Alberto R. Gonzales. "As a father and as the chief law enforcement officer, I care deeply about these issues, and I've made protecting our children a priority for the Justice Department. We're proud to partner with and continue supporting the ICAC Task Forces."

In 2006, the Delaware County ICAC Task Force has handled 680 complaints resulting in 56 arrests. Additionally, from January 2000 to December 2006, the Delaware County ICAC Task Force has opened more than 2,500 cases of investigative interests. Of those cases, 619 were travelers, 128 were online enticement, and 1,806 were peer-to-peer investigations involving the possession and distribution of graphic child pornography. These investigations ultimately resulted in 306 arrests, the seizure and forensic examinations of 1,318 electronic media involving crimes against children, the serving of 356 subpoenas, 1,695 court orders and 811 search warrants. Additionally, since January 2000, the Delaware County ICAC Task Force has referred 113 cases to federal law enforcement, 433 to local law enforcement and 336 to the state.

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An important part of the ICAC Task Force mission is to educate the local community on the dangers of online predators. Since January 2000, the Delaware County ICAC Task Force has provided over 367 Internet Safety Presentations to Schools, Parent Teacher Associations and Community Groups reaching over 33,200 individuals. In 2006 alone, members of the ICAC Task Force gave more than 150 presentations to more than 19,000 educators, students, community leaders and parents.

Attorney General Gonzales visited Philadelphia to promote Project Safe Childhood (PSC), the Department's ongoing initiative designed to protect children from sexual abuse and exploitation through the Internet. Established by Attorney General Gonzales in February 2006, PSC is intended to help law enforcement and community leaders develop a coordinated strategy to prevent, investigate and prosecute sexual predators, abusers and pornographers who target children. For more information about the Department of Justice's efforts to combat the online sexual exploitation of children, please visit www.projectsafechildhood.gov.

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System Administrator

From:	System Administrator
Sent:	Tuesday, December 12, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Your mailbox size is 972472 KB.
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TIBCO Software Inc.

From: TIBCO Software Inc.
Sent: Tuesday, December 12, 2006 1:01 PM
To: Gorsuch, Neil M
Subject: TIBCO ActiveMatrix - TIBCO's Service Virtualization Platform

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Regards,
TIBCO Software Inc.

Date: Wednesday, December 13, 2006
Time: 9:00 AM PST, noon EST
Presenter: Matt Quinn TIBCO's Vice President of Product Management and Strategy

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System Administrator

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Sent:	Tuesday, December 12, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 12, 2006 4:59 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF BACKGROUND BRIEFING ON REVISED CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 12, 2006
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TRANSCRIPT OF BACKGROUND BRIEFING ON REVISED CHARGING GUIDELINES FOR PROSECUTING CORPORATE FRAUD

12:35 P.M. EST

MS. BLOMQUIST: This is Kathleen Blomquist from the Office of Public Affairs at Department of Justice. Thanks for joining us. Today we will receive a briefing from a Senior Department Official on revisions announced today to the charging guidelines for prosecuting corporate fraud. This briefing is for background purposes only, and Senior Department Official should be referenced as a Senior Department Official. If you are recording this conference call, please keep in mind that the recording may not be used in your reports, however the Office of Public Affairs will have a transcript available later today.

A Senior Department Official is going to make some opening remarks and then Mike will open it up for questions. Go ahead, Senior Department Official.

SENIOR DEPARTMENT OFFICIAL: Thank you, and I guess good afternoon, everybody. Thank you for joining us today.

The new guidance that was announced today represents a very substantial step by the Department of Justice to address concerns we have heard articulated, especially over the last year, related to a certain very narrow range of practices associated with our corporate fraud investigations. And if there's a single, overall theme to what stands behind today's revised guidance, it is in improving a corporation's ability to comply with federal law and improving compliance generally through two steps.

First, the guidance now sets a very high standard for our prosecutors with respect to when they may request from a corporation the most sensitive of the materials that have been discussed in connection with our practices, that is, materials that relate to legal advice and communications directly between attorneys and corporate officers.

Those who have been concerned and engaged with the Department in discussing our corporate investigation practices have claimed that Department practices of seeking attorney client protected materials, privileged materials, has put a chill on the willingness of clients to seek good counsel and of counsel to provide good advice.

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Now we, I think, have some dispute and don't concede that our practices have been accurately described, but we certainly recognize that folks maintain that that is the perception. And we recognize the importance of corporate officers being able to seek legal advice and to get some legal advice as one of the first protections against corporate misconduct.

And so we are responding today in a very direct and forceful way to address that concern by imposing new requirements that make it clear that the instances in which the Department will seek that kind of communication between a lawyer and his counsel is going to be quite rare. And we think that will and should go a long way to addressing the concerns and thereby improve -- or hopefully improve -- the ability of corporate officials to get advice, and thereby improve corporate compliance with their legal requirements.

The second piece is that the memo, at the same time, is designed to ensure that we have struck an appropriate balance in our ability as prosecutors to get the facts necessary to prosecute cases when, for whatever reason, the corporation has failed to -- its employees or officers have failed comply with legal requirements. And that is an equally important part of the compliance -- creating a culture of compliance.

And so the memo, while imposing new process requirements to make sure that our prosecutors have thought through these matters carefully and thoughtfully, nevertheless, at the end of the day, also preserves our ability to secure factual information that the corporation has in its possession about conduct that we are investigating and that may show violations of the criminal law.

So we believe that the memorandum strikes an appropriate balance between those two important elements of creating an overall climate in which corporate compliance is high. We believe it has gone -- and should be regarded by any fair-minded observer as a very substantial step in addressing the concerns we have heard articulated over the course of the last year. A common theme of that, even from those who have been critics has been a recognition of the government's -- the importance of the government being able to understand and get the facts while, at the same time, ensuring the corporations are not deterred from getting legal advice when helpful and appropriate.

With that sort of broad comment, let me just turn very briefly to some of the specifics in the memorandum, address some of the more technical elements in a kind of broad overview way. First, with respect to -- the memorandum sets out this distinction that I'll allude to between two different kinds of information that may be protected.

The first is information that in the memo is described as what we call Category Two* information, that is, communications -- it's typically going to be things like attorney-client communications, advice received from counsel, perhaps mental impressions of the attorney, the attorney's assessment of what those facts may mean for the corporation in terms of legal liability, those kinds of things that I think people regard as the most sensitive and the most important.

With respect to that category, there is now going to be a very robust and involved process before our prosecutors even can request a corporation to provide that information. They are going to have to show a legitimate need for the information that means something more than convenience on their part.

The memo sets out kind of a four-factor test that prosecutors will have to address in establishing the legitimate need. The prosecutors are going to have to make that case to their own United States Attorney, the senior-most law enforcement official in their region. That United States Attorney, in turn, will have to present a request for approval to the Deputy Attorney General, the number two official in the Department of Justice that demonstrates the legitimate need before they can even make the request of the corporation. And then, if that's approved, they will need to make the request in writing.

We, again, while we don't agree with the characterization of our practices previously to the degree there has been some perception however that prosecutors have sort of routinely and informally and very early on in investigations made it a regular practice to seek this kind of material. This new approach of very detailed requirements and justifications will address that perception head on and make it clear that that is not and will not be our practices.

The second thing in connection with that, even if the request is approved so that the prosecutors in the field are authorized to seek this material, the memorandum makes clear that should the corporation still decline to provide it, that that decision by the corporation will not be held against the corporation in any way when, at the conclusion of the investigation, the prosecutors are at the point of having to make decisions related to charging.

Second, then you -- so that lays out kind of the process and what we've done with respect to this tier two, the most sensitive of the kind of protected information. With respect to tier one, that information that helps to lay out, that does lay out the facts that the corporation is aware of but which may enjoy some protections as the work product of the attorney or may in some fashion otherwise be covered or protected -- again, we have formalized a process so that prosecutors will be thoughtful and measured in seeking that information.

Again, they will have to go through the legitimate need analysis. They will have to present that to the United States Attorney. The United States Attorney, in turn, will be required to consult with the Assistant Attorney General of the Criminal Division, one of our officials in Washington, before making a final decision whether to approve the ability to request that information, and then, again, if that's approved, any requests will need to be communicated in writing to the relevant corporate representatives.

The final element of the memorandum addresses the payment of attorney's fees and sets out a general prohibition on our prosecutors considering as a factor when assessing whether a corporation is cooperative, considering in that mix whether the corporation is paying the attorney's fees of various folks such as their employees.

There is a very narrow exception, but let me say there is no -- if the corporation is required to pay attorney's fees, for example, because its corporate bylaws set that out; they have contractual obligations; the state's corporation law would require them to pay fees, then that practice by the corporation of complying with its legal obligations will never be considered as a factor in assessing the corporation's cooperation.

There is a very narrow carve-out for that -- and I guess I should observe -- that is quite commonly the law, we find, in these investigations, the law that governs these investigations.

They quite often do have these kinds of contractual or legal obligations to pay the fees, so the only circumstances in which the payment of fees could ever be considered is first, where there isn't such an obligation, and second, where there is what you might can a totality of circumstances that suggests the payment of fees is part of a broad set of practices that the company has pursued to -- that are designed or appear designed to impede the government's investigation. We have emphasized that those circumstances we would expect to be extremely rare, that this issue then is going to arise or consideration would arise only if there are substantial other indicators of the corporation's intention to impede the investigation.

And so the payment of fees will never be considered as a stand-alone and only rarely considered when there are a variety of other factors suggestive that that's the corporation's design or intention.

You know, with that, maybe one final observation, and then we can open it to questions. We believe, as I indicated at the outset, that this represents a very thoughtful and serious response to the concerns we've heard articulated, especially over the last year or so. We believe it addresses the principal concern we have heard, again, that there's this perception about our practices and that that perception in some way chills communications between attorneys and their clients while, at the same time, balancing an equally important need for prosecutors to be able to secure

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facts in a timely way while doing that in kind of a measured fashion that won't unduly impede on communications or the lawyer's involvement in gathering those relevant facts.

We have developed this after consulting extensively with a variety of folks, folks in the Corporate Defense Bar, former Department of Justice officials who have had the opportunity to sort of see the world from both sides of the fence, folks on the hill such as Senators Leahy and Specter and their staffs, and we think that any fair-minded person at this point will look at this -- represent the substantial change it represents, and will be inclined to give this a chance to work.

The memo, as I noted, contains various approval requirements and consultation requirements that is going to give us an opportunity to track this issue in a more systematic way to find out the number of times these kinds of issues arise, and to, you know, be able to take a look in six months or a year and give a meaningful assessment of the way in which the world is working under this new guidance.

With that, maybe we should just open it up to questions.

OPERATOR: Our first question comes from Jake McClure from the Legal Times.

QUESTION: Hi. I guess my question can be summed up as why make these changes now, and what's led to this? You said that there's a misperception by the Department's critics about how it goes about asking for privilege waivers, and yet even though you say that perception is wrong, you're going to change your policies anyway. So there seems to me to be a disconnect there. And then on the attorney fee waiver, where does the KPMG Judge Kaplan decision play into that? Because that's something that I've heard neither you nor Mr. McNulty today address.

SENIOR DEPARTMENT OFFICIAL: Well, in terms of the why now, a couple of things on that. First, as I say, we have been hearing from folks who've had concerns on this issue for, you know, a year or more I guess, and having a series of, you know, meetings, and we hope very sort of thoughtful discussions with them.

That process probably accelerated in some measure in September when the Deputy Attorney General Paul McNulty appeared before a Senate committee that was holding hearings on this and which I think allowed him to begin to really focus his thinking on this issue, and also gave us an opportunity to hear again in kind of a more focused way from folks who were concerned about this issue, you know, through their testimony and subsequent conversations that we had.

We -- and that process has simply culminated now in the Attorney General being confident that he had a full understanding of the concerns and issues and had thought through thoroughly what he believed to be the right solution and balancing of interests here.

Second, you know, I think as to why one might respond to a misperception, I think it goes to that first point I made about our fundamental interests here being in compliance. As the deputy observed in his speech today, you know, the best criminal prosecution for us is one that never has to occur because a corporate official got good counsel, worked with his attorneys, and made sure that the corporation's conduct was in compliance with the law.

And to some degree, you know, even a misperception about our practices, if it is causing, as our critics maintain, causing corporate officials and their lawyers not to have those kinds of frank and effective exchanges, is, you know, is going to frustrate that goal of avoiding misconduct through good consultation. And so, to some degree here, perception is the reality.

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And that is part of what we've heard from, from our critics is that they maintain that, you know, folks are stepping forward less often and less candidly in working with their attorneys. And so these practices are designed to disabuse anybody of that perception that this is a routine or a common practice for us.

QUESTION: In the KPMG decision?

SENIOR DEPARTMENT OFFICIAL: KPMG I think we're not going to comment specifically on that. That's obviously still actively in litigation, and I think we're just going to defer any comments relating to --

QUESTION: I mean, you decided to make this change before that's even gone through an appellate level, just after a District Court decision.

SENIOR DEPARTMENT OFFICIAL: I mean, yes, factually, that's a correct statement. It's still on appeal. As I say, the deputy decided to make this change at the point he was confident he had, you know, heard fully from folks critical of our practices, had heard fully on the other side from our prosecutors in the field about their concerns and what was, you know, essential in order to maintain we could still prosecute these cases effectively. And once he was satisfied he had the chance to engage in all those kinds of discussions and to have thought through the issue carefully himself, he decided, you know, to announce these changes.

QUESTION: Thanks.

OPERATOR: The next question we have comes from Seth Stern from the Congressional Quarterly.

QUESTION: Yes. I'm wondering if you have negotiated this with Senator Specter and Senator Leahy and whether they had approved your plan and what kind of feedback you got from them.

SENIOR DEPARTMENT OFFICIAL: We -- the deputy has had opportunities to speak with Senator Specter and Senator Leahy as he was finalizing his thinking here. The -- you can I guess -- we wouldn't get into the details of those discussions. We are obviously in addition in close contact with his staff, but the policy today represents the deputy's policy. It represents what he believes to be the correct set of practices for the Department to be following. And, you know, as I said, we're hopeful that people will give this a chance to work and to vindicate his judgment that this is -- represents a good balancing of the competing interests.

QUESTION: Does he think this will forestall legislation?

SENIOR DEPARTMENT OFFICIAL: We'll defer to Senator Specter and Senator Leahy as to their views or comments on them. You can get that directly from them. And I'm sorry. There was a question something about legislation?

QUESTION: Yeah. I mean, do you think this kind of -- Senator Specter had drafted a bill last week. Do you think this prevents the need -- is there any need for legislation in this area with the new policy?

SENIOR DEPARTMENT OFFICIAL: Well, as I say, we think this is the right balancing, and we think if it's given a chance to work, people will see that we've got it right and that there isn't need for further action, either further Department policy change or legislation in this area.

OPERATOR: Did you have any further question? We'll go ahead to the next question. It comes from Josh Gerstein from the New York Sun.

QUESTION: Hi. I had a question about this provision here that sort of says that attorney-client information can be used positively but won't be used negatively. Can you explain that a little more? It seems that one could argue that that's a distinction without a difference.

SENIOR DEPARTMENT OFFICIAL: I understand the question. I think we disagree with it. Look, I mean, the sort of will not consider it I think speaks, you know, pretty clearly. We're saying first we're going to restrict the occasions on which we ask for this, you know, most sensitive kind of information, the tier 2 information that's described in the memo.

And even when we ask, if the corporation decides it doesn't or isn't willing to provide the information, that simply will not be a factor in our analysis of whether the corporation has been cooperative, which in turn I should emphasize is only one of nine factors we consider in the guidance memo in terms of whether the corporation ought to be charged or not.

You know, the flip side of that, that it can be considered as a sort of, you know, plus factor or a factor indicative of cooperation, you know, in our mind just represents a level of common sense.

It would be strange to, and frankly, not consistent with our experience, for a corporation to decide to provide materials that it considered, you know, highly sensitive, highly important, and then not want that to be in the balance as, you know, a favorable factor for them as we're assessing what to do at the end of the investigation and making charging decisions. And that's, you know, that's what those two pieces are about.

QUESTION: Thank you.

OPERATOR: The next question we have comes from Edward Iwata from USA Today.

QUESTION: Yes. I'm wondering what prosecutors out in the field think about the new policies, given the Holder memorandum and then the Thompson updating of that memorandum and now this new policy, what they think if perhaps it's sending mixed signals. And secondly, what impact will this have on ongoing cases and investigations?

SENIOR DEPARTMENT OFFICIAL: Well, let me address the second one first, because that's maybe a shorter, easier thing to say. The guidance is effective immediately, and so it will apply to ongoing matters and investigations. I mean, obviously, if there's already been kind of material provided that might be covered by this, you can't unring that bell, but in terms of investigations that are ongoing and open but where these issues have not yet developed or arisen in the investigation, this guidance will apply.

As to the first question, you know, prosecutors in the field and the message it sends, first, I want to emphasize again that this was developed after extensive discussions that included various United States attorneys from around the country.

The deputy has spoken personally with a number of them, particularly in those offices that tend to have these kind of corporate fraud cases come up most often, and he has been very sensitive to the underlying and fundamental concern that what we need here and what prosecutors in the field need is full access to the facts.

And so if a company is able to provide that by simply providing documents and e-mails and lists of witnesses and that kind of thing, that's going to be sufficient.

If our prosecutors feel that there is information that they -- factual information that they can't secure without, you know, for example, getting perhaps a portion of an internal investigative, you know, internal investigative report that simply lays out factual information that the corporation has discovered through an internal investigation, then

prosecutors are going to be able to get that, you know, but they're going to have to in a sort of careful, thoughtful way lay out their legitimate need for it and why a request to the corporation is necessary to secure that information.

So we think at the end of the day, this addresses the fundamental concern that prosecutors have. It may change a little bit, you know, the path you take, creates a couple of intermediate steps of review along the way, but fundamentally, at the end of the day ensures that these cases, we will be able to get to the facts and we will be able to prosecute misconduct when it occurs.

QUESTION: Thank you.

OPERATOR: The next question we have comes from Robert Herr with King and Spaulding.

QUESTION: Hi, how are you? Bob, good question on the topic of selective waiver, which I know is not directly addressed in today's announcements or in the McNulty memo. I know the DAG has come out in support of selective waiver legislation. I just wondered if that's still the Department's position and if you've had any conversations on the topic with Senator Specter or Senator Leahy.

SENIOR DEPARTMENT OFFICIAL: I'm sorry. Can you repeat that, Bob? Because the phone blanked out here for just a moment.

QUESTION: Oh, sorry about that. Sure. I know that today's announcement and the McNulty memo do not explicitly address the topic of selective waiver or limited waiver, and I wondered if the Department's position is still that it supports such legislation, and whether you or anyone else in the Department has had conversations specifically about selective waiver with Senator Specter or Senator Leahy?

SENIOR DEPARTMENT OFFICIAL: Well, let me just say, we won't get into the details of conversations that we've had with the senator. However, you know, as to the first part of the question, the Department has been supportive in particular of a proposed change in the rules of evidence that would allow companies to provide materials to enforcement agencies such as the Department of Justice or SEC that are covered by privilege without that disclosure becoming a waiver that entitles any litigant, you know, to later get that material, those kinds of materials.

We've been supportive of that rule as it has been developing in the Rules Committee process. Today's memo does not address that specifically, and so it does nothing to change the position we've taken, which has generally been to be supportive of that kind of -- that kind of change.

QUESTION: Thanks.

OPERATOR: Ms. Blomquist, gentlemen, there appear to be no further questions at this time. Would you like me to give the instructions again?

SENIOR DEPARTMENT OFFICIAL: Maybe go through it one more time. We'll make sure there are no final questions and then we can close this up.

OPERATOR: Yes, sir. Again, if you would like to ask a question, please press star then 1 on the touchtone phone. Again, that is star then 1 if you have any question.

(No response.)

OPERATOR: Okay, Ms. Blomquist, gentlemen, there appear to be no takers at this time.

MODERATOR: All right. Thank you, everybody. Thank you for joining us today and for your interest in this topic.

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Image not available for this document, ID: 0.7.10316.15080-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, December 12, 2006 6:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Gaylord, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, December 12, 2006 6:35:16 PM
To: USAEO-AmberAlert@usa.doj.gov; AMBERALERT.ATR@usdoj.gov;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); amber-alerts.CRT@usdoj.gov;
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Jun.B.Yun@usdoj.gov; AmberAlert.EOIR@usdoj.gov; AmberAlert USTP;
AmberAlert USNCB; NDIC.AmberAlert@usdoj.gov; AmberAlertCRM; BROADCAST;
ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Gaylord, MI
Auto forwarded by a Rule

AMBER ALERT:Gaylord,MI VEH:93 Burg FrdExp ABS3271 VICS:4M W/F 1F8/15LB, 2Y W/M 2F2/25LB, 4Y W/M 3F/38LB SUSPS:21 W/F 5FT3 150LB, 42 W/M 6FT5 300LB 989-732-5141 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3002

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Tuesday, December 12, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 972539 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, December 12, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 972540 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 13, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 972540 KB.
Mailbox size limits:

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Wednesday, December 13, 2006 8:06 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Wednesday, December 13, 2006
Attachments:	agnb061213.pdf; agnb061213.doc

THE ATTORNEY GENERAL'S NEWS BRIEFING

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **WEDNESDAY, DECEMBER 13, 2006 7:45 AM EST**

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TERRORISM NEWS:

Legislators Call For Gonzales To Order FBI To Brief Congress On Anthrax Investigation. The Washington Times (12/13, Seper, 88K) reports, that a "bipartisan coalition of Senate and House members demanded that Attorney General Alberto R. Gonzales order the FBI to brief Congress on its five-year anthrax investigation, saying its refusal to do so is 'unprecedented and inexcusable.'" Iowa Sen. Charles E. Grassley (R), one of the 33 members of Congress tho signed the letter: "We're seeing more and more agencies thwart the constitutional responsibility of Congress. … Unfortunately, the FBI's refusal to provide briefings to Congress following the 2001 anthrax attacks appears to be the rule rather than the exception." Their missive "comes in the wake of two other attempts by Mr. Grassley and Mr. Holt to get information about the handling of the inquiry, formally known as the 'Amerithrax investigation.' In response, the Justice Department and the FBI announced a policy against all congressional briefings on the matter."

The AP (12/13, Solomon) reports, "The bipartisan letter escalates efforts by Sen. Charles Grassley, R-Iowa, and Rep. Rush Holt, D-N.J., to get the FBI to tell lawmakers what it has learned during the five-year case that remains unsolved. The FBI has refused, citing concerns about possible leaks. The lawmakers said any leakers of prior information about the anthrax case inside the FBI or Congress should be punished but that such concerns do not justify keeping information from lawmakers so they could perform their required oversight of the FBI's performance."

Roll Call (12/12, Kane, 3:37 p.m.) reported on its Web site, "The group rejected the FBI's publicly stated reason for refusing to brief Capitol Hill on an attack — namely, fears of leaks about the ongoing probe — as an 'inappropriate response to legitimate Congressional oversight.' While the letter does not mark the first time that Members have demanded a briefing, the broad list of signatories — including several leading Republicans — make its criticisms of the Bush administration Justice Department noteworthy." Signatories include "prominent Republicans," such as Sens. Arlen Specter, Trent Lott, Jim Bunning and Kit Bond. Roll Call noted, "Grassley has been a longtime critic of the FBI, but he also secured backing for this letter from six members of the Judiciary Committee, which held an oversight hearing of the FBI last week at which Director Robert Mueller again refused to answer questions about the attacks." Roll Call also provides a link to the full text of the letter.

The Hill (12/13, Haynes) adds, "The letter refers to recent revelations that FBI agents leaked information anonymously to The New York Times as evidence that the

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agency, rather than Congress, may be more responsible for inappropriate disclosures."

The AFP (12/12) also reports on the story.

DOD Employees Renew Legal Battle Against Mandatory Anthrax Shots. The Washington Post (12/13, A19, White, 690K) reports, "Six unnamed Defense Department employees are renewing their legal battle to stop Pentagon officials from administering mandatory anthrax vaccinations, claiming that the Food and Drug Administration's approval of the shot was flawed and puts people at risk." The employees, who are "either in the military or are civilian defense workers, argue that they should not be forced to take the vaccine because there is no scientific proof that it is effective for humans and it has potentially lethal side effects, said Mark S. Zaid, a Washington lawyer who plans to file the lawsuit today in the U.S. District Court for the District of Columbia." The class-action lawsuit "asks the court to block the Pentagon from inoculating the plaintiffs and to declare that the vaccine was improperly licensed, according to the 22-page filing."

General Predicts Multifaceted "Generational War" With Terrorism. The Washington Times (12/13, Gertz, 88K) reports, "The American people need to prepare for a long-duration war against radical Muslims who are set to fight for 50 to 100 years to create an Islamist state in the region, a top Pentagon strategist in the war on terror says." USAF Brig. Gen. Mark O. Schissler recommended "both military and ideological components that make [the war] similar to the 40-year Cold War against communism." He "said he is concerned that Washington politics is weakening the will of the nation" and added that the US had generally fought wars lasting "three to four years" as opposed to such a time frame. Besides military action, Schissler suggested "educational efforts" toward young Muslims and assistance to "moderate Muslims who see extremism as unacceptable."

PATRIOT ACT:

AP Says Justice May Intervene In Case Against Islamic Charity. The AP (12/13) reports that DOJ attorneys "may intervene to defend the Patriot Act in a federal case involving an Islamic charity," Life for Relief and Development, according to court documents. The charity "was raided by federal agents in September and sued Comerica Bank last month, saying it violated the its civil rights by planning to close its accounts." The AP notes, "Justice Department attorneys filed a notice this month saying they may 'intervene in this action to defend the constitutionality' of that section of the law, the Detroit Free Press reported Tuesday."

Poll Finds 66% Believe Agencies Anti-Terror Tools Intrude On Privacy. The Washington Post (12/13, A19, Eggen, 690K) reports, "Two-thirds of Americans believe that the FBI and other federal agencies are intruding on privacy rights as part of terrorism investigations, but they remain divided over whether such tactics are justified, according to a Washington Post-ABC News poll released yesterday." The poll also showed that "52 percent of respondents favor congressional hearings on how the Bush administration has handled surveillance, detainees and other terrorism-related issues, compared with 45 percent who are opposed. That question was posed to half of the poll's 1,005-person random sample." The Post adds, "Overall, the poll -- which includes questions that have been asked since 2002 and 2003 -- showed a continued skepticism about whether the government is adequately protecting privacy rights as it conducts terrorism-related investigations. … Sixty-six percent of those questioned said that the FBI and other agencies are 'intruding on some Americans' privacy rights' in terrorism investigations, up from 58 percent in September 2003. Thirty percent think the government is not intruding on privacy."

HOMELAND RESPONSE:

Some Conservative Jurists Weigh In Against Military Tribunals Law. The AP (12/13, Apuzzo) reports, "Prominent conservative lawyers joined liberal colleagues Tuesday in opposing Bush administration anti-terror tactics, arguing that an immigrant held as an enemy combatant has a right to seek his freedom in court. The legal brief, filed in the case of suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri, argues that a new military commissions law is unconstitutional." The argument "has been made in this and other detainee cases, but Tuesday's brief is notable for the bedfellows created by the politics of anti-terrorism. Staunchly Democratic law school deans Harold Koh of Yale and Laurence Tribe of Harvard were joined by lawyers such as Steven Calabresi, who served in the Reagan and first Bush administrations and helped found the conservative Federalist Society. … Of the 29 professors signing the brief, David L. Shapiro, a deputy solicitor general during the first Bush administration, joined Calabresi and Epstein as the most prominent names with conservative ties. Others were outspoken Democrats and some weren't politically active."

Lawyers' Brief Highlights Split Between Bush Administration, Libertarians. The AP (12/13,

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Apuzzo) reports, "Prominent conservative lawyers joined liberal colleagues Tuesday in opposing Bush administration anti-terror tactics, arguing that an immigrant held as an enemy combatant has a right to seek his freedom in court. The legal brief, filed in the case of suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri, argues that a new military commissions law is unconstitutional. The argument has been made in this and other detainee cases, but Tuesday's brief is notable for the bedfellows created by the politics of anti-terrorism. Staunchly Democratic law school deans Harold Koh of Yale and Laurence Tribe of Harvard were joined by lawyers such as Steven Calabresi, who served in the Reagan and first Bush administrations and helped found the conservative Federalist Society."

US Muslims Increasingly Fear Anti-Terror Backlash. USA Today (12/13, Hampson, 2.27M) reports from Dearborn, Mich., "In this and similar enclaves, like those in northern New Jersey and Brooklyn, many Arab Muslims say their community is turning in on itself — shying away from a society increasingly inclined to equate Islam with terrorism. 'It's as bad as after 9/11,' says Rana Abbas-Chami of the Michigan American Arab Anti-Discrimination Committee. 'A lot of people are scared. They've changed how they do things.'" USA adds, "People here speculate about spies and informers in their midst; government eavesdropping and surveillance; and, if there's another 9/11, concentration camps. These themes emerged repeatedly in USA TODAY interviews with about two dozen Arab Muslims around the nation. … Now Arab Muslims — even those never questioned by the FBI, hassled by the boss or heckled by the jerk in a passing car — feel more vulnerable than ever."

Study Finds State Preparedness Lacking. The Washington Post (12/13, A1, Sheridan, 690K) reports that a study of states' "preparedness for health emergencies such as bioterrorism or pandemic flu" by the Trust for America's Health has given poor marks to Maryland and Washington, DC, but ranked Virginia among the "among the 14 best-prepared states." The fourth annual report from the group "found that the country is not nearly as ready as it should be for bioterrorism, bird flu and other health crises." Meanwhile, "District health officials took issue with the report, saying that it is unfair to compare a city with concentrated poverty to entire states."

WAR NEWS:

Bush Delays Announcement On Iraq Policy, May Be Considering Boosting Troop Levels. The White House announced yesterday that President Bush's speech announcing his new policies for Iraq won't be given until January. Until yesterday, the expectation had been that Bush would address the nation before Christmas. CNN's The Situation Room (12/12, Henry) reported the delay "a reversal that adds to the picture of a beleaguered White House groping for answers." White House aides took pains to portray the delay as a result of Bush asking tough questions of his advisors and taking into account the long-term consequences of any policy course. However, some media reports, such as one in the New York Times (12/13, A1, Rutenberg, Sanger, 1.16M), are suggesting the delay is due to the fact that "Bush's advisers were locked in internal debates on several fronts about how to proceed." The "central thrust of the discussions at all levels of the administration is how to pressure Prime Minister Nuri Kamal al-Maliki to move faster to provide basic services and quell sectarian violence." The administration is also debating "whether to back a Shiite government in the conflict with the Sunnis, or to seek a new strategy for national reconciliation between Sunni and Shiite factions." Some members of the administration, including some in Vice President Dick Cheney's office, have argued that the administration "needs to provide clear support to a strong Shiite majority government, but the State Department, led by Condoleezza Rice, views that as a recipe for perpetual civil war. Ms. Rice has instead advocated a proposal intended to woo centrist Sunni leaders to Mr. Maliki's side, including provincial leaders."

Moreover, word was leaked to the press that the President is considering increasing the number of US soldiers in Iraq. CNN's The Situation Room (12/12, King) reported, "I talked to a number of senior administration officials today and some of the outsiders who have been consulted by the Administration as part of this review, including one retired general, and they say they think the President wants more time because…the President is planning to do something big, planning to do a substantial policy shift and one of the sources I spoke to says he believes the President is very seriously agreeing with John McCain and increasing troop levels in the short-term and resisting the recommendations from the Iraq Study Group he put on the table the idea that the United States would begin to withdraw troops." Fox News Special Report (12/12, Hume) also said Bush "is seriously considering not a reduction, but a significant boost." Fox (Baier) added, "Senior Administration officials tell Fox that the President is leaning toward deploying thousands more troops into Iraq in the coming weeks and has delayed the official announcement of the new year. Sources say exactly how many troops and where they are coming from is still being ironed out by the Pentagon."

The Los Angeles Times (12/13, Barnes, 850K) reports, "Strong support has coalesced in the Pentagon behind a

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military plan to 'double down' in the country with a substantial buildup in American troops, an increase in industrial aid and a major combat offensive against Muqtada Sadr, the radical Shiite leader impeding development of the Iraqi government. The Joint Chiefs of Staff will present their assessment and recommendations to Bush at the Pentagon today." The ideas overlap "somewhat a course promoted by" McCain, but "the Pentagon proposals add several features, including the confrontation with Sadr, a possible renewed offensive in the Sunni stronghold of Al Anbar province, a large Iraqi jobs program and a proposal for a long-term increase in the size of the military." The Washington Times (12/13, Curl, 88K) also says "top military officials with whom Mr. Bush met yesterday backed Mr. McCain's stance."

The CBS Evening News (12/12, story 2, 2:15, Couric, 7.66M) reported on "word that the President is nowhere near ready to announce a new course for Iraq." CBS (Axelrod) added Bush is "asking a lot of questions, we're told. One source tells us among the topics he's exploring, what would happen if he sent more troops to Iraq. Where would they come from? What would their mission be?" Couric: "The CBS News poll that came out just yesterday shows American public support for the President's Iraq policy is at an all-time low. Only 21% back him. So how is that factoring in to his decision making right now?" Axelrod: "Actually, I think that's going to be one of the most interesting points in run-up to the speech, this now extended run-up, and that is the President still is unconvinced that Americans don't want to see victory in America, that they just want a better plan for it. He thinks -- and you'll hear him talk about victory -- he thinks if he can convince the American public he's got a decent plan for victory, he can win back support for the war in Iraq, Katie."

ABC World News (12/12, lead story, 2:35, Gibson, 8.78M) reported that "rather than pulling troops out of Iraq, the President may be thinking about sending more." ABC (Raddatz) added. "Why the delay in the speech? A White House official says that with each military option, the President is asking, how many people would it take? And what would the fallout be? One of the major recommendations that the President is looking at is sending up to 40,000 additional troops into Baghdad and al Anbar province. Some members of his national security staff have advocated this option, as has retired General Jack Keane, who met with the President and Vice President yesterday." But "while the President may be showing particular interest in this idea, his top commanders are not. Officials say that General George Casey and General John Abizaid do not want troop numbers increased because they believe it will only make the Iraqi government more dependent on the US." There is "another reason the speech is being delayed." The new Defense Secretary, Robert Gates, "is headed to Iraq next week so he can see for himself. And he can ask questions about surging troops." NBC Nightly News (12/12, lead story, 3:10, Gregory, 9.87M) also reported, "In putting off his address to the nation, aides denied indecision about Iraq policy. They insisted the President simply needs more time to consider the practical impact of his change in direction."

The AP (12/13, Riechmann) reports Bush "gave no hints of a change in direction after a meeting with Iraq's Sunni Vice President Tariq al-Hashemi, one of several Iraqi powerbrokers he's recently hosted in the Oval Office. 'Our objective is to help the Iraqi government deal with the extremists and the killers, and support the vast majority of Iraqis who are reasonable, who want peace,' Bush said."

The Washington Post (12/13, A12, Fletcher, 690K) quotes Secretary of State Rice telling reporters, "It shouldn't be surprising that he wants to take the time to digest that, to discuss it with his senior advisers, and then to put forward a way forward." Rice also said she is "quite certain that that will be in a reasonable length of time."

The Los Angeles Times (12/13, Gerstenzang, 850K) reports Tony Snow "said the delay in making that course public had nothing to do with putting space between the president's announcement and the Iraq report, which established a route for pulling most US combat troops out of Iraq by early 2008. 'The pivot on which everything turns' is not the new report, he said, but 'the unfolding realities in Iraq and how you deal with them.'"

The Christian Science Monitor (12/13, Grier, 59K) reports that "in one sense, there is a theatrical quality to at least some of" Bush's meetings on Iraq, as "presumably, Bush already knows well the attitudes of the officials of his own administration. Why call on them now? In addition, despite the implication that US policy will soon change, Bush's tone in recent days has not hinted where he might go." But "there have been enough events in recent weeks -- from the outcome of the November elections to the continued Iraqi violence and the Iraq Study Group's dire warnings - that they must at least have given the president pause."

Reid Says Bush Must "Change His Policy Now." NBC Nightly News (12/12, lead story, 3:10, Gregory, 9.87M) reported the White House "has taken pains to highlight the President's consultation with military and policy experts. But today top Democrats accused him of stalling. Incoming Senate Majority leader Harry Reid said in a statement, 'Talking to the same people he should have talked to four years ago does not relieve the President of the need to demonstrate leadership and change his policy now. The ball remains in his court and time is running out.'" CNN's The Situation Room (12/12, Bash) also reported "Reid blasted the President for delaying his announcement for this new Iraq policy and appeared to chide him on this listening tour he is on."

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NYTimes Suggests Aides' Split, Politics Behind Delay. The New York Times (12/13, 1.16M) editorializes, "The claims of calm deliberation emerging from the White House this week are maddening. The search for a new plan for Iraq seems to be taking place with as much urgency as the deliberations over a new color for the dollar bill. … We are more than eager for this White House to finally get something right on Iraq. But we find it chilling to imagine that Mr. Bush and his advisers have only now begun a full policy review, months after Iraq plunged into civil war and years after experts began warning that the administration's strategy was not working." The Times adds, "We fear that…the president's ever-divided policy advisers are still wrangling over the most basic decisions, while his political handlers are waiting for public enthusiasm for the Baker report to flag before Mr. Bush tries to explain why he won't follow through on some of the report's most important and reasonable suggestions -- like imposing a timetable on Iraqi leaders to make political compromises or face a withdrawal of American support. Or trying to persuade Iran and Syria to cease their meddling." Bush "has no more time to waste on 'listening tours' and photo ops. The nation is in a crisis, and Americans need to hear how he plans to unwind the chaos he has unleashed in Iraq."

More Polls Show Strong Disapproval Of Bush's Handling Of Iraq War. ABC World News (12/12, story 2, 2:10, Gibson, 8.78M) reported on its new poll, which "indicates the President doesn't have much support." ABC (Stephanopoulos) added, "Not at all. And it shows real intensity of opposition." 70% "disapprove of the war in Iraq, the way the President was handling the war in Iraq right now. 57% strongly disapprove of how the President is handling it. And 49% strongly disapprove of the President's overall job performance. Those numbers are far worse than the worse numbers of the first President Bush or President Clinton faced. And it's going to be very tough no matter what the President does to get the voters back."

Iraqi Army Plan Calls For Its Troops To Take Over Baghdad Security In Early 2007. The New York Times (12/13, Gordon, Tavernise, 1.16M) reports, "Iraq has presented the United States with a plan that calls for Iraqi troops to assume primary responsibility for security in Baghdad early next year. American troops would be shifted to the periphery of the capital." Mowaffak al-Rubaie, Iraq's national security adviser, "said in an interview that the plan was presented during the meeting in Amman, Jordan, on Nov. 30 between President Bush and Prime Minister Nuri Kamal al-Maliki. 'I think it is extremely important they reduce their visibility and they reduce their presence,' Mr. Rubaie said of the American troops in Baghdad. 'They should be in the suburbs within greater Baghdad.'" The Times adds, "A spokesman for the National Security Council, Gordon Johndroe, said Gen. George W. Casey Jr., the senior American military commander in Iraq, was assessing the plan." The plan "may hold some attraction for the Bush administration, which is immersed in a review of Iraq strategy, but it also poses risks. … American troops on the periphery of Baghdad would stop suicide bombers and other terrorists before they penetrated the city. Efforts to prevent infiltration of the capital have not been very successful, partly because the Iraqi military has not adequately staffed the checkpoints, American officials said."

Chiarelli Says US Pullout Won't Happen Quickly. The Washington Post (12/13, A26, Trejos, 690K) reports, "The outgoing top US operational commander in Iraq said on Tuesday that military might alone would not win the war and that the withdrawal of US troops would not happen quickly." Army Lt. Gen. Peter W. Chiarelli, commander of the Multi-National Corps – Iraq, said, "I wish I could tell you exactly how long it's going to take and exactly when US forces and coalition forces could go home, but I am just not able to do that." Chiarelli, "who is preparing to end his second one-year tour in Iraq, gave a mostly positive but sober assessment of U.S. military involvement in Iraq. He praised his forces' efforts to tamp down the violence that escalated after the bombing of a Shiite mosque in Samarra in February. But he acknowledged that securing Iraq was taking longer than expected."

The AP (12/12, Hendawi) reports that at times Chiarelli "sounded exasperated, almost despairing, over what he said were misperceptions that American forces were fighting a conventional war or that they can achieve victory without improvements on other fronts." He "drew a picture of daunting challenges facing the U.S. military in Iraq." The AP writes bleakly, "Nearly four years after Saddam's ouster, Iraq's economic woes are staggering. Unemployment is thought to be anywhere between 20 percent and 60 percent, inflation above 50 percent and more than 1.5 million Iraqis, mostly professionals, have fled abroad, according to the Iraq Study Group report and U.N. figures. Lengthy power cuts are routine, fuel shortages are chronic and health care is close to collapse. ... Violence in Baghdad districts often goes in cycles, with turbulent areas becoming quiet during and immediately after large-scale counterinsurgency operations — only to flare up again when the focus of the U.S. forces and their Iraqi allies shifts elsewhere." More than 30 sites carried this story.

USA Today (12/13, Soriano, 2.27M) reports Chiarelli "said military power will succeed only if coupled with 'little victories,' such as creating jobs and improving basic services such as electricity and trash pickup." USA Today recalls, "In August, Gen. George Casey, the top U.S. commander in Iraq,

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said the Baghdad offensive would "change the situation significantly prior to Ramadan," or by late September."

ISG Report Seen As Giving Republicans "Political Cover" To Criticize Bush. The Wall Street Journal (12/13, A8, Dreazen, 2.04M) reports "Bush's handling of Iraq has long faced attack from both the left and a few hawkish conservatives. Now, the crisis there is giving him a new political headache: high-profile dissent from the center of his own party. The dynamic has been triggered by the pessimistic assessment of Iraq released by the Iraq Study Group last week. In ways unimaginable just a few months ago, the report from the bipartisan panel…is giving moderate Republicans political cover to condemn the handling of the war -- creating a dilemma for the president and war supporters such as Sen. John McCain." The "most prominent recent critic is Republican Sen. Gordon Smith of Oregon," but "other centrist Republicans, apparently fearful of the war's impact on their re-election prospects, also are using the report to explain changes in war postures. New Hampshire's Republican senators, Judd Gregg and John Sununu, for instance, were once strong backers."

Terror Attack Kills At Least 70 In Baghdad. ABC World News (12/12, story 3, 2:55, Gibson, 8.78M) reported that yesterday "was a horrific day in Iraq. At least 70 people were killed, and 236 injured in one suicide bombing there in Baghdad. It was an attack noticeable for the cruelty of its design." ABC (Harris) added, "The attack was both devious and murderous. The bomber preying on poor Iraqis gathered in a public square where they come every day looking for jobs."

The CBS Evening News (12/12, lead story, 2:40, Couric, 7.66M) reported, "As President Bush tries to decide what to do next about the violence in Iraq, there was more of it today, a lot more. There was a massacre in Baghdad as a suicide bomber targeted innocent civilians, people who wanted nothing more than to go to work." CBS (Pinkston) added, "The Baker-Hamilton assessment of the situation as grave and deteriorating was certainly evident today."

USA Today/AP (12/13, 10A) reports, "The bombing took place about 7 a.m. in Tayaran Square, where men gather daily to solicit jobs as construction workers, cleaners and painters. They buy breakfast at stands selling tea and egg sandwiches while waiting for potential employers to drive up." The AP adds, "High unemployment and soaring prices have driven men to hire themselves out daily to feed their families. The Iraq Study Group Report released this month by a bipartisan commission in Washington said unemployment ranges from 20%-60% of Iraq's population." The Los Angeles Times (12/13, Hennessy-Fiske, 850K) reports most of the victims were Shiites. The nation's leaders "condemned the attack and braced for Shiite reprisals."

The New York Times (12/13, Tavernise, 1.16M) reports, "The attack, in a square in central Baghdad, together with bodies found by Iraqi authorities, pushed the day's deaths across Iraq to at least 131, the highest total since a bombing killed more than 200 here last month." The Times also reports, "Shiite political leaders often point to such attacks, arguing that they, not the American military, should control security here." The Washington Post (12/13, A26, Raghavan, 690K) runs a similar report.

Karzai Accuses Pakistan Of Backing Taliban. The Financial Times (12/13, Morarjee) reports Afghan President Hamid Karzai Tuesday "dismissed the idea of talks with the Taliban as useless in stemming surging violence in Afghanistan without tackling elements in the Pakistani government that he said were sponsoring terrorism." Speaking in Kandahar hours after a suicide bomber attempted to assassinate an Afghan governor, Karzai said, "The problem is not Taliban. … The problem is with Pakistan." However, he said if Afghanistan is able to "resolve the difficulty with Pakistan the question of Taliban will go away automatically."

Army, Marines Will Ask Gates For More Troops. The Washington Post (12/13, A1, Tyson, 690K) reports, "The Army and Marine Corps are planning to ask incoming Defense Secretary Robert M. Gates and Congress to approve permanent increases in personnel, as senior officials in both services assert that the nation's global military strategy has outstripped their resources. In addition, the Army will press hard for 'full access' to the 346,000-strong Army National Guard and the 196,000-strong Army Reserves by asking Gates to take the politically sensitive step of easing the Pentagon restrictions on the frequency and duration of involuntary call-ups for reservists, according to two senior Army officials." The Post adds, "The push for more ground troops comes as the wars in Iraq and Afghanistan have sharply decreased the readiness of Army and Marine Corps units rotating back to the United States, compromising the ability of U.S. ground forces to respond to other potential conflicts around the world."

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Justice Limits Controversial Tactics In Corporate Corruption Investigations. The AP (12/13, Jordan) reports the Justice Department "on Tuesday limited its prosecutors' ability to crack down on corporations that withhold confidential information during investigations,

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scaling back tough legal tactics authorized after the Enron-era scandals." Under the new guidelines, Federal prosecutors "are still expected to aggressively go after companies accused of fraud and other white-collar crimes. But they bar the government from seeking harsher penalties for businesses that won't cooperate with prosecutors — either by denying them corporate attorney-client communications or paying lawyers' fees for employees under investigation." The policy shift "aims to temper a diverse coalition of critics — from conservative former Attorney General Ed Meese to the liberal American Civil Liberties Union — who call prosecution tactics developed in 2003 unfair and, in some cases, unconstitutional."

The Wall Street Journal (12/13, A6, Perez, Scannell, 2.04M) reports, "Under the new guidelines, federal prosecutors face new limits on when they can seek access to communication between company attorneys and employees being investigated for wrongdoing. Prosecutors also must receive formal approval from superiors in the local U.S. Attorney's offices and from senior Justice Department officials, to request such communication, and make written requests for companies to share information obtained in internal corporate investigations." The changes, "announced by Deputy Attorney General Paul J. McNulty yesterday and effective immediately, revamp the so-called Thompson Memo guidelines issued in 2003 by former Deputy Attorney General Larry Thompson." While some "business advocates said the changes didn't go far enough, other legal experts questioned whether the changes could hinder some white-collar investigations already under way."

USA Today (12/13, 1B, Iwata, 2.27M) reports, "Facing a business and political backlash over its post-Enron policies on prosecuting companies, the Justice Department issued new guidelines Tuesday that could curb prosecutors in their fight against corporate crime." Earlier policies "and the crackdown have led to the convictions of 1,000 people, including 300 top executives since 2002. But the crackdown also angered business groups and defense attorneys, who accused prosecutors of forcing companies to cooperate with federal investigations and sign deferred prosecution agreements — or risk an indictment that could put them out of business." The new guidelines, "effective immediately, create a higher standard for prosecutors seeking legally privileged information from companies, executives and their lawyers."

The Washington Post (12/13, D1, Johnson, 690K) reports the Justice Department was "bending to intense pressure from business groups that claim the government has overreached in its pursuit of financial malfeasance." Deputy Attorney General Paul J. McNulty "called the changes a substantial and direct response to a lobbying drive by the U.S. Chamber of Commerce, the National Association of Manufacturers and the National Association of Criminal Defense Lawyers, among others." The "new concessions focus on the sensitive issue of when prosecutors can force companies to waive their legal rights to protect e-mail messages and other internal communications, essentially instructing government lawyers that they must jump through additional hoops before winning access to information they desire. Previously, prosecutors could consider the failure to waive those rights in deciding whether to charge a company with a crime."

The Market Watch (12/13, Schroeder) reports, "The guidelines revise a controversial 2003 memo from then-Deputy Attorney General Larry Thompson, which some defense lawyers and business interests said chilled attorney-client communications. … Speaking to reporters, a senior department official disagreed with critics' assertions about the extent of prosecutors' power, but said 'to some degree here, perception is the reality.'"

Legal Times (12/13, McLure) reports, "Publicly, the Justice Department has been vague about exactly what led McNulty and other officials to change course." The Association of Corporate Counsel "and others, including the U.S. Chamber of Commerce, the American Civil Liberties Union and the National Association of Criminal Defense Attorneys, had sought to bar the Justice Department from using a company's waiver decision as a factor in deciding whether to indict the corporation for fraud. The apex of that lobbying campaign came in September, when McNulty appeared before the Senate Judiciary Committee and received a heavy dose of bipartisan criticism from former Justice Department officials and senators."

WSJournal Says McNulty Revisions May Not Go Far Enough. The Wall Street Journal (12/13, 2.04M) says in a lengthy editorial, "The Thompson Memo became -- with some justification -- shorthand for prosecutorial excess in the nearly four years it was Justice Department policy. Nor has that criticism been limited to 'business groups.' The American Bar Association and the ACLU also raised civil-rights and due-process concerns about the policy." McNulty "acknowledged that the memo had to be revised because it undermined, rather than bolstered, the credibility of the Justice Department as an effective fighter of white-collar crime." The Journal concludes, "McNulty views the new memo as 'a very substantial change in how the Justice Department does business.' It is that. And he deserves substantial credit for acknowledging that a big change was necessary. The book is open, though, on whether the McNulty Memo goes far enough. It may be that Justice needs to lose a high-profile case such as the KPMG prosecution before the full sea-change occurs."

Think Tank Officials To Ask For Details Of Probe Of Letelier Death. The AP (12/13, Cormier)

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reports that "in the wake of" former Cuban President Augusto Pinochet's death Sunday, officials "at the think tank where" Orlando Letelier and his American assistant worked "said they are sending U.S. Attorney General Alberto Gonzales a letter asking for the release of the remaining information." Letelier and his assistant were killed in a car bomb in 1976. The AP notes, "In 1998, the Clinton administration declassified more than 16,000 documents related to Chile, but withheld documents on the Letelier bombing, citing an ongoing investigation."

CORPORATE SCANDALS:

Court Orders Skilling Into Prison, But Indicates Some Charges May Be Thrown Out. The Wall Street Journal (12/13, A12, Emshwiller, 2.04M) reports, that the Fifth Circuit Court of Appeals "turned down" former Enron CEO Jeffrey Skilling's request for bail pending the appeal of his May conviction in a Houston federal court on 19 counts, including conspiracy and fraud" in the Enron scandal. The Journal adds, "In its decision yesterday, the appellate court said that Mr. Skilling's appeal was unlikely to result in the reversal of all 19 counts of his conviction. … Yesterday's appellate-court decision was the latest example of troubles that the Justice Department has had on appeal with Enron-related convictions. For example, the Supreme Court threw out a criminal conviction of Arthur Andersen LLP after Enron's former accounting firm had been found guilty of obstructing justice in connection with destroying large amounts of Enron-related documents."

The Washington Post (12/13, D3, Johnson, 690K) reports that Circuit Judge Pattrick E. Higginbotham "cited 'serious frailties' with Skilling's conviction on conspiracy, securities fraud and insider-trading charges by a Houston jury in May. … But the judge's order suggested that the ruling in the other case would not impact Skilling's conviction on five counts of lying to auditors. Higginbotham concluded that other likely appellate challenges by Skilling, including an instruction that allowed jurors to convict him if he turned a blind eye to fraud at the Houston energy trading company, were "less formidable."

The Los Angeles Times/Bloomberg (12/13) reports that defense attorney Daniel Petrocelli "didn't say whether Tuesday's ruling would be appealed to the full U.S. Court of Appeals in New Orleans, to the U.S. Supreme Court, or both. He also didn't say whether Skilling had already entered prison. The U.S. Bureau of Prisons website said that Skilling was 'in transit.'

Chronicle Outlines Likely Issues On Appeal. The Houston Chronicle (12/13, Fowler, 530K) cites "four main points" that Skilling's attorneys "likely will focus on, according to court filings," including: "The jury shouldn't have been allowed to use the theory that Skilling denied Enron of the intangible 'honest services' he owed the company;" that jurors "should not have been instructed that Skilling could be found guilty if he was 'deliberately indifferent' to wrongdoing." That unfair media coverage biased the jurors, and that prosecutors "denied the defense access to witnesses and made pretrial discovery difficult."

Defense Attorneys Can Improve Corporate Clients' Prison Life Through "Surprisingly Minimal Effort." Law.com (12/13, Murray) asks, "How…can a prospective inmate obtain the most favorable placement in federal prison? Some hire sentencing consultants, the best of whom -- if hired early enough in the case -- can position and prepare their client for the least onerous experience the Bureau of Prisons (BOP) offers. But defense lawyers can readily develop expertise in this area and exert a positive impact on the quality of prison time their clients serve." Law.com adds, "While a defense lawyer's primary objective will always be to avoid or reduce a prison sentence, surprisingly minimal effort can substantially improve the client's experience of prison life -- from securing a coveted lower-bunk pass, to entry into a program that makes participants eligible for early release."

Police Arrest Former Siemens Executive. The Financial Times (12/13, Milne) reports, "A former senior executive at Siemens was arrested on Tuesday as the company for the first time put its own estimate on the scale of the alleged bribery scandal. … Thomas Ganswindt, who left the management board in September and had special responsibility for Siemens' Information and Communications businesses, was in custody in Munich and being questioned by police investigating the bribery allegations. The arrest takes the scandal to the highest level of Siemens' management."

The Wall Street Journal (12/13, A3, Esterl, 2.04M) adds, "A corruption investigation at Siemens AG is growing after the German conglomerate said it found €420 million ($556 million) in suspicious transactions spanning seven years -- roughly twice the amount prosecutors had identified last month. Europe's largest engineering company by sales disclosed the figure yesterday, one day after it restated its net income for the latest fiscal year. It also appointed new auditors Monday to comb through its books and review its business procedures as it wrestles with the widening corruption scandal and possible sanctions in the U.S. and elsewhere.:

Spitzer Accuses UBS Of Causing Customers To Pay Unnecessary Fees. The Wall Street Journal (12/13, C3, Lauricella, 2.04M) reports, "New York State Attorney General Eliot Spitzer, just weeks from leaving office

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to become the state's governor, set off a brawl with the U.S. arm of Swiss bank UBS AG, alleging the firm put clients in unsuitable brokerage accounts -- resulting in them paying tens of millions dollars in unnecessary fees. The accounts in question charge clients a flat percentage fee based on the amount of money in the accounts. Known as wrap accounts, they can be a good deal for frequent traders who would spend more in commissions than if they paid a flat fee." The Journal adds, "The New York Stock Exchange, meanwhile, is investigating cases related to fee-based accounts. Regulators have taken aim at wrap accounts before, but Mr. Spitzer's suit would be by far the largest action." IN the suit, Spitzer's office says "that UBS allowed thousands of clients who did little trading to inappropriately hold wrap accounts because they would be more profitable than commissions."

The AP (12/12, Gormley) added, "UBS denies the civil charges and defended the program it said has saved clients hundreds of millions of dollars since 1999. UBS AG, a global firm that considers itself the world's leading wealth management business, contends Spitzer didn't consider all the information available on the company's practices."

New SEC Regulations Slated To Help Managers Comply With Sarbanes-Oxley. The Wall Street Journal (12/13, C4, Scannell, 2.04M) reports that the Securities and Exchange Commission "won't need to test internal processes that have a low risk of affecting financial statements, and that new regulatory guidance will be flexible for companies based on their complexity." The SEC will "formally unveil today its widely anticipated guidance to help management comply with a section of Sarbanes-Oxley dealing with internal controls on financial statements." The Journal adds, "The SEC also will tackle other issues, including raising the bar investors must meet to invest in hedge funds to $2.5 million from $1 million, allowing for an optional electronic system to deliver proxies and annual reports to investors, and making it easier for foreign companies to terminate registration requirements once they pull their U.S. stock listings." The Journal also notes, "The most controversial issue is the SEC's guidance to management on how to comply with section 404 of Sarbanes-Oxley, which says management must assess its company's internal controls over financial reporting and outsider auditors need to test management's assessment. The way the rule has been interpreted has caused confusion, with small business voicing concerns that it was detracting from time spent on business development."

USA Today (12/13, 5B, Farrell, 2.27M) adds, "The proposal, which wouldn't be adopted until early next year, means that small and midsize companies wouldn't necessarily have to spend millions to overhaul their internal control systems to comply with Section 404 of Sarbanes-Oxley. Instead, public companies would be encouraged to focus on reviewing internal controls that affect significant chunks of their revenue streams, as opposed to spending equal amounts on low-risk areas of their businesses, where material changes in earnings are unlikely to develop."

SEC Settles With Two Figures In PNC Investigation. The Washington Post/AP (12/13) reports that the Securities and Exchange Commission has settled with Thomas Garbe, PNC Financial Service Group's former director of accounting policy, and Micahel Joseph, a former Ernst & Young partner for "their alleged roles in the regional bank's faulty accounting in 2001." They "neither admitted nor denied the SEC's allegations but agreed to refrain from future violations of the securities laws" and "Joseph was barred for three years from acting as an accountant for any public company." The SEC : had previously alleged that Pittsburgh-based PNC tried to conceal $762 million in sour corporate loans in 2001 by selling them to three partnerships it created expressly for that purpose with insurance giant American International Group Inc."

Ahold Faces Racketeering Claim. The Financial Times (12/13, Bickerton) reports, "It cost Ahold, the Dutch food retailer, $1.1bn last year to compensate shareholders whose investments were shredded by a 2003 accounting scandal at its US Foodservice distribution business. Now its customers are demanding a pay-out too. A hospital and a family-owned Italian restaurant have filed a class-action lawsuit in New Haven, Connecticut, alleging USF engaged in 'racketeering' by over-charging customers 'hundreds of millions of dollars' from 2000 to 2003. … A fresh scandal would be catastrophic for Ahold, said Robert Jan Vos, at Fortis. But he, like other analysts, is unsure what to make of the Connecticut claim."

Grassley Criticizes SEC's Handling Of Pequot Probe. In a Wall Street Journal letter to the editor (12/13), Sen. Charles Grassley says the Journal's December 8 editorial "The Pequot 'Scandal'" "leaves the impression that Gary Aguirre and I are the only two people concerned about the way the SEC handled the Pequot investigation. In fact, Mr. Aguirre's concerns have been echoed by both former and current SEC officials, who provided candid testimony to our committees. The focus of the Senate investigation I'm conducting with Sen. Arlen Specter (R., Pa.) isn't John Mack and Pequot; rather, it is whether the SEC retaliated against one of its lawyers and whether it wields an even hand in looking out for investors big and small. Our review is evidence-based, and so far the evidence suggests the Pequot investigation was fraught with problems, Mr. Aguirre's

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termination is suspect, and the inspector general failed in his duty to conduct a thorough and independent inquiry."

CRIMINAL LAW:

Gonzales Praises Pennsylvania Anti-Pedophile Program. In a brief story, the Philadelphia Inquirer (12/13, Schaefer, 385K) reports that Attorney General Alberto Gonzales "was in Delaware County yesterday to speak with area law enforcement officials. He toured the offices of the county's Internet Crimes Against Children Task Force in the courthouse in Media, said the number of predators was growing, and urged law enforcement to educate people to the dangers. Part of Gonzales' address to officials was private, and reporters and the public were asked to leave for those remarks. At a news conference later, he said the Internet was a great resource, 'but in the hands of a predator it is a powerful weapon.'"

On its Web site, WCAU-TV (12/12) reported, "He praised Delaware County's task force on their efforts to combat child exploitation. … Gonzales said one challenge is that Internet crimes know no borders. He stresses the need to work with the international community to make sure strong laws are in place to protect children."

The AP (12/13) reports, "'I consider it a war,' Gonzales said, noting he worries about the safety of his own children, ages 14 and 11. Gonzales had a private briefing Tuesday with local postal inspectors, FBI agents, Immigration and Customs Enforcement officials, district attorneys and other members of law enforcement. He later visited the offices of Delaware County's task force on Internet Crimes Against Children, one of 46 such agencies nationwide." The AP adds, "Gonzales came to the area to promote Project Safe Childhood, a Justice Department initiative begun in February and designed to protect children from online sexual exploitation."

NYTimes Profiles Anti-Pedophile Web Site. The New York Times (12/13, Salkin, 1.16M) profiles the Web site Perverted-Justice.com, which "is best known for putting its online volunteers at the disposal of the television newsmagazine 'Dateline NBC,' which has broadcast 11 highly rated programs in which would-be pedophiles are lured to 'sting houses,' only to be surprised by a camera crew and, usually, the police." The Times writes, "[T]he inner workings of Perverted Justice and its reclusive founder remain largely a mystery, even as the group has emerged as one of the most effective unofficial law enforcement groups in the country, a kind of Neighborhood Watch of the Net. But the group is also criticized by some legal and law enforcement experts, who accuse it of entrapment, making mistakes that ruin innocent lives and, paradoxically, disseminating its own brand of child pornography." The Times writes, "Supporters of the NBC broadcasts say they have helped increase awareness of online predators, allowing parents to educate children and spurring law enforcement to action. … One concern about Perverted Justice's nonprofessional force of vigilantes, raised by Lt. Joseph Donohue, head of the New York State Internet Crimes Against Children Task Force, is that decoys impersonating teenagers may be too aggressive, not understanding the need to let predators initiate the sexual chat and therefore not gathering chat-log evidence that will stand up in court."

Virginia Proposal Would Restrict Sex Offenders From Schools, Daycare Centers. The AP (12/13, O'Dell) reports, "Sex offenders would have to obtain a judge's permission to enter school or day care center property if the General Assembly passes legislation endorsed yesterday by the Virginia State Crime Commission." Under the proposal, "a parent convicted of a sex offense would have to obtain court approval to drop off his child at school or attend a parent-teacher conference. Students convicted of sex offenses would be exempt from the requirement."

Virginia Attorney General Presses Email Registry For Sex Offenders. CNET (12/12, Broache) reported, "Virginia's attorney general wants to make his state the first to require convicted sex offenders to submit their e-mail addresses and instant-messaging aliases to law enforcement authorities--and he has MySpace.com's enthusiastic approval. Bob McDonnell, a Republican, said he plans to push a proposal when state legislators return early next year that would create a database containing all the electronic identifiers of registered sex offenders." His effort "arrives just days after U.S. Sen. John McCain proposed a bill in Congress that would require a similar expansion of the sex offender registry on a national scale--and an additional step," under which "any so-called 'social-networking' site would be obligated to remove any Web page that's 'associated' with a sex offender--although the proposal has drawn some concern because it does not define the term social-networking site."

Study Finds Hospitals Vulnerable To Serial Killers. USA Today (12/13, Szabo, 2.27M) reports that researchers "have linked more than 2,100 suspicious deaths worldwide to 54 doctors and nurses convicted of serial murder or lesser charges since 1970, according to an article on the Journal of Forensic Sciences' website." USA Today writes, "Some murderers were able to jump from hospital to hospital to continue their killing sprees, the study shows. Nurse Charles Cullen, 46, was sent to prison in New Jersey with multiple life sentences this year after confessing to killing up to 40 patients there and in Pennsylvania over 16 years." Former Veterans Health Administration head Kenneth Kizer,

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who co-authored the report, "says it's easy to see how serial killers continue to find work: Hospitals rarely share their suspicions when their staff look for jobs elsewhere, because they fear lawsuits from former employees who say negative job references damaged their reputations." He "says the country needs a federal law to protect hospitals everywhere when they report suspicious behavior 'in good faith and with good evidence.'"

"Bait Cars" Help Police Nab Auto Thieves. The Washington Post (12/13, A1, Stockwell, 690K) reports on "bait vehicles," automobiles, stocked with electronics, that "tempt thieves with unlocked doors or keys dangling in the ignitions. The second that a thief takes the bait, hidden audio and video recording devices are activated, and a silent alarm alerts the county's emergency communications center. By tracking the car's internal global positioning system unit, dispatchers monitor its location, travel and speed, and as soon as officers are in position, the dispatchers disable the engine and lock the doors." The Post adds, " Aside from being a high-tech way to nab thieves, bait cars provide a rare look at the initial moments of a common crime." The Post notes that "Arlington was the first county in the Washington region to adopt the program, and most area jurisdictions, including the District and Montgomery, Fairfax and Loudoun counties, have implemented it."

Pellicano Co-Defendant Expected To Plead Guilty. The Los Angeles Times (12/13, Krikorian, 850K) reports, "One of indicted private eye Anthony Pellicano's co-defendants is expected to plead guilty today to charges that he and others illegally wiretapped a Beverly Hills businessman six years ago. In an afternoon appearance before U.S. District Judge Dale S. Fischer, Daniel Nicherie, 46, is also expected to plead guilty in connection with a separate fraud and money laundering case. Earlier this year, authorities announced that Nicherie, his brother, Abner, and others, including Pellicano, were indicted by a federal grand jury for a series of alleged crimes that included eavesdropping on the telephone conversations of people involved in business disputes with Pellicano's clients."

Letter Writers Object To Religious Programs In Prisons. OThe New York Times (12/13, 1.16M) carries five letters to the editor responding to a Dec. 10 article that reported on the proliferation of faith-based programs in federal prisons. The letter writers generally oppose the religious programs in prisons. In the lead letter, Ben Weissmann writes, "This blatant and offensive display of religious proliferation deserves intense scrutiny not only by the judicial system but also by any American who believes that all people have the right to equal benefits, regardless of religious beliefs." Jessia Van Denend, a chaplain in a Midwestern prison, writes, "Yet I am in favor of religious rehabilitative programming in prisons. Those opposed to faith-based programs fail to realize the value of the act of visiting, of coming into a facility to offer something, of showing love and making a connection."

Jeffrey Sinensky, General Counsel of the American Jewish Committee writes, "Whatever the prison program's merits, the government should not be involved in promoting any particular faith. Religion already has its proper place in correctional facilities. To grant preferential treatment to some inmates solely because they agree to engage in religious indoctrination, underwritten with taxpayer dollars, is bad public policy and, as the courts have ruled, unconstitutional."

Congressman Seeks Investigation Of Prosecutor In NC Lacrosse Investigation. The AP (12/12) reported that "in a letter to Attorney General Alberto Gonzales," NC Rep. Walter Jones (R) "asked the Justice Department on Tuesday to investigate whether" Durham County District Attorney Mike Nifong, who is "prosecuting three Duke University lacrosse players charged with rape[,] has violated the athletes' civil rights." Jones' letter "repeat[s] criticisms that defense attorneys and others have raised about Nifong's handling of the case."

CIVIL LAW:

Financier Settles Napster Copyright Lawsuit. The Los Angeles Times (12/13, Menn, 850K) reports that Hummer Winblad Venture Partners, "which put $13 million into Napster, Inc. in 2000" has "agreed to settle a multibillion-dollar copyright lawsuit filed by" Universal Music Group and EMI Group. The Times reports, "The two sides reached the tentative deal, which requires court approval, ahead of a summary judgment hearing that had been scheduled for today. The case had loomed as a test of whether financial backers could be punished for rampant Internet piracy. But the settlement's financial terms weren't disclosed, so the question might remain murky, at least until a related case is resolved."

Law.com Says "Wild West Era" Of Mass Torts Is Over. Law.com (12/13, Frankel) examines the tort reform movement, whose "success has been a public relations masterpiece." Law.com writes, "Beginning at a time when plaintiffs lawyers, flush from the fat years of asbestos revenues, seemed to have the money, brainpower and political alliances to cripple any defendant of their choosing, tort reformers engineered a billion-dollar anti-trial lawyer campaign: … Plaintiffs lawyers, accustomed to thinking of

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themselves as champions of the people, fighting big business on behalf of the little guy, seethed at the vulturous image tort reformers created for them, but didn't grasp its implications. They were, by their own admission, so slow to respond to what Robert Jenner of Janet, Jenner & Suggs calls 'the ridiculous propaganda' of their opponents that they permitted the chamber of commerce and the American Tort Reform Association to co-opt the very language of the debate." Law.com adds, "There will always be people injured by the products or actions of big corporations, and there's still money to be made representing them. But the bonanza -- the Wild West era in which mass torts was an unfettered frontier and plaintiffs lawyers seemed to have all the firepower -- is over. If you're a plaintiffs lawyer and you haven't already bought the plane and the yacht of your dreams, well, sorry, pal. You're too late."

CIVIL RIGHTS:

DoJ Report Finds Dangerous Conditions At Dallas County Jail. The Dallas Morning News (12/13, Krause, 500K) reports, "Conditions in the Dallas County Jail are so dangerous, they have contributed to the death and injury of numerous inmates and placed others at 'risk of serious harm,' a U.S. Department of Justice report has concluded. The fact that problems persist at the troubled jail system – the nation's seventh largest – is not new. State inspectors have given the jail a failing grade four times in a row, and a consultant hired by the county warned early last year of its dangerously inadequate health care. But for the first time, a report has documented multiple incidents of inmates with serious health problems dying or becoming maimed or disabled after failing to receive prompt or adequate medical care." The Morning News adds, "U.S. Assistant Attorney General Wan J. Kim, who signed the report, included a long list of 'remedial measures' and said that if the county doesn't address the government's concerns, the U.S. attorney general's office can file a lawsuit against the county 49 days after the report's release."

The AP (12/12, Curry) reports, "Page after page of violations are detailed in a letter from the U.S. Department of Justice, which also found that prisoners are not kept in safe or sanitary conditions at the detention complex, the seventh largest in the United States. Among the more egregious examples were an HIV-positive prisoner who died in October 2005 from an infection after his antibiotic was withheld 11 days and a woman who hanged herself in January 2003. Her records included an inmate request form she filled out just two days earlier."

NYTimes "Disappointed" In Ruling On "Prejudicial Material" In Courtrooms. The New York Times (12/13, 1.16M) editorializes, ",We are disappointed that the Supreme Court has upheld a defendant's conviction even though spectators at his trial put prejudicial material in sight of the jury. Fortunately, the court made clear that its ruling this week was based only on the unusual way the issue was raised, and that it was not deciding when this kind of politicking from the audience violated the Constitution. The decision should prompt courts to think about how to ensure that courtroom atmosphere does not deprive defendants of a fair trial. … A victim's family has every right to attend a trial. But judges must ensure that criminal defendants are judged on the evidence, and nothing more."

Seattle Airport Re-Erects Christmas Trees. The New York Times (12/13, Yardley, 1.16M) reports, "Fourteen Christmas trees that were abruptly sent to storage on Friday were back on display Tuesday in the main terminal of Seattle-Tacoma International Airport, neither taller nor brighter than they had been before but clearly drawing more attention. … On Friday, faced with the threat of a lawsuit when it refused to add a menorah to its annual holiday display, the airport removed all 14 trees overnight. The move, intended to avoid controversy, stoked it instead. By early Saturday, television news crews were filming the untrimming, and a holiday-season debate over religion and free speech inevitably took shape."

ANTITRUST:

United, Continental Contemplate Merger As Airline "Consolidation Frenzy" Looms. The Wall Street Journal (12/13, A1, Carey, Trottman, Berman, 2.04M) reports, "The long-awaited consolidation of the airline industry is heating up, with UAL Corp. and Continental Airlines Inc. holding talks on a possible merger and another carrier emerging as the target of an unsolicited takeover offer." UAL and Continental "have been engaged in exploratory talks on a business combination for several months, but the discussions have taken on new urgency since US Airways Group Inc. made a hostile bid for Delta Air Lines Inc. four weeks ago, according to people familiar with the matter." Meanwhile, AirTran Holdings Inc. "have been engaged in exploratory talks on a business combination for several months, but the discussions have taken on new urgency since US Airways Group Inc. made a hostile bid for Delta Air Lines Inc. four weeks ago, according to people familiar with the matter." The Journal adds, "The consolidation frenzy comes as the industry rebounds financially after a severe downturn that began five

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years ago. Airlines have since learned to cope with costlier fuel and show discipline in adding capacity. As a result, carriers generally are expected to do better financially in 2007. Mergers could help them further reduce overhead and save money by eliminating overlapping routes."

The New York Times (12/13, Sorkin, Bailey, 1.16M) reports, "US Airways' proposal, promising $1.65 billion a year in savings by combining with Delta, has helped add urgency to carriers' interests in merging. … Any deal between the two airlines is far from imminent. Continental and United executives are watching the US Airways and Delta situation to see how it might play with antitrust regulators. Delta is expected to file its plan to exit bankruptcy proceedings next week, following a flurry of meetings scheduled for later this week among Delta creditors and others."

The Washington Post (12/13, D1, Wilber, 690K) reports, "Chicago-based United is the nation's fourth-largest carrier in terms of passenger traffic and is strong in the Midwest and Asia. It has major hubs in Denver, Chicago and at Washington's Dulles International Airport. Its parent company, UAL, has a market capitalization of about $4.8 billion. Houston-based Continental is the nation's sixth-largest carrier and has major hubs in Houston, Cleveland and Newark. It has strong links to Europe, the Caribbean and Latin America. It has a market capitalization of about $3.9 billion."

Qantas Board Rejects Takeover Bid. The Wall Street Journal (12/13, C4, Linebaugh, Lindsay, Australia, 2.04M) reports, "A takeover bid for Australia's Qantas Airways Ltd. of 10.9 billion Australian dollars (US$8.6 billion) from a consortium of local and international investment companies was quickly rejected by the airline's board, but negotiations on terms of a deal may just be starting. The consortium -- Texas Pacific Group of the U.S. and Macquarie Bank Ltd. of Australia, as well as Australia's Allco Equity Partners Ltd., Allco Finance Group Ltd. and Canadian private-equity firm Onex Group -- has bid A$5.50 (US$4.32) a Qantas share in its takeover proposal, the airline said. The airline's nonexecutive directors called the terms of the proposal unacceptable. Qantas said the proposal involved a number of 'complex conditions,' unanimous support from Qantas directors and a breakup fee. The consortium, which calls itself Airline Partners Australia, said it was considering a response."

European Antitrust Officials Raid German Power Companies. The Financial Times (12/13, Buck, Kraegenow) reports, "Germany's four largest power groups – Eon, RWE, EnBW and Vattenfall – were raided by European antitrust officials on Tuesday, raising fresh concerns about the state of competition in the region's energy market. It was the second time in less than six months that the European Commission ordered inspections at RWE, and the third time it searched Eon's offices. The earlier raids were carried out in May in connection with a separate inquiry – which means Germany's leading power groups are currently the target of two potentially damaging antitrust probes. The new case against Eon, RWE, EnBW and Vattenfall is understood to focus on allegations that the four groups have tried to keep electricity prices in the German market artificially high – for example by lowering the output of certain power stations."

FTC's OKs Johnson & Johnson Purchase Of Pfizer Unit. Bloomberg (12/13, Rowley, Pettypiece) reports, "Johnson & Johnson won U.S. antitrust approval to complete its $16.6 billion purchase of Pfizer Inc.'s consumer health-care unit on condition the companies complete plans to divest treatments for heartburn, itching, sleeplessness and diaper rash. The Federal Trade Commission said in a statement that Johnson & Johnson must sell three of Pfizer's over-the-counter drugs: Zantac H-2 for heartburn, Cortizone for itching and the Unisom sleep-aid medication."

Schneider Says Its Merger With APCC Faces No More US Review. Market Watch (12/13) reports, "French electrical equipment manufacturer Schneider SA (12197.FR) said Tuesday that its planned merger with American Power Conversion Corp. (APCC) doesn't face further antitrust review from U.S. authorities now that the mandatory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 has ended. As reported at the end of October, Schneider is offering to acquire APC for $31 a share in cash, a deal that values APC at EUR6.1 billion."

South Korean, US Authorities Investigate Price Fixing Among Leading LCD TV Manufacturers. The New York Times (12/13, Sang-Hun, 1.16M) reports, "Antitrust authorities here and in the United States and Japan have started an investigation into price-fixing allegations against the world's two leading makers of flat-panel displays, Samsung Electronics and LG.Philips LCD, officials said on Tuesday, shaking an industry already burdened by falling prices. Samsung and LG.Philips — the world's largest and second-largest makers of liquid-crystal displays — confirmed on Tuesday that they were being investigated by the antitrust authorities in the three countries on suspicion of anticompetitive practices in 2003 and 2004." The Times adds, "The news was yet another setback for Samsung. The investigation is the first in the manufacturing of liquid-crystal displays, an industry led by Samsung, but the company is already facing another price-fixing investigation in the United States involving its main product line, computer memory chips. The investigation comes at an awkward time for L.C.D. makers; prices plummeted in the first half of 2006 because of

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supply gluts. Except for Samsung, which often uses price wars to beat its competitors, the major players had to cut production to reduce inventories."

The Financial Times (12/13, Jung-a, Hille, Lewis, Tokyo) reports, "Samsung Electronics, LG Philips LCD and AU Optronics, the world's top LCD panelmakers, all said yesterday they were being investigated for "possible anti-competitive conduct". Sharp, Japan's largest LCD panelmaker, said it had received summons from regulators at home and in the US during the weekend. … Regulators in Korea and Japan declined to reveal any details of their investigation. But one industry executive familiar with the investigation said regulators were examining potential price fixing in 2003 and 2004, rather than recent behaviour."

Optronics Stock Falls. Bloomberg (12/13, Wang) reports, "Asian stocks trading in the U.S. fell, led by makers of liquid-crystal displays, after AU Optronics Corp. said it is being probed in Japan and the U.S. as part of an antitrust investigation. The Bank of New York Co.'s Asia ADR Index, which tracks the region's American depositary receipts, slipped 0.3 percent to 152.04. The index recovered part of its loss after the Federal Reserve left the benchmark U.S. interest rate at 5.25 percent for a fourth straight meeting."

AU Optronics slumped 56 cents to $12.76. The world's third- largest LCD maker said its Japan and U.S. units are being probed. Regulators in the U.S., South Korea, Japan and Europe are investigating companies including Samsung Electronics Co. and LG.Philips LCD Co. for alleged price fixing in the $69 billion industry.

Specter Effort Against NFl Antitrust Exemption Could Affect Cable, Satellite Industries.

Law.com (12/13, McConnell) reports that Pennsylvania Sen. Arlen Specter's (R) investigation into the NFL's exemption from antitrust laws "could affect mergers in the cable and satellite television business." Law.com reports, "In a hearing Dec. 7, Specter said he plans to introduce legislation next year that would eliminate the NFL's ability to negotiate television contracts on behalf of the entire league. Without the exemption, each team would have to negotiate its own TV contract to avoid violating antitrust prohibitions on collusion among competitors in a business." He "said the NFL has abused the exemption by extracting high-priced TV contracts and allowing team owners to bully local governments for new stadium funding. Specter said he's not ready to remove other pro sports' antitrust exemptions." Law.com adds, "Applying the full force of antitrust law to professional football would likely invalidate the NFL's exclusive contract with satellite television's DirecTV for carriage of the NFL Sunday Ticket, the largest package of NFL games and a big draw for football fans that don't live in the same market as their favorite teams. Cable operators have demanded access to the Sunday Ticket for years but to no avail."

Columnist Says Specter Would "Turn The Clock Back." In his "Business Of Sport" column in the New York Sun (12/13) Evan Weiner writes that it is "uncertain…whether Specter can generate any support from the other 99 Senate members or the 435 House members — and it would take an awful lot for him to get President Bush's signature on the bill." Weiner adds, "Specter wants to turn the clock back to a time when television contracts were negotiated locally, and when there were just two real networks, CBS and NBC. … Pennsylvania's senior senator apparently does not know how sports owners operate today — as opposed to 1960 — where television is concerned. Most of the NFL's regular season — and all of its playoff games — are on over-the-air TV. That's an anomaly in sports. … Specter needs to understand that sports owners have taken their properties from terrestrial TV to cable because that's where the money is."

Murray Says Wal-Mart Can Teach Lessons In "Relationships" To Wall Street.

In a column in the Wall Street Journal (12/13, A2, 2.04M), Alan Murray writes, "Wal-Mart's firing of hot-shot advertising executive Julie Roehm is being portrayed by her supporters as a modern-day morality tale, with the Elmer Gantrys of Arkansas recoiling from a culture of fast cars, fine restaurants, copulating animals and lingerie football. … Still, this dust-up has less to do with parochialism or moralism than with capitalism. Wal-Mart conquered the retail world not because it harbored some rigid code of ethics, but because it was relentless in its quest for world-class efficiency. It seems to have parted ways with Ms. Roehm for much the same reason." Noting that Wal-Mart prohibits all gifts from vendors to its employees, Murray opines, "That's an idea that's spreading in the retail world, but hasn't fully infiltrated Madison Avenue, where 'relationships' still rule."

Murray adds, "Meanwhile, the Supreme Court last week took a dive into New York City's money culture by agreeing to hear a case about the way the nation's largest investment banks sell initial public offerings of new stock. … The issue before the Supreme Court is arcane: It involves whether the Securities and Exchange Commission's regulation of investment banks gives those banks immunity from antitrust lawsuits. Moreover, the whole idea of investors turning to the courts to recover losses from their own bad investment decisions is disturbing. Still, the case does shine a harsh light on the way Wall Street sells IPOs, and it's not pretty. Some of the worst abuses of the late 1990s are gone. But the process through which IPOs are allocated remains shrouded in mystery, and 'relationships,' not markets, still rule." Murray concludes, "New York may have better restaurants than

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Bentonville. But the folks in Arkansas could still teach the Kings of Capitalism a thing or two about how markets work."

Monstanto's Proposed Merger Runs Into Opposition. The Wall Street Journal (12/13, C1, Kilman, 2.04M) reports, "Monsanto Co.'s second attempt in seven years to bring southern seed giant Delta & Pine Land Co. to the altar could be running into trouble. An unusual backlash against the proposed combination is taking root across the U.S. Farm Belt, driven in part by rivals in the crop-biotechnology industry, which Monsanto dominates. The proposed $1.5 billion deal announced in August would give Monsanto more control over a major crop by a biotechnology company than ever before allowed, a prospect that upsets antibiotechnology activists. Delta & Pine Land's seeds produce half of America's cotton, the nation's fifth-biggest crop. Delta's market share is highest in southern states such as Georgia, where 92% of the cotton is grown from Delta seed."

FBI/DEA/ATF/USMS:

Judge Orders DoJ To Ask Why FBI Withheld Information In Trial Of Wrongfully Imprisoned Men. The Boston Globe (12/13, Murphy, 413K) reports that US District Judge Nancy Gertner "ordered the Justice Department last night to ask FBI Director Robert S. Mueller III to explain why the bureau has refused to share crucial information with the government's own lawyers, disrupting the civil trial being held on behalf of four men who were wrongly imprisoned for decades." Gertner "wrote that the FBI's position is 'chilling,' given that the suit brought on behalf of Peter Limone , Joseph Salvati , Henry Tameleo , and Louis Greco is about informant abuse and FBI agents allegedly 'hiding the ball' by withholding information that would have helped exonerate the four men in a 1965 gangland slaying." The judge "ordered the Justice Department to notify Mueller of her concerns and report back by Monday on why she should not find the government in contempt and impose punitive fines." The Globe notes, "A Justice Department spokesman could not be reached last night for comment."

In Detroit, Mueller Says FBI Eventually Will Solve Hoffa Case. In a widely-distributed story, the AP (12/13, Longley) reports, "FBI Director Robert Mueller said Tuesday the decades-old disappearance of Teamsters leader Jimmy Hoffa will eventually be solved. Mueller spoke during a question-and-answer session with reporters at the FBI's Detroit office, months after an expensive search at a southeastern Michigan horse farm turned up nothing. 'We have a long, long memory,' Mueller said. 'We will continue to follow any lead that comes to our attention.'" The AP adds, "Mueller would not comment on whether the FBI has any new leads in Hoffa's disappearance, but said the agency will always be working on the case. 'As you can see from the undertakings last summer, we are very willing to follow up on any leads where we believe there is some basis,' Mueller said."

Youssef Posting Top FBI Officials' Depositions On Whistleblower Site. In a widely-distributed story, the AP (12/13, Solomon) reports, "Lawyers for a once-decorated terror-fighting FBI agent will make public hundreds of pages of testimony from the bureau's top brass declaring that terrorism expertise has been given little weight in promoting agents since the Sept. 11, 2001, attacks. The evidence gathered during Agent Bassem Youssef's ongoing lawsuit against the FBI includes statements from the agency's director, Robert Mueller, and many of his top supervisors," including Gary Bald and John Lewis, "on how little Middle Eastern experience, Arabic language skills or formal anti-terrorism training has played in promotion decisions." The AP notes, "Youssef's lawyer said Tuesday he was making the depositions public so Americans can see the FBI answers for themselves. … The documents are to be posted Wednesday to" Whistleblowers.org

Agents Arrest New York Mob Crew. The AP (12/13) reports federal agents yesterday said Michael Souza, who "ran a dangerous Colombo mob crew on Staten Island," has been arrested along with ten of his crew members. The AP says they were arrested on charges of racketeering, robbery, assault, weapon possession, loan-sharking, gambling and drug dealing. The AP notes that the indictment, a result of an eight-month DEA investigation, "said the crew committed the crimes between January 2004 and November 2006." Authorities "said one of the crew's most ambitious schemes involved trying to rob an armored car, but DEA agents thwarted the heist before it could be pulled off." The New York Sun and Long Island Newsday used the AP story.

Louisiana Doctor Pleads Guilty In Meth Case. The Baton Rouge (LA) Advocate (12/12) reported a doctor who "operated an occupational medicine clinic in Broussard pleaded guilty Monday to methamphetamine charges. Randy L. Lavespere, 44, faces up to 20 years in prison on charges of possession with intent to distribute methamphetamine. … The doctor had been targeted by U.S. Drug Enforcement Administration investigators after an informant reported selling methamphetamine to Lavespere in the past."

The AP (12/13) reports authorities said federal agents "arrested Lavespere during an undercover sting in March

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when he bought a half-pound of methamphetamine for $8,000 in the building center parking lot in Opelousas."

San Diego County Supervisors Plan To Appeal Medical Marijuana Ruling. The AP (12/13) reports the San Diego County Board of Supervisors "voted Tuesday to appeal a judge's recent decision to reject the county's challenge to California's decade-old law legalizing marijuana use by the chronically ill. The county sued California and its health services director in February over a state requirement that counties issue identification cards for medical marijuana users and maintain a registry of people who apply for the cards. San Bernardino and Merced counties joined the suit."

IMMIGRATION:

Feds Raid Meatpacking Plants, Arrest Illegal Aliens. ABC World News (12/12, story 9, 0:25, Gibson, 8.78M) reported, "Federal agents cracked down, today, on alleged identity theft racket, involving illegal immigrants. Agents raided Swift and Company meat processing plants and arrested six suspects in six states. A ten-month investigation found that hundreds of immigrants had assumed the identities of US citizens and used their Social Security numbers to get jobs with Swift."

The Los Angeles Times (12/13, Gaouette, 850K) says the raids "resulted in arrests of workers on immigration violations and some existing criminal warrants, with charges of aggravated identity theft possible at a later date, officials said. The number of arrests was not immediately known. The company was not charged." The action "targeted the use of legitimate Social Security numbers by illegal immigrants -- what Jamie Zuieback, spokeswoman for Immigration and Customs Enforcement, called 'a massive identity-theft scheme.'"

USA Today (12/13, 1A, Leinwand, 2.27M) reports, "The plants have thousands of workers, and Tuesday's massive roundup -- which involved 1,000 federal agents -- was one of the U.S. government's largest moves ever against illegal workers." The raids "come eight months after Immigration and Customs Enforcement (ICE) arrested 1,187 illegal workers at plants operated by IFCO Systems, a company that makes pallets."

The Washington Post (12/13, A1, Hsu, Williams, 690K) also reports the story, noting ICE will hold a news conference today to provide additional details. The Post also reports the raids "took place in plants in Greeley; Grand Island, Neb.; Cactus, Tex.; Hyrum, Utah; Marshalltown, Iowa; and Worthington, Minn." ICE spokesman Marc Raimondi said yesterday "investigators will decide whether those arrested will face immediate deportation, prosecution or detention pending other legal proceedings. US officials noted the participation of the Federal Trade Commission, which routinely shares data on identity theft victims with federal and state law enforcement agencies." The New York Times (12/13, Preston, 1.16M) also reports the story.

Blagojevich To Announce Pro-Immigrant Measures. The Washington Post (12/13, A11, Lydersen, 690K) reports, "Illinois Gov. Rod Blagojevich (D) will announce on Wednesday a wide-ranging set of measures meant to better integrate immigrants, legal and illegal, into the state's economy, education system and workforce." The governor's New Americans program will include measures to increase "the number of dual-language schools, English-as-a-second-language programs and bilingual staff members at state agencies, as well as providing job training for skilled and unskilled immigrants." The Post quotes Susan Tully, national field director of the Federation for American Immigration Reform, who said Blagojevich doesn't have the constitutional right "to grant benefits to people who haven't been cleared by immigration and customs agents."

CONGRESS-ADMINISTRATION:

Leahy To Promise Oversight Of Justice, Will Explore Sending Officials To Iraq. The AP (12/13, Kellman) reports, "Justice Department officials can expect stepped-up oversight of the Bush administration's war on terrorism and — perhaps — some all-expense-paid tickets to Iraq to help train the corrupt police force there, the incoming chairman of the Senate Judiciary Committee says." His agenda "includes a look at about a dozen recommendations by the Iraq Study Group to send law enforcement officials from the FBI and other offices in the Justice Department to the war-torn nation to boost a police force riddled with corruption. Leahy noted that over the weekend that Iraqi police allegedly helped Saddam Hussein's nephew, Ayman Sabawi, escape from a prison near Mosul." The AP adds, "Leahy did not plan to outline many details of his agenda in the speech at Georgetown University. But he said reclaiming the chairmanship after a brief possession of the gavel in 2001-02 would be a period of 'restoration, repair and renewal' after what he termed years of the Bush administration's virtually unchecked power to hunt for terrorists even within U.S. borders."

USA Today - $90K in freezer, 57%-43% win - *2006-12-11 00:00:00 ("Justice Department")*

House Democrats Explore Independent Ethics Enforcer. The New York Times (12/13, Hulse, 1.16M) reports House Democrats "are seriously exploring the

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creation of an independent ethics arm to enforce new rules on travel, lobbying, gifts and other issues that Democrats intend to put in place on taking power next month." According to "senior party official," incoming Speaker Nancy Pelosi "had consulted with" Minority Leader John Boehner "on forming a bipartisan group to examine outside enforcement. The goal would be to have the group report back in the spring." An independent Congressional watchdog, if approved, would be a major break with tradition." The Democratic officials "said the prominence of corruption as a concern in the elections last month gave new impetus to such an idea."

Ethics Committee Report On Foley Seen As Argument For Independent Office. In her Washington Post column (12/13, A21), Ruth Marcus says, "Soon-to-be-speaker Nancy Pelosi is fond of mentioning that she's the mother of five, grandmother of six. The California Democrat should keep that in mind as she reviews the House ethics committee's report on former representative Mark Foley and considers proposals for tougher ethics enforcement. Pelosi should ask herself: What would she think if the pages whom Foley pursued with his smarmy e-mails and even worse instant messages were her own children?" Would an "investigator with more independence have come to the same no-fault conclusion? It's hard to see how." The ethics committee's "performance could be a blessing in disguise for those who believe -- as I do -- that the ethics process ought to be strengthened with some kind of independent investigative arm."

House Democrats Keep Jefferson Off Ways And Means Committee. The AP (12/13, Abrams) reports House Democrats, "insistent that they will hold lawmakers to higher standards, decided Tuesday that Rep. William Jefferson will not return to an influential committee until a federal corruption investigation involving him is completed." Incoming Speaker Nancy Pelosi "said the Democratic Steering Committee had resolved that Jefferson, who last Saturday won a runoff election in his New Orleans district, will not be given back his spot on the Ways and Means Committee, the panel that determines tax and trade policies." While "depriving Jefferson of his committee assignment, the Democrats have been mum about another member of the Ways and Means Committee, Rep. James McDermott, who on Monday was admonished by the House ethics committee for violating ethics standards by giving reporters access to an illegally taped telephone call involving Republican leaders a decade ago." Pelosi must also "make a decision about Rep. Alan Mollohan of West Virginia, who is in line to become chairman of an Appropriations subcommittee that oversees the FBI. Mollohan faces questions about personal business deals."

Ethics Committee Clears Reid On Boxing Tickets. The AP (12/13, Werner) reports the Senate ethics committee concluded that incoming Senate Majority Leader Harry Reid "did not break Senate rules in accepting free ringside seats at boxing matches from the Nevada Athletic Commission." The committee "disclosed the determination in a Dec. 7 letter to Las Vegas resident Robert Rose, who had filed a complaint on the matter." Reid had "attended three Las Vegas fights between 2003 and 2005 without paying, using credentials provided by the Nevada Athletic Commission, a state agency. Reid was supporting legislation during this period to create a federal agency to oversee boxing, something the commission opposed."

Congressman Seeks Investigation Of Prosecutor In NC Lacrosse Investigation. The AP (12/12) reported that "in a letter to Attorney General Alberto Gonzales," NC Rep. Walter Jones (R) "asked the Justice Department on Tuesday to investigate whether" Durham County District Attorney Mike Nifong, who is "prosecuting three Duke University lacrosse players charged with rape[,] has violated the athletes' civil rights." Jones' letter "repeat[s] criticisms that defense attorneys and others have raised about Nifong's handling of the case."

OTHER NEWS:

New Jersey Legislature Passes Bill Allowing Needle-Exchange Programs In 6 Cities. Newark's Star-Ledger (12/12) reported, "After more than a dozen years and countless hours of impassioned debate, the Legislature…passed a bill to prevent the spread of HIV and AIDS among drug addicts by allowing needle-exchange programs in six cities. Gov. Jon Corzine said he would sign the bill into law quickly. … For 13 years, lawmakers have wrestled with the legal and moral paradox of giving addicts syringes to use illicit drugs. Opponents questioned scores of scientific studies, the vast majority of which have found that needle exchanges reduce drug users' exposure to AIDS and do not entice more people to use drugs."

The New York Times (12/12, Jones, 1.16M) wrote, "New Jersey, the last state in the union that banned syringe exchanges for intravenous drug users, enacted a law yesterday that provides legal access to clean needles. … The law also provides $10 million for drug treatment facilities."

Administration Appeals Ruling To Aid Blind With Currency Redesign. The AP (12/13) reports the Bush Administration "on Tuesday asked an appeals court to overturn a ruling that could require a redesign of the nation's currency to help the blind." Justice Department lawyers "filed

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the appeal with the U.S. Court of Appeals for the District of Columbia Circuit on behalf of Treasury Secretary Henry Paulson." The appeal "seeks to overturn a ruling last month by U.S. District Judge James Robertson, who ordered Treasury to come up with ways for the blind to recognize the different denominations of paper currency." Robertson had "ruled in a lawsuit brought by the American Council of the Blind. The council proposed several options for changes, including printing different size bills or changing the texture by adding embossed dots or foil."

Stockman Faces Criminal Investigation Over Role In Firm's Bankruptcy. The AP (12/13, Milton) reports David Stockman, the "former top budget official in the Reagan White House," is "a target of a criminal investigation into possible financial fraud at an auto parts company he headed before it collapsed into bankruptcy, a federal official told The Associated Press." Stockman "rose to prominence as budget director under President Reagan," and he is "the former chairman and CEO of Michigan-based Collins & Aikman Corp." Federal investigators "and prosecutors are preparing a case against Stockman and other corporate officers from Collins & Aikman and expect to soon present the findings to a grand jury in New York City, the official said. The investigation is focused on whether Stockman and other corporate officers at Collins & Aikman misled investors about the financial health of the company by artificially inflating stock prices. ABC News reported on the case Monday."

Breyer, Scalia Show Court Not Unanimous On Roberts' Desire For Unanimous Decisions. Law.com (12/13, Mauro) reports, "More than once in recent months, Chief Justice John Roberts Jr. has said that one of his goals is to achieve greater unanimity on the Supreme Court -- even if it means deciding cases narrowly. … Last week it became clear that the Court is not even unanimous on whether Roberts' goal is realistic or worth striving for. During a public debate on Dec. 5 co-sponsored by the American Constitution Society and the Federalist Society, Justices Antonin Scalia and Stephen Breyer were asked about Roberts' aspirations." Scalia suggested "that unanimity isn't all that it is cracked up to be." Meanwhile, Breyer was also "dubious about Roberts' goal." Breyer: "You don't want nine on an opinion for the sake of getting nine on an opinion."

Google Sets Up Private Auction For Employees To Sell Options. The Washington Post (12/13, D1, Goo, 690K) reports, "Google has come up with yet another novel way to reward its employees. In keeping with its offbeat approach to business, the search-engine firm plans to create an online auction for its 9,000 employees to sell their stock options to financial institutions. The goal is to give workers a new avenue to cash in on Google's stock, which has increased five-fold since the company went public two years ago. It would mark the first time a U.S. company has created a private Internet auction for stock options. Investment experts called the idea creative and said other firms might follow suit if Google's plan succeeds." The Post adds, "Google's stock options proved valuable to its early employees because its shares rose sharply from its initial offering price of $85 to close yesterday at $481.78 on the Nasdaq Stock Market. Some analysts questioned whether Google's share price can continue growing at the same rate, which could mean new employees might not reap the same benefits from options as those earned by people previously hired."

CNET (12/12, Mills) reported, "For employees who have arrived at Google long after its stock price started to climb, the auction potentially presents a more profitable alternative to trading on the public markets. It would work like this: once an employee's options are vested, he or she can look for bidders in the private auction. A financial institution may offer the employee, for example, $150 per option. If the employee's strike price was $400 and the stock was trading at $500, the employee would have made $50 more per option going the auction route rather than selling them on the public market. Employees can also set a minimum price at which to sell." CNet added, "Google's accounting will not change as a result of the new program, but the amount of stock-based compensation expense will be higher than it would be if not for the program, said Mark Fuchs, chief accountant for Google. The company said it has discussed the program with the Securities & Exchange Commission."

Study: Non-US Companies More Likely To Lose In American Courts. The Financial Times (12/13, Masters, Guerrera) reports, "Non-US public companies sued in the US are more likely to lose than their American counterparts of similar size facing similar claims, a study of 3,000 corporate defendants has found. The mere announcement of a US lawsuit also hits non-US companies far harder. On average, their value dropped $930,000 on the day of the announcement compared with $366,000 for US firms, according to the study by Utpal Bhattacharya, a finance professor at Indiana University. The study, which will be published next year, looked at lawsuits filed in federal courts between 1995 and 2000 and followed the cases through to final resolution." Financial Times adds, "Fears of protectionism in the US have increased due to public opposition to foreign takeovers of US companies and rising hostility towards the outsourcing of US jobs to developing countries."

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FTC Cracks Down On Fraudelent Online Schemes. The AP (12/12, Rugaber) reported, "Scams playing off the well-known brand names of online retailers such as Amazon.com and Overstock.com are among the latest get-rich-quick schemes bilking consumers for millions of dollars, federal regulators warned Tuesday. As the Federal Trade Commission announced a new crackdown, it also gave some cautionary advice to consumers who are tempted by the lure of easy riches from ads online, in newspapers, magazines and on TV: don't be fooled. The latest law enforcement sweep, dubbed Project False Hopes, involves more than 100 enforcement actions by the FTC, Department of Justice and other federal and state agencies." The AP added, "The FTC announced nine new cases Tuesday involving bogus offers to operate vending machines, Internet access kiosks and ATM businesses, among other hoaxes. In four of those cases, consumers lost a combined $30 million."

US Health System Unprepared For Bird Flu, Report Says. USA Today (12/13, A3, Hall, 2.27M) reports that an "annual study by 'Trust for America's Health' found that emergency health preparedness remains inadequate five years after the 9/11 and anthrax attacks of 2001 raised fears of bioterrorism." The study "also comes one year after Hurricane Katrina highlighted the need for the government to provide health care quickly when thousands of people are in need." Jeff Levi, director of the trust said, "The nation is nowhere near as prepared as we should be for bioterrorism, bird flu and other health disasters. We continue to make progress each year, but it is limited. As a whole, Americans face unnecessary and unacceptable levels of risk."

The Washington Post (12/13, A1, Sheridan, 690K) notes, "This year's report puts greater emphasis on pandemic flu, which occurs when an influenza virus mutates into a potentially deadly version that can be transmitted between humans. Concerns about a possible pandemic have grown as avian flu has spread from Asia, with some cases of transmission to people." Among the findings, the report found "that half of all states – including Maryland and Virginia – would run out of hospital beds within two weeks of a moderately severe pandemic flu outbreak."

China, US To Hold Talks On Health Care, Diseases. The AP (12/13) reports, "Rural health care, infectious diseases and an aging population are among key issues the US will bring up with China during talks this week aimed at strengthening cooperation, the top American health official said Wednesday." Health and Human Services Secretary Mike Leavitt "said he would focus on those areas, along with regulatory cooperation and technical exchanges, as part of a high-level dialogue between China and the US that will also address trade, currency and other disputes." Leavitt "was to meet Wednesday with his Chinese counterpart, Health Minister Gao Qiang." Earlier, "he attended an opening ceremony for a collaborative office between the Chinese and US centers for disease control." The office "will focus on infectious diseases like AIDS, tuberculosis, malaria and bird flu, Leavitt said. It is part of a 2005 agreement on health cooperation."

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with senior United States Department of Defense Officials on Iraq, the Pentagon; delivers a statement, the Pentagon.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: PRIME MINISTER ZURAB NOGAIDELI OF GEORGIA _ Highlights: 5 p.m. Discusses democratic reform and regional challenges three years after the Rose Revolution, sponsored by the School of Advanced International Studies. Kenney Auditorium, 1740 Massachusetts Ave. NW.

GUARD-RESERVES _ The independent Commission on the National Guard and Reserves holds two days of hearings on proposed changes in organization and resourcing for the National Guard and reserves. Highlights: 8 a.m. Undersecretary of Defense David Chu, Assistant Defense Secretary Thomas Hall. Room 2212, Rayburn. 10 a.m. Homeland Security Undersecretary George Foresman. Room 2212, Rayburn.

MOROCCAN REFORMS _ The American Moroccan Institute holds a conference on Moroccan Reforms. Highlights: 4 p.m. Panel discussion, ``How to Overcome the Current Challenges in American-Arab Relations?" with Andre Azoulay, counselor to the King of Morocco; Robert Malley, former advisor to President Clinton; James Zogby, president of Arab American Institute. Brookings Institution, 1775 Massachusetts Ave. NW.

NATO ISRAEL _ 9 a.m. The New America Foundation holds a presentation on whether Israel should join NATO, with Ralf Fuecks of the Heinrich Boll Foundation of Germany, others. Location: 7th floor, 1630 Connecticut Ave. NW.

AFGHANISTAN _ 10 a.m. Analyst Anthony Cordesman of the Center for Strategic and International Studies hold a media briefing on his recent trip to Afghanistan. Location: 4th floor conference room, 1800 K St. NW.

TORT REFORM _ 10 a.m. American Tort Reform Association President Sherman Joyce and ATRA general

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counsel Victor Schwartz hold a news conference to release and discuss the American Tort Reform Foundations annual flagship publication, the ``Judicial Hellholes report, ranking America's worst jurisdictions in which to be sued. Location: National Press Club, Zenger Room.

IRAQ STUDY GROUP _ 10:30 a.m. The US Institute of Peace holds an event to discuss the Iraq Study Group report, with Ellen Laipson of the Stimson Center, Charles Freeman, JR. of the Middle East Policy Council, James Dobbins of RAND, others. Location: Room 2359, Rayburn.

OIL DEPENDENCE _ 10:30 a.m. Business leaders and retired military personnel hold a news conference to release recommendations calling for fundamental changes in US policy concerning oil consumption and production, with Frederick Smith of FedEx, retired Marine Corps Commandant P.X. Kelley, UPS CEO Michael Eskew, others. Location: Morton Auditorium, 805 21st St. NW.

WORKSITE ENFORCEMENT _ 10:30 a.m. Department of Homeland Security Secretary Michael Chertoff and ICE Assistant Secretary Julie Myers hold a press conference to announce the results of a nationwide worksite enforcement operation. Location: ICE Headquarters, Michael J. Garcia Conference Room, 6th Floor, 425 I St. NW.

AIR QUALITY _ 11 a.m. The US Chamber of Commerce holds a news briefing to announce a new effort to track the domestic impact of foreign air emissions and how it related to US air quality. Location: 1615 H St. NW.

HEALTH CARE _ 11 a.m. Sen. Ron Wyden holds a news conference to announce a new proposal to provide affordable private health coverage to all. Location: Room 215, Dirksen.

LEAHY _ 11:30 a.m. Incoming Senate Judiciary Committee Chairman Sen. Patrick Leahy holds a discussion on the committee's agenda for the 110th Congress. Location: Hart Auditorium, McDonough Hall, Georgetown University Law Center, 600 New Jersey Ave. NW.

VA TECHNOLOGY _ 11:30 a.m. Rep. Steve Buyer and VA Secretary Nicholson hold a news conference to discuss information technology in the department. Location: Room 334, Cannon.

HEALTH CARE _ 12 p.m. Americas Health Insurance Plans and the Blue Cross and Blue Shield Association host a press briefing on their development of a personal health record (PHR) model and standards that enable it to be portable for consumers who choose that option when they change health plans. The group also will announce a pilot program with the National Health Council designed to encourage greater use of PHRs, especially among people with chronic conditions and disabilities, and to foster greater appreciation of the value of PHRs in optimizing health. Briefers: Myrl Weinberg, President, National Health Council; Ron Williams, Chairman, President and CEO, Aetna Inc.; Bill Marino, President and CEO, Horizon Blue Cross Blue Shield of NJ; Scott P. Serota, President and CEO, Blue Cross and Blue Shield Association; and Karen Ignagni, President and CEO, Americas Health Insurance Plans. Location: Hotel Monaco, Athens Room, 700 F St. NW.

HYPING TERRORISM _ 12 p.m. The Cato Institute hosts a book forum, ``Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats, and Why We Believe Them." Participants are author, John Mueller; and Woody Hayes, chair of National Security Studies, Ohio State University; with comments by James S. Gilmore, III, Former Governor of Virginia and chair of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction and Chairman, National Council on Readiness and Preparedness. Location: Cato Institute, 1000 Massachusetts Ave. NW.

MOROCCO _ 12 p.m. The Middle East Institute and the American Moroccan Institute hold an event with Andre Azoulay, senior adviser to King Mohammed VI of Morocco, discussing Morocco's moves toward political reform and the war against terrorism. Location: 1761 N St. NW.

WHISTLEBLOWERS _ 12 p.m. The No Fear Coaloition holds a news conference with Rep. Albert Wynn, forme D.C. delegate Walter Fauntroy, and black clergy members to demand an end of government corruption and end of attacks on whistleblowers. Location: Room 402, Cannon.

HEALTH LEGISLATION _ 12:15 p.m. The Alliance for Health Reform holds a briefing on health care legislation issues in the upcoming Congress, with Bridgett Taylor of the House Energy and Commerce Committee staff, Kate Leon of Sen. Harry Reid's staff, others. Location: National Press Club.

LEBANON _ 2 p.m. The US Institute of Peace holds an event on the aftermath of the fighting in Lebanon this past summer, with a view from Israel, with former Israeli Amb. Zalman Shoval, others. Location: 2nd floor conference room, 1200 17th St. NW.

US MILITARY _ 2 p.m. The American Enterprise Institute holds an event, ``Military Transformation and the American Way of War," with Max Boot of the Council on Foreign Relations and Frederick Kagan of AEI. Location: 12th floor, AEI, 1150 17th St. NW.

WOMEN-MIDTERM ELECTIONS _ 2 p.m. - 4 p.m. Women is Government Relations hosts a discussion by Barb Palmer, co-author ``Breaking the Political Glass Ceiling," who will analyze how women fared in the 2006 midterm elections. Location: Van Scoyoc Associates, 101 Constitution Ave. NW.

GEORGIA-DEMOCRATIC REFORM _ 5 p.m. - 7 p.m. SAIS's Central Asia-Caucasus Institute hsots a presentation, ``Three Years After the Rose Revolution: Democratic Reform and Regional Challenges," with Zurab Nogaideli, prime

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minster of the Republic of Georgia. Location: Kenney Auditorium, Nitze Building 1740 Massachusetts Ave. NW.

SCOPUS AWARD DINNER _ 6 p.m. American Friends of Hebrew University sponsors the Gala Scopus Award Dinner. Former Secretary of State Colin Powell will receive the Truman Peace Prize, and Amb. Suart and Wilam Bernstein will receive the Scopus Award. Location: Park Hyatt Hotel, 1201 24th St. NW.

GLOBAL LEADERSHIP _ 7 p.m. The US Global Leadership Campaign holds a dinner honoring Sen. Chuck Hagel and retiring Sen. Paul Sarbanes. Location: Fairmont Hotel, 2401 M St. NW.

THE BIG PICTURE:

Headlines From Today's Front Pages.

USA Today:
"Turning Hedge Fund Dollars Into Works Of Art."
"Raid Targets Illegal Migrants."
"Giant Jet Sets Off Fuel Tank Concerns."
"Fatal Fuel Explosions."

New York Times:
"White House To Delay Shift On Iraq Until '07."
"Iraq Army Plans For A Wider Role In Securing Baghdad."
"Saudis Give A Grim What If Should U.S. Opt To Leave Iraq."
"Grid Limitations Increase Prices For Electricity."
"Web Site Hunts Pedophiles, And TV Goes Along."
"Turning Hedge Fund Dollars Into Works of Art."

Washington Post:
"A Family At Cross-Purposes."
"Americans Say U.S. Is Losing War."
"Army, Marine Corps To Ask For More Troops."
"Bait Cars Help Reel In Thieves."
"Illegal Workers Arrested In 6-State ID Theft Sweep."
"Va. Among Best Prepared For Crises, Report Says."

Washington Times:
"Watchdog Asked To Probe."
"Bush Delays Iraq Plans Until 2007."
"Muslim Pilgrims Urged To Complain."
"Smugglers Terrorize Illegals To pay Fees."
"New Law To Monitor Drugs Supplements."
"Williams Warns Fenty On Schools, Relishes 'Great Run'."

Detroit Free Press:
"New Era Arrives For Cable Customers."
"40,000 Launch Child-Care Union."
"Aretha's Life Will Play Out On Stage."
"Prop 2 backers To take Campaign To Other States."

Atlanta Journal-Constitution:
"Air Tran may try To Snare Midwest."
"Chief Justice; Leave Court Alone."
"Death Rate Falls But Asthma In Children At Al-Time High."
"Georgia Power may lay Pipeline To Gas-Fired Plants."
"Furor Over Carter's Book Circles Globe."

Houston Chronicle:
"Continental, United Discussing A Merger."
"Skilling's Reprieve Short Lived."
"Iraqi's Brave Death To Find Work."
"Praire View Cheerleader Dies Of 2004 Neck Injuries."
"Post-Castro Exodus Is A Concern For US."

Story Lineup From Last Night's Network News:
ABC: Bush Speech Delayed; Bush Poll-Analysis; Iraq Sectarian Violence; US Death Toll-Iraq; Female Officer Killed-Iraq; Your Donations-Iraq; Your Donations-Iraq; Lost Climbers-Oregon; E-Coli Outbreak; Identity Theft; Hearing Loss; Christmas Trees Return-Tacoma Airport; Animating Biology.
CBS: Iraq Sectarian Violence; Bush Speech Delayed; New Course In Iraq-Analysis; Identity Theft; UCLA Database Hacked; Car Safety; Alzheimer's Detection; Diana Investigation; Poor Children's Wishes.
NBC: Bush Speech Delayed; Afghanistan War Front; Identity Theft; Lost Climbers-Oregon; Stock Market; Returning Too School-New Orleans; Space Walk; Charity Abuses; Obama's Announcement.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **WEDNESDAY, DECEMBER 13, 2006 7:45 AM EST**

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TERRORISM NEWS:

Legislators Call For Gonzales To Order FBI To Brief Congress On Anthrax Investigation. The Washington Times (12/13, Seper, 88K) reports, that a "bipartisan coalition of Senate and House members demanded that Attorney General Alberto R. Gonzales order the FBI to brief Congress on its five-year anthrax investigation, saying its refusal to do so is 'unprecedented and inexcusable.'" Iowa Sen. Charles E. Grassley (R), one of the 33 members of Congress tho signed the letter: "We're seeing more and more agencies thwart the constitutional responsibility of Congress. … Unfortunately, the FBI's refusal to provide briefings to Congress following the 2001 anthrax attacks appears to be the rule rather than the exception." Their missive "comes in the wake of two other attempts by Mr. Grassley and Mr. Holt to get information about the handling of the inquiry, formally known as the 'Amerithrax investigation.' In response, the Justice Department and the FBI announced a policy against all congressional briefings on the matter."

The AP (12/13, Solomon) reports, "The bipartisan letter escalates efforts by Sen. Charles Grassley, R-Iowa, and Rep. Rush Holt, D-N.J., to get the FBI to tell lawmakers what it has learned during the five-year case that remains unsolved. The FBI has refused, citing concerns about possible leaks. The lawmakers said any leakers of prior information about the anthrax case inside the FBI or Congress should be punished but that such concerns do not justify keeping information from lawmakers so they could perform their required oversight of the FBI's performance."

Roll Call (12/12, Kane, 3:37 p.m.) reported on its Web site, "The group rejected the FBI's publicly stated reason for refusing to brief Capitol Hill on an attack — namely, fears of leaks about the ongoing probe — as an 'inappropriate response to legitimate Congressional oversight.' While the letter does not mark the first time that Members have demanded a briefing, the broad list of signatories — including several leading Republicans — make its criticisms of the Bush administration Justice Department noteworthy." Signatories include "prominent Republicans," such as Sens. Arlen Specter, Trent Lott, Jim Bunning and Kit Bond. Roll Call noted, "Grassley has been a longtime critic of the FBI, but he also secured backing for this letter from six members of the Judiciary Committee, which held an oversight hearing of the FBI last week at which Director Robert Mueller again refused to answer questions about the attacks." Roll Call also provides a link to the full text of the letter.

The Hill (12/13, Haynes) adds, "The letter refers to recent revelations that FBI agents leaked information anonymously to The New York Times as evidence that the agency, rather than Congress, may be more responsible for inappropriate disclosures."

The AFP (12/12) also reports on the story.

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DOD Employees Renew Legal Battle Against Mandatory Anthrax Shots. The Washington Post (12/13, A19, White, 690K) reports, "Six unnamed Defense Department employees are renewing their legal battle to stop Pentagon officials from administering mandatory anthrax vaccinations, claiming that the Food and Drug Administration's approval of the shot was flawed and puts people at risk." The employees, who are "either in the military or are civilian defense workers, argue that they should not be forced to take the vaccine because there is no scientific proof that it is effective for humans and it has potentially lethal side effects, said Mark S. Zaid, a Washington lawyer who plans to file the lawsuit today in the U.S. District Court for the District of Columbia." The class-action lawsuit "asks the court to block the Pentagon from inoculating the plaintiffs and to declare that the vaccine was improperly licensed, according to the 22-page filing."

General Predicts Multifaceted "Generational War" With Terrorism. The Washington Times (12/13, Gertz, 88K) reports, "The American people need to prepare for a long-duration war against radical Muslims who are set to fight for 50 to 100 years to create an Islamist state in the region, a top Pentagon strategist in the war on terror says." USAF Brig. Gen. Mark O. Schissler recommended "both military and ideological components that make [the war] similar to the 40-year Cold War against communism." He "said he is concerned that Washington politics is weakening the will of the nation" and added that the US had generally fought wars lasting "three to four years" as opposed to such a time frame. Besides military action, Schissler suggested "educational efforts" toward young Muslims and assistance to "moderate Muslims who see extremism as unacceptable."

PATRIOT ACT:

AP Says Justice May Intervene In Case Against Islamic Charity. The AP (12/13) reports that DOJ attorneys "may intervene to defend the Patriot Act in a federal case involving an Islamic charity," Life for Relief and Development, according to court documents. The charity "was raided by federal agents in September and sued Comerica Bank last month, saying it violated the its civil rights by planning to close its accounts." The AP notes, "Justice Department attorneys filed a notice this month saying they may 'intervene in this action to defend the constitutionality' of that section of the law, the Detroit Free Press reported Tuesday."

Poll Finds 66% Believe Agencies Anti-Terror Tools Intrude On Privacy. The Washington Post (12/13, A19, Eggen, 690K) reports, "Two-thirds of Americans believe that the FBI and other federal agencies are intruding on privacy rights as part of terrorism investigations, but they remain divided over whether such tactics are justified, according to a Washington Post-ABC News poll released yesterday." The poll also showed that "52 percent of respondents favor congressional hearings on how the Bush administration has handled surveillance, detainees and other terrorism-related issues, compared with 45 percent who are opposed. That question was posed to half of the poll's 1,005-person random sample." The Post adds, "Overall, the poll -- which includes questions that have been asked since 2002 and 2003 -- showed a continued skepticism about whether the government is adequately protecting privacy rights as it conducts terrorism-related investigations. … Sixty-six percent of those questioned said that the FBI and other agencies are 'intruding on some Americans' privacy rights' in terrorism investigations, up from 58 percent in September 2003. Thirty percent think the government is not intruding on privacy."

HOMELAND RESPONSE:

Some Conservative Jurists Weigh In Against Military Tribunals Law. The AP (12/13, Apuzzo) reports, "Prominent conservative lawyers joined liberal colleagues Tuesday in opposing Bush administration anti-terror tactics, arguing that an immigrant held as an enemy combatant has a right to seek his freedom in court. The legal brief, filed in the case of suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri, argues that a new military commissions law is unconstitutional." The argument "has been made in this and other detainee cases, but Tuesday's brief is notable for the bedfellows created by the politics of anti-terrorism. Staunchly Democratic law school deans Harold Koh of Yale and Laurence Tribe of Harvard were joined by lawyers such as Steven Calabresi, who served in the Reagan and first Bush administrations and helped found the conservative Federalist Society. … Of the 29 professors signing the brief, David L. Shapiro, a deputy solicitor general during the first Bush administration, joined Calabresi and Epstein as the most prominent names with conservative ties. Others were outspoken Democrats and some weren't politically active."

Lawyers' Brief Highlights Split Between Bush Administration, Libertarians. The AP (12/13, Apuzzo) reports, "Prominent conservative lawyers joined liberal colleagues Tuesday in opposing Bush administration anti-terror tactics, arguing that an immigrant held as an enemy combatant has a right to seek his freedom in court. The legal brief, filed in the case of suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri, argues that a new

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military commissions law is unconstitutional. The argument has been made in this and other detainee cases, but Tuesday's brief is notable for the bedfellows created by the politics of anti-terrorism. Staunchly Democratic law school deans Harold Koh of Yale and Laurence Tribe of Harvard were joined by lawyers such as Steven Calabresi, who served in the Reagan and first Bush administrations and helped found the conservative Federalist Society."

US Muslims Increasingly Fear Anti-Terror Backlash. USA Today (12/13, Hampson, 2.27M) reports from Dearborn, Mich., "In this and similar enclaves, like those in northern New Jersey and Brooklyn, many Arab Muslims say their community is turning in on itself — shying away from a society increasingly inclined to equate Islam with terrorism. 'It's as bad as after 9/11,' says Rana Abbas-Chami of the Michigan American Arab Anti-Discrimination Committee. 'A lot of people are scared. They've changed how they do things.'" USA adds, "People here speculate about spies and informers in their midst; government eavesdropping and surveillance; and, if there's another 9/11, concentration camps. These themes emerged repeatedly in USA TODAY interviews with about two dozen Arab Muslims around the nation. … Now Arab Muslims — even those never questioned by the FBI, hassled by the boss or heckled by the jerk in a passing car — feel more vulnerable than ever."

Study Finds State Preparedness Lacking. The Washington Post (12/13, A1, Sheridan, 690K) reports that a study of states' "preparedness for health emergencies such as bioterrorism or pandemic flu" by the Trust for America's Health has given poor marks to Maryland and Washington, DC, but ranked Virginia among the "among the 14 best-prepared states." The fourth annual report from the group "found that the country is not nearly as ready as it should be for bioterrorism, bird flu and other health crises." Meanwhile, "District health officials took issue with the report, saying that it is unfair to compare a city with concentrated poverty to entire states."

WAR NEWS:

Bush Delays Announcement On Iraq Policy, May Be Considering Boosting Troop Levels. The White House announced yesterday that President Bush's speech announcing his new policies for Iraq won't be given until January. Until yesterday, the expectation had been that Bush would address the nation before Christmas. CNN's The Situation Room (12/12, Henry) reported the delay "a reversal that adds to the picture of a beleaguered White House groping for answers." White House aides took pains to portray the delay as a result of Bush asking tough questions of his advisors and taking into account the long-term consequences of any policy course. However, some media reports, such as one in the New York Times (12/13, A1, Rutenberg, Sanger, 1.16M), are suggesting the delay is due to the fact that "Bush's advisers were locked in internal debates on several fronts about how to proceed." The "central thrust of the discussions at all levels of the administration is how to pressure Prime Minister Nuri Kamal al-Maliki to move faster to provide basic services and quell sectarian violence." The administration is also debating "whether to back a Shiite government in the conflict with the Sunnis, or to seek a new strategy for national reconciliation between Sunni and Shiite factions." Some members of the administration, including some in Vice President Dick Cheney's office, have argued that the administration "needs to provide clear support to a strong Shiite majority government, but the State Department, led by Condoleezza Rice, views that as a recipe for perpetual civil war. Ms. Rice has instead advocated a proposal intended to woo centrist Sunni leaders to Mr. Maliki's side, including provincial leaders."

Moreover, word was leaked to the press that the President is considering increasing the number of US soldiers in Iraq. CNN's The Situation Room (12/12, King) reported, "I talked to a number of senior administration officials today and some of the outsiders who have been consulted by the Administration as part of this review, including one retired general, and they say they think the President wants more time because…the President is planning to do something big, planning to do a substantial policy shift and one of the sources I spoke to says he believes the President is very seriously agreeing with John McCain and increasing troop levels in the short-term and resisting the recommendations from the Iraq Study Group he put on the table the idea that the United States would begin to withdraw troops." Fox News Special Report (12/12, Hume) also said Bush "is seriously considering not a reduction, but a significant boost." Fox (Baier) added, "Senior Administration officials tell Fox that the President is leaning toward deploying thousands more troops into Iraq in the coming weeks and has delayed the official announcement of the new year. Sources say exactly how many troops and where they are coming from is still being ironed out by the Pentagon."

The Los Angeles Times (12/13, Barnes, 850K) reports, "Strong support has coalesced in the Pentagon behind a military plan to 'double down' in the country with a substantial buildup in American troops, an increase in industrial aid and a major combat offensive against Muqtada Sadr, the radical Shiite leader impeding development of the Iraqi government. The Joint Chiefs of Staff will present their assessment and recommendations to Bush at the Pentagon today." The ideas overlap "somewhat a course promoted by" McCain, but "the Pentagon proposals add several features, including the

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confrontation with Sadr, a possible renewed offensive in the Sunni stronghold of Al Anbar province, a large Iraqi jobs program and a proposal for a long-term increase in the size of the military." The Washington Times (12/13, Curl, 88K) also says "top military officials with whom Mr. Bush met yesterday backed Mr. McCain's stance."

The CBS Evening News (12/12, story 2, 2:15, Couric, 7.66M) reported on "word that the President is nowhere near ready to announce a new course for Iraq." CBS (Axelrod) added Bush is "asking a lot of questions, we're told. One source tells us among the topics he's exploring, what would happen if he sent more troops to Iraq. Where would they come from? What would their mission be?" Couric: "The CBS News poll that came out just yesterday shows American public support for the President's Iraq policy is at an all-time low. Only 21% back him. So how is that factoring in to his decision making right now?" Axelrod: "Actually, I think that's going to be one of the most interesting points in run-up to the speech, this now extended run-up, and that is the President still is unconvinced that Americans don't want to see victory in America, that they just want a better plan for it. He thinks -- and you'll hear him talk about victory -- he thinks if he can convince the American public he's got a decent plan for victory, he can win back support for the war in Iraq, Katie."

ABC World News (12/12, lead story, 2:35, Gibson, 8.78M) reported that "rather than pulling troops out of Iraq, the President may be thinking about sending more." ABC (Raddatz) added. "Why the delay in the speech? A White House official says that with each military option, the President is asking, how many people would it take? And what would the fallout be? One of the major recommendations that the President is looking at is sending up to 40,000 additional troops into Baghdad and al Anbar province. Some members of his national security staff have advocated this option, as has retired General Jack Keane, who met with the President and Vice President yesterday." But "while the President may be showing particular interest in this idea, his top commanders are not. Officials say that General George Casey and General John Abizaid do not want troop numbers increased because they believe it will only make the Iraqi government more dependent on the US." There is "another reason the speech is being delayed." The new Defense Secretary, Robert Gates, "is headed to Iraq next week so he can see for himself. And he can ask questions about surging troops." NBC Nightly News (12/12, lead story, 3:10, Gregory, 9.87M) also reported, "In putting off his address to the nation, aides denied indecision about Iraq policy. They insisted the President simply needs more time to consider the practical impact of his change in direction."

The AP (12/13, Riechmann) reports Bush "gave no hints of a change in direction after a meeting with Iraq's Sunni Vice President Tariq al-Hashemi, one of several Iraqi powerbrokers he's recently hosted in the Oval Office. 'Our objective is to help the Iraqi government deal with the extremists and the killers, and support the vast majority of Iraqis who are reasonable, who want peace,' Bush said."

The Washington Post (12/13, A12, Fletcher, 690K) quotes Secretary of State Rice telling reporters, "It shouldn't be surprising that he wants to take the time to digest that, to discuss it with his senior advisers, and then to put forward a way forward." Rice also said she is "quite certain that that will be in a reasonable length of time."

The Los Angeles Times (12/13, Gerstenzang, 850K) reports Tony Snow "said the delay in making that course public had nothing to do with putting space between the president's announcement and the Iraq report, which established a route for pulling most US combat troops out of Iraq by early 2008. 'The pivot on which everything turns' is not the new report, he said, but 'the unfolding realities in Iraq and how you deal with them.'"

The Christian Science Monitor (12/13, Grier, 59K) reports that "in one sense, there is a theatrical quality to at least some of" Bush's meetings on Iraq, as "presumably, Bush already knows well the attitudes of the officials of his own administration. Why call on them now? In addition, despite the implication that US policy will soon change, Bush's tone in recent days has not hinted where he might go." But "there have been enough events in recent weeks -- from the outcome of the November elections to the continued Iraqi violence and the Iraq Study Group's dire warnings - that they must at least have given the president pause."

Reid Says Bush Must "Change His Policy Now." NBC Nightly News (12/12, lead story, 3:10, Gregory, 9.87M) reported the White House "has taken pains to highlight the President's consultation with military and policy experts. But today top Democrats accused him of stalling. Incoming Senate Majority leader Harry Reid said in a statement, 'Talking to the same people he should have talked to four years ago does not relieve the President of the need to demonstrate leadership and change his policy now. The ball remains in his court and time is running out.'" CNN's The Situation Room (12/12, Bash) also reported "Reid blasted the President for delaying his announcement for this new Iraq policy and appeared to chide him on this listening tour he is on."

NYTimes Suggests Aides' Split, Politics Behind Delay. The New York Times (12/13, 1.16M) editorializes, "The claims of calm deliberation emerging from the White House this week are maddening. The search for a new plan for Iraq seems to be taking place with as much urgency as the deliberations over a new color for the dollar bill. … We are more than eager for this White House to finally get something right on Iraq. But we find it chilling to imagine that Mr. Bush and his advisers have only now begun a full policy review, months after Iraq plunged into civil war and years after experts began warning that the administration's strategy

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was not working." The Times adds, "We fear that…the president's ever-divided policy advisers are still wrangling over the most basic decisions, while his political handlers are waiting for public enthusiasm for the Baker report to flag before Mr. Bush tries to explain why he won't follow through on some of the report's most important and reasonable suggestions -- like imposing a timetable on Iraqi leaders to make political compromises or face a withdrawal of American support. Or trying to persuade Iran and Syria to cease their meddling." Bush "has no more time to waste on 'listening tours' and photo ops. The nation is in a crisis, and Americans need to hear how he plans to unwind the chaos he has unleashed in Iraq."

More Polls Show Strong Disapproval Of Bush's Handling Of Iraq War. ABC World News (12/12, story 2, 2:10, Gibson, 8.78M) reported on its new poll, which "indicates the President doesn't have much support." ABC (Stephanopoulos) added, "Not at all. And it shows real intensity of opposition." 70% "disapprove of the war in Iraq, the way the President was handling the war in Iraq right now. 57% strongly disapprove of how the President is handling it. And 49% strongly disapprove of the President's overall job performance. Those numbers are far worse than the worse numbers of the first President Bush or President Clinton faced. And it's going to be very tough no matter what the President does to get the voters back."

Iraqi Army Plan Calls For Its Troops To Take Over Baghdad Security In Early 2007. The New York Times (12/13, Gordon, Tavernise, 1.16M) reports, "Iraq has presented the United States with a plan that calls for Iraqi troops to assume primary responsibility for security in Baghdad early next year. American troops would be shifted to the periphery of the capital." Mowaffak al-Rubaie, Iraq's national security adviser, "said in an interview that the plan was presented during the meeting in Amman, Jordan, on Nov. 30 between President Bush and Prime Minister Nuri Kamal al-Maliki. 'I think it is extremely important they reduce their visibility and they reduce their presence,' Mr. Rubaie said of the American troops in Baghdad. 'They should be in the suburbs within greater Baghdad.'" The Times adds, "A spokesman for the National Security Council, Gordon Johndroe, said Gen. George W. Casey Jr., the senior American military commander in Iraq, was assessing the plan." The plan "may hold some attraction for the Bush administration, which is immersed in a review of Iraq strategy, but it also poses risks. … American troops on the periphery of Baghdad would stop suicide bombers and other terrorists before they penetrated the city. Efforts to prevent infiltration of the capital have not been very successful, partly because the Iraqi military has not adequately staffed the checkpoints, American officials said."

Chiarelli Says US Pullout Won't Happen Quickly. The Washington Post (12/13, A26, Trejos, 690K) reports, "The outgoing top US operational commander in Iraq said on Tuesday that military might alone would not win the war and that the withdrawal of US troops would not happen quickly." Army Lt. Gen. Peter W. Chiarelli, commander of the Multi-National Corps – Iraq, said, "I wish I could tell you exactly how long it's going to take and exactly when US forces and coalition forces could go home, but I am just not able to do that." Chiarelli, "who is preparing to end his second one-year tour in Iraq, gave a mostly positive but sober assessment of U.S. military involvement in Iraq. He praised his forces' efforts to tamp down the violence that escalated after the bombing of a Shiite mosque in Samarra in February. But he acknowledged that securing Iraq was taking longer than expected."

The AP (12/12, Hendawi) reports that at times Chiarelli "sounded exasperated, almost despairing, over what he said were misperceptions that American forces were fighting a conventional war or that they can achieve victory without improvements on other fronts." He "drew a picture of daunting challenges facing the U.S. military in Iraq." The AP writes bleakly, "Nearly four years after Saddam's ouster, Iraq's economic woes are staggering. Unemployment is thought to be anywhere between 20 percent and 60 percent, inflation above 50 percent and more than 1.5 million Iraqis, mostly professionals, have fled abroad, according to the Iraq Study Group report and U.N. figures. Lengthy power cuts are routine, fuel shortages are chronic and health care is close to collapse. ... Violence in Baghdad districts often goes in cycles, with turbulent areas becoming quiet during and immediately after large-scale counterinsurgency operations — only to flare up again when the focus of the U.S. forces and their Iraqi allies shifts elsewhere." More than 30 sites carried this story.

USA Today (12/13, Soriano, 2.27M) reports Chiarelli "said military power will succeed only if coupled with 'little victories,' such as creating jobs and improving basic services such as electricity and trash pickup." USA Today recalls, "In August, Gen. George Casey, the top U.S. commander in Iraq, said the Baghdad offensive would "change the situation significantly prior to Ramadan," or by late September."

ISG Report Seen As Giving Republicans "Political Cover" To Criticize Bush. The Wall Street Journal (12/13, A8, Dreazen, 2.04M) reports "Bush's handling of Iraq has long faced attack from both the left and a few hawkish conservatives. Now, the crisis there is giving him a new political headache: high-profile dissent from the center of his own party. The dynamic has been triggered by the pessimistic assessment of Iraq released by the Iraq Study Group last week. In ways unimaginable just a few months

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ago, the report from the bipartisan panel…is giving moderate Republicans political cover to condemn the handling of the war -- creating a dilemma for the president and war supporters such as Sen. John McCain." The "most prominent recent critic is Republican Sen. Gordon Smith of Oregon," but "other centrist Republicans, apparently fearful of the war's impact on their re-election prospects, also are using the report to explain changes in war postures. New Hampshire's Republican senators, Judd Gregg and John Sununu, for instance, were once strong backers."

Terror Attack Kills At Least 70 In Baghdad. ABC World News (12/12, story 3, 2:55, Gibson, 8.78M) reported that yesterday "was a horrific day in Iraq. At least 70 people were killed, and 236 injured in one suicide bombing there in Baghdad. It was an attack noticeable for the cruelty of its design." ABC (Harris) added, "The attack was both devious and murderous. The bomber preying on poor Iraqis gathered in a public square where they come every day looking for jobs."

The CBS Evening News (12/12, lead story, 2:40, Couric, 7.66M) reported, "As President Bush tries to decide what to do next about the violence in Iraq, there was more of it today, a lot more. There was a massacre in Baghdad as a suicide bomber targeted innocent civilians, people who wanted nothing more than to go to work." CBS (Pinkston) added, "The Baker-Hamilton assessment of the situation as grave and deteriorating was certainly evident today."

USA Today/AP (12/13, 10A) reports, "The bombing took place about 7 a.m. in Tayaran Square, where men gather daily to solicit jobs as construction workers, cleaners and painters. They buy breakfast at stands selling tea and egg sandwiches while waiting for potential employers to drive up." The AP adds, "High unemployment and soaring prices have driven men to hire themselves out daily to feed their families. The Iraq Study Group Report released this month by a bipartisan commission in Washington said unemployment ranges from 20%-60% of Iraq's population." The Los Angeles Times (12/13, Hennessy-Fiske, 850K) reports most of the victims were Shiites. The nation's leaders "condemned the attack and braced for Shiite reprisals."

The New York Times (12/13, Tavernise, 1.16M) reports, "The attack, in a square in central Baghdad, together with bodies found by Iraqi authorities, pushed the day's deaths across Iraq to at least 131, the highest total since a bombing killed more than 200 here last month." The Times also reports, "Shiite political leaders often point to such attacks, arguing that they, not the American military, should control security here." The Washington Post (12/13, A26, Raghavan, 690K) runs a similar report.

Karzai Accuses Pakistan Of Backing Taliban. The Financial Times (12/13, Morarjee) reports Afghan President Hamid Karzai Tuesday "dismissed the idea of talks with the Taliban as useless in stemming surging violence in Afghanistan without tackling elements in the Pakistani government that he said were sponsoring terrorism." Speaking in Kandahar hours after a suicide bomber attempted to assassinate an Afghan governor, Karzai said, "The problem is not Taliban. … The problem is with Pakistan." However, he said if Afghanistan is able to "resolve the difficulty with Pakistan the question of Taliban will go away automatically."

Army, Marines Will Ask Gates For More Troops. The Washington Post (12/13, A1, Tyson, 690K) reports, "The Army and Marine Corps are planning to ask incoming Defense Secretary Robert M. Gates and Congress to approve permanent increases in personnel, as senior officials in both services assert that the nation's global military strategy has outstripped their resources. In addition, the Army will press hard for 'full access' to the 346,000-strong Army National Guard and the 196,000-strong Army Reserves by asking Gates to take the politically sensitive step of easing the Pentagon restrictions on the frequency and duration of involuntary call-ups for reservists, according to two senior Army officials." The Post adds, "The push for more ground troops comes as the wars in Iraq and Afghanistan have sharply decreased the readiness of Army and Marine Corps units rotating back to the United States, compromising the ability of U.S. ground forces to respond to other potential conflicts around the world."

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Justice Limits Controversial Tactics In Corporate Corruption Investigations. The AP (12/13, Jordan) reports the Justice Department "on Tuesday limited its prosecutors' ability to crack down on corporations that withhold confidential information during investigations, scaling back tough legal tactics authorized after the Enron-era scandals." Under the new guidelines, Federal prosecutors "are still expected to aggressively go after companies accused of fraud and other white-collar crimes. But they bar the government from seeking harsher penalties for businesses that won't cooperate with prosecutors — either by denying them corporate attorney-client communications or paying lawyers' fees for employees under investigation." The policy shift "aims to temper a diverse coalition of critics — from conservative former Attorney General Ed Meese to the liberal American Civil Liberties Union — who call prosecution tactics developed in 2003 unfair and, in some cases, unconstitutional."

The Wall Street Journal (12/13, A6, Perez, Scannell, 2.04M) reports, "Under the new guidelines, federal

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prosecutors face new limits on when they can seek access to communication between company attorneys and employees being investigated for wrongdoing. Prosecutors also must receive formal approval from superiors in the local U.S. Attorney's offices and from senior Justice Department officials, to request such communication, and make written requests for companies to share information obtained in internal corporate investigations." The changes, "announced by Deputy Attorney General Paul J. McNulty yesterday and effective immediately, revamp the so-called Thompson Memo guidelines issued in 2003 by former Deputy Attorney General Larry Thompson." While some "business advocates said the changes didn't go far enough, other legal experts questioned whether the changes could hinder some white-collar investigations already under way."

USA Today (12/13, 1B, Iwata, 2.27M) reports, "Facing a business and political backlash over its post-Enron policies on prosecuting companies, the Justice Department issued new guidelines Tuesday that could curb prosecutors in their fight against corporate crime." Earlier policies "and the crackdown have led to the convictions of 1,000 people, including 300 top executives since 2002. But the crackdown also angered business groups and defense attorneys, who accused prosecutors of forcing companies to cooperate with federal investigations and sign deferred prosecution agreements — or risk an indictment that could put them out of business." The new guidelines, "effective immediately, create a higher standard for prosecutors seeking legally privileged information from companies, executives and their lawyers."

The Washington Post (12/13, D1, Johnson, 690K) reports the Justice Department was "bending to intense pressure from business groups that claim the government has overreached in its pursuit of financial malfeasance." Deputy Attorney General Paul J. McNulty "called the changes a substantial and direct response to a lobbying drive by the U.S. Chamber of Commerce, the National Association of Manufacturers and the National Association of Criminal Defense Lawyers, among others." The "new concessions focus on the sensitive issue of when prosecutors can force companies to waive their legal rights to protect e-mail messages and other internal communications, essentially instructing government lawyers that they must jump through additional hoops before winning access to information they desire. Previously, prosecutors could consider the failure to waive those rights in deciding whether to charge a company with a crime."

The Market Watch (12/13, Schroeder) reports, "The guidelines revise a controversial 2003 memo from then-Deputy Attorney General Larry Thompson, which some defense lawyers and business interests said chilled attorney-client communications. … Speaking to reporters, a senior department official disagreed with critics' assertions about the extent of prosecutors' power, but said 'to some degree here, perception is the reality.'"

Legal Times (12/13, McLure) reports, "Publicly, the Justice Department has been vague about exactly what led McNulty and other officials to change course." The Association of Corporate Counsel "and others, including the U.S. Chamber of Commerce, the American Civil Liberties Union and the National Association of Criminal Defense Attorneys, had sought to bar the Justice Department from using a company's waiver decision as a factor in deciding whether to indict the corporation for fraud. The apex of that lobbying campaign came in September, when McNulty appeared before the Senate Judiciary Committee and received a heavy dose of bipartisan criticism from former Justice Department officials and senators."

WSJournal Says McNulty Revisions May Not Go Far Enough. The Wall Street Journal (12/13, 2.04M) says in a lengthy editorial, "The Thompson Memo became -- with some justification -- shorthand for prosecutorial excess in the nearly four years it was Justice Department policy. Nor has that criticism been limited to 'business groups.' The American Bar Association and the ACLU also raised civil-rights and due-process concerns about the policy." McNulty "acknowledged that the memo had to be revised because it undermined, rather than bolstered, the credibility of the Justice Department as an effective fighter of white-collar crime." The Journal concludes, "McNulty views the new memo as 'a very substantial change in how the Justice Department does business.' It is that. And he deserves substantial credit for acknowledging that a big change was necessary. The book is open, though, on whether the McNulty Memo goes far enough. It may be that Justice needs to lose a high-profile case such as the KPMG prosecution before the full sea-change occurs."

Think Tank Officials To Ask For Details Of Probe Of Letelier Death. The AP (12/13, Cormier) reports that "in the wake of" former Cuban President Augusto Pinochet's death Sunday, officials "at the think tank where" Orlando Letelier and his American assistant worked "said they are sending U.S. Attorney General Alberto Gonzales a letter asking for the release of the remaining information." Letelier and his assistant were killed in a car bomb in 1976. The AP notes, "In 1998, the Clinton administration declassified more than 16,000 documents related to Chile, but withheld documents on the Letelier bombing, citing an ongoing investigation."

CORPORATE SCANDALS:

Court Orders Skilling Into Prison, But Indicates Some Charges May Be Thrown Out. The Wall

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Street Journal (12/13, A12, Emshwiller, 2.04M) reports, that the Fifth Circuit Court of Appeals "turned down" former Enron CEO Jeffrey Skilling's request for bail pending the appeal of his May conviction in a Houston federal court on 19 counts, including conspiracy and fraud" in the Enron scandal. The Journal adds, "In its decision yesterday, the appellate court said that Mr. Skilling's appeal was unlikely to result in the reversal of all 19 counts of his conviction. … Yesterday's appellate-court decision was the latest example of troubles that the Justice Department has had on appeal with Enron-related convictions. For example, the Supreme Court threw out a criminal conviction of Arthur Andersen LLP after Enron's former accounting firm had been found guilty of obstructing justice in connection with destroying large amounts of Enron-related documents."

The Washington Post (12/13, D3, Johnson, 690K) reports that Circuit Judge Pattrick E. Higginbotham "cited 'serious frailties' with Skilling's conviction on conspiracy, securities fraud and insider-trading charges by a Houston jury in May. … But the judge's order suggested that the ruling in the other case would not impact Skilling's conviction on five counts of lying to auditors. Higginbotham concluded that other likely appellate challenges by Skilling, including an instruction that allowed jurors to convict him if he turned a blind eye to fraud at the Houston energy trading company, were "less formidable."

The Los Angeles Times/Bloomberg (12/13) reports that defense attorney Daniel Petrocelli "didn't say whether Tuesday's ruling would be appealed to the full U.S. Court of Appeals in New Orleans, to the U.S. Supreme Court, or both. He also didn't say whether Skilling had already entered prison. The U.S. Bureau of Prisons website said that Skilling was 'in transit.'

Chronicle Outlines Likely Issues On Appeal. The Houston Chronicle (12/13, Fowler, 530K) cites "four main points" that Skilling's attorneys "likely will focus on, according to court filings," including: "The jury shouldn't have been allowed to use the theory that Skilling denied Enron of the intangible 'honest services' he owed the company;" that jurors "should not have been instructed that Skilling could be found guilty if he was 'deliberately indifferent' to wrongdoing." That unfair media coverage biased the jurors, and that prosecutors "denied the defense access to witnesses and made pretrial discovery difficult."

Defense Attorneys Can Improve Corporate Clients' Prison Life Through "Surprisingly Minimal Effort." Law.com (12/13, Murray) asks, "How…can a prospective inmate obtain the most favorable placement in federal prison? Some hire sentencing consultants, the best of whom -- if hired early enough in the case -- can position and prepare their client for the least onerous experience the Bureau of Prisons (BOP) offers. But defense lawyers can readily develop expertise in this area and exert a positive impact on the quality of prison time their clients serve." Law.com adds, "While a defense lawyer's primary objective will always be to avoid or reduce a prison sentence, surprisingly minimal effort can substantially improve the client's experience of prison life -- from securing a coveted lower-bunk pass, to entry into a program that makes participants eligible for early release."

Police Arrest Former Siemens Executive. The Financial Times (12/13, Milne) reports, "A former senior executive at Siemens was arrested on Tuesday as the company for the first time put its own estimate on the scale of the alleged bribery scandal. … Thomas Ganswindt, who left the management board in September and had special responsibility for Siemens' Information and Communications businesses, was in custody in Munich and being questioned by police investigating the bribery allegations. The arrest takes the scandal to the highest level of Siemens' management."

The Wall Street Journal (12/13, A3, Esterl, 2.04M) adds, "A corruption investigation at Siemens AG is growing after the German conglomerate said it found €420 million ($556 million) in suspicious transactions spanning seven years -- roughly twice the amount prosecutors had identified last month. Europe's largest engineering company by sales disclosed the figure yesterday, one day after it restated its net income for the latest fiscal year. It also appointed new auditors Monday to comb through its books and review its business procedures as it wrestles with the widening corruption scandal and possible sanctions in the U.S. and elsewhere.:

Spitzer Accuses UBS Of Causing Customers To Pay Unnecessary Fees. The Wall Street Journal (12/13, C3, Lauricella, 2.04M) reports, "New York State Attorney General Eliot Spitzer, just weeks from leaving office to become the state's governor, set off a brawl with the U.S. arm of Swiss bank UBS AG, alleging the firm put clients in unsuitable brokerage accounts -- resulting in them paying tens of millions dollars in unnecessary fees. The accounts in question charge clients a flat percentage fee based on the amount of money in the accounts. Known as wrap accounts, they can be a good deal for frequent traders who would spend more in commissions than if they paid a flat fee." The Journal adds, "The New York Stock Exchange, meanwhile, is investigating cases related to fee-based accounts. Regulators have taken aim at wrap accounts before, but Mr. Spitzer's suit would be by far the largest action." IN the suit, Spitzer's office says "that UBS allowed thousands of clients who did little trading to inappropriately hold wrap accounts because they would be more profitable than commissions."

The AP (12/12, Gormley) added, "UBS denies the civil charges and defended the program it said has saved clients hundreds of millions of dollars since 1999. UBS AG, a global

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firm that considers itself the world's leading wealth management business, contends Spitzer didn't consider all the information available on the company's practices."

New SEC Regulations Slated To Help Managers Comply With Sarbanes-Oxley. The Wall Street Journal (12/13, C4, Scannell, 2.04M) reports that the Securities and Exchange Commission "won't need to test internal processes that have a low risk of affecting financial statements, and that new regulatory guidance will be flexible for companies based on their complexity." The SEC will "formally unveil today its widely anticipated guidance to help management comply with a section of Sarbanes-Oxley dealing with internal controls on financial statements." The Journal adds, "The SEC also will tackle other issues, including raising the bar investors must meet to invest in hedge funds to $2.5 million from $1 million, allowing for an optional electronic system to deliver proxies and annual reports to investors, and making it easier for foreign companies to terminate registration requirements once they pull their U.S. stock listings." The Journal also notes, "The most controversial issue is the SEC's guidance to management on how to comply with section 404 of Sarbanes-Oxley, which says management must assess its company's internal controls over financial reporting and outsider auditors need to test management's assessment. The way the rule has been interpreted has caused confusion, with small business voicing concerns that it was detracting from time spent on business development."

USA Today (12/13, 5B, Farrell, 2.27M) adds, "The proposal, which wouldn't be adopted until early next year, means that small and midsize companies wouldn't necessarily have to spend millions to overhaul their internal control systems to comply with Section 404 of Sarbanes-Oxley. Instead, public companies would be encouraged to focus on reviewing internal controls that affect significant chunks of their revenue streams, as opposed to spending equal amounts on low-risk areas of their businesses, where material changes in earnings are unlikely to develop."

SEC Settles With Two Figures In PNC Investigation. The Washington Post/AP (12/13) reports that the Securities and Exchange Commission has settled with Thomas Garbe, PNC Financial Service Group's former director of accounting policy, and Micahel Joseph, a former Ernst & Young partner for "their alleged roles in the regional bank's faulty accounting in 2001." They "neither admitted nor denied the SEC's allegations but agreed to refrain from future violations of the securities laws" and "Joseph was barred for three years from acting as an accountant for any public company." The SEC : had previously alleged that Pittsburgh-based PNC tried to conceal $762 million in sour corporate loans in 2001 by selling them to three partnerships it created expressly for that purpose with insurance giant American International Group Inc."

Ahold Faces Racketeering Claim. The Financial Times (12/13, Bickerton) reports, "It cost Ahold, the Dutch food retailer, $1.1bn last year to compensate shareholders whose investments were shredded by a 2003 accounting scandal at its US Foodservice distribution business. Now its customers are demanding a pay-out too. A hospital and a family-owned Italian restaurant have filed a class-action lawsuit in New Haven, Connecticut, alleging USF engaged in 'racketeering' by over-charging customers 'hundreds of millions of dollars' from 2000 to 2003. … A fresh scandal would be catastrophic for Ahold, said Robert Jan Vos, at Fortis. But he, like other analysts, is unsure what to make of the Connecticut claim."

Grassley Criticizes SEC's Handling Of Pequot Probe. In a Wall Street Journal letter to the editor (12/13), Sen. Charles Grassley says the Journal's December 8 editorial "The Pequot 'Scandal'" "leaves the impression that Gary Aguirre and I are the only two people concerned about the way the SEC handled the Pequot investigation. In fact, Mr. Aguirre's concerns have been echoed by both former and current SEC officials, who provided candid testimony to our committees. The focus of the Senate investigation I'm conducting with Sen. Arlen Specter (R., Pa.) isn't John Mack and Pequot; rather, it is whether the SEC retaliated against one of its lawyers and whether it wields an even hand in looking out for investors big and small. Our review is evidence-based, and so far the evidence suggests the Pequot investigation was fraught with problems, Mr. Aguirre's termination is suspect, and the inspector general failed in his duty to conduct a thorough and independent inquiry."

CRIMINAL LAW:

Gonzales Praises Pennsylvania Anti-Pedophile Program. In a brief story, the Philadelphia Inquirer (12/13, Schaefer, 385K) reports that Attorney General Alberto Gonzales "was in Delaware County yesterday to speak with area law enforcement officials. He toured the offices of the county's Internet Crimes Against Children Task Force in the courthouse in Media, said the number of predators was growing, and urged law enforcement to educate people to the dangers. Part of Gonzales' address to officials was private, and reporters and the public were asked to leave for those remarks. At a news conference later, he said the Internet was a great resource, 'but in the hands of a predator it is a powerful weapon.'"

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On its Web site, WCAU-TV (12/12) reported, "He praised Delaware County's task force on their efforts to combat child exploitation. … Gonzales said one challenge is that Internet crimes know no borders. He stresses the need to work with the international community to make sure strong laws are in place to protect children."

The AP (12/13) reports, "'I consider it a war,' Gonzales said, noting he worries about the safety of his own children, ages 14 and 11. Gonzales had a private briefing Tuesday with local postal inspectors, FBI agents, Immigration and Customs Enforcement officials, district attorneys and other members of law enforcement. He later visited the offices of Delaware County's task force on Internet Crimes Against Children, one of 46 such agencies nationwide." The AP adds, "Gonzales came to the area to promote Project Safe Childhood, a Justice Department initiative begun in February and designed to protect children from online sexual exploitation."

NYTimes Profiles Anti-Pedophile Web Site. The New York Times (12/13, Salkin, 1.16M) profiles the Web site Perverted-Justice.com, which "is best known for putting its online volunteers at the disposal of the television newsmagazine 'Dateline NBC,' which has broadcast 11 highly rated programs in which would-be pedophiles are lured to 'sting houses,' only to be surprised by a camera crew and, usually, the police." The Times writes, "[T]he inner workings of Perverted Justice and its reclusive founder remain largely a mystery, even as the group has emerged as one of the most effective unofficial law enforcement groups in the country, a kind of Neighborhood Watch of the Net. But the group is also criticized by some legal and law enforcement experts, who accuse it of entrapment, making mistakes that ruin innocent lives and, paradoxically, disseminating its own brand of child pornography." The Times writes, "Supporters of the NBC broadcasts say they have helped increase awareness of online predators, allowing parents to educate children and spurring law enforcement to action. … One concern about Perverted Justice's nonprofessional force of vigilantes, raised by Lt. Joseph Donohue, head of the New York State Internet Crimes Against Children Task Force, is that decoys impersonating teenagers may be too aggressive, not understanding the need to let predators initiate the sexual chat and therefore not gathering chat-log evidence that will stand up in court."

Virginia Proposal Would Restrict Sex Offenders From Schools, Daycare Centers. The AP (12/13, O'Dell) reports, "Sex offenders would have to obtain a judge's permission to enter school or day care center property if the General Assembly passes legislation endorsed yesterday by the Virginia State Crime Commission." Under the proposal, "a parent convicted of a sex offense would have to obtain court approval to drop off his child at school or attend a parent-teacher conference. Students convicted of sex offenses would be exempt from the requirement."

Virginia Attorney General Presses Email Registry For Sex Offenders. CNET (12/12, Broache) reported, "Virginia's attorney general wants to make his state the first to require convicted sex offenders to submit their e-mail addresses and instant-messaging aliases to law enforcement authorities--and he has MySpace.com's enthusiastic approval. Bob McDonnell, a Republican, said he plans to push a proposal when state legislators return early next year that would create a database containing all the electronic identifiers of registered sex offenders." His effort "arrives just days after U.S. Sen. John McCain proposed a bill in Congress that would require a similar expansion of the sex offender registry on a national scale--and an additional step," under which "any so-called 'social-networking' site would be obligated to remove any Web page that's 'associated' with a sex offender--although the proposal has drawn some concern because it does not define the term social-networking site."

Study Finds Hospitals Vulnerable To Serial Killers. USA Today (12/13, Szabo, 2.27M) reports that researchers "have linked more than 2,100 suspicious deaths worldwide to 54 doctors and nurses convicted of serial murder or lesser charges since 1970, according to an article on the Journal of Forensic Sciences' website." USA Today writes, "Some murderers were able to jump from hospital to hospital to continue their killing sprees, the study shows. Nurse Charles Cullen, 46, was sent to prison in New Jersey with multiple life sentences this year after confessing to killing up to 40 patients there and in Pennsylvania over 16 years." Former Veterans Health Administration head Kenneth Kizer, who co-authored the report, "says it's easy to see how serial killers continue to find work: Hospitals rarely share their suspicions when their staff look for jobs elsewhere, because they fear lawsuits from former employees who say negative job references damaged their reputations." He "says the country needs a federal law to protect hospitals everywhere when they report suspicious behavior 'in good faith and with good evidence.'"

"Bait Cars" Help Police Nab Auto Thieves. The Washington Post (12/13, A1, Stockwell, 690K) reports on "bait vehicles," automobiles, stocked with electronics, that "tempt thieves with unlocked doors or keys dangling in the ignitions. The second that a thief takes the bait, hidden audio and video recording devices are activated, and a silent alarm alerts the county's emergency communications center. By tracking the car's internal global positioning system unit, dispatchers monitor its location, travel and speed, and as soon as officers are in position, the dispatchers disable the engine and lock the doors." The Post adds, " Aside from

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being a high-tech way to nab thieves, bait cars provide a rare look at the initial moments of a common crime." The Post notes that "Arlington was the first county in the Washington region to adopt the program, and most area jurisdictions, including the District and Montgomery, Fairfax and Loudoun counties, have implemented it."

Pellicano Co-Defendant Expected To Plead Guilty. The Los Angeles Times (12/13, Krikorian, 850K) reports, "One of indicted private eye Anthony Pellicano's co-defendants is expected to plead guilty today to charges that he and others illegally wiretapped a Beverly Hills businessman six years ago. In an afternoon appearance before U.S. District Judge Dale S. Fischer, Daniel Nicherie, 46, is also expected to plead guilty in connection with a separate fraud and money laundering case. Earlier this year, authorities announced that Nicherie, his brother, Abner, and others, including Pellicano, were indicted by a federal grand jury for a series of alleged crimes that included eavesdropping on the telephone conversations of people involved in business disputes with Pellicano's clients."

Letter Writers Object To Religious Programs In Prisons. OThe New York Times (12/13, 1.16M) carries five letters to the editor responding to a Dec. 10 article that reported on the proliferation of faith-based programs in federal prisons. The letter writers generally oppose the religious programs in prisons. In the lead letter, Ben Weissmann writes, "This blatant and offensive display of religious proliferation deserves intense scrutiny not only by the judicial system but also by any American who believes that all people have the right to equal benefits, regardless of religious beliefs." Jessia Van Denend, a chaplain in a Midwestern prison, writes, "Yet I am in favor of religious rehabilitative programming in prisons. Those opposed to faith-based programs fail to realize the value of the act of visiting, of coming into a facility to offer something, of showing love and making a connection."

Jeffrey Sinensky, General Counsel of the American Jewish Committee writes, "Whatever the prison program's merits, the government should not be involved in promoting any particular faith. Religion already has its proper place in correctional facilities. To grant preferential treatment to some inmates solely because they agree to engage in religious indoctrination, underwritten with taxpayer dollars, is bad public policy and, as the courts have ruled, unconstitutional."

Congressman Seeks Investigation Of Prosecutor In NC Lacrosse Investigation. The AP (12/12) reported that "in a letter to Attorney General Alberto Gonzales," NC Rep. Walter Jones (R) "asked the Justice Department on Tuesday to investigate whether" Durham County District Attorney Mike Nifong, who is "prosecuting three Duke University lacrosse players charged with rape[,] has violated the athletes' civil rights." Jones' letter "repeat[s] criticisms that defense attorneys and others have raised about Nifong's handling of the case."

CIVIL LAW:

Financier Settles Napster Copyright Lawsuit. The Los Angeles Times (12/13, Menn, 850K) reports that Hummer Winblad Venture Partners, "which put $13 million into Napster, Inc. in 2000" has "agreed to settle a multibillion-dollar copyright lawsuit filed by" Universal Music Group and EMI Group. The Times reports, "The two sides reached the tentative deal, which requires court approval, ahead of a summary judgment hearing that had been scheduled for today. The case had loomed as a test of whether financial backers could be punished for rampant Internet piracy. But the settlement's financial terms weren't disclosed, so the question might remain murky, at least until a related case is resolved."

Law.com Says "Wild West Era" Of Mass Torts Is Over. Law.com (12/13, Frankel) examines the tort reform movement, whose "success has been a public relations masterpiece." Law.com writes, "Beginning at a time when plaintiffs lawyers, flush from the fat years of asbestos revenues, seemed to have the money, brainpower and political alliances to cripple any defendant of their choosing, tort reformers engineered a billion-dollar anti-trial lawyer campaign: … Plaintiffs lawyers, accustomed to thinking of themselves as champions of the people, fighting big business on behalf of the little guy, seethed at the vulturous image tort reformers created for them, but didn't grasp its implications. They were, by their own admission, so slow to respond to what Robert Jenner of Janet, Jenner & Suggs calls 'the ridiculous propaganda' of their opponents that they permitted the chamber of commerce and the American Tort Reform Association to co-opt the very language of the debate." Law.com adds, "There will always be people injured by the products or actions of big corporations, and there's still money to be made representing them. But the bonanza -- the Wild West era in which mass torts was an unfettered frontier and plaintiffs lawyers seemed to have all the firepower -- is over. If you're a plaintiffs lawyer and you haven't already bought the plane and the yacht of your dreams, well, sorry, pal. You're too late."

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CIVIL RIGHTS:

DoJ Report Finds Dangerous Conditions At Dallas County Jail. The Dallas Morning News (12/13, Krause, 500K) reports, "Conditions in the Dallas County Jail are so dangerous, they have contributed to the death and injury of numerous inmates and placed others at 'risk of serious harm,' a U.S. Department of Justice report has concluded. The fact that problems persist at the troubled jail system – the nation's seventh largest – is not new. State inspectors have given the jail a failing grade four times in a row, and a consultant hired by the county warned early last year of its dangerously inadequate health care. But for the first time, a report has documented multiple incidents of inmates with serious health problems dying or becoming maimed or disabled after failing to receive prompt or adequate medical care." The Morning News adds, "U.S. Assistant Attorney General Wan J. Kim, who signed the report, included a long list of 'remedial measures' and said that if the county doesn't address the government's concerns, the U.S. attorney general's office can file a lawsuit against the county 49 days after the report's release."

The AP (12/12, Curry) reports, "Page after page of violations are detailed in a letter from the U.S. Department of Justice, which also found that prisoners are not kept in safe or sanitary conditions at the detention complex, the seventh largest in the United States. Among the more egregious examples were an HIV-positive prisoner who died in October 2005 from an infection after his antibiotic was withheld 11 days and a woman who hanged herself in January 2003. Her records included an inmate request form she filled out just two days earlier."

NYTimes "Disappointed" In Ruling On "Prejudicial Material" In Courtrooms. The New York Times (12/13, 1.16M) editorializes, ",We are disappointed that the Supreme Court has upheld a defendant's conviction even though spectators at his trial put prejudicial material in sight of the jury. Fortunately, the court made clear that its ruling this week was based only on the unusual way the issue was raised, and that it was not deciding when this kind of politicking from the audience violated the Constitution. The decision should prompt courts to think about how to ensure that courtroom atmosphere does not deprive defendants of a fair trial. … A victim's family has every right to attend a trial. But judges must ensure that criminal defendants are judged on the evidence, and nothing more."

Seattle Airport Re-Erects Christmas Trees. The New York Times (12/13, Yardley, 1.16M) reports, "Fourteen Christmas trees that were abruptly sent to storage on Friday were back on display Tuesday in the main terminal of Seattle-Tacoma International Airport, neither taller nor brighter than they had been before but clearly drawing more attention. … On Friday, faced with the threat of a lawsuit when it refused to add a menorah to its annual holiday display, the airport removed all 14 trees overnight. The move, intended to avoid controversy, stoked it instead. By early Saturday, television news crews were filming the untrimming, and a holiday-season debate over religion and free speech inevitably took shape."

ANTITRUST:

United, Continental Contemplate Merger As Airline "Consolidation Frenzy" Looms. The Wall Street Journal (12/13, A1, Carey, Trottman, Berman, 2.04M) reports, "The long-awaited consolidation of the airline industry is heating up, with UAL Corp. and Continental Airlines Inc. holding talks on a possible merger and another carrier emerging as the target of an unsolicited takeover offer." UAL and Continental "have been engaged in exploratory talks on a business combination for several months, but the discussions have taken on new urgency since US Airways Group Inc. made a hostile bid for Delta Air Lines Inc. four weeks ago, according to people familiar with the matter." Meanwhile, AirTran Holdings Inc. "have been engaged in exploratory talks on a business combination for several months, but the discussions have taken on new urgency since US Airways Group Inc. made a hostile bid for Delta Air Lines Inc. four weeks ago, according to people familiar with the matter." The Journal adds, "The consolidation frenzy comes as the industry rebounds financially after a severe downturn that began five years ago. Airlines have since learned to cope with costlier fuel and show discipline in adding capacity. As a result, carriers generally are expected to do better financially in 2007. Mergers could help them further reduce overhead and save money by eliminating overlapping routes."

The New York Times (12/13, Sorkin, Bailey, 1.16M) reports, "US Airways' proposal, promising $1.65 billion a year in savings by combining with Delta, has helped add urgency to carriers' interests in merging. … Any deal between the two airlines is far from imminent. Continental and United executives are watching the US Airways and Delta situation to see how it might play with antitrust regulators. Delta is expected to file its plan to exit bankruptcy proceedings next week, following a flurry of meetings scheduled for later this week among Delta creditors and others."

The Washington Post (12/13, D1, Wilber, 690K) reports, "Chicago-based United is the nation's fourth-largest carrier in terms of passenger traffic and is strong in the Midwest and Asia. It has major hubs in Denver, Chicago and

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at Washington's Dulles International Airport. Its parent company, UAL, has a market capitalization of about $4.8 billion. Houston-based Continental is the nation's sixth-largest carrier and has major hubs in Houston, Cleveland and Newark. It has strong links to Europe, the Caribbean and Latin America. It has a market capitalization of about $3.9 billion."

Qantas Board Rejects Takeover Bid. The Wall Street Journal (12/13, C4, Linebaugh, Lindsay, Australia, 2.04M) reports, "A takeover bid for Australia's Qantas Airways Ltd. of 10.9 billion Australian dollars (US$8.6 billion) from a consortium of local and international investment companies was quickly rejected by the airline's board, but negotiations on terms of a deal may just be starting. The consortium -- Texas Pacific Group of the U.S. and Macquarie Bank Ltd. of Australia, as well as Australia's Allco Equity Partners Ltd., Allco Finance Group Ltd. and Canadian private-equity firm Onex Group -- has bid A$5.50 (US$4.32) a Qantas share in its takeover proposal, the airline said. The airline's nonexecutive directors called the terms of the proposal unacceptable. Qantas said the proposal involved a number of 'complex conditions,' unanimous support from Qantas directors and a breakup fee. The consortium, which calls itself Airline Partners Australia, said it was considering a response."

European Antitrust Officials Raid German Power Companies. The Financial Times (12/13, Buck, Kraegenow) reports, "Germany's four largest power groups – Eon, RWE, EnBW and Vattenfall – were raided by European antitrust officials on Tuesday, raising fresh concerns about the state of competition in the region's energy market. It was the second time in less than six months that the European Commission ordered inspections at RWE, and the third time it searched Eon's offices. The earlier raids were carried out in May in connection with a separate inquiry – which means Germany's leading power groups are currently the target of two potentially damaging antitrust probes. The new case against Eon, RWE, EnBW and Vattenfall is understood to focus on allegations that the four groups have tried to keep electricity prices in the German market artificially high – for example by lowering the output of certain power stations."

FTC's OKs Johnson & Johnson Purchase Of Pfizer Unit. Bloomberg (12/13, Rowley, Pettypiece) reports, "Johnson & Johnson won U.S. antitrust approval to complete its $16.6 billion purchase of Pfizer Inc.'s consumer health-care unit on condition the companies complete plans to divest treatments for heartburn, itching, sleeplessness and diaper rash. The Federal Trade Commission said in a statement that Johnson & Johnson must sell three of Pfizer's over-the-counter drugs: Zantac H-2 for heartburn, Cortizone for itching and the Unisom sleep-aid medication."

Schneider Says Its Merger With APCC Faces No More US Review. Market Watch (12/13) reports, "French electrical equipment manufacturer Schneider SA (12197.FR) said Tuesday that its planned merger with American Power Conversion Corp. (APCC) doesn't face further antitrust review from U.S. authorities now that the mandatory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 has ended. As reported at the end of October, Schneider is offering to acquire APC for $31 a share in cash, a deal that values APC at EUR6.1 billion."

South Korean, US Authorities Investigate Price Fixing Among Leading LCD TV Manufacturers. The New York Times (12/13, Sang-Hun, 1.16M) reports, "Antitrust authorities here and in the United States and Japan have started an investigation into price-fixing allegations against the world's two leading makers of flat-panel displays, Samsung Electronics and LG.Philips LCD, officials said on Tuesday, shaking an industry already burdened by falling prices. Samsung and LG.Philips — the world's largest and second-largest makers of liquid-crystal displays — confirmed on Tuesday that they were being investigated by the antitrust authorities in the three countries on suspicion of anticompetitive practices in 2003 and 2004." The Times adds, "The news was yet another setback for Samsung. The investigation is the first in the manufacturing of liquid-crystal displays, an industry led by Samsung, but the company is already facing another price-fixing investigation in the United States involving its main product line, computer memory chips. The investigation comes at an awkward time for L.C.D. makers; prices plummeted in the first half of 2006 because of supply gluts. Except for Samsung, which often uses price wars to beat its competitors, the major players had to cut production to reduce inventories."

The Financial Times (12/13, Jung-a, Hille, Lewis, Tokyo) reports, "Samsung Electronics, LG Philips LCD and AU Optronics, the world's top LCD panelmakers, all said yesterday they were being investigated for "possible anti-competitive conduct". Sharp, Japan's largest LCD panelmaker, said it had received summons from regulators at home and in the US during the weekend. … Regulators in Korea and Japan declined to reveal any details of their investigation. But one industry executive familiar with the investigation said regulators were examining potential price fixing in 2003 and 2004, rather than recent behaviour."

Optronics Stock Falls. Bloomberg (12/13, Wang) reports, "Asian stocks trading in the U.S. fell, led by makers of liquid-crystal displays, after AU Optronics Corp. said it is

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being probed in Japan and the U.S. as part of an antitrust investigation. The Bank of New York Co.'s Asia ADR Index, which tracks the region's American depositary receipts, slipped 0.3 percent to 152.04. The index recovered part of its loss after the Federal Reserve left the benchmark U.S. interest rate at 5.25 percent for a fourth straight meeting."

AU Optronics slumped 56 cents to $12.76. The world's third- largest LCD maker said its Japan and U.S. units are being probed. Regulators in the U.S., South Korea, Japan and Europe are investigating companies including Samsung Electronics Co. and LG.Philips LCD Co. for alleged price fixing in the $69 billion industry.

Specter Effort Against NFl Antitrust Exemption Could Affect Cable, Satellite Industries. Law.com (12/13, McConnell) reports that Pennsylvania Sen. Arlen Specter's (R) investigation into the NFL's exemption from antitrust laws "could affect mergers in the cable and satellite television business." Law.com reports, "In a hearing Dec. 7, Specter said he plans to introduce legislation next year that would eliminate the NFL's ability to negotiate television contracts on behalf of the entire league. Without the exemption, each team would have to negotiate its own TV contract to avoid violating antitrust prohibitions on collusion among competitors in a business." He "said the NFL has abused the exemption by extracting high-priced TV contracts and allowing team owners to bully local governments for new stadium funding. Specter said he's not ready to remove other pro sports' antitrust exemptions." Law.com adds, "Applying the full force of antitrust law to professional football would likely invalidate the NFL's exclusive contract with satellite television's DirecTV for carriage of the NFL Sunday Ticket, the largest package of NFL games and a big draw for football fans that don't live in the same market as their favorite teams. Cable operators have demanded access to the Sunday Ticket for years but to no avail."

Columnist Says Specter Would "Turn The Clock Back." In his "Business Of Sport" column in the New York Sun (12/13) Evan Weiner writes that it is "uncertain…whether Specter can generate any support from the other 99 Senate members or the 435 House members — and it would take an awful lot for him to get President Bush's signature on the bill." Weiner adds, "Specter wants to turn the clock back to a time when television contracts were negotiated locally, and when there were just two real networks, CBS and NBC. … Pennsylvania's senior senator apparently does not know how sports owners operate today — as opposed to 1960 — where television is concerned. Most of the NFL's regular season — and all of its playoff games — are on over-the-air TV. That's an anomaly in sports. … Specter needs to understand that sports owners have taken their properties from terrestrial TV to cable because that's where the money is."

Murray Says Wal-Mart Can Teach Lessons In "Relationships" To Wall Street. In a column in the Wall Street Journal (12/13, A2, 2.04M), Alan Murray writes, "Wal-Mart's firing of hot-shot advertising executive Julie Roehm is being portrayed by her supporters as a modern-day morality tale, with the Elmer Gantrys of Arkansas recoiling from a culture of fast cars, fine restaurants, copulating animals and lingerie football. … Still, this dust-up has less to do with parochialism or moralism than with capitalism. Wal-Mart conquered the retail world not because it harbored some rigid code of ethics, but because it was relentless in its quest for world-class efficiency. It seems to have parted ways with Ms. Roehm for much the same reason." Noting that Wal-Mart prohibits all gifts from vendors to its employees, Murray opines, "That's an idea that's spreading in the retail world, but hasn't fully infiltrated Madison Avenue, where 'relationships' still rule."

Murray adds, "Meanwhile, the Supreme Court last week took a dive into New York City's money culture by agreeing to hear a case about the way the nation's largest investment banks sell initial public offerings of new stock. … The issue before the Supreme Court is arcane: It involves whether the Securities and Exchange Commission's regulation of investment banks gives those banks immunity from antitrust lawsuits. Moreover, the whole idea of investors turning to the courts to recover losses from their own bad investment decisions is disturbing. Still, the case does shine a harsh light on the way Wall Street sells IPOs, and it's not pretty. Some of the worst abuses of the late 1990s are gone. But the process through which IPOs are allocated remains shrouded in mystery, and 'relationships,' not markets, still rule." Murray concludes, "New York may have better restaurants than Bentonville. But the folks in Arkansas could still teach the Kings of Capitalism a thing or two about how markets work."

Monstanto's Proposed Merger Runs Into Opposition. The Wall Street Journal (12/13, C1, Kilman, 2.04M) reports, "Monsanto Co.'s second attempt in seven years to bring southern seed giant Delta & Pine Land Co. to the altar could be running into trouble. An unusual backlash against the proposed combination is taking root across the U.S. Farm Belt, driven in part by rivals in the crop-biotechnology industry, which Monsanto dominates. The proposed $1.5 billion deal announced in August would give Monsanto more control over a major crop by a biotechnology company than ever before allowed, a prospect that upsets antibiotechnology activists. Delta & Pine Land's seeds produce half of America's cotton, the nation's fifth-biggest crop. Delta's market share is highest in southern states such as Georgia, where 92% of the cotton is grown from Delta seed."

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FBI/DEA/ATF/USMS:

Judge Orders DoJ To Ask Why FBI Withheld Information In Trial Of Wrongfully Imprisoned Men. The Boston Globe (12/13, Murphy, 413K) reports that US District Judge Nancy Gertner "ordered the Justice Department last night to ask FBI Director Robert S. Mueller III to explain why the bureau has refused to share crucial information with the government's own lawyers, disrupting the civil trial being held on behalf of four men who were wrongly imprisoned for decades." Gertner "wrote that the FBI's position is 'chilling,' given that the suit brought on behalf of Peter Limone , Joseph Salvati , Henry Tameleo , and Louis Greco is about informant abuse and FBI agents allegedly 'hiding the ball' by withholding information that would have helped exonerate the four men in a 1965 gangland slaying." The judge "ordered the Justice Department to notify Mueller of her concerns and report back by Monday on why she should not find the government in contempt and impose punitive fines." The Globe notes, "A Justice Department spokesman could not be reached last night for comment."

In Detroit, Mueller Says FBI Eventually Will Solve Hoffa Case. In a widely-distributed story, the AP (12/13, Longley) reports, "FBI Director Robert Mueller said Tuesday the decades-old disappearance of Teamsters leader Jimmy Hoffa will eventually be solved. Mueller spoke during a question-and-answer session with reporters at the FBI's Detroit office, months after an expensive search at a southeastern Michigan horse farm turned up nothing. 'We have a long, long memory,' Mueller said. 'We will continue to follow any lead that comes to our attention.'" The AP adds, "Mueller would not comment on whether the FBI has any new leads in Hoffa's disappearance, but said the agency will always be working on the case. 'As you can see from the undertakings last summer, we are very willing to follow up on any leads where we believe there is some basis,' Mueller said."

Youssef Posting Top FBI Officials' Depositions On Whistleblower Site. In a widely-distributed story, the AP (12/13, Solomon) reports, "Lawyers for a once-decorated terror-fighting FBI agent will make public hundreds of pages of testimony from the bureau's top brass declaring that terrorism expertise has been given little weight in promoting agents since the Sept. 11, 2001, attacks. The evidence gathered during Agent Bassem Youssef's ongoing lawsuit against the FBI includes statements from the agency's director, Robert Mueller, and many of his top supervisors," including Gary Bald and John Lewis, "on how little Middle Eastern experience, Arabic language skills or formal anti-terrorism training has played in promotion decisions." The AP notes, "Youssef's lawyer said Tuesday he was making the depositions public so Americans can see the FBI answers for themselves. … The documents are to be posted Wednesday to" Whistleblowers.org

Agents Arrest New York Mob Crew. The AP (12/13) reports federal agents yesterday said Michael Souza, who "ran a dangerous Colombo mob crew on Staten Island," has been arrested along with ten of his crew members. The AP says they were arrested on charges of racketeering, robbery, assault, weapon possession, loan-sharking, gambling and drug dealing. The AP notes that the indictment, a result of an eight-month DEA investigation, "said the crew committed the crimes between January 2004 and November 2006." Authorities "said one of the crew's most ambitious schemes involved trying to rob an armored car, but DEA agents thwarted the heist before it could be pulled off." The New York Sun and Long Island Newsday used the AP story.

Louisiana Doctor Pleads Guilty In Meth Case. The Baton Rouge (LA) Advocate (12/12) reported a doctor who "operated an occupational medicine clinic in Broussard pleaded guilty Monday to methamphetamine charges. Randy L. Lavespere, 44, faces up to 20 years in prison on charges of possession with intent to distribute methamphetamine. … The doctor had been targeted by U.S. Drug Enforcement Administration investigators after an informant reported selling methamphetamine to Lavespere in the past."

The AP (12/13) reports authorities said federal agents "arrested Lavespere during an undercover sting in March when he bought a half-pound of methamphetamine for $8,000 in the building center parking lot in Opelousas."

San Diego County Supervisors Plan To Appeal Medical Marijuana Ruling. The AP (12/13) reports the San Diego County Board of Supervisors "voted Tuesday to appeal a judge's recent decision to reject the county's challenge to California's decade-old law legalizing marijuana use by the chronically ill. The county sued California and its health services director in February over a state requirement that counties issue identification cards for medical marijuana users and maintain a registry of people who apply for the cards. San Bernardino and Merced counties joined the suit."

IMMIGRATION:

Feds Raid Meatpacking Plants, Arrest Illegal Aliens. ABC World News (12/12, story 9, 0:25, Gibson, 8.78M) reported, "Federal agents cracked down, today, on alleged identity theft racket, involving illegal immigrants.

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Agents raided Swift and Company meat processing plants and arrested six suspects in six states. A ten-month investigation found that hundreds of immigrants had assumed the identities of US citizens and used their Social Security numbers to get jobs with Swift."

The Los Angeles Times (12/13, Gaouette, 850K) says the raids "resulted in arrests of workers on immigration violations and some existing criminal warrants, with charges of aggravated identity theft possible at a later date, officials said. The number of arrests was not immediately known. The company was not charged." The action "targeted the use of legitimate Social Security numbers by illegal immigrants -- what Jamie Zuieback, spokeswoman for Immigration and Customs Enforcement, called 'a massive identity-theft scheme.'"

USA Today (12/13, 1A, Leinwand, 2.27M) reports, "The plants have thousands of workers, and Tuesday's massive roundup -- which involved 1,000 federal agents -- was one of the U.S. government's largest moves ever against illegal workers." The raids "come eight months after Immigration and Customs Enforcement (ICE) arrested 1,187 illegal workers at plants operated by IFCO Systems, a company that makes pallets."

The Washington Post (12/13, A1, Hsu, Williams, 690K) also reports the story, noting ICE will hold a news conference today to provide additional details. The Post also reports the raids "took place in plants in Greeley; Grand Island, Neb.; Cactus, Tex.; Hyrum, Utah; Marshalltown, Iowa; and Worthington, Minn." ICE spokesman Marc Raimondi said yesterday "investigators will decide whether those arrested will face immediate deportation, prosecution or detention pending other legal proceedings. US officials noted the participation of the Federal Trade Commission, which routinely shares data on identity theft victims with federal and state law enforcement agencies." The New York Times (12/13, Preston, 1.16M) also reports the story.

Blagojevich To Announce Pro-Immigrant Measures. The Washington Post (12/13, A11, Lydersen, 690K) reports, "Illinois Gov. Rod Blagojevich (D) will announce on Wednesday a wide-ranging set of measures meant to better integrate immigrants, legal and illegal, into the state's economy, education system and workforce." The governor's New Americans program will include measures to increase "the number of dual-language schools, English-as-a-second-language programs and bilingual staff members at state agencies, as well as providing job training for skilled and unskilled immigrants." The Post quotes Susan Tully, national field director of the Federation for American Immigration Reform, who said Blagojevich doesn't have the constitutional right "to grant benefits to people who haven't been cleared by immigration and customs agents."

CONGRESS-ADMINISTRATION:

Leahy To Promise Oversight Of Justice, Will Explore Sending Officials To Iraq. The AP (12/13, Kellman) reports, "Justice Department officials can expect stepped-up oversight of the Bush administration's war on terrorism and — perhaps — some all-expense-paid tickets to Iraq to help train the corrupt police force there, the incoming chairman of the Senate Judiciary Committee says." His agenda "includes a look at about a dozen recommendations by the Iraq Study Group to send law enforcement officials from the FBI and other offices in the Justice Department to the war-torn nation to boost a police force riddled with corruption. Leahy noted that over the weekend that Iraqi police allegedly helped Saddam Hussein's nephew, Ayman Sabawi, escape from a prison near Mosul." The AP adds, "Leahy did not plan to outline many details of his agenda in the speech at Georgetown University. But he said reclaiming the chairmanship after a brief possession of the gavel in 2001-02 would be a period of 'restoration, repair and renewal' after what he termed years of the Bush administration's virtually unchecked power to hunt for terrorists even within U.S. borders."

USA Today - $90K in freezer, 57%-43% win - *2006-12-11 00:00:00 ("Justice Department")*

House Democrats Explore Independent Ethics Enforcer. The New York Times (12/13, Hulse, 1.16M) reports House Democrats "are seriously exploring the creation of an independent ethics arm to enforce new rules on travel, lobbying, gifts and other issues that Democrats intend to put in place on taking power next month." According to "senior party official," incoming Speaker Nancy Pelosi "had consulted with" Minority Leader John Boehner "on forming a bipartisan group to examine outside enforcement. The goal would be to have the group report back in the spring." An independent Congressional watchdog, if approved, would be a major break with tradition." The Democratic officials "said the prominence of corruption as a concern in the elections last month gave new impetus to such an idea."

Ethics Committee Report On Foley Seen As Argument For Independent Office. In her Washington Post column (12/13, A21), Ruth Marcus says, "Soon-to-be-speaker Nancy Pelosi is fond of mentioning that she's the mother of five, grandmother of six. The California Democrat should keep that in mind as she reviews the House ethics committee's report on former representative Mark Foley and considers proposals for tougher ethics enforcement. Pelosi should ask herself: What would she think if the pages whom Foley pursued with his smarmy e-mails and even worse instant messages were her own children?" Would an

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"investigator with more independence have come to the same no-fault conclusion? It's hard to see how." The ethics committee's "performance could be a blessing in disguise for those who believe -- as I do -- that the ethics process ought to be strengthened with some kind of independent investigative arm."

House Democrats Keep Jefferson Off Ways And Means Committee. The AP (12/13, Abrams) reports House Democrats, "insistent that they will hold lawmakers to higher standards, decided Tuesday that Rep. William Jefferson will not return to an influential committee until a federal corruption investigation involving him is completed." Incoming Speaker Nancy Pelosi "said the Democratic Steering Committee had resolved that Jefferson, who last Saturday won a runoff election in his New Orleans district, will not be given back his spot on the Ways and Means Committee, the panel that determines tax and trade policies." While "depriving Jefferson of his committee assignment, the Democrats have been mum about another member of the Ways and Means Committee, Rep. James McDermott, who on Monday was admonished by the House ethics committee for violating ethics standards by giving reporters access to an illegally taped telephone call involving Republican leaders a decade ago." Pelosi must also "make a decision about Rep. Alan Mollohan of West Virginia, who is in line to become chairman of an Appropriations subcommittee that oversees the FBI. Mollohan faces questions about personal business deals."

Ethics Committee Clears Reid On Boxing Tickets. The AP (12/13, Werner) reports the Senate ethics committee concluded that incoming Senate Majority Leader Harry Reid "did not break Senate rules in accepting free ringside seats at boxing matches from the Nevada Athletic Commission." The committee "disclosed the determination in a Dec. 7 letter to Las Vegas resident Robert Rose, who had filed a complaint on the matter." Reid had "attended three Las Vegas fights between 2003 and 2005 without paying, using credentials provided by the Nevada Athletic Commission, a state agency. Reid was supporting legislation during this period to create a federal agency to oversee boxing, something the commission opposed."

Congressman Seeks Investigation Of Prosecutor In NC Lacrosse Investigation. The AP (12/12) reported that "in a letter to Attorney General Alberto Gonzales," NC Rep. Walter Jones (R) "asked the Justice Department on Tuesday to investigate whether" Durham County District Attorney Mike Nifong, who is "prosecuting three Duke University lacrosse players charged with rape[,] has violated the athletes' civil rights." Jones' letter "repeat[s] criticisms that defense attorneys and others have raised about Nifong's handling of the case."

OTHER NEWS:

New Jersey Legislature Passes Bill Allowing Needle-Exchange Programs In 6 Cities. Newark's Star-Ledger (12/12) reported, "After more than a dozen years and countless hours of impassioned debate, the Legislature…passed a bill to prevent the spread of HIV and AIDS among drug addicts by allowing needle-exchange programs in six cities. Gov. Jon Corzine said he would sign the bill into law quickly. … For 13 years, lawmakers have wrestled with the legal and moral paradox of giving addicts syringes to use illicit drugs. Opponents questioned scores of scientific studies, the vast majority of which have found that needle exchanges reduce drug users' exposure to AIDS and do not entice more people to use drugs."

The New York Times (12/12, Jones, 1.16M) wrote, "New Jersey, the last state in the union that banned syringe exchanges for intravenous drug users, enacted a law yesterday that provides legal access to clean needles. … The law also provides $10 million for drug treatment facilities."

Administration Appeals Ruling To Aid Blind With Currency Redesign. The AP (12/13) reports the Bush Administration "on Tuesday asked an appeals court to overturn a ruling that could require a redesign of the nation's currency to help the blind." Justice Department lawyers "filed the appeal with the U.S. Court of Appeals for the District of Columbia Circuit on behalf of Treasury Secretary Henry Paulson." The appeal "seeks to overturn a ruling last month by U.S. District Judge James Robertson, who ordered Treasury to come up with ways for the blind to recognize the different denominations of paper currency." Robertson had "ruled in a lawsuit brought by the American Council of the Blind. The council proposed several options for changes, including printing different size bills or changing the texture by adding embossed dots or foil."

Stockman Faces Criminal Investigation Over Role In Firm's Bankruptcy. The AP (12/13, Milton) reports David Stockman, the "former top budget official in the Reagan White House," is "a target of a criminal investigation into possible financial fraud at an auto parts company he headed before it collapsed into bankruptcy, a federal official told The Associated Press." Stockman "rose to prominence as budget director under President Reagan," and he is "the former chairman and CEO of Michigan-based Collins & Aikman Corp." Federal investigators "and prosecutors are preparing a case against Stockman and other corporate

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officers from Collins & Aikman and expect to soon present the findings to a grand jury in New York City, the official said. The investigation is focused on whether Stockman and other corporate officers at Collins & Aikman misled investors about the financial health of the company by artificially inflating stock prices. ABC News reported on the case Monday."

Breyer, Scalia Show Court Not Unanimous On Roberts' Desire For Unanimous Decisions. Law.com (12/13, Mauro) reports, "More than once in recent months, Chief Justice John Roberts Jr. has said that one of his goals is to achieve greater unanimity on the Supreme Court -- even if it means deciding cases narrowly. … Last week it became clear that the Court is not even unanimous on whether Roberts' goal is realistic or worth striving for. During a public debate on Dec. 5 co-sponsored by the American Constitution Society and the Federalist Society, Justices Antonin Scalia and Stephen Breyer were asked about Roberts' aspirations." Scalia suggested "that unanimity isn't all that it is cracked up to be." Meanwhile, Breyer was also "dubious about Roberts' goal." Breyer: "You don't want nine on an opinion for the sake of getting nine on an opinion."

Google Sets Up Private Auction For Employees To Sell Options. The Washington Post (12/13, D1, Goo, 690K) reports, "Google has come up with yet another novel way to reward its employees. In keeping with its offbeat approach to business, the search-engine firm plans to create an online auction for its 9,000 employees to sell their stock options to financial institutions. The goal is to give workers a new avenue to cash in on Google's stock, which has increased five-fold since the company went public two years ago. It would mark the first time a U.S. company has created a private Internet auction for stock options. Investment experts called the idea creative and said other firms might follow suit if Google's plan succeeds." The Post adds, "Google's stock options proved valuable to its early employees because its shares rose sharply from its initial offering price of $85 to close yesterday at $481.78 on the Nasdaq Stock Market. Some analysts questioned whether Google's share price can continue growing at the same rate, which could mean new employees might not reap the same benefits from options as those earned by people previously hired."

CNET (12/12, Mills) reported, "For employees who have arrived at Google long after its stock price started to climb, the auction potentially presents a more profitable alternative to trading on the public markets. It would work like this: once an employee's options are vested, he or she can look for bidders in the private auction. A financial institution may offer the employee, for example, $150 per option. If the employee's strike price was $400 and the stock was trading at $500, the employee would have made $50 more per option going the auction route rather than selling them on the public market. Employees can also set a minimum price at which to sell." CNet added, "Google's accounting will not change as a result of the new program, but the amount of stock-based compensation expense will be higher than it would be if not for the program, said Mark Fuchs, chief accountant for Google. The company said it has discussed the program with the Securities & Exchange Commission."

Study: Non-US Companies More Likely To Lose In American Courts. The Financial Times (12/13, Masters, Guerrera) reports, "Non-US public companies sued in the US are more likely to lose than their American counterparts of similar size facing similar claims, a study of 3,000 corporate defendants has found. The mere announcement of a US lawsuit also hits non-US companies far harder. On average, their value dropped $930,000 on the day of the announcement compared with $366,000 for US firms, according to the study by Utpal Bhattacharya, a finance professor at Indiana University. The study, which will be published next year, looked at lawsuits filed in federal courts between 1995 and 2000 and followed the cases through to final resolution." Financial Times adds, "Fears of protectionism in the US have increased due to public opposition to foreign takeovers of US companies and rising hostility towards the outsourcing of US jobs to developing countries."

FTC Cracks Down On Fraudelent Online Schemes. The AP (12/12, Rugaber) reported, "Scams playing off the well-known brand names of online retailers such as Amazon.com and Overstock.com are among the latest get-rich-quick schemes bilking consumers for millions of dollars, federal regulators warned Tuesday. As the Federal Trade Commission announced a new crackdown, it also gave some cautionary advice to consumers who are tempted by the lure of easy riches from ads online, in newspapers, magazines and on TV: don't be fooled. The latest law enforcement sweep, dubbed Project False Hopes, involves more than 100 enforcement actions by the FTC, Department of Justice and other federal and state agencies." The AP added, "The FTC announced nine new cases Tuesday involving bogus offers to operate vending machines, Internet access kiosks and ATM businesses, among other hoaxes. In four of those cases, consumers lost a combined $30 million."

US Health System Unprepared For Bird Flu, Report Says. USA Today (12/13, A3, Hall, 2.27M) reports that an "annual study by 'Trust for America's Health' found that emergency health preparedness remains inadequate five

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years after the 9/11 and anthrax attacks of 2001 raised fears of bioterrorism." The study "also comes one year after Hurricane Katrina highlighted the need for the government to provide health care quickly when thousands of people are in need." Jeff Levi, director of the trust said, "The nation is nowhere near as prepared as we should be for bioterrorism, bird flu and other health disasters. We continue to make progress each year, but it is limited. As a whole, Americans face unnecessary and unacceptable levels of risk."

The Washington Post (12/13, A1, Sheridan, 690K) notes, "This year's report puts greater emphasis on pandemic flu, which occurs when an influenza virus mutates into a potentially deadly version that can be transmitted between humans. Concerns about a possible pandemic have grown as avian flu has spread from Asia, with some cases of transmission to people." Among the findings, the report found "that half of all states – including Maryland and Virginia – would run out of hospital beds within two weeks of a moderately severe pandemic flu outbreak."

China, US To Hold Talks On Health Care, Diseases. The AP (12/13) reports, "Rural health care, infectious diseases and an aging population are among key issues the US will bring up with China during talks this week aimed at strengthening cooperation, the top American health official said Wednesday." Health and Human Services Secretary Mike Leavitt "said he would focus on those areas, along with regulatory cooperation and technical exchanges, as part of a high-level dialogue between China and the US that will also address trade, currency and other disputes." Leavitt "was to meet Wednesday with his Chinese counterpart, Health Minister Gao Qiang." Earlier, "he attended an opening ceremony for a collaborative office between the Chinese and US centers for disease control." The office "will focus on infectious diseases like AIDS, tuberculosis, malaria and bird flu, Leavitt said. It is part of a 2005 agreement on health cooperation."

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with senior United States Department of Defense Officials on Iraq, the Pentagon; delivers a statement, the Pentagon.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: PRIME MINISTER ZURAB NOGAIDELI OF GEORGIA _ Highlights: 5 p.m. Discusses democratic reform and regional challenges three years after the Rose Revolution, sponsored by the School of Advanced International Studies. Kenney Auditorium, 1740 Massachusetts Ave. NW.

GUARD-RESERVES _ The independent Commission on the National Guard and Reserves holds two days of hearings on proposed changes in organization and resourcing for the National Guard and reserves. Highlights: 8 a.m. Undersecretary of Defense David Chu, Assistant Defense Secretary Thomas Hall. Room 2212, Rayburn. 10 a.m. Homeland Security Undersecretary George Foresman. Room 2212, Rayburn.

MOROCCAN REFORMS _ The American Moroccan Institute holds a conference on Moroccan Reforms. Highlights: 4 p.m. Panel discussion, ``How to Overcome the Current Challenges in American-Arab Relations?" with Andre Azoulay, counselor to the King of Morocco; Robert Malley, former advisor to President Clinton; James Zogby, president of Arab American Institute. Brookings Institution, 1775 Massachusetts Ave. NW.

NATO ISRAEL _ 9 a.m. The New America Foundation holds a presentation on whether Israel should join NATO, with Ralf Fuecks of the Heinrich Boll Foundation of Germany, others. Location: 7th floor, 1630 Connecticut Ave. NW.

AFGHANISTAN _ 10 a.m. Analyst Anthony Cordesman of the Center for Strategic and International Studies hold a media briefing on his recent trip to Afghanistan. Location: 4th floor conference room, 1800 K St. NW.

TORT REFORM _ 10 a.m. American Tort Reform Association President Sherman Joyce and ATRA general counsel Victor Schwartz hold a news conference to release and discuss the American Tort Reform Foundations annual flagship publication, the ``Judicial Hellholes report, ranking America's worst jurisdictions in which to be sued. Location: National Press Club, Zenger Room.

IRAQ STUDY GROUP _ 10:30 a.m. The US Institute of Peace holds an event to discuss the Iraq Study Group report, with Ellen Laipson of the Stimson Center, Charles Freeman, JR. of the Middle East Policy Council, James Dobbins of RAND, others. Location: Room 2359, Rayburn.

OIL DEPENDENCE _ 10:30 a.m. Business leaders and retired military personnel hold a news conference to release recommendations calling for fundamental changes in US policy concerning oil consumption and production, with Frederick Smith of FedEx, retired Marine Corps Commandant P.X. Kelley, UPS CEO Michael Eskew, others. Location: Morton Auditorium, 805 21st St. NW.

WORKSITE ENFORCEMENT _ 10:30 a.m. Department of Homeland Security Secretary Michael Chertoff and ICE Assistant Secretary Julie Myers hold a press conference to announce the results of a nationwide worksite enforcement operation. Location: ICE Headquarters, Michael J. Garcia Conference Room, 6th Floor, 425 I St. NW.

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AIR QUALITY _ 11 a.m. The US Chamber of Commerce holds a news briefing to announce a new effort to track the domestic impact of foreign air emissions and how it related to US air quality. Location: 1615 H St. NW.

HEALTH CARE _ 11 a.m. Sen. Ron Wyden holds a news conference to announce a new proposal to provide affordable private health coverage to all. Location: Room 215, Dirksen.

LEAHY _ 11:30 a.m. Incoming Senate Judiciary Committee Chairman Sen. Patrick Leahy holds a discussion on the committee's agenda for the 110th Congress. Location: Hart Auditorium, McDonough Hall, Georgetown University Law Center, 600 New Jersey Ave. NW.

VA TECHNOLOGY _ 11:30 a.m. Rep. Steve Buyer and VA Secretary Nicholson hold a news conference to discuss information technology in the department. Location: Room 334, Cannon.

HEALTH CARE _ 12 p.m. Americas Health Insurance Plans and the Blue Cross and Blue Shield Association host a press briefing on their development of a personal health record (PHR) model and standards that enable it to be portable for consumers who choose that option when they change health plans. The group also will announce a pilot program with the National Health Council designed to encourage greater use of PHRs, especially among people with chronic conditions and disabilities, and to foster greater appreciation of the value of PHRs in optimizing health. Briefers: Myrl Weinberg, President, National Health Council; Ron Williams, Chairman, President and CEO, Aetna Inc.; Bill Marino, President and CEO, Horizon Blue Cross Blue Shield of NJ; Scott P. Serota, President and CEO, Blue Cross and Blue Shield Association; and Karen Ignagni, President and CEO, Americas Health Insurance Plans. Location: Hotel Monaco, Athens Room, 700 F St. NW.

HYPING TERRORISM _ 12 p.m. The Cato Institute hosts a book forum, ``Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats, and Why We Believe Them." Participants are author, John Mueller; and Woody Hayes, chair of National Security Studies, Ohio State University; with comments by James S. Gilmore, III, Former Governor of Virginia and chair of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction and Chairman, National Council on Readiness and Preparedness. Location: Cato Institute, 1000 Massachusetts Ave. NW.

MOROCCO _ 12 p.m. The Middle East Institute and the American Moroccan Institute hold an event with Andre Azoulay, senior adviser to King Mohammed VI of Morocco, discussing Morocco's moves toward political reform and the war against terrorism. Location: 1761 N St. NW.

WHISTLEBLOWERS _ 12 p.m. The No Fear Coaloition holds a news conference with Rep. Albert Wynn, forme D.C. delegate Walter Fauntroy, and black clergy members to demand an end of government corruption and end of attacks on whistleblowers. Location: Room 402, Cannon.

HEALTH LEGISLATION _ 12:15 p.m. The Alliance for Health Reform holds a briefing on health care legislation issues in the upcoming Congress, with Bridgett Taylor of the House Energy and Commerce Committee staff, Kate Leon of Sen. Harry Reid's staff, others. Location: National Press Club.

LEBANON _ 2 p.m. The US Institute of Peace holds an event on the aftermath of the fighting in Lebanon this past summer, with a view from Israel, with former Israeli Amb. Zalman Shoval, others. Location: 2nd floor conference room, 1200 17th St. NW.

US MILITARY _ 2 p.m. The American Enterprise Institute holds an event, ``Military Transformation and the American Way of War," with Max Boot of the Council on Foreign Relations and Frederick Kagan of AEI. Location: 12th floor, AEI, 1150 17th St. NW.

WOMEN-MIDTERM ELECTIONS _ 2 p.m. - 4 p.m. Women is Government Relations hosts a discussion by Barb Palmer, co-author ``Breaking the Political Glass Ceiling," who will analyze how women fared in the 2006 midterm elections. Location: Van Scoyoc Associates, 101 Constitution Ave. NW.

GEORGIA-DEMOCRATIC REFORM _ 5 p.m. - 7 p.m. SAIS's Central Asia-Caucasus Institute hsots a presentation, ``Three Years After the Rose Revolution: Democratic Reform and Regional Challenges," with Zurab Nogaideli, prime minster of the Republic of Georgia. Location: Kenney Auditorium, Nitze Building 1740 Massachusetts Ave. NW.

SCOPUS AWARD DINNER _ 6 p.m. American Friends of Hebrew University sponsors the Gala Scopus Award Dinner. Former Secretary of State Colin Powell will receive the Truman Peace Prize, and Amb. Suart and Wilam Bernstein will receive the Scopus Award. Location: Park Hyatt Hotel, 1201 24th St. NW.

GLOBAL LEADERSHIP _ 7 p.m. The US Global Leadership Campaign holds a dinner honoring Sen. Chuck Hagel and retiring Sen. Paul Sarbanes. Location: Fairmont Hotel, 2401 M St. NW.

THE BIG PICTURE:

Headlines From Today's Front Pages.

USA Today:

"Turning Hedge Fund Dollars Into Works Of Art."
"Raid Targets Illegal Migrants."
"Giant Jet Sets Off Fuel Tank Concerns."
"Fatal Fuel Explosions."

New York Times:

"White House To Delay Shift On Iraq Until '07."
"Iraq Army Plans For A Wider Role In Securing Baghdad."

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"Saudis Give A Grim What If Should U.S. Opt To Leave Iraq."
"Grid Limitations Increase Prices For Electricity."
"Web Site Hunts Pedophiles, And TV Goes Along."
"Turning Hedge Fund Dollars Into Works of Art."

Washington Post:
"A Family At Cross-Purposes."
"Americans Say U.S. Is Losing War."
"Army, Marine Corps To Ask For More Troops."
"Bait Cars Help Reel In Thieves."
"Illegal Workers Arrested In 6-State ID Theft Sweep."
"Va. Among Best Prepared For Crises, Report Says."

Washington Times:
"Watchdog Asked To Probe."
"Bush Delays Iraq Plans Until 2007."
"Muslim Pilgrims Urged To Complain."
"Smugglers Terrorize Illegals To pay Fees."
"New Law To Monitor Drugs Supplements."
"Williams Warns Fenty On Schools, Relishes 'Great Run'."

Detroit Free Press:
"New Era Arrives For Cable Customers."
"40,000 Launch Child-Care Union."
"Aretha's Life Will Play Out On Stage."
"Prop 2 backers To take Campaign To Other States."

Atlanta Journal-Constitution:
"Air Tran may try To Snare Midwest."
"Chief Justice; Leave Court Alone."
"Death Rate Falls But Asthma In Children At Al-Time High."
"Georgia Power may lay Pipeline To Gas-Fired Plants."
"Furor Over Carter's Book Circles Globe."

Houston Chronicle:
"Continental, United Discussing A Merger."
"Skilling's Reprieve Short Lived."
"Iraqi's Brave Death To Find Work."
"Praire View Cheerleader Dies Of 2004 Neck Injuries."
"Post-Castro Exodus Is A Concern For US."

Story Lineup From Last Night's Network News:
ABC: Bush Speech Delayed; Bush Poll-Analysis; Iraq Sectarian Violence; US Death Toll-Iraq; Female Officer Killed-Iraq; Your Donations-Iraq; Your Donations-Iraq; Lost Climbers-Oregon; E-Coli Outbreak; Identity Theft; Hearing Loss; Christmas Trees Return-Tacoma Airport; Animating Biology.
CBS: Iraq Sectarian Violence; Bush Speech Delayed; New Course In Iraq-Analysis; Identity Theft; UCLA Database Hacked; Car Safety; Alzheimer's Detection; Diana Investigation; Poor Children's Wishes.
NBC: Bush Speech Delayed; Afghanistan War Front; Identity Theft; Lost Climbers-Oregon; Stock Market; Returning Too School-New Orleans; Space Walk; Charity Abuses; Obama's Announcement.

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System Administrator

From: System Administrator
Sent: Wednesday, December 13, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 974478 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 9:56 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 13, 2006

Department of Justice

PRESS GUIDANCE

Wednesday, December 13, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release. (Sierra)

The Environment and Natural Resources Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.15054-000002

From: Miller, Charles S
Sent: Wednesday, December 13, 2006 11:35 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 12/13/06 Civil Division News

Government Appeals Currency Redesign

Birmingham contractor could see federal court; Work in Middle East at question in suit

Defense Employees Set For Another Suit to Halt Mandatory Anthrax Shots

Hicks to be among first to face trial

Arar's American lawyers file appeal in case against top U.S. officials

Hurry on RCMP oversight: Arar; Victim urges Tories to take O'Connor's advice

Detainee case highlights conservative, libertarian rift

AP
Dec 13, 6:24 AM EST

Government Appeals Currency Redesign

By MARTIN CRUTSINGER
AP Economics Writer

WASHINGTON (AP) -- An effort to force a redesign of the nation's currency so paper money could be more easily used by the blind would be too expensive and could cause undue hardships on the vending machine industry, the Bush administration says.

The administration asked an appeals court on Tuesday to overturn a ruling that could require the introduction of such features as Braille lettering, micro-perforations or varying the sizes of denominations to aid the blind and visually impaired.

Justice Department attorneys representing Treasury Secretary Henry Paulson filed the appeal with the U.S. Court of Appeals for the District of Columbia Circuit, asking that a Nov. 28 decision by U.S. District Judge James Robertson be overturned.

Robertson ruled that the nation's currency as currently designed violates the Rehabilitation Act, a law that prohibits discrimination in government programs on the basis of disability.

Robertson ordered Treasury to come up with ways for the blind to recognize the different denominations of paper currency, finding in favor of a lawsuit brought by the American Council for the Blind, which has waged a four-year court battle over the issue.

In his ruling, Robertson had said the United States was the only nation out of 180 issuing paper currency that printed bills that were identical in size and color in all their denominations.

He cited the successful use of such features as varying sizes, raised lettering and tiny perforations used by other nations as evidence such changes were feasible.

But in their petition to the appeals court, government lawyers argued that varying the size of denominations could cause significant burdens on the vending machine industry and cost the Bureau of Engraving and Printing an initial investment of $178 million and $37 million to $50 million in new printing plates.

"Even placing these figures in the context of the $420 million the BEP has spent annually on average in producing currency over the last 10 years, the additional costs proposed to modify the currency are not easily dismissed," the government argued in its petition to the appeals court.

The government lawyers also argued that blind people were not being denied "meaningful access" to currency transactions because there were portable readers that could identify denominations and they also could use credit cards for transactions rather than cash.

Jeffrey Lovitky, an attorney for the American Council of the Blind, said he would ask the appeals court to reject the government's arguments and allow the case to go forward with a January hearing where the government is scheduled to provide testimony to aid Robertson in deciding what remedies should be adopted.

Christopher Gray, president of the council, said that while his group has been lobbying for changes to help the blind since 1995, the government has yet to conduct any feasibility studies of what those changes might cost and has instead moved ahead with a number of design changes to thwart counterfeiters.

"We would be happy to wait until the next change in the bills and build accessibility in at that time," Gray said. "Surely, if you did it that way, the costs can't be anything like what is being claimed by Treasury."

Tara Cortes, president of Lighthouse International, another advocacy group for the blind, said the government's decision to fight making changes in the currency could end up being harmful to millions of Americans.

There are 1.3 million people in the United States currently who are legally blind, but it is estimated that number will double by 2030 and millions more will have vision problems as the baby boom generation ages and more people fall victim to macular degeneration and other diseases, such as diabetes, that can affect vision.

"While the government may argue that changing the dollar bill will cost billions, it will pale in comparison to the costs of the vision loss epidemic," Cortes said.

END

Birmingham News

December 13, 2006

Birmingham contractor could see federal court; Work in Middle East at question in suit

RUSSELL HUBBARDNews staff writer

Birmingham general contractor Bill Harbert International Construction is again facing a federal trial over government work, this time in a decade-old case that might go before a jury in Washington next month.

Judge Royce Lamberth of U.S. District Court for the District of Columbia has twice indicated the case, originally filed in 1995, will go to trial in early 2007, said attorney Robert Bell. He represents the whistle-blower who sued the Harbert

companies and other firms on behalf of the federal government, accusing them submitting phony bills for construction work in the Middle East that were paid by the U.S. Agency for International Development.

An overseas affiliate of Bill Harbert International Construction settled an almost identical case in 2002 in U.S. District Court in Birmingham, agreeing to pay a $54 million fine. The company paid the fine without admitting wrongdoing in the federal criminal case.

Now, Bill Harbert International Construction and others are facing many of the same allegations in a civil case that alleges violations of the False Claims Act while bidding for $250 million of contracts in Egypt, work that stemmed from the historic Camp David Peace accords.

"We are dealing with the same basic set of facts," said Bell, who represents whistle-blower Richard Miller. "The allegations aren't significantly different."

Whistleblower's claims:

Central to the case are the allegations of Miller, former treasurer of J.A. Jones Construction Co., a Charlotte-based construction firm that is also being sued in the case. He sued under a provision known as "qui tam," which gives the government the right to collect three times the amount the jury finds attributable to fraud. A portion of the proceeds will go to Miller for filing the suit, which is being prosecuted by both his lawyer and Justice Department attorneys.

Miller's federal whistle-blower suit says the construction companies conspired to rig bids for the 1988 Egyptian contracts in order to extract as much money as possible from them. They concocted fictitious pre-construction costs and complex arrangements that purported to sell and lease building equipment, but which really hid secret payments that were spread among the conspirators, the suit says.

"The purpose of the conspiracy was to obtain a collusive, artificially inflated, and noncompetitive price for the projects," the suit says. "As a result of the conspiracy, the defendants submitted false and inflated claims for payment to the United States for work done on the wastewater treatment projects."

Attempts to reach officials with Bill Harbert International Construction were unsuccessful. Bryan Lavine, the Atlanta lawyer who represents the company, declined to comment, citing the pending nature of the litigation.

Also being sued in the case are a handful of Harbert affiliates; German construction giant Philipp Holzmann AG, former parent of the J.A. Jones firm that employed whistle-blower-blower Miller; and Roy Anderson, former president of Harbert's affiliate based in Lichtenstein. A Birmingham federal jury convicted Anderson of bid rigging and fraud in February 2002. He was sentenced to 72 months imprisonment and a fined $25,000.

Secret recordings:

One difference between the upcoming Washington civil case and the Birmingham criminal matter in the involvement of a former Harbert employee, an Egyptian woman named Hoda Elemary. In July, she sued many of the Harbert companies and their lawyers for improper termination and other alleged wrongs in U.S. District Court in California. She is seeking $9.7 million in compensatory damages, and punitive damages at a jury's discretion.

Her suit also names Bill Harbert Sr., whom she describes as her employer, and his son, Billy Harbert Jr. Elemary's suit says the son was instrumental in removing her from her job, which she said was using her influence in legal and government circles to delay lawsuits against the companies from moving forward.

Now, she says prosecutors in the Washington case are in contact with her and want access to her materials, including secret recordings she made of people involved in the matter.

"I have had many interviews with them," Elemary said of her contact with prosecutors. "They are focusing on me now."

Attempts to reach Billy Harbert Jr. were unsuccessful. He is the president of B.L. Harbert International, the Birmingham company he formed when he bought his father's business in 2000 after the federal government barred it from competing for public works.

But it appears, according to some people close to the case, that the 12-year old saga is perhaps nearing an end.

"We have had two indications from the judge that he is serious about the case going to trial," said Bell, the whistle-blower's lawyer. "It will go to trial this winter, is my understanding."

Bill Harbert Construction is not related to Harbert Management Corp., a Birmingham-based investment company headed by Raymond Harbert that manages more than $5 billion in assets.

END

DOJ_NMG_ 0171561

Washington Post

December 13, 2006

Defense Employees Set For Another Suit to Halt Mandatory Anthrax Shots

By Josh White
Washington Post Staff Writer

Six unnamed Defense Department employees are renewing their legal battle to stop Pentagon officials from administering mandatory anthrax vaccinations, claiming that the Food and Drug Administration's approval of the shot was flawed and puts people at risk.

The employees, who are either in the military or are civilian defense workers, argue that they should not be forced to take the vaccine because there is no scientific proof that it is effective for humans and it has potentially lethal side effects, said Mark S. Zaid, a Washington lawyer who plans to file the lawsuit today in the U.S. District Court for the District of Columbia. The class-action lawsuit asks the court to block the Pentagon from inoculating the plaintiffs and to declare that the vaccine was improperly licensed, according to the 22-page filing.

The case is the latest chapter in a dispute that has lasted several years. It follows a lawsuit by the same group, which led a federal judge to order the mandatory vaccinations stopped in October 2004 on the grounds that an FDA review of the vaccine was insufficient. The anthrax vaccine was then administered on a voluntary basis.

After the FDA reviewed the vaccine again and approved it in December 2005, Pentagon officials announced in October that they would reinstate the mandatory vaccinations for more than 200,000 troops and defense contractors who are assigned to homeland bioterrorism defense or are deployed to Iraq, Afghanistan or South Korea. Cynthia Smith, a Defense Department spokeswoman, said yesterday that the mandatory program has yet to restart as officials work on implementation plans.

"We've always thought it was safe and effective," Smith said. "It's necessary to keep people safe in those areas."

Zaid said that the new lawsuit is being filed because the Pentagon chose to make the program mandatory again. He argues that defense officials should allow service members and civilian employees to choose whether to take the shot after they are informed about its risks.

"We've never been anti-vaccine, we're just against them forcing people to take it," Zaid said. "This vaccine is just completely unscientifically justified based on its effectiveness or necessity."

William Winkenwerder Jr., assistant secretary of defense for health affairs, said in a news conference in October that it was necessary to make the program mandatory because only about 50 percent of those who officials believe should have the vaccine were volunteering to take it.

"This rate of vaccination not only put the service members at risk but also jeopardized unit effectiveness and degraded our medical readiness," Winkenwerder said, according to a transcript.

END

Australian

December 14, 2006

Hicks to be among first to face trial

Verity Edwards, Patricia Karvelas

TERROR suspect David Hicks is expected to be ``an early cab off the rank'' when US military trials begin at Guantanamo Bay early next year, Defence Minister Brendan Nelson said yesterday.

Dr Nelson and Foreign Minister Alexander Downer yesterday told US Secretary of State Condoleezza Rice in Washington that the federal Government was keen to see Hicks tried quickly.

``We were assured Mr Hicks will be an early cab off the rank once the new system is in place,'' Dr Nelson said.

Mr Downer said US officials had been ``positive and understanding'' when told of Australia's interest in having Hicks dealt with expeditiously.

``We also hope the Americans will take into account the time Hicks has been held in custody, they'll take that into account in terms of any sentence that might come out of a guilty verdict,'' Mr Downer said.

Attorney-General Philip Ruddock said on Sunday that Hicks was likely to be charged after January 17, when new regulations for the US military commission expected to try him come into effect. Hicks, a Muslim convert, pleaded not guilty to charges of conspiracy, attempted murder and aiding the enemy. However, the charges were dropped after the US Supreme Court in June declared that the military tribunals set up to try him and other inmates were illegal.

A Newspoll survey commissioned by left-leaning political lobby group GetUp reveals that 67 per cent of Liberal voters want Adelaide-born Hicks freed from Guantanamo Bay. It also found seven out of 10 Australians want Hicks returned even if he faces no charges in the US or Australia.

GetUp has raised more than $150,000 to be used to protest against Hicks's detention. Entrepreneur Dick Smith has also contributed $40,000 to the Hicks cause, even though he thinks the detainee could be guilty. ``I wake up in the morning feeling sick and not proud to be an Australian,'' Mr Smith said. ``I'm not a supporter of David Hicks but I'm a supporter of a fair trial.

``I think he's been very naive and has done some silly things.''

END

AP

December 12, 2006

Arar's American lawyers file appeal in case against top U.S. officials

By Beth Gorham

WASHINGTON_(CP) _ American lawyers for Canadian Maher Arar are appealing his lawsuit against U.S. officials who sent him to Syria where he was imprisoned and tortured.

The Center for Constitutional Rights in New York filed a challenge Tuesday with a U.S. Appeals Court after a lower court threw out the case in February on national security and foreign policy grounds.

The rights group originally launched the case on Arar's behalf in January 2004 against former attorney general John Ashcroft and other American officials, seeking undisclosed damages.

"For three difficult years, I have searched for justice," said Arar. "I will not give up until the people responsible for what was done to me are held accountable so that they can never do this to anyone else every again."

Lawyer Maria LaHood said that while a Canadian inquiry has investigated what happened to Maher, the United States still owes him his day in court.

"We cannot continue to deny him justice for the abuses he suffered at the hands of the Bush administration."

Arar was detained at a New York airport in September 2002 on his way home to Canada. U.S. officials who suspected him of ties to al Qaida terrorists sent him to Syria, where he was imprisoned and tortured.

A U.S. district court\l "I" dismissed Arar's case last February, saying there was a great need for secrecy and diplomacy.

"One need not have much imagination to contemplate the negative effect on our relations with Canada if discovery were to proceed in this case and were it to turn out that certain high Canadian officials had, despite public denials, acquiesed in Arar's removal to Syria," Judge David Trager wrote in an 88-page ruling.

In fact, a Canadian inquiry concluded this fall that the RCMP did give faulty information about Arar to U.S. authorities, stating he had ties to Islamic extremists and was a "person of interest." Former commissioner Giuliano Zaccardelli resigned over the issue last week.

But Justice Dennis O'Connor also said the Mounties followed up with their U.S. counterparts by admitting they had no proof Arar was aligned with terrorists. He said the Americans didn't keep Canadian officials in the loop or tell them that Arar was going to be deported.

Prime Minister Stephen Harper has demanded an apology from the United States but settled this fall for a promise to collaborate with Canada on any future deportation cases.

He has acknowledged a "tremendous injustice" was done to Arar but has not apologized, citing continuing legal proceedings.

Arar, who has also launched a lawsuit in Canada, was the first to challenge the U.S. government's policy of extraordinary rendition and has become the most visible victim of the program where suspects are transferred to third countries without court approval.

His lawyers argue the U.S. court abdicated its responsibility in Feburary that it couldn't intervene in cases involving the war on terror.

The district court is supposed to ensure that constitutional rights are enforced and protected and should have reviewed the broad powers exercised by officials, they said.

"Again and again, the Bush administration has committed grevious abuses and then claimed those same abuses are state secrets that cannot be revealed in open court," said Vincent Warren, executive director at the rights centre.

"The government merely seeks to haide its illegal and immoral behaviour from the public and avoid accountability for its actions. They ruined a man's life. Let him seek justice."

Spokesman David Lerner said the Canadian inquiry's report in September should strenghten Arar's hand in the U.S. appeals court.

He expects the case to take months.

On Tuesday, O'Connor released a second report recommending a new independent review agency for the RCMP's intelligence and counterterrorism activities.

END

Toronto Sun

December 13, 2006

Hurry on RCMP oversight: Arar; Victim urges Tories to take O'Connor's advice

By KATHLEEN HARRIS, NATIONAL BUREAU

OTTAWA -- Maher Arar says the Conservative government must adopt stronger oversight proposals to restore faith in the Mounties and ensure the millions of tax dollars spent on a lengthy judicial probe weren't wasted.

As the federal gov- ernment ordered a fresh inquiry into three more cases of Canadians tortured and detained abroad as terrorist suspects yesterday, Arar said the government must move quickly to implement sweeping recommendations from Justice Dennis O'Connor designed to keep the RCMP in better check.

"We live in a great country. We are great people, and we can't allow ourselves to become a police state," he said.

Public Safety Minister Stockwell Day announced former Supreme Court justice Frank Iacobucci will examine the cases of Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin to determine whether the actions of Canadian officials led to their imprisonment in the wake of 9/11.

The news came as O'Connor's second report offered 13 recommendations to heighten scrutiny over the Mounties, including a major overhaul of the RCMP's civilian watchdog and more money to fulfill an expanded mandate.

He also urged greater oversight of the national security operations of the Canada Border Services Agency, Foreign Affairs, Citizenship and Immigration Canada, Transport Canada and the Financial Transactions and Reports Analysis Centre of Canada.

SECRET OPERATIONS

O'Connor said the rising threat of global terrorism requires greater oversight of Canada's national security agencies because many operations occur in secret and often have a serious impact on individual rights.

"Mr. Arar's case was a good example of that," he said.

"In my view, the need for an enhanced review of the RCMP's national security activities is overwhelming."

END

AP

December 13, 2006

Detainee case highlights conservative, libertarian rift

By MATT APUZZO

Associated Press Writer

WASHINGTON_It's not every day that conservative lawyers Steven Calabresi and Richard A. Epstein agree with Clinton administration Attorney General Janet Reno or former American Civil Liberties Union lawyer Burt Neuborne.

Yet the conservatives joined their outspoken liberal colleagues Tuesday in arguing that an immigrant held as an enemy combatant has a right to seek his freedom in court _ another instance in which the Bush administration's anti-terrorism policies have united libertarians and liberal Democrats.

Like the fights over warrantless wiretapping, data mining and the Patriot Act, the issue of how to handle terrorism suspects has divided conservatives and attracted criticism from some within the Republican Party.

Twenty-nine law school professors from around the country filed a legal brief Tuesday with the 4th U.S. Circuit Court of Appeals in Richmond, Va., arguing that the government's treatment of suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri was unconstitutional.

It's no surprise that law school deans Harold Koh of Yale and Laurence Tribe of Harvard signed the brief. Both are staunch Democrats and vocal critics of the Bush administration.

But Calabresi is the former Reagan administration adviser and speechwriter for Vice President Dan Quayle who helped found the conservative legal group the Federalist Society. Epstein's interpretation of the Constitution and his legal critiques of Democratic policies have made him a favorite among some conservatives.

Epstein said there's a lesson to be learned by the strange bedfellows made by the president's anti-terrorism politics.

"It shows the phrases 'conservative' and 'libertarian' have less overlap than ever before," said the University of Chicago law professor and Federalist Society member. "This administration has lost all libertarians on all counts."

In June, the Supreme Court said the Bush administration's handling of detainees violated U.S. and international law. Bush then pressed for, and got, a new law that he said would help the government prosecute terrorists.

The Military Commissions Act allows the military to hold detainees indefinitely and denies them the right to challenge their imprisonment in U.S. courts. The Justice Department defends the law as a constitutional and necessary tool to combat terrorism.

"The question here is not one of political perspective but of law," Justice Department spokeswoman Kathleen Blomquist said Tuesday night. "The district court found al-Marri to be an enemy combatant and dismissed his habeas petition."

If al-Marri wants to challenge that determination, Blomquist said, then he can challenge the determination before a Washington appeals court.

Some conservatives say the president must have the power to act in times of war and that detaining enemy combatants is the only way to ensure they won't return to the battlefield. Supporters of the law say the detainees are more like prisoners of war than criminal defendants.

Civil rights groups and conservatives with a libertarian viewpoint see the law as a government infringement on personal freedom.

"This involves the executive branch changing the rules to avoid challenges to its own authority," Koh said Tuesday.

"Serious legal scholars, regardless of political bent, find what the government did inconsistent with any reasonable visions of the rule of law."

Epstein, who said he regards Koh as "mad on many issues," said the al-Marri case is "beyond the pale."

"They figured out every constitutional protection you'd want and they removed them," Epstein said.

Al-Marri is the only person designated as an enemy combatant known to be held in the United States, where immigrants normally have the right to use U.S. courts to question the legality of their detention.

Al-Marri was arrested in 2001 while studying in the United States. He had faced criminal charges until authorities designated him an enemy combatant and ordered him held at a naval base in South Carolina.

The Richmond appeals court is considering al-Marri's case. Reno recently filed a brief in the case, arguing that the government's argument could set a dangerous precedent.

Jonathan Hafetz, an attorney with the Brennan Center for Justice who is handling the al-Marri case, said it brings up issues about what the framers of the Constitution intended _ something libertarians and judicial conservatives often look to.

The al-Marri case, along with two cases before a federal appeals court in Washington, are likely bound for the Supreme Court.

END

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System Administrator

From: System Administrator
Sent: Wednesday, December 13, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, December 13, 2006 1:19 PM
Subject: Network Outage at the DOJ Warehouse

Network Outage affecting the DOJ Warehouse

The FASS Warehouse in Landover, Maryland is experiencing a network outage. The Mail Referral Unit and DOJ movers are not able to access their email or other JCON resources. A notification will be sent when Verizon restores service to the building.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 1:56 PM
To: USDOJ- Office of Public Affairs
Subject: BOP: JEFFREY K. SKILLING BEGINS SERVICE OF SENTENCE

U. S. Department of Justice

Federal Bureau of Prisons

Federal Correctional Institution

Waseca, MN 56093

December 13, 2006

For Immediate Release

Susan Bradshaw, Public Information Officer
(507-835-8972)

Jeffrey K. Skilling Begins Service of Sentence

On December 13, 2006, at approximately 12:07 pm, Jeffrey K. Skilling arrived at the Federal Correctional Institution, Waseca, Minnesota, for service of his sentence. Skilling was sentenced in the Southern District of Texas to a term of 292 months imprisonment and a three-year term of supervised release for Securities Fraud, Insider Trading and Making False Statements to Auditors. The Federal Correctional Institution, Waseca, Minnesota is an 1123 bed, low security facility. The institution is located 75 miles South of Minneapolis, Minnesota.

Media inquiries regarding this announcement may be directed to the Bureau of Prisons Office of Public Affairs at 202-514-6551.

# # #

U. S. Department of Justice

Federal Bureau of Prisons

Federal Correctional Institution

Waseca, MN 56093

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, December 13, 2006 1:56 PM
Subject: JCON COAR Email Upgrade

JCON COAR Email Upgrade

When:	Friday, December 15, 2006, 11:00 pm to Saturday, December 16, 2006, 6:00 am
Event:	JCON COAR Email Upgrade
Customers Affected:	All DOJ JCON COAR Customers
Unavailable Services:	Email Services
Available Services:	All other services including BlackBerry PIN to PIN

Suggested Action: Please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 2:13 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES DISABILITY DISCRIMINATION CASE WITH CHICAGO AREA MUNICIPALITY

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
WWW.USDOJ.GOV

CRT
(202) 616-2777
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES DISABILITY DISCRIMINATION CASE WITH CHICAGO AREA MUNICIPALITY

WASHINGTON — The Village of South Elgin, Ill., has agreed to settle allegations that it violated the Fair Housing Act by refusing a permit to allow Unity House Inc. to operate a home for seven residents recovering from addictions to drugs and alcohol, the Justice Department announced today.

Under the settlement, which must still be approved by the United States District Court in Chicago, the village must allow Unity House to operate with up to seven residents recovering from drug or alcohol addiction. The settlement also requires the village to pay a total of $25,000 in damages to Unity House, $7,500 each to two residents who were not able to live in the home when the permit was denied, and $15,000 to the United States as a civil penalty. The settlement also requires relevant village officials and employees to receive training on the Fair Housing Act and requires the village to keep and maintain records for the next three years relating to other zoning and land use requests regarding homes for persons with disabilities.

"We are pleased that an amicable settlement was reached in this case," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "All persons with disabilities deserve the right to be protected by federal civil rights laws."

"This settlement should send a message to other communities that no municipality, driven by neighborhood opposition, can prohibit persons recovering from addictions from enjoying the benefits of living in the safe and supportive environment of a group home," said Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois.

Unity House is a group home for persons recovering from alcohol or drug dependency. Under the Fair Housing Act, persons recovering from drug or alcohol addiction are protected from discrimination in housing because they are recovering from addiction. Persons who are currently using illegal drugs, however, are not protected by the disability provisions of the Fair Housing Act.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of

DOJ_NMG_ 0171574

Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home, however, is not limited to the areas hit by Hurricane Katrina, but targets housing discrimination all over the country.

More information about Operation Home Sweet Home is available at the Justice Department Web site, http://www.usdoj.gov/fairhousing. Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line (1-800-896-7793), contact the Department of Housing and Urban Development at 1-800-669-9777, or email the Justice Department at fairhousing@usdoj.gov

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 215 cases to enforce the Fair Housing Act, 97 of which have alleged discrimination based on disability. More information about the Civil Rights Division and the laws it enforces is available at http://www.usdoj.gov/crt.

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06-830

DOJ_NMG_ 0171575

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Image not available for this document, ID: 0.7.10316.15050-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 2:17 PM
To: USDOJ- Office of Public Affairs
Subject: 'GIRLS GONE WILD' COMPANY SENTENCED TO PAY $1.6 MILLION IN FINES IN SEXUAL EXPLOITATION CASE

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
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(202) 514-2008
TDD (202) 514-1888

'GIRLS GONE WILD' COMPANY SENTENCED TO PAY $1.6 MILLION IN FINES IN SEXUAL EXPLOITATION CASE

WASHINGTON – Mantra Films, Inc., a Santa Monica, Calif. company operating as Girls Gone Wild, was sentenced today to pay $1.6 million in criminal fines for failing to create and maintain age and identity records for films it produced, Assistant Attorney General Alice S. Fisher of the Criminal Division, and U.S. Attorney Gregory Miller for the Northern District of Florida announced today.

The sentence was imposed today by U.S. District Judge Richard Smoak at the federal court in Panama City, Fla.

Mantra pleaded guilty on Sept. 12, 2006 to three counts of failing to keep the required records and seven labeling violations in connection with Mantra's production of Girls Gone Wild films containing depictions of sexually explicit conduct. Each count refers to a different film produced or distributed by Mantra. Mantra admitted that it failed to create and maintain age and identity documents for performers in sexually explicit films produced and distributed by Girls Gone Wild and failed to label their DVDs and videotapes, as required by federal law.

Joseph Francis, founder and CEO of both Mantra Films and MRA Holdings, LLC, pleaded guilty to similar offenses in U.S. District Court in Los Angeles and is scheduled to be sentenced on Jan. 22, 2007. MRA also entered into an agreement that defers prosecution of criminal charges against the company for three years, if MRA abides by an agreement with the government. The "package agreement" with Mantra, MRA and Francis includes a public acknowledgment of criminal wrongdoing, a pledge of cooperation with the government in future investigations, full compliance with the record keeping laws, and payment of a total of $2.1 million in fines and restitution.

The charges in this case are the first to be filed under a law passed by Congress to prevent the sexual exploitation of children. The law protects against the use of minors in the production of pornography by requiring producers to create and maintain age and identity records for every performer in sexually explicit movies and other media. Producers and distributors must then label their products with the name of the custodian of the records and their location.

DOJ_NMG_ 0171578

Girls Gone Wild has admitted to hiring performers, and producing and distributing sexually explicit video materials during 2002 and part of 2003 while systematically violating the record keeping and labeling laws. The companies also admitted that in at least two instances in 2002 in Panama City they filmed minors in sexually explicit scenes that were included in two commercially released DVDs.

The cases are being prosecuted by Trial Attorney Sheila Phillips of the Obscenity Prosecution Task Force of the U.S. Department of Justice, U.S. Attorney Gregory Miller, and Assistant U.S. Attorney Dixie Morrow of the Northern District of Florida. The Justice Department's Obscenity Prosecution Task Force was formed to focus on the prosecution of adult obscenity nationwide. The Task Force is directed by Brent D. Ward. Investigation of the cases was conducted by Special Agent Denise Conrad of the Adult Obscenity Squad of the Federal Bureau of Investigation, which is based in Washington, D.C.

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06-831

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System Administrator

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 3:12 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER OFFICER PLEADS GUILTY FOR CIVIL RIGHTS VIOLATIONS AT HARRISON COUNTY JAIL

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
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ANOTHER OFFICER PLEADS GUILTY FOR CIVIL RIGHTS VIOLATIONS AT HARRISON COUNTY JAIL

WASHINGTON – Thomas Preston Wills, a former deputy with the Harrison County Sheriff's Department, pleaded guilty today to conspiring to violate the civil rights of inmates housed at the Harrison County Adult Detention Center in Mississippi. The charge arises from Wills' employment as a corrections officer at the prison between November 2002 and April 2006. Wills faces up to 10 years imprisonment and a fine of $250,000.

In documents filed in federal court today, Wills admitted that he and other corrections officers participated in a conspiracy to intentionally use excessive force to punish, intimidate, injure, oppress, threaten and retaliate against inmates at the facility.

In a related case, former deputy Ryan Michael Teel was indicted on charges relating to the circumstances surrounding the death of an inmate who died as a result of injuries sustained at the prison in February 2006. Teel faces a maximum penalty of life in prison on count one of the indictment, and a maximum penalty of 20 years in prison and a fine of $250,000 on count two. Three other former officers, Dedri Yulon Caldwell, Regina Rhodes and Morgan Thompson, have also previously pleaded guilty to participating in a conspiracy to violate the civil rights of inmates.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

Civil Rights Division prosecutors Lisa M. Krigsten and John Cotton Richmond and Assistant U.S. Attorney Jack B. Lacy Jr. handled this matter for the Department. The Mississippi Bureau of Investigation assisted the Department of Justice in its investigation of this matter.

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DOJ_NMG_ 0171584

Image not available for this document, ID: 0.7.10316.15043-000001

Image not available for this document, ID: 0.7.10316.15043-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 4:09 PM
To: USDOJ- Office of Public Affairs
Subject: MAGAZINE PAPER PRODUCER INDICTED ON PRICE-FIXING CHARGE

A PDF of the indictment is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

MAGAZINE PAPER PRODUCER INDICTED ON PRICE-FIXING CHARGE

WASHINGTON — A federal grand jury in Connecticut indicted Stora Enso North America Corporation (SENA), based in Wisconsin Rapids, Wisc., for allegedly participating in a price-fixing conspiracy involving the sale of magazine papers, the Department of Justice announced. SENA is a U.S.-based subsidiary of Stora Enso Oyj of Helsinki, Finland, the second largest magazine paper producer in the world.

This is the first charge filed as a result of an ongoing investigation into price fixing in the magazine paper industry.

In the indictment, the grand jury charged SENA with conspiring to fix the price at which certain brand name, coated publication papers were sold to customers throughout the United States from approximately Aug. 2002 through June 2003. The magazine papers were primarily used by customers in the production of magazines, news weeklies, and high-volume catalogues, such as Time, Reader's Digest, JCPenney and others. Billions of dollars worth of these types of magazine papers are sold in the United States annually.

The defendant is charged with carrying out the conspiracy by:

- Meeting and communicating with a competitor regarding the prices for magazine papers in the United States;
- Agreeing during those communications and meetings to increase the prices of magazine papers sold in the U.S.;
- Issuing price announcements for magazine papers in accordance with the agreement reached;
- Selling magazine papers to customers located throughout the U.S. at collusive and noncompetitive prices; and
- Accepting payment for magazine papers sold at collusive and noncompetitive prices.

"The price of coated paper used in magazines affects nearly every American," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Today's indictment underscores the Antitrust Division's resolve to continue to protect citizens from the effects of price fixing."

DOJ_NMG_ 0171587

The defendant is charged with price-fixing in violation of the Sherman Act, which for violations occurring before June 22, 2004, carry a maximum fine of $10 million for companies. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either of those amounts is greater than the statutory maximum fine.

The charges announced today stem from an ongoing investigation being conducted by the Antitrust Division's National Criminal Enforcement Section and the Federal Bureau of Investigation in Washington, D.C.

Anyone with information concerning price fixing in the magazine paper industry should contact the National Criminal Enforcement Section of the Antitrust Division at (202) 307-6694.

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06-835

DOJ_NMG_ 0171588

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Image not available for this document, ID: 0.7.10316.15048-000002

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
GRAND JURY H-05-1

UNITED STATES OF AMERICA	:	**CRIM. NO. _____**
	:	
v.	:	**VIOLATION: 15 U.S.C. § 1**
	:	**(Conspiracy to Restrain Trade)**
STORA ENSO NORTH AMERICA CORP.	:	
	:	
	:	

INDICTMENT
(Conspiracy to Restrain Trade in Violation of 15 U.S.C. § 1)

The Grand Jury charges that:

A. The Offense

1. Beginning sometime in August 2002, and continuing through at least June, 2003, the exact dates being unknown to the Grand Jury, STORA ENSO NORTH AMERICA CORPORATION ("SENA"), and other co-conspirators entered into and engaged in a combination and conspiracy to fix the price at which certain brand name, coated publication papers sold by SENA and its co-conspirators ("subject magazine papers"), were sold to customers in the United States. The combination and conspiracy unreasonably restrained interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of an agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial term of which was to fix, raise and maintain the prices at which the subject

magazine papers were sold in the United States.

B. Means and Methods of the Conspiracy

3. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants and co-conspirators did those things that they combined and conspired to do, including, among other things:

(a) engaging in communications and meetings regarding the prices at which the subject magazine papers were sold and would be sold in the United States. These communications and meetings took place both inside and outside the United States.

(b) agreeing during those communications and meetings to increase the prices of the subject magazine papers sold in the United States;

(c) issuing price announcements for the subject magazine papers in accordance with the agreement reached;

(d) selling the subject magazine papers to customers located throughout the United States at collusive and non-competitive prices; and

(e) accepting payment for the subject magazine papers sold at collusive and noncompetitive prices.

C. Background

4. The subject magazine papers include brand name, coated publication papers sold by SENA and its co-conspirators. The subject magazine papers were primarily used

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by customers in the production of magazines and high-volume catalogues.

5. Coated papers have a smooth clay coating applied over a free-sheet or ground-wood base paper. Coated papers are particularly valued for their crisp, vibrant reproduction of color graphics and photographs.

D. Defendant and Co-Conspirators

6. During the period covered by this Indictment, STORA ENSO NORTH AMERICA CORPORATION ("SENA") was a corporation organized and existing under the laws of the state of Wisconsin. SENA is a U.S.-based subsidiary of Stora Enso Oyj ("Stora Enso"). Stora Enso is foreign corporation headquartered in Helsinki, Finland.

7. During the period set forth in this Indictment, SENA's primary business included the sale and marketing of fine paper, magazine paper, newsprint and specialty papers in North America. SENA has sales offices, in among other areas, California, Connecticut, Georgia, Illinois, New York, and Texas. SENA's paper sales are targeted at publishers, retailers, catalogers, commercial printers and merchants.

8. Others, not made defendants in this Indictment, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

9. Whenever in this Indictment reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other

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representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

E. Trade and Commerce

10. During the period covered by this Indictment, the subject magazine papers were manufactured in the United States and elsewhere, and sold by the conspirators to customers located throughout the United States in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of materials and supplies used in the production of the subject magazine papers, as well as payments for the papers, traveled in interstate and foreign trade and commerce.

11. During the period covered by this Indictment, the business activities of the defendant and co-conspirators, which are the subject of this Indictment, were within the flow of, and substantially affected, interstate and foreign trade and commerce.

F. Jurisdiction and Venue

12. The combination and conspiracy charged in this Indictment was carried out, in part, in the state of Connecticut within the five years preceding the return of this Indictment.

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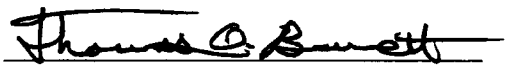
ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

A TRUE BILL:

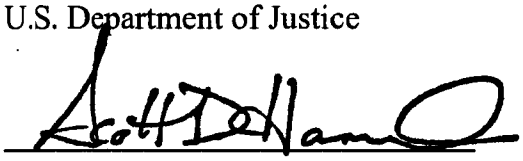
DATED:

_____
FOREPERSON



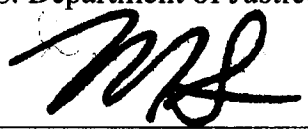
THOMAS O. BARNETT
Assistant Attorney General
Antitrust Division
U.S. Department of Justice

_____
KEVIN J. O'CONNOR
United States Attorney
District of Connecticut



SCOTT D. HAMMOND
Deputy Assistant Attorney General
Antitrust Division
U.S. Department of Justice

_____
NANCY H. McMILLEN
JOHN F. TERZAKEN
CALVIN C. CHEUNG
PATRICK B. EGAN
Attorneys, Nat'l Criminal Enforcement Section
Antitrust Division
U.S. Department of Justice



MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice

_____
LISA M. PHELAN
Chief, Nat'l Criminal Enforcement Section
Antitrust Division
U.S. Department of Justice

DOJ_NMG_ 0171595

System Administrator

From: System Administrator
Sent: Wednesday, December 13, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 976950 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: UTAH GOLD AND SILVER REFINER, TOP MANAGERS CHARGED WITH CONSPIRACY TO VIOLATE ENVIRONMENTAL LAWS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
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ENRD
(202) 514-2007
TDD (202) 514-1888

UTAH GOLD AND SILVER REFINER, TOP MANAGERS CHARGED WITH CONSPIRACY TO VIOLATE ENVIRONMENTAL LAWS

WASHINGTON – The Justice Department announced today that a superseding indictment was returned by federal grand jury in Salt Lake City, Utah, charging the parent company of gold and silver refiner Johnson Matthey Inc. with conspiracy to violate the Clean Water Act (CWA). The UK-based corporate parent, Johnson Matthey PLC is a diversified multi-national specialty chemicals producer.

On Mar. 22, 2006, Johnson Matthey Inc. and two senior company managers were charged in a 29-count indictment with conspiracy, concealment by trick, scheme and device, and violations of the CWA. Specifically, the defendants conspired to conceal the high level of pollutants they discharged by cheating on required tests and submitting false information about the amount of selenium released into wastewater. Today's superseding indictment alleges that the parent company played a role in conspiring to conceal the release of the contaminated wastewater into the sewers.

The conspiracy charge carries a maximum fine of $500,000 for the corporate defendants.

Charges in an indictment are merely accusations, and defendants are presumed innocent unless and until proven guilty in federal court.

The case is being prosecuted by Assistant U.S. Attorneys Richard Lambert and Jared Bennett and Special Assistant U.S. Attorney Aunnie Steward for the District of Utah, and Richard Poole, Trial Attorney in the Environmental Crimes Section of the Department of Justice in Washington.

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06-834

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System Administrator

From: System Administrator
Sent: Wednesday, December 13, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 976994 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 13, 2006 7:05 PM
To: USDOJ- Office of Public Affairs
Subject: SINCLAIR TULSA REFINING COMPANY AND TWO MANAGERS PLEAD GUILTY TO FELONY CLEAN WATER ACT VIOLATIONS AT OKLAHOMA PLANT

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 13, 2006
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(202) 514-2007
TDD (202) 514-1888

SINCLAIR TULSA REFINING COMPANY AND TWO MANAGERS PLEAD GUILTY TO FELONY CLEAN WATER ACT VIOLATIONS AT OKLAHOMA PLANT

WASHINGTON – Sinclair Tulsa Refining Company, a subsidiary of major oil and gasoline producer Sinclair Oil, has pleaded guilty today to two felony counts of deliberately manipulating wastewater discharges at its Tulsa Refinery in violation of the Clean Water Act (CWA). In addition, two company managers, Harmon Connell and John Kapura, have each pleaded guilty to one felony count of violating the CWA, related to the manipulation of discharges into waters of the United States.

Sinclair, and managers Kapura and Connell, admitted today to knowingly manipulating the refinery processes, wastewater flows, and wastewater discharges to result in unrepresentative wastewater samplings during mandatory testing required under the National Pollutant Discharge Elimination System (NPDES) permit program. The manipulated samplings were intended to influence analytical testing results reported to the Oklahoma Department of Environmental Quality (ODEQ) and the Environmental Protection Agency (EPA).

"Our ability to protect our Nation's rivers from the harmful effects of pollution depends upon the honesty of facilities that receive discharge permits under the Clean Water Act," said Sue Ellen Wooldridge for the Justice Department's Environment and Natural Resources Division. "When companies deliberately manipulate the tests that report the level of pollutants they discharge into public waters, we will not hesitate to prosecute them."

"Sinclair had the capability to comply with environmental regulations, but chose to violate federal law simply to save money. The defendants viewed repeated violations as nothing more than 'doing business.'" said Granta Y. Nakayama, EPA's Assistant Administrator for Enforcement and Compliance Assurance. "The guilty pleas of Sinclair and its refinery managers send a clear message: neither EPA, the Department of Justice, nor the Oklahoma attorney general's office will tolerate environmental misconduct and we will continue to deter such disregard of pollution laws by vigorously pursuing not only corporations, but also the culpable individuals throughout the organization."

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"The investigators and agencies who worked on this case are to be commended for their tireless commitment to Oklahoma's natural resources," said Oklahoma Attorney General Drew Edmondson. "Water quality has long been a priority in the attorney general's office, and we will continue the diligent enforcement of our state's environmental laws."

Under the agreement, Sinclair has agreed to pay a criminal penalty of $5 million and a community service payment of $500,000 to be paid into an environmental fund, to be identified at a later date. Connell and Kapura each face a maximum penalty of three years in prison, up to a term of one year of supervised release, and a penalty to be determined by the court. Sentencing is scheduled for April 2, 2007.

According to the criminal information and plea agreement, filed today in the Northern District of Oklahoma, between January 2000 and March 2004, the Sinclair refinery discharged an average of 1.1 million gallons of treated wastewater per day into the Arkansas River. Under the CWA, Sinclair was permitted to discharge treated wastewater into the Arkansas River, pursuant to certain limitations and conditions, which include scheduled monitoring and required sampling during weekdays. According to the information, on numerous occasions in 2002 and 2003, Sinclair directed employees to limit wastewater discharges with high concentrations of oil and grease to manipulate the result of required bio-testing. During monitoring periods, Sinclair, by way of its employees, reduced flow rates of wastewater discharges to the river, and diverted more heavily contaminated wastewater to holding impoundments, among other means of ensuring that they had passed the tests.

The case was jointly investigated by the EPA and the Oklahoma attorney general's office as part of the Oklahoma Environmental Crimes Task Force. It is being prosecuted by the Justice Department's Environmental Crimes Division.

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System Administrator

From: System Administrator
Sent: Wednesday, December 13, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 977052 KB.
Mailbox size limits:
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, December 14, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 977052 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
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From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 9:35 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 14, 2006

Department of Justice

PRESS GUIDANCE

Thursday, December 14, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Antitrust Division will issue a release on a criminal matter. (Talamona)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171608

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System Administrator

From: System Administrator
Sent: Thursday, December 14, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Your mailbox size is 980249 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]@frb.gov

From: [redacted]@frb.gov
Sent: Thursday, December 14, 2006 11:30 AM
Cc: [redacted]@frb.gov
Subject: Interagency Working Group on Emergency Preparedness November Minutes
Attachments: Dec 7 2006 Welcome Letter.pdf; IWG EP November Minute.doc

Attached are the November Minutes and Welcome Letter, sent on behalf of [redacted]

V/r,

[redacted]
Emergency Preparedness Specialist
Board of Governors of the Federal Reserve System
Washington, DC 20551
[redacted](fax)

Interagency Working Group for Federal Workplace Emergency Preparedness

Chair
[redacted]
Federal Reserve Board
[redacted]@frb.gov

Vice Chair
Vacant

Secretary
Vacant

Immediate Past Chair
[redacted]
Federal Aviation Administration
[redacted]@faa.gov

Program Chair
Vacant

Public Relations Chair
Vacant

Special Projects Chair
Vacant

Safety and Health Liaison
Vacant

Security Liaison
Vacant

Facilities Liaison
Vacant

COOP Liaison
Vacant

Disabilities Liaison
Vacant

Chairman's Message

As we go into 2007, I want to thank our past Chairperson, [redacted], for the tremendous effort put forth in 2006 and the success of our meetings on, Avian Influenza, Stress and Emergency Management, Lessons Learned from Hurricane Katrina, Emergency Preparedness Programs Working Cooperatively in Emergency Scenarios and others with speakers representing FEMA, FAA, DHS USDA, and the FDA.

The impact of the meetings, sharing of information and the networking and the collective experience among a group of emergency preparedness and response professionals has made it easy for me to accept the position of Chairman, to be part of this dynamic group and contribute to the sum of Emergency Preparedness knowledge in our Nation's Capital. In stepping forward, I do so with a great deal enthusiasm and purpose to maintain the core of this organization's operating principal and to promote what this organization does best, which is to share practical, “rubber-hits-the-road” information amongst Federal Agencies and Departments on Emergency Preparedness and Response.

The Inter-Agency Working Group on Federal Workplace Emergency Preparedness was initiated as a forum for the sharing of `best practices” and to provide an integrated forum for leadership within the numerous public agencies and departments. “Integrated” because our membership is made up of a cross-section of disciplines concerned with the safety and health of federal employees, the buildings and infrastructure, security of those structures, the policies that govern our programs, those that shape and implement emergency planning and response, and supporting a system that requires our critical functions continue.

Our membership and our goal is an important one, to improve Federal emergency preparedness by:

- Supporting a collaborative environment that shares best practices,
- Providing information and training among members.

I would add that it is also an important forum to:

- Integrate our affiliated memberships and working groups;
- Unify our planning efforts to facilitate a dialog on policy, education and implementation within the Federal system; and

- Foster an understanding of Emergency Preparedness and COOP relationship, leveraging our respective expertise to a level of achievement that unconditionally recognizes that one cannot exist without the other.

In going forward into 2007, I will suggest some changes and ideas that we can address in the next several months that I believe would strengthen our organization:

1. Codify the day to day functioning of the IWG into an official structure that includes: Chairman, Vice-Chairman, Secretary, Program Chair, and Liaisons to the numerous interlinked groups, such as Facilities, Security, Health and Safety and COOP;
2. Update the original charter developed in 2002 to reflect the growth of the IWG from an important "almost neighborhood" sharing of best practices to what it is today, members across Federal Departments and Agencies;
3. Establish a web-based user group, such as a Yahoo or Google account that we can post and link information to, maintain our member list and share information. *This is an area that we can use immediate help. If you can assist, please contact me.*
4. Conduct a survey of our membership to understand what disciplines and roles our members play in the Emergency Management and Preparedness arena;
5. Understand regulatory and industry issues that affect preparedness and response issues;
6. Understand the level of preparation and planning that has occurred and for what types of scenarios, as a means of focusing our energies to identify best practices.

I am very excited about the future of our organization and the important role we play within the Federal System and look forward to your ideas, input and most importantly, your participation in shaping our organization. We actively need volunteers to fill roles and enhance the benefits of our organization. Please feel free to contact me at [redacted]@frb.gov or [redacted].

Best Regards,

[redacted]

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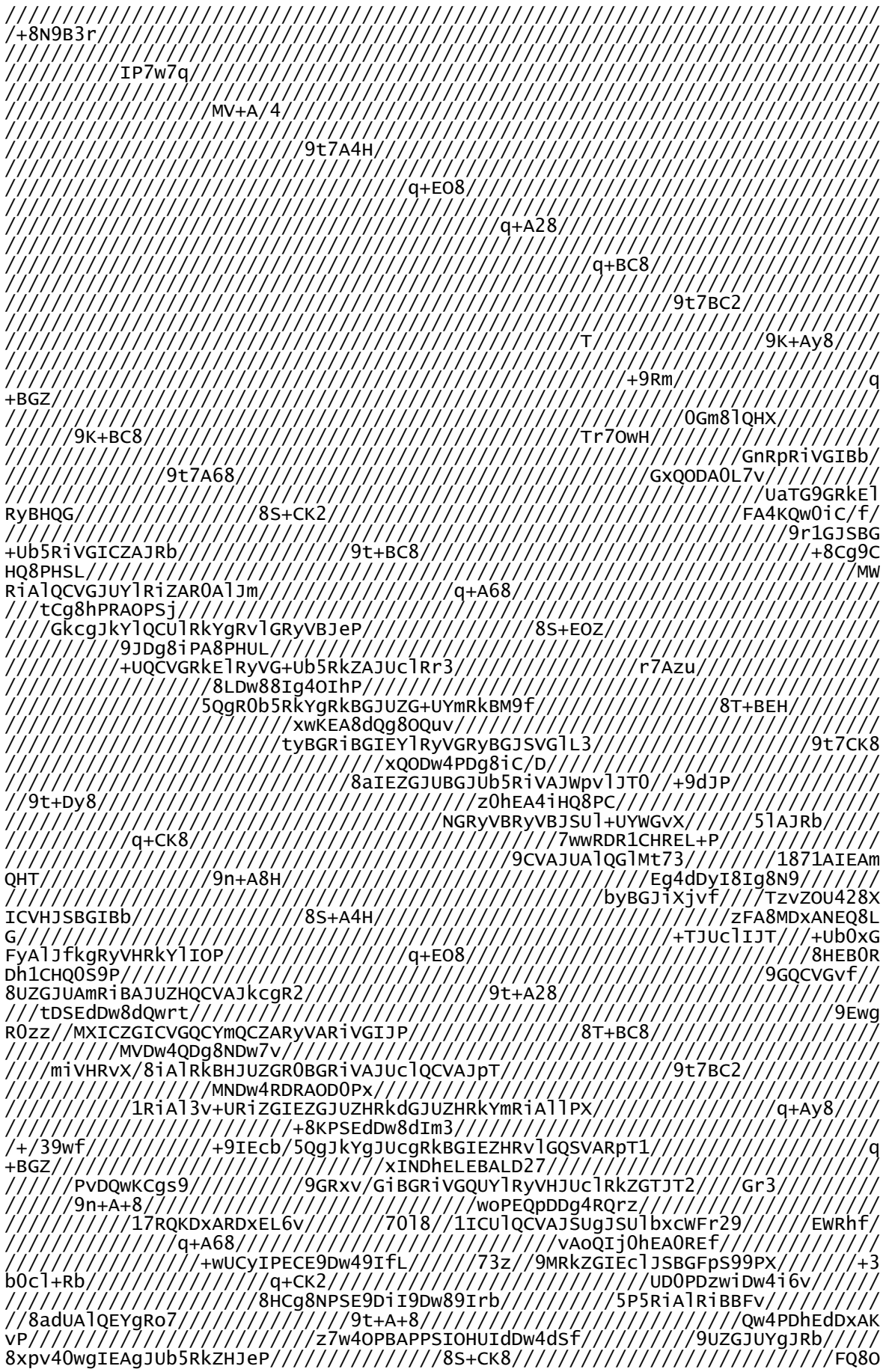

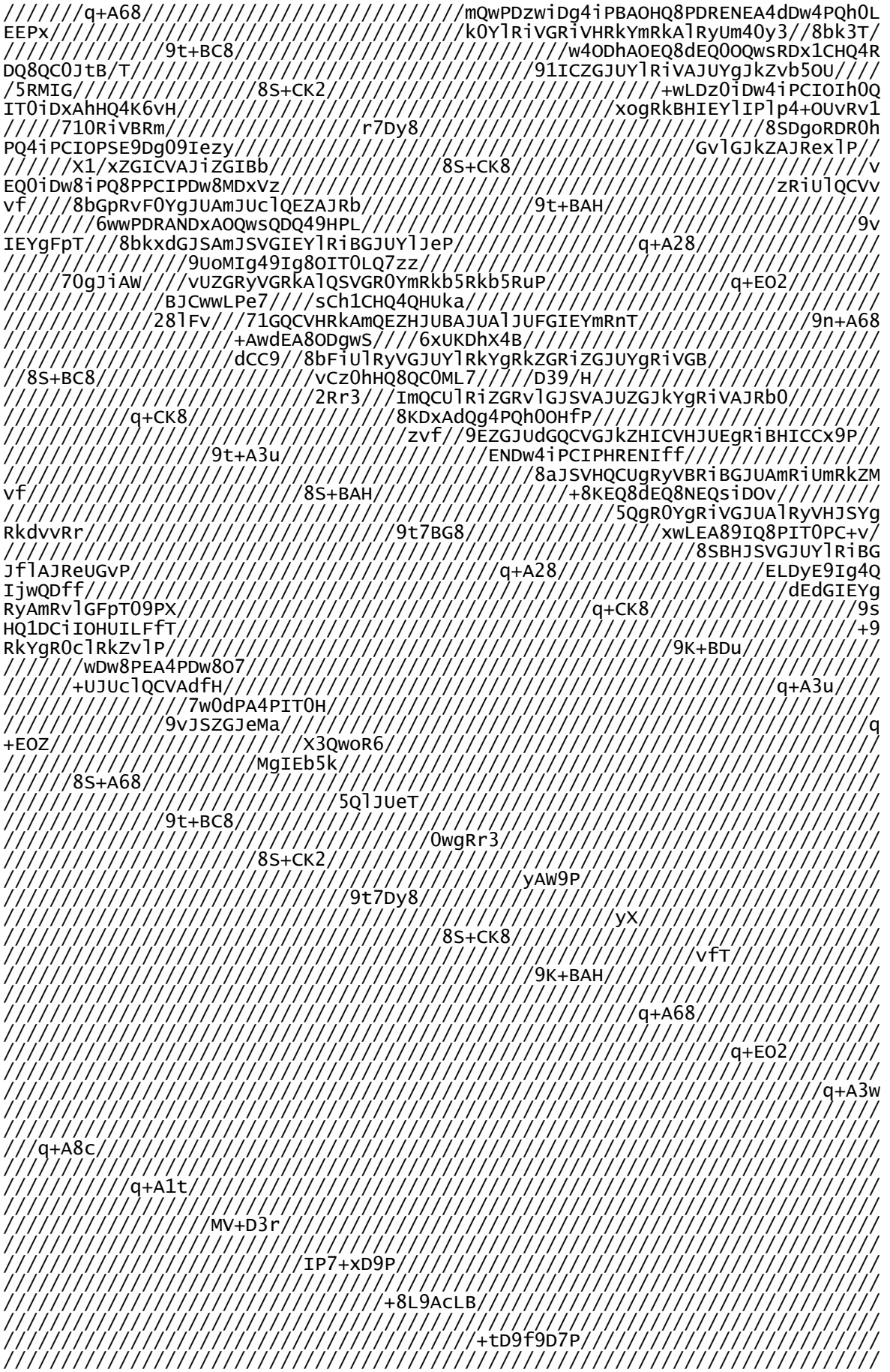

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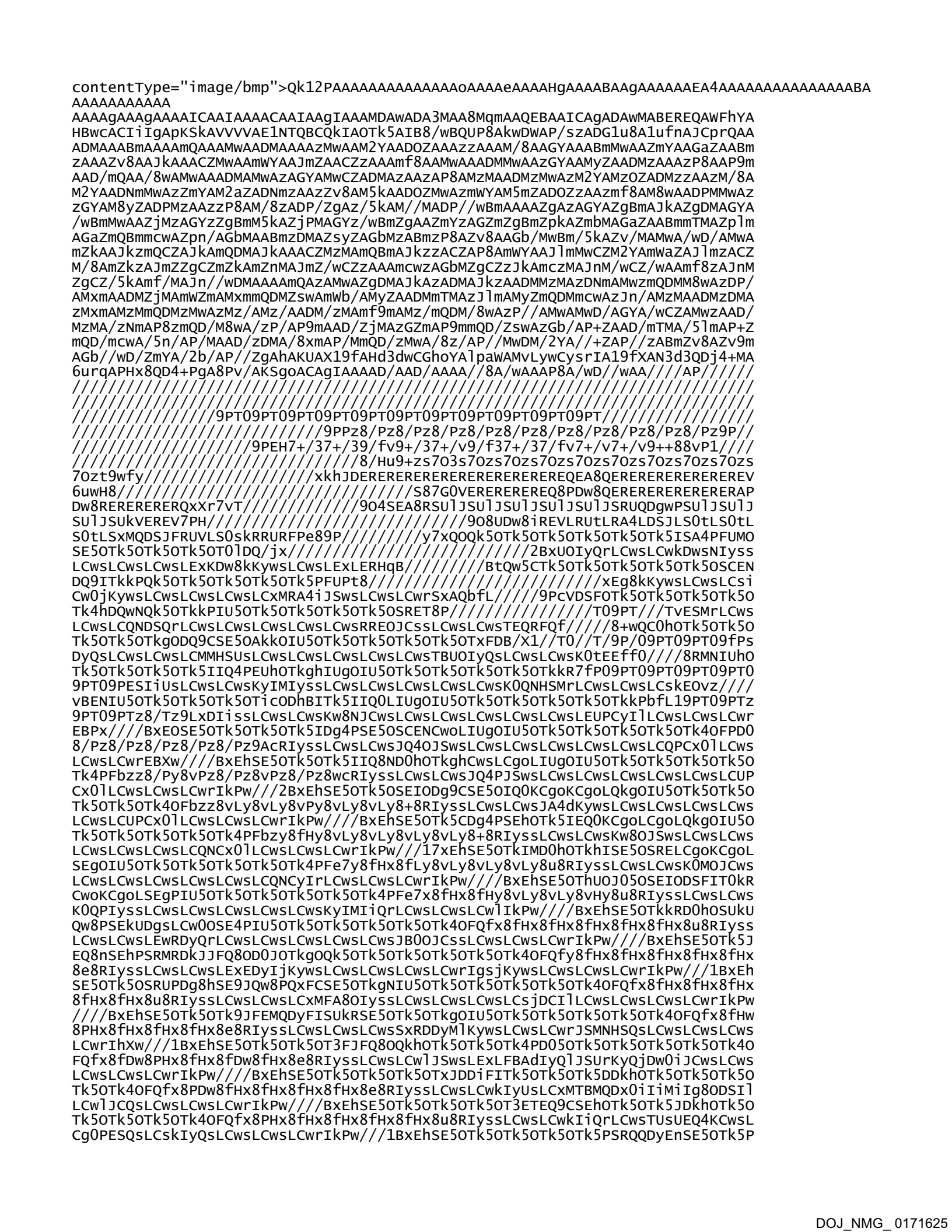
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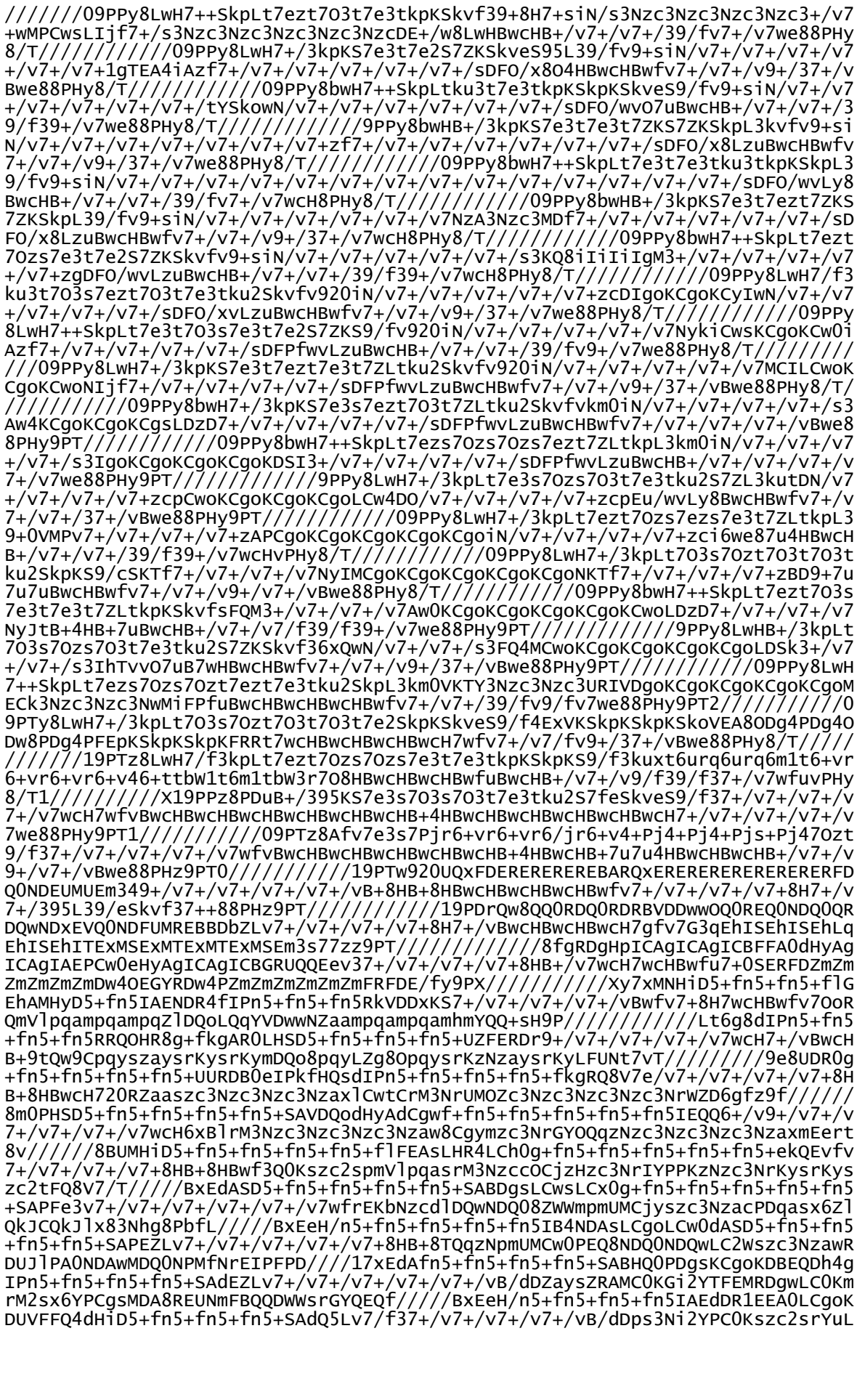

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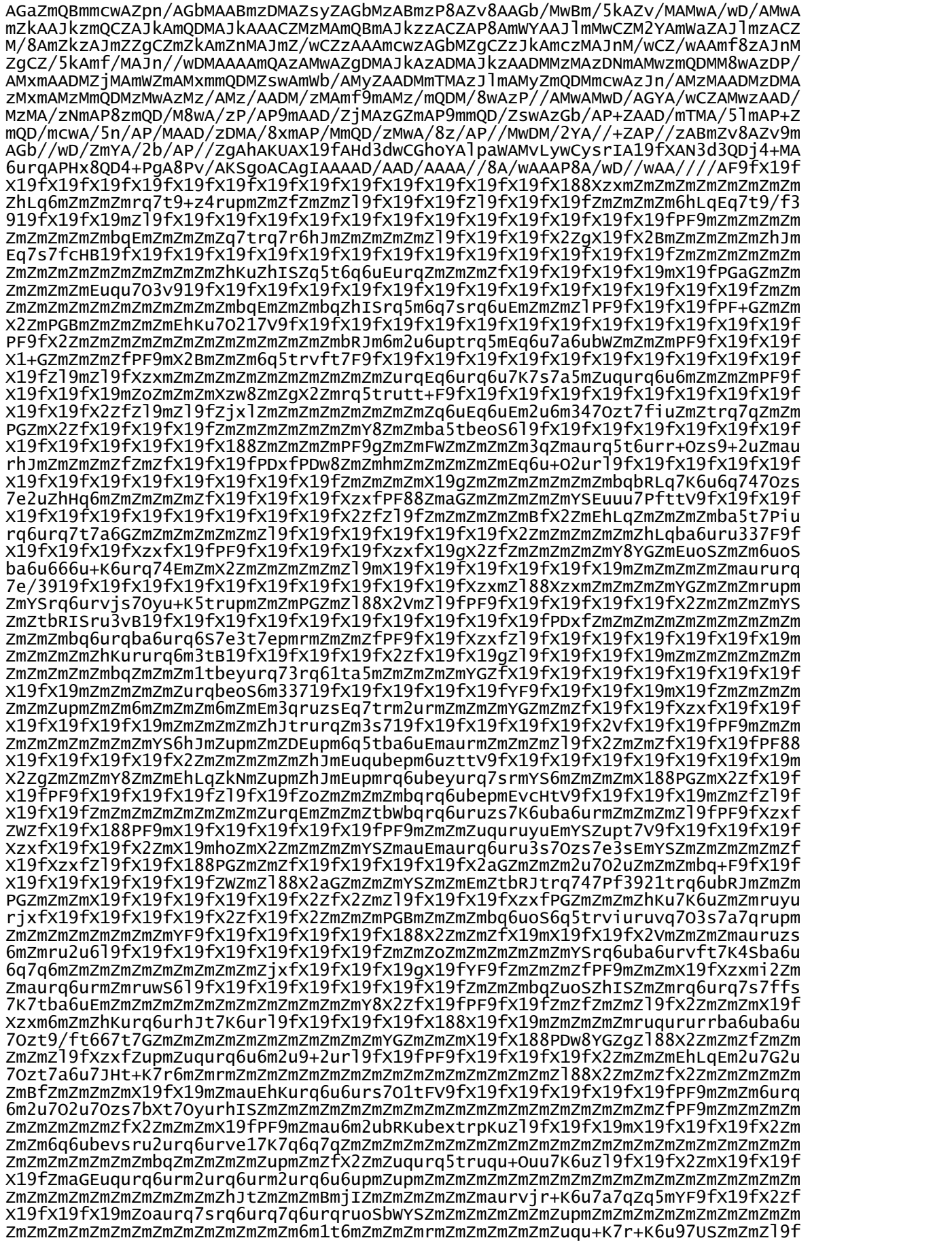

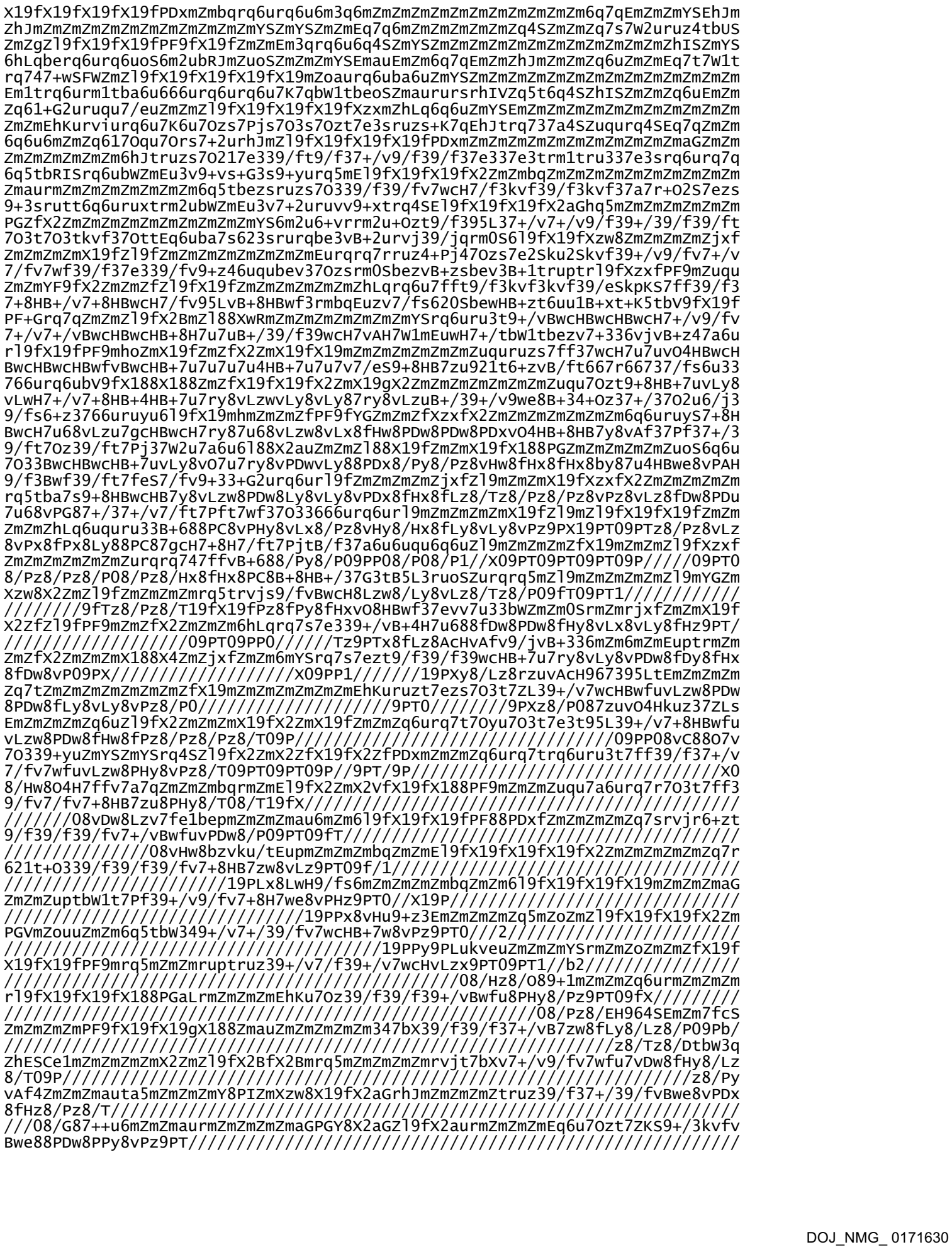

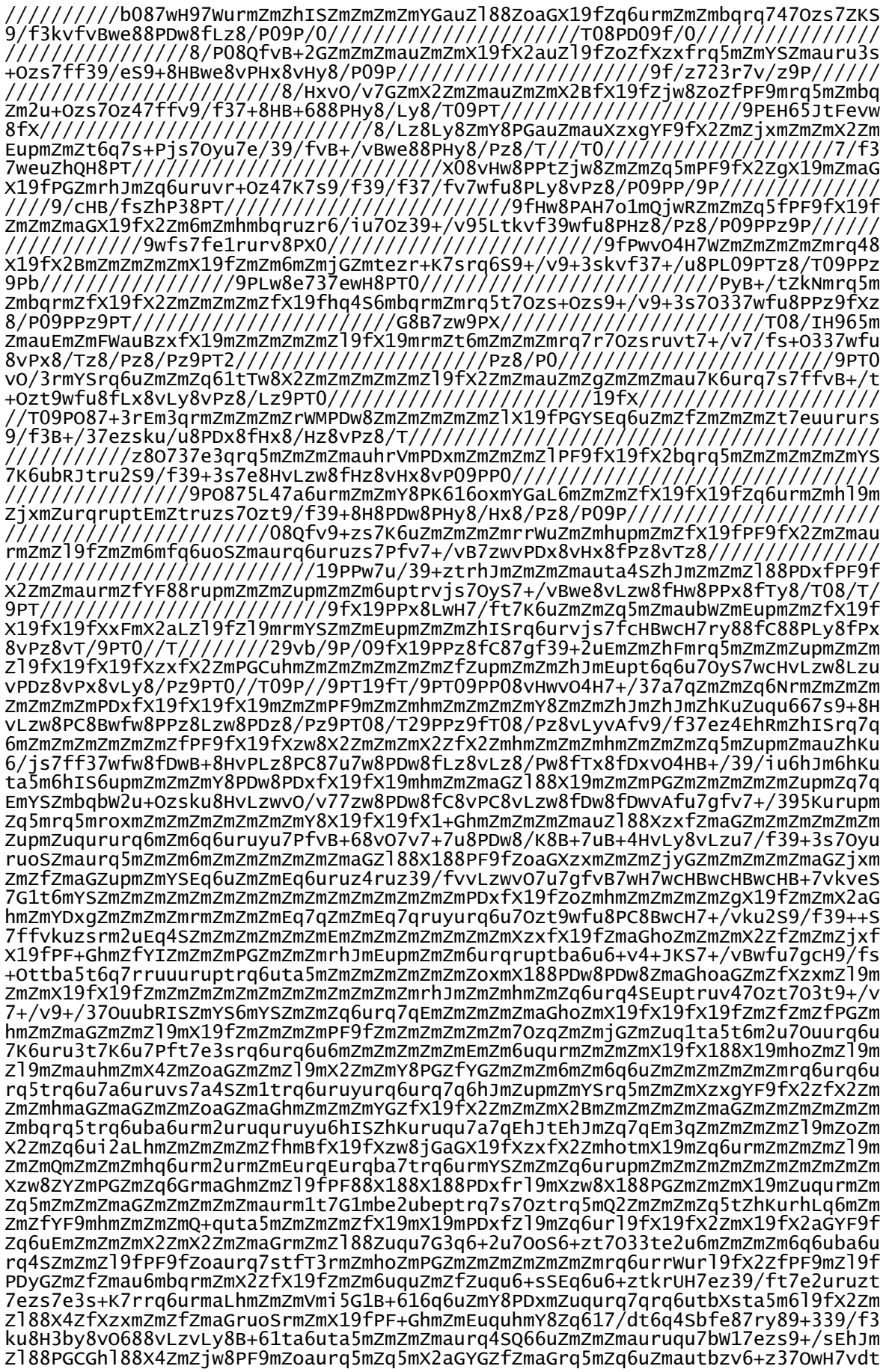

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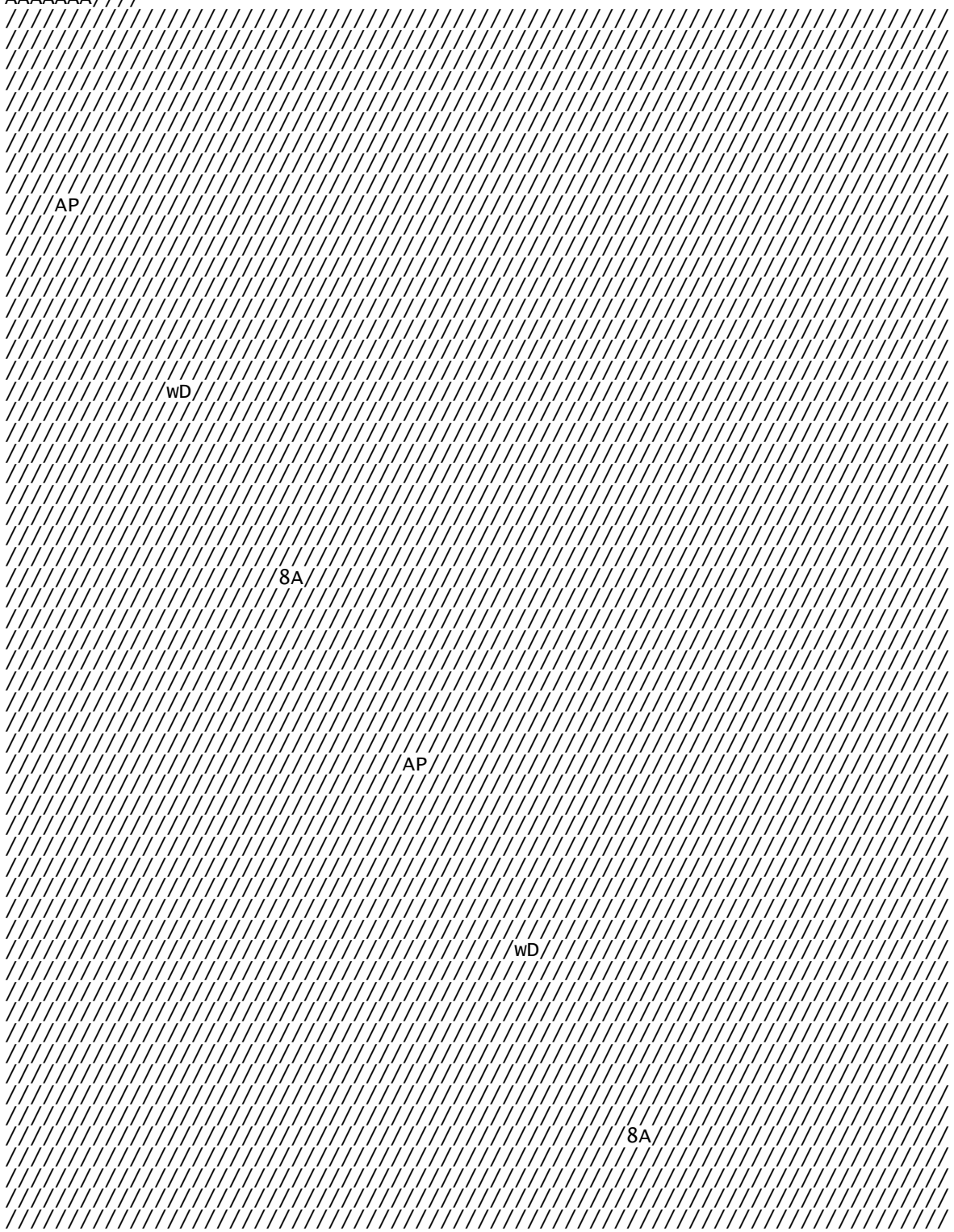

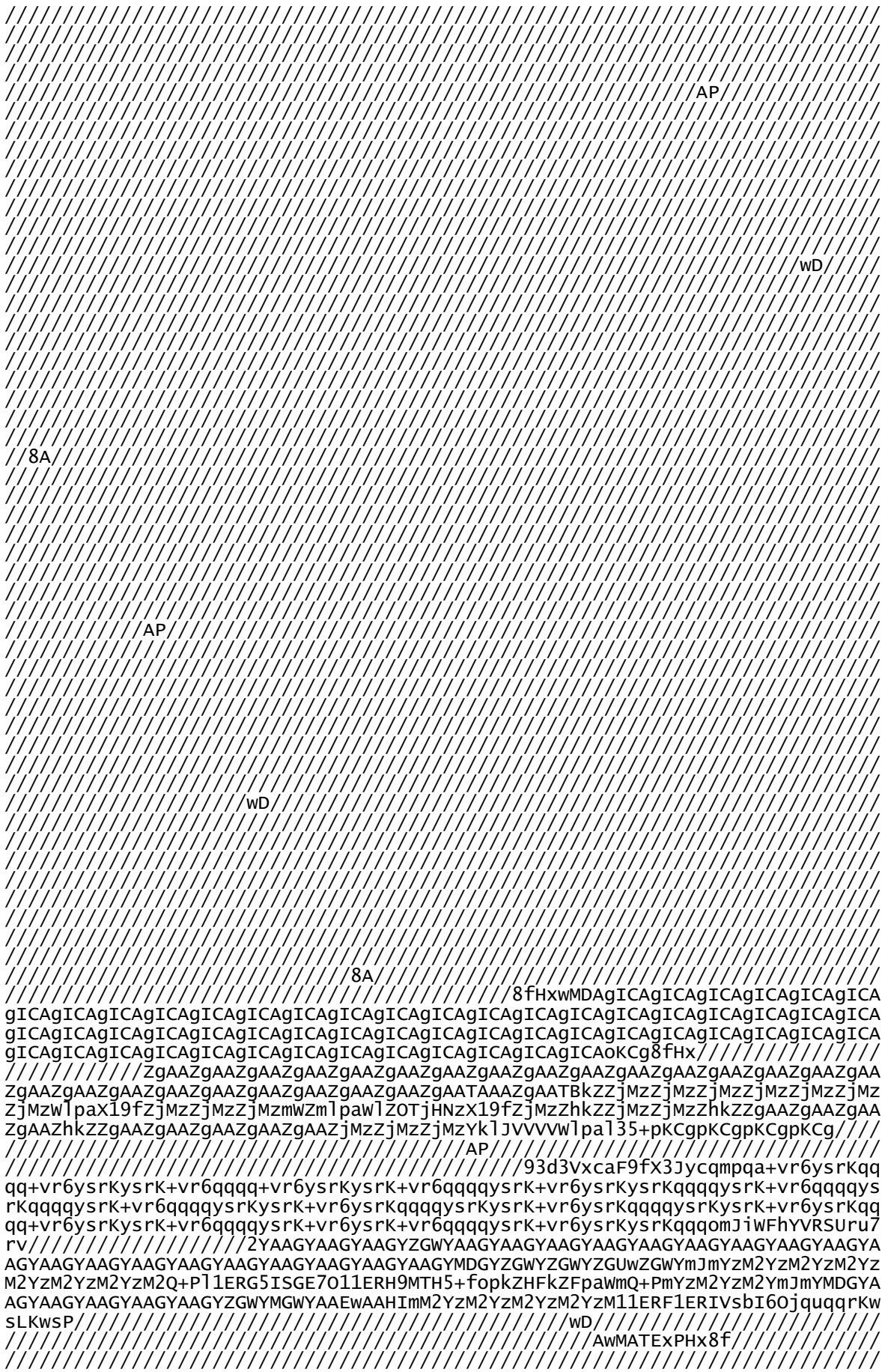
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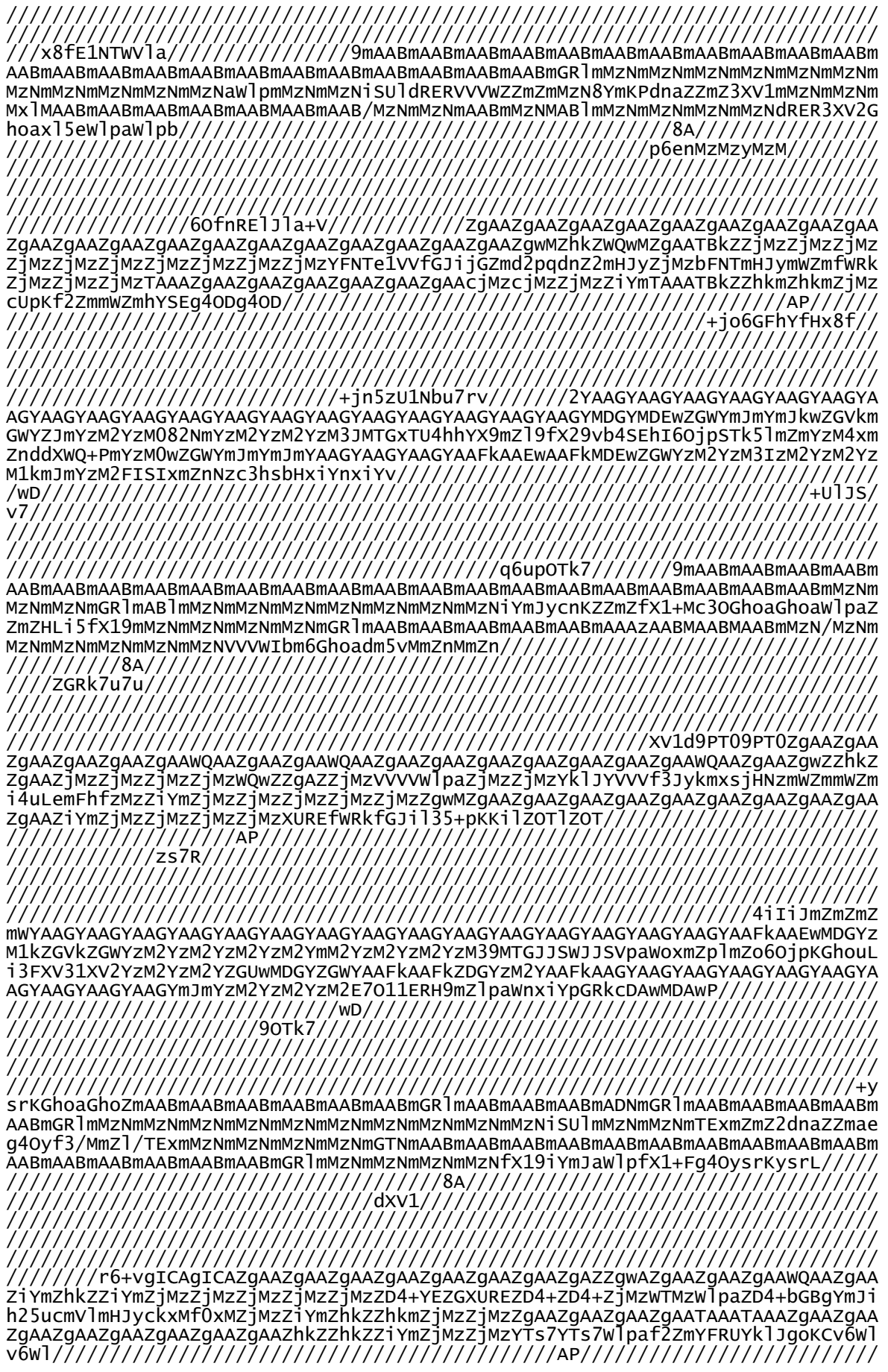
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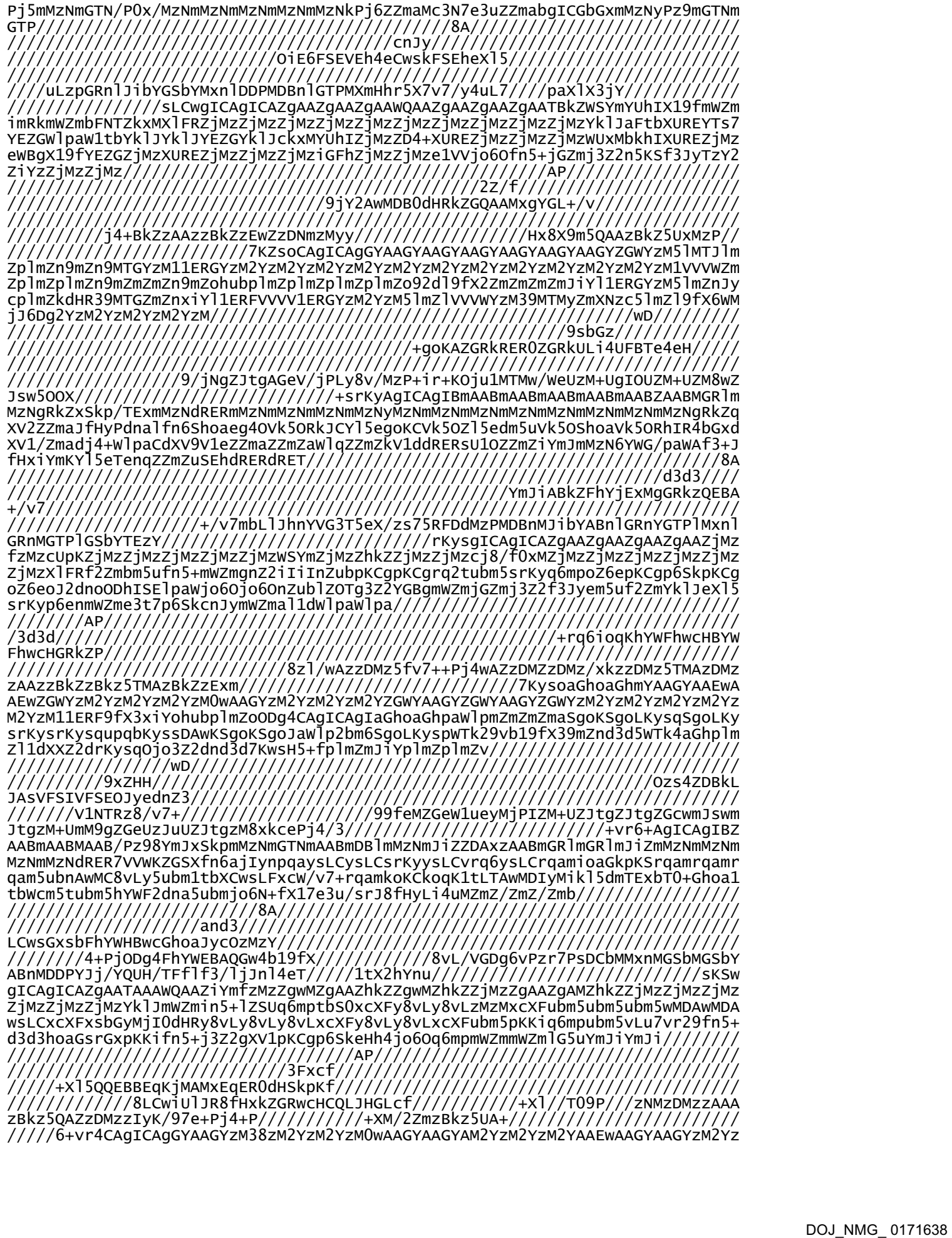
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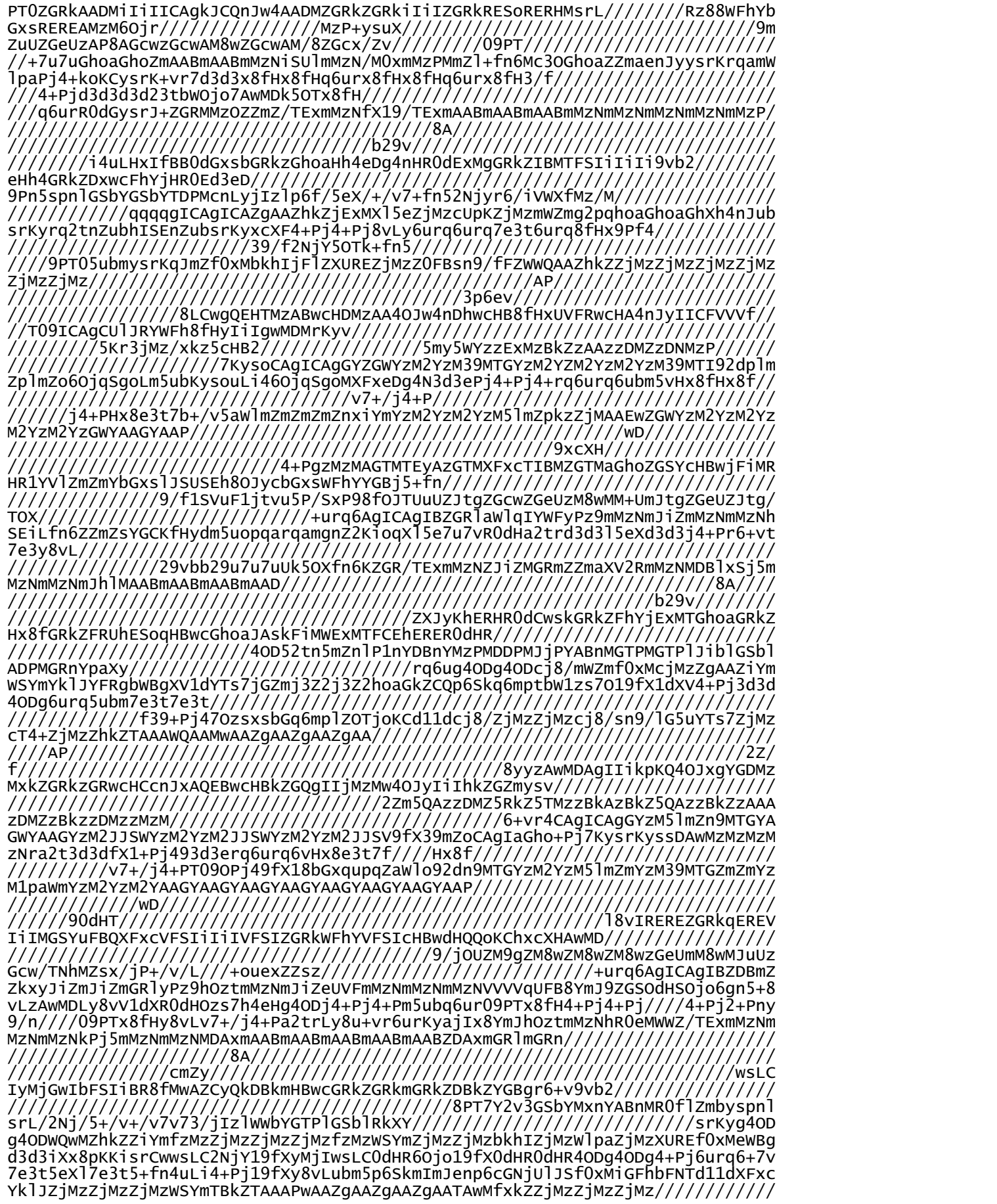

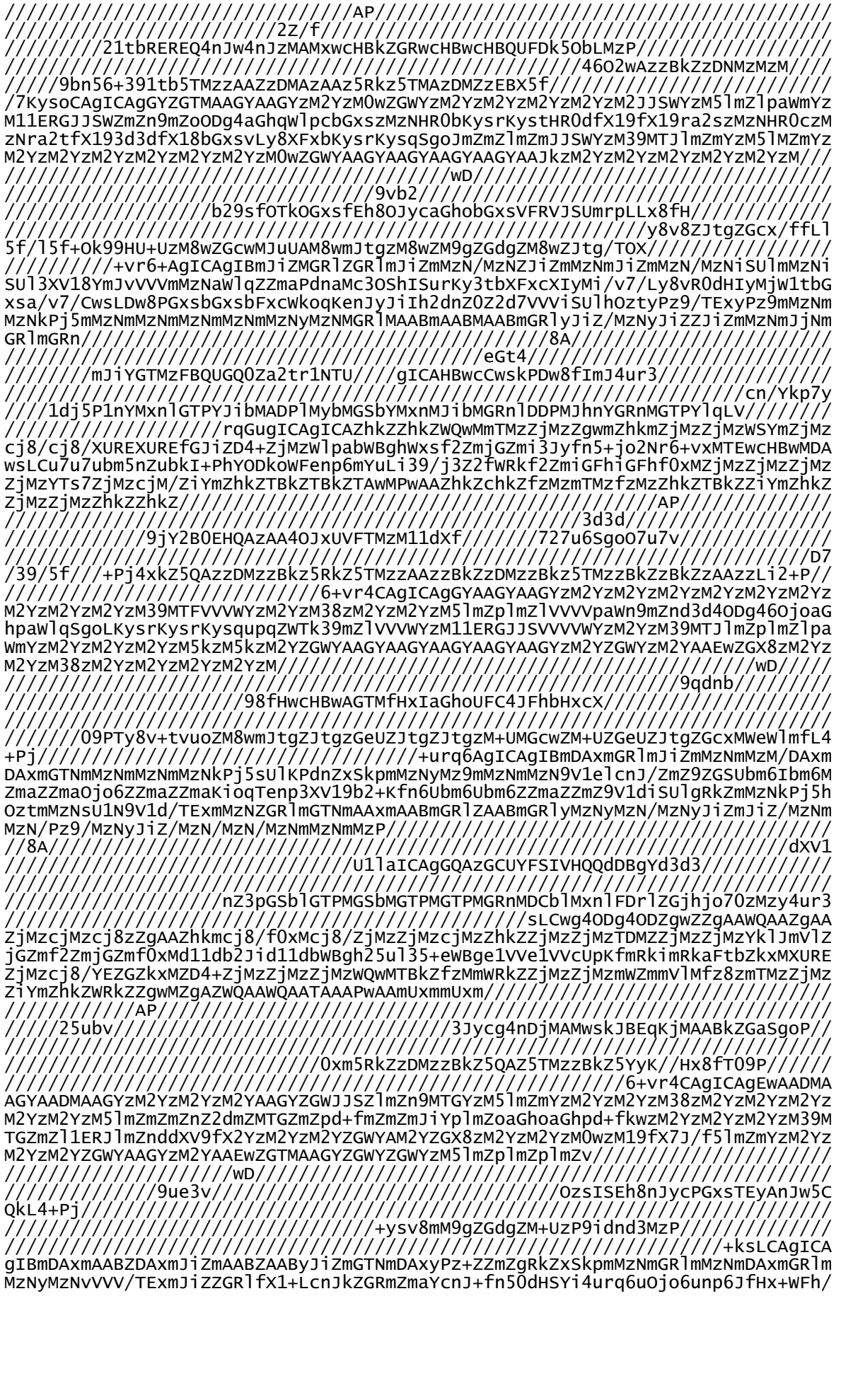
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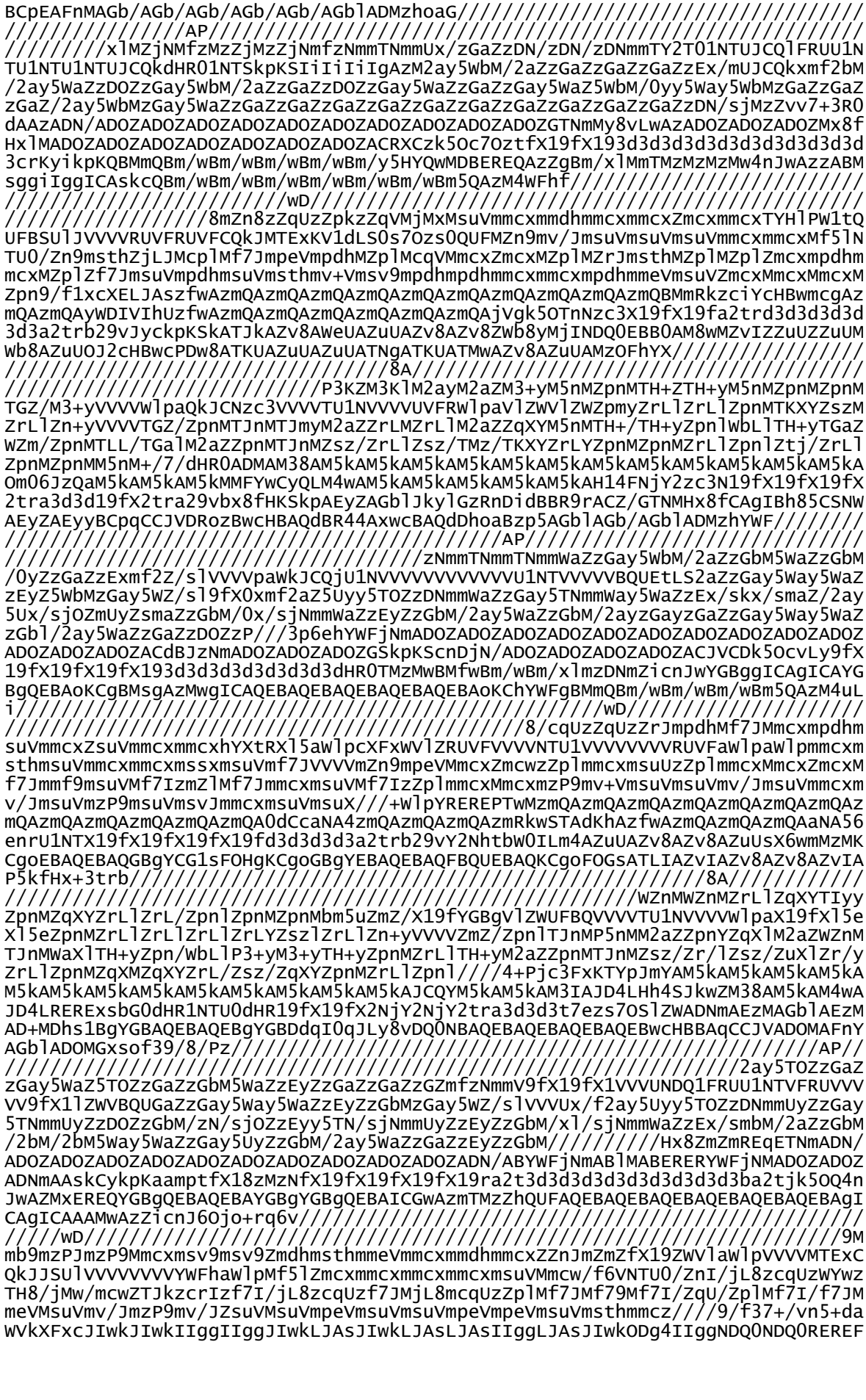

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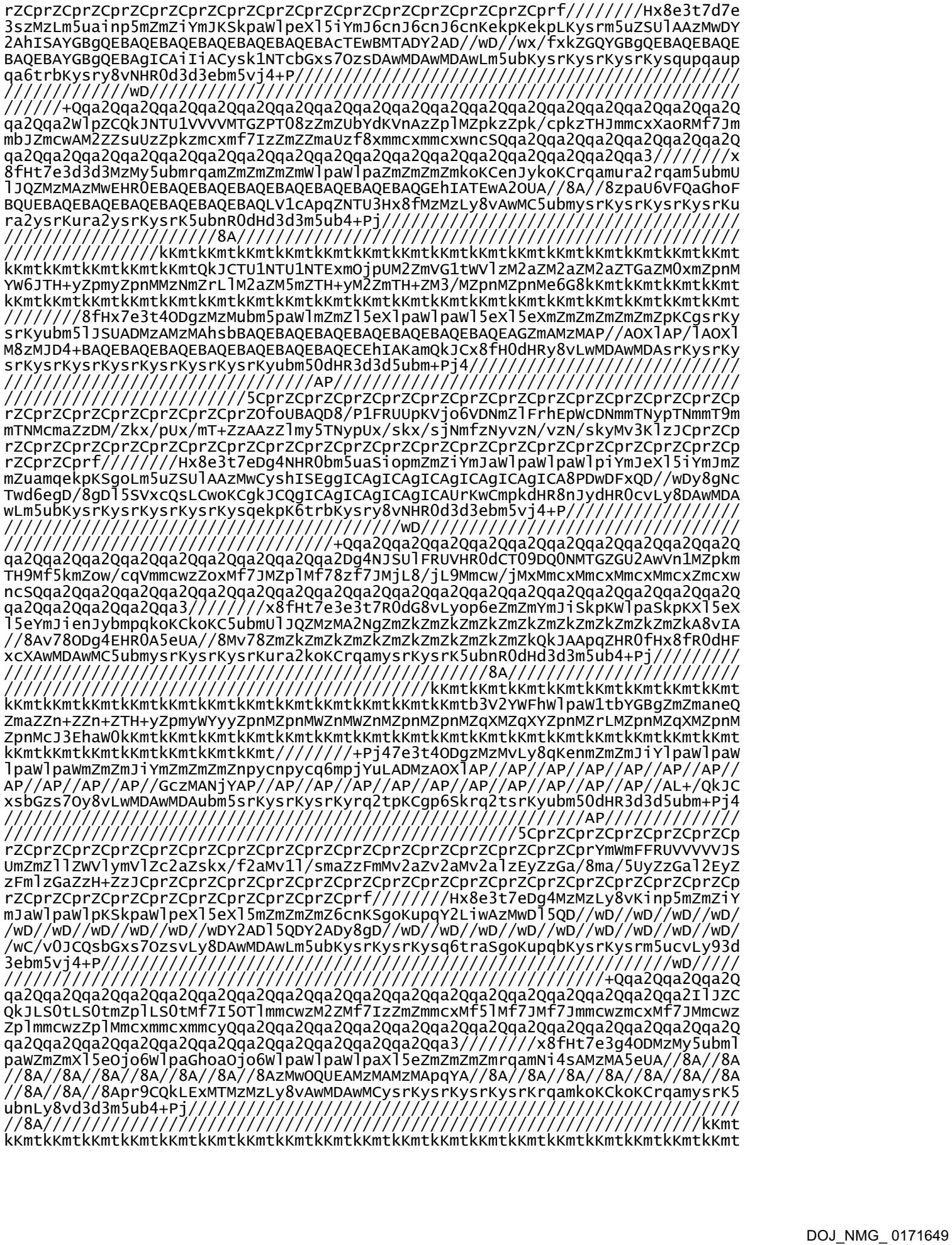

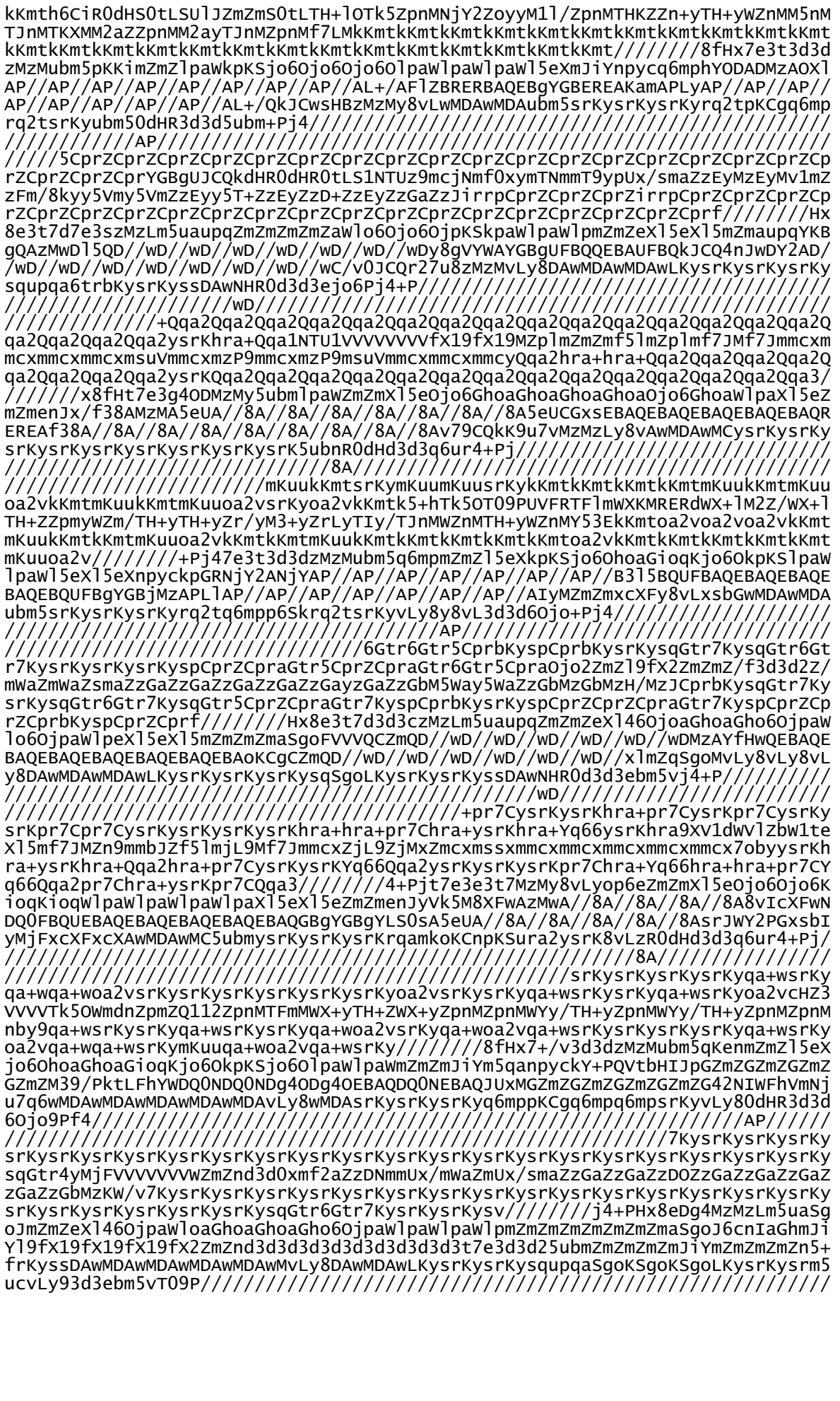

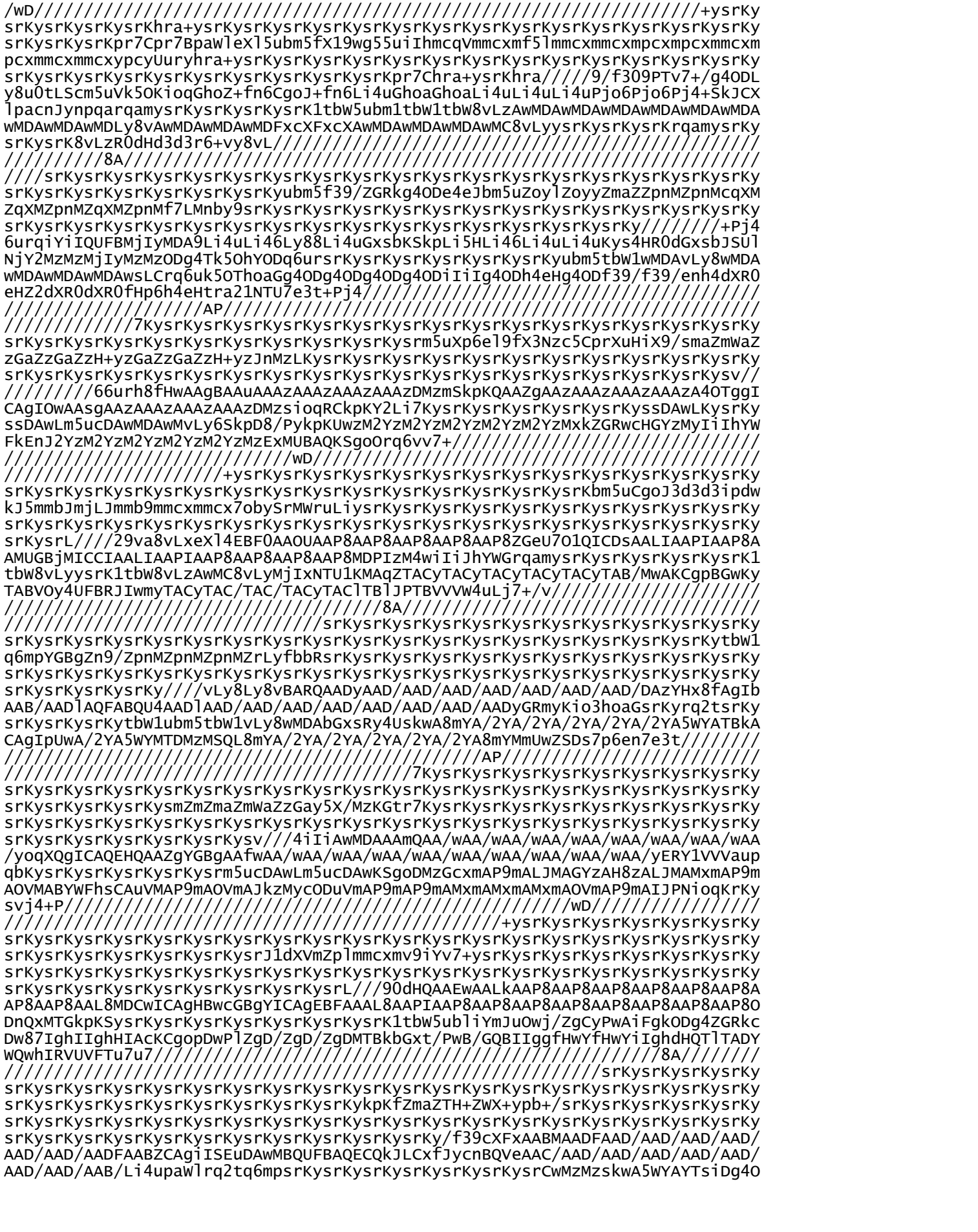

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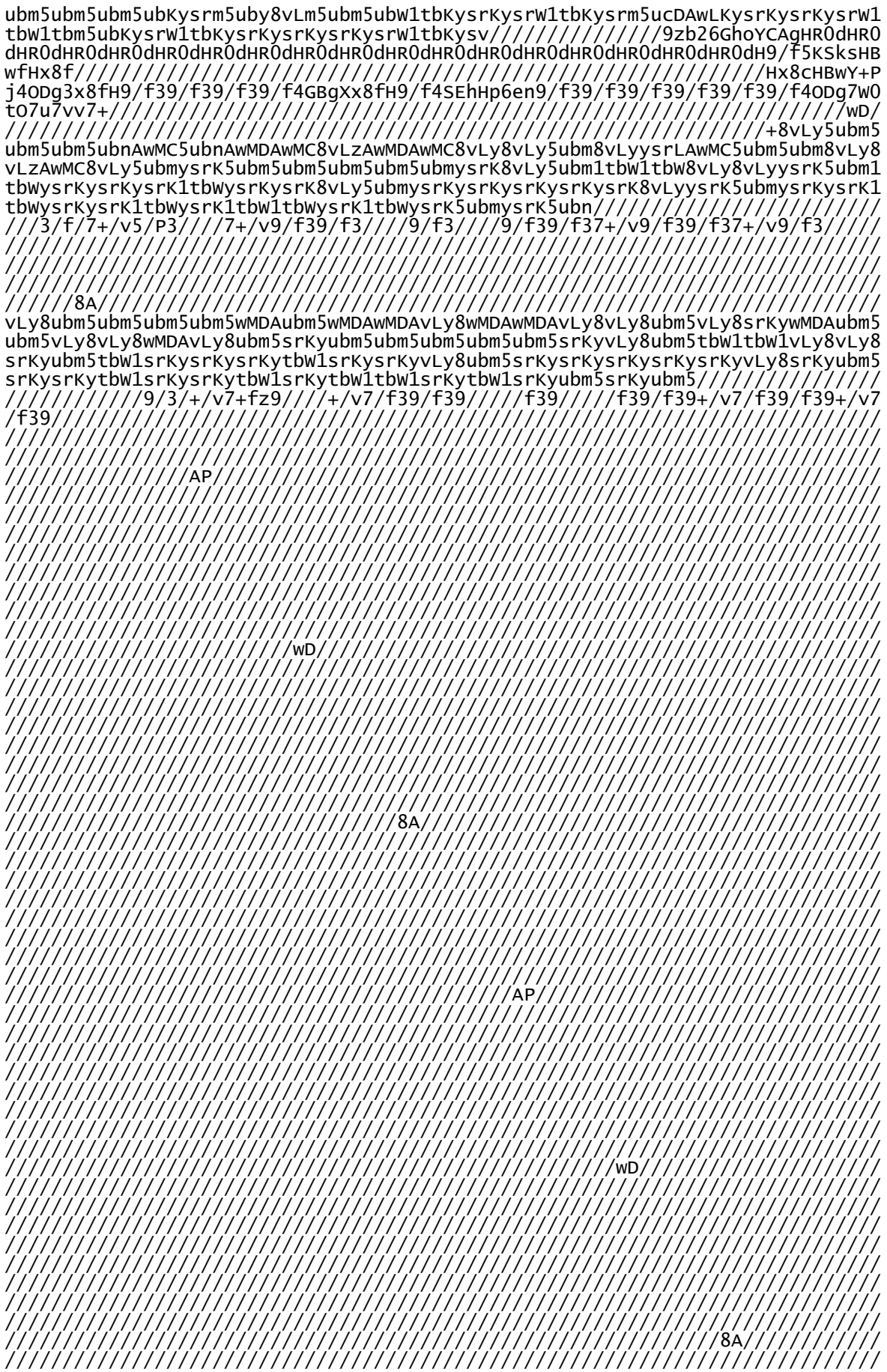

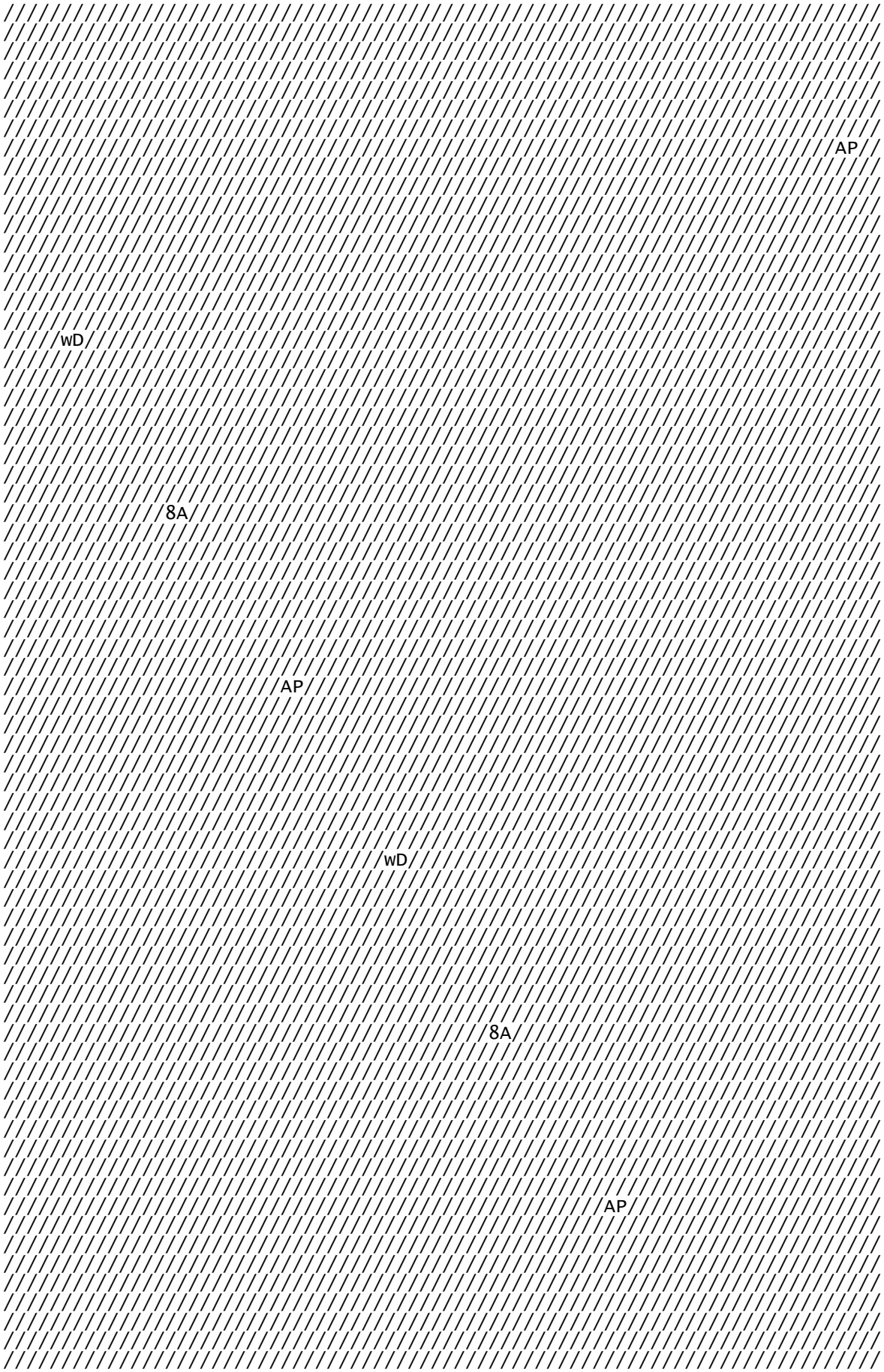
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Foster an understanding of Emergency
Preparedness and COOP relationship, leveraging our respective expertise to a level of
achievement that unconditionally recognizes that one cannot exist without the
other.Â </p><p
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style="tab-interval:0.5in;tab-stops:left 1in;font-family:'Times New
Roman';font-size:12pt">In going forward into 2007, I will suggest some changes and ideas
that we can address in the next several months that I believe would strengthen our
organization:</p><p style="tab-interval:0.5in;tab-stops:left 1in;font-family:'Times New
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style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
0.5in;font-family:'Times New Roman';font-size:12pt">1.Â Â
Codify the day to day functioning of the IWG into an official structure that
includes: Chairman, Vice-Chairman, Secretary, Program Chair, and Liaisons to the
numerous interlinked groups, such as Facilities, Security, Health and Safety and
COOP;</p><p style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
0.5in;font-family:'Times New Roman';font-size:12pt">2.Â Â
Update the original charter developed in 2002 to reflect the growth of the IWG
from an important â€œalmost neighborhoodâ€ sharing of best practices to what it is
today, members across Federal Departments and Agencies;</p><p
style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
0.5in;font-family:'Times New Roman';font-size:12pt">3.Â Â
Establish a web-based user group, such as a Yahoo or Google account that we can
post and link information to, maintain our member list and share information.<span
style="xfa-spacerun:yes">Â This is an area that
we can use immediate help.Â If you can assist,
please contact me.Â </p><p
style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
0.5in;font-family:'Times New Roman';font-size:12pt">4.Â Â
Conduct a survey of our membership to understand what disciplines and roles our
members play in the Emergency Management and Preparedness arena;<span
style="xfa-spacerun:yes">Â </p><p
style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
0.5in;font-family:'Times New Roman';font-size:12pt">5.Â Â
Understand regulatory and industry issues that affect preparedness and response
issues;</p><p
style="margin-left:18pt;text-indent:-18pt;tab-interval:0.5in;tab-stops:left
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Understand the level of preparation and planning that has occurred and for what
types of scenarios, as a means of focusing our energies to identify best
practices.</p><p style="tab-interval:0.5in;tab-stops:left 0.5in;font-family:'Times New
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style="tab-interval:0.5in;tab-stops:left 0.5in;font-family:'Times New
Roman';font-size:12pt">I am very excited about the future of our organization and the
important role we play within the Federal System and look forward to your ideas, input
and most importantly, your participation in shaping our organization.<span
style="xfa-spacerun:yes">Â We actively need volunteers to fill roles and enhance
the benefits of our organization.Â Please feel
free to contact me atÂ <span
style="color:#0000ff;text-decoration:underline">IWGEP@frb.gov or
202-452-3033.</p><p style="tab-interval:0.5in;tab-stops:left 0.5in;font-family:'Times
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INTERAGENCY WORKING GROUP
ON
FEDERAL WORKPLACE EMERGENCIES

1 November 2006 1:00 PM – 3:00 PM
U.S. Department of Agriculture (USDA),
Independence Ave, 12th St., SW.,
Washington, D.C.
MEETING NOTES

1. [redacted] opened the meeting. There were 50 participants from 26 agencies in attendance.

The November 1, 2006 Interagency Working Group on Federal Workplace Emergencies was held at the U.S. Department of Agriculture (USDA), Emergency Preparedness Operations' Center. The topics of the meeting included the development and implementation of the Special Needs Specialist position and the inclusion of USDA staff and visitors with disabilities in the USDA Emergency Preparedness Program and an overview of "Preparing the Workplace for Everyone: Accounting for the Needs of People with Disabilities."

2. [redacted], USDA Emergency Preparedness Program Director and [redacted] Director, USDA Technical Accessible Resources Gives Employment Today (TARGET) Center providing an overview of the USDA emergency preparedness and response systems. Mr. [redacted] explained the Incident Command System (ICS) with the addition of a "Special Needs Advisor" as an additional member of the Command Staff. The role of the ICS Disability Advisor is to conduct continuous research on up-to-date topics related to helping those with special needs in an emergency, investigate options for emergency preparedness, identify the special needs of all personnel and how to implement accommodations for these persons, attend all emergency management meetings, develop a list of contacts, facilitate cooperation, and "pick and choose the battles."

The USDA conducts four formal drills a year with fire department involvement. The USDA emergency planning includes procedures and consideration of evacuation, and communication systems for all special need groups including: the blind and low vision, deaf and hard of hearing, and persons with mental or cognitive disorders; in addition to considering persons with temporary disability, multiple disability, hidden disabilities and visitors.

The components of the USDA emergency plan include:

- Review of all emergency policies and procedures including special communication systems (public address systems & ROAM secure text messaging – refer to: http://www.roamsecure.net/
- Personnel participation in exercises and events
- Review of all wardens, training and duties
- Evacuation devices

3. [redacted], Disability Employment Liaison, Office of Personnel Management (OPM), will be speaking as a member of the Interagency Coordinating Council (ICC) Workplace Subcommittee. She presented an overview of the ICC Framework of Emergency Preparedness Guidelines for Federal Agencies, "Preparing the Workplace for Everyone: Accounting for the Needs of People with Disabilities." She also reminded everyone that the U.S. Access Board is the leading organization for information and design criteria for all types of accessibility. Refer to: http://www.access-board.gov/. It was noted that there are no comprehensive standards or design criteria for sheltering in place or for design criteria for evacuation devices for those with special needs.

4. [redacted] introduced the new chairperson for the IWG-FWE, [redacted], Federal Reserve Board, and thanking everyone for their support during her tenure as the chairperson. [redacted], provided his vision and overview how he would like to see the group develop.

DOJ_NMG_ 0171658

5. Future Meetings and Topics: Your input is welcomed! Email IWGEP@FRB.GOV

Attendees: 1 November 2006

Agency	ATTENDEES	E-MAIL
USDA	[redacted]	[redacted]@roamsecure.net [redacted]@roamsecure.net [redacted]@usda.gov [redacted]@usda.gov
Federal Reserve Board	[redacted]	[redacted]@frb.gov [redacted]@frb.gov
DHS	[redacted]	[redacted]@dhs.gov [redacted]@dhs.gov [redacted]@dhs.gov [redacted]@dhs.gov
DOT / FAA	[redacted]	[redacted]@faa.gov
MWCOG	[redacted]	[redacted]@mwcog.org
EPA	[redacted]	[redacted]@epa.gov [redacted]@epa.gov [redacted]@epa.gov
U. S. Access Board	[redacted]	[redacted]@nod.org [redacted]@nod.org [redacted]@Access-Board.gov [redacted]@Access-Board.gov
GPO	[redacted]	[redacted]@gpo.gov [redacted]@gpo.gov [redacted]@gpo.gov [redacted]@gpo.gov
National Gallery of Art	[redacted]	[redacted]@nga.gov
NAVY / CNO	[redacted]	[redacted]@navy.mil
National Guard Bureau	[redacted]	[redacted]@ngb.ang.af.mil
HUD	[redacted]	[redacted]@hud.gov
GSA	[redacted]	[redacted]@gsa.gov [redacted]@gsa.gov
OPM	[redacted]	
DOL	[redacted]	[redacted]@dol.gov [redacted]@dol.gov [redacted]@dol.gov
U.S. Park Police	[redacted]	[redacted]@nps.gov
U.S. Postal Service	[redacted]	[redacted]@usps.gov [redacted]@usps.gov
U.S. Senate	[redacted]	[redacted]@scc.senate.gov [redacted]@scc.senate.gov
Treasury	[redacted]	[redacted]@do.treas.gov
Library of Congress	[redacted]	[redacted]@loc.gov
Department of State	[redacted]	[redacted]@state.gov [redacted]@state.gov
Department of Energy	[redacted]	[redacted]@hq.doe.gov
OPIC	[redacted]	[redacted]@opic.gov
Peace Corps	[redacted]	[redacted]@peacecorps.gov

Agency	ATTENDEES	E-MAIL
USAID	[redacted]	[redacted]@USAID.gov
SEC	[redacted]	[redacted]@sec.gov
	[redacted]	[redacted]@sec.gov
Army	[redacted], Headquarters	[redacted]@us.army.mil

System Administrator

From: System Administrator
Sent: Thursday, December 14, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 981416 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 14, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 981417 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 3:20 PM
To: USDOJ- Office of Public Affairs
Subject: BEAVERTON MAN PLEADS GUILTY TO PRODUCING CHILD PORNOGRAPHY VIA "WEBCAM"

Department of Justice

United States Karin J. Immergut
District of Oregon

FOR IMMEDIATE RELEASE
CONTACT: DIANE PETERSON
THURSDAY, DECEMBER 14, 2006

PHONE: (503) 727-1066

WWW.USDOJ.GOV/USAO/OR

FAX: (503) 727-1117

BEAVERTON MAN PLEADS GUILTY TO PRODUCING CHILD PORNOGRAPHY VIA "WEBCAM"

PORTLAND, ORE. – A Beaverton, Oregon, man, Joshua Kistler, has pleaded guilty pursuant to a plea agreement in Portland, Oregon, to a charge of producing child pornography, announced United States Attorney Karin J. Immergut. Sentencing was set by U.S. District Court Judge Ancer J. Haggerty for Feb. 26, 2007 at 9:30 a.m. Kistler had been indicted on the charge on May 24, 2005 after an investigation by the Federal Bureau of Investigation.

During his plea, Kistler admitted that during the summer and fall of 2004, he began engaging in online chat sessions with a minor female in Utah. He stated that during these conversations he pretended to be a l5-year old boy and actually sent images of an actual l5-year old minor to the minor female to convince her of his age. Through the course of their relationship, Kistler repeatedly talked with the minor female about sexual subjects and requested that she engage in sexual acts in front of her "webcam." When the minor engaged in these acts, Kistler was able to view and record them, which he did on several occasions.

Kistler could be sentenced to a term in prison of a minimum of l5 years and up to 30 years, pursuant to his plea of guilty. Kistler also faces a possible term of lifetime supervised release following any term in prison and a potential fine of up to $250,000. Kistler has agreed to forfeit any and all child pornography and related computer equipment seized pursuant to the investigation.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via

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the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

This case was investigated by the Federal Bureau of Investigation and prosecuted by Oregon Assistant U.S. Attorney Greg Nyhus and Trial Attorney Steve Grocki of the U.S. Dept of Justice in Washington, D.C. Questions may be referred to Greg Nyhus at 503-727-1015 or Diane Peterson, Public Information Officer, at 503-727-l066.

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Image not available for this document, ID: 0.7.10316.14993-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 3:25 PM
To: USDOJ- Office of Public Affairs
Subject: UTAH MAN SENTENCED TO 24 MONTHS IN PRISON FOR BRINGING DOWN WIRELESS INTERNET SERVICES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 14, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

UTAH MAN SENTENCED TO 24 MONTHS IN PRISON FOR BRINGING DOWN WIRELESS INTERNET SERVICES

WASHINGTON – A man skilled in the operation of commercial wireless Internet networks was sentenced today for intentionally bringing down wireless Internet services across the region of Vernal, Utah, the Justice Department announced today.

Ryan Fisher, 24, of Vernal, was sentenced to 24 months in prison to be followed by 36 months of supervised release for intentionally damaging a protected computer. U.S. District Judge Paul G. Cassell also ordered the defendant to pay $65,000 in restitution.

Fisher was charged on Feb. 15, 2006, in a one-count criminal indictment. The defendant worked for SBT Internet, which provided Internet service to residential and business customers around Vernal using wireless radio signals between SBT's radio towers and its customers' wireless access points.

Fisher left SBT over business and financial disputes and went on to work for, and eventually own, another Internet service provider in the area. Fisher admitted that he then used SBT's computer passwords to take control of SBT's network and reprogram its customers' wireless access points to cut off their Internet service, including the service of one customer who was relying on electronic mail for news of an organ donor. He intentionally reprogrammed the access points to complicate SBT's repair efforts which resulted in jammed wireless Internet airwaves that affected others outside SBT's network, including another wireless Internet service and its customers. In total, more than 170 customers lost Internet service, some of them for as long as three weeks, and collectively caused more than $65,000 in losses.

The case was investigated by the FBI. The case was prosecuted by Senior Counsel Scott L. Garland and Trial Attorney Josh Goldfoot of the Computer Crime and Intellectual Property Section and Assistant U.S. Attorneys Leshia Lee-Dixon and Jonathan Boyd of the District of Utah.

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DOJ_NMG_ 0171668

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Image not available for this document, ID: 0.7.10316.14991-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 3:28 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT ANTI-GANG SUMMIT AND PARTICIPATE IN MEDIA AVAILABILITY

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, DECEMBER 14, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT ANTI-GANG SUMMIT AND PARTICIPATE IN MEDIA AVAILABILITY

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks on Department of Justice efforts to combat crime at an Anti-Gang Summit in Boston followed by a media availability on **FRIDAY, DECEMBER 15, 2006.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks at Anti-Gang Summit
Media Availability

WHEN: **FRIDAY, DECEMBER 15, 2006**
10:00 A.M. EST
Media Availability Will Immediately Follow Remarks

WHERE: **REMARKS**
Rooms 253 A & B
Boston Convention & Exhibition Center
415 Summer Street
Boston, Mass.
OPEN PRESS

MEDIA AVAILABILITY
Room 256
Boston Convention & Exhibition Center
415 Summer Street
Boston, Mass.

DOJ_NMG_ 0171671

OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 9:30 A.M. EST. Media wishing to cover the Attorney General's media availability should proceed to Room 256 immediately following remarks, arriving no later than 10:30 A.M. EST. Press inquiries regarding logistics should be directed to Theresa Pagliocca of the Department of Justice at (202) 532-3486 or Samantha Martin of the U.S. Attorney's Office at (617) 748-3139.

# # #

06-839

DOJ_NMG_ 0171672

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Image not available for this document, ID: 0.7.10316.14986-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, December 14, 2006 4:03 PM
Subject: Network Service has been Restored to the DOJ Warehouse

Network Service has been Restored to the DOJ Warehouse

JCON Network Service has been restored to the FASS Warehouse in Landover, Maryland.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Thursday, December 14, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 981563 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: BATON ROUGE WOMAN SENTENCED ON FEDERAL FEMA FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 14, 2006
WWW.USDOJ.GOV/USAO/LAM

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

BATON ROUGE WOMAN SENTENCED ON FEDERAL FEMA FRAUD CHARGE

BATON ROUGE, LA – A Louisiana resident was sentenced in federal court today by U.S. District Court Judge James J. Brady on a fraud charge related to hurricane disaster relief programs, U.S. Attorney David R. Dugas announced.

Betty L. Franklin, 54, of Port Allen, La., pleaded guilty to one count of making a false claim for Hurricane Katrina disaster assistance benefits. She was sentenced to three years probation with 50 hours of community service and $2,000 in restitution.

The FBI and the U.S. Department of Homeland Security, Office of Inspector General, conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at eighty-two.

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In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0171678

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Image not available for this document, ID: 0.7.10316.14984-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 14, 2006 5:38 PM
To: USDOJ- Office of Public Affairs
Subject: NEW YORK CITY PUBLIC SCHOOL EMPLOYEE PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE CITY'S DEPARTMENT OF EDUCATION

A PDF of the information is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 14, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

NEW YORK CITY PUBLIC SCHOOL EMPLOYEE PLEADS GUILTY TO CONSPIRACY TO DEFRAUD THE CITY'S DEPARTMENT OF EDUCATION

WASHINGTON — A New York City Public School custodial engineer pleaded guilty today to conspiring to defraud the New York City Department of Education and its predecessor, the Board of Education of the City of New York (collectively NYCDOE), the Department of Justice announced.

Kenneth Loeffler, a custodial engineer and resident of Valley Stream, N.Y., pleaded guilty in U.S. District Court in Manhattan to participating in a conspiracy to commit mail fraud in connection with a kickback scheme used to defraud NYCDOE. Beginning in approximately July 1997 and continuing until at least June 2003, Loeffler received approximately $6,000 in kickbacks in exchange for allocating contracts for industrial cleaning and maintenance supplies to companies associated with his two unnamed co-conspirators. These kickbacks were paid through cash, dinners and tickets to sporting and theater events.
Department's Antitrust Division.

As a NYCDOE custodian, Loeffler was responsible for purchasing goods and services necessary for the maintenance of NYCDOE schools to which he was assigned. In July 1999, NYCDOE began requiring its custodians to engage in competitive bidding before making purchases or awarding contracts worth more than $250 to vendors who were not on NYCDOE's list of approved vendors and to award contracts to the bidder who provided the "maximum quality for the minimum price." Also under the competitive bidding policy, employees are required to submit bid summary sheets for each purchase and to get written bids for purchases or contracts worth more than $5,000.

After NYCDOE's implementation of the competitive bidding policy, Loeffler accepted kickbacks in exchange for ensuring that he would not invite potential competitors who were not co-conspirators to bid on contracts awarded by NYCDOE schools for industrial cleaning and maintenance supplies, the Department said. Also, the Department said that some of the kickbacks Loeffler received were the result of his participation in a phony invoice scheme whereby NYCDOE paid for supplies delivered only in part or never delivered at all.

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Today's case is the second to arise out of an ongoing investigation of fraud and bidding irregularities in the award of contracts for industrial cleaning and maintenance supplies being conducted by the Antitrust Division, the Office of the Special Commissioner of Investigation for the New York City School District and the Federal Bureau of Investigation. In November 2006, a former NYCDOE custodial engineer pleaded guilty to conspiracy charges in connection with participating in a similar kickback scheme.

Loeffler is charged with violating 18 U.S.C. § 371, which carries a maximum penalty of five years of imprisonment and a $250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim, if either of those amounts exceeds the statutory maximum fine.

Anyone with information concerning bid rigging, bribery or fraud in the industrial maintenance and cleaning supplies industry should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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06-840

DOJ_NMG_ 0171682

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	Criminal No.
v.	:	Filed:
KENNETH LOEFFLER,	:	Violation: 18 U.S.C. § 371
Defendant.	:	

INFORMATION

The United States of America, acting through its attorneys, charges:

1. Kenneth Loeffler ("Loeffler") is hereby made a defendant on the charge stated below.

CONSPIRACY
(18 U.S.C. § 371)

I. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Loeffler resided in Valley Stream, New York.

3. Loeffler was employed as a Custodial Engineer ("custodian") for the New York City Department of Education and its predecessor, the Board of Education of the City of New York (collectively, the "NYCDOE").

4. "CC-1" was a co-conspirator who owned three companies that sold or purported to sell industrial cleaning and maintenance supplies. Each of CC-1's companies submitted

bids and won contracts to provide industrial cleaning and maintenance supplies to NYCDOE schools.

5. "CC-2" was a co-conspirator who owned or purportedly represented numerous companies that sold or purported to sell industrial cleaning and maintenance supplies. At least nine companies owned or purportedly represented by CC-2 submitted bids and won contracts to provide industrial cleaning and maintenance supplies to NYCDOE schools. CC-2 was also an employee of one of CC-1's companies.

6. Whenever in this Information reference is made to any act, deed, or transaction of any corporation or entity, such allegation shall be deemed to mean that the corporation or entity engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

7. Various persons and firms, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

II. BACKGROUND

8. NYCDOE employs custodians to oversee and manage the physical facilities at New York City public schools. NYCDOE custodians' duties and responsibilities include maintenance of the schools to which they are assigned, purchasing goods and services necessary for such maintenance, and approving invoices and paying vendors for such

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goods and services. Custodians receive funding from NYCDOE to carry out their duties and responsibilities, typically on a biweekly basis. Custodians must maintain a separate bank account and check book for NYCDOE funds allocated to them. They must also maintain certain books and records relating to each and every expenditure of NYCDOE funds and then submit the requisite documentation to their plant manager. The Auditor General of NYCDOE periodically conducts audits of custodians' books and records on file with the plant managers.

9. In approximately July 1999, NYCDOE adopted a purchasing policy which required its employees either to purchase goods and services from a list of approved vendors or to solicit at least three competitive telephone bids before purchasing any items which, in the aggregate, totaled more than $250 and three competitive written bids before awarding any contract to provide items which, in the aggregate, totaled more than $5000. This policy applied to the custodians. Prior to approximately July 1999, NYCDOE employees purchased goods and services from vendors of their choosing.

10 With respect to contracts for which competitive bids had been solicited, NYCDOE required its employees, including custodians, to award the contract to the bidder who provided the "maximum quality for the minimum price."

11. NYCDOE also required its employees, including custodians, to prepare a bid summary for each contract awarded pursuant to competitive bidding. The bid summary included, among other things, information regarding the companies from which bids were

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received. NYCDOE provided the necessary bid summary forms to be filled out by the custodians.

12. Industrial cleaning and maintenance supplies includes any custodial or janitorial service, item, good, product, material, equipment, or mechanism.

III. DESCRIPTION OF THE OFFENSE

13. From at least as early as 1997 and continuing until at least June 2003, the exact dates being unknown to the United States, in the Southern District of New York and elsewhere, Loeffler and his co-conspirators, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States of America, to wit, to violate Title 18, United States Code, Sections 1341 and 1346, in violation of Title 18, United States Code, Section 371.

14. It was a part and object of the conspiracy that Loeffler, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud NYCDOE, to obtain money and property from NYCDOE by means of false and fraudulent pretenses, representations, and promises, and to deprive NYCDOE of its intangible right to the honest services of its employees, unlawfully, willfully, and knowingly, for the purpose of executing such scheme and artifice, would and did place in post offices and authorized depositories for mail matter, matters and things to be sent and delivered by the Postal Service, and deposit and cause to be deposited matters and things to be sent and delivered

DOJ_NMG_ 0171686

by private and commercial interstate carriers, and take and receive therefrom, such matters and things, and knowingly cause to be delivered by mail and such carriers according to the directions thereon, and at the place at which they were directed to be delivered by the persons to whom they were addressed such matters and things, in violation of Title 18, United States Code, Sections 1341 and 1346.

IV. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

15. During all or some of the period between 1997 and June 2003, Loeffler received kickbacks totaling approximately $6,000 from CC-2 in cash, tickets to sporting events, theater tickets and dinners. CC-2 paid kickbacks in the form of money or goods and services to Loeffler to ensure that he would allocate contracts to CC-1's companies or to companies owned or purportedly represented by CC-2 and later, for Loeffler's assistance in frustrating and subverting NYCDOE's competitive bidding policy for contracts for industrial cleaning and maintenance supplies by ensuring that Loeffler would not invite potential competitors to bid on contracts for industrial cleaning and maintenance supplies awarded by NYCDOE schools. The bids Loeffler obtained were from CC-1's companies, from companies owned or purportedly represented by CC-2, or attributed to other companies whose names were supplied to Loeffler by CC-2. As a result, NYCDOE was deprived of its right to the honest services of Loeffler.

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16. Loeffler and CC-1 and CC-2 generated money to be paid to Loeffler through a fraudulent scheme whereby Loeffler and CC-1 and CC-2 caused schools for which Loeffler was the custodian to issue false and fraudulent purchase orders to companies owned by CC-1. Subsequently, CC-1 and CC-2 caused CC-1's companies to issue corresponding false and fraudulent invoices which Loeffler then paid from NYCDOE funds which he maintained. The purchase orders were false and fraudulent in that they purported to order industrial cleaning and maintenance supplies, all or part of which were not intended to be delivered. The invoices issued by CC-1's companies were false and fraudulent in that they billed for industrial cleaning and maintenance supplies delivered in part or never in fact delivered. Loeffler falsely certified that NYCDOE schools had received all of the goods described in those invoices, and thereby caused NYCDOE to pay the full amount stated in them. In actuality, CC-1's companies sometimes provided only a portion or none of the industrial cleaning and maintenance supplies described in the purchase orders and invoices.

17. At no time did Loeffler or his co-conspirators disclose to NYCDOE Loeffler's receipt of payments from CC-2. All such payments were made without the knowledge or approval of NYCDOE, and in violation of Loeffler's duty of loyalty to NYCDOE.

V. OVERT ACTS

18. In furtherance of the conspiracy, and to effect the illegal objects thereof, the defendant and others known and unknown, committed the following overt acts, among

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others, in the Southern District of New York and elsewhere:

(a) On numerous occasions, between approximately 1997 and June 2003 pursuant to the conspiracy charged, Loeffler and his co-conspirators caused NYCDOE schools to issue numerous false and fraudulent purchase orders to companies associated with CC-1. Some of these purchase orders were sent through the United States mails;

(b) On numerous occasions, between approximately 1997 and June 2003, pursuant to the conspiracy charged, Loeffler and his co-conspirators caused companies associated with CC-1 to issue numerous false and fraudulent invoices corresponding to those purchase orders. Some of these invoices were sent through the United States mails and;

(c) On numerous occasions, between approximately 1997 and June 2003, pursuant to the conspiracy charged, Loeffler and his co-conspirators caused NYCDOE funds to be paid to companies associated with CC-1. Those funds were paid from bank accounts maintained at banks located in Manhattan.

DOJ_NMG_ 0171689

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371.

Dated:

THOMAS O. BARNETT
Assistant Attorney General

SCOTT D. HAMMOND
Deputy Assistant Attorney General

MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice

MICHAEL J. GARCIA
United States Attorney
Southern District of New York

RALPH T. GIORDANO
Chief, New York Office

REBECCA MEIKLEJOHN

MARY ANNE F. CARNIVAL

ELIZABETH B. PREWITT

Attorneys, Department of Justice
Antitrust Division
26 Federal Plaza, Rm 3630
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DOJ_NMG_ 0171690

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Image not available for this document, ID: 0.7.10316.14990-000003

System Administrator

From:	System Administrator
Sent:	Thursday, December 14, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 982474 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Conway, Paul E

From: Conway, Paul E
Sent: Thursday, December 14, 2006 7:17 PM
To: [redacted] (USMS); Askew, Rita; Ayers, Louise (TAX); Barr, Bruce; Bracey, Glynnis A; Brown, Jacques; Casas, Edgar (TAX); CATS_ADMIN; Cechman, Matthew F.; Chandler, Jerrold; Clements, Rick (TAX); Clifford, Samuel W. (OIG); Crawford, Russell (CIV); Crowley, Neal R; Dalton, Dennis (CRT); Debt Collection Mgmt; Durant, Luther M; Eade, Raymond; [redacted] (USMS); EMWS Technical Support; EOIR, HELPDESK (EOIR); Feldman, Mike (USAEO); [redacted] (NDIC); FPS Helpdesk (NDIC); Frye, Carlton; Gallmon, Rosalind Purvis (TAX); GSA Services; [redacted] (USMS); Henderson, Gary (CIV); ITS Helpdesk (USMS); JCON Broadcast (JMDJCON); JOIN Contractors; Kennison, Jeff (CIV); Knight, David (ENRD); Krutous, Boris (EOIR); Lomax, Joc B; MacLean, Donald (USAEO); Maimer, Anthony (CRT); Marshall, Robert L; Martinez, Manuel; Miller, Todd (CIV); Monte, Joseph; Muse, Avery Q; NDIC Helpdesk; Neely, Darren; [redacted] (NDIC); Norman, Mike; NSC, TSS (Network Service Center); OSS/IS/EP/SOG/WOT All; Palombo, Bill; Passmore, Steve; Rauscher, John; [redacted] (NDIC); Reutemann, Michael J. (OIG); Roti, Randy (USAEO); [redacted] (CRM Security); Sharp, Garland S; Stinchcomb, Brian; Strother, Michael; STS_OTS_BroadcastNotification; Tayman, Richard (ENRD); Towson, Wayne; Tucker, Samuel; USMS HelpDesk; USPAROLE; Vasquez, Michael (USADC); Whatley, Tina T. (TAX); Woods, Edward; Yun, Jun B; ATR-HCT - Support Staff
Cc: Wilson, Jacqueline (JMD); Fuentes, Victor; McKoy, Willie; Simi, Jody E
Subject: Important Information on the Decommissioning of the NSC Office and Your Continuance in Receipt of Support Services

NSC Customers;

An email notice was sent to you on September 29, 2006 notifying you that on October 1, 2006, the services provided by the Department of Justice Network Service Center (NSC) will be consolidated with services provided by the JMD-SMO Justice Consolidated Office Network (JCON) help desk.

You were informed that the impact to your organization if any, should be minimal other than you may notice a difference in the way the initial phone call is answered. The former NSC office toll-free phone number (888)-526-6750 remains unchanged, however, this number has been assigned to the JCON help desk. All calls for NSC support services should be to JCON at the above toll-free phone number, and not to any former NSC PDNs.

To further support this consolidation, effective Friday, December 22, 2006, the NSC mailbox (NSC, TSS (Network Service Center)), will be discontinued and is being replaced. All future emailed NSC requests should be sent to the following Justice Consolidated Office Network (JCON) Helpdesk mailbox:

HelpDesk.Comments@SMOJMD.USDOJ.gov or Help Desk Comments (JMD/SMO JCON)

The JCON Help Desk Comments mailbox is available as of today to receive former NSC customer requests, and customers are asked to begin using the new mailbox immediately. The JCON Helpdesk will monitor the Help Desk Comments mailbox 24x7. JCON will provide Level-1 support services for requests emailed to this new mailbox, and escalate requests for additional support services as appropriate.

Please forward this email note to your component offices to ensure their notification, and to minimize any impact in their receipt of OSS support services.

Thank you.

[redacted]
OSS/Customer Services

System Administrator

From:	System Administrator
Sent:	Thursday, December 14, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 982500 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From:	System Administrator
Sent:	Friday, December 15, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 982501 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From:	System Administrator
Sent:	Friday, December 15, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 986036 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 10:04 AM
To: USDOJ- Office of Public Affairs
Subject: ANTITRUST DIVISION ANNOUNCES AMENDMENTS TO ITS 2001 MERGER REVIEW PROCESS INITIATIVE

Note: Accompanying materials are attached below.

Department of Justice

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ANTITRUST DIVISION ANNOUNCES AMENDMENTS TO ITS 2001 MERGER REVIEW PROCESS INITIATIVE

Changes Designed to Further Streamline Merger Review Process

WASHINGTON — The Antitrust Division announced today that it is amending its 2001 Merger Review Process Initiative in order to further streamline the merger investigation process to improve the efficiency of the Division's investigations while reducing the cost, time and burdens faced by parties to transactions that are reviewed by the Division.

"Efficient merger enforcement – reaching the right answers as quickly as possible with the least burdens necessary – is one of our top priorities," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The amendments to the Division's already successful Merger Review Process Initiative are part of our ongoing efforts to reduce enforcement burdens, while at the same time preserve our ability to conduct thorough investigations and protect consumers from anticompetitive transactions."

The goal of the 2001 Merger Review Process Initiative was to help the Division identify critical legal, factual and economic issues regarding proposed mergers more quickly; facilitate more efficient and more focused investigative discovery; and provide for an effective process for the evaluation of evidence.

The amended initiative is the culmination of an extensive internal review of the Division's best practices for investigating mergers and acquisitions, as well as an analysis of the progress the Division has made since first launching its initiative.

The amendments announced today include a voluntary option that will enable companies to reduce significantly the duration and cost of merger investigations. The new option would limit the document search required by a Division information request, known as a "second request," to certain central files and a targeted list of 30 employees whose files must be searched for responsive documents. This option will be made available to parties to most transactions that are reviewed by the Division, and will be conditioned on certain

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timing and procedural agreements that, among other things, protect the Division's ability to obtain appropriate discovery should it decide to challenge the deal in federal district court.

The Division is also changing its model second request to reduce compliance burdens further. For example, the default search period, which is currently three to four years depending on when the request is issued, will be reduced to two years prior to the date of the request's issuance. The changes also include other limitations that will reduce the volume of materials that companies must collect, review, and produce in response to a second request.

The 2001 initiative enabled the Division to deploy its investigative resources more efficiently and effectively and reduce the investigative burden placed on parties to transactions that are reviewed by the Division. Largely as a result of the initiative, in an increasing number of matters the Division has been able to focus its investigations on discrete dispositive issues. The result has been an improvement in how quickly the Division is able to close investigations into transactions that prove not to be anticompetitive, which enables the Division to focus its resources more effectively on those transactions that do threaten competition. The number of days that pass from the opening of a preliminary investigation to the early termination or closing of the investigation, on average, has fallen from about 93 days to 57 days since the initiative was first announced.

Background information on the Division's Merger Review Process Initiative and the amendments and other changes announced today is attached. The amended Merger Review Process Initiative and related documents can be found on the Division's web site at http://www.usdoj.gov/atr.

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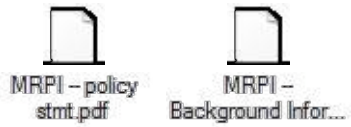

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Department of Justice
Antitrust Division

Background Information on the 2006 Amendments to the Merger Review Process Initiative

Introduction

Today the Antitrust Division is announcing amendments to its 2001 Merger Review Process Initiative.

In the five years since its launch the Initiative has increased the efficiency of the Division's merger investigations, including a reduction in the length of merger reviews. However, as the Division and the courts have grown to rely more on analyses of the likely competitive effects of transactions and less on market share presumptions, both the quality and quantity of information the Division requires to review a merger have increased. Also, advances in technology have made it easier and cheaper for companies to create and maintain vast amounts of electronic documents and information, which has led to a significant increase in the amount of material a company must collect, review and produce during a merger investigation. Today's amendments are part of the Division's ongoing effort to reduce merger review burdens while preserving its ability to conduct thorough investigations and successfully challenge anticompetitive transactions. Many of the changes announced today formally adopt second request modifications and merger investigation procedures already successfully used by Antitrust Division staff.

The most significant of these amendments is the new "Process & Timing Agreement" merger review option. Under this option, companies will generally be able to limit document searches required by a Division "second request" to certain central files and a targeted list of 30 employees whose files must be searched for responsive documents. This option will be made available to companies that provide certain critical information to the Division early in the investigation, agree to an investigation schedule, and agree to a sufficient period for the Division to conduct post-complaint discovery should the investigation become one of the few that result in contested litigation.

The Division has also modified its Model Second Request to reduce document search and production burdens further. These changes include a significantly shorter

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default search period, significant limitations on when second request recipients must conduct a "second sweep" for responsive documents, and an alternative to the requirement that companies search back-up tapes for responsive electronic documents. The new Model will be the basis for second requests issued by the Division, regardless of whether parties take advantage of the Merger Review Process Initiative's "Process & Timing Agreement" option.

Merger review process reforms are a long-standing and ongoing project at the Antitrust Division. The Division will continue to seek ways to reduce enforcement burdens on parties while preserving its ability to fulfill its statutory obligation to prevent the consummation of anticompetitive transactions.

Merger Enforcement at the Antitrust Division – Clayton Act § 7A

Merger enforcement is a priority for the Division. Mergers may generate efficiencies that can benefit the market and consumers, and the vast majority of transactions reported to the federal antitrust enforcement agencies each year are either competitively neutral or beneficial. However, anticompetitive transactions that "substantially . . . lessen competition, or . . . tend to create a monopoly"[1] can cause significant harm to consumers and to the market, in the form of higher prices, decreased consumer choice, and less innovation. The goal of effective and efficient merger enforcement is to separate those few transactions that are likely to create or increase market power and harm consumer welfare from the vast majority of transactions that are unlikely to reduce competition substantially, and to get out of the way of the latter as quickly as possible.

Most mergers reviewed by the federal antitrust enforcement agencies – the Antitrust Division of the Department of Justice and the Federal Trade Commission – are reviewed pursuant to section 7A of the Clayton Act, also known as the Hart-Scott-Rodino

[1] 15 U.S.C. § 18.

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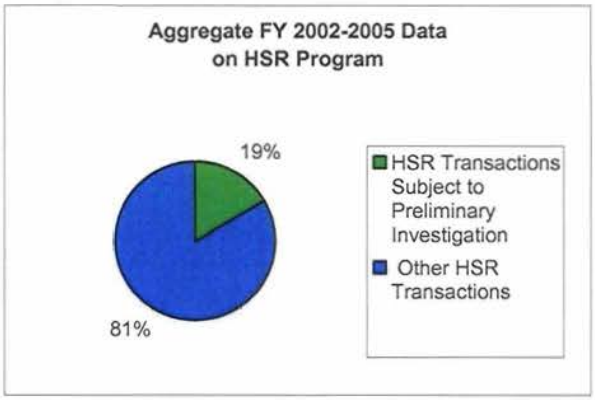
Antitrust Improvements Act of 1976, or simply the HSR Act.[2] The HSR Act requires parties to transactions that meet certain thresholds to file premerger notifications with the Division and the FTC, and to observe an initial waiting period prior to consummating their deals.

Most HSR premerger notifications do not lead to an antitrust investigation. For example, 2,979 of the 3,655 transactions reported during the fiscal years 2002-2005 proceeded without either the FTC or the Division opening an investigation, meaning that 81 percent of the time no information was sought from the parties beyond that which was included in their initial HSR filings.



Moreover, in transactions for which no investigation is opened, the Agencies routinely grant requests for early termination of the waiting period. In FY 2005, for example, the agencies granted approximately 76 percent of requests for early termination.

The Division opens a preliminary investigation if there is reason to believe that a transaction may raise competition issues. If at the conclusion of the HSR waiting period the Division has not yet determined that the transaction will not result in a substantial lessening of competition in violation of section 7 of the Clayton Act, it may extend the waiting period and issue a request for additional information and documentary material, also known as a "second request," pursuant to 15 U.S.C. § 18a(e)(1)(A).

The Division does not issue second requests lightly. During the years 2000-2005, for example, the Division issued second requests in 180 of its 555 preliminary

[2] 15 U.S.C. § 18a.

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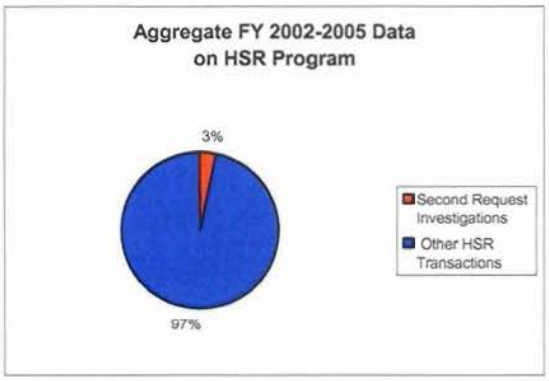
investigations, or 32 percent of its investigations. Approximately 97 percent of HSR reported transactions were able to proceed with no second request.



During the second request phase, the Division continues and broadens the investigation begun during the initial waiting period by continuing to collect information from the parties and third parties, including the parties' competitors and customers, by interviewing market participants, and by conducting detailed economic and econometric analyses. Second request investigations involve the review and production of substantial amounts of documents and information, in both hard-copy and electronic form, about the proposed transaction, the parties' operations, product or service overlaps between the parties, and the markets in which the parties compete. The Division uses this information to analyze the transaction and the affected markets, to evaluate the likelihood of anticompetitive effects, and, in the relatively few investigations that result in contested litigation, to prepare for trial and try the case.

In the 30 years since it was enacted, the HSR Act and the premerger review process has proven to be an effective means of protecting consumers from anticompetitive mergers.[3] Before the HSR Act, relatively few mergers were challenged before they were consummated. The FTC and the Antitrust Division had difficulty detecting, investigating, and challenging anticompetitive mergers before they occurred. In the absence of preliminary relief, merger litigation was lengthy, and because

[3] A summary can be found in William J. Baer, *Reflections on Twenty Years of Merger Enforcement Under the Hart-Scott-Rodino Act*, 65 Antitrust L.J. 825 (1997).

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compliance with post-consummation remedies often required the merged firm to "unscramble the eggs," remedies were often unwieldy, late in coming, and ineffective. Today, in contrast, the large majority of Division and FTC merger challenges occur premerger, when effective injunctive relief is available, structural relief is more practical and effective, and harm to consumers has not yet occurred.

In addition to protecting consumers from anticompetitive mergers, premerger review has provided a high degree of certainty to merging parties. Although a decision not to challenge an HSR-reported transaction prior to consummation does not preclude the agencies from subsequently challenging it,[4] such challenges are extremely rare. Thus, parties get a high degree of certainty at the end of the HSR process as to whether they will face an enforcement challenge.

The Division's Merger Review Process Initiative

In 2001 the Division implemented the Merger Review Process Initiative, which was designed to facilitate more efficient and focused investigative discovery and to provide for an effective process for the evaluation of evidence.[5] Through the Initiative the Division seeks to enable staff to identify critical legal, factual and economic issues regarding proposed transactions more quickly and deploy its resources more effectively. Staff is encouraged to use the initial HSR waiting period aggressively to identify and close matters that do not warrant further investigation; to tailor second requests as narrowly as possible; to negotiate reasonable limitations to second requests after they are issued; to consult with the parties regularly; and where appropriate to negotiate scheduling agreements.

The Initiative has been a success. During the two fiscal years (2000-2001) before the initiative was announced, approximately 40 percent of the Division's HSR preliminary investigations led to second requests. During a comparable period after the initiative was launched (fiscal years 2002 and 2003), just under 29 percent of the

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[4] *See* 15 U.S.C. 18a(i)(1).

[5] *See Antitrust Division Releases Details of Merger Review Process Initiative*, available at http://www.usdoj.gov/atr/public/press_releases/2001/9305.htm.

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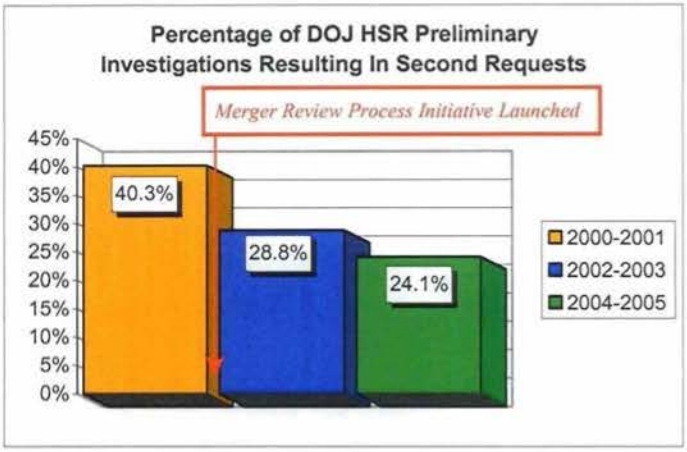
Division's HSR preliminary investigations went into the second request phase, and in fiscal years 2004-2005 only 24 percent of investigations resulted in the issuance of second requests.



Early decisions on mergers that the Division determines are not likely to harm competition spare the merging parties the expense and delay of a second request investigation, and enable the Division to allocate resources to matters of greater competitive concern.

The Initiative's call for negotiated timing agreements and increased transparency has had a significant impact on the Division's practice. Almost every matter with sufficiently difficult competitive questions as to merit a meeting between the parties and the Division's Front Office now has a scheduling agreement in place that provides greater certainty for the parties and the Division regarding how the investigation will proceed, and when it will end. Also, improved dialogue between staff and the parties has enabled both to focus investigations more effectively on the critical issues, before the transaction reaches the Front Office for final consideration.

In an increasing number of matters, the Division has been able to focus its investigations on discrete dispositive issues. The result has been a marked improvement in how quickly the Division is able to close investigations into transactions that prove not to be anticompetitive. Since the initiative was announced, the number of days that pass from the opening of a preliminary investigation to the early termination or closing of the

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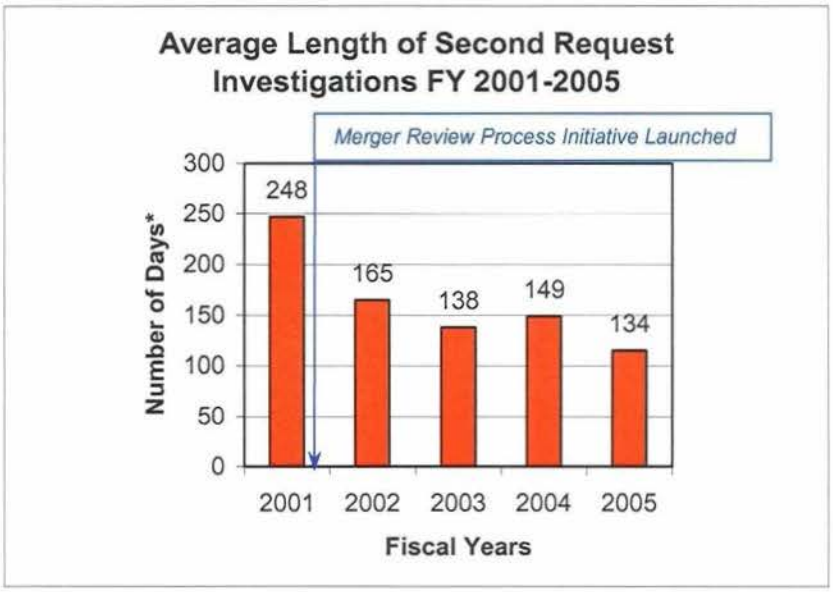
investigation, on average (including investigations that did not result in the issuance of second requests), has fallen from about 93 days to 57 days. During the same period, the average duration of second request investigations dropped from about 248 days to 134 days for those matters in which no case was filed, a 46 percent reduction.



While the Division's success in addressing the burdens faced by parties during the second request process has been measurable, making further progress will require the cooperation of merging firms and their counsel. The 2001 Initiative has resulted in investigations that are more focused, which in many cases has meant that investigations are shorter and less burdensome for the parties and, not incidentally, for Division staff. The costs of full second request compliance and review, however, have continued to climb. This is largely because cost reductions in electronic storage technology have led to huge increases in the volume of electronic documents created and stored by companies, such as e-mail. Although for the past several years second request schedules have not changed materially and the number of custodians searched by most complying firms has remained fairly constant, the volume of electronic documents stored by and for each document custodian has surged. Searching and reviewing these vast electronic sources of potentially responsive documents and information places a significant and

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costly burden on parties. It also places significant burdens on Division staff, which must review enormous quantities of documents submitted in response to second requests.

The Initiative addressed the costs and burdens of compliance by urging Division staff to draft second requests narrowly and to negotiate fast and limited investigations with counsel. Fast track or "quick look" investigations could focus on specific issues and leave full compliance to instances when the Division's issues had not been resolved, or in the event that a decision was made to challenge the deal. As an alternative to this type of fast track merger review, rather than contemplate a possible two-stage production the government may require only a limited production prior to making its enforcement decision, if it has sufficient procedural safeguards in place to allow it to obtain full discovery in the event of litigation.

Sharply reducing second request productions imposes significant litigation risks on the Division. Defendants in merger cases typically desire quick but substantial hearings, merging parties increasingly encourage the antitrust agencies to eschew presumptions and engage in ever-more-sophisticated analyses, and courts frequently expect the Division to present a thorough and detailed empirical analysis of a challenged merger's likely anticompetitive effects. These trends make it necessary for the Division to collect, review, and digest more information, not less, and to do so as quickly as possible.

The Merger Review Process Initiative encouraged parties to ensure that the Division would have an opportunity to conduct appropriate post-complaint discovery, in return for the Division narrowing its second requests where appropriate to the issues most likely to be determinative to the enforcement decision. The Division recognizes that merging parties and their counsel ideally want to preserve as many options as possible, including the option of asking the judge for an expedited trial in the event of a challenge. In most transactions, however, firms will likely find it to their advantage not to comply fully with a second request, but rather to enter into a process and timing agreement that enables the Division to defer significant production to the post-complaint discovery period, because very few merger investigations result in litigation. In fiscal years 1999-2005 the Division issued second requests in 248 merger investigations, but only 55 of

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those investigations resulted in the filing of a complaint, and only four of those complaints led to a trial. With so few cases actually subject to contested litigation, the Division believes that in the large majority of mergers parties can significantly reduce the burdens of merger review by agreeing to defer significant discovery until after a challenge is brought. The amendments to the Merger Review Process Initiative that the Division is announcing today are designed to make this option part of the Division's standard merger review practice.

MRPI Amendments

The Division uses the information it collects during the second request process both to evaluate the transaction and to prepare a possible case should the investigation result in a challenge. However, with sufficient cooperation from the parties the Division is often able to make informed enforcement decisions by reviewing less evidence than might be necessary to prepare for and bring a merger challenge in court. Recognizing that only very few second request investigations lead to contested litigation, the Division believes that it can defer the production of significant volumes of documents and information in most investigations, in exchange for process and timing agreements that preserve its ability to conduct post-complaint discovery when necessary.

As explained more fully in the revised "Merger Review Process Initiative," available on the Antitrust Division's website, effective immediately recipients of Division second requests that wish to reduce significantly the scope of their productions may enter into a merger review "Process & Timing Agreement" with Division staff. Parties that pursue this option shall generally be required to search no more than 30 individuals per party for hard copy and electronic documents that are responsive to the second request. The option will be conditioned on certain timing and procedural agreements that, among other things, protect the Division's ability to obtain appropriate and necessary discovery in the event of a litigated challenge to the transaction.

The Process & Timing Agreement option will be made available to most second request recipients. Division staff may refrain from offering this option in certain cases, such as those that involve many product or geographic markets or that raise particularly

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complex issues, but only with the approval of the Deputy Assistant Attorney General responsible for the investigation.

"Process & Timing Agreement" Option Requirements

To qualify for the merger review Process & Timing Agreement option, the parties must provide certain information to Division staff early in the investigation so that staff can negotiate limitations to the second request and identify the employees whose files must be searched. As described in detail in the amended Merger Review Process Initiative, to take advantage of this option each party must:

- provide information that Division staff requested it to provide voluntarily during the initial HSR waiting period;
- provide Division staff with one copy of each current organization chart and personnel directory or similar document for the company as a whole and for each of the company's facilities or divisions involved in any activity relating to any relevant product or service, as required by the second request;
- make available to Division staff on an ongoing basis employees or agents who are able to explain the organizational structure of the company, including the job responsibilities of the individuals identified in the company's organization charts;
- make available to Division staff on an ongoing basis employees or agents knowledgeable about the company's electronic data systems and policies or practices regarding retention, storage, deletion, and archiving of electronic data, including e-mail, as required by the second request; and
- make available to the staff on an ongoing basis employees or agents knowledgeable about data used and maintained by the company that may contain information responsive to the second request.

The Division encourages parties to make appropriate employees available to the staff, particularly for purposes of explaining the organizational structure of the company. It has been the Division's experience that outside counsel usually do not possess sufficient knowledge about the company's structure and employees to be able to discuss the organization in sufficient detail.

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Parties wishing to take advantage of this option also must enter into a Process & Timing Agreement with the Division. Such an agreement may contain the full range of timing and production commitments described in the amended Merger Review Process Initiative. The Agreement also will include provisions to ensure that the Division has sufficient time to conduct post-complaint discovery if it decides to challenge the transaction in district court. It has been the Division's experience that a period of four to six months is generally necessary to conduct post-complaint discovery, even in cases preceded by full HSR compliance.

As explained in the Merger Review Process Initiative, Section Chiefs and the Deputy Assistant Attorneys General will have considerable discretion as to how a Process & Timing Agreement should be structured based on the specific facts and issues involved in the case. Factors to be considered when fashioning an Agreement will include the complexity of the transaction; the Division's expertise in the markets and issues under consideration; the nature and magnitude of the competitive concerns at issue; and the volume, types and availability of information required to make appropriate law enforcement decisions. For purposes of illustration the Division is releasing a Model Process & Timing Agreement with today's Amendments to the Merger Review Process Initiative. The Model can be found on the Antitrust Division's website.

Custodian Search List

Second request recipients that satisfy the requirements of the Process & Timing Agreement option shall generally be required to search the files of no more than 30 individuals for hard copy and electronic documents that are potentially responsive to the second request.

As explained in the amended Merger Review Process Initiative, the custodian search list limitation will not apply to the hard-copy and electronic files of any predecessors or successors of the 30 individuals identified by the Division, nor to the files of the secretaries or other administrative assistants who support the individuals identified on the search list. The limitation also will not apply to any hard copy or electronic central files, databases, data sets, or other central or shared repositories of potentially responsive information (*e.g.*, business plans, budgets, sales reports, bid files, patent files).

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However, parties may negotiate additional limitations with the staff to cover such sources of documents and/or data.

The search list may exceed 30 individuals, but only with the express authorization of the relevant Section Chief responsible for the investigation. For example, if the second request covers many different relevant products, services, or geographic markets, or if the transaction raises multiple complex issues, the Division may require each party to search more than 30 individuals for potentially responsive documents. The Section Chief will inform the parties if the Chief determines that searching 30 individuals will not be sufficient, and the parties will be given an opportunity to discuss the matter with the responsible Deputy Assistant Attorney General.

Issues typically evolve over the course of a merger investigation, and often the files of employees who neither the Division nor the parties recognized as being sources of important information when the second request was issued become critical to the evaluation of the merger. So that Division staff will be able to analyze such information as part of its review, under the Process & Timing Agreement option staff will be permitted to add up to a total of five custodians to each party's search list over the course of the merger investigation, subject to the review and approval of the responsible Section Chief. Similarly, should either party produce or rely upon information from an individual who is not on the search list, it will be required to conduct a thorough search of that person's files and produce any responsive documents and information found to the Division. To avoid unnecessary delay, the addition of custodians after the search list has been finalized need not postpone a party's certification of compliance with the second request, provided that the parties agree in the Process & Timing agreement to submit responsive documents within 15 business days of the party's receipt from the Division of the names of the additional custodians. If this schedule is not met, all remaining agreed-upon post-certification dates in the Process & Timing Agreement will be moved back, day-for-day, until all requested materials have been submitted.

The Process & Timing Agreement option will not limit the ability of companies to negotiate additional or different second request modifications with Division staff or to

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take advantage of the Division's Second Request Internal Appeals Procedure, which will continue to be available to all second request recipients.

Revisions to the Model Second Request

Division staff crafts each second request to enable it to investigate the unique issues raised by the transaction that is under review. For example, a second request issued by the Telecommunications and Media Section in an investigation of a merger between two wireless telecommunications service providers will contain specifications that will not be found in a defense industry second request issued by the Litigation II Section, and vice versa. However, all Division second requests are based on the Model Second Request maintained by the Division's Office of Operations. This Model provides Division staff in all sections with pre-approved language for commonly used specifications, definitions, and instructions. The Division continually revises the Model Second Request to clarify definitions, reduce search and production burdens, and ensure that the model specifications are narrowly drafted and consistent with the Division's current practice.

In addition to the amendments to the Merger Review Process Initiative, to reduce production burdens further the Division is releasing today a revised Model Second Request. The revisions are based largely on limitations that Division staff has successfully negotiated and implemented in merger investigations in recent years. This new Model will be the basis for all second requests issued by the Division, regardless of whether parties take advantage of the Merger Review Process Initiative's "Process & Timing Agreement" option.

The more significant modifications include the following:

- Relevant time period: Definition/Instruction M, which identifies the years for which documents and information are to be provided, has required companies to produce responsive documents created or received by the company on or after January 1 of the year that is three years prior to the date that the request is issued. This definition/instruction has been modified to require the submission of responsive documents created or received by the company within two years of the

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date of the issuance of the second request, except where otherwise specified. In general, specifications that call for the submission of data will be subject to a relevant time period of three calendar years, unless otherwise specified.

- "Second sweep": Definition/Instruction N, which describes the "second sweep" that companies are required to conduct in order to observe the continuing nature of the second request, has been modified. Except for standard Specification 16 (transaction and efficiencies documents) companies will generally not be required to conduct a "second sweep" unless they comply with the second request more than 90 calendar days after issuance. The second sweep required for Specification 16 will be limited to documents produced or obtained by the company up to 30 calendar days prior to the date of the company's compliance with the second request, rather than the current 14 days, or 45 days in the case of any such documents that must be translated into English. If the company's compliance with the second request is completed more than 90 calendar days after issuance, the Instruction will provide that the entire second request will be deemed continuing in nature. In such cases, the second request will require production of all responsive documents produced or obtained by the company up to 30 calendar days prior to the date of the company's full compliance, or 45 days in the case of any documents that must be translated into English.
- Back-up Tapes: Back-up tapes and other media that are not reasonably accessible are "documents" that are responsive to a second request. Definition/Instruction O has been modified, however, to permit companies to elect to identify and preserve for the duration of the Division's investigation a select subset of back-up tapes, subject to the approval of the Division, in lieu of searching all such back-up storage media.
- Production of Electronic Documents: Definition/Instruction O has also been modified to eliminate the requirement that companies produce electronic documents in both hard copy and electronic form. The revised Model Second Request requires that such documents be produced in electronic form only, unless otherwise requested by the Division.

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- Privilege Logs: Definition/Instruction R, which describes the "privilege log" that parties are required to submit if they withhold any responsive documents from the production based on a claim of privilege, has been modified to permit companies to omit certain documents from their log that were sent only between the company and its counsel.

December 14, 2006

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MERGER REVIEW PROCESS INITIATIVE

I. STATEMENT OF PURPOSE

The objective of the merger review process initiative is two-fold: (1) to empower and encourage Division staff to tailor investigative plans and strategies according to each proposed transaction, in lieu of reliance on standardized procedures or models; and (2) to reduce merger review burdens by offering substantial limitations on HSR second requests in exchange for certain timing commitments. This effort builds upon the process improvements implemented by the Division over the last few years.

The staff, working together with the Section Chiefs and Deputy Assistant Attorneys General, and with support from the Office of Operations, will have considerable discretion to exercise judgment in devising an investigative plan. Key factors in tailoring an investigation will include the complexity of the transaction under review; the nature and magnitude of the competitive concerns at issue; the Division's expertise in the markets and issues under investigation; and the volume, types and availability of information required to make an appropriate law enforcement decision.

The goals are to identify critical legal, factual and economic issues regarding the proposed transaction more quickly, to facilitate more efficient and more focused investigative discovery, and to provide for an effective process for the evaluation of evidence, in an effort to deploy the Division's investigative resources more efficiently. These efforts likely will reduce the investigative burden upon all concerned.

The Division recognizes, further, that recent explosive growth in the number of electronic documents stored by firms, including e-mail, has substantially increased the volume of documents responsive to a second request. In order to reduce the burden on both the parties and the staff, and recognizing that very few merger investigations result in litigated challenges, parties are encouraged to enter into a merger review "Process & Timing Agreement" with the staff after receipt of a second request. This option, which is explained fully in section IV.C below, can limit the number of individuals that a party must search for potentially responsive documents to no more than 30 persons in most cases, which can significantly reduce compliance costs and delays.

This document sets forth a basic framework for conducting merger investigations, assuming a high level of cooperation by both sides. It is the Division's hope that this framework will encourage such cooperation, enabling quick and thorough investigation of important issues. This document sets forth no mandatory procedures. Nor does it create any entitlements for parties proposing mergers. The Division's willingness to adopt any particular investigative approach will depend upon the specific circumstances of the proposed transaction, including the parties' willingness to work on a cooperative basis.

II. INITIAL 15- OR 30-DAY PERIOD

The staff is encouraged to be as aggressive as possible during the initial 15- or 30-day waiting period in attempting to identify transactions that do not require further investigation, and to narrow and refine issues for transactions likely to progress to HSR second request inquiries. While parties remain free to decide whether and when to engage the staff, the success of this effort will require the active participation and cooperation of the parties. Thus, parties are encouraged to be equally active in framing issues for inquiry, substantiating claimed defenses and responding in a timely manner to staff requests.

A. Request to Provide Information Voluntarily

1. As soon as feasible during the initial waiting period, staff will contact the parties and request that they voluntarily provide preliminary information and documents tailored to the specifics of the proposed transaction. Depending on the specific issues raised by a transaction and the Division's expertise in the relevant area, a request might include, for example:

    a. A list and description of all overlap and otherwise potentially relevant products;

    b. Product/marketing brochures;

    c. Business plans, market studies, strategic plans and information on market shares and competitor positioning;

    d. A list of competitors, suppliers and customers;

    e. Readily available data regarding sales, output, and margins;

    f. Analyses or studies regarding the transaction; and

    g. Recent periodic reports sent to or among senior management.

2. In order to ensure good faith compliance with voluntary requests, the staff may request that the parties describe the scope and nature of their search for the requested documents and information and certify that description of their search.

3. The earlier the information is provided, the sooner and more effectively the staff can determine whether a significant competitive concern exists or, if issuance of a second request is necessary, can tailor it to address the relevant issues.

B. Early Consultations Encouraged

1. Early substantive consultations are strongly encouraged. The goal of early consultations is to establish an effective process that will enable the Division to

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determine whether the investigation can be concluded prior to issuance of a second request and, if it cannot, to enable the Division to devise an appropriate investigative plan that includes a tailored second request. Consultations will provide an opportunity for both the Division and the parties to present their preliminary views on the transaction and to identify issues requiring further inquiry. The success of such consultations will depend in large part on the cooperation between the staff and the parties.

2. As soon as possible, the Division staff will request a consultation with the parties to discuss the parties' views of the transaction, the structure of each party's organization, and the industr(ies) that are likely to be affected by the transaction. In most instances, the staff will request that appropriate business persons participate in such consultations and that, where possible, parties provide relevant documents to support their contentions. These consultations will be most productive when the parties have provided the staff with any requested information and materials in advance of the meeting.

3. As part of the Division's efforts to engage the parties early in the process, the staff will, as early as feasible, discuss its current substantive evaluation of the transaction with the parties and attempt to identify critical or potentially dispositive issues. While the Division will endeavor in good faith to identify all such issues as soon as possible, certain issues may not be identified until later in the process. Accordingly, the Division will not consider arguments by the parties that the Division is estopped from later raising issues that were not discussed with the parties earlier in the process.

4. If it appears that major issues are unlikely to be resolved prior to issuance of second requests, it may be more productive to focus on other issues that potentially could be resolved prior to issuance of the requests and assist in narrowing their scope.

C. Record Testimony and Interviews

1. Division staff may request interviews of personnel of the merging parties to develop issues or allow the narrowing of the second requests. Voluntary interviews will be the preferred methodology. Record testimony, however, may be requested in the limited instances in which it could make significant progress towards resolving important issues (*e.g.*, market definition, competitive overlaps, entry, efficiencies and failing firm defenses) or in other limited circumstances.

2. Division staff will also continue to interview customers, competitors and complainants and to seek limited submissions from them in order to evaluate the outstanding issues.

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III. ISSUANCE OF SECOND REQUESTS

If it is determined that issuance of second requests is necessary, the Division staff will use the knowledge gained within the initial 15- or 30-day period to tailor the second requests as narrowly as possible to the transaction and the goals of the investigation. The prospect of post-issuance, agreed modifications will not serve as a substitute for issuing tailored second requests in the first instance. The second request Model will serve simply as an example, and while it may in some instances serve as a useful starting point, particularly for some definitions and instructions, consideration must be given to whether a particular definition, instruction or specification is appropriate or should be narrowed or otherwise altered.

The Division remains willing to modify its merger review process to reduce the burdens of compliance where such modifications are consistent with the Division's need for documents and information sufficient to enable it to satisfy its statutory responsibilities. For example, the Division has recently decided to: modify the instructions in its Model second request to provide companies an alternative to searching backup tapes and other media that may not be easily accessible for responsive documents; shorten the default time period for relevant documents and information from three years to two years; and significantly reduce the requirement that companies conduct "second sweeps" for responsive documents created or received after the initial search but before the company complies with the second request.

IV. POST-SECOND REQUEST PERIOD

A. Regular Consultations

1. The element of surprise in modern merger enforcement practice is highly overrated. Both the Division and the parties to a transaction benefit from the frank exchange of ideas and evidence that allows both sides to identify and test the competitive theories for and against the transaction.

2. In appropriate circumstances, the Division may agree to meetings or teleconferences with the parties on a regular basis (*e.g.*, every other week) throughout the investigation to promote a continuing dialogue and provide a regular opportunity to discuss progress made on both sides.

3. While the Division will endeavor in good faith to identify critical or potentially dispositive issues as soon as possible, certain issues may not be identified until later in the process. Accordingly, the Division will not consider arguments by the parties that the Division is estopped from later raising issues that were not discussed with the parties earlier in the process.

4. In multi-issue investigations, once the Division determines that an issue that had been raised and discussed has ceased to be a concern, the Division will expeditiously communicate that to the parties.

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B. Negotiated Frameworks Tailored to Goals of Investigation

1. The Division's chiefs, in consultation with the relevant Deputy Assistant Attorney General, will be authorized in appropriate cases to commit the Division to specific procedural agreements in exchange for specific undertakings by the parties regarding their submission of information and compliance with particular investigative requests.

2. There will not be a single model for procedural agreements. Instead, the chiefs and deputies will have considerable discretion as to how, if at all, a procedural agreement should be structured based on the specific facts and issues involved in the case. Factors in fashioning an agreement will include the complexity of the transaction; the Division's expertise in the markets and issues under consideration; the nature and magnitude of the competitive concerns at issue; and the volume, types and availability of information required to make appropriate law enforcement decisions.

3. As soon as possible after second requests are issued, but generally no later than three (3) business days after issuance, the Division staff will contact the parties to discuss whether negotiation of a plan and schedule for the investigation would be appropriate under the particular facts of the case, and whether the parties are candidates for the "Process & Timing Agreement" option described in section IV.C below. If an agreement would be appropriate, some of the potential commitments *may* include, for example:

   a. Commitments for modification of and compliance with second requests and other discovery, including ordered or rolling production, compliance dates, etc.

   b. Commitments for early access to the parties' technical personnel, or discussions of timing and format of electronic production.

   c. Dates for depositions of the parties' executives (which may be conditioned on receipt of certain documents in advance).

   d. Date for the mutual exchange of economic data and other appropriate information.

   e. Date(s) for discussions between the Division's and the parties' economists and other consultants.

   f. Date(s) by which the parties will submit white paper(s) and underlying datasets, and the date or time period by or within which the Division will discuss the white paper(s) with the parties. The Division will ordinarily seek an agreement that empirical analysis, plus underlying data and

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explanation of variables, procedures, etc., will be submitted by the parties at least five business days before the meeting at which the work will be discussed.

g. Date by which DOJ staff will describe to the parties their recommendation to the front office.

h. Date(s) when the parties will meet with front office personnel.

i. A Division commitment that it will advise the parties as soon as the Deputy Assistant Attorney General makes a recommendation.

j. Date before which the parties commit they will not close the transaction.

4. The staff might also consider in appropriate circumstances negotiating a schedule to advance an alternative investigative path.

a. For example, the staff might identify certain potentially dispositive issues (*e.g.*, failing firm, entry) or key documents (*e.g.*, bid documents) and agree to a schedule for a "quick look" at those issues or documents and, if staff determines that the "quick look" was insufficient, agree to a schedule for the additional necessary phases of the investigation.

b. Or, the staff could agree to a schedule for a "quick look" at certain potentially dispositive issues or documents and excuse additional production in exchange for legally binding stipulations from the parties and adequate assurances of sufficient discovery, should the Division ultimately challenge the transaction.

C. "Process & Timing Agreement" Option

1. Parties wishing to reduce significantly the scope of their second request productions may enter into a merger review Process & Timing agreement with Division staff. This option will be made available to all recipients of Department of Justice second requests, except in cases where the staff obtains a waiver from the responsible Deputy Assistant Attorney General, for example in particularly complex matters. This option will be conditioned on certain timing and procedural agreements that, among other things, protect the Division's ability to obtain appropriate and necessary discovery in the event of a litigated challenge to the transaction.

This option is entirely voluntary. Parties may elect to proceed under the timing and processes provided by the relevant statute, and the Division will continue to adhere to the principles of the Merger Review Process Initiative set forth above.

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2. In order to qualify for the merger review Process & Timing agreement option each party, or either party in the case of a cash tender offer transaction, must meet the following conditions (to the extent that they did not do so during the initial HSR waiting period):

   a. Voluntary production materials: Each party shall provide any information that Division staff requested it to provide voluntarily during the initial HSR waiting period, as described in Section II.A.1 above.

   b. Organization charts: Each party shall provide Division staff with one copy of each current organization chart and personnel directory for the company as a whole and for each of the company's facilities or divisions involved in any activity relating to any relevant product or service, as required by the second request. If such organization charts and personnel directories are not available, a party may create them for this purpose or may provide other documents sufficient to identify its officers and other employees, the persons who report to each, and the manner in which the company is organized (divisions, business units, facilities, etc.).

   c. Company Organization Contacts: Each party shall make available to the staff on an ongoing basis employees or agents who are able to explain the organizational structure of the company, including the job responsibilities of the individuals identified in the company's organization charts.

   d. IT Personnel: Each party shall make available to the staff on an ongoing basis employees or agents knowledgeable about the company's electronic data systems and policies or practices regarding retention, storage, deletion, and archiving of electronic data, including e-mail, as required by the second request.

   e. Data Personnel: Each party shall make available to the staff on an ongoing basis employees or agents knowledgeable about any databases or data sets used and maintained by the company that may contain information responsive to the second request.

   f. Process/Timing Agreement: The parties shall enter into a merger review Process & Timing agreement with the Division. *See, e.g.*, the Model Process & Timing Agreement available on the Antitrust Division's website. This agreement may include any of the timing commitments listed in section IV.B.3 above. The agreement shall include provisions to ensure that the Division has sufficient time to conduct post-complaint discovery if it challenges the transaction in district court. Even in cases preceded by full HSR compliance, it has been the Division's experience that a period of four to six months is generally necessary to conduct appropriate post-complaint discovery. The guidelines of section IV.B above shall apply to the crafting of such procedural agreements.

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Note: It has been the Division's experience that the information described in IV.C.2.c-e. (organizational structure, electronic data systems, and databases) typically resides with the company's senior executives and managers, or with specialized employees, and that outside counsel usually does not possess the requisite knowledge to be able to discuss such information in sufficient detail. The Division therefore encourages parties to make appropriate company employees available for the purpose of providing the information described in section IV.C.2.c-e.

3. Second request recipients that satisfy all of the requirements of section C.2 above generally shall be required to search the files of no more than 30 individuals for hard copy and electronic documents that are potentially responsive to the request.

   a. This limitation will not apply to:

      i. the hard-copy and electronic files of any predecessors or successors of the 30 individuals identified by the Division, to the extent that such files may include documents that fall within the relevant date range specified in the request;

      ii. the hard-copy and electronic files of secretaries and other administrative assistants who support any of the 30 individuals identified by the Division; or

      iii. any hard copy or electronic central files, databases, data sets, or other central or shared repositories of potentially responsive information (*e.g.*, business plans, budgets, sales reports, bid files, patent files).

      However, parties may negotiate additional limitations with the staff to cover such sources of documents and/or data.

   b. The search list may exceed 30 individuals only with the express authorization of the relevant Section Chief responsible for the investigation. The parties will be given an opportunity to discuss the matter with the responsible Section Chief before he or she decides whether to grant the staff's request for a broader search. For example, if the second request covers many different relevant products, services, or geographic markets, or if the transaction raises multiple complex issues, the Division may require each party to search more than 30 individuals for potentially responsive documents. If the Section Chief approves a broader search, the parties will be given an opportunity to discuss the Chief's decision with the responsible Deputy Assistant Attorney General.

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c. Subject to the review and approval of the responsible Section Chief, over the course of the investigation staff will be permitted to add up to a total of five custodians to each party's search list. Custodians may be added at any time prior to the party's certification of compliance with the second request, prior to the filing of a complaint, or as otherwise agreed. However, such additions to the search list shall only be made in the event that information received over the course of the investigation leads staff to conclude that access to the files of the additional custodians is reasonably necessary. In addition, should either party produce or rely upon information from an individual who is not on the search list, it will be required to conduct a thorough search of that person's files and produce to the Division any responsive documents and information found. The addition of custodians pursuant to this paragraph IV.C.3.c will not delay a party's certification of compliance with the second request, provided that the parties agree in the Process & Timing agreement to submit responsive documents found in the files of any additional custodians within 15 business days of the party's receipt from the Division of the names of the additional custodians. Failure to meet this schedule shall cause all agreed-upon post-certification dates to be moved back, day-for-day, until all requested materials have been submitted.

4. Within five business days of when the parties comply with the requirements of section IV.C.2 above, the staff will provide each party with a written list of the names of those individuals that the company must search for potentially responsive documents and information. As soon as is practicable, staff will also provide written confirmation of any additional second request modifications to which the Division has agreed, including those described in section IV.C.3 as appropriate, and any other limitations that the parties and the staff have negotiated.

5. This Process & Timing Agreement option is not intended to limit the ability of second request recipients to negotiate additional or different modifications with the staff. As always, if any second request recipient believes that the required search or any other part of the second request can be narrowed in any way that is consistent with the Department's need for documents and information, that party is encouraged to discuss such possible modifications with the staff. Such discussions may proceed within the context of negotiating a narrowed search, or independent of such discussions.

6. Other than as expressly provided for back-up tapes, or as provided in any Process & Timing agreement, the Process & Timing Agreement option is not intended to modify a second request recipient's responsibility to preserve all documents, data, or other information that may be responsive to the second request for the duration of the Division's investigation.

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7. This Process & Timing Agreement option does not limit the ability of parties to take advantage of the Division's Second Request Internal Appeals Procedure, which shall continue to be available to all second request recipients.

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December 14, 2006

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From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 10:29 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DISTRICT OF MASSACHUSETTS' ANNUAL PROJECT SAFE NEIGHBORHOOD CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE DISTRICT OF MASSACHUSETTS' ANNUAL PROJECT SAFE NEIGHBORHOOD CONFERENCE

BOSTON, MASSACHUSETTS

Thank you, Mike Sullivan, and good morning everyone.

It's always a pleasure to come back to Boston, an area I knew as home when I was in law school.

My memories of those years are good ones. It was a time of dreams for me and my classmates, as we began to reach for the goals we'd all set our sights on as young people – really, since we were more children than young adults.

I arrived in New England from a poor outskirt of Houston, Texas. The first in my family to have gone to college, to be in law school at all was a dream come true.

My personal experience has been that the United States is a place where a child can dream big dreams … and fulfill them. I believe deeply that this can be true for all Americans, all of this great nation's children … but not when their neighborhoods and their lives are limited by fear and violence.

That's why we work so hard – everyone in this room today – to make the streets of our communities safer, every day.

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It's why the U.S. Attorney's office here in Massachusetts worked with local and state agencies this fall, for example, to indict eighteen defendants for distribution of crack and powder cocaine in the Bromley-Heath housing development in the Jamaica Plain section of Boston. Two of the defendants in that case are alleged to have used minors in their drug dealing activities.

Everyone who worked on that case – federal, state and local officials – contributed to the protection of the people, especially the children, of the Bromley-Heath housing development.

Because an environment that is poisoned by drugs, gangs, gun crime and violence is no place for a child's dreams to flourish.

This is what the Project Safe Neighborhoods partnership, our community, our team is all about – protecting the dreams of America's youth.

Whether you are on the offensive line of fighting violent crime – the part of the team that catches and prosecutes dangerous criminals – or you are on the defensive line, if you will – a team-member who works hard to keep young people from choosing a life of crime in the first place – in either role, you are making the state of Massachusetts a safer place to live and raise families. You are to be commended for your efforts.

It has been said that law enforcement is not a spectator sport – and I couldn't agree more.

But the same can absolutely be said of community-service work. It is not a spectator sport by any means, either – in fact, it couldn't be more hands-on.

Both parts of this team work hard and face the toughest of challenges – there's no question about that. The key at this stage is learning how to best work together, every day.
In May of this year, I asked all of the U.S. Attorneys to hold Gang Prevention Summits that would bring together law enforcement and community leaders to discuss current, effective programs, identify gaps in services, and develop a plan for working in partnership to prevent youth from joining gangs.

I felt it was time to have formal, organized summits because it had become clear that removing the scourge of gangs and gang violence from America's neighborhoods will require an integrated, comprehensive approach that includes both law enforcement and the prevention efforts uniquely offered by community-service groups.

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So this conference is one of many being held around the country this year, and I am optimistic about the progress that will be made as a result.

Increasing prevention in your neighborhood can come from something as simple as meeting the community leader or volunteer sitting next to you in this room today. Each conversation at a summit like this has the potential for shared ideas and new, creative approaches to reducing violent crime and protecting the future of our children.

I'd like to pause for just a moment to offer a few specific words of thanks for the law enforcement community, because these are difficult times for you.

Every day, you wake up to fight the long-term battles of traditional crime – violent and otherwise – while at the same time turning a sharp eye towards potential terrorist activity and acting as the first-response in any situation your community faces.

This isn't an easy job, but you are doing it well. America has not been attacked in over five years, and the President and I deeply appreciate how important law enforcement is in preventing terrorist attacks. I believe that, because of this common mission, federal, state and local law enforcement are more integrated than ever.

But the increased responsibilities for law enforcement since September 11th are one of the reasons we need our partners in community service more than ever. Their goals are the ultimate complement to law enforcement because they seek to make neighborhoods safer by preventing criminal activity … so that arrests and prosecutions are not needed.

To the community servants here today, I also offer thanks. You'd like to keep kids from joining gangs and living the "thug life" altogether and that is my idea of an outstanding solution.

The President and I are grateful for what all of you do – and I am speaking both as Attorney General and as the father of young sons.

When I put my children to bed at night, it is the most precious time of day. At those moments, my boys are safe. Their dreams and laughter fill the room and their futures seem endless with opportunity and the potential for joy.

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The morning light, however, pulls back the curtains on a different reality for all children. The world outside is dangerous, threatening. From drugs and gangs to predators and pedophiles … it is a full-time job for our entire society to keep our children safe from all those threats.

Kids in tough situations join gangs to find companionship and status – false promises of a lifestyle that in reality brings crime, violence, jail time and even death.

The violence of gangs then spills over into the community, making it less safe for everyone.

So if we can save that child who might be tempted by a life of violence, we can save the community.

This is why our shared goal of prevention is a common-sense one as well as a noble one.

In a panel this morning, you heard from Dan Sweeting, a former Brockton firefighter who lost his son to gang life.

Dan shared his story with you, as he shares it with students, teachers, parents – anyone who will listen. This simple act of sharing his family's story is an act of heroism and I believe Dan's dedication to a better future will help save children who might otherwise choose the wrong path.

We need an army of Dan Sweetings in every state, every city – people who are willing to stand up and say "no more." Parents who won't rest until every child has been told the truth about gangs and given full access to positive alternatives.

I'm glad that you were also able to hear from Truesee Allah this morning, a former gang member and felon who served his time and re-entered the world a changed man, through faith. Today he volunteers in a re-entry program so that other convicted criminals will see that a return to crime is not the best path.

Every officer and every prosecutor in America needs men like Truesee and Dan on their side. If you take anything away from this conference today, take inspiration and ideas from their stories – and resolve to find men and women like them in your communities, to help you win this fight.

Take as many of the ideas and best practices as possible from the panelists you will hear from today–

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- Because we all need to mine new ideas from our colleagues, all the time.

- Because criminals evolve, so law enforcement must, too.

- And because when violent crime goes up, as the people of Massachusetts have seen in recent years, no single person or single group brings it down alone.

To have gathered together – a truly diverse group of crime-fighters – for this meeting shows that everyone here knows that simple truth: That our shared responsibilities to serve and protect are vast. None of us can do it alone, and we can't always rely on traditional formulas.

Maybe it's thanks to some kind of old-fashioned New England common sense that here in Massachusetts you've known for a long time that there is nothing to be gained by turf battles, or competitions for credit, or shutting out a non-profit group that can really help reduce violent crime.

You've been setting an example for the rest of the country when it comes to pooling resources, sharing information and encouraging community involvement.

You've been open-minded and creative, putting the protection of the people of this commonwealth first. Involvement of the faith community in combating violent crime here has been especially successful, and I hope other states and localities learn from, and are inspired by, that success.

And your prosecutors don't operate in a vacuum – they use both state and federal sentencing of violent criminals, depending on what is appropriate for the situation, which ultimately benefits the communities you protect.

I'm proud of Mike Sullivan's work as U.S. Attorney here because Mike is not about turf battles. He's about forming meaningful partnerships with state and local prosecutors. For example, when it comes to dealing with violent offenders, Mike and his local partners recognize that a case against a violent offender should go into the federal or state system depending on the case itself. We all want to put violent offenders behind bars and keep them there. But whether the case goes state or federal is determined by the facts and circumstances. The approach is flexible, which is important, and the collegial approach you take to your jobs is smart.

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So I know that, although I am looking at a diverse room of state, federal and local law enforcement, complemented by representatives from the non-profit and faith community, I am really looking at one team.

The federal officials in this room, myself included, know that the Commonwealth's state and local forces have thousands more feet on the street, and a critical proximity to the people we all protect.

On the other side, Massachusetts state and local law enforcement appreciate that sometimes the feds can help them out with information, resources and, for some things, tougher sentences.

We also all know that there is an "x-factor" to the problem of violent crime that law enforcement alone cannot touch. There is an ongoing fight for the hearts and minds of our young people, and community groups are uniquely qualified to show a young person a more positive path, or help re-direct that lost soul who is coming out of incarceration.

And when the community service groups reach their goals – our jobs in law enforcement get just a little easier …

Because a child has chosen the Boys and Girls Club instead of gang life.

Because a prisoner re-enters society with faith in a higher power instead of in the power of illegal guns.

Or because kids are playing more baseball and buying fewer drugs, depriving gangs and dealers of their customer-base.

Michael Kozu's work has shown us how successful community service can be. He works out of Project Right in the Roxbury section of Boston and has been the "Seed Coordinator" for the Grove Hall Weed and Seed for approximately ten years. His tireless efforts on a variety of community programs aimed at preventing violence are helping make Boston a better, safer place to live.

From local police officers, to ATF and FBI agents, to guys like Michael Kozo, we all bring a lot to the table, so united, we stand.

Here in Massachusetts, you've faced the challenges of increased violent and gun crime. Through your efforts and programs like Project Safe Neighborhood you have significantly increased your violent crime prosecutions in the past four years.

But for those of us in law enforcement, new problems and trends in violent activity seem to always be around the next corner.

And I am concerned that, despite the diligence of the men and women in this room, preliminary crime reports in Boston for the first six months of this year show an increase in violent crime.

To help cities like Boston – and any city or state facing a violent crime challenge, Justice Department officials have been traveling the country, meeting with state and local law enforcement in areas that have violent crime increases, and those that have experienced decreases so we can better understand the "why" in each case.

Our Initiative for Safer Communities aims to help us all understand the problems, find the solutions and stay sharp when it comes to fighting violent crime.

The Initiative is focusing on three "I"s:

- Investigate: We're examining the problems and digging deep to find their roots and what feeds them.
- Identify: We are finding out what works, what keeps localities safer.
- Finally, Implement: Once we've analyzed the information, we'll share it, and localities will be able to learn from each other and choose from a basket of solutions to apply in their cities.

The DOJ team is on the road, right now, asking the tough questions. Assistant Attorney General Rachel Brand was here in Boston last week and she's shared with me how helpful it was to talk with the people who are "on the street," who really see the challenges of violent crime and can help identify the causes. It sounds like she had productive discussions with folks here about neighborhood violence and solutions working with community groups in particular.

I look forward to gaining a better understanding of what is causing this violent crime and sharing the lessons that Boston has learned with other cities that face a similar challenge.
The "Three I's" initiative is of course complemented here in Massachusetts by:

- the ongoing work of Project Safe Neighborhoods – a program that was in large part based on the excellent example of "Boston Ceasefire" in the late 1990s;

- the partnership of the Bureau of Alcohol, Tobacco, Firearms and Explosives – ATF – which has assigned agents to the police departments of each of Massachusetts PSN cities including a significant contingent of 10 agents and a supervisor to work out of the Boston Police Department; also
- Safe Streets Task Forces,
- the High Intensity Drug Trafficking Area program,
- an FBI Bank Robbery Task Force, and
- The National Gang Intelligence Center – which serves as a resource for state and local law enforcement, providing information on individual gang members, the relationship between gang members, gang structure and criminal activities.

Funding for these task forces and programs is extremely important, and I want you all to know that the President and I are going to fight for you to have the resources you need to keep them going.

Fiscally responsible budgets are extremely important – but responsible budgets fund successful efforts, and crime-fighting partnerships are very clearly successful. I promise that the Department of Justice will be making that case to Congressional appropriators in the coming year.

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It seems that sometimes tragedy helps us see things more clearly – like the fact that we're all in this together, this fight to protect the dreams and the futures of our kids.

In a post-9/11-world, both the value of freedom and the difficulty of protecting a child's innocence came into sharp focus. It was one of the reasons that, in the law-enforcement community, walls evaporated and information sharing is now, more and more, a truly two-way street.

This cooperation puts us on solid footing, well positioned to overcome any law-enforcement challenge that comes our way. Here in Massachusetts, today, that means the challenge of violent crime.

We know that the problem is a complicated one … and that's why this room is filled with law enforcement from every level and with community-service groups of all kinds.
A complicated problem calls for a creative and passionate response.

I am confident that you will not sit on the sidelines, and that this conference will serve as a different kind of "shot heard 'round the world." Those who perpetuate violent crime in the Commonwealth of Massachusetts

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should now know: the network of law enforcement and community groups is stronger than the network of neighborhood violence – and the team who seeks to make our streets safer, together, will win.

Thank you for having me here today. May God bless you and your work, and may he continue to bless the United States of America.

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From: USDOJ- Office of Public Affairs
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Subject: 16 CHARGED WITH CONCEALING SERVICE IN BOSNIAN SERB MILITARY TO SUCCESSFULLY ENTER THE U.S. AS REFUGEES

Department of Justice

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16 CHARGED WITH CONCEALING SERVICE IN BOSNIAN SERB MILITARY TO SUCCESSFULLY ENTER THE U.S. AS REFUGEES

WASHINGTON— Sixteen individuals in six states have been charged with criminal violations in connection with their efforts to obtain refugee status in the United States by concealing their prior service in the Bosnian Serb military, Deputy Attorney General Paul J. McNulty and Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE) Julie L. Myers announced today.

According to indictments and criminal complaints filed in the Middle District of Florida, the Eastern District of Wisconsin, the Middle District of North Carolina, the District of Colorado, the Eastern District of Michigan, and Northern District of Ohio, the defendants previously served in the Bosnian Serb military. One of the defendants, Nedjo Ikonic, 40, is described in a federal affidavit in Wisconsin as having been a commander of a police unit that cooperated with other Bosnian Serb entities in the July 1995 massacre of Muslims in Srebrenica.

According to the court documents, the defendants allegedly committed immigration fraud and/or made false statements by concealing their prior service in these Bosnian Serb military units when filing immigration applications with the U.S. government. Through these fraudulent applications, the defendants were able to gain refugee status allowing them to enter and reside in the United States. One of the defendants was ultimately able to gain U.S. citizenship.

During the past week, special agents from ICE arrested 13 of the defendants in Orlando, St. Petersburg (Fla), Raleigh, High Point (NC), Milwaukee, Detroit, Cleveland, and Denver. The remaining criminal defendants are at large.

All but one of the defendants face criminal charges that include immigration fraud and/or making false statements. The maximum sentence for making false statements is five years in prison, while the maximum sentence for immigration fraud is 10 years imprisonment. One defendant has been charged with unlawful procurement of citizenship, which carries a maximum potential sentence of 10 years imprisonment.

"These cases demonstrate our resolve to identify and prosecute those who enter this country under false pretenses, especially those who hide their military past," said Deputy Attorney General Paul J. McNulty.

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"Since it was founded, the United States has attracted refugees escaping from persecution and atrocities in their countries of origin," said ICE Assistant Secretary Myers. "ICE will not allow the United States to be a safe haven for those who failed to disclose their service in military forces that were known to commit atrocities. We will continue to work closely with our international partners to relentlessly pursue such criminals."

These cases were investigated by special agents from U.S. Immigration and Customs Enforcement (ICE) with assistance from the Office of Special Investigations (OSI) of the Justice Department's Criminal Division.

These cases are being prosecuted by the U.S. Attorney's Offices for the Middle District of Florida; Eastern District of Wisconsin; Middle District of North Carolina; District of Colorado; Eastern District of Michigan; and Northern District of Ohio. The Office of Special Investigations is participating in the prosecution of the U.S. citizen defendant in Tampa.

The indictments and criminal complaints filed in these cases contain mere allegations. The defendants are presumed innocent unless and until proven guilty.

The defendants are as follows:

Middle District of Florida

- Sekula Bilic, indicted on one count of immigration fraud and one count of making false statements.
- Zdravko Kordic, indicted on one count of immigration fraud.
- Branko Popic, indicted on one count of immigration fraud and one count of making false statements.
- Ostoja Saric, indicted on one count of immigration fraud and one count of making false statements.
- Strahinja Krsmanovic, indicted on one count of immigration fraud.
- Boro Stojanovic, indicted on one count of immigration fraud.
- Jadranko Gostic, indicted on one count of unlawful procurement of citizenship and one count of making false statements.
- Zoran Radic, indicted on one count of immigration fraud and making false statements. Radic remains at large.
- Dusan Bosnjak, indicted on one count of immigration fraud and making false statements. Bosnjak remains at large.
- Bogdan Panic, indicted on one count of naturalization fraud and making false statements. Panic remains at large.

Eastern District of Wisconsin

- Nedjo Ikonic, charged with one count of immigration fraud.

Middle District of North Carolina

- Milivoje Jankovic, indicted on two counts of immigration fraud and two counts of making false statements.
- Veselin Vidacak, indicted on two counts of immigration fraud and two counts of making false statements.

District of Colorado

- Milisav Vukovic, charged with one count of false statements.

DOJ_NMG_ 0171740

Eastern District of Michigan

- Nedjo Lojpur, indicted on two counts of immigration fraud.

Northern District of Ohio

- Ratko Maslenjak, charged with one count of immigration fraud.

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06-841

DOJ_NMG_ 0171741

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Image not available for this document, ID: 0.7.10316.14970-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 15, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 990815 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 1:16 PM
To: USDOJ- Office of Public Affairs
Subject: LEADERS OF NATIONWIDE ILLEGAL ALIEN EMPLOYEE-LEASING CONSPIRACY SENTENCED

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

LEADERS OF NATIONWIDE ILLEGAL ALIEN EMPLOYEE-LEASING CONSPIRACY SENTENCED

WASHINGTON – The two leaders of a six-person nationwide employee-leasing conspiracy that exploited hundreds of illegal aliens throughout the United States have been sentenced to terms in prison, Assistant Attorney General Alice S. Fisher of the Criminal Division and R. Alexander Acosta, U.S. Attorney for the Southern District of Florida, announced today.

At a hearing today before U.S. District Judge Kenneth A. Marra of the Southern District of Florida in Ft. Lauderdale, Jozef Bronislaw Bogacki, 43, a native of Poland and naturalized U.S. citizen residing in Clearwater, Fla., was sentenced to 57 months in prison. Judge Marra also imposed a money judgment of $950,000 and ordered Bogacki to forfeit six pieces of real property valued at approximately $500,000.

Judge Marra also sentenced Jaroslaw "Jerry" Sawczuk, 38, a Polish and Canadian citizen formerly of Coral Springs, Fla., to 51 months in prison and imposed a money judgment of $950,000 on Sawczuk. Sawczuk was ordered to surrender to the Department of Homeland Security at the end of his sentence, and cannot enter the United States again without the consent of the Attorney General.

Bogacki and Sawczuk were the leaders of a six-person nationwide employee-leasing conspiracy that exploited hundreds of illegal aliens throughout the United States, responsible for laundering over $20 million and defrauding the U.S. Treasury of at least $5.7 million. A third defendant in the conspiracy, Pavel Preus, 39, a Slovak citizen residing in Pompano Beach, Florida, was sentenced by Judge Marra on Sept. 13, 2006 to 37 months in prison and 36 months of supervised release. Bogacki, Sawczuk and Preus had all pleaded guilty to charges of conspiracy to transport, house and otherwise encourage illegal aliens to remain in the United States, and to commit visa, wire, mail and tax fraud, and money laundering.

The remaining defendants – Lucia Kanis, 31, a Slovak citizen; Ivan Kanis, 39, a Slovak citizen residing in the Slovak Republic; and Andor Pikali, 37, a Slovak citizen who resided in Coral Springs, Fla. – are fugitives and believed to be overseas.

DOJ_NMG_ 0171745

An indictment naming the six defendants, returned by a federal grand jury on Jan. 13, 2005, alleged that the defendants formed numerous sham corporations in Florida and, through these corporations, contacted legitimate businesses throughout the United States, such as farms, dairies, food plants and factories, and offered the services of "work-authorized" leased workers. The defendants promised these businesses that the defendants would contribute to, collect, and pay over Social Security and Medicare contributions, and federal and state income taxes. Instead, the defendants supplied unauthorized immigrant workers and never made the required payroll tax payments, keeping over $5.7 million in unpaid taxes and contributions for their own use.

"Those who defraud the government, business clients, other companies and their own employees will serve time in prison," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "We will not allow individuals to violate our laws and exploit our immigration system for their own personal profit."

"These defendants exploited our immigration laws to enrich themselves, pocketing the withholding taxes that were to be have been paid on behalf of the unauthorized immigrant workers," said U.S. Attorney Alexander Acosta of the Southern District of Florida. "I commend the exemplary and collegial work of four federal agencies – the Department of Homeland Security, the Department of Labor, Internal Revenue Service, and the U.S. Postal Inspection Service, and the patient dedication of our prosecutors, in bringing these criminals to justice."

"The exploitation of our immigration system by greed and profit-driven criminal organizations simply will not be tolerated," said Julie Myers, Department of Homeland Security Assistant Secretary for Immigration and Customs Enforcement (ICE). "This case demonstrates the resolve of ICE and our law enforcement partners to target corrupt employers while supporting responsible business owners who play by the rules."

Gordon S. Heddell, Inspector General of the Department of Labor, stated, "Today's sentencing sends a forceful message that the circumvention of the Department of Labor's Foreign Labor Certification program will absolutely not be tolerated. As we did in Operation Pisces, my office will continue to both dedicate resources and work with other law enforcement agencies in order to protect the integrity of the Department of Labor's programs."

The joint investigation, known as Operation Pisces, started in 2002. The investigation was led by the Kansas City Office of U.S. Immigration and Customs Enforcement, Group Supervisor Doug Bemiss; the U.S. Department of Labor, Office of the Inspector General, Labor Racketeering and Fraud Investigations, Special Agent Sean Kilcoyne; and the Miami, Florida field office of the Internal Revenue Service, Special Agent Kenneth Murphy. The Miami Office of the U.S. Postal Inspection Service also provided support for the investigation. The case was prosecuted by Senior Trial Attorneys Michael E. Barr and Judith R. O'Sullivan of the Domestic Security Section of the Criminal Division at the U.S. Department of Justice, and by Assistant U.S. Attorney Jeffrey H. Kay of the Ft. Lauderdale office of the U.S. Attorney's Office for the Southern District of Florida.

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06-843

DOJ_NMG_ 0171746

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Image not available for this document, ID: 0.7.10316.14967-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 15, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 990861 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 2:49 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES ANNOUNCES APPOINTMENT OF LEE LOFTHUS AS ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL GONZALES ANNOUNCES APPOINTMENT OF LEE LOFTHUS AS ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

WASHINGTON – Attorney General Alberto R. Gonzales today announced the appointment of Lee Lofthus as Assistant Attorney General for Administration. Mr. Lofthus has served in an acting capacity since June 1, 2006, following the resignation of former Assistant Attorney General for Administration, Dr. Paul Corts.

"Lee has demonstrated that he is an exceptional manager, advisor and leader," said Attorney General Gonzales. "We are extremely fortunate that, with his breadth of experience and commitment to the Department of Justice, he will continue to serve in this important role."

Under the leadership of the Assistant Attorney General for Administration, the Justice Management Division (JMD) serves as the management arm of the Department of Justice, advising the Attorney General and Deputy Attorney General on various issues related to the operation of the Department. The Assistant Attorney General for Administration serves as the Department's Chief Financial Officer, and his responsibilities include Department-wide financial reporting, budget formulation and execution, accounting operations, asset forfeiture fund operational support, procurement, and debt management support.

Mr. Lofthus also oversees facilities management, human resources, business services, and planning. He is a key executive liaison with the congressional Appropriations Subcommittees on appropriations matters. Mr. Lofthus is also responsible for key financial initiatives in the President's Management Agenda, and the issuance of the Department's public financial statements.

Mr. Lofthus has served in several financial management positions with the Department of Justice for more than 20 years. He joined the Department in 1982 and since that time, has held senior management positions overseeing financial operations, financial policy, reporting, and systems. Prior to his appointment as Acting Assistant Attorney General, Mr. Lofthus served as the Principal Deputy Assistant Attorney General/Controller of JMD. He also served as the Department's Deputy Chief Financial Officer. Prior to becoming Controller, he was the Director of the Finance Staff. Earlier in his career, he served as the Chief of the Finance Branch for the Federal Bureau of Prisons.

Mr. Lofthus received his M.B.A. in 1982 from The American University in Washington, D.C., with a concentration in financial management.

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06-844

DOJ_NMG_ 0171751

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Image not available for this document, ID: 0.7.10316.14965-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 3:20 PM
To: USDOJ- Office of Public Affairs
Subject: MAN PLEADS GUILTY TO PRODUCING CHILD PORNOGRAPHY AND SELLING THE IMAGES

Department of Justice

United States Attorney Catherine L. Hanaway
Eastern District of Missouri

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
HTTP://WWW.USDOJ.GOV/USAO/MOE/

CONTACT: JAN DILTZ
PHONE: (314) 539-7719
FAX: (314) 539-2309

MAN PLEADS GUILTY TO PRODUCING CHILD PORNOGRAPHY AND SELLING THE IMAGES

ST. LOUIS, Mo. —Joseph Trahan 42, of Phoenix, Ariz., pled guilty to two felony counts of production of child pornography, U.S. Attorney Catherine L. Hanaway of the Eastern District of Missouri announced today. Between Nov. 15, 2005 and Jan. 24, 2006, Trahan videotaped himself engaged in sexual activity with a 16 year old girl and distributed the videos through the mail in exchange for money. In January 2006, Trahan was in possession of numerous image files on his computer depicting minors engaged in sexually explicit conduct.

"The tremendous work of the Highway Patrol and the Postal Inspection Service saved a 16 year old girl from being raped over and over again, and will send this child pornographer to prison for at least 15 years," said U.S. Attorney Hanaway.

Trahan faces a mandatory minimum sentence of 15 years in prison and a maximum penalty of 30 years in prison. Sentencing is scheduled on March 2, 2007.

DOJ_NMG_ 0171754

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit http://www.projectsafechildhood.gov/.

U.S. Attorney Hanaway commended the work on the case by the Postal Inspection Service, the Missouri State Highway Patrol, and Assistant United States Attorney Carrie Costantin.

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Image not available for this document, ID: 0.7.10316.14957-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 3:39 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT FILES LAWSUIT CHALLENGING CONDITIONS AT OKLAHOMA JUVENILE FACILITY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT FILES LAWSUIT CHALLENGING CONDITIONS AT OKLAHOMA JUVENILE FACILITY

WASHINGTON - The Justice Department today filed a lawsuit challenging the conditions of confinement at the L.E. Rader Center, a juvenile facility in Sand Springs, Oklahoma.

The complaint alleges that conditions at the facility, which houses 215 boys up to 19 years old, routinely and systemically deprive youths of federally protected civil rights in violation of the Violent Crime Control and Law Enforcement Act of 1994 and the Civil Rights of Institutionalized Persons Act of 1980 (CRIPA). These statutes allow the federal government to identify and root out systemic abuses such as those allegedly discovered in Oklahoma.

This lawsuit, filed in U.S. District Court for the Northern District of Oklahoma follows an investigation of two and a half years, the findings of which were detailed in a letter sent to Oklahoma Governor Brad Henry in June 2005. That findings letter documented evidence of numerous alleged civil rights violations, including youth-on-youth violence, staff-on-youth violence, youth-on-staff violence, sexual misconduct between youths and staff, sexual misconduct among youths, an inadequate system to prevent suicide and self-injurious behavior, and inadequate psychotropic medication administration.

The Civil Rights Division has successfully resolved investigations of other juvenile justice facilities in Arizona, Arkansas, California, Georgia, Hawaii, Louisiana, Maryland, Michigan, Nevada, New Jersey, Puerto Rico, and Saipan. Investigations concerning juvenile justice facilities in California, Indiana, Maryland, New Jersey, Ohio, and Texas are pending.

In addition to juvenile facilities, CRIPA protects all institutionalized persons. Since 2001, the Department of Justice has opened 67 similar investigations into the conditions at nursing homes, mental health facilities and residences for persons with developmental disabilities, as well as similar institutions. These figures represent a significant increase over the 47 such investigations initiated over the preceding six years.

The United States' findings letter to Oklahoma Governor Brad Henry is available at http://www.usdoj.gov/crt/split/documents/split_rader_findlet_6-15-05.pdf. Additional information about the

DOJ_NMG_ 0171758

Special Litigation Section of the Justice Department's Civil Rights Division can be found at http://www.usdoj.gov/crt/split/index.html.

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06-846

DOJ_NMG_ 0171759

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Image not available for this document, ID: 0.7.10316.14963-000003

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 3:45 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. FILES VOTING RIGHTS LAWSUIT AGAINST THE VILLAGE OF PORT CHESTER, NEW YORK

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
HTTP://WWW.USDOJ.GOV/USAO/NYS/

CONTACT: HERBERT HADAD
PHONE: (914) 993-1900
LAUREN MCDONOUGH
YUSILL SCRIBNER
PHONE: (212) 637-2600

DEPARTMENT OF JUSTICE
CYNTHIA MAGNUSON
(202) 514-2007

U.S. FILES VOTING RIGHTS LAWSUIT AGAINST THE VILLAGE OF PORT CHESTER, NEW YORK

NEW YORK – The Department of Justice today filed a voting rights lawsuit in White Plains, N.Y. federal court against the Village of Port Chester, N. Y., alleging that Port Chester's system of electing members of its Board of Trustees violates the Voting Rights Act of 1965, announced Wan J. Kim, Assistant Attorney General for the Civil Rights Division; and Michael J. Garcia, U.S. Attorney for the Southern District of New York.

The Complaint alleges that Port Chester's at-large system, under which all village residents vote for each member of the Board of Trustees, results in Hispanic citizens having less opportunity than white citizens to participate in the political process and to elect candidates of their choice to the Port Chester Board of Trustees. With the Complaint, the United States also filed a motion seeking a preliminary injunction preventing Port Chester from using the at-large system in its next election for two positions on the Board of Trustees, scheduled for March 2007.

DOJ_NMG_ 0171763

According to the Complaint, the Port Chester Board of Trustees is composed of seven members, consisting of six Trustees and the Mayor. The Trustees are elected at large by all voters in Port Chester, and serve staggered three-year terms. According to the filing, although Hispanics constitute 46 percent of Port Chester's population, and 22 percent of the citizen voting age population, no Hispanic has ever been elected to the Board of Trustees.

The Complaint also alleges that voting in Port Chester is polarized by race and ethnicity, in that Hispanic voters almost always vote cohesively for the candidate they prefer, and white voters, who are in the majority, usually vote as a bloc to defeat the minority's preferred candidate. The filing states that Port Chester's minority citizens bear the effects of historical discrimination in the areas of housing, education and health that hinder their ability to participate in the political system on an equal basis with whites.

The Complaint further alleges that the Hispanic population of Port Chester is such that a properly apportioned, single-member district plan for electing the village's Board of Trustees can be drawn in which Hispanic voters would constitute a majority in at least one of six districts.

To comply with the Voting Rights Act, the United States argues in its filing that Port Chester must adopt a district plan in which Hispanic voters in Port Chester would have an opportunity to elect a candidate from their district. The United States also stated in its papers that Port Chester was advised by the Government in April 2006 that its at-large system violated the Voting Rights Act, and the United States provided it with proposed district plans in August 2006. On Dec. 4, 2006, the Port Chester Board of Trustees unanimously passed a resolution stating that it believes there is no Voting Rights Act violation.

U.S. Attorney Garcia stated "The right to vote is the bedrock of our government. The at-large system of electing Port Chester's Board of Trustees dilutes the votes of Port Chester's minority citizens and undermines democracy."

"The Voting Rights Act has been instrumental in ensuring the rights of all citizens to elect representatives of their choice," said Assistant Attorney General Kim. "The Justice Department believes today's lawsuit is necessary to preserve the voting rights of minority citizens in the Village of Port Chester."

Assistant United States Attorney David J. Kennedy and Department of Justice Trial Attorney Avner Shapiro are handling the case.

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DOJ_NMG_ 0171764

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Image not available for this document, ID: 0.7.10316.14962-000002

System Administrator

From: System Administrator
Sent: Friday, December 15, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991617 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 6:13 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER MEMPHIS POLICE OFFICER SENTENCED TO 19 YEARS FOR ROLE IN CIVIL RIGHTS CRIMES

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 15, 2006
WWW.USDOJ.GOV

CRT
(202) 616-2777
TDD (202) 514-1888

FORMER MEMPHIS POLICE OFFICER SENTENCED TO 19 YEARS FOR ROLE IN CIVIL RIGHTS CRIMES

WASHINGTON — A former reserve officer with the Memphis Police Department, Andrew Hunt, was sentenced today to 19 years in prison and 3 years of supervised release for his part in plotting and taking part in robbery and kidnapping while on duty, the Justice Department announced.

In addition, Hunt will pay $300 in special assessments for his involvement in a conspiracy to deprive citizens of their civil rights, for extortion affecting interstate commerce, and for using a firearm in the commission of a crime of violence or a drug trafficking crime. Hunt pleaded guilty in Sept. 2006.

"It is profoundly sad when one individual abuses a position of power and public trust," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Civil Rights Division is committed to prosecuting all cases of official misconduct and to bringing these individuals to justice."

As part of his guilty plea, the defendant acknowledged that a co-conspirator arranged to purchase a kilogram of cocaine from an individual known as "J.J." Officer Hunt, while in uniform, on duty, and using a marked squad car, made a traffic stop of "J.J." prior to the transaction and robbed him of $1,000 in cash, a $15,000 watch, and a cellular telephone. Hunt told "J.J." he would return the kilogram of cocaine if J.J. produced $15,000 in cash. The next day, "J.J." produced $9,500, but Hunt took the money and kept the cocaine.

The defendant further acknowledged that on Sept. 12, 2005, a co-conspirator arranged the purchase of four kilograms of cocaine from Pedro Moreno and Victor Saucedo. While in uniform, armed, and driving a marked squad car, Hunt and his co-conspirators robbed the men of the cocaine and kidnapped them. When the men could not produce the ransom demanded by Hunt, he arrested them for possession of 189.5 grams of cocaine and split the remainder of the four kilograms of cocaine with his co-conspirators.

In related matters, former Memphis police officers Arthur Sease, Antoine Owens, and Alexander Johnson were charged in September in a 50-count indictment charging conspiracy to violate civil rights, conspiracy to distribute controlled substances, violation of civil rights, extortion, possession of controlled substances with intent to distribute, and use of a firearm in the commission of a crime of violence or a drug trafficking crime.

DOJ_NMG_ 0171768

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

Assistant United States Attorney Steve Parker of the Western District of Tennessee and Trial Attorney Jonathan Skrmetti from the Civil Rights Division are prosecuting the case.

# # #

06-847

DOJ_NMG_ 0171769

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Image not available for this document, ID: 0.7.10316.14959-000002

System Administrator

From: System Administrator
Sent: Friday, December 15, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991675 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 15, 2006 6:48 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 18 – DECEMBER 22, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 15, 2006
WWW.USDOJ.GOV

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(202) 514-2008
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*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 18 – DECEMBER 22, 2006

Monday, December 18

Events TBD

Tuesday, December 19

Events TBD

Wednesday, December 20

Events TBD

Thursday, December 21

Events TBD

Friday, December 22

Events TBD

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DOJ_NMG_ 0171773

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Image not available for this document, ID: 0.7.10316.14958-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 15, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991718 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 16, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991719 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 16, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991720 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 16, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991721 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 16, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991721 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 16, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991722 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 16, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991723 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 16, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991724 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 17, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991725 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 17, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991726 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 17, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991727 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 17, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991727 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 17, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991728 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, December 17, 2006 6:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Fresno, TX

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Sunday, December 17, 2006 6:01:20 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Fresno, TX
Auto forwarded by a Rule

AMBER ALERT:Fresno,TX CHILD:12YRS BLACK M 5Ft10 98LBS Eyes:BROWN Hair:BLACK CALL 281-341-4665 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3022

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, December 17, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991731 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 17, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991732 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 991733 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 995333 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 18, 2006 9:47 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 18, 2006

Department of Justice

PRESS GUIDANCE

Monday, December 18, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171794

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, December 18, 2006 10:02 AM
Subject: JCON BROADCAST, WEEK OF DECEMBER 18, 2006

JCON BROADCAST, WEEK OF DECEMBER 18, 2006

1. **Three Things You Can Do During the Holidays to Help Others**
2. **Research Classes Offered by Library Staff**

Three Things You Can Do During the Holidays to Help Others

1. Give a gift to your community—Give to CFC. It is not too late to make a difference! Mark this holiday season by giving a contribution to the charity of your choice through the CFC. Turn in your pledge card soon! Visit the Department's CFC website to learn more at www.usdoj.gov/jmd/ps/empcfc.htm.

And, a special thank you to all of our CFC contributors! Your gift will make a difference in the lives of others.

2. Lend a helping hand to your fellow employees—Join the Voluntary Leave Bank. ***Open season for the Leave Bank ends this week on December 22, 2006.*** Leave Bank members pool and request donated leave for use during medical emergencies when all other leave has been exhausted. You may begin or renew your annual membership by contributing a minimum of one pay period of "accrued" annual leave (4, 6, or 8 hours). Your contribution will make you a member of the Leave Bank during leave year 2007, which begins on January 7, 2007. You may only join the VLBP during the annual open season. Please visit http://www.usdoj.gov/jmd/ps/guibank.htm for additional information.

3. Plan your New Year with a special day of service—2007 Martin Luther King Day of Service. During January, we commemorate and remember the life of Dr. Martin Luther King, Jr. In 1994, Congress passed the King Holiday and Service Act, which designated the King Holiday as a national day for community service. Instead of just a day off from work, Congress and Dr. King's family have asked all Americans to honor Dr. King's memory that day by becoming involved in projects that bring people from different backgrounds together to serve their communities.

The 2007 Martin Luther King Day of Service, to be held on January 15th, is planned to be the largest commemoration of service honoring Dr. King to date. It will provide an excellent opportunity for you, your family, and friends to join with others in the spirit of volunteerism. If you are interested in registering for a volunteer project, please visit the King Day Service project website at www.mlkday.gov.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Monday, December 18, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 995932 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 995933 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Monday, December 18, 2006 3:36 PM
Subject: Emergency Server Maintenance - JMD Customers Only

JMD JCON E-mail Service Interruption -
Emergency Server Maintenance

The SMO/JMD JCON Server Operations Group must perform emergency e-mail server maintenance this evening. The maintenance will take place during the posted service window identified below. Both incoming and outgoing messages will be queued (held) and delivered when the system comes back on line. This maintenance will only result in a delay of message delivery.

When: Monday, December 18, 2006, 9:00 pm to midnight

Event: E-mail Server Maintenance

Customers Affected: All JMD JCON Customers (No SMO Customers will be affected)

Unavailable Services:
Microsoft Outlook
E-mail
Calendar
BlackBerry Services

Available Services:
BlackBerry (PIN to PIN messaging is available)
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers

Suggested Action: If you are logged in (either at the office or remotely), please close the Microsoft Outlook application on desktop. When leaving for the day, please follow the power off instructions below:

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.

5. Click OK to log your workstation off the SMO/JMD JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 995960 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, December 18, 2006 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: ACTING ASSOCIATE ATTORNEY GENERAL WILLIAM W. MERCER TO PARTICIPATE IN A PRESS CONFERENCE ANNOUNCING ONE OF THE LARGEST EVER ENVIRONMENTAL CRIMES PROSECUTIONS

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, DECEMBER 18, 2006
WWW.USDOJ.GOV

OAAG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ACTING ASSOCIATE ATTORNEY GENERAL WILLIAM W. MERCER TO PARTICIPATE IN A PRESS CONFERENCE ANNOUNCING ONE OF THE LARGEST EVER ENVIRONMENTAL CRIMES PROSECUTIONS

BOSTON – The U.S. Attorney's Office for the District of Massachusetts will hold a press conference **TOMORROW at 11:30 A.M. EDT** to announce one of the largest ever environmental crimes prosecutions involving a nationwide enforcement effort. The press conference will be held outdoors on the waterfront-side of the Joseph Moakley federal courthouse in Boston.

WHO: Acting Associate Attorney General William W. Mercer
Assistant U.S. Attorney Diane C. Freniere

WHAT: Press conference

WHEN: **TUESDAY, DECEMBER 19, 2006**
11:30 A.M. EDT

WHERE: U.S. Federal Courthouse
One Courthouse Way
Boston, Mass.
Outside on the waterfront-side of the courthouse
OPEN PRESS

NOTE: Media wishing to attend should contact Samantha Martin at 617-748-3139.

# # #

06-848

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System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 996544 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 18, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 996545 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 19, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 996545 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 8:53 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ACTING ASSOCIATE ATTORNEY GENERAL WILLIAM W. MERCER TO PARTICIPATE IN A PRESS CONFERENCE ANNOUNCING ONE OF THE LARGEST EVER ENVIRONMENTAL CRIMES PROSECUTIONS

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, DECEMBER 19, 2006
WWW.USDOJ.GOV

OAAG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ACTING ASSOCIATE ATTORNEY GENERAL WILLIAM W. MERCER TO PARTICIPATE IN A PRESS CONFERENCE ANNOUNCING ONE OF THE LARGEST EVER ENVIRONMENTAL CRIMES PROSECUTIONS

BOSTON – The U.S. Attorney's Office for the District of Massachusetts will hold a press conference today at 11:30 AM to announce a record-breaking criminal fine in a deliberate vessel pollution case as a result of a multi-district plea agreement. The press conference will be held **outdoors** on the waterfront-side of the Joseph Moakley federal courthouse.

WHO: Acting Associate Attorney General William W. Mercer
U.S. Department of Justice

Assistant U.S. Attorney Diane Freniere
Chief of White Collar Crime Section, U.S. Attorney's Office

Rear Admiral Timothy S. Sullivan
First U.S. Coast Guard District

WHAT: Press Conference

WHEN: **TUESDAY, DECEMBER 19, 2006**
11:30 A.M. EDT

WHERE: United States Federal Courthouse
One Courthouse Way
Boston, MA
Outdoors on the harborside of courthouse

CONTACT: Samantha Martin, (617) 748-3139

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# # #

06-848

DOJ_NMG_ 0171811

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System Administrator

From: System Administrator
Sent: Tuesday, December 19, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 997802 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 9:52 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 19, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, December 19, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

The Environment and Natural Resources Division will issue a release on a vessel pollution matter. (Magnuson)

EVENTS/HEARINGS

11:30 A.M. EST Acting Associate Attorney General Bill Mercer will participate in a press conference today at 11:30 AM to announce a record-breaking criminal fine in a deliberate vessel pollution case as a result of a multi-district plea agreement.
United States Federal Courthouse
One Courthouse Way
Boston, Mass.
OPEN PRESS

NOTE: Press conference will be held outdoors on the harbor side of courthouse. All media inquiries regarding logistics should be directed to Samantha Martin of the U.S. Attorney's Office at (617) 748-3139.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 11:43 AM
To: USDOJ- Office of Public Affairs
Subject: OVERSEAS SHIPHOLDING GROUP INC. WILL PAY LARGEST-EVER PENALTY FOR CONCEALING VESSEL POLLUTION

Department of Justice

UNITED STATES COAST GUARD

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 19, 2006
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

OVERSEAS SHIPHOLDING GROUP INC. WILL PAY LARGEST-EVER PENALTY FOR CONCEALING VESSEL POLLUTION

Company Will Pay $37 Million; Plead Guilty to Criminal Violations on a Dozen Ships

BOSTON – Overseas Shipholding Group Inc. (OSG) has today agreed to plead guilty to 33 felony counts related to deliberate vessel pollution from nine ships and false pollution log entries in three additional ships, in six U.S. ports around the nation. OSG will pay a record $37 million—the largest-ever criminal penalty involving deliberate vessel pollution—and plead guilty to charges related to illegal dumping of waste oil, criminal violations of the Clean Water Act/Oil Pollution Act and the Act to Prevent Pollution from Ships, conspiracy, false statements and obstruction of justice. This multi-district investigation was conducted in Boston, Mass.; Portland, Maine; Los Angeles.; San Francisco; Wilmington, N.C.; and Beaumont, Texas.

OSG is a U.S. corporation headquartered in New York and is one of the largest publicly traded tanker companies in the world. Today's prosecution involves violations that occurred on 12 oil tankers. The $37 million penalty includes a $27.8 million criminal fine which will be divided among the districts and a $9.2 million organizational community service payment that will fund various marine environmental projects coast to coast.

"OSG has engaged in repeated and deliberate pollution of our oceans," said Acting Associate Attorney General William Mercer. "What is more disturbing is that OSG's management failed to uncover or stop this illegal activity after allegations were brought to the attention of management on several occasions and again after the initiation of the government's investigation. This penalty has secured justice against OSG and will serve as a deterrent for all other companies who attempt to circumvent the law for their own financial gain and at the expense of the environment."

"The Coast Guard takes its obligation as a steward of the marine environment very seriously," said Rear Adm. Tim Sullivan. "We are committed to achieving our ultimate goal—industry-wide compliance with international and domestic pollution prevention rules. The case demonstrates that scofflaws within maritime industry can no longer treat intentional discharging of oil and the penalties associated with those acts as a 'cost

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of doing business.' Instead, the industry must embrace a culture of compliance. Effective, transparent partnerships between industry and our regulators are vital to allow the international pollution prevention system to work as designed. Failure by industry to meet this challenge of change will only result in further investigations, prosecutions and expense to all."

In addition to the plea agreement, a detailed joint statement of facts was filed today in court, in which OSG has admitted that the following information is accurate:

- OSG made illegal releases of oily waste from approximately August 2001 to October 2003 from the *M/T Uranus* into waters off the coast of New England, in close proximity to Maine and Massachusetts, including the island of Nantucket. Discharges were made from the *M/T Uranus* through a long flexible hose trailed overboard at night, then through a hard bypass pipe that the ship's Fitter was forced to make, and at a later point in time, by flushing an oil detecting sensor with fresh water.

- OSG is responsible for dumping overboard sludge (concentrated black waste oil) at night from three ships. In the case of the *M/T Overseas Shirley*, the ship's 1st Engineer wrote a letter to OSG senior management alleging the "habitual criminal of sludge discharge to sea" and estimated that approximately 40,600 gallons of sludge had been intentionally dumped overboard through a bypass hose. OSG discounted the allegations at the time, but they were corroborated by the government's investigation.

- OSG violated the Clean Water Act by discharging approximately 2,640 gallons of oily waste and sludge from the *M/T Neptune* off the coast of North Carolina. OSG concluded no oil had been discharged at the time notwithstanding receipt of a "Private and Confidential" memo (initialed by three senior company managers,) from an outside auditor who told the company that he had observed oil leaking from a bypass hose and believed that the discharge was not an isolated event.

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- OSG made illegal discharges of oily waste in 2004-2005 from the *M/T Pacific Ruby* in U.S. waters in the Gulf of Mexico. Crew members contacted the Coast Guard alleging that the Chief Engineer had tricked pollution control equipment while making overboard discharges.

- OSG concealed deliberate and illegal discharges by deliberately falsifying official ship records, including the Oil Record Book, making discharges at night, and by hiding bypass equipment during U.S. port calls so that the Coast Guard would not discover the criminal activity.

- Numerous OSG crew members, including chief engineers, engaged in conspiracies to commit illegal pollution and falsify ship records while certain lower level crew members knowingly participated because they were explicitly or implicitly threatened by superiors with loss of employment if they refused.

- Shore-side management failed to provide and exercise sufficient supervision and management controls to prevent or detect criminal violations by its employees.

- A motive for the crimes was financial—OSG was saving the cost of offloading waste oil in port and the time it would take to comply with the law.

Criminal violations continued on some ships during the three years in which OSG was under investigation. On six vessels (*M/T Ania, M/T Cabo Hellas, M/T Cleliamar, M/T Overseas Portland, M/T Vega, M/T Pacific Sapphire*), OSG self-reported violations which prosecutors credited by imposing fewer charges and reduced criminal fines. OSG also implemented new technology on its ships designed to prevent illegal

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pollution. According to papers filed in court, prosecutors did not seek even higher penalties on account of OSG's cooperation during the investigation and because of compliance measures taken before and during the investigation and those promised as part of a plea agreement with prosecutors.

Per the terms of the plea agreement, OSG is also subject to a three-year term of probation during which it must implement and follow a stringent environmental compliance program that includes a court-appointed monitor and outside independent auditing of OSG ships trading worldwide.

The government's investigation was initiated after the Coast Guard in Boston received a referral from the Marine Safety Branch of Transport Canada, indicating that records for the *M/T Uranus* showed that bilge waste was being disposed while the official Oil Record Book failed to account for the disposal of waste. It was determined that these illegal discharges occurred within U.S. waters off-the-coast of Maine and Massachusetts. During this time, crew members discharged approximately 150,000 gallons of oil-contaminated waste while "tricking" the Oil Content Meter designed to detect and prevent discharges containing more than 15 parts per million oil, the international limit established by the MARPOL Protocol, an international treaty implemented by the Act to Prevent Pollution from Ships.

The government's investigation grew to include evidence of deliberate violations of the MARPOL Protocol and U.S. law by the following 12 oil tankers: *M/T Ania, M/T Cabo Hellas, M/T Neptune, M/T Overseas Alcesmar, M/T Overseas Cleliamar, M/T Overseas Shirley, M/T Overseas Portland, M/T Pacific Sapphire, M/T Pacific Ruby, M/T Rebecca, M/T Uranus, and M/T Vega*.

Today's prosecution was made possible through the combined efforts of the U.S. Coast Guard units in each port, the Coast Guard Investigative Service, Coast Guard Office of Maritime and International Law, Coast Guard Office of Investigations and Analysis, and Environmental Protection Agency Criminal Investigations Division. The case was prosecuted by the Environmental Crimes Section of the U.S. Department of Justice and the U.S. Attorney's Offices in the affected districts.

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Image not available for this document, ID: 0.7.10316.14883-000002

Image not available for this document, ID: 0.7.10316.14883-000003

System Administrator

From: System Administrator
Sent: Tuesday, December 19, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998533 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 19, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998534 KB.
Mailbox size limits:
You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 19, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998557 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 5:13 PM
To: USDOJ- Office of Public Affairs
Subject: OVERTON COUNTY SHERIFF'S OFFICERS SENTENCED FOR VIOLATING INMATE'S CIVIL RIGHTS

Department of Justice

FOR IMMEDIATE RELEASE CRT
TUESDAY, DECEMBER 19, 2006 (202) 514-2007
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OVERTON COUNTY SHERIFF'S OFFICERS SENTENCED FOR VIOLATING INMATE'S CIVIL RIGHTS

WASHINGTON – Former Overton County, Tenn., sheriff's deputy Gary Grigg and Lt. Johnny Gann were sentenced late yesterday for their roles in violating the civil rights of an inmate detained in the Overton County Jail, the Justice Department announced. Two other co-defendants, Overton County Sheriff's Jail Administrator Michael Gilpatrick and Lieutenant James Loftis, still await sentencing. Four Overton County law enforcement officers have either been convicted or pleaded guilty in this matter.

For his role the crime, Grigg received 41 months in prison followed by two years of supervised release. Grigg is report to begin his sentence on Jan. 19, 2007.

Gann who was placed on probation for two years with a special condition that he spend six months in home detention.

Grigg previously pleaded guilty to conspiring with Gilpatrick and Loftis to have the victim assaulted, and co-defendant Gann previously pleaded guilty to lying to federal investigators during the investigation of this incident.

In October, Gilpatrick was found guilty of orchestrating the beating of an inmate at the request of Grigg, who was trying to find someone who would beat the inmate. Gann pleaded guilty for his role in covering up the episode.

"These law enforcement officers pledged to protect and serve, not to victimize and lie," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The criminal behavior of these aberrant officers seriously undermines the dedicated efforts of the vast majority of law enforcement officers who serve honorably."

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

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Assistant U.S. Attorney William Cohen for the Middle District of Tennessee and Civil Rights Division attorneys Gerry Hogan and Jim Felte prosecuted this case for the government.

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Image not available for this document, ID: 0.7.10316.14727-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 5:40 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ALCATEL CIT EXECUTIVE IS INDICTED FOR ALLEGED BRIBES TO COSTA RICAN OFFICIALS TO OBTAIN MOBILE TELEPHONE CONTRACT

A copy of the indictment is attached.

Department of Justice

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TUESDAY, DECEMBER 19, 2006
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TDD (202) 514-1888

FORMER ALCATEL CIT EXECUTIVE IS INDICTED FOR ALLEGED BRIBES TO COSTA RICAN OFFICIALS TO OBTAIN MOBILE TELEPHONE CONTRACT

WASHINGTON – A federal grand jury in Miami has indicted a former Alcatel CIT executive on charges related to making corrupt payments to Costa Rican officials in order to obtain a mobile telephone contract from the state-owned telecommunications authority, in violation of the Foreign Corrupt Practices Act (FCPA), the Department of Justice announced today.

The 10-count indictment returned today charges Christian Sapsizian, 60, a French citizen, with conspiring to make over $2.5 million in bribe payments to Costa Rican officials in order to obtain a telecommunications contract on behalf of Alcatel, making corrupt payments, and laundering the bribes through a consultant. Sapsizian was previously charged and arrested in Miami on a criminal complaint issued Dec. 1, 2006.

Until Nov. 30, 2006, Alcatel was a French telecommunications company, whose American Depositary Receipts were traded on the New York Stock Exchange. Sapsizian was employed by Alcatel or one of its subsidiaries for over 20 years. At the time of the conduct alleged in the indictment, he was the deputy vice president responsible for Latin America.

El Instituto Costarricense de Electricidad (ICE), the state-owned telecommunications authority in Costa Rica, was responsible for awarding all telecommunications contracts, including mobile telephone contracts. Prior to 2000, Alcatel had been unsuccessful in obtaining mobile telephone contracts in Costa Rica, repeatedly losing to a competitor which utilized a different technology than Alcatel. The indictment alleges that from February 2000 through September 2004, Sapsizian conspired with Alcatel's senior representative in Costa Rica to make payments to a member of ICE's Board of Directors, who was also an advisor to a more senior official in the Costa Rican government. The payments were intended to cause the ICE official to exercise his influence to initiate a bid process which favored Alcatel's technology and to vote to award Alcatel a mobile telephone contract. Sapsizian is charged with offering the ICE official 1.5 percent to 2 percent of the value of the contract in exchange for the ICE official's efforts in assisting Alcatel to obtain the contract. The indictment further

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alleges that Sapsizian was aware that the ICE official intended to share the corrupt payments with the senior government official.

Alcatel was in fact awarded a mobile telephone contract in August 2001, which was valued at $149 million. According to the indictment, Sapsizian authorized one of Alcatel's Costa Rican consulting firms to funnel the payments to the ICE official. Sapsizian is charged with conspiring to launder money for allegedly causing Alcatel CIT to wire $14 million in "commission" payments to the consultant. The consultant, in turn, wire transferred $2.5 million to the ICE official. Thus, Sapsizian is charged with eight counts of violating the FCPA for allegedly causing those payments to the ICE official.

The conspiracy and FCPA charges each carry a maximum sentence of five years in prison. The money laundering charge carries a maximum sentence of 20 years in prison.

An indictment contains only allegations. A defendant is presumed innocent of the charges and it is the government's burden to prove a defendant's guilty beyond a reasonable doubt at trial.

This case is being prosecuted by Deputy Chief Mark F. Mendelsohn, and Trial Attorney Mary K. Dimke of the Fraud Section of the Criminal Division at the U.S. Department of Justice, Washington. The case is being investigated by the Federal Bureau of Investigation. Costa Rican Attorney General Francisco Dall'Anese and his office provided substantial assistance to this investigation.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. _____

18 U.S.C. § 371
15 U.S.C. § 78dd-1(a)
18 U.S.C. § 2
18 U.S.C. § 1956(h)
18 U.S.C. § 982(a)(1)

UNITED STATES OF AMERICA

vs.

CHRISTIAN SAPSIZIAN,

Defendant.
_____/

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-1, *et seq*., was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of securing any improper advantage, or of obtaining or retaining business for, or directing business to, any person.

Relevant Entities and Individuals

2. Alcatel, S.A. ("Alcatel") was a worldwide provider of a wide variety of

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telecommunications equipment and services. Alcatel was established under the laws of France and was headquartered in Paris, France. Alcatel operated in more than 130 countries, including France, the United States, and, as set forth more fully below, Costa Rica. From at least 2000 until on or about November 30, 2006, American Depositary Shares of Alcatel were registered with the Securities and Exchange Commission and traded on the New York Stock Exchange as American Depositary Receipts ("ADRs"). Accordingly, Alcatel was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

3. Alcatel CIT, S.A. ("Alcatel CIT") was a wholly-owned subsidiary of Alcatel and was Alcatel's main subsidiary in France. Part of its responsibilities included contracting, on behalf of Alcatel, with foreign governments to sell mobile telephone technology and networks, including the government of Costa Rica. Alcatel CIT was also responsible for making payments to Alcatel's consultants that were located in Costa Rica. For the purposes of Alcatel's public filings with the United States Securities and Exchange Commission, Alcatel CIT's financial statements were consolidated into Alcatel's financial statements. Alcatel CIT held a bank account at ABN Amro Bank in New York, New York, which was used in part, to pay consultants located around the world.

4. Alcatel Standard, S.A. ("Alcatel Standard") was a wholly-owned subsidiary of Alcatel and was based in Switzerland. Its responsibilities included entering into agreements with consultants who worked on behalf of Alcatel or Alcatel CIT in various countries, including consultants located in Costa Rica.

5. Alcatel de Costa Rica, S.A. ("Alcatel de Costa Rica") was a local incorporated affiliate of Alcatel and Alcatel CIT. It was responsible for the day-to-day commercial operations of Alcatel in Costa Rica. For example, Alcatel de Costa Rica informed Alcatel of the local tenders for

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commercial projects available in Costa Rica, assisted Alcatel in preparing bids, and communicated with the state-owned telecommunications authority in Costa Rica.

6. Servicios Notariales, Q.C. ("Servicios Notariales") was a purported consulting firm based in Costa Rica. From in or around 2001 until in or around October 2004, Alcatel Standard, on behalf of Alcatel CIT, executed at least three consulting contracts with Servicios Notariales for the stated purpose of assisting Alcatel in obtaining telecommunications contracts in Costa Rica. Servicios Notariales held an account at Cuscatlan International Bank & Trust Co. Ltd, which is based in Costa Rica.

7. El Instituto Costarricense de Electricidad ("ICE") was the state-owned telecommunications authority in Costa Rica, which among other things, was responsible for awarding and administering public tenders for telecommunications contracts. ICE was governed by a seven-member board of directors that evaluated and approved bid proposals submitted by telecommunications companies, including Alcatel. The ICE Board was led by an Executive President.

8. The "ICE Official" was a director of ICE and an advisor to a senior Costa Rican government official (the "Senior Government Official"). As a result, the ICE Official's salary was paid by the government of Costa Rica. The ICE Official and the Senior Government Official were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(a), and were in a significant position to influence the policy decisions made by ICE and the contracts awarded by ICE. The ICE Official held bank accounts in his wife's name at Saint George Bank & Trust Co. Ltd. and BCT Bank International, both located in Panama. In fact, the ICE Official exercised control over and was a beneficial owner of the accounts.

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9. Defendant **CHRISTIAN SAPSIZIAN** was employed by Alcatel or an Alcatel subsidiary starting in or around 1981. From in or around 2001 to in or around late 2004, **SAPSIZIAN** held the title of Deputy Vice President of Latin America for Alcatel CIT and reported to Alcatel CIT's Vice President of Latin America. During this time, Alcatel's Vice President of Latin America delegated the responsibility for Costa Rica to **SAPSIZIAN. SAPSIZIAN's** responsibilities included negotiating contracts in Latin America on behalf of Alcatel and Alcatel CIT. **SAPSIZIAN** spent part of his time working at Alcatel corporate headquarters in France, and part of his time traveling throughout Latin America attending to Alcatel's business in the region. Accordingly, **SAPSIZIAN** was an "employee" and an "agent" of an "issuer" within the meaning of the FCPA, Title 15, United States Code Section 78dd-1.

10. Alcatel de Costa Rica was managed on a day-to-day basis by a Costa Rican national who was the senior country officer (the "Senior Country Officer"), whose responsibilities included negotiating contracts for Alcatel's services with ICE and contracts with consultants who worked on Alcatel's behalf in Costa Rica. **CHRISTIAN SAPSIZIAN** supervised the Senior Country Officer with regard to the approval and hiring of consultants in Costa Rica.

Alcatel's Contracts with ICE

11. Prior to 2000, Alcatel historically had been unsuccessful in obtaining contracts with ICE in Costa Rica for mobile telephone services. Prior to 2000, the mobile telephone network used in Costa Rica was provided by an Alcatel competitor, which primarily utilized a different technology than Alcatel offered. In Costa Rica, the competitor provided network services using Time Division Multiple Access ("TDMA"). TDMA is a technology for delivering digital wireless service. It is generally considered an older or first generation technology. Alcatel primarily provided services

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using Global System for Mobile ("GSM") technology. GSM is a newer or second generation technology used for delivering digital wireless service.

12. In or around 2000, there was significant public debate in Costa Rica as to what technology should be employed for Costa Rica's mobile telephone network in future contracts with ICE. Many options, such as TDMA (first generation), GSM (second generation), or newer third generation technologies, were under consideration.

13. In or around October 2000, prior to a formal vote by the ICE Board of Directors, the Executive President of ICE announced that ICE intended to open a bid round for developing a mobile telephone network in Costa Rica using the GSM technology.

14. In or around December 2000, the ICE Board formally voted to open a bid round for developing a mobile network in Costa Rica using GSM technology, as opposed to the older TDMA technology or other newer third generation technologies.

15. On or about August 28, 2001, ICE awarded Alcatel CIT a contract to develop a GSM mobile network in Costa Rica and to provide 400,000 lines of mobile telephone service (the "400K GSM Contract"). The 400K GSM Contract would give Alcatel 100% of all new mobile lines installed in Costa Rica and 50% of all existing mobile lines. The contract was valued at approximately $149 million, and was by far Alcatel's most significant contract in Costa Rica.

COUNT 1
Conspiracy to Violate the Foreign Corrupt Practices Act
(18 U.S.C. § 371)

THE CONSPIRACY

1. Paragraphs 1 through 15 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

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2. From at least in or around February 2000, through in or around September 2004, in the Southern District of Florida, and elsewhere, the defendant,

CHRISTIAN SAPSIZIAN,

did willfully that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate and agree with the "Senior Country Officer" and others, known and unknown to the Grand Jury, to commit an offense against the United States, that is, being an officer, director, employee, and agent of Alcatel, an issuer, and stockholder thereof acting on behalf of Alcatel, to make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign official for purposes of: (i) influencing acts and decisions of such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist **CHRISTIAN SAPSIZIAN**, the defendant, and others known and unknown to the Grand Jury, in obtaining and retaining business for and with, and directing business to, Alcatel and its subsidiaries, contrary to Title 15, United States Code, Section 78dd-1(a).

PURPOSE OF THE CONSPIRACY

3. The purpose of the conspiracy was to make corrupt payments to a foreign official in Costa Rica in order to obtain and retain business for Alcatel.

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MANNER AND MEANS OF THE CONSPIRACY

4. The manner and means by which the defendant and his co-conspirators sought to accomplish the purpose and object of the conspiracy, included, but were not limited to the following:

a. It was a part of the conspiracy that **CHRISTIAN SAPSIZIAN** and his co-conspirators would offer and agree to pay money to the ICE Official, knowing that the payments would be shared with the Senior Government Official, in exchange for their assistance in obtaining favorable policy decisions and obtaining and retaining contracts with ICE.

b. It was a further part of the conspiracy that **SAPSIZIAN** and his co-conspirators would cause Alcatel Standard, on behalf of Alcatel CIT, to execute purported consulting contracts with Servicios Notariales, in which Alcatel promised to pay Servicios Notariales a percentage, ranging from 1% to 9.75%, of the value of the contract that Servicios Notariales assisted Alcatel in obtaining with ICE in return for Servicios Notariales performing vaguely-described marketing and advisory services.

c. It was a further part of the conspiracy that **SAPSIZIAN** and his co-conspirators would use Servicios Notariales as a conduit to pass bribe payments to the ICE Official and the Senior Government Official.

d. It was a further part of the conspiracy that Servicios Notariales would create invoices purportedly for "commissions" related to the contracts awarded and submit those invoices to Alcatel, Alcatel CIT or Alcatel de Costa Rica.

e. It was a further part of the conspiracy that the Senior Country Officer would send Servicios Notariales' invoices by facsimile to **SAPSIZIAN** in France.

f. It was a further part of the conspiracy that **SAPSIZIAN** and his co-

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conspirators would cause Alcatel CIT to wire transfer approximately $14 million of Alcatel's funds from Alcatel CIT's account at ABN Amro Bank in New York, New York to an account at the International Bank of Miami, in Miami, Florida to be further credited to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

g. It was a further part of the conspiracy that **SAPSIZIAN** and his co-conspirators would inform Servicios Notariales how to distribute the funds to the ICE Official.

h. It was a further part of the conspiracy that **SAPSIZIAN** and his co-conspirators would authorize Servicios Notariales to distribute approximately $2.56 million to the ICE Official, knowing that the ICE Official would share the corrupt payments with the Senior Government Official, in exchange for their assistance in obtaining and retaining business for Alcatel, more specifically, for using their influence to open a bid round for a GSM-based mobile network and award a mobile telephone contract to Alcatel.

OVERT ACTS

5. In furtherance of the conspiracy and to achieve its purpose and object thereof, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Florida, and elsewhere, the following overt acts, among others:

a. In or around June 2000, **CHRISTIAN SAPSIZIAN** and the ICE Official discussed Alcatel making payments to other foreign officials in Costa Rica.

b. In or around November 2000, **SAPSIZIAN** and his co-conspirators offered the ICE Official 1.5% to 2% of the value of the 400K GSM Contract in exchange for the ICE Official voting in favor of opening a bid round for a GSM-based mobile network and otherwise assisting Alcatel in obtaining the 400K GSM Contract.

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c. In or around December 2000, **SAPSIZIAN** and his co-conspirators agreed to make the payments to the ICE Official after being informed that the ICE Official would share the payments with the Senior Government Official.

d. On or about October 7, 2001, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $800,000.

e. On or about November 6, 2001, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $700,000.

f. On or about November 19, 2001, **SAPSIZIAN** emailed an Alcatel employee authorizing three payments to Servicios Notariales for the approximate amounts of: $800,000, $700,000, and $749,241.

g. On or about December 6, 2001, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $749,271.

h. On or about December 7, 2001, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $800,000 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

i. On or about December 10, 2001, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $225,000 from its account at Cuscatlan International Bank in Costa Rica to Terrabank N.A. Bank, located in Miami, Florida, and then to an

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account in the name of the ICE Official's wife at Saint George Bank & Trust Co. Ltd in Panama.

j. On or about December 28, 2001, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $700,000 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

k. On or about January 25, 2002, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $749,271 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

l. On or about May 20, 2002, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to purchase four Certificates of Deposit (CDs) worth approximately $100,000, using funds from its account at Cuscatlan International Bank, in Costa Rica, and to give those CDS to the ICE Official.

m. On or about July 22, 2002, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $1,380,085.

n. On or about July 29, 2002, the Senior Country Officer faxed the July 22 Servicios Notariales invoice for approximately $1,380,085 to "Mrs. Alcatel CIT (C/O C. Sapsizian)."

o. On or about August 9, 2002, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $1,380,085 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

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p. On or about August 14, 2002, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $100,000 from its account at Cuscatlan International Bank in Costa Rica to Terrabank N.A. Bank, located in Miami, Florida, then to an account in the name of the ICE Official's wife at Saint George Bank & Trust Co. Ltd in Panama.

q. On or about August 14, 2002, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $590,000 from its account at Cuscatlan International Bank in Costa Rica to Bank of America, located in Miami, Florida, then to an account in the name of the ICE Official's wife at BCT Bank International in Panama.

r. On or about October 25, 2002, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $81,566 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

s. On or about September 19, 2002, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $704,100.

t. On or about October 2, 2002, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $345,536.

u. On or about October 7, 2002, the Senior Country Officer faxed the invoices dated September 19 and October 2, 2002 to "Mrs. Alcatel CIT, (C/O Sapsizian)."

v. On or about December 2, 2002, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $1,049,636 from its account at ABN Amro Bank in New

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York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

w. On or about December 9, 2002, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $180,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of the ICE Official's wife at BCT Bank International in Panama.

x. On or about February 12, 2003, Servicios Notariales submitted two invoices to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions", each in the approximate amount of $1,969,667.

y. On or about February 18, 2003, the Senior Country Officer faxed the two invoices for approximately $1,969,667 to "Mrs. Alcatel CIT, Attn: C. Sapsizian (France)."

z. On or about March 28, 2003, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $3,939,334 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank, in Costa Rica.

aa. On or about April 2, 2003, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $576,000 from its account at Cuscatlan International Bank in Costa Rica, to Bank of America, located in Miami, Florida, then to an account in the name of the ICE Official's wife at BCT Bank International in Panama.

bb. On or about June 19, 2003, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $17,821 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further

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credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

cc. On or about June 19, 2003, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $1,099,630 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

dd. On or about July 4, 2003, **SAPSIZIAN** and his co-conspirators caused Servicios Notariales to wire transfer approximately $339,000 from its account at Cuscatlan International Bank in Costa Rica, to Bank of America, located in Miami, Florida, then to an account in the name of the ICE Official's wife at BCT Bank International in Panama.

ee. On or about September 26, 2003, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $1,155,418.

ff. On or about September 26, 2003, Servicios Notariales submitted an invoice to Alcatel CIT, to the attention of **SAPSIZIAN**, for partial payment of "commissions" in the approximate amount of $3,555,091.

gg. On or about October 3, 2003, the Senior Country Officer faxed the two invoices dated September 26, 2003 to "Mrs. Alcatel CIT."

hh. On or about October 24, 2003, **SAPSIZIAN** and his co-conspirators caused Alcatel CIT to wire transfer approximately $4,710,509 from its account at ABN Amro Bank in New York, New York, to an account at the International Bank of Miami, in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

ii. On or about October 27, 2003, **SAPSIZIAN** and his co-conspirators caused

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Servicios Notariales to wire transfer approximately $450,000 from its account at Cuscatlan International Bank in Costa Rica, to Bank of America located in Miami, Florida, then to an account in the name of the ICE Official's wife at BCT Bank International in Panama.

All in violation of Title 18, United States Code, Section 371.

COUNTS 2-9
Foreign Corrupt Practices Act Violations
(15 U.S.C. § 78dd-1(a), 18 U.S.C. § 2)

1. Paragraphs 1 through 15 of the General Allegations section and paragraphs 3-5 of Count 1 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. On or about the dates set forth below, in the Southern District of Florida, and elsewhere, defendant,

CHRISTIAN SAPSIZIAN,

being an officer, director, employee, and agent of Alcatel and stockholder thereof acting on behalf of Alcatel, an issuer within the meaning of the Foreign Corrupt Practices Act, made use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign official for purposes of: (a) influencing acts and decisions of such foreign official in his official capacity; (b) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (c) securing an improper advantage; and (d) inducing such foreign official to use his influence with foreign governments and instrumentalities thereof to affect and influence acts and decisions of such governments and instrumentalities in order to assist **CHRISTIAN SAPSIZIAN**, the defendant, and

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others known and unknown to the Grand Jury, in obtaining and retaining business for and with, and directing business to, Alcatel as described below:

Count	APPROX. AMOUNT OF THING OF VALUE	MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE USED	FOREIGN OFFICIAL	APPROX. DATE
2	$225,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	12/10/2001
3	$100,000	using funds from an account at Cuscatlan International Bank to purchase four CDs	ICE Official	05/20/2002
4	$100,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	08/14/2002
5	$590,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	08/14/2002
6	$180,000	wire transfer from Costa Rica to Panama	ICE Official	12/09/2002
7	$576,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	04/02/2003
8	$339,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	07/04/2003
9	$450,000	wire transfer from Costa Rica, through Miami, to Panama	ICE Official	10/27/2003

In violation of Title 15, United States Code, Section 78dd-1(a) and Title 18, United States Code, Section 2.

COUNT 10
Money Laundering Conspiracy
(18 U.S.C. § 1956(h))

1. Paragraphs 1-15 of the General Allegations section and paragraphs 3-5 of Count 1 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

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2. From in or around February 2000, and continuing through in or around September 2004, in the Southern District of Florida, and elsewhere, the defendant,

CHRISTIAN SAPSIZIAN,

did knowingly, combine, conspire, confederate and agree with the Senior Country Officer and others, known and unknown to the Grand Jury to commit a violation of Title 18, United States Code, Section 1956, that is: to knowingly transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(A).

It is further alleged that the specified unlawful activity referred to above is a violation of the Foreign Corrupt Practices Act, Title 15, United States Code, Section 78dd-1(a).

In violation of Title 18, United States Code, Section 1956(h).

FORFEITURE ALLEGATION
(18 U.S.C. § 982(a)(1))

1. The allegations contained in Count 10 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of **CHRISTIAN SAPSIZIAN** for the offense charged in Count 10 of this Indictment, the defendant shall forfeit to the United States any property, real or personal, which was involved in the money laundering offense and all property traceable to such property, including but not limited to the following:

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a. A sum of money equal to $14,000,000 in United States currency, in that such sum in aggregate is property which was involved in the money laundering offense charged in Count 10 or is traceable to such property, for which the defendant is jointly and severally liable.

Substitute Assets Provision

b. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(i) cannot be located upon the exercise of due diligence;

(ii) has been transferred or sold to, or deposited with, a third party;

(iii) has been placed beyond the jurisdiction of the court;

(iv) has been substantially diminished in value; or

(v) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18 United States Code, Section § 982, to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above, including but not limited to the following:

(i) Any and all right, title, and interest in the real property and appurtenances known as 56 Rue Labrouste, Paris, France;

(ii) Any and all right, title, and interest in the funds located in Chase Bank Account No. 376000550465;

(iii) Any and all right, title, and interest in the funds located in HSBC Bank Account No. 179-06414-2; and

(iv) Any and all right, title, and interest in the funds located in the HSBC

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Account in the defendant's name at HSBC Bank located in Paris France.

In violation of Title 18, United States Code, Section 982.

A TRUE BILL

_____
FOREPERSON

_____
R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY

_____
STEVEN A. TYRRELL
ACTING CHIEF, FRAUD SECTION
CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

_____
MARY K. DIMKE
TRIAL ATTORNEY, FRAUD SECTION
CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

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Image not available for this document, ID: 0.7.10316.14877-000003

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 6:35 PM
To: USDOJ- Office of Public Affairs
Subject: UNIVERSITY PROFESSOR PLEADS GUILTY TO CONSPIRING TO ACT AS A COVERT AGENT OF THE REPUBLIC OF CUBA

Department of Justice

United States Attorney R. Alexander Acosta
Southern District of Florida

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 19, 2006
www.usdoj.gov/usao/fls

CONTACT: ALICIA VALLE
PHONE: (305) 961-9000
FAX: (305) 530-7087

UNIVERSITY PROFESSOR PLEADS GUILTY TO CONSPIRING TO ACT AS A COVERT AGENT OF THE REPUBLIC OF CUBA

MIAMI – Carlos Alvarez today pleaded guilty to conspiring to act as a covert agent of the Republic of Cuba operating within the United States before Judge K. Michael Moore in U.S. District Court in Miami, Assistant Attorney General Kenneth L. Wainstein of the National Security Division, U.S. Attorney R. Alexander Acosta of the Southern District of Florida, and FBI Special Agent in Charge Jonathan I. Solomon of the Miami Field Office announced. Mr. Alvarez faces a statutory maximum penalty of five years in prison and a $250,000 fine.

Carlos Alvarez's wife, Elsa Alvarez, also pleaded guilty today to concealing her husband's criminal participation in that conspiracy. Mrs. Alvarez faces a statutory maximum penalty of three years in prison and a $250,000 fine. Sentencing for both defendants is scheduled for Feb. 27, 2007.

"This investigation unmasked a Cuban intelligence agent who served for many years as an educator at a prominent university, all the while spying on South Florida's Cuban exile community for his Cuban handlers," stated Assistant Attorney General Wainstein. "Today's plea demonstrates our firm commitment to protect our country and our citizens against the agents of foreign powers."

"The United States Oath of Citizenship requires individuals seeking citizenship to absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty of whom or which [he or she] ha[s] heretofore been a subject," stated U.S. Attorney Acosta. "Today's guilty pleas serve as a stark reminder that there are among us some who, while enjoying the freedom and liberty our great nation offers, continue to serve the interests of another master."

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According to the facts admitted by Carlos Alvarez during the hearing, Alvarez worked for nearly 30 years as a covert intelligence agent on behalf of the Cuban government. Beginning in 1977 and continuing through 2005, Carlos Alvarez met with individuals who worked for the Cuban Intelligence Service and, at their instruction, gathered and transmitted information concerning, among other things, prominent individuals and groups within the Cuban exile community in the United States. Alvarez received his instructions from the Cuban Intelligence Service through personal meetings, messages written on water-soluble paper, coded pager messages, and encrypted electronic communications.

The electronic communications involved shortwave radio messages from the Cuban Intelligence Service, which Alvarez decrypted using a computer disk. Alvarez then gathered the requested information and compiled written reports, which he encrypted using another computer disk. Alvarez signed these reports with his codename, "David." Alvarez mailed these reports to various post office boxes in New York and then burned in his backyard, and attempted to erase on his computer, evidence that the reports had been written.

On occasion, Carlos Alvarez received new decryption and encryption computer disks from the Cuban Intelligence Service to ensure that the communications would remain secret. When Alvarez picked up the new computer disks, he sometimes transported them hidden in a portfolio or briefcase with a false compartment. Alvarez and his co-conspirators ceased to communicate in this manner in or about 1998, after the arrest of the Wasp Spy Network in South Florida.

Alvarez then communicated with his co-conspirators through personal meetings in Cuba and elsewhere. To this end, Alvarez's position as an educator at Florida International University enabled him to meet individuals on whom the Cuban Intelligence Service wanted information and to travel to Cuba to communicate his information.

Alvarez's criminal conduct continued through on or about June 22, 2005, the date that Alvarez spoke to the FBI regarding his illegal involvement with the Cuban Intelligence Service. Prior to this date, Alvarez never notified the Attorney General that he would be acting as an agent of the Republic of Cuba, and never withdrew from the criminal conspiracy.

According to facts admitted by Elsa Alvarez at the plea hearing, Elsa Alvarez worked to conceal her husband's spying activities from United States law enforcement authorities for over 20 years. Beginning as early as in or around 1982, Elsa Alvarez became aware that her husband, Carlos Alvarez, was involved in a conspiracy to serve as a covert intelligence agent for the Republic of Cuba. Despite this knowledge, Elsa Alvarez harbored Carlos Alvarez, allowed the use of their home for the exchange of electronic communications with the Republic of Cuba, and on certain occasions, accompanied him when he traveled to meet with agents of the Cuban Intelligence Service, all of which helped conceal the true nature of his activities. Moreover, Elsa Alvarez failed to make Carlos Alvarez' illegal involvement with the Republic of Cuba known to some judge or other person in civil or military authority under the United States. Elsa Alvarez's conduct continued through on or about July 5, 2005, the date that Elsa Alvarez spoke to the FBI regarding Carlos Alvarez' illegal involvement with the Cuban Intelligence Service. Elsa Alvarez, like her husband Carlos Alvarez, was employed as a professor at Florida International University.

U.S. Attorney Acosta commended the investigative efforts of the FBI for their work in this investigation. The case is being prosecuted by Assistant U.S. Attorneys Brian Frazier and Matthew Axelrod and by Senior Trial Attorney Clifford Rones of the Counterespionage Section of the Department of Justice.

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A copy of this press release may be found on the Web site of the U.S. Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at http://www.flsd.uscourts.gov/ or on http://pacer.flsd.uscourts.gov/.

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Image not available for this document, ID: 0.7.10316.14722-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 19, 2006 6:40 PM
To: USDOJ- Office of Public Affairs
Subject: MOBILE MAN CONVICTED OF DEFRAUDING FEMA AFTER HURRICANE KATRINA

Department of Justice

United States Attorney Deborah J. Rhodes
Southern District of Alabama

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 19, 2006
WWW.USDOJ.GOV/USAO/ALS

CONTACT: CHARLIE McNICHOL
PHONE: (251) 415-7131
FAX: (251) 441-5277

MOBILE MAN CONVICTED OF DEFRAUDING FEMA AFTER HURRICANE KATRINA

MOBILE, Ala.– A Mobile man was found guilty today of eight felony charges brought in connection with his false and fraudulent application for assistance after Hurricane Katrina, U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama announced.

Governor Reiss Sr., 54, was convicted by a federal jury following a two day trial and an hour of deliberation. Reiss called a FEMA hotline one month after Hurricane Katrina and claimed that his primary residence, vehicle and personal property in New Orleans had been completely destroyed. Reiss had moved out of the house in New Orleans at least three months before the storm and was living at a house on East Lourdes Street in Mobile, Ala. when Katrina struck. The New Orleans property had been foreclosed on in the months before the storm, and neither Reiss nor any of his family lived there at the time.

"The jury's verdict shows that fraud and deception will not be tolerated in the Southern District of Alabama, particularly when people have taken advantage of a catastrophe to enrich themselves at the expense of others," said U.S. Attorney Rhodes. "Our efforts to investigate and prosecute fraud in connection with Hurricane Katrina will continue."

Based on the false claims Reiss made to FEMA, he was awarded $12,858 for temporary housing and to replace his home. Reiss spent some of the housing money on a new vehicle and on visiting his daughter in California. After FEMA discovered that he did not live in New Orleans, Reiss was ordered to repay the money, which he has not done. Reiss was convicted of making a false claim to the government, making a false statement, two counts of theft of public money, two counts of wire fraud, and two counts of aggravated identity theft. Sentencing was set for March 26, 2007 before U.S. District Judge William H. Steele. Reiss was taken into custody pending sentencing.

Making false claims and false statements each carry a maximum possible term of five years in prison. Theft of public money is punishable by a maximum sentence of 10 years in prison. Each count of wire fraud carries a maximum penalty of 20 years in prison and each count of aggravated identity theft carries a mandatory

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consecutive term of two years in prison. Each felony conviction is also punishable by a fine of up to $250,000 and restitution of any proceeds of the crime.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division - includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for the United States Attorneys and others.

This case was investigated by the Department of Homeland Security, Office of the Inspector General and prosecuted by Assistant U.S. Attorneys Daryl A. Atchison and Sean P. Costello.

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Image not available for this document, ID: 0.7.10316.14724-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, December 19, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998857 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, December 19, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998858 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 20, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 998858 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 20, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1000454 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 10:00 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 20, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, December 20, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a corporate fraud matter. (Sierra)

The Antitrust Division will issue a release on a criminal matter. (Talamona)

The Antitrust Division will issue a release. (Talamona)

The Environment and Natural Resources Division will issue a release on a Clear Air Act matter. (Magnuson)

The Office of Justice Programs will issue a release from the Bureau of Justice Statistics. (Peterson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.14708-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 10:27 AM
To: USDOJ- Office of Public Affairs
Subject: FOUR FORMER EXECUTIVES CONVICTED IN CONNECTION WITH FRAUD AT ENTERASYS NETWORKS, INC.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 20, 2006
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FOUR FORMER EXECUTIVES CONVICTED IN CONNECTION WITH FRAUD AT ENTERASYS NETWORKS, INC.

WASHINGTON – A federal jury in Concord, New Hampshire has convicted four former senior executives of Enterasys Networks, Inc. on charges arising out of accounting fraud at the computer network products company formerly based in Rochester, N.H., Assistant Attorney General Alice S. Fisher and Acting U.S. Attorney Joseph N. Laplante for the District of New Hampshire announced today.

The jury returned its verdicts Tuesday afternoon after six-and-one-half days of deliberations following a five-week trial.

The jury returned guilty verdicts against the following defendants:

- Robert J. Gagalis, former Enterasys Chief Financial Officer, for one count of conspiracy, two counts of securities fraud, one count of making false statements to auditors of a public company, and four counts of wire fraud. The jury acquitted Gagalis on one count of wire fraud and one count of falsifying books and records of a public company.

- Bruce D. Kay, former Enterasys finance executive, for one count of conspiracy, two counts of securities fraud, one count of falsifying books and records of a public company, one count of making false statements to auditors of a public company, and three counts of wire fraud. The jury acquitted Kay on one count of wire fraud.

- Robert G. Barber, former Enterasys business development executive, for one count of conspiracy, two counts of securities fraud, and one count of making false statements to auditors of a public company. The jury acquitted Barber on one count of falsifying books and records of a public company.

- Hor Chong (David) Boey, former finance executive in Enterasys's Asia Pacific division, for one count of conspiracy, two counts of securities fraud, one count of falsifying books and records of a public company, one count of making false statements to auditors of a public company, and two counts of wire fraud. The jury acquitted Boey on two counts of wire fraud.

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The jury was unable to reach a verdict on most counts against former Enterasys Chief Operating Officer Jerry Shanahan. The jury acquitted Shanahan of one count of causing false entries to be made to Enterasys's books and records.

The charges on which the four defendants were convicted stem from a scheme that began in the summer of 2001 to falsely inflate Enterasys's revenue to increase, or at least maintain, the price of Enterasys stock. The scheme involved the backdating and falsification of documents and
the concealment of material terms of deals in "secret side letters" all to facilitate the fraudulent recognition of revenue. The conspirators also fraudulently created false revenue by secretly investing company funds in other companies and caused those companies to use the investment proceeds to buy Enterasys products. As a result of this fraudulent scheme, Enterasys overstated its revenue by more than $11 million in the quarter ending September 1, 2001. Enterasys's shareholders lost approximately $1.3 billion after the company disclosed one of the fraudulent transactions and a pending investigation by the U.S. Securities & Exchange Commission.

Gagalis and Kay are scheduled to be sentenced on March 21, 2007. Barber and Boey are scheduled to be sentenced on March 22, 2007. The defendants convicted of mail fraud, wire fraud and conspiracy offenses carry a maximum sentence of up to five years on each count. The maximum sentence for securities fraud is 10 years per count. The offenses also carry maximum fines of $250,000 per count.

Several other former Enterasys executives, including Henry Fiallo, Enterasys's former Chairman, Chief Executive Officer and President, previously pleaded guilty to felony charges in connection with this scheme. Their sentencings are scheduled for April 2007. Eight former Enterasys executives have now been convicted of felonies in this matter.

"Accounting schemes designed to artificially inflate a company's revenues are doomed to fail. And as the verdicts in the Enterasys case prove, executives will be held accountable for their roles in these conspiracies," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "The Department of Justice and our partners on the President's Corporate Fraud Task Force remain committed to protecting investors and preserving the integrity of the markets."

Acting U.S. Attorney Joseph N. Laplante praised the verdict, stating, "The investing public deserves and needs accurate financial information about public companies. The successful prosecutions in this case should serve as a substantial deterrent to others in similar circumstances who might otherwise be inclined to 'cook the books.'"

The case was prosecuted by Assistant U.S. Attorney Bill Morse from the U.S. Attorney's Office in Concord, and Senior Litigation Counsel Colleen A. Conry and Special Attorney Eva M. Saketkoo from the Fraud Section of the Justice Department's Criminal Division in Washington, D.C. The investigation was conducted by the Federal Bureau of Investigation and the U.S. Postal Inspection Service. The criminal investigation was coordinated with a civil investigation conducted by the SEC's Central Regional Office in Denver. The case was brought under the auspices of the President's Corporate Fraud Task Force.

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06-851

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Image not available for this document, ID: 0.7.10316.14712-000002

From: Miller, Charles S
Sent: Wednesday, December 20, 2006 10:45 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 12/20/06 Civil Division News

Parole board member says FBI tried to intimidate him

Lawyers battle for workers; Restraining order topic of hearing

FBI to release last of its John Lennon files. The U.S. had said such an act could stir military retaliation. The papers, withheld 25 years, don't seem to bear that out.

Some immigrants forced to sue for citizenship

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OIG reports on 2006 achievements

AP

December 20, 2006

Parole board member says FBI tried to intimidate him

By Denise Lavoie, AP Legal Affairs Writer

BOSTON --A former member of the state Parole Board said Tuesday that two FBI agents tried to intimidate him into keeping a wrongly convicted man in prison for a 1960s gangland slaying.

Former Springfield Mayor Michael Albano, who served on the board from 1982 to 1994, testified in a lawsuit filed by the families of four men who say the FBI allowed them to be framed to protect a mobster informant.

Two of those men, Joseph Salvati and Peter Limone, spent more than 30 years in prison for the murder of Edward "Teddy" Deegan before being exonerated in 2001 when the Justice Department released documents showing the FBI withheld evidence from prosecutors that could have cleared the men so the agency could protect Vincent "Jimmy" Flemmi, an informant who actually committed the crime.

Louis Greco and Henry Tameleo, who were also convicted in Deegan's killing, died in prison.

Lawyers for the men's families asked Albano if the FBI, after being contacted by the parole board as it considered petitions to commute their sentences, ever turned over evidence it had that the men were not involved in the murder of Deegan.

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"No such information was provided," Albano testified.

Albano also made a brief reference in his testimony to a 1983 "unannounced visit" from former FBI Agents John Connolly and John Morris as the board was considering a petition to commute Limone's sentence.

He was not asked to provide details of the visit during his testimony. But outside the courtroom, Albano said Connolly and Morris urged him to vote against commuting Limone's sentence and said that if he voted in favor of commuting his sentence it could hurt his career.

"They intimidated me and tried to get me to change my vote," Albano told reporters. "They said this was a bad crime ... that these defendants should remain incarcerated for the rest of their lives."

"They also said it probably would not bode well for me, if I wanted to remain in public life, that this would not be a good vote for me," he said.

Albano said he later voted with the majority of the 7-member board to commute Limone's sentence, but Gov. Michael Dukakis denied the petition.

Connolly is now serving a 10-year federal prison sentence for racketeering, obstruction of justice and other charges for protecting members of Boston's Winter Hill Gang -- including fugitive gangster James "Whitey" Bulger" -- from prosecution while using them as FBI mob informants.

Connolly is awaiting trial on first-degree murder and conspiracy charges for allegedly providing information to members of the gang that led to the 1982 killing of former World Jai Alai President John Callahan.

Connolly's attorney, E. Peter Mullane, said Connolly denies the meeting described by Albano ever took place.

"John Connolly never met Mr. Albano under any circumstance, never spoke to him, never met him, never had any reason to meet him," he said.

Connolly was not an FBI agent in 1968 when the four men were convicted in Deegan's murder.

"He had no reason to want him paroled or not paroled," Mullane said.

Albano said the meeting took place just as he described. "I'll stand by my testimony," he said, when told of Mullane's comments.

Charles Miller, a spokesman for the U.S. Department of Justice, said the DOJ would have no comment on Albano's remarks because of the ongoing litigation.

In their lawsuit, the families of the four men convicted in Deegan's slaying accuse the federal government of malicious prosecution, conspiracy and depriving them of companionship.

Their lawyers say the FBI allowed Joseph "The Animal" Barboza -- a mob assassin and FBI informant -- to frame the four men.

After Deegan was shot in the head in a Chelsea alley, informants told FBI agents that Barboza, Flemmi and three other men were responsible, according to attorneys for the four men. But the FBI had recruited Flemmi as an informant and wanted to protect him so they allowed Barboza to frame Limone, Salvati, Greco and Tameleo.

Justice Department attorney Bridget Lipscomb said during opening statements at the trial that federal authorities had no duty to share information with state prosecutors and can't be held liable for the results of a separate state investigation. She also said that the four men had attorneys who raised doubts about Barboza's testimony at their trial.

END

Amarillo, TX, Glboe News
December 20, 2006

Lawyers battle for workers; Restraining order topic of hearing

By Phillip Yates

Government attorneys and lawyers for Swift workers detained during a six-state illegal immigration sting argued in a hearing in federal court Tuesday over a temporary restraining order motion filed in response to the Dec. 12 sting.

The motion for a temporary restraining order was filed Friday by Amarillo attorneys Philip Russ and Jerry McLaughlin. It seeks to prevent U.S. Immigration and Customs Enforcement and other government officials from detaining the workers until they have access to legal and union representation and to end a "concerted effort to intercept detainees' earned paychecks," according to court records.

A hearing on the motion was scheduled for Tuesday in U.S. District Judge Mary Lou Robinson's court, but it was a teleconference hearing, court officials said Tuesday. Robinson indicated to Justice Department and U.S. attorneys that a written order is forthcoming in regards to Tuesday's hearing, said Charles Miller, spokesman for the Department of Justice.

The motion for a restraining order was filed with another request that the government explain its case against the individuals arrested and that the judge decide whether the government had violated the detainees' civil rights and, if it had, to stop the government from continuing to do so. Federal officials raided the Swift plant in Cactus and five other locations and arrested 1,300 people in the six-state sting.

Russ and McLaughlin represent the United Food and Commercial Workers International Union Local 540 and a potential class of 302 people detained in the Cactus raid.

The suit names as defendants the Immigration and Customs Enforcement Division of the Department of Homeland Security, Julie Myers, an assistant secretary of the department and Labor Secretary Elaine Chao.

The lawsuit alleges ICE officers and other government officials secured waivers of rights and stipulated orders of removal from detainees without the benefit of legal representation, according to the court documents.

A "stipulated order of removal," once signed by an immigration judge, authorizes deportation and waives appeal of the removal order.

The suit also alleges the waivers and orders were taken from detainees without full disclosure of the rights they were waiving and without a substantive review by a immigration judge about whether the waivers were "voluntary, knowing and intelligent."

ICE spokeswoman Pat Reilly previously told the Globe-News the agency would not comment on the pending lawsuit.

Attorneys for the union and the detained workers, in their complaint, said they were present at the plant at the time of the raid and were refused access to detainees by ICE officials.

When attorneys appeared at a Border Patrol Detention Center in Amarillo and sought to meet with the detainees, the lawsuit alleges they were again denied access to them.

A memorandum filed by the U.S. Attorney's office disputes the allegations, saying that when ICE officers interviewed the 1,400 employees at the Cactus plant, no employee requested legal representation.

"There were no reports or observations of anyone requesting counsel during this period, and no counsel came to meet any individual clients because no employee requested counsel," the memorandum states.

When the first bus carrying detainees arrived at the Amarillo Border Patrol station, Spanish-speaking ICE officers advised them of their rights, told them the reason for their arrest, and advised them they had the right to a hearing before an immigration judge, the right to contact an attorney and the right to speak with consular officers from their countries, according to the government's memorandum filed in response to the request for a restraining order.

"During the processing at the Amarillo Border Patrol station, ICE agents did not deny any requests for attorneys, and did not deny any attorneys access to their individual clients," the memorandum said.

The suit also alleges that DHS agents did not inquire whether detainees feared returning to their country, had family in the U.S. who could pay for a bond, or were interested in applying for voluntary departure, rather than leaving because of removal order.

They also failed to explain the negative consequences a stipulated removal order has on their ability to immigrate lawfully in the future, documents show.

END

Los Angeles Times

December 20, 2006

FBI to release last of its John Lennon files. The U.S. had said such an act could stir military retaliation. The papers, withheld 25 years, don't seem to bear that out.

Henry Weinstein

Times Staff Writer

The FBI agreed Tuesday to make public the final 10 documents about the surveillance of John Lennon that it had withheld for 25 years from a UC Irvine historian on the grounds that releasing them could cause "military retaliation against the United States."

Despite the fierce battle the government waged to keep the documents secret, the files contain information that is hardly shocking, just new details about Lennon's ties to New Left leaders and antiwar groups in London in the early 1970s, said the historian, Jon Wiener.

For example, in one memo, then-FBI Director J. Edgar Hoover wrote to H.R. Haldeman, President Nixon's chief of staff, that "Lennon had taken an interest in 'extreme left-wing activities in Britain' and is known to be a sympathizer of Trotskyist communists in England."

Another document had been blacked out on the grounds of national security when Wiener obtained it more than 20 years ago through litigation brought under the Freedom of Information Act. It is now known that it said two prominent British leftists, Tariq Ali and Robin Blackburn, had courted Lennon in hopes that he would "finance a left-wing bookshop and reading room in London."

But the newly released document adds that Lennon apparently gave them no money "despite a long courtship by Blackburn and Ali."

Another surveillance report states explicitly that there was "no certain proof" that Lennon had provided money "for subversive purposes." And yet another says there was no evidence that Lennon had any formal tie to any leftist group.

Another describes an interview with Lennon published in 1971 in an underground London newspaper called the Red Mole. "Lennon emphasized his proletarian background and his sympathy with the oppressed and underprivileged people of Britain and the world," the document says.

Wiener and his attorneys, Dan Marmalefsky of Morrison & Foerster and Mark Rosenbaum of the American Civil Liberties Union of Southern California, all said the documents revealed there was no sign that government officials considered Lennon a serious threat. They said they were mystified that several administrations had resisted making the material public.

"The content of the files released today is an embarrassment to the U.S. government," said Wiener, 62, who has written two books on the late Beatle, "Come Together: John Lennon in His Time" and "Gimme Some Truth: the John Lennon FBI Files."

"I doubt that Tony Blair's government will launch a military strike on the U.S. in retaliation for the release of these documents. Today, we can see that the national security claims that the FBI has been making for 25 years were absurd from the beginning," said Wiener, who requested the documents in 1981.

Wiener initially obtained some files showing that the FBI closely monitored Lennon's activities in 1971 and 1972. The documents indicated Nixon administration concern that Lennon would support then-Sen. George S. McGovern (D-S.D.) for president against incumbent Richard M. Nixon in 1972, the first year that 18-year-olds could vote.

But the FBI also withheld numerous files, saying they were exempt from the Freedom of Information Act, including part of a surveillance report on a December 1971 antiwar rally in Michigan. There, Lennon urged the release of activist and singer John Sinclair, who was serving a 10-year sentence for possession of two marijuana joints. A judge soon freed him.

Wiener sued in U.S. District Court in Los Angeles seeking all the documents. The FBI countered that some contained "national security information provided by a foreign government under an explicit promise of confidentiality" and that release of the documents "can reasonably be expected to ... lead to foreign diplomatic, economic and military retaliation against the United States," according to a government brief filed in 1983.

Wiener lost the initial court skirmishes, but in 1991 he won a major victory in the U.S. 9th Circuit Court of Appeals, which ruled that declarations filed by FBI agents provided inadequate grounds for keeping the material secret. From that point forward, the court ruled, the FBI had to file "affidavits containing sufficient detail" to allow Wiener to "intelligently advocate" for their release and for a trial judge "to intelligently judge the contest."

That decision significantly strengthened the hand of people trying to pry secret documents out of the government. Justice Department attorneys, including John Roberts, who is now the chief justice of the United States, appealed, but the Supreme Court let the ruling stand.

Six years later, Wiener settled with lawyers from the Clinton administration and obtained a number of FBI files on the former Beatle. But Justice Department lawyers continued to withhold 10 documents under the national security exemption

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of the Freedom of Information Act.

Scott Hodes, who was acting chief of the FBI litigation unit dealing with freedom of information cases, said disclosure of the documents could strain relations between the U.S. and a foreign government, lead to diplomatic, political or economic retaliation and have a chilling effect on the flow of information between the two countries. Hodes also said disclosure of the documents could subject the government agents involved in the Lennon operation to "public ridicule, ostracism" or even jeopardize their safety.

In August 2004, U.S. District Judge Robert M. Takasugi granted summary judgment to Wiener, concluding that the government had not adequately supported its claims. Justice Department lawyers said they would appeal. But a 9th Circuit mediator eventually forged a settlement, leading to a final settlement resolution of the case Tuesday.

Years ago, Wiener called the case a "rock 'n' roll Watergate," in part because the FBI took an intense interest in Lennon at the time operatives from the Nixon administration perpetrated the Watergate burglary. But on Tuesday, Wiener agreed that given how long the case dragged out, it might more appropriately be characterized as a "rock 'n' roll 'Bleak House,' " referring to the Dickens novel about a years-long inheritance case.

"The release of these final documents, concealed from public view for nearly a quarter of a century, reveals government paranoia at a pathological level and an attempt to shield executive branch abuse of civil liberties under the rubric of national security," said Rosenbaum of the ACLU. "The ultimate lesson of these documents is that the head of document classification for the FBI must be Stephen Colbert."

On his late-night television show, satirist Colbert plays a right-wing talk show host who is a government cheerleader.

The Justice Department declined to comment.

Marmalefsky said the one concession that Wiener made in settling the suit was agreeing that the letterhead on some of the documents released Tuesday could be blacked out "as well as a word here or there that would identify the foreign government" that provided information to the U.S.

However, Marmalefsky said, "having reviewed the final documents and all the others in this case, it is very difficult to believe that it could be any government other than the United Kingdom."

The documents will be posted on the Internet today at www.LennonFBIfiles.com.

END

Miami Herald

Dec. 20, 2006

Some immigrants forced to sue for citizenship

BY ALFONSO CHARDY

Nancy Fernández, a Cuban seeking U.S. citizenship, expected to swear allegiance to the United States within months of filing her paperwork. But three years went by and no one could explain why her case was taking longer than the usual six months.

Fernández, 63, sued and within weeks her citizenship was approved -- among a growing number who are turning to the courts to expedite their citizenship or green-card requests. On Tuesday, she was among 6,000 new citizens sworn in at the Miami Beach Convention Center by Emilio González, head of U.S. Citizenship and Immigration Services.

"I would say that 95 percent of the cases in which we have filed a federal lawsuit got a swearing-in notice," said Eduardo Soto, Fernández's Coral Gables immigration attorney.

Immigration attorneys Mazen Sukkar in Hollywood and Stephen Bander in Miami are among several South Florida lawyers, including Soto, offering the niche service: suing for immigration documents.

Sukkar said he has filed 15 such suits in the past six months, and that in the vast majority of cases, his clients have received citizenship or green cards.

One of Sukkar's clients, a Middle Eastern professional, applied for citizenship four years ago, but it was only after he sued in November that immigration authorities scheduled him for naturalization in January.

Bander said he has filed at least 35 lawsuits for citizenship and residency since 2003 -- with most clients getting documents.

One of his clients, Wael Saffouri, is a former Jordanian of Palestinian origin who now lives in Miami.

He applied for citizenship in 2003. In March 2004, Saffouri was summoned to an interview at the citizenship office. He was asked questions about U.S. history and tested for knowledge of the English language.

Saffouri, a financial analyst in a private company, said the citizenship examiner told him "everything was fine" but that he lacked ``FBI clearance.''

Bander advised him that if he did not get clearance within 120 days after the interview, he should sue.

Federal regulations require that immigration authorities render a decision on a citizenship application within 120 days of an ``initial examination.''

Immigration attorneys interpret "examination" to mean "interview." Immigration officials construe the interview as part of a broader process that also includes background checks. In their view, the 120 days do not start running until background checks are complete.

As a result, the agency is no longer scheduling interviews until background checks are finished, said Ana Santiago, Miami spokeswoman for U.S. Citizenship and Immigration Services, or USCIS.

In Saffouri's case, he was sworn in in 2005 -- six months after he sued for citizenship.

In most cases, the reason for the delay is an uncompleted check of the applicant's background. González said in Miami recently that at least one million applications remain stalled because of lengthy background checks conducted by the FBI and other agencies -- as well as rules limiting the number of visas per country.

But some lawyers claim suing also speeds the process.

"The reason why [lawsuits] are successful . . . is because the law is clear," Bander said. ``The federal government cannot take an unreasonable amount of time to process a government benefit like a naturalization or permanent residence application.''

After a complaint is filed, he said, ``it becomes the interest of the U.S. attorney's office, who represents USCIS, to resolve the matter as quickly as possible.''

But Santiago said there's no connection between suing and approval.

"We do not expedite cases because a person sues the agency," Santiago said. ``We expedite humanitarian cases or [cases involving] a member of the armed forces who is about to be deployed, but not simply because a person sues us.''

Santiago said any links between lawsuits and background check completions are a coincidence.

Only 1 percent of security checks requested by USCIS do not come back in less than six months, she said.

Thorough background checks, González told The Miami Herald, take precedence over processing because of national security.

"I would rather . . . explain why I delayed a certain program than have to explain why, in an effort to expedite things, we naturalized a terrorist," González said earlier this year.

Michael A. Cannon, chief of the FBI's national name check program, said in a federal court statement in Miami in September that 68 percent of the name checks submitted by USCIS are completed and returned to the agency within 48 hours.

But 22 percent are delayed 30 to 60 days, requiring further investigation. The remaining 10 percent are linked to an FBI record and subject to a wider review.

About 50,000 citizenship applications are processed at any given time at the Miami naturalization unit, part of U.S. Citizenship and Immigration Services.

Every year, more than half a million citizenship applications are processed nationwide. How many are delayed in Miami and across the country is not known. But immigration statistics suggest that more than 20,000 are delayed nationwide during any given year.

Fernández applied for citizenship three years ago.

But her application was delayed because the FBI was unable to complete a check on her background, court documents in her case show. She hired Soto and sued USCIS in September. On Nov. 22, her attorneys learned immigration had approved her application.

"It was a dream come true," she said.

END

CTV

December 20, 2006

Key Democrat wants U.S. to answer to Maher Arar

CTV.ca News Staff

A powerful U.S. Democrat says Maher Arar has the right to now why he is still on an American watch list and barred from entering the United States.

Vermont Democrat Patrick Leahy, the incoming chair of a Senate judiciary committee, told the Toronto Star newspaper that he plans on summoning U.S. Attorney General Alberto Gonzales before American legislators to demand answers.

Canadian authorities have taken responsibility for their part in Arar's 2002 rendition to Syria, Leahy said, adding that it's now the Bush administration's turn to redress the wrong.

"The Canadian government has now documented that the wrong thing was done to the wrong man," Leahy told the Star in an interview.

"It is time for the (Bush) administration to do what it can to redress this wrong, instead of perpetuating it."

Leahy said Gonzales should explain the entire U.S. policy of rendition and he's sick of the lack of answers shrouded in security concerns or promises to get back to him.

U.S. Ambassador to Canada David Wilkins said last week that Arar remained on an American "no-fly" list -- which prevents Arar from travelling in the United States or even flying over U.S. airspace -- but neither Wilkins nor the U.S. State Department would outline the reasons for the ban.

Arar is entitled to know what allegations U.S. authorities are making against him, Leahy said .

"It's not just this individual case," he said, "but what does this say when someone's plane stops here, they have citizenship on a neighbouring country and we ship them back to Syria . . .

"You know they are going to be tortured . . . This is beneath our country. And it does absolutely nothing to make us more secure and it is a gross human rights violation . . .

"One thing that can be done is our country should sit down with yours and say: How did we all screw up here?"

A public inquiry led by Justice Dennis O'Connor cleared Arar's name in a report released this fall.

Arar's Toronto lawyer Lorne Waldman told the Star he was "very encouraged" by Leahy's pledge.

"This moves the matter to the next level and we're quite pleased with that," he said.

Arar, a Syrian-born Canadian engineer, was arrested by U.S. officials while he was transiting through a New York airport in 2002. Canadian police had provided faulty information to them suggesting Arar had ties to Al Qaeda. He was eventually deported to Syria, where he was imprisoned and tortured.

Arar's name was cleared in the fall by a public inquiry led by Justice O'Connor, who said it was unlikely the U.S. relied on any other information but that provided by Canada. Prime Minister Stephen Harper has asked the U.S. government to apologize to Arar, but settled on a promise they would collaborate more fully on any future deportation cases.

END

Chicago Tribune

December 20, 2006

County will settle lawsuit over drug addicts study

December 20, 2006

The Cook County Board on Tuesday agreed to pay the federal government $5 million to settle a lawsuit that alleged the county mismanaged a federally funded study involving pregnant drug addicts.

The lawsuit was brought in 1997 under the federal False Claims Act by former project director Janet Chandler. She said she had been fired for raising questions about the alleged problems.

The county won a $5 million grant in 1989 from the National Institute for Drug Abuse to conduct a study of at least 300 drug-addicted women.

The lawsuit alleged that the county was slow to obtain participants and later steered women into the program, violating study guidelines of randomization, in order to keep it running and not lose the federal funding. County officials also allegedly lied about the success of the program.

The case went to the U.S. Supreme Court in 2003 on the question of whether individuals could sue local governments under the act. The court ruled unanimously that they could.

Under provisions of the act, Chandler stands to receive 26 percent of the settlement amount, said Patrick Driscoll, the chief of the civil actions bureau for the Cook County state's attorney's office. In addition, the county agreed to pay $1.76 million in legal fees and costs for Chandler's lawyers.

The county did not admit any wrongdoing, Driscoll said.

END

CCH® Medicare

12/20/06

OIG reports on 2006 achievements

For fiscal year (FY) 2006, the HHS Office of Inspector General (OIG) reported savings and expected recoveries of nearly $38.2 billion for federal health care programs: $35.8 billion in implemented recommendations and other actions to put funds to better use, $789.4 million in audit receivables, and $1.6 billion in investigative receivables.

Also for this FY, OIG reported exclusions of 3,425 individuals and entities for fraud or abuse involving federal health care programs and/or their beneficiaries; 472 criminal actions against individuals or entities that engaged in crimes against departmental programs; and 272 civil actions, which include False Claims Act (FCA) and unjust enrichment suits filed in federal district court, civil monetary penalties law (CMPL) settlements, and administrative recoveries related to provider self-disclosure matters.

Activities of the OIG for the six-month reporting period that ended September 30, 2006, included work on longstanding issues and new activities relating to implementation of Medicare Part D and Medicaid integrity efforts pursuant to the Deficit Reduction Act of 2005 (DRA) (PubLNo 109-171). Noteworthy results were (1) the largest-ever administrative recovery under the OIG's civil monetary penalty authority and (2) its first settlement with a pharmacy benefits manager for soliciting and receiving kickbacks from pharmaceutical manufacturers and potential customers. In addition, OIG reviewed pricing of Medicare and Medicaid prescription drugs and testified before Congress regarding Medicare Part B drug pricing.

Recoveries

The Saint Barnabas Health Care System (SBHCS) agreed to pay $265 million and enter into a six-year corporate integrity agreement (CIA) to resolve its liability under the FCA and other statutes and certain common law causes of action. SBHCS is the largest health care system in New Jersey, currently operating seven acute care hospitals and other ancillary health care providers. It was alleged that SBHCS artificially inflated its cost-to-charge ratio, triggering the outlier payments to which it was not entitled. Four other medical centers also entered into settlement agreements in 2006.

AdvancePCS, a pharmacy benefits manager (PBM), agreed to pay the Government $137.5 million and enter into a five-year CIA to resolve its liability for allegedly soliciting and receiving kickbacks from pharmaceutical manufacturers and paying kickbacks to potential customers to induce them to contract with the company. This settlement represents the first of its kind with a PBM.

Lincare Holdings, Inc., and its subsidiary Lincare Inc. agreed to pay $10 million to resolve allegations that Lincare paid illegal kickbacks and violated the physician self-referral law. OIG alleged that from January 1993 through December 2000, Lincare engaged in a nationwide scheme to pay physicians kickbacks to refer their patients to Lincare. The Lincare settlement represents OIG's largest administrative settlement to date.

Safe harbors

OIG issued final regulations that establish two new safe harbors under the federal anti-kickback statute for arrangements involving the donation of certain electronic health information technology and services. The final rule seeks to lower perceived barriers to the adoption of health information technology by finalizing safe harbors that promote the adoption of

electronic prescribing technology and open, interconnected, interoperable electronic health record systems while safeguarding federal programs and beneficiaries against undue risks of fraud and abuse.

END

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Image not available for this document, ID: 0.7.10316.14717-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, December 20, 2006 10:46 AM
Subject: Federal Employees Dental and Vision Insurance Program (FEDVIP) Enrollment Extended

Federal Employees Dental and Vision Insurance Program (FEDVIP) Enrollment Extended

Great news!

Due to the continued phenomenal response to FEDVIP, the Office of Personnel Management has decided to continue to allow Federal employees to make enrollments in a FEDVIP dental and/or vision plan through midnight *Eastern Time*, Friday, December 22, 2006.

This will allow every Federal employee who wishes to enroll the opportunity to do so. Employees may enroll via the web (www.BENEFEDS.com) or by phone.

As a reminder, you can:

- Call BENEFEDS Monday through Friday from 9:00 a.m. until 7:00 p.m. Eastern Time (including December 22) at 877-888-3337 and TTY 1-877-889-5680.

- Access the web ALMOST 24/7. The website is down every night from 1:00 a.m. until 4:00 a.m. Eastern Time for routine maintenance.

The website will stop accepting enrollments from employees at midnight *Eastern Time*, on December 22. All FEDVIP open season and enrollments are effective December 31, 2006.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Wednesday, December 20, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001105 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, December 20, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001106 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 2:50 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PRESS CONFERENCE ON TEEN DRUG USE

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, DECEMBER 20, 2006
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(202) 514-2007
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********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PRESS CONFERENCE ON TEEN DRUG USE

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks regarding the University of Michigan's 2006 Monitoring the Future Study, a survey on the use of illicit substances by young people on **THURSDAY, DECEMBER 21, 2006.**

WHO: Attorney General Alberto R. Gonzales
ONDCP Director John Walters
National Institute on Drug Abuse Director Dr. Nora Volkow
University of Michigan Researcher Dr. Lloyd Johnston

WHAT: Remarks

WHEN: **THURSDAY, DECEMBER 21, 2006**
10:00 A.M. EST

WHERE: National Press Club
Holeman Lounge
529 14th Street
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 9:30 A.M. EST. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007 or the Office of National Drug Control Policy at (202) 395-6618.

# # #

06-852

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DOJ_NMG_ 0171888

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Image not available for this document, ID: 0.7.10316.14690-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 3:03 PM
To: USDOJ- Office of Public Affairs
Subject: TWENTY-THREE INDIVIDUALS INDICTED ON IMMIGRATION AND IDENTITY THEFT CHARGES

Department of Justice

United States Attorney Matthew G. Whitaker
Southern District of Iowa

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 20, 2006
WWW.USDOJ.GOV/USAO/IAS

CONTACT: AL OVERBAUGH
PHONE: (515) 284-6283
FAX: (515) 284-6288

TWENTY-THREE INDIVIDUALS INDICTED ON IMMIGRATION AND IDENTITY THEFT CHARGES

Total of 30 Individuals Indicted in the Southern District of Iowa as part of Operation Wagon Train

DES MOINES - Twenty-three illegal aliens from Marshalltown, Iowa, have been indicted by a federal grand jury on immigration and identity theft charges, announced U.S. Attorney Matthew G. Whitaker of the Southern District of Iowa. U.S. Attorney Whitaker was joined by Immigration and Customs Enforcement (ICE) Special Agent in Charge Mark Cangemi in today's announcement.

The charged individuals will be appearing for arraignment in U.S. District Court on the afternoons of Dec. 20 and 21, 2006. The names, ages and native county are listed below.

Nearly all of the indictments allege a variety of offenses relating to the use of another person's identity to obtain employment at Swift & Company. Specifically, 21 of the individuals are charged with making a false statement or claim that they were a U.S. citizen in order to engage unlawfully in employment; use of false state identification documents to obtain employment; use of fraudulently obtained social security cards to obtain employment; and false representation of a social security number. Additionally, 10 of the above 21 individuals are also charged with aggravated identity theft and one is charged with illegally reentering the U.S. after being deported after committing an aggravated felony.

"It is not acceptable to me to have large numbers of individuals using bogus identification in Southern District of Iowa workplaces," stated U.S. Attorney Whitaker. "I commend ICE for taking actions to reduce this problem."

"These indictments point to a disturbing component of illegal immigration," said ICE Special Agent in Charge Cangemi. "Combating the burgeoning problem of identity theft is one of ICE's highest priorities."

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The individuals charged were arrested at Swift & Co., in Marshalltown on Dec. 12, 2006, as part of a work-site enforcement operation by ICE called Operation Wagon Train. ICE agents executed court-authorized warrants at Swift's beef and pork processing facilities in Marshalltown, Iowa; Greeley, Colo.; Grand Island, Neb.; Cactus, Texas; Hyrum, Utah; and Worthington, Minn.

On Dec. 6, 2006, six individuals previously arrested in Marshalltown were charged with offenses that include social security fraud, false representation to be a U.S. citizen, aggravated identity theft, and the use of false documents for employment purposes at Swift & Company. Another individual was indicted on similar charges on Nov. 14, 2006. These seven individuals have appeared in court and entered pleas of not guilty. A list of their names is also attached.

The public is reminded that an indictment is merely an accusation and that each defendant is presumed innocent until and unless proven guilty.

Indicted December 19, 2006:

Name	Native Country	Age
Sandra Yesenia Martinez-Figueroa	Guatemala	26
Lilian Lopez-Aguirre	Guatemala	25
Norma Gonzalez-Hernandez	Mexico	29
Eusebio Andrade-Parra	Mexico	32
Nicasio Mendoza-Gonzalez	Mexico	35
Yoan Vargas-Acosta	Mexico	26
G Efrain arcia-Aguilar	Mexico	32
Walter Montero-Salguero	El Salvador	23
Isidro Bautista-Alejo	Mexico	35
Eloisa Nunez-Galena	Mexico	32
Alejo Blas-Torres	Mexico	25
Roberto Sanchez-Adame	Mexico	35
Mario Vargas-Nunez	Mexico	33
Evangelina Cruz-Hernandez	Mexico	35
Alejandro Vasquez-Avina	Mexico	29
Salvador Yanez-Flores	Guatemala	30
Selvin Tejada-Recinos	Guatemala	24
Juan Quiroz-Jasso	Mexico	32
Rosalinda Mendez-Rubi	Mexico	32
Vicente Rangel-Mazqueda	Mexico	23
Elida Yepez-Alvarez	Mexico	32
Lorena Andrade-Rodriguez	Mexico	34
Martin Morales-Landeros	Mexico	41

Indicted December 6, 2006:

Name	Native Country	Age
Veronica Martinez-Mesa	Mexico	31
Simon Morales-Andrade	Mexico	32
Jose Cano-Alejo	Mexico	30
Edilberto Torres-Reyes	Mexico	48
Augustin Torres-Silva	Mexico	18
Jaime Gonzalez-Alvarez	Mexico	38

Indicted November 14, 2006:

Name	Native Country	Age

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Jorge Talavera-Lopez	Mexico	18

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Image not available for this document, ID: 0.7.10316.14689-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 3:18 PM
To: USDOJ- Office of Public Affairs
Subject: KHALID AWAN CONVICTED OF PROVIDING MATERIAL SUPPORT AND RESOURCES TO INDIAN TERRORIST ORGANIZATION

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 20, 2006
www.usdoj.gov/usao/nye

CONTACT: ROBERT NARDOZA
PHONE: (718) 254-6323
FAX: (718) 254-6300

KHALID AWAN CONVICTED OF PROVIDING MATERIAL SUPPORT AND RESOURCES TO INDIAN TERRORIST ORGANIZATION

Defendant Funneled Money to the Khalistan Commando Force, a Sikh Separatist Terrorist Organization Responsible for Thousands of Deaths in India

BROOKLYN, N.Y. – Following two weeks of trial, a federal jury in Brooklyn, N.Y., today returned a verdict convicting Khalid Awan of providing money and financial services to the Khalistan Commando Force (KCF), a terrorist organization responsible for thousands of deaths in India since its founding in 1986. When sentenced by U.S. District Judge Charles P. Sifton on March 7, 2007, Awan faces a maximum sentence of 45 years in prison.

The conviction was announced by U.S. Attorney Roslynn R. Mauskopf of the Eastern District of New York and FBI Assistant Director-in-Charge Mark J. Mershon of the New York Field Office.

KCF was formed in 1986 and is comprised of Sikh militants who seek to establish a separate Sikh state in the Punjab region of India. The organization has engaged in numerous assassinations of prominent Indian government officials—including the murder of Chief Minister Beant Singh of Punjab in 1995—and hundreds of bombings, acts of sabotage and kidnapings.

The U.S. Attorney's Office for the Eastern District of New York and the FBI's Joint Terrorism Task Force began the investigation in 2003 after an inmate at the Metropolitan Detention Center in Brooklyn—where Awan was incarcerated on federal credit card fraud charges—reported that Awan boasted of his relationship with Paramjit Singh Panjwar, the leader of the KCF and one of the 10 most wanted fugitives in India. The government's evidence at trial included recordings of Awan's prison telephone calls to Panjwar in Pakistan, in which Awan introduced the inmate as a potential recruit for the KCF; statements by Awan admitting that he sent hundreds of thousands of dollars to KCF; testimony by two New York-area fund raisers for the KCF who stated that they delivered money to Awan's residence in Garden City; and testimony by the Assistant Inspector General of the Punjab Police Intelligence Division that the KCF was responsible for the deaths of thousands of innocent victims in India.

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"The war on terror is a global battle," stated U.S. Attorney Mauskopf. "We will not permit individuals in our jurisdiction to finance terrorist groups responsible for murder and violence in any part of the world." U.S. Attorney Mauskopf expressed her grateful appreciation to the Bureau of Prisons and the Department of Homeland Security for their assistance in this case, and thanked the government of India and the Punjab Police Department for their cooperation.

"To succeed in the war on terror we and our partners around the world have to view support of terrorism anywhere as an affront to peace-loving people everywhere," stated FBI Assistant Director-in-Charge Mershon. "The security of each of us depends on the determination of all of us to join forces in a truly global effort."

The government's case is being prosecuted by Assistant U.S. Attorneys Kelly T. Currie and Lawrence P. Ferazani, Jr.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 20, 2006 4:31 PM
To: USDOJ- Office of Public Affairs
Subject: ANCHORAGE MAN INDICTED ON SEX TRAFFICKING AND NARCOTICS-RELATED CHARGES

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 20, 2006
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CRM
(202) 514-2008
TDD (202) 514-1888

ANCHORAGE MAN INDICTED ON SEX TRAFFICKING AND NARCOTICS-RELATED CHARGES

WASHINGTON – An Anchorage, Alaska, man has been indicted by a federal grand jury on charges of allegedly forcing underage and adult women to have sex with men in exchange for money, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Nelson P. Cohen for the District of Alaska announced today.

The 28-count superseding indicted returned by a federal grand jury in Alaska on Dec. 15, 2006, charges Don Arthur Webster Jr., aka "Jerry Starr," 49, with four counts of sex trafficking of a child using force, fraud or coercion, two counts of attempted sex trafficking of a minor using force, fraud or coercion, and five counts of sex trafficking of an adult using force, fraud or coercion. The superseding indictment was unsealed following a hearing in Anchorage today.

In addition, Webster was charged with various drug-related offenses, including three counts of distribution of cocaine base – commonly known as "crack" cocaine – to a pregnant woman, four counts of distribution of cocaine base to a child, and five counts of distribution of cocaine base. The charges are in addition to charges in the original indictment returned Nov. 14, 2006 – one count each of manufacturing, possessing with intent to distribute and maintaining a place to manufacture, distribute and use cocaine. The indictment includes two forfeiture counts, involving property located at 3411 Oregon Drive in Anchorage – one count based on property derived from proceeds of the crimes charged in the sex trafficking counts of the indictment and one count based on the drug trafficking charges.

"This indictment alleges a shocking pattern of sexual exploitation, threats of violence and drug trafficking by the defendant, all for his own financial gain," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "The Department of Justice is deeply committed to the vigorous prosecution of predators who force young women into lives of prostitution and despair."

According to the indictment, Webster operated a number of businesses named Foxy Roxies, Sunshine Girls, American Beauties, Kotton Kandy, Tiffani's, Tickle Your Fancy, and Lickety Split in Anchorage. While

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these businesses purport to be "escort services" in which an individual would pay for another person's "time and company," the indictment charges that they were in fact fronts for Webster's illegal prostitution business.

Webster allegedly provided adult women and underage girls to engage in sex acts in exchange for money with men who called the escort service phone lines. The indictment describes Webster's prostitution business as operating on an "out call" basis, meaning that the females would meet the caller at his residence or at a hotel paid for by the caller. According to the indictment, the caller would pay a fixed hourly rate plus a transportation fee to have sex with the female who would meet him. Certain regular callers could request that the female meeting
him provide him with illegal drugs, known as an "issue," for an additional fee. The female allegedly obtained the illegal drugs to give to the caller from Webster or someone acting at his direction.

As described in the indictment, when a female met a caller for sex, it was called "going on a date." The females allegedly were not allowed to keep any part of the money they collected in payment for the sex acts. Webster required them to turn over all of the money to him or to a designated representative, who would give him the money. After a female turned over her money, he or a designated representative allegedly would distribute an "issue" to the female, typically a gram of "crack" cocaine.

Webster is also accused of being physically violent with the females working for him, and allegedly would threaten them with harm if they disobeyed him or attempted to leave. The indictment further alleges that he would take possession of a female's personal property and identification when she moved into one of his residences.

If convicted, the defendant faces a maximum sentence of up to life in prison.

This case is being investigated by Federal Bureau of Investigation and the Anchorage Police Department. The prosecution is being handled by Assistant U.S. Attorney Audrey J. Renschen of the U.S. Attorney's Office for the District of Alaska and Trial Attorney Alexandra Gelber of the Child Exploitation and Obscenity Section of the Justice Department's Criminal Division.

An indictment is merely a formal charge that a defendant has committed a violation of federal criminal laws. Every defendant is presumed innocent unless, and until, proven guilty.

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,	)	No.
	)	
	)	COUNTS 1-4:
	)	SEX TRAFFICKING OF CHILDREN
Plaintiff,	)	Vio. of 18 U.S.C. §§ 1591(a)(1) and
	)	(b)(1) and (2).
v.	)	
	)	COUNTS 5-6:
	)	ATTEMPTED SEX TRAFFICKING OF
DON ARTHUR WEBSTER, JR.,	)	CHILDREN
aka Jerry Starr, aka "Daddy"	)	Vio. of 18 U.S.C. §§ 1591(a)(1) and
	)	(b)(1) and (2), and 1594(a).
	)	
Defendant.	)	COUNTS 7-11:
	)	SEX TRAFFICKING BY FORCE,
	)	FRAUD, AND COERCION.
	)	Vio. of 18 U.S.C. §§ 1591(a)(1) and
	)	(b)(1).
	)	

) COUNTS 12-14:
) DISTRIBUTION OF A CONTROLLED
) SUBSTANCE TO A
) PREGNANT INDIVIDUAL
) Vio. of 21 U.S.C. §§ 861(f) and
) 841(b)(1)(C).
)
) COUNTS 15-18:
) DISTRIBUTION OF A CONTROLLED
) SUBSTANCE TO A PERSON UNDER 18
) YEARS OF AGE
) Vio. of 21 U.S.C. §§ 861(a)(1) and
) 841(b)(1)(C)
)
) COUNTS 19-23:
) DISTRIBUTION OF A CONTROLLED
) SUBSTANCE: COCAINE
) Vio. of 21 U.S.C. 841(a)(1) and (b)(1)(C).
)
) COUNT 24:
) MANUFACTURING A CONTROLLED
) SUBSTANCE: COCAINE BASE
) Vio. of 21 U.S.C. 841(a)(1) and (b)(1)(C).
)
) COUNT 25:
) POSSESSION OF A CONTROLLED
) SUBSTANCE, COCAINE AND
) COCAINE BASE, WITH INTENT TO
) DISTRIBUTE
) Vio. 21 U.S.C. §§ 841(a)(1) and
) (b)(1)(C).
)
) COUNT 26:
) USING AND MAINTAINING A PLACE
) FOR MANUFACTURING,
) DISTRIBUTING AND USING A
) CONTROLLED SUBSTANCE:
) COCAINE AND COCAINE BASE
) Vio. 21 U.S.C. § 856(a)(1) and (b).
)
) COUNT 27:
) CRIMINAL FORFEITURE
) Vio. 18 U.S.C. § 1594(c)(1)(A)
)

) COUNT 28:
) CRIMINAL FORFEITURE
) Vio. 21 U.S.C. §§ 853(a)(1) and (2)

FIRST SUPERCEDING INDICTMENT

The Grand Jury charges that:

Introduction to WEBSTER's Business

The Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, operated a series of escort services, including, but not limited to Foxy Roxies, Sunshine Girls, American Beauties, Kotton Kandy, Tiffani's, Tickle Your Fancy, and Lickety Split. These businesses purported to be "escort services", in which an individual would pay for another person's "time and company", but in fact they were fronts for WEBSTER's illegal prostitution business. WEBSTER ran the business and provided housing at six known residences in the Anchorage area. The females who worked for him were also housed at those residences.

As part of his business, WEBSTER would provide adult women and underage girls to engage in sex acts in exchange for money with men who called the escort service phone lines. WEBSTER operated the prostitution business on an "out call" basis, meaning that the females would meet the caller at his residence or at a hotel paid for by the caller. Typically, the caller would pay a fixed hourly rate plus a transportation fee to have sex with the female who would meet him. At the request of a regular caller, the female meeting him would also provide him with illegal drugs, known as an "issue", for an additional fee. The female obtained the illegal drugs to give to the caller from WEBSTER or someone acting at his direction.

DOJ_NMG_ 0171906

When a female met a caller for sex, it was called "going on a date." WEBSTER required the female to "check-in" or call the phone for the escort service, when she arrived at the residence or hotel at the start of a "date." This was to ensure that the female had met the caller and received payment. After providing the requested sex acts, the female would call the service again to "check-out", signaling to WEBSTER that the "date" was over and the female was returning to the house with payment for the sex acts.

The females were not allowed to keep any part of the money they collected in payment for the sex acts. WEBSTER required them to turn over all of the money to him or a designated representative, who would give him the money. After a female turned over her money, WEBSTER, or a designated representative would distribute an "issue" to the female, typically a gram of "crack" cocaine.

WEBSTER was often physically violent with the females working for him or would threaten them with harm if they disobeyed him or attempted to leave. WEBSTER would take possession of a female's personal property and identification when she moved into one of his residences.

Between October 28, 2000, and October 20, 2006, WEBSTER engaged in the conduct alleged in the criminal counts that follow.

COUNT 1

Beginning at a time unknown, but at least between December 2002, and continuing until approximately March 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did

DOJ_NMG_ 0171907

knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Juvenile A, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act and that, during part of the alleged time period, the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2).

COUNT 2

Beginning at a time unknown, but approximately in April or May of 2003, and continuing until approximately July of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Juvenile B, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act and that, during part of the alleged time period, the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2).

COUNT 3

Beginning at a time unknown, but at least between October 28, 2000 and continuing until at least October 20, 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any

DOJ_NMG_ 0171908

means a person, Juvenile C, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act and that, during part of the alleged time period, the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2).

COUNT 4

Beginning at a time unknown, but at least between February 2002, and continuing until approximately May of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Juvenile D, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act and that, during part of the alleged time period, the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2).

COUNT 5

Beginning at a time unknown, but from approximately spring of 2002, until sometime during the fall of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did intentionally attempt to recruit, entice, harbor, transport, provide, and obtain by any means a person, Juvenile E, knowing that force, fraud, and coercion would be used to cause the

DOJ_NMG_ 0171909

person to engage in a commercial sex act and that the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2), and 1594(a).

COUNT 6

Beginning at a time unknown, but at least between fall of 2005 and April 25, 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did intentionally attempt to recruit, entice, harbor, transport, provide, and obtain by any means a person, Juvenile F, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act and that the person had not attained the age of 18 years and would be caused to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1) and (2), and 1594(a).

COUNT 7

Beginning at a time unknown, but at least between October 28, 2000, and continuing until approximately December of 2002, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Jane Doe 1, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act.

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All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1).

COUNT 8

Beginning at a time unknown, but at least between December 2000, and continuing until at least October 20, 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Jane Doe 2, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1).

COUNT 9

Beginning at a time unknown, but at least between October 28, 2000, and continuing until approximately April of 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Jane Doe 3, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1).

COUNT 10

Beginning at a time unknown, but at least between November 2002, and continuing until approximately December 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce,

DOJ_NMG_ 0171911

did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Jane Doe 4, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1).

COUNT 11

Beginning at a time unknown, but in approximately March 2002, and continuing until approximately September 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, in and affecting interstate and foreign commerce, did knowingly and intentionally recruit, entice, harbor, transport, provide, and obtain by any means a person, Jane Doe 5, knowing that force, fraud, and coercion would be used to cause the person to engage in a commercial sex act.

All of which is in violation of 18 U.S.C. §§ 1591(a)(1) and (b)(1).

COUNT 12

Beginning at a time unknown, but sometime during fall of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 2, a pregnant woman.

All of which is in violation of 21 U.S.C. §§ 861(f) and 841(b)(1)(C).

COUNT 13

Beginning at a time unknown, but at least between October 13 and 20, 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska,

DOJ_NMG_ 0171912

did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 2, a pregnant woman.

All of which is in violation of 21 U.S.C. §§ 861(f) and 841(b)(1)(C).

COUNT 14

Beginning at a time unknown, but at least between approximately May and September of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 5, a pregnant woman.

All of which is in violation of 21 U.S.C. §§ 861(f) and 841(b)(1)(C).

COUNT 15

Between December 2002, and November 7, 2003, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Juvenile A, knowing that she had not attained the age of 18 years old.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

COUNT 16

Between approximately April or May of 2003, and June 6, 2003, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Juvenile B, knowing that she had not attained the age of 18 years old.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

DOJ_NMG_ 0171913

COUNT 17

Beginning at a time unknown, but at least between February 2002, and May of 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Juvenile D, knowing that she had not attained the age of 18 years old.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

COUNT 18

During the spring of 2002 or 2003, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, at a picnic at Mirror Lake, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Juvenile E, knowing that she had not attained the age of 18 years old.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

COUNT 19

Between December 14, 2001, and sometime in December 2002, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 1.

All of which is in violation of 21 U.S.C. §§ 841(a)(1) and (b)(1)(C).

COUNT 20

Beginning at a time unknown, but at least between December 14, 2001, and October 20, 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District

DOJ_NMG_ 0171914

of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 2.

All of which is in violation of 21 U.S.C. §§ 841(a)(1) and (b)(1)(C).

COUNT 21

Between December 14, 2001, and the spring of 2006, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 3.

All of which is in violation of 21 U.S.C. §§ 841(a)(1) and (b)(1)(C).

COUNT 22

Between November 2002 and December 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 4.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

COUNT 23

Between approximately March 2002 and September 2004, the Defendant DON ARTHUR WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally distribute a controlled substance, to wit, cocaine base, to Jane Doe 5.

All of which is in violation of 21 U.S.C. §§ 861(a)(1) and 841(b)(1)(C).

COUNT 24

Beginning at a time unknown, but at least between on or about May 31, 2006, and continuing until at least on or about June 21, 2006, the Defendant DON ARTHUR

DOJ_NMG_ 0171915

WEBSTER, JR., aka Jerry Starr, within the District of Alaska, did knowingly and intentionally manufacture a controlled substance: a mixture or substance containing cocaine base, also referred to as "crack cocaine."

All of which is in violation of 21 U.S.C.§ 841(a)(1) and (b)(1)(C).

COUNT 25

Beginning at a time unknown, but at least between on or about May 31, 2006, and continuing until at least on or about June 21, 2006, within the District of Alaska, the defendant, DON ARTHUR WEBSTER, JR., aka Jerry Starr, did knowingly and intentionally possess, with intent to distribute, a controlled substance: a mixture or substance containing cocaine and cocaine base, also referred to as "crack cocaine."

All of which is in violation of 21, U.S.C. §§ 841(a)(1), and (b)(1)(C).

COUNT 26

Beginning at a time unknown, but at least between on or about May 31, 2006, and continuing until at least on or about June 21, 2006, within the District of Alaska, DON ARTHUR WEBSTER, JR., aka Jerry Starr, did unlawfully and knowingly use and maintain a place for the purpose of manufacturing, distributing and using controlled substances: cocaine and cocaine base, also referred to as "crack cocaine."

All of which is in violation of 21 U.S.C. §§ 856(a)(1) and (b).

DOJ_NMG_ 0171916

COUNT 27

CRIMINAL FORFEITURE – REAL PROPERTY

Upon conviction of one or more of the offenses alleged in Count(s) 1-11 of this Indictment, defendant DON ARTHUR WEBSTER, JR., A/K/A "JERRY STARR", shall forfeit the following property to the United States pursuant to 18 U.S.C. § 1594(c)(1)(A):

Any property, real or personal, used or intended to be used to commit or to facilitate the commission of such violation of 18, U.S.C. § 1591, including but not limited to REAL PROPERTY LOCATED AT 3411 OREGON DRIVE, ANCHORAGE, ALASKA 99517.

COUNT 28

CRIMINAL FORFEITURE – REAL PROPERTY FACILITATING/ PROCEEDS OF DRUG DISTRIBUTION

Upon conviction of one or more of the offenses alleged in Count(s) 12-26 of this Indictment, defendant DON ARTHUR WEBSTER, JR., A/K/A "JERRY STARR", shall forfeit the following property to the United States pursuant to 21 U.S.C. § 853(a)(1) and (2):

1. Any property, constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

2. Any of the person's property used, intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation,

/ / /

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///

including but not limited to REAL PROPERTY LOCATED AT 3411 OREGON DRIVE, ANCHORAGE, ALASKA 99517.

A TRUE BILL

/s Grand Jury Foreperson
GRAND JURY FOREPERSON

s/ Audrey Renschen
AUDREY J. RENSCHEN
Assistant U.S. Attorney
222 West 7th Avenue, Room 253, #9
Anchorage, Alaska 99513-7567
Phone:(907) 271-5071
Fax: (907) 271-1500
Email: audrey.renschen@usdoj.gov

s/ Alexandra R. Gelber
ALEXANDRA R. GELBER
Trial Attorney
US Department of Justice
Criminal Division, Child Exploitation and Obscenity Section
1400 New York Ave, NW
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Washington, DC 20530
Phone: (202) 307-1316
email: Alexandra.Gelber@usdoj.gov

DOJ_NMG_ 0171918

s/ Nelson P. Cohen
NELSON P. COHEN
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222 West 7th Avenue, Room 253, #9
Anchorage, Alaska 99513-7567
Phone:(907) 271-5071
Fax: (907) 271-1500
Email: nelson.cohen@usdoj.gov

DATED: December 14, 2006

DOJ_NMG_ 0171919

System Administrator

From: System Administrator
Sent: Wednesday, December 20, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001400 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 20, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001401 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, December 20, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001402 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, December 21, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1001403 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, December 21, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1004403 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 9:54 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 21, 2006

Department of Justice

PRESS GUIDANCE
Thursday, December 21, 2006

ATTORNEY GENERAL

10:00 A.M. EST

Attorney General Alberto R. Gonzales will deliver remarks at a press conference with ONDCP Director John Walters, National Institute on Drug Abuse Director Dr. Nora Volkow and University of Michigan Researcher Dr. Lloyd Johnston announcing the results of a University of Michigan study that indicates that from 2001 to 2006, the number of teens using illicit drugs has dropped 23 percent.
National Press Club
Holeman Lounge
529 14th Street
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 9:30 A.M. EST. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007 or the Office of National Drug Control Policy at (202) 395-6618.

PRESS RELEASES

The Antitrust Division will issue an end of the year release. (Talamona)

The Antitrust Division will issue a release regarding a price-fixing matter. (Talamona)

The Environment and Natural Resources Division will issue a release on a civil matter. (Magnuson)

The Office of Justice Programs will tentatively issue a release from the Bureau of Justice Statistics. (Peterson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

DOJ_NMG_ 0171925

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0171926

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Image not available for this document, ID: 0.7.10316.14672-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 10:15 AM
To: USDOJ- Office of Public Affairs
Subject: MERCEDES-BENZ AGREES TO PAY $1.2 MILLION CIVIL PENALTY TO SETTLE CLEAN AIR ACT VIOLATION

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

ENRD (202) 514-2007
EPA (202) 564-4355
TDD (202) 514-1888

MERCEDES-BENZ AGREES TO PAY $1.2 MILLION CIVIL PENALTY TO SETTLE CLEAN AIR ACT VIOLATION

Settlement Improves Mercedes' Emission Defect Reporting

WASHINGTON — Mercedes-Benz USA and its parent corporation, DaimlerChrysler AG (Mercedes), have agreed to pay $1.2 million in civil penalties to resolve allegations that they violated the Clean Air Act by failing to promptly notify the Environmental Protection Agency (EPA) about defects in the air pollution controls installed on numerous 1998 to 2006 Mercedes model vehicles, the Justice Department and the EPA announced today.

The Clean Air Act requires auto manufacturers to promptly inform the EPA of defects in emission-related components so that the government can consider whether the defect will cause emission standards to be exceeded and whether a recall is necessary. Both the complaint and the settlement were filed in the U.S. District Court in Washington, D.C.

In response to the EPA's investigation into the matter, Mercedes began voluntary recalls for two of the defects at issue and notified owners that it would extend the warranty coverage to address a third defect, at an estimated cost of about $59 million. Under the terms of the consent decree, Mercedes will also be required to improve its emissions defect investigation and reporting system to ensure future compliance, at an estimated cost of approximately $1 million per year.

"Reliable and effective automobile pollution control systems are essential to protect human health and the environment from harmful automobile emissions," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Mercedes' failure to alert EPA to a number of defects in emission-related components over a multi-year period is a serious violation because it deprived EPA of the opportunity to promptly determine whether emission standards would be exceeded and whether to order a recall of any of these vehicles."

DOJ_NMG_ 0171929

"These defect reporting requirements are a critical part of EPA's program to ensure that vehicles on the road comply with the Clean Air Act's emissions standards," said Catherine R. McCabe, Principal Deputy Assistant Administrator for the EPA's Office of Enforcement and Compliance Assurance. "This case demonstrates EPA's commitment to ensuring that automobile manufacturers comply with the defect reporting obligations under the Clean Air Act, and take appropriate action to correct any emission-related defects."

The vehicles subject to the voluntary recalls and extended warranties have defective catalytic converters or defective air pumps. The voluntary recalls and extended warranty will reduce the emissions of harmful pollutants caused by the defects by over 500 tons cumulatively. These pollutants include nonmethane hydrocarbons (NMHC), nitrogen oxides (NOx) and carbon monoxide (CO). NMHC and NOx are key ingredients in the production of ozone, a major contributor to cancer-causing smog. CO impairs breathing and is especially harmful to children, people with asthma and the elderly.

The proposed consent decree is subject to a 30-day public comment period and final court approval and will be available on the Justice Department Web site at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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06-854

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Image not available for this document, ID: 0.7.10316.14678-000002

Image not available for this document, ID: 0.7.10316.14678-000003

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 10:47 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE MONITORING THE FUTURE PRESS CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

AG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE MONITORING THE FUTURE PRESS CONFERENCE

WASHINGTON, D.C.

Thank you, Director Walters.

I am proud to be here as part of this announcement. These survey results are encouraging and we should all be pleased with the progress we've made since 2001.

Coming on the heels of National Methamphetamine Awareness Day, I am especially gratified by the advances made in keeping young people away from meth. The Monitoring the Future survey indicates that methamphetamine use by young people is down significantly since 2001 — by more than 40 percent for all young people in the survey combined.

That's good news, but our work is not done.

We must see our progress today as an opportunity to set new, even more ambitious goals. We must look for creative ways to spread the message to our children that illegal drug use is not a solution to their problems.

Every young person deserves the opportunity to rise to his fullest potential. Every child who reports that she did not experiment with drugs is one more child who could go on to do great things.

I am encouraged by the trend of decreased meth use by young people, but as we made clear last month at National Meth Awareness Day, there is a growing problem of abuse by adults, especially among women.

DOJ_NMG_ 0171934

At the Department of Justice we remain committed to enforcing our nation's drug laws and reducing the supply of these dangerous substances. For our fight, the President and Congress have given us useful tools like the Combat Methamphetamine Epidemic Act, and we intend to use them to disrupt the production and trafficking of meth on both national and international levels.

I believe that our hard work and some of our innovative approaches have contributed to the trends we see in this report. The efforts of the Drug Enforcement Administration have been outstanding, and I would like to thank Deputy Administrator Michele Leonhart for being here today.

The Department of Justice has formed partnerships with state and local law enforcement and has launched programs like our Consolidated Priority Organization Target list, which focuses on the largest drug trafficking organizations.

Over the past five years we've made tremendous progress in reducing the number of small meth labs in the United States, from more than 17,000 in 2004 to about 12,500 in 2005 -- and preliminary data indicate the number won't go above 9,000 this year.

And we have taken concrete steps to reduce demand as well. We have formed partnerships with community groups like Boys and Girls Clubs of America so that we can get our message directly to young people. And we are developing a National Drug Endangered Children Resource Center to ensure that states have the appropriate tools and training to save children from drug environments and break the cycle of addiction. Today's survey gives us hope that our education and awareness efforts are paying off and helping to keep kids away from drugs.

Now I'd like to turn the podium back over to Dr. Volkow.

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Image not available for this document, ID: 0.7.10316.14654-000002

Miller, Charles S

From: Miller, Charles S
Sent: Thursday, December 21, 2006 11:01 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 12/21/06 Civil Division News

Bristol-Myers agrees to settle charges

Hospital OKs deal in suit on surgeries * Our Lady of Lourdes may pay $7.3 million**

U.S. says file on Arar is too sensitive to share with Ottawa

Press Release: Lawsuit Demands Answers About Government's Secret 'Risk Assessment' Scores

Wiccans push for greater acceptance with grave marker lawsuit

THE LENNON FILES

Opinion: VISUALLY IMPAIRED; Redesign our money

AFX

December 21, 2006

Bristol-Myers agrees to settle charges

NEW YORK (AFX) - Drug maker Bristol-Myers Squibb Co. said Thursday it agreed to pay $499 million to settle federal investigations into questionable drug pricing and marketing practices, and lowered its outlook to reflect the charges.

The company entered an agreement in principle with the Justice Department and the U.S. Attorney in

Massachusetts to pay the settlement and avoid civil and criminal charges. Bristol-Myers would also enter a corporate integrity agreement with the Office of Inspector General and the Department of Health and Human Services. The agreement must still get final approval from the Justice Department.

Attorneys general of several states and a number of counties in New York charged that Bristol-Myers inflated the average wholesale prices of their drugs, the same prices that are used by government programs and insurers for reimbursement purposes. All suits were consolidated under the federal district court in Massachusetts.

As a result, Bristol-Myers increased its reserves for the probe by $353 million to total $499 million. Separately, the company will take a charge of $220 million for debt restructuring in the fourth quarter.

With the charges, the company lowered its estimate for earnings per share from continuing operations to a range of 72 cents to 77 cents, from 97 cents to $1.02.

Analysts surveyed by Thomson Financial expect earnings per share of $1.04.

The company reiterated its 2006 outlook of $1.02 to $1.07 excluding charges.

The agreement is the latest in deals cut with the government. In June 2005, Bristol-Myers settled federal charges for an accounting scandal that cost the company $800 million, and was placed under the observation of a federal monitor until 2007.

The same monitor recommended in September that the company fire Chief Executive Pete Dolan after a failed agreement to keep a lower-priced generic version of the best selling blood thinner Plavix off the market. Dolan stepped down the next day. The agreement soured when state attorneys general refused to sign off on it, and also attracted the interest of federal investigators.

Shares of Bristol-Myers closed Wednesday at $25.77 on the New York Stock Exchange.

END

Baton Rouge Advocate

December 20, 2006

Hospital OKs deal in suit on surgeries * Our Lady of Lourdes may pay $7.3 million**

RICHARD BURGESS ; ACADIANA BUREAU

LAFAYETTE - Our Lady of Lourdes Regional Medical Center is considering a $7 million payout to settle a class - action lawsuit involving hundreds of patients who allege unnecessary heart procedures at the hands of a doctor there, according to court documents.

lt would be the second major settlement paid by the hospital in connection with Dr. Mehmood Patel, a well-known cardiologist awaiting trial on federal health-care fraud charges.

Lourdes agreed in August to pay $3.8 million to the Justice Department to settle a federal False Claims Act lawsuit that alleged the hospital did not act on complaints of health-care fraud made by one of Patel's former associates.

The proposed $7,350,000 settlement, which has yet to be formally approved by a judge, would be paid to the long list of Patel's former patients who have filed legal claims against the doctor and the hospitals

where he practiced.

"We believe the proposed settlement is a fair way to conclude the litigation involving patients who were treated by Dr. Patel at Our Lady of Lourdes," hospital CEO W.F. "Bud" Barrow said in a written statement. "This agreement will allow all parties involved to put this matter behind them and move forward. "

No court hearing date has been set to finalize the settlement.

Either Lourdes or the plaintiffs could walk away from the agreement under certain conditions, according to court documents that the outline the terms of the settlement.

Attorneys for the patients could withdraw if more than 325 individuals file claims - a provision to ensure the settlement money is not spread too thin.

The hospital, in a move to limit its exposure to additional lawsuits, could withdraw from the agreement if more than three people choose not to participate in the class-action settlement and instead pursue separate legal claims against the hospital.

lt is uncertain how much each patient would receive under the proposed settlement because the specific number of patients is yet to be known and each could have varying medical histories.

Attorneys fees will also be carved out of the settlement.

The class-action lawsuit applies to all patients who underwent an allegedly unnecessary medical procedure by Patel from January 1996 through December 2003.

No trial date has been set in the criminal case against Patel.

He faces 94 counts of health-care fraud involving 77 patients that he treated from 2001 to 2004, and prosecutors have said they plan to introduce evidence of allegedly unnecessary procedures on 200 more patients.

Patel, who has pleaded innocent, operated Acadiana Cardiology and the Acadiana Cardiovascular Center.

He also performed cardiac procedures, such as angiograms and angioplasties, at most hospitals in the area, including Lourdes and Lafayette General Medical Center.

Prosecutors allege that he billed Medicare, Medicaid and private insurance providers $2.5 million for unnecessary procedures, some of which resulted in complications and serious injuries for patients.

Patel, whose medical license is restricted while the charges are pending, could face up to 20 years in prison if convicted in the criminal case.

END

CanWest News

December 21, 2006

U.S. says file on Arar is too sensitive to share with Ottawa

Sheldon Alberts, CanWest News Service

WASHINGTON - A senior Homeland Security official said Wednesday the Bush administration has no plans to tell the Canadian government why Maher Arar remains on a U.S. government terrorist watch list.

Despite having "excellent" co-operation between the two countries on intelligence and border security issues, the U.S. government's information on Arar is too sensitive to share with Ottawa, said Paul Rosenzweig, the acting assistant Homeland Security secretary for international affairs.

"I can't tell you why Arar is still on a watch list, because that information relates to classified discussions that are not suitable for disclosure here," Rosenzweig told Canadian reporters at a briefing for foreign press in Washington.

His comments follow the revelation last week by David Wilkins, the U.S. ambassador to Canada, that Arar remains on the U.S. watch list despite a Canadian government inquiry which found no basis for suspicion.

Ottawa has removed Arar from Canada's terror watch list and has written Washington suggesting the U.S. government do the same.

Foreign Affairs Minister Peter MacKay is likely to raise the issue during meetings at the State Department today with Secretary of State Condoleezza Rice.

Arar, a Syrian-born Canadian, was detained by U.S. authorities at a New York airport in 2002 and deported to Syria, where he was imprisoned and tortured for nearly a year.

The State Department, in a recent report, expressed concern the Arar controversy had the potential to damage future Canadian government co-operation with the U.S. on intelligence and terrorism-related matters. Pressed on the U.S. government's reluctance to explain its position on Arar to Ottawa, Rosenzweig said some information is simply too sensitive to share even with an ally like Canada.

"While I do recognize that in an idealized world, we would share every bit of intelligence information with all of our partners, in the real world, that is an idealization that isn't achievable," he said. "It will have to remain the case that, in respect to some issues, we are going to have to respectfully but firmly go our own way. And the Arar matter, at least for now, is one of those."

The Bush administration has denied claims by Arar's lawyer that the former Ottawa engineer remains on the U.S. watch list because of ongoing litigation over his removal and detention by American authorities.

Wilkins has said U.S. authorities made their assessment on Arar based on information independent of that supplied by the Royal Canadian Mounted Police.

Despite suggesting the U.S. has information that Canada does not, Rosenzweig stopped short of saying the Canadian inquiry was wrong to conclude Arar posed no threat as a terrorist.

"I don't think I would be nearly so presumptuous as to suggest that the Canadian government would be wrong," he said. "I would say from the U.S. government perspective, at least for now based upon the information in our possession, we remain of the view that Mr. Arar, who has previously been ordered removed from the United States, would need to re-apply for admission before he could enter."

END

Electronic Frontier Foundation

December 19, 2006

Press Release: Lawsuit Demands Answers About Government's Secret 'Risk Assessment' Scores

Millions of U.S. Travelers Affected by Giant Data-Mining Program

Washington, D.C. - The FLAG Project at the Electronic Frontier Foundation (EFF) filed suit against the Department of Homeland Security (DHS) in federal court today, demanding immediate answers about an invasive and unprecedented data-mining system deployed on American travelers.

The Automated Targeting System (ATS) creates and assigns "risk assessments" to tens of millions of citizens as they enter and leave the country. In November, DHS announced that the program would launch on December 4, but Homeland Security Secretary Michael Chertoff later admitted that the program had already been in operation for several years.

"The news of this secret program sparked a nationwide uproar. DHS needs to provide answers, and provide them quickly, to the millions of law-abiding citizens who are worried about this 'risk assessment' score that will follow them throughout their lives," said EFF Senior Counsel David Sobel.

Under ATS, individuals have no way to access information about their "risk assessment" scores or to correct any false information about them. But while you cannot see your score, it will be made readily available to untold numbers of federal, state, local, and foreign agencies. The government will retain the data for 40 years.

While the publicly available information about ATS is disturbing enough, there are many critical details the government did not disclose. For example, DHS has not announced what the consequences might be of a "risk assessment" score that indicates an individual might be a threat. EFF's suit demands an urgent and expedited response to the Freedom of Information Act (FOIA) request filed earlier this month, including all Privacy Impact Assessments for the ATS, all records that describe redress for individuals who believe the system includes inaccurate information, and all records that discuss potential consequences for travelers as a result of the system.

"ATS is precisely the sort of system that Congress sought to prohibit with the Privacy Act of 1974," said Sobel. "DHS needs to abide by the law and give Americans the information they deserve about this dangerous program."

Congressional leaders have indicated that they are likely to convene hearings on ATS when the new Congress convenes in January. Today's lawsuit cites that pending oversight as an additional reason why DHS must release details about the system on an expedited basis.

END

AP

December 21, 2006

Wiccans push for greater acceptance with grave marker lawsuit

By SCOTT BAUER

Associated Press Writer

BARNEVELD, Wis._With an estimated 400,000 members nationwide, and a high-profile fight with the federal government over veterans' grave markers, Wiccans are moving into a more prominent place in the religious landscape.

And Selena Fox is leading the way.

A Wiccan priestess and founder of Circle Sanctuary, a 200-acre nature center in the Wisconsin woods about 30 miles west of Madison, Fox battles for acceptance of the so-called neo-pagan religion.

Though they are often equated with witches, many Wiccans reject the label because of the baggage it brings.

Fox, whose graying hair flows midway down her purple dress and matching cape, exudes more hippie-esque charm than any kind of Hollywood-conjured witchery. She embraces the task of fighting discrimination against Wiccans.

"Spirituality should be something that lifts the spirit," she said.

Fox, a 57-year-old psychotherapist, wants to make clear that Wiccans do not worship the devil or engage in Satanism. She doesn't cast spells, ride a broomstick or wear a pointy black hat.

The golden rule for Wiccans is, "And it harm none, do what you will."

A nature-based religion, the Wiccan faith is founded on respect for the earth, nature and the cycle of the seasons.

A "yule tree," which looks identical to a Christmas tree, sits in a corner of the 100-year-old red dairy barn Fox has converted into an office, meeting room and spiritual center.

"We worship the divine and we do that by recognizing that the divine permeates all of life," Fox said.

The highest profile fight in Wiccans' struggle for recognition is with the federal government over its refusal to allow pentacles on grave markers issued by the Department of Veterans Affairs.

The pentacle, a symbol of Wiccans, is a five-pointed star representing earth, air, fire, water and spirit. Variations of it that are not part of the Wiccan belief have been used in horror movies as a sign of the devil.

Last month, Americans United for Separation of Church and State sued the U.S. Department of Veterans Affairs on behalf of Circle Sanctuary and others arguing that the VA is violating the constitutional rights of Wiccans.

Buried at Circle Sanctuary's cemetery are the remains of two soldiers _ a Vietnam veteran from Ohio, and Jerome Birnbaum, a Korean War veteran. There also is a memorial to Nevada National Guard Sgt. Patrick Stewart, who was killed in Afghanistan last year.

The widows of Stewart and Birnbaum are part of the lawsuit.

Fox and others say not including the pentacle on the list of accepted grave marker symbols is especially maddening because the Army Chaplain handbook has listed ways to accommodate Wiccans since 1978 and about 1,800 active-duty service members identify themselves as Wiccans, according to 2005 Defense Department statistics.

Fox said the VA's lack of acceptance of the pentacle points to prejudice.

"I didn't want to have to sue the government to try to get the U.S. Constitution upheld," Fox said. "It's discrimination. There's no other explanation I can think of."

A spokesman for the VA had no comment, citing the ongoing litigation.

People are attracted to the Wiccan religion for its devotion to nature and incorporation of both male and female deities, said Nikki Bado-Fralick, an assistant professor of religion and women's studies at Iowa State University.

She estimates the number of Wiccans nationwide has increased from about 40,000 in the late 1970s to around 400,000 today.

The Census Bureau, based on a survey in which people self-report their religion, put the number at a more modest 134,000 as of 2001. Fox said she thinks that number is low because many Wiccans fear reporting their religion.

"Oh lord, everyone thinks you worship the devil," said Joey Bunbury, a 39-year-old property manager from Madison and a Wiccan for about a decade. "People don't understand."

Some Wiccans use the name good witch, pagan or neo-pagan, to describe their spirituality, but others say there's just too much of a negative connotation and prefer to be called Wiccans.

"There's a misinterpretation that says if you say you're pagan or Wiccan, you're weird," said Jerrie Hildebrand, an ordained Wiccan minister living in Salem, Mass. "Most of us look like Joe or Jane America and you'd never know."

Hildebrand is assistant director of the Lady Liberty League, a group headed by Fox that addresses discrimination.

She said the group receives more than 100 complaints a year, and only a handful ever get amicably resolved.

Complaints range from school children being told they can't wear jewelry with Wiccan symbols to workers who face harassment.

END

Independent (UK)

December 21, 2006

THE LENNON FILES

WORLD | In the early 1970s, the FBI - along with anyone who listened to the things he said at the time - worked out that John Lennon harboured left-wing sympathies. But only now have the US authorities revealed the extent of the data held on the ex-Beatle.00A0, ++00A0, Imagine there's no secrets

Andrew Gumbel

Here are some facts about John Lennon deemed so sensitive to the national security of both Britain and the United States that they have only just been released to the public after 25 years of freedom of

information requests and protracted legal battles.

"John Winston Lennon is a British citizen and a former member of the Beatles singing group." So begins a letter written in April 1972 by J Edgar Hoover, the long-serving head of the FBI, to a member of Richard Nixon's Justice Department. Clearly, this was news to someone, even as late as 1972.

"Lennon has encouraged the belief that he holds revolutionary views, not only by means of his formal interviews with Marxists, but by the content of some of his songs and other publications." That line comes from an FBI memo written in February 1972, when Hoover and the Nixon administration were fighting tooth and nail to revoke Lennon's immigrant visa and have him deported. The song that appeared to interest them the most was "Power to the People" - hardly a secret document since it was released on Lennon's first post-Beatles album, Plastic Ono Band, in 1970 and played on radio stations around the world.

"Since 1972, John Lennon has continued from time to time to lend his support to various extremist causes, but does not appear to owe allegiance to any one faction." That's a sentence from an unmarked, undated document stamped "confidential" that appears to have originated with MI5.

Yes, ladies and gentlemen, we can now reveal to you the shocking news that John Lennon - despite his bewilderingly long hair and his mystifying habit of lying in bed for days at a time - was a peace activist who opposed the Vietnam War, spoke out against British military intervention in Northern Ireland, met and gave interviews to leading anti-war advocates on both sides of the Atlantic, and was even known, on occasion, to open his chequebook to put his money where his mouth was.

We can further reveal that, according to one of J Edgar Hoover's confidential sources - on whose reliability and competence more in a moment - he experimented with illicit drugs, and was busted once for possession of marijuana. Such are the highlights of the last 10 documents in Lennon's FBI file - documents deemed so sensitive that, for years, the US government refused to release them on the grounds that to do so could "reasonably be expected to lead to foreign diplomatic, economic and military retaliation against the United States".

Yes, you read that right. Starting in 1983, the Justice Department argued, with an entirely straight face, that to publish information on Lennon it was given by a foreign intelligence service - MI5, we can reasonably presume - might invite a military strike against the United States. Justice Department lawyers continued to make the argument through the end of the Cold War and into the post-9/11 era, and would no doubt be making the argument still were it not for the intervention of the federal courts\l "I", whose agonisingly slow deliberations led to the release of the documents this week. The Lennon files - more than 300 pages in all - are now entirely unexpurgated, except in one particular. The "foreign government" protected by the FBI all these years remains unnamed.

The fight for Lennon's FBI file is one of those stories that tells us much less, in the end, about the subject himself than it does about the bumbling, bureaucratic, loopily paranoid universe of intelligence operatives and official secrecy. The fact that Lennon was under surveillance at all was already scandalous - neither the FBI nor MI5 established any instance of either criminal behaviour or intent, nor did they have more than the most measly of grounds to suspect it.

It appears, rather, that Hoover and the Nixon administration went after him because his popularity with young voters, and his opposition to the Vietnam War, made him a potential threat to Nixon's 1972 re-election campaign. The veteran conservative senator Strom Thurmond, all but acknowledged as much in a confidential memo to the White House, unearthed in an earlier release of Lennon-related documents, when he suggested the deportation of Lennon and his wife, Yoko Ono, might be an effective "strategy counter-measure".

It can also be no coincidence that the FBI surveillance of Lennon ceased as soon as Nixon was returned for another term in the White House. The whole episode, in other words, might be described as a rock'n'roll Watergate - a minor, but still telling, instance of official abuse of power designed to stifle

political opposition to an ambitious and unscrupulous US president. The phrase "rock'n'roll Watergate" was in fact coined by the man who has done more than anyone else to dig up the full, embarrassing truth of the Lennon FBI file, a University of California historian called Jon Wiener. Professor Wiener has written

embarrassmenttwo books chronicling his quarter-century of efforts to tear down the walls of official secrecy around Lennon, and has popped in and out of federal court\l "I" more times than he can remember. At this point, he's so astonished at the ludicrously extended timeline of the whole affair he is no longer talking about a rock'n'roll Watergate. It has become more of a rock'n'roll Bleak House - "only with a happier ending".

It has been 25 years since he filed his first Freedom of Information Act request for Lennon's papers - he started just a few months after Lennon's death - and 23 years since FBI stonewalling prompted him and the American Civil Liberties Union to file their first lawsuit.

"I feel like we should have settled this in 1981," Professor Weiner said yesterday, sounding more exhausted than elated that his long bureaucratic quest is at last over. "This doesn't really have much to do with John Lennon, since there is nothing in these latest documents that we didn't already know about him.

"What this is really about is the FBI and the four presidents since Nixon who kept this secret. It's got to be an embarrassment to them that they fought so hard and for so long to keep something secret that is so public and so trivial."

That embarrassment also extends very specifically to the Blair government. According to FBI records, the unnamed "foreign government" was asked for permission to release its documents on Lennon back in September 1997, just a few months after Mr Blair first took office. The foreign government said no, saying that secrecy remained necessary to avoid "serious and demonstrable harm to its sources, which remain sensitive".

Reading the newly released documents, it is hard to see what the British authorities could possibly have been referring to. The file reads like the hastily cobbled-together work of a junior operative, relying almost entirely on publicly available information. We read, for example, that Lennon gave an interview to the British radicals Tariq Ali and Robin Blackburn for their journal Red Mole, in which he "em-phasised his proletarian background and his sympathy with the opposed and underprivileged people of Britain and the world". No surprise there, since the interview was published in 1970.

We read that Lennon met the radical French journalist Regis Debray, which was already widely known. We read that he signed a petition in support of Cambodia's Prince Sihanouk, following exposure of the covert US bombing campaign against his country. And we read that he gave money to the makers of a film documentary on Northern Ireland. Nothing new there, either.

The only morsel offered up by the file that was not already on the public record concerns a request by Ali and Blackburn for financial help with a left-wing bookshop and reading room they were thinking of setting up in central London. There is no evidence that Lennon gave them money for the venture. Once his immigration fight began in the United States, he cut back on almost all his political activities in the interests of winning his case.

If the British intelligence on Lennon was banal, the US effort was downright ludicrous. When Professor Wiener secured access to the bulk of the FBI files nine years ago, he discovered that the FBI could not get even basic details right, like Lennon's address in New York. They hatched plots to arrest him on drugs charges, which never materialised, and drafted a wanted poster whose most striking characteristic was that the photograph they used was not of Lennon at all, but of another rock singer with long hair and glasses called David Peel.

When Lennon's immigration lawyer, Leon Wildes, noted in court that Lennon had become involved in a "national anti-drug media effort", this was misinterpreted to mean that he had in fact joined the Nixon administration's National Commission on Marijuana and Drug Abuse - a wonderfully comic mistake that

was repeated in memos for months.

A number of informants were sent out with instructions to catch Lennon in the act of advocating violent insurrection, but all they ever heard him say was that he would join anti-war protests at the Republican and Democratic national conventions only "if they are peaceful". The most memorable titbit they unearthed did not concern Lennon at all, but rather a parrot belonging to an anti-war group trained "to interject 'right on' whenever the conversation gets rousing".

The FBI might come out looking more like the Keystone Kops than a serious law enforcement agency - one possible reason why the files were withheld for long - but the seriousness of the Nixon administration's hostility to the anti-war movement should not be underestimated. We know from other sources that the President's men were actively considering such options as mugging demonstrators outside the Republican National Convention in Miami and abducting leading anti-war figures like Abbie Hoffman and Jerry Rubin.

John Mitchell, who was Attorney General at the time, opined that this approach would be too expensive. So he and others advocated Plan B - breaking into the Democratic National Committee's offices in the Watergate building in Washington.

It appears the British files on Lennon may still contain a few unpublished nuggets. David Shayler, the renegade former MI5 officer, disclosed a few years ago that he had seen a file on Lennon detailing his links to the Workers' Revolutionary Party. But Professor Wiener, for one, is satisfied. Asked if he planned to pursue the Lennon files further, he responded, with relief: "I'm happy we're done with this now."

END

Miami Herald

Dec. 21, 2006

Opinion: VISUALLY IMPAIRED; Redesign our money

BY ELLY DU PRE

People who are blind or visually impaired are just like everyone else when it comes to money -- they need to be sure it doesn't slip away before the end of the month. U.S. District Judge James Robertson recently ruled on a lawsuit by the American Council of the Blind, saying that the government must give blind people "meaningful access" to money -- not doing so violates the Rehabilitation Act.

Robertson noted that of the 180 countries issuing paper currency, only ours lacks features to help visually impaired individuals tell bills apart. Not surprisingly, this issue is stirring debate. The Justice Department appealed the decision, with a hearing scheduled for January. The National Council of Private Agencies for the Blind and Visually Impaired applauds the decision.

Another organization, the National Federation of the Blind, says raising this issue will discourage hiring of visually impaired people. NFB notes many employers mistakenly believe that it's hard for the workplace to accommodate needs of blind or visually impaired workers. In fact, federal data show most accommodations for such employees cost under $500. Because 70 percent of working-age blind people are unemployed, the NFB prefers opening more job opportunities to provide meaningful access to money.

The currency question is important because the number of people with visual impairment will double by 2030. Baby boomers are aging, and severe vision loss mostly affects seniors. In Broward County today, about 53,000 people suffer from significant vision loss, and nearly 9,000 are legally blind. In Miami/Dade County, about 72,000 people suffer from significant vision loss, and about 12,000 are legally blind. Many

more people will have a tough time telling a dollar bill from a twenty when they get change.

For the answer, stroll the aisles of any major office supply store. We used to make do with plain manila folders. Then businesses began applying design principles to reduce errors and streamline organizational tasks. Products to label, color-code, flag, identify, highlight, warn and separate now number in the thousands.

This design ingenuity should be applied to our currency. It benefits everyone. The unpopularity of the two-dollar bill and the dollar coin, which is virtually indistinguishable from the quarter, shows we all get nervous about losing money. We are doing the right thing by installing ramps designed for people who use wheelchairs and have found they are an advantage for others as well -- whether they are making a delivery or pushing baby strollers. It's time we made the design of our money work for all of us, too.

Elly du Pré is executive director of Lighthouse of Broward, which helps people who are blind or visually impaired.

END

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 12:39 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: MERCEDES-BENZ AGREES TO PAY $1.2 MILLION CIVIL PENALTY TO SETTLE CLEAN AIR ACT VIOLATION

Note: The quote attributed to Catherine R. McCabe, Principal Deputy Assistant Administrator for the Office of Enforcement and Compliance Assurance has been modified.

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

ENRD (202) 514-2007
EPA (202) 564-4355
TDD (202) 514-1888

MERCEDES-BENZ AGREES TO PAY $1.2 MILLION CIVIL PENALTY TO SETTLE CLEAN AIR ACT VIOLATION

Settlement Improves Mercedes' Emission Defect Reporting

WASHINGTON — Mercedes-Benz USA and its parent corporation, DaimlerChrysler AG (Mercedes), have agreed to pay $1.2 million in civil penalties to resolve allegations that they violated the Clean Air Act by failing to promptly notify the Environmental Protection Agency (EPA) about defects in the air pollution controls installed on numerous 1998 to 2006 Mercedes model vehicles, the Justice Department and the EPA announced today.

The Clean Air Act requires auto manufacturers to promptly inform the EPA of defects in emission-related components so that the government can consider whether the defect will cause emission standards to be exceeded and whether a recall is necessary. Both the complaint and the settlement were filed in the U.S. District Court in Washington, D.C.

In response to the EPA's investigation into the matter, Mercedes began voluntary recalls for two of the defects at issue and notified owners that it would extend the warranty coverage to address a third defect, at an estimated cost of about $59 million. Under the terms of the consent decree, Mercedes will also be required to improve its emissions defect investigation and reporting system to ensure future compliance, at an estimated cost of approximately $1 million per year.

"Reliable and effective automobile pollution control systems are essential to protect human health and the environment from harmful automobile emissions," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Mercedes' failure to alert EPA to a number of defects in emission-related components over a multi-year period is a serious violation because it deprived EPA of the opportunity to promptly determine whether emission standards would be exceeded and whether to order a recall of any of these vehicles."

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"These defect reporting requirements are a critical part of EPA's program to reduce air pollution by ensuring that vehicles on the road comply with the Clean Air Act's emissions standards," said Catherine R. McCabe, Principal Deputy Assistant Administrator for the Office of Enforcement and Compliance Assurance.

The vehicles subject to the voluntary recalls and extended warranties have defective catalytic converters or defective air pumps. The voluntary recalls and extended warranty will reduce the emissions of harmful pollutants caused by the defects by over 500 tons cumulatively. These pollutants include nonmethane hydrocarbons (NMHC), nitrogen oxides (NOx) and carbon monoxide (CO). NMHC and NOx are key ingredients in the production of ozone, a major contributor to cancer-causing smog. CO impairs breathing and is especially harmful to children, people with asthma and the elderly.

The proposed consent decree is subject to a 30-day public comment period and final court approval and will be available on the Justice Department Web site at http://www.usdoj.gov/enrd/Consent_Decrees.html.

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Image not available for this document, ID: 0.7.10316.14094-000002

Image not available for this document, ID: 0.7.10316.14094-000003

System Administrator

From:	System Administrator
Sent:	Thursday, December 21, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1005172 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 1:03 PM
To: USDOJ- Office of Public Affairs
Subject: SAMSUNG KOREAN EXECUTIVE AGREES TO PLEAD GUILTY, SERVE JAIL TIME FOR PARTICIPATING IN DRAM PRICE-FIXING CONSPIRACY

A PDF of the Information is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

SAMSUNG KOREAN EXECUTIVE AGREES TO PLEAD GUILTY, SERVE JAIL TIME FOR PARTICIPATING IN DRAM PRICE-FIXING CONSPIRACY

President of Samsung's U.S. Subsidiary Admits Role in Global Cartel, Agrees to Prison Term and to Pay $250,000 Fine

WASHINGTON — An executive from Samsung Electronics Company Ltd..– the world's largest manufacturer of a common computer component called dynamic random access memory (DRAM) – has agreed to plead guilty, serve jail time in the United States, and pay a fine for participating in a global conspiracy to fix DRAM prices, the Department of Justice announced.

In total, four companies and 18 individuals have been charged in the Department's DRAM investigation and criminal fines totaling more than $730 million have resulted. This total reflects the second-largest total amount of fines ever imposed in a U.S. criminal antitrust investigation from a single price-fixing conspiracy.

The Korean executive, Young Hwan Park, participated in the price-fixing conspiracy while in his capacity as Vice President of Sales at Korean memory maker Samsung Electronics Company Ltd. Park is currently President of Samsung Semiconductor Inc., Samsung's U.S.-based subsidiary. Park is charged with participating in a conspiracy in the U.S. and elsewhere to suppress and eliminate competition by fixing the prices of DRAM to be sold to certain original equipment manufacturers of personal computers and servers (OEMs), in violation of the Sherman Antitrust Act.

"This latest plea underscores our resolve to hold responsible those who target U.S. businesses and consumers with price-fixing schemes," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Individuals who choose to engage in price fixing are on notice of the consequences of their illegal actions – criminal fines and prison time."

Under the plea agreement, which must be approved by the court, Park has agreed to serve 10 months in prison and to pay a criminal fine of $250,000. In addition, Park has agreed to assist the government in its ongoing investigation.

DOJ_NMG_ 0171955

DRAM is the most commonly used semiconductor memory product, providing high-speed storage and retrieval of electronic information for a wide variety of computer, telecommunication, and consumer electronic products. DRAM is used in personal computers, laptops, workstations, servers, printers, hard disk drives, personal digital assistants, modems, mobile phones, telecommunication hubs and routers, digital cameras, video recorders and TVs, digital set top boxes, game consoles, and digital music players. There were approximately $7.7 billion in DRAM sales in the U.S. in 2004.

According to the one-count felony charge filed today in federal court in San Francisco, Park conspired with unnamed employees from other memory makers to fix the prices of DRAM sold to certain OEMs from on or about April 1, 2001, to on or about June 15, 2002. The violation directly affected sales to U.S. computer makers Dell Inc., Hewlett-Packard Company, Compaq Computer Corporation, International Business Machines Corporation, Apple Computer Inc., and Gateway Inc., the Department said.

Park is charged with carrying out the price-fixing conspiracy by:

- Participating in meetings, conversations, and communications with competitors to discuss the prices of DRAM to be sold to certain customers;

- Agreeing with competitors to charge prices of DRAM at certain levels to be sold to certain customers;

- Issuing price quotations in accordance with the agreements reached;

- Exchanging information on sales of DRAM to certain customers, for the purpose of monitoring and enforcing adherence to agreed-upon prices; and

- Directing subordinates to contact competitors to obtain DRAM pricing information for the purpose of fixing prices.

This is the fifth Samsung executive to agree to a prison sentence in the DRAM investigation. Three foreign-based Samsung executives and one U.S. executive have already pleaded guilty and agreed to serve prison terms ranging from seven to eight months and to each pay a $250,000 fine. In April 2006, Sun Woo Lee and Yeongho Kang pleaded guilty to participating in the price-fixing conspiracy while they worked for Samsung or its subsidiaries in the U.S. In August 2006, Young Woo Lee pleaded guilty to participating in the price-fixing conspiracy while he worked for Samsung or its subsidiaries in Europe. Then, in November 2006, Thomas Quinn, a San Jose, Calif. executive, pleaded guilty to participating in the price-fixing conspiracy in his capacity as vice president of marketing for memory products at Samsung Semiconductor Inc.

In December 2006, a former Elpida executive, D. James Sogas, pleaded guilty for his participation in the DRAM conspiracy and was sentenced to serve seven months in jail and to pay a $250,000 fine. In addition, four Hynix Semiconductor Inc., executives, Dae Soo Kim, Chae Kyun Chung, Kun Chul Suh, and Choon Yub Choi, were charged with participating in the DRAM price-fixing conspiracy and agreed to plead guilty and serve jail terms ranging from five to eight months and to each pay a $250,000 fine. In December 2004, four Infineon executives, T. Rudd Corwin, Peter Schaefer, Gunter Hefner, and Heinrich Florian, pleaded guilty to the DRAM price-fixing conspiracy. The Infineon employees served jail terms ranging from four to six months and each paid a $250,000 fine.

Also, in December 2003 the Department charged Alfred Censullo, a Regional Sales Manager for Micron Technology Inc., with obstruction of justice. Censullo pleaded guilty and admitted to having withheld and altered documents responsive to a grand jury subpoena served on Micron. Censullo was sentenced to serve six months of home detention.

DOJ_NMG_ 0171956

Samsung pleaded guilty to the price-fixing conspiracy and was sentenced to pay a $300 million criminal fine in November 2005. Hynix, the world's second-largest DRAM manufacturer, pleaded guilty and was sentenced to pay a $185 million criminal fine in May 2005. In January 2006, Japanese manufacturer Elpida Memory agreed to plead guilty and pay an $84 million fine. In October 2004, German manufacturer Infineon pleaded guilty and was sentenced to pay a $160 million criminal fine.

In October 2006, a federal grand jury in San Francisco returned a single-count indictment against two executives from Samsung, Il Ung Kim and Young Bae Rha, and one executive from Hynix, Gary Swanson, for violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

Today's charge is the result of an ongoing investigation being conducted by the Antitrust Division's San Francisco office and the Federal Bureau of Investigation in San Francisco.

Anyone with information concerning price fixing in the DRAM industry should contact the San Francisco office of the Antitrust Division at 415-436-6660 or the San Francisco Division of the FBI at 415-553-7400. Case filings can be viewed on the Antitrust Division's web site, http://www.usdoj.gov/atr/.

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06-855

DOJ_NMG_ 0171957

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Image not available for this document, ID: 0.7.10316.14657-000002

NIALL E. LYNCH (State Bar No. 157959)
NATHANAEL M. COUSINS (State Bar No. 177944)
MAY LEE HEYE (State Bar No. 209366)
BRIGID S. BIERMANN (State Bar No. 231705)
CHARLES P. REICHMANN (State Bar No. 206699)
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U.S. Department of Justice
450 Golden Gate Avenue
Box 36046, Room 10-0101
San Francisco, CA 94102
Telephone: (415) 436-6660

Attorneys for the United States

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,	No. CR 06 0819 MMC
v.	**INFORMATION**
YOUNG HWAN PARK,	VIOLATION: Title 15, United States Code, Section 1 - Price Fixing
Defendant.	San Francisco Venue

The United States of America, acting through its attorneys, charges:

I.

DESCRIPTION OF THE OFFENSE

1. YOUNG HWAN PARK is made a defendant on the charge stated below.

2. From on or about April 1, 1999 until on or about June 15, 2002, the defendant's corporate employer, Samsung Electronics Company, Ltd. ("Samsung"), and coconspirators entered into and engaged in a combination and conspiracy in the United States and elsewhere to suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory

DOJ_NMG_ 0171960

("DRAM") to be sold to certain original equipment manufacturers of personal computers and servers ("OEMs"). The combination and conspiracy engaged in by the defendant's corporate employer and coconspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). The defendant joined and participated in the charged conspiracy at various periods of time from as early as April 1, 2001, until on or about June 15, 2002.

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant, his corporate employer, and coconspirators, the substantial terms of which were to agree to fix the prices for DRAM to be sold to certain OEMs.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant, his corporate employer, and coconspirators did those things that they combined and conspired to do, including, among other things:

(a) participating in meetings, conversations, and communications in the United States and elsewhere to discuss the prices of DRAM to be sold to certain OEMs;

(b) agreeing, during those meetings, conversations, and communications, to charge prices of DRAM at certain levels to certain OEMs;

(c) issuing price quotations in accordance with the agreements reached;

(d) exchanging information on sales of DRAM to certain OEM customers, for the purpose of monitoring and enforcing adherence to the agreed-upon prices;

(e) authorizing, ordering, and consenting to the participation of subordinate employees in the conspiracy.

DOJ_NMG_ 0171961

II.

DEFENDANT AND COCONSPIRATORS

5. During the time period covered by this Information:

(a) Samsung was a corporation organized and existing under the laws of the Republic of Korea; its wholly owned subsidiary Samsung Semiconductor Inc. ("Samsung Semiconductor") was a corporation organized and existing under the laws of California. Samsung and Samsung Semiconductor were engaged in the business of producing and selling DRAM to customers in the United States and elsewhere.

(b) Young Hwan Park was employed as Vice President of Sales for Memory Products for Samsung.

6. Various corporations and individuals, not made defendants in this Information, participated as coconspirators in the offense charged in this Information and performed acts and made statements in furtherance of it.

7. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

8. DRAM is the most commonly used semiconductor memory product. DRAM provides high-speed storage and retrieval of electronic information in personal computers, servers, and other devices. All references to DRAM in this Information include semiconductor memory devices and modules.

9. During the period covered by this Information, the defendant, his corporate employer, and coconspirators sold and distributed DRAM in a continuous and uninterrupted flow

DOJ_NMG_ 0171962

of interstate and foreign trade and commerce to customers located in states or countries other than the states or countries in which the defendant, his corporate employer, and coconspirators produced DRAM. The OEMs that were affected by the conspiracy to suppress and eliminate competition were: Dell Inc., Compaq Computer Corporation, Hewlett-Packard Company, Apple Computer, Inc., International Business Machines Corporation, and Gateway, Inc.

10. The business activities of the defendant, his corporate employer, and coconspirators that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

IV.

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

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DOJ_NMG_ 0171963

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Thomas O. Barnett
Assistant Attorney General

Phillip H. Warren
Chief, San Francisco Office

Scott D. Hammond
Deputy Assistant Attorney General

Niall E. Lynch, Assistant Chief
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Marc Siegel
Director of Criminal Enforcement
United States Department of Justice
Antitrust Division

for Kevin V. Ryan
United States Attorney
Northern District of California

DOJ_NMG_ 0171964

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Thursday, December 21, 2006 2:00 PM
Subject: Office of Legal Affairs (OLA) Emergency Service Interruption, Tonight (12/21/2006)

Office of Legal Affairs (OLA) Emergency Service Interruption

SMO/JMD JCON Service Interruption

An outage is required to replace a run of fiber optic computer network cabling that services the office spaces of the Office of Legal Affairs located in RFK Main Justice Building. The outage will occur during the posted service window below.

When: Thursday, December 21, 2006, 8:00 pm to 10:00 pm

Customers Affected: Office of Legal Affairs RFK Main Justice Building Office Spaces

Unavailable Services: **Access to the following services from Office of Legal Affairs Office Spaces**

Logging on to the SMO/JMD JCON Computer Network
Email Services
Internet Resources
G:\ Drive Resources
H:\ Drive Resources
M:\Drive Resources
Network Printers

Available Services: **Outside of these office spaces, all SMO/JMD JCON Services will be available**

Suggested Action: Office of Legal Affairs, please leave your workstation logged off and powered off during this service period.

To power off your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Click "Shut Down".
4. Choose the "Shutdown and Power off" option.
5. Click OK to log your workstation off the JMD/SMO JCON network and power off the computer.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU

HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

Lofthus, Lee J

From: Lofthus, Lee J
Sent: Thursday, December 21, 2006 2:18 PM
To: Gorsuch, Neil M
Subject: Read: RE: OASG

Lofthus, Lee J

From: Lofthus, Lee J
Sent: Thursday, December 21, 2006 2:18 PM
To: Gorsuch, Neil M
Subject: Read: OASG

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 2:29 PM
To: USDOJ- Office of Public Affairs
Subject: ANTITRUST DIVISION ENDS THE YEAR WITH SECOND-HIGHEST LEVEL OF CRIMINAL FINES, MORE MERGER CHALLENGES

Note: Accompanying materials are attached below.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

ANTITRUST DIVISION ENDS THE YEAR WITH SECOND-HIGHEST LEVEL OF CRIMINAL FINES, MORE MERGER CHALLENGES

WASHINGTON — In its fight against cartels and other anticompetitive conduct, in 2006 the Antitrust Division marked its second highest level of criminal fines obtained in Division history. The Division also experienced increases in merger filings and brought more merger challenges than the previous two years combined, the Department of Justice announced.

Further, the Division supported initiatives to improve the analysis of civil non-merger conduct, both in the United States and internationally, and participated in several U.S. Supreme Court cases important to the continuing refinement of the antitrust laws.

"The Division's achievements reflect the hard work of its staff, who are committed to aggressive, yet balanced antitrust enforcement," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Sound enforcement of the antitrust laws ensures that illegal conduct is stopped, procompetitive transactions can proceed, and businesses are able to engage in vigorous competition resulting in lower prices, better quality and more choices for consumers."

Cartel Enforcement

Anticompetitive conduct by criminal cartels – such as price fixing, bid rigging, and procurement fraud – remains the highest enforcement priority of the Antitrust Division. For the fiscal year ending on Sept. 30, 2006, the Division obtained criminal fines totaling $473,445,600, representing a 29 percent increase over FY 2005, and filed 33 criminal cases, many involving multiple defendants. (See chart.)

Fiscal Year 2006 yielded 5,383 jail days imposed for price fixing, bid rigging, obstruction, fraud and related anticompetitive conduct. And, as of Dec. 15, 2006, only a few months into FY 2007, the Division has already obtained sentences totaling 9,135 days of jail time.

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The Division continues to investigate and prosecute the international cartel that fixed prices for high-tech dynamic random access memory (DRAM). Early in FY 2006, the Division obtained a $300 million fine against Samsung Electronics Company and its U.S. subsidiary, Samsung Semiconductor Inc., the second largest criminal antitrust fine in U.S. history. Also in FY 2006, the Division obtained an $84 million fine against Japanese manufacturer Elpida Memory Inc., and secured guilty pleas from four executives of Hynix Semiconductor Inc. and four executives of Samsung Electronics Co. Ltd., both Korean manufacturers of DRAM. Over the full course of the investigation, this matter has yielded charges against four companies and 18 individuals, of whom 11 are foreign nationals who have served or agreed to serve time in U.S. prisons. The Division has obtained more than $732 million in criminal fines and courts imposed 2,460 days of prison time for individuals as a result of this investigation.

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connection with the media merger of The McClatchy Company and Knight-Ridder Inc., the Division obtained the divestiture of the St. Paul Pioneer Press, a Minneapolis/St. Paul newspaper, to preserve competition in the local market for readers and advertising. In another matter, the Division obtained a consent decree requiring Exelon Corporation and Public Service Enterprise Group Inc. to divest six electricity generating plants in order to preserve competition in the wholesale electricity market in the Mid-Atlantic region. In April, the Division obtained a settlement in which QUALCOMM Inc. and Flarion Inc. agreed to pay $1.8 million in civil penalties for violating premerger waiting period requirements.

Guidelines Commentary* and *Merger Review Process Initiative

The improved merger review process is a direct result of the Division's focus on efficiency and transparency. In March, the Division and the Federal Trade Commission (FTC) released their joint Commentary on the Horizontal Merger Guidelines, illustrating how the agencies have applied the Guidelines' principles in the context of particular merger investigations. In December, the Division announced a revision to its Merger Review Process Initiative, which will help the Division employ investigative resources more effectively and further reduce the investigative burden placed on parties.

Civil Non-Merger Conduct

In addition to its cartel and merger priorities, the Division enforces the antitrust laws against civil non-merger conduct that harms competition, which may involve agreements or single-firm action. The Division was active in both areas in 2006.

U.S. v. National Association of Realtors

The Division's enforcement against anticompetitive agreements included its lawsuit against the National Association of Realtors (NAR). In September 2005, the Division filed suit after NAR promulgated rules that would limit competition from certain real estate brokers who use the Internet to serve their customers. In November 2006, the U.S. District Court in Chicago denied NAR's motion to dismiss. The case will now proceed to discovery.

ABA Consent Decree Violation

In June, the American Bar Association agreed to pay $185,000 in fees and costs associated with the Division's investigation of its violation of a 1996 antitrust consent decree that prohibited the ABA from misusing its law school accreditation process. Such compliance actions underscore the seriousness with which the Division views any failure by a party to comply with decree obligations.

Single-Firm Conduct Hearings

In June, the Division and the FTC began a series of hearings on the antitrust implications of single-firm conduct under the antitrust laws. The hearings, which will continue in the first half of 2007, examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act. Topics to date have included predatory pricing, loyalty discounts, exclusive dealing, tying and bundling, and deceptive or misleading practices.

Competition Advocacy

Real Estate

DOJ_NMG_ 0171971

The Division, together with the FTC, has been educating policymakers and the general public about the benefits of competition in the market for real estate brokerage services. The Division provides information to entities considering rules – such as rules that prohibit rebates to consumers or that undermine online brokerage models – that would inhibit some types of competition that can lower the cost of buying or selling a home. During 2006, several states modified proposed or existing laws and regulations to enhance competition to the benefit of consumers. Delaware, Ohio, Tennessee, and Wisconsin all passed bills that included a waiver provision to enable individual consumers to choose not to purchase unwanted types of real estate brokerage services. The West Virginia Real Estate Commission, the Tennessee Real Estate Commission, and the state of South Carolina all lifted bans on consumer rebates in real estate transactions. The result is that consumers in these states now have the potential to save thousands of dollars on the purchase of a home.

U.S. Supreme Court Advocacy

The U.S. Supreme Court has taken an active docket of antitrust and competition-related cases in the past year, and the Division has assisted the Solicitor General in submitting the views of the United States as *amicus curiae* (friend of the court). In 2006, the court issued decisions in *Texaco Inc. v. Dagher*, stating that "rule of reason" analysis generally governs pricing decisions by joint venturers; *Illinois Tool Works Inc. v. Independent Ink, Inc.*, holding that the mere fact that a tying product is patented does not support a presumption of market power for purposes of antitrust tying analysis; and *Volvo Trucks North America, Inc. v. Reeder-Simco GMC, Inc.*, clarifying the standards for secondary-line price discrimination claims under the Robinson-Patman Act. In each case, the Court reached the decision urged by the United States. Later in 2006, the Division assisted in briefs filed in *Weyerhaeuser Co. v. Ross Simmons Hardwood Lumber Co., Inc.*, regarding the standards governing buyer-side predatory pricing; *Bell Atlantic Corp. v. Twombly*, concerning pleading standards for antitrust civil conspiracy claims; and *Credit Suisse First Boston Ltd. v. Billing*, which will consider the test for implied immunity from the antitrust laws based on the operation of securities regulations and statutes. The latter three cases remain under review by the Court.

Economics

The Division's Economic Analysis Group (EAG) consists of more than 50 economists, almost all of whom have doctorates and advanced training in industrial organization, and a smaller number of financial analysts. In addition to participating in each of the Division's enforcement matters, particularly in analyzing the effects of mergers, EAG staff engages in extensive research and writing to advance the state of the art in antitrust economics. In fiscal year 2006, EAG staff published 30 papers in antitrust and other academic journals, and posted 23 papers to its public discussion paper series during the same period.

International

The Division remains active on the international front. In 2006, Assistant Attorney General Barnett chaired the Organization for Economic Cooperation and Development (OECD) Competition Committee Working Party on International Cooperation & Enforcement, where, among other work, he led discussions on cartel enforcement and unilateral conduct issues. The Division was heavily involved in the Unilateral Conduct Working Group of the International Competition Network (ICN), which announced plans to focus on the objectives of single-firm enforcement and the standards for analysis of dominance (monopolization). The Division attended numerous meetings with the antitrust agencies of United States trading partners, and the U.S., Canadian, and Mexican agencies created working groups on unilateral conduct and intellectual property issues. The Division, together with the FTC, also met several times with officials from China regarding that nation's proposed Antimonopoly Law. The Division will continue to promote sound antitrust analysis and international cooperation abroad.

Conclusion

DOJ_NMG_ 0171972

The Antitrust Division will continue its mission to protect consumer welfare by aggressively prosecuting those who engage in illegal criminal antitrust behavior, conducting thorough and efficient investigations of proposed mergers and civil non-merger matters, and promoting effective enforcement of the antitrust laws in the U.S. and abroad.

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DOJ_NMG_ 0171973

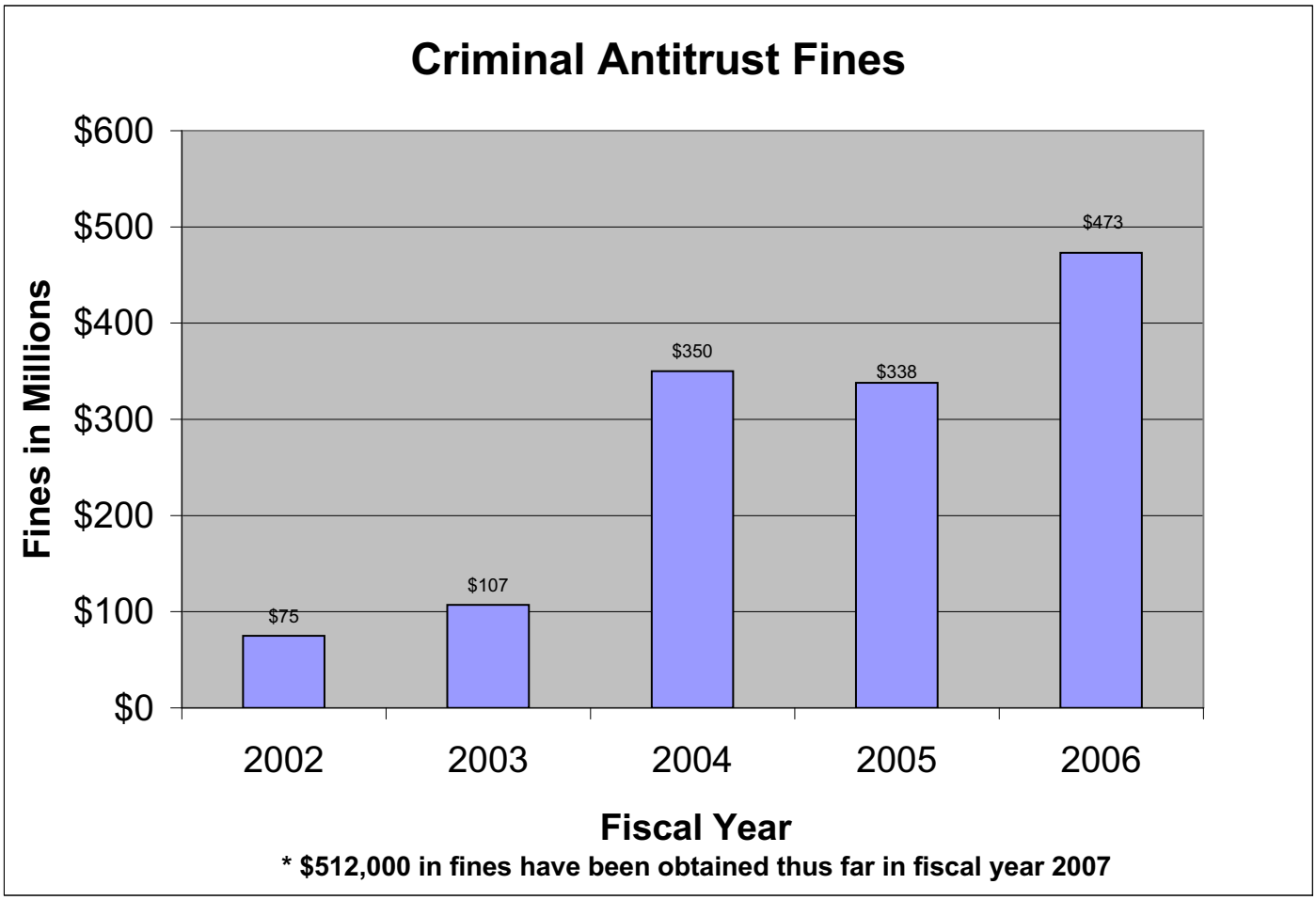
Criminal Antitrust Fines
$600
$500
$400
$300
$200
$100
$0
Fines in Millions
$75
$107
$350
$338
$473
2002
2003
2004
2005
2006
Fiscal Year
* $512,000 in fines have been obtained thus far in fiscal year 2007

Image not available for this document, ID: 0.7.10316.14095-000002

Image not available for this document, ID: 0.7.10316.14095-000003

System Administrator

From: System Administrator
Sent: Thursday, December 21, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1006571 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 3:50 PM
To: USDOJ- Office of Public Affairs
Subject: PRESIDENT GEORGE W. BUSH GRANTED PARDONS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

On December 21, 2006 President George W. Bush granted pardons to the following 16 individuals:

Charles James Allen — Winchester, Virginia

Offense: Conspiracy to defraud the United States; 18 U.S.C. § 371

Sentence: August 3, 1979; District of Maryland; one year of custody to be served by 30 days in jail, 90 days in a work-release program, and the remaining period on parole

William Sidney Baldwin, Sr. — Green Pond, South Carolina

Offense: Conspiracy to possess marijuana; 21 U.S.C. § 846

Sentence: October 27, 1981; District of South Carolina; six years' imprisonment

Timothy Evans Barfield — Cary, North Carolina

Offense: Aiding and abetting false statements on a Small Business Administration loan application; 15 U.S.C. § 645(a) and 18 U.S.C. § 2

Sentence: July 17, 1989; Eastern District of North Carolina; three years' probation, including 96 hours of community service

DOJ_NMG_ 0171978

Clyde Philip Boudreaux	Thibodaux, Louisiana
Offense:	Borrowing money from enlisted men, accepting a non-interest bearing loan from a government contractor, and signing and swearing to a false affidavit; U.C.M.J. Articles 92, 107, 134
Sentence:	December 2, 1975; as approved by the convening authority on January 29, 1976; United States Navy general court-martial convened at Okinawa, Japan, and Camp Lejeune, North Carolina; reprimand; loss of numbers on the promotion list; and a $1,000 fine
Marie Georgette Ginette Briere	Gatineau, Quebec
Offense:	Possession of cocaine with intent to distribute; 21 U.S.C. § 841(a)(1)
Sentence:	July 9, 1982; District of Puerto Rico; three years' imprisonment and three years' special parole
Dale C. Critz, Jr.	Savannah, Georgia
Offense:	Making a false statement; 18 U.S.C. § 1014
Sentence:	July 13, 1989; Middle District of Florida; three years' probation
Mark Alan Eberwine	San Antonio, Texas
Offense:	Conspiracy to defraud the United States by impeding, impairing, and obstructing the assessment of taxes by the Internal Revenue Service; 18 U.S.C. § 371; false declarations to the grand jury; 18 U.S.C. § 1623
Sentence:	February 1, 1985, as amended April 23, 1986; Western District of Texas; two years' imprisonment
Colin Earl Francis	Naugatuck, Connecticut
Offense:	Accepting a kickback; 41 U.S.C. §§ 53 and 54
Sentence:	May 7, 1993; District of Connecticut; two years' probation and a $2,500 fine
George Thomas Harley	Albuquerque, New Mexico

DOJ_NMG_ 0171979

Offense:	Aiding and abetting the distribution of cocaine; 21 U.S.C. § 841(a)(1), 18 U.S.C. § 2
Sentence:	November 30, 1984; District of New Mexico; nine years' imprisonment; five years' special parole
Patricia Ann Hultman	Kane, Pennsylvania
Offense:	Conspiracy to possess with intent to distribute and to distribute cocaine and other controlled substances; 21 U.S.C. § 846
Sentence:	October 28, 1985; Western District of Pennsylvania; one year of imprisonment
Eric William Olson	Ojai, California
Offense:	Conspiracy to possess with intent to distribute, possession with intent to distribute, possession, and use of hashish; U.C.M.J. Articles 81 and 134
Sentence:	February 21, 1984; United States Army general court-martial convened at Bamberg, Germany; confinement at hard labor for one year; reduction to pay grade E-1; forfeiture of all pay and allowances; bad conduct discharge
Thomas R. Reece	Cumming, Georgia
Offense:	Violating the Internal Revenue Code pertaining to alcohol; 26 U.S.C. § 5681(c)
Sentence:	May 2, 1969; Northern District of Georgia; one year's imprisonment
Larry Gene Ross	Indio, California
Offense:	Making false statements in a bank loan application; 18 U.S.C. § 1014
Sentence:	August 15, 1989; District of Wyoming; four years' probation, $7,654.20 restitution
Jearld David Swanner	Lexington, Oklahoma
Offense:	Making false statements in a bank loan application; 18 U.S.C. § 1005

DOJ_NMG_ 0171980

Sentence:	December 6, 1991; Western District of Oklahoma; three years' probation
James Walter Taylor	McCrory, Arkansas
Offense:	Bank fraud; 18 U.S.C. § 1344
Sentence:	October 18, 1991; Eastern District of Arkansas; 90 days in jail, followed by two years and nine months' probation
Janet Theone Upton	Salinas, California
Offense:	Mail fraud; 18 U.S.C. § 1341
Sentence:	May 23, 1975; District of Nevada; two years' unsupervised probation

On December 21, 2006, President Bush granted a commutation of sentence to the following individual:

Phillip Anthony Emmert	Washington, Iowa
Offense:	Conspiracy to distribute methamphetamine, 21 U.S.C. § 846
Sentence:	December 23, 1992; Southern District of Iowa; 262 months' imprisonment (as reduced on February 21, 1996); five years' supervised release
Terms of commutation:	Sentence of imprisonment to expire on January 20, 2007; term of supervised release left intact and in effect

DOJ_NMG_ 0171981

Image not available for this document, ID: 0.7.10316.14079-000001

Image not available for this document, ID: 0.7.10316.14079-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 4:07 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTION: ANTITRUST DIVISION ENDS THE YEAR WITH SECOND-HIGHEST LEVEL OF CRIMINAL FINES, MORE MERGER CHALLENGES

Correction: Paragraph four, second sentence, should have stated a "40 percent increase." The sentence should read as follows: For the fiscal year ending on Sept. 30, 2006, the Division obtained criminal fines totaling $473,445,600, representing a **40** percent increase over FY 2005, and filed 33 criminal cases, many involving multiple defendants.

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Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
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DOJ_NMG_ 0171985

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The improved merger review process is a direct result of the Division's focus on efficiency and transparency. In March, the Division and the Federal Trade Commission (FTC) released their joint Commentary on the Horizontal Merger Guidelines, illustrating how the agencies have applied the Guidelines' principles in the context of particular merger investigations. In December, the Division announced a revision to its Merger Review Process Initiative, which will help the Division employ investigative resources more effectively and further reduce the investigative burden placed on parties.

Civil Non-Merger Conduct

In addition to its cartel and merger priorities, the Division enforces the antitrust laws against civil non-merger conduct that harms competition, which may involve agreements or single-firm action. The Division was active in both areas in 2006.

U.S. v. National Association of Realtors

The Division's enforcement against anticompetitive agreements included its lawsuit against the National Association of Realtors (NAR). In September 2005, the Division filed suit after NAR promulgated rules that would limit competition from certain real estate brokers who use the Internet to serve their customers. In November 2006, the U.S. District Court in Chicago denied NAR's motion to dismiss. The case will now proceed to discovery.

ABA Consent Decree Violation

In June, the American Bar Association agreed to pay $185,000 in fees and costs associated with the Division's investigation of its violation of a 1996 antitrust consent decree that prohibited the ABA from misusing its law school accreditation process. Such compliance actions underscore the seriousness with which the Division views any failure by a party to comply with decree obligations.

Single-Firm Conduct Hearings

In June, the Division and the FTC began a series of hearings on the antitrust implications of single-firm conduct under the antitrust laws. The hearings, which will continue in the first half of 2007, examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act. Topics to date have included predatory pricing, loyalty discounts, exclusive dealing, tying and bundling, and deceptive or misleading practices.

Competition Advocacy

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Real Estate

The Division, together with the FTC, has been educating policymakers and the general public about the benefits of competition in the market for real estate brokerage services. The Division provides information to entities considering rules – such as rules that prohibit rebates to consumers or that undermine online brokerage models – that would inhibit some types of competition that can lower the cost of buying or selling a home. During 2006, several states modified proposed or existing laws and regulations to enhance competition to the benefit of consumers. Delaware, Ohio, Tennessee, and Wisconsin all passed bills that included a waiver provision to enable individual consumers to choose not to purchase unwanted types of real estate brokerage services. The West Virginia Real Estate Commission, the Tennessee Real Estate Commission, and the state of South Carolina all lifted bans on consumer rebates in real estate transactions. The result is that consumers in these states now have the potential to save thousands of dollars on the purchase of a home.

U.S. Supreme Court Advocacy

The U.S. Supreme Court has taken an active docket of antitrust and competition-related cases in the past year, and the Division has assisted the Solicitor General in submitting the views of the United States as *amicus curiae* (friend of the court). In 2006, the court issued decisions in *Texaco Inc. v. Dagher*, stating that "rule of reason" analysis generally governs pricing decisions by joint venturers; *Illinois Tool Works Inc. v. Independent Ink, Inc.*, holding that the mere fact that a tying product is patented does not support a presumption of market power for purposes of antitrust tying analysis; and *Volvo Trucks North America, Inc. v. Reeder-Simco GMC, Inc.*, clarifying the standards for secondary-line price discrimination claims under the Robinson-Patman Act. In each case, the Court reached the decision urged by the United States. Later in 2006, the Division assisted in briefs filed in *Weyerhaeuser Co. v. Ross Simmons Hardwood Lumber Co., Inc.*, regarding the standards governing buyer-side predatory pricing; *Bell Atlantic Corp. v. Twombly*, concerning pleading standards for antitrust civil conspiracy claims; and *Credit Suisse First Boston Ltd. v. Billing*, which will consider the test for implied immunity from the antitrust laws based on the operation of securities regulations and statutes. The latter three cases remain under review by the Court.

Economics

The Division's Economic Analysis Group (EAG) consists of more than 50 economists, almost all of whom have doctorates and advanced training in industrial organization, and a smaller number of financial analysts. In addition to participating in each of the Division's enforcement matters, particularly in analyzing the effects of mergers, EAG staff engages in extensive research and writing to advance the state of the art in antitrust economics. In fiscal year 2006, EAG staff published 30 papers in antitrust and other academic journals, and posted 23 papers to its public discussion paper series during the same period.

International

The Division remains active on the international front. In 2006, Assistant Attorney General Barnett chaired the Organization for Economic Cooperation and Development (OECD) Competition Committee Working Party on International Cooperation & Enforcement, where, among other work, he led discussions on cartel enforcement and unilateral conduct issues. The Division was heavily involved in the Unilateral Conduct Working Group of the International Competition Network (ICN), which announced plans to focus on the objectives of single-firm enforcement and the standards for analysis of dominance (monopolization). The Division attended numerous meetings with the antitrust agencies of United States trading partners, and the U.S., Canadian, and Mexican agencies created working groups on unilateral conduct and intellectual property issues. The Division, together with the FTC, also met several times with officials from China regarding that nation's

DOJ_NMG_ 0171987

proposed Antimonopoly Law. The Division will continue to promote sound antitrust analysis and international cooperation abroad.

Conclusion

The Antitrust Division will continue its mission to protect consumer welfare by aggressively prosecuting those who engage in illegal criminal antitrust behavior, conducting thorough and efficient investigations of proposed mergers and civil non-merger matters, and promoting effective enforcement of the antitrust laws in the U.S. and abroad.

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06-856

DOJ_NMG_ 0171988

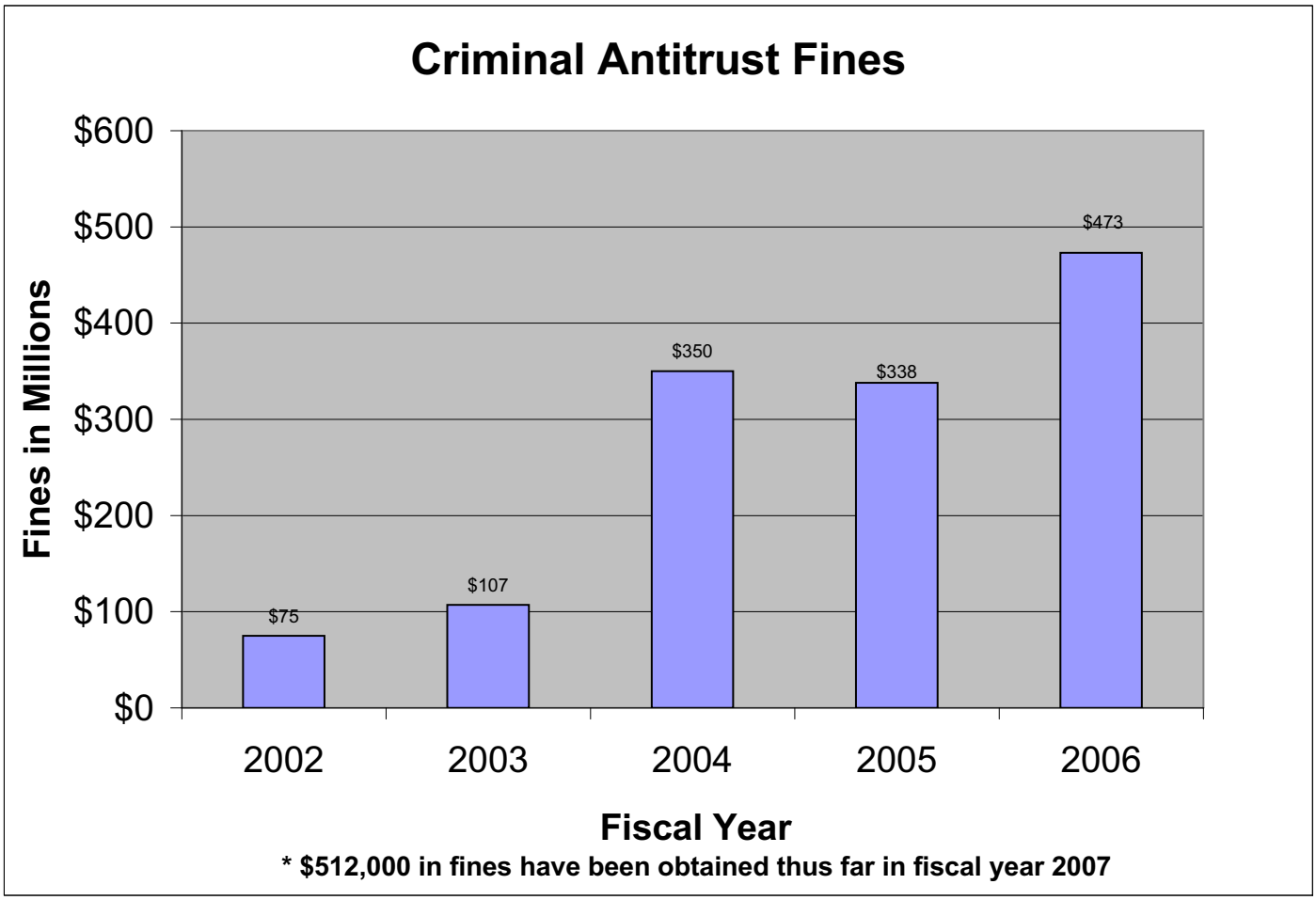
Criminal Antitrust Fines
$600
$500
$400
$300
$200
$100
$0
Fines in Millions
$75
$107
$350
$338
$473
2002
2003
2004
2005
2006
Fiscal Year
* $512,000 in fines have been obtained thus far in fiscal year 2007

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Image not available for this document, ID: 0.7.10316.14097-000003

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 4:25 PM
To: USDOJ- Office of Public Affairs
Subject: TEEN DRUG USE DECLINES 23 PERCENT IN FIVE YEARS

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, DC 20503

FOR IMMEDIATE RELEASE
Thursday, December 21, 2006

Contact: Jennifer de Vallance
(202) 395-6618

TEEN DRUG USE DECLINES 23 PERCENT IN FIVE YEARS

MARIJUANA, METH USE DROP SHARPLY

(Washington, D.C.) ─ Teen drug use has declined by 23 percent since 2001 for 8th, 10th, and 12th graders combined, with reductions in the use of nearly every drug in every drug prevalence category, according to the University of Michigan's 2006 *Monitoring the Future* (MTF) study, released today. This translates into approxi 840,000 fewer youth using illicit drugs in 2006 than in 2001. These reductions represent a nearly exact achieven President Bush's goal of reducing youth drug use by 25 percent by 2006. Reductions in illicit drug use among 8 10th graders exceeded the President's goal, falling 30 and 26 percent since 2001, respectively.

The study also shows that while marijuana continues to be the most commonly used illicit drug among te current use of marijuana has dropped by 25 percent over the past five years. And for the single year from 2005 tc current marijuana use dropped by seven percent among all three grades combined. Teen use of amphetamines, particularly methamphetamine, dropped significantly. The prevalence rates for meth use in all categories, for all grades, is either the lowest or among the lowest recorded since the question was first included in the MTF survey Past-month use of methamphetamine among youth plummeted by 50 percent since 2001, with less than one perc (.7%) of students using meth at least once in the last 30 days before the interview.

"There has been a substance abuse sea change among American teens," said John P. Walters, director of National Drug Control Policy. "They are getting the message that dangerous drugs damage their lives and limit their futures. We know that if people don't start using drugs during their teen years, they are very unlikely to go on to develop drug problems later in life. That's why this sharp decline in teen drug use is such important news: It means that there will be less addiction, less suffering, less crime, lower health costs, and higher achievement for this upcoming generation of Americans."

"The Justice Department is committed to protecting teens from the destructive effects of drug use," said Attorney General Alberto R. Gonzales. "Since 2001, we have seen the number of young people using drugs, especially methamphetamine, steadily decline. These decreases are an encouraging sign that the Administration's ongoing efforts to combat drug abuse are helping American's children stay away from drugs."

Monitoring the Future also noted reductions in the following drug categories between 2001 and 2006, including:

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- Marijuana use is down in all categories for all grades combined. Lifetime, past year, and past 30 day use decreased 18 percent, 20 percent, and 25 percent (from 35% to 29%; 26% to 22%; and 17% to 13%, respectively).

- Use of cigarettes is down since 2001 in all four use categories (lifetime, past month, daily, and more than one-half pack per day) in all three grades.

- Youth use of alcohol was also down across the board – in all five use categories (lifetime, past year, past month, daily, and more than five drinks in a row in the last two weeks) and in all three grades over five years.

-MORE-

- The use of steroids was down 40.2 percent, 36.8 percent, and 20.6 percent for lifetime, past year, and past month use, respectively for all three grades combined.

- Declines in the hallucinogens LSD and Ecstasy since 2001 have been dramatic, declining by as much as 50 percent to two-thirds.

An area of growing concern is the use of prescription drugs among 8th, 10th, and 12th graders. Indeed, this year's survey shows that the use of OxyContin is the only drug that has seen an increase among all three grades combined: past year use increased 30 percent, from three percent in 2002 to four percent in 2006. In addition, lifetime use of sedatives among seniors increased 18 percent since 2001 (from 9% to 10%), and past year use of Vicodin remained stable for all three grades, with three percent, seven percent, and 10 percent of 8th, 10th, and 12th graders reporting use, respectively.

"The Monitoring the Future study certainly reveals great news today for America's youth and for the Media Campaign, but we must not consider the job done," said Robert W. Denniston, Director of the National Youth Anti-Drug Media Campaign. "Teens report that their parents seldom stay current with the threats posed by pro-drug sources of misinformation, such as Internet content that normalizes and trivializes drug use. Parents need to keep talking to their kids about the dangers of drug use and stay on top of current technologies that could pose additional risks to their teens' health and safety."

The National Youth Anti-Drug Media Campaign, working closely with the Partnership for a Drug-Free America, has made great strides in its efforts to alert teens and parents about the dangers and harms of drug use, including marijuana. The Media Campaign's new youth campaign, Above the Influence, encourages teens to rej negative influences in their lives; not only drugs themselves, but also pro-drug influences from peers, pop cultur technology sources. The Media Campaign was created in 1998 by Congress with bipartisan support, with the go educating and enabling young people to reject illicit drugs. Counting on an unprecedented blend of public and p partnerships, non-profit community service organizations, volunteerism, and youth-to-youth communications, th Campaign is designed to reach Americans of diverse backgrounds with clear, consistent, and credible anti-drug messages.

However, budget cuts in recent years have forced the Media Campaign to substantially scale back on its advertising and public education budgets. Due to the limited funds, the most recent parent television advertising campaign that was launched in early February 2006 was the only one that targeted parents this year. There is co that ongoing budget restrictions are starting to produce a flattening out in the "perception of harm" indicator amc teens, which is widely understood as the best predictor of future drug use.

The MTF study is the largest and most significant survey of youth drug use and measures drug, alcohol, a cigarette use and related attitudes among 8th, 10th, and 12th grade students nationwide. Study participants report t drug use behaviors across three time periods: lifetime, past year, and past month. This year, 48,460 students fro public and private schools participated in the survey. The survey is funded by the National Institute on Drug Abu (NIDA), a component of HHS's National Institutes of Health, and conducted since its inception by the Universit

DOJ_NMG_ 0171993

Michigan. Information from this study helps the nation to identify potential drug problem areas and ensure that resources are targeted to areas of greatest need.

The complete MTF study results can be viewed at http://monitoringthefuture.org.

For more information on the ONDCP National Youth Anti-Drug Media Campaign, visit www.MediaCampaign.org

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Image not available for this document, ID: 0.7.10316.14073-000002

System Administrator

From:	System Administrator
Sent:	Thursday, December 21, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1007339 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

From: [redacted]
Sent: Thursday, December 21, 2006 4:53 PM
To: [redacted] Gorsuch, Neil M;
Cc: [redacted] (DHS)
Subject: Minutes from the December 8th meeting
Attachments: 12_8_06 CAP WG Pandemic Influenza Homeland Security Action Items Planning Meeting.doc

All-

I want to thank everyone who participated in the meeting on December 8th. I know how valuable everyone's time is and truly appreciate the turnout on the phone and in the room. Please see the attached minutes from that meeting. Please provide any updates/comments/etc. if you have them. If you did not receive the original documentation that was sent prior to the meeting and handed out at the meeting, please let me know and I'll be glad to forward that to everyone. Please as stated in the meeting, if you feel there is someone within your organization or in another organization that needs to be in these meetings, by all means let me know and I will forward the information to them and ensure they are invited to our meetings.

That being said, I would like to plan the next few meetings as outlined below. All meetings will be held at the GSA

That being said, I would like to plan the next few meetings as outlined below. All meetings will be held at the GSA building for ease of access for all of our Federal partner agencies. And I don't have the evil heart to ask everyone to come to NW to DHS headquarters. I will send out e-vites for these meetings. Any and all input is greatly appreciated for the agendas. If you do not feel you are part of a particular Action Item, please disregard that meeting if you choose.

5.1.1.2 – January 5th from 1300 – 1500
5.1.3.2 – January 10th from 1000 – 1200
6.3.2.3 – January 12th from 1000 – 1200

In addition, I have already reserved rooms for the dates/times of January 18th/1000--1200 and January 26th/1300—1500, in case we need them. I did not make meetings for 5.3.5.6 and 5.3.4.4 as we discussed tabling them and creating a 'box' to put any information relating to them there until we are ready to begin strategizing.

Happy Holidays!!! Look forward to seeing everyone in the New Year!!!

Best,

[redacted]

[redacted]

Economist

C[redacted]

F[redacted]

[redacted]@dhs.gov

Pandemic Influenza Homeland Security Action Items Planning Meeting
December 8, 2006 -- 1230-1430

1. Introductions
2. 5.1.1.2
    a. Matrices were reviewed with request for all members to review for updating, revision of all
        i. Bird to Bird Priority Questions – request was made for all members to review this matrix for updating of adding/removing questions or changing priorities of questions.
        ii. Human to Human – request was made for all members to review this matrix for updating of adding/removing questions or changing priorities of questions due to policy decisions, etc.
        iii. Model capability listings – request was made for all members to review the model capability listings to update for funding streams, POCs, etc. and/or additions of models that were not listed previously.
    b. Assumptions – It was noted that current assumptions are only those found in HHS' and the National Implementation Strategy. There are no additional agreed upon assumptions for the modelers. Request was made for members to review the current assumptions for additions, etc.
    c. Private Sector outreach for subject matter expert input:
        i. Recommendations from the various entry/exit papers (Land, Aviation, Maritime) and other policy decision papers have not been made available to the private sector. Have only recently been approved by the HSC to begin outreach to the private sector. Need to pull out the recommendations from these papers for approval by HSC before moving forward with outreach to the Private Sector. Need ideas on this outreach and how we will manage this type of forum.
        ii. Issues to resolve before Private Sector outreach
            1. OMB issues of Paper Reduction Act
            2. Use of existing various associations/forums/groups: CIPAC, MITSNAC – MARAD controls, COAC, NIAC
3. 5.1.3.2
    a. Need to develop a list of essential goods and services. Question was posed as to whether or not this extends beyond the Critical Infrastructure/Key Resources goods and services.
    b. Need to develop a list of the rules and regulations that exist for the private sector for contingency plans. Example: Could the hours that a truck driver must be off the road be changed to ensure deliveries of medical materiel, food, supplies, etc.?
    c. Need to talk to the HSC regarding contingency plans.
    d. Need to talk to the private sector (associations, grantees, Sector Coordinating Councils, Government Coordinating Councils, etc.[redacted]

[redacted] indicated that sector forums were being scheduled for late February.

4. 5.3.5.6 – Little progress
    a. DOT discussed that there are significant contractor and financial issues that are associated with this Action Item.
    b. This Item is extremely reliant on the private sector of which we are still working on the broad approval from the HSC to talk to them.
    c. It was decided that we would create a 'box' for this Item until we can work more fully with it pending an outbreak, funding issues resolved, priorities have changed within the Agencies.
5. 5.3.4.4
    a. There was significant discussion regarding what was actually meant for this Action Item. It was decided that this Action Item is based on the premise this is after a human-to-human outbreak has already been declared. At this point, we would review and analyze the cross-border flows of cargo.
    b. Outreach to the private sector is critical to this action item also. We need SME input. Need to request approval from HSC.
    c. It was decided that we would create a 'box' for this Item to 'park' issues, information until we can work more fully with it pending an outbreak, funding issues resolved, priorities have changed within the Agencies.
6. 6.3.2.3
    a. This Action Item was tabled pending feedback from the Pandemic Influenza Public Health Stakeholders meeting held in Atlanta, Georgia, on December 11-12th.
    b. At the Atlanta meeting, Total Layered Containment (TLC) non-pharmaceutical interventions (NPI) were unveiled to the public. The meeting was a mix of pandemic planners from the private sector, public health officers, state and local agencies and federal agencies.
    c. TLC NPIs include voluntary self-isolation at home, school closure where only the students are sent home for up to 12 weeks, quarantine of ill family members at home, social distancing of adults in the community.
    d. Guidance on TLC and its community mitigation strategies from the HHS/CDC is expected to be submitted to the HSC and POTUS beginning of January. It is expected that a draft guidance document will be produced for review/comment by COB December 2006.

NEXT STEPS:

1. Schedule meetings for each Action Item.
2. Research OMB issues regarding talking to the private sector. – I have solicited the input from our OMB liaison here at DHS.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 21, 2006 5:13 PM
To: USDOJ- Office of Public Affairs
Subject: SAUDI NATIONAL SENTENCED FOR VISA FRAUD AND HARBORING ILLEGAL ALIENS

Department of Justice

United States Attorney Michael J. Sullivan
District of Massachusetts

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 21, 2006
www.usdoj.gov/usao/ma

CONTACT: SAMANTHA MARTIN
PHONE: (617) 748-3139
FAX: (617) 748-3992

SAUDI NATIONAL SENTENCED FOR VISA FRAUD AND HARBORING ILLEGAL ALIENS

BOSTON - A Saudi national living in Winchester was sentenced today in federal court having pleaded guilty to charges of visa fraud and harboring of illegal aliens relating to her employment of two domestic servants.

United States Attorney Michael J. Sullivan; Assistant Attorney General for Civil Rights Wan J. Kim; Bruce M. Foucart, Special Agent in Charge of Immigration and Customs Enforcement; and Kenneth W. Kaiser, Special Agent in Charge of the Federal Bureau of Investigation, announced today that Hana F. Al Jader, age 40, of Winchester, Massachusetts, was sentenced by U.S. District Judge Reginald J. Lindsay to 2 years of probation, the first 6 months of which are to be served in home confinement. She was also ordered to complete 100 hours of community service. Judge Lindsay also ordered her to pay a fine of $40,000 and restitution in the amount $206,000 to three of her former domestic servants. Al Jader was also ordered to forfeit a second residence in Arlington. Lastly, Judge Lindsay ordered that Al Jader be deported to her native Saudi Arabia following completion of her term of home confinement.

In September of this year, Al Jader pleaded guilty to two counts of visa fraud and two counts of harboring illegal aliens for private financial gain in connection with her employment of two women from Indonesia as domestic servants.

At the earlier plea hearing, the prosecutor told the Court that Al Jader, who has resided in Winchester and Arlington since the mid-1990's with her invalid husband, Prince Mohamed Al Saud, brought the two Indonesian women to the United States in 2003 to work as domestic servants. In order to obtain visas for the women, Al Jader was required to submit to the U.S. Embassy in Saudi Arabia a copy of a work contract guaranteeing that the women would be paid $1,500 a month and would work no more than 8 hours daily. However, when the women arrived in the United States, they were required to work – cooking, cleaning, serving meals, caring for the severely disabled Prince, and serving at frequent parties – routinely in excess of 8 hours per day. Al Jader paid them only $300 a month which, at their request, was wired to their families in Indonesia.

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In July, 2003, Al Jader, through an attorney, filed applications with the Bureau of Citizenship and Immigration Services ("BCIS") for a six-month extension of the visas for her domestic servants. In connection with the extension application, Al Jader submitted another employment contract, which again represented falsely that the servants were each being paid $1,500 per month and working only eight hours per day. Based on the false information provided in the contracts, the servants' visas were extended; however, when those extensions expired, Al Jader failed to apply for or obtain any additional extensions. Despite the fact that the servants' legal status had expired, Al Jader continued to employ them for the next 11 months at the same pay rate of $300 per month.

In exchange for Al Jader's plea of guilty to these charges, her agreement to pay restitution of approximately $98,000 to each of the servants, and her acceptance of a stipulated order of deportation to her native Saudi Arabia, the government agreed to dismiss pending charges of forced labor and document servitude against Al Jader.

The case was investigated by agents from Immigration and Customs Enforcement and the Federal Bureau of Investigation. It was prosecuted by Assistant U.S. Attorney S. Theodore Merritt in Sullivan's Public Corruption and Special Prosecutions Unit and Lou DeBaca, Special Litigation Counsel, and Barbara Kay Bosserman, Trial Attorney, in the Department of Justice's Civil Rights Division.
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[redacted]

From: [redacted]
Sent: Thursday, December 21, 2006 6:11 PM
Subject: New Firm/New Contacts
Attachments: [redacted].vcf

Please note that we recently formed a new law firm – Kirstein & Young PLLC. Accordingly, I would appreciate your updating your records to reflect my new contact information. For your convenience, attached is an Outlook Contact Card which you can save directly into your Outlook contacts.

[redacted]

1001 Pennsylvania Ave. N.W.

[redacted]

Washington, D.C. 20004

Tele: [redacted]

Fax:

Email: [redacted]yklaw.com: <mailto:[redacted]yklaw.com>

[redacted]

Kirstein & Young PLLC

1001 Pennsylvania Ave, NW
[redacted]
Washington, DC 20004
United States of America

[redacted] **(Work Voice)**
[redacted] **(Work Fax)**

[redacted]**@yklaw.com** **(Preferred Internet)**

Version
2.1

Name
Family: [redacted]
First: [redacted]
Middle: [redacted]
Prefix:
Suffix:

Formatted Name
[redacted]

Organization
Kirstein & Young PLLC

Title
[redacted]

Comment
Information as of 11/06

Telephone Number (Work Voice)
[redacted]

Telephone Number (Work Fax)
[redacted]

Address (Work)
P.O. Address:
Extended Address:
Street: 1001 Pennsylvania Ave, NW
[redacted]

Locality: Washington
Region: DC
Postal Code: 20004
Country: United States of America

Delivery Label (Work)
1001 Pennsylvania Ave, NW
Suite 600 South
Washington, DC 20004
United States of America

Electronic Mail Address (Preferred Internet)
[redacted]@yklaw.com

Last Revision
20061221T230631Z

System Administrator

From: System Administrator
Sent: Thursday, December 21, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1007458 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 21, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1007455 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 22, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1007456 KB.
Mailbox size limits:

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From: USDOJ- Office of Public Affairs
Sent: Friday, December 22, 2006 9:39 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 22, 2006

Department of Justice

PRESS GUIDANCE
Friday, December 22, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Antitrust Division will issue a release. (Clarke)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172012

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Image not available for this document, ID: 0.7.10316.14058-000002

System Administrator

From: System Administrator
Sent: Friday, December 22, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010462 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 22, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010463 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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System Administrator

From:	System Administrator
Sent:	Friday, December 22, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010464 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Randall, Jenny

Subject:	Action Item 5.1.1.2 meeting
Location:	GSA Bldg, 7th & D Sts, Room 7511
Start:	Friday, January 5, 2007 1:00 PM
End:	Friday, January 5, 2007 3:00 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	[redacted]
Required Attendees:	[redacted] Gorsuch, Neil; [redacted]

When: Friday, January 05, 2007 1:00 PM-3:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg, 7th & D Sts, Room 7511

~~*~*~*~*~*~*~*~*

All-

This is the meeting for Action Item 5.1.1.2. I will send out the agenda the day before (January 4th). If anyone has any issues they would like to see discussed at this meeting, please let me know, otherwise I will have an item for 'other issues' on the agenda.

For reference: *5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities.* ***DUE DATE: 6 months***

Please note the conference call information for those who cannot attend in person.
DDI number: [redacted] **or** [redacted]
Conference Pin: 157454
For all those who plan on attending, please enter the GSA building at the main entrance with the ramp and all weather canopy. I will be downstairs to sign in those attendees who are not DHS badge holders. If there is a problem, my cell phone is [redacted]

Look forward to seeing everyone in the new year!!
Best,

[redacted]
Economist
O [redacted]
F: [redacted]
[redacted]@dhs.gov

From: USDOJ- Office of Public Affairs
Sent: Friday, December 22, 2006 3:35 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 25 – DECEMBER 29, 2006

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 22, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR DECEMBER 25 – DECEMBER 29, 2006

Monday, December 25

Christmas Holiday

Tuesday, December 26

Events TBD

Wednesday, December 27

Events TBD

Thursday, December 28

Events TBD

Friday, December 29

Events TBD

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DOJ_NMG_ 0172020

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Image not available for this document, ID: 0.7.10316.14033-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 22, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010531 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, December 22, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010532 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, December 22, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010533 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010534 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010535 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 23, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010536 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010537 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010538 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010539 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 23, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010540 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010541 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010541 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010542 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010543 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010544 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010545 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
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System Administrator

From: System Administrator
Sent: Sunday, December 24, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010546 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010547 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010548 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, December 25, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010549 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010550 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010551 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010551 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From: System Administrator
Sent: Monday, December 25, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010552 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, December 26, 2006 4:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: St. Petersburg, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, December 26, 2006 4:35:18 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: St. Petersburg, FL
Auto forwarded by a Rule

AMBER ALERT:St. Petersburg ,FL VEHICLE:1995 Black Chevy Lumina TAG:FL W396GE CHILD:3 Black M 2'6" 40lbs Eyes:Brown Hair:Black CALL 727-893-7780 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3042

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, December 26, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1010555 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, December 26, 2006 9:02 AM
Subject: JCON BROADCAST, WEEK OF DECEMBER 26, 2006

JCON BROADCAST, WEEK OF DECEMBER 26, 2006

1. **Important Federal Employees Health Benefits (FEHB) News**
2. **Research Classes Offered by Library Staff**

Important Federal Employees Health Benefits (FEHB) News!

On December 20, 2006, President Bush signed the Tax Relief and Health Care Act of 2006. The Act provides additional benefits for employees interested in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). Due to these changes, your servicing personnel office will accept belated open season enrollments in an HDHP with an HSA for eligible individuals through December 31, 2006.

Under the new Act:

- HSA contributions are no longer limited to the annual deductible of the High Deductible Health Plan (HDHP); they are limited only by the IRS maximums. The 2007 HSA maximum contribution limit is $2,850 for single coverage or $5,650 for family coverage.

- Enrollment in a Health Care Flexible Spending Account (HCFSA) in 2006 may be disregarded for purposes of determining eligibility for an HSA in 2007 if the HCFSA enrollees meet one of the following requirements:
  - Their HCFSA balance for 2006 must be zero on December 31, or
  - They transfer their remaining HCFSA balance to an HSA once they are enrolled in an HDHP. **They must notify SHPS, the FSAFEDS administrator, of their intention to transfer their HCFSA balance by December 31, 2006.** This is a one time transfer that can be made once the HSA is set-up with the HDHP. There may be a small processing fee for the transfer. FSAFEDS will notify participants regarding any fee.

- FEHB enrollees in HDHP plans with a Health Reimbursement Arrangement (HRA), who are now eligible for an HSA, may make a one-time transfer of the balance in an HRA to an HSA.

- Employees who now want to enroll in an HDHP with an HSA must either revoke their 2007 election for an HCFSA, if they made one, or convert to a Limited

Expense Flexible Spending Account (LEX HCFSA).

For employees eligible to participate in the FSAFEDS Program, SHPS will allow those enrolling in an HDHP plan to do the following:

- Transfer the amount remaining their HCFSA under the FSAFEDS Program to an HSA. These enrollees are not eligible for an HSA in 2007 if they do not elect to roll-over any unspent FSA funds;
- Revoke their HCFSA elections for 2007 so that they may enroll in an HDHP with an HAS;
- Change from an HCFSA to a LEX FSA; or
- Enroll in a LEX FSA.

FSAFEDS enrollees must notify SHPS of their intention to revoke, change, or transfer their HCFSA by December 31, 2006. Enrollees should go to the FSAFEDS web site at www.FSAFEDS.com or call SHPS at 1-877-372-3337 for further instructions.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, December 26, 2006 9:36 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Tuesday, December 26, 2006
Attachments:	agnb061226.pdf; agnb061226.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

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TERRORISM NEWS:

Congressional Subcommittee Finds FBI Did Not Fully Investigate Oklahoma Bombing. In a story carried in media outlets across the country, the Washington Post/AP (12/25, A7, Solomon) reported that the House International Relations investigative subcommittee has found that the "FBI failed to fully investigate information suggesting other suspects may have helped Timothy McVeigh and Terry Nichols with the 1995 Oklahoma City bombing, allowing questions to linger more than a decade after the deadly attack." The panel "will release the findings of its two-year review as early as Wednesday, declaring that no conclusive evidence of a foreign connection to the attack exists but that far too many unanswered questions remain." In its report, the subcommittee "sharply criticizes the FBI for failing to be curious enough to pursue credible information that foreign or U.S. citizens may have had contact with Nichols or McVeigh and could have assisted the pair."

"Sharpest Words" Pointed At Justice Department. The panel, headed by CA46 Rep. Dana Rohrabacher (R), "saved its sharpest words for the Justice Department, saying officials there exhibited a mindset of thwarting congressional oversight and did not assist the investigation fully. The report says the inadequacy of the FBI's work was exposed two years ago when some bombing evidence overlooked for 10 years was discovered in a house linked to Nichols that had been searched repeatedly by agents." Special Agent Richard Kolko, an FBI spokesman: "The Oklahoma City bombing case was the largest case the FBI worked on before 9/11. Agents at virtually every office, domestically and overseas, covered thousands of leads. Every bit of information was investigated and reviewed. The FBI worked tirelessly to cover all of the leads and conducted a thorough and complete investigation."

Report Pulled Information From Trentadue Lawsuits. The Salt Lake Tribune (12/25, Manson) reports, "For years, Salt Lake City attorney Jesse Trentadue has maintained his brother was killed in prison months after the Oklahoma City bombing by interrogators who mistakenly believed he was connected to the attack. Now, a new congressional report says federal authorities failed to investigate evidence suggesting Timothy McVeigh and Terry Nichols had assistance plotting the bombing - and some of the information pointing to co-conspirators came out of Trentadue's lawsuits against the FBI." The report "adds fuel to the mystery of Kenneth Trentadue's supposed suicide in 1995 at the Federal Transfer Center in Oklahoma City." His brother, Jesse Trentadue "believes FBI records hold clues to his brother's death and has fought the agency in court for those documents."

Courts Reject Defense Attorneys' Efforts To Access Information On NSA Wiretaps. The New York Sun (12/26, Goldstein) reports, "Defense lawyers who had hoped that the public disclosure a year ago of the National Security Agency's wiretapping program would yield information favorable to their clients are being rebuffed by the federal judiciary, which in a series of unusually consistent rulings has rejected efforts by terrorism suspects to access the records. In at least 17 criminal cases, federal district judges nominated to the federal bench by presidents Reagan, George H.W. Bush, Clinton, and George W. Bush have ruled against requests to force the government to tell defendants, most accused of terrorism-related crimes, whether the NSA eavesdropped on them without a court warrant." These decisions "indicate that even as public support for the war in Iraq has eroded in polls and as the NSA program has come under criticism from congressional Democrats, and even some Republicans, federal judges may be a bulwark that the Bush administration can rely on to defer to at least some aspects of its wartime policies."

HOMELAND RESPONSE:

Senate Committee Rejects Contention That Atta Was Identified Before 9/11 Attacks. The Los Angeles Times (12/25, Miller, 850K) reported, "The Senate Intelligence Committee has rejected as untrue one of the most disturbing claims about the Sept. 11 terrorist strikes — a congressman's contention that a team of military analysts

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identified Mohamed Atta or other hijackers before the attacks — according to a summary of the panel's investigation obtained by The Times. The conclusion contradicts assertions by Rep. Curt Weldon (R-Pa.) and a few military officers that U.S. national security officials ignored startling intelligence available in early 2001 that might have helped to prevent the attacks." Weldon and others "repeatedly claimed that the military analysts' effort, known as Able Danger, produced a chart that included a picture of Atta and identified him as being tied to an Al Qaeda cell in Brooklyn, N.Y. Weldon has also said that the chart was shared with White House officials, including Stephen J. Hadley, then deputy national security advisor."

DHS Sees Increase In Nuclear Traffic. On its front page, USA Today (12/26, A1, Willing, 2.27M) reports, "Annual incidents of trafficking and mishandling of nuclear and other radioactive material reported to U.S. intelligence officials have more than doubled since the early 1990s, says the director of domestic nuclear detection at the Department of Homeland Security. Also up: scams in which fake or non-existent nuclear or radioactive material is offered for sale, often online, says Vayl Oxford, nuclear detection director at the department. … The incidents tracked by the department, based on its reporting and information from foreign diplomatic and intelligence sources, average about twice the number made public each year by the International Atomic Energy Agency (IAEA)."

WAR NEWS:

Iraqi Violence Highlights Intra-Shia Tensions. The Los Angeles Times (12/25, Hennessy-Fiske, 850K) reported, "Shiite militia fighters clashed with police Sunday in Samawah, a provincial capital in southern Iraq, transforming it into a lawless battleground and exposing rifts that increasingly divide Iraq's Shiite Muslim majority. … Much of the death and destruction in Iraq this year has involved fighting between Shiites and the Sunni Muslim minority, which dominated the country under former President Saddam Hussein. But the violence in Samawah underscores the difficulty that Prime Minister Nouri Maliki and other Shiite leaders have had in maintaining order among members of their sect in a country where people's loyalties are divided among political parties, religious groupings and tribes."

British Soldiers Assault Jail, Alleging Torture. The New York Times (12/26, Santora, 1.16M) reports, "Hundreds of British and Iraqi soldiers assaulted a police station in the southern city of Basra on Monday, killing seven gunmen, rescuing 127 prisoners from what the British said was almost certain execution and ultimately reducing the facility to rubble. … When the combined British and Iraqi force of 1,400 troops gained control of the station, it found the prisoners being held in conditions that a British military spokesman, Maj. Charlie Burbridge, described as 'appalling.' More than 100 men were crowded into a single cell, 30 feet by 40 feet, he said, with two open toilets, two sinks and just a few blankets spread over the concrete floor."

Stymied, Kurdish Prison System Holds Prisoners Without Trial. The New York Times (12/26, Chivers, 1.16M) reports, "The Kurdish prison population has swelled to include at least several hundred suspected insurgents, and yet there is no legal system to sort out their fates. So the inmates wait, a population for which there is no plan. The Kurdish government that holds the prisoners says they are dangerous, and points out that the population includes men who have attended terrorist or guerrilla training in Iraq or Afghanistan. But it also concedes to being stymied, with a small budget, limited prison space and little legal precedent to look back on. … The problems reach back to before the American-led invasion, when northern Iraq was a Kurdish enclave out of Saddam Hussein's control. At the time, the Kurds in northeastern Iraq were fighting Ansar al-Islam, a small insurgent and terrorist group that seized control of a slice of territory along the Iranian border in 2002. The Kurds captured several prisoners and suspected terrorists, but had no clear idea what to do with them, other than to hold them in cells."

Iraq Death Toll Now Exceeds 9/11's. The AP (12/25) reports, "Two more American soldiers were killed in Iraq, officials said Tuesday, pushing the U.S. military death toll to at least 2,974 — one more than the number killed in the Sept. 11, 2001, attacks. The tragic milestone came with the deaths of the two soldiers Monday in a bomb explosion southwest of Baghdad, the military said. The deaths — announced Tuesday — raised the number of troops killed to 2,974 since the beginning of the Iraq war in March 2003, according to an Associated Press count. The figure includes at least seven military civilians."

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McCain Has Personal Stake In Troop Surge Debate. The Washington Post (12/25, A1, Williamson, 690K) reported, "John McCain's public certainty about Iraq masks a more private and potentially wrenching connection. If more troops go there, as McCain hopes they will, his youngest son could be one of them, taking his place in a line of family warriors that is one of the longest in U.S. history. … McCain has not drawn any attention to his son and declined to be interviewed for this article. A leading contender for the GOP presidential nomination, McCain has been one of the few and among the most vocal politicians pressing for more troops in Iraq." The Post added, "McCain's view of the war and his family history is born of 'his sense of duty, that is so deeply ingrained . . . there were probably times that he felt a prisoner of it,' said Robert Timberg, who has written a book about McCain."

Little Sign Of New Strategy Seen In State Department Iraq Reports. The Washington Post (12/26, A19, Kessler, 690K) reports that while President Bush "and his national security team have been busily working on a new recipe for success in Iraq, having declared the previous plan a failure," the "bureaucracy churns on" with reports oriented around the previous "eight pillars" strategy. The Post writes, "The State Department continues every Wednesday to issue a 30-page public report that details exactly how the U.S. government is meeting the goals set forth in the president's now-abandoned plan. … In many ways, the report is a microcosm of the administration's lost year in Iraq. The reams of details aimed at touting success belie the fact that few of the goals are being met. The report is often upbeat as it presents some of the most minuscule factoids of the situation in Iraq." However, the Post writes, "the bottom-line graphs tell a story of failure."

CORPORATE SCANDALS:

Freeh Retained To Monitor DaimlerChrysler Bribery Probe. The Detroit News (12/26, Shepardson) reports that DaimlerChrysler AG has retained "former FBI director Louis Freeh to serve as an outside monitor as it nears the end of a two-year internal investigation that has uncovered multiple instances of bribery by company employees, according to people familiar with the situation." The bribery allegations "also are the focus of a civil investigation by the Securities and Exchange Commission and a criminal probe by the Justice Department." The News adds, "DaimlerChrysler is clearly aiming to minimize any fines or sanctions by hiring Freeh as an internal monitor and providing federal investigators with the findings of the exhaustive internal investigation."

The AP (12/26) adds, "Freeh is a member of the Gavel Group, which consists of former federal judges 'who can provide strategic advice to corporations and law firms on anticipated actions in business, litigation and investigations,' according to the group's Web site."

Disgraced Trader Now Earns Living Warning Other Companies. The New York Times (12/26, Quinn, 1.16M) profiles former trader Nicholas W. Leeson, who "lost $1.3 billion in frenzied trades in Japanese stock futures and bonds, destroying his employer, the 233-year-old Barings Bank, which had Queen Elizabeth as a customer," and now, after four years in prison and a "bout with colon cancer," has turned "those money-losing bets into a money-making enterprise — warning bankers of their continuing vulnerability to rogue traders.," earning £5,000 ($9,800) per speech. The Times writes, "Mr. Leeson, now 39, has recently been freed from an agreement in which he surrendered some of his earnings to the liquidators of Barings, which was sold to ING of the Netherlands. For over a decade, the liquidators had sought to recover money for creditors of the ruined bank."

Ninth Circuit Trims Exxon Valdez Damage Award. The Wall Street Journal/AP (12/26, A2) reports that the Ninth Circuit Court of Appeals has "cut in half a $5 billion jury award for punitive damages against Exxon Mobil Corp. in the 1989 Valdez oil spill that affected about 1,500 miles of Alaskan coastline." The article adds, "This time, in its 2-1 decision, the court ordered a specific amount in damages, while its previous rulings demanded a lower court to come up with its own figures."

Blackberry Maker Offers Few Details Of Options Probe. The New York Times (12/25, Austen, 1.16M) reported, "James L. Balsillie, the chairman and co-chief executive of Research In Motion, offered plenty of cheery news during an investor conference call last week: quarterly profit up 47 percent from the same period a year ago and a sales increase of 49 percent, largely based on the

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company's successful move into the consumer market. On another issue, Mr. Balsillie had no comment: the review of R.I.M.'s stock options grants being undertaken by the independent board directors. The lack of information follows a pattern at R.I.M., the Canadian company that created the BlackBerry and made it a global brand. Ever since late September, when R.I.M. said it had started the review, the company has offered investors and regulators few details, making it difficult to assess its potential impact or full extent."

CRIMINAL LAW:

LATimes Fines Repeat Offenders Straining Resources In Los Angeles Jails. In an article headlined "Why L.A. Jail Cells Have Revolving Doors," the Los Angeles Times (12/26, A1, Garvey, Leonard, 850K) reports on its front page, "A Times investigation has found that thieves, drug offenders and other repeat criminals are cycling in and out of jail faster than ever. … Once booked, defendants enter a justice system whose resources have not kept pace with demand, even as crime has dropped in recent years. There are not enough prosecutors to try them. There are not enough courts to sentence them. There are not enough jail or prison beds to house them. And there is not enough treatment to help them."

Charges Dropped In Duke Rape Case. The Christian Science Monitor (12/26, Jonsson, 59K) offers a retrospective on the case against three Duke lacrosse players in North Carolina. They were originally accused of raping an exotic dancer, but the rape charges have since been dropped. The Monitor writes that the case is "being seen as a cautionary tale for prosecutors and pundits alike, emblematic of how cultural stereotypes and perceptions don't always add up to hard facts on the ground." The Monitor reviews weaknesses in the case brought by District Attorney Mike NIfong, who "still believes 'hooligans' committed criminal acts that night, people close to the case say." The Monitor adds, "[T]he two remaining charges, under North Carolina law, are just as serious as rape and carry equal jail time. But the accuser's changing story, lack of hard evidence of rape, mismatched witness testimony, and possibly exculpatory evidence presented by the defense remain problems for the prosecution."

The Monitor also notes, "[C]riticism of the case has led to some calls for Nifong's disbarment. A North Carolina legislator has asked the US Department of Justice to investigate the case. And legal experts say that while prosecutors enjoy absolute immunity inside the courtroom, Nifong's actions as a lead investigator outside the courtroom for this case may have left him exposed to a potential civil lawsuit from the Duke Three."

New York City Sees Increase In "Reclassified Homicides." The New York Times (12/26, Buckley, 1.16M) reports, "For reasons that no one can quite explain, a record number of reclassified homicides" – cases in which an assault victim dies years after an assault – "were recorded in New York City this year. In all, 35 deaths in the city in 2006 have been linked to wounds incurred as long as 30 years ago. That is roughly three times the historical average, and 14 more than the year before. The Police Department has cited those figures as accounting for some of the rise in New York's homicide rate, which has outpaced the rate in 2005: by mid-December, 566 homicides had been reported this year, compared with 517 for the same time in 2005."

Cohen Cites Thompson In Column Against Death Penalty. In his column in the Washington Post (12/25, A25, 690K), William Cohen named Gregory Thompson his "person of the year." Cohen wrote, "Thompson, 45, is delusional. He is also paranoid, schizophrenic and depressed. For these ailments, he receives daily doses of drugs and, twice a month, anti-psychotic injections. The state of Tennessee wants very much to put him to death for the horrendous 1985 murder of Brenda Blanton Lane, of which there is no doubt about his guilt. There is grave doubt, though, about the constitutionality, not to mention the decency, of executing an insane man. Thus the 12 pills Thompson takes every day. The idea, according to a recent account of his case in the Wall Street Journal, is to make him sane enough to be put to death." Cohen added, "As we keep learning, the devil is not in the details, it's in our certainty. This almost always is true of death-penalty cases. They are built on certainty -- witnesses who were certain, technicians who were certain, cops who were certain, prosecutors who were certain and jurors who were certain beyond a reasonable doubt. Yet routinely we read about convictions being overturned by DNA evidence. All those witnesses, technicians, cops, prosecutors and jurors were wrong -- certain, but wrong." Cohen concluded, "Maybe, though, Americans are beginning to understand that

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we just don't need the death penalty, that it makes us no safer and demeans us as a people. The case of Gregory Thompson is a case in point."

Attorneys Thwart RICO Prosecutions With Statute Of Limitations Defense. The AP (12/25) reported, "For more than two decades, the federal RICO law was a pitiless tool in the fight against organized crime -- corralling, convicting and incarcerating a long string of mob bosses once considered untouchable. But in 2006, federal prosecutors lost a pair of major RICO cases," against John A. "Junior" Gotti and "the most corrupt officers in NYPD history – 'Mafia Cops' Louis Eppolito and Stephen Caracappa." The AP wrote, "In both cases, defense attorneys used the statute of limitations to fend off the feds. Gotti's lawyer employed a withdrawal defense, claiming his client had quit the mob more than five years before his indictment, putting him beyond the reach of RICO. Attorneys for Eppolito and Caracappa argued the defendants' crimes while on the payrolls of both the NYPD and a murderous Luchese family boss had occurred long before the five-year statute of limitations expired."

Sentencing Guidelines Seen As Likely To Face New Scrutiny From Democrats. The Wall Street Journal (12/26, A4, Fields, 2.04M) reports, "With Democrats poised to take control of Congress, law-enforcement officials are preparing to defend two decades of federal sentencing policies that mandated harsh prison terms on a variety of crimes and led to a boom in the prison population." MI14 Rep. John Conyers (D), who will chair the House Judiciary Committee, and VA3 Rep. Robert Scott (D) "have already said they plan hearings early in the term to look at how nonviolent drug offenders are punished under mandatory minimum laws." The Journal writes, "Democrats are buoyed by recent signals from the U.S. Sentencing Commission, which sets guidelines for judges to use in an advisory capacity when they hand down sentences." However, "law-enforcement officials -- from the Justice Department to police groups -- are joining forces to oppose any changes that decrease the severity of the crack penalty, warning that it's a slippery slope that could weaken other mandatory sentences."

WPost Columnist Says Rap Lyrics Threatened To Overshadow Evidence At Trial. In a column appearing in the Washington Post (12/26, 690K), Jabari Asim examines the use of rap lyrics in criminal trials. In particular, Asim cites the recent trial of Ronell Wilson, who "stood accused of killing two New York undercover detectives, James V. Nemorin and Rodney J. Andrews, in March 2003." Asi writes, "[P]rosecutors and the media made much of Wilson's lyrics, which make the Black Eyed Peas sound like Langston Hughes. … To prosecutors, the words were a confession, a revelatory window into the fevered mind of a cold-blooded murderer. To me, they resembled a cut-rate ripoff of the Notorious B.I.G.'s 1994 hit 'Ready to Die.'" Asim writes, "The use of hip-hop lyrics in trials is not new, as George Washington University law professor Paul Butler and others have pointed out. Still, the courts remain somewhat baffled as to how to regard them. Are they straight-up autobiography or merely macho fantasies?" Asim concludes, "Ultimately, this was no showdown over naughty words or celebrations of strip-club hedonism but a murder case involving the deaths of two brave, hardworking family men. And the fascination with the killer's lyrics threatened to overshadow all that."

CIVIL LAW:

Some Charter Flights Lack Federal Oversight. The AP (12/25, Christoffersen) reported, "Travelers who pay a premium for the convenience of charter air travel could unknowingly end up on a flights operated without direct federal oversight. That fact — along with an effort to change it — is central to a lawsuit filed by NBC Sports executive Dick Ebersol and actress Susan Saint James over the 2004 crash that killed their teenage son." The AP explained, "Not all charter operations are certified by the Federal Aviation Administration. Those outside the FAA umbrella aren't required to give flight crews the same training required of certified companies, and it isn't always obvious which aren't certified. Some non-certified operators fly under the auspices of other companies."

Courts, Congress Begin To Examine Online Property Rights. The Washington Post (12/25, A1, Sipress, 690K) reported, "U.S. courts have heard several cases involving virtual-world property rights but have yet to set a clear precedent clarifying whether people own the electronic goods they make, buy or accumulate in Second Life and other online landscapes. Also unclear is whether

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people have any claim when their real-life property is depicted online, for instance in Microsoft's new three-dimensional renderings of actual real estate." The Post noted, "Congress has taken note" of the online marketplace "and is completing a study of whether income in the virtual economy…should be taxed by the Internal Revenue Service. The Joint Economic Committee of Congress is expected to issue its findings early next year." The Post added, "Linden Lab made cyber-history when it gave Second Life users the intellectual property rights to their creations -- similar to the copyright real-world authors have to their writings. By contrast, most Web sites offering virtual experiences have not accorded users any property rights, requiring them to accept a license agreement stating that all content belongs solely to the Web site owner."

CIVIL RIGHTS:

Justice Department Database Disturbs Civil Libertarians. The Washington Post (12/26, A7, Eggen, 690K) reports, "The Justice Department is building a massive database that allows state and local police officers around the country to search millions of case files from the FBI, Drug Enforcement Administration and other federal law enforcement agencies, according to Justice officials." According to Justice officials, it "already holds approximately 1 million case records and is projected to triple in size over the next three years," with data including "investigative reports, criminal-history information, details of offenses, and the names, addresses and other information of criminal suspects or targets." While supporters say it is "a much-needed step toward better information-sharing with local law enforcement agencies, which have long complained about a lack of cooperation from the federal government," it has drawn criticism from "civil liberties and privacy advocates" who "say the scale and contents of such a database raise immediate privacy and civil rights concerns, in part because tens of thousands of local police officers could gain access to personal details about people who have not been arrested or charged with crimes." The Post notes, "The little-noticed program has been coming together over the past year and a half. It already is in use in pilot projects with local police in Seattle, San Diego and a handful of other areas, officials said. … But in a memorandum sent last week to the FBI, U.S. attorneys and other senior Justice officials, Deputy Attorney General Paul J. McNulty announced that the program will be expanded immediately to 15 additional regions and that federal authorities will 'accelerate . . . efforts to share information from both open and closed cases.'"

Increase In Diabetes Forces Employers To Confront Disability Questions. In a front page article, the New York Times (12/26, A1, Kleinfield, 1.16M) reports diabetics "contend that they are being blocked by their employers from the near-normal lives their doctors say are possible. But the companies say they are struggling, too, with confusion about whether diabetes is a legitimate disability and with concern about whether it is overly expensive, hazardous and disruptive to accommodate the illness. The debate will probably intensify. The number of diabetics in America swelled by 80 percent in the past decade. Experts say the disease is on its way to becoming a conspicuous fact of life in the nation's labor force, raising all sorts of issues for workers and managers." The Times adds, "Part of the confusion is a byproduct of the disease itself, a capricious illness of elevated, damaging levels of sugar in the blood. Type 1 is a malfunction of the immune system that usually appears in childhood, while the far more prevalent Type 2 is closely associated with obesity and inactivity. Many people with diabetes will face withering complications like blindness, amputations and heart disease. Others will not. … Nonetheless, the risk of plunging blood sugars has fueled a longstanding reluctance to employ diabetics in jobs like those of truck driver or police officer, if they are on insulin."

ANTITRUST:

Bankruptcy Judge Postpones Delphi Hearing After Proposed Deal. The Wall Street Journal (12/26, A2, Stoll, 2.04M) reports, "Bankruptcy Judge Robert Drain postponed a key hearing in the Delphi Corp. bankruptcy case to Jan. 11 from Jan. 5, allowing more time for critics to compose arguments against the auto-parts supplier's proposed $3.4 billion bankruptcy-emergence equity deal with a group of investors led by Appaloosa Management. The bankruptcy court must approve the deal by Jan. 22, or it can be nullified by the Appaloosa group, according to a letter the hedge fund's team sent to Delphi last week. Cerberus Capital Management, hedge fund Harbinger Capital, Merrill Lynch & Co. and UBS AG's UBS Securities are part of Appaloosa's team."

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ENVIRONMENT/INDIAN AFFAIRS:

Whooping Crane Makes Comeback. The Washington Post (12/26, A3, Moreno, 690K) reports, "The whooping crane, the tallest bird in North America, whose numbers dwindled to fewer than 20 in 1941, is not only back from the brink of extinction but also thriving -- a comeback story, federal wildlife officials say, that illustrates how a coordinated conservation effort can save a species. … This year, the nation's only natural wild population of whooping cranes reached a milestone. Stehn's mid-December census of the migratory crane flock at the wildlife refuge, where he is based, numbered 237. Combined with the number of birds in captivity in three special flocks raised for reintroduction to the wild and those in zoos, the crane population now numbers 518. This is the first time in more than a century that whooping cranes have numbered more than 500."

IMMIGRATION:

Democrats, Republicans Assay Bipartisan Immigration Bill. The New York Times (12/26, Swarns, 1.16M) reports, "Counting on the support of the new Democratic majority in Congress, Democratic lawmakers and their Republican allies are working on measures that could place millions of illegal immigrants on a more direct path to citizenship than would a bill that the Senate passed in the spring. The lawmakers are considering abandoning a requirement in the Senate bill that would compel several million illegal immigrants to leave the United States before becoming eligible to apply for citizenship. The lawmakers are also considering denying financing for 700 miles of fencing along the border with Mexico, a law championed by Republicans that passed with significant Democratic support." The Times says proposals "reflect significant shifts since the November elections, as well as critical support from the Homeland Security Department. Proponents said the prospects for such a measure, which would include tougher border security and a guest worker plan, had markedly improved since Nov. 7."

CONGRESS-ADMINISTRATION:

Democrats Face Difficulty In Maintaining Budget Pledge. The Washington Post (12/25, A1, Montgomery, 690K) reported on its front page, "The incoming Democratic chairmen of the House and Senate Budget committees said they plan to honor a campaign promise to devote billions of additional dollars a year to homeland security and education. And they reiterated a commitment not to cut off funding for U.S. troops in Iraq and Afghanistan. But with the costs of those military operations rising and President Bush considering an expansion of forces, the incoming chairmen, Rep. John M. Spratt Jr. (S.C.) and Sen. Kent Conrad (N.D.), said they will have little room in their budget blueprints for significant new domestic spending, such as closing a much-criticized gap in the new Medicare prescription-drug benefit that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year." The Post added, "Spratt and Conrad said they would aim to balance the budget by 2012, a goal that could anger liberal Democrats eager for new spending on domestic programs and conservative Republicans determined to preserve the tax cuts passed during Bush's first term. But it also could establish the Democrats as able stewards of the nation's treasury, political analysts said, giving the party's presidential candidates an important accomplishment for the 2008 campaign."

OTHER NEWS:

Supreme Court Turns More Media-Friendly. The AP (12/25) reported, "For an institution that has kept the media at a comfortable distance for much of its existence, the Supreme Court's increasingly public face is astonishing, said University of Chicago law professor Dennis Hutchinson, who served as a law clerk for Justices Byron White and William Douglas. … Perhaps most noteworthy…has been the media-friendly attitude adopted by new Chief Justice John Roberts, in contrast to his predecessor William Rehnquist. Roberts recently was featured on ABC News' Nightline discussing both his view of the court and his son Jack's Spiderman imitation at Roberts' introduction by President Bush." The AP added, "For many years, justices held to the view that the court's mystique and reputation were enhanced by their distance from the public. The justices spoke through their

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written opinions, laying out not only what they had decided, but why. Their unbending refusal to allow cameras in the courtroom has been part and parcel of this belief that the Supreme Court is unlike the Congress and the presidency in that it does not serve at the pleasure of voters."

Police Arrest Scaramella In Litvinenko Investigation. The AP (12/25) reported, "An Italian who met with an ex-KGB agent around the time that radiation made the Russian fatally ill was arrested Sunday on charges of international arms trafficking and slander, the Italian man's father said. The accusations against Mario Scaramella were not believed to be directly related to the investigation into the poisoning death of Alexander Litvinenko."

Ethiopian Fighter Attacks Mogadishu Airport. The New York Times (12/26, Gettleman, 1.16M) reports, "An Ethiopian fighter jet strafed Mogadishu's airport on Monday in a striking show of force that took the growing conflict in the Horn of Africa to Somalia's capital for the first time. Across the country, Somalia's Islamist leaders conceded that they were rapidly losing territory to the forces of Somalia's internationally recognized transitional government. … The fighting between Somalia's transitional government and the country's powerful Islamist movement, based in Mogadishu, has been raging on and off for nearly a week. On Sunday, Ethiopia officially joined the hostilities, with the tacit blessing of the United States, bombing Islamist positions in several frontline areas and pushing ground troops deep into Somali territory. Ethiopian officials said they sided with the transitional government because the Islamists, whom American officials have accused of harboring Qaeda terrorists, posed a threat to the region."

The Washington Post (12/26, A1, McCrummen, 690K) reports, "In Mogadishu, businesses shut down and thousands of enraged Somalis loyal to the Islamic movement rallied in the streets, once again proclaiming holy war against Ethiopia, a bitter enemy that is widely perceived to be supported by the U.S. government. Witnesses said young Somali men who have grown up in a country awash with AK-47 assault rifles continued to pour into recruiting centers to sign up to fight."

The AP (12/26) reports, "Somalia has not had an effective government since warlords overthrew longtime dictator Mohamed Siad Barre in 1991, pushing the country into anarchy. Two years ago, the United Nations helped set up a central government for the arid, impoverished nation on the Horn of Africa. But the government has not been able to extend its influence outside the city of Baidoa, where it is headquartered about 140 miles northeast of Mogadishu. The country was largely under the control of warlords until this past summer, when the Islamic militia movement seized power."

LATimes Analogizes Attack To Iraq. The Los Angeles Times (12/26, Sanders, 850K) reports, "Ethiopia's attacks against Islamic forces in Somalia may have delivered a short-term military victory, but analysts warned that a longer offensive could present the U.S. ally with some of the same challenges facing American forces in Iraq. Airstrikes against the Somali capital, Mogadishu, and other towns Sunday and Monday demonstrated Ethiopia's military superiority over the Islamic forces that seized most of southern Somalia during the summer. But Ethiopia would be hard-pressed to dispatch enough troops to capture and occupy Islamic-held areas of Somalia."

Israel To Remove West Bank Roadblocks. USA Today (12/25, Katz, 2.27M) reported, "Israel is boosting support for moderate Palestinian leader Mahmoud Abbas as his Fatah Party and the ruling militant Hamas government wage an increasingly violent battle for control of the Palestinian territories. On Monday, Israeli Prime Minister Ehud Olmert approved in principle the removal of some army roadblocks that have hindered Palestinian travel in the West Bank "to strengthen moderate (Palestinian) elements," according to a statement from Olmert's office. Olmert, who met with Abbas for the first time in Jerusalem on Saturday, pledged to transfer $100 million in tax money Israel had been withholding to the Palestinians, his office said. Israel also will transfer $8 million to Palestinian-run hospitals in Jerusalem, Abbas aide Saeb Erekat said. The goodwill gestures could lead to resumption of peace talks after years of hostility between Israel and the Palestinian Authority."

Olmert Signals Interest In Syria Talks. The AP (12/25) reported, "Prime Minister Ehud Olmert on Monday said he would like to renew peace talks with Syria, but insisted that Damascus first end its support of anti-Israel militant groups in the Palestinian areas and Lebanon. Syria has said on several occasions recently that it would like to resume negotiations with Israel, which broke down seven years ago. Olmert has rejected the offers, citing Syria's support for Hamas, Lebanese Hezbollah guerrillas and other militant groups." The AP added, "There was no immediate

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reaction from Syria to Olmert's latest comments. The recent Baker-Hamilton report submitted to the White House recommended that Israel resume talks with Syria to help ease Mideast tensions. Olmert has rejected the report's conclusions."

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — 10:40 a.m. Arrives at Andrews AFB from Camp David.

10:45 a.m. Air Force One departs en route Waco, Texas.

12:45 p.m. Air Force One arrives in Waco.

12:50 p.m. Departs Waco for Crawford, Texas.

1:10 p.m. Arrives at Crawford, Texas ranch.

VICE PRESIDENT CHENEY — Unavailable.

US Senate: Not in session.

US House: Not in session.

Other: No Scheduled Events.

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"James Brown: Pioneering And Volatile -- The Stage Was His World."
"Why L.A. Jail Cells Have Revolving Doors."
"13th Century Text Hides Words Of Archimedes."
"Anonymous Testimony Pushes Limits."
"Hoodia Fever Takes A Toll On Rare Plant."
"Afghan Heroin's Surge Poses Danger In US."
"Say It Loud: He Gave Music Some New Moves."

USA Today:

"More Officials In Midwest, South Adding Spanish Lessons To Training."
"Soul (And Rap And Funk) Loses 'Godfather.'"
"Nuclear Traffic Doubles Since '90s."

New York Times:

"British Soldiers Storm Iraqi Jail, Citing Torture."
"Diabetics In The Workplace Confront A Tangle Of Laws."
"Bipartisan Effort To Draft Immigration Bill."
"James Brown, The 'Godfather Of Soul,' Dies At 73."
"Frank Stanton, Broadcasting Pioneer, Dies At 98."
"Nanny Hunt Can Be A 'Slap In The Face' For Blacks."

Washington Post:

"Democrats Pledge To Restrain Spending."
"Ethiopia Steps Up Attacks On Somalia."
"New Rural Sales Pitch: Work Outside DC's Fallout Zone."
"James Brown: Hardworking Godfather Of Soul."
"Troop Push Is Personal For McCain."
"Where Real Money Meets Virtual Reality, The Jury Is Still Out."

Washington Times:

"US Out Of Love With Marriage?"
"Troops Marks Christmas In Green Zone."
"Death Toll Of Female Troops 'Troubling.'"
"National Cathedral Worshippers Exhorted To 'Embrace Each Other.'"
"Iranian Oil Revenues Plunging, Report Says."
"Tsunami Survivor Lost After Rescue."
"James Brown, The 'Godfather Of Soul,' Dies Of Heart Failure."

Detroit Free Press:

"A Christmas In The War Zone."
"Godfather Of Soul Is Simply Unforgettable."
"Bush's Way Could Be Short-Lived."
"Can Ford Whiz Kid Deliver?"

Atlanta Journal-Constitution:

"Godfather At Rest."
"Airline Workers Slow To Return."
"Arena Ideal For Intrepid Proposals."
"Iraqi Doctor Stands Her Ground To Deliver Life, Hope In Midst Of War."

Dallas Morning News:

"Police Torture Exposed In Iraq."
"Field Goal Is Good."
"A Year Of Extremes In N. Texas."
"'Godfather Of Soul' Dazzled Fans, Influenced Countless Musicians."

Houston Chronicle:

"Extremist Landscape In Egypt Is Where Violence Takes Hold."
"Calderon To Rogues: Enough."
"Raid Frees 127 Inmates In Iraq."
"Godfather Gone, But Legend Lives."

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Story Lineup From Last Night's Network News:

ABC: Christmas Celebrations; Holiday-Bush; James Brown-Death; Somalia Violence; Clothing-Charity; Surgery-Robots; Middle East-Travel.

CBS: Christmas-Iraq; Iraq-Iranians Captured; Somalia Violence; Olmert-Syria; Pope-Christmas Message; Christmas-Retailers; James Brown-Death; DHS-Grants; Stanton-Death.

NBC: Pre-empted by NFL football.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, DECEMBER 26, 2006 7:45 AM EST

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TERRORISM NEWS:

Congressional Subcommittee Finds FBI Did Not Fully Investigate Oklahoma Bombing. In a story carried in media outlets across the country, the Washington Post/AP (12/25, A7, Solomon) reported that the House International Relations investigative subcommittee has found that the "FBI failed to fully investigate information suggesting other suspects may have helped Timothy McVeigh and Terry Nichols with the 1995 Oklahoma City bombing, allowing questions to linger more than a decade after the deadly attack." The panel "will release the findings of its two-year review as early as Wednesday, declaring that no conclusive evidence of a foreign connection to the attack exists but that far too many unanswered questions remain." In its report, the subcommittee "sharply criticizes the FBI for failing to be curious enough to pursue credible information that foreign or U.S. citizens may have had contact with Nichols or McVeigh and could have assisted the pair."

"Sharpest Words" Pointed At Justice Department. The panel, headed by CA46 Rep. Dana Rohrabacher (R), "saved its sharpest words for the Justice Department, saying officials there exhibited a mindset of thwarting congressional oversight and did not assist the investigation fully. The report says the inadequacy of the FBI's work was exposed two years ago when some bombing evidence overlooked for 10 years was discovered in a house linked to Nichols that had been searched repeatedly by agents." Special Agent Richard Kolko, an FBI spokesman: "The Oklahoma City bombing case was the largest case the FBI worked on before 9/11. Agents at virtually every office, domestically and overseas, covered thousands of leads. Every bit of information was investigated and reviewed. The FBI worked tirelessly to cover all of the leads and conducted a thorough and complete investigation."

Report Pulled Information From Trentadue Lawsuits. The Salt Lake Tribune (12/25, Manson) reports, "For years, Salt Lake City attorney Jesse Trentadue has maintained his brother was killed in prison months after the Oklahoma City bombing by interrogators who mistakenly believed he was connected to the attack. Now, a new congressional report says federal authorities failed to investigate evidence suggesting Timothy McVeigh and Terry Nichols had assistance plotting the bombing - and some of the information pointing to co-conspirators came out of Trentadue's lawsuits against the FBI." The report "adds fuel to the mystery of Kenneth Trentadue's supposed suicide in 1995 at the Federal Transfer Center in Oklahoma City." His brother, Jesse Trentadue "believes FBI records hold clues to his brother's death and has fought the agency in court for those documents."

Courts Reject Defense Attorneys' Efforts To Access Information On NSA Wiretaps. The New York Sun (12/26, Goldstein) reports, "Defense lawyers who had hoped that the public disclosure a year ago of the National Security Agency's wiretapping program would yield information favorable to their clients are being rebuffed by the federal judiciary, which in a series of unusually consistent rulings has rejected efforts by terrorism suspects to access the records. In at least 17 criminal cases, federal district judges nominated to the federal bench by presidents Reagan, George H.W. Bush, Clinton, and George W. Bush have ruled against requests to force the government to tell defendants, most accused of terrorism-related crimes, whether the NSA eavesdropped on them without a court warrant." These decisions "indicate that even as public support for the war in Iraq has eroded in polls and as the NSA program has come under criticism from congressional Democrats, and even some Republicans, federal judges may be a bulwark that the Bush administration can rely on to defer to at least some aspects of its wartime policies."

HOMELAND RESPONSE:

Senate Committee Rejects Contention That Atta Was Identified Before 9/11 Attacks. The Los Angeles Times (12/25, Miller, 850K) reported, "The Senate Intelligence Committee has rejected as untrue one of the most disturbing claims about the Sept. 11 terrorist strikes — a congressman's contention that a team of military analysts identified Mohamed Atta or other hijackers before the attacks — according to a summary of the panel's investigation obtained by The Times. The conclusion contradicts assertions by Rep. Curt Weldon (R-Pa.) and a few military officers that U.S. national security officials ignored startling intelligence available in early 2001 that might have helped to prevent the attacks." Weldon and others "repeatedly claimed that the military analysts' effort, known as Able Danger, produced a chart that included a picture of Atta and identified him as being tied to an Al Qaeda cell in Brooklyn, N.Y. Weldon has also said that the chart was shared with White House officials, including Stephen J. Hadley, then deputy national security advisor."

DHS Sees Increase In Nuclear Traffic. On its front page, USA Today (12/26, A1, Willing, 2.27M) reports, "Annual incidents of trafficking and mishandling of nuclear and other radioactive material reported to U.S. intelligence officials have more than doubled since the early 1990s, says the director of domestic nuclear detection at the Department of Homeland Security. Also up: scams in which fake or non-existent nuclear or radioactive material is offered for sale, often online, says Vayl Oxford, nuclear detection director at the

department. … The incidents tracked by the department, based on its reporting and information from foreign diplomatic and intelligence sources, average about twice the number made public each year by the International Atomic Energy Agency (IAEA)."

WAR NEWS:

Iraqi Violence Highlights Intra-Shia Tensions. The Los Angeles Times (12/25, Hennessy-Fiske, 850K) reported, "Shiite militia fighters clashed with police Sunday in Samawah, a provincial capital in southern Iraq, transforming it into a lawless battleground and exposing rifts that increasingly divide Iraq's Shiite Muslim majority. … Much of the death and destruction in Iraq this year has involved fighting between Shiites and the Sunni Muslim minority, which dominated the country under former President Saddam Hussein. But the violence in Samawah underscores the difficulty that Prime Minister Nouri Maliki and other Shiite leaders have had in maintaining order among members of their sect in a country where people's loyalties are divided among political parties, religious groupings and tribes."

British Soldiers Assault Jail, Alleging Torture. The New York Times (12/26, Santora, 1.16M) reports, "Hundreds of British and Iraqi soldiers assaulted a police station in the southern city of Basra on Monday, killing seven gunmen, rescuing 127 prisoners from what the British said was almost certain execution and ultimately reducing the facility to rubble. … When the combined British and Iraqi force of 1,400 troops gained control of the station, it found the prisoners being held in conditions that a British military spokesman, Maj. Charlie Burbridge, described as 'appalling.' More than 100 men were crowded into a single cell, 30 feet by 40 feet, he said, with two open toilets, two sinks and just a few blankets spread over the concrete floor."

Stymied, Kurdish Prison System Holds Prisoners Without Trial. The New York Times (12/26, Chivers, 1.16M) reports, "The Kurdish prison population has swelled to include at least several hundred suspected insurgents, and yet there is no legal system to sort out their fates. So the inmates wait, a population for which there is no plan. The Kurdish government that holds the prisoners says they are dangerous, and points out that the population includes men who have attended terrorist or guerrilla training in Iraq or Afghanistan. But it also concedes to being stymied, with a small budget, limited prison space and little legal precedent to look back on. … The problems reach back to before the American-led invasion, when northern Iraq was a Kurdish enclave out of Saddam Hussein's control. At the time, the Kurds in northeastern Iraq were fighting Ansar al-Islam, a small insurgent and terrorist group that seized control of a slice of territory along the Iranian border in 2002. The Kurds captured several prisoners and suspected terrorists, but had no clear idea what to do with them, other than to hold them in cells."

Iraq Death Toll Now Exceeds 9/11's. The AP (12/25) reports, "Two more American soldiers were killed in Iraq, officials said Tuesday, pushing the U.S. military death toll to at least 2,974 — one more than the number killed in the Sept. 11, 2001, attacks. The tragic milestone came with the deaths of the two soldiers Monday in a bomb explosion southwest of Baghdad, the military said. The deaths — announced Tuesday — raised the number of troops killed to 2,974 since the beginning of the Iraq war in March 2003, according to an Associated Press count. The figure includes at least seven military civilians."

McCain Has Personal Stake In Troop Surge Debate. The Washington Post (12/25, A1, Williamson, 690K) reported, "John McCain's public certainty about Iraq masks a more private and potentially wrenching connection. If more troops go there, as McCain hopes they will, his youngest son could be one of them, taking his place in a line of family warriors that is one of the longest in U.S. history. … McCain has not drawn any attention to his son and declined to be interviewed for this article. A leading contender for the GOP presidential nomination, McCain has been one of the few and among the most vocal politicians pressing for more troops in Iraq." The Post added, "McCain's view of the war and his family history is born of 'his sense of duty, that is so deeply ingrained . . . there were probably times that he felt a prisoner of it,' said Robert Timberg, who has written a book about McCain."

Little Sign Of New Strategy Seen In State Department Iraq Reports. The Washington Post (12/26, A19, Kessler, 690K) reports that while President Bush "and his national security team have been busily working on a new recipe for success in Iraq, having declared the previous plan a failure," the "bureaucracy churns on" with reports oriented around the previous "eight pillars" strategy. The Post writes, "The State Department continues every Wednesday to issue a 30-page public report that details exactly how the U.S. government is meeting the goals set forth in the president's now-abandoned plan. … In many ways, the report is a microcosm of the administration's lost year in Iraq. The reams of details aimed at touting success belie the fact that few of the goals are being met. The report is often upbeat as it presents some of the most minuscule factoids of the situation in Iraq." However, the Post writes, "the bottom-line graphs tell a story of failure."

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CORPORATE SCANDALS:

Freeh Retained To Monitor DaimlerChrysler Bribery Probe. The Detroit News (12/26, Shepardson) reports that DaimlerChrysler AG has retained "former FBI director Louis Freeh to serve as an outside monitor as it nears the end of a two-year internal investigation that has uncovered multiple instances of bribery by company employees, according to people familiar with the situation." The bribery allegations "also are the focus of a civil investigation by the Securities and Exchange Commission and a criminal probe by the Justice Department." The News adds, "DaimlerChrysler is clearly aiming to minimize any fines or sanctions by hiring Freeh as an internal monitor and providing federal investigators with the findings of the exhaustive internal investigation."

The AP (12/26) adds, "Freeh is a member of the Gavel Group, which consists of former federal judges 'who can provide strategic advice to corporations and law firms on anticipated actions in business, litigation and investigations,' according to the group's Web site."

Disgraced Trader Now Earns Living Warning Other Companies. The New York Times (12/26, Quinn, 1.16M) profiles former trader Nicholas W. Leeson, who "lost $1.3 billion in frenzied trades in Japanese stock futures and bonds, destroying his employer, the 233-year-old Barings Bank, which had Queen Elizabeth as a customer," and now, after four years in prison and a "bout with colon cancer," has turned "those money-losing bets into a money-making enterprise — warning bankers of their continuing vulnerability to rogue traders.," earning £5,000 ($9,800) per speech. The Times writes, "Mr. Leeson, now 39, has recently been freed from an agreement in which he surrendered some of his earnings to the liquidators of Barings, which was sold to ING of the Netherlands. For over a decade, the liquidators had sought to recover money for creditors of the ruined bank."

Ninth Circuit Trims Exxon Valdez Damage Award. The Wall Street Journal/AP (12/26, A2) reports that the Ninth Circuit Court of Appeals has "cut in half a $5 billion jury award for punitive damages against Exxon Mobil Corp. in the 1989 Valdez oil spill that affected about 1,500 miles of Alaskan coastline." The article adds, "This time, in its 2-1 decision, the court ordered a specific amount in damages, while its previous rulings demanded a lower court to come up with its own figures."

Blackberry Maker Offers Few Details Of Options Probe. The New York Times (12/25, Austen, 1.16M) reported, "James L. Balsillie, the chairman and co-chief executive of Research In Motion, offered plenty of cheery news during an investor conference call last week: quarterly profit up 47 percent from the same period a year ago and a sales increase of 49 percent, largely based on the company's successful move into the consumer market. On another issue, Mr. Balsillie had no comment: the review of R.I.M.'s stock options grants being undertaken by the independent board directors. The lack of information follows a pattern at R.I.M., the Canadian company that created the BlackBerry and made it a global brand. Ever since late September, when R.I.M. said it had started the review, the company has offered investors and regulators few details, making it difficult to assess its potential impact or full extent."

CRIMINAL LAW:

LATimes Fines Repeat Offenders Straining Resources In Los Angeles Jails. In an article headlined "Why L.A. Jail Cells Have Revolving Doors," the Los Angeles Times (12/26, A1, Garvey, Leonard, 850K) reports on its front page, "A Times investigation has found that thieves, drug offenders and other repeat criminals are cycling in and out of jail faster than ever. … Once booked, defendants enter a justice system whose resources have not kept pace with demand, even as crime has dropped in recent years. There are not enough prosecutors to try them. There are not enough courts to sentence them. There are not enough jail or prison beds to house them. And there is not enough treatment to help them."

Charges Dropped In Duke Rape Case. The Christian Science Monitor (12/26, Jonsson, 59K) offers a retrospective on the case against three Duke lacrosse players in North Carolina. They were originally accused of raping an exotic dancer, but the rape charges have since been dropped. The Monitor writes that the case is "being seen as a cautionary tale for prosecutors and pundits alike, emblematic of how cultural stereotypes and perceptions don't always add up to hard facts on the ground." The Monitor reviews weaknesses in the case brought by District Attorney Mike NIfong, who "still believes 'hooligans' committed criminal acts that night, people close to the case say." The Monitor adds, "[T]he two remaining charges, under North Carolina law, are just as serious as rape and carry equal jail time. But the accuser's changing story, lack of hard evidence of rape, mismatched witness testimony, and possibly exculpatory evidence presented by the defense remain problems for the prosecution."

The Monitor also notes, "[C]riticism of the case has led to some calls for Nifong's disbarment. A North Carolina legislator has asked the US Department of Justice to investigate the case. And legal experts say that while

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prosecutors enjoy absolute immunity inside the courtroom, Nifong's actions as a lead investigator outside the courtroom for this case may have left him exposed to a potential civil lawsuit from the Duke Three."

New York City Sees Increase In "Reclassified Homicides." The New York Times (12/26, Buckley, 1.16M) reports, "For reasons that no one can quite explain, a record number of reclassified homicides" – cases in which an assault victim dies years after an assault – "were recorded in New York City this year. In all, 35 deaths in the city in 2006 have been linked to wounds incurred as long as 30 years ago. That is roughly three times the historical average, and 14 more than the year before. The Police Department has cited those figures as accounting for some of the rise in New York's homicide rate, which has outpaced the rate in 2005: by mid-December, 566 homicides had been reported this year, compared with 517 for the same time in 2005."

Cohen Cites Thompson In Column Against Death Penalty. In his column in the Washington Post (12/25, A25, 690K), William Cohen named Gregory Thompson his "person of the year." Cohen wrote, "Thompson, 45, is delusional. He is also paranoid, schizophrenic and depressed. For these ailments, he receives daily doses of drugs and, twice a month, anti-psychotic injections. The state of Tennessee wants very much to put him to death for the horrendous 1985 murder of Brenda Blanton Lane, of which there is no doubt about his guilt. There is grave doubt, though, about the constitutionality, not to mention the decency, of executing an insane man. Thus the 12 pills Thompson takes every day. The idea, according to a recent account of his case in the Wall Street Journal, is to make him sane enough to be put to death." Cohen added, "As we keep learning, the devil is not in the details, it's in our certainty. This almost always is true of death-penalty cases. They are built on certainty -- witnesses who were certain, technicians who were certain, cops who were certain, prosecutors who were certain and jurors who were certain beyond a reasonable doubt. Yet routinely we read about convictions being overturned by DNA evidence. All those witnesses, technicians, cops, prosecutors and jurors were wrong -- certain, but wrong." Cohen concluded, "Maybe, though, Americans are beginning to understand that we just don't need the death penalty, that it makes us no safer and demeans us as a people. The case of Gregory Thompson is a case in point."

Attorneys Thwart RICO Prosecutions With Statute Of Limitations Defense. The AP (12/25) reported, "For more than two decades, the federal RICO law was a pitiless tool in the fight against organized crime -- corralling, convicting and incarcerating a long string of mob bosses once considered untouchable. But in 2006, federal prosecutors lost a pair of major RICO cases," against John A. "Junior" Gotti and "the most corrupt officers in NYPD history – 'Mafia Cops' Louis Eppolito and Stephen Caracappa." The AP wrote, "In both cases, defense attorneys used the statute of limitations to fend off the feds. Gotti's lawyer employed a withdrawal defense, claiming his client had quit the mob more than five years before his indictment, putting him beyond the reach of RICO. Attorneys for Eppolito and Caracappa argued the defendants' crimes while on the payrolls of both the NYPD and a murderous Luchese family boss had occurred long before the five-year statute of limitations expired."

Sentencing Guidelines Seen As Likely To Face New Scrutiny From Democrats. The Wall Street Journal (12/26, A4, Fields, 2.04M) reports, "With Democrats poised to take control of Congress, law-enforcement officials are preparing to defend two decades of federal sentencing policies that mandated harsh prison terms on a variety of crimes and led to a boom in the prison population." MI14 Rep. John Conyers (D), who will chair the House Judiciary Committee, and VA3 Rep. Robert Scott (D) "have already said they plan hearings early in the term to look at how nonviolent drug offenders are punished under mandatory minimum laws." The Journal writes, "Democrats are buoyed by recent signals from the U.S. Sentencing Commission, which sets guidelines for judges to use in an advisory capacity when they hand down sentences." However, "law-enforcement officials -- from the Justice Department to police groups -- are joining forces to oppose any changes that decrease the severity of the crack penalty, warning that it's a slippery slope that could weaken other mandatory sentences."

WPost Columnist Says Rap Lyrics Threatened To Overshadow Evidence At Trial. In a column appearing in the Washington Post (12/26, 690K), Jabari Asim examines the use of rap lyrics in criminal trials. In particular, Asim cites the recent trial of Ronell Wilson, who "stood accused of killing two New York undercover detectives, James V. Nemorin and Rodney J. Andrews, in March 2003." Asi writes, "[P]rosecutors and the media made much of Wilson's lyrics, which make the Black Eyed Peas sound like Langston Hughes. … To prosecutors, the words were a confession, a revelatory window into the fevered mind of a cold-blooded murderer. To me, they resembled a cut-rate ripoff of the Notorious B.I.G.'s 1994 hit 'Ready to Die.'" Asim writes, "The use of hip-hop lyrics in trials is not new, as George Washington University law professor Paul Butler and others have pointed out. Still, the courts remain somewhat baffled as to how to regard them. Are they straight-up

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autobiography or merely macho fantasies?" Asim concludes, "Ultimately, this was no showdown over naughty words or celebrations of strip-club hedonism but a murder case involving the deaths of two brave, hardworking family men. And the fascination with the killer's lyrics threatened to overshadow all that."

CIVIL LAW:

Some Charter Flights Lack Federal Oversight. The AP (12/25, Christoffersen) reported, "Travelers who pay a premium for the convenience of charter air travel could unknowingly end up on a flights operated without direct federal oversight. That fact — along with an effort to change it — is central to a lawsuit filed by NBC Sports executive Dick Ebersol and actress Susan Saint James over the 2004 crash that killed their teenage son." The AP explained, "Not all charter operations are certified by the Federal Aviation Administration. Those outside the FAA umbrella aren't required to give flight crews the same training required of certified companies, and it isn't always obvious which aren't certified. Some non-certified operators fly under the auspices of other companies."

Courts, Congress Begin To Examine Online Property Rights. The Washington Post (12/25, A1, Sipress, 690K) reported, "U.S. courts have heard several cases involving virtual-world property rights but have yet to set a clear precedent clarifying whether people own the electronic goods they make, buy or accumulate in Second Life and other online landscapes. Also unclear is whether people have any claim when their real-life property is depicted online, for instance in Microsoft's new three-dimensional renderings of actual real estate." The Post noted, "Congress has taken note" of the online marketplace "and is completing a study of whether income in the virtual economy…should be taxed by the Internal Revenue Service. The Joint Economic Committee of Congress is expected to issue its findings early next year." The Post added, "Linden Lab made cyber-history when it gave Second Life users the intellectual property rights to their creations -- similar to the copyright real-world authors have to their writings. By contrast, most Web sites offering virtual experiences have not accorded users any property rights, requiring them to accept a license agreement stating that all content belongs solely to the Web site owner."

CIVIL RIGHTS:

Justice Department Database Disturbs Civil Libertarians. The Washington Post (12/26, A7, Eggen, 690K) reports, "The Justice Department is building a massive database that allows state and local police officers around the country to search millions of case files from the FBI, Drug Enforcement Administration and other federal law enforcement agencies, according to Justice officials." According to Justice officials, it "already holds approximately 1 million case records and is projected to triple in size over the next three years," with data including "investigative reports, criminal-history information, details of offenses, and the names, addresses and other information of criminal suspects or targets." While supporters say it is "a much-needed step toward better information-sharing with local law enforcement agencies, which have long complained about a lack of cooperation from the federal government," it has drawn criticism from "civil liberties and privacy advocates" who "say the scale and contents of such a database raise immediate privacy and civil rights concerns, in part because tens of thousands of local police officers could gain access to personal details about people who have not been arrested or charged with crimes." The Post notes, "The little-noticed program has been coming together over the past year and a half. It already is in use in pilot projects with local police in Seattle, San Diego and a handful of other areas, officials said. … But in a memorandum sent last week to the FBI, U.S. attorneys and other senior Justice officials, Deputy Attorney General Paul J. McNulty announced that the program will be expanded immediately to 15 additional regions and that federal authorities will 'accelerate . . . efforts to share information from both open and closed cases.'"

Increase In Diabetes Forces Employers To Confront Disability Questions. In a front page article, the New York Times (12/26, A1, Kleinfield, 1.16M) reports diabetics "contend that they are being blocked by their employers from the near-normal lives their doctors say are possible. But the companies say they are struggling, too, with confusion about whether diabetes is a legitimate disability and with concern about whether it is overly expensive, hazardous and disruptive to accommodate the illness. The debate will probably intensify. The number of diabetics in America swelled by 80 percent in the past decade. Experts say the disease is on its way to becoming a conspicuous fact of life in the nation's labor force, raising all sorts of issues for workers and managers." The Times adds, "Part of the confusion is a byproduct of the disease itself, a capricious illness of elevated, damaging levels of sugar in the blood. Type 1 is a malfunction of the immune system that usually appears in childhood, while the far more prevalent Type 2 is closely associated with obesity and inactivity. Many people with diabetes will face withering complications like blindness, amputations and heart disease. Others will not. … Nonetheless, the risk of plunging blood sugars has fueled a

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longstanding reluctance to employ diabetics in jobs like those of truck driver or police officer, if they are on insulin."

ANTITRUST:

Bankruptcy Judge Postpones Delphi Hearing After Proposed Deal. The Wall Street Journal (12/26, A2, Stoll, 2.04M) reports, "Bankruptcy Judge Robert Drain postponed a key hearing in the Delphi Corp. bankruptcy case to Jan. 11 from Jan. 5, allowing more time for critics to compose arguments against the auto-parts supplier's proposed $3.4 billion bankruptcy-emergence equity deal with a group of investors led by Appaloosa Management. The bankruptcy court must approve the deal by Jan. 22, or it can be nullified by the Appaloosa group, according to a letter the hedge fund's team sent to Delphi last week. Cerberus Capital Management, hedge fund Harbinger Capital, Merrill Lynch & Co. and UBS AG's UBS Securities are part of Appaloosa's team."

ENVIRONMENT/INDIAN AFFAIRS:

Whooping Crane Makes Comeback. The Washington Post (12/26, A3, Moreno, 690K) reports, "The whooping crane, the tallest bird in North America, whose numbers dwindled to fewer than 20 in 1941, is not only back from the brink of extinction but also thriving -- a comeback story, federal wildlife officials say, that illustrates how a coordinated conservation effort can save a species. … This year, the nation's only natural wild population of whooping cranes reached a milestone. Stehn's mid-December census of the migratory crane flock at the wildlife refuge, where he is based, numbered 237. Combined with the number of birds in captivity in three special flocks raised for reintroduction to the wild and those in zoos, the crane population now numbers 518. This is the first time in more than a century that whooping cranes have numbered more than 500."

IMMIGRATION:

Democrats, Republicans Assay Bipartisan Immigration Bill. The New York Times (12/26, Swarns, 1.16M) reports, "Counting on the support of the new Democratic majority in Congress, Democratic lawmakers and their Republican allies are working on measures that could place millions of illegal immigrants on a more direct path to citizenship than would a bill that the Senate passed in the spring. The lawmakers are considering abandoning a requirement in the Senate bill that would compel several million illegal immigrants to leave the United States before becoming eligible to apply for citizenship. The lawmakers are also considering denying financing for 700 miles of fencing along the border with Mexico, a law championed by Republicans that passed with significant Democratic support." The Times says proposals "reflect significant shifts since the November elections, as well as critical support from the Homeland Security Department. Proponents said the prospects for such a measure, which would include tougher border security and a guest worker plan, had markedly improved since Nov. 7."

CONGRESS-ADMINISTRATION:

Democrats Face Difficulty In Maintaining Budget Pledge. The Washington Post (12/25, A1, Montgomery, 690K) reported on its front page, "The incoming Democratic chairmen of the House and Senate Budget committees said they plan to honor a campaign promise to devote billions of additional dollars a year to homeland security and education. And they reiterated a commitment not to cut off funding for U.S. troops in Iraq and Afghanistan. But with the costs of those military operations rising and President Bush considering an expansion of forces, the incoming chairmen, Rep. John M. Spratt Jr. (S.C.) and Sen. Kent Conrad (N.D.), said they will have little room in their budget blueprints for significant new domestic spending, such as closing a much-criticized gap in the new Medicare prescription-drug benefit that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year." The Post added, "Spratt and Conrad said they would aim to balance the budget by 2012, a goal that could anger liberal Democrats eager for new spending on domestic programs and conservative Republicans determined to preserve the tax cuts passed during Bush's first term. But it also could establish the Democrats as able stewards of the nation's treasury, political analysts said, giving the party's presidential candidates an important accomplishment for the 2008 campaign."

OTHER NEWS:

Supreme Court Turns More Media-Friendly. The AP (12/25) reported, "For an institution that has kept the media at a comfortable distance for much of its existence, the Supreme Court's increasingly public face is astonishing, said University of Chicago law professor Dennis Hutchinson, who served as a law clerk for Justices Byron White and William Douglas. … Perhaps most noteworthy…has been the media-friendly attitude adopted by new Chief Justice John Roberts, in contrast to his predecessor William Rehnquist. Roberts recently was featured on ABC News' Nightline discussing

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both his view of the court and his son Jack's Spiderman imitation at Roberts' introduction by President Bush." The AP added, "For many years, justices held to the view that the court's mystique and reputation were enhanced by their distance from the public. The justices spoke through their written opinions, laying out not only what they had decided, but why. Their unbending refusal to allow cameras in the courtroom has been part and parcel of this belief that the Supreme Court is unlike the Congress and the presidency in that it does not serve at the pleasure of voters."

Police Arrest Scaramella In Litvinenko Investigation. The AP (12/25) reported, "An Italian who met with an ex-KGB agent around the time that radiation made the Russian fatally ill was arrested Sunday on charges of international arms trafficking and slander, the Italian man's father said. The accusations against Mario Scaramella were not believed to be directly related to the investigation into the poisoning death of Alexander Litvinenko."

Ethiopian Fighter Attacks Mogadishu Airport. The New York Times (12/26, Gettleman, 1.16M) reports, "An Ethiopian fighter jet strafed Mogadishu's airport on Monday in a striking show of force that took the growing conflict in the Horn of Africa to Somalia's capital for the first time. Across the country, Somalia's Islamist leaders conceded that they were rapidly losing territory to the forces of Somalia's internationally recognized transitional government. … The fighting between Somalia's transitional government and the country's powerful Islamist movement, based in Mogadishu, has been raging on and off for nearly a week. On Sunday, Ethiopia officially joined the hostilities, with the tacit blessing of the United States, bombing Islamist positions in several frontline areas and pushing ground troops deep into Somali territory. Ethiopian officials said they sided with the transitional government because the Islamists, whom American officials have accused of harboring Qaeda terrorists, posed a threat to the region."

The Washington Post (12/26, A1, McCrummen, 690K) reports, "In Mogadishu, businesses shut down and thousands of enraged Somalis loyal to the Islamic movement rallied in the streets, once again proclaiming holy war against Ethiopia, a bitter enemy that is widely perceived to be supported by the U.S. government. Witnesses said young Somali men who have grown up in a country awash with AK-47 assault rifles continued to pour into recruiting centers to sign up to fight."

The AP (12/26) reports, "Somalia has not had an effective government since warlords overthrew longtime dictator Mohamed Siad Barre in 1991, pushing the country into anarchy. Two years ago, the United Nations helped set up a central government for the arid, impoverished nation on the Horn of Africa. But the government has not been able to extend its influence outside the city of Baidoa, where it is headquartered about 140 miles northeast of Mogadishu. The country was largely under the control of warlords until this past summer, when the Islamic militia movement seized power."

LATimes Analogizes Attack To Iraq. The Los Angeles Times (12/26, Sanders, 850K) reports, "Ethiopia's attacks against Islamic forces in Somalia may have delivered a short-term military victory, but analysts warned that a longer offensive could present the U.S. ally with some of the same challenges facing American forces in Iraq. Airstrikes against the Somali capital, Mogadishu, and other towns Sunday and Monday demonstrated Ethiopia's military superiority over the Islamic forces that seized most of southern Somalia during the summer. But Ethiopia would be hard-pressed to dispatch enough troops to capture and occupy Islamic-held areas of Somalia."

Israel To Remove West Bank Roadblocks. USA Today (12/25, Katz, 2.27M) reported, "Israel is boosting support for moderate Palestinian leader Mahmoud Abbas as his Fatah Party and the ruling militant Hamas government wage an increasingly violent battle for control of the Palestinian territories. On Monday, Israeli Prime Minister Ehud Olmert approved in principle the removal of some army roadblocks that have hindered Palestinian travel in the West Bank "to strengthen moderate (Palestinian) elements," according to a statement from Olmert's office. Olmert, who met with Abbas for the first time in Jerusalem on Saturday, pledged to transfer $100 million in tax money Israel had been withholding to the Palestinians, his office said. Israel also will transfer $8 million to Palestinian-run hospitals in Jerusalem, Abbas aide Saeb Erekat said. The goodwill gestures could lead to resumption of peace talks after years of hostility between Israel and the Palestinian Authority."

Olmert Signals Interest In Syria Talks. The AP (12/25) reported, "Prime Minister Ehud Olmert on Monday said he would like to renew peace talks with Syria, but insisted that Damascus first end its support of anti-Israel militant groups in the Palestinian areas and Lebanon. Syria has said on several occasions recently that it would like to resume negotiations with Israel, which broke down seven years ago. Olmert has rejected the offers, citing Syria's support for Hamas, Lebanese Hezbollah guerrillas and other militant groups." The AP added, "There was no immediate reaction from Syria to Olmert's latest comments. The recent Baker-Hamilton report submitted to the White House recommended that Israel resume talks with Syria to help ease Mideast tensions. Olmert has rejected the report's conclusions."

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WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — 10:40 a.m. Arrives at Andrews AFB from Camp David.

10:45 a.m. Air Force One departs en route Waco, Texas.

12:45 p.m. Air Force One arrives in Waco.

12:50 p.m. Departs Waco for Crawford, Texas.

1:10 p.m. Arrives at Crawford, Texas ranch.

VICE PRESIDENT CHENEY — Unavailable.

US Senate: Not in session.

US House: Not in session.

Other: No Scheduled Events.

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"James Brown: Pioneering And Volatile -- The Stage Was His World."
"Why L.A. Jail Cells Have Revolving Doors."
"13th Century Text Hides Words Of Archimedes."
"Anonymous Testimony Pushes Limits."
"Hoodia Fever Takes A Toll On Rare Plant."
"Afghan Heroin's Surge Poses Danger In US."
"Say It Loud: He Gave Music Some New Moves."

USA Today:

"More Officials In Midwest, South Adding Spanish Lessons To Training."
"Soul (And Rap And Funk) Loses 'Godfather.'"
"Nuclear Traffic Doubles Since '90s."

New York Times:

"British Soldiers Storm Iraqi Jail, Citing Torture."
"Diabetics In The Workplace Confront A Tangle Of Laws."
"Bipartisan Effort To Draft Immigration Bill."
"James Brown, The 'Godfather Of Soul,' Dies At 73."
"Frank Stanton, Broadcasting Pioneer, Dies At 98."
"Nanny Hunt Can Be A 'Slap In The Face' For Blacks."

Washington Post:

"Democrats Pledge To Restrain Spending."
"Ethiopia Steps Up Attacks On Somalia."
"New Rural Sales Pitch: Work Outside DC's Fallout Zone."
"James Brown: Hardworking Godfather Of Soul."
"Troop Push Is Personal For McCain."
"Where Real Money Meets Virtual Reality, The Jury Is Still Out."

Washington Times:

"US Out Of Love With Marriage?"
"Troops Marks Christmas In Green Zone."
"Death Toll Of Female Troops 'Troubling.'"
"National Cathedral Worshippers Exhorted To 'Embrace Each Other.'"
"Iranian Oil Revenues Plunging, Report Says."
"Tsunami Survivor Lost After Rescue."
"James Brown, The 'Godfather Of Soul,' Dies Of Heart Failure."

Detroit Free Press:

"A Christmas In The War Zone."
"Godfather Of Soul Is Simply Unforgettable."
"Bush's Way Could Be Short-Lived."
"Can Ford Whiz Kid Deliver?"

Atlanta Journal-Constitution:

"Godfather At Rest."
"Airline Workers Slow To Return."
"Arena Ideal For Intrepid Proposals."
"Iraqi Doctor Stands Her Ground To Deliver Life, Hope In Midst Of War."

Dallas Morning News:

"Police Torture Exposed In Iraq."
"Field Goal Is Good."
"A Year Of Extremes In N. Texas."
"'Godfather Of Soul' Dazzled Fans, Influenced Countless Musicians."

Houston Chronicle:

"Extremist Landscape In Egypt Is Where Violence Takes Hold."
"Calderon To Rogues: Enough."
"Raid Frees 127 Inmates In Iraq."
"Godfather Gone, But Legend Lives."

Story Lineup From Last Night's Network News:

ABC: Christmas Celebrations; Holiday-Bush; James Brown-Death; Somalia Violence; Clothing-Charity; Surgery-Robots; Middle East-Travel.

CBS: Christmas-Iraq; Iraq-Iranians Captured; Somalia Violence; Olmert-Syria; Pope-Christmas Message; Christmas-Retailers; James Brown-Death; DHS-Grants; Stanton-Death.

NBC: Pre-empted by NFL football.

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System Administrator

From:	System Administrator
Sent:	Tuesday, December 26, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1013005 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 26, 2006 11:27 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 26, 2006

Department of Justice

PRESS GUIDANCE
Tuesday, December 26, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Office of Public Affairs will issue a release on a joint Justice Department-Federal Trade Commission matter regarding identity theft. (Ames)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, December 26, 2006 11:51 AM
To: USDOJ- Office of Public Affairs
Subject: IDENTITY THEFT TASK FORCE SEEKS PUBLIC COMMENT

Department of Justice
Federal Trade Commission News

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 26, 2006
WWW.USDOJ.GOV

OPA
DOJ (202) 514-2008
FTC (202) 326-2180

IDENTITY THEFT TASK FORCE SEEKS PUBLIC COMMENT

Notice for public comment:

WASHINGTON – The Federal Identity Theft Task Force, chaired by Attorney General Alberto R. Gonzales and co-chaired by Federal Trade Commission Chairman Deborah Platt Majoras, is seeking public comment on ways to improve the effectiveness and efficiency of federal government efforts to reduce identity theft. The public comments on these issues will supplement the research and analysis being conducted, provide further information about the proposals being considered, and identify areas where additional recommendations may be warranted.

The Task Force was established by an Executive Order on May 10, 2006. The Executive Order directed the Task Force to develop a coordinated strategic plan to combat identity theft, and to recommend ways to improve the effectiveness and efficiency of the federal government's activities in the areas of identity theft awareness, prevention, detection, and prosecution. Eighteen federal agencies are participating in the Task Force.

The solicitation for public comment is available through the Task Force Web site at: http://www.ftc.gov/bcp/edu/microsites/idtheft/taskforce.htm. Comments must be filed on or before Friday, Jan. 19, 2007.

Copies of the documents mentioned in this release are available from the FTC's Web site at http://www.ftc.gov and from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, DC 20580. Call toll-free: 1-877-FTC-HELP.

MEDIA CONTACT: Federal Trade Commission
Office of Public Affairs
202-326-2180

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Image not available for this document, ID: 0.7.10316.13684-000003

System Administrator

From:	System Administrator
Sent:	Tuesday, December 26, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014210 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 26, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014211 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 26, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014212 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, December 26, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014212 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, December 26, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014213 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 27, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1014214 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, December 27, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1016782 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 27, 2006 11:06 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 27, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, December 27, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a press release. (Miller)

The Antitrust Division will issue a press release. (Miller)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.13615-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 27, 2006 11:57 AM
To: USDOJ- Office of Public Affairs
Subject: ALLEGED CHILD RAPIST ADDED TO U.S. MARSHALS 15 MOST WANTED LIST

U.S. Department of Justice

United States Marshals Service

FOR IMMEDIATE RELEASE
Wednesday, December 27, 2006

Contact: U.S. Marshals Service
USMS Headquarters Public Affairs (202) 307-9065
Deputy U.S. Marshal Jeff Marty
Eastern District of Washington – Richland Office (509) 946-9423

ALLEGED CHILD RAPIST ADDED TO U.S. MARSHALS 15 MOST WANTED LIST

$25,000 Reward Offered in Capture of Former Law Enforcement Officer

WASHINGTON – Accused child molester Kenneth John Freeman, 44, has been added to the U.S. Marshals Service's list of 15 Most Wanted Fugitives. Freeman is wanted on multiple counts of child rape in the first degree, as well as federal charges of manufacturing, possessing, and distributing child pornography. Freeman, a former reserve deputy sheriff with the Benton County, Wash., Sheriff's Office, is accused of videotaping and photographing some of his sexual offenses for distribution.

"The danger this individual poses to the general public and young children is alarming," said Marshals Service Director John F. Clark. "By adding him to our list of 15 most wanted, we can increase the pressure on this fugitive and use our vast network of fugitive task forces to bring Freeman to justice."

Freeman was first arrested in Richland, Wash., on three counts of first degree sexual assault of a child in November 2005. He was released on a $50,000 bond and later fled after additional charges were filed against him. He failed to show for a scheduled court hearing in Richland on March 23, 2006, and has not been seen since.

Due to his extensive training with firearms, his previous employment as a security guard and his former affiliation with law enforcement, Freeman is believed to be armed and dangerous. Freeman is a 44-year-old white male who weighs 250 pounds and is 6 feet, 2 inches tall. He has hazel eyes and brown hair. Freeman is a bodybuilder whose weight fluctuates and he may frequent gyms and health clubs. He is also very computer literate and capable of building and programming his own computer.

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"Dangerous fugitives such as this are given the highest priority by the Marshals Service because of their potential to harm other innocent citizens while they remain at large," said Art Roderick, Assistant Director of the U.S. Marshals Investigative Services Division. "We will use all of the resources at our disposal."

There is a $25,000 reward being offered for information leading to his arrest, and all inquiries remain confidential. Anyone with information is encouraged to contact the nearest U.S. Marshals Service office, or call the Marshals' 24 hour phone line at 1-800-336-0102. U.S. Marshals are the nation's primary fugitive hunting organization and capture more federal fugitives each year than all other law enforcement agencies combined. For more information, go to http://www.usmarshals.gov.

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System Administrator

From:	System Administrator
Sent:	Wednesday, December 27, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1017652 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, December 27, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1017653 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, December 27, 2006 4:10 PM
Subject: Interruption to BlackBerry Services

Interruption to BlackBerry Services

We are currently experiencing an interruption to BlackBerry services. At this time you may experience problems sending and/or receiving BlackBerry e-mail and Pin-to-Pin messages.

Check **DOJNet** at http://10.173.2.12/ for additional information of Department wide interest, including an archive of selected JCON Broadcasts.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, December 27, 2006 4:19 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT WILL NOT OPPOSE PUBLIC LANDFILL'S PROPOSAL TO ENTER INTO A ONE-YEAR CONTRACT TO PROVIDE DISPOSAL SERVICES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 27, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT WILL NOT OPPOSE PUBLIC LANDFILL'S PROPOSAL TO ENTER INTO A ONE-YEAR CONTRACT TO PROVIDE DISPOSAL SERVICES

WASHINGTON — The Department of Justice announced today that it would not oppose a proposal by the Southeastern Public Service Authority of Virginia (SPSA) to enter into a contract with a competitive provider of disposal services. SPSA proposed a one-year contract with John C. Holland Enterprises Inc. (Holland) for Holland's disposal of construction and demolition debris (CDD) waste at SPSA's landfill in Suffolk, Va. The Department said the proposed contract is not likely to reduce competition or facilitate coordination of CDD disposal services or rates between SPSA and Holland. Although contracts between competitors can, in some circumstances, raise competitive concerns, the proposed one-year contract does not appear likely to have anticompetitive effects, the Department said.

The Department's position was stated in a business review letter from Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for SPSA. SPSA is a public authority established under the laws of the Commonwealth of Virginia that provides, among other things, waste disposal services in the Norfolk, Va. area. SPSA and Holland, an independent landfill owner, compete for CDD waste disposal in the Norfolk, Va. area.

SPSA requested a business review letter from the Antitrust Division expressing its enforcement intentions regarding SPSA's conduct relating to a proposed contract with Holland for CDD waste disposal service at SPSA's landfill. SPSA's request explained that terms in the proposed one-year contract, such as disposal rates, volumes and duration, were not negotiated between the contracting parties but were based on

DOJ_NMG_ 0172098

SPSA's pre-existing terms and conditions set independently every year by SPSA's board. SPSA publicly announces its contract rates, and it also publishes them on its web site and offers them to any waste hauler who commits to providing SPSA with the required threshold volumes of CDD waste. The maximum volume of CDD waste covered by the proposed contract would represent a small fraction of SPSA's CDD capacity, and thus would not affect SPSA's ability to compete effectively for CDD disposal, the Department stated in the letter.

"The contract does not affect either party's independent control of assets necessary to compete, or give either party a financial interest in the waste disposal services provided by the other," Barnett said in the letter. He further stated that the proposed contract "does not entail or facilitate the exchange of any significant competitively sensitive information that is not otherwise publicly available, or link either party's pricing or output to conduct of the other party."

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division would likely challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, Suite 215, Liberty Place, 325 7th Street, N.W., Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established pursuant to paragraph 10(c) of the Business Review Procedure, 28 C.F.R. § 50.6.

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06-859

DOJ_NMG_ 0172099

DEPARTMENT OF JUSTICE
Antitrust Division

THOMAS O. BARNETT
Assistant Attorney General

Main Justice Building
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001
(202) 514-2401 / (202) 616-2645 (Fax)
E-mail: antitrust@usdoj.gov
Web site: http://www.usdoj.gov/atr

December 27, 2006

Michael Katchmark, Esq.
Willcox & Savage
One Commercial Place
Suite 1800
Norfolk, VA 23510

Dear Mr. Katchmark:

This letter responds to your request on behalf of the Southeastern Public Service Authority ("SPSA") for the issuance of a business review letter pursuant to the Department of Justice's Business Review Procedure, 28 C.F.R. § 50.6. You requested a statement of the Department's antitrust enforcement intentions with respect to a proposed one year contract between SPSA and John C. Holland Enterprises, Inc. ("Holland"), for the disposal of construction and demolition debris ("CDD") waste by Holland at SPSA's landfill located in Suffolk, Virginia.

Based on your representations and the information you provided, we understand SPSA to be a public body established pursuant to the laws of the Commonwealth of Virginia for the purpose of providing public services, including waste disposal services, in the Norfolk, Virginia area. SPSA is an authority which provides services to the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach and the counties of Isle of Wight and Southampton. Holland owns and operates a competing landfill that is located about eight miles from SPSA's landfill in Suffolk. According to your representations, the proposed contract has a one-year term; can be terminated prior to the expiration date by either party with thirty days' notice; commits SPSA to accepting threshold volumes of CDD waste from Holland at the disposal contract rate set by SPSA; and commits Holland to supplying the threshold volumes of CDD waste at the contract rate.

You represent that the proposed contract is based on terms SPSA offers to any waste hauler who commits to providing SPSA with a minimum quantity of CDD. You represent that the contract disposal rate and volume requirements are set and adjusted annually by SPSA's board, based on its budget requirements for the next year, and are not negotiated between the contracting parties or any other CDD hauler. In addition, the contract disposal rate and volumes are publicly announced and published on SPSA's website.

In your request, you contend that the proposed contract will result in additional throughput at SPSA's landfill, which will reduce average operating costs and, in turn, increase profits. You have also stated that these additional profits will help SPSA keep disposal costs down for its member municipalities and counties.

Based on the representations made in your request and on the information obtained during our own review, the Department has no present intention to challenge SPSA's conduct pursuant to the proposed contract between SPSA and Holland. Although contracts between competitors can raise antitrust concerns, the proposed one-year contract does not appear likely to have anticompetitive effects. Because the maximum volume under the proposed contract is a relatively insignificant portion of SPSA's waste disposal capacity, and the contract is for such a short duration, the contract likely will not materially reduce either party's incentive or ability to compete for waste disposal. In particular, the contract does not affect either party's independent control of assets necessary to compete, or give either party a financial interest in the waste disposal services provided by the other. The proposed contract also is not likely to facilitate explicit or tacit collusion, since it does not entail or facilitate the exchange of any significant competitively sensitive information that is not otherwise publicly available, or link either party's pricing or output to conduct of the other party.

This letter expresses the Department's current enforcement intention and is issued in reliance on the information and representations contained in SPSA's submissions. In accordance with our normal practices, the Department reserves the right to bring any enforcement action or proceeding we subsequently come to believe is required by the public interest, if the proposed contract or any other transaction between SPSA and Holland proves to be anticompetitive in purpose or effect.[1]

This statement is made in accordance with the Department's Business Review Procedure, 28 C.F.R. § 50.6. Pursuant to its terms, your business review request and this letter will be made publicly available immediately, and any supporting data will be made publicly available within thirty (30) days of the date of that letter, unless you request that part of the material be withheld in accordance with paragraph 10(c) of the Business Review Procedure.

Yours sincerely,

Thomas O. Barnett

Thomas O. Barnett

---

[1]You state in your letter that SPSA understands that it may be immune from antitrust liability under the state action doctrine, but that SPSA solicits the Division's views regardless of its possible immunity. In responding to SPSA's request, the Division expresses no view as to whether or not SPSA is entitled to antitrust immunity, under the state action doctrine or otherwise.

Image not available for this document, ID: 0.7.10316.13608-000002

Image not available for this document, ID: 0.7.10316.13608-000003

System Administrator

From: System Administrator
Sent: Wednesday, December 27, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1018360 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From: System Administrator
Sent: Wednesday, December 27, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1018364 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, December 27, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1018365 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 28, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1018366 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 28, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1021377 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 28, 2006 10:26 AM
To: USDOJ- Office of Public Affairs
Subject: INTIMATE PARTNER VIOLENCE DECLINED BETWEEN 1993 AND 2004

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 28, 2006
WWW.OJP.USDOJ.GOV/BJS

Bureau of Justice Statistics
Contact: Stu Smith: 202-307-0784
After hours: 301-983-9354

INTIMATE PARTNER VIOLENCE DECLINED BETWEEN 1993 AND 2004

Washington — The intimate partner violence rate has declined since 1993, the Justice Department's Bureau of Justice Statistics (BJS) announced today. In 1993 nonfatal intimate partner violence was 5.8 victimizations per 1,000 U.S. residents 12 years old and older. By 2004 this rate had fallen to 2.6 victimizations per 1,000 individuals.

An intimate partner is a current or former spouse, boyfriend, girlfriend or same-sex partner. Violence between intimates includes homicides, rapes, robberies and assaults committed by partners. During 2004 there were approximately 627,400 nonfatal intimate partner victimizations — 475,900 against females and 151,500 against males. Approximately one-third of these offenses were serious violent crimes — rapes, sexual assaults, robberies and aggravated assaults — and involved either serious injuries, weapons or sexual offenses.

Long term trends in nonfatal intimate partner violence differ by gender. Non-fatal intimate partner victimization for females was about four victimizations per 1,000 persons age 12 and older in 2004, down from about 10 in 1993. Non-fatal intimate partner violence for males remained relatively stable — 1.6 victimizations per 1,000 males 12 years old and older in 1993, compared to 1.3 per 1,000 in 2004.

The number of intimate partner homicide victims has declined since 1993, with greater declines seen for male victims. During 1993, the number of females murdered by intimates was 1,571, compared to 1,159 during 2004 — a 26 percent decline. The number of males murdered by partners during 1993 was 698, compared to 385 — a 45 percent decline.

Overall intimate partner violence during 2004 remained unchanged from 2003, although some demographic groups experienced an increase. During that period the rate of non-fatal intimate partner violence among black females increased from 3.8 to 6.6 victimizations per 1,000 females aged 12 and older. Non-fatal intimate partner violence for white males increased from 0.5 to 1.1 victimizations per 1,000 males age 12 and older.

Between 1993 and 2004, non-fatal intimate partner victimizations represented 22 percent of violent victimizations against females and 3 percent of those against males aged 12 and older. Females and males who

DOJ_NMG_ 0172109

were separated or divorced reported the highest rates of nonfatal partner violence, whereas those who were married or widowed reported the lowest rates of such violence.

The average annual rate of non-fatal intimate partner violence from 1993 to 2004 was highest for American Indian and Alaskan Native females at 18.2 victimizations per 1,000 females aged 12 and older. The risks also varied by age group. Females 20 to 24 years old were at the highest risk of nonfatal intimate partner violence. Asian males, white males and the elderly reported the lowest rates of partner violence.

For non-fatal intimate partner violence, as for violent crime in general, simple assault is the most common type of violent crime. Simple assault is an attack without a weapon that results either in no injury or a minor injury. One-third of female victims of non-fatal intimate partner violence between 1993 and 2004 reported that the offender was under the influence of alcohol during the victimization. One-fifth of male victims reported that the offender was under the influence of alcohol. Both male and female victims reported that their attacker was under the influence of drugs in about 6 percent of all victimizations.

Overall, 21 percent of female victims and 10 percent of male victims contacted an outside agency for assistance. Female victims were more likely to contact a government agency than a private agency. Male victims were equally likely to contact a government or private agency for assistance.

The webpage report, *Intimate Partner Violence in the United States* was written by BJS statistician Shannan Catalano. It can be found on the Internet at: www.ojp.usdoj.gov/bjs/intimate/ipv.htm

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

# # #

BJS07007

DOJ_NMG_ 0172110

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From: USDOJ- Office of Public Affairs
Sent: Thursday, December 28, 2006 11:14 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 28, 2006

Department of Justice

PRESS GUIDANCE
Thursday, December 28, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a press release. (Miller)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172112

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Image not available for this document, ID: 0.7.10316.13545-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 28, 2006 11:20 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT ASKS FEDERAL COURT TO BAR FLEA MARKET TAX PREPARER FROM PREPARING FEDERAL TAX RETURNS FOR OTHERS

Attached please find the complaint for permanent injunction and other relief in *U.S. v. McFarland*.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 28, 2006
WWW.USDOJ.GOV

TAX
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT ASKS FEDERAL COURT TO BAR FLEA MARKET TAX PREPARER FROM PREPARING FEDERAL TAX RETURNS FOR OTHERS

Florida Woman Allegedly Promotes Scam Claiming Bogus Fuel Tax Credits for Customers

WASHINGTON - The Justice Department announced today that it has sued a federal income tax preparer in U.S. District Court in Miami seeking to bar her from preparing tax returns for others. According to the government's civil injunction complaint, Tashanna McFarland of Miramar, Fla., prepared federal tax returns claiming fraudulent fuel tax credits, a scam that the complaint explains is a serious enforcement problem for the Internal Revenue Service (IRS). The suit alleges that McFarland operates her tax preparation business out of a booth at a flea market in Miami.

Federal law imposes a fuel tax on gasoline and diesel fuel sold in the United States. The tax is included in the purchase price at the pump. Businesses can claim a fuel tax credit in certain rare circumstances, but most businesses and consumers who use cars or trucks on roads and highways are not eligible for the credit. According to the government's complaint, McFarland claimed the fuel credit on her customers' returns so they could claim tax refunds to which they were not entitled.

The complaint says that on a return for one customer—a babysitter—McFarland claimed that the customer purchased 16,451 gallons of gasoline for business-related purposes. The suit notes that for such a claim to be accurate, the babysitter (whose total income for the year was $9,316) would have had to spend approximately $36,192 for gasoline that year—nearly four times her total income—and would had to have driven approximately 246,765 miles during the year, an average of 676 miles each day, seven days a week.

DOJ_NMG_ 0172115

The government complaint alleges that McFarland has prepared at least 970 returns since 2003 and the IRS has identified over $1.5 million dollars in fraudulent fuel tax credits on McFarland-prepared returns.

“People who have their returns prepared by others should review them carefully to make sure they are truthful,” said Eileen J. O’Connor, Assistant Attorney General for the Justice Department’s Tax Division. “The preparer who seems to be saving you taxes now is setting you up for trouble later, when the IRS realizes that you filed a false return and obtained a larger refund, or paid less in taxes, than you should have.”

“This problem is primarily being caused by unscrupulous tax return preparers located across the country," said Kathy Petronchak, Commissioner of the IRS Small Business / Self Employed Division. "The IRS is working closely with the Department of Justice to stop this behavior."

Since 2001, the Justice Department’s Tax Division has obtained more than 215 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department Web site at http://www.usdoj.gov/tax/taxpress2006.htm. More information about the Justice Department’s Tax Division can be found at http://www.usdoj.gov/tax.

# # #

06-860

DOJ_NMG_ 0172116

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case Number: 06-23111

CIV - COOKE

MAGISTRATE JUDGE BROWN

UNITED STATES OF AMERICA,

Plaintiff,

v.

TASHANNA MCFARLAND,

Defendant.

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff United States of America alleges against defendant Tashanna McFarland as follows:

1. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General, pursuant to the provisions of Internal Revenue Code (IRC) (26 U.S.C.) §§ 7402, 7407, and 7408.

Jurisdiction and Venue

2. Jurisdiction is conferred on this Court by Sections 1340 and 1345 of Title 28, United States Code, and IRC §§ 7402(a), 7407, and 7408.

3. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1) because McFarland resides in Miramar, Florida, within this judicial district and a substantial part of the actions giving rise to this suit took place in this district.

DOJ_NMG_ 0172117

Defendant and Basic Facts

4. Tashanna McFarland is a paid unenrolled federal tax preparer operating out of a booth at the Liberty Flea Market in the Liberty City area of Miami.

5. McFarland obtains customers by passing out flyers and posting signs at the Liberty Flea Market. In addition, she also finds customers by advertising at the nearby Flea Market USA.

6. McFarland is a federal income tax return preparer engaged in the unlawful promotion of a tax scheme in which she gives customers false and fraudulent tax advice regarding the Fuel Tax Credit and prepares fraudulent tax returns for customers to implement the scheme.

7. McFarland prepares customers' federal income tax returns consistent with her scheme by improperly claiming fraudulent Fuel Tax Credits under IRC § 6421.

8. The IRS has identified at least 970 federal tax returns prepared by McFarland for customers since 2003. In addition, McFarland admits to preparing and filing between 800 and 900 additional federal tax returns for customers this year.

9. The IRS has identified more than $1.5 million in fraudulent Fuel Tax Credits claimed on returns McFarland prepared. The IRS estimates that $500,000 has been refunded to McFarland customers in error based on these fraudulent returns.

10. This is a civil action brought by the United States pursuant to IRC §§ 7402(a), 7407, and 7408 to enjoin McFarland and anyone in active concert or participation with her from:

A. acting as a federal income tax return preparer;
B. preparing or filing (or helping to prepare or file) federal income tax returns, amended returns, or other related documents and forms for others;

DOJ_NMG_ 0172118

C. organizing or selling tax shelters, plans, or arrangements that advise or assist taxpayers to attempt to evade the assessment or collection of their correct federal tax;
D. understating customers' liabilities as prohibited by IRC § 6694;
E. engaging in any other activity subject to penalty under IRC §§ 6694, 6700, 6701, or any other penalty provision of the IRC;
F. engaging in other conduct that interferes with the administration and enforcement of the internal revenue laws; and
G. engaging in conduct that violates the standards of 31 U.S.C. § 330.

Overview of IRC § 6421(a): Credit for Federal Tax Paid on Fuels

11. McFarland prepares fraudulent tax returns for customers using IRS Form 4136 "Credit for Federal Tax Paid on Fuels." In using and preparing these forms McFarland misapplies IRC § 6421(a) ("Fuel Tax Credit"). The Fuel Tax Credit is a credit available primarily to taxpayers who operate farm equipment or other off-highway vehicles. To be eligible for the credit, the equipment or vehicles must not be registered for highway use. McFarland prepares tax returns for customers based on the frivolous position that the credit applies to driving on local roads for business purposes.

12. Fraudulently claiming entitlement to the Fuel Tax Credit is an emerging widespread tax scam, presenting a serious enforcement problem for the IRS. As part of this scheme, individuals improperly claim the Fuel Tax Credit for their personal or business gasoline or other motor fuel purchases. Indeed, many taxpayers, including McFarland's customers, claim the credit in amounts exceeding their actual personal or business fuel purchases.

13. IRC § 6421(a) provides a credit for fuel used in an off-highway business use. Off-highway business use is any use of fuel in a trade or business or in an income-producing activity. But the use must not be in a vehicle registered or required to be registered for use on public highways. IRS Publication 225 provides the following examples of off-highway business fuel

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use: 1) in stationary machines such as generators, compressors, power saws, and similar equipment; 2) for cleaning purposes; and 3) in forklift trucks, bulldozers, and earthmovers. *See* IRS Publication 225 (2006), Farmer's Tax Guide, Chapter 14 (2006) (available online at: http://www.irs.gov/publications/p225/ch14.html#d0e 19048).

14. IRS Publication 510 defines a highway vehicle as any "self-propelled vehicle designed to carry a load over public highways, whether or not it is also designed to perform other functions." *See Id.* A public highway includes any road in the United States that is not a private roadway. This includes federal, state, county, and city roads and streets. *See Id.* These highway vehicles are not eligible for the Fuel Tax Credit. IRS Publication 510 provides the following as examples of highway vehicles, which are not eligible for the Fuel Tax Credit: passenger automobiles, motorcycles, buses, and highway-type trucks and truck tractors. *See* IRS Publication 510 (2006), Excise Taxes for 2006, Chapter 2 (2006) (available online at: http://www.irs.gov/publications/p510/ch02.html#d 0e3533)

15. In addition, IRS Publication 510 provides the following example of an appropriate application of the Fuel Tax Credit:

> Caroline owns a landscaping business. She uses power lawn mowers and chain saws in her business. The gasoline used in the power lawn mowers and chain saws qualifies as fuel used in an off-highway business use. The gasoline used in her personal lawn mower at home does not qualify. *See Id.*

16. In short, the Fuel Tax Credit does not apply to passenger cars registered to drive on public highways. It is not, as McFarland fraudulently claims, a credit for individuals who drive on local roads for their business.

DOJ_NMG_ 0172120

McFarland's Misuse of the Fuel Tax Credit

17. McFarland prepares federal income tax returns primarily for low-income individuals, and increases her customers' income tax refunds by claiming a bogus Fuel Tax Credit under IRC § 6421.

18. McFarland prepares Forms 4136 for her customers falsely stating that the customer has used gasoline for off-highway business purposes. She claims the credit for city residents in occupations such as: barbers, hair stylists, tattoo designers, warehouse workers, and babysitters, who clearly do not qualify for the Fuel Tax Credit.

19. Not only does McFarland fraudulently use Form 4136 by claiming the Fuel Tax Credit for individuals who are not entitled to it, but she also claims the credit for amounts of gasoline use that wildly exceed what the customers could possibly use.

20. For example, McFarland prepared a return for one customer, a babysitter, claiming that the customer purchased 16,451 gallons of gasoline for off-highway business use in one year. This customer, whose total income for the year was $9,316, would have to have spent approximately $36,192—nearly four times her total income for the year—to consume that volume of gasoline. Moreover, to use that volume of gasoline, assuming a conservative 15 miles a gallon, the babysitter would have had to drive 246,765 miles during the year, or 676 miles each day of the year, seven days a week. This example highlights the frivolous and fraudulent nature of McFarland's tax preparation.

21. Moreover, McFarland claims the Fuel Tax Credit without determining whether her customers even qualify for it.

DOJ_NMG_ 0172121

22. The enclosed chart highlights examples of McFarland's fraudulent preparation of federal income taxes using the Fuel Tax Credit:

Tax Year	**Business or profession and city and state address listed on tax return**	**Amount of off-highway business use of gasoline claimed on Form 4136 (Estimated total gasoline cost at $2.20 a gallon) [Estimated total *yearly/daily* mileage based on 15 miles a gallon]**	**Total Income (1040 Line 22)**	**Amount of gasoline credit (1040 Line 70b reported from Form 4136)**	**Refund Requested (1040 Line 72)**
2004	Mobile car washer/barber; Opa Locka, Florida	16,950 gallons ($37,920) [*254,250* miles per year */696* per day]	$7,450	$3,119	$2,415
2004	Mobile car washer; Opa Locka, Florida	17,250 gallons ($37,950) [*258,750* miles per year/*708* per day]	$6,660	$3,174	$2,241
2004	Hair-braider; Opa Locka, Florida	17,418 gallons ($38,319.60) [*261,270* per year/*715* per day]	$7,898	$3,205	$2,236
2004	Babysitter; Miami, Florida	16,451 gallons ($36,192) [*246,765* per year/*676* per day]	$9,316	$3,027	$1,855
2005	Cashier; Miami, Florida	11,248 gallons ($24,846) [*168,720* per year/*462* per day	$7,561	$2,066	$3,568
2004	Customer Service; Ft. Lauderdale, Florida	9,983 gallons ($21,962) [*149,475* per year/*410* per day]	$4,315	$1,832	$1,309

DOJ_NMG_ 0172122

2004	Tattoo Designer; Miami, Florida	16,000 gallons ($35,200) [*240,000* per year/*657* per day]	$4,250	$2,944	$2,343
2005	Barber; Miami, Florida	15,439 gallons ($33,966) [*231,585* per year/*634* per day]	$6,504	$2,833	$1,914
2005	Truck Driver; Miami, Florida	15,708 gallons ($34,558) [*235,620* per year/*645* per day]	$9,607	$2,882	$4,187
2004	Child Care; Miami, Florida	9,452 ($20,794) [*141,780* per year/*388* per day]	$10,891	$1,739	$1,533
2005	Warehouse worker; Miami, Florida	9,384 gallons ($20,645) [*140,760* per year/*385* per day]	$6,127	$1,722	$2,302

Harm to the public

23. McFarland's preparation of false and fraudulent tax returns, to the extent that the Internal Revenue Service has not detected them, has resulted in customers receiving substantial federal income tax refunds to which they are not entitled and in not reporting and paying taxes that they owe. She has filed returns for customers seeking more than $1.5 million in refunds based on fraudulent fuel tax credits. The IRS estimates that it has erroneously refunded $500,000 based on these fraudulent returns.

24. McFarland's conduct harms the United States because her customers are receiving refunds to which they are not entitled.

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25. In addition to the direct harm caused by preparing tax returns that understate her customers' tax liabilities, McFarland's activities undermine public confidence in the administration of the federal tax system and encourage noncompliance with the internal revenue laws.

26. McFarland further harms the United States because the Internal Revenue Service must devote its limited resources to identifying McFarland's customers, ascertaining their correct tax liability, recovering any refunds erroneously issued, and collecting any additional taxes and penalties. The IRS estimates that its administrative costs associated with this scheme total more than $101,000.

27. In addition, McFarland's fraudulent federal tax return preparation is not limited to preparing bogus Fuel Tax Credits. McFarland prepares Schedule Cs for her customers' returns without their knowledge in order to claim bogus tax deductions to generate refunds.

28. On information and belief, McFarland also prepares federal income tax returns that claim false earned income credits and child tax credits.

29. Given the IRS's limited resources, identifying and recovering all revenues lost from McFarland's preparation of false and fraudulent returns may be impossible.

Count I
Injunction under IRC § 7407

30. The United States incorporates by reference the allegations in paragraphs 1 through 29.

31. IRC § 7407 authorizes a district court to enjoin an income tax preparer from:

A. engaging in conduct subject to penalty under IRC § 6694 (which penalizes a tax return preparer who prepares or submits a return that contains an unrealistic position that is not adequately disclosed or that is frivolous);

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B. misrepresenting her experience or education as a tax return preparer; or
C. engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the internal revenue laws,

if the court finds that the preparer has engaged in such conduct and that injunctive relief is appropriate to prevent the recurrence of the conduct. Additionally, if the court finds that a preparer has continually or repeatedly engaged in such conduct, and the court finds that a narrower injunction (*i.e.,* prohibiting only that specific enumerated conduct) would not be sufficient to prevent that person's interference with the proper administration of the internal revenue laws, the court may enjoin the person from further acting as a federal income tax return preparer.

32. McFarland has continually and repeatedly engaged in conduct subject to penalty under IRC § 6694 by preparing federal tax returns that understate her customer's liabilities based on unrealistic and frivolous positions.

33. McFarland's continual and repeated violations of IRC § 6694 fall within IRC § 7407(b)(1)(A) and (D), and thus are subject to an injunction under IRC § 7407.

34. If she is not enjoined, McFarland is likely to continue to file false and fraudulent tax returns.

35. McFarland's repeated conduct subject to an injunction under IRC § 7407 and her flagrant misuse of the Fuel Tax Credit demonstrates that a narrow injunction prohibiting only specific conduct would be insufficient to prevent McFarland's interference with the proper administration of the internal revenue laws. Thus, she should be permanently barred from acting as a return preparer.

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Count II
Injunction under IRC § 7408

36. The United States incorporates by reference the allegations in paragraphs 1 through 35.

37. IRC § 7408(a)-(c) authorize a district court to enjoin any person from engaging in conduct subject to penalty under either IRC §§ 6700 or 6701 if injunctive relief is appropriate to prevent recurrence of such conduct.

38. IRC § 6701(a) penalizes any person who aids or assists in, procures, or advises with respect to the preparation or presentation of a federal tax return, refund claim, or other document knowing (or having a reason to believe) that it will be used in connection with any material matter arising under the internal revenue laws and knowing that if it is so used it will result in an understatement of another person's tax liability.

39. McFarland prepares federal tax returns for customers that she knows will understate their correct tax liabilities. McFarland's conduct is thus subject to a penalty under IRC § 6701.

40. If the Court does not enjoin McFarland, she is likely to continue to engage in conduct subject to penalty under IRC § 6701. Injunctive relief is therefore appropriate under IRC § 7408.

Count III

Injunction under IRC § 7402(a) for unlawful interference with the enforcement of the internal revenue laws

41. The United States incorporates by reference the allegations of paragraphs 1 through 40.

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42. IRC § 7402 authorizes a district court to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws.

43. McFarland, through the actions described above, has engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

44. Unless enjoined, McFarland is likely to continue to engage in such improper conduct. If McFarland is not enjoined from engaging in fraudulent and deceptive conduct the United States will suffer irreparable injury by wrongfully providing federal income tax refunds to individuals not to receive them.

45. Enjoining McFarland is in the public interest because an injunction, backed by the Court's contempt powers if needed, will stop her illegal conduct and the harm it causes the United States.

46. The United States is entitled to injunctive relief under 26 U.S.C. § 7402(a).

WHEREFORE, the United States prays for the following:

A. That the Court find that Tashanna McFarland has continually and repeatedly engaged in conduct subject to penalty under IRC § 6694 and has continually and repeatedly engaged in other fraudulent or deceptive conduct that substantially interferes with the administration of the tax laws, and that a narrower injunction prohibiting only this specific misconduct would be insufficient;

B. That the Court find that Tashanna McFarland has engaged in conduct subject to a penalty under IRC § 6701, and that injunctive relief under IRC § 7408 is appropriate to prevent a recurrence of that conduct;

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C. That the Court find that Tashanna McFarland has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief is appropriate to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers and IRC § 7402(a);

D. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter a permanent injunction prohibiting Tashanna McFarland, and all those in active concert or participation with her from:

1. acting as a federal income tax return preparer;
2. preparing or filing (or helping to prepare or file) federal income tax returns, amended returns, or other related documents and forms for others;
3. organizing or selling abusive tax shelters, plans, or arrangements that advise or encourage taxpayers to attempt to evade the assessment or collection of their correct federal tax;
4. understating taxpayers' liabilities as prohibited by IRC § 6694;
5. Engaging in any other activity subject to penalty under IRC §§ 6694, 6700, 6701, or any other penalty provision of the IRC;
6. engaging in other conduct that interferes with the administration and enforcement of the internal revenue laws; and
7. engaging in conduct that violates the standards of 31 U.S.C. § 330.

E. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an injunction requiring Tashanna McFarland within fifteen days to contact by United States Mail and, if an e-mail address is known, by e-mail, all persons for whom she prepared a federal tax return to inform them of the Court's findings concerning the falsity of McFarland's prior representations and enclose a copy of the permanent injunction against her;

F. That the Court, pursuant to IRC §§ 7402(a), 7407, and 7408, enter an injunction requiring Tashanna McFarland to produce to counsel for the United States within fifteen days a list that identifies by name, social security number, address, e-mail address, and telephone

DOJ_NMG_ 0172128

number and tax period(s) all persons for whom she prepared federal tax returns or claims for a refund since January 1, 2003;

G. That the Court retain jurisdiction over Tashanna McFarland and over this action to enforce any permanent injunction entered against McFarland;

H. That the United States be entitled to conduct discovery to monitor McFarland's compliance with the terms of any permanent injunction entered against her; and

I. That this Court grant the United States such other and further relief, including costs, as is just and equitable.

DATED: December 22, 2006

Respectfully submitted,

R. ALEXANDER ACOSTA
United States Attorney

MICHAEL J. ROESSNER
Trial Attorney, Tax Division
U.S. Department of Justice
Post Office Box 7238
Washington, D.C. 20044
Telephone: (202) 305-3227
Fax: (202) 514-6770
E-mail: michael.j.roessner@usdoj.gov
Attorneys for Plaintiff United States of America

DOJ_NMG_ 0172129

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Image not available for this document, ID: 0.7.10316.13602-000003

System Administrator

From: System Administrator
Sent: Thursday, December 28, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023002 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, December 28, 2006 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023003 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

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You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

US District Court - Colorado

From: US District Court - Colorado
Sent: Thursday, December 28, 2006 3:48 PM
To: Gorsuch, Neil M
Subject: Public Notice for Appointment of New Magistrate Judge

Good Morning,

The United States District Court for the District of Colorado has posted a Public Notice for Appointment of New Magistrate Judge. Persons interested may view the Notice at the following link: http://internet.usdc10.dcn/MJPublicNotice.pdf

Information may also be found on the Court's website at www.cod.uscourts.gov

Thank you.

[redacted]
CM/ECF Mananger
United States District Court
District of Colorado

Mail Delivery System

From:	Mail Delivery System
Sent:	Thursday, December 28, 2006 3:48 PM
To:	Gorsuch, Neil M
Subject:	Delivery Status Notification (Failure)
Attachments:	ATT26276.txt; Out of Office AutoReply: Public Notice for Appointment of New Magistrate Judge.msg

The following message to <autoreply@cod.uscourts.gov> was undeliverable.
The reason for the problem:
5.1.0 - Unknown address error 550-'autoreply@cod.uscourts.gov... No such user'

Final-Recipient: [redacted];autoreply@cod.uscourts.gov
Action: failed
Status: 5.0.0 (permanent failure)
Diagnostic-Code: smtp; 5.1.0 - Unknown address error 550-'autoreply@cod.uscourts.gov... No such user'
(delivery attempts: 0)
Reporting-MTA: dns; smtp1.lsm.gtwy.uscourts.gov

Gorsuch, Neil M

From: Gorsuch, Neil M
Sent: Thursday, December 28, 2006 3:48 PM
To: US District Court - Colorado
Subject: Out of Office AutoReply: Public Notice for Appointment of New Magistrate Judge

After August 4, I will be residing in [redacted] My successor as PDASG is Greg Katsas.

I will continue checking this e-mail account periodically until the end of August. If you need to reach me promptly, please call my cell: [redacted]

My contact information in Colorado is:

U.S. Court of Appeals for the Tenth Circuit Byron White Court House 1823 Stout Street Denver, CO 80257 [redacted] Office email: [redacted]@ca10.uscourts.gov Home email: [redacted]@hotmail.com

From: USDOJ- Office of Public Affairs
Sent: Thursday, December 28, 2006 4:04 PM
To: USDOJ- Office of Public Affairs
Subject: CALIFORNIA MAN PLEADS GUILTY TO PHARMACEUTICAL DRUG FRAUD

Department of Justice

United States Attorney Bradley J. Schlozman
Western District of Missouri

FOR IMMEDIATE RELEASE
THURSDAY, DECEMBER 28, 2006
www.usdoj.gov/usao/mow

CONTACT: DON LEDFORD
PHONE: (816) 426-4220
FAX: (816) 426-4176

CALIFORNIA MAN PLEADS GUILTY TO PHARMACEUTICAL DRUG FRAUD

KANSAS CITY, Mo. – Bradley J. Schlozman, U.S. Attorney for the Western District of Missouri, announced that a California man pleaded guilty in federal court today to defrauding the government by arranging for the purchase of stolen pharmaceutical drugs.

Noah Salcedo-Smith, 35, of San Fernando, Calif., pleaded guilty before U.S. District Judge Ortrie D. Smith this morning to the charge contained in a Dec. 14, 2005, superseding indictment.

"This defendant turned a blind eye to the suspicious source of these drugs that had been stolen from a Miami warehouse," Schlozman said. "His actions were part of a larger criminal scheme that put profits ahead of public safety. We will not tolerate unscrupulous businessmen greedily shortcutting the federal system that protects consumers from unsafe prescription drugs."

By pleading guilty today, Salcedo-Smith admitted that he participated in a scheme to defraud the U.S. Food and Drug Administration (FDA) by obstructing the lawful functions of the FDA to regulate the interstate sale and distribution of drugs and to safeguard the health and safety of consumers who purchase drugs.

Salcedo-Smith was a salesman involved in the secondary wholesale market. Prescription drug manufacturers use a multi-tier system of wholesalers to distribute prescription drugs and pharmaceutical products in the United States, Schlozman explained. A few large companies with publicly traded stock occupy the top tier of the distribution system, purchasing drugs in large volumes directly from a drug manufacturer. In turn, these top-tier companies sell to several large regional wholesalers. Below the regional wholesalers are the secondary wholesalers, who buy and sell drugs to and from each other and also sell drugs to hospitals, clinics, doctors and pharmacies.

While acting on behalf of Albers Medical Distributors Inc. and OTS Sales Inc., Salcedo-Smith arranged for the purchase of prescription drugs from a seller who did not provide pedigree documents establishing the

DOJ_NMG_ 0172138

legitimacy, source and origin of the drugs being sold. Those drugs, which were manufactured by Glaxo-Smith, had been stolen from a warehouse in Miami, Fla., in December 2001. The stolen drugs were purchased by co-defendant Albert David Nassar, 51, of New York, N.Y., then sold and re-sold through a series of secondary wholesale distributors, including Salcedo-Smith. In a series of purchases in January 2002, co-defendant Douglas C. Albers , 55, of Leawood, Kan., owner of Albers Medical Distributors, paid approximately $3.3 million for some of the stolen Glaxo drugs. Albers then re-sold the drugs to other distributors for approximately $3.5 million.

Salcedo-Smith also admitted that he helped create false pedigrees for the drugs so that they could be resold in the secondary wholesale market by Albers Medical Distributors and appear to have a legitimate pedigree. Under federal statutes, Salcedo-Smith could be subject to a sentence of up to five years in federal prison without parole, plus a fine up to $250,000.

Salcedo-Smith is the fifth co-defendant to plead guilty to charges contained in the federal indictment. This case is being prosecuted by Senior Litigation Counsel Gene Porter. It was investigated by the FDA Office of Criminal Investigations.

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Image not available for this document, ID: 0.7.10316.13496-000002

System Administrator

From:	System Administrator
Sent:	Thursday, December 28, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023064 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, December 28, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023064 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, December 28, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023065 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 29, 2006 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1023066 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, December 29, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1025472 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 29, 2006 10:53 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR DECEMBER 29, 2006

Department of Justice

PRESS GUIDANCE
Friday, December 29, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a press release. (Miller)

The Civil Rights Division will issue a release on a civil matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.13478-000002

System Administrator

From: System Administrator
Sent: Friday, December 29, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026042 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Friday, December 29, 2006 2:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Kissimmee, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, December 29, 2006 2:35:17 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Kissimmee, FL
Auto forwarded by a Rule

AMBER ALERT:Kissimmee,FL VEH:Purp Chevy Cavalier TAG:FL E956CH; CHILD:H/M,1yr,Hai:Blk COMP:H/F,16yrs,5'4,150;SUSP:H/M,20yrs,5'6,160,Hai:Blk,CALL 800-423-8477 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3062

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Friday, December 29, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026045 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Friday, December 29, 2006 3:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Kissimmee, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, December 29, 2006 3:01:07 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Kissimmee, FL
Auto forwarded by a Rule

UPDATE AMBER ALERT:Kissimmee,FL VEH:Purp Chevy Cavalier TAG:FL E956CH;
CHILD:H/M,1yr,COMP:H/F,16yrs,5'4,150;SUSP:H/M,20yrs,5'6,160,Hai:Blk,CALL 800-423-8477 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId
=3062

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Friday, December 29, 2006 3:13 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. FILES SUIT AGAINST JOHN TORKELSEN, RICHARD PROPPER, DANIEL BEHARRY, & SOVEREIGN BANK ALLEGING FRAUD OF $32 MILLION AGAINST THE SMALL BUSINESS ADMINISTRATION

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 29, 2006
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

U.S. FILES SUIT AGAINST JOHN TORKELSEN, RICHARD PROPPER, DANIEL BEHARRY, & SOVEREIGN BANK ALLEGING FRAUD OF $32 MILLION AGAINST THE SMALL BUSINESS ADMINISTRATION

WASHINGTON - The Justice Department announced today that it has filed a lawsuit accusing John Torkelsen, Richard Propper, Daniel Beharry, and Sovereign Bank of defrauding the Small Business Administration's Small Business Investment Company (SBIC) program of $32 million. The suit was filed in the Eastern District of Pennsylvania under the False Claims Act, which allows the United States to recover up to three times the amount of its losses plus civil penalties.

The government's complaint alleges that Torkelsen, Propper and Beharry violated the conflict of interest and management fee rules of the SBIC program by engaging in multiple secret transactions that funneled government money into companies controlled by Propper and Beharry or Torkelsen and his family. The SBIC program has rules designed to prevent the unauthorized investment of government funds in companies controlled by those who act as managers of the SBICs. The alleged fraud is believed to be the largest perpetrated upon the program to date.

The SBIC program, administered by the U.S. Small Business Administration, was created in 1958 to fill the gap between the availability of venture capital and the needs of small businesses in start-up and growth situations. The government, itself, does not make direct investments or target specific industries. Rather, the SBIC program is a "fund of funds" – meaning that portfolio management and investment decisions are left to

DOJ_NMG_ 0172154

qualified private fund managers. Small businesses which qualify for assistance from the program are able to receive equity capital, long-term loans and expert management assistance.

The investigation of the fraud allegations against the defendants was conducted by the U.S. Attorney's office in Philadelphia, Pa.; the U.S. Small Business Administration's Office of Inspector General and Office of General Counsel; the Federal Bureau of Investigation; and the Justice Department's Civil Division. The United States has settled with, or reached settlement in principle with, a number of other individuals or entities involved in the alleged fraud.

# # #

06-862

DOJ_NMG_ 0172155

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Image not available for this document, ID: 0.7.10316.13448-000002

System Administrator

From:	System Administrator
Sent:	Friday, December 29, 2006 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026131 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, December 29, 2006 5:06 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT RESOLVES INVESTIGATION OF FIVE DELAWARE PRISON FACILITIES

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 29, 2006
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT RESOLVES INVESTIGATION OF FIVE DELAWARE PRISON FACILITIES

WASHINGTON – The Department of Justice today announced a comprehensive agreement with the state of Delaware into the conditions of confinement at five Delaware prison facilities. The agreement follows the Department's investigation of the facilities, which found substantial civil rights violations at four of the five facilities: the Delores J. Baylor Women's Correctional Institution, the Howard R. Young Correctional Institution, the Delaware Correctional Center, and the Sussex Correctional Institution.

The investigation did not find constitutional violations at the fifth facility, John L. Webb. With respect to the four facilities, the Department identified inadequate intake screening and health assessments to identify acute and chronic health needs of inmates, inadequate treatment of inmates with infectious diseases, inadequate treatment of inmates with serious mental illness, and deficiencies in the state's suicide prevention measures. Today's agreement with the state ensures, among other things, that these deficiencies are remedied and that services to address the serious medical and mental health needs of all inmates meet generally accepted professional standards.

"I appreciate Delaware's cooperation during our investigation and commend them for their commitment to improve their correctional facilities," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division.

The Civil Rights Division conducted its investigation pursuant to the Civil Rights of Institutionalized Persons Act, which authorizes the federal government to identify and root out systemic abuses such as those identified in this case. The Civil Rights Division has successfully resolved similar investigations of other adult correctional facilities in numerous other jurisdictions, including New Mexico, Arkansas, Oklahoma, Mississippi, Los Angeles, Tennessee, New York, Maryland and Kentucky.

The Department of Justice's enforcement effort reaches beyond adult correctional facilities. Since 2001, the Department of Justice has opened 67 similar investigations into conditions of confinement at juvenile detention centers, nursing homes, mental health facilities and residences for persons with developmental disabilities. These figures represent a 60 percent increase over the 45 such investigations initiated in the 1996-2000 time period.

DOJ_NMG_ 0172159

More information about the Special Litigation Section of the Justice Department's Civil Rights Division can be found at http://www.usdoj.gov/crt/split/index.html.

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06-863

DOJ_NMG_ 0172160

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Image not available for this document, ID: 0.7.10316.13443-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, December 29, 2006 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 1 – JANUARY 5, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, DECEMBER 29, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 1 – JANUARY 5, 2007

Monday, January 1

New Years Day Holiday

Tuesday, January 2

National Day of Mourning for Former President Gerald R. Ford

Wednesday, January 3

Events TBD

Thursday, January 4

Events TBD

Friday, January 5

Events TBD

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DOJ_NMG_ 0172163

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Image not available for this document, ID: 0.7.10316.13451-000002

System Administrator

From: System Administrator
Sent: Friday, December 29, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026248 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, December 29, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026249 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 30, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026250 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From:	System Administrator
Sent:	Saturday, December 30, 2006 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026250 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 30, 2006 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026251 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, December 30, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026252 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 30, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026253 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, December 30, 2006 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026254 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, December 30, 2006 9:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Wooster, OH

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, December 30, 2006 9:01:22 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Wooster, OH
Auto forwarded by a Rule

AMBER ALERT:Wooster,OH 02 Bur Chr OH DNQ4104 C:4 W/F 3F 40L BLU/BLN C:14 W/F 5F5 135L BLU/BLN C:10 W/F 4F5 90L GRAY/BLN S:38 W/F 5F4 205L BLU/BLN 1-877-262-3764 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3082

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Saturday, December 30, 2006 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026257 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 31, 2006 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026258 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 31, 2006 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026259 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 31, 2006 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026260 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, December 31, 2006 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Wooster, OH

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Sunday, December 31, 2006 1:35:27 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Wooster, OH
Auto forwarded by a Rule

UPDATE AMBER ALERT:Wooster,OH 02 Bur Chr OH DNQ4104 C:4 W/F 3F 40L BLU/BLN C:14 W/F 5F5 135L BLU/BLN C:10 W/F 4F5 90L GRAY/BLN S:38 W/F 5F4 205L 1-877-262-3764 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3082

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Sunday, December 31, 2006 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026263 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, December 31, 2006 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026264 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 31, 2006 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026265 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, December 31, 2006 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026265 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 01, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026266 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, January 1, 2007 9:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Silver Spring, MD

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 01, 2007 9:01:08 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Silver Spring, MD
Auto forwarded by a Rule

AMBER ALERT:Silver Spring,MD VEHICLE:Blue Honda Civic CHILD:B/M,4yrs; CHILD:B/F,6yrs; CHILD:B/M,8yrs; SUSPECT:B/M,41yrs,5'9, 190lbs CALL 240-773-5035 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3063

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Monday, January 1, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026269 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From: System Administrator
Sent: Monday, January 01, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026270 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, January 01, 2007 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Silver Spring, MD

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 01, 2007 1:35:16 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Silver Spring, MD
Auto forwarded by a Rule

UPDATE AMBER ALERT:Silver Spring,MD VEHICLE:Blue Honda Civic CHILD:B/M,3yrs; CHILD:B/F,6yrs; CHILD:B/M,8yrs; SUSPECT:B/M,41yrs,5'9, 190lbs CALL 240-773-5035 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3063

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Amber.JMD

From: Amber.JMD
Sent: Monday, January 01, 2007 2:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Silver Spring, MD

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 01, 2007 2:01:07 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Silver Spring, MD
Auto forwarded by a Rule

UPDATE AMBER ALERT:Silver Spring,MD VEH:Blue Honda Civic TAG:MD MKZ-237; CHILD:B/M,3yrs; CHILD:B/F,6yr; CHILD:B/M,8yr; SUSP:B/M,41yr,5'9, 190 CALL 240-773-5035 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3063

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, January 01, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026275 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 1, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026276 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 01, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026277 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 01, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026278 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 2, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026279 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 2, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026280 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 2, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026281 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 02, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026282 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 02, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026282 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 02, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026283 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 2, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026284 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 03, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1026285 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 03, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1035705 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 03, 2007 9:53 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 3, 2006

Department of Justice

PRESS GUIDANCE
Wednesday, January 3, 2006

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172203

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Image not available for this document, ID: 0.7.10316.12958-000002

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Wednesday, January 3, 2007 12:38 PM
Subject: Emergency Network Maintenance

Emergency Network Maintenance

When: Today, Wednesday, January 3, 2007, 1:00 p.m. until 1:30 p.m.

Event: Emergency Network Maintenance

Users Effected: All JCON Users located in the National Place Building

Services Available: BlackBerry Pin to Pin Services

Unavailable Services:
H:\ Drive
Network Printers JCON Email, (messages will be queued until service is restored)
Internet
G:\ Drive
M:\ Drive
BlackBerry Email Services

Recommended Action: Please shutdown and restart your workstation at 1:00 p.m. To shutdown and restart your desktop:

1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Point your cursor to "Shutdown" and click the left button.
4. Choose the "Restart"option. This will log your workstation out of the JMD/SMO JCON network. Logon after system reboot is completed.

Check the Intranet, DOJNet, at http://10.173.2.12/ for additional information of Department wide interest, including an archive of selected JCON Broadcasts.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Wednesday, January 03, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036346 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 03, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036486 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 3, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036487 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 03, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036488 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]@do.treas.gov

From: [redacted]@do.treas.gov
Sent: Wednesday, January 03, 2007 7:02 PM
To: Gorsuch, Neil M
Subject: Swearing In

Neil,

I realize this is too much to hope for, but is there any chance you might be in town (DC) [redacted] and able to come to my swearing in? It'd be lovely to have you here (although I'd certainly understand if it doesn't match up to your travel plans).

[redacted]

System Administrator

From:	System Administrator
Sent:	Wednesday, January 3, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036490 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 4, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1036491 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 4, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1039541 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 04, 2007 10:21 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 4, 2007

Department of Justice

PRESS GUIDANCE
Thursday, January 04, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release from the Office of Special Investigations.

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172215

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Image not available for this document, ID: 0.7.10316.12852-000002

System Administrator

From:	System Administrator
Sent:	Thursday, January 4, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1040110 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

From: [redacted]
Sent: Thursday, January 4, 2007 1:46 PM
To: [redacted] Gorsuch, Neil M; [redacted]
Subject: AGENDA Action Item 5.1.1.2 meeting
Attachments: Agenda 1_05_07 meeting.doc

All-

Hope everyone had a chance to relax over the holiday season. Please find attached the agenda for tomorrow's meeting.

When: Friday, January 05, 2007 1:00 PM-3:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg, 7th & D Sts, Room 7511

Please note the conference call information for those who cannot attend in person.

DDI number: [redacted] or [redacted]
Conference Pin: 157454

For all those who plan on attending, please enter the GSA building at the main entrance with the ramp and all weather overhang. I will be downstairs to sign in those attendees who are not DHS badge holders. If there is a problem, my cell phone is [redacted]

[redacted]
Economist
O: [redacted]
F: [redacted]
[redacted]@dhs.gov

-----Original Appointment-----
From: [redacted] [mailto:[redacted]@HQ.DHS.GOV]
Sent: Friday, December 22, 2006 2:56 PM
To: Adise, Russell; Ames, Fred; [redacted] Anderson, Margot; Arvonio, Faye; Avila, E.J.; [redacted]; Bailey, John; [redacted] Barth, Marvin; [redacted]; Betson, Sharon; Bird, Ronald; Blake, Erica; [redacted]; Breuder, Jen; [redacted]; Brown, Laurence; [redacted]; Clancy, Dean; Cononi, Rachel; [redacted]; Croddy, Jack; Davey, Victoria; [redacted]; Desmond, Angela; [redacted]; Donlon, Jerome; Donnelly, Kurt; [redacted] Eckstrand, Dr. Irene; [redacted]; Eissa, Nada; Estacio, P.H.; Finney, Tremika; [redacted]; Friedman, Kenneth; [redacted]; Gellin, Bruce; Gorsuch, Neil (DOJ); Granger, Larry; Harless, Angela; Harris, Joan; Hatchett, Richard; Hayes, John; Henry, David; Herring, Bradley; Highnam, Dr. Peter; Hinchion, Rick ; Howe, Susan (Suey); Hrubovcak, Jim; [redacted]<CTR>; Kalmus, Rebecca; Kearney, Rick; [redacted]; [redacted]; Knapp, Kathryn ; Knouse, Ruth; [redacted]; Lampkin, Emily Kertz; Langdon, David; [redacted]; Lippert, Alice; [redacted]; Malphrus, Steve; Mansoura, Monique; [redacted] Mariner, Robert A.; [redacted]; McClure, Laura; [redacted]; [redacted]; [redacted]; Melzer, Martin; [redacted]; [redacted]; [redacted]; Molloy, Jane; Moorhead, Hunter; [redacted] Nash, John M.; Nelson, Keith; [redacted]; [redacted]; O'Malley, Mike; Otis, Lee L (DOJ); Parrish, Cayce; [redacted] Phillips, Sally; Pierce, Michael; [redacted]; Rahaman, Andrew; [redacted] Rastogi, Tanuja; William, Raub; Reynolds, Timothy L.; Richards, Jack; Robinson, Robin; [redacted]; [redacted] Roth, Keith; [redacted]; [redacted]; [redacted]; [redacted]; Schutte, Carol; Shaw, Aloma A <DOJ>; [redacted]; Smith, Marty P.; Soares, Chris; Stokes, Kem ; Stump, Jeremy; [redacted]; Szabat, Joel; Teachman, Mark; Thurman, Stephan; Viola, Dr. Michael ; [redacted] (CNC); [redacted] Wascom, michael; Thomas Weimer; Wells, Jack; Wolfson, Jonathan A.; Worth, John ; Yevich, Steven; Randall, Jenny; [redacted]; [redacted]; [redacted]; [redacted] Gorsuch, Neil M; [redacted]; [redacted]; [redacted]
Subject: Action Item 5.1.1.2 meeting
When: Friday, January 05, 2007 1:00 PM-3:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg, 7th & D Sts, Room 7511

When: Friday, January 05, 2007 1:00 PM-3:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg, 7th & D Sts, Room 7511

~~*~*~*~*~*~*~*~*

All-

This is the meeting for Action Item 5.1.1.2. I will send out the agenda the day before (January 4th). If anyone has any issues they would like to see discussed at this meeting, please let me know, otherwise I will have an item for 'other issues'

this meeting, please let me know, otherwise I will have an item for 'other issues' on the agenda.

For reference: 5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities. DUE DATE: 6 months

Please note the conference call information for those who cannot attend in person.
DDI number: [redacted] or [redacted]
Conference Pin: 157454
For all those who plan on attending, please enter the GSA building at the main entrance with the ramp and all weather canopy. I will be downstairs to sign in those attendees who are not DHS badge holders. If there is a problem, my cell phone is [redacted]
Look forward to seeing everyone in the new year!!
Best,

[redacted]
Economist
O: [redacted]
F: [redacted]
[redacted]@dhs.gov

Consequence Assessment and Policy Working Group (CAP WG) Meeting

January 5, 2007
1300 - 1500

AGENDA

1. Introductions
2. 5.1.1.2

   HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities. DUE DATE: 6 months
3. Changes to current matrices
   a. Bird to Bird
   b. Human to Human
   c. Model Assets/Capabilities
4. Changes to Assumptions – HHS and National Implementation Plan
5. Private Sector Outreach
   a. OMB Issues of Paperwork Reduction Act
   b. Use of existing forums/associations
      i. Identify stakeholders – any limitations on stakeholders?
      ii. Locations, costs, etc. – can we piggy-back on existing meetings/forums/etc.
   c. Recommendations from various papers for presentation to stakeholders for feedback. -- 'Sanitizing' of the recommendations for presentation

System Administrator

From: System Administrator
Sent: Thursday, January 04, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1040170 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 04, 2007 3:40 PM
To: USDOJ- Office of Public Affairs
Subject: IMMIGRATION JUDGE ORDERS DEPORTATION OF WISCONSIN MAN WHO HELPED CARRY OUT 1943 NAZI MASS MURDER OF JEWS

Department of Justice

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THURSDAY, JANUARY 4, 2007
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IMMIGRATION JUDGE ORDERS DEPORTATION OF WISCONSIN MAN WHO HELPED CARRY OUT 1943 NAZI MASS MURDER OF JEWS

WASHINGTON – An immigration judge in Chicago has ordered the removal of a Wisconsin man who, by his own admission, stood guard during a Nazi mass killing operation in occupied Poland in 1943, with orders to "shoot to kill" any still-living Jewish victim who attempted escape, Assistant Attorney General Alice S. Fisher for the Criminal Division announced today.

Immigration judge Jennie L. Giambastiani ordered the removal of Josias Kumpf, 81, of Racine, Wisconsin, from the United States because of his admitted wartime service as an armed SS Death's Head guard at Sachsenhausen Concentration Camp in Germany; at an SS labor camp in Trawniki, Poland, where 8,000 Jewish men, women, and children were murdered in a single day as part of a two-day mass murder operation involving 42,000 victims at three camps; and at construction sites in Nazi-occupied France at which prisoners built launching platforms for Germany's V-1 and V-2 missile attacks on England. Judge Giambastiani concluded that Kumpf's service as an armed Nazi SS guard "unquestionably establishes by clear and convincing evidence that he was actively and personally involved in the persecution of others."

"This case reflects the Justice Department's commitment to the principle that those who helped the Nazi regime carry out its infamous genocidal designs are unfit to live in the United States," said Assistant Attorney General Fisher.

Kumpf was born in what is now Serbia, immigrated to the United States from Austria in 1956 under a program intended to benefit post-war refugees in Europe, and became a U.S. citizen in 1964.

The immigration judge's decision follows the government's successful prosecution of a denaturalization case against Kumpf in federal court, an effort that began in September 2003. The denaturalization and removal cases were prosecuted by the Criminal Division's Office of Special Investigations (OSI).

In May 2006, the U.S. Court of Appeals for the Seventh Circuit unanimously affirmed a lower court ruling that Kumpf had not been eligible for immigration to the United States because of his wartime service to Nazi Germany, and that, as a result, his naturalized U.S. citizenship had been illegally procured. The appellate court quoted sworn testimony by Kumpf in which he described his duties as a guard during the Nov. 3, 1943,

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massacre at the SS labor camp at Trawniki. As Kumpf explained, he "was watching them shoot some people." Some of the victims were "still halfway alive," he acknowledged, and if any of them attempted escape, his assignment was "shoot them to kill, shoot them to kill."

"Josias Kumpf and other members of the SS Death's Head guard battalions were indispensable accomplices in Nazi mass murder," said OSI Director Eli M. Rosenbaum. "Had Kumpf told the truth after the war, he never would have been permitted to enter this country."

The immigration judge's order directs that Kumpf be deported to Germany, Austria, or Serbia. Kumpf selected Germany as his preferred country for removal.

The case was litigated by OSI trial attorneys Stephen Paskey and Adam Fels, and it is a result of OSI's ongoing efforts to identify, investigate and take legal action against participants in Nazi persecution who reside in the United States. Since OSI began operations in 1979, it has won cases against 104 individuals who participated in Nazi crimes of persecution. In addition, over 170 individuals implicated in wartime Axis crimes have been blocked from entering the United States in recent years as a result of OSI's "Watch List" program, which is enforced in cooperation with the Department of Homeland Security.

# # #

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, January 04, 2007 4:17 PM
Subject: JUSTICE CAFÉOFFEE SHOP OFFERS EXPANDED FOOD SERVICE

JUSTICE CAFÉ COFFEE SHOP OFFERS EXPANDED FOOD SERVICE

The Justice Café Coffee Shop will provide expanded food service starting Monday, January 8. In addition to the current selection of coffees, light snacks, pastries, and drinks, our food service vendor will offer pre-packaged sandwiches and salads plus two hot soups and fresh breads daily. Operating hours will remain the same, from 7:30 a.m. until 3:00 p.m. The Coffee Shop is located near elevator bank #7. Please come down and enjoy your morning and afternoon coffee in addition to soups, sandwiches, and salads!

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To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Your mailbox size is 1040217 KB.
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From: USDOJ- Office of Public Affairs
Sent: Thursday, January 04, 2007 5:33 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL GRAND JURY INDICTS ROCKFORD, ILL. MAN IN FOILED PLAN TO SET OFF GRENADES IN ROCKFORD SHOPPING MALL

A copy of the indictment is attached.

Department of Justice

United States Attorney Patrick J. Fitzgerald
Northern District of Illinois

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 4, 2007
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CONTACT: JAKE RYAN
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FEDERAL GRAND JURY INDICTS ROCKFORD, ILL. MAN IN FOILED PLAN TO SET OFF GRENADES IN ROCKFORD SHOPPING MALL

CHICAGO – A Rockford, Ill., man, who was arrested last month and charged with allegedly planning to set off several grenades in garbage cans at a shopping mall in Rockford, was formally indicted today on the same charges, federal authorities announced.

The defendant, Derrick Shareef, was arrested on Dec. 6, 2006 by agents of the FBI-led Chicago Joint Terrorism Task Force (JTTF) when he met with an undercover agent at a store parking lot in Rockford to trade a set of stereo speakers for four hand grenades and a hand gun.

A federal grand jury in Chicago today returned a two-count indictment charging Shareef with one count of attempting to damage or destroy a building by fire or explosion and one count of attempting to use a weapon of mass destruction, announced Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and Patrick J. Fitzgerald, U.S. Attorney for the Northern District of Illinois. Those are the same charges that were brought against Shareef in a criminal complaint at the time of his arrest.

Shareef, 22, of Rockford, will be arraigned in U.S. District Court on a date yet to be determined. He remains in federal custody without bond after waiving his right to a detention hearing on Dec. 20, 2006.

At the time of his arrest, authorities said there was no imminent risk of harm once the threat allegedly posed by Shareef was detected by the Joint Terrorism Task Force, and the charges allege that he was acting alone.

According to the indictment, Shareef allegedly planned to set off grenades at the CherryVale Shopping Mall. The mall is located near the junction of Interstate 90 and Interstate 39 on the east side of Rockford, about 90 miles west of Chicago. The mall, which has approximately 130 retail stores, is owned by CBL & Associates Properties, Inc., based in Chattanooga, Tenn.

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The mall was among several potential targets that Shareef allegedly discussed during the course of the investigation – the others were primarily local government facilities. At all times Shareef allegedly was acting on his plan between November 29, 2006, and December 6, 2006, Shareef was in contact with only an acquaintance, who unbeknownst to him was cooperating with the FBI, and an undercover agent who was posing as the cooperating individual's friend.

The Chicago FBI's JTTF is comprised of federal, state and local law enforcement agencies from throughout the Northern District of Illinois, all of whom contributed to the investigation.

The government is being represented by Assistant U.S. Attorneys Jake Ryan and Victoria J. Peters.

If convicted, the building arson or explosion count carries a mandatory minimum penalty of 5 years in prison and a maximum of 20 years, and the attempting to use weapons of mass destruction count carries a maximum of life in prison, and both counts carry a maximum fine of $250,000 fine. Note, however, that the Court would determine the appropriate sentence to be imposed.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

# # #

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA	)	No. 06 CR 919
	)	
v.	)	Violation: Title 18,
	)	United States Code,
	)	Sections 2332a(a)(2)(D) and
DERRICK SHAREEF	)	844(i)

COUNT ONE

The SPECIAL DECEMBER 2005 GRAND JURY charges:

Beginning in or about November 29, 2006 to in or about December 6, 2006, at Rockford, in the Northern District of Illinois, Western Division,

DERRICK SHAREEF,

defendant herein, without lawful authority, attempted to use a weapon of mass destruction against persons and property within the United States, namely, individuals inside the CherryVale Shopping Center and the CherryVale Shopping Center in Rockford, Illinois, and the offense and results of the offense would have affected interstate commerce;

In violation of Title 18, United States Code, Section 2332a(a)(2)(D).

COUNT TWO

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

Beginning in or about November 29, 2006, and continuing to in or about December 6, 2006, at Rockford, in the Northern District of Illinois,

DERRICK SHAREEF,

defendant herein, attempted to maliciously damage and destroy, by means of fire and an explosive, a building and real and personal property used in interstate commerce and in any activity affecting interstate commerce, namely, the CherryVale Shopping Center in Rockford, Illinois;

In violation of Title 18, United States Code, Section 844(i).

A TRUE BILL:

_____
FOREPERSON

_____
UNITED STATES ATTORNEY

DOJ_NMG_ 0172235

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 04, 2007 6:10 PM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF EILEEN J. O'CONNOR ASSISTANT ATTORNEY GENERAL FOR THE JUSTICE DEPARTMENT'S TAX DIVISION ON THE DECISION IN BB&T V. UNITED STATES OF AMERICA

Attached please find the judgement and order.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 4, 2007
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(202) 514-2007
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STATEMENT OF EILEEN J. O'CONNOR
ASSISTANT ATTORNEY GENERAL FOR THE JUSTICE DEPARTMENT'S TAX DIVISION
ON THE DECISION IN BB&T V. UNITED STATES OF AMERICA

WASHINGTON - "Today's decision by the United States District Court for the Middle District of North Carolina affirms that, notwithstanding vigorous and complicated paper shuffling, to have a tax deduction for lease or interest expense, you must actually incur them. And to incur then, you must have a genuine lease and genuine indebtedness, respectively. In BB&T vs. United States of America, the District Court found that the Lease-In, Lease-Out tax shelter involved neither, and therefore does not result in the tax deductions claimed by those who participate in it."

# # #

07-002

Judgment.PDF

Order granting US summary judg...

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IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

BB&T CORPORATION,	)	
	)	
Plaintiff	)	
	)	
v.	)	No. 1:04CV00941
	)	
UNITED STATES OF AMERICA,	)	
	)	
Defendant.	)	

JUDGMENT

For the reasons stated in a Memorandum Opinion, contemporaneously filed, IT IS ORDERED THAT BB&T's motion for summary judgment be denied and the Government's motion for summary judgment be granted and that this action be DISMISSED.

This the day of January 4, 2007

/s/ N. Carlton Tilley, Jr.
United States District Judge

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IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

BB&T CORPORATION,	)	
	)	
Plaintiff	)	
	)	
v.	)	No. 1:04CV00941
	)	
UNITED STATES OF AMERICA,	)	
	)	
Defendant.	)	

MEMORANDUM OPINION

TILLEY, District Judge

This matter is before the Court on the parties' cross Motions for Summary Judgment [Docs. #36 and 38]. For the reasons discussed below, the United States of America's Motion for Summary Judgment [Doc. #36] is GRANTED, and Plaintiff BB&T Corporation's Motion for Summary Judgment [Doc. #38] is DENIED.

I.

This matter is an action pursuant to 26 U.S.C. § 7422 in which Plaintiff BB&T Corporation ("BB&T") seeks to recover funds allegedly overpaid when the Internal Revenue Service ("IRS") disallowed certain tax deductions associated with BB&T's participation in a Lease-In/Lease-Out ("LILO") transaction (the "Transaction") with Sodra Cell AB ("Sodra"), a Swedish company. The parties have entered into a stipulation regarding undisputed facts, and the parties have stipulated to the admissibility of numerous documents.

BB&T is a financial services company whose subsidiaries operate banking

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offices throughout the southeastern United States. [Stip. Facts ¶¶ 1-3]. Sodra manufactures wood pulp and is one of the world's leading manufacturers of wood pulp for the open market. [Stip. Facts ¶¶ 19-20]. The Transaction at issue involves the lease and sublease of the pulp manufacturing equipment (the "Equipment") at one of Sodra's pulp-manufacturing facilities. [Stip. Facts ¶ 25].

At the time of the Transaction, Sodra used the Equipment to manufacture pulp continuously, seven days a week, all year round. [Stip. Facts ¶ 28]. In 1995 and 1997, Sodra made extensive improvements to the Equipment in order to increase production capacity and reduce emissions at a cost in excess of $125 million. [Stip. Facts ¶¶ 29-30]. From 1997 to 2001, Sodra made additional modifications to the Equipment at a cost in excess of $74 million. [Stip. Facts ¶ 32].

In or about May 1997, Craig Knight from Knight, Tallman & van Tol Capital Partners, L.L.C. ("KTV") solicited BB&T to participate in the Transaction. [Stip. Facts ¶ 32]. BB&T attended a presentation in which KTV described the Transaction as a "tax driven structure" and also described the "tax savings generated by the structure."[1] [Doc. #36, Ex. 10]. Prior to this presentation, BB&T

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[1]BB&T has objected to the Court's consideration of certain presentation documents asserting that the documents constitute hearsay and that they "are simply preliminary presentations by outside advisors." [Doc. #44 at 15]. Under the Federal Rules of Evidence hearsay is defined as "a statement, other than one made by the declarant while testifying at the trial or hearing, offered in evidence to prove the truth of the matter asserted" and is inadmissible. Fed. R. Evid. 801, 802. In this case, the KTV presentation materials are not offered to prove the

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had not participated in any LILO transactions. [Stip. Facts ¶ 49].

After the KTV presentation, BB&T independently reviewed the terms of the Transaction. In particular, BB&T hired Deloitte and Touche LLP to prepare a report regarding the estimated value and useful life of the Equipment and the value of BB&T's interest in the Equipment at various points in time. [Stip. Fact ¶ 50]. BB&T personnel also drafted memoranda analyzing the Transaction. An internal BB&T memorandum described the Transaction as a "tax-driven deal" promising an after-tax yield "largely generated by the tax benefits association with accelerated tax deductions for rent" over the first five years. [Doc. #36, Ex. 11 and Ex. 15].

On June 30, 1997, Sodra and BB&T, through a trust, entered into the Transaction by executing a series of agreements. Essentially, the Transaction consists of a "Head Lease" in which BB&T acquired an undivided interest in the Equipment for a period of 36 years ending June 30, 2033 and an immediate shorter term sublease (the "Lease") of the undivided interest in the Equipment back to Sodra for a term of 15.5 years. [Stip. Facts ¶¶ 41-42].

The Head Lease required BB&T to pay rent to Sodra in two installments.

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truth of the matter asserted in those materials, that is whether BB&T would in fact receive tax benefits and acceleration of accounting income on after tax cash flows by entering into the Transaction. Rather, the presentation materials are offered to show words used to describe the transaction as they may relate to BB&T's state of mind or motive for entering into the Transaction. United States v. Leake, 642 F.2d 715, 720-21 (4th Cir.1981) (concluding that an out-of-court statement was not hearsay because it was offered to show the effect of the statement on the defendant's state of mind and not to prove the truth of the matter asserted in the statement).

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The first installment (the "initial Head Lease Payment"), approximately $86.2 million, was due on the closing date[2] and is allocated to the first five years of the Head Lease term. [Stip. Facts ¶ 69]. The second installment (the "Deferred Head Lease Payment") of approximately $557.8 million is due in 2038, five years after the expiration of the Head Lease term, and is allocated to the last 31.5 years of the Head Lease term. [Stip. Facts ¶ 69].

BB&T paid the Initial Head Lease Payment with $18,228,895 of its own funds plus $68,008,236 from a non-recourse loan from Hollandsche Bank-Unie N.V. ("HBU"). [Stip. Facts ¶ 76]. HBU is a wholly owned subsidiary of ABN-AMBRO Bank N.V. ("ABN"). [Stip. Facts ¶ 77]. On June 30, 1997, ABN, on behalf of HBU, transferred $68,008,236 (the funds representing the HBU loan) into BB&T's Trust (the "Trust") account at ABN. [Stip. Facts ¶ 80]. BB&T transferred $18,228,895 into the Trust account at ABN. [Stip. Facts ¶ 81]. Thus, at closing a total of $86,237,131 was deposited into the Trust account at ABN either by BB&T or on BB&T's behalf.

Also at closing, Sodra was required to pay $68,008,236 (an amount equal to the amount of the HBU loan that was deposited into the Trust account at ABN on behalf of BB&T) to ABN as "Debt PUA Issuer" under the Debt Payment Undertaking Agreement ("Debt PUA"). [Stip. Facts ¶ 82]. Under the Debt PUA,

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[2]At closing, BB&T also paid fees associated with the transaction in the amount of approximately $5.5 million and also paid approximately $4 million to KTV as an advisory fee. KTV in turn paid a $1 million advisory fee to BB&T.

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ABN is obligated to make certain payments to BB&T on Sodra's behalf. [Stip. Facts ¶ 89].

In addition to the $68,008,236 payment to the Debt PUA Issuer, Sodra was required to pay $12,000,193 to Fleet National Bank ("Fleet") as the "Equity PUA Issuer" under the Equity Payment Undertaking Agreement ("Equity PUA"). [Stip. Facts ¶ 82]. Under the Equity PUA, Fleet was required to use the $12,000,193 to purchase certain government securities. [Stip. Facts ¶¶ 105-107].

Sodra's Debt PUA and Equity PUA payments were made at closing as follows: (1) the Trust, on Sodra's behalf, made the $68,008,236 payment that Sodra was required to make to ABN as Debt PUA Issuer using proceeds of BB&T's first installment payment [Stip. Facts ¶ 83]; and (2), the Trust, on Sodra's behalf, made the $12,000,193 payment Sodra was required to make to the Equity PUA Issuer also using proceeds of BB&T's first installment payment. [Stip. Facts ¶ 84]. In sum, $86,237,131 was deposited into the Trust account at ABN either by BB&T or on BB&T's behalf. Of the total deposited by BB&T, $80,008,429 was paid on Sodra's behalf to the Equity PUA the Debt PUA, leaving a balance of $6,228,702, which the Trust transferred to Sodra's account at ABN. BB&T has described this $6 million payment as Sodra's "incentive for doing the deal." [Doc. #36, ex. 15 at 2].

Pursuant to the Lease, Sodra is required to make annual rent payments to BB&T. [Stip. Facts ¶ 86]. Sodra's rent payments are equal to BB&T's scheduled

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loan payments to HBU, in both amount and timing, through January 1, 2012. [Stip. Facts ¶ 87]. In addition, BB&T's scheduled debt payments to HBU on the HBU loan,[3] and Sodra's annual rent payments to BB&T, are equal to the scheduled payments required by the Debt PUA, which obligates ABN to pay Sodra's rent during the Head Lease term directly to HBU, until January 1, 2012. [Stip. Facts ¶ 90]. The interest rate on the funds that Sodra paid to the Debt PUA Issuer is equal to the interest rate on the HBU loan. [Doc. #36, ex. 15 at 2]. Thus, the Debt PUA payments from ABN to its subsidiary HBU satisfy both Sodra's rental obligations to BB&T under the sublease and BB&T's obligations to HBU under the loan agreement. [Stip. Facts ¶¶ 93-95]. Finally, the Debt PUA obligates ABN to make a final payment of $11,542,500 in 2013, either to or for the benefit of Sodra, depending on which of the options at the end of the Lease are exercised by the parties. [Stip. Facts ¶¶ 122, 137, 144.]

At the end of the Lease term on January 1, 2013, Sodra can elect to purchase BB&T's remaining interest under the Head Lease for five payments totaling $46,856,927. [Stip. Facts. ¶¶ 117-19]. If Sodra exercises this Purchase

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[3]In order to secure BB&T's obligation to satisfy the HBU loan, BB&T executed a Loan and Security Agreement under which BB&T assigned to HBU a lien on the Head Lease, the Lease, BB&T's right to receive rent from Sodra, and BB&T's right to receive payments pursuant to the Debt PUA. [Stip. Facts ¶ 91]. To that end, the Lease instructed Sodra to pay rent directly to HBU. [Stip. Facts ¶ 92]. The funds paid to the Equity PUA Issuer, which were used to purchase certain government securities, were specifically excluded as collateral under the Loan and Security Agreement. [Stip. Facts ¶ 115].

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Option,[4] the final payment under the Debt PUA ($11,542,500) is applied toward the Purchase Option price, which will pay the HBU Loan in full. [Stip. Facts ¶ 122]. In addition, the Equity PUA Issuer will make the five payments due under the Equity PUA ($35,314,427). Thus, the Equity PUA payments and Debt PUA payments total the $46,856,927 needed to fund Sodra's purchase option. [Stip. Facts. ¶¶ 120-22]. If Sodra exercises the purchase option, BB&T will be relieved of its obligation to make the deferred Head Lease payment. [Stip. Facts ¶ 124].

If Sodra elects not to exercise the purchase option, BB&T can either (1) require Sodra to renew the Lease for a period of 13.3 years (the "Sublease Renewal"); (2) enter into a lease with a third party (the "Replacement Sublease"); or (3) take possession of the Equipment. [Stip. Facts ¶ 131]. In the event BB&T requires Sodra to renew the Lease, the funds remaining in the Debt PUA and the Equity PUA are enough to satisfy in full the rental payments of the extended sublease. [Doc. #36, ex. 15; see also Stip. Facts. ¶ 139]. If Sodra does not exercise the Purchase Option and BB&T does not require Sodra to renew the Lease, then the funds in the Equity PUA account will be transferred to Sodra. [Stip. Facts ¶ 142]. In addition, pursuant to the Return Option or the Replacement Lease Option, Sodra receives the final payment under the Debt PUA. [Stip. Facts. ¶¶ 143-44].

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[4]In their report, Deloitte & Touche concluded that Sodra was more likely to return the Equipment to BB&T in 2013 than to exercise the purchase option, which would be funded in full by the funds in the Debt PUA and the Equity PUA.

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Under any of these latter options, BB&T would remain obligated to make the $557.8 million deferred Head Lease payment in 2038, which BB&T explained to its Loan Policy Committee would be "ultimately offset by the Sublease Renewal or Replacement Sublease rents plus an implied interest rate." [Doc. #36, ex. 14 at 5]. In particular, at the beginning of the Sublease Renewal Term or Replacement Sublease Term, BB&T would pledge the Sublease Renewal rents or Replacement Sublease rents as collateral for its payment of the deferred Head Lease payment. [Id.] The parties structured the Transaction so that the Sublease Renewal rents or Replacement Sublease rents would grow at a predetermined rate so that by the time the Deferred Head Lease Payment becomes due, the value of those rents is equal to the Deferred Head Lease Payment and that "obligation is fulfilled with no additional funding requirement on the part of" BB&T. [Id.]. Moreover, even if the interest rates are not as the parties assumed and the sums BB&T has pledged as collateral do not total $557.8 million as of 2038, Sodra has no recourse against BB&T for any deficiency. [See Doc. #36, ex. 12 at sec. 16(b)(1)(c)]. Thus, BB&T is not required to expend any additional funds, other than its initial investment in the Transaction, in order to make the Deferred Head Lease payment.

Sodra was also required to set up a long term Letter of Credit "for the protection of BB&T in case something happens to cause the transaction to 'unwind early.'" [Doc. #36, ex. 15 at 2]. BB&T understood that while the "LOC value changes over time, [it] is always in an amount large enough that when added to

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the securities [purchased pursuant to the Equity PUA] and paid to BB&T, would make us whole including the required yield." [Doc. #36, ex. 15 at 2].

Pursuant to a Tax Indemnity Agreement, Sodra agreed that for United States federal income tax purposes, neither it, nor any of its personnel, would take a position inconsistent with the characterization of Sodra as the owner, head lessor, and lessee of the Equipment. [Stip. Facts ¶ 53].

On June 3, 1996, prior to the closing date of the Transaction, the IRS issued proposed rules pursuant to Section 467 of the Internal Revenue Code. [Stip. Facts ¶ 154]. These proposed rules were adopted as final regulations on May 18, 1999. [Stip. Facts ¶ 156]. As a result of these final regulations, BB&T did not participate in any other LILO transactions after April 1, 1999. [Stip. Facts ¶ 157].

BB&T reported the following items of income on its 1997 federal income tax return with respect to the Transaction: (1) rent from Sodra in the amount of $3,381,518 and (2) amortization of an advisory fee it received from KTV in the amount of $55,120. BB&T claimed the following deductions on its 1997 federal income tax return associated with the Transaction: (1) rent to Sodra in the amount of $9,894,362; (2) interest expense in the amount of $2,820,925; and (3) amortization of the fees and expenses paid in connection with the Transaction in the amount of $137,943. Upon audit of BB&T's 1997 federal income tax return, the IRS disregarded the income and disallowed the deductions associated with the Transaction resulting in an increase of $9,416,592 in BB&T's taxable income for

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1997. BB&T paid a deficiency for 1997 in the amount of $3,295,807 plus $1,296,861 in interest for a total of $4,592,668. BB&T filed a claim for refund, which the IRS denied. BB&T filed the instant action for refund of the deficiency and interest. Both parties filed motions for summary judgment.

The parties have not cited, nor has the Court located, any decisions discussing income tax deductions associated with LILO transactions. Thus, the propriety of BB&T's deductions associated with the Transaction is an issue of first impression.

II.

Summary judgment is proper only when, viewing the facts in the light most favorable to the non-moving party, there is no genuine issue of any material fact, and the movant is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(e); Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986); Cox v. County of Prince William, 249 F.3d 295, 299 (4th Cir. 2001). An issue is genuine if a reasonable jury, based on the evidence, could find in favor of the non-moving party. Anderson v. Liberty Lobby, 477 U.S. 242, 248 (1986); Cox, 249 F.3d at 299. There is no genuine issue of material fact if the nonmoving party fails to make a sufficient showing on an essential element of its case as to which it would have the burden of proof at trial. Celotex, 477 U.S. at 322-23. In essence, the summary judgment analysis concerns "whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one

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party must prevail as a matter of law." Anderson, 477 U.S. at 251-52; O'Connor v. Consol. Coin Caterers Corp., 56 F.3d 542, 545 (4th Cir.1995).

III.

The Supreme Court has long held that "an income tax deduction is a matter of legislative grace and that the burden of clearly showing the right to the claimed deduction is on the taxpayer." Interstate Transit Lines v. Comm'r, 319 U.S. 590, 593 (1943). Moreover, deductions are strictly construed and allowed only "as there is a clear provision therefor." New Colonial Ice Co. v. Helvering, 292 U.S. 435, 440 (1934). In determining whether a particular deduction should be allowed, courts must be mindful that "[t]he legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them, by means which the law permits, cannot be doubted. But the question for determination is whether what was done, apart from the tax motive, was the thing which the statute intended." Gregory v. Helvering, 293 U.S. 465, 469 (1935). Thus, the question in this case is whether BB&T has clearly shown that its claimed deductions are what the applicable Internal Revenue Code statutes intended.

A.

The parties agree it is a central tenet of income tax law that the substance of a transaction, rather than its form, governs for tax purposes. Frank Lyon Co. v. United States, 435 U.S. 561, 572-73 (1978). The substance over form doctrine recognizes that the "incidence of taxation depends upon the substance of the

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transaction . . . . To permit the true nature of a transaction to be disguised by mere formalisms, which exist solely to alter tax liabilities, would seriously impair the effective administration of the tax policies of Congress." Comm'r v. Court Holding Co., 324 U.S. 331, 334 (1945). As the Fourth Circuit has explained the doctrine: "Because substance takes precedence over form in tax law, however, we cannot permit the parties' chosen language to control the tax consequences of their transaction." Halle v. Comm'r, 83 F.3d 649, 655 (4th Cir. 1996).

Sodra and BB&T selected the form of a lease and immediate sublease, also referred to as a LILO, for the Transaction. As a result of this form selected by the parties, BB&T claimed a substantial rent deduction and deductions for fees associated with the Transaction on its 1997 income taxes. The question, however, is whether this form should be respected for tax purposes.

1.

The parties agree that in order for BB&T to be entitled to deduct rent and other expenses associated with the Head Lease, it is necessary for BB&T to have acquired a leasehold interest in the Equipment. The Government asserts that "Sodra continues to use the pulp-making equipment as before" and concludes that "Sodra never conveyed to BB&T a real leasehold interest in its property, and BB&T is not entitled to the tax deductions it claims." [Doc. # 36, at 14]. BB&T, on the other hand, asserts that Sodra's use of the Equipment was altered by the Transaction in that Sodra was required to pay rent to use the equipment and that

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Sodra assumed several new obligations regarding the Equipment such as "maintaining and operating the Equipment consistently with certain standards, holding a specified amount of insurance, and filing certain reports." [Doc. #44, at 11].

The undisputed facts relevant to this inquiry are as follows: (1) Prior to the Closing Date, Sodra operated the Equipment in the normal course of its pulp-manufacturing business. [Stip. Facts ¶ 54]; (2) Prior to the Closing Date, Sodra was responsible for all costs associated with the Equipment's use and maintenance. [Stip. Facts ¶ 55]; (3) Pursuant to the Head Lease, during the Head Lease term, BB&T is entitled to sole possession of the Equipment, subject to Sodra's right to an annual inspection, is entitled to operate the Equipment until the end of the Head Lease Term, is required to use, operate, maintain, service, repair, and overhaul the Equipment, is responsible for all costs related to the use and maintenance of the Equipment, and is entitled to retain all profits from its use of the Equipment. [Stip. Facts ¶¶ 56-60]; (4) Pursuant to the Lease, during the Lease term, Sodra is entitled to sole possession of the Equipment, subject to BB&T's right to an annual inspection, is entitled to operate the Equipment until the end of the Head Lease Term, is required to use, operate, maintain, service, repair, and overhaul the Equipment, is responsible for all costs related to the use and maintenance of the Equipment, and is entitled to retain all profits from its use of the Equipment. [Stip. Facts ¶¶ 56-60]; (5) The combined effect of the Head Lease

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and Lease is that BB&T does not have the right to possess the Equipment (apart from its right to make an annual inspection) and does not have the right to use the Equipment (except by leasing it to Sodra) until the end of the Lease term, the occurrence of a Lease default, or early termination of the Lease. [Stip. Facts ¶¶ 67-68; (6) Between 1995 and 2001, Sodra has invested approximately $199.6 million in improvements and modifications to the Equipment [Stip. Facts ¶¶ 30-31].

Where a conveyance of property is accompanied by retention of the same interest in the property, only a future interest in the property is conveyed. Ashlock v. Comm'r, 18 T.C. 405 (1952); Alstores Realty Corp. v. Comm'r, 46 T.C. 363, 371 (1966); see also Kruesel v. United States, 12 A.F.T.R. 2d 5701, 5704-05 (D. Minn. 1963) (considering whether the taxpayers had sold their entire "bundle of rights" in property and concluding that taxpayers had reserved a life estate.)

In Ashlock, a property owner sold certain property but retained possession and the right to receive rents for approximately two additional years. Ashlock, 18 T.C. at 407. The issue before the court was whether the rents constituted taxable income. The court found that the taxpayer had acquired only a future interest in the property because "the [sellers] not only retained the rents legally but they also retained control and benefits of ownership." Id. at 411. In particular, the Ashlock court noted that the sellers agreed to pay property taxes, insurance premiums, normal maintenance and expenses. Id. Moreover, in the event the property was damaged or destroyed, the loss would be borne by the sellers during the two year

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period. Id. Ashlock was decided on the basis of substance over form: "taxation is not so much concerned with the refinements of title as it is with actual command over the property taxed - the actual benefit for which the tax is paid." Ashlock, 18 T.C. at 411 (quoting Corliss v. Bowers, 281 U.S. 376, 378 1930).

In Alstores Realty, on the other hand, the court rejected the taxpayer-buyer's argument (based on Ashlock) that "although in form there may have been a sale and leaseback, in substance, there was a conveyance of a future interest" where the seller "retained its right to occupancy not as a lessee . . . but as a legal owner of a reserved term for years." Alstores, 46 T.C. at 371. The Alstores court, analyzing similar factors to those considered in Ashlock, concluded that the buyer in Alstores (unlike the buyer in Ashlock) had agreed to pay for heat, electricity, and water for the seller-tenant. Id. at 372. In addition, the buyer, rather than the seller, bore the risk or burden in the event the property was damaged or destroyed. Ultimately, the court rejected the taxpayer-buyer's argument and concluded that "the buyer bore the risks and burdens of ownership" and was the legal owner for tax purposes. Id.

According to the form established by the parties, Sodra purported to lease the right to use and possess the Equipment to BB&T and immediately sublease back from BB&T the same rights to use and possess the Equipment. In this case, Sodra (as did the seller in Ashlock) retained in substance, at least for the term of the Lease, its rights of use and possession as the legal owner of the Equipment.

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Indeed, as the stipulated facts make clear, the rights that Sodra purportedly transferred to BB&T under the Head Lease are identical to the rights that BB&T purportedly transferred back to Sodra under the Lease. [Compare Stip. Facts ¶¶ 56-60 with ¶¶ 62-66; see Stip Facts ¶¶67-68].

In substance, Sodra's use and possession of the Equipment was unaltered by the Transaction (but for BB&T's annual right of inspection). In particular, Sodra used, maintained, and serviced the Equipment as it did before the Transaction and even made significant investments in and improvements to the Equipment. In addition, Sodra was entitled to all of the profits generated from the use of the Equipment during the term of the Lease. Moreover, although the form of the transaction required Sodra to make rent payments to BB&T, those payments were in fact made by the Debt PUA, were funded in full by BB&T's Initial Head Lease Payment, and did not require Sodra to invest any of its own funds.

BB&T also asserts that Sodra was required to assume additional obligations as a result of the Lease. In support of this assertion, BB&T has cited sections 15(g) and 16(a) of Exhibit 12 to Doc. #36, which is the Head Lease document. Exhibit 12 does not contain a section labeled 15(g), and section 16(a) creates BB&T's duty to provide acceptable collateral to secure BB&T's obligation to make the Deferred Head Lease Payment. Upon review of the Lease, which is Exhibit 13 to Document #36, it appears that BB&T may have been attempting to refer to sections 5(g) and 6(a) of Exhibit 13. Section 5(g) of the Lease requires Sodra to

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prepare certain reports associated with Governmental Actions that must be filed with any Governmental Authority. Section 6(a) of the Lease provides that Sodra must maintain insurance on the Equipment. There is no indication in the record that either these government reports or the requirement of insurance were obligations unique to the Lease and not borne by Sodra prior to execution of the Lease.

In addition, BB&T asserts that it acquired a leasehold interest in the Equipment because in the event Sodra elects not to exercise the purchase option and BB&T compels Sodra to execute an additional sublease, then the Equipment would be returned to BB&T with nine years remaining in the Head Lease and BB&T will "bear an unlimited risk of loss" on that leasehold interest. [Doc. #44, at 15]; Thomas v. Comm'r, 84 T.C. 412, 435 (1985) (considering whether taxpayer bore the risk of losing its investment in computer equipment).

The Thomas court noted that the taxpayer "bore the risk at the end of the leases that the residual value would not be sufficient to recoup its cash outlay." 84 T.C. at 435. Here, however, the Transaction was structured so that there was no risk to BB&T's initial (and only) cash outlay. Of the $18,228,895 million that BB&T initially transferred into the Trust account at ABN, $12,000,193 was paid to the Equity PUA to purchase certain government securities. The remainder of BB&T's equity investment, $6,228,702, was transferred to Sodra's account at ABN as Sodra's "incentive for doing the deal." [Doc. #36, ex. 15 at 2]. In the

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event Sodra exercises the purchase option, the funds in the Equity PUA will be returned to BB&T through the payment of the purchase price. In the event Sodra does not exercise the purchase option and BB&T enforces the Sublease Renewal provision, the funds in the Equity PUA will be returned to BB&T through the Sublease Renewal rents. Moreover, BB&T's own internal documents note that Sodra's Letter of Credit requirement added to BB&T's security that its initial investment, *and* anticipated after-tax yield, would be protected from loss at all times. [Doc. #36, ex. 15, at 2].

In sum, because Sodra retained, in substance, all of the rights it possessed in the Equipment, at least for the term of the Lease, BB&T could not have acquired any of those rights during the term of the Lease. Rather, BB&T could acquire only a future interest in the Equipment that will mature at the end of the Lease term and then only in the event Sodra elects not to exercise its option (funded in full by the Equity PUA and the Debt PUA) to buyout BB&T's interest in the Head Lease. BB&T's payments to Sodra are not "rent payments." The fact that BB&T did not acquire a current leasehold interest in the Equipment is further demonstrated by the fact that BB&T bore no real risk of loss of its initial investment in the Transaction.

2.

The Government also asserts that the Head Lease and Lease should be disregarded or collapsed asserting that when parties have established two or more separate transactions that create offsetting obligations in order to generate tax

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savings, courts have collapsed these offsetting obligations and recharacterized the transactions into a single transaction. Rogers v. United States, 281 F.3d 1108 (10th Cir. 2002) (recharacterizing purported loan and stock option transaction into a sale/redemption of stock in exchange for cash); United States v. Ingalls, 399 F, 2d 143, 145-46 (5th Cir. 1968) (disregarding offsetting installment obligations that could be accomplished through a simple bookkeeping entry); Big "D" Development Corp. v. Comm'r, T.C. Memo 1971-148 (1971), aff'd 453 F.2d 1365 (5th Cir. 1972) (disregarding series of bookkeeping entries intended to qualify land sale transaction at issue for installment method of reporting income).

The Government asserts the following facts demonstrate that the Head Lease and Lease, as well as the myriad (and circular) financing agreements, essentially create offsetting obligations for Sodra and BB&T. Specifically: (1) Pursuant to the "Head Lease" BB&T acquired an undivided interest in the Equipment for a period of 36 years [Stip. Fact ¶ 41]; (2) Pursuant to the Lease, Sodra immediately acquired the same undivided interest in the Equipment a term of 15.5 years. [Stip. Fact ¶ 42]; (3) The Debt PUA payments satisfy both Sodra's rental obligations to BB&T under the sublease and BB&T's obligations to HBU under the loan agreement. [Stip. Facts ¶¶ 93-95]; (4) The interest rate on the funds that Sodra paid to the Debt PUA Issuer is equal to the interest rate on the HBU loan. [Doc. #36, ex. 15 at 2]; (5) Sodra's purchase option at the end of the Lease term is funded entirely from the Debt PUA and the Equity PUA. [Stip. Facts.

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¶¶ 120-22]; (6) In the event Sodra does not exercise the purchase option and BB&T requires Sodra to renew the Lease, the funds remaining in the Debt PUA and the Equity PUA are enough to satisfy in full the rental payments of the extended sublease. [Doc. #36, ex. 15; see also Stip. Facts. ¶ 139]; (7) If Sodra does not exercise the purchase option and BB&T remains obligated to make the $557.8 million deferred Head Lease payment in 2038, which would be "ultimately offset by the Sublease Renewal or Replacement Sublease rents plus an implied interest rate." [Doc. #36, ex. 14 at 5]. In sum, the Government concludes that these reciprocal obligations, which were designed to create significant tax savings, should be collapsed to reflect the true substance of the transaction – BB&T's payment of transaction costs and its investment in the government securities purchased by Fleet pursuant to the Equity PUA.

BB&T asserts the Government has mischaracterized the facts regarding the Transaction. In support of its arguments, however, BB&T relies upon the closing documents themselves, and in so doing, elevates form over substance. For example, in response to the Government's claim that the Lease rent payments are made "at no cost" to Sodra, BB&T cites the $68 million that Sodra was required to pay pursuant to the Debt PUA. [Doc. #44, at 6 ("Since Sodra paid $68 million for the Debt PUA, the payment of its rental obligations pursuant to the Debt PUA cannot possibly be described as 'at no cost' to Sodra.")]. In substance, however, Sodra was not required to expend any of its own funds. Rather, the funds for

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Sodra's $68 million payment were provided by HBU to a trust account at ABN and the Trust made a $68,008,236 payment, on behalf of Sodra, to ABN as the Debt PUA Issuer. [Stip Facts ¶¶ 80-83].

Similarly, in challenging the Government's contention that the $557.8 million head lease payment is only "theoretically due," BB&T refers to portions of the Head Lease discussing the logistics of the Deferred Head Lease payment. While the form of the Transaction may require BB&T to make a Deferred Head Lease Payment in the amount of $557.8 million, in substance the Sublease Renewal rents or Replacement Sublease rents would grow at a predetermined rate so that by the time the Deferred Head Lease Payment becomes due, the value of those rents would be equal to the Deferred Head Lease Payment. Thus, in substance, BB&T is not required to expend any additional funds, other than its initial investment in the Transaction, in order to make the Deferred Head Lease payment.

When these offsetting and reciprocal obligations are disregarded, it is clear that BB&T and Sodra did not enter into a lease and sublease of the Equipment. Under the form selected by the parties, Sodra purportedly leased its right to use and possess the Equipment to BB&T under the Head Lease. BB&T's right to use and possess the Equipment under the Head Lease is offset by Sodra's right to use and possess the Equipment under the Lease. Sodra's rental payments under the Lease are equal in timing and amount to BB&T's debt servicing payments to HBU. If Sodra elects to purchase BB&T's interest in the Head Lease at the end of the

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Lease term, the purchase price will be funded in full by the Equity PUA and the Debt PUA. If Sodra elects not to exercise the purchase option, BB&T's Deferred Head Lease payment will be funded in full (and if not completely funded will be no-recourse to BB&T) by the Sublease Renewal Rent or Sublease Replacement Rent. Once these obligations are disregarded, all that remains is BB&T's payment of transaction costs and investment in government securities purchased by the Equity PUA.

3.

BB&T did not acquire a current leasehold interest in the Equipment. When the substance of the Transaction, and not its form, is considered, BB&T acquired only a future interest in the right to use and possess the Equipment. Moreover, when the reciprocal and offsetting obligations of the Transaction are disregarded, it becomes clear that BB&T paid transaction costs and invested in government securities purchased through the Equity PUA. As such, BB&T was not entitled to deduct rent and other transaction costs on its 1997 income taxes. The Government's Motion for Summary Judgment on the propriety of the rent and expense deductions is GRANTED.

B.

Section 163(a) of the Internal Revenue Code provides generally for the deductibility of interest: "There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness." 26 U.S.C. § 163(a). It is well

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established that "deductible interest can only accrue on *genuine* indebtedness." Halle v. Comm'r, 83 F.3d 649, 655 (4th Cir. 1996). The term "'interest on indebtedness' means compensation for the use or forbearance of money." Deputy v. du Pont, 308 U.S. 488, 498 (1940). In determining whether a loan transaction involves genuine indebtedness, courts "must look beyond the parties' terminology to the 'substance and economic realities'" of the transaction. Halle, 83 F.3d at 655.

In this case, the stipulated facts relevant to the section 163(a) deduction are as follows: (1) BB&T paid the advance Head Lease payment, in part, with the proceeds of a non-recourse loan from HBU in the amount of $68,008,236 [Stip. Facts ¶ 76]; (2) At closing, ABN, "on behalf of HBU," transferred $68,008,236 to BB&T's Trust account at ABN [Stip. Facts ¶ 80]; (3) At closing, the Trust made a $68,008,236 payment, on behalf of Sodra, to ABN as the Debt PUA Issuer [Stip. Facts ¶¶ 82-83]; (4) During the Basic Lease Term, BB&T's scheduled debt payments to HBU and Sodra's annual rent payments to BB&T are equal to the scheduled payments required by the Debt PUA [Stip. Facts ¶ 90]; (5) During the basic lease term, the Debt PUA payments will satisfy both Sodra's rent to BB&T and BB&T's debt service payments (including principal and interest) to HBU in full [Stip. Facts ¶¶ 93-95]; and (6) on its 1997 federal income tax return, BB&T claimed an interest expense deduction in the amount of $2,820,925 [Stip. Facts. ¶ 159].

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When the intermediate payment steps are disregarded, which must be done in order to consider the substance of the loan transaction and not the form selected by the parties, it becomes clear that the loan transaction is only a circular transfer of funds in which the HBU loan is paid from the proceeds of the loan itself. There was no money lent to BB&T in a substantive sense, and the HBU loan does not reflect genuine indebtedness. See Felcyn v. United States, 691 F. Supp. 205, 212 (C.D. Cal. 1988) (finding taxpayer was not entitled to section 163(a) deduction where interest purportedly paid on the "loan" at issue was "simply part[ ] of a circularization of funds which do not amount a loan").

For interest to accrue, at least within the meaning of section 163(a), there must be an underlying indebtedness requiring an "unconditional and legally enforceable obligation for the payment of money." Autenreith v. Comm'r, 115 F.2d 856, 858 (3d Cir.1940), aff'g 41 B.T.A. 319 (1940). In this case, although the loan documents – the form selected by the parties – may provide that BB&T has a legal obligation to repay the loan, the transaction in fact – the substance – does not actually require BB&T to pay any money to HBU. As noted above, through the circular nature of the transaction, BB&T's purported principal and interest payments are actually paid from the proceeds of the loan itself. In fact, after the closing in June 1997, BB&T was not required to provide any additional funds over the life of the loan. As such, BB&T's purported interest payments cannot be what Congress intended to allow as an income tax deduction. See

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Hines v. U. S., 912 F.2d 736, 741 (4th Cir. 1990) ("The lease and debt payments between the [parties] were structured to be offsetting. The circularity meant that the transaction became self-sustaining after the payments at closing with virtually no further financial input necessary from any of the parties."); Bridges v. Comm'r, 39 T.C. 1064, 1077, aff'd 325 F.2d 180 (4th Cir. 1963) (noting that transaction as structured by the parties created a situation where "there was no reason to think that [the taxpayer] would have been called upon to pay the note out of his own funds or to put up additional collateral" and concluding that the transaction at issue "merely provided the facade of a loan").

Moreover, even if ABN were to become bankrupt and be unable to make the required payments under the Debt PUA, BB&T still would not be required to make any payments to HBU. First, it must be noted that BB&T required a particular credit rating for ABN as the Debt PUA as assurance that the possibility of such a bankruptcy was remote. In addition, as BB&T internal documents make clear, even if the Debt PUA issuer failed, BB&T would not need to advance any additional funds: "If the Issuer fails, Sodra is still obligated for the rental payments and the rental payments will be used by BB&T to retire the debt. However, if Sodra is unable to make rental payments, the loan is non-recourse to BB&T." [Doc. #36, ex. 14 at 26].

Section 163(a) was intended to create a deduction for interest paid or accrued on indebtedness. Here, the purported loan from HBU to BB&T does not

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constitute genuine indebtedness. Despite the form of the Loan and Security Agreement, in substance, BB&T was not required to make any payments to HBU. Rather, the debt service payments were made from the proceeds of the loan itself. BB&T has not established that it was entitled to an interest deduction pursuant to section 163(a). The Government's Motion for Summary Judgment on the interest deductions is GRANTED.

IV.

In conclusion, the United States of America's Motion for Summary Judgment [Doc. #36] is GRANTED. Therefore, Plaintiff BB&T Corporation's Motion for Summary Judgment [Doc. #38] is DENIED, and BB&T's Motion to Preclude Expert Testimony [Doc. #61] is DENIED as MOOT.

This the day of January 4, 2007

/s/ N. Carlton Tilley, Jr.
United States District Judge

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System Administrator

From: System Administrator
Sent: Thursday, January 04, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1040943 KB.
Mailbox size limits:

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You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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From: USDOJ- Office of Public Affairs
Sent: Thursday, January 04, 2007 7:53 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. MARSHALS SELECT FORT SMITH, ARKANSAS AS SITE FOR NEW MUSEUM

U.S. Department of Justice

United States Marshals Service

For Immediate Release
January 4, 2007

CONTACT: Public Affairs
(202) 307-9065

U.S. MARSHALS SELECT FORT SMITH, ARKANSAS AS SITE FOR NEW MUSEUM

Site Selected After Two-Year Study By Marshals Service

WASHINGTON, DC – The United States Marshals Service (USMS) has selected Fort Smith, Arkansas, as the host city for the Agency's new museum. Director John F. Clark made the announcement today after receiving recommendations from a 10-person museum committee that has been studying the issue for the past two years.

Fort Smith, located in the western part of the state, was chosen as the future home for the new museum over the other finalist city, Staunton, Virginia. "This was a tough decision, as we were very pleased with the enthusiasm of both finalists," said Director Clark. "Now that we have selected Fort Smith, we are excited about this new opportunity to tell the story of the U.S. Marshals Service's 217-year history to the country."

Once completed, the museum will feature artifacts and special exhibits from America's oldest federal law enforcement agency, serve as an educational center, and memorialize the Marshals Service's past, present and future law enforcement roles.

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"We want to create an educational environment to inspire visitors, including the display of key artifacts and interactive exhibits to illustrate our many historical missions," says Historian David S. Turk. "Throughout the history of this country, the Marshals Service has always answered the call for help, and we want people to see, hear and experience our story."

Director Clark thanked the committee, chaired by USMS Assistant Director Michael Pearson, which visited each finalist city. Committee members spent several days in each city evaluating such things as tourism, community support, historical ties and their business plans. "This committee worked very hard to study the strengths of each city. We wanted to form a partnership that would benefit not only the museum, but the community as well," said Assistant Director Pearson. "Now that we're partnering with Fort Smith, we're excited about transforming this vision into reality."

Director Clark said that no date has been set for the opening of the museum, but he indicated that he plans to visit Fort Smith and meet with local officials to discuss the plans for the museum.

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System Administrator

From: System Administrator
Sent: Thursday, January 04, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1041244 KB.
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System Administrator

From: System Administrator
Sent: Friday, January 05, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1041245 KB.
Mailbox size limits:

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 05, 2007 9:36 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 5, 2007

Department of Justice

PRESS GUIDANCE
Friday, January 05, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.12524-000001

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System Administrator

From:	System Administrator
Sent:	Friday, January 5, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Your mailbox size is 1044548 KB.
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System Administrator

From: System Administrator
Sent: Friday, January 05, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1044556 KB.
Mailbox size limits:

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System Administrator

From: System Administrator
Sent: Friday, January 05, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1044556 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 05, 2007 2:59 PM
To: USDOJ- Office of Public Affairs
Subject: SCCI HEALTH SERVICES & SUBSIDIARY PAY U.S. $7. 5 MILLION FOR KICKBACK & FALSE CLAIMS ACT VIOLATIONS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 5, 2007
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

SCCI HEALTH SERVICES & SUBSIDIARY PAY U.S. $7. 5 MILLION FOR KICKBACK & FALSE CLAIMS ACT VIOLATIONS

WASHINGTON – Texas-based SCCI Health Services Corporation (SCCI) and its subsidiary, SCCI Hospital Ventures Inc., have paid the United States $7.5 million to settle allegations that the companies violated the Stark self-referral statute and the False Claims Act, the Justice Department announced today. SCCI, which was purchased by Triumph Hospital in 2005, operates long term acute care facilities across the United States.

The government complaint alleged that from November 1996 through at least 1999, SCCI entered into prohibited financial relationships with three physicians and paid these physicians illegal payments in violation of the Stark statute. The government further alleged that from November 1996 through at least 1999, SCCI either submitted or caused false claims to be submitted to the Medicare program, as a result of these prohibited financial relationships, in violation of the False Claims Act.

"The Justice Department is committed to investigating cases that threaten the integrity of the Medicare program, especially when providers fail to abide by federal laws prohibiting the referral of Medicare patients in exchange for a fee," said Assistant Attorney General Peter D. Keisler.

The settlement resolves a civil case filed on behalf of the government on April 1, 1999 by former employees and an independent contractor who worked for SCCI Houston. Daryl Kaczymarczyk, Patricia

DOJ_NMG_ 0172278

Rocha, Michelle Pate, Michael Brigle and Theresa Taylor filed the case under the *qui tam* or whistleblower provisions of the False Claims Act, which authorize private parties to file lawsuits on behalf of the United States. On Oct. 2, 2002, the government intervened in the Stark Act claims as to the three physicians. The United States filed its complaint in the case on March 10, 2003. Of the total settlement amount, $1 million resolves additional allegations as to which the government did not intervene. As a result of the settlement, the five whistleblowers shared $1.7 million.

"The Justice Department and the United States Attorney's Office are committed to preventing and punishing improper financial relationships between physicians and hospitals. Such relationships have great potential to adversely impact the physician's judgment and result in Medicare funds being spent on unnecessary and expensive hospital stays," said Donald J. DeGabrielle Jr., United States Attorney for the Southern District of Texas.

The case was handled by the Justice Department's Civil Division and the U.S. Attorney's Office for the Southern District of Texas, with the assistance of the Federal Bureau of Investigation.

# # #

07-003

DOJ_NMG_ 0172279

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Image not available for this document, ID: 0.7.10316.12505-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 5, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045139 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, January 05, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045157 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 05, 2007 7:45 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 8 – JANUARY 12, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 5, 2007

OPA (202) 514-2008

WWW.USDOJ.GOV

TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 8 – JANUARY 12, 2007

Monday, January 8

Events TBD

Tuesday, January 9

Events TBD

Wednesday, January 10

11:00 A.M. EST Solicitor General Paul Clement will present consolidated arguments on behalf of the United States in *Davenport v. Washington Education Association* and *Washington v. Washington Education Association* on the topic of the First Amendment.
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

11:45 A.M. CST Attorney General Alberto R. Gonzales will participate in a press conference regarding Department of Justice efforts to combat violent crime and assist with

DOJ_NMG_ 0172284

securing the nation's borders. The press conference will follow a visit to the Laredo Port of Entry.
World Trade Bridge
Laredo, Texas
OPEN PRESS

Press inquiries regarding logistics should be directed to Kim Smith at 202-353-5505.

1:00 P.M. EST FBI Assistant Director Chip Burrus will be a guest speaker at the Reuters 2007 Market Regulation Summit.
Reuters Washington Bureau
1333 H Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Steve Kodak at 202-324-9250.

Thursday, January 11

4:45 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks at the U.S. Attorneys National Security Conference regarding the Departments efforts in preventing terrorist attacks.
Department of Justice National Advocacy Center
1620 Pendleton St
Columbia, South Carolina
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Friday, January 12

Events TBD

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DOJ_NMG_ 0172285

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Image not available for this document, ID: 0.7.10316.12503-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 5, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045201 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 6, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045202 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 6, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045203 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 06, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045204 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 6, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045205 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 6, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045206 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 06, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045207 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 06, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045207 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 7, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045208 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 7, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045209 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 07, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045210 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 07, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045211 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 07, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045212 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 07, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045213 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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System Administrator

From: System Administrator
Sent: Sunday, January 07, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045214 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 08, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1045215 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 08, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1052363 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 08, 2007 9:51 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 8, 2007

Department of Justice

PRESS GUIDANCE
Monday, January 08, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.12240-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, January 08, 2007 10:10 AM
Subject: JCON BROADCAST, WEEK OF JANUARY 8, 2007

JCON BROADCAST, WEEK OF JANUARY 8, 2007

1. **2007 Martin Luther King Day of Service**
2. **Combined Federal Campaign Extended to January 19th**
3. **Justice Café Coffee Shop Offers Expanded Food Service**
4. **Research Classes Offered by Library Staff**

2007 Martin Luther King Day of Service

During January, we commemorate and remember the life of Dr. Martin Luther King, Jr. In 1994, Congress passed the King Holiday and Service Act, which designated the King Holiday as a national day for community service. Instead of just a day off from work, Congress and Dr. King's family have asked all Americans to honor Dr. King's memory that day by becoming involved in projects that bring people from different backgrounds together to serve their communities.

The 2007 Martin Luther King Day of Service, planned for January 15th, will be the largest commemoration of service honoring Dr. King to date. It will provide an excellent opportunity for you, your family, and friends to join with others in the spirit of volunteerism. If you are interested in registering for a volunteer project, please visit the King Day Service project website at www.mlkday.gov.

Combined Federal Campaign Extended to January 19th

It's not too late to give! Start 2007 by giving a contribution to the charity of your choice through the CFC. Turn in your pledge card soon! Visit the Department's CFC website to learn more at www.usdoj.gov/jmd/ps/empcfc.htm. The campaign will conclude on January 19, 2007.

Justice Café Coffee Shop Offers Expanded Food Service

The Justice Café Coffee Shop has expanded its food service, starting today, Monday, January 8. In addition to coffee, light snacks, pastries, and drinks, our food service vendor is offering pre-packaged sandwiches and salads plus two hot soups and fresh breads daily. Operating hours will remain the same, from 7:30 a.m. until 3:00 p.m. The Coffee Shop is located near elevator

bank #7. Please come down and enjoy your morning and afternoon coffee in addition to soups, sandwiches, and salads!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

Miller, Charles S

From: Miller, Charles S
Sent: Monday, January 8, 2007 10:51 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 1/8/07 Civil Division News

Limone, Salvati To Take Stand In FBI Case

Congressional committee to look at Arar case

Hicks will be charged `in weeks'

Whistle-blower awaits ruling after 17 years

Docs to repay $2.9M to patients

Ex-auditor sues over royalties; Former Interior worker alleges Kerr-McGee illegally evaded fees

Former acute-care service settles suit for $7.5 million / Ex-workers and contractor alleged Medicare fraud at SCCI Corp.

Press Release: PepsiCo Sued for Fraud for Failure to Pay $100,000,000 in Custom Importation Duties on its Pepsi Concentrate

CBS4Boston

January 8, 2007

Limone, Salvati To Take Stand In FBI Case

Dan Rea

(CBS4) SOUTH BOSTON - Testimony continues on Monday in a multi-million dollar lawsuit in federal court against the FBI. Peter Limone and Joe Salvati both spent three decades behind bars for a murder they didn't commit. Both men will be on the witness stand Monday.

For three decades, Limone and Salvati sat in prison for a crime they did not commit. Their lawyers allege that the FBI allowed a former mob hit-man to lie on the witness stand and they want millions from the federal government for these wrongful incarcerations.

Peter Limone will be back on the witness stand Monday talking about what the FBI and an FBI informant did to him and his family.

Limone and three others were wrongfully convicted for the murder of Teddy Deegan.

The FBI brought their now disgraced informant Joe "The Animal" Barboza to state prosecutors to testify against Limone, Joe Salvati and two others who died in prison for a crime they did not commit.

Joe Salvati will detail the 30-year separation from his wife, Marie and their four children.

This civil lawsuit is being tried without a jury.

Federal judge Nancy Gertner will decide this case and assess damages against the federal government if the plaintiffs prove wrongful imprisonment.

Legal researchers believe that the wrongful imprisonment of Salvati, Limone, Henry Tameleo and Louis Greco is the longest intentional wrongful imprisonment in the nation's history.

The four men spent a total of 109 years in prison for a murder they did not commit. If judge Gertner agrees, the total recovery could exceed the $100 million figure.

END

The Arab American News.com

January 7, 2007

Congressional committee to look at Arar case

By: Reuel S. Amdur / The Arab American News

In an interview with the "Toronto Star" on December 20, Democratic Congressman Patrick Leahy of Vermont, incoming chairman of the House Judiciary Committee, said he will call Attorney General Alberto Gonzales before the committee to ask him why Maher Arar is still barred from the United States. Arar is the Canadian spirited away to Syria while on a stopover in New York from Europe to Montreal. In Syria he was tortured.

Leahy told the "Star" that he wants answers about the whole program of extraordinary rendition. With regard to Arar's fate, Leahy charged that, in sending him to Syria, authorities knew he was "going to be tortured. . . . It is a gross human rights violation." Arar's Toronto lawyer Lorne Waldman was "very encouraged" by Leahy's remarks.

END

Australian

January 9, 2007

Hicks will be charged `in weeks'

Pia Akerman, Rebecca Weisser

FOREIGN Minister Alexander Downer has urged US authorities to bring David Hicks to trial as soon as possible, confirming Australia will ask for him to be sent home if he is not charged.

As the fifth anniversary of Hicks's incarceration looms this week, US authorities are expected to release regulations covering the new military commission to try him within the next fortnight.

Mr Downer said yesterday he expected charges to be brought against Hicks, who is held in Guantanamo Bay in Cuba, ``within a matter of weeks''.

``Our expectation and the advice we have from the Americans is that they are going to bring on the charges against David Hicks and the sooner they do that the better,'' he said. ``I think we've made the position pretty clear all along in relation to both Hicks and Habib. When the Americans said they wouldn't charge (Mamdouh) Habib, we said, `Well, if you're not going to charge him we think it best you send him back to Australia'.''

Mr Downer said substantial funds had been invested in ensuring Hicks's access to free legal advice. ``I think I'm right in saying the Attorney-General's department has spent $300,000 of taxpayers' money funding legal representation for Mr Hicks,'' he said.

Hicks, 31, was arrested in Afghanistan in 2001 and has previously pleaded not guilty to conspiracy, attempted murder and aiding the enemy.

In June last year the US Supreme Court ruled military tribunals set up to try Hicks and other Guantanamo Bay inmates were illegal and charges against them were dropped.

Meanwhile, a new report released yesterday revealed Australia has spent $8 billion protecting the nation against terrorism since the 9/11 attacks.

Attorney-General Philip Ruddock confirmed yesterday the Government would extend the life of the National Security Hotline with a $19 million funding injection.

END

AP**Error! Hyperlink reference not valid.**January 7, 2007

Whistle-blower awaits ruling after 17 years

By Mark Sherman
ASSOCIATED PRESS

WASHINGTON - After 17 years, James Stone has perhaps a few more months to wait before he learns whether he will collect as much as $1 million for exposing fraud by a government contractor at a

now-closed nuclear weapons plant.

A court ordered Rockwell International, now part of aerospace giant Boeing Co., to pay the government nearly $4.2 million for fraud connected with environmental cleanup at the Rocky Flats plant northwest of Denver. Stone, a former employee at the facility, could be entitled to as much as one-quarter of the payment under the federal False Claims Act.

The 81-year-old retired engineer filed his whistle-blower lawsuit in 1989, the year Rocky Flats shut its operations after nearly 40 years of production. He has survived legal challenges by Rockwell to dismiss the claim or deprive him of his share. The government joined the suit as Stone's partner 10 years ago.

The Supreme Court now has the case. The ruling could affect an anticipated crush of fraud suits if the high court makes it harder for whistle-blowers to share in the proceeds.

If Rockwell wins, "it's going to be much more difficult for whistle-blowers and there are going to be fewer cases," said James Moorman, president of the Taxpayers Against Fraud Education Fund, an advocacy group.

Rockwell must pay the entire penalty no matter how the Supreme Court rules, although it would not have to pay Stone's attorney fees. The only question before the court is whether Stone will get his cut.

The company, backed by defense, energy and pharmaceutical interests, wants the justices to restrict when an individual can collect for suing on the government's behalf.

The Bush administration is on Stone's side even though the government collects more money if Rockwell wins.

"It might be natural for the court to wonder why would it be in the government's interest to advocate that a share of the money damages in this case should be given to a private party," Justice Department lawyer Malcolm Stewart told the justices during the oral argument in early December. "In our view, Stone is precisely the type of relator that Congress intended to encourage." A relator is an individual who sues under the False Claims Act.

The False Claims Act allows individuals, acting on the government's behalf, to file fraud suits against companies that do business with the government. If they prevail, they receive a portion of what the contractor must pay the government.

During World War II, Congress amended the Civil War-era law to make whistle-blower suits more difficult. Since Congress changed the law again in 1986, such suits have returned $11 billion to the government. Recent high-profile cases include settlements with leading pharmaceutical manufacturers.

Sen. Charles Grassley, who led the fight to reinvigorate the False Claims Act in 1986, urged the court to rule in Stone's favor.

Grassley, R-Iowa, said provisions in the law that authorize whistle-blower suits are "essential to the government today to confront fraud in government programs from reconstruction in Iraq to aid for victims of Hurricane Katrina."

The issues before the justices are:

• How much independent knowledge of wrongdoing must someone have to file a False Claims Act suit?

• Does that information have to be part of the case that eventually convinces a jury that a government contractor committed fraud?

Once alleged improprieties are disclosed publicly, often by the media, individuals face a higher hurdle in bringing fraud suits on the government's behalf. Otherwise, people could read a newspaper account or an indictment and then rush to the courthouse to file suit.

The major exception to this rule is if an individual is an original source of the information. That is what Stone claims; several courts have agreed.

Stone did not file suit until after problems at Rocky Flats became public. He did, however, approach federal investigators with information about environmental issues before news accounts were published.

At trial, the jury found Rockwell submitted false claims in 1987 and 1988 saying it was meeting goals of treating low-level radioactive wastes at the former atomic weapons plant. Rockwell laid off Stone in 1986.

Maureen Mahoney, representing the company, told the justices it is implausible for Stone to claim he had independent knowledge of any fraud. "His claim by his own admission starts in 1987, after he was gone," Mahoney said.

Yet both the trial and appeals courts, as well as the government, say Stone has shown he provided information on which the allegations of fraud were based.

A ruling by the Supreme Court is expected before July.

Rocky Flats is designated by the Environmental Protection Agency as a Superfund cleanup site. It is an Energy Department-owned cleanup and closure site.

In nearly four decades, some 70,000 plutonium triggers for nuclear bombs were made at Rocky Flats. Production was halted in 1989 because of chronic safety problems, prompting a raid by FBI agents. The Cold War ended before production could resume. In 1993, the Energy Department announced that the facility's mission was over.

State and federal regulators signed an agreement in 1996 on the cleanup, including demolition of what was termed "the most dangerous building in America" because of leaks, spills and a fire that drove radiation levels off the charts.

The case is Rockwell International v. U.S., ex rel Stone, 05-1272.

END

The Mountain Press

January 6, 2007

Docs to repay $2.9M to patients

KNOXVILLE - A group of 42 cardiologists with East Tennessee Heart Consultants (ETHC) has agreed to pay $2.9 million in restitution and settlement of a civil claim that they have kept overpayments from patients, federally-funded health care programs, and insurance companies since 1995, according to an announcement by the U.S. Attorney's Office.

ETHC has offices in Knox and surrounding counties, including an office at 681 Middle Creek Road in Sevierville.

Settlement of the action was announced Thursday by United States Attorney James R. "Russ" Dedrick at the U.S. District Court in Knoxville.

"Medicare, Medicaid and TennCare are programs funded by federal and state programs with limited funds," said Dedrick.

"Health care providers must understand that failing to return overpayments to these government

programs has an impact on every taxpayer and Medicare and Medicaid recipients in the country and we will not allow such practices to go uncorrected. It is also wholly inappropriate for health care providers to withhold overpayments from their patients," he continued.

The civil action was filed by Kristi Moore and Valerie Byrd, both of whom formerly worked as financial services representatives for ETHC. The women filed the action on behalf of the United States and the State of Tennessee under the qui tam (filed in the name of someone else) provisions of the federal False Claims Act and the Tennessee Medicaid False Claims Act.

The women will jointly receive $334,287 in attorneys fees and their share of the United States' and Tennessee's settlement for their role in filing the qui tam complaint and cooperating with the investigation.

Within 18 months, ETHC must also pay the United States $1,498,896; the State of Tennessee $201,104; $1,043,629 to 11,220 patients; and $167,449 to other insurance companies. Patients must contact ETHC or their insurance carrier to determine if an overpayment was made.

No problems were found with the quality of care patients received at ETHC.

Since being notified of the investigation in 2005, ETHC has already refunded over $700,000 to federal programs and individuals that was not included in the $2.9 million total the group must pay.

Investigation into the womens' complaint was conducted by the U.S. Attorney's Office, Eastern District of Tennessee; local Health Care Fraud Task Force members of the U.S. Department of Health and Human Services, Office of Inspector General; and the Federal Bureau of Investigation. Dedrick credited assistant U.S. attorneys Elizabeth S. Tonkin and A. William Mackie with the bulk of the investigation.

According to Tonkin, ETHC was aware that it had received overpayments which had been recorded in internal accounting systems, and took no action to return them.

Mackie said no criminal charges will be filed because the doctors cooperated in producing records, agreed to pay the restitution and civil settlement, and agreed to be supervised.

END

Rocky Mountain News
January 6, 2007

Ex-auditor sues over royalties; Former Interior worker alleges Kerr-McGee illegally evaded fees

By Gargi Chakrabarty, Rocky Mountain News

A deep-pocketed oil giant and a litigious former auditor have begun battling each other in a Denver federal courtroom, with potentially tens of millions of dollars at stake.

At issue: Whether the oil giant manipulated prices in order to pay less in government royalties.

At Friday's pretrial hearing, a battery of lawyers and legal assistants from law firm Holland & Hart represented defendant Kerr-McGee Corp., the Oklahoma energy company which recently merged with Anadarko Petroleum.

Across the room, a lone lawyer showed up for plaintiff Bobby Maxwell, a former auditor with the U.S. Department of Interior who spent years scrutinizing royalties, or fees, paid by companies that produce oil and natural gas in federal lands.

Maxwell's other lawyer joined the pretrial conference with Judge Phillip Figa via telephone from the

lawyer's home in Hawaii.

Maxwell alleges Kerr-McGee cheated the federal government out of millions of dollars in royalties between 1997 and 2002 by knowingly selling oil produced in the Gulf of Mexico at below-market prices to a company that, in exchange, absorbed many of its marketing costs.

Kerr-McGee denies any wrongdoing. The trial is set to begin Jan. 16.

"Is there any chance the case will be resolved before the trial begins?," Figa asked. He also asked whether it would benefit the parties if his court were to appoint a magistrate to broker peace.

The answer was an emphatic "no."

Both parties agreed it would be a waste of time since previous negotiations had failed.

If he wins, Maxwell says, Kerr-McGee would have to cough up $50 million or more in unpaid royalties and penalties. The federal False Claims Act would allow him and his lawyers to retain 30 percent of the proceeds, while the rest would go to the federal government.

"It's clear the United States would be losing millions of dollars if Mr. Maxwell weren't bringing the claim," said Richard LaFond, Maxwell's lawyer present at the hearing.

Anadarko spokesman John Christian- sen dismissed Maxwell's case as "without merit."

"We are preparing to defend it at trial," Christiansen said.

The genesis of the case goes back to Maxwell's days as an auditor with the Interior Department, when he uncovered alleged cheating by Kerr-McGee on its royalty payments to the Feds.

LaFond said the auditor was advised to drop the case. Also, the agency's chief of enforcement told Maxwell that Johnnie Burton, the director of Minerals Management Service - the Denver-based arm of Interior responsible for collecting royalties - would be "very upset" if he pursued the case.

Maxwell retired in June 2003, but the agency re-employed him within four months for a management position in Denver.

Maxwell decided to file a lawsuit against Kerr-McGee as a private citizen in June 2004. The case was unsealed on Jan. 20, 2005, and a week later the agency eliminated Maxwell's Denver position in what it said was a re-organization.

"There is a reason why major oil has such access to the MMS, and the reason is not apparent," LaFond said.

Maxwell viewed the loss of his job as a firing, and the MMS later settled with him for an undisclosed amount. The agency also had settled with Maxwell on a separate case involving a sexual discrimination lawsuit.

MMS spokesman Patrick Etchart said Maxwell was "never fired," and that he could have applied for a new, publicly advertised position in Houston that was created following the reorganization.

As for the agency's decision not to pursue Kerr-McGee, Etchart said Maxwell's findings had been reviewed by MMS auditors, solicitors, the Inspector General and the Justice Department.

"Based on those reviews, the government declined to join the lawsuit," Etchart said. "So the trial is between Maxwell and Kerr-McGee, and the government has nothing to do with it."

END

Houston Chronicle

January 6, 2007

Former acute-care service settles suit for $7.5 million / Ex-workers and contractor alleged Medicare fraud at SCCI Corp.

ARMANDO VILLAFRANCA

A former long-term acute-care service based in Dallas has paid the federal government $7.5 million to settle allegations of fraudulent Medicare claims, the U.S. Department of Justice announced on Friday.

The settlement resolves a civil lawsuit filed in 1999 by four former employees and an independent contractor who worked for SCCI Houston, a 40-bed long-term acute-care hospital.

SCCI Houston was part of SCCI Health Services Corp., which operated six acute-care facilities in Texas and others outside the state.

The lawsuit was filed under whistleblower provisions of the False Claims Act, which authorizes private individuals to file lawsuits on behalf of the United States.

The government filed its own complaint in March 2003.

The allegations claim that from 1996 to 1999, SCCI entered into illegal financial relationships with three physicians and paid the doctors in violation of self-referral statutes, and submitted or caused false claims to be submitted to the Medicare program.

SCCI Corp. was acquired by Triumph HealthCare in 2005. None of the whistleblowers nor any SCCI employees involved in the fraud were part of the acquisition, said Tanya Snodgrass, vice president of professional relations for Triumph HealthCare.

"We are very happy that it is officially over and we can finally move forward without this distraction," Snodgrass said.

She said Triumph worked with the Justice Department to resolve the lawsuit.

Justice Department spokesman Charles Miller said the whistleblowers, Daryl Kaczymarczyk, Patricia Rocha, Michelle Pate, Michael Brigle and Theresa Taylor, shared $1.7 million of the settlement.

Under the whistleblower provision, anyone who reports fraud can reap between 15 and 25 percent of a settlement, Miller said.

The case was handled by the Justice Department's Civil Division and the U.S. Attorney's Office for the Southern District of Texas, with the assistance of the FBI.

END

PRNewswire

January 8, 2007

Press Release: PepsiCo Sued for Fraud for Failure to Pay $100,000,000 in Custom Importation Duties on its Pepsi Concentrate

SOUTHPORT, Conn., Jan. 8 /PRNewswire/ -- On December 21, 2006, a fraud case against PepsiCo, Inc. and related companies was 'unsealed' in federal district court in White Plains, New York. The case is entitled U.S. Ex Rel Scott Winslow v. PepsiCo, Inc. et.al.(05 CV 9274)(CLB). The case was originally filed on November 1, 2005. However, the federal government did not release the case for suit until December 21, 2006.

According to the complaint, Winslow alleges PepsiCo, and related co-defendants, defrauded the U.S. Government out of $100,000,000 or more of importation duties on its Pepsi Beverage Concentrate.

The complaint alleges, "From July 2002 to February 22, 2005, Mr. Winslow worked for PepsiCo as a Distribution Analyst in the Concentrate Operations Office located in Valhalla, New York."

The complaint also alleges, "...PepsiCo and Defendants never used reasonable care in identifying the proper classification for the importation of its soda concentrate from Ireland. On further information and belief, PepsiCo and Defendants knew they were intentionally using the wrong HTS classification, but continued to do so because it was highly profitable and the Customs Service would not investigate their use of the HTS classification 3302.10.1000."

Finally, the complaint alleges, "During the period January 20, 2004 through March 9, 2005, PepsiCo imported $1,593,258,266.08 ... in declared value of soda beverage concentrate from Ireland, under the HTS classification 3302.10.1000: 'mixtures of odoriferous substances used in the manufacturing of non-alcoholic beverages.' Importation of this 3302.10.1000 item from Ireland is 'duty free.' The correct HTS classification for soda beverage concentrate is 2106.90: 'food preparations not elsewhere specified or included: other, other, other, other.' If PepsiCo classified its soda beverage concentrate under 2106.90, it would be subject to an importation duty for soda beverage concentrate from Ireland at a rate of 6.4%. The total amount of duties avoided by PepsiCo during the period from January 20, 2004 to March 9, 2005 is $101,968,529.03."

A scheduling conference with the Court is set for January 23, 2007.

END

System Administrator

From: System Administrator
Sent: Monday, January 08, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1052958 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

[redacted]

Subject: Action Item 5.1.3.2 Meeting
Location: GSA Bldg., 7th & D Streets, Room 7511

Start: Wednesday, January 10, 2007 10:00 AM
End: Wednesday, January 10, 2007 12:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [redacted]
Required Attendees: [redacted]

Gorsuch, Neil (DOJ); [redacted]

[redacted]; [redacted]; Shaw, Aloma A <DOJ>; '[redacted]';
'Smith, Marty P.'; 'Soares, Chris'; 'Stokes, Kem '; 'Stump,
Jeremy'; '[redacted]'; 'Szabat, Joel'; 'Teachman, Mark';
'Thurman, Stephan'; 'Viola, Dr. Michael '; [redacted];
[redacted]; 'Wascom, michael'; Thomas Weimer;
'Wells, Jack'; 'Wolfson, Jonathan A.'; 'Worth, John ';
[redacted]; [redacted]; '[redacted]'; '[redacted]
[redacted]'; [redacted]; [redacted]; [redacted];
'[redacted]@state.gov'; 'greg.katsas@usdoj.gov';
[redacted]@esa.doc.gov

When: Wednesday, January 10, 2007 10:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: GSA Bldg., 7th & D Streets, Room 7511

~~*~*~*~*~*~*~*~*~*

All-

This is the meeting for Action Item 5.1.3.2. I will send out the agenda the day before (January 9th). If anyone has any issues they would like to see discussed at this meeting, please let me know, otherwise I will have an item for 'other issues' on the agenda.

For reference: 5.1.3.2 -- DHS, in coordination with DOT, HHS, DOC, Treasury, and USDA, shall work with the private sector to identify strategies to minimize the economic consequences and potential shortages of essential goods (e.g., food, fuel, medical supplies) and services during a pandemic, within 12 months. Measure of performance: The private sector has strategies that can be incorporated into contingency plans to mitigate consequences of potential shortages of essential goods and services. **Due: 6 months**

Please note the conference call information for those who cannot attend in person.
DDI number: [redacted] or [redacted] **Conference Pin:** [redacted]

For all those who plan on attending, please enter the GSA building at the main entrance with the ramp and all weather canopy. If you hold a Federal agency badge, you can enter the GSA building without an escort or my signing you in. If there is a problem, my cell phone is [redacted].

Thanks much!!
-[redacted]

[redacted] **(DHS)**

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Gorsuch, Neil (DOJ); [redacted]

[redacted]; Shaw, Aloma A <DOJ>; [redacted];
'Smith, Marty P.'; 'Soares, Chris'; 'Stokes, Kem '; 'Stump,
Jeremy'; [redacted]; 'Szabat, Joel'; 'Teachman, Mark';
'Thurman, Stephan'; 'Viola, Dr. Michael '; [redacted] (CNC);
[redacted]; 'Wascom, michael'; Thomas Weimer;
'Wells, Jack'; 'Wolfson, Jonathan A.'; 'Worth, John ';
[redacted]; [redacted]; [redacted]; [redacted];
[redacted]; [redacted]; [redacted]; [redacted];
[redacted]@state.gov'; 'greg.katsas@usdoj.gov';
[redacted]@esa.doc.gov [redacted] (DHS); Adise,
Russell; Ames, Fred; Anderson, Bill; Anderson, Margot;
Arvonio, Faye; Avila, E.J.; Bagley, Martin; Bailey, John;
Barkdull, Nolan; Barth, Marvin; Bates, Tom; [redacted]
(DHS); Betson, Sharon; Bird, Ronald; Blake, Erica; [redacted]
[redacted]; Brodsky, Nancy; Brown, Laurence; Brown,
Theresa; Burleson, Deeanna; [redacted] Cononi,
Rachel; Coulliette, Bruce T; Croddy, Jack; Davey, Victoria;
Decker, Chris; Deland, Sharon; Dickerson, Nathan; Domich,
Paul; Donlon, Jerome; Donnelly, Kurt; Downs, Kathleen;
Eckstrand, Dr. Irene; Ehlen, Mark; Eissa, Nada; Estacio, P.H.;
[redacted] (DHS); Friedman, Kenneth; Garfield, Reed;
Gellin, Bruce; Gorsuch, Neil M; Granger, Larry; Harless,
Angela; Harris, Joan; Hatchett, Richard; Highnam, Dr. Peter;
Howe, Susan (Suey); Hrubovcak, Jim; [redacted] (DHS);
Kearney, Rick; Kennedy, Beth; Kircher, Amy; Knapp, Kathryn
; Knouse, Ruth; Koenigsberg, Dr. Edward; Langdon, David;
[redacted] (DHS); Lippert, Alice; [redacted]
(DHS); Malphrus, Steve; Mansoura, Monique; [redacted]
(DHS); Mariner, Robert A.; [redacted] (DHS);
[redacted] (DHS); McHale, Paul; Melius, Carl;
Melzer, Martin; Michelsen, Randy; Miller, Joy; Miller,
William LTC ; Mitchiner, John; Molloy, Jane; Moorhead,
Hunter; Music, Francesca; Nash, John M.; Nelson, Keith;
Nemmers, Kris; Noblitt, Doy; [redacted] (DHS); Otis,
Lee L; Parrish, Cayce; Peyus, Sharon; Phillips, Sally; Pierce,
Michael; [redacted] (DHS); Rahaman, Andrew; [redacted]
[redacted] (DHS); Rastogi, Tanuja; William, Raub; Richards, Jack;
Robinson, Robin; [redacted] (DHS); Rogers, Karen;
Roth, Keith; Rothrock, Anne; [redacted] (DHS); Ryan, Keith
C; Schneider, Diana; Shaw, Aloma A; Smith, Jim; Smith,
Marty P.; Soares, Chris; Stokes, Kem ; Stump, Jeremy;
Sylvester,John; Szabat, Joel; Teachman, Mark; Thurman,
Stephan; Viola, Dr. Michael ; [redacted] (DHS); Warren,
Carlene; Wascom, michael; Thomas Weimer; Wells, Jack;

Wolfson, Jonathan A.; Worth, John ; [redacted] (DHS); [redacted] (DHS); Peyus, Sharon; Scholand, Andrew J; [redacted] (DHS); [redacted] (DHS); [redacted] (DHS); [redacted]@state.gov; greg.katsas@usdoj.gov; [redacted]@esa.doc.gov

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Thanks much!!

-[redacted]

System Administrator

From:	System Administrator
Sent:	Monday, January 8, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1052991 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 08, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1052992 KB.
Mailbox size limits:

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 08, 2007 5:50 PM
To: USDOJ- Office of Public Affairs
Subject: SHAHAWAR MATIN SIRAJ SENTENCED TO THIRTY YEARS OF IMPRISONMENT FOR CONSPIRING TO PLACE EXPLOSIVES AT THE 34th STREET SUBWAY STATION IN NEW YORK

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 8, 2007
WWW.USDOJ.GOV/USAO/NYE

CONTACT: ROBERT NARDOZA
PHONE: (718) 254-6323
FAX: (718) 254-6479

SHAHAWAR MATIN SIRAJ SENTENCED TO THIRTY YEARS OF IMPRISONMENT FOR CONSPIRING TO PLACE EXPLOSIVES AT THE 34th STREET SUBWAY STATION IN NEW YORK

NEW YORK — Roslynn R. Mauskopf, U.S. Attorney for the Eastern District of New York, announced that Shahawar Matin Siraj was sentenced today to 30 years in prison for his role in conspiring to plant explosive devices at the 34th Street subway station in Manhattan in August 2004, just prior to the start of the Republican National Convention at nearby Madison Square Garden. The sentencing proceeding was held before U.S. District Judge Nina Gershon at the U.S. Courthouse in Brooklyn. Siraj was convicted by a federal jury in Brooklyn on May 24, 2006, following a five-week trial.

Siraj is the second individual convicted for participating in this plot. In Oct. 2004, James Elshafay pleaded guilty to conspiracy to damage or destroy a subway station by means of an explosive, and testified against Siraj at his trial. Elshafay's sentencing date has not yet been scheduled.

At trial, the government proved that Siraj and Elshafay plotted to plant explosive devices at the Herald Square subway station in order to disrupt commerce and transportation in New York City and damage the economy. The evidence included hours of secretly recorded conversations between Siraj and Osama Eldawoody, an Egyptian nuclear engineer who became a paid informant for the New York City Police Department's Intelligence Division, in which Siraj expressed his hatred for America and discussed his desire to place explosives on various bridges and in subway stations in New York City, including the subway station at 34th Street. In furtherance of their scheme, on Aug. 21, 2004, Siraj and Elshafay inspected the station, and later drew diagrams of the location in order to help them place a bomb. When arrested on Aug. 27, 2004, neither Siraj nor Elshafay possessed any explosive material.

"Thanks to the extraordinary work of law enforcement, the defendants' plot did not advance beyond the planning stage, and the public was never at risk," stated U.S. Attorney Mauskopf. "We remain steadfast in our commitment to stop would-be terrorists before they act, and will apply all available resources to secure the

DOJ_NMG_ 0172327

safety of our residents." Ms. Mauskopf praised the outstanding work of the New York City Police Department, and thanked the Federal Bureau of Investigation and the New York Joint Terrorist Task Force for their assistance.

The government's case was prosecuted by Assistant United States Attorneys Todd Harrison and Marshall L. Miller of the Eastern District's Violent Crimes and Terrorism Section.

# # #

DOJ_NMG_ 0172328

Image not available for this document, ID: 0.7.10316.12214-000001

Image not available for this document, ID: 0.7.10316.12214-000002

System Administrator

From: System Administrator
Sent: Monday, January 08, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1053050 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
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System Administrator

From:	System Administrator
Sent:	Monday, January 8, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1053051 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 09, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1053052 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, January 09, 2007 7:55 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Tuesday, January 09, 2007
Attachments:	agnb070109.pdf; agnb070109.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **TUESDAY, JANUARY 9, 2007 7:45 AM EST**

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TERRORISM NEWS:

Padilla Seeks To Suppress Statements Made During Brig Detention. The AP (1/9, Kay) reports from Miami, "Attorneys for alleged al-Qaida operative Jose Padilla asked a federal judge Monday to keep statements he made during his detention in a Navy brig out of evidence in the U.S. government's terror support case against him." The AP continues, "Padilla has claimed he was tortured during 3 1/2 years in military custody as an 'enemy combatant' - allegations the Justice Department and Pentagon officials have repeatedly denied. … The former Chicago gang member's prolonged confinement and abuse from interrogators renders any statements he made during his time in the brig involuntary, according to a motion filed in U.S. District Court. … 'The action of the government agents in this case constitute police coercion and overreaching at its highest. Consequently, the government has forfeited the right to use these statements for any purpose at Mr. Padilla's trial,' the motion states." The AP adds, "Federal prosecutors, meanwhile, asked the court Monday to reconsider its deadline for completing mental examinations to determine if Padilla is competent to stand trial. … U.S. District Judge Marcia Cooke last week gave prisons officials until Friday to complete the examinations, which she insisted be finished before his scheduled Jan. 22 trial date so she can rule on a number of other outstanding issues, including Padilla's claim that the case should be dismissed because he was tortured in military custody. … Two mental experts hired by the defense have concluded that Padilla suffers from post-traumatic stress disorder and is unable to adequately assist his attorneys. The competency tests were originally supposed to be completed by Jan. 5."

Siraj Sentenced To 30 Years In Prison For NYC Subway Bomb Plot. The New York Times (1/9, Rashbaum, 1.16M) reports, "A federal judge sentenced a 24-year-old Pakistani immigrant yesterday to 30 years in prison for plotting to bomb the Herald Square subway station in 2004, moments after the defendant apologized to the judge and prosecutors but blamed a police informer for his fate." Shahawar Matin Siraj "stood with his shoulders slumped as the judge, Nina Gershon of United States District Court in Brooklyn, meted out his sentence. … Judge Gershon, when she handed down the sentence, noted that while some of the recordings captured Mr. Siraj saying the attack should occur at the time the station was the least busy, it would nonetheless have been deadly and devastating." The Times notes, "The men never obtained explosives, there was no timetable for an attack, and the men were not linked to any known terrorist group."

AFP (1/9) reports that Siraj "was convicted in May last year of conspiring to plant explosives at the 34th Street subway station near Madison Square Garden, ahead of the Republican National Convention there. … 'Thanks to the extraordinary work of law enforcement, the defendants' plot did not advance beyond the planning stage, and the public was never at risk,' prosecutor Roslynn Mauskopf said after the sentence was handed down. … 'We remain steadfast in our commitment to stop would-be terrorists before they act, and will apply all available resources to secure the safety of our residents,' she said." AFP adds, "Another man, James Elshafay, pleaded guilty in October 2004 to participating in the plot and later testified against Siraj. He has yet to be sentenced. … The federal jury in Siraj's five-week trial heard hours of secretly recorded conversations between him and an Egyptian nuclear engineer who became a paid informant for the New York City Police Department, the Justice Department said. … In the calls, Siraj declared his hatred for the United States and openly discussed his desire to place explosives on various bridges and in subway stations in New York, including his plan to bomb the 34th Street station, the department said."

In a widely-distributed story, the AP (1/9, Hays) reports, "Outside court Monday, Siraj's mother, Shahina Parveen, said the informant 'tricked my son and got him stuck in this.' … In a statement, police Commissioner Raymond Kelly called the outcome a 'milestone' in safeguarding the city. He said, 'Our detectives uncovered a murderous plot in its infancy and stopped it before lives were lost.'" The New York Sun (1/9, Goldstein) also notes Kelly called the sentence a "milestone,"

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but the Sun adds that "one of Siraj's lawyers, Martin Stolar, called the sentence 'outrageous' as he left the courthouse. 'The New York City Police Department was able to create a crime and then solve it in order to be able to claim a victory in the War on Terror,' Mr. Stolar said." Newsday (1/9, DeStefano) and New York Daily News (1/9, Marzulli, 729K) also report on the sentencing, with both noting Kelly's and Stolar's comments.

Prosecutor Starts Closing Argument In Hamas-Support Trial. The Chicago Tribune (1/9, Bush, 617K) reports, "Muhammad Salah distributed hundreds of thousands of dollars to militant operatives in Gaza and the West Bank while coordinating violent plots as a leading member of the Palestinian group Hamas, federal prosecutors argued Monday. For nearly seven hours, Assistant U.S. Atty. Joseph Ferguson chronicled the case against Salah," and his "closing argument was aimed largely at undermining defense claims that Israeli authorities tortured Salah into falsely admitting he was a Hamas operative in 1993. He reminded jurors that they had witnessed an unprecedented event, the testimony of two Israeli security agents in a U.S. courtroom."

The AP (1/9, Robinson) reports from Chicago, "Former Chicago grocer Muhammad Salah and co-defendant Abdelhaleem Ashqar were 'important players' with the Hamas terrorist network, Assistant U.S. Attorney Joseph M. Ferguson told a federal court jury in closing arguments capping a three-month trial that included testimony by torture experts and Israeli agents adopting assumed identities. … 'The Hamas organization engaged in a purposeful and strategic campaign to spread death, destruction, fear and terror in pursuit of its overall objective to remove the State of Israel from the map,' Ferguson said." The AP adds, 'Salah, 53, and Ashqar, 48, a former assistant professor of business at Washington's Howard University, are charged with a racketeering scheme that provided money and men to the Hamas organization in the early 1990s. … Both men deny that they are Hamas members and say that nothing they did violated the law, even though they hold strong anti-Israel views."

Columnist Says FBI Informant "Probably Made Up" Salah Evidence. In a Southwest (Chicago) News-Herald (1/11) column, Ray Hanania writes, "I've tried everything to reach the man they call 'Jack Mustafa,' aka 'Jawad al-Arouri,' but have failed. Mustafa is the informant the U.S. Justice Department used to build a 'terrorism' case against Mohammed Salah and co-defendant Abdelhaleem Ashqar. … As it turns out Mustafa probably made up all the evidence turned over to the FBI. Why not? At a reported $6,000 a month, you could probably get evidence to arrest half the customers at Wal-Mart." Hanania adds, "I know what Salah is going through. In 1975, after I completed two years active duty in the Air Force during the Vietnam War, the FBI investigated me. … After all the talk, the BS and lies, two years of investigations, thousands of wasted taxpayer dollars, and 45 useless pages, the 'Hanania investigatio' concluded I just wanted to help my community become more involved in America."

High Court Sides With State Department In Terror Case. The New York Times (1/9, Greenhouse, 1.16M) reports, "The Supreme Court refused on Monday to intervene in the federal prosecution of seven Iranian refugees for providing financial support to an opposition group in Iran that the State Department has designated as a terrorist organization." The defendants, "who are now all United States citizens, argue that they are constitutionally entitled to challenge the validity of that designation as part of their defense. The law under which they were charged, enacted in 1996, gives limited appeal rights to a group that is officially labeled a terrorist organization, but specifically precludes individual defendants, charged with supporting such an organization, from challenging the designation at their trial." The seven defendants "were indicted in Los Angeles in March 2001 for soliciting money for an organization usually known as the People's Mojahedin of Iran, which the State Department designated as a foreign terrorist organization in 1997." The Times adds "that designation has been heatedly disputed, both in federal court and in Congress." The Los Angeles Times (1/9, Savage, 850K) and the AP (1/9) also report the story.

Outgoing FBI Detroit SAC Defends Terror-Related Prosecutions. Under the headline "Outgoing Detroit Chief Defends FBI," the Detroit News (1/9, Egan) reports outgoing FBI Detroit SAC Daniel Roberts "defended the agency from criticism Monday that it is purporting to fight terrorism by charging defendants with fraud and other economic crimes." Roberts, "who is leaving to become deputy director of the FBI's criminal division in Washington, said it's important to use the charges that are most likely to get convictions when targeting suspected supporters of terrorism. … In the case of Detroit-area restaurateur Talal Chahine and

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others, critics have pointed out the government has alleged, but not charged, links to terrorism that are virtually impossible to defend. 'Chahine I'd love to see come back, if he had the guts to do it,' Roberts said." Chahine "is a fugitive, having flown to Lebanon after his offices were searched but before he was indicted last May." The News notes, "Dearborn Heights lawyer Nabih Ayad said Detroit's Muslim and Arab community feels unfairly targeted. The FBI would uncover economic crimes in any ethnic community put under scrutiny, he said."

9/11 Accomplice Sentenced In Germany. ABC World News (1/8, story 6, Gibson, 8.78M) reported, "In Germany, one of the only two men convicted in the 9/11 plot was sentenced today. Mounir El Motassadeq was his name a Moroccan, friends with three suicide pilots received maximum 15 years in prison for being an Assessory to mass murder. He helped by transferring money and paying bills for them."

The AP (1/9, Utler) reports, "Monday's decision was the latest step in a tangled legal saga that started with el Motassadeq's arrest in November 2001 and featured two full trials." He "was convicted and sentenced to the maximum 15 years in prison in 2003, but that verdict was overturned by a federal court the following year -- largely because of a lack of evidence from al-Qaida suspects in US custody. At a retrial that resulted in the 2005 conviction, the US provided limited summaries from the interrogation of, among others, Ramzi Binalshibh, a suspected liaison between the Hamburg hijackers and al-Qaida." McClatchy (1/9, Schofield) and the New York Times (1/9, Landler, 1.16M) also report the story.

Gitmo Hunger Strike Grows. The AP (1/8, Melia) reports, "The number of Guantanamo Bay detainees participating in a hunger strike has more than doubled in recent weeks to 11, including five who are being force-fed, the U.S. military said Monday. Military officials describe the hunger strike as an attempt to build public sympathy and opposition to the detention center, which on Thursday marks its fifth anniversary of existence at the isolated U.S. military base in Cuba." Amnesty International USA "said the strike reflects prisoners' despair."

Navy Lawyer Faces Court-Martial. The New York Times/AP (1/9) reports, "A Navy lawyer accused of passing secret information about detainees at Guantánamo Bay, Cuba, to an unauthorized person was ordered to face a court-martial, the Navy said. The lawyer, Lt. Cmdr. Matthew M. Diaz, who was stationed at the base at Guantánamo from July 2004 to January 2005, could face more than 36 years in prison if convicted. No trial date was set. ... A complaint does not specify what type of information Commander Diaz is accused of copying and transmitting, but a Navy spokeswoman previously described it as a document containing names and other identifying information about detainees."

HOMELAND RESPONSE:

Democrats' Security Bill Comes Under Fire. The New York Times (1/9, Lipton, 1.16M) reports, "House Democrats intend to fulfill a campaign promise this week by passing broad new antiterrorism legislation, but some Senate Democrats and the Bush administration object to security mandates in the plan, citing concerns about their cost and practicality. The House measure, the Sept. 11 Commission Bill, is intended to write into law recommendations by the group that investigated the 2001 terror attacks." But "the proposed legislation, which could come to a vote as early as Tuesday, goes beyond what the Sept. 11 commission recommended, taking up measures previously favored by Democratic lawmakers but opposed by the Department of Homeland Security." For example, "the bill requires that within three years, all cargo on passenger jets be inspected for explosives, as checked baggage is now. The House bill also requires that within five years all ship cargo containers headed to the United States be scanned overseas for components of a nuclear bomb. … Many Republicans and some Senate Democratic committee chairmen said that the goal of 100 percent inspections was worthy, but that they were not convinced that mandates should be included in the bill."

Fox News' Special Report (1/8, Hume) reported House Speaker Nancy Pelosi "said today that congressional debate will conclude tomorrow on measures designed to put into law the recommendations of the 9/11 commission. … But some Republicans are saying that the legislation that will go before the House tomorrow does not do that. For example, the 9/11 Commission recommends reducing the number of committees that watch over the Department of Homeland Security." However, the legislation "deals with the intelligence community and set up another panel to oversee it. Today, Nancy Pelosi says she wants to see how that works and then tackle oversight of homeland security. … That frustrates the former republican chair of the homeland security committee who says Republicans were working toward streamlining

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congressional oversight, but now Democrats are committing to too many layers of bureaucracy."

The Washington Post (1/9, A1, Eggen, Hsu, 690K) reports the Senate "has opposed some of the key proposals in the House bill, such as reducing grant funds awarded to all states in favor of those most at risk, and it is unclear how much the new Democratic majority will alter that stance." Michael O'Hanlon, a security analyst at the Brookings Institution, "said House Democrats' embrace of their interpretation of the Sept. 11 commission's recommendations was designed to make a political point of swift action, not necessarily to make the best policy." And Michael Greenberger, a University of Maryland law professor who heads the Center for Health and Homeland Security there, "praised House Democrats for taking on the proposals but said they will have a tough time convincing many of their colleagues in the Senate."

The Washington Post (1/9, A4, Pincus, 690K) also reports that the House resolution "is far different from the proposal to enhance congressional oversight of intelligence proposed in 2004 by the Sept. 11 commission. … The panel on the 2001 attacks had recommended a House-Senate committee or smaller, single committees in each chamber that would both authorize and appropriate funds for the intelligence community -- thereby reducing the number of lawmakers involved but giving a sharper focus to oversight." The Washington Times (1/9, DeBose, 88K) reports Pelosi "said the hybrid panel is a first step toward reducing the number of committees with oversight over intelligence and homeland security. 'Reducing the number of committees ... will happen, but we have to be assured that this panel will work,' Mrs. Pelosi said. Democrats were criticized by Republicans and some members of their own party last week for veering from" the 9/11 Commission recommendations.

The Christian Science Monitor (1/9, Chaddock, 59K) says the House bill "leaves out key provisions of that prestigious panel that were considered and rejected in the GOP-controlled Congress: It does not take up panel recommendations to declassify the top line of the intelligence budget. It would not shift covert paramilitary operations from the Central Intelligence Agency to the Defense Department. It skirts the lead recommendation of the 9/11 commission for members of Congress: to dramatically reduce the number of committees that claim oversight over homeland security."

In an editorial, the Washington Post (1/9, A14, 690K) writes, "Given a limited amount of money and an endless list of programs and procedures that could make Americans safer, it's essential to buy the most homeland security possible with the cash available. And…that can be a tough job. That's all the more reason not to waste money on the kind of political shenanigan written into a sprawling Democratic bill -- up for a vote in the House this week -- that would require the Department of Homeland Security to ensure that every maritime cargo container bound for the United States is scanned before it departs for American shores." The Democrats "don't offer a realistic cost estimate for the mandate they will propose today. But the cost to the government and the economy is sure to be in the tens of billions and quite possibly hundreds of billions annually." The Post adds, "Luckily, the Senate will give more thought to its homeland security bill and probably won't approve a 100 percent container inspection plan. House Democrats can figure those odds as well as anyone. But why not score some easy political points in your first 100 hours?"

Roemer Urges Oversight Of Anti-Terror Agencies. Former Rep. Tim Roemer, who was a member of the Sept. 11 commission, writes in the Washington Post (1/9, A15, 690K), "As Congress gets to work, it must legislate first and oversee second. … Once Congress does its legislative work, members must turn to overseeing the executive branch. FBI reform has been far too slow. Information sharing among government agencies is still lagging. Airplane baggage and cargo, incredibly, are still largely unscreened. Passenger screening against a comprehensive terrorism watch list still eludes the Transportation Security Administration. The Privacy and Civil Liberties Oversight Board needs independent, strong powers to protect the foundations of our democracy. And our foreign policy must support effective public diplomacy, ensuring that our actions and words win the battle for hearts and minds and defeat the seductive message of Osama bin Laden."

Justices Decline Challenge To Passenger ID Requirements. USA Today (1/9, Biskupic, 2.27M) reports, "The Supreme Court on Monday rebuffed a challenge to the federal government's policy of requiring airline passengers to show identification before they board flights, spurning arguments that the well-known but unpublished policy would lead to more secret laws." John Gilmore, "a founder of Sun Microsystems and an advocate of libertarian causes, sued the government because it has long refused to disclose the text of the regulation that forces air

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travelers to present an ID. … In denying Gilmore's appeal, the high court gave no explanation and had no public vote, as is its usual practice in declining to hear cases. The justices let stand a lower court's ruling that said Gilmore had enough notice of the policy because airline workers had told him about it."

Cruise Ship Package Causes Another False Terror Scare At Miami Port. The Miami Herald (1/9, Yanez, Beras, Benn, 286K) reports, "A sensor detected explosives in a package of sprinkler parts being loaded onto a cruise ship getting ready to depart Monday at the Port of Miami-Dade. Police dogs and a bomb squad soon determined the metal parts were harmless, and passengers evacuated from a Royal Caribbean ship were allowed to reembark." The Herald notes, "The suspect package was tested six times, each time resulting in a detection of explosives. The sprinkler parts had similar chemical characteristics to C-4 explosives, which may have caused them to set off the sensors, but they did not contain any actual dangerous substances, said Miami-Dade police Detective Robert Williams." The AP (1/9, Kennedy) notes, "The FBI was monitoring the situation, spokeswoman Judy Orihuela said." UPI (1/9) also briefly reports on the incident, and – as with Sunday's scare – CNN, MSNBC and Fox News covered the unfolding story throughout their broadcasts yesterday.

Judge Dismisses Charges Against Trio From Sunday Incident. In a widely-distributed story, McClatchy (1/9, Ashenfelter) reports, "A judge dismissed misdemeanor charges Monday against three Middle Eastern men from Dearborn, Mich., who were arrested during a mix-up Sunday that triggered a terrorism scare at the Port of Miami. Authorities said they arrested the men because they were suspicious, but an Arab-American civil rights group in Dearborn called it another case of so-called driving while Arab. 'We understand that mistakes happen, but when they happen this often, it makes you wonder,' Imad Hamad, regional director of the American-Arab Anti-Discrimination Committee in Dearborn said, referring to the arrests last summer of five Middle Eastern men…on terrorism charges after they bought hundreds of cell phones for resale."

Dead Birds Cause Terror Scare Outside Texas Capitol. USA Today (1/9, 3A, Welch, 2.27M) reports, "Ten city blocks in front of the Texas Capitol in Austin were closed and the city triggered its terrorism-response plan Monday when dozens of dead birds were discovered along a main thoroughfare. Congress Avenue was reopened…after city officials and health experts concluded there was no threat to people." USA adds, "Adolfo Valadez, medical director of the Austin/Travis County Health and Human Services Department, said the birds may have been deliberately poisoned. Grackles…and pigeons are often regarded as nuisances." USA adds, "Dead birds were sent to the Texas A&M University veterinary school in College Station and the U.S. Department of Agriculture's National Animal Disease Center in Ames, Iowa. It could take several weeks for tests to be completed, Valadez said."

TSA Screeners Trained To Respect Muslims Returning From Hajj. The Christian Science Monitor (1/9, Marks, 59K) reports that with "as many as 20,000 American Muslims" set to return to the United States from the annual hajj in Mecca, the Transportation Security Administration "has ramped up cultural-awareness training for all 43,000 of its screeners. The goal: to remind screeners what to expect from devout Muslims and how to go about screening them so it's in concert with their religious beliefs." Arab-American and Muslim-American leaders are backing the effort, but "say it's part of a much-needed larger cultural and political conversation about Islam and Arab culture that can help the nation as it heals from the aftereffects of 9/11."

Bill Would Grant Collective Bargaining Rights To TSA Screeners. Under the headline, "TSA Screeners May Get Union Rights," the Washington Post's (1/9, D4, Barr) "Federal Diary" column reports, "As part of a bill to follow through on recommendations of the 9/11 commission, House Democrats have included a provision that would give union rights to about 43,000 airport screeners at the Transportation Security Administration." The Post notes that TSA's ban on collective bargaining for federal screeners "has drawn steady opposition from federal unions, especially the American Federation of Government Employees," but a "provision in the House bill, scheduled for floor action today," and based "on a measure sponsored last year by Rep. Nita M. Lowey (D-N.Y.) [is] aimed at permitting screeners to engage in collective bargaining." The Post adds that if the measure succeeds, "screeners would have the right to decide whether they wanted to be represented by a union and would be given job protections if they blow the whistle on waste, fraud and abuse."

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Mysterious New York City Odor Sparks Chemical Attack Fears. The New York Times (1/9, Chan, 1.16M) reports an "odor associated with natural gas -- the telltale, unpleasant sulfur scent that typically signals a gas leak," hung over "many areas of Manhattan and northeastern New Jersey Monday, "leading to fears that it could ignite or that a dangerous chemical had been deliberately released." Schools, office buildings and services were shut down and "security officials were put on alert," but as of Monday night, "city officials still did not know" where the odor had come from. "Throughout the day, possible culprits -- among them a minor gas leak in Greenwich Village and natural-gas pipelines in northeastern New Jersey -- were considered and ruled out. The olfactory mystery…was matched by strange activity" in Austin, Texas, where "police cordoned off 10 blocks of the downtown business district early yesterday after more than 60 birds were found dead overnight along Congress Avenue, which leads to the State Capitol. Air testing there failed to find a cause, but preliminary results determined that people were not at risk."

ABC World News (1/8, story 4, 1:45, Gibson, 8.78M) reported "in another time, a strange smell wafting over the city might be ignored or joked about, but this one smelled like gas. And in this age of terrorism, people in governments were concerned." Mayor Michael Bloomberg was shown saying, "The smell is there, we don't know the source of it." ABC (Berman) added, "Since the September 11th attacks, New York and several other cities have invested in air sensors to detect chemical attacks. … By 11 AM, the sensors determined the odor was nothing harmful but still couldn't nail down what it was."

NBC Nightly News (1/8, story 8, :30, Williams, 9.87M) reported "literally hundreds of fire trucks were dispatched to investigate the unmistakably strong smell of natural gas in much of Manhattan and parts of neighboring New Jersey."

Proposal To Create First Responders' Network Draws Scrutiny. The Washington Post's Jeffrey Birnbaum (1/9), in his "In The Loop: On K Street" column, writes that Nextel Communications' Morgan O'Brien "wants to get rich the Washington way -- using lobbyists. He's hired a bunch of big guns to get control of more than $5 billion worth of broadband spectrum. He wants it for a noble cause: to help first responders communicate during emergencies. But O'Brien also hopes to manage the valuable space, and that work just might make him his second fortune. Several lawmakers, economists and interest groups are outraged. They wonder why the government should, essentially, hand over such a prime asset." O'Brien's Cyren Call Communications "wants the government to place the spectrum into a trust, which would, with private funding, build a nationwide wireless network for emergency workers intended to prevent the kind of communications breakdowns that happened after Hurricane Katrina and the Sept. 11, 2001, attacks. … By managing the venture, Cyren Call hopes to make its money."

Study Finds 2001 Anthrax Infections Outside Senate Building. USA Today (1/9 Sternberg, 2.27M) reports, "A Navy-led analysis of the anthrax attack on Sen. Tom Daschle's office in October 2001 has uncovered evidence that anthrax spores released in the Hart Senate Office Building infected people outside the building. The researchers could not pinpoint where the four exposed people worked or where they encountered the airborne spores. They apparently fought off infection without getting sick…says the study in the Jan. 15 Journal of Infectious Diseases." USA Today adds, "The surprise finding supports previous analyses indicating that the spores were engineered to float long distances in the air."

State Farm Settling Hundreds Of Gulf Claims For Katrina Damage. The New York Times (1/9, Treaster) reports, "State Farm, the biggest home insurer in the nation, is in the final stages of settling hundreds of lawsuits over its payments for homes wrecked by Hurricane Katrina along the Mississippi Gulf Coast, lawyers briefed on the talks said yesterday." The Times continues, "The settlement of 639 lawsuits for $80 million could be the first step in resolving a bitter legal battle between homeowners and their insurers that had threatened to drag on for years and has already slowed Mississippi's recovery since the storm in August 2005." The Times adds, "As part of the proposed deal, which other insurers are expected to adopt, State Farm has agreed to review and possibly increase payments to as many as 35,000 additional homeowners. In some cases, these homeowners received only a few thousand dollars for homes along the Mississippi coast that suffered major damage or were destroyed. … The talks do not apply to homeowners in New Orleans and the rest of Louisiana." The Times notes, "State Farm, under the tentative accord, would provide an average of about $125,000 to homeowners who filed lawsuits,

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although the payments would range from as little as about $2,000 to about $2 million. … The treatment of those cases would serve as a guide for increasing payments to any of the 35,000 homeowners who request a review of their claim, according to lawyers privy to the details. … Similar settlements with the dozen or so other insurers in Mississippi could provide hundreds of millions of dollars for recovery along the coast. It would also close a painful chapter in the public relations history of the carriers who have been portrayed by opposing lawyers as coldhearted in refusing to pay for much of Katrina's devastation."

New Orleans Still Littered With Boats. The Wall Street Journal (1/9, 1A, Machalaba, 2.04M) reports from New Orleans, where John Rogers and R. Bruce Hammatt, of the Louisiana Department of Environmental Quality, have become "gumshoes of last resort for an estimated 1,000 to 2,000 commercial and recreational boats that are still strewn across parking lots, roads, marshes and other odd spots" following Hurricane Katrina. As the detectives "work to reunite orphaned boats with their owners," the situation provides "a reminder of the fitful recovery. The city's population is still less than half the prestorm level of about 437,000 in July 2005." The Journal notes, "Coast Guard officials removed about 800 boats that were deemed a threat to shipping. Then a joint state-federal disaster-management team asked the Louisiana Department of Environmental Quality to take over the job, which involves dealing with frazzled boat owners and residents."

WAR NEWS:

Bush To Lay Out New Iraq Strategy Wednesday Night. ABC World News (1/8, lead story, Gibson, 8.78M) reported, "The White House refers to the anticipated increase of American troops in Iraq as a surge. Democratic critics are beginning to call it an escalation -- a term used back in the day of Vietnam. That difference in terminology is an indicator that the President's new way forward is in for real debate on Capitol Hill." CNN's Lou Dobbs Tonight (1/8) also noted "leading congressional Democrats…are accusing the President of planning to escalate the war in Iraq." If a battle is being joined about whether Bush is proposing a "surge" or an "escalation," the CBS Evening News (1/8, story 2, 3:00, Axelrod, 7.66M) appears to have chosen its preferred description. Said CBS, "When the President calls for an escalation in the number of US troops in Iraq, he'll be going against what voters said they wanted last November and what the new Democratic leaders in Congress say they want right now."

USA Today (1/9, Jackson, 2.27M) reports, "White House press secretary Tony Snow said Monday that Bush 'understands there is a lot of public anxiety' about the war. On the other hand, he said that Americans 'don't want another Sept. 11' type of terrorist attack and that it is wiser to confront terrorists overseas in Iraq and other battlegrounds rather than in the United States." Snow "said he contacted television networks Monday morning to request air time for the president's speech, to be delivered at the White House." The Washington Times (1/9, Dinan, Scarborough, 88K) notes Snow also said, "It's important to rebuild the sense of political unity."

The New York Times (1/9, A8, Stolberg, 1.16M) reports the White House is planning "an aggressive effort to sell Congress and the American public on President Bush's new strategy for Iraq, beginning with a prime-time address to the nation on Wednesday night, followed Thursday by a presidential trip to Fort Benning, Ga., and appearances on Capitol Hill by the secretaries of state and defense." On Thursday, Secretary Rice and Defense Secretary Robert Gates are scheduled to testify before Congress, "and both are expected to make trips to the Middle East soon to drum up support from international allies." USA Today (1/9, Jackson, 2.27M) says presidential counselor Dan Bartlett "played down expectations for Bush's speech. 'Facts on the ground and events determine public opinion more than anything,' he says."

NBC Nightly News (1/8, lead story, Williams, 9.87M) said "there is not much support" for a "surge" in Congress "or among the American people, but the President sees it as the last, best hope for a nation in deep trouble." NBC (Gregory) added the speech "will be a crucial test to see if the President can rebuild support for the war in Congress and in the public."

Other media sources are reporting Bush faces a hard sell with Congress. The Los Angeles Times (1/9, Reynolds, 850K) reports Bush "began a weeklong hard sell of his new Iraq policy Monday, meeting with groups of senators at the White House in an effort to convince them that the best way to bring US troops home from Iraq is to send more, at least for a while. Some said the president accomplished that goal; others said he did not." Bush "did not detail the proposal he will lay out Wednesday evening, senators said." CNN's Lou

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Dobbs Tonight (1/8) reported "lawmakers attending various meetings at the White House expressed reservations. … Administration officials are saying, 'Look, this is the last chance. And this is going to be a long-term effort.' But they all acknowledge here, it's going to be a very tough sell."

In a front page article, the Washington Post (1/9, A1, Abramowitz, 690K) reports senators who met with Bush said the President "made it clear that he is planning to add as many as 20,000 US troops to help quell violence in Baghdad." They also said the president is "arguing that his new plan has a better chance for success than past plans because of a greater willingness of Iraqi Prime Minister Nouri al-Maliki to commit Iraqi forces against all perpetrators of violence, including Shiite militias."

The Los Angeles Times (1/9, Havemann, Reynolds, 850K) reports "at least one senator of his own party came away unconvinced of the wisdom of Bush's reported plan to beef up US troops." Sen. Gordon Smith "said he didn't want American forces caught in the crossfire of sectarian violence that has broken out in Iraq since the United States toppled Saddam Hussein." But "Smith said he would not support a resolution to 'cut off money for bullets' for the American troops ordered into combat by the commander-in-chief."

The Hartford Courant (1/9, Lightman, 190K), meanwhile, reports that "in a counterpoint to pleas by Democratic leaders for troop cutbacks in Iraq, Sen. Joseph I. Lieberman sent the White House a strongly worded letter Monday urging the president to 'send additional troops.'" Lieberman "was joined in his message by Sen. Lindsey O. Graham, R-S.C." Lieberman, "who also spoke Monday at a Capitol news conference, said he likes what he's hearing from the administration. He said he believes 'victory is still attainable,' though he added, 'We've never had enough troops in Iraq to secure the country. How they can have a political settlement if you have death squads running through the country shooting people in the head?'" Fox News' Special Report (1/8, Hume) noted both Lieberman and Graham were "sharply criticized suggestions from Democratic leaders Nancy Pelosi and Harry Reid that the US start drawing down troops."

Gallup Poll Finds 61% Oppose Increasing Troop Levels, Bush Approval On Iraq At 26%. USA Today (1/9, Page, 2.27M) reports Bush "will outline his 'new way forward' in Iraq on Wednesday to a nation that overwhelmingly opposes sending more US troops and is increasingly skeptical that the war can be won." A USA TODAY/Gallup Poll taken Friday through Sunday "shows a daunting sales job ahead for the White House, which is considering a plan to deploy up to 20,000 additional US troops to Iraq. … Those surveyed oppose the idea of increased troop levels by 61%-36%. Approval of the job Bush is doing in Iraq has sunk to 26%, a record low."

"Surge" May Be Smaller Than Expected. Fox News' Special Report (1/8, lead story, Hume) said that according to "senior officials" the "surge will likely be limited to 10 to 15,000 troops. About 10,000 troops will be added to help secure the toughest neighborhoods in Baghdad, while about 2000 marines will be added to help with security in Anbar province to the west – far from a massive build-up or deployment." And the AP (1/9, Loven) reports, "Military officials have said that Bush is considering sending two to five more brigades -- between about 8,000 and 20,000 troops -- to fight alongside promised additions of Iraqi security forces. Some military officials familiar with the discussions say the president could initially dispatch 8,000 to 10,000 new troops to Baghdad, and possibly to Anbar Province, and leave himself the option of sending more later." NBC Nightly News (1/8, story 2, Miklaszewski, 9.87M) noted that "whatever the final plan, it will not happen in a hurry. It will take two to three months before those additional American forces can get into Iraq."

"Operation Together Forward" Cited As Bad Precedent For Bush's Plan. The CBS Evening News (1/8, story 2, 3:00, Couric, 7.66M) said Bush's decision "will really hit home at places…Fort Stewart, 200 miles southeast of Atlanta, just outside the port of Savannah, home of the US Army's 3rd Infantry. Hundreds of soldiers from this base left for Iraq last night. 4,000 in all will be going there this month. So we've come here tonight to tell the story of these brave soldiers and the families they're leaving behind." CBS (Axelrod) added, "The idea of sending more American troops to secure Baghdad has been tried before. Last summer 12,000 troops. But Operation Together Forward failed, largely because Iraqi security forces couldn't hold what American troops had cleared." In an analysis piece, the New York Times (1/9, Cooper, 1.16M) also says, "The United States has requested more Iraqi troops in the past and then been disappointed." In a similar report, ABC World News (1/8, story 2, McCarthy, 8.78M) also noted previous US troops' efforts "to bring relative peace" to areas of Iraq, and added, "The big question, what are they going to be doing differently this time? First, the US is going to stay with the local people

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for up to a year, not leaving after two months, says retired General Jack Keane, who has been advising the White House." General Jack Keane: "We are sleeping in the neighborhood, we're eating in the neighborhood. We are going to stay in that neighborhood 24/7. We are not going back to the refuge of our base." ABC added, "Then comes the money, for garbage collection and other jobs, the US hopes will lure young men away from violence. Finally, more training for Iraqi security forces, to get Sunnis and Shiites to work together."

The Pentagon is saying it learned its lessons from "Operation Together Forward." CNN's Lou Dobbs Tonight (1/8) reported, "Military officials are confident the new plan to win the battle for Baghdad will succeed. Those officials say the have learned some hard lessons from those previous unsuccessful attempts to secure Baghdad. The leading amongst those offenses: Operation Together Forward." CNN continued, "In retrospect…the flaws, in Together Forward were glaringly obvious: too few Iraqi troops to keep the peace after US forces did the heavy lifting, and too much focus on the Sunni insurgents, while ignoring Shia death squads."

US Could Resort To Second Tours For Guard, Reserve Units. The Los Angeles Times (1/9, Barnes, 850K) reports, "The nation's top military officials, expecting…Bush to order an increase in the size of the force in Iraq, have concluded that such a buildup would require them to reverse Pentagon policy and send the Army's National Guard and Reserve units on lengthy second tours in Iraq, Defense Department officials said Monday." The Times predicts, "Such an order probably would be controversial among the nation's governors -- who share authority over the Guard -- and could heighten concerns in Congress over the war and Bush's plans for a troop increase. In addition, National Guard leaders were skeptical of calls for additional combat tours, which they fear could hurt recruiting and retention."

The Christian Science Monitor (1/9, Jonsson, 59K) reports "the president's purported plan to boost US troop levels in Iraq, set to be unveiled this week, would require longer stays in Iraq and shorter rotations at home, raising concerns among experts and some Army brass that the new demands will push America's foot soldiers past the limits of physical and mental endurance. ... The division's troubleshooting duties have taken their toll: more than 300 deaths, or about 10 percent of total US troop losses, since the war began in March 2003. Of the Army's 650,000 soldiers who have been to Iraq so far, about 170,000 have served more than one tour, according to the Army. The incidence of post-battle stress goes up by over 50 percent for the second tour, Army surveys show." While "bravado is evident in Hinesville," Private Mapes "describes a simmering despair, with morale dipping as soldiers see an ambivalent US public. There's also the old training equipment - which a soldier in the field takes as a sure sign of faltering public support."

The Washington Post (1/9, C1, Jones, 690K) reports on Mike Hardgrove and his wife as he prepares to go to Iraq: "The Fredericksburg National Guard Armory was just down the road, and this past Sunday was the morning the 116th Brigade Special Troops Battalion was leaving. Mike was going to Iraq." Their behavior on the morning of his departure is described.

Administration Officials Try To Find Acceptable Way To Engage Syria, Iran. The Los Angeles Times (1/9, Richter, 850K) reports, "Although President Bush has rejected proposals for direct talks with Syria and Iran over the future of Iraq, officials in his administration are working to find a way to include those countries in negotiations in a way that might be acceptable to Bush." The White House "has come under growing domestic and international pressure to negotiate with the two countries as it revamps its troubled strategy in Iraq." The Times adds, "It is unclear whether Bush approves of the efforts to find a way to involve Iran and Syria. ... But top aides have said those concerns don't exclude the possibility of group collaborations that could put U.S. officials in close contact with Syrians and Iranians on issues of mutual interest."

NSA Aide Said To Have Played Central Role In Crafting New Strategy. Separately, the Wall Street Journal (1/9, A6, Dreazen, 2.04M) reports that the strategies President Bush "offers for Iraq will represent months of work" by deputy NSA J.D. Crouch. The Journal notes that the President "and senior officials like Defense Secretary Robert Gates and Secretary…Rice are the administration's public face when it comes to foreign policy. But as in other policy arenas, the crafting of specific proposals falls to mid-level aides like Mr. Crouch."

Soldiers In Iraq Said To Oppose Surge. Retired USMC Lieutenant Colonel Oliver North, on Fox News' The O'Reilly Factor (1/8) was asked if he supports Bush's "surge" proposal. North answered, "No, I don't. None of the soldiers, sailors, airmen, guardsmen and marines that I interviewed in my eighth trip told me they wanted more US boots on the ground. Nearly all expressed just the opposite. 'We don't

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need more American troops; we need more Iraqi troops' was a common refrain. My concern is that incremental increase in US troop strength…as first suggested last summer during the congressional campaign sounds eerily like Lyndon Johnson's plan to save Vietnam in the 60s by gradual escalation as a way not to lose. … The only thing that would really make the difference in this case is if that short-term surge went out along the Iranian and Syrian borders. If you could find N.A.T.O. troops that would do that, and some may well be willing to step up, that much makes sense."

Arab Allies Worried Iraq Strife Could Extend To Entire Region. On its front page, the Wall Street Journal (1/9, A1, King, Jaffe, 2.04M) reports, "As…Bush prepares to unveil his latest Iraq strategy, Arab allies are worried about what might happen if the plan fails: that worsening strife could engulf the entire region, sparking a wider war in the middle of the world's largest oil patch." The potential of a much larger regional conflict "that pits Sunnis against Shiites" is "increasingly on the minds of both Arab leaders and US military planners, according to regional diplomats and US officials." Some are calling such a possible outcome the "nightmare scenario." For example, the Saudis have "warned the Bush administration that they are prepared to aid the Sunni militias in Iraq if the Sunni population there becomes imperiled," a Saudi diplomat said. Meanwhile, "Jordanian officials have told the Pentagon that they may move troops into Iraq's uninhabited western desert as a buffer if events there spiral out of control, according to US military officials."

More Commentary. The New York Times (1/9, 1.16M) editorializes, "There have been too many times that…Bush has promised a new strategy on Iraq, only to repeat the same old set of failed approaches and unachievable objectives. Americans need to hear Mr. Bush offer something truly new ... [Voters need] the president to acknowledge how bad things have gotten in Iraq...and to be honest about how limited the remaining options truly are. ... The reality that Mr. Bush needs to acknowledge when he speaks to the nation tomorrow night is that the Iraqi government of Prime Minister Nuri Kamal al-Maliki is feeding rather than restraining Iraq's brutal civil war. ... The last time America presented Mr. Maliki with a set of political benchmarks, he bluntly rejected them. If he does that again, there is no way America can or should try to secure Iraq on its own. ... Meeting those challenges is going to be extremely tough. And Iraq's unraveling may already be too far gone. ... [America cannot] simply turn its back on whatever happens to Iraq after it leaves. With or without American troops, a nightmare future for Iraq is a nightmare future for the United States, too, whether it consists of an expanding civil war that turns into a regional war or millions of Iraq's people and its oil fields falling under the tightening grip of a more powerful Iran."

In an op-ed for the Los Angeles Times (1/9, 850K), National Interest publisher Dimitri K. Simes writes, "The Bush administration is planning a troop 'surge' to try to help a leadership that is simultaneously too brutal and too wimpy to bring stability and democracy to Iraq. ... The debacle that is Iraq reaffirms the lesson that there is no such thing as a good crusade. This was true a thousand years ago when European Christian knights tried to impose their faith and way of life on the Holy Land, pillaging the region in the process, and it is equally true today. Divine missions and sensible foreign policy just don't mix. ... The truth is that no surge and no amount of faith can rescue this crusade from failure. The alternative is not to 'cut and run' or to withdraw troops but rather to seek a difficult solution that is the only plausible one: reshape U.S. policy in the Middle East to establish a manageable political context for the war.

Nicholas Kirstoff writes in the New York Times (1/9, 1.16M), "Bush's plan seems to represent a warmed-over variant of approaches that have already been tried and mostly failed, that are opposed by some top American military commanders and ordinary Iraqis alike, and whose most likely outcome will be many more Americans in body bags or wheelchairs. The reality is that we've already tried surges. There was one of 20,000 troops in early 2004, a similar one in the fall of 2005, and one a bit smaller in the summer of 2006."

Sally Quinn, in the Washington Post (1/9, A15, 690K), "We have three choices here. All three are immoral. We can keep the status quo and gradually pull out; we can surge; or we can pull out now. When I think about those young soldiers on that plane coming back from Japan years ago, I believe pulling out now is the least immoral choice."

Democrats Divided On Response To Bush Iraq Plan.

The New York Times (1/9, Zeleny, 1.16M) reports, "The new Democratic majority in Congress is divided over how to assert its power in opposing President Bush's plan to send more troops to Baghdad, as leaders explore ways to block financing for a military expansion without being accused of abandoning American forces already in Iraq."

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While "Democrats find themselves unusually united in their resistance to a troop increase, party leaders are locked in an internal debate over how far to go in objecting to the administration's Iraq strategy." The White House "has invited some Democrats to meet with Mr. Bush before he gives his Iraq speech on Wednesday, even as others have scoured the history books to find cases when Congress has reined in the commander in chief." Speaker Nancy Pelosi has "suggested that Democrats consider blocking financing for a troop increase, and the Senate majority leader, Harry Reid of Nevada, vowed Monday 'to take a look at it.'" But "the House majority leader, Representative Steny H. Hoyer of Maryland, has not endorsed the idea. Other Democrats, either looking ahead to a possible presidential candidacy or their own re-elections, have also distanced themselves from such a proposal, fearful of being cast as opposing the troops."

The AP (1/9, Espo) reports, "In a blunt challenge to…Bush, the leader of the Senate's new Democratic majority said Monday he will 'look at everything' within his power to wind down the war in Iraq, short of cutting off funding for troops already deployed. 'I think we've got to tell the president what he's doing as wrong. We've got to start bringing our folks home,' said Sen. Harry Reid of Nevada, in remarks that portend a struggle if, as expected, Bush announces plans later this week for an increase in troop strength of 20,000." Another "senior Democrat, Sen. Edward M. Kennedy, said one option under consideration would be for lawmakers to vote on denying the use of funds for any increase in the US deployment." The AP adds, "Officials said late Monday night that the Massachusetts Democrat was preparing legislation that would require Congress to approve the deployment of more troops, and was hoping for a roll call on the topic swiftly -- before any increase is implemented."

CNN's Lou Dobbs Tonight (1/8) reported that "until now, cutting off any funding for troops, has been the third rail of Iraq war politics. … But Democrats, now in control of Congress, are under intense pressure to use their new power and the power of the purse to stop the President from sending more troops to Iraq."

On NBC Nightly News (1/8, lead story, Williams, 9.87M), Speaker Nancy Pelosi was shown saying, "We must know what the ground truth is in Iraq before we lose anymore lives or cost anymore money, and cost to our budget and reputation." However, asked NBC, "would Democrats cut off funding for the war? Seems unlikely." Sen. Barack Obama was shown saying, "I am not willing to create a situation in which troops who are already in Iraq might be short changed some way because of restrictions on appropriations."

ABC World News (1/8, story 3, Stephanopoulos, 8.78M) said Democrats "are looking at a lot of different ideas: To stop funding for new troops or put a cap on number of troops in Iraq. … The third idea would be to block any funding for extending any troop standard tour in Iraq -- and the virtue of these ideas is they are more politically palatable." They "put congress on side of the troops, and military brass may go along with them." Democrats "are not likely to get many Republicans for any attempts to limit funding, even if they pass them, the President would veto them." It's "very hard to override a Presidential veto and especially on those micro managing amendments, they may not pass constitutional muster even if they did pass." Yet the Los Angeles Times (1/9, Levey, 850K) reports "Democratic congressional leaders are ruling out funding cuts to force President Bush to withdraw American troops. … Democratic leaders have shown no appetite for such a showdown."

The Hill (1/9, Kaplan) reports Rep. John Murtha, "whose opposition to the war gave Democratic candidates political cover during the election to emphasize the issue, plans to begin hearings 'shortly' in his new perch as chairman of the Defense Appropriations subcommittee, said House Appropriations Chairman David Obey (D-Wis.)." The Wall Street Journal (1/9, A6, Rogers, 2.04M) says Murtha, "chairman of the House Appropriations defense subcommittee, believes the November election results show voters want Congress to be more of a check on Mr. Bush's handling of Iraq. His goal is to build bipartisan support by focusing the debate on whether increasing troop levels would be too much of a strain on the military." The chairman "met recently at the White House with Mr. Hadley, Vice President Cheney and the president regarding Iraq policy, but remains skeptical of the administration's approach. He is planning a set of hearings beginning this month on the state of Army and Marine Corps readiness; as chairman, he can recommend that the restrictions be part of the text of the funding bill and challenge others to take out the language."

Rice Announces Nominations Of Khalilzad, Crocker. The AP (1/9) reports Secretary Rice Monday announced that President Bush will nominate Zalmay Khalilzad to be the US envoy to the United Nations and veteran diplomat Ryan Crocker to replace him as ambassador to Iraq. If confirmed, Rice said, "Ryan and Zal

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will have two of the hardest and most consequential jobs in the world." The changes are seen as part of President Bush's new Iraq strategy. Rice noted, "The next two years may well be the most significant ones in this mission so far. New challenges on the ground call for changes to our strategy." AFP (1/9, Millikin) says the appointments "are not expected to encounter stiff resistance from the opposition Democrats" in Congress. Meanwhile, Khalilzad's appointment "was welcomed by some foreign policy experts as a sign that Bush intends to continue pursuing important diplomatic goals through the world body he once famously dismissed as a 'debating society.' But some have worried the diplomat may focus too much on Iraq to the detriment of other pressing issues."

The Financial Times (1/9, Dinmore) reports the "appointments of Mr. Crocker and Lt. Gen. Petraeus, both respected and already veterans of the Iraq war, will help the administration get through three weeks of tough committee hearings in the Democrat-controlled Congress."

LATimes Welcomes Khalilzad's Nomination. In an editorial, the Los Angeles Times (1/19, 850K) says Khalilzad is "not the kind of soft-spoken diplomat who goes over well at the United Nations. … Yet he is also charismatic and can be charming; certainly compared to his predecessor, he's a breath of fresh air." Calling him "a polished and experienced foreign service official who is quite capable of flexibility," the Times says his confirmation "would be a testament to this nation's diversity" as the first Muslim US ambassador to the United Nations.

US Airstrike Targets Al-Qaeda In Somalia. In an exclusive report, the CBS Evening News (1/8, lead story, 2:00, Couric, 7.66M) broadcasted, "In Somalia tonight, the US Military launched a strike against terrorists believed responsible for attacks more than eight years ago at our embassies in Kenya and Tanzania." From the Pentagon, CBS' David Martin added, "A US Air Force gunship has conducted a strike against suspected members of al Qaeda in the African country of Somalia. The targets included the senior al Qaeda leader in East Africa and an al Qaeda operative wanted for his involvement in the 1998 bombings of two American embassies in Africa. … But there is as yet no confirmation of the identities." According to CBS, the US military "started preparing for an airstrike using unmanned aerial drones to keep them under surveillance and moving the aircraft carrier Eisenhower out of the Persian Gulf towards Somalia."

The AP (1/9) says the White House on Monday night "would not confirm the incident," while Pentagon spokesman Air Force Lt. Col. Todd Vician "said he could neither confirm nor deny the reports of an airstrike." However, the New York Times (1/9, A3, Cloud, 1.16M) reports the strike "is believed to have produced multiple casualties," but it "was not known Monday night whether the casualties included members of a Qaeda cell."

The AP (1/9) reports early Tuesday that "in a further escalation of American involvement in Somalia, the USS Dwight D. Eisenhower arrived off the war-ravaged country's coast and its aircraft have begun flying intelligence-gathering missions over Somalia," the US military said Tuesday. The US Central Command "reassigned the aircraft carrier to Somalia last week from its mission supporting NATO-led forces in Afghanistan," said US Navy spokesman Lt. Cmdr. Charlie Brown in Bahrain. Brown told the AP that he did not know how long the Eisenhower's redeployment would last, saying only that it would "be there as long as required."

On its front page, the Washington Post (1/9, A1, Deyoung, 690K) reports "US sources said the operation may have hit a senior terrorist figure." One target of the strike, sources said, was Abu Talha al-Sudani, a Sudanese who is described "as an explosives expert who was close" to Osama bin Laden. More recently, Sudani "was identified by US intelligence as a close associate of Gouled Hassan Dourad, head of a Mogadishu-based network that operated in support of al-Qaeda in Somalia." The Post also notes that sources "would not confirm that US forces are operating on the ground along the border between Somalia and Kenya, although one emphasized that 'we are working very, very closely' with Kenyan forces."

The Los Angeles Times (1/9, Meyer, 850K) says US officials have "secretly been negotiating with Somalian clans who are believed to have sheltered the three men, hoping to obtain information about their locations," however, it "could not be determined Monday whether the airstrike was based on information provided by the clans." The Times reports that the strike targeted Fazul Abdullah Mohammed, Abu Talha al Sudani and Saleh Ali Saleh Nabhan.

Somali President Rejects US Requests To Bring Islamists Into Government. McClatchy (1/9, Bengali) reports, "In a rebuff to the United States, Somalia's interim president, Abdullahi Yusuf, on Monday rejected US requests

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to bring moderate Islamists into his weak transitional government." Negotiations with Islamists "will not happen," he told Al Jazeera television before flying to Mogadishu. There was "no immediate reaction from US officials, but Yusuf's remarks underscored the difficulties that Western governments face as they try to shore up Somalia's fragile regime."

Rain Slows Offensive Against Iraqi Insurgents. The Los Angeles Times (1/9, Zavis, 850K) reports, "A five-day-old offensive into the troubled rural region east of Baghdad bogged down in the mud Monday after US forces staged a bombardment of a warren of tunnels and canals where Sunni Arab insurgents were believed to be holed up. An icy downpour turned rural dirt lanes into muck that stuck to boots and wheels like cement and stopped heavy armored American vehicles. ... Despite the adverse conditions, U.S. military officials remained optimistic about their offensive in Diyala province. ... U.S. and Iraqi forces have swept through sprawling farmland, combing isolated hamlets for fighters, weapons and intelligence. Soldiers have found numerous arms caches in the mostly Sunni Tamuz village."

In Recording, Saddam Defends Chemical Attacks. The New York Times (1/9, Burns, 1.16M) reports, "The courtroom he dominated for 15 months seemed much smaller on Monday without him there to mock the judges and assert his menacing place in history. But the thick, high-register voice of Saddam Hussein was unmistakable. In audio recordings made years ago and played 10 days after his hanging, Mr. Hussein was heard justifying the use of chemical weapons against the Iraqi Kurds in the late 1980s ... In the history of prosecutions against some of the last century's grimmest men, there can rarely have been a moment that so starkly caught a despot's unpitying nature. ... Mr. Hussein sounds matter of fact as he describes what chemical weapons will do." The recordings "may go a long way to answering criticism of the government for executing him before he was judged for the worst of his crimes." The Washington Times/AP (1/9, Frayer) reports on the trial as well. The AP (1/8) reported that on Monday "the court's first order of business was to drop all charges against Saddam" since "'the death of defendant Saddam was confirmed.'"

New Saddam Corpse Video Appears On Internet. The AP (1/9, Abdul-Zahra) reports, "A new video of Saddam Hussein's corpse, with a gaping neck wound, was posted on the Internet early Tuesday, the second leaked release of clandestine pictures from the former leader's hanging. The video appeared to have been taken with a camera phone ... The newest video leak was likely to increase the angry reaction over the way the execution was carried out. There already has been a global outcry about the undignified manner in which the Shiite-dominated government hanged Saddam, a Sunni."

Execution Sparks Arab Support For Saddam. The AP (1/8, El-Magd) reports, "Saddam's stature has grown since his execution — when he answered insults and taunts with disdain — overshadowing the memories in much of the Arab world of the massacres and other atrocities committed by his regime. ... The praise has angered the governments of Iraq and Kuwait, which Saddam's soldiers invaded in 1990. On Monday, Kuwaiti lawmakers denounced Arab countries where Saddam has been lauded as a hero and demanded the government reconsider ties and financial aid to them."

Obama, Other Democrats Criticize Saddam Execution. The Hill (1/9, Tiron) reports, "Potential 2008 presidential contender Sen. Barack Obama (D-Ill.) and other top Democrats sharply criticized the execution of Saddam Hussein as President Bush readied to introduce a new military and foreign policy strategy for the war-ravaged country the Iraqi dictator once controlled." Obama "said Saddam was hanged before all charges against him were heard" and that he had been rushed "to the gallows." However, Obama also said on the day of the execution, "The Iraqi people have found justice." Other Democratic critics quoted are Sens. Joseph Biden, Christopher Dodd, and Carl Levin. The Hill notes that Biden and Dodd, like Obama, had issued more-positive statements "shortly" after the execution.

Saddam Execution Tied To Bush's Support For Capital Punishment In Texas. The Washington Post's Richard Cohen (1/9, A15) writes, "George W. Bush has executed 153 people, 152 of them in Texas and one so far in Iraq. The Iraqi, of course, is Saddam Hussein, who went to his burlesque of a death with more dignity than the Iraqi government, which so hurried him to the gallows that in much of the world the hanging looked a lot like a lynching. The president, we are told, did not bother to view the spectacle on tape. Maybe he feared he would learn something."

Iraqi Fugitive Plans Return To US. The Washington Post (1/9, A11, Partlow, 690K) reports, "Iraq's

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most publicly available fugitive held a news conference in the United Arab Emirates on Monday, announcing his plans to return to Chicago rather than the Baghdad jail he escaped from last month. Aiham al-Sammarae, the former Iraqi electricity minister who escaped from an Iraqi-run jail inside Baghdad's fortress-like Green Zone on Dec. 17, told reporters at a Dubai hotel that he 'didn't break any U.S. laws' and denied he was a fugitive from justice. ... Radhi al-Radhi, head of Iraq's Commission on Public Integrity, an organization created by the United States that had been investigating Sammarae, said last month that he escaped with the help of private security agents who appeared to be American. The Iraqi government insists it will attempt to bring Sammarae back to Baghdad, according to government spokesman Ali Dabbagh."

UK Commander Says UK Troops Are Defeating Taliban. AFP (1/9) reports, "British troops are inflicting heavy losses on a resurgent Taliban militia while 'making great progress in winning the hearts and minds' of the people of Afghanistan, a British commander said. UK task force commander Brigadier Jerry Thomas "said the situation in the southern province of Helmand had improved 'markedly' since September when a television documentary aired Monday night was filmed." In the documentary, "harrowing footage" shows "bullets buzzing troops and the filmmaker." The troops also gather "corn found in a nearby field because of supply problems." AFP continues, "Around 120 foreign soldiers have been killed in action in the country this year, which has seen the worst Taliban-linked violence since the extremists were driven from power."

DOJ:

New Jersey US Attorney Will Stay In Job This Year. The AP (1/9) reports, "The U.S. attorney for New Jersey, a Republican long rumored to be a contender for U.S. Senate, said today he plans to stay in his current job into next year, effectively ruling out a 2008 campaign. … 'I have every intention of being here through the end of '07 and into early 2008,' Christopher Christie told The Associated Press on Monday. 'We'll see what happens when '08 starts.'" The AP continues, "Federal laws and Justice Department regulations bar a sitting U.S. attorney from running for political office. Political observers believe most candidates for U.S. Senate from New Jersey would have to start raising money for the costly campaign by June 2007. … Christie, 44, who also is considered by some to be a possible GOP pick for governor, was tapped by President George W. Bush in 2001 to be New Jersey's top federal prosecutor though he lacked criminal court experience. During the AP interview, Christie would not discuss a possible gubernatorial bid in 2009.Over the past five years, Christie has built a reputation as a tough corruption fighter by prosecuting cases including that of former Senate President John A. Lynch, now in prison for corruption, and some in Monmouth County that resulted in the arrests of more than a dozen public officials." The AP adds, 'Christie's comments effectively end speculation he would challenge Democratic Sen. Frank Lautenberg, who has said he will seek re-election in 2008."

CORPORATE SCANDALS:

Former Aspen Technology CEO Surrenders On Securities Fraud Charges. The AP (1/9) reports, "The former chief executive officer of software company Aspen Technology Inc. surrendered Monday to face securities fraud charges that he illegally inflated the company's software revenues as he competed to become its chief executive." The AP continues, "David McQuillin, 48, was accused in U.S. District Court in Manhattan of plotting to exaggerate the company's software revenues between January 2001 and September 2002." The AP adds, "Prosecutors alleged in court papers that McQuillin tried to inflate the revenues while he was competing against the company's other chief operating officer for the position of chief executive officer, which he received in October 2002. Aspen Technology develops and sells computer software to oil refineries and other industries. … Prosecutors said McQuillin and unidentified coconspirators manipulated Aspen's revenues by entering side agreements with a customer to control when certain revenues would be counted, by backdating software sales agreements into earlier financial quarters and by providing false information to its auditors. … McQuillin allegedly engaged in the scheme after learning at the end of December 2000 that Aspen was not going to meet the estimates of securities analysts, the government said."

Apple's Jobs Haunted By Options Backdating Issue. USA Today (1/9, 2B, Farrell, Swartz) reports, "When Steve Jobs steps to the podium today at the

Macworld Conference (in San Francisco) to introduce what is expected to be the newest Apple iPod, he won't be just another CEO hawking a fad product. … Instead, Apple's iconoclastic founder will be greeted by most attendees as the visionary who changed the way the world works and the messiah who saved Apple from oblivion a decade ago. His address is considered the crowning achievement of the year for Apple and its legion of fervent customers." USA continues, "Yet on the day of Jobs' triumphant moment, he finds himself on the defensive over an issue that swept through Silicon Valley and a swath of Corporate America in 2006 like a California brushfire: the backdating of stock options. … Federal prosecutors and the Securities and Exchange Commission are poring over an internal Apple investigation that examined two huge options grants to Jobs in 2000 and 2001. The 2001 grant was the most problematic. It gave Jobs options to buy 7.5 million shares at $18.30 a share instead of the $21.01 market price of Apple's shares on the date the grant was finalized two months later. … The investigation also disclosed that more than 6,400 stock option grants made on 42 dates from 1997 to 2002 were backdated to give employees a lower strike price." USA adds, "Apple's report on its internal investigation said that Jobs was aware of or recommended some favorable grant dates but that he did not appreciate the accounting implications. It found no evidence of misconduct by current management, it said. … The company also said Jobs didn't benefit financially from the backdating. Indeed, the two grants to Jobs, totaling 17.5 million options, were canceled in March 2003 (when Apple's stock price was below the options' strike price) and replaced with an award of 5 million shares of restricted stock. … According to data from Thomson Financial, Jobs has never sold shares of Apple stock for profit. His one sale of stock last March — in which he returned 4.5 million shares to the company for nearly $300 million — was to satisfy tax withholding requirements. … But Lucian Bebchuk, director of Harvard Law School's program on corporate governance, says that Jobs clearly gained from the favorable backdating. … Even if one accepts Apple's explanation that Jobs didn't benefit because his options were canceled, the options' replacement with a grant of restricted stock meant they were worth something, Bebchuk says."

WSJournal Criticizes Frank For Flap Over SEC Rule On Executive Pay. The Wall Street Journal (1/9, 2.04M) says in an editorial, "For an excellent example of why federal agencies so rarely admit mistakes, look no further than the recent uproar over the Securities and Exchange Commission's flip-flop on stock-option disclosure. House Financial Services Chairman Barney Frank is already planning to ride this error through the next election as part of his campaign against CEO pay." The SEC has "been under attack since it announced -- on the eve of Christmas weekend -- that it was modifying its July disclosure rule on executive compensation. The commission's new order tweaks the way stock option grants are disclosed, with the goal of making total annual compensation figures more accurate and consistent. Chairman Christopher Cox admitted that the SEC had inadvertently adopted the wrong version of one part of the rule, and was simply trying to set things right." But the "mea culpa counted little with Mr. Frank, who denounced the SEC for loosening reporting requirements to provide a 'Christmas Eve' gift to corporate America. He also declared that this 'backtracking' by the agency meant his committee now had an obligation to dive into the 'problem' of 'unconstrained' executive compensation -- as if he needed an excuse."

CRIMINAL LAW:

House Democrats Negotiating Subpoenas With Cunningham Prosecutors. The New York Times (1/9, Kirkpatrick, 1.16M) reports, "The new Democratic House leaders are negotiating with federal prosecutors about complying with subpoenas related to former Representative Randy Cunningham's corrupt sale of military contracts, potentially accelerating a dormant inquiry. The subpoenas…request documents from the House Appropriations, Intelligence and Armed Services Committees and demand a response by Jan. 11." According to the Times, a federal prosecutors "sought for months without success to reach agreement with the former House Republican leaders to obtain the documents without subpoenas."

CIA Reportedly Stalling Investigation Of Foggo And Cunningham. The Wall Street Journal (1/9, A4, Paltrow, 2.04M) reports, "A federal criminal investigation of the Central Intelligence Agency's former third-highest official has stalled because of CIA reluctance to turn over classified documents requested by prosecutors, people close to the investigation say. The U.S. attorney's office in San Diego has been investigating former CIA Executive Director Kyle 'Dusty' Foggo to determine whether he committed illegal acts in influencing the awarding of CIA covert contracts. Mr. Foggo resigned

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from the CIA in May 2006, shortly after The Wall Street Journal disclosed the investigation1." The journal notes that "among the contracts under investigation is one the CIA awarded to the company of a lifelong friend of Mr. Foggo's, Brent Wilkes, a California defense contractor. Last year…Cunningham pleaded guilty to soliciting bribes from individuals including Mr. Wilkes. The Foggo inquiry is part of a chain of pending criminal investigations sparked by the Cunningham case."

Conyers To Spearhead Overhaul Of Mandatory Sentencing Laws. The New York Times (1/9, Clemetson, 1.16M) reports, "Federal sentencing laws that require lengthy mandated prison terms for certain offenses are expected to come under fresh scrutiny as Democrats assume control of Congress. Among those eagerly awaiting signs of change are federal judges, including many conservatives appointed by Republican presidents. They say the automatic sentences, determined by Congress, strip judges of individual discretion and result in ineffective, excessive penalties, often for low-level offenders." House Judiciary Committee Chairman Rep. John Conyers "is planning hearings on the laws, starting later this month or in early February. One of the first issues planned for review is the sentencing disparity between offenses involving powder and crack cocaine."

US Charges Chicago Alderman With Accepting Bribes. The Chicago Tribune (1/9, Coen, Washburn) reports, "Chicago Ald. Arenda Troutman was charged Monday with taking bribes to grease a development in her ward in an undercover sting in which she was recorded brashly asking one informant: 'What do I get out of it?'" The Tribune continues, "Troutman, a minor player at City Hall despite her 16 years on the City Council, was arrested at her home early Monday by FBI agents who had to break a window to open a door. Authorities said she first spoke to agents from a third-floor window at 6:30 a.m. but had refused to come down. … The complaint alleged Troutman (20th) took $5,000 in cash and was promised $10,000 more to smooth licensing and zoning for a development at 57th and Halsted Streets, where she also had arranged to have a residence and commercial space. The development deal never existed; it was invented by the FBI as part of the sting. … After receiving the $5,000 on Nov. 29, Troutman allegedly went to work for the development immediately." The Tribune adds, "The charges hark back to the days when the federal government snared one alderman after another in sting operations. Between 1972 and 1999, an average of one alderman a year was convicted of wrongdoing. … First Assistant U.S. Atty. Gary Shapiro described the complaint as another Chicago 'civics lesson' in the history of corruption in the city. .. 'This time on how things get done in the 20th Ward of Chicago,' Shapiro said."

Other press accounts also prominently note the FBI arrest. The Chicago Sun-Times (1/9, Korecki, Spielman) opens its story, "Agents had to break a window to get in to Troutman's home," and the AP (1/9, Bellandi) similarly begins its widely-distributed report, "FBI agents had to break a window at a city alderman's home to get inside Monday to arrest her on a federal bribery charge for allegedly accepting $5,000 to help a fictitious developer move forward on a building project, authorities said." The AP notes Chicago SAC Robert Grant said that "agents also asked a nanny…to let them inside and made several telephone calls to the home with no response."

Former Rhode Island Attorney Jailed For Pocketing Drug Money. The Providence Journal (1/9, Malinowski) reports, "Joseph A. Bevilacqua Jr., once one of the state's more prominent criminal defense lawyers, is headed back to jail. … Bevilacqua, who had been serving the final portion of an 18-month sentence on work release, was ordered held at the Barnstable County House of Correction on Cape Cod after his arrest last week on charges that he participated in a scheme to pocket $150,000 from drug-dealer clients." The Journal continues, "Yesterday, Bevilacqua, 57, of West Warwick, learned that he will remain locked up in the county jail through Jan. 17. The next day, he will be taken back to U.S. District Court in Boston to be arraigned on a felony count of conspiracy. … At that time, the court indicated that he would probably be released and placed on strict supervision by federal probation officials." The Journal adds, "Bevilacqua, known for his fine-tailored suits during his days as a lawyer, shuffled yesterday into the seventh-floor courtroom of the John Joseph Moakley United States Courthouse in leg irons and handcuffs. Two federal marshals escorted him to the defense table. … Bevilacqua, who looked like he had lost weight in recent months, wore jeans and a yellow long-sleeved Ralph Lauren polo shirt. His hair was askew and it appeared that he had just awoken from a long slumber in the courthouse lockup. … Jonathan

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Shapiro, Bevilacqua's court-appointed lawyer, asked Judge Joyce London Alexander to let Bevilacqua serve out the final days of his sentence in work release. … In 2005, Bevilacqua was sentenced to 18 months in federal prison for leaking a confidential FBI videotape to Jim Taricani, a Rhode Island television reporter. The conviction led to Bevilacqua's disbarment from practicing law. … Assistant U.S. Attorney William D. Weinreb told the judge that it was the Bureau of Prisons — not the court — that determined Bevilacqua should return to jail. He pointed out that the federal prison system still has control over the former lawyer's freedom."

Judge Allows Petitioners To Join Jeffs Suit, But Does Not Rule On Evidence. In a widely-distributed story, the AP (1/9, Ritter) reports, "A federal judge on Monday broadened the legal tug-of-war over cash, computers and other materials seized from a vehicle during the southern Nevada arrest of polygamist church leader Warren Jeffs. In a quick decision, U.S. District Court Judge Robert Jones said two other parties may join the government and Jeff's lawyers in arguing the civil case – the United Effort Plan Trust, which holds $110 million in Fundamentalist Church of Jesus Christ of Latter-day Saints property, and a former Jeffs follower who won a $338,000 judgment from Jeffs after being fired from his job." However, Jones "did not address questions about the materials, which have been held by the federal government since they were seized…during Jeffs' arrest."

The Deseret Morning News (1/9, Winslow) notes, "Among the $54,000 in cash, wigs, cell phones, computers and other evidence seized from the Escalade, FBI agents have told the Deseret Morning News they found ledgers that may detail who had been helping to keep Jeffs on the run. The FLDS leader was on the FBI's Ten Most Wanted list until his capture. The U.S. Attorney's Office in Utah…declined to comment Monday on the outcome of the hearing. An FBI agent from Salt Lake City was in the audience to keep track of the developments."

Quets Returns To US From Canada To Face Kidnapping Charges. The AP (1/9) reports, "A woman accused of kidnapping her 17-month-old twins from their adoptive parents returned to the United States, escorted by Canadian police. Allison Quets waived her right to an extradition hearing." The AP adds, "A custody agreement allowed Quets to take the children from Denise and Kevin Needham for a brief visit just before Christmas, but authorities said she never returned the twins. … In an affadavit, FBI Agent Michael Sutton wrote Quets and the Needhams argued over money and almost derailed the adoption in the first place." The Canadian Press (1/9) notes, "She was arrested in Ottawa almost two weeks ago after fleeing to Ontario with the twins. An FBI warrant had been issued after the children were not returned to their adoptive parents following a scheduled visit in Raleigh, N.C., on Christmas Eve."

Man Accused Of Oprah Extortion Scheme Waives Court Hearing. In a widely-distributed story, the AP (1/9, Reichgott) reports, "The case against an Atlanta man reportedly accused of trying to extort $1.5 million from Oprah Winfrey is likely headed to a grand jury. Keifer Bonvillain, 36, was scheduled to appear before a federal magistrate on Monday but waived the preliminary hearing, said Randall Samborn, spokesman for the U.S. attorney's office. A grand jury may be asked instead to determine whether there is enough evidence to warrant a trial." The AP goes on to recount the details of the FBI investigation and allegations against Bonvillain.

Five Mississippians Plead Guilty To FEMA Relief Fraud. The Biloxi Sun Herald (1/9, Fitzgerald, 45K) reports, "Five South Mississippi residents pleaded guilty [Monday] to fraud cases involving disaster-relief assistance from FEMA. The defendants who appeared before U.S. District Judge Louis Guirola Jr. are Emily Fuqua, Duane Adams, Clarence Hall, Patty Richards and Hassie Baker. … They each face a maximum penalty of five years in prison, three years of supervised release, a $250,000 fine and a mandatory $100 special assessment fee. Guirola said a lesser sentence may be considered as part of their plea agreements." The Sun Herald notes, "Four of them pleaded guilty to making a false claim for disaster-relief assistance following Hurricane Katrina."

Judge Delays Sentencing Of Fleishman-Hillard Executive For Fraud. The Los Angeles Times (1/9, Spano, 850K) reports, "A federal judge on Monday delayed sentencing for former public relations executive Douglas R. Dowie, but not before making comments favorable to both sides in the fraud case. Dowie was convicted last fall of masterminding a long-running overbilling scheme that cost city taxpayers at least $6 million

in unearned fees to public relations giant Fleishman-Hillard, whose local office he headed. … 'In my view, the government has more than adequately proved its case,' U.S. District Judge Gary Feess said in court Monday. … But Feess delayed sentencing until Jan. 30 to allow full airing of a defense argument that prosecutors had miscalculated the number of months Dowie should serve in federal prison. The judge agreed that Dowie's lawyers could question an FBI agent who was responsible for the figures."

Towers Perrin Reports Theft Of Laptops, Client Data. The Wall Street Journal (1/9, B2, Francis) reports, "Five laptops containing data about tens of thousands of retirement-plan participants at multiple companies were reported stolen by benefits consulting giant Towers Perrin last month, the latest in a string of thefts across industries raising concerns about privacy and identity theft." The Journal continues, "Towers Perrin reported the laptops missing on Dec. 7, and New York City police made an arrest on Dec. 28, but the computers haven't been recovered, people familiar with the matter said. A criminal complaint filed in New York suggests the laptops were stolen from a locked room in the building housing Towers Perrin's Manhattan office on Nov. 27." The Journal adds, "In a written statement late Monday, Towers Perrin confirmed the theft of 'a small number' of laptops containing 'personal information' about clients' 'current and, possibly, former employees.' … 'We deeply regret the inconvenience this may cause,' the company said in its statement. 'We take seriously our commitment to safeguarding our clients' confidential information and notified our affected clients as quickly as possible.' … Consulting firms can have access to considerable sensitive data about benefit-plan participants, including names, addresses, Social Security numbers and retirement-account information."

Duke President Calls For DA To Step Aside. The New York Times (1/9, Wilson) reports, "The president of Duke University renewed his call on Monday for the district attorney to step aside from the sexual offense case against three former lacrosse players and give control to an independent party 'who can restore confidence in the fairness of the process.'" The Times continues, "In an open letter to the Duke community as a new semester began, the president, Richard H. Brodhead, reviewed recent events in the case and sought to explain the university's responses since last March, when a stripper accused three students of raping her at a lacrosse team party." The Times adds, "Mr. Brodhead said that from the early, confusing days of the case, the university had been guided by two principles: If true, the accusations were 'grave and should be taken very seriously.' At the same time, 'our students had to be presumed innocent until proven guilty through the legal process.' … Now, he wrote, in the wake of developments that have raised questions about the district attorney's handling of the case, the need for a fair legal process demands that he recuse himself." The Times notes, "Early on, Mr. Brodhead recalled, the district attorney, Michael B. Nifong, said publicly that he was certain a rape had taken place. But on Dec. 22, Mr. Nifong dropped the rape charges, saying the accuser was no longer sure what had penetrated her. He is proceeding with sexual offense and kidnapping charges, which carry equally stiff sentences. … Given the certainty of the prosecutor's early statements, Mr. Brodhead said then and restated in his letter on Monday, the decision to drop the rape charges called the entire case into question."

CIVIL LAW:

Boston Men Tearfully Recount Wrongful Imprisonment. The Boston Globe (1/9, Murphy, 413K) reports, "Tears rolled down Joseph Salvati's face yesterday as he took the stand in federal court, recounting the family milestones he missed as his four young children grew up without him while he spent 30 years in prison for a murder he didn't commit. … Salvati, who was 35 years old when he went to prison in 1967, spent 29 years and five months behind bars for the murder of petty thief Edward 'Teddy' Deegan in a Chelsea alley before he was freed in March 1997, after William Weld, then governor, commuted his life sentence. Four years later, Salvati's codefendant, Peter Limone, was set free and the convictions of both men were overturned after it was revealed that long-secret FBI documents indicated they had been framed by a Mafia hitman-turned-government witness, Joseph 'The Animal' Barboza. 'I couldn't believe the FBI would do a thing like that,' said Salvati, wiping his eyes with a handkerchief. 'These are people you look up to. They didn't care 40 years ago, and they don't care now.'"

The AP (1/9) includes the same quotation from Salvati and reports, "Justice Department lawyers have argued during the civil case that federal authorities had no duty to share information with state prosecutors and cannot be liable for the results of a separate state investigation. Salvati's lawyers say

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FBI memos showed the FBI believed Flemmi had killed Deegan, as well as six other people, but agents continued to use him as an informant. The memos were made public in 2001 after they were discovered by a Justice Department task force probing the FBI's relationship with gangsters and FBI informants James 'Whitey' Bulger and Stephen 'The Rifleman' Flemmi, Vincent Flemmi's brother."

CIVIL RIGHTS:

Judge Rules Former Terror Suspect May Sue County Over Jail Treatment. The AP (1/9) reports from Detroit, "A former suspect in a federal terrorism case who says he was mistreated while in jail can sue the county, a federal judge has ruled." The AP continues, "Moroccan immigrant Karim Koubriti, 28, was held for three years in the Wayne County jail and claims he was strip searched, held in isolation for 23 hours a day and not allowed to exercise. … U.S. District Judge Bernard Friedman last week rejected the county's request to dismiss Koubriti's lawsuit, the Detroit Free Press reported Sunday. No trial date has been set. … 'The decision means he'll get his day in court and his say at trial,' said Koubriti's lawyer, Ben Gonek of Detroit. He is seeking unspecified damages." The AP adds, "Friedman's order dropped one count - that being served pork at the jail violated Koubriti's Muslim faith and his constitutional rights. But he upheld three other counts, including Koubriti's claim that he was "repeatedly subjected to unlawful and unnecessary strip searches designed to humiliate and degrade him because of and in retaliation for his religious beliefs." … Koubriti and three other Middle Eastern immigrants had been accused of forming a terror cell in the Detroit area. In 2003, Koubriti and Abdel-Ilah Elmardoudi were convicted of conspiracy to aid terrorists and document fraud. A third man was convicted of document fraud, and the fourth was acquitted of all charges. … A federal judge later dismissed the convictions at the request of the Department of Justice, which said federal prosecutors in Detroit withheld evidence beneficial to the defendants."

New York Man Dies After Police Use Taser. The New York Times (1/9, Newman) reports, "The day after a disturbed man died after being shocked with a Taser stun gun in Queens by a police sergeant, a city police official yesterday provided a fuller account of the moments before the man apparently went into cardiac arrest." The Times continues, "The man, Blondel Lassegue, 38, a former schoolteacher, struggled with the police on Sunday afternoon in a kitchen of a house near Kennedy International Airport. Family members at the house said late yesterday that they would issue a statement today about the circumstances of Mr. Lassegue's death. … The Nassau County medical examiner's office, which is investigating the death, said the cause had not been determined." The Times adds, "The sergeant who shot Mr. Lassegue appeared to have been following departmental guidelines, said Chief Michael Collins, a New York Police Department spokesman. The Taser is widely used by police departments to subdue people, although there have been questions about its safety. Amnesty International says more than 220 people have died after being shot by Tasers. … The Taser gun, which fires barbs attached to fine wires and is used by more than 10,000 police departments around the world, has been the subject of conflicting studies about its safety. … Officials at Taser International, which makes it, say that it has been tested on volunteers about 200,000 times, and that tests financed by the United States Justice Department found that the Taser did not change heart rhythms or damage hearts. But a University of Wisconsin study found last year that the guns' shocks applied directly to the hearts of healthy pigs could cause them to stop beating. Chief Collins said he did not know where the Taser dart struck Mr. Lassegue."

Death Of Hmong Hunter In Wisconsin Stirs Racial Concerns. The New York Times (1/9, Miner) reports from Milwaukee, WI, "Law enforcement officials said Monday that a Hmong hunter found dead Saturday in northern Wisconsin had been murdered after an 'accidental meeting' between the victim and another small game hunter." The Times continues, "The killing has reignited racial tension in Wisconsin's northern woods, where two years ago a Hmong hunter killed six white hunters and injured two others in a confrontation that included racial epithets." The Times adds, "Details remain sketchy about the latest killing, although there have been news reports that the two men had a confrontation. … 'While there is much I would like to tell you, there is much I cannot tell you,' Sheriff James Kanikula said at a news conference Monday in Marinette, Wis., The Associated Press reported." The Times notes, "The finding that the death of the Hmong hunter, Cha Vang, 30, had been intentional was based on an autopsy. The case has been turned over to Wisconsin's newly elected attorney general, J.

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B. Van Hollen. … The other hunter, James Nichols, 28, of Peshtigo, Wis., is being detained, but has not been charged in the killing. Mr. Nichols is being held on charges of violating parole and being a felon in possession of a firearm. A convicted burglar, he has been in custody since Saturday, when he showed up at a medical center with a gunshot wound. … The body of Mr. Vang, a father of five children age 3 to 10, was found partly concealed Saturday in the Peshtigo Harbor Wildlife Area. The hunting spot is an hour's drive north of Green Bay, where Mr. Vang lived, and about 250 miles north of Chicago. … Hunting is deeply ingrained in both the Hmong and Wisconsin northern woods cultures. Distrust among the Hmong and other residents has been high since Chai Soua Vang of St. Paul killed six hunters and wounded two others in 2004 in north-central Wisconsin. The hunters had ordered Chai Soua Vang off private land. Mr. Vang is serving a life sentence."

ANTITRUST:

GE Shopping Plastics Unit. The Wall Street Journal (1/9, A3, Smith, Kranhold) reports, "General Electric Co. has asked for bids on its plastics business, valued at as much as $10 billion, in an auction that appears to reflect new concerns from the Justice Department about the lack of competition among possible private-equity buyers." The Journal continues, GE has told a handful of private-equity firms contacted about the possible plastics-unit sale that they face restrictions on their ability to team up with other private-equity bidders, according to people familiar with the sale effort. Although the exact nature of the restrictions isn't known, one of the people said the contacted firms aren't allowed to call other buyout funds about teaming up. .. . The restrictions may effectively limit the formation of so-called clubs, the teams of two or more private-equity firms that pool their resources to pursue a single acquisition deal." The Journal adds, "GE has been weighing the future of its plastics business, which has been plagued by higher raw-materials costs and keen competition. The business, where former GE Chief Executive Jack Welch made an early mark as boss and which also employed current CEO Jeffrey Immelt, has an estimated value of between $8 billion and $10 billion and annual revenue of about $7 billion. In the first nine months of 2006, its revenue rose 1% to $5 billion, but operating profit fell 13% to $560 million. … Acting on GE's behalf, Wall Street investment bank Goldman Sachs Group Inc. has conveyed the bidding restrictions on the plastics unit to four private-equity firms, the people familiar with the matter said. Goldman has also contacted two potential bidders in the plastics industry, they added."

The AP (1/9) reports, "Last October, the Justice Department began an antitrust probe of private-equity funds, looking particularly at private-equity firms that team up and prompting fears among some sellers that the number of bidders and size of the bids would be limited."

Bloomberg (1/9, Layne, Cimilluca) reports, "GE has been weighing the sale after the high cost of benzene, the main oil-based material used in much of its plastic, cut earnings last year." Bloomberg adds, "Immelt made almost $70 billion in acquisitions since becoming CEO in 2001 to enter faster-growing areas including healthcare, and he sold assets such as insurance that are volatile or capital intensive and hurt profit. … The negotiations are in the early stages, one person said. Goldman Sachs Group Inc., which has been hired to look for buyers, is restricting the ability of private equity firms to form groups in the auction, two of the people said." Bloomberg notes, "Such restrictions aren't unheard of, though in this case it comes as the Justice Department investigates possible anticompetitive behavior on the part of buyout firms, which often team up to buy multibillion-dollar assets."

The Financial Times (1/9, Politi) reports, "Mr Immelt has been a supporter of the growing influence of private equity on takeover markets, arguing that it makes it easier for large diversified companies like GE to reshape their portfolio by trading assets with buy-out groups." The Times notes, "GE has already found private equity groups to be attractive buyers for non-core businesses it is considering selling. In September, the group agreed to sell its advanced materials business, a supplier of sealants, adhesives, and ceramics materials, to Apollo Management in a deal worth $3.8bn."

DOJ Gives Antitrust Nod To Waste Services' Purchase Of Allied Waste's Florida Unit. The AP (1/9) reports, "Waste Services Inc., a Canada-based solid waste management company, said Monday its previously announced acquisition of Allied Waste's South Florida operations has been cleared by the U.S. Department of Justice." The AP continues, "Under a deal signed in July, Waste Services agreed to pay $61 million in cash for Allied Waste's collection company, transfer station and recovery facility located in Miami-Dade County. In return, Waste

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Services agreed to sell its Arizona operations to Allied Waste for $53 million."

Caremark Rejects Express Scripts' Buyout Offer. The Washington Post/AP (1/9, D2) reports, "Caremark Rx rejected a buyout offer by a rival pharmacy-benefits manager Monday and pledged to continue to pursue a bid from drugstore operator CVS. … Express Scripts responded by launching an effort to salvage its $26 billion stock-and-cash offer by reshaping the Caremark board of directors. The CVS deal, valued at $21 billion in stock, has passed antitrust scrutiny by the Federal Trade Commission and is expected to go to a shareholder vote and be completed by the end of March." The AP adds, "Express Scripts of Maryland Heights, Mo., contends that its proposal represents a 13 percent premium for shareholders over what Woonsocket, R.I.-based CVS is offering, but Caremark hasn't been swayed. … 'The board has unanimously concluded that pursuing discussions with Express Scripts is not in the best financial or strategic interests of Caremark and its shareholders,' Nashville-based Caremark said in a statement Monday."

Express Scripts Tries To Derail Caremark-CVS Merger. The New York Times (1/9, Freudenheim) reports, "Express Scripts opened a proxy war in the pharmacy benefits industry yesterday, moving to derail the pending acquisition of its rival Caremark Rx by the drugstore chain CVS." The Times continues, "Express Scripts said it would nominate four directors to the 11-member board of Caremark. But Caremark said the vote would need to wait for its annual meeting, which is normally held in May but which the company said yesterday it had not yet scheduled." The Times adds, "The action came after the Caremark board voted unanimously on Sunday to reject a $26 billion hostile takeover offer by Express Scripts, even though the offer values Caremark at about 13 percent higher than the CVS deal. Caremark said in a statement yesterday that the Express Scripts offer, which was made on Dec. 18, would create 'significant, if not insurmountable, antitrust risks.' … Express Scripts yesterday dismissed the antitrust issue as 'a red herring' that Caremark was wielding to distract stockholders."

Bloomberg (1/9, Rapaport) reports that Caremark "accepted a $21 billion bid on Nov. 1 from CVS, the No. 2 U.S. drugstore chain. CVS and Express Scripts, which is about a third of Caremark's size, want Caremark to help them gain clout in negotiating discounts on medicine and to lure customers from rivals such as Wal-Mart Stores Inc. and Medco Health Solutions Inc." Bloomberg adds, "Express Scripts said its acquisition would be partially financed through Citigroup and Credit Suisse. The company retained Skadden, Arps, Slate Meagher & Flom LLP as legal counsel."

ENVIRONMENT/INDIAN AFFAIRS:

EU To Call For New Low-Carbon Power Use. The AP (1/9, White) reports, "The European Union will call for 'a new industrial revolution' on Wednesday as it tries to rein in oil imports and slash the carbon emissions blamed for global warming." The AP continues, "In a draft paper seen by the Associated Press, the European Commission says the days of secure, cheap energy for Europe are over. … Surging world demand for limited stocks of oil and gas has sent prices higher. The EU executive said Europe has to look at alternatives: using more renewable energy such as wind power and biofuels. … It also suggests that current plans to cut back nuclear power -- which it calls 'one of the cheapest sources of low carbon energy' -- will endanger the goal of curbing greenhouse gas emissions." The AP adds, "Electricity generation will be 'heavily dependent' on natural gas, it said, warning a number of countries reliant on one main supplier that they should diversify. … The EU said it is confident that relationships with oil and gas suppliers Norway, Russia and Algeria will strengthen but also that it needs to open up a range of sources, suppliers, transport routes and methods. … European concerns about the reliability of Russian supplies were underscored Monday when shipments of oil via a pipeline running through Belarus were disrupted by a trade dispute between the two former Soviet republics." The AP notes, "The EU recognizes serious problems with the way the electricity and gas markets work, highlighting the control huge energy companies have over production and sales. These issues will be detailed in a parallel report from EU antitrust regulators on Wednesday. … It said these market problems are causing governments to cap power prices, leading to less investment in the sector that could cause future supply crunches."

DC's Future Development Plans Hindered By Polluted Anacostia River. The Washington Post (1/9, A1, Fahrenthold) reports, "The Anacostia River, planned as the scenic centerpiece of massive redevelopment in the District, remains heavily polluted by sewage, trash and toxic

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chemicals, environmentalists say -- and it might be years before the river's health catches up with its new cachet." The Post continues, "In the city's plans, the Anacostia will soon be surrounded by a necklace of new stadiums, office buildings, condominiums and parks. A river that has come to symbolize neglect, both of its water and of the neighborhoods near its banks, will become a new hub of urban life. … But that bright vision is hard to square with the Anacostia of the present. Its channels are choked with mud and floating debris. Its catfish have tumors on their livers and lips. And, dozens of times a year, it actually stinks, from human waste dumped out by the District's sewer system." The Post adds, "Now, activists wonder whether a dirty river will start to hold this development back. Or maybe, they hope, all this building will speed the Anacostia's recovery by making activists out of people who are seeing its plight for the first time. … The Anacostia winds its entire course inside the Capital Beltway, beginning near Bladensburg and emptying into the Potomac River 8.4 miles downstream at the District's Hains Point. It is often out of sight, though, even to those who live near the river. People have been kept away by the U.S. National Arboretum, the Anacostia Freeway and other barriers -- and the historical perception that the river isn't worth visiting. … If the plans on city drawing boards are followed, however, it will not be that way for long. … The marquee project of the new waterfront development effort is the Washington Nationals baseball stadium, whose steel skeleton is rising near the Frederick Douglass Memorial Bridge. City officials hope to surround it with a new entertainment and residential district. They also plan to remake the area just to the east, adding office buildings and a three-block Washington Canal Park." The Post notes, "Most of the pollution the Anacostia suffers from is not the kind for which miscreants are tracked down and fined. Instead, most of it comes from obvious sources, such as lawns, sewage plants and storm drains -- within the law, or at least not the target of stringent enforcement."

Shoshone Tribe Battles For Treaty Rights. The AP (1/9, Ritter) reports from Las Vegas, "The way Allen Moss sees it, vast stretches of the West and all of their wealth belong to the Indians. … And despite being turned back in lawsuit after lawsuit for decades, the Western Shoshone leader says he won't rest until the U.S. government honors a 19th-century treaty that, according to the tribe, entitles it to reclaim ancestral lands extending from California through Nevada and Utah to Idaho." The AP continues, "The lands include much of the Las Vegas area. The Shoshones say they are not interested in Sin City - too many people, too many problems. But they want the rugged desert hills that have yielded tens billions of dollars worth of gold over decades." The AP adds, "At issue is the 1863 Treaty of Ruby Valley, which the Shoshone say gave the tribe - not the federal government - royalties and final say over water, mineral and property rights for land covering 93,750 square miles, an area roughly the size of Maine. … Moss, a representative to the eight-member tribal council in Nevada, estimates the number of Shoshone at 5,000 to 8,000 - descendants of people who lived from the Snake River Valley in Idaho to the Salt Lake Valley in Utah, across most of eastern and central Nevada, and in Death Valley and the Mojave Desert in California." The AP notes, "The tribe has taken its case to fence lines, courts, international tribunals and the public. … It sued to block the nation's nuclear waste from being stored in Nevada. It succeeded in postponing government plans to explode a non-nuclear bomb that would send the first mushroom cloud in decades over the desert. And it went all the way to Switzerland to ask the United Nations to intervene in the land dispute. … The tribe keeps losing on most fronts, but also keeps appealing - and some cases its members have notched a place in Western lore. … The Supreme Court ruled against the tribe in another case in 1979, saying the Treaty of Ruby Valley gave the U.S. trusteeship over the tribal lands. And in September, the Court of Claims in Washington accepted the government position that the treaty was 'merely one of friendship and that it conveyed no treaty rights.' … Lawyer Bob Hager, who has been handling Western Shoshone cases for free since 1983, maintains the tribe is losing on technicalities. He said the tribal claim finally got traction - and attention - with the U.N. Committee for the Elimination of Racial Discrimination last year in Geneva. … Cynthia Magnuson, a U.S. Justice Department spokeswoman in Washington, said the government would not comment on the dispute because the case is still in court."

FBI/DEA/ATF/USMS:

Sentinel Ranked Among Top Seven Federal Programs Expected In 2007. Government Computer News (1/8, Dizard, Miller, , Mosquera, Wait) reported on "Seven programs to watch in 2007," ranking FBI Sentinel case management system fifth, noting that it "faces critical turning points in 2007, as the bureau's flagship IT

project will serve as an emblem of whether the agency has the management skills to build a major new information sharing system. … FBI CIO Zal Azmi has said that the bureau completed three steps to avoid the mistakes that sank the $100 million Virtual Case File project: The FBI's business practices now conform to the design of the new case management system. Sentinel's software requirements have been approved by all stakeholders, so they won't shift as the project continues. The bureau established procedures to vet deliverables before accepting them." The other six programs examined by GCN are Defense Transformation, OMB's Federal Spending Database, DHS's SBINet, Networx telecommunications and Alliant IT governmentwide acquisition contracts, Intelligence Community IT Reorganization, and the Coast Guard's Maritime Domain Awareness program.

Michigan Police Arrest 3 Linked To Marijuana Operation. The Detroit News (1/8) reported for the second time in four days Oakland County police "say they have stopped a major marijuana dealing operation. Over the weekend three county residents were arrested in the seizure of 70 pounds of marijuana, valued at nearly $500,000, bound from Arizona to West Bloomfield." The arrests "stemmed from an investigation begun by the Wichita, Kan., office of the federal Drug Enforcement Administration (DEA), which discovered a scheme to bring the marijuana into Oakland County."

The Detroit Free Press (1/8) also reported the arrests.

Marijuana Dispensary Owner, 2 Others Arrested In California. On its Web site, KESQ-TV, Palm Desert, California (1/8) reports the owners of a marijuana dispensary "are behind bars …after turning themselves in. It is the latest chapter in CanaHelp's ongoing saga to stay open for business and stay legitimate. This time, the owners of the…dispensary, Stacy Hochanadel and his two partners, turned themselves in at the Indio Police Department jail." The charges "include possession and distribution of marijuana and maintaining and operating CannaHelp."

The Palm Springs Desert Sun (1/8) reported the owner and two managers of CannaHelp "turned themselves in…at the Indio Police Department jail."

In Indio, the Press-Enterprise (1/6) reported Ingrid Wyatt, spokeswoman for the district attorney's office, "said the case …could be precedent-setting because it is the first time in Riverside County that anyone associated with a storefront marijuana dispensary has been prosecuted."

Police In New Mexico Say Truck-Stop Robbers Posed As DEA Agents. The Albuquerque (NM) Tribune (1/8) reported two men who "robbed a truck stop and exchanged gunfire with police before ultimately eluding a dragnet early Sunday may have been involved in two previous burglaries in the city. The common denominator in all three robberies: The suspects wore pieces of uniform identifying them as DEA agents. Police say it's pretty clear the men are not real DEA agents. But how they got the uniforms and how they escaped from police moments after a gun battle...on Sunday remains unclear."

On its Web site, KRQE-TV, Albuquerque (1/8) reports the suspects "appeared to be dressed as drug enforcement agents -- one in a raid jacket, the other in a DEA cap -- when they walked into the business and terrorized employees, according to Albuquerque police."

Hospital Concerned About Potential Health Hazards Of Meth-Tainted Motel Rooms. The Denver Post (1/8) reported motel owners and managers "don't need to do anything out of the ordinary when meth is smoked in a room. They don't need to inform health authorities or have anyone evaluate the room for contamination. … That is troublesome for researchers at National Jewish Hospital, who have found residues the day after the simulated smoking of meth in a motel room." No official data are available, but experience "shows that meth dealers and users love to stay in hotels, said Tom Gorman, agent in charge of the Drug Enforcement Administration in Grand Junction." National Jewish "is waiting on federal funding to do further testing to determine…what kind of health hazard [the] residue might pose."

Federal Prosecutors Help Kentucky Officials In Gun Cases. The AP (1/9) reports from Louisville, KY, "Police and prosecutors are using a different strategy in western Kentucky to convict suspects of gun-related crimes." The AP continues, "If suspects can't be prosecuted in state court, cases are being sent to federal court, where the sentences are harsher and plea bargains are fewer, prosecutors and defense attorneys say. … That's what happened when state police found ammunition in the van of

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William West, a convicted felon. Since police didn't find a gun, West couldn't be charged under state law - so the case was turned over to federal prosecutors, said assistant U.S. Attorney Tom Dyke, who oversees prosecutions in Louisville." The AP adds, "West, 51, of Eddyville, was charged with being a felon in possession of ammunition and is serving a 15-year sentence in prison, Dyke said. … The strategy has arisen from the federal Justice Department's 'Safe Neighborhoods' program, which in Kentucky is known as 'Project Backfire.' Gun violators are targeted in both the state and federal court systems. … Gun-related cases in U.S. District Court in western Kentucky increased from 56 in 2004 to 79 in 2005, after U.S. Attorney Dave Huber announced an effort to increase Project Backfire federal prosecutions. By late last year, there had been 66 cases. … Jefferson County's state court handled 1,162 cases in 2005 by the county attorney's office as part of Project Backfire." The AP notes, "Huber said the federal prosecutions are designed to help local prosecutors and law enforcement agencies. They're 'only being federalized,' he said, because of inadequate funding at the state level 'for state prosecutors and state prisons.' … 'If you don't want it to be federalized, support your prosecutors and state prisons,' he said, adding that only a small number of cases are elevated to federal court. 'We're not a panacea. We're just trying to help where we can.'"

IMMIGRATION:

DOJ Study Finds High Rearrest Rate For Illegal Immigrants. The AP (1/9, Jordan) reports, "Illegal immigrants who were caught but released in the United States may have been rearrested as many as six times, Justice Department data released Monday indicate." The AP continues, "The findings by Justice Department Inspector General Glenn A. Fine are based on a sampling of 100 illegal immigrants arrested by local and state authorities in 2004, the latest complete data available. They show that 73 of the 100 immigrants were arrested, collectively, 429 times - ranging from traffic tickets to weapons and drug charges." The AP adds, "Fine's office said its audit could not conclude precisely how many of the 262,105 illegal immigrants charged with criminal histories that year had been rearrested. 'But if this data is indicative of the full population of 262,105 criminal histories, the rate at which released criminal aliens are rearrested is extremely high,' the audit noted. … The audit was required by Congress in 2005. It looked at how local and state authorities who receive Justice Department funding to help catch and detain illegal immigrants are working with the Homeland Security Department. … It also examined the arrest rates of immigrants who were released before they could be turned over to Homeland Security's bureau of Immigration and Customs Enforcement."

McClatchy Newspapers (1/9, Taylor) reports, "Immigration and Customs Enforcement officials questioned whether the audit's small sample should reflect negatively on their agency's efforts to deport criminal immigrants. The audit did not determine whether ICE failed to deport the immigrants after being notified by prison officials. … But Heather Mac Donald, a fellow with the conservative Manhattan Institute, said ICE continues to have problems with deporting criminal immigrants because the agency doesn't always have enough detention space to hold immigrants once they're released from prisons." McClatchy adds, "Last year, Homeland Security's inspector general said immigration authorities expected that most of the 300,000 illegal and legal immigrants eligible to be deported would be released. Federal officials said they would need 34,000 additional beds at a cost of $1.1 billion to detain and remove all of them. … U.S. immigration officials appeared to be making progress working with state and local officials who now notify them before a criminal immigrant is released, he said. That way, the immigrant is quickly deported."

High Court Refuses To Hear Columbian Drug Informant's Asylum Case. The AP (1/9) reports, "The Supreme Court on Monday refused to consider the case of an informant against the Cali drug cartel who says he and his family will be murdered if the U.S. government returns them to Colombia." The AP continues, "Immigration officials have refused to grant asylum to Diego Castillo-Arias, who came to the United States with his wife and two young sons about a decade ago after telling police in Cali about the location of cartel bank accounts and property." The AP adds, "The Board of Immigration Appeals says that volunteer, noncriminal informants working against the drug cartel do not constitute a 'particular social group,' a requirement for asylum under the Immigration and Nationality Act. … The 11th U.S. Circuit Court of Appeals deferred to the board's interpretation, saying it was doing so with 'consternation' and expressing dismay that 'informants who risk their lives have been ignored by our nation.'"

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Hispanic Groups Pressuring Democrats For Immigration Reform. The Hill (1/9, Bolton) reports, "National Hispanic leaders are pressing" House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid "to make immigration reform a top priority within the first 100 days of the new Congress, citing the large numbers of Hispanics who turned out to vote for Democrats in November." Several large Hispanic advocacy groups, including the League of United Latin American Citizens, the Southwest Voter Registration Education Project and the Hispanic Federation, "plan to stage a massive grassroots campaign to pressure House lawmakers to move quickly on immigration. They will team with America Votes, one of the nation's largest liberal voter-mobilization groups, to push reform."

Bush Blasted Over Deal That Would Grant Social Security To Illegals. CNN's Lou Dobbs Tonight (1/8) reported, "In 2004, President Bush struck a deal with President Fox of Mexico that could jeopardize your social security. A deal would allow illegal aliens, granted amnesty to claim credit for time they worked here illegally. … Every citizen has to be outraged at this. Because particularly, as the General Accountability Office points out, no one has an exact count on the number of illegal aliens, Mexican nationals in this country at all, so they can't make an intelligent estimate on the cost."

Border Patrol Criticizes Guardsman Who Retreated From Border. The Washington Times (1/9, Seper, 88K) reports National Guard soldiers "who abandoned an observation post on the U.S.-Mexico border after spotting armed men approaching their position acted appropriately by retreating to a safer location, the U.S. Border Patrol said yesterday." Border Patrol spokesman Mario Martinez "at the agency's D.C. headquarters said that although the National Guard troops were armed and authorized to use force in self-defense, they determined they were not in imminent danger and retreated to call for help."

Criminal Immigrants Have High Rate Of Recidivism. The Washington Times (1/9, Seper, 88K) reports, "Criminal aliens set free on the streets of America -- instead of being deported after serving their time -- are being rearrested as many as six more times by U.S. authorities, according to a government audit released yesterday." But the Justice Department's Office of Inspector General "said it did not know how many of 262,105 illegals in the audit, who had been charged with a crime and then released, had been rearrested." The 91-page audit, "which was requested by Congress, said the limited sampling found that of the 100 selected aliens, 73 had an average of six arrests each after being released from custody. They were arrested, collectively, 429 times on 878 charges, ranging from traffic violations and trespassing to drug crimes, burglary, robbery, assault and weapons violations."

CONGRESS-ADMINISTRATION:

Fielding To Return To White House Counsel Post. President Bush's selection of Fred Fielding to be the next White House counsel is being portrayed as part of an Administration effort, orchestrated by White House Chief of Staff John Bolten, to prepare for multiple congressional investigations. NBC Nightly News (1/8, story 4, :20, Williams, 9.87M) reported President Bush "is turning to a old Washington hand to be his new White House lawyer. … Fred Fielding worked for Presidents Nixon and Regan. He is a Washington veteran who was most recently a member of the 9/11 Commission." The AP (1/8, Feller) reports Fielding "will become Bush's counsel just as newly empowered Democrats in Congress plan deeper scrutiny of the administration. From the Iraq war to environmental policy and secret surveillance, the Democrats…are armed with subpoena power and ready to summon panels of witnesses." The Washington Post (1/9, A4, Baker, 690K) notes the White House "plans to announce the appointment today, just days after longtime Bush loyalist Harriet Miers was eased out as the president's top lawyer in preparation for the anticipated struggle with a new Democratic Congress eager to investigate the administration." Fielding "brings the experience and political heft that White House Chief of Staff Joshua B. Bolten has been seeking to counter any aggressive moves to probe the most controversial decisions of the Bush presidency. Smooth and soft-spoken yet battle-hardened, Fielding is considered a Republican 'wise man' who Bush aides believe will be able to negotiate compromise without surrendering on the most important priorities." The Los Angeles Times (1/9, Gerstenzang, 850K) characterizes Fielding's appointment as "part of a White House personnel overhaul that began in April with the arrival of…Bolten. In a White House in which few senior aides, and even fewer midlevel staff members, served in high-level posts in previous administrations, Fielding's arrival would represent a rare reliance on a Washington insider."

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According to the New York Times (1/9, Rutenberg, 1.16M) Fielding "forged his skills in politically charged episodes like Watergate and the air traffic controllers' strike in 1981. … Fielding was deputy counsel to President Richard M. Nixon under John W. Dean III and was White House counsel for the first five years of Ronald Reagan's presidency. Since then, he has kept a hand in politics and government, helping screen job candidates for President Bush during and after his transition, and serving on the bipartisan Sept. 11 commission. Several friends said they believed that he had been under heavy pressure to return as White House counsel by an administration girding for a raft of investigations by the new Democratic Congress. The news of his selection was first reported on Monday afternoon on the Time magazine Web site." The Washington Post (1/9, A4, Baker, 690K) quotes Rep. Henry Waxman, chairman of the House Oversight and Government Reform Committee, who "said he does not know Fielding but understands that 'he has a very distinguished record.'"

WSJournal Notes Fielding's Role In Choosing Judges. The Wall Street Journal (1/9, 2.04M), in an editorial, notes that "another duty will be offering Mr. Bush advice on judicial selection. The conventional Beltway wisdom is that Senate Democrats will block all but liberal nominees to the appellate courts, and that might be right. But the judges issue proved to be a good one for Republicans in both the 2002 and 2004 campaigns, and the White House shouldn't shrink from appointing capable members of the Federalist Society simply because they might not be confirmed. … Amid all the Washington talk of 'bipartisanship,' the reality of our current political division means inevitable conflict. It's good to see Mr. Bush recruiting some experienced generals for the battles ahead."

Bush Calls On Congress To Cut Earmarks By 50%. The Washington Times (1/9, Dinan, 88K) reports, "Twice in the last week, President Bush has challenged Democrats to cut pork-barrel spending projects in half this year -- but the administration won't say how much earmark spending happens now, nor what the 50 percent target cut would mean." The Times notes Bush did not back-up his challenge "with any specifics" though Sean Kevelighan, press secretary at the OMB, "said to stay tuned for the details."

Nevada County Rejects Reid Earmark. The Hill (1/9, Schor) reports Senate Majority Leader Harry Reid "has come through over the years for rural and cash-poor White Pine County. But a White Pine lands bill that Reid attached to the 109th Congress's final legislation lost the official endorsement of the very county it affects, leaving disappointed Nevadans in its wake. … Some in White Pine and elsewhere in the West contend that the requested water study fell victim to Reid's support for a pipeline sought by Clark County, home of Las Vegas, where the majority leader's son Rory is board chairman. 'Reid's always told us in private … that we should sell some of our water,' said John Chachas, a Democratic White Pine commissioner. 'He says, 'You're bankrupt, sell your water, let Clark County build their $2 billion pipeline into northern Nevada and everybody will be happy.'"

House Votes To Treat Import-Tariff Suspensions Like Earmarks. The Washington Post (1/9, A3, Stephens, 690K) reports, "The House voted last week to shine a spotlight into the murky world of import-tariff suspensions, a little-known form of special-interest legislation that has cost taxpayers hundreds of millions of dollars in lost revenue. The House overwhelmingly approved a bill that, for the first time, officially equates tariff suspensions with a better-known variety of legislative pork, the congressional earmark. The new rules require public disclosure of each measure's sponsor, purpose and cost whenever lawmakers slip one into legislation. The rules also require that congressional sponsors identify each person or corporation 'reasonably anticipated to benefit' from the breaks on import taxes." The House approved the rule changes 280 to 152.

Administration Reportedly Planning To Expand Medicare Means-Testing. The Financial Times (1/9, Guha) reports, "The White House budget to be unveiled on February 5 will include plans to expand means-testing in Medicare…the Financial Times has learned. The greater use of means-testing, which would require richer Americans to make a bigger contribution, will be accompanied by other steps to increase efficiency and bear down on Medicare costs. … A senior administration official said the Medicare reforms set out in the budget would be 'significant' though they would not add up to 'unrealistic full-blown reform' of the programme. He likened them to changes negotiated in 1997 as part of a bipartisan effort to balance the budget in five years. The White House will also revise down its estimate of the underlying growth rate of Medicare costs, based on the lower than anticipated cost of

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the Medicare prescription drug benefit and new actuarial forecasts."

Bush, Lawmakers Meet To Discuss Reauthorization Of No Child Left Behind Act. The AP (1/9, Zuckerbrod) reports that in a meeting with CA7 Rep. George Miller (D) and MA Sen. Edward Kennedy (D), President Bush "pushed for renewal of the No Child Left Behind" Act, "but was noncommittal on their request for more money." Bush said the participants had "agreed to work together to address some of the major concerns that some people have…without weakening the essence of the bill." U.S. Secretary of Education Margaret Spellings identified testing of special education and limited-English proficient students, "a desire to give schools credit for progress" and "ways to get students access to high-quality free tutoring" as areas of concern.

The Washington Times (1/9, Fagan, 88K) reports Bush said that NCLB has "made an enormous difference." It also noted the presence of WY Sen. Michael B. Enzi (R) and CA25 Rep. Howard P. 'Buck' McKeon (R) at the meeting. The "lawmakers all expressed hope that they could reauthorize the act, with some changes." Miller and Kennedy said the absence of additional funding would "make the reauthorization process far more difficult."

The New York Times (1/9, Schemo, 1.16M) reports Bush "predicted a strong bipartisan effort." Senate majority leader Harry Reid (D-NV) did not attend the meeting but issued a statement saying that "accountability measures have proven far too punitive, and states have been given little flexibility in implementing the law's requirements." Aides to Sen. Kennedy said that he was "proposing incentives for states to work together toward common academic standards." Spellings "indicated that the administration would be amenable to changes" such as "incentives to make state standards more rigorous and uniform."

Republican Senators Propose Flexibility. The Washington Times (1/9, Fagan, 88K) reports SC Sen. Jim DeMint (R) and TX Sen. John Cornyn (R) "teamed up with the conservative Heritage Foundation to offer a proposal that would let states opt out of many of the federal education funding formulas and instead use the money to best fit their own classroom needs." The plan would "let states choose to enter a five-year performance agreement with the federal government in exchange for less regulation and more flexibility in how they would use federal dollars and would track their progress."

White House Taps Weizmann As New OPM Deputy. The Washington Post's (1/9, D4, Barr) "Federal Diary" column reports, "Howard C. Weizmann has been selected by the president to serve as the next deputy director at the Office of Personnel Management, the White House announced. Weizmann is the president of the Private Sector Council, a part of the nonprofit Partnership for Public Service." Weizmann "worked for nearly 30 years in a variety of corporate and nonprofit positions," and "is a former managing consultant for the Washington, Philadelphia and Richmond offices of Watson Wyatt Worldwide, the human resources consulting firm."

Senate Ethics Office Proposed By Obama And McCain Faces Resistance. The AP (1/9, Abrams) reports Sens. Barack Obama and John McCain are "are urging the Senate to set up an independent office to probe ethical questions involving fellow senators." However, according to the AP, "that could be a tough sell. Obama is quoted as saying, 'A lot of members are concerned about the use of an independent commission as a political club to beat them over the head.'" Sen. Pat Roberts, "a member of the six-senator ethics panel, said the nonpartisan group has done its job, and the new office would simply add another step to the ethics process. … 'Our ethics process in the Senate works very well,' said Sen. Mark Pryor, another ethics committee member. 'We have not broken down like the House has.'" The Washington Times (1/9, Miller, 88K) reports the Senate "began debate on the Democrats' ethics-reform package, with one of their chief spokesmen on the issue accusing lawmakers of being loath to support a ban on free private-jet flights for reasons of personal privilege." Obama "noted at a press conference held yesterday to announce the package -- which Democrats hope to pass Friday -- that such flights, usually funded by lobbyists or their corporate sponsors, let lawmakers avoid security lines. 'Why do you think there is resistance?' he said. 'Well, because corporate jets are nice. They are convenient. They are waiting for you. You don't have to take your shoes off.' Mr. Obama, who has all but announced his run for president in 2008, said he voluntarily gave up flying corporate-class last year and now pays for chartered flights out of his hefty campaign account.

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Senate To Spend Two Weeks Crafting Ethics Overhaul. Bloomberg (1/9, Salant) reports Democrats "will spend the next two weeks on overhauling ethics and lobbying laws, after the House voted to amend its own rules. The proposed Senate measure would bar lawmakers from accepting free gifts and meals from lobbyists. Lobbyists would have to file disclosure reports online four times a year, instead of filing paper reports twice a year. Senate Majority Leader Harry Reid of Nevada said he'll support amendments to strengthen the measure, which is similar to a plan passed by the Senate last year that was criticized by advocacy groups as too weak."

Reid's Ethics Press Event Features Freshman Senators. CQ Politics (1/9, Kady) reports, "Freshmen in the Senate are generally supposed to be seen and not heard. But when it comes to the ethics and lobbying bill on the Senate floor…Reid seems willing to shine the spotlight on the new Democratic senators who gave the party its majority. Reid stood on a dais Monday with eight of the nine new Democrats in the Senate to tout the ethics and lobbying bill meant to be a reaction to scandals of the past two years that focused popular anger against Republicans." CQ notes, "The news conference had a decidedly populist feel, as Sen. Bernie Sanders, an independent from Vermont who describes himself as a socialist, derided 'lobbyists who represent the wealthy.' Freshman Democrat Amy Klobuchar of Minnesota, talked about how she drove to Washington in her family Saturn and brought her 'Minnesota moral compass' to the Senate. And new Sen. Sherrod Brown, complained that in the past, the 'drug industry wrote the Medicare drug law.' Sen. Claire McCaskill tried to sum up the moment: 'The fact that we are here [on the stage] speaks volumes' about the importance of lobbying and ethics."

Democrats Abandon Lobbyist Disclosure Provision. Roll Call (1/9, Newmyer) reports, "Democratic leaders appear to be backing away from a provision included in ethics proposals last year that would require lobbyists to detail their contacts with Members of Congress. The plan was met with stiff resistance from labor and nonprofit groups, which argue that the requirement would be onerous, impossible to apply consistently and could chill contact on politically sensitive topics. Democrats, who last year pushed the measure as key to shedding light on lobbyists' role in the lawmaking process, are now suggesting the disclosure standard is too problematic."

WPost Urges Congress To Make Lobbyists' Contributions Public. The Washington Post (1/9, A14, 690K), in an editorial, writes, "the most pernicious aspect of the relationship between lawmakers and lobbyists doesn't involve skybox tickets or golf junkets. It centers on the role that lobbyists play in providing lawmakers with the campaign cash they need to survive. Lobbyists write their own checks, which must be disclosed. But lobbyists are even more valuable to politicians in their role as bundlers, tapping their clients and other networks to deliver campaign cash far in excess of what they are permitted to contribute personally. … Yet while you can be assured that lawmakers and their campaigns know who their big bundlers are, and that the bundlers keep careful track of how much they help bring in, the people aren't let in on the news. That information ought to be made public, especially regarding those who make their livings seeking to influence Congress."

USA Today Questions Senators' Commitment To Ethics Reform. USA Today (1/9, 2.27M), in an editorial, writes, "As the ethics debate unfolds this week in the Senate, never was the old adage -- watch what we do, not what we say -- more apt. … Senate reformers say they've heard the anti-corruption message from voters and will make the reform package stronger. We'll see."

2003 Picture Of Bush And Abramoff Published On Internet. The AP (1/9) reports, "A liberal watchdog group published on its Web site Monday a picture of President Bush and imprisoned lobbyist Jack Abramoff, the kind of photo the White House has refused to release. The picture was taken at a campaign fundraiser in December 2003, according to the Citizens for Responsibility and Ethics in Washington. It was taken by a private photo contractor who posted it on a Web site, but then was removed before it made it into distribution, said Melanie Sloan, CREW's director. A previous photo of Bush and the disgraced lobbyist surfaced last year but Abramoff was in the background, slightly blurry. … In response to the photo being posted, a Bush spokeswoman, Emily Lawrimore, said: 'The White House has previously acknowledged that they've met.'"

Former Federal Prosecutor Eyed For 3rd Circuit Bench. The Newark Star-Ledger (1/9, Cohen) reports, "President Bush is expected to nominate Noel Hillman, a longtime prosecutor and a newly appointed federal judge in New Jersey, to an opening on the 3rd U.S. Circuit

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Court of Appeals." The Star-Ledger continues, "Reliable political sources said Hillman is currently undergoing a background investigation needed before he can be formally nominated to fill the federal appeals court seat vacated a year ago by U.S. Supreme Court Justice Samuel A. Alito Jr. … 'It's pretty close. It's what the White House wants to do,' said one knowledgeable source who asked not to be identified." The Star-Ledger adds, "Hillman, 50, a former assistant U.S. attorney in New Jersey and most recently the lead Justice Department prosecutor in the Jack Abramoff Capitol Hill lobbying scandal, was just confirmed in June to the U.S. District Court in New Jersey. … He had the support then of New Jersey Democratic Sens. Robert Menendez and Frank Lautenberg, and will need their backing again to win a promotion to the prestigious appeals court." The Star-Ledger notes, "After Hillman was nominated for the federal trial court a year ago, Lautenberg said he was 'well qualified' and described him and several other judicial nominees from the state as individuals who 'understand the concerns and values of ordinary New Jerseyans.' … Those familiar with the selection process said the White House decided against picking someone who was clearly ideologically conservative, settling on Hillman because of his qualifications, his integrity and the political calculation that he could easily win confirmation in a Senate now controlled by the Democrats."

CIA Sends Tenet Manuscript To White House For Review. The Washington Times (1/9, Scarborough, 88K) reports the CIA "has submitted portions of a book manuscript by George J. Tenet to the White House for review amid speculation the former CIA director's memoirs will be critical of President Bush. The book, 'At the Center of the Storm,' is still being analyzed by the CIA's Publications Review Board. It was during that process that portions of the manuscript were sent to the White House's National Security Council ." CIA spokesman Mark Mansfield "said in response to questions from The Washington Times yesterday that the book portions were sent to the White House for 'classification review purposes.' He said the book was not submitted because of any negative comments about Mr. Bush, as an intelligence source told The Times."

Senate Approves Pay Raise For Federal Judges. The New York Times/AP (1/9, Press) reports, "The Senate passed legislation awarding federal judges their annual cost-of-living pay raise immediately rather than keeping their pay frozen along with that of lawmakers." The AP (1/9, Taylor) reports, "For Chief Justice John Roberts, who currently makes $212,100 per year, the bill would make up for about $400 in lost pay — the total of his scheduled raise between Jan. 1 and Feb. 15. He's slated to start receiving the rest of his approximately $3,600 pay hike on Feb. 16. The associate justices currently make $203,000 per year, while district judges make $165,200, the same amount as members of Congress. The controversy is separate from Roberts' crusade for higher pay for federal judges, who are rapidly falling behind contemporaries such as law school deans and senior professors."

White House Heartened By Amniotic Stem Cell Breakthrough. Fox News' Special Report (1/8, Hume) reported, "On Thursday, the House will vote on a bill that allows more Federal spending on embryonic stem cell research. In other words, research on and discarded human embryos. It is one of the Democrats' top agenda items, but science ironically could undermine their effort. Researchers at Harvard and Wake Forest on Sunday announced a new discovery. Unique stem cells exist in amniotic fluid, the kind extracted in amniocentesis. Researchers say those amniotic stem cells are almost as good as the embryonic ones. … It was a development the White House appeared to welcome." White House spokesman Tony Snow: "Obviously there is a difference between using amniotic stem cell that do not, by design, involve the destruction of a human life, and embryonic stem cell research which does."

Congressional Democrats Enjoying Honeymoon In Poll. USA Today (1/9, Page, 2.27M) reports Democrats have "taken control of Congress this month amid a wave of good feeling from the public. A USA TODAY/Gallup Poll taken Friday-Sunday shows that Americans by nearly 2-to-1 want congressional Democrats, not President Bush, to have more influence over the direction the nation takes during the next year." Democratic congressional leaders "get their highest rating since Bush took office in 2001; 59% of those surveyed say their policies would move the country in the right direction." On the other hand, Republican congressional leaders "get their lowest rating: 35% endorse their approach." At "least for the moment, House Speaker Nancy Pelosi of California can bask in a 2-to-1 favorable rating: 44% say they have a favorable impression of her, 22% an unfavorable one." The "telephone

survey of 1,004 adults nationwide has a margin of error of +/-3 percentage points."

Democrats In Swing Districts Warn Pelosi To Limit Confrontations With Bush. Bloomberg (1/9, Roberts) reports, "Representative Joe Donnelly, a freshman Democrat from Indiana, has a blunt message for House Speaker Nancy Pelosi: Stick to a 'middle-of-the-road agenda' or their party's control of Congress may last just two years." If she "'goes too far one way or another, we're not coming back,' Donnelly says. He sees his party's victory in the November elections as less an endorsement of its agenda than a rejection of Republican rule: 'People just got real tired of this bunch, and they fired them.'" His "view reflects those of many of the 30 House Democrats elected in districts previously held by Republicans. Their fragile hold on their seats means they'll be pushing their new speaker…to limit confrontations with President George W. Bush and the Republicans over taxes, the war in Iraq, stem-cell research and abortion."

Republicans Betting Democrats Will Show Liberal Colors By Spring. The White House Bulletin/US News (1/8) reported one of "the calculations by House and Senate Republicans in deciding to lay low for a while when it comes to attacking Democrats is that their foes will eventually start displaying their liberal tendencies on issues like abortion and taxes, making them easier targets." A Senate GOP official tells US News and the Bulletin, "They'll go liberal by April or May, we think, when the honeymoon is over. When their true colors show, that's when we'll step it up." The Bulletin adds that in the "first few weeks of the new Congress, GOP leaders have decided not to attack the Democrats who are expected to have a honeymoon with voters and the press. Republicans calculate, however, that after a few victories during the 100-hour project touching moderate issues, Democrats will overreach and move to tackle more traditionally liberal issues such as raising taxes or pushing back on abortion curbs." In the meantime, GOP "message aides said that they will be coming up with a plan to draw up an attack that also provides positive alternatives."

Business Groups Retool Agenda For Democratic Congress. The Hill (1/9, Holzer) reports, "Major business groups have revamped their legislative wish lists, resurrecting some longstanding but moribund items and backing off of others, in the hopes of scoring some victories in a Democratic-controlled Congress." Last year, "boosting domestic energy supply was a top priority for both the U.S. Chamber of Commerce and the National Association of Manufacturers (NAM). Though they haven't abandoned that goal, the industry groups are now trumpeting their support for expanded research into alternative fuels and clean-energy technologies, a popular cause among Democrats." Other new business goals include "modernization of the transportation system" and a "deal on immigration that includes a guest worker program and a path to citizenship for law-abiding aliens." On the "defensive side, the business lobby seems intent on picking its battles, to judge by its capitulation on minimum-wage legislation, which is expected to pass the House this week."

US Military Tries To Conserve Oil. The Wall Street Journal (1/9, A15, Farivar, 2.04M) reports, "Recent energy-market disruptions have added urgency to the U.S. military's efforts to curb its use of oil and other fuels. But the effort faces considerable obstacles, including the difficulty in figuring out how much it spends on energy to begin with. In the year ended Sept. 30, the Defense Department spent, by its estimate, $13 billion on fuel amounting to 134 million barrels of oil for the year, up from 107 million barrels of oil in 2000. ... The most recent figure is more than the entire nation of Sweden consumed in 2005. (Still, it adds up to less than 2% of daily U.S. consumption.)" The military strives now to "rein in consumption through conservation, increased fuel-efficiency measures and greater use of alternative energy. The effort picked up in earnest following the 2005 Atlantic Ocean hurricanes, which devastated the Gulf Coast, lifted prices to records and highlighted the vulnerability of supplies." However, "Critics say these efforts aren't enough" in a "world of dwindling and endangered supplies."

White House Honors Cultural Institutions. The AP (1/9, Metzler) reports the White House "honored six cultural institutions Monday for their creativity and public service in what first lady Laura Bush described as one of her favorite events." Mrs. Bush "and Anne-Imelda Radice, director of the federal Institute of Museum and Library Services, recognized innovative outreach programs at three public libraries, a museum, a zoo and an aquarium."

Bush's "Mysterious" Bike Riding Incidents Recounted. The Washington Times' "Inside the Beltway" column (1/9, McCaslin) reports, "For several years, Inside the Beltway has observed the mysterious bike-riding habits of President Bush. Members of the White House press

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corps, who regularly accompany the president deep into the woods of suburban Maryland or else onto the dusty terrain of his Texas ranch, seldom if ever actually see Mr. Bush atop a bicycle. The big question is why? Could something secretive or covert be taking place that doesn't involve two wheels? For instance, did Mr. Bush in 2004 really fall off of a bicycle and cut his chin, upper lip, nose, both knees and right hand (when his Democratic opponent, Sen. John Kerry, inquired: 'Did the training wheels fall off?'), or did something more unusual cause his injuries? … And how about the Sunday morning not long ago when Mr. Bush's church attire was unusually 'bulky'? Immediately after the sermon, the president in the space of seconds had shed his suit of clothes and appeared in a brightly colored outfit that the White House insisted was 'bike-riding gear.'" The column continues, "Now, we learn of yet another bizarre twist involving a presidential biking trek this past weekend. Mr. Bush had been participating in an 'extended' intelligence briefing in the Oval Office with his national security team, when suddenly a half-dozen young men and women showed up dressed in the same colorful gear worn by Mr. Bush. The entire group, including the president, immediately climbed into several heavily protected vehicles and sped off. But wait, there's more, discovered in the official White House pool report: 'Four of them carried rakes and brooms along with their riding gear; why they had the rakes and brooms with them was unclear.'"

Bush Daughters' DC Appearances Noted. The Washington Post's "Reliable Source" column (1/9, Argetsinger, Roberts) reports, "Jenna and Barbara Bush on the town! After months on the road, the first daughters made a rare joint appearance in D.C. this weekend: Barbara at Smith Point Friday night with several pals from New York, and both twins at Town Hall on Saturday night with a well-heeled entourage. … Both daughters spent the Christmas holidays with the first family; alas, Barbara is headed back to New York and her job at the Cooper-Hewitt museum; Jenna is returning to her UNICEF gig in Central America."

Pozen Defends Progressive Social Security Indexing. In a Wall Street Journal op-ed (1/9, A19), Robert Pozen says, "Democrats have consistently refused to discuss any Social Security reform requiring a carve-out account: where workers can invest a portion of the 12.4% of their payroll taxes. Recently, Treasury Secretary Hank Paulson has shown a readiness to explore bipartisan approaches to Social Security reform without any prerequisites. A bipartisan plan for reform can be built on a modified version of progressive indexing, without carve-out accounts in Social Security but with enhancements of existing retirement accounts." Progressive indexing (PIN) "preserves the current schedule of Social Security benefits for the lowest 30% of wage earners, as well as for already retired-workers and those who will retire before 2012." In total, PIN "reduces the present value of the 75-year deficit of Social Security by 70%, close to $4 trillion to approximately $1.2 trillion." Pozen continues to examine potential objections to progressive indexing, concluding, "In short, there are a number of workable plans to reform Social Security with enhanced retirement accounts if both political parties are willing to compromise."

NYTimes Wants Investigation Of Census Resignations. The New York Times (1/9, 1.16M) says in an editorial, "Last November, the director of the Census Bureau, C. Louis Kincannon, and the deputy director, Hermann Habermann, abruptly decided to quit, acknowledging tensions with their bosses in the Bush administration but giving no other details." The "leadership problems — on top of severe budget cuts — threaten to throw the preparations for the 2010 census into disarray. At stake is the accuracy of the next count and, with it, the legitimacy of important decisions that are rooted in the census, including the drawing of electoral districts and the allocation of government resources. Various steps must be taken now to ensure an accurate count, starting with an investigation by the committees that oversee the bureau — Oversight and Government Reform in the House, and Homeland Security and Governmental Affairs in the Senate — into why the men quit."

OTHER NEWS:

Healthcare Spending Outpaced Inflation In 2005. USA Today (1/9, Appleby, 2.27M) reports, "Spending on health care rose at twice the rate of general inflation in 2005, with consumers facing increased deductibles and co-pays finding themselves spending more of their own money, government researchers said in a report out Tuesday. Spending went up 6.9%, with the total amount spent by individuals, insurers and the government on health care

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hitting almost $2 trillion, or $6,697 per person. That's the slowest rate since 1999, when spending rose 6.2%."

The Los Angeles Times (1/9, Alonso-Zaldivar, 850K) reports, "Although the rate of increase declined, healthcare spending in 2005 still grew faster than wages, inflation and the economy as a whole. And with employers continuing to shift more of the cost of job-based medical insurance to workers, the pressure on individuals and families remained high." The Times adds, "A slowdown in spending on prescription drugs was the main reason for the improvement in 2005, the government report found. Analysts credited a continuing shift to generic medications, as well as aggressive cost-control efforts by state Medicaid programs. The report did not factor in the new Medicare prescription benefit, not yet in effect in 2005."

The AP (1/9) adds, "Private and public payers for health care, such as insurers, states and the federal government, have said such a spending pattern cannot be sustained without harming the economy. Some of the tools they've put in place to slow health care spending appear to have had an impact."

Taking a different tack, the Wall Street Journal (1/9, A2, Zhang, 2.04M) reports, "Growth in US health-care spending slowed in 2005 for the third consecutive year, reflecting a sharp slowdown in the rise of prescription-drug spending, the federal government reported."

Schwarzenegger Proposes Statewide Universal Healthcare. Across the country, national print media report that California Governor Arnold Schwarzenegger announced new large-scale effort to reform the state's healthcare system. The CBS Evening News (1/8, story 8, :35, Hughes, 7.66M) reported, "Shock waves are reverberating here in California over the Governor's comprehensive and controversial plan to offer health insurance to practically everyone in his state. Appearing via video while recovering from a ski accident, Governor Arnold Schwarzenegger proposed insuring the 6.5 million uninsured Californians, including all children, even those here illegally. The Governor also wants to prohibit insurance companies from denying coverage to people because of pre-existing medical conditions. Costs would be split between individuals, insurers, hospitals doctors, and businesses with more than ten workers."

The San Francisco Chronicle (1/8, A1, Chorneau, 384K) reports, "The proposal, which the governor called a model for bringing universal coverage to the nation, would deliver both pain and reward to the many powerful interests in the health care industry, giving the plan an uncertain future before the Legislature." The Chronicle adds, "Labor unions and consumer groups are opposed to Schwarzenegger's mandate on individuals to have insurance because there is nothing in the plan to make sure policies will be affordable. Hospitals are concerned about losing subsidies for uncompensated care in a time when so many already are losing money."

The Washington Post (1/9, A3, Geis, Lee, 690K) reports, "Analysts say the California proposal is illustrative of the resurgence of interest among politicians at all levels in expanding health coverage to the uninsured and that it provides fresh evidence that, with Congress stalled on enacting comprehensive health-care reform, the states are beginning to take matters into their own hands."

The AP (1/8, Kurtzman) reported, "The plan contains elements that are likely to provoke opposition from a wide range of powerful interests, including doctors, hospitals and insurers, as well as employers and unions. But it also contains incentives for each of them."

The Los Angeles Times (1/9, Rau, 850K) reports the governor "proposed upending just about every portion of the healthcare industry in one of the country's most elaborate efforts at holding down medical costs and expanding insurance to those who don't have it." USA Today (1/9, Appleby, 2.27M) reports, "His proposal is significant not only for its scope, but also because what happens in the nation's most-populous state often has ripple effects across the country." The Wall Street Journal (1/9, A2, Carlton, 2.04M) calls it a "sweeping plan to mandate universal health care in the nation's most-populous state." The New York Times (1/9, Steinhauer, 1.16M) refers to it as a "sweeping package of changes to the state's huge, troubled health care system. … Under Mr. Schwarzenegger's plan, which requires the approval of the Legislature, California would become the fourth and by far the largest state to attempt near universal health coverage for its citizens. The other three states are Maine, Massachusetts and Vermont."

Schwarzenegger Plan Would Also Cover Illegal Immigrants. CNN's Lou Dobbs Tonight (1/8, Dobbs) reported, "Governor Schwarzenegger has angered members of his own party and the public, proposing new benefits for illegal aliens." CNN (Viles) added, "Republicans immediately criticized the governor's plan, saying it would attract and

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reward illegal aliens." Miek Villines, California State Assembly: "If they break the law coming into our country, they will get benefits that they wouldn't receive if they played by the rules. And that kind of message is a very dangerous message for a nation that supposedly believes in the rule of law to send anywhere around the world, especially in our own neighborhoods."

Insurers Offer Qualified Support. USA Today (1/9, Appleby, 2.27M) reports that at a press conference, "a panel representing business, labor, consumers, doctors and counties who were asked for their opinions on the proposal at a press conference … generally praised the governor for raising the issue, while questioning some of the details." Health Net CEO Jay Gellert says, "This is bigger than Massachusetts."

The Wall Street Journal (1/9, A2, Carlton, 2.04M) reports, "Officials of Blue Cross of California called it "bold and visionary," singling out the provision to provide medical coverage to all uninsured children in the state, even those of illegal immigrants. 'Taking each part separately, there's something for everyone to hate, but taken as a whole, there's a lot to like,' said Bruce Bodaken, chairman, president and Chief Executive of Blue Cross of California."

Business Groups, Republicans Voice Opposition. The Los Angeles Times (1/9, Rau, 850K) reports, "Two hours before Schwarzenegger unveiled his plan, Assembly Republican Leader Mike Villines joined with a trio of small business owners in a restaurant a few blocks from the Capitol to announce that his caucus will resist any plan that places a mandate on employers. He called such mandates a 'job tax' and stood at a podium alongside a large poster with those words circled and crossed through in red."

LATimes Critical Of Plan. The Los Angeles Times (1/9, 850K) editorializes, "[T]he plan has a substantial chunk of devil before you even reach the details. … It makes no sense to legally and permanently make Californians' access to healthcare dependent on their employers." The Times adds, "Companies, meanwhile, face plenty of challenges just staying in business and keeping up with the dynamics of the modern marketplace without being saddled with a new health insurance tax."

Minimum Wage Increase Not Panacea For Working Poor. The Christian Science Monitor (1/9, Trumbull, 59K) reports on the potential impact of an increase in the minimum wage for low income families. By "one estimate, the expected hike would directly affect the paychecks of 6.6 million low-wage workers like John Hosier. Another 8 million workers have wages that, while a bit too high to be forced upward by the law, stand to gain from an upward ripple effect when the wage floor is adjusted. A glimpse into the lives of people who live at bottom-rung pay rates illustrates why, to supporters of the change, the minimum wage is long overdue for a raise. But it also reveals that such a boost isn't a one-step solution for the challenges that face America's poorest workers." Many families "are poor today even though they earn far above $7.25 an hour."

Fed Remains Concerned About Inflation. The Wall Street Journal (1/9, A2, Ip, 2.04M) reports that despite a "recent decline in the nation's underlying inflation, it is 'too early to relax our concerns' about price pressures, a top Federal Reserve official said, suggesting interest-rate cuts aren't yet on the table." Fed Vice Chairman Donald Kohn "also warned that long-term interest rates could jump if the Fed fails to cut short-term rates as much as the market expects or if there were a reversal in other factors holding down long-term rates." In remarks to the Atlanta Rotary Club, Kohn's suggested "little has changed in the central bank's outlook since it last met in December. At that meeting, it kept its short-term interest-rate target at 5.25%, said its principal concern remained inflation, and its main choice in coming months would be whether to raise rates or leave them unchanged."

Stocks Rise On Decline In Oil Prices, M&A News. The New York Times/AP (1/9) reports Wall Street "overcame early losses to close higher yesterday as a drop in oil prices and a fresh round of acquisition activity helped raise investors' confidence in the economy." Some "$6 billion worth of deals were announced, indicating that activity in mergers and acquisitions was off to a strong start in 2007 after reaching record levels last year." Low energy prices "also helped stocks reverse course from their earlier losses." A barrel of light crude "fell 22 cents, to $56.09, on the New York Mercantile Exchange." The Standard & Poor's 500-stock index "was up 3.13, or 0.22 percent, at 1,412.84, and the Nasdaq composite index added 3.95, or 0.16 percent, to 2,438.20."

NBC Nightly News (1/8, story 6, :15, Williams, 9.87M) reported, "On Wall Street stocks started the week modestly higher. The Dow was up 25 and half points [to close at

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12,423.49]. Nasdaq gained just under four points [to close at 2,438.20] on the day."

The CBS Evening News (1/8, story 7, :15, Couric, 7.66M) reported, "Meanwhile, Wall Street had an up and down day. It was up when it counted. At the close, the Dow showed a gain of more than 25. The NASDAQ picked up about four points."

The Wall Street Journal (1/9, C1, McKay, 2.04M) reports the stock market "tiptoed higher, helped by a drop in oil prices, a speech by a central banker and upbeat comments from analysts on International Business Machines." Among the Dow's components, "the biggest gainer was IBM, which rose 1.5% after UBS analysts upgraded the technology bellwether to a buy rating from neutral." Investors also "received good news yesterday on interest rates, another key area of concern. In a speech to the Atlanta Rotary Club, Federal Reserve Vice Chairman Donald Kohn said that inflation appears to be easing in the economy -- a signal to some investors that the way may be clear for the central bank to begin cutting its key interest-rate target soon."

2010 Reapportionment Could Give GOP A Boost In House. Roll Call (1/9, Jacobson) reports that when Election Data Services "late last month released projections of which states are poised to gain and lose Congressional seats based on the 2010 Census, Republicans cheered." The numbers "showed that GOP-leaning states in the Sun Belt continue to outpace the more Democratic Northeast and Midwest in population growth. But projecting whether the Republicans truly will gain ground after the post-2010 reapportionment requires a more micro-level look at the states in question." EDS projects that the "states that are set to gain at least one seat after 2010 — if current demographic trends hold — are Arizona, Florida, Georgia, Nevada, Texas and Utah. Each voted for President Bush in 2000 and 2004, and the GOP controls both the Legislature and the governorship in Florida, Georgia, Texas and Utah. The GOP also controls one chamber plus the governorship in Nevada."

GOP Eager To Retake FL15, FL22. The Hill (1/9, Youngman) reports with Rep. Clay Shaw Jr. and state Sen. Joe Negron, "who ran a late race for disgraced Rep. Mark Foley's seat, defeated," Palm Beach County GOP Chairman Sid Dinerstein "said he immediately turned his attention to reclaiming the seats in 2008. Those districts, now represented by Democratic Reps. Ron Klein and Tim Mahoney, have already begun to draw serious interest from local Republicans looking at 2008." Both races "were close last year, with Klein defeating Shaw 51 percent to 47 percent, and Negron, despite having to run on the ballot as Mark Foley, narrowly losing with 48 percent to Mahoney's 50 percent." In Mahoney's 16th district, Dinerstein "said Negron is considering another run, and state Rep. Gayle Harrell, who stepped aside for Negron after Foley resigned with little time on the clock, said she is eyeing the seat as well." As for Klein's seat, Dinerstein "confirmed that Shaw would not try to retake the seat he held for 26 years, citing health issues and a desire to spend more time with his family. Dinerstein did say he has spoken with four potential candidates who 'claim to be seriously interested.'"

Georgia's Mid-Decade Redistricting Confuses Constituents. Roll Call (1/9, Brotherton) reports that aside from "redoing the stationery, changing those office signs and reaching out to new constituents, there is one very important thing the four Georgia Representatives who switched district numbers for the 110th Congress have to deal with: misdirected e-mail." After the mid-census redistricting in 2005, "four Members saw their district numbers flip — Republican Rep. Lynn Westmoreland exchanged the 8th district for Rep. Jim Marshall's (D) 3rd, while Rep. Nathan Deal (R), the former 10th district Representative, began to serve residents of Georgia's 9th, switching numbers with Rep. Charlie Norwood (R)." The e-mail "confusion mainly comes into play when constituents type their ZIP code into the 'Write Your Representative' feature on the House Web site. While the computer can find the district, it is not aware of the number change."

New Hampshire Democrats See Sununu As Vulnerable. Roll Call (1/9, Duran) reports Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) "recently called first-term Sen. John Sununu (N.H.) one of the three most vulnerable Republican Senators up for re-election in 2008. His claim echoes what Granite State Democrats believe." New Hampshire Democratic Party Chairwoman Kathy Sullivan said, "I think Sununu will have problems in 2008 that go beyond [President] George Bush and goes to John Sununu, his voting record, and who he is." Roll Call adds that at "least one potential Democratic challenger, Portsmouth Mayor Steve Marchand, is seriously

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readying for a bid." Other "potential candidates include state Sen. David Gottesman (D) and Gary Hirshberg, president of Stonyfield Farm, the Londonderry, N.H.-based yogurt company." Former Gov. Jeanne Shaheen (D), "who narrowly lost to Sununu in 2002, has been touted as another top potential contender," but she "is the president of the Institute of Politics at the John F. Kennedy School of Government at Harvard University and is not likely to try again, knowledgeable Democrats privately concede."

Johnson Reelection Plans On Hold. Roll Call (1/9, Drucker) reports South Dakota Sen. Tim Johnson (D), "experiencing a slow but encouraging recovery from a Dec. 13 collapse, has put his re-election plans on hold, plunging a key Senate battleground into uncertainty." Spokeswoman Julianne Fisher said "the Senator's health will dictate whether a 2008 bid, which had been on track until illness struck, can eventually resume." Johnson had "long ago started raising money, and he was beginning to assemble a campaign staff and mull over when to announce his bid for a third term when he was hospitalized for a brain hemorrhage. Those re-election plans are now in limbo as his health and ability to wage what could be a very demanding Senate race are assessed." Patrick Davis, "a Denver-based Republican consultant and native South Dakotan who served as political director of the National Republican Senatorial Committee in 2004, speculated that Johnson would ultimately choose not to run for re-election. He said the rigors required to wage a successful South Dakota Senate race — particularly in a presidential cycle — would be significant considering his current health problems."

Romney Raises $6.5 Million At Public Fundraiser. The New York Times (1/9, Nagourney, 1.16M) reports that in Boston on Monday, "Over 400 people, including corporate executives, governors, wealthy Republican donors and party operatives, gathered around telephones and computer screens stretched out over a huge convention center room for a day of public fund-raising on behalf of Mitt Romney, the former Massachusetts governor who created a presidential exploratory committee last week. Television camera crews and reporters circled the room as Mr. Romney's aides provided a running tally of how much had been raised." For Romney, the "high-tech fund-raiser, with new fund-raising software rolled out to mark the occasion, amounted to a public declaration for the White House, as he marched out with his family for his first major event since leaving the Statehouse." Romney "announced at day's end that he had drawn a $6.5 million one-day haul in cash and commitments."

Fox News' Special Report (1/8, Hume) reported Romney "has begun raising money for a possible presidential run and in an effort to show depth and breadth for his candidacy, today, he went conducted his fundraising in a remarkably public way." Among the volunteers "were nearly 100 Bush donors, so-called Rangers and Pioneers who raised $100,000 or $200,000 for Mr. Bush's campaign."

The Washington Times (1/9, Dinan, 88K) reports that Romney's camp "rented out the grand ballroom at the Boston Convention and Exhibition Center and had nearly 400 stations set up with telephones and laptops computers for the high-powered callers to take credit-card information down on the spot." The callers – "among them Meg Whitman, the president and CEO of EBay, and Missouri Gov. Matt Blunt, a Republican -- called their own lists of friends and colleagues to ask them to contribute."

The AP (1/9, Johnson) reports Romney "and 400 of his backers raised more than $6.5 million on Monday in a glitzy fundraising blitz that will force all Republican rivals to take notice. … The figure dwarfed the $2 million that Sen. John McCain, R-Ariz., raised and the $1 million collected by former New York Mayor Rudy Giuliani."

The Washington Post (1/9, A6, Cilizza, 690K) reports that Alex Vogel, a GOP "lobbyist not affiliated with any of the potential candidates, described Romney's one-day haul as an attempt at 'shock and awe,' adding that the former governor is seeking to quickly dispose of questions about whether he can raise the money to be competitive with McCain and Giuliani in the primaries."

The Salt Lake Tribune (1/9, Burr) reports Craig Holman "is the campaign finance lobbyist for the government watchdog group Public Citizen and a critic of the bundling model pioneered by Bush and, it appears, perfected by Romney. Holman called Romney's one-day collection 'tremendous' and 'disheartening,' noting it does not bode well for the future of public financing. Still, Holman had to admire Romney's achievement."

Brownback Camp Takes Aim At Romney's Conservative Credentials. The Boston Globe (1/9, Helman, 413K) reports a "likely" opponent, Sen. Sam Brownback of Kansas, "chose to highlight Romney's past moderate positions on abortion rights and gay rights,

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announcing that seven conservative Massachusetts activists will back him over Romney."

Obama, Clinton '08 Announcements Expected In Coming Weeks. The New York Times (1/9, Zeleny, Healy, 1.16M) reports, "Don't look for presidential announcements from Senators Barack Obama and Hillary Rodham Clinton anytime soon, but stay tuned." Obama is "not likely to say whether he intends to seek the party's presidential nomination until after President Bush's State of the Union address on Jan. 23." Obama has "been busy telephoning crucial Democrats in Iowa, New Hampshire and other states." Mrs. Clinton, "meanwhile, plans to announce her decision in the next several weeks, her advisers say. According to several Democrats who have spoken to her, as well as advisers, Mrs. Clinton has given every indication that she is running, short of saying so, and no signals that she is not."

Wickham Says Obama Should Not Be Judged Over Drug Use. In his USA Today column (1/9, 13A), DeWayne Wickham says Sen. Obama's "meteoric rise felt the pull of a political black hole last week when The Washington Post reported that in an earlier book, he had admitted to using illegal drugs while in high school and college." Given the "candor and honesty with which he revealed his youthful drug use, and the fact that he did so long before mounting the national political stage, Barack Obama deserves to be judged on his public service, not some old demons."

WSJournal Praises Wohlstetter's Intelligence Analysis. In an editorial, the Wall Street Journal (1/9, 2.04M) eulogizes military intelligence historian Roberta Wohlstetter, who "died Saturday at age 94." Wohlstetter was author of "Pearl Harbor: Warning and Decision," "perhaps the most important book ever written on military intelligence." Wohlstetter "drew the essential conclusion that the U.S. failed to anticipate the attack on Pearl Harbor because, amid mountains of incomplete and often conflicting data -- what she called 'noise' -- intelligence analysts couldn't distinguish the information that really mattered. This tended to lead, as the future Nobelist Thomas Schelling wrote in his preface to Wohlstetter's book, to "a routine obsession with a few dangers that may be familiar rather than likely. The lessons are timeless, and foretold the findings of the 9/11 Commission."

US, Europe Seek To Press Tehran On Nuclear Plans. The Financial Times (1/9, Smyth) reports, "Western Europe and the US are seeking to ratchet up pressure on Iran over its controversial nuclear programme in the wake of a[UNSC] resolution last month that declared almost all of Tehran's nuclear activities illegal." According to the Times, "Some European Union diplomats have indicated a growing readiness to impose additional bilateral sanctions on Iran above and beyond those mandated by the UN -- a course of action long championed by the US." One source of such measures is "an 'à la carte' list of possible EU sanctions on Iran drawn up by Javier Solana, EU foreign policy chief, almost a year ago," including "a possible crackdown on export credits for companies doing business with Iran and the declaration of a formal arms embargo on Iran."

Meanwhile, the New York Times (1/9, A9, Fathi, 1.16M) reports Iran's Ayatollah Ali Khamenei Monday said that Iran "would not back down from developing its nuclear program," despite sanctions imposed by the UNSC. During his first public appearance since rumors spread on several Web sites on last Thursday that he had died, Khamenei said, "The Iranian people will definitely not give up their right and the authorities have no right to give up this great achievement."

Israeli Defense Minister Proposes New Peace Plan. AFP (1/9) reports Israeli Defense Minister Amir Peretz has proposed "a fresh plan for peace in the Middle East that includes talks on the future borders of a Palestinian state within six months," Israeli army radio said. Peretz's three-stage plan calls for the creation of "a new economic and security policy vis-a-vis the Palestinians, negotiations on a future Palestinian state to begin within six months and negotiations on the details of a final accord to take place over 18 months."

Fatah Frees Kidnapped Hamas Official. The AP (1/9, Daraghmeh) reports Fatah Monday "released a top Hamas official after holding him hostage for two days and displaying him in an al-Qaeda like video, but factional tensions remained high as pro-Fatah militants torched stores owned by Hamas sympathizers." The attacks "marked the first time that militants have targeted civilians in the West Bank, widening the political violence in the Palestinian areas."

Ross Says Carter Book Undermines Peace Effort. Former US Mideast envoy Dennis Ross writes in the New York Times (1/9, 1.16M) that t in former President Jimmy

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Carter's recent book, "Palestine Peace Not Apartheid," "badly misrepresents the Middle East proposals advanced by President Bill Clinton in 2000, and in so doing undermines, in a small but important way, efforts to bring peace to the region." Ross notes that in his book, Carter "juxtaposes two maps labeled the 'Palestinian Interpretation of Clinton's Proposal 2000' and 'Israeli Interpretation of Clinton's Proposal 2000.'" The "problem," according to Ross, "is that the 'Palestinian interpretation' is actually taken from an Israeli map presented during the Camp David summit meeting in July 2000, while the 'Israeli interpretation' is an approximation of what President Clinton subsequently proposed in December of that year. Without knowing this, the reader is left to conclude that the Clinton proposals must have been so ambiguous and unfair that Yasir Arafat, the Palestinian leader, was justified in rejecting them. But that is simply untrue." Ross says it is "important to set the record straight," because "nothing has done more to perpetuate the conflict between Arabs and Israelis than the mythologies on each side," and "so long as mythologies can't be cast aside, and so long as the trade-offs on the core issues can't be embraced by Israelis or Palestinians, peace will remain forever on the horizon."

Israelis Said To Dismiss Rice's Upcoming Visit As "Maintenance." Wall Street Journal (1/9, 2.04M) columnist Bret Stephens writes, "Ties between Israel and the US are famously friendly, and as in many friendships the demands of comity often get in the way of those of frankness -- as in Israel's official reluctance to expose its peace with Egypt as a sham. That's a lesson Secretary of State Condoleezza Rice might keep in mind as she plans her forthcoming Mideast tour, beginning later this week in Jerusalem and Ramallah and moving on to Amman, Cairo, Riyadh and Kuwait, and perhaps Beirut or Baghdad." Stephens says Rice's trip is "yet another effort to rally Sunni Arabs on behalf of the government of Iraq, first of all by showing the US intends to make a major push toward an Israeli-Palestinian peace agreement. Perhaps that will impress the secretary's Arab hosts. But it doesn't impress the Israelis, who unofficially bill Ms. Rice's visit as tihzuk, or 'maintenance,' an attitude nicely captured by a popular Israeli comedy skit in which an actress playing Ms. Rice belts out Aretha Franklin's 'Respect' while a stand-in for Israeli Foreign Minister Tzipi Livni sings back-up vocals." Stephens goes on to note that "when Ms. Rice arrives in Jerusalem, she will no doubt mouth the pieties that have now defined American policy in the Middle East for a generation -- an Israeli and a Palestinian state living side by side in peace and security -- along with some of the Bush administration's coinage: democracy, respect for human rights, an absolute cessation to terrorism. … But perhaps her case, and Israel's, would be better served by a bit of mutual frankness."

Professor Welcomes Israel's Reintroduction Of "Green Line" In School Texts. David Newman, professor of political geography at Ben Gurion University of the Negev, writes in the New York Times (1/9, 1.16M) that "nearly 40 years after it was removed from official maps, atlases and school books, the Green Line has made a significant comeback" as Israeli Education Minister, Yuli Tamir, "ordered the Green Line border, which separates Israel from the West Bank, to be reintroduced in all texts and maps used in the Israeli school system." From now on, Newman says, "Israeli children will know exactly where the Green Line is and what it signifies -- a political border that, at some point, will almost certainly become the line separating neighboring Israeli and Palestinian sovereign territories." If "some Israelis were unclear about the long-term significance of the Green Line," Newman adds, "the education minister's decision to return the border to the geography and history textbooks will have left no one in doubt."

Nigerian Terrorist Group Threatens To Set Up Attacks Against Oil Facilities. In an exclusive report, ABC World News (1/8, story 5, 2:40, Gibson, 8.78M) reported on "a new very real terrorism threat" targeting Nigeria's "output of oil, much of which comes to United States. Militants in the Niger Delta have been attacking US and European oil companies and their leader is vowing to dramatically escalate the violence." ABC (Ross) added, "While most of the world has focused on the terror threat from Al Qaeda, a rag tag group of young men in boats and war paint in Nigeria has quietly mounted a very serious threat to the US supply of oil." ABC said the group, called MEND, says it is "going to war to stop the pollution and the exploitation of their region, which they blame on the oil companies and corrupt Nigerian officials. In a new e-mail exchange with ABC News, its leader threatens a new, 'more ruthless approach' to drive the oil companies out, including burning workers alive on their offshore rigs."

Bush, Barroso Urge Resumption Of Doha Talks. The AP (1/9, Klug) reports President Bush and European Commission President Jose Manuel Barroso

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"agreed Monday that the United States and Europe must resolve deep differences over farm subsidies that are stalling global free trade talks." After their meeting, Bush said, "We both recognize that the best way to help impoverished nations is to complete this Doha Round, and to encourage the spread of wealth and opportunity through open and reasonable and fair trade." Barroso said the two leaders instructed their negotiators "to come up with a solution as soon as possible." Meanwhile, the AP reports the two "also talked about the Israeli-Palestinian dispute, Iran, Syria and Iraq." During a luncheon, Bush and Barroso "planned to spend some of the lunch discussing the situation in Sudan's wartorn Darfur region." AFP (1/9) also reports on Monday's meeting.

Schwab, Mandelson Report Progress In Trade Talks. The New York Times (1/9, C3, Weisman, 1.16M) reports US Trade Representative Susan Schwab and EU trade commissioner Peter Mandelson said Monday "they had made progress in resolving differences to break an impasse on global trade negotiations, but they declined to say specifically where the differences had narrowed." After meetings Monday, Schwab told reporters, "We are clearly making progress. Perhaps there's some showing of momentum here." For his part, Mandelson said he had come to Washington "looking for new impetus, and I believe we've found it." He said his "new confidence was inspired not only by his talks with President Bush but also by those with the House speaker, Nancy Pelosi, and the new Senate majority leader, Harry Reid."

Canada Asks WTO For Talks Over Farm Subsidies. The New York Times (1/9, C3, Weisman, 1.16M) reports Canada "has asked the World Trade Organization to start talks between it and the United States about American farm subsidies in general and its support of corn growers in particular." Canadian Agriculture Minister Chuck Strahl said in a statement that Canada "is concerned that these US subsidies continue to cause economic harm to our corn farmers." However, Jennifer Chiu, a spokeswoman for David Emerson, Canada's international trade minister, "said that Canada did not have specific demands at this point."

US Submarine Collides With Japanese Ship.

The New York Times (1/9, A9, Shanker, 1.16M) reports an American nuclear-powered submarine collided with a Japanese commercial vessel in the Arabian Sea. Initial reports from the area said there were "no injuries and only slight damage," a Pentagon spokesman said Monday night. A Pentagon spokesman identified the submarine as the USS. Newport News, while the Japanese vessel was thought to be a tanker owned by the Japanese oil company Showa Shell Sekiyu K. K.

Chavez Nationalizes Power, Telecommunication Industries.

The Washington Times/AP (1/9, A1, James) reports Venezuelan President Hugo Chavez announced plans Monday to nationalize the country's electrical and telecommunications companies, "pledging to create a socialist state in a bold move with echoes of Fidel Castro's revolution in Cuba." Chavez "also said he wanted a constitutional amendment to eliminate the autonomy of the Central Bank and would soon ask the National Assembly, solidly controlled by his allies, to give him greater powers to legislate by presidential decree." The move "appeared likely to affect Electricidad de Caracas, owned by Arlington, Virginia-based AES Corp., and C.A. Nacional Telefonos de Venezuela, known as CANTV, the country's largest publicly traded company."

The Financial Times (1/9, Webb-Vidal) says the "surprise announcement…sent shock waves through Venezuela's business community and foreign investors." Similarly, USA Today (1/9, 6B, Lynch, 2.27M) notes the move "could have an impact on major US investors" in Venezuela. The New York Times (1/9, A3, Romero, 1.16M) says the move "signaled a vigorous new effort to assert greater control over Venezuela's economy."

The Washington Post (1/9, A10, Forero, 690K) notes the announcements were made "as the president swore in a 27-member cabinet that includes ministers who analysts say will likely be more closely allied with the president's far-reaching goals." Those appointments, combined with the new economic measures, are "sure to escalate tension with the Bush administration."

On its front page, the Wall Street Journal (1/9, A1, Luhnow, De Córdoba, Gallegos, 2.04M) reports that "some Venezuelans fear that Mr. Chávez…is reshaping Venezuela along Cuban lines, with the state controlling economic and political power. The Venezuelan leader has denied the comparison in the past, but critics said his latest moves belie the denial."

Morales Lets Venezuela Send Soldiers, Despite Criticism. The New York Times (1/9, A3, Romero, 1.16M) reports, "Political opponents of President Evo Morales of Bolivia have in recent days stepped up criticism of the

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country's strengthening military relationship with Venezuela after Bolivian officials acknowledged that more than two dozen uniformed members of the Venezuelan military had recently entered the country without congressional approval." Former Bolivian President Jorge Quiroga accused Morales in a statement on Saturday of "trampling national sovereignty."

Bush Discusses Cooperation With Nicaragua's Ortega. AFP (1/9) reports President Bush told Nicaraguan president-elect Daniel Ortega "that he hoped to work together on a range of issues," the White House said. Bush telephoned Ortega, who assumes office this week, "to congratulate him and the Nicaraguan people on their commitment to democracy," said national security spokesman Gordon Johndroe. The White House also announced that US Secretary of Health and Human Services Michael Leavitt would lead the US delegation to Ortega's inauguration.

Russia Cuts Off Flow Of Oil Exports Through Belarus. The Financial Times (1/9, Ostrovsky, Parker, Benoit, Cienski, Olearchyk) reports, "Russia yesterday halted its oil exports to Europe passing through Belarus as it accused its neighbour of siphoning oil from the Druzhba transit pipeline, threatening further disruptions to European supplies. Transneft, Russia's oil pipeline monopoly, said it was forced to stop pumping oil through the pipeline, which carries about 30 per cent of its exports to Europe, claiming that Belarus was effectively stealing it." The "shutdown is the latest interruption of Russian energy supplies to Europe and could further dent Russia's reputation as a reliable supplier of energy." The Times adds, "Poland, which with Germany is one of the main recipients of the Russian crude passing via Belarus, reported that oil shipments had stopped overnight and admitted it was 'completely dependent' on Russia to meet its oil needs." Germany demanded an 'immediate and full re-opening' of the pipeline." The EU "also called for an 'urgent and detailed' explanation for the interrupted supply."

The Wall Street Journal (1/9, A3, Chazan, White, Champion, 2.04M) reports, "European officials said they have adequate stocks to survive any disruption, and the response in oil markets was modest. But Moscow's sudden cutoff of a vital energy conduit to the Continent widened questions about Russia's reliability as an energy supplier."

The New York Times (1/9, Myers, 1.16M) reports, "In the short term, at least, the halt should have a minimal effect," because refineries in Poland, Germany, and Ukraine "maintain reserves. In the longer term as well, the disruption is not as threatening as a shut-off of natural gas, because alternative sources of oil are more readily available. Still, a prolonged disruption could be worrisome." The "dispute rekindled concerns in Europe about the reliability of energy supplies from Russia."

The Christian Science Monitor (1/9, Weir, 59K), similarly, says, "Though Poland and Germany have ample reserves on hand to ride out any temporary squeeze, the dispute underscores increasing concerns about Europe's dependency on Russian energy."

The Washington Times (1/9, Mainville, 88K) reports the "cutoff renewed concerns over Russia's willingness to use its vast oil and gas exports as a political weapon." However, it "is unlikely to cause a repeat of last year's panic over gas supplies because European refineries typically carry several months of inventory."

USA Today (1/9, 6B, Stinson, 2.27M) reports, "Although oil prices rose more than $1 Monday on the news of the Russia-Belarus dispute, prices later fell as warm winter weather curbed fuel demand in the USA." USA Today adds, "About one-half of the Russian oil consumed by Europe passes through the Belarus pipeline."

The Los Angeles Times (1/9, Holley, 850K) reports, "The oil dispute was triggered by Russia's new customs duty of $180 per metric ton on oil exports to Belarus. The tax took effect Jan. 1. Belarus retaliated by imposing a charge of $45 per ton for oil shipped through the pipeline to the European Union, which Minsk initially called a customs duty but now describes as a transit fee."

The Washington Post (1/9, A12, Finn, 690K) adds, "The convulsions over Russia's pricing of energy supplies to its neighbors also extend to Azerbaijan, which announced Monday that it had halted the export of oil to Russia." Azerbaijani officials "said they planned to divert the oil to power stations in their country to replace Russian natural gas." The "disputes with Belarus and Azerbaijan, following Russian confrontations with Ukraine and Georgia, are likely to give new urgency to efforts in parts of Europe to diversify the supply chain and reduce dependence on Russia."

In an analysis, the Financial Times (1/9, Ostrovsky, Peel) says that for the EU, the confrontation "presents a dilemma: the EU members have no love" for Belarus president Alexander Lukashenko "and have long sought to persuade Moscow to cut off his subsidies. But equally, they

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do not want to encourage the Kremlin to use its energy supplies for political purposes, and nor do they want the pipelines to dry up."

WPost Says EU Should Not Appease Russia On Energy. In an editorial, the Washington Post (1/9, A14, 690K) says the shutdown is "another stark reminder of how the Kremlin's aggressive use of energy as a political tool threatens Western democracies as well as its neighbors." Western governments do not "have a policy for countering the Russian threat. Even the members of the European Union cannot agree among themselves on whether to appease Russia -- by offering new long-term contracts and capital for investment in oil and gas projects -- or push back, which they could do by insisting that Mr. Putin sign an international 'energy charter' that would curtail his monopolistic practices. The attack on Belarus ought to rule out the appeasement option."

Salvadoran Diplomat Works To Secure Support Among Expatriates. In a front page article, the Washington Post (1/9, A1, Aizenman, 690K) profiles El Salvador's consul general in Washington, Ana Margarita Chavez, who it says "is more like a social worker on steroids" than a diplomat. Chavez frequents "suburban churches and community centers" popular with the immigrant Salvadoran community. The Post says her "approach dovetails with a wider charm offensive recently launched by Salvadoran President Elias Antonio Saca…to cement his support among Salvadoran expatriates," who have been "lobbying hard for the right to vote from abroad." The Post says it is "generally considered a matter of just a few years before they will get it. Even now, they are believed to exercise enormous sway over voters back home thanks to the estimated $3 billion they send their relatives annually."

South African Millionaire Seen As Next Possible President. The Washington Post (1/9, A10, Timberg, 690K) reports, "The purported presidential ambitions of a gregarious multimillionaire have sent South Africa into a frenzy of political speculation this week, while offering a glimpse into the normally secretive struggle over picking the nation's next leader." Several top African National Congress leaders approached Tokyo Sexwale, a seasoned politician and businessman, "about running for the party presidency, the Sunday Times newspaper reported," a position "widely regarded as the steppingstone to becoming elected president of the nation in 2009." However, Sexwale dismissed the report as "spurious" in a statement issued Monday afternoon.

US To Drop Charges In Killing Of US Tourists In Uganda. On its front page, the Washington Times (1/9, A1, McElhatton, 88K) reports federal prosecutors in the District yesterday "sought to drop felony murder charges against three Rwanda citizens who faced possible death sentences in connection with the 1999 kidnapping and killing of two American tourists in Uganda." The move comes "five months after US District Judge Ellen Huvelle suppressed confessions by defendants Francois Karake, Leonidas Bimenyimana and Gregoire Nyaminani, who were reputed members of the Liberation Army of Rwanda." The government's case "relied heavily on the defendants' confessions, but Judge Huvelle barred prosecutors from using the statements" because "evidence showed the defendants were tortured while imprisoned by Rwandan authorities."

Columnist Defends Jamaica's First Female PM. New York Times (1/9, 1.16M) columnist Orlando Patterson writes that although Jamaica's first female Prime Minister Portia Simpson-Miller "approval ratings soared" initially, "the honeymoon was brief. Hardly two months into her leadership, opposition forces and the media unleashed a barrage of criticisms against her, the gist being that she was hopelessly unqualified for the job." Patterson notes that in a recent discussion with Simpson-Miller, she said she is being attacked because she is "a woman in a field dominated by men, and because of my background," and said she "is confident of winning the coming elections, although her approval rating in polls is down to 30 percent." Patterson said he "share[s] her belief that Jamaica's patriarchalism and class biases are stacked against her."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Gov. Offers Bold Prescription."
"A Shelter Far From The Streets."
"Windblown Fire Razes Oceanfront Houses."
"U.S. Strike In Somalia Aims At 3 Fugitives."

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"Citizen Soldiers May Be The Key To Iraq Buildup."
"Next Schwarzenegger Target: Fuel Emissions."

USA Today:

"Poll: Low Support For Iraq Buildup."
"Obesity Of China's Children 'Shocking'."
"Jockey's Bid For A Second Chance Is Ride Of His Life."

New York Times:

"California Plan For Health Care Would Cover All."
"Hussein's Voice Speaks In Court In Praise Of Chemical Atrocities."
"A Rotten Smell Raises Alarms And Questions."
"Reagan Lawyer Ready To Return To White House."
"House Democrats' Security Bill Draws Doubts."
"At Universities, Plum Post At Top Is Now Shaky."

Washington Post:

"Bush Works To Rally Support For Iraq 'Surge'."
"Polluted Waters Stain D.C.'s Shining Vision."
"U.S. Strike In Somalia Targets Al-Qaeda Figure."
"Federal Investigators Question Metro's Safety."
"The Face Of El Salvador's Charm Offensive."
"House Bill Backs Additional Reforms From 9/11 Report."

Washington Times:

"Bush To Reveal New Iraq Strategy."
"Illegals Become Repeat Criminals."
"Tenet Memoir Under Scrutiny."
"Chavez To Nationalize 'Strategic' Sectors."
"US To Drop Charges In '99 Uganda Killings."
"Irreparable Damage."
"Republicans Seek Flexible School Funds."

Detroit Free Press:

"Stem-Cell Advance Welcomed In State."
"Innovation Runs The Show."
"Levine: Pullout Must Start In 6 Months."
"China's Big Pitch."
"Many To honor Doctors Life."

Atlanta Journal-Constitution:

"Car Tag tax targeted."
"Bush's Map For Iraq Faces Challenges."
"Perdue Steps Up For Encore."
"Happy Birthday To you And You And You And You!"
"REM In Tune With Hall Of Fame."
"Falcons Took Risk In Choosing College Coach."

Houston Chronicle:

"$14 Billion Surplus Projected."
"Frayed Nerves In 3 Cities-Then All Clear."
"US Targets al-Qaida Suspects In Somalia."
"HPD facing Criticism In Mentally Ill Man's Death."
"Chavez Announces Next Steps Toward Socialism."
"E-Mail From beyond The Grave."

Story Lineup From Last Night's Network News:

ABC: New Iraq Strategy; Securing Baghdad; New Iraq Strategy-Analysis; Strange NYC Smell; Nigerian Oil Threatened; 9/11 Plot Member Sentenced; Stem Cell Research Breakthrough; Auto Show; Dangerous Volcano; Elvis Meets Nixon.

CBS: US Air Strike; New Iraq Strategy; Soldiers Off To War; General Rick Linch Interview; Auto Show; Consumer Electronics Show; Stock Market; Schwarzenegger Health Plan; Stem Cell Research Breakthrough; Honoring The Fallon.

NBC: New Iraq Strategy; Securing Baghdad; Securing Baghdad-Analysis; New White House Lawyer; Auto Show; Stock Market; Unusual Warm Weather; Strange NYC Smell; 60 Birds Found Dead; The Flue; Female Thunderbird Pilot.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: CA-Wildfire; Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush Briefs Senators On Iraq Plans; Donald Trump-Sued By Applicant For TV Show; Florida-National College Football Champion.

CBS: Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush Briefs Senators On Iraq Plans; CA-Wildfire; Florida-National College Football Champion; Vancouver-Delivery Of Six Living Babies To One Woman.

NPR: Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush-Iraq Announcement; Florida-National College Football Champion; Tokyo Stock Exchange; CA-Wildfire; Canadian Actors On Strike Over Unpaid Internet Appearances; Scooby Doo Creator Iwao Takamoto Obit.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.
VICE PRESIDENT CHENEY — No public schedule.

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LAURA BUSH —Speaks at St. Rosalie School, Harvey, La.; visits Cafe Reconcile, New Orleans; tours the Louisiana Children's Museum. New Orleans.

US Senate: FLOOR SCHEDULE _ 10 a.m. The Senate convenes and will be in a period of morning business until 11 a.m., at which time it will begin consideration of S. 1, the Ethics Reform bill, for debate only until 2:15 p.m.

9:30 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on ensuring full implementation of the 9/11 Commission's recommendations. New York City Mayor Michael Bloomberg; former 9/11 Commission Vice Chairman Lee H. Hamilton; former 9/11 Commission members Slade Gorton, Timothy Roemer; James M. Thomas, commissioner, Connecticut Department of Emergency Management and Homeland Security; Joseph C. Carter, president, International Association of Chiefs of Police; Mary Fetchet, founding director, Voices of September 11th; Carol Ashley, Voices of September 11th; Carie Lemack, Families of September 11. Location: Room 342, Dirksen.

2:30 p.m. FOREIGN RELATIONS _ Full Committee. Closed. Hearing on Iraq. Location: Room S-407, Capitol.

US House: FLOOR SCHEDULE _ 10:30 a.m. Meets for morning hour. At Noon, meets for legislative business. Highlights: Suspensions: H.Res. 15 - Mourning the passing of President Ford. H.Res. 35 - Select Intelligence Oversight Panel. H.R. 1 - Implementing the 9/11 Commission Recommendations.

1 p.m. ENERGY AND COMMERCE _ Full Committee. Organizational meeting. Location: Room 2123, Rayburn.

Other: DEFENSE PERSONNEL _ The Department of Defense holds its 2007 Worldwide Personnel Recovery Conference and Exhibition. Highlights: 8:30 a.m. Address by Ambassador Charles Ray, deputy assistant secretary of defense for POW/missing personnel affairs. 9 a.m. Secretary of the Air Force Michael Wynne will deliver the keynote address. 10:30 a.m. Address by Vice Chairman of the Joint Chiefs of Staff, Adm. Edmund P. Giambastiani Jr. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

BODMAN _ 9 a.m. Energy Secretary Bodman meets with the department's Hydrogen and Fuel Cell Technical Advisory Committee to discuss hydrogen as an important part of the administration strategy to reduce the dependence on foreign oil. Location: Room 1E-245, 1000 Independence Ave. SW.

CLARKE-TERRORISM _ 9 a.m. Richard A. Clarke, Chairman, Good Harbor Consulting and former head of counterterrorism at the National Security Council, speaks on ``After Iraq: The Next Steps in the ``War on Terror.'' Location: Center for American Progress, 10th floor, 1333 H St. NW.

IRAN-NORTH KOREA _ 9 a.m. Henry Sokolski, executive director of the Nonproliferation Policy Education Center, speaks on ``After Nuclear Iran and North Korea: What Can Be Done to Promote Nonproliferation and Regional Security?'' Location: Radio Free Europe/Radio Liberty, 1201 Connecticut Ave. NW.

MERCURY POLLUTION _ 9:30 a.m. The Hubbard Brook Research Foundation hsosts a press conference with the two authors of a new study linking mercury pollution hot spots to US coal-fired power plants and other sources. Location: National Press Club, Zenger Room.

PENTAGON-AFGHAN SECURITY _ 9:30 a.m. Army Maj. Gen. Robert Durbin, commander of Combined Security Transition Command-Afghanistan, and Abdul Hadir Khalid, first deputy minister for security with the Afghan Ministry of Interior, hold a news briefing on the ongoing training and equipping of Afghan security forces. Location: DOD Briefing Studio, Pentagon 2E579.

DRUG PRICES _ 10 a.m. Families USA holds a news conference to discuss a new report showing Medicare drug plan prices are 58 percent higher than VA prices. Location: Room HC-6, Capitol.

HOYER BRIEFING _ 10 a.m. Rep. Steny Hoyer, D-Md., Majority Leader, holds a pen and pad briefing. Location: Room H-107, Capitol.

REAL ESTATE _ 10 a.m. National Association of Realtors President Pat Vreedevoogd Combs holds a news conference on the current real estate climate. Location: National Press Club.

STEM CELLS _ 10 a.m. News conference with Rep. Mike Castle, R-Del., Rep. Diana DeGette, D-Colo., and Sens. Tom Harkin, D-Iowa, and Arlen Specter, R-Pa., on the Stem Cell Research Enhancement Act. The legislation would expand the current federal funding policy for research. Location: Senate Radio-TV Gallery.

CREDIT SCORES _ 10 a.m. - 12 p.m. The Brookings Institution hosts a panel discussion on credit scoring alternatives and the potential effect on millions of consumers currently denied access to the buying power of a decent credit score. Panelists include: Alyssa Lee, Acting Director, The Urban Markets Initiative, The Brookings Metropolitan

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Policy Program; and Chet Wiermanski, Senior Vice President, Analytics, TransUnion. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

BODMAN-JAPAN _ 10:15 a.m. Energy Secretary Bodman holds a news availability with Japan's Minister of Economy, Trade and Industry, Akira Amari, to discuss energy issues. Location: Energy Department. Notes: Follows closed meeting.

ACLU-110TH CONGRESS _ 11 a.m. The ACLU holds a briefing on legislative priorities for the 110th Congress. Location: Room 512, Hart Senate Office Buidling.

CONGRESS-RELIGION _ 11 a.m. Faith leaders hold a telephone briefing to announce a campaign to hold Congress accountable to the faith agenda, sponsored by Faith in Public Life. Contacts: Katie Barge, 202-481-8147. Notes: Callin number: 800-658-0035; passcode: Faith Agenda.

GUANTANAMO DETAINEES _ 11 a.m. Attorneys for the Guantanamo Bay detainees hold a telephone briefing on their next legal steps. Contacts: Mahdis Keshavarz, 212-260-5000. Notes: Callin number: 719-234-0201.

USTR-JAPAN _ 11 a.m. USTR Susan Schwab meets with Japanese Minister of the Economy, Trade and Industry, Akira Amari. Location: Widner Building.

IMMIGRATION REFORM _ 11:30 a.m. A coalition of grassroots organizations advocating immigration reform hold a telephone briefing to announce a blueprint for comprehensive immigration reform. Participants include the Center for Community Change, Massachusetts Immigrant and Refugee Advocacy Coalition, North Korean American Service and Education Consortium. Notes: Callin number: 866-282-2807; passcode: 1022914.

CHERTOFF-INFRASTRUCTURE PROTECTION _ 12 p.m. Homeland Security Security Secretary Michael Chertoff participates in a press conference on the Fiscal Year 2007 Infrastructure Protection Grant Program. Location: U.S. Department of Homeland Security, 3801 Nebraska Ave. NW.

DARFUR _ 12 p.m. Amnesty International and the Save Darfur Coalition hold a vigil calling for White House action on Darfur. Location: Lafayette Park.

TRANSPORTATION-OIL _ 12:30 p.m. The Environmental and Energy Study Institute holds a briefing on a new report, ``Public Transportation and Petroleum Savings in the U.S.: Reducing National and Household Dependence on Oil." Location: Room 2142, Rayburn.

KENNEDY-IRAQ _ 1 p.m. Sen. Edward Kennedy delivers a policy speech on Iraq and outlines actions Congress must take to reassesrt its constitutional power. Location: National Press Club.

SENATE REPUBLICANS _ 1:30 p.m. Members of the Senate Republican leadership hold a media availability following the Senate Republican Policy Committee meeting. Location: Ohio Clock, Capitol.

9/11 FAMILIES _ 2 p.m. As the House of Representatives considers legislation to implement the 9/11 Commission recommendations as part of the first 100 hours of the 110th Congress, 9/11 family members join leading Democrats to discuss the legislation. Participants: Reps.Carolyn Maloney, D-N.Y.; Jerrold Nadler, D-N.Y.; Joseph Crowley, D-N.Y.; and Edward Markey, D-Mass; and 9/11 family members Mary Fetchet, Founding Director and President of Voices of September 11th; Carol Ashley, Co-Founder of the Family Steering Committee; and Carie Lemack, 9 family advisory member for Voices of September 11th. Location: Room HC-7, Capitol.

GLOBAL FINANCIAL WARRIORS _ 2 p.m. - 4 p.m. American Enterprise Institute forum on ``Global Financial Warriors: The Untold Story of International Finance in the Post 9/11 World." Participants author John Taylor, Stanford University; John Lipsky, IMF; and Faryar Shirzad, Goldman Sachs. Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

MINIMUM WAGE _ 3:15 p.m. Reps. Howard McKeon and Michael McCrery hold a news conference on the GOP alternative to a minimum wage increase. Location: House Radio-TV Gallery.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **TUESDAY, JANUARY 9, 2007 7:45 AM EST**

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TERRORISM NEWS:

Padilla Seeks To Suppress Statements Made During Brig Detention. The AP (1/9, Kay) reports from Miami, "Attorneys for alleged al-Qaida operative Jose Padilla asked a federal judge Monday to keep statements he made during his detention in a Navy brig out of evidence in the U.S. government's terror support case against him." The AP continues, "Padilla has claimed he was tortured during 3 1/2 years in military custody as an 'enemy combatant' - allegations the Justice Department and Pentagon officials have repeatedly denied. … The former Chicago gang member's prolonged confinement and abuse from interrogators renders any statements he made during his time in the brig involuntary, according to a motion filed in U.S. District Court. … 'The action of the government agents in this case constitute police coercion and overreaching at its highest. Consequently, the government has forfeited the right to use these statements for any purpose at Mr. Padilla's trial,' the motion states." The AP adds, "Federal prosecutors, meanwhile, asked the court Monday to reconsider its deadline for completing mental examinations to determine if Padilla is competent to stand trial. … U.S. District Judge Marcia Cooke last week gave prisons officials until Friday to complete the examinations, which she insisted be finished before his scheduled Jan. 22 trial date so she can rule on a number of other outstanding issues, including Padilla's claim that the case should be dismissed because he was tortured in military custody. … Two mental experts hired by the defense have concluded that Padilla suffers from post-traumatic stress disorder and is unable to adequately assist his attorneys. The competency tests were originally supposed to be completed by Jan. 5."

Siraj Sentenced To 30 Years In Prison For NYC Subway Bomb Plot. The New York Times (1/9, Rashbaum, 1.16M) reports, "A federal judge sentenced a 24-year-old Pakistani immigrant yesterday to 30 years in prison for plotting to bomb the Herald Square subway station in 2004, moments after the defendant apologized to the judge and prosecutors but blamed a police informer for his fate." Shahawar Matin Siraj "stood with his shoulders slumped as the judge, Nina Gershon of United States District Court in Brooklyn, meted out his sentence. … Judge Gershon, when she handed down the sentence, noted that while some of the recordings captured Mr. Siraj saying the attack should occur at the time the station was the least busy, it would nonetheless have been deadly and devastating." The Times notes, "The men never obtained explosives, there was no timetable for an attack, and the men were not linked to any known terrorist group."

AFP (1/9) reports that Siraj "was convicted in May last year of conspiring to plant explosives at the 34th Street subway station near Madison Square Garden, ahead of the Republican National Convention there. … 'Thanks to the extraordinary work of law enforcement, the defendants' plot did not advance beyond the planning stage, and the public was never at risk,' prosecutor Roslynn Mauskopf said after the sentence was handed down. … 'We remain steadfast in our commitment to stop would-be terrorists before they act, and will apply all available resources to secure the safety of our residents,' she said." AFP adds, "Another man, James Elshafay, pleaded guilty in October 2004 to participating in the plot and later testified against Siraj. He has yet to be sentenced. … The federal jury in Siraj's five-week trial heard hours of secretly recorded conversations between him and an Egyptian nuclear engineer who became a paid informant for the New York City Police Department, the Justice Department said. … In the calls, Siraj declared his hatred for the United States and openly discussed his desire to place explosives on various bridges and in subway stations in New York, including his plan to bomb the 34th Street station, the department said."

In a widely-distributed story, the AP (1/9, Hays) reports, "Outside court Monday, Siraj's mother, Shahina Parveen, said the informant 'tricked my son and got him stuck in this.' … In a statement, police Commissioner Raymond Kelly called the outcome a 'milestone' in safeguarding the city. He said, 'Our detectives uncovered a murderous plot in its infancy and stopped it before lives were lost.'" The New York Sun (1/9, Goldstein) also notes Kelly called the sentence a "milestone," but the Sun adds that "one of Siraj's lawyers, Martin Stolar, called the sentence 'outrageous' as he left the courthouse. 'The New York City Police Department was able to create a crime and then solve it in order to be able to claim a victory in the War on Terror,' Mr. Stolar said." Newsday (1/9, DeStefano) and New York Daily News (1/9, Marzulli, 729K) also report on the sentencing, with both noting Kelly's and Stolar's comments.

Prosecutor Starts Closing Argument In Hamas-Support Trial. The Chicago Tribune (1/9, Bush, 617K)

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reports, "Muhammad Salah distributed hundreds of thousands of dollars to militant operatives in Gaza and the West Bank while coordinating violent plots as a leading member of the Palestinian group Hamas, federal prosecutors argued Monday. For nearly seven hours, Assistant U.S. Atty. Joseph Ferguson chronicled the case against Salah," and his "closing argument was aimed largely at undermining defense claims that Israeli authorities tortured Salah into falsely admitting he was a Hamas operative in 1993. He reminded jurors that they had witnessed an unprecedented event, the testimony of two Israeli security agents in a U.S. courtroom."

The AP (1/9, Robinson) reports from Chicago, "Former Chicago grocer Muhammad Salah and co-defendant Abdelhaleem Ashqar were 'important players' with the Hamas terrorist network, Assistant U.S. Attorney Joseph M. Ferguson told a federal court jury in closing arguments capping a three-month trial that included testimony by torture experts and Israeli agents adopting assumed identities. … 'The Hamas organization engaged in a purposeful and strategic campaign to spread death, destruction, fear and terror in pursuit of its overall objective to remove the State of Israel from the map,' Ferguson said." The AP adds, 'Salah, 53, and Ashqar, 48, a former assistant professor of business at Washington's Howard University, are charged with a racketeering scheme that provided money and men to the Hamas organization in the early 1990s. … Both men deny that they are Hamas members and say that nothing they did violated the law, even though they hold strong anti-Israel views."

Columnist Says FBI Informant "Probably Made Up" Salah Evidence. In a Southwest (Chicago) News-Herald (1/11) column, Ray Hanania writes, "I've tried everything to reach the man they call 'Jack Mustafa,' aka 'Jawad al-Arouri,' but have failed. Mustafa is the informant the U.S. Justice Department used to build a 'terrorism' case against Mohammed Salah and co-defendant Abdelhaleem Ashqar. … As it turns out Mustafa probably made up all the evidence turned over to the FBI. Why not? At a reported $6,000 a month, you could probably get evidence to arrest half the customers at Wal-Mart." Hanania adds, "I know what Salah is going through. In 1975, after I completed two years active duty in the Air Force during the Vietnam War, the FBI investigated me. … After all the talk, the BS and lies, two years of investigations, thousands of wasted taxpayer dollars, and 45 useless pages, the 'Hanania investigatio' concluded I just wanted to help my community become more involved in America."

High Court Sides With State Department In Terror Case. The New York Times (1/9, Greenhouse, 1.16M) reports, "The Supreme Court refused on Monday to intervene in the federal prosecution of seven Iranian refugees for providing financial support to an opposition group in Iran that the State Department has designated as a terrorist organization." The defendants, "who are now all United States citizens, argue that they are constitutionally entitled to challenge the validity of that designation as part of their defense. The law under which they were charged, enacted in 1996, gives limited appeal rights to a group that is officially labeled a terrorist organization, but specifically precludes individual defendants, charged with supporting such an organization, from challenging the designation at their trial." The seven defendants "were indicted in Los Angeles in March 2001 for soliciting money for an organization usually known as the People's Mojahedin of Iran, which the State Department designated as a foreign terrorist organization in 1997." The Times adds "that designation has been heatedly disputed, both in federal court and in Congress." The Los Angeles Times (1/9, Savage, 850K) and the AP (1/9) also report the story.

Outgoing FBI Detroit SAC Defends Terror-Related Prosecutions. Under the headline "Outgoing Detroit Chief Defends FBI," the Detroit News (1/9, Egan) reports outgoing FBI Detroit SAC Daniel Roberts "defended the agency from criticism Monday that it is purporting to fight terrorism by charging defendants with fraud and other economic crimes." Roberts, "who is leaving to become deputy director of the FBI's criminal division in Washington, said it's important to use the charges that are most likely to get convictions when targeting suspected supporters of terrorism. … In the case of Detroit-area restaurateur Talal Chahine and others, critics have pointed out the government has alleged, but not charged, links to terrorism that are virtually impossible to defend. 'Chahine I'd love to see come back, if he had the guts to do it,' Roberts said." Chahine "is a fugitive, having flown to Lebanon after his offices were searched but before he was indicted last May." The News notes, "Dearborn Heights lawyer Nabih Ayad said Detroit's Muslim and Arab community feels unfairly targeted. The FBI would uncover economic crimes in any ethnic community put under scrutiny, he said."

9/11 Accomplice Sentenced In Germany. ABC World News (1/8, story 6, Gibson, 8.78M) reported, "In Germany, one of the only two men convicted in the 9/11 plot was sentenced today. Mounir El Motassadeq was his name a Moroccan, friends with three suicide pilots received maximum 15 years in prison for being an Assessory to mass murder. He helped by transferring money and paying bills for them."

The AP (1/9, Utler) reports, "Monday's decision was the latest step in a tangled legal saga that started with el Motassadeq's arrest in November 2001 and featured two full trials." He "was convicted and sentenced to the maximum 15

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years in prison in 2003, but that verdict was overturned by a federal court the following year -- largely because of a lack of evidence from al-Qaida suspects in US custody. At a retrial that resulted in the 2005 conviction, the US provided limited summaries from the interrogation of, among others, Ramzi Binalshibh, a suspected liaison between the Hamburg hijackers and al-Qaida." McClatchy (1/9, Schofield) and the New York Times (1/9, Landler, 1.16M) also report the story.

Gitmo Hunger Strike Grows. The AP (1/8, Melia) reports, "The number of Guantanamo Bay detainees participating in a hunger strike has more than doubled in recent weeks to 11, including five who are being force-fed, the U.S. military said Monday. Military officials describe the hunger strike as an attempt to build public sympathy and opposition to the detention center, which on Thursday marks its fifth anniversary of existence at the isolated U.S. military base in Cuba." Amnesty International USA "said the strike reflects prisoners' despair."

Navy Lawyer Faces Court-Martial. The New York Times/AP (1/9) reports, "A Navy lawyer accused of passing secret information about detainees at Guantánamo Bay, Cuba, to an unauthorized person was ordered to face a court-martial, the Navy said. The lawyer, Lt. Cmdr. Matthew M. Diaz, who was stationed at the base at Guantánamo from July 2004 to January 2005, could face more than 36 years in prison if convicted. No trial date was set. ... A complaint does not specify what type of information Commander Diaz is accused of copying and transmitting, but a Navy spokeswoman previously described it as a document containing names and other identifying information about detainees."

HOMELAND RESPONSE:

Democrats' Security Bill Comes Under Fire. The New York Times (1/9, Lipton, 1.16M) reports, "House Democrats intend to fulfill a campaign promise this week by passing broad new antiterrorism legislation, but some Senate Democrats and the Bush administration object to security mandates in the plan, citing concerns about their cost and practicality. The House measure, the Sept. 11 Commission Bill, is intended to write into law recommendations by the group that investigated the 2001 terror attacks." But "the proposed legislation, which could come to a vote as early as Tuesday, goes beyond what the Sept. 11 commission recommended, taking up measures previously favored by Democratic lawmakers but opposed by the Department of Homeland Security." For example, "the bill requires that within three years, all cargo on passenger jets be inspected for explosives, as checked baggage is now. The House bill also requires that within five years all ship cargo containers headed to the United States be scanned overseas for components of a nuclear bomb. … Many Republicans and some Senate Democratic committee chairmen said that the goal of 100 percent inspections was worthy, but that they were not convinced that mandates should be included in the bill."

Fox News' Special Report (1/8, Hume) reported House Speaker Nancy Pelosi "said today that congressional debate will conclude tomorrow on measures designed to put into law the recommendations of the 9/11 commission. … But some Republicans are saying that the legislation that will go before the House tomorrow does not do that. For example, the 9/11 Commission recommends reducing the number of committees that watch over the Department of Homeland Security." However, the legislation "deals with the intelligence community and set up another panel to oversee it. Today, Nancy Pelosi says she wants to see how that works and then tackle oversight of homeland security. … That frustrates the former republican chair of the homeland security committee who says Republicans were working toward streamlining congressional oversight, but now Democrats are committing to too many layers of bureaucracy."

The Washington Post (1/9, A1, Eggen, Hsu, 690K) reports the Senate "has opposed some of the key proposals in the House bill, such as reducing grant funds awarded to all states in favor of those most at risk, and it is unclear how much the new Democratic majority will alter that stance." Michael O'Hanlon, a security analyst at the Brookings Institution, "said House Democrats' embrace of their interpretation of the Sept. 11 commission's recommendations was designed to make a political point of swift action, not necessarily to make the best policy." And Michael Greenberger, a University of Maryland law professor who heads the Center for Health and Homeland Security there, "praised House Democrats for taking on the proposals but said they will have a tough time convincing many of their colleagues in the Senate."

The Washington Post (1/9, A4, Pincus, 690K) also reports that the House resolution "is far different from the proposal to enhance congressional oversight of intelligence proposed in 2004 by the Sept. 11 commission. … The panel on the 2001 attacks had recommended a House-Senate committee or smaller, single committees in each chamber that would both authorize and appropriate funds for the intelligence community -- thereby reducing the number of lawmakers involved but giving a sharper focus to oversight." The Washington Times (1/9, DeBose, 88K) reports Pelosi "said the hybrid panel is a first step toward reducing the number of committees with oversight over intelligence and homeland security. 'Reducing the number of committees ... will happen, but we have to be assured that this panel will work,' Mrs. Pelosi said. Democrats were criticized by

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Republicans and some members of their own party last week for veering from" the 9/11 Commission recommendations.

The Christian Science Monitor (1/9, Chaddock, 59K) says the House bill "leaves out key provisions of that prestigious panel that were considered and rejected in the GOP-controlled Congress: It does not take up panel recommendations to declassify the top line of the intelligence budget. It would not shift covert paramilitary operations from the Central Intelligence Agency to the Defense Department. It skirts the lead recommendation of the 9/11 commission for members of Congress: to dramatically reduce the number of committees that claim oversight over homeland security."

In an editorial, the Washington Post (1/9, A14, 690K) writes, "Given a limited amount of money and an endless list of programs and procedures that could make Americans safer, it's essential to buy the most homeland security possible with the cash available. And…that can be a tough job. That's all the more reason not to waste money on the kind of political shenanigan written into a sprawling Democratic bill -- up for a vote in the House this week -- that would require the Department of Homeland Security to ensure that every maritime cargo container bound for the United States is scanned before it departs for American shores." The Democrats "don't offer a realistic cost estimate for the mandate they will propose today. But the cost to the government and the economy is sure to be in the tens of billions and quite possibly hundreds of billions annually." The Post adds, "Luckily, the Senate will give more thought to its homeland security bill and probably won't approve a 100 percent container inspection plan. House Democrats can figure those odds as well as anyone. But why not score some easy political points in your first 100 hours?"

Roemer Urges Oversight Of Anti-Terror Agencies. Former Rep. Tim Roemer, who was a member of the Sept. 11 commission, writes in the Washington Post (1/9, A15, 690K), "As Congress gets to work, it must legislate first and oversee second. … Once Congress does its legislative work, members must turn to overseeing the executive branch. FBI reform has been far too slow. Information sharing among government agencies is still lagging. Airplane baggage and cargo, incredibly, are still largely unscreened. Passenger screening against a comprehensive terrorism watch list still eludes the Transportation Security Administration. The Privacy and Civil Liberties Oversight Board needs independent, strong powers to protect the foundations of our democracy. And our foreign policy must support effective public diplomacy, ensuring that our actions and words win the battle for hearts and minds and defeat the seductive message of Osama bin Laden."

Justices Decline Challenge To Passenger ID Requirements. USA Today (1/9, Biskupic, 2.27M) reports, "The Supreme Court on Monday rebuffed a challenge to the federal government's policy of requiring airline passengers to show identification before they board flights, spurning arguments that the well-known but unpublished policy would lead to more secret laws." John Gilmore, "a founder of Sun Microsystems and an advocate of libertarian causes, sued the government because it has long refused to disclose the text of the regulation that forces air travelers to present an ID. … In denying Gilmore's appeal, the high court gave no explanation and had no public vote, as is its usual practice in declining to hear cases. The justices let stand a lower court's ruling that said Gilmore had enough notice of the policy because airline workers had told him about it."

Cruise Ship Package Causes Another False Terror Scare At Miami Port. The Miami Herald (1/9, Yanez, Beras, Benn, 286K) reports, "A sensor detected explosives in a package of sprinkler parts being loaded onto a cruise ship getting ready to depart Monday at the Port of Miami-Dade. Police dogs and a bomb squad soon determined the metal parts were harmless, and passengers evacuated from a Royal Caribbean ship were allowed to reembark." The Herald notes, "The suspect package was tested six times, each time resulting in a detection of explosives. The sprinkler parts had similar chemical characteristics to C-4 explosives, which may have caused them to set off the sensors, but they did not contain any actual dangerous substances, said Miami-Dade police Detective Robert Williams." The AP (1/9, Kennedy) notes, "The FBI was monitoring the situation, spokeswoman Judy Orihuela said." UPI (1/9) also briefly reports on the incident, and – as with Sunday's scare – CNN, MSNBC and Fox News covered the unfolding story throughout their broadcasts yesterday.

Judge Dismisses Charges Against Trio From Sunday Incident. In a widely-distributed story, McClatchy (1/9, Ashenfelter) reports, "A judge dismissed misdemeanor charges Monday against three Middle Eastern men from Dearborn, Mich., who were arrested during a mix-up Sunday that triggered a terrorism scare at the Port of Miami. Authorities said they arrested the men because they were suspicious, but an Arab-American civil rights group in Dearborn called it another case of so-called driving while Arab. 'We understand that mistakes happen, but when they happen this often, it makes you wonder,' Imad Hamad, regional director of the American-Arab Anti-Discrimination Committee in Dearborn said, referring to the arrests last summer of five Middle Eastern men…on terrorism charges after they bought hundreds of cell phones for resale."

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Dead Birds Cause Terror Scare Outside Texas Capitol. USA Today (1/9, 3A, Welch, 2.27M) reports, "Ten city blocks in front of the Texas Capitol in Austin were closed and the city triggered its terrorism-response plan Monday when dozens of dead birds were discovered along a main thoroughfare. Congress Avenue was reopened…after city officials and health experts concluded there was no threat to people." USA adds, "Adolfo Valadez, medical director of the Austin/Travis County Health and Human Services Department, said the birds may have been deliberately poisoned. Grackles…and pigeons are often regarded as nuisances." USA adds, "Dead birds were sent to the Texas A&M University veterinary school in College Station and the U.S. Department of Agriculture's National Animal Disease Center in Ames, Iowa. It could take several weeks for tests to be completed, Valadez said."

TSA Screeners Trained To Respect Muslims Returning From Hajj. The Christian Science Monitor (1/9, Marks, 59K) reports that with "as many as 20,000 American Muslims" set to return to the United States from the annual hajj in Mecca, the Transportation Security Administration "has ramped up cultural-awareness training for all 43,000 of its screeners. The goal: to remind screeners what to expect from devout Muslims and how to go about screening them so it's in concert with their religious beliefs." Arab-American and Muslim-American leaders are backing the effort, but "say it's part of a much-needed larger cultural and political conversation about Islam and Arab culture that can help the nation as it heals from the aftereffects of 9/11."

Bill Would Grant Collective Bargaining Rights To TSA Screeners. Under the headline, "TSA Screeners May Get Union Rights," the Washington Post's (1/9, D4, Barr) "Federal Diary" column reports, "As part of a bill to follow through on recommendations of the 9/11 commission, House Democrats have included a provision that would give union rights to about 43,000 airport screeners at the Transportation Security Administration." The Post notes that TSA's ban on collective bargaining for federal screeners "has drawn steady opposition from federal unions, especially the American Federation of Government Employees," but a "provision in the House bill, scheduled for floor action today," and based "on a measure sponsored last year by Rep. Nita M. Lowey (D-N.Y.) [is] aimed at permitting screeners to engage in collective bargaining." The Post adds that if the measure succeeds, "screeners would have the right to decide whether they wanted to be represented by a union and would be given job protections if they blow the whistle on waste, fraud and abuse."

Mysterious New York City Odor Sparks Chemical Attack Fears. The New York Times (1/9, Chan, 1.16M) reports an "odor associated with natural gas -- the telltale, unpleasant sulfur scent that typically signals a gas leak," hung over "many areas of Manhattan and northeastern New Jersey Monday, "leading to fears that it could ignite or that a dangerous chemical had been deliberately released." Schools, office buildings and services were shut down and "security officials were put on alert," but as of Monday night, "city officials still did not know" where the odor had come from. "Throughout the day, possible culprits -- among them a minor gas leak in Greenwich Village and natural-gas pipelines in northeastern New Jersey -- were considered and ruled out. The olfactory mystery…was matched by strange activity" in Austin, Texas, where "police cordoned off 10 blocks of the downtown business district early yesterday after more than 60 birds were found dead overnight along Congress Avenue, which leads to the State Capitol. Air testing there failed to find a cause, but preliminary results determined that people were not at risk."

ABC World News (1/8, story 4, 1:45, Gibson, 8.78M) reported "in another time, a strange smell wafting over the city might be ignored or joked about, but this one smelled like gas. And in this age of terrorism, people in governments were concerned." Mayor Michael Bloomberg was shown saying, "The smell is there, we don't know the source of it." ABC (Berman) added, "Since the September 11th attacks, New York and several other cities have invested in air sensors to detect chemical attacks. … By 11 AM, the sensors determined the odor was nothing harmful but still couldn't nail down what it was."

NBC Nightly News (1/8, story 8, :30, Williams, 9.87M) reported "literally hundreds of fire trucks were dispatched to investigate the unmistakably strong smell of natural gas in much of Manhattan and parts of neighboring New Jersey."

Proposal To Create First Responders' Network Draws Scrutiny. The Washington Post's Jeffrey Birnbaum (1/9), in his "In The Loop: On K Street" column, writes that Nextel Communications' Morgan O'Brien "wants to get rich the Washington way -- using lobbyists. He's hired a bunch of big guns to get control of more than $5 billion worth of broadband spectrum. He wants it for a noble cause: to help first responders communicate during emergencies. But O'Brien also hopes to manage the valuable space, and that work just might make him his second fortune. Several lawmakers, economists and interest groups are outraged. They wonder why the government should, essentially, hand over such a prime asset." O'Brien's Cyren Call Communications "wants the government to place the spectrum into a trust, which would, with private funding, build a nationwide wireless network for emergency workers intended to prevent the kind of communications breakdowns that happened after Hurricane Katrina and the Sept. 11,

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2001, attacks. … By managing the venture, Cyren Call hopes to make its money."

Study Finds 2001 Anthrax Infections Outside Senate Building. USA Today (1/9 Sternberg, 2.27M) reports, "A Navy-led analysis of the anthrax attack on Sen. Tom Daschle's office in October 2001 has uncovered evidence that anthrax spores released in the Hart Senate Office Building infected people outside the building. The researchers could not pinpoint where the four exposed people worked or where they encountered the airborne spores. They apparently fought off infection without getting sick…says the study in the Jan. 15 Journal of Infectious Diseases." USA Today adds, "The surprise finding supports previous analyses indicating that the spores were engineered to float long distances in the air."

State Farm Settling Hundreds Of Gulf Claims For Katrina Damage. The New York Times (1/9, Treaster) reports, "State Farm, the biggest home insurer in the nation, is in the final stages of settling hundreds of lawsuits over its payments for homes wrecked by Hurricane Katrina along the Mississippi Gulf Coast, lawyers briefed on the talks said yesterday." The Times continues, "The settlement of 639 lawsuits for $80 million could be the first step in resolving a bitter legal battle between homeowners and their insurers that had threatened to drag on for years and has already slowed Mississippi's recovery since the storm in August 2005." The Times adds, "As part of the proposed deal, which other insurers are expected to adopt, State Farm has agreed to review and possibly increase payments to as many as 35,000 additional homeowners. In some cases, these homeowners received only a few thousand dollars for homes along the Mississippi coast that suffered major damage or were destroyed. … The talks do not apply to homeowners in New Orleans and the rest of Louisiana." The Times notes, "State Farm, under the tentative accord, would provide an average of about $125,000 to homeowners who filed lawsuits, although the payments would range from as little as about $2,000 to about $2 million. … The treatment of those cases would serve as a guide for increasing payments to any of the 35,000 homeowners who request a review of their claim, according to lawyers privy to the details. … Similar settlements with the dozen or so other insurers in Mississippi could provide hundreds of millions of dollars for recovery along the coast. It would also close a painful chapter in the public relations history of the carriers who have been portrayed by opposing lawyers as coldhearted in refusing to pay for much of Katrina's devastation."

New Orleans Still Littered With Boats. The Wall Street Journal (1/9, 1A, Machalaba, 2.04M) reports from New Orleans, where John Rogers and R. Bruce Hammatt, of the Louisiana Department of Environmental Quality, have become "gumshoes of last resort for an estimated 1,000 to 2,000 commercial and recreational boats that are still strewn across parking lots, roads, marshes and other odd spots" following Hurricane Katrina. As the detectives "work to reunite orphaned boats with their owners," the situation provides "a reminder of the fitful recovery. The city's population is still less than half the prestorm level of about 437,000 in July 2005." The Journal notes, "Coast Guard officials removed about 800 boats that were deemed a threat to shipping. Then a joint state-federal disaster-management team asked the Louisiana Department of Environmental Quality to take over the job, which involves dealing with frazzled boat owners and residents."

WAR NEWS:

Bush To Lay Out New Iraq Strategy Wednesday Night. ABC World News (1/8, lead story, Gibson, 8.78M) reported, "The White House refers to the anticipated increase of American troops in Iraq as a surge. Democratic critics are beginning to call it an escalation -- a term used back in the day of Vietnam. That difference in terminology is an indicator that the President's new way forward is in for real debate on Capitol Hill." CNN's Lou Dobbs Tonight (1/8) also noted "leading congressional Democrats…are accusing the President of planning to escalate the war in Iraq." If a battle is being joined about whether Bush is proposing a "surge" or an "escalation," the CBS Evening News (1/8, story 2, 3:00, Axelrod, 7.66M) appears to have chosen its preferred description. Said CBS, "When the President calls for an escalation in the number of US troops in Iraq, he'll be going against what voters said they wanted last November and what the new Democratic leaders in Congress say they want right now."

USA Today (1/9, Jackson, 2.27M) reports, "White House press secretary Tony Snow said Monday that Bush 'understands there is a lot of public anxiety' about the war. On the other hand, he said that Americans 'don't want another Sept. 11' type of terrorist attack and that it is wiser to confront terrorists overseas in Iraq and other battlegrounds rather than in the United States." Snow "said he contacted television networks Monday morning to request air time for the president's speech, to be delivered at the White House." The Washington Times (1/9, Dinan, Scarborough, 88K) notes Snow also said, "It's important to rebuild the sense of political unity."

The New York Times (1/9, A8, Stolberg, 1.16M) reports the White House is planning "an aggressive effort to sell Congress and the American public on President Bush's new strategy for Iraq, beginning with a prime-time address to the

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nation on Wednesday night, followed Thursday by a presidential trip to Fort Benning, Ga., and appearances on Capitol Hill by the secretaries of state and defense." On Thursday, Secretary Rice and Defense Secretary Robert Gates are scheduled to testify before Congress, "and both are expected to make trips to the Middle East soon to drum up support from international allies." USA Today (1/9, Jackson, 2.27M) says presidential counselor Dan Bartlett "played down expectations for Bush's speech. 'Facts on the ground and events determine public opinion more than anything,' he says."

NBC Nightly News (1/8, lead story, Williams, 9.87M) said "there is not much support" for a "surge" in Congress "or among the American people, but the President sees it as the last, best hope for a nation in deep trouble." NBC (Gregory) added the speech "will be a crucial test to see if the President can rebuild support for the war in Congress and in the public."

Other media sources are reporting Bush faces a hard sell with Congress. The Los Angeles Times (1/9, Reynolds, 850K) reports Bush "began a weeklong hard sell of his new Iraq policy Monday, meeting with groups of senators at the White House in an effort to convince them that the best way to bring US troops home from Iraq is to send more, at least for a while. Some said the president accomplished that goal; others said he did not." Bush "did not detail the proposal he will lay out Wednesday evening, senators said." CNN's Lou Dobbs Tonight (1/8) reported "lawmakers attending various meetings at the White House expressed reservations. … Administration officials are saying, 'Look, this is the last chance. And this is going to be a long-term effort.' But they all acknowledge here, it's going to be a very tough sell."

In a front page article, the Washington Post (1/9, A1, Abramowitz, 690K) reports senators who met with Bush said the President "made it clear that he is planning to add as many as 20,000 US troops to help quell violence in Baghdad." They also said the president is "arguing that his new plan has a better chance for success than past plans because of a greater willingness of Iraqi Prime Minister Nouri al-Maliki to commit Iraqi forces against all perpetrators of violence, including Shiite militias."

The Los Angeles Times (1/9, Havemann, Reynolds, 850K) reports "at least one senator of his own party came away unconvinced of the wisdom of Bush's reported plan to beef up US troops." Sen. Gordon Smith "said he didn't want American forces caught in the crossfire of sectarian violence that has broken out in Iraq since the United States toppled Saddam Hussein." But "Smith said he would not support a resolution to 'cut off money for bullets' for the American troops ordered into combat by the commander-in-chief."

The Hartford Courant (1/9, Lightman, 190K), meanwhile, reports that "in a counterpoint to pleas by Democratic leaders for troop cutbacks in Iraq, Sen. Joseph I. Lieberman sent the White House a strongly worded letter Monday urging the president to 'send additional troops.'" Lieberman "was joined in his message by Sen. Lindsey O. Graham, R-S.C." Lieberman, "who also spoke Monday at a Capitol news conference, said he likes what he's hearing from the administration. He said he believes 'victory is still attainable,' though he added, 'We've never had enough troops in Iraq to secure the country. How they can have a political settlement if you have death squads running through the country shooting people in the head?'" Fox News' Special Report (1/8, Hume) noted both Lieberman and Graham were "sharply criticized suggestions from Democratic leaders Nancy Pelosi and Harry Reid that the US start drawing down troops."

Gallup Poll Finds 61% Oppose Increasing Troop Levels, Bush Approval On Iraq At 26%. USA Today (1/9, Page, 2.27M) reports Bush "will outline his 'new way forward' in Iraq on Wednesday to a nation that overwhelmingly opposes sending more US troops and is increasingly skeptical that the war can be won." A USA TODAY/Gallup Poll taken Friday through Sunday "shows a daunting sales job ahead for the White House, which is considering a plan to deploy up to 20,000 additional US troops to Iraq. … Those surveyed oppose the idea of increased troop levels by 61%-36%. Approval of the job Bush is doing in Iraq has sunk to 26%, a record low."

"Surge" May Be Smaller Than Expected. Fox News' Special Report (1/8, lead story, Hume) said that according to "senior officials" the "surge will likely be limited to 10 to 15,000 troops. About 10,000 troops will be added to help secure the toughest neighborhoods in Baghdad, while about 2000 marines will be added to help with security in Anbar province to the west – far from a massive build-up or deployment." And the AP (1/9, Loven) reports, "Military officials have said that Bush is considering sending two to five more brigades -- between about 8,000 and 20,000 troops -- to fight alongside promised additions of Iraqi security forces. Some military officials familiar with the discussions say the president could initially dispatch 8,000 to 10,000 new troops to Baghdad, and possibly to Anbar Province, and leave himself the option of sending more later." NBC Nightly News (1/8, story 2, Miklaszewski, 9.87M) noted that "whatever the final plan, it will not happen in a hurry. It will take two to three months before those additional American forces can get into Iraq."

"Operation Together Forward" Cited As Bad Precedent For Bush's Plan. The CBS Evening News (1/8, story 2, 3:00, Couric, 7.66M) said Bush's decision "will really hit home at places…Fort Stewart, 200 miles southeast of Atlanta, just outside the port of Savannah, home of the US Army's 3rd Infantry. Hundreds of soldiers from this base left for Iraq last night. 4,000 in all will be going there this month. So we've come here tonight to tell the story of these brave soldiers and the families they're leaving behind." CBS

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(Axelrod) added, "The idea of sending more American troops to secure Baghdad has been tried before. Last summer 12,000 troops. But Operation Together Forward failed, largely because Iraqi security forces couldn't hold what American troops had cleared." In an analysis piece, the New York Times (1/9, Cooper, 1.16M) also says, "The United States has requested more Iraqi troops in the past and then been disappointed." In a similar report, ABC World News (1/8, story 2, McCarthy, 8.78M) also noted previous US troops' efforts "to bring relative peace" to areas of Iraq, and added, "The big question, what are they going to be doing differently this time? First, the US is going to stay with the local people for up to a year, not leaving after two months, says retired General Jack Keane, who has been advising the White House." General Jack Keane: "We are sleeping in the neighborhood, we're eating in the neighborhood. We are going to stay in that neighborhood 24/7. We are not going back to the refuge of our base." ABC added, "Then comes the money, for garbage collection and other jobs, the US hopes will lure young men away from violence. Finally, more training for Iraqi security forces, to get Sunnis and Shiites to work together."

The Pentagon is saying it learned its lessons from "Operation Together Forward." CNN's Lou Dobbs Tonight (1/8) reported, "Military officials are confident the new plan to win the battle for Baghdad will succeed. Those officials say the have learned some hard lessons from those previous unsuccessful attempts to secure Baghdad. The leading amongst those offenses: Operation Together Forward." CNN continued, "In retrospect…the flaws, in Together Forward were glaringly obvious: too few Iraqi troops to keep the peace after US forces did the heavy lifting, and too much focus on the Sunni insurgents, while ignoring Shia death squads."

US Could Resort To Second Tours For Guard, Reserve Units. The Los Angeles Times (1/9, Barnes, 850K) reports, "The nation's top military officials, expecting…Bush to order an increase in the size of the force in Iraq, have concluded that such a buildup would require them to reverse Pentagon policy and send the Army's National Guard and Reserve units on lengthy second tours in Iraq, Defense Department officials said Monday." The Times predicts, "Such an order probably would be controversial among the nation's governors -- who share authority over the Guard -- and could heighten concerns in Congress over the war and Bush's plans for a troop increase. In addition, National Guard leaders were skeptical of calls for additional combat tours, which they fear could hurt recruiting and retention."

The Christian Science Monitor (1/9, Jonsson, 59K) reports "the president's purported plan to boost US troop levels in Iraq, set to be unveiled this week, would require longer stays in Iraq and shorter rotations at home, raising concerns among experts and some Army brass that the new demands will push America's foot soldiers past the limits of physical and mental endurance. ... The division's troubleshooting duties have taken their toll: more than 300 deaths, or about 10 percent of total US troop losses, since the war began in March 2003. Of the Army's 650,000 soldiers who have been to Iraq so far, about 170,000 have served more than one tour, according to the Army. The incidence of post-battle stress goes up by over 50 percent for the second tour, Army surveys show." While "bravado is evident in Hinesville," Private Mapes "describes a simmering despair, with morale dipping as soldiers see an ambivalent US public. There's also the old training equipment - which a soldier in the field takes as a sure sign of faltering public support."

The Washington Post (1/9, C1, Jones, 690K) reports on Mike Hardgrove and his wife as he prepares to go to Iraq: "The Fredericksburg National Guard Armory was just down the road, and this past Sunday was the morning the 116th Brigade Special Troops Battalion was leaving. Mike was going to Iraq." Their behavior on the morning of his departure is described.

Administration Officials Try To Find Acceptable Way To Engage Syria, Iran. The Los Angeles Times (1/9, Richter, 850K) reports, "Although President Bush has rejected proposals for direct talks with Syria and Iran over the future of Iraq, officials in his administration are working to find a way to include those countries in negotiations in a way that might be acceptable to Bush." The White House "has come under growing domestic and international pressure to negotiate with the two countries as it revamps its troubled strategy in Iraq." The Times adds, "It is unclear whether Bush approves of the efforts to find a way to involve Iran and Syria. ... But top aides have said those concerns don't exclude the possibility of group collaborations that could put U.S. officials in close contact with Syrians and Iranians on issues of mutual interest."

NSA Aide Said To Have Played Central Role In Crafting New Strategy. Separately, the Wall Street Journal (1/9, A6, Dreazen, 2.04M) reports that the strategies President Bush "offers for Iraq will represent months of work" by deputy NSA J.D. Crouch. The Journal notes that the President "and senior officials like Defense Secretary Robert Gates and Secretary…Rice are the administration's public face when it comes to foreign policy. But as in other policy arenas, the crafting of specific proposals falls to mid-level aides like Mr. Crouch."

Soldiers In Iraq Said To Oppose Surge. Retired USMC Lieutenant Colonel Oliver North, on Fox News' The O'Reilly Factor (1/8) was asked if he supports Bush's "surge" proposal. North answered, "No, I don't. None of the soldiers, sailors, airmen, guardsmen and marines that I interviewed in my eighth trip told me they wanted more US boots on the ground. Nearly all expressed just the opposite. 'We don't

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need more American troops; we need more Iraqi troops' was a common refrain. My concern is that incremental increase in US troop strength…as first suggested last summer during the congressional campaign sounds eerily like Lyndon Johnson's plan to save Vietnam in the 60s by gradual escalation as a way not to lose. … The only thing that would really make the difference in this case is if that short-term surge went out along the Iranian and Syrian borders. If you could find N.A.T.O. troops that would do that, and some may well be willing to step up, that much makes sense."

Arab Allies Worried Iraq Strife Could Extend To Entire Region. On its front page, the Wall Street Journal (1/9, A1, King, Jaffe, 2.04M) reports, "As…Bush prepares to unveil his latest Iraq strategy, Arab allies are worried about what might happen if the plan fails: that worsening strife could engulf the entire region, sparking a wider war in the middle of the world's largest oil patch." The potential of a much larger regional conflict "that pits Sunnis against Shiites" is "increasingly on the minds of both Arab leaders and US military planners, according to regional diplomats and US officials." Some are calling such a possible outcome the "nightmare scenario." For example, the Saudis have "warned the Bush administration that they are prepared to aid the Sunni militias in Iraq if the Sunni population there becomes imperiled," a Saudi diplomat said. Meanwhile, "Jordanian officials have told the Pentagon that they may move troops into Iraq's uninhabited western desert as a buffer if events there spiral out of control, according to US military officials."

More Commentary. The New York Times (1/9, 1.16M) editorializes, "There have been too many times that…Bush has promised a new strategy on Iraq, only to repeat the same old set of failed approaches and unachievable objectives. Americans need to hear Mr. Bush offer something truly new ... [Voters need] the president to acknowledge how bad things have gotten in Iraq...and to be honest about how limited the remaining options truly are. ... The reality that Mr. Bush needs to acknowledge when he speaks to the nation tomorrow night is that the Iraqi government of Prime Minister Nuri Kamal al-Maliki is feeding rather than restraining Iraq's brutal civil war. ... The last time America presented Mr. Maliki with a set of political benchmarks, he bluntly rejected them. If he does that again, there is no way America can or should try to secure Iraq on its own. ... Meeting those challenges is going to be extremely tough. And Iraq's unraveling may already be too far gone. ... [America cannot] simply turn its back on whatever happens to Iraq after it leaves. With or without American troops, a nightmare future for Iraq is a nightmare future for the United States, too, whether it consists of an expanding civil war that turns into a regional war or millions of Iraq's people and its oil fields falling under the tightening grip of a more powerful Iran."

In an op-ed for the Los Angeles Times (1/9, 850K), National Interest publisher Dimitri K. Simes writes, "The Bush administration is planning a troop 'surge' to try to help a leadership that is simultaneously too brutal and too wimpy to bring stability and democracy to Iraq. ... The debacle that is Iraq reaffirms the lesson that there is no such thing as a good crusade. This was true a thousand years ago when European Christian knights tried to impose their faith and way of life on the Holy Land, pillaging the region in the process, and it is equally true today. Divine missions and sensible foreign policy just don't mix. ... The truth is that no surge and no amount of faith can rescue this crusade from failure. The alternative is not to 'cut and run' or to withdraw troops but rather to seek a difficult solution that is the only plausible one: reshape U.S. policy in the Middle East to establish a manageable political context for the war.

Nicholas Kirstoff writes in the New York Times (1/9, 1.16M), "Bush's plan seems to represent a warmed-over variant of approaches that have already been tried and mostly failed, that are opposed by some top American military commanders and ordinary Iraqis alike, and whose most likely outcome will be many more Americans in body bags or wheelchairs. The reality is that we've already tried surges. There was one of 20,000 troops in early 2004, a similar one in the fall of 2005, and one a bit smaller in the summer of 2006."

Sally Quinn, in the Washington Post (1/9, A15, 690K), "We have three choices here. All three are immoral. We can keep the status quo and gradually pull out; we can surge; or we can pull out now. When I think about those young soldiers on that plane coming back from Japan years ago, I believe pulling out now is the least immoral choice."

Democrats Divided On Response To Bush Iraq Plan.

The New York Times (1/9, Zeleny, 1.16M) reports, "The new Democratic majority in Congress is divided over how to assert its power in opposing President Bush's plan to send more troops to Baghdad, as leaders explore ways to block financing for a military expansion without being accused of abandoning American forces already in Iraq." While "Democrats find themselves unusually united in their resistance to a troop increase, party leaders are locked in an internal debate over how far to go in objecting to the administration's Iraq strategy." The White House "has invited some Democrats to meet with Mr. Bush before he gives his Iraq speech on Wednesday, even as others have scoured the history books to find cases when Congress has reined in the commander in chief." Speaker Nancy Pelosi has "suggested that Democrats consider blocking financing for a troop increase, and the Senate majority leader, Harry Reid of Nevada, vowed Monday 'to take a look at it.'" But "the House majority leader, Representative Steny H. Hoyer of Maryland, has not endorsed the idea. Other Democrats, either looking ahead to a possible presidential candidacy or their own re-

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elections, have also distanced themselves from such a proposal, fearful of being cast as opposing the troops."

The AP (1/9, Espo) reports, "In a blunt challenge to…Bush, the leader of the Senate's new Democratic majority said Monday he will 'look at everything' within his power to wind down the war in Iraq, short of cutting off funding for troops already deployed. 'I think we've got to tell the president what he's doing as wrong. We've got to start bringing our folks home,' said Sen. Harry Reid of Nevada, in remarks that portend a struggle if, as expected, Bush announces plans later this week for an increase in troop strength of 20,000." Another "senior Democrat, Sen. Edward M. Kennedy, said one option under consideration would be for lawmakers to vote on denying the use of funds for any increase in the US deployment." The AP adds, "Officials said late Monday night that the Massachusetts Democrat was preparing legislation that would require Congress to approve the deployment of more troops, and was hoping for a roll call on the topic swiftly -- before any increase is implemented."

CNN's Lou Dobbs Tonight (1/8) reported that "until now, cutting off any funding for troops, has been the third rail of Iraq war politics. … But Democrats, now in control of Congress, are under intense pressure to use their new power and the power of the purse to stop the President from sending more troops to Iraq."

On NBC Nightly News (1/8, lead story, Williams, 9.87M), Speaker Nancy Pelosi was shown saying, "We must know what the ground truth is in Iraq before we lose anymore lives or cost anymore money, and cost to our budget and reputation." However, asked NBC, "would Democrats cut off funding for the war? Seems unlikely." Sen. Barack Obama was shown saying, "I am not willing to create a situation in which troops who are already in Iraq might be short changed some way because of restrictions on appropriations."

ABC World News (1/8, story 3, Stephanopoulos, 8.78M) said Democrats "are looking at a lot of different ideas: To stop funding for new troops or put a cap on number of troops in Iraq. … The third idea would be to block any funding for extending any troop standard tour in Iraq -- and the virtue of these ideas is they are more politically palatable." They "put congress on side of the troops, and military brass may go along with them." Democrats "are not likely to get many Republicans for any attempts to limit funding, even if they pass them, the President would veto them." It's "very hard to override a Presidential veto and especially on those micro managing amendments, they may not pass constitutional muster even if they did pass." Yet the Los Angeles Times (1/9, Levey, 850K) reports "Democratic congressional leaders are ruling out funding cuts to force President Bush to withdraw American troops. … Democratic leaders have shown no appetite for such a showdown."

The Hill (1/9, Kaplan) reports Rep. John Murtha, "whose opposition to the war gave Democratic candidates political cover during the election to emphasize the issue, plans to begin hearings 'shortly' in his new perch as chairman of the Defense Appropriations subcommittee, said House Appropriations Chairman David Obey (D-Wis.)." The Wall Street Journal (1/9, A6, Rogers, 2.04M) says Murtha, "chairman of the House Appropriations defense subcommittee, believes the November election results show voters want Congress to be more of a check on Mr. Bush's handling of Iraq. His goal is to build bipartisan support by focusing the debate on whether increasing troop levels would be too much of a strain on the military." The chairman "met recently at the White House with Mr. Hadley, Vice President Cheney and the president regarding Iraq policy, but remains skeptical of the administration's approach. He is planning a set of hearings beginning this month on the state of Army and Marine Corps readiness; as chairman, he can recommend that the restrictions be part of the text of the funding bill and challenge others to take out the language."

Rice Announces Nominations Of Khalilzad, Crocker. The AP (1/9) reports Secretary Rice Monday announced that President Bush will nominate Zalmay Khalilzad to be the US envoy to the United Nations and veteran diplomat Ryan Crocker to replace him as ambassador to Iraq. If confirmed, Rice said, "Ryan and Zal will have two of the hardest and most consequential jobs in the world." The changes are seen as part of President Bush's new Iraq strategy. Rice noted, "The next two years may well be the most significant ones in this mission so far. New challenges on the ground call for changes to our strategy." AFP (1/9, Millikin) says the appointments "are not expected to encounter stiff resistance from the opposition Democrats" in Congress. Meanwhile, Khalilzad's appointment "was welcomed by some foreign policy experts as a sign that Bush intends to continue pursuing important diplomatic goals through the world body he once famously dismissed as a 'debating society.' But some have worried the diplomat may focus too much on Iraq to the detriment of other pressing issues."

The Financial Times (1/9, Dinmore) reports the "appointments of Mr. Crocker and Lt. Gen. Petraeus, both respected and already veterans of the Iraq war, will help the administration get through three weeks of tough committee hearings in the Democrat-controlled Congress."

LATimes Welcomes Khalilzad's Nomination. In an editorial, the Los Angeles Times (1/19, 850K) says Khalilzad is "not the kind of soft-spoken diplomat who goes over well at the United Nations. … Yet he is also charismatic and can be charming; certainly compared to his predecessor, he's a breath of fresh air." Calling him "a polished and experienced foreign service official who is quite capable of flexibility," the Times says his confirmation "would be a testament to this

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nation's diversity" as the first Muslim US ambassador to the United Nations.

US Airstrike Targets Al-Qaeda In Somalia. In an exclusive report, the CBS Evening News (1/8, lead story, 2:00, Couric, 7.66M) broadcasted, "In Somalia tonight, the US Military launched a strike against terrorists believed responsible for attacks more than eight years ago at our embassies in Kenya and Tanzania." From the Pentagon, CBS' David Martin added, "A US Air Force gunship has conducted a strike against suspected members of al Qaeda in the African country of Somalia. The targets included the senior al Qaeda leader in East Africa and an al Qaeda operative wanted for his involvement in the 1998 bombings of two American embassies in Africa. … But there is as yet no confirmation of the identities." According to CBS, the US military "started preparing for an airstrike using unmanned aerial drones to keep them under surveillance and moving the aircraft carrier Eisenhower out of the Persian Gulf towards Somalia."

The AP (1/9) says the White House on Monday night "would not confirm the incident," while Pentagon spokesman Air Force Lt. Col. Todd Vician "said he could neither confirm nor deny the reports of an airstrike." However, the New York Times (1/9, A3, Cloud, 1.16M) reports the strike "is believed to have produced multiple casualties," but it "was not known Monday night whether the casualties included members of a Qaeda cell."

The AP (1/9) reports early Tuesday that "in a further escalation of American involvement in Somalia, the USS Dwight D. Eisenhower arrived off the war-ravaged country's coast and its aircraft have begun flying intelligence-gathering missions over Somalia," the US military said Tuesday. The US Central Command "reassigned the aircraft carrier to Somalia last week from its mission supporting NATO-led forces in Afghanistan," said US Navy spokesman Lt. Cmdr. Charlie Brown in Bahrain. Brown told the AP that he did not know how long the Eisenhower's redeployment would last, saying only that it would "be there as long as required."

On its front page, the Washington Post (1/9, A1, Deyoung, 690K) reports "US sources said the operation may have hit a senior terrorist figure." One target of the strike, sources said, was Abu Talha al-Sudani, a Sudanese who is described "as an explosives expert who was close" to Osama bin Laden. More recently, Sudani "was identified by US intelligence as a close associate of Gouled Hassan Dourad, head of a Mogadishu-based network that operated in support of al-Qaeda in Somalia." The Post also notes that sources "would not confirm that US forces are operating on the ground along the border between Somalia and Kenya, although one emphasized that 'we are working very, very closely' with Kenyan forces."

The Los Angeles Times (1/9, Meyer, 850K) says US officials have "secretly been negotiating with Somalian clans who are believed to have sheltered the three men, hoping to obtain information about their locations," however, it "could not be determined Monday whether the airstrike was based on information provided by the clans." The Times reports that the strike targeted Fazul Abdullah Mohammed, Abu Talha al Sudani and Saleh Ali Saleh Nabhan.

Somali President Rejects US Requests To Bring Islamists Into Government. McClatchy (1/9, Bengali) reports, "In a rebuff to the United States, Somalia's interim president, Abdullahi Yusuf, on Monday rejected US requests to bring moderate Islamists into his weak transitional government." Negotiations with Islamists "will not happen," he told Al Jazeera television before flying to Mogadishu. There was "no immediate reaction from US officials, but Yusuf's remarks underscored the difficulties that Western governments face as they try to shore up Somalia's fragile regime."

Rain Slows Offensive Against Iraqi Insurgents. The Los Angeles Times (1/9, Zavis, 850K) reports, "A five-day-old offensive into the troubled rural region east of Baghdad bogged down in the mud Monday after US forces staged a bombardment of a warren of tunnels and canals where Sunni Arab insurgents were believed to be holed up. An icy downpour turned rural dirt lanes into muck that stuck to boots and wheels like cement and stopped heavy armored American vehicles. ... Despite the adverse conditions, U.S. military officials remained optimistic about their offensive in Diyala province. ... U.S. and Iraqi forces have swept through sprawling farmland, combing isolated hamlets for fighters, weapons and intelligence. Soldiers have found numerous arms caches in the mostly Sunni Tamuz village."

In Recording, Saddam Defends Chemical Attacks. The New York Times (1/9, Burns, 1.16M) reports, "The courtroom he dominated for 15 months seemed much smaller on Monday without him there to mock the judges and assert his menacing place in history. But the thick, high-register voice of Saddam Hussein was unmistakable. In audio recordings made years ago and played 10 days after his hanging, Mr. Hussein was heard justifying the use of chemical weapons against the Iraqi Kurds in the late 1980s ... In the history of prosecutions against some of the last century's grimmest men, there can rarely have been a moment that so starkly caught a despot's unpitying nature. ... Mr. Hussein sounds matter of fact as he describes what chemical weapons will do." The recordings "may go a long way to answering criticism of the government for executing him before he was judged for the worst of his crimes." The Washington Times/AP (1/9, Frayer) reports on the trial as well. The AP (1/8) reported that on Monday "the court's first

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order of business was to drop all charges against Saddam" since "'the death of defendant Saddam was confirmed.'"

New Saddam Corpse Video Appears On Internet. The AP (1/9, Abdul-Zahra) reports, "A new video of Saddam Hussein's corpse, with a gaping neck wound, was posted on the Internet early Tuesday, the second leaked release of clandestine pictures from the former leader's hanging. The video appeared to have been taken with a camera phone ... The newest video leak was likely to increase the angry reaction over the way the execution was carried out. There already has been a global outcry about the undignified manner in which the Shiite-dominated government hanged Saddam, a Sunni."

Execution Sparks Arab Support For Saddam. The AP (1/8, El-Magd) reports, "Saddam's stature has grown since his execution — when he answered insults and taunts with disdain — overshadowing the memories in much of the Arab world of the massacres and other atrocities committed by his regime. ... The praise has angered the governments of Iraq and Kuwait, which Saddam's soldiers invaded in 1990. On Monday, Kuwaiti lawmakers denounced Arab countries where Saddam has been lauded as a hero and demanded the government reconsider ties and financial aid to them."

Obama, Other Democrats Criticize Saddam Execution. The Hill (1/9, Tiron) reports, "Potential 2008 presidential contender Sen. Barack Obama (D-Ill.) and other top Democrats sharply criticized the execution of Saddam Hussein as President Bush readied to introduce a new military and foreign policy strategy for the war-ravaged country the Iraqi dictator once controlled." Obama "said Saddam was hanged before all charges against him were heard" and that he had been rushed "to the gallows." However, Obama also said on the day of the execution, "The Iraqi people have found justice." Other Democratic critics quoted are Sens. Joseph Biden, Christopher Dodd, and Carl Levin. The Hill notes that Biden and Dodd, like Obama, had issued more-positive statements "shortly" after the execution.

Saddam Execution Tied To Bush's Support For Capital Punishment In Texas. The Washington Post's Richard Cohen (1/9, A15) writes, "George W. Bush has executed 153 people, 152 of them in Texas and one so far in Iraq. The Iraqi, of course, is Saddam Hussein, who went to his burlesque of a death with more dignity than the Iraqi government, which so hurried him to the gallows that in much of the world the hanging looked a lot like a lynching. The president, we are told, did not bother to view the spectacle on tape. Maybe he feared he would learn something."

Iraqi Fugitive Plans Return To US. The Washington Post (1/9, A11, Partlow, 690K) reports, "Iraq's most publicly available fugitive held a news conference in the United Arab Emirates on Monday, announcing his plans to return to Chicago rather than the Baghdad jail he escaped from last month. Aiham al-Sammarae, the former Iraqi electricity minister who escaped from an Iraqi-run jail inside Baghdad's fortress-like Green Zone on Dec. 17, told reporters at a Dubai hotel that he 'didn't break any U.S. laws' and denied he was a fugitive from justice. ... Radhi al-Radhi, head of Iraq's Commission on Public Integrity, an organization created by the United States that had been investigating Sammarae, said last month that he escaped with the help of private security agents who appeared to be American. The Iraqi government insists it will attempt to bring Sammarae back to Baghdad, according to government spokesman Ali Dabbagh."

UK Commander Says UK Troops Are Defeating Taliban. AFP (1/9) reports, "British troops are inflicting heavy losses on a resurgent Taliban militia while 'making great progress in winning the hearts and minds' of the people of Afghanistan, a British commander said. UK task force commander Brigadier Jerry Thomas "said the situation in the southern province of Helmand had improved 'markedly' since September when a television documentary aired Monday night was filmed." In the documentary, "harrowing footage" shows "bullets buzzing troops and the filmmaker." The troops also gather "corn found in a nearby field because of supply problems." AFP continues, "Around 120 foreign soldiers have been killed in action in the country this year, which has seen the worst Taliban-linked violence since the extremists were driven from power."

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New Jersey US Attorney Will Stay In Job This Year. The AP (1/9) reports, "The U.S. attorney for New Jersey, a Republican long rumored to be a contender for U.S. Senate, said today he plans to stay in his current job into next year, effectively ruling out a 2008 campaign. … 'I have every intention of being here through the end of '07 and into early 2008,' Christopher Christie told The Associated Press on Monday. 'We'll see what happens when '08 starts.'" The AP continues, "Federal laws and Justice Department regulations bar a sitting U.S. attorney from running for political office. Political observers believe most candidates for U.S. Senate from New Jersey would have to start raising money for the costly campaign by June 2007. … Christie, 44, who also is considered by some to be a possible GOP pick for governor, was tapped by President George W. Bush in 2001 to be New Jersey's top federal prosecutor though he lacked criminal court experience. During the AP interview, Christie would not discuss a possible gubernatorial bid in 2009.Over the past five years, Christie has built a reputation as a tough corruption fighter by prosecuting cases including that of former Senate President John A. Lynch, now in prison for

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corruption, and some in Monmouth County that resulted in the arrests of more than a dozen public officials." The AP adds, 'Christie's comments effectively end speculation he would challenge Democratic Sen. Frank Lautenberg, who has said he will seek re-election in 2008."

CORPORATE SCANDALS:

Former Aspen Technology CEO Surrenders On Securities Fraud Charges. The AP (1/9) reports, "The former chief executive officer of software company Aspen Technology Inc. surrendered Monday to face securities fraud charges that he illegally inflated the company's software revenues as he competed to become its chief executive." The AP continues, "David McQuillin, 48, was accused in U.S. District Court in Manhattan of plotting to exaggerate the company's software revenues between January 2001 and September 2002." The AP adds, "Prosecutors alleged in court papers that McQuillin tried to inflate the revenues while he was competing against the company's other chief operating officer for the position of chief executive officer, which he received in October 2002. Aspen Technology develops and sells computer software to oil refineries and other industries. … Prosecutors said McQuillin and unidentified coconspirators manipulated Aspen's revenues by entering side agreements with a customer to control when certain revenues would be counted, by backdating software sales agreements into earlier financial quarters and by providing false information to its auditors. … McQuillin allegedly engaged in the scheme after learning at the end of December 2000 that Aspen was not going to meet the estimates of securities analysts, the government said."

Apple's Jobs Haunted By Options Backdating Issue. USA Today (1/9, 2B, Farrell, Swartz) reports, "When Steve Jobs steps to the podium today at the Macworld Conference (in San Francisco) to introduce what is expected to be the newest Apple iPod, he won't be just another CEO hawking a fad product. … Instead, Apple's iconoclastic founder will be greeted by most attendees as the visionary who changed the way the world works and the messiah who saved Apple from oblivion a decade ago. His address is considered the crowning achievement of the year for Apple and its legion of fervent customers." USA continues, "Yet on the day of Jobs' triumphant moment, he finds himself on the defensive over an issue that swept through Silicon Valley and a swath of Corporate America in 2006 like a California brushfire: the backdating of stock options. … Federal prosecutors and the Securities and Exchange Commission are poring over an internal Apple investigation that examined two huge options grants to Jobs in 2000 and 2001. The 2001 grant was the most problematic. It gave Jobs options to buy 7.5 million shares at $18.30 a share instead of the $21.01 market price of Apple's shares on the date the grant was finalized two months later. … The investigation also disclosed that more than 6,400 stock option grants made on 42 dates from 1997 to 2002 were backdated to give employees a lower strike price." USA adds, "Apple's report on its internal investigation said that Jobs was aware of or recommended some favorable grant dates but that he did not appreciate the accounting implications. It found no evidence of misconduct by current management, it said. … The company also said Jobs didn't benefit financially from the backdating. Indeed, the two grants to Jobs, totaling 17.5 million options, were canceled in March 2003 (when Apple's stock price was below the options' strike price) and replaced with an award of 5 million shares of restricted stock. … According to data from Thomson Financial, Jobs has never sold shares of Apple stock for profit. His one sale of stock last March — in which he returned 4.5 million shares to the company for nearly $300 million — was to satisfy tax withholding requirements. … But Lucian Bebchuk, director of Harvard Law School's program on corporate governance, says that Jobs clearly gained from the favorable backdating. … Even if one accepts Apple's explanation that Jobs didn't benefit because his options were canceled, the options' replacement with a grant of restricted stock meant they were worth something, Bebchuk says."

WSJournal Criticizes Frank For Flap Over SEC Rule On Executive Pay. The Wall Street Journal (1/9, 2.04M) says in an editorial, "For an excellent example of why federal agencies so rarely admit mistakes, look no further than the recent uproar over the Securities and Exchange Commission's flip-flop on stock-option disclosure. House Financial Services Chairman Barney Frank is already planning to ride this error through the next election as part of his campaign against CEO pay." The SEC has "been under attack since it announced -- on the eve of Christmas weekend -- that it was modifying its July disclosure rule on executive compensation. The commission's new order tweaks the way stock option grants are disclosed, with the goal of making total annual compensation figures more accurate and consistent. Chairman Christopher Cox admitted that the SEC had inadvertently adopted the wrong version of one part of the rule, and was simply trying to set things right." But the "mea culpa counted little with Mr. Frank, who denounced the SEC for loosening reporting requirements to provide a 'Christmas Eve' gift to corporate America. He also declared that this 'backtracking' by the agency meant his committee now had an obligation to dive into the 'problem' of 'unconstrained' executive compensation -- as if he needed an excuse."

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CRIMINAL LAW:

House Democrats Negotiating Subpoenas With Cunningham Prosecutors. The New York Times (1/9, Kirkpatrick, 1.16M) reports, "The new Democratic House leaders are negotiating with federal prosecutors about complying with subpoenas related to former Representative Randy Cunningham's corrupt sale of military contracts, potentially accelerating a dormant inquiry. The subpoenas…request documents from the House Appropriations, Intelligence and Armed Services Committees and demand a response by Jan. 11." According to the Times, a federal prosecutors "sought for months without success to reach agreement with the former House Republican leaders to obtain the documents without subpoenas."

CIA Reportedly Stalling Investigation Of Foggo And Cunningham. The Wall Street Journal (1/9, A4, Paltrow, 2.04M) reports, "A federal criminal investigation of the Central Intelligence Agency's former third-highest official has stalled because of CIA reluctance to turn over classified documents requested by prosecutors, people close to the investigation say. The U.S. attorney's office in San Diego has been investigating former CIA Executive Director Kyle 'Dusty' Foggo to determine whether he committed illegal acts in influencing the awarding of CIA covert contracts. Mr. Foggo resigned from the CIA in May 2006, shortly after The Wall Street Journal disclosed the investigation1." The journal notes that "among the contracts under investigation is one the CIA awarded to the company of a lifelong friend of Mr. Foggo's, Brent Wilkes, a California defense contractor. Last year…Cunningham pleaded guilty to soliciting bribes from individuals including Mr. Wilkes. The Foggo inquiry is part of a chain of pending criminal investigations sparked by the Cunningham case."

Conyers To Spearhead Overhaul Of Mandatory Sentencing Laws. The New York Times (1/9, Clemetson, 1.16M) reports, "Federal sentencing laws that require lengthy mandated prison terms for certain offenses are expected to come under fresh scrutiny as Democrats assume control of Congress. Among those eagerly awaiting signs of change are federal judges, including many conservatives appointed by Republican presidents. They say the automatic sentences, determined by Congress, strip judges of individual discretion and result in ineffective, excessive penalties, often for low-level offenders." House Judiciary Committee Chairman Rep. John Conyers "is planning hearings on the laws, starting later this month or in early February. One of the first issues planned for review is the sentencing disparity between offenses involving powder and crack cocaine."

US Charges Chicago Alderman With Accepting Bribes. The Chicago Tribune (1/9, Coen, Washburn) reports, "Chicago Ald. Arenda Troutman was charged Monday with taking bribes to grease a development in her ward in an undercover sting in which she was recorded brashly asking one informant: 'What do I get out of it?'" The Tribune continues, "Troutman, a minor player at City Hall despite her 16 years on the City Council, was arrested at her home early Monday by FBI agents who had to break a window to open a door. Authorities said she first spoke to agents from a third-floor window at 6:30 a.m. but had refused to come down. … The complaint alleged Troutman (20th) took $5,000 in cash and was promised $10,000 more to smooth licensing and zoning for a development at 57th and Halsted Streets, where she also had arranged to have a residence and commercial space. The development deal never existed; it was invented by the FBI as part of the sting. … After receiving the $5,000 on Nov. 29, Troutman allegedly went to work for the development immediately." The Tribune adds, "The charges hark back to the days when the federal government snared one alderman after another in sting operations. Between 1972 and 1999, an average of one alderman a year was convicted of wrongdoing. … First Assistant U.S. Atty. Gary Shapiro described the complaint as another Chicago 'civics lesson' in the history of corruption in the city. .. 'This time on how things get done in the 20th Ward of Chicago,' Shapiro said."

Other press accounts also prominently note the FBI arrest. The Chicago Sun-Times (1/9, Korecki, Spielman) opens its story, "Agents had to break a window to get in to Troutman's home," and the AP (1/9, Bellandi) similarly begins its widely-distributed report, "FBI agents had to break a window at a city alderman's home to get inside Monday to arrest her on a federal bribery charge for allegedly accepting $5,000 to help a fictitious developer move forward on a building project, authorities said." The AP notes Chicago SAC Robert Grant said that "agents also asked a nanny…to let them inside and made several telephone calls to the home with no response."

Former Rhode Island Attorney Jailed For Pocketing Drug Money. The Providence Journal (1/9, Malinowski) reports, "Joseph A. Bevilacqua Jr., once one of the state's more prominent criminal defense lawyers, is headed back to jail. … Bevilacqua, who had been serving the final portion of an 18-month sentence on work release, was ordered held at the Barnstable County House of Correction on Cape Cod after his arrest last week on charges that he participated in a scheme to pocket $150,000 from

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drug-dealer clients." The Journal continues, "Yesterday, Bevilacqua, 57, of West Warwick, learned that he will remain locked up in the county jail through Jan. 17. The next day, he will be taken back to U.S. District Court in Boston to be arraigned on a felony count of conspiracy. … At that time, the court indicated that he would probably be released and placed on strict supervision by federal probation officials." The Journal adds, "Bevilacqua, known for his fine-tailored suits during his days as a lawyer, shuffled yesterday into the seventh-floor courtroom of the John Joseph Moakley United States Courthouse in leg irons and handcuffs. Two federal marshals escorted him to the defense table. … Bevilacqua, who looked like he had lost weight in recent months, wore jeans and a yellow long-sleeved Ralph Lauren polo shirt. His hair was askew and it appeared that he had just awoken from a long slumber in the courthouse lockup. … Jonathan Shapiro, Bevilacqua's court-appointed lawyer, asked Judge Joyce London Alexander to let Bevilacqua serve out the final days of his sentence in work release. … In 2005, Bevilacqua was sentenced to 18 months in federal prison for leaking a confidential FBI videotape to Jim Taricani, a Rhode Island television reporter. The conviction led to Bevilacqua's disbarment from practicing law. … Assistant U.S. Attorney William D. Weinreb told the judge that it was the Bureau of Prisons — not the court — that determined Bevilacqua should return to jail. He pointed out that the federal prison system still has control over the former lawyer's freedom."

Judge Allows Petitioners To Join Jeffs Suit, But Does Not Rule On Evidence. In a widely-distributed story, the AP (1/9, Ritter) reports, "A federal judge on Monday broadened the legal tug-of-war over cash, computers and other materials seized from a vehicle during the southern Nevada arrest of polygamist church leader Warren Jeffs. In a quick decision, U.S. District Court Judge Robert Jones said two other parties may join the government and Jeff's lawyers in arguing the civil case – the United Effort Plan Trust, which holds $110 million in Fundamentalist Church of Jesus Christ of Latter-day Saints property, and a former Jeffs follower who won a $338,000 judgment from Jeffs after being fired from his job." However, Jones "did not address questions about the materials, which have been held by the federal government since they were seized…during Jeffs' arrest."

The Deseret Morning News (1/9, Winslow) notes, "Among the $54,000 in cash, wigs, cell phones, computers and other evidence seized from the Escalade, FBI agents have told the Deseret Morning News they found ledgers that may detail who had been helping to keep Jeffs on the run. The FLDS leader was on the FBI's Ten Most Wanted list until his capture. The U.S. Attorney's Office in Utah…declined to comment Monday on the outcome of the hearing. An FBI agent from Salt Lake City was in the audience to keep track of the developments."

Quets Returns To US From Canada To Face Kidnapping Charges. The AP (1/9) reports, "A woman accused of kidnapping her 17-month-old twins from their adoptive parents returned to the United States, escorted by Canadian police. Allison Quets waived her right to an extradition hearing." The AP adds, "A custody agreement allowed Quets to take the children from Denise and Kevin Needham for a brief visit just before Christmas, but authorities said she never returned the twins. … In an affadavit, FBI Agent Michael Sutton wrote Quets and the Needhams argued over money and almost derailed the adoption in the first place." The Canadian Press (1/9) notes, "She was arrested in Ottawa almost two weeks ago after fleeing to Ontario with the twins. An FBI warrant had been issued after the children were not returned to their adoptive parents following a scheduled visit in Raleigh, N.C., on Christmas Eve."

Man Accused Of Oprah Extortion Scheme Waives Court Hearing. In a widely-distributed story, the AP (1/9, Reichgott) reports, "The case against an Atlanta man reportedly accused of trying to extort $1.5 million from Oprah Winfrey is likely headed to a grand jury. Keifer Bonvillain, 36, was scheduled to appear before a federal magistrate on Monday but waived the preliminary hearing, said Randall Samborn, spokesman for the U.S. attorney's office. A grand jury may be asked instead to determine whether there is enough evidence to warrant a trial." The AP goes on to recount the details of the FBI investigation and allegations against Bonvillain.

Five Mississippians Plead Guilty To FEMA Relief Fraud. The Biloxi Sun Herald (1/9, Fitzgerald, 45K) reports, "Five South Mississippi residents pleaded guilty [Monday] to fraud cases involving disaster-relief assistance from FEMA. The defendants who appeared before U.S. District Judge Louis Guirola Jr. are Emily Fuqua, Duane Adams, Clarence Hall, Patty Richards and Hassie Baker. … They each face a maximum penalty of five years in prison, three years of supervised release, a $250,000 fine and a mandatory $100 special assessment fee. Guirola said a lesser sentence may be considered as part of their plea agreements." The Sun Herald notes, "Four of them pleaded guilty to making a false claim for disaster-relief assistance following Hurricane Katrina."

Judge Delays Sentencing Of Fleishman-Hillard Executive For Fraud. The Los Angeles Times (1/9, Spano, 850K) reports, "A federal judge on Monday delayed

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sentencing for former public relations executive Douglas R. Dowie, but not before making comments favorable to both sides in the fraud case. Dowie was convicted last fall of masterminding a long-running overbilling scheme that cost city taxpayers at least $6 million in unearned fees to public relations giant Fleishman-Hillard, whose local office he headed. … 'In my view, the government has more than adequately proved its case,' U.S. District Judge Gary Feess said in court Monday. … But Feess delayed sentencing until Jan. 30 to allow full airing of a defense argument that prosecutors had miscalculated the number of months Dowie should serve in federal prison. The judge agreed that Dowie's lawyers could question an FBI agent who was responsible for the figures."

Towers Perrin Reports Theft Of Laptops, Client Data. The Wall Street Journal (1/9, B2, Francis) reports, "Five laptops containing data about tens of thousands of retirement-plan participants at multiple companies were reported stolen by benefits consulting giant Towers Perrin last month, the latest in a string of thefts across industries raising concerns about privacy and identity theft." The Journal continues, "Towers Perrin reported the laptops missing on Dec. 7, and New York City police made an arrest on Dec. 28, but the computers haven't been recovered, people familiar with the matter said. A criminal complaint filed in New York suggests the laptops were stolen from a locked room in the building housing Towers Perrin's Manhattan office on Nov. 27." The Journal adds, "In a written statement late Monday, Towers Perrin confirmed the theft of 'a small number' of laptops containing 'personal information' about clients' 'current and, possibly, former employees.' … 'We deeply regret the inconvenience this may cause,' the company said in its statement. 'We take seriously our commitment to safeguarding our clients' confidential information and notified our affected clients as quickly as possible.' … Consulting firms can have access to considerable sensitive data about benefit-plan participants, including names, addresses, Social Security numbers and retirement-account information."

Duke President Calls For DA To Step Aside. The New York Times (1/9, Wilson) reports, "The president of Duke University renewed his call on Monday for the district attorney to step aside from the sexual offense case against three former lacrosse players and give control to an independent party 'who can restore confidence in the fairness of the process.'" The Times continues, "In an open letter to the Duke community as a new semester began, the president, Richard H. Brodhead, reviewed recent events in the case and sought to explain the university's responses since last March, when a stripper accused three students of raping her at a lacrosse team party." The Times adds, "Mr. Brodhead said that from the early, confusing days of the case, the university had been guided by two principles: If true, the accusations were 'grave and should be taken very seriously.' At the same time, 'our students had to be presumed innocent until proven guilty through the legal process.' … Now, he wrote, in the wake of developments that have raised questions about the district attorney's handling of the case, the need for a fair legal process demands that he recuse himself." The Times notes, "Early on, Mr. Brodhead recalled, the district attorney, Michael B. Nifong, said publicly that he was certain a rape had taken place. But on Dec. 22, Mr. Nifong dropped the rape charges, saying the accuser was no longer sure what had penetrated her. He is proceeding with sexual offense and kidnapping charges, which carry equally stiff sentences. … Given the certainty of the prosecutor's early statements, Mr. Brodhead said then and restated in his letter on Monday, the decision to drop the rape charges called the entire case into question."

CIVIL LAW:

Boston Men Tearfully Recount Wrongful Imprisonment. The Boston Globe (1/9, Murphy, 413K) reports, "Tears rolled down Joseph Salvati's face yesterday as he took the stand in federal court, recounting the family milestones he missed as his four young children grew up without him while he spent 30 years in prison for a murder he didn't commit. … Salvati, who was 35 years old when he went to prison in 1967, spent 29 years and five months behind bars for the murder of petty thief Edward 'Teddy' Deegan in a Chelsea alley before he was freed in March 1997, after William Weld, then governor, commuted his life sentence. Four years later, Salvati's codefendant, Peter Limone, was set free and the convictions of both men were overturned after it was revealed that long-secret FBI documents indicated they had been framed by a Mafia hitman-turned-government witness, Joseph 'The Animal' Barboza. 'I couldn't believe the FBI would do a thing like that,' said Salvati, wiping his eyes with a handkerchief. 'These are people you look up to. They didn't care 40 years ago, and they don't care now.'"

The AP (1/9) includes the same quotation from Salvati and reports, "Justice Department lawyers have argued during the civil case that federal authorities had no duty to share information with state prosecutors and cannot be liable for the results of a separate state investigation. Salvati's lawyers say FBI memos showed the FBI believed Flemmi had killed Deegan, as well as six other people, but agents continued to use him as an informant. The memos were made public in 2001 after they were discovered by a Justice Department task force probing the FBI's relationship with gangsters and FBI informants James 'Whitey' Bulger and Stephen 'The Rifleman' Flemmi, Vincent Flemmi's brother."

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CIVIL RIGHTS:

Judge Rules Former Terror Suspect May Sue County Over Jail Treatment. The AP (1/9) reports from Detroit, "A former suspect in a federal terrorism case who says he was mistreated while in jail can sue the county, a federal judge has ruled." The AP continues, "Moroccan immigrant Karim Koubriti, 28, was held for three years in the Wayne County jail and claims he was strip searched, held in isolation for 23 hours a day and not allowed to exercise. … U.S. District Judge Bernard Friedman last week rejected the county's request to dismiss Koubriti's lawsuit, the Detroit Free Press reported Sunday. No trial date has been set. … 'The decision means he'll get his day in court and his say at trial,' said Koubriti's lawyer, Ben Gonek of Detroit. He is seeking unspecified damages." The AP adds, "Friedman's order dropped one count - that being served pork at the jail violated Koubriti's Muslim faith and his constitutional rights. But he upheld three other counts, including Koubriti's claim that he was "repeatedly subjected to unlawful and unnecessary strip searches designed to humiliate and degrade him because of and in retaliation for his religious beliefs." … Koubriti and three other Middle Eastern immigrants had been accused of forming a terror cell in the Detroit area. In 2003, Koubriti and Abdel-Ilah Elmardoudi were convicted of conspiracy to aid terrorists and document fraud. A third man was convicted of document fraud, and the fourth was acquitted of all charges. … A federal judge later dismissed the convictions at the request of the Department of Justice, which said federal prosecutors in Detroit withheld evidence beneficial to the defendants."

New York Man Dies After Police Use Taser. The New York Times (1/9, Newman) reports, "The day after a disturbed man died after being shocked with a Taser stun gun in Queens by a police sergeant, a city police official yesterday provided a fuller account of the moments before the man apparently went into cardiac arrest." The Times continues, "The man, Blondel Lassegue, 38, a former schoolteacher, struggled with the police on Sunday afternoon in a kitchen of a house near Kennedy International Airport. Family members at the house said late yesterday that they would issue a statement today about the circumstances of Mr. Lassegue's death. … The Nassau County medical examiner's office, which is investigating the death, said the cause had not been determined." The Times adds, "The sergeant who shot Mr. Lassegue appeared to have been following departmental guidelines, said Chief Michael Collins, a New York Police Department spokesman. The Taser is widely used by police departments to subdue people, although there have been questions about its safety. Amnesty International says more than 220 people have died after being shot by Tasers. … The Taser gun, which fires barbs attached to fine wires and is used by more than 10,000 police departments around the world, has been the subject of conflicting studies about its safety. … Officials at Taser International, which makes it, say that it has been tested on volunteers about 200,000 times, and that tests financed by the United States Justice Department found that the Taser did not change heart rhythms or damage hearts. But a University of Wisconsin study found last year that the guns' shocks applied directly to the hearts of healthy pigs could cause them to stop beating. Chief Collins said he did not know where the Taser dart struck Mr. Lassegue."

Death Of Hmong Hunter In Wisconsin Stirs Racial Concerns. The New York Times (1/9, Miner) reports from Milwaukee, WI, "Law enforcement officials said Monday that a Hmong hunter found dead Saturday in northern Wisconsin had been murdered after an 'accidental meeting' between the victim and another small game hunter." The Times continues, "The killing has reignited racial tension in Wisconsin's northern woods, where two years ago a Hmong hunter killed six white hunters and injured two others in a confrontation that included racial epithets." The Times adds, "Details remain sketchy about the latest killing, although there have been news reports that the two men had a confrontation. … 'While there is much I would like to tell you, there is much I cannot tell you,' Sheriff James Kanikula said at a news conference Monday in Marinette, Wis., The Associated Press reported." The Times notes, "The finding that the death of the Hmong hunter, Cha Vang, 30, had been intentional was based on an autopsy. The case has been turned over to Wisconsin's newly elected attorney general, J. B. Van Hollen. … The other hunter, James Nichols, 28, of Peshtigo, Wis., is being detained, but has not been charged in the killing. Mr. Nichols is being held on charges of violating parole and being a felon in possession of a firearm. A convicted burglar, he has been in custody since Saturday, when he showed up at a medical center with a gunshot wound. … The body of Mr. Vang, a father of five children age 3 to 10, was found partly concealed Saturday in the Peshtigo Harbor Wildlife Area. The hunting spot is an hour's drive north of Green Bay, where Mr. Vang lived, and about 250 miles north of Chicago. … Hunting is deeply ingrained in both the Hmong and Wisconsin northern woods cultures. Distrust among the Hmong and other residents has been high since Chai Soua Vang of St. Paul killed six hunters and wounded two others in 2004 in north-central Wisconsin. The hunters had ordered Chai Soua Vang off private land. Mr. Vang is serving a life sentence."

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ANTITRUST:

GE Shopping Plastics Unit. The Wall Street Journal (1/9, A3, Smith, Kranhold) reports, "General Electric Co. has asked for bids on its plastics business, valued at as much as $10 billion, in an auction that appears to reflect new concerns from the Justice Department about the lack of competition among possible private-equity buyers." The Journal continues, GE has told a handful of private-equity firms contacted about the possible plastics-unit sale that they face restrictions on their ability to team up with other private-equity bidders, according to people familiar with the sale effort. Although the exact nature of the restrictions isn't known, one of the people said the contacted firms aren't allowed to call other buyout funds about teaming up. .. . The restrictions may effectively limit the formation of so-called clubs, the teams of two or more private-equity firms that pool their resources to pursue a single acquisition deal." The Journal adds, "GE has been weighing the future of its plastics business, which has been plagued by higher raw-materials costs and keen competition. The business, where former GE Chief Executive Jack Welch made an early mark as boss and which also employed current CEO Jeffrey Immelt, has an estimated value of between $8 billion and $10 billion and annual revenue of about $7 billion. In the first nine months of 2006, its revenue rose 1% to $5 billion, but operating profit fell 13% to $560 million. … Acting on GE's behalf, Wall Street investment bank Goldman Sachs Group Inc. has conveyed the bidding restrictions on the plastics unit to four private-equity firms, the people familiar with the matter said. Goldman has also contacted two potential bidders in the plastics industry, they added."

The AP (1/9) reports, "Last October, the Justice Department began an antitrust probe of private-equity funds, looking particularly at private-equity firms that team up and prompting fears among some sellers that the number of bidders and size of the bids would be limited."

Bloomberg (1/9, Layne, Cimilluca) reports, "GE has been weighing the sale after the high cost of benzene, the main oil-based material used in much of its plastic, cut earnings last year." Bloomberg adds, "Immelt made almost $70 billion in acquisitions since becoming CEO in 2001 to enter faster-growing areas including healthcare, and he sold assets such as insurance that are volatile or capital intensive and hurt profit. … The negotiations are in the early stages, one person said. Goldman Sachs Group Inc., which has been hired to look for buyers, is restricting the ability of private equity firms to form groups in the auction, two of the people said." Bloomberg notes, "Such restrictions aren't unheard of, though in this case it comes as the Justice Department investigates possible anticompetitive behavior on the part of buyout firms, which often team up to buy multibillion-dollar assets."

The Financial Times (1/9, Politi) reports, "Mr Immelt has been a supporter of the growing influence of private equity on takeover markets, arguing that it makes it easier for large diversified companies like GE to reshape their portfolio by trading assets with buy-out groups." The Times notes, "GE has already found private equity groups to be attractive buyers for non-core businesses it is considering selling. In September, the group agreed to sell its advanced materials business, a supplier of sealants, adhesives, and ceramics materials, to Apollo Management in a deal worth $3.8bn."

DOJ Gives Antitrust Nod To Waste Services' Purchase Of Allied Waste's Florida Unit. The AP (1/9) reports, "Waste Services Inc., a Canada-based solid waste management company, said Monday its previously announced acquisition of Allied Waste's South Florida operations has been cleared by the U.S. Department of Justice." The AP continues, "Under a deal signed in July, Waste Services agreed to pay $61 million in cash for Allied Waste's collection company, transfer station and recovery facility located in Miami-Dade County. In return, Waste Services agreed to sell its Arizona operations to Allied Waste for $53 million."

Caremark Rejects Express Scripts' Buyout Offer. The Washington Post/AP (1/9, D2) reports, "Caremark Rx rejected a buyout offer by a rival pharmacy-benefits manager Monday and pledged to continue to pursue a bid from drugstore operator CVS. … Express Scripts responded by launching an effort to salvage its $26 billion stock-and-cash offer by reshaping the Caremark board of directors. The CVS deal, valued at $21 billion in stock, has passed antitrust scrutiny by the Federal Trade Commission and is expected to go to a shareholder vote and be completed by the end of March." The AP adds, "Express Scripts of Maryland Heights, Mo., contends that its proposal represents a 13 percent premium for shareholders over what Woonsocket, R.I.-based CVS is offering, but Caremark hasn't been swayed. … 'The board has unanimously concluded that pursuing discussions with Express Scripts is not in the best financial or strategic interests of Caremark and its shareholders,' Nashville-based Caremark said in a statement Monday."

Express Scripts Tries To Derail Caremark-CVS Merger. The New York Times (1/9, Freudenheim) reports, "Express Scripts opened a proxy war in the pharmacy benefits industry yesterday, moving to derail the pending acquisition of its rival Caremark Rx by the drugstore chain CVS." The Times continues, "Express Scripts said it would nominate four directors to the 11-member board of Caremark.

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But Caremark said the vote would need to wait for its annual meeting, which is normally held in May but which the company said yesterday it had not yet scheduled." The Times adds, "The action came after the Caremark board voted unanimously on Sunday to reject a $26 billion hostile takeover offer by Express Scripts, even though the offer values Caremark at about 13 percent higher than the CVS deal. Caremark said in a statement yesterday that the Express Scripts offer, which was made on Dec. 18, would create 'significant, if not insurmountable, antitrust risks.' … Express Scripts yesterday dismissed the antitrust issue as 'a red herring' that Caremark was wielding to distract stockholders."

Bloomberg (1/9, Rapaport) reports that Caremark "accepted a $21 billion bid on Nov. 1 from CVS, the No. 2 U.S. drugstore chain. CVS and Express Scripts, which is about a third of Caremark's size, want Caremark to help them gain clout in negotiating discounts on medicine and to lure customers from rivals such as Wal-Mart Stores Inc. and Medco Health Solutions Inc." Bloomberg adds, "Express Scripts said its acquisition would be partially financed through Citigroup and Credit Suisse. The company retained Skadden, Arps, Slate Meagher & Flom LLP as legal counsel."

ENVIRONMENT/INDIAN AFFAIRS:

EU To Call For New Low-Carbon Power Use. The AP (1/9, White) reports, "The European Union will call for 'a new industrial revolution' on Wednesday as it tries to rein in oil imports and slash the carbon emissions blamed for global warming." The AP continues, "In a draft paper seen by the Associated Press, the European Commission says the days of secure, cheap energy for Europe are over. … Surging world demand for limited stocks of oil and gas has sent prices higher. The EU executive said Europe has to look at alternatives: using more renewable energy such as wind power and biofuels. … It also suggests that current plans to cut back nuclear power -- which it calls 'one of the cheapest sources of low carbon energy' -- will endanger the goal of curbing greenhouse gas emissions." The AP adds, "Electricity generation will be 'heavily dependent' on natural gas, it said, warning a number of countries reliant on one main supplier that they should diversify. … The EU said it is confident that relationships with oil and gas suppliers Norway, Russia and Algeria will strengthen but also that it needs to open up a range of sources, suppliers, transport routes and methods. … European concerns about the reliability of Russian supplies were underscored Monday when shipments of oil via a pipeline running through Belarus were disrupted by a trade dispute between the two former Soviet republics." The AP notes, "The EU recognizes serious problems with the way the electricity and gas markets work, highlighting the control huge energy companies have over production and sales. These issues will be detailed in a parallel report from EU antitrust regulators on Wednesday. … It said these market problems are causing governments to cap power prices, leading to less investment in the sector that could cause future supply crunches."

DC's Future Development Plans Hindered By Polluted Anacostia River. The Washington Post (1/9, A1, Fahrenthold) reports, "The Anacostia River, planned as the scenic centerpiece of massive redevelopment in the District, remains heavily polluted by sewage, trash and toxic chemicals, environmentalists say -- and it might be years before the river's health catches up with its new cachet." The Post continues, "In the city's plans, the Anacostia will soon be surrounded by a necklace of new stadiums, office buildings, condominiums and parks. A river that has come to symbolize neglect, both of its water and of the neighborhoods near its banks, will become a new hub of urban life. … But that bright vision is hard to square with the Anacostia of the present. Its channels are choked with mud and floating debris. Its catfish have tumors on their livers and lips. And, dozens of times a year, it actually stinks, from human waste dumped out by the District's sewer system." The Post adds, "Now, activists wonder whether a dirty river will start to hold this development back. Or maybe, they hope, all this building will speed the Anacostia's recovery by making activists out of people who are seeing its plight for the first time. … The Anacostia winds its entire course inside the Capital Beltway, beginning near Bladensburg and emptying into the Potomac River 8.4 miles downstream at the District's Hains Point. It is often out of sight, though, even to those who live near the river. People have been kept away by the U.S. National Arboretum, the Anacostia Freeway and other barriers -- and the historical perception that the river isn't worth visiting. … If the plans on city drawing boards are followed, however, it will not be that way for long. … The marquee project of the new waterfront development effort is the Washington Nationals baseball stadium, whose steel skeleton is rising near the Frederick Douglass Memorial Bridge. City officials hope to surround it with a new entertainment and residential district. They also plan to remake the area just to the east, adding office buildings and a three-block Washington Canal Park." The Post notes, "Most of the pollution the Anacostia suffers from is not the kind for which miscreants are tracked down and fined. Instead, most of it comes from obvious sources, such as lawns, sewage plants and storm drains -- within the law, or at least not the target of stringent enforcement."

Shoshone Tribe Battles For Treaty Rights. The AP (1/9, Ritter) reports from Las Vegas, "The way Allen Moss sees it, vast stretches of the West and all of their wealth belong to the Indians. … And despite being turned back in

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lawsuit after lawsuit for decades, the Western Shoshone leader says he won't rest until the U.S. government honors a 19th-century treaty that, according to the tribe, entitles it to reclaim ancestral lands extending from California through Nevada and Utah to Idaho." The AP continues, "The lands include much of the Las Vegas area. The Shoshones say they are not interested in Sin City - too many people, too many problems. But they want the rugged desert hills that have yielded tens billions of dollars worth of gold over decades." The AP adds, "At issue is the 1863 Treaty of Ruby Valley, which the Shoshone say gave the tribe - not the federal government - royalties and final say over water, mineral and property rights for land covering 93,750 square miles, an area roughly the size of Maine. … Moss, a representative to the eight-member tribal council in Nevada, estimates the number of Shoshone at 5,000 to 8,000 - descendants of people who lived from the Snake River Valley in Idaho to the Salt Lake Valley in Utah, across most of eastern and central Nevada, and in Death Valley and the Mojave Desert in California." The AP notes, "The tribe has taken its case to fence lines, courts, international tribunals and the public. … It sued to block the nation's nuclear waste from being stored in Nevada. It succeeded in postponing government plans to explode a non-nuclear bomb that would send the first mushroom cloud in decades over the desert. And it went all the way to Switzerland to ask the United Nations to intervene in the land dispute. … The tribe keeps losing on most fronts, but also keeps appealing - and some cases its members have notched a place in Western lore. … The Supreme Court ruled against the tribe in another case in 1979, saying the Treaty of Ruby Valley gave the U.S. trusteeship over the tribal lands. And in September, the Court of Claims in Washington accepted the government position that the treaty was 'merely one of friendship and that it conveyed no treaty rights.' … Lawyer Bob Hager, who has been handling Western Shoshone cases for free since 1983, maintains the tribe is losing on technicalities. He said the tribal claim finally got traction - and attention - with the U.N. Committee for the Elimination of Racial Discrimination last year in Geneva. … Cynthia Magnuson, a U.S. Justice Department spokeswoman in Washington, said the government would not comment on the dispute because the case is still in court."

FBI/DEA/ATF/USMS:

Sentinel Ranked Among Top Seven Federal Programs Expected In 2007. Government Computer News (1/8, Dizard, Miller, , Mosquera, Wait) reported on "Seven programs to watch in 2007," ranking FBI Sentinel case management system fifth, noting that it "faces critical turning points in 2007, as the bureau's flagship IT project will serve as an emblem of whether the agency has the management skills to build a major new information sharing system. … FBI CIO Zal Azmi has said that the bureau completed three steps to avoid the mistakes that sank the $100 million Virtual Case File project: The FBI's business practices now conform to the design of the new case management system. Sentinel's software requirements have been approved by all stakeholders, so they won't shift as the project continues. The bureau established procedures to vet deliverables before accepting them." The other six programs examined by GCN are Defense Transformation, OMB's Federal Spending Database, DHS's SBINet, Networx telecommunications and Alliant IT governmentwide acquisition contracts, Intelligence Community IT Reorganization, and the Coast Guard's Maritime Domain Awareness program.

Michigan Police Arrest 3 Linked To Marijuana Operation. The Detroit News (1/8) reported for the second time in four days Oakland County police "say they have stopped a major marijuana dealing operation. Over the weekend three county residents were arrested in the seizure of 70 pounds of marijuana, valued at nearly $500,000, bound from Arizona to West Bloomfield." The arrests "stemmed from an investigation begun by the Wichita, Kan., office of the federal Drug Enforcement Administration (DEA), which discovered a scheme to bring the marijuana into Oakland County."

The Detroit Free Press (1/8) also reported the arrests.

Marijuana Dispensary Owner, 2 Others Arrested In California. On its Web site, KESQ-TV, Palm Desert, California (1/8) reports the owners of a marijuana dispensary "are behind bars …after turning themselves in. It is the latest chapter in CanaHelp's ongoing saga to stay open for business and stay legitimate. This time, the owners of the…dispensary, Stacy Hochanadel and his two partners, turned themselves in at the Indio Police Department jail." The charges "include possession and distribution of marijuana and maintaining and operating CannaHelp."

The Palm Springs Desert Sun (1/8) reported the owner and two managers of CannaHelp "turned themselves in…at the Indio Police Department jail."

In Indio, the Press-Enterprise (1/6) reported Ingrid Wyatt, spokeswoman for the district attorney's office, "said the case …could be precedent-setting because it is the first time in Riverside County that anyone associated with a storefront marijuana dispensary has been prosecuted."

Police In New Mexico Say Truck-Stop Robbers Posed As DEA Agents. The Albuquerque (NM)

Tribune (1/8) reported two men who "robbed a truck stop and exchanged gunfire with police before ultimately eluding a dragnet early Sunday may have been involved in two previous burglaries in the city. The common denominator in all three robberies: The suspects wore pieces of uniform identifying them as DEA agents. Police say it's pretty clear the men are not real DEA agents. But how they got the uniforms and how they escaped from police moments after a gun battle...on Sunday remains unclear."

On its Web site, KRQE-TV, Albuquerque (1/8) reports the suspects "appeared to be dressed as drug enforcement agents -- one in a raid jacket, the other in a DEA cap -- when they walked into the business and terrorized employees, according to Albuquerque police."

Hospital Concerned About Potential Health Hazards Of Meth-Tainted Motel Rooms. The Denver Post (1/8) reported motel owners and managers "don't need to do anything out of the ordinary when meth is smoked in a room. They don't need to inform health authorities or have anyone evaluate the room for contamination. … That is troublesome for researchers at National Jewish Hospital, who have found residues the day after the simulated smoking of meth in a motel room." No official data are available, but experience "shows that meth dealers and users love to stay in hotels, said Tom Gorman, agent in charge of the Drug Enforcement Administration in Grand Junction." National Jewish "is waiting on federal funding to do further testing to determine…what kind of health hazard [the] residue might pose."

Federal Prosecutors Help Kentucky Officials In Gun Cases. The AP (1/9) reports from Louisville, KY, "Police and prosecutors are using a different strategy in western Kentucky to convict suspects of gun-related crimes." The AP continues, "If suspects can't be prosecuted in state court, cases are being sent to federal court, where the sentences are harsher and plea bargains are fewer, prosecutors and defense attorneys say. … That's what happened when state police found ammunition in the van of William West, a convicted felon. Since police didn't find a gun, West couldn't be charged under state law - so the case was turned over to federal prosecutors, said assistant U.S. Attorney Tom Dyke, who oversees prosecutions in Louisville." The AP adds, "West, 51, of Eddyville, was charged with being a felon in possession of ammunition and is serving a 15-year sentence in prison, Dyke said. … The strategy has arisen from the federal Justice Department's 'Safe Neighborhoods' program, which in Kentucky is known as 'Project Backfire.' Gun violators are targeted in both the state and federal court systems. … Gun-related cases in U.S. District Court in western Kentucky increased from 56 in 2004 to 79 in 2005, after U.S. Attorney Dave Huber announced an effort to increase Project Backfire federal prosecutions. By late last year, there had been 66 cases. … Jefferson County's state court handled 1,162 cases in 2005 by the county attorney's office as part of Project Backfire." The AP notes, "Huber said the federal prosecutions are designed to help local prosecutors and law enforcement agencies. They're 'only being federalized,' he said, because of inadequate funding at the state level 'for state prosecutors and state prisons.' … 'If you don't want it to be federalized, support your prosecutors and state prisons,' he said, adding that only a small number of cases are elevated to federal court. 'We're not a panacea. We're just trying to help where we can.'"

IMMIGRATION:

DOJ Study Finds High Rearrest Rate For Illegal Immigrants. The AP (1/9, Jordan) reports, "Illegal immigrants who were caught but released in the United States may have been rearrested as many as six times, Justice Department data released Monday indicate." The AP continues, "The findings by Justice Department Inspector General Glenn A. Fine are based on a sampling of 100 illegal immigrants arrested by local and state authorities in 2004, the latest complete data available. They show that 73 of the 100 immigrants were arrested, collectively, 429 times - ranging from traffic tickets to weapons and drug charges." The AP adds, "Fine's office said its audit could not conclude precisely how many of the 262,105 illegal immigrants charged with criminal histories that year had been rearrested. 'But if this data is indicative of the full population of 262,105 criminal histories, the rate at which released criminal aliens are rearrested is extremely high,' the audit noted. … The audit was required by Congress in 2005. It looked at how local and state authorities who receive Justice Department funding to help catch and detain illegal immigrants are working with the Homeland Security Department. … It also examined the arrest rates of immigrants who were released before they could be turned over to Homeland Security's bureau of Immigration and Customs Enforcement."

McClatchy Newspapers (1/9, Taylor) reports, "Immigration and Customs Enforcement officials questioned whether the audit's small sample should reflect negatively on their agency's efforts to deport criminal immigrants. The audit did not determine whether ICE failed to deport the immigrants after being notified by prison officials. … But Heather Mac Donald, a fellow with the conservative Manhattan Institute, said ICE continues to have problems with deporting criminal immigrants because the agency doesn't always have enough detention space to hold immigrants once they're released from prisons." McClatchy adds, "Last year, Homeland Security's inspector general said immigration authorities

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expected that most of the 300,000 illegal and legal immigrants eligible to be deported would be released. Federal officials said they would need 34,000 additional beds at a cost of $1.1 billion to detain and remove all of them. … U.S. immigration officials appeared to be making progress working with state and local officials who now notify them before a criminal immigrant is released, he said. That way, the immigrant is quickly deported."

High Court Refuses To Hear Columbian Drug Informant's Asylum Case. The AP (1/9) reports, "The Supreme Court on Monday refused to consider the case of an informant against the Cali drug cartel who says he and his family will be murdered if the U.S. government returns them to Colombia." The AP continues, "Immigration officials have refused to grant asylum to Diego Castillo-Arias, who came to the United States with his wife and two young sons about a decade ago after telling police in Cali about the location of cartel bank accounts and property." The AP adds, "The Board of Immigration Appeals says that volunteer, noncriminal informants working against the drug cartel do not constitute a 'particular social group,' a requirement for asylum under the Immigration and Nationality Act. … The 11th U.S. Circuit Court of Appeals deferred to the board's interpretation, saying it was doing so with 'consternation' and expressing dismay that 'informants who risk their lives have been ignored by our nation.'"

Hispanic Groups Pressuring Democrats For Immigration Reform. The Hill (1/9, Bolton) reports, "National Hispanic leaders are pressing" House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid "to make immigration reform a top priority within the first 100 days of the new Congress, citing the large numbers of Hispanics who turned out to vote for Democrats in November." Several large Hispanic advocacy groups, including the League of United Latin American Citizens, the Southwest Voter Registration Education Project and the Hispanic Federation, "plan to stage a massive grassroots campaign to pressure House lawmakers to move quickly on immigration. They will team with America Votes, one of the nation's largest liberal voter-mobilization groups, to push reform."

Bush Blasted Over Deal That Would Grant Social Security To Illegals. CNN's Lou Dobbs Tonight (1/8) reported, "In 2004, President Bush struck a deal with President Fox of Mexico that could jeopardize your social security. A deal would allow illegal aliens, granted amnesty to claim credit for time they worked here illegally. … Every citizen has to be outraged at this. Because particularly, as the General Accountability Office points out, no one has an exact count on the number of illegal aliens, Mexican nationals in this country at all, so they can't make an intelligent estimate on the cost."

Border Patrol Criticizes Guardsman Who Retreated From Border. The Washington Times (1/9, Seper, 88K) reports National Guard soldiers "who abandoned an observation post on the U.S.-Mexico border after spotting armed men approaching their position acted appropriately by retreating to a safer location, the U.S. Border Patrol said yesterday." Border Patrol spokesman Mario Martinez "at the agency's D.C. headquarters said that although the National Guard troops were armed and authorized to use force in self-defense, they determined they were not in imminent danger and retreated to call for help."

Criminal Immigrants Have High Rate Of Recidivism. The Washington Times (1/9, Seper, 88K) reports, "Criminal aliens set free on the streets of America -- instead of being deported after serving their time -- are being rearrested as many as six more times by U.S. authorities, according to a government audit released yesterday." But the Justice Department's Office of Inspector General "said it did not know how many of 262,105 illegals in the audit, who had been charged with a crime and then released, had been rearrested." The 91-page audit, "which was requested by Congress, said the limited sampling found that of the 100 selected aliens, 73 had an average of six arrests each after being released from custody. They were arrested, collectively, 429 times on 878 charges, ranging from traffic violations and trespassing to drug crimes, burglary, robbery, assault and weapons violations."

CONGRESS-ADMINISTRATION:

Fielding To Return To White House Counsel Post. President Bush's selection of Fred Fielding to be the next White House counsel is being portrayed as part of an Administration effort, orchestrated by White House Chief of Staff John Bolten, to prepare for multiple congressional investigations. NBC Nightly News (1/8, story 4, :20, Williams, 9.87M) reported President Bush "is turning to a old Washington hand to be his new White House lawyer. … Fred Fielding worked for Presidents Nixon and Regan. He is a Washington veteran who was most recently a member of the 9/11 Commission." The AP (1/8, Feller) reports Fielding "will become Bush's counsel just as newly empowered Democrats in Congress plan deeper scrutiny of the administration. From the Iraq war to environmental policy and secret surveillance, the Democrats…are armed with subpoena power and ready to summon panels of witnesses." The Washington Post (1/9, A4, Baker, 690K) notes the White House "plans to announce the appointment today, just days after longtime Bush loyalist Harriet Miers was eased out as the president's top lawyer in preparation for the anticipated struggle with a new

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Democratic Congress eager to investigate the administration." Fielding "brings the experience and political heft that White House Chief of Staff Joshua B. Bolten has been seeking to counter any aggressive moves to probe the most controversial decisions of the Bush presidency. Smooth and soft-spoken yet battle-hardened, Fielding is considered a Republican 'wise man' who Bush aides believe will be able to negotiate compromise without surrendering on the most important priorities." The Los Angeles Times (1/9, Gerstenzang, 850K) characterizes Fielding's appointment as "part of a White House personnel overhaul that began in April with the arrival of…Bolten. In a White House in which few senior aides, and even fewer midlevel staff members, served in high-level posts in previous administrations, Fielding's arrival would represent a rare reliance on a Washington insider."

According to the New York Times (1/9, Rutenberg, 1.16M) Fielding "forged his skills in politically charged episodes like Watergate and the air traffic controllers' strike in 1981. … Fielding was deputy counsel to President Richard M. Nixon under John W. Dean III and was White House counsel for the first five years of Ronald Reagan's presidency. Since then, he has kept a hand in politics and government, helping screen job candidates for President Bush during and after his transition, and serving on the bipartisan Sept. 11 commission. Several friends said they believed that he had been under heavy pressure to return as White House counsel by an administration girding for a raft of investigations by the new Democratic Congress. The news of his selection was first reported on Monday afternoon on the Time magazine Web site." The Washington Post (1/9, A4, Baker, 690K) quotes Rep. Henry Waxman, chairman of the House Oversight and Government Reform Committee, who "said he does not know Fielding but understands that 'he has a very distinguished record.'"

WSJournal Notes Fielding's Role In Choosing Judges. The Wall Street Journal (1/9, 2.04M), in an editorial, notes that "another duty will be offering Mr. Bush advice on judicial selection. The conventional Beltway wisdom is that Senate Democrats will block all but liberal nominees to the appellate courts, and that might be right. But the judges issue proved to be a good one for Republicans in both the 2002 and 2004 campaigns, and the White House shouldn't shrink from appointing capable members of the Federalist Society simply because they might not be confirmed. … Amid all the Washington talk of 'bipartisanship,' the reality of our current political division means inevitable conflict. It's good to see Mr. Bush recruiting some experienced generals for the battles ahead."

Bush Calls On Congress To Cut Earmarks By 50%. The Washington Times (1/9, Dinan, 88K) reports, "Twice in the last week, President Bush has challenged Democrats to cut pork-barrel spending projects in half this year -- but the administration won't say how much earmark spending happens now, nor what the 50 percent target cut would mean." The Times notes Bush did not back-up his challenge "with any specifics" though Sean Kevelighan, press secretary at the OMB, "said to stay tuned for the details."

Nevada County Rejects Reid Earmark. The Hill (1/9, Schor) reports Senate Majority Leader Harry Reid "has come through over the years for rural and cash-poor White Pine County. But a White Pine lands bill that Reid attached to the 109th Congress's final legislation lost the official endorsement of the very county it affects, leaving disappointed Nevadans in its wake. … Some in White Pine and elsewhere in the West contend that the requested water study fell victim to Reid's support for a pipeline sought by Clark County, home of Las Vegas, where the majority leader's son Rory is board chairman. 'Reid's always told us in private … that we should sell some of our water,' said John Chachas, a Democratic White Pine commissioner. 'He says, 'You're bankrupt, sell your water, let Clark County build their $2 billion pipeline into northern Nevada and everybody will be happy.'"

House Votes To Treat Import-Tariff Suspensions Like Earmarks. The Washington Post (1/9, A3, Stephens, 690K) reports, "The House voted last week to shine a spotlight into the murky world of import-tariff suspensions, a little-known form of special-interest legislation that has cost taxpayers hundreds of millions of dollars in lost revenue. The House overwhelmingly approved a bill that, for the first time, officially equates tariff suspensions with a better-known variety of legislative pork, the congressional earmark. The new rules require public disclosure of each measure's sponsor, purpose and cost whenever lawmakers slip one into legislation. The rules also require that congressional sponsors identify each person or corporation 'reasonably anticipated to benefit' from the breaks on import taxes." The House approved the rule changes 280 to 152.

Administration Reportedly Planning To Expand Medicare Means-Testing. The Financial Times (1/9, Guha) reports, "The White House budget to be unveiled on February 5 will include plans to expand means-testing in Medicare…the Financial Times has learned. The greater use of means-testing, which would require richer Americans to make a bigger contribution, will be accompanied by other steps to increase efficiency and bear down on Medicare costs. … A senior administration official said the Medicare reforms set out in the budget would be 'significant' though they would not add up to 'unrealistic full-blown reform' of the programme. He likened them to changes negotiated in 1997 as part of a bipartisan effort to balance the budget in five

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years. The White House will also revise down its estimate of the underlying growth rate of Medicare costs, based on the lower than anticipated cost of the Medicare prescription drug benefit and new actuarial forecasts."

Bush, Lawmakers Meet To Discuss Reauthorization Of No Child Left Behind Act. The AP (1/9, Zuckerbrod) reports that in a meeting with CA7 Rep. George Miller (D) and MA Sen. Edward Kennedy (D), President Bush "pushed for renewal of the No Child Left Behind" Act, "but was noncommittal on their request for more money." Bush said the participants had "agreed to work together to address some of the major concerns that some people have…without weakening the essence of the bill." U.S. Secretary of Education Margaret Spellings identified testing of special education and limited-English proficient students, "a desire to give schools credit for progress" and "ways to get students access to high-quality free tutoring" as areas of concern.

The Washington Times (1/9, Fagan, 88K) reports Bush said that NCLB has "made an enormous difference." It also noted the presence of WY Sen. Michael B. Enzi (R) and CA25 Rep. Howard P. 'Buck' McKeon (R) at the meeting. The "lawmakers all expressed hope that they could reauthorize the act, with some changes." Miller and Kennedy said the absence of additional funding would "make the reauthorization process far more difficult."

The New York Times (1/9, Schemo, 1.16M) reports Bush "predicted a strong bipartisan effort." Senate majority leader Harry Reid (D-NV) did not attend the meeting but issued a statement saying that "accountability measures have proven far too punitive, and states have been given little flexibility in implementing the law's requirements." Aides to Sen. Kennedy said that he was "proposing incentives for states to work together toward common academic standards." Spellings "indicated that the administration would be amenable to changes" such as "incentives to make state standards more rigorous and uniform."

Republican Senators Propose Flexibility. The Washington Times (1/9, Fagan, 88K) reports SC Sen. Jim DeMint (R) and TX Sen. John Cornyn (R) "teamed up with the conservative Heritage Foundation to offer a proposal that would let states opt out of many of the federal education funding formulas and instead use the money to best fit their own classroom needs." The plan would "let states choose to enter a five-year performance agreement with the federal government in exchange for less regulation and more flexibility in how they would use federal dollars and would track their progress."

White House Taps Weizmann As New OPM Deputy. The Washington Post's (1/9, D4, Barr) "Federal Diary" column reports, "Howard C. Weizmann has been selected by the president to serve as the next deputy director at the Office of Personnel Management, the White House announced. Weizmann is the president of the Private Sector Council, a part of the nonprofit Partnership for Public Service." Weizmann "worked for nearly 30 years in a variety of corporate and nonprofit positions," and "is a former managing consultant for the Washington, Philadelphia and Richmond offices of Watson Wyatt Worldwide, the human resources consulting firm."

Senate Ethics Office Proposed By Obama And McCain Faces Resistance. The AP (1/9, Abrams) reports Sens. Barack Obama and John McCain are "are urging the Senate to set up an independent office to probe ethical questions involving fellow senators." However, according to the AP, "that could be a tough sell. Obama is quoted as saying, "A lot of members are concerned about the use of an independent commission as a political club to beat them over the head.'" Sen. Pat Roberts, "a member of the six-senator ethics panel, said the nonpartisan group has done its job, and the new office would simply add another step to the ethics process. … 'Our ethics process in the Senate works very well,' said Sen. Mark Pryor, another ethics committee member. 'We have not broken down like the House has.'" The Washington Times (1/9, Miller, 88K) reports the Senate "began debate on the Democrats' ethics-reform package, with one of their chief spokesmen on the issue accusing lawmakers of being loath to support a ban on free private-jet flights for reasons of personal privilege." Obama "noted at a press conference held yesterday to announce the package -- which Democrats hope to pass Friday -- that such flights, usually funded by lobbyists or their corporate sponsors, let lawmakers avoid security lines. 'Why do you think there is resistance?' he said. 'Well, because corporate jets are nice. They are convenient. They are waiting for you. You don't have to take your shoes off.' Mr. Obama, who has all but announced his run for president in 2008, said he voluntarily gave up flying corporate-class last year and now pays for chartered flights out of his hefty campaign account.

Senate To Spend Two Weeks Crafting Ethics Overhaul. Bloomberg (1/9, Salant) reports Democrats "will spend the next two weeks on overhauling ethics and lobbying laws, after the House voted to amend its own rules. The proposed Senate measure would bar lawmakers from accepting free gifts and meals from lobbyists. Lobbyists would have to file disclosure reports online four times a year, instead of filing paper reports twice a year. Senate Majority Leader Harry Reid of Nevada said he'll support amendments to strengthen the measure, which is similar to a plan passed

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by the Senate last year that was criticized by advocacy groups as too weak."

Reid's Ethics Press Event Features Freshman Senators. CQ Politics (1/9, Kady) reports, "Freshmen in the Senate are generally supposed to be seen and not heard. But when it comes to the ethics and lobbying bill on the Senate floor…Reid seems willing to shine the spotlight on the new Democratic senators who gave the party its majority. Reid stood on a dais Monday with eight of the nine new Democrats in the Senate to tout the ethics and lobbying bill meant to be a reaction to scandals of the past two years that focused popular anger against Republicans." CQ notes, "The news conference had a decidedly populist feel, as Sen. Bernie Sanders, an independent from Vermont who describes himself as a socialist, derided 'lobbyists who represent the wealthy.' Freshman Democrat Amy Klobuchar of Minnesota, talked about how she drove to Washington in her family Saturn and brought her 'Minnesota moral compass' to the Senate. And new Sen. Sherrod Brown, complained that in the past, the 'drug industry wrote the Medicare drug law.' Sen. Claire McCaskill tried to sum up the moment: 'The fact that we are here [on the stage] speaks volumes' about the importance of lobbying and ethics."

Democrats Abandon Lobbyist Disclosure Provision. Roll Call (1/9, Newmyer) reports, "Democratic leaders appear to be backing away from a provision included in ethics proposals last year that would require lobbyists to detail their contacts with Members of Congress. The plan was met with stiff resistance from labor and nonprofit groups, which argue that the requirement would be onerous, impossible to apply consistently and could chill contact on politically sensitive topics. Democrats, who last year pushed the measure as key to shedding light on lobbyists' role in the lawmaking process, are now suggesting the disclosure standard is too problematic."

WPost Urges Congress To Make Lobbyists' Contributions Public. The Washington Post (1/9, A14, 690K), in an editorial, writes, "the most pernicious aspect of the relationship between lawmakers and lobbyists doesn't involve skybox tickets or golf junkets. It centers on the role that lobbyists play in providing lawmakers with the campaign cash they need to survive. Lobbyists write their own checks, which must be disclosed. But lobbyists are even more valuable to politicians in their role as bundlers, tapping their clients and other networks to deliver campaign cash far in excess of what they are permitted to contribute personally. … Yet while you can be assured that lawmakers and their campaigns know who their big bundlers are, and that the bundlers keep careful track of how much they help bring in, the people aren't let in on the news. That information ought to be made public, especially regarding those who make their livings seeking to influence Congress."

USA Today Questions Senators' Commitment To Ethics Reform. USA Today (1/9, 2.27M), in an editorial, writes, "As the ethics debate unfolds this week in the Senate, never was the old adage -- watch what we do, not what we say -- more apt. … Senate reformers say they've heard the anti-corruption message from voters and will make the reform package stronger. We'll see."

2003 Picture Of Bush And Abramoff Published On Internet. The AP (1/9) reports, "A liberal watchdog group published on its Web site Monday a picture of President Bush and imprisoned lobbyist Jack Abramoff, the kind of photo the White House has refused to release. The picture was taken at a campaign fundraiser in December 2003, according to the Citizens for Responsibility and Ethics in Washington. It was taken by a private photo contractor who posted it on a Web site, but then was removed before it made it into distribution, said Melanie Sloan, CREW's director. A previous photo of Bush and the disgraced lobbyist surfaced last year but Abramoff was in the background, slightly blurry. … In response to the photo being posted, a Bush spokeswoman, Emily Lawrimore, said: 'The White House has previously acknowledged that they've met.'"

Former Federal Prosecutor Eyed For 3rd Circuit Bench. The Newark Star-Ledger (1/9, Cohen) reports, "President Bush is expected to nominate Noel Hillman, a longtime prosecutor and a newly appointed federal judge in New Jersey, to an opening on the 3rd U.S. Circuit Court of Appeals." The Star-Ledger continues, "Reliable political sources said Hillman is currently undergoing a background investigation needed before he can be formally nominated to fill the federal appeals court seat vacated a year ago by U.S. Supreme Court Justice Samuel A. Alito Jr. … 'It's pretty close. It's what the White House wants to do,' said one knowledgeable source who asked not to be identified." The Star-Ledger adds, "Hillman, 50, a former assistant U.S. attorney in New Jersey and most recently the lead Justice Department prosecutor in the Jack Abramoff Capitol Hill lobbying scandal, was just confirmed in June to the U.S. District Court in New Jersey. … He had the support then of New Jersey Democratic Sens. Robert Menendez and Frank Lautenberg, and will need their backing again to win a promotion to the prestigious appeals court." The Star-Ledger notes, "After Hillman was nominated for the federal trial court a year ago, Lautenberg said he was 'well qualified' and described him and several other judicial nominees from the state as individuals who 'understand the concerns and values of ordinary New Jerseyans.' … Those familiar with the selection process said the White House decided against picking someone who was clearly ideologically conservative, settling on Hillman because of his qualifications, his integrity

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and the political calculation that he could easily win confirmation in a Senate now controlled by the Democrats."

CIA Sends Tenet Manuscript To White House For Review. The Washington Times (1/9, Scarborough, 88K) reports the CIA "has submitted portions of a book manuscript by George J. Tenet to the White House for review amid speculation the former CIA director's memoirs will be critical of President Bush. The book, 'At the Center of the Storm,' is still being analyzed by the CIA's Publications Review Board. It was during that process that portions of the manuscript were sent to the White House's National Security Council ." CIA spokesman Mark Mansfield "said in response to questions from The Washington Times yesterday that the book portions were sent to the White House for 'classification review purposes.' He said the book was not submitted because of any negative comments about Mr. Bush, as an intelligence source told The Times."

Senate Approves Pay Raise For Federal Judges. The New York Times/AP (1/9, Press) reports, "The Senate passed legislation awarding federal judges their annual cost-of-living pay raise immediately rather than keeping their pay frozen along with that of lawmakers." The AP (1/9, Taylor) reports, "For Chief Justice John Roberts, who currently makes $212,100 per year, the bill would make up for about $400 in lost pay — the total of his scheduled raise between Jan. 1 and Feb. 15. He's slated to start receiving the rest of his approximately $3,600 pay hike on Feb. 16. The associate justices currently make $203,000 per year, while district judges make $165,200, the same amount as members of Congress. The controversy is separate from Roberts' crusade for higher pay for federal judges, who are rapidly falling behind contemporaries such as law school deans and senior professors."

White House Heartened By Amniotic Stem Cell Breakthrough. Fox News' Special Report (1/8, Hume) reported, "On Thursday, the House will vote on a bill that allows more Federal spending on embryonic stem cell research. In other words, research on and discarded human embryos. It is one of the Democrats' top agenda items, but science ironically could undermine their effort. Researchers at Harvard and Wake Forest on Sunday announced a new discovery. Unique stem cells exist in amniotic fluid, the kind extracted in amniocentesis. Researchers say those amniotic stem cells are almost as good as the embryonic ones. … It was a development the White House appeared to welcome." White House spokesman Tony Snow: "Obviously there is a difference between using amniotic stem cell that do not, by design, involve the destruction of a human life, and embryonic stem cell research which does."

Congressional Democrats Enjoying Honeymoon In Poll. USA Today (1/9, Page, 2.27M) reports Democrats have "taken control of Congress this month amid a wave of good feeling from the public. A USA TODAY/Gallup Poll taken Friday-Sunday shows that Americans by nearly 2-to-1 want congressional Democrats, not President Bush, to have more influence over the direction the nation takes during the next year." Democratic congressional leaders "get their highest rating since Bush took office in 2001; 59% of those surveyed say their policies would move the country in the right direction." On the other hand, Republican congressional leaders "get their lowest rating: 35% endorse their approach." At "least for the moment, House Speaker Nancy Pelosi of California can bask in a 2-to-1 favorable rating: 44% say they have a favorable impression of her, 22% an unfavorable one." The "telephone survey of 1,004 adults nationwide has a margin of error of +/- 3 percentage points."

Democrats In Swing Districts Warn Pelosi To Limit Confrontations With Bush. Bloomberg (1/9, Roberts) reports, "Representative Joe Donnelly, a freshman Democrat from Indiana, has a blunt message for House Speaker Nancy Pelosi: Stick to a 'middle-of-the-road agenda' or their party's control of Congress may last just two years." If she "'goes too far one way or another, we're not coming back,' Donnelly says. He sees his party's victory in the November elections as less an endorsement of its agenda than a rejection of Republican rule: 'People just got real tired of this bunch, and they fired them.'" His "view reflects those of many of the 30 House Democrats elected in districts previously held by Republicans. Their fragile hold on their seats means they'll be pushing their new speaker…to limit confrontations with President George W. Bush and the Republicans over taxes, the war in Iraq, stem-cell research and abortion."

Republicans Betting Democrats Will Show Liberal Colors By Spring. The White House Bulletin/US News (1/8) reported one of "the calculations by House and Senate Republicans in deciding to lay low for a while when it comes to attacking Democrats is that their foes will eventually start displaying their liberal tendencies on issues like abortion and taxes, making them easier targets." A Senate GOP official tells US News and the Bulletin, "They'll go liberal by April or May, we think, when the honeymoon is over. When their true colors show, that's when we'll step it up." The Bulletin adds that in the "first few weeks of the new Congress, GOP leaders have decided not to attack the Democrats who are expected to have a honeymoon with voters and the press. Republicans calculate, however, that after a few victories during the 100-hour project touching moderate issues, Democrats will overreach and move to tackle more traditionally liberal issues such as raising taxes or pushing back on abortion curbs." In the meantime, GOP "message

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aides said that they will be coming up with a plan to draw up an attack that also provides positive alternatives."

Business Groups Retool Agenda For Democratic Congress. The Hill (1/9, Holzer) reports, "Major business groups have revamped their legislative wish lists, resurrecting some longstanding but moribund items and backing off of others, in the hopes of scoring some victories in a Democratic-controlled Congress." Last year, "boosting domestic energy supply was a top priority for both the U.S. Chamber of Commerce and the National Association of Manufacturers (NAM). Though they haven't abandoned that goal, the industry groups are now trumpeting their support for expanded research into alternative fuels and clean-energy technologies, a popular cause among Democrats." Other new business goals include "modernization of the transportation system" and a "deal on immigration that includes a guest worker program and a path to citizenship for law-abiding aliens." On the "defensive side, the business lobby seems intent on picking its battles, to judge by its capitulation on minimum-wage legislation, which is expected to pass the House this week."

US Military Tries To Conserve Oil. The Wall Street Journal (1/9, A15, Farivar, 2.04M) reports, "Recent energy-market disruptions have added urgency to the U.S. military's efforts to curb its use of oil and other fuels. But the effort faces considerable obstacles, including the difficulty in figuring out how much it spends on energy to begin with. In the year ended Sept. 30, the Defense Department spent, by its estimate, $13 billion on fuel amounting to 134 million barrels of oil for the year, up from 107 million barrels of oil in 2000. ... The most recent figure is more than the entire nation of Sweden consumed in 2005. (Still, it adds up to less than 2% of daily U.S. consumption.)" The military strives now to "rein in consumption through conservation, increased fuel-efficiency measures and greater use of alternative energy. The effort picked up in earnest following the 2005 Atlantic Ocean hurricanes, which devastated the Gulf Coast, lifted prices to records and highlighted the vulnerability of supplies." However, "Critics say these efforts aren't enough" in a "world of dwindling and endangered supplies."

White House Honors Cultural Institutions. The AP (1/9, Metzler) reports the White House "honored six cultural institutions Monday for their creativity and public service in what first lady Laura Bush described as one of her favorite events." Mrs. Bush "and Anne-Imelda Radice, director of the federal Institute of Museum and Library Services, recognized innovative outreach programs at three public libraries, a museum, a zoo and an aquarium."

Bush's "Mysterious" Bike Riding Incidents Recounted. The Washington Times' "Inside the Beltway" column (1/9, McCaslin) reports, "For several years, Inside the Beltway has observed the mysterious bike-riding habits of President Bush. Members of the White House press corps, who regularly accompany the president deep into the woods of suburban Maryland or else onto the dusty terrain of his Texas ranch, seldom if ever actually see Mr. Bush atop a bicycle. The big question is why? Could something secretive or covert be taking place that doesn't involve two wheels? For instance, did Mr. Bush in 2004 really fall off of a bicycle and cut his chin, upper lip, nose, both knees and right hand (when his Democratic opponent, Sen. John Kerry, inquired: 'Did the training wheels fall off?'), or did something more unusual cause his injuries? … And how about the Sunday morning not long ago when Mr. Bush's church attire was unusually 'bulky'? Immediately after the sermon, the president in the space of seconds had shed his suit of clothes and appeared in a brightly colored outfit that the White House insisted was 'bike-riding gear.'" The column continues, "Now, we learn of yet another bizarre twist involving a presidential biking trek this past weekend. Mr. Bush had been participating in an 'extended' intelligence briefing in the Oval Office with his national security team, when suddenly a half-dozen young men and women showed up dressed in the same colorful gear worn by Mr. Bush. The entire group, including the president, immediately climbed into several heavily protected vehicles and sped off. But wait, there's more, discovered in the official White House pool report: 'Four of them carried rakes and brooms along with their riding gear; why they had the rakes and brooms with them was unclear.'"

Bush Daughters' DC Appearances Noted. The Washington Post's "Reliable Source" column (1/9, Argetsinger, Roberts) reports, "Jenna and Barbara Bush on the town! After months on the road, the first daughters made a rare joint appearance in D.C. this weekend: Barbara at Smith Point Friday night with several pals from New York, and both twins at Town Hall on Saturday night with a well-heeled entourage. … Both daughters spent the Christmas holidays with the first family; alas, Barbara is headed back to New York and her job at the Cooper-Hewitt museum; Jenna is returning to her UNICEF gig in Central America."

Pozen Defends Progressive Social Security Indexing. In a Wall Street Journal op-ed (1/9, A19), Robert Pozen says, "Democrats have consistently refused to discuss any Social Security reform requiring a carve-out account: where workers can invest a portion of the 12.4% of their payroll taxes. Recently, Treasury Secretary Hank Paulson has shown a readiness to explore bipartisan approaches to

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Social Security reform without any prerequisites. A bipartisan plan for reform can be built on a modified version of progressive indexing, without carve-out accounts in Social Security but with enhancements of existing retirement accounts." Progressive indexing (PIN) "preserves the current schedule of Social Security benefits for the lowest 30% of wage earners, as well as for already retired-workers and those who will retire before 2012." In total, PIN "reduces the present value of the 75-year deficit of Social Security by 70%, close to $4 trillion to approximately $1.2 trillion." Pozen continues to examine potential objections to progressive indexing, concluding, "In short, there are a number of workable plans to reform Social Security with enhanced retirement accounts if both political parties are willing to compromise."

NYTimes Wants Investigation Of Census Resignations. The New York Times (1/9, 1.16M) says in an editorial, "Last November, the director of the Census Bureau, C. Louis Kincannon, and the deputy director, Hermann Habermann, abruptly decided to quit, acknowledging tensions with their bosses in the Bush administration but giving no other details." The "leadership problems — on top of severe budget cuts — threaten to throw the preparations for the 2010 census into disarray. At stake is the accuracy of the next count and, with it, the legitimacy of important decisions that are rooted in the census, including the drawing of electoral districts and the allocation of government resources. Various steps must be taken now to ensure an accurate count, starting with an investigation by the committees that oversee the bureau — Oversight and Government Reform in the House, and Homeland Security and Governmental Affairs in the Senate — into why the men quit."

OTHER NEWS:

Healthcare Spending Outpaced Inflation In 2005. USA Today (1/9, Appleby, 2.27M) reports, "Spending on health care rose at twice the rate of general inflation in 2005, with consumers facing increased deductibles and co-pays finding themselves spending more of their own money, government researchers said in a report out Tuesday. Spending went up 6.9%, with the total amount spent by individuals, insurers and the government on health care hitting almost $2 trillion, or $6,697 per person. That's the slowest rate since 1999, when spending rose 6.2%."

The Los Angeles Times (1/9, Alonso-Zaldivar, 850K) reports, "Although the rate of increase declined, healthcare spending in 2005 still grew faster than wages, inflation and the economy as a whole. And with employers continuing to shift more of the cost of job-based medical insurance to workers, the pressure on individuals and families remained high." The Times adds, "A slowdown in spending on prescription drugs was the main reason for the improvement in 2005, the government report found. Analysts credited a continuing shift to generic medications, as well as aggressive cost-control efforts by state Medicaid programs. The report did not factor in the new Medicare prescription benefit, not yet in effect in 2005."

The AP (1/9) adds, "Private and public payers for health care, such as insurers, states and the federal government, have said such a spending pattern cannot be sustained without harming the economy. Some of the tools they've put in place to slow health care spending appear to have had an impact."

Taking a different tack, the Wall Street Journal (1/9, A2, Zhang, 2.04M) reports, "Growth in US health-care spending slowed in 2005 for the third consecutive year, reflecting a sharp slowdown in the rise of prescription-drug spending, the federal government reported."

Schwarzenegger Proposes Statewide Universal Healthcare. Across the country, national print media report that California Governor Arnold Schwarzenegger announced new large-scale effort to reform the state's healthcare system. The CBS Evening News (1/8, story 8, :35, Hughes, 7.66M) reported, "Shock waves are reverberating here in California over the Governor's comprehensive and controversial plan to offer health insurance to practically everyone in his state. Appearing via video while recovering from a ski accident, Governor Arnold Schwarzenegger proposed insuring the 6.5 million uninsured Californians, including all children, even those here illegally. The Governor also wants to prohibit insurance companies from denying coverage to people because of pre-existing medical conditions. Costs would be split between individuals, insurers, hospitals doctors, and businesses with more than ten workers."

The San Francisco Chronicle (1/8, A1, Chorneau, 384K) reports, "The proposal, which the governor called a model for bringing universal coverage to the nation, would deliver both pain and reward to the many powerful interests in the health care industry, giving the plan an uncertain future before the Legislature." The Chronicle adds, "Labor unions and consumer groups are opposed to Schwarzenegger's mandate on individuals to have insurance because there is nothing in the plan to make sure policies will be affordable. Hospitals are concerned about losing subsidies for uncompensated care in a time when so many already are losing money."

The Washington Post (1/9, A3, Geis, Lee, 690K) reports, "Analysts say the California proposal is illustrative of the resurgence of interest among politicians at all levels in

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expanding health coverage to the uninsured and that it provides fresh evidence that, with Congress stalled on enacting comprehensive health-care reform, the states are beginning to take matters into their own hands."

The AP (1/8, Kurtzman) reported, "The plan contains elements that are likely to provoke opposition from a wide range of powerful interests, including doctors, hospitals and insurers, as well as employers and unions. But it also contains incentives for each of them."

The Los Angeles Times (1/9, Rau, 850K) reports the governor "proposed upending just about every portion of the healthcare industry in one of the country's most elaborate efforts at holding down medical costs and expanding insurance to those who don't have it." USA Today (1/9, Appleby, 2.27M) reports, "His proposal is significant not only for its scope, but also because what happens in the nation's most-populous state often has ripple effects across the country." The Wall Street Journal (1/9, A2, Carlton, 2.04M) calls it a "sweeping plan to mandate universal health care in the nation's most-populous state." The New York Times (1/9, Steinhauer, 1.16M) refers to it as a "sweeping package of changes to the state's huge, troubled health care system. … Under Mr. Schwarzenegger's plan, which requires the approval of the Legislature, California would become the fourth and by far the largest state to attempt near universal health coverage for its citizens. The other three states are Maine, Massachusetts and Vermont."

Schwarzenegger Plan Would Also Cover Illegal Immigrants. CNN's Lou Dobbs Tonight (1/8, Dobbs) reported, "Governor Schwarzenegger has angered members of his own party and the public, proposing new benefits for illegal aliens." CNN (Viles) added, "Republicans immediately criticized the governor's plan, saying it would attract and reward illegal aliens." Miek Villines, California State Assembly: "If they break the law coming into our country, they will get benefits that they wouldn't receive if they played by the rules. And that kind of message is a very dangerous message for a nation that supposedly believes in the rule of law to send anywhere around the world, especially in our own neighborhoods."

Insurers Offer Qualified Support. USA Today (1/9, Appleby, 2.27M) reports that at a press conference, "a panel representing business, labor, consumers, doctors and counties who were asked for their opinions on the proposal at a press conference … generally praised the governor for raising the issue, while questioning some of the details." Health Net CEO Jay Gellert says, "This is bigger than Massachusetts."

The Wall Street Journal (1/9, A2, Carlton, 2.04M) reports, "Officials of Blue Cross of California called it "bold and visionary," singling out the provision to provide medical coverage to all uninsured children in the state, even those of illegal immigrants. 'Taking each part separately, there's something for everyone to hate, but taken as a whole, there's a lot to like,' said Bruce Bodaken, chairman, president and Chief Executive of Blue Cross of California."

Business Groups, Republicans Voice Opposition. The Los Angeles Times (1/9, Rau, 850K) reports, "Two hours before Schwarzenegger unveiled his plan, Assembly Republican Leader Mike Villines joined with a trio of small business owners in a restaurant a few blocks from the Capitol to announce that his caucus will resist any plan that places a mandate on employers. He called such mandates a 'job tax' and stood at a podium alongside a large poster with those words circled and crossed through in red."

LATimes Critical Of Plan. The Los Angeles Times (1/9, 850K) editorializes, "[T]he plan has a substantial chunk of devil before you even reach the details. … It makes no sense to legally and permanently make Californians' access to healthcare dependent on their employers." The Times adds, "Companies, meanwhile, face plenty of challenges just staying in business and keeping up with the dynamics of the modern marketplace without being saddled with a new health insurance tax."

Minimum Wage Increase Not Panacea For Working Poor. The Christian Science Monitor (1/9, Trumbull, 59K) reports on the potential impact of an increase in the minimum wage for low income families. By "one estimate, the expected hike would directly affect the paychecks of 6.6 million low-wage workers like John Hosier. Another 8 million workers have wages that, while a bit too high to be forced upward by the law, stand to gain from an upward ripple effect when the wage floor is adjusted. A glimpse into the lives of people who live at bottom-rung pay rates illustrates why, to supporters of the change, the minimum wage is long overdue for a raise. But it also reveals that such a boost isn't a one-step solution for the challenges that face America's poorest workers." Many families "are poor today even though they earn far above $7.25 an hour."

Fed Remains Concerned About Inflation. The Wall Street Journal (1/9, A2, Ip, 2.04M) reports that despite a "recent decline in the nation's underlying inflation, it is 'too early to relax our concerns' about price pressures, a top Federal Reserve official said, suggesting interest-rate cuts aren't yet on the table." Fed Vice Chairman Donald Kohn "also warned that long-term interest rates could jump if the Fed fails to cut short-term rates as much as the market expects or if there were a reversal in other factors holding down long-term rates." In remarks to the Atlanta Rotary Club, Kohn's suggested "little has changed in the central bank's outlook since it last met in December. At that meeting, it kept its short-term interest-rate target at 5.25%, said its principal concern remained inflation, and its main choice in coming

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months would be whether to raise rates or leave them unchanged."

Stocks Rise On Decline In Oil Prices, M&A News. The New York Times/AP (1/9) reports Wall Street "overcame early losses to close higher yesterday as a drop in oil prices and a fresh round of acquisition activity helped raise investors' confidence in the economy." Some "$6 billion worth of deals were announced, indicating that activity in mergers and acquisitions was off to a strong start in 2007 after reaching record levels last year." Low energy prices "also helped stocks reverse course from their earlier losses." A barrel of light crude "fell 22 cents, to $56.09, on the New York Mercantile Exchange." The Standard & Poor's 500-stock index "was up 3.13, or 0.22 percent, at 1,412.84, and the Nasdaq composite index added 3.95, or 0.16 percent, to 2,438.20."

NBC Nightly News (1/8, story 6, :15, Williams, 9.87M) reported, "On Wall Street stocks started the week modestly higher. The Dow was up 25 and half points [to close at 12,423.49]. Nasdaq gained just under four points [to close at 2,438.20] on the day."

The CBS Evening News (1/8, story 7, :15, Couric, 7.66M) reported, "Meanwhile, Wall Street had an up and down day. It was up when it counted. At the close, the Dow showed a gain of more than 25. The NASDAQ picked up about four points."

The Wall Street Journal (1/9, C1, McKay, 2.04M) reports the stock market "tiptoed higher, helped by a drop in oil prices, a speech by a central banker and upbeat comments from analysts on International Business Machines." Among the Dow's components, "the biggest gainer was IBM, which rose 1.5% after UBS analysts upgraded the technology bellwether to a buy rating from neutral." Investors also "received good news yesterday on interest rates, another key area of concern. In a speech to the Atlanta Rotary Club, Federal Reserve Vice Chairman Donald Kohn said that inflation appears to be easing in the economy -- a signal to some investors that the way may be clear for the central bank to begin cutting its key interest-rate target soon."

2010 Reapportionment Could Give GOP A Boost In House. Roll Call (1/9, Jacobson) reports that when Election Data Services "late last month released projections of which states are poised to gain and lose Congressional seats based on the 2010 Census, Republicans cheered." The numbers "showed that GOP-leaning states in the Sun Belt continue to outpace the more Democratic Northeast and Midwest in population growth. But projecting whether the Republicans truly will gain ground after the post-2010 reapportionment requires a more micro-level look at the states in question." EDS projects that the "states that are set to gain at least one seat after 2010 — if current demographic trends hold — are Arizona, Florida, Georgia, Nevada, Texas and Utah. Each voted for President Bush in 2000 and 2004, and the GOP controls both the Legislature and the governorship in Florida, Georgia, Texas and Utah. The GOP also controls one chamber plus the governorship in Nevada."

GOP Eager To Retake FL15, FL22. The Hill (1/9, Youngman) reports with Rep. Clay Shaw Jr. and state Sen. Joe Negron, "who ran a late race for disgraced Rep. Mark Foley's seat, defeated," Palm Beach County GOP Chairman Sid Dinerstein "said he immediately turned his attention to reclaiming the seats in 2008. Those districts, now represented by Democratic Reps. Ron Klein and Tim Mahoney, have already begun to draw serious interest from local Republicans looking at 2008." Both races "were close last year, with Klein defeating Shaw 51 percent to 47 percent, and Negron, despite having to run on the ballot as Mark Foley, narrowly losing with 48 percent to Mahoney's 50 percent." In Mahoney's 16th district, Dinerstein "said Negron is considering another run, and state Rep. Gayle Harrell, who stepped aside for Negron after Foley resigned with little time on the clock, said she is eyeing the seat as well." As for Klein's seat, Dinerstein "confirmed that Shaw would not try to retake the seat he held for 26 years, citing health issues and a desire to spend more time with his family. Dinerstein did say he has spoken with four potential candidates who 'claim to be seriously interested.'"

Georgia's Mid-Decade Redistricting Confuses Constituents. Roll Call (1/9, Brotherton) reports that aside from "redoing the stationery, changing those office signs and reaching out to new constituents, there is one very important thing the four Georgia Representatives who switched district numbers for the 110th Congress have to deal with: misdirected e-mail." After the mid-census redistricting in 2005, "four Members saw their district numbers flip — Republican Rep. Lynn Westmoreland exchanged the 8th district for Rep. Jim Marshall's (D) 3rd, while Rep. Nathan Deal (R), the former 10th district Representative, began to serve residents of Georgia's 9th, switching numbers with Rep. Charlie Norwood (R)." The e-mail "confusion mainly comes into play when constituents type their ZIP code into the 'Write Your Representative' feature on the House Web site. While the computer can find the district, it is not aware of the number change."

New Hampshire Democrats See Sununu As Vulnerable. Roll Call (1/9, Duran) reports Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) "recently called first-term Sen. John Sununu (N.H.) one of the three most vulnerable Republican Senators up for re-election in 2008. His claim echoes what Granite State

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Democrats believe." New Hampshire Democratic Party Chairwoman Kathy Sullivan said, "I think Sununu will have problems in 2008 that go beyond [President] George Bush and goes to John Sununu, his voting record, and who he is." Roll Call adds that at "least one potential Democratic challenger, Portsmouth Mayor Steve Marchand, is seriously readying for a bid." Other "potential candidates include state Sen. David Gottesman (D) and Gary Hirshberg, president of Stonyfield Farm, the Londonderry, N.H.-based yogurt company." Former Gov. Jeanne Shaheen (D), "who narrowly lost to Sununu in 2002, has been touted as another top potential contender," but she "is the president of the Institute of Politics at the John F. Kennedy School of Government at Harvard University and is not likely to try again, knowledgeable Democrats privately concede."

Johnson Reelection Plans On Hold. Roll Call (1/9, Drucker) reports South Dakota Sen. Tim Johnson (D), "experiencing a slow but encouraging recovery from a Dec. 13 collapse, has put his re-election plans on hold, plunging a key Senate battleground into uncertainty." Spokeswoman Julianne Fisher said "the Senator's health will dictate whether a 2008 bid, which had been on track until illness struck, can eventually resume." Johnson had "long ago started raising money, and he was beginning to assemble a campaign staff and mull over when to announce his bid for a third term when he was hospitalized for a brain hemorrhage. Those re-election plans are now in limbo as his health and ability to wage what could be a very demanding Senate race are assessed." Patrick Davis, "a Denver-based Republican consultant and native South Dakotan who served as political director of the National Republican Senatorial Committee in 2004, speculated that Johnson would ultimately choose not to run for re-election. He said the rigors required to wage a successful South Dakota Senate race — particularly in a presidential cycle — would be significant considering his current health problems."

Romney Raises $6.5 Million At Public Fundraiser. The New York Times (1/9, Nagourney, 1.16M) reports that in Boston on Monday, "Over 400 people, including corporate executives, governors, wealthy Republican donors and party operatives, gathered around telephones and computer screens stretched out over a huge convention center room for a day of public fund-raising on behalf of Mitt Romney, the former Massachusetts governor who created a presidential exploratory committee last week. Television camera crews and reporters circled the room as Mr. Romney's aides provided a running tally of how much had been raised." For Romney, the "high-tech fund-raiser, with new fund-raising software rolled out to mark the occasion, amounted to a public declaration for the White House, as he marched out with his family for his first major event since leaving the Statehouse." Romney "announced at day's end that he had drawn a $6.5 million one-day haul in cash and commitments."

Fox News' Special Report (1/8, Hume) reported Romney "has begun raising money for a possible presidential run and in an effort to show depth and breadth for his candidacy, today, he went conducted his fundraising in a remarkably public way." Among the volunteers "were nearly 100 Bush donors, so-called Rangers and Pioneers who raised $100,000 or $200,000 for Mr. Bush's campaign."

The Washington Times (1/9, Dinan, 88K) reports that Romney's camp "rented out the grand ballroom at the Boston Convention and Exhibition Center and had nearly 400 stations set up with telephones and laptops computers for the high-powered callers to take credit-card information down on the spot." The callers – "among them Meg Whitman, the president and CEO of EBay, and Missouri Gov. Matt Blunt, a Republican -- called their own lists of friends and colleagues to ask them to contribute."

The AP (1/9, Johnson) reports Romney "and 400 of his backers raised more than $6.5 million on Monday in a glitzy fundraising blitz that will force all Republican rivals to take notice. … The figure dwarfed the $2 million that Sen. John McCain, R-Ariz., raised and the $1 million collected by former New York Mayor Rudy Giuliani."

The Washington Post (1/9, A6, Cilizza, 690K) reports that Alex Vogel, a GOP "lobbyist not affiliated with any of the potential candidates, described Romney's one-day haul as an attempt at 'shock and awe,' adding that the former governor is seeking to quickly dispose of questions about whether he can raise the money to be competitive with McCain and Giuliani in the primaries."

The Salt Lake Tribune (1/9, Burr) reports Craig Holman "is the campaign finance lobbyist for the government watchdog group Public Citizen and a critic of the bundling model pioneered by Bush and, it appears, perfected by Romney. Holman called Romney's one-day collection 'tremendous' and 'disheartening,' noting it does not bode well for the future of public financing. Still, Holman had to admire Romney's achievement."

Brownback Camp Takes Aim At Romney's Conservative Credentials. The Boston Globe (1/9, Helman, 413K) reports a "likely" opponent, Sen. Sam Brownback of Kansas, "chose to highlight Romney's past moderate positions on abortion rights and gay rights, announcing that seven conservative Massachusetts activists will back him over Romney."

Obama, Clinton '08 Announcements Expected In Coming Weeks. The New York Times (1/9, Zeleny, Healy, 1.16M) reports, "Don't look for presidential announcements from Senators Barack Obama and Hillary

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Rodham Clinton anytime soon, but stay tuned." Obama is "not likely to say whether he intends to seek the party's presidential nomination until after President Bush's State of the Union address on Jan. 23." Obama has "been busy telephoning crucial Democrats in Iowa, New Hampshire and other states." Mrs. Clinton, "meanwhile, plans to announce her decision in the next several weeks, her advisers say. According to several Democrats who have spoken to her, as well as advisers, Mrs. Clinton has given every indication that she is running, short of saying so, and no signals that she is not."

Wickham Says Obama Should Not Be Judged Over Drug Use. In his USA Today column (1/9, 13A), DeWayne Wickham says Sen. Obama's "meteoric rise felt the pull of a political black hole last week when The Washington Post reported that in an earlier book, he had admitted to using illegal drugs while in high school and college." Given the "candor and honesty with which he revealed his youthful drug use, and the fact that he did so long before mounting the national political stage, Barack Obama deserves to be judged on his public service, not some old demons."

WSJournal Praises Wohlstetter's Intelligence Analysis. In an editorial, the Wall Street Journal (1/9, 2.04M) eulogizes military intelligence historian Roberta Wohlstetter, who "died Saturday at age 94." Wohlstetter was author of "Pearl Harbor: Warning and Decision," "perhaps the most important book ever written on military intelligence." Wohlstetter "drew the essential conclusion that the U.S. failed to anticipate the attack on Pearl Harbor because, amid mountains of incomplete and often conflicting data -- what she called 'noise' -- intelligence analysts couldn't distinguish the information that really mattered. This tended to lead, as the future Nobelist Thomas Schelling wrote in his preface to Wohlstetter's book, to "a routine obsession with a few dangers that may be familiar rather than likely. The lessons are timeless, and foretold the findings of the 9/11 Commission."

US, Europe Seek To Press Tehran On Nuclear Plans. The Financial Times (1/9, Smyth) reports, "Western Europe and the US are seeking to ratchet up pressure on Iran over its controversial nuclear programme in the wake of a[UNSC] resolution last month that declared almost all of Tehran's nuclear activities illegal." According to the Times, "Some European Union diplomats have indicated a growing readiness to impose additional bilateral sanctions on Iran above and beyond those mandated by the UN -- a course of action long championed by the US." One source of such measures is "an 'à la carte' list of possible EU sanctions on Iran drawn up by Javier Solana, EU foreign policy chief, almost a year ago," including "a possible crackdown on export credits for companies doing business with Iran and the declaration of a formal arms embargo on Iran."

Meanwhile, the New York Times (1/9, A9, Fathi, 1.16M) reports Iran's Ayatollah Ali Khamenei Monday said that Iran "would not back down from developing its nuclear program," despite sanctions imposed by the UNSC. During his first public appearance since rumors spread on several Web sites on last Thursday that he had died, Khamenei said, "The Iranian people will definitely not give up their right and the authorities have no right to give up this great achievement."

Israeli Defense Minister Proposes New Peace Plan. AFP (1/9) reports Israeli Defense Minister Amir Peretz has proposed "a fresh plan for peace in the Middle East that includes talks on the future borders of a Palestinian state within six months," Israeli army radio said. Peretz's three-stage plan calls for the creation of "a new economic and security policy vis-a-vis the Palestinians, negotiations on a future Palestinian state to begin within six months and negotiations on the details of a final accord to take place over 18 months."

Fatah Frees Kidnapped Hamas Official. The AP (1/9, Daraghmeh) reports Fatah Monday "released a top Hamas official after holding him hostage for two days and displaying him in an al-Qaeda like video, but factional tensions remained high as pro-Fatah militants torched stores owned by Hamas sympathizers." The attacks "marked the first time that militants have targeted civilians in the West Bank, widening the political violence in the Palestinian areas."

Ross Says Carter Book Undermines Peace Effort. Former US Mideast envoy Dennis Ross writes in the New York Times (1/9, 1.16M) that t in former President Jimmy Carter's recent book, "Palestine Peace Not Apartheid," "badly misrepresents the Middle East proposals advanced by President Bill Clinton in 2000, and in so doing undermines, in a small but important way, efforts to bring peace to the region." Ross notes that in his book, Carter "juxtaposes two maps labeled the 'Palestinian Interpretation of Clinton's Proposal 2000' and 'Israeli Interpretation of Clinton's Proposal 2000.'" The "problem," according to Ross, "is that the 'Palestinian interpretation' is actually taken from an Israeli map presented during the Camp David summit meeting in July 2000, while the 'Israeli interpretation' is an approximation of what President Clinton subsequently proposed in December of that year. Without knowing this, the reader is left to conclude that the Clinton proposals must have been so ambiguous and unfair that Yasir Arafat, the Palestinian leader, was justified in rejecting them. But that is simply untrue." Ross says it is "important to set the record straight," because "nothing has done more to perpetuate the conflict between Arabs and Israelis than the mythologies on each side," and "so long as mythologies can't be cast aside, and so

long as the trade-offs on the core issues can't be embraced by Israelis or Palestinians, peace will remain forever on the horizon."

Israelis Said To Dismiss Rice's Upcoming Visit As "Maintenance." Wall Street Journal (1/9, 2.04M) columnist Bret Stephens writes, "Ties between Israel and the US are famously friendly, and as in many friendships the demands of comity often get in the way of those of frankness -- as in Israel's official reluctance to expose its peace with Egypt as a sham. That's a lesson Secretary of State Condoleezza Rice might keep in mind as she plans her forthcoming Mideast tour, beginning later this week in Jerusalem and Ramallah and moving on to Amman, Cairo, Riyadh and Kuwait, and perhaps Beirut or Baghdad." Stephens says Rice's trip is "yet another effort to rally Sunni Arabs on behalf of the government of Iraq, first of all by showing the US intends to make a major push toward an Israeli-Palestinian peace agreement. Perhaps that will impress the secretary's Arab hosts. But it doesn't impress the Israelis, who unofficially bill Ms. Rice's visit as tihzuk, or 'maintenance,' an attitude nicely captured by a popular Israeli comedy skit in which an actress playing Ms. Rice belts out Aretha Franklin's 'Respect' while a stand-in for Israeli Foreign Minister Tzipi Livni sings back-up vocals." Stephens goes on to note that "when Ms. Rice arrives in Jerusalem, she will no doubt mouth the pieties that have now defined American policy in the Middle East for a generation -- an Israeli and a Palestinian state living side by side in peace and security -- along with some of the Bush administration's coinage: democracy, respect for human rights, an absolute cessation to terrorism. … But perhaps her case, and Israel's, would be better served by a bit of mutual frankness."

Professor Welcomes Israel's Reintroduction Of "Green Line" In School Texts. David Newman, professor of political geography at Ben Gurion University of the Negev, writes in the New York Times (1/9, 1.16M) that "nearly 40 years after it was removed from official maps, atlases and school books, the Green Line has made a significant comeback" as Israeli Education Minister, Yuli Tamir, "ordered the Green Line border, which separates Israel from the West Bank, to be reintroduced in all texts and maps used in the Israeli school system." From now on, Newman says, "Israeli children will know exactly where the Green Line is and what it signifies -- a political border that, at some point, will almost certainly become the line separating neighboring Israeli and Palestinian sovereign territories." If "some Israelis were unclear about the long-term significance of the Green Line," Newman adds, "the education minister's decision to return the border to the geography and history textbooks will have left no one in doubt."

Nigerian Terrorist Group Threatens To Set Up Attacks Against Oil Facilities. In an exclusive report, ABC World News (1/8, story 5, 2:40, Gibson, 8.78M) reported on "a new very real terrorism threat" targeting Nigeria's "output of oil, much of which comes to United States. Militants in the Niger Delta have been attacking US and European oil companies and their leader is vowing to dramatically escalate the violence." ABC (Ross) added, "While most of the world has focused on the terror threat from Al Qaeda, a rag tag group of young men in boats and war paint in Nigeria has quietly mounted a very serious threat to the US supply of oil." ABC said the group, called MEND, says it is "going to war to stop the pollution and the exploitation of their region, which they blame on the oil companies and corrupt Nigerian officials. In a new e-mail exchange with ABC News, its leader threatens a new, 'more ruthless approach' to drive the oil companies out, including burning workers alive on their offshore rigs."

Bush, Barroso Urge Resumption Of Doha Talks. The AP (1/9, Klug) reports President Bush and European Commission President Jose Manuel Barroso "agreed Monday that the United States and Europe must resolve deep differences over farm subsidies that are stalling global free trade talks." After their meeting, Bush said, "We both recognize that the best way to help impoverished nations is to complete this Doha Round, and to encourage the spread of wealth and opportunity through open and reasonable and fair trade." Barroso said the two leaders instructed their negotiators "to come up with a solution as soon as possible." Meanwhile, the AP reports the two "also talked about the Israeli-Palestinian dispute, Iran, Syria and Iraq." During a luncheon, Bush and Barroso "planned to spend some of the lunch discussing the situation in Sudan's wartorn Darfur region." AFP (1/9) also reports on Monday's meeting.

Schwab, Mandelson Report Progress In Trade Talks. The New York Times (1/9, C3, Weisman, 1.16M) reports US Trade Representative Susan Schwab and EU trade commissioner Peter Mandelson said Monday "they had made progress in resolving differences to break an impasse on global trade negotiations, but they declined to say specifically where the differences had narrowed." After meetings Monday, Schwab told reporters, "We are clearly making progress. Perhaps there's some showing of momentum here." For his part, Mandelson said he had come to Washington "looking for new impetus, and I believe we've found it." He said his "new confidence was inspired not only by his talks with President Bush but also by those with the House speaker, Nancy Pelosi, and the new Senate majority leader, Harry Reid."

Canada Asks WTO For Talks Over Farm Subsidies. The New York Times (1/9, C3, Weisman, 1.16M) reports Canada "has asked the World Trade Organization to start talks between it and the United States about American farm

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subsidies in general and its support of corn growers in particular." Canadian Agriculture Minister Chuck Strahl said in a statement that Canada "is concerned that these US subsidies continue to cause economic harm to our corn farmers." However, Jennifer Chiu, a spokeswoman for David Emerson, Canada's international trade minister, "said that Canada did not have specific demands at this point."

US Submarine Collides With Japanese Ship. The New York Times (1/9, A9, Shanker, 1.16M) reports an American nuclear-powered submarine collided with a Japanese commercial vessel in the Arabian Sea. Initial reports from the area said there were "no injuries and only slight damage," a Pentagon spokesman said Monday night. A Pentagon spokesman identified the submarine as the USS. Newport News, while the Japanese vessel was thought to be a tanker owned by the Japanese oil company Showa Shell Sekiyu K. K.

Chavez Nationalizes Power, Telecommunication Industries. The Washington Times/AP (1/9, A1, James) reports Venezuelan President Hugo Chavez announced plans Monday to nationalize the country's electrical and telecommunications companies, "pledging to create a socialist state in a bold move with echoes of Fidel Castro's revolution in Cuba." Chavez "also said he wanted a constitutional amendment to eliminate the autonomy of the Central Bank and would soon ask the National Assembly, solidly controlled by his allies, to give him greater powers to legislate by presidential decree." The move "appeared likely to affect Electricidad de Caracas, owned by Arlington, Virginia-based AES Corp., and C.A. Nacional Telefonos de Venezuela, known as CANTV, the country's largest publicly traded company."

The Financial Times (1/9, Webb-Vidal) says the "surprise announcement…sent shock waves through Venezuela's business community and foreign investors." Similarly, USA Today (1/9, 6B, Lynch, 2.27M) notes the move "could have an impact on major US investors" in Venezuela. The New York Times (1/9, A3, Romero, 1.16M) says the move "signaled a vigorous new effort to assert greater control over Venezuela's economy."

The Washington Post (1/9, A10, Forero, 690K) notes the announcements were made "as the president swore in a 27-member cabinet that includes ministers who analysts say will likely be more closely allied with the president's far-reaching goals." Those appointments, combined with the new economic measures, are "sure to escalate tension with the Bush administration."

On its front page, the Wall Street Journal (1/9, A1, Luhnow, De Córdoba, Gallegos, 2.04M) reports that "some Venezuelans fear that Mr. Chávez…is reshaping Venezuela along Cuban lines, with the state controlling economic and political power. The Venezuelan leader has denied the comparison in the past, but critics said his latest moves belie the denial."

Morales Lets Venezuela Send Soldiers, Despite Criticism. The New York Times (1/9, A3, Romero, 1.16M) reports, "Political opponents of President Evo Morales of Bolivia have in recent days stepped up criticism of the country's strengthening military relationship with Venezuela after Bolivian officials acknowledged that more than two dozen uniformed members of the Venezuelan military had recently entered the country without congressional approval." Former Bolivian President Jorge Quiroga accused Morales in a statement on Saturday of "trampling national sovereignty."

Bush Discusses Cooperation With Nicaragua's Ortega. AFP (1/9) reports President Bush told Nicaraguan president-elect Daniel Ortega "that he hoped to work together on a range of issues," the White House said. Bush telephoned Ortega, who assumes office this week, "to congratulate him and the Nicaraguan people on their commitment to democracy," said national security spokesman Gordon Johndroe. The White House also announced that US Secretary of Health and Human Services Michael Leavitt would lead the US delegation to Ortega's inauguration.

Russia Cuts Off Flow Of Oil Exports Through Belarus. The Financial Times (1/9, Ostrovsky, Parker, Benoit, Cienski, Olearchyk) reports, "Russia yesterday halted its oil exports to Europe passing through Belarus as it accused its neighbour of siphoning oil from the Druzhba transit pipeline, threatening further disruptions to European supplies. Transneft, Russia's oil pipeline monopoly, said it was forced to stop pumping oil through the pipeline, which carries about 30 per cent of its exports to Europe, claiming that Belarus was effectively stealing it." The "shutdown is the latest interruption of Russian energy supplies to Europe and could further dent Russia's reputation as a reliable supplier of energy." The Times adds, "Poland, which with Germany is one of the main recipients of the Russian crude passing via Belarus, reported that oil shipments had stopped overnight and admitted it was 'completely dependent' on Russia to meet its oil needs." Germany demanded an 'immediate and full re-opening' of the pipeline." The EU "also called for an 'urgent and detailed' explanation for the interrupted supply."

The Wall Street Journal (1/9, A3, Chazan, White, Champion, 2.04M) reports, "European officials said they have adequate stocks to survive any disruption, and the response in oil markets was modest. But Moscow's sudden cutoff of a vital energy conduit to the Continent widened questions about Russia's reliability as an energy supplier."

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The New York Times (1/9, Myers, 1.16M) reports, "In the short term, at least, the halt should have a minimal effect," because refineries in Poland, Germany, and Ukraine "maintain reserves. In the longer term as well, the disruption is not as threatening as a shut-off of natural gas, because alternative sources of oil are more readily available. Still, a prolonged disruption could be worrisome." The "dispute rekindled concerns in Europe about the reliability of energy supplies from Russia."

The Christian Science Monitor (1/9, Weir, 59K), similarly, says, "Though Poland and Germany have ample reserves on hand to ride out any temporary squeeze, the dispute underscores increasing concerns about Europe's dependency on Russian energy."

The Washington Times (1/9, Mainville, 88K) reports the "cutoff renewed concerns over Russia's willingness to use its vast oil and gas exports as a political weapon." However, it "is unlikely to cause a repeat of last year's panic over gas supplies because European refineries typically carry several months of inventory."

USA Today (1/9, 6B, Stinson, 2.27M) reports, "Although oil prices rose more than $1 Monday on the news of the Russia-Belarus dispute, prices later fell as warm winter weather curbed fuel demand in the USA." USA Today adds, "About one-half of the Russian oil consumed by Europe passes through the Belarus pipeline."

The Los Angeles Times (1/9, Holley, 850K) reports, "The oil dispute was triggered by Russia's new customs duty of $180 per metric ton on oil exports to Belarus. The tax took effect Jan. 1. Belarus retaliated by imposing a charge of $45 per ton for oil shipped through the pipeline to the European Union, which Minsk initially called a customs duty but now describes as a transit fee."

The Washington Post (1/9, A12, Finn, 690K) adds, "The convulsions over Russia's pricing of energy supplies to its neighbors also extend to Azerbaijan, which announced Monday that it had halted the export of oil to Russia." Azerbaijani officials "said they planned to divert the oil to power stations in their country to replace Russian natural gas." The "disputes with Belarus and Azerbaijan, following Russian confrontations with Ukraine and Georgia, are likely to give new urgency to efforts in parts of Europe to diversify the supply chain and reduce dependence on Russia."

In an analysis, the Financial Times (1/9, Ostrovsky, Peel) says that for the EU, the confrontation "presents a dilemma: the EU members have no love" for Belarus president Alexander Lukashenko "and have long sought to persuade Moscow to cut off his subsidies. But equally, they do not want to encourage the Kremlin to use its energy supplies for political purposes, and nor do they want the pipelines to dry up."

WPost Says EU Should Not Appease Russia On Energy. In an editorial, the Washington Post (1/9, A14, 690K) says the shutdown is "another stark reminder of how the Kremlin's aggressive use of energy as a political tool threatens Western democracies as well as its neighbors." Western governments do not "have a policy for countering the Russian threat. Even the members of the European Union cannot agree among themselves on whether to appease Russia -- by offering new long-term contracts and capital for investment in oil and gas projects -- or push back, which they could do by insisting that Mr. Putin sign an international 'energy charter' that would curtail his monopolistic practices. The attack on Belarus ought to rule out the appeasement option."

Salvadoran Diplomat Works To Secure Support Among Expatriates. In a front page article, the Washington Post (1/9, A1, Aizenman, 690K) profiles El Salvador's consul general in Washington, Ana Margarita Chavez, who it says "is more like a social worker on steroids" than a diplomat. Chavez frequents "suburban churches and community centers" popular with the immigrant Salvadoran community. The Post says her "approach dovetails with a wider charm offensive recently launched by Salvadoran President Elias Antonio Saca…to cement his support among Salvadoran expatriates," who have been "lobbying hard for the right to vote from abroad." The Post says it is "generally considered a matter of just a few years before they will get it. Even now, they are believed to exercise enormous sway over voters back home thanks to the estimated $3 billion they send their relatives annually."

South African Millionaire Seen As Next Possible President. The Washington Post (1/9, A10, Timberg, 690K) reports, "The purported presidential ambitions of a gregarious multimillionaire have sent South Africa into a frenzy of political speculation this week, while offering a glimpse into the normally secretive struggle over picking the nation's next leader." Several top African National Congress leaders approached Tokyo Sexwale, a seasoned politician and businessman, "about running for the party presidency, the Sunday Times newspaper reported," a position "widely regarded as the steppingstone to becoming elected president of the nation in 2009." However, Sexwale dismissed the report as "spurious" in a statement issued Monday afternoon.

US To Drop Charges In Killing Of US Tourists In Uganda. On its front page, the Washington Times (1/9, A1, McElhatton, 88K) reports federal prosecutors in the District yesterday "sought to drop felony murder charges against three Rwanda citizens who faced possible death sentences in connection with the 1999 kidnapping and killing of two American tourists in Uganda." The move comes "five

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months after US District Judge Ellen Huvelle suppressed confessions by defendants Francois Karake, Leonidas Bimenyimana and Gregoire Nyaminani, who were reputed members of the Liberation Army of Rwanda." The government's case "relied heavily on the defendants' confessions, but Judge Huvelle barred prosecutors from using the statements" because "evidence showed the defendants were tortured while imprisoned by Rwandan authorities."

Columnist Defends Jamaica's First Female PM.

New York Times (1/9, 1.16M) columnist Orlando Patterson writes that although Jamaica's first female Prime Minister Portia Simpson-Miller "approval ratings soared" initially, "the honeymoon was brief. Hardly two months into her leadership, opposition forces and the media unleashed a barrage of criticisms against her, the gist being that she was hopelessly unqualified for the job." Patterson notes that in a recent discussion with Simpson-Miller, she said she is being attacked because she is "a woman in a field dominated by men, and because of my background," and said she "is confident of winning the coming elections, although her approval rating in polls is down to 30 percent." Patterson said he "share[s] her belief that Jamaica's patriarchalism and class biases are stacked against her."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Gov. Offers Bold Prescription."
"A Shelter Far From The Streets."
"Windblown Fire Razes Oceanfront Houses."
"U.S. Strike In Somalia Aims At 3 Fugitives."
"Citizen Soldiers May Be The Key To Iraq Buildup."
"Next Schwarzenegger Target: Fuel Emissions."

USA Today:
"Poll: Low Support For Iraq Buildup."
"Obesity Of China's Children 'Shocking'."
"Jockey's Bid For A Second Chance Is Ride Of His Life."

New York Times:
"California Plan For Health Care Would Cover All."
"Hussein's Voice Speaks In Court In Praise Of Chemical Atrocities."
"A Rotten Smell Raises Alarms And Questions."
"Reagan Lawyer Ready To Return To White House."
"House Democrats' Security Bill Draws Doubts."
"At Universities, Plum Post At Top Is Now Shaky."

Washington Post:
"Bush Works To Rally Support For Iraq 'Surge'."
"Polluted Waters Stain D.C.'s Shining Vision."
"U.S. Strike In Somalia Targets Al-Qaeda Figure."
"Federal Investigators Question Metro's Safety."
"The Face Of El Salvador's Charm Offensive."
"House Bill Backs Additional Reforms From 9/11 Report."

Washington Times:
"Bush To Reveal New Iraq Strategy."
"Illegals Become Repeat Criminals."
"Tenet Memoir Under Scrutiny."
"Chavez To Nationalize 'Strategic' Sectors."
"US To Drop Charges In '99 Uganda Killings."
"Irreparable Damage."
"Republicans Seek Flexible School Funds."

Detroit Free Press:
"Stem-Cell Advance Welcomed In State."
"Innovation Runs The Show."
"Levine: Pullout Must Start In 6 Months."
"China's Big Pitch."
"Many To honor Doctors Life."

Atlanta Journal-Constitution:
"Car Tag tax targeted."
"Bush's Map For Iraq Faces Challenges."
"Perdue Steps Up For Encore."
"Happy Birthday To you And You And You And You!"
"REM In Tune With Hall Of Fame."
"Falcons Took Risk In Choosing College Coach."

Houston Chronicle:
"$14 Billion Surplus Projected."
"Frayed Nerves In 3 Cities-Then All Clear."
"US Targets al-Qaida Suspects In Somalia."
"HPD facing Criticism In Mentally Ill Man's Death."
"Chavez Announces Next Steps Toward Socialism."
"E-Mail From beyond The Grave."

Story Lineup From Last Night's Network News:
ABC: New Iraq Strategy; Securing Baghdad; New Iraq Strategy-Analysis; Strange NYC Smell; Nigerian Oil Threatened; 9/11 Plot Member Sentenced; Stem Cell Research Breakthrough; Auto Show; Dangerous Volcano; Elvis Meets Nixon.
CBS: US Air Strike; New Iraq Strategy; Soldiers Off To War; General Rick Linch Interview; Auto Show; Consumer Electronics Show; Stock Market; Schwarzenegger Health Plan; Stem Cell Research Breakthrough; Honoring The Fallon.
NBC: New Iraq Strategy; Securing Baghdad; Securing Baghdad-Analysis; New White House Lawyer; Auto Show; Stock Market; Unusual Warm Weather; Strange NYC Smell; 60 Birds Found Dead; The Flue; Female Thunderbird Pilot.

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Story Lineup From This Morning's Radio News Broadcasts:

ABC: CA-Wildfire; Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush Briefs Senators On Iraq Plans; Donald Trump-Sued By Applicant For TV Show; Florida-National College Football Champion.

CBS: Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush Briefs Senators On Iraq Plans; CA-Wildfire; Florida-National College Football Champion; Vancouver-Delivery Of Six Living Babies To One Woman.

NPR: Somalia-U.S. Military Strike; U.S. Nuclear Sub Collides With Japanese Ship; Bush-Iraq Announcement; Florida-National College Football Champion; Tokyo Stock Exchange; CA-Wildfire; Canadian Actors On Strike Over Unpaid Internet Appearances; Scooby Doo Creator Iwao Takamoto Obit.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH —Speaks at St. Rosalie School, Harvey, La.; visits Cafe Reconcile, New Orleans; tours the Louisiana Children's Museum. New Orleans.

US Senate: FLOOR SCHEDULE _ 10 a.m. The Senate convenes and will be in a period of morning business until 11 a.m., at which time it will begin consideration of S. 1, the Ethics Reform bill, for debate only until 2:15 p.m.

9:30 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on ensuring full implementation of the 9/11 Commission's recommendations. New York City Mayor Michael Bloomberg; former 9/11 Commission Vice Chairman Lee H. Hamilton; former 9/11 Commission members Slade Gorton, Timothy Roemer; James M. Thomas, commissioner, Connecticut Department of Emergency Management and Homeland Security; Joseph C. Carter, president, International Association of Chiefs of Police; Mary Fetchet, founding director, Voices of September 11th; Carol Ashley, Voices of September 11th; Carie Lemack, Families of September 11. Location: Room 342, Dirksen.

2:30 p.m. FOREIGN RELATIONS _ Full Committee. Closed. Hearing on Iraq. Location: Room S-407, Capitol.

US House: FLOOR SCHEDULE _ 10:30 a.m. Meets for morning hour. At Noon, meets for legislative business. Highlights: Suspensions: H.Res. 15 - Mourning the passing of President Ford. H.Res. 35 - Select Intelligence Oversight Panel. H.R. 1 - Implementing the 9/11 Commission Recommendations.

1 p.m. ENERGY AND COMMERCE _ Full Committee. Organizational meeting. Location: Room 2123, Rayburn.

Other: DEFENSE PERSONNEL _ The Department of Defense holds its 2007 Worldwide Personnel Recovery Conference and Exhibition. Highlights: 8:30 a.m. Address by Ambassador Charles Ray, deputy assistant secretary of defense for POW/missing personnel affairs. 9 a.m. Secretary of the Air Force Michael Wynne will deliver the keynote address. 10:30 a.m. Address by Vice Chairman of the Joint Chiefs of Staff, Adm. Edmund P. Giambastiani Jr. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

BODMAN _ 9 a.m. Energy Secretary Bodman meets with the department's Hydrogen and Fuel Cell Technical Advisory Committee to discuss hydrogen as an important part of the administration strategy to reduce the dependence on foreign oil. Location: Room 1E-245, 1000 Independence Ave. SW.

CLARKE-TERRORISM _ 9 a.m. Richard A. Clarke, Chairman, Good Harbor Consulting and former head of counterterrorism at the National Security Council, speaks on ``After Iraq: The Next Steps in the ``War on Terror.'' Location: Center for American Progress, 10th floor, 1333 H St. NW.

IRAN-NORTH KOREA _ 9 a.m. Henry Sokolski, executive director of the Nonproliferation Policy Education Center, speaks on ``After Nuclear Iran and North Korea: What Can Be Done to Promote Nonproliferation and Regional Security?'' Location: Radio Free Europe/Radio Liberty, 1201 Connecticut Ave. NW.

MERCURY POLLUTION _ 9:30 a.m. The Hubbard Brook Research Foundation hsosts a press conference with the two authors of a new study linking mercury pollution hot spots to US coal-fired power plants and other sources. Location: National Press Club, Zenger Room.

PENTAGON-AFGHAN SECURITY _ 9:30 a.m. Army Maj. Gen. Robert Durbin, commander of Combined Security Transition Command-Afghanistan, and Abdul Hadir Khalid, first deputy minister for security with the Afghan Ministry of Interior, hold a news briefing on the ongoing training and equipping of Afghan security forces. Location: DOD Briefing Studio, Pentagon 2E579.

DRUG PRICES _ 10 a.m. Families USA holds a news conference to discuss a new report showing Medicare drug plan prices are 58 percent higher than VA prices. Location: Room HC-6, Capitol.

HOYER BRIEFING _ 10 a.m. Rep. Steny Hoyer, D-Md., Majority Leader, holds a pen and pad briefing. Location: Room H-107, Capitol.

REAL ESTATE _ 10 a.m. National Association of Realtors President Pat Vreedevoogd Combs holds a news conference on the current real estate climate. Location: National Press Club.

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STEM CELLS _ 10 a.m. News conference with Rep. Mike Castle, R-Del., Rep. Diana DeGette, D-Colo., and Sens. Tom Harkin, D-Iowa, and Arlen Specter, R-Pa., on the Stem Cell Research Enhancement Act. The legislation would expand the current federal funding policy for research. Location: Senate Radio-TV Gallery.

CREDIT SCORES _ 10 a.m. - 12 p.m. The Brookings Institution hosts a panel discussion on credit scoring alternatives and the potential effect on millions of consumers currently denied access to the buying power of a decent credit score. Panelists include: Alyssa Lee, Acting Director, The Urban Markets Initiative, The Brookings Metropolitan Policy Program; and Chet Wiermanski, Senior Vice President, Analytics, TransUnion. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

BODMAN-JAPAN _ 10:15 a.m. Energy Secretary Bodman holds a news availability with Japan's Minister of Economy, Trade and Industry, Akira Amari, to discuss energy issues. Location: Energy Department. Notes: Follows closed meeting.

ACLU-110TH CONGRESS _ 11 a.m. The ACLU holds a briefing on legislative priorities for the 110th Congress. Location: Room 512, Hart Senate Office Buidling.

CONGRESS-RELIGION _ 11 a.m. Faith leaders hold a telephone briefing to announce a campaign to hold Congress accountable to the faith agenda, sponsored by Faith in Public Life. Contacts: Katie Barge, 202-481-8147. Notes: Callin number: 800-658-0035; passcode: Faith Agenda.

GUANTANAMO DETAINEES _ 11 a.m. Attorneys for the Guantanamo Bay detainees hold a telephone briefing on their next legal steps. Contacts: Mahdis Keshavarz, 212-260-5000. Notes: Callin number: 719-234-0201.

USTR-JAPAN _ 11 a.m. USTR Susan Schwab meets with Japanese Minister of the Economy, Trade and Industry, Akira Amari. Location: Widner Building.

IMMIGRATION REFORM _ 11:30 a.m. A coalition of grassroots organizations advocating immigration reform hold a telephone briefing to announce a blueprint for comprehensive immigration reform. Participants include the Center for Community Change, Massachusetts Immigrant and Refugee Advocacy Coalition, North Korean American Service and Education Consortium. Notes: Callin number: 866-282-2807; passcode: 1022914.

CHERTOFF-INFRASTRUCTURE PROTECTION _ 12 p.m. Homeland Security Security Secretary Michael Chertoff participates in a press conference on the Fiscal Year 2007 Infrastructure Protection Grant Program. Location: U.S. Department of Homeland Security, 3801 Nebraska Ave. NW.

DARFUR _ 12 p.m. Amnesty International and the Save Darfur Coalition hold a vigil calling for White House action on Darfur. Location: Lafayette Park.

TRANSPORTATION-OIL _ 12:30 p.m. The Environmental and Energy Study Institute holds a briefing on a new report, ``Public Transportation and Petroleum Savings in the U.S.: Reducing National and Household Dependence on Oil." Location: Room 2142, Rayburn.

KENNEDY-IRAQ _ 1 p.m. Sen. Edward Kennedy delivers a policy speech on Iraq and outlines actions Congress must take to reassesrt its constitutional power. Location: National Press Club.

SENATE REPUBLICANS _ 1:30 p.m. Members of the Senate Republican leadership hold a media availability following the Senate Republican Policy Committee meeting. Location: Ohio Clock, Capitol.

9/11 FAMILIES _ 2 p.m. As the House of Representatives considers legislation to implement the 9/11 Commission recommendations as part of the first 100 hours of the 110th Congress, 9/11 family members join leading Democrats to discuss the legislation. Participants: Reps.Carolyn Maloney, D-N.Y.; Jerrold Nadler, D-N.Y.; Joseph Crowley, D-N.Y.; and Edward Markey, D-Mass; and 9/11 family members Mary Fetchet, Founding Director and President of Voices of September 11th; Carol Ashley, Co-Founder of the Family Steering Committee; and Carie Lemack, 9 family advisory member for Voices of September 11th. Location: Room HC-7, Capitol.

GLOBAL FINANCIAL WARRIORS _ 2 p.m. - 4 p.m. American Enterprise Institute forum on ``Global Financial Warriors: The Untold Story of International Finance in the Post 9/11 World." Participants author John Taylor, Stanford University; John Lipsky, IMF; and Faryar Shirzad, Goldman Sachs. Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

MINIMUM WAGE _ 3:15 p.m. Reps. Howard McKeon and Michael McCrery hold a news conference on the GOP alternative to a minimum wage increase. Location: House Radio-TV Gallery.

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Amber.JMD

From: Amber.JMD
Sent: Tuesday, January 09, 2007 9:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Beaufort, MO

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, January 09, 2007 9:35:16 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Beaufort, MO
Auto forwarded by a Rule

AMBER ALERT:Beaufort,MO VEH:Whi camper shell Nissan or Chevy S-10 compact truck, large rust spots CHILD:W/M, 13yrs,4'10,100lbs Eye:Blu Hai:Brn CALL 636-583-2567 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3102

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Tuesday, January 9, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056253 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 09, 2007 9:48 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 9, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, January 09, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Environment and Natural Resources Division will issue a release on a Clean Water Act matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.12048-000002

From: Miller, Charles S
Sent: Tuesday, January 09, 2007 10:47 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 1/9/07 Civil Division News

Framed men take stand at trial; Tearfully recall decades in prison

Wrongly convicted men describe decades in prison

Cuba frees man linked to Posada; A man with alleged ties to suspected bomber Luis Posada Carriles, under investigation in New Jersey, was released from a Cuban prison

Hicks may face two more years

Supreme Court Rejects Airport ID Challenge

Judge Rejects Immigration Lawsuit

Civil suit filed in Chan case; Salesman seeks $2 million for false Medicaid billing

Man granted U.S. residency after decades-long battle over El Salvador death squad allegations

Hearing ordered for Senegalese immigrant held for 2 years in LA

Boston Globe

January 9, 2007

Framed men take stand at trial; Tearfully recall decades in prison

By Shelley Murphy, Globe Staff

Tears rolled down Joseph Salvati's face yesterday as he took the stand in federal court, recounting the family milestones he missed as his four young children grew up without him while he spent 30 years in prison for a murder he didn't commit.

Describing a jailhouse meeting with his parents shortly after his arrest in a 1965 gangland slaying, Salvati said, "I just sat with them and cried. I said: 'Don't believe none of this. This is a nightmare. It's a lie.' "

Salvati, who was 35 years old when he went to prison in 1967, spent 29 years and five months behind bars for the murder of petty thief Edward "Teddy" Deegan in a Chelsea alley before he was freed in March 1997, after William Weld, then governor, commuted his life sentence.

Four years later, Salvati's codefendant, Peter Limone , was set free and the convictions of both men were overturned after it was revealed that long-secret FBI documents indicated they had been framed by a Mafia hitman-turned-government witness, Joseph "The Animal" Barboza .

"I couldn't believe the FBI would do a thing like that," said Salvati, wiping his eyes with a handkerchief. "These are people you look up to. They didn't care 40 years ago, and they don't care now."

Salvati and Limone testified yesterday in a civil trial over a wrongful imprisonment suit they have filed against the government, along with the families of two other men, Henry Tameleo and Louis Greco , who died in prison before they were exonerated in Deegan's slaying. They are seeking more than $100 million in damages.

Limone, also a father of four, who served 33 years in prison, described how Greco, a highly decorated World War II veteran and boxer, confided as he grew ill, "I'm going to end up dying in these prisons for nothing."

Salvati said he didn't know Deegan and suspected Barboza framed him because he had borrowed $400 from a loan shark, then got the better of bat-wielding thugs sent by Barboza to collect the debt.

Salvati said his wife of 53 years, Marie, visited him every week in prison while raising their children alone and "never doubted me."

Salvati's son, Anthony, who was 5 when his father went to prison, sobbed as he testified yesterday about how he tried to become the man of the family and was 8 years old when he gave his older sister away at her wedding.

"I cried my eyes out," said Anthony Salvati, now 44. "At 8 years old, I was taking his place. My father wasn't there so I knew it was my job to do it."

Salvati and Limone said they were able to go home on furloughs occasionally in the 1970s and 1980s, until the Dukakis administration halted the furlough program in 1987.

Anthony Salvati said his father missed his graduation, his wedding, and the birth of his two children .

Sharon Salvati, who was 11 when her father went to prison, broke into tears on the stand yesterday as she told the government lawyers that she was being forced to relive a nightmare by going through the trial.

"It's just very unfair for my family and all the families bringing this up," Sharon Salvati testified. "You took all our lives away, all of our childhoods. You'll never replace 30 years. You can never give it back to us. And, to think that you knew."

END

AP

January 9, 2007

Wrongly convicted men describe decades in prison

By Associated Press

BOSTON - Joseph Salvati was 35, with a wife and four young children, when he was arrested in the 1965 gangland murder of Edward "Teddy" Deegan.

It would be more than 29 years, eight grandchildren and three great-grandchildren later before he left prison.

On Monday, Salvati, now 74, broke down and sobbed on the witness stand as he described his shock when he was arrested, his decades in prison and his feelings when he learned that the FBI knew he and three other men had been framed.

"I couldn’t believe it - that the FBI could do a thing like this," he said. "This is people who protect you, people you look up to.

"They don’t care - that’s the bottom line," he said, burying his face in a handkerchief.

Salvati, Peter Limone Sr. and the families of two other men who died in prison - Henry Tameleo and Louis Greco - are suing the federal government for $100 million for false imprisonment.

The lawsuit accuses the government of malicious prosecution, intentional infliction of emotional distress, conspiracy and negligent supervision of FBI agents.

Salvati and Limone were exonerated in 2001 after a state judge found that FBI agents hid evidence from state prosecutors that could have cleared the men in order to protect an informant.

Lawyers for the men claim the FBI did not disclose that Joseph "The Animal" Barboza, a former mob hitman and FBI informant, and his cohort, Vincent "Jimmy" Flemmi were overheard on FBI wiretaps asking for permission to kill Deegan shortly before his murder.

The FBI also had internal memos that showed Barboza - who was the key witness against the four men at their trial - was framing the four men and protecting Flemmi, who was also an FBI informant at the time Deegan was killed.

Salvati was sentenced to life in prison as an accessory to murder. He was released from prison when his sentence was commuted in 1997, after serving a little more than 29 years. Limone served 33 years in prison before being freed in 2001.

Justice Department lawyers have argued during the civil case that federal authorities had no duty to share information with state prosecutors and cannot be liable for the results of a separate state investigation.

Salvati's lawyers say FBI memos showed the FBI believed Flemmi had killed Deegan, as well as six other people, but agents continued to use him as an informant.

The memos were made public in 2001 after they were discovered by a Justice Department task force probing the FBI's relationship with gangsters and FBI informants James "Whitey" Bulger and Stephen "The Rifleman" Flemmi, Vincent Flemmi's brother.

END

Miami Herald

Jan. 09, 2007

Cuba frees man linked to Posada; A man with alleged ties to suspected bomber Luis Posada Carriles, under investigation in New Jersey, was released from a Cuban prison.

BY OSCAR CORRAL

Cuba recently released from prison a Guatemalan man with alleged connections to Cuban exile militant Luis Posada Carriles, who is being investigated by a federal grand jury in New Jersey on his alleged role in bombings on the communist island in the 1990s.

Jazid Ivan Fernandez Mendoza, 36, was released from a Cuban prison Dec. 12 and returned to Guatemala eight days later, according to Guatemala's ministry of the exterior.

A Cuban government official in Guatemala said in a telephone interview Monday that Fernandez, a Guatemalan citizen, had been released more than a year before his sentence was up.

EARLY RELEASE

"He was freed before finishing his term for good conduct even though he was accused of terrorism," said Rolando Barroso, first secretary to the Cuban ambassador in Guatemala. ``It would be interesting to ask the American authorities, now that this person is free, if they are going to interview him."

FBI spokeswoman Judy Orihuela declined to comment on whether the agency had interviewed Fernandez.

Cuba accused Fernandez, who was sentenced to 10 years in prison in 1998, of helping prepare plastic explosives that were smuggled into Cuba by his wife, according to the charges against him outlined in a Miami Herald article in 1998.

A Cuban government report in 1998 said Fernandez, his wife and another Guatemalan arrested in March of that year identified Posada and two other people ``as leaders and financiers of their plot to smuggle explosives into Cuba."

A data processor in Guatemala City, Fernandez said he had opposed the trip to Cuba. He was detained three weeks after his wife, Maria Elena Gonzalez Meza, when he traveled to Cuba to try to locate her.

Fernandez's brother, Hugo Fernandez, told The Miami Herald that his brother fears for his safety.

"He is out of the capital because he is afraid that something can happen to him, that someone will come after him," Hugo Fernandez said in a telephone interview Monday.

``He told me that he didn't want any more problems with anything, that he wants to forget about all of this and go back to his life and his family."

CUBA'S STANCE

Fernandez was among five Central Americans detained in Cuba in the late 1990s who the Cuban government believes were recruited and funded by Posada to set off bombs to hurt the island's tourism industry.

Posada, 78, sneaked into the United States in March 2005 and was detained about two months later by U.S. authorities. He has been held since then in an immigration detention center in El Paso, Texas.

A grand jury in Newark, N.J., is investigating Posada's role in the bombings that resulted in the death of an Italian national.

Meanwhile, Posada's lawyer, Eduardo Soto, is fighting for Posada's release. He said it isn't clear whether Fernandez can have an impact on the Posada case in New Jersey.

"I quite frankly don't know what, if anything, he would be able to offer," Soto said. ``If, in fact, there is any communication or statement, we'd look at it and see what we're facing."

Jose Pertierra, a Cuban-American lawyer representing the Venezuelan government in the Posada case, said U.S. authorities should try to interview Fernandez.

`A MATERIAL WITNESS'

"He is certainly a material witness," Pertierra said. ``If I was the prosecutor in New Jersey, I would certainly want to call him to testify before the grand jury. . . . He's very important."

END

Herald Sun (Australia)

January 10, 2007

Hicks may face two more years

DAVID Hicks faced another two years in Guantanamo Bay without trial, his lawyer said yesterday.

On Friday, Hicks will have been jailed at Guantanamo Bay for five years.

Hicks, 31, has previously pleaded not guilty to charges of conspiracy, attempted murder and aiding the enemy after beings captured in Afghanistan.

But the charges were dropped after a US Supreme Court ruled in June that military tribunals set up to try Hicks and other Guantanamo Bay inmates were illegal.

His Australian lawyer, David McLeod, said the Australian Government must now step in and help the South Australian.

``Our expectation is that, if this Government does nothing, David Hicks will still be there in two years' time awaiting trial," Mr McLeod said on ABC radio.

``A reason for that is Supreme Court challenges to this new military commission brought by other detainees, not necessarily David Hicks.

``But (they are) challenges that will delay the process such that he will be sitting there biding his time, contemplating taking his life, no doubt, because of what we've heard about his mental state."

Foreign Affairs Minister Alexander Downer acknowledged on Monday the saga had been dragging on for a long time, but said another 180 Australians around the world were facing legal action.

Mr McLeod said Hicks' case was different.

``No doubt, the other 180 people facing legal processes around the world, they're all facing charges," he said.

``David Hicks currently is not facing any charges -- he's not even before any regular legal system.

``And I would imagine that the other people Mr Downer is referring to are facing charges before regular legal systems, and to compare Mr Hicks with any of those others is simply misinformed."

Mr Downer said the Australian Government had been in discussions with the US and he expected Mr Hicks to be charged ``within a matter of weeks".

END

NewsMax.com Wires
Tuesday, Jan. 9, 2007

Supreme Court Rejects Airport ID Challenge

WASHINGTON -- The Supreme Court on Monday rejected a challenge to federal airport regulations requiring passengers to show identification before they board planes.

The justices, without comment, let stand an appeals court ruling against Libertarian activist and millionaire John Gilmore. Gilmore wanted the court to force the federal government to disclose the policy that requires passengers to produce identification.

Unless the regulations are made public, air travelers have no way to determine if the regulations call for impermissible searches, Gilmore said in court papers. The Justice Department has said that demanding ID protects passengers' safety.

The case is Gilmore v. Gonzales, 06-211.

END

New York Sun

January 9, 2007

Judge Rejects Immigration Lawsuit

BY JOSEPH GOLDSTEIN - Staff Reporter of the Sun

A judge has dismissed a legal challenge to the federal government's alleged practice of enlisting local police officers to arrest immigrants who are here illegally.

In dismissing the lawsuit on procedural grounds, Judge Leo Glasser of U.S. District Court in Brooklyn left unanswered the central question posed in the lawsuit: whether federal law enforcement officials, without authorization by Congress, can ask local police to share their immigration enforcement duties?

At issue is the type of information that the federal government is allowed to post on the National Crime Information Center database. The database has long provided local police across the country access to information about federal fugitives charged with crimes. Police officers around the country access the database in the course of daily policing and routine traffic stops.

In a lawsuit filed in 2003 on behalf of several nonprofit organizations, lawyers allege that federal authorities began adding information regarding immigration violations to the database. That decision unconstitutionally involved local police officers around the country, the plaintiffs argued.

A federal judge yesterday, Leo Glasser of U.S. District Court in Brooklyn, dismissed the lawsuit, ruling that the plaintiffs lacked standing to bring the suit. The plaintiffs included organizations such as the National Council of La Raza and the American-Arab Anti-Discrimination Committee.

"I think the ruling is disappointing because it does not allow the plaintiffs to address the real troubling merits of the Attorney General's decision to use the NCIC database to enforce immigration law," an attorney who filed a brief supporting the lawsuit, Baher Azmy, said.

Mr. Azmy, a professor at Seton Hall Law School, filed the brief on behalf of several minority law enforcement organizations.

A spokesman from the Justice Department could not be reached last night for comment.

In the opinion, Judge Glasser wrote that another judge in a related case had decided that the attorney general did not have the legal authority to enter civil immigration data into the crime database.

END

Searcy, AR, Daily Citizen

January 8, 2007

Civil suit filed in Chan case; Salesman seeks $2 million for false Medicaid billing

By Warren Watkins

The Daily Citizen

LITTLE ROCK — A Searcy doctor awaiting federal trial on charges of receiving illegal kickbacks for medical equipment paid for by Medicare and Medicaid now faces civil court charges.

The civil suit has been filed in the Eastern District of the Western Division of the U.S. District Court against Dr. Patrick Chan. The suit was filed by medical supply salesman John Thomas on April 14, 2006, but remained unsealed until Jan. 4 when it was opened by federal judge Leon Holmes.

Defendants are Chan, Michael M. Bailey, Bailey Management Group, the Foundation for Orthopedic and Spine Education and Research, Innovative Health Solutions, Motiontek, Blackstone Medical and Synthes, Inc. The suit is an attempt to recover money for the federal government which it claims was illegally billed and collected.

Chan violated the False Claims Act by performing unnecessary surgeries on Medicare and Medicaid patients, the suit claims, and for entering into improper consulting agreements with Blackstone and Synthes that result in kickbacks.

Thomas is an employee of NuMed Tech who sells products for Medtronic and who has been in the business for 12 years, observing more than 1,000 spinal surgeries. In the complaint, he said that in the spring of 2003, he told U.S. Attorney Bud Cummins of Chan's illegal activities but action was not taken until March 16, 2006.

Bailey Management is owned and run by Michael Bailey and sells orthopedic implants, while the Foundation for Orthopedic and Spine Education and Research is a non-profit organization that supports research data compilation and educational efforts in regard to musculoskeletal disease, the complaint said.

For a typical spinal fusion, a hospital pays $9,000 for hardware and bone grafts, with prices ranging from $3,500 to $10,000.

Thomas claimed that in 2000, shortly after Chan opened his Searcy practice, he met with Chan to discuss the instruments and devices needed for the neurosurgeon's practice. Chan told Thomas he liked his products, but he needed money for an open house party, saying other medical supply companies had given him $1,500 for the party. When Chan asked Thomas for the same amount, Thomas refused but offered food and flowers instead.

From 2001 to 2003, Thomas claimed, Chan performed spinal surgeries that were not necessary. In an example, Thomas claimed Chan performed surgery on an 80-year-old with cancerous tumors on the spine, installing unnecessary equipment, even though the patient was expected to live only "a few more weeks." When the anesthesiologist questioned Chan about the operation, a shouting match between the two ensued and the operation was conducted anyway, Thomas said.

In Sept. 2002, Chan became a consultant for Blackstone and began using their products exclusively, receiving in return the payment for a honeymoon and an expensive wedding gift for one of Chan's nurses, the suit claimed.

While Chan performed up to 200 spinal surgeries a year, about 100 of those, at an average of $3,355 each, were false claims submitted to and paid for by Medicaid, Thomas said, and those operations represented $500,000 in payments to the hospital for devices and supplies.

Chan also was a consultant for Synthes, the suit claimed.

Federal law provides for the recovery of triple the amount falsely billed and $11,000 for each violation, putting the amount sought in the neighborhood of just over $2 million.

The suit was filed by attorneys Michael Mitchell and David Ivers of the Little Rock law firm of Mitchell, Blackstock, Barnes, Wagoner, Ivers and Sneddon.

Chan is currently confined to his Searcy home awaiting trial on criminal charges related to the matter. A trial date of June 19 has been set in the criminal case.

END

AP

January 9, 2007

Man granted U.S. residency after decades-long battle over El Salvador death squad allegations

ST. PAUL, Minnesota_A man denied citizenship because of charges that he tortured and murdered people as part of a

death squad in Latin America has been granted permanent residence in the United States.

Gonzalo de Jesus Larin-Lara, an immigrant from El Salvador, had been fighting deportation for 25 years and has maintained that the allegations against him were false.

"This is a bittersweet end," Larin-Lara said Monday. He signed an agreement with U.S. Immigration and Customs Enforcement that would essentially end the government agency's efforts to deport him.

The agency had denied his pleas for citizenship because it alleged he tortured and murdered people while he was a soldier for El Salvador's brutal Treasury Police.

Larin-Lara has denied those allegations _ though he has admitted to other offenses.

Tim Counts, an immigration spokesman, issued a statement from agency attorneys Monday: "The federal government withdrew its appeal as part of a settlement agreement with Mr. Hurtado. We entered into this agreement in good faith and expect that Mr. Hurtado did as well and that he will assist in bringing Salvadoran human rights violators to justice."

Larin-Lara had been an outspoken critic of U.S. involvement in his homeland's civil war from the late 1970s through the 1980s.

He adopted the name Rene Hurtado to protect his family in El Salvador during his first few years in the United States and made numerous public pleas, often with a bandanna covering his face, for the U.S. government to stop funding El Salvador's military.

U.S. immigration authorities had fought his request for residency, saying they could not give asylum to Larin-Lara because he had admitted in early media interviews that he had raped, tortured and murdered people during his country's civil war.

Larin-Lara said he was misinterpreted during the interviews _ he did not speak English at the time _ and that his use of the word "we" in the stories meant that he was a member of the police force that committed the atrocities but not an active participant.

He did admit to beating two criminals, stealing from the police commissary where he worked and having sex with a woman as a bribe to let her go free.

Larin-Lara, 49, is married with two children. He has a bachelor's degree from the University of Minnesota, and his friends, lawyers and an immigration judge have called him a respected and contributing member of society.

U.S. Immigration and Customs Enforcement had appealed rulings to give Larin-Lara permanent residency three times. The last appeal came early last year, after a judge ordered that Larin-Lara would not be deported.

Forced to file a brief by Monday, the agency's officials decided to drop the appeal and came to the agreement, according to his attorneys. In exchange, Larin-Lara agreed to cooperate in any future cases against leaders of his death squad.

According to immigration law, Larin-Lara can apply for citizenship in early 2009. He plans to follow through. "This case is ending, and I can concentrate and live my life," he said.

END

AP

January 8, 2007

Hearing ordered for Senegalese immigrant held for 2 years in LA

LOS ANGELES_A Senegalese man held for two years while his immigration case is pending should be released unless the government can show he's a danger or flight risk, a judge said.

Friday's opinion came after attorneys for Amadou Lamine Diouf challenged the government's decision to hold him without

a bond hearing.

U.S. District Judge Terry Hatter ordered a hearing in the matter and said an immigration judge should free Diouf "unless the government shows by clear and convincing evidence that the petitioner presents a sufficient danger or risk of flight to justify his detention in light of how long he has already been detained."

Diouf arrived in the U.S. on a student visa and was arrested for possession of marijuana in 2003. He was detained by immigration authorities two years later and has been held ever since.

His immigration case is pending, but the 9th U.S. Circuit Court of Appeals has issued a stay on his deportation.

A lawyer for Diouf called the order a "very significant victory."

"You have a federal judge saying the government's detention policy of prolonged detention is illegal," said Ahilan Arulanantham, an attorney with the American Civil Liberties Union of Southern California, which is working on Diouf's case.

END

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Image not available for this document, ID: 0.7.10316.12182-000002

Image not available for this document, ID: 0.7.10316.12182-000003

System Administrator

From:	System Administrator
Sent:	Tuesday, January 9, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056854 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 9, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056854 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 09, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056855 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 09, 2007 6:22 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR THE BORDER AND PARTICIPATE IN PRESS CONFERENCE IN LAREDO, TEXAS

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, JANUARY 9, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR THE BORDER AND PARTICIPATE IN PRESS CONFERENCE IN LAREDO, TEXAS

WASHINGTON – Attorney General Alberto R. Gonzales will participate in a tour of the U.S./Mexico border and World Trade Center Port of Entry, meet with state and local law enforcement officials, and deliver remarks at a press conference on Department of Justice efforts to fight drug trafficking and violent crime in Laredo, Texas on **WEDNESDAY, JANUARY 10, 2007.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Helicopter Arrival
Tour of World Trade Center Port of Entry
Roundtable with State and Local Law Enforcement
Remarks at Press Conference

WHEN: **WEDNESDAY, JANUARY 10, 2007**

HELICOPTER ARRIVAL
10:20 A.M. CST
NOTE: B-Roll pool coverage of Attorney General disembarking helicopter only.

TOUR OF WORLD TRADE CENTER PORT OF ENTRY
10:30 A.M. CST
NOTE: B-Roll pool coverage only.

ROUNDTABLE WITH STATE AND LOCAL LAW ENFORCEMENT
11:00 A.M. CST
NOTE: Pool coverage at top only.

DOJ_NMG_ 0172439

REMARKS AT PRESS CONFERENCE
12:20 P.M. CST
OPEN PRESS

WHERE: World Trade Bridge
Laredo, Texas

NOTE: All media must present valid photo ID and media credentials. Pre-set time for media attending the Attorney General's remarks at press conference is no later than 11:20 A.M. CST. All press inquiries regarding logistics, including inquiries regarding pool coverage arrangements, should be directed to Kimberly Smith of the Department of Justice at (202) 353-5505 or Richard Pauza of Customs and Border Protection at (202) 359-5079.

# # #

07-004

DOJ_NMG_ 0172440

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Image not available for this document, ID: 0.7.10316.12040-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, January 9, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056899 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 9, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056900 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 10, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1056901 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 10, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1060136 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 10:00 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN BERKELEY, CALIF. AND CHICAGO

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 10, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN BERKELEY, CALIF. AND CHICAGO

Sessions on January 30 and February 13 to Focus on Business Testimony

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Jan. 30, 2007, in Berkeley, Calif. and on Feb. 13, 2007, in Chicago. These hearings have been examining whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act (which prohibits monopolization and attempted monopolization) by harming competition and consumer welfare and when they are procompetitive and lawful. The January and February sessions will be hosted by the Berkeley Center for Law and Technology and the Competition Policy Center at the University of California, Berkeley, and by the University of Chicago's Graduate School of Business, respectively.

The January and February panels will provide an opportunity for business executives to express their views on Section 2 issues, including areas where the companies perceive that single-firm conduct has harmed consumers and areas where legitimate procompetitive behavior may have been chilled. These panels also will provide an opportunity for company executives to identify areas where they believe additional agency antitrust guidance would be useful.

The agencies encourage companies that are interested in participating in these hearings to contact Jim Taronji, Attorney, FTC, at 202-326-2420 or jtaronji@ftc.gov. Information about the specific times, locations, and panelists for these hearings, as well as information about other future hearings, will be made available at a later date.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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07-006

DOJ_NMG_ 0172448

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Image not available for this document, ID: 0.7.10316.12035-000002

Miller, Charles S

From: Miller, Charles S
Sent: Wednesday, January 10, 2007 10:23 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 1/10/07 Civil Division News

Ruling Seen as Giving an Edge to Challengers of Patents

High Court Ruling Could Spark Surge in Patent Challenges

United States: Supreme Court's Decision In Rockwell May Resolve False Claims Act Circuit Split On Meaning Of "Original Source" For Purposes Of Public Disclosure Bar

Federal judge clears use of religion in care for veterans

Free Hicks on bail: ALP

Loyal wife, determined mom kept wounded family together

New York Times
January 10, 2007

Ruling Seen as Giving an Edge to Challengers of Patents

By LINDA GREENHOUSE

WASHINGTON, Jan. 9 — The Supreme Court opened the door Tuesday to a category of patent lawsuits that a lower court had barred, issuing a decision that will probably shift power in the courtroom from bigger patent-owning companies to smaller start-up companies that rely on obtaining licenses for patented technology.

The court's 8-to-1 decision held that the holder of a patent license can sue to challenge the patent's

validity without first refusing to pay royalties and putting itself in breach of the license agreement.

This seemingly technical question, in a dispute by two biotechnology companies, MedImmune and Genentech, has considerable practical importance. A license holder is much less likely to sue if it must first stop paying royalties and thereby risk becoming the target of a patent infringement suit, with the potential for triple damages and the loss of the right to continue selling its product.

In making its decision, the Supreme Court overturned a ruling by the specialized appeals court that hears all patent appeals. That court, the United States Court of Appeals for the Federal Circuit, had adopted a rule in a previous case that required a party to breach its license agreement before suing to declare a patent invalid.

As long as royalties were being paid, the Federal Circuit had reasoned, there was no actual controversy between the parties and such a lawsuit would therefore not meet the requirement of Article III of the Constitution, which limits the jurisdiction of the federal courts to resolving actual "cases" or "controversies."

The Declaratory Judgment Act, the federal law that MedImmune invoked when it went to the federal District Court in Los Angeles for a determination of the validity of Genentech's patent, likewise requires the existence of an "actual controversy" before a court can act.

But the dispute between MedImmune and Genentech was indeed a controversy that met the jurisdictional requirements of the statute and the Constitution, Justice Antonin Scalia wrote for the majority in overturning the Federal Circuit's dismissal of the case, MedImmune Inc. v. Genentech Inc., No. 05-608.

Justice Scalia said the rule that a plaintiff must "bet the farm, or (as here) risk treble damages and the loss of 80 percent of its business before seeking a declaration of its actively contested legal rights finds no support in Article III."

The decision did not resolve the underlying dispute, instead reinstating MedImmune's lawsuit and sending the case back to the lower courts.

The case grew out of a license agreement the two companies reached in 1997 as MedImmune, then a new company, was working on a genetically engineered drug, Synagis, used to prevent a respiratory disease in infants. While MedImmune later came to public attention as the maker of the FluMist influenza vaccine, Synagis has been the company's main product, accounting for 80 percent of its sales since 1999.

The license authorized MedImmune to use the technology developed by Genentech and its research partner, the City of Hope National Medical Center in Duarte, Calif. City of Hope is also a party in the case.

The agreement obliged MedImmune to pay royalties for the use of patents "which have neither expired nor been held invalid."

The specific patent at issue in the case was not granted to Genentech until 2001, at which point Genentech wrote to MedImmune demanding royalties. MedImmune paid under protest, while filing its lawsuit to have the patent declared invalid.

Justice Clarence Thomas was the lone dissenter from the ruling. He said there was "no Article III jurisdiction over MedImmune's claim," which he called "hypothetical or conjectural."

END

Legal Times

01-10-2007

High Court Ruling Could Spark Surge in Patent Challenges

Tony Mauro

Patent litigation could explode in the wake of the Supreme Court's ruling Tuesday in a closely watched dispute over patent validity between two biotechnology firms.

The Court, by an 8-1 vote, reinstated a lawsuit by MedImmune challenging a Genentech patent related to Synagis, a popular drug for treatment of respiratory disease in children. The opinion in *MedImmune v. Genentech*, written by Justice Antonin Scalia, says patent licensees no longer have to breach the license in order to have standing to challenge the patent that they dispute. Patent lawyers say the ruling could lead to a flurry of challenges to existing patents.

"It's a rare patent where you can't find something to challenge. There will be an explosion in litigation by these licensees," says Jim Badke, a partner at Ropes & Gray. "Companies can have their cake and eat it too."

The Jan. 9 ruling overturns a decision by the U.S. Court of Appeals for the Federal Circuit, which since 2004 had held that a breach -- such as ceasing royalty payments -- was necessary in order to establish the "case or controversy" required to challenge the patent. Critics of the Federal Circuit's doctrine said it discouraged challenges against invalid patents, because breaking a license agreement can be risky. Such a breach can prompt the patent holder to retaliate by suing for infringement and seeking an injunction against further sales of the product, along with treble damages.

Now a licensee can challenge a patent while still honoring it and paying royalties -- as MedImmune did in the case before the Supreme Court -- and patent challenges will be safer and easier to file without fear of retaliation.

In overturning the Federal Circuit's ruling, Scalia wrote that the dispute leading up to the patent challenge was a real and "lively" controversy that was sufficient to trigger a challenge to the patent's validity, even if the royalties were still being paid.

Badke, who worked on the case for MedImmune at an earlier stage, says that in the long run, the ruling will help clear out invalid patents that impede innovations in areas like biotech and software.

But the decision also introduces more uncertainty into the status of patents, says George Best, senior counsel at Foley & Lardner. Under the old rules, a licensing agreement amounted to an insurance policy against litigation over patent validity or infringement. But now, he says, "unhappy licensees" can challenge patents that both parties previously thought were settled and protected by the license agreement.

"By allowing licensees that are taking full advantage of the benefits of the license, including immunity from a patent infringement lawsuit, to challenge the patents in the agreement, patentees lose the quid pro quo in the arrangement," says Raymond Van Dyke of Nixon Peabody. "Countless licensed patents are now potentially open to a new attack from even good licensees. To the IP community, this is yet another curtailment of the strength of patent rights."

The decision also represents another bad day for the Federal Circuit, which handles patent appeals and is on a long-term losing streak at the Supreme Court. Several analysts on Tuesday said the ruling does not bode well for *KSR International v. Teleflex*, the other Federal Circuit patent ruling that is under challenge before the Court this term, involving the test for determining whether an innovation is so obvious that it does not deserve patent protection.

END

Mondaq.com

January 10, 2007

United States: Supreme Court's Decision In Rockwell May Resolve False Claims Act Circuit Split On Meaning Of "Original Source" For Purposes Of Public Disclosure Bar

Article by Martha Boersch

On December 5, 2006, the Supreme Court heard argument in *Rockwell International Corp. v. United States ex rel. Stone* (05-1272), regarding the circumstances under which a *qui tam* relator may bring a False Claims Act ("FCA") lawsuit that is based upon publicly disclosed allegations.

The FCA bars courts from exercising jurisdiction over any *qui tam* action that is based upon publicly disclosed information, unless the relator is an "original source" of that information. 31 U.S.C. § 3730(e)(4)(A). To qualify as an original source, an individual must have "direct and independent knowledge of the information on which the allegations are based" and have "voluntarily provided the information to the Government before filing an action." *Id.* § 3730(e)(4)(B).

In *Rockwell*, the Supreme Court may resolve a circuit split regarding what type of knowledge a relator must possess to qualify as an "original source." The Tenth Circuit in *Rockwell* ruled that a relator need not know of the actual submission of false claims to the Government; rather, it is enough if the individual knows of facts "underlying or supporting" the complaint's allegations of fraud. The Third Circuit, by contrast, requires a relator to have knowledge of the alleged false representation itself. *See United States ex rel. Mistick PBT v. Housing Auth.*, 186 F.3d 376, 388-89 (3d Cir. 1999) (Alito, J.). Some other circuits require relators to have knowledge of essential elements of the fraud. *See, e.g.*, *United States ex rel. Springfield Terminal Ry. Co. v. Quinn*, 14 F.3d 645, 657 (D.C. Cir. 1994). The Ninth Circuit additionally requires that an original source have "had a hand in the public disclosure of allegations that are a part of . . . [the] suit." *United States ex rel. Zaretsky v. Johnson Controls, Inc.*, 457 F.3d 1009, 1013 (9th Cir. 2006).

The Court's decision will be important to all businesses and local governmental entities that have financial dealings with the federal government. Relators suing under the FCA often piece together their claims from information that has been publicly disclosed in the news media, in litigation, or in some form but assert "original source" status based on general knowledge of wrongdoing. Clarification of the definition of "original source" may help FCA defendants dispose of "parasitic" FCA suits designed to extract settlements.

Jones Day filed an amicus brief on behalf of BP America Production Company, Chevron Corporation, and Shell Oil Company in support of the defendant in *Rockwell*, and we have extensive experience in representing public and private defendants in FCA actions. Recently, for example, Jones Day won summary judgment for Los Angeles County in a multibillion dollar FCA case brought by a former California official who claimed that the County had conspired with the state to defraud the federal government by using intergovernmental transfers to finance the costs of providing Medicaid services to the poor. A significant issue in the case was the role of federal knowledge about the allegedly fraudulent practice. A list of other recent Jones Day FCA representations may be found on the Jones Day web site at www.jonesday.com/pubs/pubs_detail.aspx?pubID=_S3875.

END

AP
January 10, 2007

Federal judge clears use of religion in care for veterans

By RYAN J. FOLEY | Associated Press Writer

.MADISON — The Department of Veterans Affairs' increasing use of religion in treating ailing veterans does not violate the separation of church and state, a federal judge has ruled.

U.S. District Judge John Shabaz dismissed a lawsuit by the Madison-based Freedom From Religion Foundation and defended the agency's practices in his decision Monday, saying religion can help patients heal and is legal when done on a voluntary basis.

The foundation, a group of atheists and agnostics which has challenged the Bush administration's mix of government and religion, said it was the first time a judge upheld the constitutionality of the VA's use of religion in treating millions of veterans. The ruling averts a trial that was scheduled to begin later this month.

The group's president, Annie Laurie Gaylor, said Tuesday it would appeal to the Chicago-based 7th Circuit Court of Appeals. She and other group members filed suit last year against top officials of the veterans' agency claiming they were using tax dollars to advance religion.

"I think the public will be startled to learn that if you're a VA patient and you want a referral to the eye doctor, you have to have a spiritual assessment in order to do that," Gaylor said.

The lawsuit challenged the agency's practice of giving most patients spiritual assessments that ask a series of questions about faith such as how often they attend church and how important religion is in their lives. Agency officials say the assessments help them determine patients' needs.

The suit also targeted VA drug and alcohol treatment programs that incorporate religion, the integration of its chaplain program into patient care and the expansion of chaplain services for outpatient veterans instead of just those at VA hospitals.

The veterans' agency, which treated 5.3 million people at its facilities in 2005, acknowledged it believes spirituality should be integrated into care but said it allows patients to decide whether that involves religion.

Shabaz agreed in a 31-page ruling, saying none of the agency's practices violate the Establishment Clause of the First Amendment, which bars the government from promoting religion.

Shabaz said the VA's programs do integrate religion and spirituality but they are legal because they serve valid secular purposes such as giving patients spirituality services and are voluntary.

"The choice to receive spiritual or pastoral care, the choice to complete a spiritual assessment, and the choice to participate in a religious or spiritually based treatment program always remain the private choice of the veteran," he wrote. "Accordingly, there is no evidence of governmental indoctrination of religion."

Jean Lin, a U.S. Department of Justice lawyer who represented the veterans' officials, declined to comment, and DOJ spokesman Charles Miller said the opinion speaks for itself.

Gaylor said the decision was misguided on several fronts. She said it's misleading to call the spiritual assessments voluntary since they are given to every patient and the ruling mistakenly accepts the notion that religion "is a panacea for illness."

Her group has had success in overturning Shabaz in the past. The U.S. Supreme Court is set to hear oral arguments next month on a case that challenges President Bush's faith-based initiative. Shabaz initially said the group had no standing to sue but the appeals court reinstated the suit. The administration has appealed to the high court.

END

Australian

January 11, 2007

Free Hicks on bail: ALP

Pia Akerman, Samantha Maiden

DAVID Hicks would be returned to Australia on bail and placed under a control order while he awaits trial under a Labor plan that represents the party's strongest stance yet on the Australian terror suspect.

With the fifth anniversary of Hicks's incarceration at Guantanamo Bay in Cuba tomorrow, Opposition legal affairs spokesman Kelvin Thomson called on the Government to demand Hicks's return to Australia under strict conditions.

``It is time that he was released from Guantanamo Bay,'' Mr Thomson said in Adelaide, Hicks's hometown. ``The Government claims that it has been doing all it can, but the truth is otherwise ... the Australian Government can play its part in terms of the control order.

``It's time for the Australian Government to look the United States Government in the eye and say, `This is long enough: David Hicks must be released on bail and the Australian Government stands ready to assist in monitoring his movements should he return to Australia'.''

Hicks, 31, has been detained by the US at its naval base in Cuba since January 2002, a month after he was captured with Taliban forces in Afghanistan.

At a military commission hearing in August 2004 he pleaded not guilty to charges of conspiracy, aiding the enemy and attempted murder.

But those charges were dropped when the US Supreme Court ruled last June the military commissions set up to try Hicks and other Guantanamo Bay detainees were unlawful. Mr Thomson also called on the federal Government to oppose the new US military commissions because they did not represent a ``fair trial''.

``This is not an independent or impartial jury or trial process,'' he said. ``The military commissions allow for hearsay evidence to be included, they don't exclude evidence obtained by coercion, they don't allow the accused to be necessarily present for the whole of the trial to hear all of the evidence against them.

``These are things which violate the Geneva conventions and the Australian criminal code.''

The Law Council of Australia also accused the Howard Government of offering a ``blind defence'' of the US's new military commission process.

The formal procedures for the military commission are to be proclaimed by January 17. Hicks's Adelaide-based lawyer David McLeod said he expected US authorities would ensure they met the deadline to avoid being forced to return to the US Congress, which is now controlled by the Democrats. But he predicted challenges to the legality of the new commissions could drag out Hicks's case for a further two years.

Labor's demand for Hicks's release on bail came as a lawyer representing several detainees at

Guantanamo said the prisoners continued to be subjected to violence and extreme isolation, though abuse had become more subtle than three years ago.

Gita Gutierrez, of the Centre for Constitutional Rights, said most prisoners were housed in constantly lit isolation cells and subjected to alternating extreme cold and heat.

END

Boston Herald

January 10, 2007

Loyal wife, determined mom kept wounded family together

By Peter Gelzinis
Boston Herald Columnist

Wednesday, January 10, 2007

At its core, the saga of Joe and Marie Salvati is a love story. Not exactly the kind that we might wish for ourselves perhaps, but one strong enough to survive 30 years of treachery by the United States government.

For little more than an hour yesterday, the gracious 71-year-old wife and mother sat in a witness chair and recalled how she managed to keep four children, her husband and herself afloat over three decades of Christmases, birthdays and nearly every Saturday spent in the purgatory of various prison visitor rooms.

Life, as Marie Salvati had always known it, changed forever in October 1967. Her husband, Joe, an itinerant truck driver and laborer in and around the North End, had been arrested for the murder of a thief he didn't know.

"My husband got a life sentence," she recalled yesterday in federal court. "And we got a life sentence with him. There was always a void in our lives. Things weren't right. Our father wasn't there. As a family, we lost our smile."

For the past few days, the $100 million civil suit brought against the government by Peter Limone and Joe Salvati has focused on all the other lives that were upended, all the other dreams destroyed, when the FBI suborned the perjury of a serial killer who happened to be their informant.

The children of both men said they had no choice but to grow up in the street, tormented by the taunts of kids they once trusted as friends, ambushed by the nuns and teachers who'd say with a wan smile, "I didn't know you came from *that* kind of family."

Between them, Salvati and Limone languished in jail for a total of 65 years before the politicians who once opposed their commutations finally exonerated them with nothing more than a handshake and an apology.

As a miscarriage of justice, their story has become legend. So, too, has the love and devotion that kept these families intact. Many of the memories Marie Salvati recalled from the witness stand, she has discussed in places like a congressional hearing room in Washington.

Yesterday, however, she spoke about how she transformed the shattered boundaries of her own life while her husband was imprisoned, by working with Action For Boston Community Development to, as she put

it, “make life better for other people in my community.”

Few would have blamed her had she chosen to wallow in bitterness. Instead, she became an advocate for the elderly, the immigrants, and the young. Over the course of some 33 years, Marie Salvati rose to become an ABCD program director, known reverently throughout the North End as “Miss Marie.”

At the same time she and her children were being oppressed by a federal government, Marie Salvati chose to immerse herself in those government-funded programs designed to ease the burden of others.

For almost two thirds of their 54 years together, Joe and Marie Salvati clung to each other through thousands of cards and love letters they wrote to each other.

The entire universe of lost moments and dreams that failed to come true are now stored in the shoeboxes Marie Salvati keeps in a closet.

“So many times over the years, when I’d get blue, when an appeal would be denied, or the furloughs were cancelled,” she said, clutching the handkerchief soaked with her tears, “I’d take the shoeboxes and begin to read the cards.

“Then, one day, it just sort of hit me all at once, ‘Oh, my God,’ I remember saying to myself, ‘my whole life is in these shoeboxes.’”

How do compensate a family for the years that were stolen, all the life that was relegated to words of love stuffed in a shoebox?

END

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 10:23 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 10, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, January 10, 2007

ATTORNEY GENERAL

12:20 P.M. CST Attorney General Alberto R. Gonzales will deliver remarks at a press conference on Department of Justice efforts to fight drug trafficking and violent crime in Laredo, Texas.
World Trade Bridge
Laredo, Texas
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set time for media attending the Attorney General's remarks at press conference is no later than 11:20 A.M. CST. All press inquiries regarding logistics, including inquiries regarding pool coverage arrangements, should be directed to Kimberly Smith of the Department of Justice at (202) 353-5505 or Richard Pauza of Customs and Border Protection at (202) 359-5079.

PRESS RELEASES

The Environment and Natural Resources Division will issue a release on a Clean Water Act matter. (Magnuson)

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

11:00 A.M. EST Solicitor General Paul Clement will present consolidated arguments on behalf of the United States in *Davenport v. Washington Education Association* and *Washington v. Washington Education Association* on the topic of the First Amendment.
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0172459

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

1:00 P.M. EST FBI Assistant Director Chip Burrus will be a guest speaker at the Reuters 2007 Market Regulation Summit.
Reuters Washington Bureau
1333 H Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Steve Kodak at 202-324-9250.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172460

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Image not available for this document, ID: 0.7.10316.12002-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 10:33 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 10, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, January 10, 2007

ATTORNEY GENERAL

12:20 P.M. CST Attorney General Alberto R. Gonzales will deliver remarks at a press conference on Department of Justice efforts to fight drug trafficking and violent crime in Laredo, Texas.
World Trade Bridge
Laredo, Texas
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set time for media attending the Attorney General's remarks at press conference is no later than 11:20 A.M. CST. All press inquiries regarding logistics, including inquiries regarding pool coverage arrangements, should be directed to Kimberly Smith of the Department of Justice at (202) 353-5505 or Richard Pauza of Customs and Border Protection at (202) 359-5079.

PRESS RELEASES

The Environment and Natural Resources Division will issue a release on a Clean Water Act matter. (Magnuson)

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

The Antitrust Division issued a release on a Section Two hearing. (Talamona)

EVENTS/HEARINGS

11:00 A.M. EST Solicitor General Paul Clement will present consolidated arguments on behalf of the United States in *Davenport v. Washington Education Association* and *Washington v. Washington Education Association* on the topic of the First Amendment.
The Supreme Court of the United States
One First Street, N.E.
Washington, D.C.
OPEN PRESS

DOJ_NMG_ 0172463

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

1:00 P.M. EST FBI Assistant Director Chip Burrus will be a guest speaker at the Reuters 2007 Market Regulation Summit.
Reuters Washington Bureau
1333 H Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Steve Kodak at 202-324-9250.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172464

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Image not available for this document, ID: 0.7.10316.12005-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, January 10, 2007 10:43 AM
Subject: Interruption of Cable Service in MAIN and the Patrick Henry Building (PHB)

Interruption of Cable Service in MAIN and the Patrick Henry Building (PHB)

On Thursday, January 11, 2007, cable service will be interrupted in MAIN and PHB due to service upgrades. The channels will be intermittent throughout the day. Please check JusticeVision (channel 3) for the new channel line-up.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 11:13 AM
To: USDOJ- Office of Public Affairs
Subject: M.G. WALDBAUM COMPANY WILL PAY $1 MILLION PENALTY TO RESOLVE CLEAN WATER ACT VIOLATIONS

Department of Justice

U.S. ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 10, 2007
WWW.USDOJ.GOV

DOJ (202) 514-2007
EPA (800) 223-0423
TDD (202) 514-1888

M.G. WALDBAUM COMPANY WILL PAY $1 MILLION PENALTY TO RESOLVE CLEAN WATER ACT VIOLATIONS

Company Will Comply with Construction Schedule for Wastewater Treatment Plant

WASHINGTON – M.G. Waldbaum Company, a subsidiary of Minnesota-based Michael Foods Inc., has agreed to pay a $1.05 million penalty to resolve allegations that the company violated the Clean Water Act. Today's settlement, which is a joint federal-state effort, involves a large egg processing facility and seven associated poultry farms near the City of Wakefield, Neb. The civil penalty will be divided equally between the state and the federal government.

The Clean Water Act violations concern allegations of overloading the wastewater treatment lagoons at the City of Wakefield's publicly owned treatment works (POTW); discharging pollutants from a large pile of poultry waste into Logan Creek without a National Pollutant Discharge Elimination System Permit (NPDES) at its Husker Pride poultry concentrated animal feeding operation (CAFO) (one of Waldbaum's seven poultry farms); and improperly dumping process sludge waste from its egg processing facility at two of its other poultry farms rather than spreading on the ground in accordance with state standards.

As part of this settlement, Waldbaum has committed to comply with a schedule in its current NPDES permit for construction of a wastewater treatment plant to treat the effluent from its egg processing facility. Construction of the new plant will be completed in 2009 at an estimated cost of $16 million.

"This settlement underscores the Justice Department's commitment to enforce vigorously the nation's laws that protect the public and the environment from pollution," said Sue Ellen Wooldridge, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "I am particularly pleased by the federal/state partnership that brought about this outstanding resolution of serious environmental violations."

"This settlement is a result of the EPA enforcement program's focus on significant environmental problems, such as illegal discharges into our water systems and improper management of manure from

DOJ_NMG_ 0172468

concentrated animal feeding operations," said Granta Y. Nakayama, Assistant Administrator for the Environmental Protection Agency's (EPA) Office of Enforcement and Compliance Assurance. "This is a great example of what can be accomplished when EPA and a state work together to address noncompliance with our nation's environmental laws."

"This agreement will ensure that Waldbaum makes progress toward full compliance, which must be achieved by all animal agriculture facilities to ensure that this vital Midwestern industry is protective of human health and the environment," said EPA Region 7 Administrator John B. Askew.

As part of the settlement, Waldbaum has also agreed to apply for a NPDES permit for its Husker Pride poultry farm CAFO and to develop and implement manure management plans at its other six poultry farms. The corrective actions in this agreement are designed to protect the integrity of the City of Wakefield POTW's lagoon system and will protect surface water quality with better treatment of egg processing effluent and improved poultry manure management practices. EPA estimates that actions under this agreement will result in annual reductions of 60 pounds of phosphorus, 18,250 pounds of biochemical oxygen demand (BOD), 61,000 pounds of total suspended solids (TSS), and 41,600 pounds of ammonia.

Ammonia is a component of poultry manure. Excessive amounts of ammonia, in wastewater can be harmful to wildlife—particularly to fish and other aquatic organisms. Excessive amounts of phosphorous, BOD, and TSS in wastewater harms waterways by depleting dissolved oxygen needed by aquatic life to live.

Concurrent with this settlement, a Clean Water Act settlement with the City of Wakefield, Neb. is being filed for numerous NPDES permit violations at its POTW – many due to overloading of its lagoons by effluent from Waldbaum's egg processing facility. Under the agreement, the City of Wakefield will pay a civil penalty of $20,000, comply with the Clean Water Act and its NPDES permit, prohibit POTW treatment of wastewater from Waldbaum, and conduct increased influent and effluent monitoring and reporting.

Copies of both consent decrees are available on the Justice Department's Web site at http://www.usdoj.gov/enrd/Consent_Decrees.html. More information on the EPA's CAFO national enforcement and compliance assurance priority can be found at http://epa.gov/compliance/data/planning/priorities/cwacafo.html.

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Image not available for this document, ID: 0.7.10316.12015-000003

System Administrator

From: System Administrator
Sent: Wednesday, January 10, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1061958 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 1:27 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES ADDITIONAL FUNDING TO COMBAT DRUG TRAFFICKING AND BORDER VIOLENCE ALONG THE SOUTHWEST BORDER

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 10, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES ADDITIONAL FUNDING TO COMBAT DRUG TRAFFICKING AND BORDER VIOLENCE ALONG THE SOUTHWEST BORDER

WASHINGTON –Attorney General Alberto R. Gonzales today visited the U.S. border in Laredo, Texas and announced $300,000 in additional funding to boost efforts to combat drug trafficking in Laredo and McAllen, Texas. The grant will help fund a joint task force of federal and state law enforcement agencies to target high-level drug trafficking organizations along the U.S./Mexico border.

The joint task force–called a Strike Force–allows law enforcement agents from the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Department of Homeland Security's Immigration and Customs Enforcement (ICE), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Internal Revenue Service (IRS), and the Texas Department of Public Safety to work side-by-side in the same location, quickly responding to leads and establishing links between investigations.

The Strike Force is supported by the Organized Crime Drug Enforcement Task Force (OCDETF), a federal drug enforcement program that focuses attention and resources on the disruption and dismantling of major drug trafficking organizations. OCDETF provides a framework for federal, state and local law enforcement agencies to work together to target well-established and complex organizations that direct, finance or engage in illegal narcotics trafficking and related crimes.

"Many border communities in Texas have unfortunately experienced first hand the terrible consequences caused by violent crime and drug trafficking," said Attorney General Gonzales. "But law enforcement is fighting back and I am pleased to announce new funding for our Strike Force team in Laredo and McAllen. This team will provide greater coordination between state and federal law enforcement agencies as we work together to combat crime and stop the flow of drugs across the U.S.-Mexico border."

The OCDETF Strike Force in Laredo and McAllen is an extension of the Houston OCDETF Strike Force established in October 2005. Law enforcement agents participating in the Houston OCDETF Strike Force pursue major investigations in a coordinated, aggressive fashion. Since its creation, the Houston OCDETF Strike Force has identified Mexican organizational leaders, Columbian narcotics suppliers,

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international and domestic drug transporters, and domestic distribution cells. It has prevented the shipment of over 30 tons of cocaine from crossing the U.S. border and confiscated more than $32 million from major drug trafficking organizations.

The OCDETF Strike Force compliments the efforts of the Laredo Violent Crime Impact Team (VCIT), established in 2005. The VCIT program is an ATF-led joint law enforcement effort launched in cities with high volumes of firearms crimes and is designed to identify, arrest and prosecute the most dangerous violent criminals. The Laredo VCIT is composed of law enforcement agents from the ATF, DEA, FBI, ICE, Customs and Border Protection and the U.S. Marshals Service.

In 2006, the Laredo VCIT was credited with recovering 224 firearms and arresting 69 of Laredo's most dangerous felons and fugitives, including Jose A. Garza-Robles and Hector Herrera-Sifuentes, both permanent resident aliens from Mexico. Both are accused of kidnapping an American citizen and holding him hostage in Mexico until his family paid Garza-Robles a $57,500 ransom. Garza-Robles and Herrera-Sifuentes were charged in a 3 count indictment with conspiring to kidnap and kidnapping a United States citizen. Each of the two counts carries a punishment of one year to life imprisonment upon conviction. Garza-Robles was also charged with a third count of receiving ransom money which carries a maximum punishment of 10 years imprisonment. Each of the three counts also carries a maximum fine of $250,000 upon conviction**.**

The Laredo VCIT also arrested Jesus Alberto De Leon. On September 25, 2006, court documents allege that De Leon, a twice-convicted felon, and unknown co-conspirators attempted to kidnap an individual in the parking lot of a Target store in Laredo. The victim escaped and entered the store, but De Leon pursued the victim into the department store, armed with a 12-gauge shotgun. He was arrested as he attempted to flea from law enforcement officers. He has been indicted for conspiracy to kidnap, attempted kidnapping, use of a firearm in the course and commission of a crime of violence, and felon in possession of a firearm. He faces a sentence of up to life imprisonment.

# # #

07-005

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System Administrator

From: System Administrator
Sent: Wednesday, January 10, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1062004 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 10, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1062076 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 4:54 PM
To: USDOJ- Office of Public Affairs
Subject: MAN PLEADS GUILTY TO SEX TRAFFICKING A JUVENILE GIRL, TWO OTHERS PLEAD GUILTY TO COMMERCIAL SEX CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 10, 2007
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CRT
(202) 514-2008
TDD (202) 514-1888

MAN PLEADS GUILTY TO SEX TRAFFICKING A JUVENILE GIRL, TWO OTHERS PLEAD GUILTY TO COMMERCIAL SEX CHARGES

WASHINGTON - The Department of Justice announced that Fernando Reyes-Santillan, of Memphis, Tenn., pleaded guilty yesterday to one count of commercial sex trafficking of a minor, relating to his role in a Memphis trafficking ring. At his plea hearing, Reyes-Santillan admitted to operating a brothel and knowingly employing a juvenile to engage in prostitution. Reyes-Santillan faces up to 40 years in prison.

"The dark and reprehensible world of human trafficking all too often involves minor girls who are forced into prostitution," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department of Justice will continue to vigorously prosecute these crimes of outrageous victimization."

Two additional co-defendants, brothers Diego Cortes-Barrientos and Rafael Cortes-Barrientos, each pleaded guilty to one count of failing to file a factual statement about alien individuals they harbored for the purpose of prostitution. The Cortes-Barrientos brothers each face up to ten years imprisonment.

With these pleas, eight defendants have pleaded guilty to sex trafficking and commercial sex charges in connection with brothels operated in this Memphis trafficking ring. Four other defendants remain under indictment in the same case for crimes including child sex trafficking, conspiracy to harbor illegal aliens, conspiracy to commit money laundering, enticing an individual to travel in interstate commerce to commit prostitution, and failure to file a factual statement about an alien. All persons charged with crimes are considered innocent until proven guilty beyond a reasonable doubt.

Under the terms of the plea agreement, the Cortes-Barrientos brothers admitted to working at brothels in Memphis and taking money from clients who engaged in sexual activities with alien prostitutes. Both further admitted that neither they nor any of the other operators of the brothels had filed a factual statement with the Commissioner of Immigration and Naturalization setting forth the names of the aliens, the place at which they were kept, the date of their entry into United States, their ports of entry, or their ages, nationality or parentage.

Human trafficking prosecutions are a top priority of the Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of

DOJ_NMG_ 0172480

defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

Assistant U.S. Attorney Steve Parker of the U.S. Attorney's Office for the Western District of Tennessee and Trial Attorney Jonathan Skrmetti from the Civil Rights Division of the Department of Justice are prosecuting the case. The investigation in this matter is being conducted by FBI Agents in Memphis and Nashville, ICE Agents in Memphis and Nashville, the Memphis Police Department, and the Nashville Metropolitan Police Department. World Relief, Catholic Charities, the Salvation Army and the YWCA have assisted the victims and witnesses in this matter.

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07-009

DOJ_NMG_ 0172481

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Image not available for this document, ID: 0.7.10316.11832-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 5:43 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS ON COMBATING TERRORISM AT U.S. ATTORNEYS NATIONAL SECURITY CONFERENCE

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, JANUARY 10, 2007
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AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS ON COMBATING TERRORISM AT U.S. ATTORNEYS NATIONAL SECURITY CONFERENCE

WASHINGTON — Attorney General Alberto R. Gonzales will deliver remarks on Department of Justice efforts to combat terrorism and keep America safe at the U.S. Attorneys' National Security Conference on **THURSDAY, JANUARY 11, 2007 AT 5:10 P.M.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks at U.S. Attorneys' National Security Conference

WHEN: **THURSDAY, JANUARY 11, 2007**
5:10 P.M. EST

WHERE: Salon B
The National Advocacy Center
1620 Pendleton Street
Columbia, S.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 4:30 P.M. EST. Press inquiries regarding logistics should be directed to John Nowacki at (202) 598-5224.

# # #

07-010

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Image not available for this document, ID: 0.7.10316.11828-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 10, 2007 5:59 PM
To: USDOJ- Office of Public Affairs
Subject: 53 FORMER EMPLOYEES AT SWIFT & COMPANY MEAT PROCESSING PLANT IN CACTUS, TEXAS CHARGED IN FEDERAL INDICTMENTS

Department of Justice

United States Attorney Richard Roper
Northern District of Texas

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 10, 2007
WWW.USDOJ.GOV/USAO/TXN

CONTACT: Kathy Colvin
(214) 659-8600
(214) 767-0978

53 FORMER EMPLOYEES AT SWIFT & COMPANY MEAT PROCESSING PLANT IN CACTUS, TEXAS CHARGED IN FEDERAL INDICTMENTS

DALLAS — A federal grand jury in Amarillo, Texas, has charged 53 former employees of Swift & Company's Cactus, Texas, meat processing plant with aggravated identity theft and other various related charges, announced U.S. Attorney Richard B. Roper.

All 53 defendants were originally charged in criminal complaints following their arrests in mid-December when Department of Homeland Security Immigrations and Customs Enforcement (ICE) officials raided the Cactus plant as part of a nationwide crackdown on illegal immigration and identity theft. Each of the 295 people arrested at the Cactus plant last month had assumed the identities of U.S. citizens. Because the system would not have been able to handle that number of prosecutions, additional criteria were used to determine which ones should be prosecuted. The aliens arrested but not prosecuted will be or have been processed for removal from the United States.

"It is a serious federal crime to hijack and steal a citizen's good name and credit to illegally stay in the United States. These federal indictments demonstrate federal law enforcement's commitment to address rampant identity theft and immigration fraud," said U.S. Attorney Roper.

"The ICE investigation conducted around the Swift & Company plants discovered a number of cases of suspected identity theft, which is supported by these indictments," said John Chakwin, special agent in charge of the ICE Office of Investigations in Dallas. "This investigation has shown how individual U.S. citizens are tragically affected when aliens steal identities to obtain work. The aliens charged today will have their day in court. If convicted, they'll first serve their sentences before they're removed to their countries of origin."

Each of the defendants is charged in a separate felony criminal indictment, most with multiple felony counts. All 53 defendants are charged with one count of false representation of a Social Security number, which carries a maximum statutory sentence of five years imprisonment and a $250,000 fine per count. In addition, most of the defendants are also charged with aggravated identity theft which carries a mandatory statutory sentence of two years imprisonment and a $250,000 fine per count; one count of fraud in connection with an immigration document, which carries a maximum statutory sentence of 10 years imprisonment and a $250,000 fine per count; and one count of false representation of U.S. citizenship, which carries a three-year maximum statutory sentence and a $250,000 fine per count. Seven of the defendants are also charged with illegal re-entry after deportation, which carries a maximum statutory sentence of two years imprisonment and a $250,000 fine per count and two defendants are charged with aggravated felon re-entry after deportation, which carries a maximum statutory sentence of 20 years imprisonment and a $250,000 fine. A listing of defendant names and charges is available at http://www.usdoj.gov/usao/txn/pressreleases.html

An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. The investigation remains ongoing.

U.S. Attorney Roper praised the excellent cooperative investigative work of ICE, the U.S. Customs and Border Protection's Border Patrol and the Texas Department of Public Safety.

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Image not available for this document, ID: 0.7.10316.11816-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 10, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1062759 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 10, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1062760 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, January 11, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1062761 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, January 11, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1065858 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 10:06 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 11, 2007

Department of Justice

PRESS GUIDANCE
Thursday, January 11, 2007

ATTORNEY GENERAL

10:40 A.M. CST Attorney General Alberto R. Gonzales will deliver a joint statement with the Attorney General of Mexico, Eduardo Medina Mora regarding U.S./Mexico law enforcement cooperation.
PGR Building
Salon Independencia
Mexico City, Mexico
OPEN PRESS

NOTE: Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486.

5:10 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks on Department of Justice efforts to combat terrorism and keep America safe at the U.S. Attorneys' National Security Conference.
Salon B
The National Advocacy Center
1620 Pendleton Street
Columbia, S.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 4:30 P.M. EST. Press inquiries regarding logistics should be directed to John Nowacki at (202) 598-5224.

PRESS RELEASES

The Office of Justice Programs will issue a release. (Peterson)

EVENTS/HEARINGS

No events or hearings are scheduled.

DOJ_NMG_ 0172495

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172496

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Image not available for this document, ID: 0.7.10316.11795-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 12:13 PM
To: USDOJ- Office of Public Affairs
Subject: NINTH DOCTOR SENTENCED IN NATIONWIDE ILLEGAL INTERNET PRESCRIPTION DRUG DISTRIBUTIONS

Department of Justice

United States Attorney Judith A. Whetstine
Northern District of Iowa

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 11, 2007
WWW.USDOJ.GOV/USAO/IAN

CONTACT: STEPHANIE ROSE
PHONE: (319) 363-6333
FAX: (319) 363-1990

NINTH DOCTOR SENTENCED IN NATIONWIDE ILLEGAL INTERNET PRESCRIPTION DRUG DISTRIBUTIONS

Illinois Doctor to Serve Prison Time for Illegally Prescribing More than 62 Million Dosage Units

CEDAR RAPIDS, Iowa — A ninth doctor was sentenced today as a result of an Internet prescription investigation that started in Dubuque, Iowa, and worked its way across the United States. Acting U.S. Attorney Judith Whetstine of the Northern District of Iowa announced that an Illinois physician who illegally prescribed drugs over the Internet was sentenced to over three years in prison today in federal court in Cedar Rapids.

Michael Millette, 46, of Crystal Lake, Ill., pleaded guilty on July 14, 2006, to conspiring to dispense Schedule III and Schedule IV controlled substances without a legitimate medical purpose and outside the usual course of medical practice. Millette also pleaded guilty to laundering proceeds of his illegal distributions.

During his plea hearing, Millette admitted he prescribed more than 62 million Schedule III and Schedule IV dosage units illegally over the Internet. Millette also admitted he laundered the money he received from the Internet companies that employed him. Millette agreed to forfeit $1.6 million in proceeds he earned working for various Internet companies.

Millette also entered guilty pleas to charges from the Middle District of Florida, where he was charged with a separate drug conspiracy related to the Internet distribution of Schedule III and Schedule IV controlled substances. The Florida charges were transferred to the Northern District of Iowa for a consolidated sentencing.

It is illegal for a doctor to prescribe controlled substances unless the prescription is based on a legitimate doctor/patient relationship. Many Schedule III and Schedule IV controlled substances – such as Vicodin, Tylenol with Codeine, Xanax, and Valium – are addictive and dangerous if abused. Because of these dangers, and the potential for death and serious injury if use of the drugs is not monitored in the confines of a legitimate medical relationship, cracking down on Internet pharmacies and doctors who write prescriptions over the Internet is a Department of Justice priority.

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Millette was sentenced on Jan.11, 2007, in Cedar Rapids by U.S. District Court Chief Judge Linda R. Reade. Millette was sentenced to 41 months in prison. A special assessment of $300 was imposed, and he was ordered to pay $1.6 million in forfeiture. He must also serve a two-year term of supervised release after the prison term. There is no parole in the federal system. Millette is to surrender to the Bureau of Prisons.

Millette is the ninth doctor to be sentenced in the Northern District of Iowa's Internet pharmacy investigation.

Thomas Hanny, 69, of South Glastonbury, Conn., received a 33-month prison term Dec. 21, 2006. Hanny was also ordered to forfeit more than $57,000 in drug proceeds.

Mario Alberto Diaz, of Delray, Fla., was sentenced on Nov. 29, 2006, to 30 months in prison. Diaz was ordered to forfeit $272,061 in drug proceeds.

Juan Oscar Gonzalez, of Miami, was sentenced on Oct. 20, 2006, to two years probation, with an eight-month term of home confinement. Gonzalez was ordered to forfeit $17,500 in drug proceeds.

Edward Schwab, of Keithville, La., was sentenced on Sept. 25, 2006, to 22 months in prison. Schwab was ordered to forfeit $500,246 he received in illegal drug proceeds.

Absylom Nyamekye and Apryl McNeil, of New York city, and Carlos Barrera, of Miami, were sentenced on April 17, 2006. Nyamekye and McNeil each received a 20-month term of in prison. Barrera received two years probation, with a six-month term of home confinement. Each forfeited their drug proceeds. Nyamekye forfeited $36,286; McNeil $26,960; and Barrera $10,897.

Magaly Bethencourt, of Miami, was sentenced on April 4, 2006, to two years probation, with a six-month term of home confinement. Bethencourt forfeited $7,710 in drug proceeds.

Three other physicians have pleaded guilty to related charges and are pending sentencing in this case:

Steven Klinman, of Elkins Park, Pa., pleaded guilty on Sept. 27, 2006, to illegally prescribing drugs over the Internet and to laundering money. Klinman's case was transferred to the Eastern District of Pennsylvania. Klinman will be sentenced on Jan. 12, 2006, in that district.

Jose Crespin, of Surfside, Fla., pleaded guilty on Nov. 12, 2006, to illegally prescribing drugs over the Internet and to laundering money. As part of a plea agreement, Crespin has forfeited $75,398 in drug proceeds. Crespin's case was transferred to the Southern District of Florida, where Crespin will be sentenced on Jan.16, 2007.

Rene Guerra of Miami Lakes, Fla., pleaded guilty on July 14, 2006, to illegally prescribing drugs over the Internet. Guerra will be sentenced on March 1, 2007. As part of a plea agreement, Guerra forfeited $6,000 in drug proceeds.

This case is being prosecuted by Assistant U.S. Attorney Stephanie M. Rose and was investigated as part of the Organized Crime Drug Enforcement Task Force program of the U.S. Department of Justice through a cooperative effort of the Drug Enforcement Administration Office of Diversion Control, Dubuque Drug Task Force, and Internal Revenue Service.

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Image not available for this document, ID: 0.7.10316.11780-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 12:19 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON LAW ENFORCEMENT COOPERATION BETWEEN THE UNITED STATES AND MEXICO

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 11, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON LAW ENFORCEMENT COOPERATION BETWEEN THE UNITED STATES AND MEXICO

MEXICO CITY, MEXICO

I would like to thank Attorney General Medina Mora for inviting me here to meet with him and other senior Mexican officials. I always enjoy visiting Mexico, and this trip has been very productive. The Attorney General and I have met before, but our meetings during this visit have given us the opportunity to get to know each other better and to learn about each others' priorities and ideas for fighting crime and ensuring public security.

Today, we discussed a number of issues, including transnational organized crime and violence, which affect both our countries well beyond our 2000-mile border. Clearly, Mexico and the United States have a shared responsibility to make our communities safer from the drug-traffickers and criminals who are threatening our way of life. Both Attorney General Medina Mora and I whole-heartedly agree that our law enforcement officials must be able to cooperate with one another on a broader scale and in an atmosphere of mutual trust if we are going to be able to turn back the tide of recent violence and crime that so adversely affects us all.

In recent years, we have seen improved law enforcement cooperation between the United States and Mexico, including in the area of extraditions to ensure that fugitives face justice where they are accused of committing crimes. In 2006, there were a record number of 63 extraditions to the United States from Mexico, as well as a record number of extraditions to Mexico from the United States. Earlier this week, Mexico extradited to the United States Jorge Arroyo Garcia, who is charged in California with the murder of Los Angeles Deputy Sheriff David March. This excellent extradition relationship highlights our continuing cooperation and our commitment to bring to justice those who harm our nation's citizens and interests.

But much work remains to be done. Attorney General Medina Mora and I recognize that we must continue to build upon our successes and improve our ability to exchange information, intelligence, and expertise. We also must continue-- and more aggressively so-- to pursue the coordinated investigation of major criminal organizations.

DOJ_NMG_ 0172503

Crime is not Mexico's problem alone or the United States' problem alone. It is our *mutual* challenge, and if we do not work together to meet that challenge, we will both fail … and the stakes are too high for failure. The safety of our communities depends on our commitment, our cooperation, and our concerted efforts. I look forward to working closely with the Attorney General in the coming years, and I am confident that our work will lead to improved security for the people of both Mexico and the United States.

Thank you.

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Image not available for this document, ID: 0.7.10316.11779-000002

System Administrator

From:	System Administrator
Sent:	Thursday, January 11, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1066525 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 12:52 PM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY U.S. MARSHAL CHARGED WITH ILLEGALLY DISCLOSING INFORMATION ABOUT PROTECTED ORGANIZED CRIME WITNESS

A copy of the complaint affidavit is attached.

Department of Justice

United States Attorney Patrick J. Fitzgerald
Northern District of Illinois

FOR IMMEDIATE RELEASE

CONTACT:
RANDALL SAMBORN

THURSDAY, JANUARY 11, 2007
PHONE: (312) 353-5318
WWW.USDOJ.GOV/USAO/ILN
FAX: (312) 353-1842

DEPUTY U.S. MARSHAL CHARGED WITH ILLEGALLY DISCLOSING INFORMATION ABOUT PROTECTED ORGANIZED CRIME WITNESS

CHICAGO – A Deputy U.S. Marshal was taken into custody today on a federal felony theft charge for allegedly illegally disclosing highly sensitive, confidential information about a federally-protected organized crime witness. The defendant, John Thomas Ambrose, was charged in a criminal complaint filed today with theft of government property for allegedly revealing information relating to the status, substance of cooperation, and travel of cooperating witness/defendant Nicholas Calabrese, while Calabrese was in the United States Marshals Service's Witness Security Program (WSP), also known as "WITSEC."

Ambrose, 38, a deputy marshal since January 1998, was a supervisory inspector of the U.S. Marshals Service's Great Lakes Regional Fugitive Task Force. He was placed on administrative leave last September when he was questioned by federal agents conducting this investigation. He was scheduled to appear at 1:30 p.m. today before U.S. Magistrate Judge Michael Mason in U.S. District Court. He surrendered voluntarily earlier today at the FBI's Chicago office, announced Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, Gary S. Shapiro, First Assistant United States Attorney for the Northern District of Illinois, and U.S. Marshal Kim R. Widup.

"While this defendant's conduct in revealing closely guarded and highly sensitive information regarding a protected witness constitutes an egregious breach of his law enforcement duties, the investigation, so far, has not uncovered any evidence that either this witness or any other was ever in danger, and there is no evidence that any attempt was made to harm any protected witness," Mr. Shapiro said. "I remain confident in the integrity of the United States Marshals Service and the government's Witness Security Program, and am

grateful for the Marshals Service full participation in the investigation with the FBI, which allowed the investigation to reach this successful outcome."

Mr. Grant said: "I am also confident that the Witness Security Program remains a vitally important resource for law enforcement and that its effectiveness is not diminished by this isolated problem. The Marshals Service participation was integral to this investigation and we didn't hesitate to ask them to join the investigation once it began to focus on this defendant."

According to the FBI's detailed complaint affidavit, Nicholas Calabrese admitted to the government that he was a "made" member of the "Chicago Outfit" (also known as the "Chicago Mob") and has provided federal law enforcement with the most expansive overview ever of Chicago Outfit murders. In 2002, he agreed to cooperate in the investigation of alleged Outfit members, including his brother Frank Calabrese, Sr., and brothers James and Michael Marcello. Nicholas Calabrese was formally admitted to the WSP in August 2002, and he was moved to a secure prison facility within the U.S. Bureau of Prisons, based upon an application prepared by federal agents and prosecutors detailing his ability to testify about 16 murders in which he participated and 22 other murders about which he had some secondary information from others. The application also provided an analysis of the significant danger posed to Nicholas Calabrese by members of the Chicago Outfit.

The ensuing investigation resulted in the April 2005 indictment of 14 defendants in *U.S. v. Nicholas Calabrese, et al.*, 02 CR 1050, which alleges, among other crimes, a 40-year racketeering conspiracy involving 18 previously unsolved Outfit murders, often of suspected government cooperators and witnesses, between 1970 and 1986. The case against 12 remaining defendants (two others are deceased) is scheduled for trial in May 2007.

As part of his cooperation, Nicholas Calabrese was brought to the Chicago area by WSP Inspectors on two occasions: first, on October 31 - November 1, 2002, for his then-sealed court arraignment, and, second, on May 20-22, 2003, when he assisted the FBI in locating some of the murder scenes and other relevant locations. Both of these trips involved highly secret travel details to which only a handful of government personnel were privy. During both of Nicholas Calabrese's stays in Chicago, Ambrose served on the night shift security detail assigned to protect him. The affidavit explains that the role of and chain of command of WSP Inspectors is distinct from that of Deputy U.S. Marshals. WSP Inspectors occasionally request supplemental security services from Deputy U.S. Marshals, such as Ambrose, but the Deputy Marshal's role is restricted to providing a limited support function.

Between January and June, 2003, the government intercepted 11 prison conversations between James and Michael Marcello when Michael visited James, ordinarily once or twice a month, at the federal prison in Milan, Mich., where James was incarcerated. The conversations indicated that Michael Marcello had an inside source of information concerning Nicholas Calabrese. The affidavit states that James Marcello was highly interested in learning the nature of the government's continuing investigation into his alleged criminal activities. The content of the intercepted cryptic conversations indicated that Michael Marcello's source of information was someone within federal law enforcement who had access to WSP protectees. The content of the conversations also confirmed that the source of information had access to documents and material that only a small number of individuals within the federal government would be in a position to retrieve.

In approximately five of the recorded conversations, large portions of which were coded and whispered, Michael Marcello reported to James Marcello information relating to Nicholas Calabrese that allegedly was obtained from Ambrose – including information concerning Nicholas Calabrese's whereabouts, his status as a cooperator, and the level of his cooperation. These conversations - excerpts of which are contained in the affidavit – took place on January 30, March 6, March 24, April 24, and June 12, 2003.

DOJ_NMG_ 0172509

The affidavit states that the intercepted conversations captured Michael Marcello providing James Marcello with current details concerning Calabrese's cooperation with the government, including non-public, sensitive matters regarding organized crime homicides that were the subject of Nicholas Calabrese's May 2003 trip to Chicago. This information would have been known to a very limited number of people, including federal law enforcement officers involved in providing security to Nicholas Calabrese on that trip.

In a recorded conversation on March 24, 2003, Michael Marcello identified his inside source of information regarding Calabrese as Ambrose, not by name, but by a description that could fit no other law enforcement officer. Michael Marcello told James Marcello that this source, whom he referred to as "the Babysitter," was the son of a deceased defendant prosecuted in the so-called "Marquette 10" case with then Chicago police officers Frank DeRango and Individual A. Ambrose's father, Thomas Ambrose, was the lead defendant, and Frank DeRango and Individual A were co-defendants, in *U.S. v. Ambrose, et al.*, a police corruption case commonly referred to as "the Marquette 10" case. Thomas Ambrose died in prison while serving his sentence after being convicted of bribery.

According to telephone records cited in the affidavit, on May 23, 2003, (the last day of the second Calabrese detail) Ambrose placed a 14-minute phone call to Individual A's work telephone number. The call was made within hours of Ambrose completing his last night shift of the Calabrese protection detail, and phone records show no other calls over three minutes between Ambrose and Individual A for months prior to and after this 14-minute call, according to the complaint.

During other recorded conversations, Michael Marcello indicated that his source had access to information provided to the government by Nicholas Calabrese. According to the complaint, Ambrose's fingerprints were recovered just last summer from the originals of the confidential documents maintained by WSP personnel in a secure location. These highly-confidential documents were within Nicholas Calabrese's WSP file, which included details provided by Nicholas Calabrese regarding organized crime.

The January 30, 2003, recorded conversation between James and Michael Marcello was the first time that they were heard discussing Nicholas Calabrese's cooperation. During Nicholas Calabrese's October 31 - November 1, 2002, visit to Chicago, records concerning him, including his background, criminal history/involvement, names of individuals about whom he had provided information, murders about which he had provided first and second-hand information, and names of individuals who could potentially pose a threat to him, were maintained in a locked cabinet within the control room located inside the secure WSP facility in Chicago.

According to the affidavit, on June 22, 2006, WSP personnel provided the FBI with the secured WSP Production File concerning Nicholas Calabrese. The FBI performed a latent fingerprint examination of the paperwork contained in this file, and two latent fingerprints identified as Ambrose's were found on two of the original WSP documents. One of the documents was included in the WSP application for Nicholas Calabrese's admission into the WSP, and Ambrose's fingerprint was found on the last page which included the signature of the U.S. Attorney.

The government is being represented by Assistant U.S. Attorneys T. Markus Funk, John Scully and Mitchell Mars.

If convicted, each charge carries a maximum penalty of 10 years in prison and a $250,000 fine. The Court, however, would determine the appropriate sentence to be imposed.

The public is reminded that a complaint contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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# # #

Ambrose
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AFFIDAVIT OF ANITA A. STAMAT

I, Anita Stamat, being duly sworn under oath state as follows:

I. INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI"). I am currently assigned to the Chicago Organized Crime Squad. I have been assigned to the Organized Crime Squad for over four years and have been a Special Agent with the FBI for fifteen years. During my time as an FBI agent I have been involved in numerous criminal investigations, including investigations involving theft of government property and public corruption.

2. The information in this affidavit is based upon my own investigation, interviews of Deputy U.S. Marshal **John Thomas Ambrose**, information I have learned from other individuals, including other FBI agents and other federal law enforcement officers, and a review and analysis of audio tapes, video tapes, transcripts, reports and other documents. Given the limited nature of this affidavit, I have not included each and every fact known to me concerning the entities, individuals and events described in this affidavit.

II. OVERVIEW OF THE PROBABLE CAUSE

3. This affidavit is submitted for the purpose of establishing that there is probable cause to believe that Deputy U.S. Marshal **John Thomas Ambrose** used his official position to obtain, and without authority illegally disseminate highly sensitive information, including

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information relating to the status, substance of cooperation, and travel of Chicago Outfit[1] cooperating witness Nicholas Calabrese[2] while Calabrese was in the United States Marshals Service's Witness Security Program ("WSP").[3] This information was later transmitted to members of the Chicago Outfit. In so doing, **Ambrose** knowingly stole, purloined, and converted to his own use, and to the use of another, a thing of value of the

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[1]The history, structure, and operation of the Outfit (also known as "La Cosa Nostra" or "LCN") is described in several reported cases. See, e.g., United States v. Zizzo, 120 F.3d 1338 (7th Cir. 1997); United States v. Rainone, 32 F.3d 1203 (7th Cir.1994).

[2]The first official disclosure of Nicholas Calabrese's status as a cooperating witness occurred during the April 29, 2005, detention hearing of James and Michael Marcello (on or about February 21, 2003, a column in the Chicago Tribune first speculated about Nicholas Calabrese's possible cooperation with federal law enforcement; during a December 2006 interview, a Marcello associate stated that a friend of Nick Calabrese mentioned this possibility to Michael Marcello and the Marcello associate in the Fall of 2002 following a conversation the friend purportedly had with Nicholas Calabrese). Nicholas Calabrese is expected to be called as a witness against his co-defendants, including James and Michael Marcello, in United States v. Calabrese, et al., 02 CR 1050, a prosecution involving, inter alia, RICO violations alleged to have been committed by organized crime members in Chicago. Nicholas Calabrese was indicted in 1995 in the Northern District of Illinois in a RICO conspiracy case (United States v. Calabrese, et al., 95 CR 443) charging the organized crime "Calabrese Street Crew" with the collection of unlawful debts. This indictment alleged that his brother, Frank Calabrese, Sr., was the head of the street crew. Nicholas Calabrese pleaded guilty to three counts, and in 1997 was sentenced to 70 months incarceration. Nicholas Calabrese, who was scheduled to be released in late 2002, began cooperating with federal law enforcement in early 2002. In October 2002, prior to his scheduled release, Nicholas Calabrese was charged in a sealed information in United States v. Calabrese, 02 CR 1050. Nicholas Calabrese has therefore been in federal custody since 1997.

[3]Also known as "WITSEC."

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United States, in violation of 18 U.S.C. Section 641.[4] I reach this conclusion based upon, among other things, the following, as set out more fully below:

a. .During the period of January through June, 2003, the government intercepted in-person prison conversations between James Marcello, who at the time was a federal prisoner at FCI Milan, and his brother, Michael Marcello, while they were in the visitors' room. The conversations indicated that Michael Marcello had access to an inside source of information concerning Nicholas Calabrese, who was then a protected participant in the WSP. James Marcello was serving time as a result of his own conviction, including a plot to murder someone believed to be an informant.[5] The current investigation indicates that James Marcello was highly interested in learning the nature of the government's continuing investigation into his criminal activities.

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[4]As discussed in United States v. Matkin, 14 F.3d 1014, 1020 (4th Cir. 1994), "[t]he statute also covers both tangible and intangible property. (Citations and quotations omitted); see also United States v. Girard, 601 F.2d 69, 71 (2d Cir. 1979) (holding in case involving DEA undercover agent who retrieved information from a DEA computer file and sold it to members of a narcotics ring that term "thing of value," when used in criminal statutes such as in 18 U.S.C. § 641, includes intangibles, such as amusement, sexual intercourse, a promise to reinstate an employee, and information), discussed in United States v. Croft, 750 F.2d 1354, 1361 (7th Cir. 1984); United States v. Howard, 30 F.3d 871, 874 (7th Cir. 1994) ("Intangible property may unquestionably belong to the government."). As discussed on pages 7-9 below, the government for good reason spent considerable resources to keep Nicholas Calabrese's location and status of his cooperation secret during the ongoing FBI investigation of the Chicago Outfit. Indeed, regulations and statutes such as 28 C.F.R. § 0.111b(b) and 18 U.S.C. § 3521 are specifically designed to assure that such important and sensitive information is kept secret. Moreover, James Marcello spent $4,000 a month in hush money to buy Nicholas Calabrese's silence (and expressed his interest in making sure that this "investment" paid off, see pages 7 and 25-27 below), and in a recorded conversation discussed that he wanted to pay **Ambrose** in exchange for the information provided (see page 30 below). These facts all establish that the value of the information is in excess of the $1,000 misdemeanor cut-off set forth in Section 641. See United States v. Ligon, 440 F.3d 1182, 1183-84 (9th Cir. 2006) (discussing valuation on the "thieves market," and ruling that, "where goods have no readily ascertainable market value, any reasonable method may be employed to ascribe an equivalent monetary value to the items") (quotation omitted).

[5]See United States v. Zizzo, 120 F.3d 1338 (7th Cir. 1997).

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b. The content of the intercepted conversations indicated that Michael Marcello's source of information was someone within federal law enforcement who had access to WSP protectees. The intercepted conversations captured Michael Marcello providing James Marcello with current details concerning Calabrese's cooperation with the government, including non-public, sensitive matters regarding organized crime homicides that were the subject of Nicholas Calabrese's May 2003 trip to Chicago. The content of the conversations also confirmed that the source of information had access to documents and material that only a small number of individuals within the federal government would be in a position to retrieve.

c. Nicholas Calabrese had been providing confidential information on organized crime matters, including Outfit-related homicides committed by James Marcello and others. Nicholas Calabrese was brought to the Chicago area by United States Marshals Service Witness Security Program Inspectors on two occasions with respect to that investigation – on October 31 - November 1, 2002, and again on May 20-23, 2003. Both of these trips involved highly secret travel details to which only a handful of government personnel were privy. On both of these security details, **John Ambrose** served on the night shift security detail tasked with protecting Calabrese.

d. **John Ambrose** is a Deputy U.S. Marshal, and most recently was the Deputy Commander of the Great Lakes Regional Fugitive Task Force.[6] The role and chain-of-command of WSP Inspectors is distinct from that of Deputy U.S. Marshals. The primary role of WSP Inspectors is to ensure the safe handling, logistics, and transportation of federally protected witnesses that have been accepted into the WSP program. WSP Inspectors occasionally request supplemental security services from Deputy U.S. Marshals such as **Ambrose**, but the Deputy U.S. Marshal's role is restricted to providing a limited support function. For example, **Ambrose**'s function during the two Nicholas Calabrese details was limited to providing night-time security in the Chicago WSP's secure facility in which Calabrese was staying.

e. On March 24, 2003, in a recorded conversation set out below, Michael Marcello identified his inside source of information regarding Calabrese as **John Ambrose**, not by name, but by a description that to the affiant's knowledge can fit no other law enforcement officer. Michael Marcello told James Marcello that this source, referred to by Michael Marcello as "the Babysitter," was the son of a now-deceased defendant prosecuted in the so-called "Marquette 10 " case with

[6]**Ambrose** is currently on administrative leave with the U.S. Marshals Service.

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Chicago police officers Frank DeRango and Individual A. **John Ambrose** is the son of Thomas Ambrose, the lead defendant in United States v. Ambrose, 740 F.2d 505, 507 (7th Cir. 1984), a police corruption case commonly referred to as "the Marquette 10" case. Frank DeRango and Individual A were co-defendants in that case. Thomas Ambrose in fact died in prison while serving his sentence upon conviction.

f. During other recorded conversations between the two Marcellos intercepted by the government, Michael Marcello indicated that his source had access to information provided to the government by Nicholas Calabrese. **John Ambrose's** fingerprints in fact were discovered by FBI laboratory personnel on confidential documents maintained by WSP personnel in the secured location in which WSP protectees are housed. These highly-confidential documents were among Nicholas Calabrese's WSP file, which included details provided by Nicholas Calabrese regarding Organized Crime (such as murders Nicholas Calabrese personally was involved in, murders he was told about, the organization and structure of the Chicago Outfit, etc.). This information provided by Michael Marcello to his brother concerned homicides of interest to the Marcellos.

g. During a September 6, 2006, interview by federal law enforcement officials, **Ambrose** admitted that he took part in two WSP production details involving Nicholas Calabrese, but at first denied having reviewed the Nicholas Calabrese WSP file. Later during the interview, after **Ambrose** was advised that his fingerprints were found in the file, **Ambrose** confirmed that he reviewed the WSP files relating to Nicholas Calabrese's cooperation and WSP status. **Ambrose** further admitted to having had two separate conversations with Individual A about the Calabrese production details (one following each detail).

h. During a subsequent September 6, 2006, interview, and during a September 11, 2006, follow-up interview, **Ambrose** made a number of factual claims that were inconsistent with one another, and that were also inconsistent with independent facts developed during the investigation. For example, during the first September 6, 2006, interview, **Ambrose** admitted he provided information about Nicholas Calabrese to Individual A. According to **Ambrose**, he passed this information along to Individual A so that he would ingratiate himself to DiFronzo[7] and others. **Ambrose** said that he hoped to ingratiate himself with DiFronzo so that he (**Ambrose**) could later use this good will to get information concerning the whereabouts of Outfit member Joseph Lombardo if and when Lombardo decided to flee from justice. However, **Ambrose** in subsequent interviews said that he

[7]John DiFronzo was described by Nicholas Calabrese as being a made member of the Chicago Outfit who was associated with the Elmwood Park crew.

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never thought the information he provided to Individual A was going to be passed on to DiFronzo or other Outfit members.

I. **Ambrose** throughout his interviews was unable to explain why James and Michael Marcello were able to discuss specific, detailed, non-public information about the nature and extent of Nicholas Calabrese's cooperation and whereabouts.

j. **Ambrose** claimed that he ran into Individual A and mentioned to Individual A his involvement with the May 2003 Nicholas Calabrese WSP production "a few weeks" after the production was over. According to Nextel records, however, on May 23, 2003 (the last day of this second Calabrese detail) **Ambrose** placed a fourteen minute phone call to the work telephone number of Individual A. This call was made within hours of **Ambrose** completing his last night shift of this Calabrese WSP detail. Phone records show no telephone call over three minutes between Ambrose and Individual A for months prior to and after this fourteen minute phone call.

III. FACTS ESTABLISHING PROBABLE CAUSE

A. Nicholas Calabrese's Cooperation With Law Enforcement

4. Nicholas Calabrese, who admitted to the government that he was a "made" member of the Chicago Outfit, in 2002 agreed to cooperate in the investigation of James Marcello, Michael Marcello, and other members of the Chicago Outfit. Nicholas Calabrese is one of the co-defendants in United States v. Nicholas Calabrese, et al., 02 CR 1050 (Zagel, J.), which is scheduled for trial in May 2007.

5. On or about August 15, 2002, as part of Nicholas Calabrese's application for admission into the WSP, Assistant U.S. Attorneys in Chicago submitted a WSP application to the U.S. Department of Justice's Office of Enforcement Operations in Washington, DC, detailing Nicholas Calabrese's ability to testify about 16 murders in which he participated, and 22 additional murders about which he had information from others. The Chicago Office of the FBI provided input to the application, and in particular provided an

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analysis of the significant danger posed to Nicholas Calabrese by members of the Chicago Outfit.

6. Because of the nature of Nicholas Calabrese's cooperation, and the potential threats to his life, on or about August 27, 2002, Nicholas Calabrese was formally admitted into the WSP and moved to a secure location within the U.S. Bureau of Prisons.

7. According to Nicholas Calabrese, starting in or about 1998, while Nicholas Calabrese and James Marcello were both incarcerated at FCI Pekin, James Marcello began paying Nicholas Calabrese $4,000 per month (the payments being made through Michael Marcello). Based on the intercepted conversations between James and Michael Marcello,[8] the purpose of these payments was, in part, to ensure that Nicholas Calabrese would not cooperate with law enforcement. Nicholas Calabrese advised that he in fact at first did not provide information to the FBI implicating James Marcello in the homicides of Anthony and Michael Spilotro because of the payments he was receiving.

8. The government has employed sophisticated safeguards (such as arranging to secure transportation and housing), and spent significant resources (for example, according to requests by WSP personnel for special assignment resources, the cost to the government of Nicholas Calabrese's three-day trip to Chicago in May 2003 was in excess of $1,900 in U.S. Marshal personnel expenses, in addition to transportation costs in excess of $14,900) to keep information concerning Nicholas Calabrese's whereabouts and cooperation while in WSP secret. These measures were taken to both protect the life and

[8]See pages 25-27 below.

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well-being of Nicholas Calabrese and his family, and to safeguard the integrity of the then-ongoing long-term investigation of the Chicago Outfit.[9]

B. Nicholas Calabrese Brought To Chicago by WSP Personnel

9. Because Calabrese was scheduled to be released on his prior conviction on November 5, 2002, a sealed information charging him alone was filed on October 30, 2002, and he was brought to Chicago by WSP Inspector personnel on October 31, 2002, for his arraignment in federal court. This was the first time he was brought to Chicago as a WSP protected witness. **Ambrose** was a member of this WSP production detail.

10. Nicholas Calabrese was next brought to Chicago in late May, 2003, so that he could assist the FBI in locating some of the murder scenes and other relevant locations. The FBI and WSP Inspector personnel physically escorted Calabrese to various Chicagoland locations on May 21 and 22, 2003. **Ambrose** served on the overnight shift as a member of this WSP detail, but did not personally serve as one of the escorts; rather, he and two others were assigned to a location where the WSP Inspectors have their facilities.

11. Only certain individuals directly involved with the investigation had knowledge of Nicholas Calabrese's whereabouts and the extent of his cooperation with federal law enforcement in 2003. This information was considered extremely sensitive in light of the

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[9]Emphasizing the need to provide this security with regard to Nicholas Calabrese's cooperation in United States v. Nicholas Calabrese, et al., 02 CR 1050 (Zagel, J.), in at least four of the alleged murders in that pending case the victims were killed because the Outfit believed they had, or would, provide information to law enforcement concerning the Outfit's illegal activities. Also, a number of extortions are charged in that case, threats of violence being a factor in those offenses. Many trial witnesses have expressed concerns regarding retaliation by the Outfit. Moreover, historically a number of witnesses, like Nicholas Calabrese, have had to be formally placed in the government's witness security program for fear that they would otherwise be murdered by the Outfit, and other likely witnesses have been moved by the FBI in order to prevent Outfit retaliation.

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nature and extent of Nicholas Calabrese's cooperation, his background as a "made" Outfit member, and the assessment of the threat posed to Nicholas Calabrese by the Chicago Outfit. In fact, Nicholas Calabrese has provided law enforcement with the most expansive overview of Chicago Outfit murders to date.

C. Marcellos Intercepted Discussing Information Obtained from "The Babysitter" (Ambrose) Relating to Nicholas Calabrese's Whereabouts and Cooperation

12. As noted above, James Marcello, his brother Michael Marcello, Nicholas Calabrese, and eleven other defendants have been indicted for their alleged participation in an extensive organized crime conspiracy lasting from the mid-1960's through the date of the indictment.[10] The acts alleged as having been undertaken in the course of the conspiracy include 18 Outfit-related murders of, inter alia, suspected government cooperators and witnesses.

13. From September 20, 2000, to November 5, 2003, James Marcello was incarcerated in Michigan at FCI Milan on a RICO conspiracy conviction for his role as a top lieutenant in the Carlisi Street Crew of the Chicago Outfit.[11] During the course of the court-

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[10] United States v. Calabrese, et al., 02 CR 1050; see also United States v. Nicholas Calabrese, 2006 WL 1814365 (N.D.Ill.) ("The conspirators, as alleged here and reported in decisions of other courts, were in the business of extorting money, operating illegal gambling ventures, making usurious loans, and collecting loans, gambling debts, and other money by threatening and using force. The organization allegedly employed intimidation, bribery, and murder to protect itself against witnesses and turncoats within its ranks. Without question, the allegations portray an organization that threatens the safety of individuals; similarly, the crimes alleged are among the most serious crimes to threaten the safety of the community.").

[11] See United States v. Zizzo, 120 F.3d 1338, 1343 (7th Cir. 1997) ("James Marcello worked as [Chicago Outfit 'boss of all bosses' Sam 'Wings'] Carlisi's chauffeur, emissary, and all-around right-hand man."). James Marcello was incarcerated on his federal charges from December 1992 through November 2003.

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authorized intercepts Michael Marcello ordinarily visited James Marcello at FCI Milan once or twice a month.

14. Commencing on December 4, 2002, and renewing the authority on several other occasions, U.S. District Judge Tarnow (Eastern District of Michigan), authorized the FBI to audio and video-tape conversations between James and Michael Marcello at the visiting room at FCI Milan, where James at the time was incarcerated after being convicted for his role in the Outfit's Carlisi Street Crew.

15. In approximately five of the eleven recorded conversations, large portions of which were coded and whispered, Michael Marcello reported to James Marcello information relating to Nicholas Calabrese that was obtained from "the Babysitter" (**Ambrose**) – including information concerning Nicholas Calabrese's whereabouts, his status as a cooperator, and the level of his cooperation. These conversations took place on January 30, March 6, March 24, April 24, and June 12, 2003, all well before Nicholas Calabrese's cooperation was publicly disclosed by the government.

1. <u>January 30, 2003, Intercepted Conversation</u>

16. The January 30, 2003, conversation between James and Michael Marcello was the first recorded conversation in which Nicholas Calabrese's cooperation was heard being discussed. WSP records confirm that **Ambrose** was assigned to Nicholas Calabrese's October 31, 2002, WSP production detail. Nicholas Calabrese was moved from a secure location to Chicago for his arraignment.[12] At this time Nicholas Calabrese's status and

[12]The conversation suggests that James and Michael Marcello previously discussed information they obtained from their source (**Ambrose**). The government began to intercept James and Michael Marcello's conversations starting on December 20, 2002. Prison records show that between the October 31, 2002, WSP production detail, and the beginning of the intercepts Michael

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whereabouts were not publicly known. At the time of Nicholas Calabrese's WSP production detail to Chicago, records concerning Calabrese, including records describing his background, criminal history/involvement, names of individuals about whom Calabrese had provided information, murders about which Nicholas Calabrese had provided first and second-hand information, and names of individuals who could potentially pose a threat to Calabrese, were maintained inside the secure WSP facility in Chicago in a file cabinet. As noted in a conversation on March 24, 2003 (full transcript at pages 20-22), Michael Marcello provided information about the identity of his source of the information about Nicholas Calabrese's WSP details, and that information is unique to **Ambrose**. The following is an excerpt from the January 30, 2003, conversation:

Marcello visited James Marcello.

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Michael:	The big thing with them [**the government**][13] is the Zhivago deal.[14]
James:	Uh huh.
Michael:	(Shakes his head.)
James:	Well, he [**your affiant believes this is a reference to Nicholas Calabrese**] said something about that, they said? I thought it was another direction.
Michael:	(Michael nods his head) Supposedly, well I don't... That, we don't know what he [**Nicholas Calabrese**] said about that.

[13]Your affiant's interpretations of the video and audio recorded statements, opinions about what is being discussed and who is being referred to, as well as supplemental factual information, are included in bold inside brackets ("[ ]"). These interpretations and opinions are based on the context of the conversations; patterns of references detected over the course of the interception period; comparisons of topics discussed with objectively known facts, where provable; and inferences drawn from facts established elsewhere during the course of the investigation. When discussing Nicholas Calabrese's cooperation and Outfit business, James and Michael Marcello talked extensively in both sign language and code. Whenever they talked about Outfit business, they often whispered, leaned forward and covered their mouths. There were several gestures or hand signals, as well as coded words, that the FBI has been able to decipher (e.g. the word "pagliacci" is a reference to Joseph "The Clown" Lombardo; "pagliacci" is the Italian word for "clowns"). There were other gestures that were out of view of the camera as well as code words and gestures the agents have been unable to decipher or that were unintelligible ("UI"). Moreover, the transcriptions contained herein are in draft, and not final, form. Your affiant therefore has included these interpretations and opinions as a means for the Court to assess probable cause with the assistance of reasonable investigative conclusions made in good faith; these interpretations and opinions are not to be taken as established, undisputed facts. A number of obstacles posed initial barriers to the government's ability to interpret the conversations: the audibility of portions of the audio recordings was low, the language was coded, and whispers, gestures and sign language further obscured what was being said. Law enforcement's ability to hear the content and context of what was said improved markedly in 2006, when the recordings were transferred to a specialized computer program.

[14]It is the opinion of your affiant that this is a reference to the murders of Anthony and Michael Spilotro; on April 24, 2003, Michael and James Marcello discuss an April 23, 2003, Chicago Tribune article. Michael goes over the contents of the article and says "they mention Zhivago and his brother" (the article contains no reference to brothers other than in the context of the murder of Anthony and Michael Spilotro).

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James: Mmm hmm.

Michael: But, I'm telling you, you're in there, You know, how far, whatever. I don't know. The guy [**believed to be the source of the inside information, Ambrose**] can only do what he can do. You know what I'm saying?

17. It is the opinion of your affiant that Michael Marcello is indicating that James Marcello is included in the information Nicholas Calabrese provided; James Marcello was in fact listed in the file **Ambrose** admitted he reviewed. **Ambros**e during his interview also admitted to law enforcement that he recognized the name Marcello from the WSP documents.

James: Mmm hmm. Well, that's all he [**believed to be Ambrose**] saw was names [**in WSP documents**]?

Michael: The guy [**believed to be the source accessing the records, Ambrose**] had the notes (puts his hands out as if indicating a pad of paper). Everything he was writing down.

James: Mmm hmm. Watch what [**it is the opinion of your affiant that James Marcello appears to instruct Michael Marcello to be careful about talking in the prison about this sensitive subject**] .....

Michael: You know? Went through the guy's notes [**believed to be WSP documents relating to Nicholas Calabrese which Ambrose admitted to reviewing**].

18. Later in this conversation, James and Michael Marcello revealed that they knew Nicholas Calabrese had implicated himself in a number of murders, but James and Michael Marcello were still unsure as to whether he had implicated James Marcello:

James: . . . . Now, do they know if this guy did that or that's what they were asking him about? Supposedly he did it, right? The questions they asked him as, he said? Krause's brother [**based on review and analysis of numerous intercepted conversations, your Affiant believes that "Krause" is a**

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	code-name for Nicholas Calabrese's brother Frank Calabrese[15]].
Michael:	Yeah.
James:	You know what I'm saying?
Michael:	Mmm hmm.
James:	Stuff that he [**Nicholas Calabrese**] said, not questions they [**the government**] were asking if he knew about, this and that? Right?
Michael:	Mmm hmm. (Pause). You mean when he went the first, for the first trip?
James:	When he, the first time he told me...
Michael:	He [**Nicholas Calabrese**] admitted to being involved in nineteen of them things [**murders**]. Okay?
James:	Yeah.
Michael:	And he named them, one by one by one. I guess. And once he did that, he, he still didn't probably... You know. He didn't give 'em, I don't think anything else, much else.

19. The WSP application for Nicholas Calabrese lists each separate murder about which Calabrese provided information in separate paragraphs. As discussed in great detail on page 33 below, **Ambrose** during his interviews admitted that he told Individual A that there were a "bunch of murders" in the file he looked through. **Ambrose** advised that he did not tell Individual A an exact number of murders.

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[15]Frank and Nicholas Calabrese are James and Michael Marcello's co-defendants in the pending case of United States v. Nicholas Calabrese, et al., 02 CR 1050 (Zagel, J.). The government in its indictment alleges that the Marcellos and the Calabreses, along with ten other co-defendants, were involved in the criminal enterprise known as the "Chicago Outfit." According to Nicholas Calabrese, Frank Calabrese, Sr., was the leader of a Chicago Outfit street crew and participated in a number of charged Outfit homicides.

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James: In the beginning, didn't you tell me that stuff in Zhivago [**Spilotro murders**] was all...? With them other people that were brought up?

Michael: (Nods his head.) That 's what we heard to begin with. But then when... The kid didn't... Here. When the guy [**believed to be Ambrose**] went to look at the car the first time, the only name he knew was (rubs his nose with his finger) [**it is the opinion of your affiant that this is reference to John "No Nose" DiFronzo,[16] who was jailed in Marion Federal Prison Camp in Illinois with Individual A, one of the co-defendants of Ambrose's father in the Marquette 10 case and the person Ambrose told about the "Babysitter" detail; Ambrose initially admitted mentioning DiFronzo's name to Individual A, but later denied making any such mention.**].

James: Uh huh.

Michael: You follow me? Cause his friend [**possibly Individual A**] is friends with the guy [**possibly DiFronzo**].

James: Yeah.

Michael: So when he [**Ambrose**] saw that thing [**the WSP documents**], that's when he went to his friend [**Individual A**].

James: Mmm hmm.

Michael: Because of him [**Individual A**]. Not because of anybody... So then, told 'em to look for this car and this car and this car [**it is the opinion of your affiant that, after seeing the list with John DiFronzo's name, Ambrose was directed by Individual A to go back and look for other names]**. Follow me?

James: Uh huh.

Michael: He did. That's when it came up. (Motions with his head and puts his hands in front of his stomach) [**it is the opinion of your affiant that this is a reference to Outfit**

[16]"No Nose" is a common nickname for John DiFronzo.

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Member A; Nicholas Calabrese advised that Outfit Member A is a "made" member of the Outfit, and that he and Outfit Member A were "made" on the same date.]

James: Uh huh.

Michael: It's all in there. Started (makes a circular motion with his hand) going through everything, as much as he could go through. [**Ambrose looked through the file as much as he could**].

James: Right.

Michael: Look for this, look for this, look for this.

James: Yeah.

Michael: (UI) the names.

James: Uh huh.

Michael: Come back, yeah they're there. This, this and that. This incident I told you about. This here (motions with his hand which is out of view). This here. Get that. (Puts his hand in front of his stomach.) [**Believed to be reference to Outfit Member A**]. You know what I mean?

James: Uh huh.

Michael: All of that. And ah the guy out there I told you, Pudgy's [**Outfit Member A's**] friend, he's there too. (UI) Nobody asked him to find it. But he [**Ambrose**] just happened to go see it. So. You know what I mean?

James: Ah.

* * * *

Michael: No, (UI) but the point is they'll be a lot of steam out of it.

James: Huh?

Michael: (UI) What are you gonna do?

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James:	(Leans in towards Michael.) (UI) look how long they had it. What are you gonna do?
Michael:	No, I understand that. Just (UI) more and more (UI).
James:	Sure. Then you gotta know what to do. It's not that easy. Could be in the (UI), too.
Michael:	Yeah, I'm sure it is. (UI) (UI) around them.
James:	You know what I mean? (UI) with Krause. If they can get... You know. Then they can go. Without Krause they can't go for it. It looks like it to me.

20. It is the opinion of your affiant that in this conversation James Marcello believes that unless "Krause" (Frank Calabrese) also cooperated and corroborated his brother Nicholas, the government did not have a strong case. James Marcello therefore was particularly interested in determining whether Frank Calabrese was cooperating with the government. In a recorded January 30, 2003, conversation between James and Michael Marcello, for example, the two men are discussing the potential of Frank Calabrese's cooperation. In this conversation, James Marcello indicates his continued interest in learning, not just Frank Calabrese's intentions regarding cooperating, but also, through "the babysitter" [**Ambrose**], the full extent of Nicholas Calabrese's cooperation.

James:	How often are you able to see this party? You know, the one you get the stuff [**information about Nicholas Calabrese's cooperation**] from (makes a motion with his hands)?
Michael:	Every, every time, he... You know he can see him any time, but...
James:	No.
Michael:	Every time he...
James:	No what's the sense if, if...

DOJ_NMG_ 0172528

Michael:	Like I says give 'em the three things, the notes... Let him [**Ambrose**] go look. See if he spots anything. And he did.
James:	Uh huh.
Michael:	It took him [**Ambrose**] a week to get it to the spot where he could do it. You know.
James:	Uh huh. We don't know if there was anything else from that or if it was just that or...?
Michael:	No.
James:	See, that's the only thing. You don't know if there was. You know.
Michael:	He [**Ambrose**] happened, he happened to be at the office [**WSP facilities**] alone. That stuff [**WSP file relating to Nicholas Calabrese**] was on the desk and he [**Ambrose**] started going through it. [**As discussed in great detail on page 31 below, Ambrose during his interview admitted to reviewing the file at the secure WSP site after being given access to it**].
James:	Yeah.
Michael:	You know, there's gotta be more. You know.
James:	I mean, you'd think maybe it would be all in one spot. I guess not. . . . .

[End of January 30, 2003, Conversation]

21. This January 30, 2003, conversation clearly demonstrates that James and Michael Marcello had access to sensitive, non-public WSP information concerning Nicholas Calabrese's October 31, 2002, WSP production to Chicago, as well the nature and extent of his cooperation with law enforcement. They, moreover, discuss their "source's" access to these sensitive records. In both the January 30, 2003, and the March 6, 2003, prison visits, however, they do not discuss the identity of their source.

DOJ_NMG_ 0172529

2. March 6, 2003, Conversation

James: Mickey, listen, Mick, they can't prove a fucking thing.

Michael: Oh, one thing I found out, that he [**Nicholas Calabrese**] didn't tell them the first time around. You know. He didn't say that he did nineteen of them things [**murders**]. Remember?

James: Mmm hmm.

Michael: He said (UI). Those that participated in and had knowledge of...

James: Mmm hmm.

Michael: ...nineteen of them things [**murders**].

James: Mmm hmm.

Michael: Not that he was.

22. The Calabrese WSP application listed 16 murders that Nicholas Calabrese was personally involved with. It also listed that there were 22 other murders of which Nicholas Calabrese had second-hand knowledge.

James: No. See what I mean? See how things get? You know.

Michael: That's how it was.

* * * *

James: And what'd he [**Nicholas Calabrese**] say about me? You don't know what he said about me?

Michael: (Shakes his head no.) According to what the guy [**believed to be Ambrose**] saw, nothing. You know. Guy [**believed to be Nicholas Calabrese**] said your name, how he knew you. You know, all that kind of shit.[17]

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[17]In fact, Nicholas Calabrese initially left out James Marcello's involvement in the murders of Anthony and Michael Spilotro, and WSP paperwork reflected that Nicholas Calabrese did

DOJ_NMG_ 0172530

James:	That's what I'm saying. I'm telling you, Mick.
Michael:	But nothing else.
James:	Yeah.
Michael:	I know it could have been worse than that. So I mean, I know that.

[End of March 6, 2003, conversation]

23. It is the opinion of your affiant that Michael Marcello in this conversation was speculating that Nicholas Calabrese at this point had limited his cooperation to providing the government with information about the murders he was involved with, and had not provided additional information implicating James Marcello and others.

3. March 24, 2003, Conversation

24. While James and Michael Marcello in the January 30, 2003 and March 6, 2003, conversations discussed obtaining non-public information concerning Nicholas Calabrese's cooperation with law enforcement, it is not until the March 24, 2003, conversation that they begin to discuss the identity of their source.

James:	You think Mick, you uh, we'd, where he'd [**Nicholas Calabrese**] be (motions with fist to his chest).
Michael:	As far as, uh...
James:	Polizia [**the FBI**].
Michael:	I don't know. Trying to...I'll find out.
James:	The guy [**Ambrose**] giving it to you?
Michael:	Yeah, the guy, his babysitter [**Ambrose**].

---

mention James Marcello only in the context of the murder of Nicholas D'Andrea.

DOJ_NMG_ 0172531

James: Oh, yeah?

Michael: Babysitter guy [**Ambrose**], same guy.

James: Same guy that was at the other place with him [**Ambrose during his interview admitted, and WSP documentation verified, that Ambrose was in fact on Nicholas Calabrese's first WSP detail during Calabrese's October 31, 2002 - November 1, 2002 trip to Chicago.**]

Michael: (Nods affirmatively) Same guy [**Ambrose**] that took him the first time. (Pause) You know the guy?

James: Are youse doing anything? Are you able to do...?

Michael: Uh, he won't, uh. The guy told...You know a guy by the name of, was a copper, DeRango, Tony DeRango?

James: I grew up with him.

Michael: Huh?

James: I grew up with him. He was, uh, in our old neighborhood, that district.

Michael: Marquette, the Marquette Ten.

James: Mmm hmm.

Michael: 'Cause he's friends with this guy. His [**Ambrose's**] father was close to that guy.

James: This guy (touches his nose)[**believed to be John "No Nose" DiFronzo**], right?

Michael: (Shakes his head no) DeRango. And, uh, another guy by the name of [**last name of Individual A**]. **[last name of Individual A]** was close to this guy (motions to his nose) [**believed to be a reference to DiFronzo**].

James: Okay.

Michael: They both were, really both of them. They both knew him from Marion Camp. [**According to U.S. Bureau of Prison records, between March 22, 1994, and July 19, 1994,**

Individual A and John DiFronzo were both housed at the Marion Prison Camp in Illinois].

James: Okay.

(Pause)

Michael: They're, ah...This kid's [**Ambrose's**] father was with them.

James: Mmm hmm.

Michael: On that beef [**the Marquette 10 case**] and everything. He went down with them. He died though [**U.S. Bureau of Prisons records show that on April 19, 1986, Thomas Ambrose died while incarcerated in Texas**].

James: Oh, did he?

Michael: The kid's [**Ambrose's**] father died. So they like, you know, the kid [**Ambrose**] comes down. You know what I mean?

James: Yeah.

Michael: They were close to the father.

[End of March 24, 2003, conversation]

25. On May 20-23, 2003, Nicholas Calabrese was brought to Chicago by WSP to view various Chicagoland murder sites about which Calabrese had first or second-hand information. WSP records show that **Ambrose** was assigned to this WSP production detail during the evening shifts.

4. June 12, 2003, Intercepted Conversation

26. In the June 12, 2003, conversation James and Michael Marcello discuss Nicholas Calabrese's May 20-23, 2003, WSP production to Chicago.

DOJ_NMG_ 0172533

James: Everything I ever did with that guy [**Nick Calabrese**] was all good.

Michael: Huh?

James: I said everything I ever did with that guy was all good. I was his friend when he was in there and that's it.

Michael: But then the other kid [**Ambrose**], you know the kid that, the kid that handles him once in a while? [**Ambrose was on both of Nicholas Calabrese's WSP details.**]

James: Mmm hmm.

Michael: You know, he [**Nicholas Calabrese**] was there [**Chicago**].

James: Uh huh.

Michael: The week after I was there.

James: Uh huh.

Michael: He was there for a week. A little over a week.

27. June 12, 2003, was Michael Marcello's first prison visit with James Marcello following the Nicholas Calabrese May, 2003 WSP production detail to Chicago. Michael Marcello therefore had knowledge that Nicholas Calabrese was in Chicago approximately one week after Michael Marcello's last visit with James Marcello on May 15, 2003. This information was non-public and should have only been known by a small group of individuals involved in the investigation or in the WSP detail.

James: Mmm hmm.

Michael: Right in front of the thing. They were driving him [**it is the opinion of your affiant that this is a reference to Nicholas Calabrese**] all over the city. Showed 'em the (UI). (UI)

James: Huh?

DOJ_NMG_ 0172534

Michael:	Supposed to have (UI).
James:	Yeah Mick, I heard you.
Michael:	By, ah, where, where the knee (places his hand on his knee) was.

28. According to Nicholas Calabrese, "the knee" is a reference to Outfit Capo Angelo LaPietra, who had a bad knee. Nicholas Calabrese has advised investigators that the term "the knee" was often used amongst his coconspirators as a reference to Outfit Capo Angelo LaPietra, who controlled the Bridgeport area. Nicholas Calabrese was in fact taken to the area near White Sox park to see if he could locate the site where Michael Albergo was murdered and buried. **Ambrose** admitted that he knew who LaPietra was, and that he (**Ambrose**) told Individual A that **Ambrose** drove an "OC guy" to White Sox Park as part of the WSP detail.

Michael:	Supposed to be five things underneath there or something? That's what he told 'em. You know [**Nicholas Calabrese only described three murders in the Bridgeport area**].
James:	Mmm hmm.
Michael:	He [**Nicholas Calabrese**] took 'em [**the government**] there, down east by Pagliacci [**it is the opinion of your affiant that this is a reference to Outfit member Joey "The Clown" Lombardo**], that way. That's what he says. Now this is, this is from like yesterday.
James:	Mmm hmm. Mmm hmm.
Michael:	Oh, the moulieri... [**Italian slang for "wife"; in this case Nicholas Calabrese's wife**.]
James:	Mmm hmm.
Michael:	Three times (puts his hand to his head, like holding a phone).

DOJ_NMG_ 0172535

29. Your affiant believes that this last reference was meant by Michael Marcello to convey to James Marcello that "the Babysitter" [**Ambrose**] had advised that Nicholas Calabrese attempted to call or called his [Calabrese's] wife three times while in WSP custody. The investigation indicated that it was of continuing interest to James and Michael Marcello to find out if Nicholas Calabrese's wife knew whether he was cooperating with the government.

30. WSP logs reveal that on May 21, 2003, and May 22, 2003, calls were in fact placed on behalf of Nicholas Calabrese to his wife from the secure facility at which he was housed. Nicholas Calabrese advised the FBI that on three occasions during this WSP production he in fact had placed calls to his wife through WSP personnel. Records further show that **Ambrose** was on night duty while at the time that two of the phone calls were placed to Nicholas Calabrese's wife. It appears that **Ambrose** may have made one of the WSP log notations about one of these calls. No more than a few individuals should have had access to this law enforcement sensitive information, and James and Michael Marcello were not in this group.

Michael:	He [**Ambrose**] dialed the phone number himself, the kid. He [**it is the opinion of your affiant that this is a reference to the Outfit connection who talked to Ambrose**] said the kid [**Ambrose**] dialed the phone number. [**WSP personnel advised that WSP protocol requires that WSP personnel actually dial the phone for the witness to make sure the call goes where it is supposed to**].
James:	What did we say .... [**James and Michael Marcello previously expressed an interest in discovering whether Nicholas Calabrese's wife knew whether Nicholas Calabrese was cooperating with law enforcement**]. But that's okay.

DOJ_NMG_ 0172536

Michael:	Found that out too, for sure. While that was going on.
James:	Sure. Nothing wrong with that.
Michael:	And, ah, but he [**Ambrose**] says nothing in this direction (appears to point to James).

31. It is the opinion of your affiant that **Ambrose** indicated that he had not seen anything showing that Nicholas Calabrese had incriminated James Marcello in any murders. As noted above, your affiant believes that James Marcello had been paying Nicholas Calabrese "hush" money; Nicholas Calabrese admitted to law enforcement that he at first failed to mention James Marcello's involvement in the Spilotro murders because he was being paid by James Marcello to keep quiet, but he later implicated James Marcello in the murders.

James:	Mmm hmm.
Michael:	'Cause he [believed to be **Ambrose**] knows what we're looking for.
James:	(Nods his head.)
Michael:	(Rubs his nose) [**it is the opinion of your affiant that this is a reference to John "No Nose" DiFronzo**] With that, with, ah, Zhivago [**the Spilotro murders]**.
James:	Mmm hmm.
Michael:	But then the other stuff is all like, over there, where, where, where they were at. You know.
James:	Mmm hmm. Over here (makes a motion, possibly pointing to his foot which is out of view of the camera)? Right?
Michael:	That's what he said so far.
James:	I believe it.
Michael:	This was just yesterday.

DOJ_NMG_ 0172537

James: I told you. That was the best investment... Believe me [**it is the opinion of your affiant that the "investment" is a reference to above-described money James Marcello caused to be paid to Nicholas Calabrese to keep quiet about James Marcello**] .

Michael: I hope so. I hope it works out that way, buddy.

James: Look, Mick...

Michael: You know, I, I mean I hope you're right. I, I... Listen, if it is, it is. Fine. Keep it going and let it go [**it is the opinion of your affiant that Michael Marcello is telling James Marcello to keep paying Nicholas Calabrese to keep quiet about James Marcello**]. That's all.

James: Right.

Michael: But, I just hope he don't turn around and ... [**it is the opinion of your affiant that Michael Marcello hopes Nicholas Calabrese does not ultimately cooperate against James Marcello**].

James: Listen, you know, like I said...

Michael: 'Cause you know they're trying to push him [**Nicholas Calabrese**] to do it [**cooperate**]. No fucking doubt on that.

* * *

James: . . . . Three times (UI).

Michael: Huh?

James: Three times, the moulieri [**it is the opinion of your affiant that this is a reference to calls placed by Nicholas Calabrese to his wife through WSP personnel; Ambrose was on duty for all three of the night shifts during the May, 2003 detail when two of the calls were made.**]

Michael: (Nods his head affirmatively.) Seen the guy dial the number. [**I believe he is indicating Ambrose saw the WSP Inspector dial the phone call to Calabrese's wife.**]

DOJ_NMG_ 0172538

James: (Nods his head.)

Michael: Says I [believed to be **Ambrose**] had ta'. You know. They won't let him [**Nicholas Calabrese**] do it himself. They don't. You know what I mean?

32. As noted above on page 25, it is WSP protocol that individuals in WSP are not permitted to dial calls out themselves, but rather have to have the calls dialed for them.

James: (Nods his head affirmatively.) (UI) That, that stuff takes a long time. That ain't around the corner type of deal. . . .

Michael: . . . . There's so much shit... It's [**formal charges being filed**] two years down the road that... [**Ambrose during his interview said he told Individual A that the investigation was going to take a long time.**]

James: Yet?

Michael: (Nods his head affirmatively.)

James: Sure, I know it. Forget about it. And that ain't for sure [**whether formal charges will be filed is uncertain**].

Michael: (Shakes his head no.) Well, that's what they're saying.

James: (UI)

Michael: Oh, that kid [**Ambrose**] that dialed the telephone back ... That's how that came back. Remember he was (UI) was talking to him? Dialed the telephone for that...

James: Mmm hmm.

Michael: Talked to (UI).

James: (Nods his head affirmatively.)

Michael: They were talking while the guy was around there (makes a circular motion with his arm) (UI).

James: Uh huh.

Michael: (UI) And it was just a couple weeks ago.

DOJ_NMG_ 0172539

James: You're telling me about (touches his knee) this guy area [**believed to be reference to LaPietra and Bridgeport: Ambrose admitted that he recognized LaPietra's name when he reviewed the Calabrese files**], how many, this, that's... You're talking nine (UI). A lot involved in that stuff. You know what I mean?

Michael: The spot where he [**Nicholas Calabrese**] took 'em [**the government**], supposed to be five things [**it is the opinion of your affiant that this is a reference to five murders**]. Now, he's not... Maybe five things that happened there or five things are there. The way I got it, they are there. The way it sounds.

James: I don't know anything about any of that kind of stuff.

Michael: (UI) the spot.

* * * * *

James: Now, who's telling you this? This here stuff that you're hearing? This guy (puts his hands out in front of his stomach) [**believed to be Outfit Member A**]?

Michael: What? With this kid?

James: Yeah.

Michael: He went and seen the guy, ah, the guy the kid goes and sees?

James: Mmm hmm.

Michael: He went there himself. Yesterday.

James: Oh.

Michael: Now, I've met the guy, too. Okay. To... Together with him.

James: Mmm hmm.

Michael: See the guy we both know, knows this...

James: Okay, you don't have... I (UI).

DOJ_NMG_ 0172540

* * * *

James: (UI) What I'm trying to say, when I was asking if he goes and sees that girl. (UI) seeing that party (puts his hands in front of his stomach)[**reference to Outfit Member A**]. (UI)

Michael: Yeah.

James: (UI) You know what I mean?

Michael: (Nods his head affirmatively.)

James: (UI) You understand?

Michael: Try to do something for the guy [**Ambrose**] like this way (rubs his thumb and fingers together) [**meaning give Ambrose some money**]. You know.

James: Uh huh.

Michael: The guy said no [**meaning Ambrose did not want money**]. Just leave it like it is.

James: He says I know what you're asking about and he says . . . (shakes his head no).

Michael: Yeah, well he knows what we're interested in.

James: Mmm hmm.

Michael: You know. He says... You know. The name was on pieces of paper and stuff like that. They were ask... You know. Notes that they were asking him [**Nicholas Calabrese**] stuff. He said that in the beginning.

James: Uh huh.

Michael: You know. But other than that, he [**Ambrose**] ain't heard nothing. You know. Nothing else.

James: He [**Ambrose**] was there when they [**the government**] talked [**to Nicholas Calabrese**] and everything, right?

Michael: When they talked to him?

James: Yeah.

DOJ_NMG_ 0172541

Michael: Sometimes.

James: Yeah.

[End of June 12, 2003, conversation]

D. Ambrose's Fingerprints on WSP Documentation Relating to Nicholas Calabrese

33. On June 22, 2006, WSP personnel provided the FBI with the secured WSP Production File concerning Nicholas Calabrese. The FBI performed a latent fingerprint examination of the paperwork contained in this WSP file. Two latent fingerprints were developed on two of the original WSP documents, which were identified as the fingerprints of **Ambrose**. One of the documents was included in the WSP application records for admittance into the WSP program. The WSP application records contained sensitive information such as testimony to be provided by Nicholas Calabrese, and Ambrose's fingerprint was found on the last page which included the signature of the U.S. Attorney. **Ambrose** at the beginning of his first interview denied having read any files relating to Nicholas Calabrese. He later admitted to reviewing Calabrese's file.

E. Ambrose's Discrepancies During His Three Interviews

1. <u>September 6, 2006, Initial Interview</u>

34. **John Ambrose** during his initial September 6, 2006, interview by federal law enforcement officials at first denied ever reviewing any WSP files or documentation pertaining to Nicholas Calabrese. **Ambrose** later admitted that he, while on the second of his two WSP details involving Nicholas Calabrese, reviewed two WSP files relating to

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Nicholas Calabrese's cooperation and WSP status. **Ambrose** further admitted that he had two conversations with Individual A about the Calabrese details. After the first detail, **Ambrose** told Individual A that he was working a detail for a guy who was involved with the Mob. During this conversation, Individual A asked **Ambrose**, "Is there anything I should know about? Let me know." **Ambrose** understood this to mean that Individual A wanted to know if there was anything in the file about DiFronzo. **Ambrose** responded that he did not know.

35. **Ambrose** also told the interviewers that he was aware that Individual A knew DiFronzo,[18] and that Individual A and DiFronzo had been in prison together. **Ambrose** advised that he also disclosed information to Individual A after Calabrese's second visit to Chicago. During his first interview, **Ambrose** admitted that he disclosed information to Individual A about what they were doing with Calabrese during the second visit to Chicago. **Ambrose** repeatedly asserted that he "fucked up." **Ambrose** advised knowing that during this visit that Calabrese had been taken around the south side of Chicago by FBI Special Agents and Deputy United States Marshals. **Ambrose** said he gave Individual A this information in an effort to "pump himself up" and that he was being "boastful" to Individual A, whom he (**Ambrose**) looked up to.

36. **Ambrose** also explained that he thought that by providing this information he would ingratiate himself to DiFronzo and others to help his career. **Ambrose** advised that he had previously used his relationship with Individual A, knowing his (Individual A's) relationship with DiFronzo and others might prove helpful to **Ambrose** in locating

[18] **Ambrose** could not recall DiFronzo's first name.

DOJ_NMG_ 0172543

fugitives, and to one day capture Joseph Lombardo when he became a fugitive.[19] **Ambrose** stated that the only name **Ambrose** remembered from the WSP documents that he spoke about with Individual A was DiFronzo.

2. <u>September 6, 2006, Second Interview</u>

37. During a second interview conducted later that day by FBI agents **Ambrose** advised that he knew Individual A was associated with DiFronzo, but now denied that he (**Ambrose**) thought Individual A would pass along any of that information to DiFronzo or any other members of the Outfit. According to **Ambrose**, he (**Ambrose**) was simply bragging to Individual A, whom **Ambrose** said he considered a father figure, and that he (**Ambrose**) told Individual A after the first Calabrese detail that he **(Ambrose)** worked on a big, high profile organized crime guy in an organized crime case.

38. **Ambrose** also said he knew Individual A knew DiFronzo, and that both had been in prison together. **Ambrose** advised that when he told Individual A that he was on the first detail, Individual A asked something like, "Is there something I should know?" **Ambrose** responded "no." **Ambrose** said he did not expect Individual A to ask this question. **Ambrose** advised that he never reached out to Individual A to give him information about Calabrese's two separate productions; rather, according to **Ambrose** they just ran into one another.

39. In a departure from his initial interview, **Ambrose** now advised that he did not tell Individual A the information about the detail with the intention that Individual A would pass the information on to DiFronzo. **Ambrose** advised that he was just trying to boast about himself and make it look to Individual A like **Ambrose** was doing something

[19] **Ambrose** in fact never contacted the FBI to offer assistance in the capture of Lombardo once he (Lombardo) became a fugitive.

DOJ_NMG_ 0172544

important. **Ambrose** said that he also lied to Individual A, falsely claiming that he (**Ambrose**) personally drove "the guy" (Calabrese) around the city during the second detail. **Ambrose** further repeatedly denied ever providing Individual A with any names he saw in the file (other than the names of Outfit murder victims Anthony and Michael Spilotro). **Ambrose** stated that he never even gave Calabrese's name to Individual A, and that he did not recall seeing DiFronzo's name in the WSP files. **Ambrose** advised that Individual A asked if **Ambrose** saw DiFronzo's name, and that **Ambrose** either responded "no" or "you know I can't tell you." As set forth below, **Ambrose** during his subsequent interview changed his story as it relates to DiFronzo.

40. **Ambrose** said the only names he mentioned to Individual A were those of Michael and Anthony Spilotro. **Ambrose** said that he told Individual A there were a "bunch" of murders listed in the file; **Ambrose**, however, denied giving Individual A a specific number of murders. **Ambrose** also denied mentioning anything to Individual A about phone calls that had been placed to Calabrese's wife during the second detail.

3. September 11, 2006, Interview

41. On September 11, 2006, **Ambrose** (with his attorney present) was again interviewed by FBI agents and two Assistant U.S. Attorneys. During this interview, **Ambrose** acknowledged telling the interviewing agents during one of his prior interviews that Individual A (after learning about the first Calabrese detail) asked **Ambrose** if there was anything Individual A should know. Now, however, **Ambrose** maintained that Individual A did not ask **Ambrose** this question. **Ambrose** when pressed on the issue admitted that he could not explain how it was that James and Michael Marcello were recorded discussing information pertaining to Nicholas Calabrese, including a specific number of murders Nicholas Calabrese was providing law enforcement detailed

DOJ_NMG_ 0172545

information on; specific names that were listed in the WSP file; and how many phone calls Nicholas Calabrese placed to his wife during the second detail.

42. **Ambrose** said he was under the impression that the WSP file contained transcripts or summaries of Nicholas Calabrese's grand jury testimony or a proffered statement (he was mistaken about this). **Ambrose** could not explain how it was possible for James and Michael Marcello to be under this same mistaken impression that Nicholas Calabrese had testified in the grand jury. **Ambrose** likewise was unable to explain why crucial parts of his story concerning the nature of his conversations with Individual A had changed.

F. Phone Records Indicate Ambrose Called Individual A Shortly After Second Nicholas Calabrese WSP Production

43. FBI agents obtained the Nextel records for the cellular telephone number (312) 446-1603, the U.S. Marshal's Service cellular telephone used by **Ambrose**. On May 23, 2003 – the last day of the second Calabrese detail – there was a fourteen minute outgoing call from **Ambrose's** cellular telephone to the work telephone number of Individual A. This call was made within hours of **Ambrose** completing his last night shift of this second detail. A review of the calls between **Ambrose's** cellular and home telephones and that of Individual A's cellular and work telephones revealed that there were no outgoing calls over three minutes during the time frame of December, 2002 through July, 2003. When interviewed, however, **Ambrose** asserted that he only gave the information relating to the second WSP detail to Individual A when he happened to see Individual A a few weeks later.

IV. CONCLUSION

44. Based on the foregoing your affiant submits that there is probable cause to believe that **Ambrose** knowingly stole, purloined, and converted to his own use, and to the use of another, a thing of value of the United States, in violation of 18 U.S.C. Section 641.

DOJ_NMG_ 0172546

Further Affiant sayeth not.

_____
ANITA STAMAT
Special Agent, Federal Bureau of Investigation

Subscribed and sworn to me
this 11th day of January, 2007

_____
Hon. MICHAEL T. MASON
Magistrate Judge

DOJ_NMG_ 0172547

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System Administrator

From:	System Administrator
Sent:	Thursday, January 11, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1066660 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 4:16 PM
To: USDOJ- Office of Public Affairs
Subject: LUIS POSADA CARRILES INDICTED ON CRIMINAL IMMIGRATION CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 11, 2007
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LUIS POSADA CARRILES INDICTED ON CRIMINAL IMMIGRATION CHARGES

WASHINGTON— A federal grand jury in the Western District of Texas has returned a seven-count indictment charging Luis Posada Carriles with one count of naturalization fraud and six counts of making false statements in a naturalization proceeding, the Department of Justice announced today.

The indictment alleges that Posada, 78, a native of Cuba, knowingly attempted to obtain naturalization as a U.S. citizen unlawfully by making false statements on his application for naturalization on or about Sept. 10, 2005. The indictment also alleges that he knowingly made false statements under oath during his naturalization interview with Department of Homeland Security (DHS) officials on April 25 and 26, 2006.

In his naturalization interview, Posada allegedly made several false statements regarding his March 2005 entry into the United States, including statements about the transportation routes and methods used, as well as individuals who accompanied him. For example, he stated that he traveled from Honduras through Belize and entered the United States over land near Matamoros, Mexico, and Brownsville, Texas, with the assistance of an unidentified alien smuggler. In fact, Posada entered the United States by sea aboard the motor vessel "Santrina" accompanied by four individuals, the indictment alleges.

Posada further stated in his naturalization interview that he had never had any type of documentation, passport or identification from the Republic of Guatemala, when, in fact, he had a fraudulent passport issued by that nation bearing his photograph in the name of "Manuel Enrique Castillo Lopez," the indictment alleges.

Posada is currently detained by DHS's U.S. Immigration and Customs Enforcement on administrative immigration violations. His initial court appearance in connection with the criminal charges is expected to take place early next week before a U.S. magistrate judge in the Western District of Texas.

If convicted, the defendant faces a maximum sentence of ten years imprisonment for the naturalization fraud count and five years imprisonment for each of the false statement counts.

This case was investigated by ICE. The prosecution is being handled by David B. Deitch and Paul Ahern, Trial Attorneys with the Justice Department's National Security Division.

DOJ_NMG_ 0172551

The federal investigation of Posada continues.

An indictment is merely a formal allegation that a defendant has committed a violation of federal criminal laws. Every defendant is presumed innocent unless and until proven guilty.

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07-011

DOJ_NMG_ 0172552

Image not available for this document, ID: 0.7.10316.11775-000001

Image not available for this document, ID: 0.7.10316.11775-000002

System Administrator

From: System Administrator
Sent: Thursday, January 11, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1066705 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: Peterson, Evan
Sent: Thursday, January 11, 2007 5:02 PM
To: USDOJ- Office of Public Affairs
Cc: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE COMMEMORATES NATIONAL AMBER ALERT AWARENESS DAY

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 11, 2007
WWW.OJP.USDOJ.GOV

Office of Justice Programs
Contact: Summer Larson
(202) 307-0703

DEPARTMENT OF JUSTICE COMMEMORATES NATIONAL AMBER ALERT AWARENESS DAY

Alert Honors the Life of Amber Hagerman

WASHINGTON – The U.S. Department of Justice commemorated the 11-year anniversary of the AMBER Alert program today by outlining the tremendous success of the initiative that has saved the lives of hundreds of children nationwide.

The PROTECT Act, which President Bush signed into law in April 2003, statutorily established the national AMBER Alert Coordinator role. Since that time, AMBER Alert has made remarkable progress:

- All 50 states now have statewide AMBER Alert plans, creating a network of plans nationwide to aid in the recovery of abducted children.
- Tribal nations are working to develop their own plans tailored to their specific needs so that children in Indian country may benefit from AMBER Alert.
- Ninety percent of the 308 AMBER Alert recoveries have occurred since AMBER Alert became a nationally coordinated effort in 2002.
- In May 2005, the Office of Justice Programs (OJP) announced along with other government officials and the wireless industry that wireless users can receive geographically-specified messages on their wireless devices through an AMBER Alert wireless messaging system.
- Anecdotal evidence demonstrates that perpetrators are well aware of the power of AMBER Alert, and in many cases have released an abducted child upon hearing the alert.

"In 11 years, we have seen a single, local program grow into a powerful national network" said Regina B. Schofield, Assistant Attorney General for the Office of Justice Programs, who also serves as the National AMBER Alert Coordinator. "Amber's tragedy sparked the creation of the AMBER Alert program, now one of

DOJ_NMG_ 0172556

the most effective tools employed to protect children."

On January 13, 1996, Amber Hagerman was abducted while riding her bicycle, and then brutally murdered. The AMBER (America's Missing: Broadcast Emergency Response) Alert network was created after her tragic death. AMBER Alerts are emergency messages broadcast when a law enforcement agency determines that a child has been abducted and is in imminent danger. The broadcasts include information about the child and abductor that could lead to the child's recovery, such as physical description and information about the abductor's vehicle. The AMBER Alert program began in 1996 when Dallas-Fort Worth broadcasters teamed up with local police to develop an early warning system to help find abducted children.

In October 2002, President Bush hosted the first-ever White House Conference on Missing, Exploited and Runaway Children. Following the 2002 White House Conference, the Attorney General appointed the Assistant Attorney General for the Office of Justice Programs to serve as the national AMBER Alert Coordinator and a national strategy was developed to create a seamless national network of alert systems.

The Office of Justice Programs provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

# # #

OJJDP07012

DOJ_NMG_ 0172557

Image not available for this document, ID: 0.7.10316.11703-000001

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 5:04 PM
To: USDOJ- Office of Public Affairs
Subject: Indictments in U.S. v. Luis Posada Carriles, U.S. v. Santiago Alvarez, and U.S. v. Osvaldo Mitat
Attachments: Posada Indictment 1.11.2007.pdf; Alvarez Indictment 1.11.2007.pdf; Mitat Indictment 1.11.2007.pdf

Attached please find the indictments in *U.S. v. Luis Posada Carriles*, *U.S. v. Santiago Alvarez*, and *U.S. v. Osvaldo Mitat*.

JUDGE DAVID BRIONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS

FILED
2007 JAN 11 PM 2:05
CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY
DEPUTY

UNITED STATES OF AMERICA)
)
v.) No. _____
)
SANTIAGO ALVAREZ,) 18 U.S.C. § 401(3)
)
Defendant.)
)

INDICTMENT

E P07CR0088

The Grand Jury charges that:

On or about January 11, 2007, at El Paso, in the Western District of Texas, the defendant,

SANTIAGO ALVAREZ,

knowingly and willfully, and in disobedience and resistance to a lawful order and command of the United States District Court of the Western District of Texas, given at El Paso, Texas, on or about January 11, 2007, in the matter of In re Grand Jury Proceedings,

Case No. EP-06-CR-1045DB, did fail to testify as ordered by the Court, in violation of Title 18, United States Code, Section 401(3).

A TRUE BILL

_____
FOREPERSON

MICHAEL J. MULLANEY
ACTING UNITED STATES ATTORNEY

DAVID B. DEITCH
JOHN VAN LONKHUYZEN
PAUL E. AHERN
TRIAL ATTORNEYS, NATIONAL SECURITY DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

JUDGE DAVID BRIONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS

FILED
2007 JAN 11 PM 2:05
WESTERN DISTRICT OF TEXAS
BY DEPUTY

UNITED STATES OF AMERICA)
)
v.) No. _____
)
OSVALDO MITAT,) 18 U.S.C. § 401(3)
)
Defendant.)

INDICTMENT

EP07CR0089

The Grand Jury charges that:

On or about January 11, 2007, at El Paso, in the Western District of Texas, the defendant,

OSVALDO MITAT,

knowingly and willfully, and in disobedience and resistance to a lawful order and command of the United States District Court of the Western District of Texas, given at El Paso, Texas, on or about January 11, 2007, in the matter of In re Grand Jury Proceedings,

Case No. EP-06-CR-1045DB, did fail to testify as ordered by the Court, in violation of Title 18, United States Code, Section 401(3).

A TRUE BILL

_____
FOREPERSON

MICHAEL J. MULLANEY
ACTING UNITED STATES ATTORNEY

DAVID B. DEITCH
JOHN VAN LONKHUYZEN
PAUL E. AHERN
TRIAL ATTORNEYS, NATIONAL SECURITY DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

JUDGE KATHLEEN CARDONE

FILED

2007 JAN 11 PM 2:07

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY DEPUTY

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA)
)
v.)
)
LUIS POSADA CARRILES)
)
Defendant.)

No. _____

18 U.S.C. § 1425(a)
18 U.S.C. § 1015(a)

INDICTMENT

E P07CR0087

COUNT ONE
(Naturalization Fraud, 18 U.S.C. § 1425(a))

The Grand Jury charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

knowingly attempted to procure and obtain for himself naturalization as a United States citizen, which was contrary to law, specifically, in violation of Title 18, United States Code, Section 1015(a), in that on or about September 10, 2005, he knowingly subscribed as true under penalty of perjury on his written "Application for Naturalization" (Form N-400), and then on or about April 25 and 26, 2006, he knowingly made under oath during his naturalization interview with, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services, certain false statements, to wit:

(a) During his naturalization interview, he stated that, in March 2005, he had traveled from Honduras through Belize, and entered the United States over land near Matamoros, Mexico, and Brownsville, Texas, with the assistance of an unidentified alien smuggler when, in fact, he entered the United States at that time by sea aboard the motor vessel "Santrina";

(b) During his naturalization interview, he stated that, in March 2005, while traveling in or through Mexico en route to the United States, he was never in Cancun or Isla Mujeres when, in fact, he traveled to Cancun and Isla Mujeres at that time;

(c) During his naturalization interview, he stated that, in March 2005, while traveling in or through Mexico en route to the United States, he never saw the motor vessel "Santrina" when in fact he boarded that vessel in Mexico at that time and traveled thereon to the United States;

(d) During his naturalization interview, he stated that, in March 2005, while traveling in or through Mexico en route to the United States, he never saw Santiago Alvarez, Osvaldo Mitat, Ruben Lopez-Castro or Jose Pujol when, in fact, all four of these individuals were with him aboard the motor vessel "Santrina" during his passage aboard that motor vessel from Mexico to the United States at that time;

(e) During his naturalization interview, he stated that he had never had any type of documentation, passport or identification from the Republic of Guatemala, when, in fact, he had a fraudulent passport issued by that nation bearing his photograph in the name of "Manuel Enrique Castillo Lopez";

(f) At Part 1 (Your Name) of the N-400, he stated that the only names he had used other than "Luis Clemente Posada Carriles" were "Ramon Medina" and "Franco Rodriguez" when, in fact, he obtained, possessed and used a fraudulent passport issued by the Republic of Guatemala bearing his photograph but in the name "Manuel Enrique Castillo Lopez."

All in violation of Title 18, United States Code, Section 1425(a).

COUNT TWO

(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that,

while under oath in connection with an Application of Naturalization (Form N-400), the defendant falsely stated to, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services that, in March 2005, he had traveled from Honduras through Belize, and entered the United States over land near Matamoros, Mexico, and Brownsville, Texas, with the assistance of an unidentified alien smuggler when, in fact, he entered the United States at that time by sea aboard the motor vessel "Santrina"

COUNT THREE
(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that, while under oath in connection with an Application of Naturalization (Form N-400), the defendant falsely stated to, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services that, in March 2005, while traveling in or through Mexico en route to the United States, he was never in Cancun or Isla Mujeres when, in fact, he traveled to Cancun and Isla Mujeres at that time.

COUNT FOUR
(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that, while under oath in connection with an Application of Naturalization (Form N-400), the defendant falsely stated to, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services that, in March 2005, while traveling in or through Mexico en route to the United States, he never saw the motor vessel "Santrina" when, in fact, he boarded that vessel in Mexico at that time and traveled thereon to the United States.

COUNT FIVE
(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that, while under oath in connection with an Application of Naturalization (Form N-400), the defendant falsely stated to, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services that, in March 2005, while

traveling in or through Mexico en route to the United States, he never saw Santiago Alvarez, Ruben Lopez-Castro or Jose Pujol when, in fact, all four of these individuals were with him aboard the motor vessel "Santrina" during his passage aboard that motor vessel from Mexico to the United States at that time.

COUNT SIX
(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about April 25 and 26, 2006, at El Paso, in the Western District of Texas, the defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that, while under oath in connection with an Application of Naturalization (Form N-400), the defendant falsely stated to, among others, an adjudications officer of the Department of Homeland Security, Bureau of Citizenship and Immigration Services that he had never had any type of documentation, passport or identification from the Republic of Guatemala, when, in fact, he had a fraudulent passport issued by that nation bearing his photograph in the name of "Manuel Enrique Castillo Lopez."

COUNT SEVEN
(False Statement in Naturalization Proceeding, 18 U.S.C. § 1015(a))

The Grand Jury further charges that:

On or about September 10, 2005, at El Paso, in the Western District of Texas, the

defendant,

LUIS POSADA CARRILES,

did unlawfully and knowingly make a false statement under oath in a case, proceeding and matter relating to, under, and by virtue of a law of the United States relating to naturalization, in that he knowingly subscribed as true under penalty of perjury on his written "Application for Naturalization" (Form N-400) in Part 1 (Your Name) the statement that the only names he had used other than "Luis Clemente Posada Carriles" were "Ramon Medina" and "Franco Rodriguez" when, in fact, he obtained, possessed and used a fraudulent passport issued by the Republic of Guatemala bearing his photograph but in the name "Manuel Enrique Castillo Lopez."

A TRUE BILL

_____
FOREPERSON

MICHAEL J. MULLANEY
ACTING UNITED STATES ATTORNEY

DAVID B. DEITCH
JOHN VAN LONKHUYZEN
PAUL E. AHERN
TRIAL ATTORNEYS, NATIONAL SECURITY DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 11, 2007 6:24 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. ATTORNEYS' NATIONAL SECURITY CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 11, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. ATTORNEYS' NATIONAL SECURITY CONFERENCE

COLUMBIA, SOUTH CAROLINA

Good afternoon; I always look forward to these gatherings with my U.S. Attorneys. The President nominated you because of your courage, your leadership and your commitment to the rule of law and securing our neighborhoods. I am proud of you…I am proud of the work you and those in your office do for the American people.

Today's gathering is particularly important because I must speak bluntly and urgently, about the single most important part of our jobs: preventing terrorist attacks on American soil.

Our success or failure in this endeavor will define in the eyes of some President Bush and his legacy. Right or wrong, this is a task that will also define my government career and, indeed, to some degree my professional life. It will be the legacy of every one of us who is serving in this Administration. Terrorists chose to attack us. But it is we who must now choose – today, tomorrow, the day after that and the day after that, until the end of our government service – to do everything in our powers to stop them from striking again.

Near the end of that terrible day that changed everything – September 11th, 2001 – as most of you know, I was at the White House, waiting for the return of Marine One. I stood outside the Oval Office with former Counselor to the President Karen Hughes, ready to meet the President as he arrived from Florida to begin the work of defending America.

I remember it so clearly – the President was purposeful when he arrived. His face was serious as he approached me and Karen. As he met us and then entered the White House he didn't say a word – he just nodded his head slightly as we greeted him. We followed him into the Oval Office – which was being set up for his address to the nation later that evening – and then into his private dining room.

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There, the three of us sat down with Condi Rice, Andy Card and Ari Fleischer, rolled up our sleeves and we started to work.

At home, later – and for days to come – I would have to reassure my young sons that terrorists were not trying to kill me. They were traumatized by the events, as were children and adults alike, all over this brave nation.

Because I worked at the White House on 9/11, I carry the memories and the pain of that day in a wound that is particularly deep—one that is very personal. Some of you were not in government on 9/11, and some are from parts of the country where people do not think much today about terrorism. I appreciate that some may not share the same sense of sadness and anger. But I must ask you to take on the perspective that President Bush and I had on September 11th and the days following— the brutal unprovoked murders of mothers and fathers—sons and daughters…the phone calls of desperate good byes…symbols of American wealth and power in flames and ruins.

Five years have passed. I concede it may be difficult for some to stay committed to this mission— maintaining the necessary intensity and commitment—without that perspective. I brought you here to remind you to stay focused on the task of protecting the people we serve. We have asked for two days of your valuable time because it is that important.

You have received briefings about the threat – you've been told, and more importantly you know that our enemy is still there.

Ironically, because we have taken away their home base in Afghanistan, reorganized our government to better collect and share information, received new tools through legislation like the Patriot Act, because of our very successes the nature of the enemy has evolved. In some ways the new form – the threat of homegrown radicals, for example – is more challenging. Our enemy is smart, they change tactics in response to what we do. It is not enough for us to simply change in response, we must anticipate how our enemy is going to adapt.

In spite of the ever-evolving nature of the threat, we are staying one step ahead so far. We are doing what is necessary to make America safer.

But in doing so we must bear in mind that history will also record how well we protect civil liberties as we pursue justice for would-be terrorists.

As U.S. Attorneys, upholding civil liberties is utterly central to your work. As leaders in your communities, talking about how we as a government achieve the balance between individual rights and national security is a matter of civic responsibility.

You also have a duty to show your colleagues and your districts that we are not engaged in a struggle against a faith or religion. On the contrary, we very much need the partnership of the Muslim community. Discouraging radicalism is vital, and that cannot be done effectively without Muslim community leadership. So seek it out in your districts. We believe in religious freedom for everyone. The Department of Justice is committed to protect these rights, and in doing so, I think we promote trust and provide an alternative way to that of radicalization.

I want to emphasize, today, one area in particular that U.S. Attorneys are doing very well in, but that requires real perseverance, ongoing dedication and an element of creativity – and that's the work you are doing to combat those crimes that can fuel terrorism.

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We don't tend to get much credit for our work in this area of prevention, and some may not want to acknowledge the link between terrorism and the other crimes we investigate and prosecute, but our vigilance makes our country safer.

Early in 2006, you all reported implementation of at least one anti-terrorism initiative that focuses on one or more of these key areas: combating identification and immigration fraud; protecting critical infrastructure; and policing financial systems.

I appreciate your implementation of these programs because they are important to our prevention efforts by disrupting the ability of terrorists to live, travel and work freely among us.

As I know has been discussed, each U.S. Attorney's Office proposed, on average, four initiatives. Twenty of you proposed six or more. And when there initiatives are implemented, America will be safer.

I hope that each of you still has Paul McNulty's memo from last February tacked on your office wall – the memo that outlined these areas of crime that enable would-be terrorists.

And this year I hope that you reference that memo every week to see if you can be doing even more. We know that terrorists are anxious to exploit weaknesses in identification, immigration and financial systems to facilitate potential attacks. Indeed, many individuals with clear ties to terrorism have been prosecuted for crimes in these categories. Our most compelling example, of course, is that seven of the 9/11 hijackers possessed fraudulent Virginia identification cards.

Each time you undertake a different initiative and strengthen the systems in your districts, you make it harder for the next terrorist to succeed. These are areas where U.S. Attorneys can be pro-active in preventing attacks, truly making the difference between life and death.

We are also taking steps toward strengthening our ability to identify, collect, analyze, and disseminate foreign intelligence to the widest possible extent – which is why Paul directed additional foreign intelligence training for USAOs; Main Justice litigating divisions; and federal, state, and local law enforcement agencies.

For us, in the law-enforcement community, every day must be September 12th.

We cannot reasonably expect, however, every day to feel like September 12th for the general population. And in many ways, their feeling of safety and comfort is a testament to our hard work.

Ironically, it can also contribute to criticism of our work.

Those who don't read a daily threat assessment, for example, may feel that the Department moved too quickly to arrest Shahawar Matin Siraj – who was sentenced this week to 30 years in prison for his role in conspiring to plant explosive devices at the 34th Street subway station in Manhattan in August 2004.

Those who have been lulled – which naturally happens – into a feeling of security over the past five years may wonder whether the Department's daily perseverance is too close to the lines that protect civil liberties – the very freedoms that our nation is rightly based upon, the freedoms you and I in fact protect every day as part of our jobs and part of the oath of office we take.

Some don't always understand our commitment to prevention. They don't approach every day like it's September 12th. But do not be discouraged. Continue doing your job, exercise your best judgment and bring the cases that should be brought.

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If your case is just, you will be supported by me, by the President, and most importantly by the American people, in forging ahead.

Investigators and prosecutors at all levels of government have never worked so closely together to remove a threat from America's neighborhoods, initially through JTTFs and U.S. Attorney-led ATACs. Now we have the added benefit of having our day-to-day efforts coordinated by the newly-created National Security Division. I appreciate how quickly U.S. Attorneys' offices have embraced and supported the NSD.

During a time when resources are extremely tight in your offices, your willingness to contribute to this critical effort has never been a question. I know that you are doing more with less, and we appreciate your dedication more than you could know.

There is much work to be done. As our President has said, "There's no bigger task than protecting the homeland of our country."

It is a mammoth task. I know that it can feel all-encompassing – especially when you and your colleagues must also continue to fight the scourge of drugs, gangs and crimes against children in your districts.

Be re-fueled by your family, your loved ones, and the daily gift of freedom that we enjoy in this country. And come to work every morning with a pledge to stop the killers before they strike.

Stop them before they assemble the bomb. Stop them before they release deadly bio-toxins into our air or water. Stop them before they bring down another airplane filled with American citizens.

Dig deeply for the energy and the creativity that we need to continue this successful record of prevention – which is the goal of all goals when it comes to terrorism because we simply cannot and will not wait for the next terrorist act to occur before taking action.
Continue to arm yourselves with the American ideals of hope and freedom – because they are so much stronger than terrorist ideals of fear and intolerance.
Remind yourselves and your colleagues back in your offices – that for the sake of our children, we will prevail because we must.
I'd like to close with one of my favorite quotes – words from President Theodore Roosevelt that I think each of you embodies:

"The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly … who, at the best, knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least fails while daring greatly … "

Ladies and gentlemen, valued public servants, warriors in this battle– you are in the arena, and you have my deepest respect. I know you will continue to "dare greatly" in 2007.

May God bless you, your families and your work – and may he continue to bless the Unites States of America.

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Image not available for this document, ID: 0.7.10316.11717-000002

System Administrator

From:	System Administrator
Sent:	Thursday, January 11, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1068218 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

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Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, January 12, 2007 9:45 AM
Subject: DOJ Dr. Martin Luther King, Jr. Commemorative Program

DOJ Dr. Martin Luther King, Jr. Commemorative Program

The Department will present its commemorative program in observance of the life and legacy of the late **Dr. Martin Luther King, Jr.** at **10:00 a.m.**, **Thursday, January 18, 2007,** in the Great Hall of the Robert F. Kennedy (MAIN Justice Building). Featured speakers include Paul J. McNulty, Deputy Attorney General, and Wan J. Kim, Assistant Attorney General, Civil Rights Division. The keynote speaker will be Michael Battle, Director, Executive Office for United States Attorneys.

All employees in the Washington Metropolitan Area are invited to participate in the program. In view of the special significance of this program, we ask supervisors and managers to inform their employees of this event and to grant them reasonable official time to participate.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Friday, January 12, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1071518 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 9:54 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 12, 2007

Department of Justice

PRESS GUIDANCE
Friday, January 12, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

The Civil Rights Division will issue two releases on criminal matters. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Charles Miller

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172580

Image not available for this document, ID: 0.7.10316.11654-000001

Image not available for this document, ID: 0.7.10316.11654-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 9:59 AM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER PLEADS GUILTY TO SEX TRAFFICKING A JUVENILE GIRL

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

ANOTHER PLEADS GUILTY TO SEX TRAFFICKING A JUVENILE GIRL

WASHINGTON - The Department of Justice announced that Raul Santillan-Leon, of Memphis, Tenn., pleaded guilty late yesterday to one count of commercial sex trafficking of a minor, relating to his role in a Memphis trafficking ring. At his plea hearing, Santillan-Leon admitted to operating a brothel and knowingly employing a juvenile to engage in prostitution. Santillan-Leon faces a sentence of up to forty years in prison.

With this plea, a total of nine defendants have pleaded guilty to sex trafficking and commercial sex charges in connection with brothels operated as part of this Memphis trafficking ring. Three other defendants remain under indictment in the same case for crimes including child sex trafficking, conspiracy to harbor illegal aliens, conspiracy to commit money laundering, enticing an individual to travel in interstate commerce to commit prostitution, and failure to file a factual statement about an alien.

All persons charged with crimes are considered innocent until proven guilty beyond a reasonable doubt.

Human trafficking prosecutions are a top priority of the Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

Assistant U.S. Attorney Steve Parker of the U.S. Attorney's Office for the Western District of Tennessee and Trial Attorney Jonathan Skrmetti from the Civil Rights Division of the Department of Justice are prosecuting the case. The investigation in this matter is being conducted by FBI Agents in Memphis and Nashville, ICE Agents in Memphis and Nashville, the Memphis Police Department and the Nashville Metropolitan Police Department. World Relief, Catholic Charities, the Salvation Army and the YWCA have assisted the victims and witnesses in this matter.

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07-012

DOJ_NMG_ 0172583

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Image not available for this document, ID: 0.7.10316.11524-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 9:59 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE TO COMMEMORATE NATIONAL STALKING AWARENESS MONTH

Department of Justice

Office of Justice Programs

FOR PLANNING PURPOSES ONLY — Office of Justice Programs
FRIDAY, JANUARY 12, 2007 — Contact: Joan LaRocca
WWW.OJP.USDOJ.GOV — 202-307-0703

********MEDIA ADVISORY********

DEPARTMENT OF JUSTICE TO COMMEMORATE NATIONAL STALKING AWARENESS MONTH

WASHINGTON – In recognition of the fourth annual commemoration of National Stalking Awareness Month, Assistant Attorney General Regina B. Schofield; Mary Beth Buchanan, Acting Director of the Office on Violence Against Women; and Mary Lou Leary, Executive Director of the National Center for Victims of Crime, will host a program dedicated to educating the public, law enforcement agencies and social service organizations about the crime of stalking on **TUESDAY, JANUARY 16, 2007 at 12:00 P.M. EST**.

WHO: Regina B. Schofield**,** Assistant Attorney General, Office of Justice Programs
Mary Beth Buchanan, Acting Director, Office on Violence Against Women
Mary Lou Leary, Executive Director, National Center for Victims of Crime
Sherri Peak, Victim Advocate; Seattle, Washington
Debra D. McGuire, Detective, Kirkland Police Department; Kirkland, Washington

WHAT: National Stalking Awareness Month Event
Technological Advances Increase Stalkers' Reach

WHEN: **TUESDAY, JANUARY 16, 2007**
12:00 P.M. EST

WHERE: National Press Club –Holeman Lounge
529 14th Street, N.W.
Washington, D.C.

NOTE: ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license)

DOJ_NMG_ 0172586

as well as VALID MEDIA CREDENTIALS. Cameras must be pre-set by **11:30 A.M. EST.** All press inquiries regarding logistics should be directed to Joan LaRocca at (202) 307-0703. Additional information can be found at www.ojp.usdoj.gov.

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OAAG07013

DOJ_NMG_ 0172587

Image not available for this document, ID: 0.7.10316.11514-000001

From: Miller, Charles S
Sent: Friday, January 12, 2007 12:07 PM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Cc: Talamona, Gina
Subject: 1/12/07 Civil Division News

Cuban exile militant, two allies are indicted; Cuban exile militant Luis Posada Carriles and two supporters were indicted in Texas, ensuring that Posada will remain in detention for the foreseeable future

Australian foreign minister: speedy hearing expected for Hicks

Puerto Rican officials ask U.S. judges to force FBI to release raid documents

Judge allows lawsuit against FBI to proceed

High Court Plows Barrier Generics Encounter Challenging Patents

Change to currency requested

Government Turns Over Copy of U.S. Social Security Agreement With Mexico

Fire lawsuit settlement costs $400,000

Navajo Utah Commission tries to help radiation victims

Miami Herald

Jan. 12, 2007

Cuban exile militant, two allies are indicted; Cuban exile militant Luis Posada Carriles and two supporters were indicted in Texas, ensuring that Posada will remain in detention for the foreseeable future.

BY ALFONSO CHARDY, JAY WEAVER AND OSCAR CORRAL

Legendary Cuban exile militant Luis Posada Carriles was charged criminally for the first time in the United States on Thursday, when a federal grand jury in Texas accused him of lying about how he sneaked into the country in 2005.

Also charged Thursday were Posada's chief exile benefactor, Santiago Alvarez, and another supporter -- Osvaldo Mitat -- after they refused to testify before the same grand jury. Both are now serving prison sentences on a weapons case that surfaced just months after Posada was detained in Miami-Dade County.

Posada has long maintained that he came into the United States by crossing the Mexican border with the assistance of a migrant smuggler, not by sea as prosecutors now allege.

The prosecution of the 78-year-old former CIA operative, a hero to some in Miami's exile community and a terrorist to others, likely ensures that he will not be released anytime soon. Posada's freedom loomed closer after a federal judge in El Paso set a Feb. 1 deadline for the U.S. government to justify the militant's continued custody by immigration authorities.

"This is an act of desperation on the part of the U.S. government to maintain Luis detained," said Eduardo Soto, Posada's immigration lawyer. ``My client has always represented to me that he entered via the border by land. . . . I stand by what my client has always represented to me."

Soto said he planned to ask that Posada be freed on bond.

By charging Posada with defrauding the government, the Justice Department signaled its willingness to target a man who has been in investigators' cross hairs since 1997, when he was first suspected of masterminding a series of tourist site bombings in Cuba. A grand jury in New Jersey is looking at evidence gathered anew by the FBI, which is focusing on money wire transfers and a reporter's tape in which Posada allegedly confesses to plotting the bombings.

Thursday's indictment is built on a statement given to the FBI by an informant who said that Posada entered the country on a shrimping boat called Santrina manned by Alvarez, Mitat and others, including the informant himself: Gilberto Abascal. He said the crew on the Santrina picked up Posada on the Mexican island of Isla Mujeres and transported him to the United States.

Abascal did not testify before the El Paso grand jury, but his FBI statement was presented to the jurors. Abascal declined to comment on the indictment, citing "an order of silence from the judge," but insisted that he told the truth to investigators.

"I have always told the truth and have not lied about anything," Abascal said by telephone. ``Even if they insult me or kill me, I'll continue telling the truth."

Abascal added that he was "waiting for the day" to testify. "If they call me, I'll go, but they haven't called me," he said.

Except for Abascal, all the men linked to the Santrina voyage have been indicted on contempt of court charges, including Alvarez and Mitat, who appeared before the grand jury Thursday. Their attorneys declined to comment.

The Santrina captain, José "Pepín" Pujol, told The Miami Herald Thursday: ``If they indicted him, they must know what they are doing."

He declined to say what he told the grand jury, but added: ``We answered honestly and truthfully the questions that were asked of us. But in many questions, we pleaded the Fifth . . . Time will tell how this country treats its allies."

The five men on the boat, including Abascal, first told The Miami Herald in December 2005 that they did not bring Posada aboard the boat to the United States. Some said they made the trip to Isla Mujeres to test the boat, which had been refurbished.

But Abascal later changed his story, noting in April 2006 that Posada indeed had been aboard the Santrina.

The first count charges Posada with fraud, alleging he lied in September 2005 on his citizenship application and in April 2006 during his naturalization interview.

He is also charged with six additional counts of making false statements about his entry into the United Sates. Among Posada's alleged lies: He traveled from Honduras to Belize and entered the United States near Brownsville, Texas, with the assistance of "an unidentified alien smuggler," and he never saw the Santrina or its crew while traveling from Mexico to the United States.

The indictment also alleges that Posada lied when he asserted that he never had any type of Guatemalan papers when he possessed a forged passport in the name of Manuel Enrique Castillo López.

Posada lived in Guatemala and was severely wounded in an assassination attempt there in 1990. He later traveled through Guatemala, El Salvador, Honduras and Panama.

While traveling between Guatemala and El Salvador, Posada was suspected of securing money from New Jersey supporters, as well as explosive materials and recruits, to conduct the bombing campaign in Cuba, according to an FBI agent's affidavit.

One of the bombs killed an Italian tourist while sitting at a hotel lobby in Havana.

In taped interviews, Posada later told writer Ann Louise Bardach, then under contract with The New York Times, that he was responsible for the attacks. But in testimony in immigration court last year Posada recanted, saying his English was poor and he did not express himself accurately.

The New Jersey grand jury has issued a subpoena for Bardach's tape, which she is fighting.

Posada's travels took him to Panama, where he was convicted in April 2004 with three others in connection with an alleged plot to kill Fidel Castro. The men were pardoned four months later. Posada went to Honduras and turned up in Miami in 2005.

Posada has been in the custody of U.S. Immigration and Customs Enforcement since he was detained in Miami-Dade on May 17, 2005. He had been held at an immigration facility in El Paso from which he was removed Thursday. His lawyer said Posada likely was transferred to a federal detention center in Texas.

DOJ_NMG_ 0172590

Posada is also wanted in Venezuela for his alleged role in the bombing of a Cuban airliner in 1976 that killed 73 people. Venezuela asked for his extradition. The U.S. government has not acted on that request.

END

AP

January 12, 2007

Australian foreign minister: speedy hearing expected for Hicks

By JACOB ADELMAN

Associated Press Writer

LOS ANGELES_The Australian government wants hearings to begin without delay against one of its citizens who has spent five years in U.S. custody at Guantanamo Bay, Foreign Minister Alexander Downer said Thursday.

Downer added his government was aware of the seriousness of the crimes leveled at suspected Taliban fighter David Hicks.

"I reckon charges of attempted murder and conspiracy to commit war crimes are kind of serious," Downer said in response to a reporter's question at a seminar on Asia-Pacific relations. "It's not being charged with a speeding offense, doing 60 miles an hour through a 50 mile-an-hour zone or something."

Hicks, a former kangaroo skinner from southern Australia, was captured in Afghanistan by the Northern Alliance during the U.S.-led invasion in December 2001 and transferred a month later to the Guantanamo Bay naval base in Cuba, where he is still awaiting trial.

The 31-year-old father of two was originally charged with attempted murder, conspiracy to commit war crimes and aiding the enemy, and was selected to face a U.S. military tribunal. His case was thrown into limbo when the U.S. Supreme Court in June declared the tribunals illegal.

Bipartisan pressure has been mounting in Australia for Prime Minister John Howard's conservative government to press U.S. officials for an immediate trial for Hicks or allow him to return home.

Downer said he expects the U.S. government will finish overhauling its military commission system within the next two weeks.

"It's our expectation that the charges will be laid very soon," he said. "It's an issue we raise with the President and Secretary of State and the Attorney General and the Secretary of Defense and so on. And we raise it on many occasions."

Downer said Howard discussed Hicks' detention with President Bush on Wednesday, the same day the Australian prime minister affirmed his country's support for the president's reworked war effort in Iraq.

Australia maintains about 1,300 troops in and around Iraq, mostly guarding its own diplomats and helping train Iraqi forces in two relatively peaceful southern provinces.

Downer said the Australian government has no plans to increase troop levels in Iraq. Prime Minister Howard had previously said an increase was unlikely, but refused to rule one out.

END

AP

January 12, 2007

Puerto Rican officials ask U.S. judges to force FBI to release raid documents

By YAISHA VARGAS

Associated Press Writer

SAN JUAN, Puerto Rico_Puerto Rico's Justice Department asked a U.S. appeals court on Thursday to force the FBI to release information about its two raids against militant independence advocates in the U.S. Caribbean territory.

Puerto Rico's solicitor general, Salvador Antonetti Stutts, said the three-judge panel in Boston should order the release of all documents requested about the September 2005 shooting death of militant independence leader Filiberto Ojeda Rios and a February 2006 raid against independence activists in suburban San Juan.

Puerto Rico's Justice Secretary Roberto Sanchez Ramos alleged that bureau officials have stonewalled his investigations into the raids and he has asked Congress to pressure the agency to cooperate. He said the FBI has refused to disclose the identities of the agents who participated.

In September, U.S. District Court Judge Jose Fuste ruled against the territory's Justice Department, saying the FBI did not have to share information it deemed sensitive.

A U.S. Justice Department investigation concluded that agents were justified in shooting to death Ojeda Rios after he initially opened fire during an attempt to arrest the activist at his home in the island's west, the department's Office of the Inspector General said in an August 2006 report.

Witnesses and his widow allege that the FBI shot Ojeda Rios and let him bleed to death.

During a February raid targeting independence militants just outside the island's capital, agents used pepper spray on reporters and protesters.

The information on the raids could be shared under a confidentiality order if the agency was concerned about public disclosure, Antonetti said. If that was not possible, the panel must send the case back to Puerto Rico's district court, which should force the FBI to say why the information could not be released, he said.

"The commonwealth strongly believes that these are the only courses of action which can serve to adequately protect the commonwealth's interests," Antonetti wrote in his brief.

The FBI and the U.S. Justice Department's civil division in Washington declined to comment on the case.

END

The Examiner

January 12, 2007

Judge allows lawsuit against FBI to proceed

Luke Broadwater, The Examiner

BALTIMORE - A federal judge has ruled that a woman’s lawsuit against the FBI, claiming an agent mistakenly shot her boyfriend, can proceed.

U.S. District Court Judge J. Frederick Motz said a trial court should decide whether FBI Special Agent Christopher Braga acted recklessly.

Motz’s decision is signed Dec. 29 and was publicly posted on the U.S. District Court Web site on Jan. 5.

At issue are events that occurred in Anne Arundel County in 2002, when FBI agents pulled over Kristen Harkum and Joseph Schultz, mistakenly believing that Shultz was a bank robber.

Braga shot Schultz, who had to undergo surgery to repair damage to his head, face and mouth, according to court records.

Braga said he believed Schultz was reaching for a weapon, but Schultz said he simply reached to unlock his door.

In an earlier related suit about the incident, a U.S. District Court judge ruled in favor of the government when Harkum claimed a violation of her constitutional rights.

In the current suit, which was filed under the Federal Tort Claims Act, Harkum is claiming the stress of the incident traumatized her, making it impossible for her to study and work.

END

FDA Week

January 12, 2007

High Court Plows Barrier Generics Encounter Challenging Patents

A U.S . Supreme Court decision Tuesday (Jan. 9) could have broader implications that may boost generic drug companies' ability to challenge brand-name drug patents by seeking declaratory judgment.

When a generic firm challenges a brand drug's patent to seek market entry before the patent expires, the brand company will either sue the generic or do nothing and the generic firm is forced to seek "declaratory judgment" from federal courts before it can be sure it won't be sued for damages once it puts its low-cost copy on the market. Federal Circuit courts adhere to a strict test that generic drug firms have "reasonable apprehension" they will be sued for damages by a brand-name drug company before bringing a declaratory judgment claim. The test has proven difficult for generics to meet.

The Supreme Court's 8-to-1 decision in MedImmune Inc. v. Genentech Inc. could make the Federal Circuit revisit its test, according to Brian Kacedon with the intellectual property law firm Finnegan, Henderson, Farabow, Garrett & Dunner. Kacedon and the D.C. firm where he works filed an amicus brief in the case for the Licensing Executive Society, which is an organization of intellectual property executives.

The Generic Pharmaceutical Association (GPhA) was more than pleased with the potential implications of the decision.

"By striking down the Federal Circuit's 'reasonable apprehension' test, the Supreme Court has ruled in favor of American consumers by making it harder for brand companies to delay generics from coming to market," GPhA President Kathleen Jaeger said.

In addition, the decision certainly will have an effect on current and future patent license agreements, patent attorneys said. Kacedon and Michael Fink, a long-time patent lawyer with Greenblum and Bernstein in Reston, VA, said the ruling will cause patent owners to include a provision in the patent license agreement that renders it invalid if a patent is challenged.

In MedImmune Inc. v. Genentech Inc., the high court overturned the traditional thinking that a company has to discontinue paying royalties agreed upon in a license agreement before it challenges the validity of a patent. Companies with license agreements to sell patented products are deterred from forgoing royalties because then the patent holders could sue them for treble damages, which are three times the amount of actual damages.

In this case, the Supreme Court allowed MedImmune to seek declaratory judgment on the validity of a patent held by Genentech despite continuing to pay royalties on a 1997 patent license agreement with MedImmune. When MedImmune began marketing Synagis, a drug used to prevent a respiratory disease in high-risk babies and children, Genentech told MedImmune it expected royalties because the patent under the license agreement applied to Synagis, according to the Supreme Court decision by Justice Antonin Scalia.

MedImmune disagreed and sought declaratory judgment while continuing to pay royalties claiming the patent in question was invalid and did not apply to Synagis. The District Court and the Federal Circuit Court ruled a reasonable apprehension of recourse did not exist and dismissed the case.

Synagis consists of 80 percent of MedImmune's revenue and could potentially be pulled from the market if MedImmune stopped paying royalties and Genentech sought an injunction along with treble damages. Scalia wrote that a company should not have "to bet the farm" seeking declaratory judgment in a patent challenge.

Justice Clarence Thomas was the lone dissenter. Thomas maintained the Supreme Court has consistently determined "parties do not have standing to obtain rulings on matters that remain hypothetical or conjectural."

END

The Daily Beacon (U. of Tenn.)

January 12, 2007

Change to currency requested

Staff Writer

Otis Stephens, a 70-year-old University of Tennessee law professor, is blind.

Everyday tasks are often obstacles for Stephens, and surprisingly, the U.S. Treasury Department is one of his biggest barriers.

For more than four years, Stephens, representing the American Council for the Blind, has been the primary plaintiff on a case aimed at making United States currency readily distinguishable for the blind. And in December, Stephens scored a major victory when a judge from the U.S. district courts ruled that our current dollars violate section 504 of the Rehabilitation Act of 1973. The act is a national law that "protects qualified individuals from discrimination based on their disability," according to the U.S. Department of Health and Human Services.

"We've been negotiating with the Treasury since the late 1970s, but in recent years it's become apparent that we're not getting anywhere," Stephens said. "We didn't want to file a lawsuit, but it became necessary to get results."

Stephens said that though he has occasionally been cheated, the reason he's pushing for the change is to increase independence for the blind.

"When I get money, I ask what the bill is and then I fold each bill a certain way. Most people are reliable and trustworthy, but you don't want to have to rely on someone for every transaction you make. There are battery-powered money identifiers, but they're expensive and not everyone can afford one."

Stephens said he would like the Treasury to vary the size of the bills, like the European Union currently does, or add laminated strips to differentiate the bills.

However, Stephens said that because the one-dollar bill is used so often and has such a short life, it wouldn't need to be changed.

The Treasury has argued against a change because of costs, interference with counterfeiting protections and international recognition of U.S. currency as the dominant medium of exchange.

U.S. District Court Judge James Robertson said the last two arguments were "unsupported" and "utterly absurd." Robertson noted the potential cost — $178 for the initial printing and between $37 and $50 for each new printing plate — but didn't feel it was enough to support shortchanging the visually impaired.

Stephens said the Treasury filed an appeal with the U.S. Appellate court in mid-December, but it would be months or even years before any possible changes were made.

"I've been around court decisions long enough to know it's hazardous to predict the outcome of a lawsuit," he said. "This could eventually get to the Supreme Court, but it's highly unlikely. Right now we're focusing on making our argument to the Appellate court and hoping for the best."

END

Southwest News-Herald (Chicago)

January 11, 2007

Government Turns Over Copy of U.S. Social Security Agreement With Mexico

Alexandria, VA — After repeated refusals over more than three years, the Social Security Administration has released the first known public copy of a highly controversial Social Security Totalization Agreement with Mexico. The government made the disclosure in response to a lawsuit filed under the Freedom of Information Act by TREA Senior Citizens League, a 1.2 million-member nonpartisan seniors advocacy group.

The Totalization Agreement, which has been pending since June of 2004, could allow millions of Mexican workers, and dependents on their accounts, to become entitled to Social Security benefits that include credits for earnings received while working illegally. "The Social Security Administration itself warns that Social Security is within decades of bankruptcy - yet, they seem to have no problem making agreements that hasten its demise," said Ralph McCutchen, Chairman of the TREA Senior Citizens League. "This agreement would reward persons who have broken our laws by working here illegally."

The U.S. currently has 21 Social Security Totalization Agreements in effect with other nations. The agreements allow workers who split their careers working in two countries to avoid double taxation on the same work. In addition, workers are allowed to combine or "total" earnings from both countries in order to qualify for Social Security benefits under one or both systems. The agreement with Mexico is different, however, because no other totalization agreement is with a country where so many of its citizens are living and working in our country illegally.

Although recent law changes ban the payment of Social Security benefits to illegal immigrants, a loop-hole appears to exist. Under current law, if an illegal immigrant eventually gets a work-authorized Social Security number through "guest worker" immigration legislation, the totalization agreement, or even just over time, that worker could then eventually apply for Social Security benefits once eligibility requirements are met. Regardless of citizenship status, once an immigrant has a "work-authorized" Social Security number, that person may be able to claim credit for all earnings, even those earned while working illegally.

The Social Security Administration maintains an "earnings suspense file" which tracks wages sent in by employers, for earnings that cannot be posted to individual workers' records because there is no match for the name and Social Security number. The Congressional Research Service reports that wages represented in the earnings suspense file currently amount to approximately $520 billion. According to Social Security Administration Inspector Patrick P. O'Carroll, "We believe the chief cause of wage items being posted to the earnings suspense file instead of an individual's earning record is unauthorized work by non-citizens."

Concerning the release of the Totalization Agreement to TSCL, Congressman Walter Jones (R-N.C.) said, "I applaud the persistent efforts of TREA Senior Citizens League to get documents from the U.S. government about the U.S.-Mexico Social Security Totalization Agreement. I am pleased to see the American people are finally beginning to get some of the information and documents regarding this Agreement they have been seeking for so long."

TSCL believes the release of the Agreement with Mexico could signal that President Bush may be ready to sign it and send it to Congress. Congress would have only 60 session days to act to reject the agreement before it would become law. TSCL urges seniors to contact their Members of Congress to stop the Totalization Agreement with Mexico from taking effect.

END

Yakima, WA, Herald-Republic

January 12, 2007

Fire lawsuit settlement costs $400,000

By MARK MOREY
YAKIMA HERALD-REPUBLIC

A Thorp couple caught in the deadly Thirtymile forest fire received $400,000 to end their lawsuit against the U.S. Forest Service, a federal spokeswoman confirmed Thursday.

Bruce and Paula Hagemeyer, the two campers overtaken by flames in the 2001 fire that killed four Central Washington firefighters, had declined to release the dollar amount when their attorney announced the settlement last week.

Bruce Hagemeyer said Thursday afternoon that he and his wife were satisfied with the resolution of the case, given the uncertainties inherent in progressing toward a trial.

"We just consider that what we did was part of the bigger picture to bring some attention that major changes are needed in the Forest Service. Maybe it will put enough pressure on them to make a difference," Hagemeyer said.

Under federal statutes, $100,000 of the settlement goes to their attorneys, including Mariano Morales of Yakima.

The government drew the money from an account set aside for court judgments, said Jean McNeil, a spokeswoman for the U.S. attorney's office in Boise, Idaho, which handled the lawsuit.

The couple had said they weren't driven by financial motivations, but wanted to help improve safety for firefighters and improve accountability for the Forest Service.

Morales earlier described the settlement as a rare concession by the government in such cases, although the deal included standard language declaring that the Forest Service did not concede liability.

"You don't pay that kind of money ... unless you knew you did something wrong. They were scared of something," Morales said.

The Forest Service separately agreed to consider safety recommendations proposed by the Hagemeyers.

Those suggestions include creating a formal lookout post on fires, considering new standards for reasonable risk levels and adding a Forest Service employee representative to accident investigation teams.

The Hagemeyers were preparing to camp off the dead-end Thirtymile road into the Okanogan National Forest when they saw the first plumes of smoke from what would grow to be a 9,300-acre blaze.

Earlier that day in July 2001, they had reached their camping spot after driving down a road that was supposed to be closed except to firefighters. But Forest Service officials apparently never followed through with setting up barricades.

Later, when the pair headed out, they found themselves cut off by flames along with a crew of 14 Forest Service firefighters.

The Hagemeyers said Ellreese Daniels, the crew boss who faces possible indictment on manslaughter charges over the firefighters' deaths that day, never made critical arrangements to protect them as they waited for the flames to pass by.

Instead, they both dived into a firefighter's shelter at the last moment. The aluminum fire shelters are designed to protect one person, but firefighter Rebecca Welch and the Hagemeyers survived.

The four firefighters who died -- three from Yakima and one from Ellensburg -- perished on a rock slope where the shelters could not protect them. The rest deployed their shelters on a nearby dirt road.

Two years after the fire, the Hagemeyers launched a lawsuit against the government, claiming damages over burns and emotional distress.

Investigators found that a series of mistakes across the Forest Service chain of command led to the entrapment.

END

Gallup, NM, Independent
January 12, 2007

Navajo Utah Commission tries to help radiation victims

By Kathy Helms
Diné Bureau

WINDOW ROCK — For nearly a half century, the Navajo people were unwitting victims of radioactive fallout. They labored unprotected in underground uranium mines, unaware of the dangers. But the pay was good.

Now, these downwinders and those who worked the mines and mills or hauled the ore, and even their family members are sick and seeking federal compensation.

But federal response to those applications for compensation has been slow to non-existent, according to Lucy Begay, coordinator of the Radiation Exposure Screening and Education Program at Utah Navajo Health System.

Begay addressed the Navajo Utah Commission Monday during its final meeting before the incoming 21st Navajo Nation Council.

Commission Chairman Willie Grayeyes said he had a number of family members affected by uranium mining. "Even though the federal compensation is available, it is so doggone difficult. It's like trying to climb Mount Everest in the winter. Either you make it or you don't make it."

He said the feds have made it so difficult to obtain the required documents, families spend all their resources just trying to gather the information. The tribe's Privacy Act also tends to get in the way.

"Sometimes it's so frustrating the people just say, 'To heck with it. Let it go,' " Grayeyes said.

Begay said Part II of the Energy Employees Occupational Illness Compensation Program Act approved last year is "very difficult in the sense of evaluation, because they base their compensation on expanded impairment (and) they base their compensation on percentage."

"Let's say, if a person was in a wheelchair, then they're able to get almost all their compensation. But as far as I know, very few miners have been compensated," at least not fully, she said. "Most of them are getting only medical benefits."

Commission member Mark Maryboy said the Navajo Utah RESEP program is a project they worked hard on, meeting with federal officials and raising complaints about the Utah Navajos being left out of the loop.

"Sometimes we think we're just talking to walls. When you talk to those senators, they don't really seem to be receptive. ... Sometimes people come to us complaining they have to go through tons and tons of bureaucratic process before they're compensated," Maryboy said.

"A lot of our Utah folks worked at the mines over at VCA, Oljato Mine,right around Cone Wash, Clay Hills and places like that. Some of those folks died trying to get compensation," he said.

"The siblings, the kids that were at the mines when they were growing up,now they have cancers and some of them have a hard, hard time getting thenecessary documents to justify that they're affected."

Some reside on lands in close proximity to the Nevada Test Site. "They'realso in the category of downwinders. Even then, they're struggling. Thesefolks are dying off and they're still struggling with paperwork," Maryboysaid.

The office of U.S. Rep. Jim Matheson, D-Utah, has been very supportive ofthe RESEP program, according to Begay. Matheson himself is a downwinder and has family members that have been exposed to radiation.

"In our area, down where Mark is (Aneth), we have families that have been affected by the radiation and nobody knows about it. Only the families tell stories about it," Begay said.

Obtaining documentation acceptable to the federal government is a constant struggle for Navajo victims of radiation exposure.

"A lot of applications are being denied because we're on the reservation and we don't have physical addresses. Most of our folks never kept records," Begay said.

The regulations are set by the National Research Council and is all very scientific, she said. Too, because the regulations were approved by Congress, it's difficult to change some of the statutes.

"There are a lot of applications, a lot of setbacks. I'm asking the commission to continue supporting our program," said Begay, who works mainly with the Idaho Falls Resource Center.

"We work with people throughout Idaho, Wyoming, Colorado, New Mexico, Arizona, California. We have people all the way from Alaska and Hawaii. We don't work with only Navajo people. We work with all people," she said.

The Utah Navajo Health System now has five clinics, located in Montezuma Creek, Salt Lake City, Blanding, Monument Valley and Navajo Mountain.

END

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Image not available for this document, ID: 0.7.10316.11511-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 12, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1073026 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, January 12, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 3:55 PM
To: USDOJ- Office of Public Affairs
Subject: FEDERAL LAW ENFORCEMENT AGENT INDICTED AND ARRESTED ON BANK FRAUD CHARGES

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FEDERAL LAW ENFORCEMENT AGENT INDICTED AND ARRESTED ON BANK FRAUD CHARGES

WASHINGTON – An indictment charging a Special Agent of the Treasury Inspector General for Tax Administration (TIGTA) with bank fraud and related charges was unsealed today following the agent's arrest in Nashville, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The seven-count indictment returned earlier this week by a federal grand jury in Jacksonville, Fla., charges Special Agent John Thomas Jr. with one count of conspiracy, three counts of bank fraud and three counts of making false statements to federally insured banks. If convicted on all charges, Thomas could be sentenced to a maximum term of 185 years in prison and a fine of up to $6,250,000.

According to the indictment, between March 1999 and August 2000, Thomas conspired with another individual to fraudulently obtain approximately $106,000 in loan proceeds from three banks in Jacksonville, Fla. Thomas obtained a loan from each of the three banks in the name of Zan Tan Man Enterprises, a purported computer service provider. Thomas falsely claimed in loan applications that the company had more than $500,000 in annual revenue, several years of experience, and six to eight employees. The indictment alleges that Zan Tan Man Enterprises was actually a company Thomas created for the purpose of obtaining the three loans and that it had no revenue, no experience in the computer field and no employees.

This case is being investigated by the U.S. Secret Service, U.S. Postal Inspection Service and TIGTA. The prosecution is being handled by Trial Attorneys Kathleen McGovern and Hank Bond Walther of the Fraud Section of the Justice Department=s Criminal Division.

An indictment is merely a formal charge that a defendant has committed a violation of federal criminal laws. Every defendant is presumed innocent unless, and until, proven guilty.

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thomas
indictment.pdf

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Image not available for this document, ID: 0.7.10316.11668-000002

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MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. 3:07-CR-11-J-32MMH
	)	
v.	)	Ct. 1: 18 U.S.C. § 371
	)	Cts. 2-4: 18 U.S.C. §§ 1344 & 2
JOHN THOMAS, JR.,	)	Cts. 5-7: 18 U.S.C. §§ 1014 & 2
	)	
Defendant.	)	UNDER SEAL
	)	

INDICTMENT

The Grand Jury charges that at all times material to this Indictment:

INTRODUCTION

1. Defendant **JOHN THOMAS, JR. ("THOMAS")** was a Special Agent with the United States Department of Treasury Inspector General for Tax Administration From in or about March 1999 until in or about August 2000, defendant **THOMAS** fraudulently obtained approximately $106,000 in loan proceeds from three local banks by submitting false loan applications. After obtaining the $106,000, defendant **THOMAS** defaulted on those loans.

2. AmSouth Bank, now known as Regions Bank, was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the Federal Deposit Insurance Corporation ("FDIC").

3. NationsBank, now known as Bank of America, was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the FDIC.

CERTIFIED A TRUE COPY
SHERYL L. LOESCH, CLERK
U.S. DISTRICT COURT
By: Deputy Clerk

FT

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4. Compass Bank was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the FDIC.

5. Co-conspirator CHRISTOPHER MCQUEEN ("MCQUEEN") was a self-employed loan broker who assisted defendant **THOMAS** in submitting false loan applications and shared in the fraudulently obtained loan proceeds.

6. Zan Tan Man Enterprises was a company created by defendant THOMAS to facilitate the fraudulent loan transactions.

COUNT ONE – CONSPIRACY
Title 18, United States Code, Section 371

7. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 of this Indictment.

8. From in or about March 1999, until in or about August 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

conspired and agreed with MCQUEEN:

a. To execute a scheme to defraud AmSouth Bank, Bank of America, and Compass Bank and to obtain money, funds, credits, assets, securities, and other property under the custody and control of AmSouth Bank, Bank of America and Compass Bank by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344; and

b. To submit false statements to AmSouth Bank, Bank of America, and Compass Bank with the intent to influence those banks to approve loan applications, contrary to Title 18, United States Code, Section 1014.

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JON-1

PURPOSE OF THE CONSPIRACY

9. A purpose of the conspiracy was that defendant **THOMAS** and his co-conspirators would unjustly enrich themselves and others by submitting false and fraudulent business loan and line of credit applications and supporting documents to obtain loans and lines of credit and by misappropriating the proceeds from those loans and lines of credit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which defendant **THOMAS** and his co-conspirators sought to accomplish the purposes of the conspiracy included, but were not limited to, the following:

10. It was part of the conspiracy that defendant **THOMAS** and his co-conspirators would cause the preparation of false and fraudulent loan and line of credit applications containing material misrepresentations, including misrepresentations regarding the purpose of the loan and the revenue, time in existence, and number of employees of Zan Tan Man Enterprises, an entity controlled by **THOMAS.**

11. It was further part of the conspiracy that defendant **THOMAS** and his co-conspirators would submit these false and fraudulent loan and line of credit applications and other documents to obtain loans and lines of credit from AmSouth Bank, Bank of America, and Compass Bank.

12. It was further part of the conspiracy that defendant **THOMAS** and his co-conspirators would obtain funds from the fraudulent loans and lines of credit and distribute the ill-gotten proceeds among themselves for their personal use and benefit.

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JR

OVERT ACTS

13. In furtherance of the conspiracy and to effect the objects thereof, defendant **THOMAS** and his co-conspirators committed the following overt acts in the Middle District of Florida and elsewhere:

AMSOUTH BANK LOAN

14. On or about August 10, 1999, defendant **THOMAS** caused the submission of a business line of credit application to AmSouth Bank for the purpose of obtaining a $45,000 business line of credit in the name of "John Thomas, Jr./Zan Tan Man Enterprises," which application falsely stated in substance and in part that: (1) the loan was intended to benefit "Zan Tan Man Enterprises"; (2) Zan Tan Man Enterprises had been in existence since 1990; (3) the business was a "Computer Service Provider;" (4) the business had $725,000 in gross revenue in the prior year; and (5) the business had 8 employees.

15. On or about August 13, 1999, defendant **THOMAS** signed a "Business Flexline of Credit Agreement" for $35,000, in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the business line of credit application previously submitted to AmSouth Bank.

16. On or about August 13, 1999, defendant **THOMAS** signed a security agreement and an "Agreement to Furnish Insurance," in which he pledged to AmSouth Bank as collateral all equipment he and Zan Tan Man Enterprises owned, when in fact neither he nor Zan Tan Man Enterprises owned such equipment, and agreed to obtain insurance covering such non-existent collateral.

17. Defendant **THOMAS** drew down a total of approximately $35,000 from his

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AmSouth Bank line of credit through cash advances and transfers, including the following, each of which is a separate overt act:

a. A $13,000 transfer to a company controlled by MCQUEEN on or about August 13, 1999;

b. A $5,000 cash advance on or about August 30, 1999;

c. A $2,500 cash advance on or about September 14, 1999;

d. A $9,000 cash advance on or about September 27, 1999; and

e. A $2,500 cash advance on or about October 5, 1999.

BANK OF AMERICA LOAN

18. On or about August 18, 1999, defendant **THOMAS** caused the submission of a business line of credit application to Bank of America for the purpose of obtaining a $50,000 business line of credit in the name of "Zan Tan Man Enterprises," which application contained false information about the purpose of the loan and the company's time in existence, revenue, and number of employees.

19. On or about August 25, 1999, defendant **THOMAS** signed a $50,000 business line of credit agreement in which he reaffirmed the false information contained in the business line of credit application previously submitted to Bank of America.

20. Defendant **THOMAS** drew down a total of approximately $50,000 from his Bank of America business line of credit through checks and other withdrawals, including the following, each of which is a separate overt act:

a. A $17,500 check on or about October 19, 1999;

b. A $6,000 check made payable to a company controlled by MCQUEEN on or about October 28, 1999;

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c. A $1,600 check made payable to MCQUEEN on or about November 16, 1999;

d. A $6,500 check made payable to MCQUEEN on or about November 16, 1999;

e. A $1,000 withdrawal on or about February 28, 2000; and

f. A $3,000 check made payable to MCQUEEN on or about August 23, 2000.

COMPASS BANK LOAN

21. On or about January 12, 2000, defendant **THOMAS** caused the submission of a small business loan application to Compass Bank for the purpose of obtaining a $45,000 small business line of credit in the name of "Zan Tan Man Enterprises," which application falsely stated in substance and in part that: (1) the loan was intended to benefit "Zan Tan Man Enterprises"; (2) Zan Tan Man Enterprises had been in existence since 1994; (3) the business was a "Computer/Internet Provider;" (4) the business had $563,000 in annual revenue; and (5) the business had 6 employees.

22. On or about January 19, 2000, defendant **THOMAS** signed a $45,000 Compass Bank small business line of credit agreement in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the small business loan application previously submitted to Compass Bank.

23. On or about January 19, 2000, defendant **THOMAS** signed a Compass Bank "Commercial Convenience Line Agreement Collateral Schedule" in which he pledged to Compass Bank as collateral, among other things, all inventory and equipment he and Zan Tan Man Enterprises owned, when in fact neither he nor Zan

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Tan Man Enterprises owned such inventory or equipment.

24. Defendant **THOMAS** drew down a total of approximately $21,000 from his Compass Bank small business line of credit account through checks, including the following, each of which is a separate overt act:

a. A $3,000 check made payable to MCQUEEN on or about February 15, 2000; and

b. An $18,000 check made payable to a company controlled by MCQUEEN on or about February 15, 2000.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO – BANK FRAUD (AMSOUTH BANK)
Title 18, United States Code, Sections 1344 and 2

25. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 14 through 17 of this Indictment.

26. From on or about August 10, 1999, through August 13, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud AmSouth Bank, and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of AmSouth Bank, by means of materially false and fraudulent pretenses, representations, and promises.

27. On or about August 10, 1999, defendant **THOMAS** willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to AmSouth Bank for a $45,000 business line of credit in the name of "John Thomas,

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Jr./Zan Tan Man Enterprise," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's gross revenue.

28. On or about August 13, 1999, defendant **THOMAS** signed a "Business Flexline of Credit Agreement" for $35,000, in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the business line of credit application previously submitted to AmSouth Bank. Soon thereafter, defendant **THOMAS** received a $35,000 business line of credit from AmSouth Bank.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE – BANK FRAUD (BANK OF AMERICA)
Title 18, United States Code, Sections 1344 and 2

29. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 18 through 20 of this Indictment.

30. From on or about August 18, 1999, until August 25, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud Bank of America and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of Bank of America, by means of materially false and fraudulent pretenses, representations, and promises.

31. On or about August 18, 1999, defendant **THOMAS** willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to Bank of America for a $50,000 business line of credit in the name of "Zan Tan Man

DOJ_NMG_ 0172613

Enterprises," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's revenue.

32. On or about August 25, 1999, defendant **THOMAS** signed a $50,000 business line of credit agreement in which he reaffirmed the false information contained in the business line of credit application previously submitted to Bank of America. Soon thereafter, defendant **THOMAS** received a $50,000 business line of credit from Bank of America.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FOUR -- BANK FRAUD (COMPASS BANK)
Title 18, United States Code, Sections 1344 and 2

33. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 21 through 24 of this Indictment.

34. From on or about January 12, 2000, through January 19, 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud Compass Bank and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of Compass Bank, by means of materially false and fraudulent pretenses, representations, and promises.

35. On or about January 12, 2000, defendant **THOMAS** willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to Compass Bank for a $45,000 small business line of credit in the name of "Zan Tan

DOJ_NMG_ 0172614

Man Enterprises," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's annual revenue.

36. On or about January 19, 2000, defendant **THOMAS** signed a $45,000 Compass Bank small business line of credit agreement in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the small business line of credit application previously submitted to Compass Bank. Soon thereafter, defendant **THOMAS** received a $45,000 small business loan from Compass Bank.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS (AMSOUTH BANK)
Title 18, United States Code, Sections 1014 and 2

37. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 14 through 17 of this Indictment.

38. On or about August 10, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to AmSouth Bank with the purpose of influencing the actions of that bank upon the defendant's loan application, by submitting and causing to be submitted an application to AmSouth Bank for a $45,000 business line of credit in the name of "John Thomas, Jr./Zan Tan Man Enterprise," which application contained false information concerning the purpose of the loan and the company's time in existence, number of employees, and gross revenue.

In violation of Title 18, United States Code, Sections 1014 and 2.

DOJ_NMG_ 0172615

COUNT SIX – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS (BANK OF AMERICA)

Title 18, United States Code, Sections 1014 and 2

39. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 18 through 20 of this Indictment.

40. On or about August 18 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to Bank of America with the purpose of influencing the actions of that bank upon the defendant's loan application, by submitting and causing to be submitted an application to Bank for America for a $50,000 business line of credit, which application contained false information about the purpose of the loan and the company's time in existence, number of employees and revenue.

In violation of Title 18, United States Code, Sections 1014 and 2.

COUNT SEVEN – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS (COMPASS BANK)

Title 18, United States Code, Sections 1014 and 2

41. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 21 through 24 of this Indictment.

42. On or about January 12, 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to Compass Bank with the purpose of influencing the actions of that bank upon the defendant's line of credit application, by submitting and causing to be submitted an application to Compass Bank for a $45,000

DOJ_NMG_ 0172616

line of credit, which application contained false information about the purpose of the loan and the company's time in existence, number of employees, and gross revenue.

In violation of Title 18, United States Code, Sections 1014 and 2.

A TRUE BILL

_____

FOREPERSON

DOJ_NMG_ 0172617

STEVEN A. TYRRELL
Acting United States Attorney
Middle District of Florida

By: _____
Hank Bond Walther
Trial Attorney
Fraud Section, Criminal Division
United States Department of Justice

By: _____
Kathleen McGovern
Trial Attorney
Fraud Section, Criminal Division
United States Department of Justice

DOJ_NMG_ 0172618

System Administrator

From:	System Administrator
Sent:	Friday, January 12, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Friday, January 12, 2007 5:25 PM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Cc: Ames, Andrew; Talamona, Gina
Subject: In my absence...

I will be out for the next two weeks and will return on Monday, January 29. Any Civil-related matters during that period should be referred to Andrew Ames or Gina Talamona.

Andrew and Gina can be contacted via email or at [redacted].

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 6:12 PM
To: USDOJ- Office of Public Affairs
Subject: NEW YORK CITY MAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

NEW YORK CITY MAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

WASHINGTON - A man from Queens, N.Y., pleaded guilty today to attempting to recruit a Korean woman whom he believed to be a minor to work as a prostitute, the Justice Department announced today.

Do Hyup Bae pleaded guilty to charges relating to the operation of a network of over 25 Korean-owned brothels that were located throughout the northeastern part of the United States, including New York, Massachusetts, Rhode Island, Connecticut, Pennsylvania, Maryland, Virginia and the District of Columbia. Several of these brothels were located in Queens, N.Y.

"This case illustrates the complexity and scope of human trafficking operations," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to investigating and prosecuting those who would profit from the systematic abuse of others."

According to the superseding indictment, the brothels, which were operated under the cover of legitimate businesses, typically employed between two and eight prostitutes, the majority of whom were Korean nationals who had entered the country on tourist visas. The defendant faces a maximum sentence of up to 40 years in prison, a $250,000 fine and restitution payments for human trafficking charges.

The prosecution of individuals involved in human trafficking is a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, compared to the previous six years.

The case was investigated by special agents of the Federal Bureau of Investigation and U.S. Bureau of Immigration and Customs Enforcement. This case is being prosecuted by Trial Attorney Solette Magnelli of the Civil Rights Division and Assistant U.S. Attorney Pamela Chen of the Eastern District of New York.

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07-015

DOJ_NMG_ 0172621

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Image not available for this document, ID: 0.7.10316.11490-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 6:15 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES SETTLEMENT WITH COMPASS BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT WITH COMPASS BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

WASHINGTON - The Justice Department has today reached a settlement resolving allegations that Compass Bank of Birmingham, Ala., engaged in a pattern of lending discrimination against individuals based on their marital status.

The government's complaint alleges that Compass Bank violated the Equal Credit Opportunity Act, which makes it unlawful for any creditor to discriminate against any applicant based on race, color, religion, national origin, sex, marital status or age
by unlawfully charging higher interest rates to co-applicants for automobile loans who were not married to each other than to co-applicants who were married.

The Justice Department and Compass Bank reached a consent order, which was filed in conjunction with the complaint, in federal district court in Birmingham, Ala. Under the agreement, which remains subject to court approval, Compass Bank is prohibited from discriminating on the basis of marital status in any aspect of its automobile lending.

"Under the law, marital status should have no effect on an individual's access to credit," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We will continue to vigorously enforce the federal laws that prevent discrimination in credit and lending services. We commend Compass Bank for working cooperatively with the Justice Department in reaching an appropriate resolution of this case."

Compass Bank has already implemented changes to its lending procedures that explicitly prohibit distinctions based on marital status, and it is required to maintain these changes under the agreement. In addition, Compass Bank will pay up to $1.75 million plus interest to non-spousal co-applicants who were charged higher interest rates, and it will provide enhanced equal credit opportunity training to its officers and employees who set rates for automobile loans.

The Federal Reserve Board referred this matter to the Justice Department for enforcement after its 2003 periodic examination gave the Board reason to believe that Compass Bank's loan pricing procedures and directives constituted a pattern or practice of discrimination. Compass Bank cooperated fully with both the

DOJ_NMG_ 0172624

Board's and the Department's investigations into its lending practices and agreed to settle this matter without contested litigation.

A copy of the consent order, as well as additional information about fair lending enforcement by the Justice Department, can be obtained from the Justice Department website at www.usdoj.gov/crt/housing.

Since January 1, 2001, the Justice Department's Civil Rights Division has filed 223 cases to enforce the Fair Housing Act and the Equal Credit Opportunity Act.

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07-016

DOJ_NMG_ 0172625

Image not available for this document, ID: 0.7.10316.11491-000001

Image not available for this document, ID: 0.7.10316.11491-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 12, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1075972 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 6:57 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: JUSTICE DEPARTMENT REACHES SETTLEMENT WITH COMPASS BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

Please note the change in the final paragraph.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT WITH COMPASS BANK REGARDING ALLEGED DISCRIMINATION IN LENDING

WASHINGTON - The Justice Department has today reached a settlement resolving allegations that Compass Bank of Birmingham, Ala., engaged in a pattern of lending discrimination against individuals based on their marital status.

The government's complaint alleges that Compass Bank violated the Equal Credit Opportunity Act, which makes it unlawful for any creditor to discriminate against any applicant based on race, color, religion, national origin, sex, marital status or age by unlawfully charging higher interest rates to co-applicants for automobile loans who were not married to each other than to co-applicants who were married.

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"Under the law, marital status should have no effect on an individual's access to credit," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We will continue to vigorously enforce the federal laws that prevent discrimination in credit and lending services. We commend Compass Bank for working cooperatively with the Justice Department in reaching an appropriate resolution of this case."

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The Federal Reserve Board referred this matter to the Justice Department for enforcement after its 2003 periodic examination gave the Board reason to believe that Compass Bank's loan pricing procedures and directives constituted a pattern or practice of discrimination. Compass Bank cooperated fully with both the

DOJ_NMG_ 0172629

Board's and the Department's investigations into its lending practices and agreed to settle this matter without contested litigation.

A copy of the consent order, as well as additional information about fair lending enforcement by the Justice Department, can be obtained from the Justice Department website at www.usdoj.gov/crt/housing.

Since January 1, 2001, the Justice Department's Civil Rights Division has filed 216 cases to enforce the Fair Housing Act and 7 cases under the Equal Credit Opportunity Act.

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07-016

DOJ_NMG_ 0172630

Image not available for this document, ID: 0.7.10316.11488-000001

Image not available for this document, ID: 0.7.10316.11488-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 7:24 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN BEAUTIFICATION PROJECT IN HONOR OF MARTIN LUTHER KING JR. DAY

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

********MEDIA ADVISORY********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN BEAUTIFICATION PROJECT IN HONOR OF MARTIN LUTHER KING JR. DAY

WASHINGTON — Attorney General Alberto R. Gonzales will deliver brief remarks and participate in the Cardozo High School Beautification Project in honor of Martin Luther King Jr. Day on **MONDAY, JANUARY 15, 2007 AT 9:30 A.M EST.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Participation at Cardozo High School Beautification Project

WHEN: **MONDAY, JANUARY 15, 2007**
9:30 A.M. EST

WHERE: Cordozo Senior High School
1200 Clifton St., N.W.
Washington, D.C.
OPEN PRESS FOR REMARKS
TV AND STILL CAMERA COVERAGE ONLY FOR PROJECT PARTICIPATION

NOTE: All media must present valid photo ID and media credentials. Pre-set for the Attorney General's remarks is no later than 9:00 A.M. EST. Those cameras and still photographers wishing to cover the Attorney General's participation in the service project **MUST** contact Theresa Pagliocca at (202) 532-3486 or Rhonda Thompson at (202) 742-7365 or (202) 294-8837.

# # #

07-017

DOJ_NMG_ 0172633

DOJ_NMG_ 0172634

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Image not available for this document, ID: 0.7.10316.11451-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 7:40 PM
To: USDOJ- Office of Public Affairs
Subject: FIRST CONVICTION IN HEWLETT PACKARD PRETEXTING INVESTIGATION

Department of Justice

United States Attorney Kevin V. Ryan
Northern District of California

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV/USAO/CAN

CONTACT: LUKE MACAULAY
(415) 436-6757
Luke.Macaulay@usdoj.gov

FIRST CONVICTION IN HEWLETT PACKARD PRETEXTING INVESTIGATION

SAN JOSE, Calif. – Bryan C. Wagner, 29, today admitted in federal court to using fraud and deceit in collecting personal telephone records of reporters and Hewlett-Packard (HP) officials, the U.S. Attorney's Office for the Northern District of California and the FBI announced. In pleading guilty to two felony counts, Wagner admitted that he was paid as part of a conspiracy that made fraudulent use of Social Security numbers and other confidential information to obtain the personal phone records of reporters and HP officials, as well as the personal records of these individuals' family members.

A criminal information was filed on Wednesday, Jan. 10, charging Wagner with two felony counts. According to the allegations, HP engaged the services of Security Outsourcing Solutions (SOS), a security consulting company located in Boston, Mass., to obtain information used in what has become know as the "Kona I" and "Kona II" investigations. Kona I began in approximately April 2005 and Kona II started in approximately January 2006. According to court documents, one objective of these investigations was to identify potential leaks from HP officials to news reporters. Co-conspirators pursued a number of avenues during the investigations including requesting and obtaining confidential personal information of subjects they targeted, including the board members and journalists noted above. According to the charges, SOS engaged the services of Action

DOJ_NMG_ 0172637

Research Group (ARG), located in Melbourne, Fla., which in turn engaged the services of Wagner to assist with obtaining confidential personal information for the Kona investigations.

Wagner was charged with being a member of a conspiracy which gathered the personal and confidential information of HP board members; news reporters at *CNET*, the *Wall Street Journal*, the *New York Times* and *BusinessWeek*; and the family members of these board members and reporters.

Wagner, of Littleton, Colo., and Omaha, Neb., was charged with participating in a conspiracy where conspirators targeted HP subjects as potential leaks; collected and obtained Social Security numbers of many of the Kona subjects; exchanged the confidential personal information with other co-conspirators and others in order to obtain additional information; engaged in fraud and deceit by misrepresenting their identity to obtain additional confidential information of the HP Kona subjects; and transmitted the confidential personal information to others.

Wagner pleaded guilty today to a charge alleging that conspirators created email accounts to establish online account access for the telephone services of HP Kona subjects. Specifically, Wagner admitted that on March 8, 2006, he established an online telephone service account in the name of a *Wall Street Journal* reporter and fraudulently used the reporter's Social Security number to access the reporter's personal telephone records.

Wagner was charged on Jan. 10, 2007 with one count of aggravated identity theft and one count of conspiracy to commit the following offenses: aggravated identity theft; wire fraud; unauthorized computer access to information; falsely representing an assigned Social Security number; and disclosing and using a Social Security number. He pleaded guilty today to both counts in a plea agreement. The plea agreement is not public at this time, but U. S. District Court Judge Jeremy Fogel will hear arguments on whether to seal the plea agreement on Tuesday, Jan. 16, 2007.

The maximum statutory penalty for conspiracy is five years in prison, a fine of $250,000 or twice the value of the property involved (whichever is greater), and three years supervised release. The statutory penalty for aggravated identity theft carries a mandatory minimum two years in prison, and a maximum fine of $250,000 or twice the value of the property involved (whichever is greater), and two years supervised release.

DOJ_NMG_ 0172638

Wagner's sentencing hearing is scheduled for June 20, 2007 at 10:00 A.M. PT before U.S. District Court Judge Jeremy Fogel. Mr. Wagner is not in custody.

This case is being prosecuted by the Computer Hacking and Intellectual Property Unit (CHIP) of the U.S. Attorney's Office for the Northern District of California. The CHIP Unit, which is based in the San Jose branch of the U.S. Attorney's Office, was established in 2000 and was the first federal computer crimes prosecution unit in a U.S. Attorney's Office. This model has been followed in other offices across the nation.

Criminal Division Chief Mark Krotoski is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Lori Gomez and Katherine Huynh. The prosecution is the result of an investigation by the FBI.

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 8:22 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 15 – JANUARY 19, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 15 – JANUARY 19, 2007

Monday, January 15

9:30 A.M. EST

Attorney General Alberto R. Gonzales will deliver brief remarks and participate in the Cardozo High School Beautification Project in honor of Martin Luther King Jr. Day.
Cordozo Senior High School
1200 Clifton St., N.W.
Washington, D.C.
OPEN PRESS

Those cameras and still photographers wishing to cover the Attorney General's participation in the service project **MUST** contact Theresa Pagliocca at 202-532-3486 or Rhonda Thompson at 202-742-7365 or 202-294-8837.

12:00 P.M. EST

Senior Officials from the Department of Justice and its components will hold a pen and pad roundtable regarding the Department's efforts to combat gang violence in America's communities.
Department of Justice
950 Pennsylvania Ave. N.W.
Washington, D.C.
PEN AND PAD BRIEFING (No Cameras or Recording for Broadcast)

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. EST

Assistant Attorney General Regina B. Schofield and Mary Beth Buchanan, Acting Director of the Office on Violence Against Women, will host a program dedicated

DOJ_NMG_ 0172642

to educating the public, law enforcement agencies and social service organizations about stalking crimes to commemorate National Stalking Awareness Month.
National Press Club –Holeman Lounge
529 14th Street, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Joan LaRocca at 202-307-0703.

3:00 P.M. EST Deputy Attorney General Paul J. McNulty will give remarks at the inaugural White House Office of Faith Based and Community Initiatives Compassion in Action roundtable. The discussion entitled *Grassroots Solutions for Reducing Youth Violence* will focus on strategies for reducing youth violence and will highlight the work of the Center for Neighborhood Enterprise.
Eisenhower Executive Office Building
Room 450
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, January 16

10:00 A.M. EST Attorney General Alberto R. Gonzales will deliver remarks to the American Enterprise Institute titled *Democracy and the Third Branch* on judicial philosophy and the judicial selection process.
American Enterprise Institute
Wohlstetter Conference Center
1150 17th Street, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Wednesday, January 17

9:30 A.M. EST Attorney General Alberto R. Gonzales will testify before the Senate Judiciary Committee on Department of Justice Oversight.
Dirksen Senate Office Building
Room G50
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

Thursday, January 18

12:00 P.M. EST FBI Director Robert Mueller will deliver remarks at the Los Angeles Chamber of Commerce on FBI efforts to combat gangs and violent crime in Los Angeles.

DOJ_NMG_ 0172643

Los Angeles Chamber of Commerce
350 S. Bixel Street
Los Angeles, California
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Eimiller or Kenny Smith, 310-477-6565.

TIME TBD FBI Director Robert Mueller will hold a press availability following his visit to the FBI's Los Angeles Field Office.
11000 Wilshire Blvd.
Los Angeles, California 90024
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Eimiller or Kenny Smith, 310-477-6565.

Friday, January 19

Events TBD

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DOJ_NMG_ 0172644

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Image not available for this document, ID: 0.7.10316.11433-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, January 12, 2007 10:15 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 15 – JANUARY 19, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 12, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 15 – JANUARY 19, 2007

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Washington, D.C.
OPEN PRESS

Those cameras and still photographers wishing to cover the Attorney General's participation in the service project **MUST** contact Theresa Pagliocca at 202-532-3486 or Rhonda Thompson at 202-742-7365 or 202-294-8837.

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12:00 P.M. EST

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Department of Justice
950 Pennsylvania Ave. N.W.
Washington, D.C.
PEN AND PAD BRIEFING (No Cameras or Recording for Broadcast)

DOJ_NMG_ 0172647

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. EST Assistant Attorney General Regina B. Schofield and Mary Beth Buchanan, Acting Director of the Office on Violence Against Women, will host a program dedicated to educating the public, law enforcement agencies and social service organizations about stalking crimes to commemorate National Stalking Awareness Month.
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Washington, D.C.
OPEN PRESS

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OPEN PRESS

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OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

DOJ_NMG_ 0172648

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Los Angeles Chamber of Commerce
350 S. Bixel Street
Los Angeles, California
OPEN PRESS

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11000 Wilshire Blvd.
Los Angeles, California 90024
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Eimiller or Kenny Smith, 310-477-6565.

Friday, January 19

Events TBD

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DOJ_NMG_ 0172649

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Image not available for this document, ID: 0.7.10316.11452-000002

System Administrator

From: System Administrator
Sent: Friday, January 12, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076744 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 13, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076745 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 13, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076746 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 13, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076747 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, January 13, 2007 2:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Skokie, IL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, January 13, 2007 2:01:17 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Skokie, IL
Auto forwarded by a Rule

AMBER ALERT:Skokie,IL VEH:'01 White SUV Dodge Durango TAG:9526835 CHILD:2 White F 3'6" 55lbs Hr:Black SUSP:35 White M 5'4" 170 lbs Hr:Black CALL 847-982-5900 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3122

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Saturday, January 13, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076751 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 13, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076751 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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System Administrator

From: System Administrator
Sent: Saturday, January 13, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076752 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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System Administrator

From:	System Administrator
Sent:	Saturday, January 13, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 14, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076754 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 14, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076755 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 14, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076756 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 14, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076757 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 14, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076758 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 14, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076759 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 14, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076760 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 15, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076761 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 15, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076761 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 15, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076762 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Karen Johnson

From: [redacted]
Sent: Monday, January 15, 2007 1:12 PM
To: Gorsuch, Neil M
Subject: Emailing: lawyerstory.pdf
Attachments: lawyerstory.pdf

Neil [redacted] wanted me to send you this story. He "thought you would get a kick out of it, and the fact that it is true makes it even worse." (As you may or may not know, [redacted] chews on cigars quite frequently, and even smokes them occasionally at the ranch.)

[redacted]
The Anschutz Corporation
[redacted]@tac-denver.com

BEST LAWYER STORY OF THE YEAR, DECADE AND PROBABLY THE CENTURY.

Charlotte , North Carolina . A lawyer purchased a box of very rare and expensive cigars, and then insured them against, among other things, fire.

Within a month, having smoked his entire stockpile of these great cigars and without yet having made even his first premium payment on the policy the lawyer filed a claim against the insurance company.

In his claim, the lawyer stated the cigars were lost "in a series of small fires."

The insurance company refused to pay, citing the obvious reason, that the lawyer had consumed the cigars in the normal fashion.

The lawyer sued... and WON!

Stay with me.)

Delivering the ruling, the judge agreed with the insurance company that the claim was frivolous. The judge stated nevertheless, that the lawyer held a policy from the company, which it had warranted that the cigars were indeed insurable and also guaranteed that it, would insure them against fire, without defining what is considered to be unacceptable fire" and was obligated to pay the claim.

Rather than endure lengthy and costly appeal process, the insurance company accepted the ruling and paid $15,000 to the lawyer for his loss of the cigars in the "fires".

NOW FOR THE BEST PART...

After the lawyer cashed the check, the insurance company had him arrested on 24 counts of ARSON!!!

With his own insurance claim and testimony from the previous case being used against him, the lawyer was convicted of intentionally burning his insured property and was sentenced to 24 months in jail and a $24,000

1/14/2007

fine.

This is a true story and was the First Place winner in the recent Criminal Lawyers Award Contest.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 15, 2007 2:35 PM
To: USDOJ- Office of Public Affairs
Subject: SENIOR DEPARTMENT OF JUSTICE OFFICIALS TO HOLD PEN AND PAD BRIEFING ON DEPARTMENT OF JUSTICE EFFORTS TO COMBAT GANG VIOLENCE

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, JANUARY 15, 2007

OPA
(202) 514-2007
TDD (202) 514-1888

WWW.USDOJ.GOV

********MEDIA ADVISORY********

SENIOR DEPARTMENT OF JUSTICE OFFICIALS TO HOLD PEN AND PAD BRIEFING ON DEPARTMENT OF JUSTICE EFFORTS TO COMBAT GANG VIOLENCE

WASHINGTON — Senior Department of Justice Officials will hold a pen and pad briefing on the Department's efforts to combat gang violence in America's communities on **TUESDAY, JANUARY 16, 2007 AT 12:00 P.M EST.**

WHO: Alice Fisher, Assistant Attorney General, Criminal Division
Michael Sullivan, Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives
Kevin O'Connor, Associate Deputy Attorney General and United States Attorney for the District of Connecticut
Chip Burrus, Assistant Director, FBI Criminal Investigative Division

WHAT: Pen and Pad Briefing

WHEN: **TUESDAY, JANUARY 16, 2007**
12:00 P.M. EST

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
PEN AND PAD BRIEFING (No Cameras or Recording for Broadcast)

NOTE: All media must present valid photo ID and media credentials. **This is a pen and pad briefing. NO CAMERAS OR RECORDING FOR BROADCAST WILL BE PERMITTED.** Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

DOJ_NMG_ 0172673

# # #

07-018

DOJ_NMG_ 0172674

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Image not available for this document, ID: 0.7.10316.11386-000002

System Administrator

From: System Administrator
Sent: Monday, January 15, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076946 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 15, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076947 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 15, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076947 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, January 15, 2007 10:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: San Antonio, TX

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 15, 2007 10:01:08 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: San Antonio, TX
Auto forwarded by a Rule

AMBER ALERT:San Antonio,TX CHILD:2MO HISPANIC M 22IN 12LBS Eyes:GRAY Hair:BROWN CALL 713-693-5000 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3162

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, January 15, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076951 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 16, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1076952 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, January 16, 2007 8:09 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Sunday, January 14, 2007
Attachments:	agnb070114.pdf; agnb070114.doc

This morning's Attorney General's News Briefing is attached.

Website: You can also read today's briefing, including searchable archive of past editions, at http://www.BulletinNews.com/justice.

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Interactive Table of Contents: Clicking a page number on the table of contents page will take you directly to that story.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SUNDAY, JANUARY 14, 2007 7:45 AM EST**

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TERRORISM NEWS:

Use Of National Security Letters By Pentagon, CIA Disclosed. The New York Times (1/14, Lichtblau, Mazzetti), in a front-page story titled, "Military Is Expanding Its Intelligence Role In U.S.," reports, "The Pentagon has been using a little-known power to obtain banking and credit records of hundreds of Americans and others suspected of terrorism or espionage inside the United States, part of an aggressive expansion by the military into domestic intelligence gathering. The C.I.A. has also been issuing what are known as national security letters to gain access to financial records from American companies, though it has done so only rarely, intelligence officials say. … The F.B.I., the lead agency on domestic counterterrorism and espionage, has issued thousands of national security letters since the attacks of Sept. 11, 2001, provoking criticism and court challenges from civil liberties advocates who see them as unjustified intrusions into Americans' private lives. But it was not previously known, even to some senior counterterrorism officials, that the Pentagon and the Central Intelligence Agency have been using their own 'noncompulsory' versions of the letters. Congress has rejected several attempts by the two agencies since 2001 for authority to issue mandatory letters, in part because of concerns about the dangers of expanding their role in domestic spying."

The Washington Post (1/14, A12, DeYoung) expands on the Times' scoop, adding that the use of the noncompulsory letters has been "overseen by the Pentagon's Counterintelligence Field Activity agency, or CIFA, which was established in September 2002 by then-Deputy Secretary of Defense Paul D. Wolfowitz. CIFA is charged with coordinating policy and overseeing the domestic counterintelligence activities of Pentagon agencies and the armed forces. The agency's size and budget are classified, but congressional sources have said that the agency spent more than $1 billion through October." The AP (1/13) also picks up on the Times story, noting, "Congressional officials said members of the House and Senate Intelligence Committees had been briefed on the Pentagon and CIA's use of the letters, the newspaper said."

The Los Angeles Times (1/14, Barnes, Miller) reports Pentagon spokesman Bryan Whitman "said the Defense Department was not spying on random American citizens and was primarily requesting the information in counterintelligence investigations, such as when department officials or contractors were accused of spying. The Pentagon practice was first reported Saturday evening by the

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New York Times, which said officials estimated that the Pentagon had asked for the information in as many as 500 investigations over five years."

Army Manual Raises New Concerns Regarding Wiretaps. The New York Times (1/14, Lichtblau, Mazzetti) reports, "Deep into an updated Army manual, the deletion of 10 words has left some national security experts wondering whether government lawyers are again asserting the executive branch's right to wiretap Americans without a court warrant. The manual, described by the Army as a 'major revision' to intelligence-gathering guidelines, addresses policies and procedures for wiretapping Americans, among other issues. The original guidelines, from 1984, said the Army could seek to wiretap people inside the United States on an emergency basis by going to the secret court set up by the Foreign Intelligence Surveillance Act, known as FISA, or by obtaining certification from the attorney general 'issued under the authority of section 102(a) of the Act.' That last phrase is missing from the latest manual, which says simply that the Army can seek emergency wiretapping authority pursuant to an order issued by the FISA court 'or upon attorney general authorization.' It makes no mention of the attorney general doing so under FISA."

Pentagon Disavows Stimson's Comments On Detainees' Counsel. The Washington Post (1/14, A5, Heilprin) reports that yesterday the Pentagon "disavowed" remarks by Charles 'Cully' Stimson, the deputy assistant secretary of defense for detainee affairs, "suggesting companies boycott law firms that represent detainees at the U.S. military prison at Guantanamo Bay, Cuba." According to the Post, "advocacy groups viewed Stimson's remarks as an attempt to intimidate law firms that provide legal help to all people, even unpopular defendants." Pentagon spokesman Lt. Col. Brian Maka "said Stimson was not speaking for the Bush administration. Stimson's comments 'do not represent the views of the Department of Defense or the thinking of its leadership,' Maka said." The Post notes that on Thursday Stimson told Federal News Radio "that he found it 'shocking' that lawyers at many of the nation's top firms represent detainees. Stimson listed the names of more than a dozen major firms he suggested should be boycotted. 'And I think, quite honestly, when corporate CEOs see that those firms are representing the very terrorists who hit their bottom line back in 2001, those CEOs are going to make those law firms choose between representing terrorists or representing reputable firms,' Stimson said. Asked who might be paying the law firms to represent Guantanamo detainees, Stimson hinted at wrongdoing for which some explaining should be done. 'It's not clear, is it? Some will maintain that they're doing it out of the goodness of their heart -- that they're doing it pro bono, and I suspect they are,' he said. 'Others are receiving monies from who knows where and I'd be curious to have them explain that.'"

Guantanamo Described As Filled With "Innocent Or Half-Guilty Wretches." In an op-ed for the Washington Post (1/14) Slate's Dahlia Lithwick writes, "Why is the United States poised to try Jose Padilla as a dangerous terrorist, long after it has become clear that he was just the wrong Muslim in the wrong airport on the wrong day? Why is Washington still holding hundreds of detainees at Guantanamo Bay, Cuba, long after years of interrogation and abuse have established that few, if any, of them are the deadly terrorists they have been held out to be? … Padilla is a chump and Guantanamo Bay is just a holding pen for a jumble of innocent or half-guilty wretches." According to Lithwick, "This need to preserve new legal ground…explains the continued operation of the detention center at Guantanamo Bay. … Guantanamo Bay stays open for the same reason that Padilla stays on trial. Having claimed the right to label enemy combatants and detain them indefinitely without charges, the Bush administration cannot retreat from that position without ceding ground. The president is as much a prisoner of Guantanamo Bay as the detainees are."

Embassy Attack Spurs Fear Of Resurgent Terrorism In Greece. The New York Times (1/14, Fisher, Carassava) reports, "The anti-Americanism was of a different vintage but still deadly, etched into two somber plaques at the battened-down United States Embassy here. Starting in December 1975, five embassy employees — four Americans and one Greek-American driver — were killed here by November 17, the leftist Greek terrorist group. Now, with a new attack on Friday on the embassy — using an unusually potent weapon, a rocket-propelled grenade — Greeks are grappling with deep uneasiness. … Was this just the first break in a new wave of leftist violence in Greece, now given an updated cause — and perhaps some conflicted sympathy among ordinary Greeks — amid worldwide anger

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against United States actions in Iraq and its broader fight against terrorism?"

Tunisia Says Terrorists Were Targeting Embassies, Foreigners. The New York Times (1/14, Smith) reports comments Friday by Tunisian Interior Minister Rafik Haj Kacem that "more than two dozen Islamic extremists involved in a deadly gun battle with the Tunisian police earlier this month had blueprints of foreign embassies and documents identifying foreign envoys as targets." Kacem "did not disclose the countries or people who apparently had been targets," and the Times notes, "Islamic extremism has been growing across North Africa, the far edge of a fundamentalist religious trend that is polarizing societies between rich and poor." In addition, "Islamic terrorist activity has long threatened to bleed into Tunisia from neighboring Algeria, where the small but violent Salafist Group for Preaching and Combat, or G.S.P.C. as it is known by its French acronym, is fighting for an Islamic theocracy in North Africa."

HOMELAND RESPONSE:

WPost Blasts HHS Over Project Bioshield Anthrax Contract. The Washington Post (1/14, B6) editorializes, "Stockpiling a new anthrax vaccine was supposed to be the signal achievement of Project Bioshield, the government's flagship program to prepare for a biological, chemical or radiological attack on American soil. But last month the Department of Health and Human Services canceled its contract with VaxGen, a biotechnology firm that was supposed to develop the vaccine. The contract turned out to be a huge waste of time and effort. … HHS tapped VaxGen for its $1 billion anthrax vaccine contract even though the company was best known for producing a failed AIDS medication, had never created a successful drug and had failed to release satisfactory financial reports, leading to its delisting from the Nasdaq Stock Market. The company repeatedly ran afoul of the Food and Drug Administration, which pulled the plug on human trials for the vaccine."

Book Blaming US Culture For 9/11 Ridiculed. In a Washington Post (1/14, BW5) review of "The Enemy At Home: The Cultural Left and Its Responsibility for 9/11," by Dinesh D'Souza, Warren Bass, who served on the professional staff of the 9/11 Commission, writes, "The Enemy at Home calls America's culture war synonymous with its war on terrorism and flatly blames the country's left for 9/11. But unlike" Jerry Falwell and Pat Robertson's outbursts "at a moment of crisis, D'Souza's is offered in a spirit of cool reflection. The result is the worst nonfiction book about terrorism published by a major house since 9/11, but with the country still facing a serious jihadist threat, it's worth trying to understand D'Souza's own exercise in finger-pointing. … Either D'Souza is blaming liberals for 9/11 because he truly believes that they're culpable, or he's blaming liberals for 9/11 because he's cynically calculating that an incendiary polemic will sell books."

WAR NEWS:

White House Grapples With Bipartisan Opposition To Iraq Plan. The Washington Post (1/14, Baker, Abramowitz, 690K) reports that the "bipartisan opposition to President Bush's troop-increase plan has proved more intense than his advisers hoped and has left them scrambling to find support, but the White House is banking on the assumption that it can execute its 'new way forward' in Iraq before Congress can derail it." Advisers faulted the "slow leaky" decision-making by the White House for encouraging opposition. NBC Nightly News (1/13, story 3, 2:30, Seigenthaler, 9.87M) reported, "Not only is President Bush working to sell his plan to the American people, he is also facing obstacles within his own party." NBC (Corke): "Aware of the rift, the President spent part of the day discussing the war and other issues with leaders from his party. … But in going forward, Mr. Bush will have to navigate a negative tide of public opinion about the course of events in Iraq."

The New York Times (1/14, Rutenberg, 1.16M) says the White House faces "a daunting public relations challenge as the White House pursues its new strategy to quash the insurgents. ... Even if all goes according to plan, officials conceded in interviews, early signs of progress will do little to compete with continued or worsening signs of strife." However, officials "described a likely, initial increase in violence as an inevitable down payment for the better images out of Baghdad they hope will come later, and ultimately, more support for the Iraq campaign."

The Los Angeles Times (1/14, Levey, 850K) reports on its front page that in response to Bush's "deeply unpopular proposal to send more troops to Iraq, congressional

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Democrats are shedding their wariness about tackling the war and embracing positions once primarily held by the party's most liberal fringe" and "are now talking openly about cutting off funds for additional military operations." These centrist Democrats "are lining up beside longtime antiwar liberals, promising to do everything in their power to stop the President's plans." Rep. Lynn Woolsey said, "Ours is now the mainstream position."

The AP (1/13, Woodward) writes, "If the revamped Iraq war plan fails, it will be time to withdraw most U.S. troops. Or send more in." The US "is seen as having a limited number of options, all grim, if President Bush's 'new way forward' hits a wall."

Bush Says Invasion "Was The Correct Decision." The Los Angeles Times (1/14, Savage, Moore, 850K) reports that in a "60 Minutes" interview to air tonight, Bush "maintained that invading Iraq in 2003 was the right thing to do." Bush said, "My decision to remove Saddam Hussein was the correct decision, in my judgment." Bush " "challenged members of Congress who were critical of the plan to come up with their own proposals. 'To oppose everything while proposing nothing is irresponsible,' he said."

Dent's Ambivalence Over War Typical Of GOP Members. The Washington Post (1/14, Murray, 690K) reports, "Rep. Charlie Dent wrestled all week with President Bush's plan to send more U.S. troops to Iraq." The Pennsylvania Republican "has reason to worry. He won reelection in November by a surprisingly narrow margin against an obscure opponent, and Democrats have no intention of letting him off easily again." GOP reaction to Bush's plan "has ranged from lukewarm to hostile. The negative statements that piled up Wednesday night after Bush's speech revealed a deepening political schism between a president whose campaign days are behind him and congressional Republicans who must face voters in two short years."

Surge Architect Claims Pentagon Is Watering Down Plan. The Washington Times/London Sunday Telegraph (1/14, Rayment) reports that retired Gen. John Keane "is criticizing the Bush administration, claiming the Pentagon is watering down the proposal for political reasons." Keane said the plan "could not be done 'piecemeal,' expressing 'alarm'" after Defense Secretary Robert Gates "testified on Capitol Hill that the troop buildup was expected to last 'a matter of months' -- rather than the 18 months proposed by Gen. Keane."

Maliki Aides Slowly Warm To Bush Plan. The New York Times/AP (1/14) reports, "Warming from its initial response this week, the Iraqi prime minister's office on Saturday expressed support for President Bush's new war strategy. But it continued to emphasize that the Iraqi government would retain control over all military action in Baghdad," and Prime Minister Nouri Kamal al-Maliki "maintained a public silence on the issue."

Troops, Families Have Mixed Reaction To Surge. The New York Times (1/14, Kleinfeld, 1.16M) reports, "The decision to increase the American military presence in Iraq is being greeted with a blend of optimism and anxiety among American soldiers and their families, those most directly affected by the change. Unlike in Congressional corridors and across the civilian landscape of the country, there seems far more support than outrage, more cheer than cheerlessness, and a hope that maybe this will do it. At the same time, especially among relatives of National Guard members dispatched to battlefields they never expected to stand on, there is plentiful disappointment and even anger at the prospect of prolonged disruptions in lives that have not been normal for a long time." ABC World News (1/13, story 6, Burman, 8.78M) said, "Sending more troops will increase the strain on military families, especially the families of those serving in the Reserves and National Guard. They never expected to see their loved ones called to arms so often or for so long."

Bush Speech Seen As Part Of Tradition Of Presidential Mea Culpas. In the New York Times (1/14, 1.16M), historian David Greenberg writes of President Bush's Iraq speech, "He had to defend the war that will define his legacy while admitting to enough error to regain credibility with the public. ... In this respect, Mr. Bush's speech follows in that great American oratorical tradition: the presidential mea culpa. ... While these confessions may work in the short term, they rarely work long-term magic. That typically requires a new course of action."

More Commentary. Today's newspapers are saturated with commentary on Iraq and the President's new strategy, almost all of it critical, and much of it comparing Iraq to Vietnam.

In a 1,250-word editorial, the New York Times (1/14, 1.16M) editorializes that President Bush's "disconnect" from reality is "surreal," adding, "There are no really satisfying answers in Iraq, since all of the remaining options are bad. Still, some are notably worse than others, and Mr. Bush has

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come up with possibly the worst. ... But even knowing all that, America cannot simply wash its hands of Iraq and go home." Bush "must put serious pressure on Mr. Maliki to support the troops' efforts with a genuine program of national reconciliation. ... The government must also assure that Iraqi oil revenues are fairly shared out among the entire Iraqi population. ... If Mr. Bush refuses to deliver this ultimatum to Mr. Maliki, Congress will have to do so in his stead."

The Washington Post (1/14, 690K) editorializes, "The political tempest that has greeted President Bush's latest plan for Iraq is largely of the president's making. Mr. Bush could have forged a bipartisan consensus if he had embraced the military strategy laid out by the Iraq Study Group ... Instead, he chose to embrace an option -- the dispatch of additional American soldiers to Baghdad and Anbar province -- that has the support of less than 20 percent of Americans and maybe even fewer Iraqis. It's not even clear that the Iraqi government is entirely on board. ... The intense criticism that has come from both houses and both parties in Congress is understandable, and justified." Rather than "cutting off funding or attaching crippling restrictions," Congress can "hold the administration to its promise to test the Iraqi government early and often."

The Los Angeles Times (1/14, 850K) editorializes, "This is not what the American people want; this is not what the Iraqi Study Group recommended; and it is not the best way to prosecute a war against the radical Islamists who attacked this country on 9/11. It is, instead, a way to guarantee that the U.S. military will be dangerously overstretched and needlessly vulnerable to sectarian militias in Iraq." The Times adds, "Unfortunately for Bush, and for the rest of us, 'we can't fail' is not a strategy. As painful experience has shown in Iraq, it is a recipe for further failure because it encourages wishful thinking at the expense of realistic planning."

In his New York Times (1/14, 1.16M) column, Frank Rich writes, "What the world saw on Wednesday night was a defeated Willy Loman who looked as broken as his war." Rich predicts, "I have long felt that it will be up to Mr. Bush's own party to ring down the curtain on his failed policy, and after the 2006 midterms, that is more true than ever."

New York Times (1/14, 1.16M) columnist Nicholas Kristof asks, "Why are we so awful at foreign policy? ... There are at least two reasons. The first is that great powers always lumber about, stepping on toes, provoking resentments, and solving problems militarily simply because they have that capability. ... The second reason is particular to the U.S.: We don't understand the world."

In his Washington Post (1/14, B7, 690K) column, Jim Hoagland writes that Bush has empowered Gen. David Petraeus to test his counterinsurgency theories. However, "the all-important Iraqi political context for the measured escalation in U.S. forces that Bush outlined remains murky and undeveloped. It falls to Petraeus more than any other individual to fill in the blanks left by Bush." But the Petraeus strategy "echoes many of the counterinsurgency practices formulated in the unsuccessful campaigns of Algeria, Vietnam and elsewhere."

Washington Post (1/14, B7, 690K) columnist George Will writes, "Bush's policy probably will not succeed, but at least we will know what were the parameters of the possible ... Today, in Iraq, the president's policy -- and that of his critics -- is to hope for a miracle."

In his Washington Post (1/14, B7, 690K) column, David Broder writes, "President Bush essentially has written off any prospect of regaining broad support at home for his course of action, in the slender hope of finding the key to military success and political agreements in Baghdad. It is a huge personal gamble, one that has triggered a debate that may well dominate the final two years of Bush's tenure."

In the Washington Post (1/14, B1, 690K), Associate Editor Robert Kaiser writes, "For a gray-haired journalist whose career included 18 months covering the Vietnam War for The Washington Post, it is a source of amazement to realize that my country has done this again.

New York Times (1/14, 1.16M) writer Helene Cooper says, "The best America can hope for, some experts said, would be for Iraq to turn into today's version of the Spanish Civil War. The death toll was huge ... But, in the end, the Spanish Civil War stayed Spanish."

In the Washington Post (1/14, B1, 690K), Council on Foreign Relations President Emeritus Leslie Gelb and Columbia University scholar Richard Betts write, "Each day raises the odds that the U.S. fate in Iraq could eventually be the same as it was in Vietnam -- defeat." Bush now faces Lyndon Johnson's "dilemma, that of a war in which defeat is unthinkable but victory unlikely. And Bush's policy shift last week suggests that he has come to the same conclusion as Johnson: Just do what you can not to lose and pass the problem on to your successor."

In the Washington Post (1/14, B7, 690K), Michael O'Hanlon of the Brookings Institution writes, "But for a

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skeptical Congress and nation, it is still the right thing to try -- as long as we do not count on it succeeding and we start working on backup plans even as we grant Bush his request. ... Rather than deny funding for Bush's initiatives, Congress should provide it now -- but only for fiscal 2007." By that point, "or even the August congressional recess, we should know if the surge is showing promise."

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In the Washington Post (1/14, B5, 690K), former Foreign Service officer John Graham writes that the Nixon Administration "conceived an elaborate strategy to mask the U.S. defeat: Slowly withdraw combat troops over several years, while the remaining Americans would focus on training the South Vietnamese to fight on their own. ... What President Bush wants to do is Vietnamization in all but name. Its purpose is not to win an unwinnable war, but to provide political cover for a defeat, and eventually to blame the loss on the Iraqis. ... But the world will know whose mess it is."

Bush-Backed Iran Office Raid Said To Auger Increased Unilateralism. Under the headline, "UN-weary, US Opts For Unilateral Moves Against Iran," AFP (1/14, Lanteaume) reports, "Recent US operations against Iranian interests in Iraq appear to signal a shift by Washington towards unilateral action after growing frustated with slow-moving UN diplomacy." Secretary of State Condoleezza Rice is quoted saying yesterday, "We have had a strategy toward Iran, I think, that has been evolving to deal with the serious problems that Iran is causing." She further "assured that the US was not giving up on diplomacy in dealing with Iran, particularly on the issue of its nuclear program."

The AP (1/14, Gearan) notes Rice said yesterday that the "U.S. raids that President Bush approved against Iranian targets in Iraq are part of broad efforts to confront Tehran's aggression." The AP adds, "Echoing other Bush administration figures, Rice said the U.S. does not intend to cross the Iraq-Iran border to attack Iranians."

McClatchy (1/14, Strobel) also carries Rice comments as she began her Middle East trip in Israel, reporting she said that "U.S. military moves in the Persian Gulf and raids against Iranian installations in Iraq are meant to demonstrate that the United States will defend its interests against an increasingly aggressive Iran." McClatchy adds, "The focus of her diplomacy this week shows how far the United States has been forced to change its aims in the region because the war in Iraq has turned out differently than planned."

Detained Iranians Had Insurgent Ties. The Washington Times/AP (1/14) reports, "Five Iranians arrested in northern Iraq last week were connected to an Iranian Revolutionary Guard faction that funds and arms insurgents in Iraq, the U.S. military said on Sunday." The military said that the detainees "are connected to the Iranian Revolutionary Guard, Qods Force (IRGC-QF)." Despite the Iraqi foreign minister's claim that the Iranians' office was "a liaison office" about to be "approved as an Iranian consulate," the State Department "has said no legitimate diplomatic activity was being carried out at the site, and Rice said the office was not a consulate." BBC.com (1/14) reports that Iran "has demanded the immediate release of five of its citizens held in a US military raid in northern Iraq, who it says are diplomats."

Central Command Turns To Fallon To Confront Iran. The New York Times (1/14, Kifner, 1.16M) reports, "The United States Central Command stretches across some of the world's most volatile real estate from Kenya in the southwest through all of the Middle East to Kazakhstan in the northeast. … CentCom, as it is known, has always been run by a four-star general from the Army or Marines. So why name a sailor -- Adm. William J. Fallon -- as CentCom's new commander, as President Bush did earlier this month? One word: Iran." Fallon's appointment "comes amid a series of indications that the Bush administration is increasingly focused on putting pressure on Iran and, perhaps, veering toward open confrontation. ... The important thing is that Admiral Fallon is a naval aviator." While Iran is currently confident because of stress on US ground forces in Iraq, "introducing more air and sea power, with their long reach, in the gulf could change the military balance and options. It is classic gunboat diplomacy."

The Washington Post (1/14, A12, Tyson, 690K) differs with the Times, emphasizing Fallon's diplomatic skills. Experts "said that Fallon's diplomatic skills are likely to be more important than his war-fighting experience when he assumes the Central Command post." The Post reports that

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Admiral Fallon's "path-breaking pursuit of U.S. strategic goals -- shown over the past two years in his dealings with China, Japan, Indonesia and 40 other Asian states as head of the Pacific Command -- is a major factor behind his nomination."

Bush Administration Now Turns To Iraq Policy's Former Critics. The Washington Post (1/14, Chandrasekaran, 690K) reports in a front page article on those who worked with the Coalition Provisional Authority in Iraq and left disillusioned, such as Timothy Carney, who believed that the CPA "placed ideology over pragmatism." Carney recently received an offer "to go back to Baghdad as the overall coordinator of the American reconstruction effort." The Post comments, "The decision to send Carney back to Iraq -- and to abandon the policies that so rankled him in 2003 -- represents a fundamental shift in the Bush administration's approach to stabilizing the country. Desperate for new approaches to stifle the persistent Sunni insurgency and Shiite death squads that are jointly pushing the country toward an all-out civil war, the White House made a striking about-face last week, embracing strategies and people it once opposed or cast aside." Other rehired ex-dissenters were Ambassador designate Ryan Crocker and Lt. Gen. David Petraeus.

US Military Leaders Say They Can Now Target Militia Leaders. The Boston Globe (1/14, Stockman, Bender, 413K) reports in an apprehensive article, "US military officials say the Bush administration has given them new authority to target leaders of political and religious militias in Iraq who are implicated in sectarian violence," including t Moqtada al-Sadr. Such a showdown "could spark a deadly confrontation with Shi'ite militias, which enjoy widespread popularity in Shi'ite neighborhoods. It could also erode support for the fragile government of Prime Minister Nouri al-Maliki, who has agreed to the plan."

US, Iraqi Forces Look To Future. The Los Angeles Times (1/14, Perry) reports that the American troops' "concept of the future involved the Iraqis taking responsibility for catching insurgent smugglers and bomb-makers along the two freeways that stretch from the border region to Baghdad," yet Capt. Ian Lauer says, "We've got to force them to have confidence," otherwise, "they'll spend years saying they're not ready." Many see the "process of turning over responsibility to the Iraqis" as "slow and incremental."

Kurdish Troops Train To Deploy To Baghdad. The AP (1/13) reports, "A Kurdish army brigade in northern Iraq is undergoing intensive urban combat training as it readies for deployment in the latest Baghdad security operation and is expected to take on the capital's Mehdi Army Shiite militia, its commander said Saturday." Brig. Gen. Nazir Assem Korran "said his troops would face a language barrier and rely on translators because 95 percent of the brigade is Kurdish and unable to speak Arabic." The AP adds, "Meanwhile, three Iraqi generals told The Associated Press that the Iraqi commander who will lead the overall Baghdad security mission was the government's second choice and only got the job after the U.S. military objected to the first officer named to the post by Prime Minister Nuri al-Maliki." Anonymous Iraqi generals said the US "vetoed" the first choice, "Lt. Gen. Mohan al-Freiji," another Shiite.

The Los Angeles Times (1/14, Roug) reports that Baghdad "soon could be flooded with another volatile element: thousands of Kurds from northern Iraq" since "part of President Bush's new strategy for Iraq, 8,000 to 10,000 Iraqi troops will deploy to Baghdad in the coming weeks, American and Iraqi officials said, and as many as 3,600 could be Kurds. It would be the first time such a large number of Kurdish forces have been sent to the capital." These Kurds, "most of whom live in a protected autonomous enclave…are being dragged more directly into Iraq's bloody and complex civil war."

Iraq War Costs Are Hitting Record High. The Los Angeles Times (1/14, Havemann) reports that although the Iraq war "is far smaller and narrower than" other larger wars, "its price tag is beginning to reach historic proportions, and the budgetary 'burn rate' for Iraq may be greater than in some periods in past wars. If U.S. involvement continues on the current scale, the funding for the Iraq war — combined with the conflict in Afghanistan and other foreign fronts in the war on terrorism — is projected to surpass this country's Vietnam spending next year" with the "accumulating cost…adding to resistance to President Bush's war policy in Congress as well as in public opinion, even though concern about the cost in human lives, the war's impact on America's place in the world and other such factors loom larger."

Clinton Doubts Credibility Of Iraqi Promises. The AP (1/13) reports Sen. Hillary Clinton "expressed doubt Saturday that Iraq's government would follow through with its

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promises to secure Baghdad as she met with top Iraqi officials and American commanders. ... Noting she had to travel wearing body armor and surrounded by soldiers and security guards, Clinton called the situation in Iraq 'heartbreaking.'" ABC World News (1/13, story 5, 2:10, Burman, 8.78M) said Clinton "was on the ground there today, offering a grim new assessment of the mission and of the Iraqi government itself." Clinton: "The results of the election were clear that people at home are disturbed by what they see happening and the failure of the Iraqis to really step up and keep their end of the bargain."

Talabani To Visit Syria. BBC.com (1/13, Wooldridge) reports Iraqi President Jalal Talabani "is travelling to Syria for the highest level Iraqi visit in many years." The visit "demonstrates Iraq's balancing act between the United States and a country that Washington prefers to see isolated." Beyond the "expected signing of agreements, the question is how far the visit will be used to discuss American and Iraqi government concerns about insurgents crossing between Syria and Iraq."

Army Officer Calls For Fight Against Iraq Security Forces Corruption. In the New York Times (1/14, 1.16M), Army Capt. Luis Carlos Montalvan writes, "The level of corruption in the Iraq Security Forces is staggering. The Iraq Study Group found that $5 billion to $7 billion is lost annually to different types of corruption, and yet 'there are still no examples of senior officials who have been brought before a court and convicted of corruption charges.' ... We must insist that the Iraqi government replace the customs workers at the 14 land border crossings with a new set of at least 1,400 elite officials jointly selected and vetted by the Iraqi ministries and the coalition forces. We should supplement this new force with teams of American advisers -- soldiers, police officers, customs officials and the like -- to ensure that the Iraqis are prepared to do their jobs. And we should create an anticorruption task force of coalition officers with the power to periodically review systemic issues like the Iraqis' recruitment methods, policies governing potential ethical problems and records of internal discipline."

Taliban Leader Sent Unprepared Fighters To Their Deaths. The New York Times/AP (1/14) reports, "An Afghan insurgent leader operating from Pakistan sent about 200 ill-equipped fighters, some wearing plastic bags on their feet, into Afghanistan, where most were killed in a major battle this week, an American general said Saturday." Maj. Gen. Benjamin Freakley said that Jalaluddin Haqqani "recruited and sent unemployed and untrained men to fight in Afghanistan. United States forces killed about 130 fighters moving in two groups in Paktika Province in the east late Wednesday and early Thursday, in one of the largest winter battles in Afghanistan since the fall of the Taliban in 2001." Freakley attributed the composition of the enemy force to "unemployment" in the region.

Clinton Meets With Karzai, US Troops. The AP (1/14, Straziuso) reports Sen. Hillary Clinton "ate with U.S. soldiers from New York and Indiana at the main U.S. base in Afghanistan on Sunday before meeting with the top U.S. general in Afghanistan and President Hamid Karzai, officials said." The senator "said she is hearing 'increasingly troubling reports out of Afghanistan' and would be searching for 'accurate information about the true state of affairs' militarily and politically on her trip."

UK Military Attributes Problems In Afghanistan To Poor Coordination. The Washington Times/London Sunday Telegraph (1/14, Rayment) reports, "A lack of political direction, a shortage of soldiers and 'complete disconnection' between Britain's Foreign Office and Ministry of Defense combined to hinder progress in the war in Afghanistan, a report by British military chiefs has concluded." The document offers "a withering assessment of how decisions in the British government prevented progress against the Taliban and, sources claim, contributed to deaths and injuries among soldiers. ... The troops were involved in dozens of bitter battles with the Taliban during which every weapon system, from the assault rifle to Apache attack helicopters, was used to kill insurgents."

CORPORATE SCANDALS:

Pro-Business Interests Seen As Leading Backlash Against DOJ's Prosecutorial Tactics. The Chicago Tribune (1/14, Burns) reports, "The government crackdown on corporate crime is coming under pressure to back off amid intense business lobbying and adverse court rulings." The Tribune continues, "Since the convictions in May of Enron Corp. honchos Jeffrey Skilling and Kenneth Lay, federal authorities have voluntarily stepped away from certain hardball tactics aimed at forcing

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companies to turn against accused executives. … An even greater retreat could be in the offing as the U.S. Chamber of Commerce and other business advocates extend their campaign to reign in what they consider excessive enforcement efforts. On top of that, a string of reversals on appeal has raised fresh doubts about recent government victories targeting criminal fraud among the business elite." The Tribune adds, "Some close observers sense a tide turning. 'Every month that goes by, the pushback seems to gather more steam,' says Douglas Berman, a law professor at Ohio State University. 'It's a realization the tough-on-crime campaign against white-collar offenders was at risk of being too tough.'" The Tribune notes, "On Jan. 5, appellate judges tossed out most of the charges against top executives at Westar Energy, who were accused of looting the Topeka-based public utility in a case dubbed the 'Kansas Enron.' … Though the Justice Department touted those 2005 convictions as proof that 'no boardroom is above the law,' Denver's 10th Circuit Court of Appeals found that prosecutors based their sweeping indictment on a 'thin legal thread.' … As standards shift, even the judge who presided over the Enron trial has conceded that Skilling has a good chance of seeing one count of conspiracy conviction overturned. … While U.S. District Judge Sim Lake ruled that Skilling's 18 other convictions were likely to stand on appeal, some legal experts believe Enron's 'smartest guy in the room' may yet win on wider issues. That could lead to a reduction in the 24-year sentence he began serving last month at a low-security Minnesota prison."

CRIMINAL LAW:

North Carolina AG Takes Over Duke Lacrosse Case. The New York Times (1/14, Wilson) reports, "North Carolina's attorney general said Saturday that his office would immediately assume control of the Duke lacrosse sexual assault case referred to him on Friday by the Durham County district attorney. … 'I wish I could tell you that this case would be resolved quickly,' the attorney general, Roy A. Cooper, said at a news conference here on Saturday afternoon. 'Since we have not been involved in the investigation or the prosecution of these cases, all of the information will be new to our office. Any case with such serious criminal charges requires a careful and deliberate review.'" The Times continues, "The district attorney, Michael B. Nifong, had asked Mr. Cooper to take over the prosecution, citing the conflict of interest he faced from having to respond to an ethics complaint from the North Carolina Bar Association. Mr. Nifong was 'very disappointed' at giving up the case, his lawyer, David B. Freedman, said Saturday, but pleased with Mr. Cooper's assignment of two veteran prosecutors. … Defense lawyers and families of the defendants welcomed the news that the case would be in the hands of the attorney general's office. … Mr. Cooper said his office would obtain the case files next week and then meet with defense lawyers and reinterview witnesses, including the accuser. He said he did not know if a pretrial hearing scheduled for Feb. 5 would have to be postponed."

The Washington Post (1/14, A3, Adcock) reports that Cooper "emphasized that his prosecutors will be looking at this case with fresh eyes, and that while the review could lead to dropped charges, it could also lead to new charges or reinstatement of rape charges dropped last month. … Cooper also said his office would not talk about details of the case while it is reviewing the sexual assault and kidnapping charges against Reade Seligmann of Essex Fells, N.J., Collin Finnerty of Garden City, N.Y., and David Evans of Bethesda." The Post adds, "The takeover of the case comes after Nifong sought to recuse himself, and follows weeks of increasing criticism of his handling of the case. Last month, the North Carolina State Bar charged Nifong with ethics violations. … The new lawyers appointed to the case -- career prosecutors Mary D. Winstead and James J. Coman -- will begin by going through the case files, which will be transferred from Durham to Raleigh."

Two NYPD Officers Suspended Over Kidnap Probe. The New York Times (1/14, Williams) reports, "Two police officers have been suspended without pay for failing to adequately investigate a 15-year-old girl's complaint that a man had tried to kidnap her, the police said yesterday. The man, a paroled sex offender, is now suspected of abducting and raping a 17-year-old girl just two hours after the complaint, the police said." The Times continues, "The officers, who have not been identified by the police, are assigned to the 101st Precinct in Queens, said Paul J. Browne, the Police Department's chief spokesman. … The suspect, Eric McCoy, was arrested on Jan. 3 and has been charged with committing two rapes in Queens in a little more than four weeks. In each case, he posed as a police officer and raped his victims inside motel rooms, the police said." The Times adds, "In the first assault, which occurred on Dec.

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4, Mr. McCoy abducted a woman, 27, as she was getting off a bus in Jamaica and forced her to a motel, the police said. In the second episode, the authorities said, Mr. McCoy approached a 17-year-old girl on Jan. 2 in Kew Gardens and identified himself as a 'police special investigator.' He said he had a gun and took her to a motel where he raped her, the police said. .. Hours before the second rape, Mr. McCoy had told a 15-year-old girl that he was a police officer investigating an assault. After showing her a fake badge, he told her to wait inside a laundry. Inside, she talked about the encounter with a woman, who called 911, the police said."

Informant Says DeVecchio Leaked His Cooperation To Mob. Under the headline "'Gangland' G-Man Sent Rat Into Trap," the New York Post (1/14, Calabrese, Hamilton) reported, "It was the FBI's version of a planned hit. That's what mob turncoat Carmine Imbriale says he faced in 1992 after former G-man Lindley DeVecchio rigged him with a wire and sent him to gather evidence against Gregory Scarpa, the boss of the Colombo crime family. What Imbriale didn't know, he says, was that DeVecchio -- the allegedly corrupt FBI supervisor facing charges he helped Scarpa carry out gangland executions -- had tipped off the mobster about Imbriale's deal. … 'It was amazing I wasn't killed,' said the former loan shark, who is in witness protection." The Post added, "Only a two-week battle with migraines saved him, Imbriale said," leaving him too ill to leave his house.

Springfield, MA, Corruption Probes Continue. The Springfield (MA) Republican (1/14, Flynn) reports, "Thirty-three victories in 34 cases. … Half a dozen public agencies under new management. … Five million in swindled tax dollars being pumped back into a financially depleted city." The Republican continues, "Half a decade after it started, Springfield's clean government makeover, courtesy of the FBI, IRS and other federal agencies, just keeps going. Since August, 17 defendants have pleaded guilty to stealing public money earmarked for the poor, sick and homeless. … But behind the flurry of recent prosecutions, the U.S. Justice Department's landmark corruption probe is undergoing its own transformation, with three top investigators leaving the case since August and no high-profile indictments or raids in more than a year." The Republican adds, "For the first time since 2003, when indictments began cascading from U.S. District Court here, Springfield's seemingly endless corruption probe appears to be winding down. … Not so fast, says the region's FBI bureau chief, Michael G. O'Reilly. .. . 'Certainly, some of the urgency has drained away with all the success we've had,' said O'Reilly, who took over the Springfield office in 2001. 'But after terrorism, fighting organized crime is still our No. 1 priority.'" The Republican notes, "Those convicted run the gamut from powerful and well connected - former Police Commission Chairman Gerald A, Phillips, two-term state Rep. Christopher P. Asselin, homeless shelter director Francis G. Keough III - to little-known building contractors, a no-show bakery employee and a convicted sex offender with a patronage job on the city Health and Human Services Department payroll. … Several defendants, including Phillips, were convicted on whittled-down versions of the original charges, and some received probation or short prison sentences. Phillips, ordered to serve 21 months in a Pennsylvania prison, is finishing out the term at a Ludlow pre-release center. … The only outright defeat for prosecutors came in October, when a judge threw out racketeering and bid-rigging charges against a Springfield Housing Authority contractor because the five-year statute of limitations had expired."

Alleged 96-Year-Old Mobster May Be Oldest Ever Indicted By US. The Los Angeles Times (1/14, Williams) reports, "With his trial on racketeering charges set to begin next month, Albert 'The Old Man' Facchiano may be living proof that the only way to leave the mafia is feet first." The Times continues, "Facchiano, 96, is believed to be the oldest person ever indicted by the federal government and would likely be the country's most senior of senior-citizen inmates if convicted and sent to prison for alleged violent service to the Genovese crime family. … A federal grand jury last year issued a six-count indictment of Facchiano and six other South Florida men tied to the New York mob, alleging they ran the mafia's Miami operations and engaged in 'a pattern of racketeering activity' that included extortion, robbery, money laundering and loan sharking." The Times adds, "It is unclear from the Florida indictment whether Facchiano is suspected of actually pulling a trigger or wielding a lead pipe. But a parallel New York indictment of 30 reputed Genovese members specifically accuses the nonagenarian of trying to intimidate or eliminate a witness in the federal government's case against the nation's most powerful crime family. … Facchiano's attorney, Brian McComb, said he was trying to negotiate a plea bargain for

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his client, whom he describes as having 'a lot of medical problems' but still able to participate effectively in his own defense. The accused, who will turn 97 on March 10, is in full possession of his mental faculties 'so far,' McComb said. 'I think this is going to end up being worked out,' the lawyer from the Florida Gold Coast city of Stuart predicted. … But the U.S. attorney's office for south Florida reports that its prosecution of Facchiano is on track to begin Feb. 22 in the court of U.S. District Judge James I. Cohn. … 'I think the judge gave us sufficient time, and I think he intends to go forward. We're ready to go to trial,' said Assistant U.S. Atty. Jeffrey N. Kaplan."

New Orleans Residents Fight Back Against Wave Of Violence. NBC Nightly News (1/13, story 5, 2:00, Seigenthaler) reported on "taking back the streets of New Orleans. We have been reporting on the violence there -- 15 murders in 14 days. Now neighbors are getting together and getting organized and demanding the criminals get out." NBC (Mott): "Thursday, 5,000 people here made their way to City Hall demanding change…and headed back to neighborhoods armed and alive with action, including in parts of town untouched by the latest wave of murders."

CIVIL RIGHTS:

Florida Schools May Be Released From Desegregation Order. Ocala (FL) Star-Banner (1/14, Callahan) reports, "Marion County (FL) Public Schools likely will be released from a 28-year-old federal desegregation order Tuesday when they head back to the U.S. District Court in Jacksonville and ask that the order be lifted, according to the School District's attorney." The Star-Banner continues, "Department of Justice officials also will ask U.S. District Judge Harvey E. Schlesinger to give Marion County unitary status, meaning it will no longer be under the government's microscope, said Michael W. Kirk, the Washington, D.C.-based attorney representing Marion County." The Star-Banner adds, "There are 15,000 school districts in the country and fewer than 3 percent, or 280 districts, are still under court orders, including Marion County. Another 120 districts are affected by individual lawsuits. … Justice officials inspected area schools last year, and Kirk said they seem satisfied. He said Marion's public schools have complied with all requirements, including recruiting minority teachers, balancing of race in schools and stopping student and teacher transfers."

Cleveland, Columbus Police Officers Rarely Faulted For Use Of Force. The AP (1/14) reports, "Internal reviews and grand jury investigations rarely find fault with police officers who fire their guns or otherwise use force in making arrests, newspapers in Cleveland and Columbus reported." The AP continues, "Departments rarely involve outside reviewing agencies and records often reveal only scant details about the incidents, The Columbus Dispatch and The (Cleveland) Plain Dealer reported on Sunday." The AP adds, 'All 4,427 uses of non-deadly force by Cleveland police were ruled justified in a nearly three-year period from 2003 through last September. One case involving an off-duty officer using pepper spray was deemed 'inappropriate' but justified, The Plain Dealer reported. … The investigations were done by district supervisors who directly oversee the officers involved - a practice that the U.S. Justice Department warned the city in 2002 could create a conflict of interest." The AP notes, "The Dispatch reviewed 112 police shootings in Columbus from 1996 through 2005. Of those, six ended with rulings that officers violated department policy. One was fired. Franklin County grand juries independently reviewed only the 25 shootings that resulted in deaths. Most 2006 cases are still under review. … The newspapers noted either missing records or a dearth of public information."

The Cleveland Plain Dealer (1/14, Baird) reports, "Cleveland police supervisors reviewed 4,427 incidents in which police used non-deadly force in the last four years and determined the officers were justified in every case. … The only way police could rule that every single use-of-force incident was justified, some experts said, was to rubber-stamp rather than to investigate them." The Plain Dealer continues, "Dennis J. Kenney, a professor at the John Jay College of Criminal Justice in New York who specializes in police use of force, said that either Cleveland's officers are unbelievably well-trained or their investigations are cursory. … His opinion echoed criticism the U.S. Department of Justice leveled against Cleveland police. In 2000, the Justice Department opened an investigation into whether the city's police routinely violated citizens' constitutional rights." The Plain Dealer adds, "After two years of investigating, they found widespread problems with police guidelines for using force and investigating these incidents. … The chief of the Justice Department's Special Litigation Section lambasted Cleveland

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police in a 2002 letter, questioning 'the competency, thoroughness, and impartiality of use of force investigations.' … To avoid the possibility of federal sanctions suffered by other cities, Cleveland police promised improvements."

The Columbus Dispatch (1/14, Futty) reports, "Columbus police officers who shoot someone are almost always justified in the eyes of their supervisors. … Most 2006 cases, including two in November in which officers killed suspects, are under review. In 112 shootings from 1996 through 2005, six officers violated division policies, according to records reviewed by The Dispatch. One was fired." The Dispatch continues, "None of the 153 officers was charged with a crime. The 25 shootings that resulted in deaths were reviewed by Franklin County grand juries; nonfatal shootings are rarely reviewed independently as in some other cities. … Police brass say the dearth of unjustified shootings reflects good training and restraint by the city's 1,870 officers. But few people, even within police ranks, know case details or how often officers are cleared because the division is so secretive. It routinely withholds all but basic details. Even officers' names are usually not disclosed until a day or two after the incident." The Dispatch adds, "The division can take years to fulfill simple records requests. To conduct this study, The Dispatch filed its first request for public records more than 2½ years ago. … An analysis of the 112 officer involved shootings from the past decade found little evidence to refute that most were justified. The review identified only four cases in which officers fired at a suspect under the mistaken impression that the person was armed. All were ruled justified."

Hopes Rise For Akaka's Recognition Bill With Democratic Congress. The Honolulu Star-Bulletin (1/14, Borreca) reports, "U.S. Sen. Daniel Akaka will again seek passage of a native Hawaiian recognition bill possibly as early as this week, some seven months after a procedural defeat on the Senate floor." The Star-Bulletin continues, "Cheered by his new Democratic majority, Akaka was rounding up signatures of both new and old supporters last week. As soon as he gets what is a politically viable number, Akaka said, he will introduce the so-called Akaka Bill. … 'I wanted to drop (introduce) it this week, but there were some members I wanted for co-sponsor,' Akaka said Friday." The Star-Bulletin adds, "Last year, Akaka had the backing of the Democrats, but was not able to get the 60 votes needed to stop a GOP filibuster of the measure and bring it to the floor for a vote. …Because it is a new piece of legislation this year, the Akaka Bill will have to go back to committee. Akaka said he is confident it will get a good reception at the Indian Affairs committee, because the new Democratic chairman, Sen. Byron Dorgan, D-N.D., "is excited about getting the bill passed.""

FBI/DEA/ATF/USMS:

DEA Seeks New Offices Along US-Mexico Border. The San Antonio Express-News (1/14, Castillo) reports, "Reports that the Drug Enforcement Administration has asked the Mexican government to approve new DEA offices along the border abound, but officials on both sides of the border are keeping mum on the details." The Express-News continues, "The DEA wants to expand its presence in Mexico by placing agents in offices in the border cities of Matamoros , Nuevo Laredo and Nogales , the Mexico City newspaper Reforma and the Houston Chronicle reported, citing anonymous officials. … 'DEA has a very strong relationship with Mexican authorities, but any talk of new offices is premature,' agency spokesman Steve Robertson said. 'No decision has been made yet.' … But privately, agents along the border are excited and are following the developments closely, a border law enforcement source said." The Express-News adds, "The proposed offices would cost about $4.5 million a year and would be staffed by five to seven people each, the Houston Chronicle reported. … If the plan is approved, it would place U.S. agents in an area plagued by drug-related violence for much of the past three years. … Matamoros and Nuevo Laredo are strongholds for the Gulf Cartel, and violence regularly flares up in the region as other criminal organizations battle for the same smuggling routes into the United States." The Express-News notes, "News of the planned expansion coincided with a visit to Mexico by U.S. Attorney General Alberto Gonzales , who met with his counterpart, Eduardo Medina Mora , on Thursday. … In remarks after their meeting, Gonzales touted the need for expanded cooperation but didn't mention the request for more U.S. agents in Mexico. … 'Clearly, Mexico and the United States have a shared responsibility to make our communities safer from the drug traffickers and criminals who are threatening our way of life,' Gonzales said. 'Both Attorney General Medina Mora and I wholeheartedly agree that our law enforcement officials must be able to cooperate with one another on a broader scale and in an atmosphere of

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mutual trust if we are going to be able to turn back the tide of recent violence and crime that so adversely affects us all.'"

Former Star ATF Agent Now Paints Unflattering Picture Of Agency. The Arizona Republic (1/14, Wagner) reports, "Jay Dobyns is no stranger to dangerous adversaries. … Within days of becoming a sworn agent with the Bureau of Alcohol, Tobacco, Firearms and Explosives, Dobyns was taken hostage and shot during a Tucson sting operation. … A year later, he was run over by gangsters in a getaway car. … Since then, he has gone undercover to bust bombmakers, murderers, drug dealers, gunrunners and prison thugs. Three years ago, he infiltrated the Hells Angels so completely that he was offered membership in the biker club." The Republic continues, "Now, after nearly two decades of service, after being praised by ATF as a hero and earning national awards, the man known as 'Jaybird' is battling his most formidable foe yet: his employer. … Dobyns, 45, is one of dozens of current and former agents to allege mismanagement and misconduct in the ATF, a federal agency responsible for enforcing America's gun laws and preventing terrorist bombings. More than a dozen lawsuits, administrative claims, grievances, ATF documents and letters to Congress reviewed by The Arizona Republic accused administrators of betraying their own field investigators and operatives out of arrogance or incompetence." The Republic adds, "A 2006 inspector general's report also found that the agency was plagued by poor management and questionable judgment. The ATF director resigned amid the inspector general's investigation. But agents, lawyers and experts say problems persist, and if left unchecked, a troubled agency will continue to spin out of control." The Republic notes, "Claims of abuse In grievances filed with the ATF, Dobyns claimed the agency failed to protect him when he was threatened in the line of duty and then harassed him when he complained about the lack of security. He has submitted a multimillion-dollar claim alleging the bureau ignored death threats against him and his family. … According to a grievance Dobyns filed in May, ATF administrators sought to undermine his credibility by spreading false allegations that he was psychologically unfit for duty and a danger to himself or others. Dobyns alleged in that 83-page record that he was subjected to unwanted transfers, denied security, accused of fraud and blocked from getting a Medal of Valor. … In internal probes, the ATF has dismissed most of Dobyns' complaints."

IMMIGRATION:

Evangelicals Portrayed As Conflicted Over Immigration Reform. The Washington Times (1/14, Altamirano) reports, "Evangelical Christians say the issue of illegal aliens in the United States often creates a conflict between their allegiance to the Gospels and their loyalty to the government. 'On one hand, they really want to minister to people, but on the other hand, [illegal aliens] have broken the law -- and that's a problem for people,' said John Clifford Green, a senior fellow at the Pew Forum on Religion and Public Life. Several conservative Christian groups sent a letter Monday to President Bush asking that his plan to resolve the immigration crisis include strong border security, amnesty for illegals who are related to U.S. citizens and already are in the country and an end to birthright citizenship."

CONGRESS-ADMINISTRATION:

Bush, Congressional Leaders Meet To Discuss GOP Infighting. The New York Times (1/14, Hulse) reports Republicans "have suddenly fractured…with some prominently deserting the White House on Iraq and others bolting from their leadership on popular domestic issues. … Facing as much internal party dissension as he has seen since taking office, Mr. Bush invited Republican leaders of the House and Senate to his Camp David retreat this weekend to plot strategy only days after his plan for a troop buildup ran into scorching Republican resistance on Capitol Hill. While Republican unrest about Iraq was the most visible party division, others were starkly reflected in the ease with which House Democrats pushed through initial elements of their 100-hour legislative program with substantial Republican backing." The "harsh comments about the troop plan from well-known Republican critics like Senator Chuck Hagel was one thing. But strong statements coming from less prominent Republicans who have been Bush loyalists were quite another."

Moderate GOP House Members Voting With Democrats On Key Bills. The Washington Post (1/14, A1, Weisman) reports House Republican leaders, "who confidently predicted they would drive a wedge through the new Democratic majority, have found their own party splintering, with Republican lawmakers siding with Democrats in droves on the House's opening legislative blitz.

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… Many back-bench Republicans are showing themselves to be more moderate than their conservative leadership and increasingly mindful of shifting voter sentiment. The closest vote last week -- Friday's push to require the federal government to negotiate lower drug prices for Medicare -- pulled 24 Republicans. The Democrats' homeland security bill attracted 68 Republicans, the minimum wage increase 82." Rep. Jo Anne Emerson is quoted as saying, "You're freer to vote your conscience. …. I feel free to represent my constituents exactly as they want me to be."

The New York Times (1/14, Hulse) notes that "equally telling was a little-noticed procedural vote when more than 50 Republicans rejected their party's alternative to the Democratic minimum wage legislation, normally a statement of party loyalty. 'I thought it was a sham,' Representative Peter T. King, Republican of New York, said of his own party's substitute. The developments left many wondering whether recent days represented a permanent shift in the relationship between the White House and Congressional Republicans and a long-term weakening of party identity."

Earmark Disclosure Seen As Minor Victory For Fiscal Conservatives. The Washington Times (1/14, Lambro) reports Congressional Republicans "sought to burnish their tarnished credentials as foes of pork-barrel projects last week, winning cheers from spending critics but a wait-and-see response from other conservatives and the party's grass roots." Sen. Jim DeMint "overcame initial opposition from Democratic leaders to a broader definition of pork in a rules change that will require full disclosure from each lawmaker who sponsors so-called 'earmark' provisions. … When the smoke cleared Friday after a bitter two-day exchange of charges and countercharges," Sen. Harry Reid "agreed to an 'earmark disclosure that is even stronger than what I had originally proposed,' Mr. DeMint said." Former Rep. Pat Toomey, president of the Club for Growth, "said it was 'a solid first step, but by itself it is not enough for the Republicans to re-establish their credentials as fiscal conservatives.'"

SMU Faculty Coordinate Opposition To Bush Library Proposal. The New York Times (1/14, Blumenthal) reports, "With growing faculty unease over plans to enshrine President Bush's official papers and a policy institute at Southern Methodist University in Dallas, the process of creating the nation's 13th presidential library is off to a familiar start: discord. On Thursday, 68 theologians, professors and other faculty members present and past, citing complaints about President Bush's 'poor marks' on civil liberties, the environment, gay rights and the war in Iraq, sent the university president a letter questioning whether visions of the library were consistent with the school's religious and academic values. 'According to George Bush's closest associates, the half-billion-dollar endowment will be used by the institute to hire conservative scholars to agree to "write papers and books favorable to the president's policies,"' said the letter calling for a campuswide dialogue on the affiliation."

Abramoff's Ties To White House Described. In a New York Times Book Review (1/14) piece on Peter H Stone's "Heist: Superlobbyist Jack Abramoff, His Republican Allies, and the Buying of Washington," Norman Ornstein of the American Enterprise Institute writes, "The revelations are far from over. The House Government Reform Committee reported in late September that Abramoff's billing records showed a robust 485 contacts between Abramoff and his lobbyist team and key White House officials, including 10 or more direct contacts between Abramoff himself and Karl Rove. Subsequently, Rove's top assistant, Susan B. Ralston, who had worked for Abramoff and who accepted a number of high-priced tickets to concerts and sporting events from him while she was in the White House, resigned. Meantime, David Safavian, the former White House chief of government procurement (and Abramoff aide), who had been convicted of false statements and obstruction of justice, was sentenced last October to 18 months in prison."

Brooks Notes Modest Scope Of Democrats' Initiatives. In his column for the New York Times (1/14) David Brooks writes, "the most amazing thing about the past week is how modest the Democratic agenda has been. Democrats have been out of power in Congress for 12 years. They finally get a chance to legislate and they push through a series of small proposals that are little pebbles compared to the vast economic problems they described during the campaign. … They understand that in the face of inequality, Americans have usually opted for policies that offer more opportunity, not those emphasizing security or redistribution. American domestic policy is drifting leftward, but there are sharp limits on how far it will go."

Further Minimum Wage Hikes Said To Be Necessary. In an op-ed for the Los Angeles Times (1/14)

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Robert Pollin, Co-director Of The Political Economy Research Institute, writes, "The United States appears ready to support a national living wage. Last week, the House of Representatives voted to raise the federal minimum wage in three steps to $7.25 an hour as of mid-2009. The Senate is expected to link the raise to tax breaks for business, but passage seems assured. And President Bush has said that he will sign legislation to increase the wage. … But Congress shouldn't stop there because $7.25 an hour is not close to a living wage. Adjusted for inflation, it would represent an increase of just about 4% from the current $5.15. … Further increases could be tied to inflation and average labor productivity. If inflation and productivity trends of the last decade continue, this would translate into a 10% to 12% increase in the federal minimum wage every two years, to $10 an hour in 2013."

OTHER NEWS:

Bush Iraq Plan Complicates Presidential Race For McCain, Clinton. The New York Times (1/14, Nagourney, Healy) reports on its front page that "as the politics of the war" in Iraq "continue to shift, no prospective presidential candidates face more intensive scrutiny of their views or greater risk to their ambitions" than Sens. John McCain and Hillary Clinton. McCain, "long a proponent of sending more American forces into the fight," is "now more than ever is linked to a war that has splintered his party and lost public support." As for Clinton, who is "viewed with suspicion by elements of her party because she has not explicitly repudiated her October 2002 vote authorizing military action against Iraq," she "has been trying to shore up her credentials as a critic of the war without exposing herself to charges of indecisiveness or flip-flopping of the sort that so damaged" Sen. John Kerry in 2004. On the GOP side of the presidential race, "a deep split" within the party is increasing the chances McCain "will face challenges on the war from fellow Republicans long before he has to worry about Mrs. Clinton and other Democrats." While likely candidates Rudy Giuliani and Mitt Romney have expressed support for the President Bush's new plan, Sen. Sam Brownback, "who is positioning himself as an alternative to Mr. McCain among conservatives, denounced Mr. Bush's plan," as did Sen. Chuck Hagel. On the Democratic side, Sen. Barack Obama, "who joined the Senate in 2005 and thus escaped the Iraq vote that has come to haunt" Clinton, Kerry, and John Edwards, "used the platform of Senate hearings to lacerate the Bush Iraq policy and affirm his own opposition to the war."

The Chicago Tribune (1/14, Zuckman) writes that McCain's "unflinching insistence on boosting the number of troops in Iraq, and his position as one of the president's most vocal supporters of the war, could imperil his White House ambitions, even among the GOP faithful."

Bush Considers His Legacy As GOP Thinks Ahead To 2008. The New York Times (1/14, Zernike) examines Bush's legacy as the next election season looms, writing, "On one end of Pennsylvania Avenue is a president who argues that history will judge him favorably on the war; on the other are increasingly skeptical Republicans who blame the president's stay-the-course strategy for the loss of majority status in Congress and fear that it may cost them again in 2008. The unusual circumstances of the 2008 election may only aggravate the situation. Congressional Republicans face high stakes, particularly in the Senate, where 21 are up for re-election, compared with just 12 Democrats. And the Democrats have already put targets on senators in the Northeast and Midwest where antiwar sentiment helped Democrats sweep into office." Bush "has frequently likened himself to Harry Truman, an unpopular president when he left office, but one applauded by history." But presidential historian said, "He's no Harry Truman. Truman is now seen as a near great president because he put in place the containment doctrine boosted by the Truman Doctrine and the Marshall Plan and NATO, which historians now see as having been at the center of American success in the cold war. If you ask yourself, what is Bush's legacy, what is there? What's his larger design to meet the dangers of Islamic terrorism?" The Times adds, "The parallels, some historians say, are more to Lyndon Johnson."

Novak Says Obama Could Create Exploratory Committee This Week. In his syndicated column, Robert Novak (1/13) writes that Sen. Barack Obama "informed a major Democratic financial contributor that he probably will announce formation of a 2008 presidential exploration committee this coming week, which starts with Martin Luther King Jr. Day Monday. A political source close to Obama told this column he was not sure the exploratory committee would be named that early but added that probably would happen during the next three weeks. Actual announcement of his candidacy would come later."

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Obama Has Not Won Over Traditional Black Leaders. Under the headline "Obama's Charm Lost On America's Black Activists," the Times of London (1/14, Allen) writes that while Obama "is a media darling, a paparazzi target and a source of inspiration for millions of Democrats," he "has not impressed some of America's most powerful black activists. Civil rights leaders who have dominated black politics for much of the past two decades have pointedly failed to embrace" Obama. The "unexpected coolness between the old civil rights guard and the new Democratic hopeful has added an intriguing twist to the budding rivalry between Obama" and Sen. Hillary Clinton, "who hopes to emulate her husband, former president Bill Clinton, in attracting support from black voters."

Obama's "Inner Circle" Examined. The Chicago Tribune (1/14, Dorning, Parsons) runs a feature on "Obama's Inner Circle" as Obama "and his advisers seek commitments from political operatives and donors in preparation for a likely run for the presidency. The existing core of advisers around the Illinois Democrat simultaneously anchors him in the pragmatic sensibility of his urban Midwestern home base and encompasses the world of ideas of his Harvard Law School classmates."

Romney Shifting Stance On Gun Issues. The Boston Globe (1/14, Helman) reports Mitt Romney, "who once described himself as a supporter of strong gun laws, is distancing himself from that rhetoric now as he attempts to court the gun owners who make up a significant force in Republican primary politics." During his 1994 Senate run and 2002 gubernatorial run, Romney backed gun-control measures, but now, "as he explores a presidential bid, Romney is sending a very different message on gun issues, which are far more prominent in Republican national politics than in Massachusetts. He now touts his work as governor to ease restrictions on gun owners," and he "proudly describes himself as a member of the NRA -- though his campaign won't say when he joined."

Tancredo In Iowa, Testing Presidential Waters. The Denver Post (1/14, Mulkern) reports Rep. Tom Tancredo "is in the key caucus state of Iowa this weekend, assessing whether he should formally announce a bid for the presidency." Tancredo spokesman Carlos Espinosa said if Tancredo enters the race, it would be because of his desire to inject the immigration issue into the debate, "and not because he thinks he can win the election. 'Any bid that Tom would put up, it would be fighting for third place,' Espinosa said. 'Third place would be a huge victory for Tom Tancredo.'"

LATimes Says Schwarzenegger Should Be Permitted To Seek Presidency. The Los Angeles Times (1/14) editorializes, "The governor of the nation's largest state was reelected in a landslide in November, even though his Republican Party is a minority in California. He works with Democrats in a way that offers the rest of the country a model of much-needed bipartisanship. To kick off his second term, he has proposed the most ambitious healthcare and environmental reforms in the country, and he is also committed to a massive reconstruction of the state's infrastructure. Yet, oddly enough, Gov. Arnold Schwarzenegger is not on the list of potential presidential candidates in 2008. … It's long past due for this nation of immigrants to amend the Constitution to allow naturalized Americans to aspire to the presidency. This is precisely the type of defining issue -- what it means to be American -- that the amendment process was designed to address. Supporting Schwarzenegger for governor (we did) does not necessarily lead to supporting him for president (we don't -- yet). But why should Californians have their governor sidelined from the race? And why can't voters across the country be entrusted to decide for themselves whether the governor of California is sufficiently 'American' to earn their vote?"

In a Los Angeles Times (1/14) op-ed, Stanford University research fellow Bill Whalen writes, "Schwarzenegger lives in rarified air -- an American politician the world knows on a first-name basis. That said, his sky has a ceiling. Term limits will force him to step down in 2011, and the Constitution stands in the way of a presidential run. That leaves the U.S. Senate as an alternative. Some option."

Schwarzenegger Said To Be Governing As A "Party Of One." The Los Angeles Times (1/14, Nicholas) reports that Schwarzenegger "is confident that he faces no real repercussions if he disappoints the state's GOP leadership. Siphoning ideas from both major parties, he remains a Republican by registration, but he is acting, speaking and governing increasingly like an independent. Like a party of one." Schwarzenegger's approach "reflects a careful reading of the California electorate. Since 1990, Republican and

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Democratic party membership in California has dropped, while the proportion of independent voters has climbed."

Riley Says He Is Not Interested In Vice Presidency. The AP (1/13) reports Alabama Gov. Bob Riley "is trying to stymie speculation that he wants to trade his new title for 'vice presidential candidate' next year. Riley says he is not interested in running a national campaign in 2008 or leaving the governor's office before the end of his new four-year term."

Davis Calls For Bipartisan Ticket In 2008. In a Washington Post (1/14, B3) "Outlook" piece, Lanny Davis, former counsel to President Clinton, urges "someone to form a bipartisan ticket in 2008" as a means of combating "today's national unease and rabid partisanship," which he compares to that of 1864, when Republican President Abraham Lincoln made "highly partisan Democrat Andrew Johnson" his running mate. Davis says the two parties could "nominate their respective tickets and wage a traditional partisan campaign on the issues, so that voters could see each party's approach and weigh their preferences," and then "after the election, the winner would ask his or her vice president-elect to step down…while inviting the defeated presidential or vice presidential candidate from the other party to serve as vice president." Davis proposes several combinations, including John McCain/Hillary Clinton, Barack Obama/Chuck Hagel, Joseph Biden/Mitt Romney, John Edwards/Michael Bloomberg, and Bill Richardson/Rudy Giuliani, saying "any of these bipartisan pairings, in any permutation, would create a stir -- and a dynamite ticket."

Death Said To Boost Former Presidents' Reputations. In an op-ed for the Los Angeles Times (1/14) David Greenberg, Professor Of Media Studies And History At Rutgers University, writes, "The national hoopla surrounding the deaths of Richard Nixon in 1994, Ronald Reagan in 2004 and last month — to the astonishment of historians, as well as most other Americans over 30 — Gerald Ford suggests that nothing helps a chief executive's standing with the public so much as his demise."

Rice Said To Have "Modest Goals" For Mideast Trip. Major media reported on Secretary of State Condoleezza Rice's first stop on her Middle East trip. The New York Times (1/14, Shanker, Myre, 1.16M) titles its piece, "Rice Backs Mideast Moderates, But Offers No Plan." Rice "and her Israeli counterpart declared their mutual backing on Saturday for a bilateral diplomatic strategy that would support moderate political leaders across the Middle East, but after a first evening of talks offered little new to push ahead any agreement with the Palestinians." Rice "played down expectations for any breakthrough during her travels," and Israeli Foreign Minister Tzipi Livni "said after a meeting with Ms. Rice that the two countries were joined in an 'ongoing mutual effort to empower the moderates throughout the region in the struggle against extremism and terror.'"

Under the subheading, "Modest Goals Set for Peace Effort," the Washington Post (1/14, A14, Kessler, 690K) notes Rice "embarked Saturday on a new push for Israeli-Palestinian peace but set modest goals for herself, saying she was coming without a particular plan or proposal but instead wanted to gather ideas from Israelis, Palestinians and key Arab figures in the region." During this trip, Rice "appears to be seeking to lower the temperature of a region shaken by the turmoil in Iraq and last summer's" Israeli-Hamas war.

ABC World News (1/13, story 4, 1:50, Morrell, 8.78M) reported, "Traveling in Israel today," Rice issued another warning to Iran." Rice: "The President has made it clear that we will go after the networks that are producing explosive devices that are threatening our forces." Morrell: "Administration officials insist US troops will not cross into Iran itself." NBC Nightly News (1/13, story 4, 3:00, Mitchell, 9.87M) reported, "As part of the US military buildup against Iran, the Pentagon plans to send a second carrier group to the Persian Gulf and Patriot missile batteries to allies. By scaling up," President Bush "is rejecting the Baker-Hamilton recommendation that he negotiate with Iran. Instead of increasing the military pressure."

On its front page, the Washington Times (1/14, Kralev) notes Rice "arrived in Israel yesterday on the first leg of a Middle East tour seeking support for a U.S. troop increase in Iraq, warning that the consequences of failure are too great to contemplate 'pulling the plug.'" She further "urged Sunni Arab nations to help 'reintegrate' Iraq into the Arab world to counter the increasing influence of Iran."

The AP (1/13, Gearan) reports Rice "explored opportunities Saturday for a fresh start in the stalled effort at a political compromise between Israel and the Palestinians. At the start of a weeklong trip to the region, she warned that an enduring peace cannot be stamped 'made in America.'" Rice "said she did not carry a specific plan and she tried to lower expectations for quick changes." The AP adds, "Any

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progress would require political risk-taking from weakened Israeli and Palestinian leaders, and some resolution to escalating divides in the Palestinian ranks." BBC.com (1/14) adds Rice will meet Palestinian President Mahmoud Abbas in Rammallah "a day after saying a 'creative' solution is needed to end the conflict between Israel and the Palestinians." Planning to dine tonight in Amman with King Abdullah, Rice "has admitted that she did not head to the Middle East with any specific plan to end the lingering conflict."

Ahmadinejad, Chavez Seek OPEC Output Cut, "Anti-US" Development Fund. The New York Times (1/14, A12, Romero) notes Iranian President Mahmoud Ahmadinejad embarked "on the first leg of a Latin American visit to enhance Tehran's stature with governments where distrust of the Bush administration already runs deep." This weekend marks his "second visit to Venezuela in the past five months, and" Ahmadinejad and President Hugo Chavez "were scheduled to talk about strengthening their economic ties." Ahmadinejad then "is to visit Ecuador and Nicaragua, where leftist presidents aligned with Mr. Chavez are taking office this month." Chavez's subordinates "promoted the visit as an example of Middle Eastern solidarity with Mr. Chávez's opposition to American foreign policy." The Times adds, "Nowhere has Iran's search for allies in Latin America been more fruitful than in Venezuela. The two countries have signed an array of agreements in recent months, pledging to work together here in exploring for oil, building low-income housing and assembling tractors and bicycles, among other ventures." Furthermore, "the tightening alliance with Iran comes as Mr. Chávez pushes for broad changes in Venezuela's political and economic structures."

Under the headline, "Iran And Venezuela Plan Anti-U.S. Fund," the AP (1/13, Pearson) notes the "fiery anti-American leaders, whose moves to extend their influence have alarmed Washington, said Saturday they would help finance investment projects in other countries seeking to thwart U.S. domination." As Ahmadinejad begins "a tour of left-leaning countries in the region," the AP says "it was not clear if the leaders were referring to investment in infrastructure, social and energy projects — areas that the two countries have focused on until now — or other types of financing." Both men "have been increasingly united by their deep-seated antagonism toward the Bush administration."

The Los Angeles Times (1/14, Mogollon, Kraul) calls the deal on the $2 billion fund the latest sign of the deepening ties between [the] oil-rich, anti-U.S. countries." The Times adds, "All the problems of the world, [Ahmadinejad] said, are the result of 'powerful countries that only seek economic benefits and do not value human rights because all they are concerned with is lining the pockets of their multinational companies.'" BBC.com (1/13) focuses on their call for a cut in oil production by OPEC members, saying "they wanted to co-ordinate the group to reduce the amount of crude oil on the market." Chavez "said the world oil market was oversupplied with crude, and said Opec should act to stop falling prices."

Argentina Continues Pursuit Of 1994 Iranian Bomb Plotters. The Washington Post (1/14, A14, Reel) highlights Argentine relations with Iran. As Ahmadinejad "visits Latin America this weekend to strengthen economic and political ties with the region, Argentina's Nestor Kirchner will not be in the line of presidents turning out to greet him." Kirchner "has reinvigorated attempts to prosecute Iranian figures for their alleged role in the 1994 bombing of a Jewish community center [in Buenos Aires], recently issuing arrest warrants for nine former Iranian officials. Among those sought is former president Ali Akbar Hashemi Rafsanjani, accused of ordering the attack that killed 85 people and injured more than 200." While Kirchner "maintains friendly relations" with many Ahmadinejad interlocutors, his "domestic agenda is driving him in a different direction." In addition, "the continuing U.S. conflict with Iran complicates matters further: Some critics contend that Kirchner's government has been manipulated by a regionally unpopular U.S. government that wants to use the Argentine court rulings to stir international outrage against Iran." The Post adds, "For many people in Argentina, the indictments have been a bright spot in a case that has been marred for years by botched attempts to bring the bombers to justice."

Hamas, Fatah Officials Make "Significant Progress" Towards Unity Government. The AP (1/13, Laub) reports Hamas and Fatah statements yesterday that "significant progress has been made in secret coalition talks between the" two sides, "signaling a sudden shift after several weeks of deadly internal fighting." The AP calls the end of the civil service union's strike "another unexpected show of unity," and also notes Prime Minister Ismail Haniyeh's call for both sides "to halt their increasingly

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violent power struggle that has claimed 35 lives in recent weeks." The AP adds the "emerging coalition deal" could return Salam Fayyad to the Finance Ministry, retain Haniyeh in the premiership, and make Abu Amr the foreign minister. "Two key sticking points in previous talks — the government's program and who will control most of the security forces — have not yet been resolved."

Despite Desire To Boost Fatah, Israeli Amnesty For Fighters Unlikely. Under the headline, "Amnesty For Fatah Fighters A Mideast Hurdle," the Los Angeles Times (1/14, Boudreaux) reports at length that Israeli fears of potential violence by former Palestinian gunmen have made Israel "reluctant to give [President Mahmoud] Abbas one of the concessions he wants most: to take hundreds of fighters from his Fatah movement off the wanted list and stop trying to kill or arrest them." The Times says this "question" of a Fatah amnesty "is an example of how [the Palestinians'] armed feud has become entangled with the Israeli-Arab conflict, complicating the Middle East diplomacy that U.S. Secretary of State Condoleezza Rice resumed Saturday as she arrived in Israel."

Pakistani Families Battle Courts For Information On Missing Relatives. A piece in today's New York Times (1/14, Masood) details Pakistani families' efforts "to locate what they and human rights groups say are hundreds of people who have disappeared into the hands of the country's feared intelligence agencies in the last few years." Noting that some Pakistanis "charge that the government is using the pretext of the war on terror to crack down on opponents," the Times reports, "In addition to some with ties to extremist groups, those missing include critics of the government, nationalists, journalists, scientists, researchers and social and political workers, the groups say."

ASEAN Agrees To Free Trade Zone, Enforceable Charter. The New York Times (1/14, Conde) notes the Association of Southeast Asian Nations (ASEAN) "made progress toward its goal of economic and political integration at a summit meeting here on Saturday, but it was sidetracked by tensions over how to deal with Myanmar, which has come under fire for its poor human rights record." The ten nations "agreed to establish a free-trade zone by 2015, intensify their fight against terrorism, protect the region's migrant workers and improve their campaign against H.I.V./AIDS. They also agreed to draft a new charter with broad enforcement powers — a break from the 40-year-old group's tradition of consensus and noninterference." However, members "failed to find common ground on Myanmar." The Times adds, "In a sense, the charter is a bid to remain relevant as the economic power of China and India grows, something the group itself acknowledged."

Chirac's Party To Nominate Sarkozy For French Presidency Today. The Washington Post (1/14, A14, Anderson, 690K) reports, "When Interior Minister Nicolas Sarkozy is nominated Sunday as the uncontested presidential candidate for the center-right Popular Movement party of President Jacques Chirac, it should be a moment of personal and political triumph, capping Sarkozy's four-year campaign for France's highest office." However, "bitter rivalries" inside the UMP "have left Sarkozy wounded and weakened, political analysts and party insiders say." He remains unendorsed by Prime Minister Dominique de Villepin, National Assembly President Jean-Louis Debre, Defense Minister Michele Alliot-Marie and Chirac, and the Post notes Villepin "said last week that he would not even vote for Sarkozy in the primary because he is holding out hope that Chirac will decide at the last minute to run for a third term." AFP (1/14) says Sarkozy "is the only politician who can prevent" Socialist Segolene Royal "from becoming the country's first ever woman president. However, his progress has been hampered by bitter feuding inside his own camp."

ETA Airport Attack Said To Isolate, Weaken Spain's Zapatero. The New York Times (1/14, Sciolino) details Spanish Prime Minister José Luis Rodríguez Zapatero's public relations efforts in light of the Basque separatist movement ETA's December 29 bombing of the Madrid airport. One day earlier, he had "proclaimed that the peace initiative he had started with [ETA] months before was making progress." The blast killed two and caused "tens of millions of dollars of damage to Spain's glittery showpiece of modernity," and the Times reports, "Instead of bringing the political establishment of Spain together, the attack ripped it apart. It has left Mr. Zapatero more isolated than at any time in his nearly three years in power and sent the country's politicians into a frenzy of finger-pointing and backbiting."

US, European Outlooks On Greenhouse Gases Said To Diverge. On its front page, the

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Washington Times (1/14, Harding) notes the European Commission "proposal to slash greenhouse-gas emissions by the end of the next decade has highlighted a growing trans-Atlantic split over global warming that is further stressed by a recent poll that shows Europeans are more concerned about climate change than terrorism." The EU executive statement "urged the bloc's 27 member states to unilaterally cut emissions of greenhouse gases, such as carbon dioxide, by one-fifth by 2020 compared with 1990 figures." The Times notes the EC "also called on the United States – which has rejected mandatory curbs on emissions -- and developing countries such as China and India to join it in signing up to a 30 percent reduction in greenhouse gases by the same date." The EC "says its new goal can be reached if member states improve energy efficiency, accept competition between national energy suppliers, agree to produce 20 percent of their energy from renewable sources such as wind and solar power by 2020 and ensure that 10 percent of gasoline consumed is made from biofuels by the same date."

Over 200 Killed In Darfur Clashes. The Washington Post (1/14, A15, Osman) reports Sudanese government claims that "more than 200 people have died in clashes between ethnic African farmers and nomadic Arabs in South Darfur in the past week, leading the Sudanese government to send emissaries to try to reconcile the tribes involved." The violence is "the latest outburst in a nearly four-year-long conflict ," and "involved Habania Arab nomads and Falata ethnic African farmers." The Post adds, "The government's casualty estimate could not be independently verified because the government has barred foreign journalists from Darfur for months," and the African Union peacekeeping mission "said it had not investigated the violence."

Brazilian Government To Mix Amazon Logging Access With Enhanced Oversight. On its front page, the New York Times (1/14, Rohter) reports, "A Brazilian government plan set to go into effect this year will bring large-scale logging deep into the heart of the Amazon rain forest for the first time, in a calculated gamble that new monitoring efforts can offset any danger of increased devastation." President Luiz Inácio Lula da Silva is trying "to create Brazil's first coherent, effective forest policy" and will soon "begin auctioning off timber rights to large tracts of the rain forest."

Bolton Praises Ban's Instincts, Early Decisions. In an op-ed on the front page of the Washington Post (1/14, B1, 690K)'s Outlook section, former UN Ambassador John Bolton previews at length Ban Ki-moon's tenure as UN Secretary-General. "The struggle is underway to determine what sort of leader Ban will be: Will the status quo of the U.N. system overwhelm him, or will he follow his instincts and those of his supporters, including Washington?" Saying Ban made the "right" call in not condemning Saddam Hussein's execution, Bolton writes that the UN "as an institution cannot have a legitimate position on a domestic issue such as the death penalty when there is such fundamental disagreement among its sovereign members -- and especially where democratically legitimate governments have different views." Where Ban "has followed his instincts -- deferring to member governments, supporting U.N. reform and demonstrating personal integrity -- he has done well. When he has followed the conventional wisdom inside the U.N. bubble on First Avenue in New York -- on matters of U.N. theology such as the death penalty and the Middle East -- he has not. In Washington this week, the president and others will again have the chance to take his measure. Based on what we have seen so far, I hope they encourage him to let Ban be Ban."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"Democrats Threaten To Cut Off Military Funds."
"Gov. Is Shifting To A Party Of One."
"Attack On Gangs May Fall Through."
"Winter Blast Breaks Calif. Record."

New York Times:

"Military Is Expanding Its Intelligence Role In U.S."
"Bush's Proposal For Iraq Adds To '08 Intrigue."
"A Sliver Of A Storefront, A Faith On The Rise."
"Company Clinics Cut Health Costs."
"Brazil Gambles On Monitoring Of Amazon Loggers."
"Equal Cheers For Boys And Girls Draw Some Boos."

Washington Post:

"Georgia Ave. Awakening."
"House GOP Shows Its Fractiousness In The Minority."
"On Iraq, U.S. Turns To Onetime Dissenters."

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"Few Details Emerge Of Boys' Captivity."
"U.S. Stars Shine Again In Japan Ads."

Washington Times:
"Rice Traverses Middle East For Iraq Plan."
"'Surge' Plan Put At Risk By Politics, General Says."
"Climate Trumps Terror In Europe."
"Christian Groups Torn Over Illegals."

Detroit Free Press:
"Crowds Flock To Auto Show."
"Veteran Pistons Hold Off Young Celtics."
"Wings Overcome West Coast Weariness."

Atlanta Journal-Constitution:
"New Charge In Sugarloaf Case."
"Hopes Rest On Pardon."
"Nardelli's Payday No Surprise."
"Whale Shark Death A Mystery."
"N.C. Takes Over Duke Case."
"Police Seize $20m In Cocaine."

Dallas Morning News:
"Cowboys Stadium Architect Hits His Stride."
"Music Feud Divides Hill Country Town."
"Perry Deserves More Credit, Many Say."
"At $50 Million, Is Cotton Bowl Worth Saving?"
"What Killed Napoleon Bonaparte?"
"Boucher, Named All-Star Reserve, Will Honor Dying Father's Wishes."

Houston Chronicle:
"Rain, Sleet, Freezing Temperatures To Hit Houston."
"Mexico Faces Culture's Effect On Domestic Abuse."
"Pershing Students Say Goodbye To Old Campus."
"Houston Councilwoman Most Likely To Halt Votes."
"Voices Of Hope Resonate At Silent MLK March."
"Saints Go Marching Into NFC Title Game."
"Texas To Tackle Debate On Harsher Predator Law."
"Investors Snub Whole Foods As Competitors Grow."

Story Lineup From Last Night's Network News:
ABC: Kidnapped Boys Return Home; Ice Storm Hits Mid-West; Two West Virginia Coal Miners Killed; US Warns Iran; Hilary Clinton In Iraq; Military Families Under Pressure; North Carolina Attorney General Takes Over Duke Case.
CBS: Preempted by sports coverage.
NBC: Kidnapped Boys Return Home; Winter Storm In Mid-West; Bush's New Iraq War Strategy; Rice In The Middle East; Program Note, New Orleans Citizens Protest Recent Violence; Two West Virginia Coal Miners Die; Development In Duke Lacrosse Case; Artist's View Of War In Iraq.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: KING DAY-RELATED EVENTS. Highlights: 3 p.m. Prince George's County Executive Jack B. Johnson will deliver the keynote address at a Commemoration Awards Banquet in celebration of Dr. Martin Luther King's 78th birthday, hosted by the Prince George's County Chapter of the Southern Christian Leadership Conference (SCLC). La Fontaine Bleu, 7963 Annapolis Road, Lanham, Md. Contact: Denise Roberts, 301-952-5381. 4 p.m. - 7 p.m. There will be a Martin Luther King Jr. Celebration Day Gospel Musical Concert. Second New St. Paul Baptist Church, 2400 Franklin St. NE. Contact: Priscilla Clarke, 202-723-2200. Contacts: Beth Mullen, 202-537-6248.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SUNDAY, JANUARY 14, 2007 7:45 AM EST**

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TERRORISM NEWS:

Use Of National Security Letters By Pentagon, CIA Disclosed. The New York Times (1/14, Lichtblau, Mazzetti), in a front-page story titled, "Military Is Expanding Its Intelligence Role In U.S.," reports, "The Pentagon has been using a little-known power to obtain banking and credit records of hundreds of Americans and others suspected of terrorism or espionage inside the United States, part of an aggressive expansion by the military into domestic intelligence gathering. The C.I.A. has also been issuing what are known as national security letters to gain access to financial records from American companies, though it has done so only rarely, intelligence officials say. … The F.B.I., the lead agency on domestic counterterrorism and espionage, has issued thousands of national security letters since the attacks of Sept. 11, 2001, provoking criticism and court challenges from civil liberties advocates who see them as unjustified intrusions into Americans' private lives. But it was not previously known, even to some senior counterterrorism officials, that the Pentagon and the Central Intelligence Agency have been using their own 'noncompulsory' versions of the letters. Congress has rejected several attempts by the two agencies since 2001 for authority to issue mandatory letters, in part because of concerns about the dangers of expanding their role in domestic spying."

The Washington Post (1/14, A12, DeYoung) expands on the Times' scoop, adding that the use of the noncompulsory letters has been "overseen by the Pentagon's Counterintelligence Field Activity agency, or CIFA, which was established in September 2002 by then-Deputy Secretary of Defense Paul D. Wolfowitz. CIFA is charged with coordinating policy and overseeing the domestic counterintelligence activities of Pentagon agencies and the armed forces. The agency's size and budget are classified, but congressional sources have said that the agency spent more than $1 billion through October." The AP (1/13) also picks up on the Times story, noting, "Congressional officials said members of the House and Senate Intelligence Committees had been briefed on the Pentagon and CIA's use of the letters, the newspaper said."

The Los Angeles Times (1/14, Barnes, Miller) reports Pentagon spokesman Bryan Whitman "said the Defense Department was not spying on random American citizens and was primarily requesting the information in counterintelligence investigations, such as when department officials or contractors were accused of spying. The Pentagon practice was first reported Saturday evening by the New York Times, which said officials estimated that the Pentagon had asked for the information in as many as 500 investigations over five years."

Army Manual Raises New Concerns Regarding Wiretaps. The New York Times (1/14, Lichtblau, Mazzetti) reports, "Deep into an updated Army manual, the deletion of 10 words has left some national security experts wondering whether government lawyers are again asserting the executive branch's right to wiretap Americans without a court warrant. The manual, described by the Army as a 'major revision' to intelligence-gathering guidelines, addresses policies and procedures for wiretapping Americans, among other issues. The original guidelines, from 1984, said the Army could seek to wiretap people inside the United States on an emergency basis by going to the secret court set up by the Foreign Intelligence Surveillance Act, known as FISA, or by obtaining certification from the attorney general 'issued under the authority of section 102(a) of the Act.' That last phrase is missing from the latest manual, which says simply that the Army can seek emergency wiretapping authority pursuant to an order issued by the FISA court 'or upon attorney general authorization.' It makes no mention of the attorney general doing so under FISA."

Pentagon Disavows Stimson's Comments On Detainees' Counsel. The Washington Post (1/14, A5, Heilprin) reports that yesterday the Pentagon "disavowed" remarks by Charles 'Cully' Stimson, the deputy assistant secretary of defense for detainee affairs, "suggesting companies boycott law firms that represent detainees at the U.S. military prison at Guantanamo Bay, Cuba." According to the Post, "advocacy groups viewed Stimson's remarks as an attempt to intimidate law firms that provide legal help to all people, even unpopular defendants." Pentagon spokesman Lt. Col. Brian Maka "said Stimson was not speaking for the Bush administration. Stimson's comments 'do not represent the views of the Department of Defense or the thinking of its leadership,' Maka said." The Post notes that on Thursday Stimson told Federal News Radio "that he found it 'shocking'

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that lawyers at many of the nation's top firms represent detainees. Stimson listed the names of more than a dozen major firms he suggested should be boycotted. 'And I think, quite honestly, when corporate CEOs see that those firms are representing the very terrorists who hit their bottom line back in 2001, those CEOs are going to make those law firms choose between representing terrorists or representing reputable firms,' Stimson said. Asked who might be paying the law firms to represent Guantanamo detainees, Stimson hinted at wrongdoing for which some explaining should be done. 'It's not clear, is it? Some will maintain that they're doing it out of the goodness of their heart -- that they're doing it pro bono, and I suspect they are,' he said. 'Others are receiving monies from who knows where and I'd be curious to have them explain that.'"

Guantanamo Described As Filled With "Innocent Or Half-Guilty Wretches." In an op-ed for the Washington Post (1/14) Slate's Dahlia Lithwick writes, "Why is the United States poised to try Jose Padilla as a dangerous terrorist, long after it has become clear that he was just the wrong Muslim in the wrong airport on the wrong day? Why is Washington still holding hundreds of detainees at Guantanamo Bay, Cuba, long after years of interrogation and abuse have established that few, if any, of them are the deadly terrorists they have been held out to be? … Padilla is a chump and Guantanamo Bay is just a holding pen for a jumble of innocent or half-guilty wretches." According to Lithwick, "This need to preserve new legal ground…explains the continued operation of the detention center at Guantanamo Bay. … Guantanamo Bay stays open for the same reason that Padilla stays on trial. Having claimed the right to label enemy combatants and detain them indefinitely without charges, the Bush administration cannot retreat from that position without ceding ground. The president is as much a prisoner of Guantanamo Bay as the detainees are."

Embassy Attack Spurs Fear Of Resurgent Terrorism In Greece. The New York Times (1/14, Fisher, Carassava) reports, "The anti-Americanism was of a different vintage but still deadly, etched into two somber plaques at the battened-down United States Embassy here. Starting in December 1975, five embassy employees — four Americans and one Greek-American driver — were killed here by November 17, the leftist Greek terrorist group. Now, with a new attack on Friday on the embassy — using an unusually potent weapon, a rocket-propelled grenade — Greeks are grappling with deep uneasiness. … Was this just the first break in a new wave of leftist violence in Greece, now given an updated cause — and perhaps some conflicted sympathy among ordinary Greeks — amid worldwide anger against United States actions in Iraq and its broader fight against terrorism?"

Tunisia Says Terrorists Were Targeting Embassies, Foreigners. The New York Times (1/14, Smith) reports comments Friday by Tunisian Interior Minister Rafik Haj Kacem that "more than two dozen Islamic extremists involved in a deadly gun battle with the Tunisian police earlier this month had blueprints of foreign embassies and documents identifying foreign envoys as targets." Kacem "did not disclose the countries or people who apparently had been targets," and the Times notes, "Islamic extremism has been growing across North Africa, the far edge of a fundamentalist religious trend that is polarizing societies between rich and poor." In addition, "Islamic terrorist activity has long threatened to bleed into Tunisia from neighboring Algeria, where the small but violent Salafist Group for Preaching and Combat, or G.S.P.C. as it is known by its French acronym, is fighting for an Islamic theocracy in North Africa."

HOMELAND RESPONSE:

WPost Blasts HHS Over Project Bioshield Anthrax Contract. The Washington Post (1/14, B6) editorializes, "Stockpiling a new anthrax vaccine was supposed to be the signal achievement of Project Bioshield, the government's flagship program to prepare for a biological, chemical or radiological attack on American soil. But last month the Department of Health and Human Services canceled its contract with VaxGen, a biotechnology firm that was supposed to develop the vaccine. The contract turned out to be a huge waste of time and effort. … HHS tapped VaxGen for its $1 billion anthrax vaccine contract even though the company was best known for producing a failed AIDS medication, had never created a successful drug and had failed to release satisfactory financial reports, leading to its delisting from the Nasdaq Stock Market. The company repeatedly ran afoul of the Food and Drug Administration, which pulled the plug on human trials for the vaccine."

Book Blaming US Culture For 9/11 Ridiculed. In a Washington Post (1/14, BW5) review of "The Enemy At Home: The Cultural Left and Its Responsibility for 9/11," by Dinesh D'Souza, Warren Bass, who served on the professional staff of the 9/11 Commission, writes, "The Enemy at Home calls America's culture war synonymous with its war on terrorism and flatly blames the country's left for 9/11. But unlike" Jerry Falwell and Pat Robertson's outbursts "at a moment of crisis, D'Souza's is offered in a spirit of cool reflection. The result is the worst nonfiction book about terrorism published by a major house since 9/11, but with the country still facing a serious jihadist threat, it's worth trying to understand D'Souza's own exercise in finger-pointing. …

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Either D'Souza is blaming liberals for 9/11 because he truly believes that they're culpable, or he's blaming liberals for 9/11 because he's cynically calculating that an incendiary polemic will sell books."

WAR NEWS:

White House Grapples With Bipartisan Opposition To Iraq Plan. The Washington Post (1/14, Baker, Abramowitz, 690K) reports that the "bipartisan opposition to President Bush's troop-increase plan has proved more intense than his advisers hoped and has left them scrambling to find support, but the White House is banking on the assumption that it can execute its 'new way forward' in Iraq before Congress can derail it." Advisers faulted the "slow leaky" decision-making by the White House for encouraging opposition. NBC Nightly News (1/13, story 3, 2:30, Seigenthaler, 9.87M) reported, "Not only is President Bush working to sell his plan to the American people, he is also facing obstacles within his own party." NBC (Corke): "Aware of the rift, the President spent part of the day discussing the war and other issues with leaders from his party. … But in going forward, Mr. Bush will have to navigate a negative tide of public opinion about the course of events in Iraq."

The New York Times (1/14, Rutenberg, 1.16M) says the White House faces "a daunting public relations challenge as the White House pursues its new strategy to quash the insurgents. ... Even if all goes according to plan, officials conceded in interviews, early signs of progress will do little to compete with continued or worsening signs of strife." However, officials "described a likely, initial increase in violence as an inevitable down payment for the better images out of Baghdad they hope will come later, and ultimately, more support for the Iraq campaign."

The Los Angeles Times (1/14, Levey, 850K) reports on its front page that in response to Bush's "deeply unpopular proposal to send more troops to Iraq, congressional Democrats are shedding their wariness about tackling the war and embracing positions once primarily held by the party's most liberal fringe" and "are now talking openly about cutting off funds for additional military operations." These centrist Democrats "are lining up beside longtime antiwar liberals, promising to do everything in their power to stop the President's plans." Rep. Lynn Woolsey said, "Ours is now the mainstream position."

The AP (1/13, Woodward) writes, "If the revamped Iraq war plan fails, it will be time to withdraw most U.S. troops. Or send more in." The US "is seen as having a limited number of options, all grim, if President Bush's 'new way forward' hits a wall."

Bush Says Invasion "Was The Correct Decision." The Los Angeles Times (1/14, Savage, Moore, 850K) reports that in a "60 Minutes" interview to air tonight, Bush "maintained that invading Iraq in 2003 was the right thing to do." Bush said, "My decision to remove Saddam Hussein was the correct decision, in my judgment." Bush " "challenged members of Congress who were critical of the plan to come up with their own proposals. 'To oppose everything while proposing nothing is irresponsible,' he said."

Dent's Ambivalence Over War Typical Of GOP Members. The Washington Post (1/14, Murray, 690K) reports, "Rep. Charlie Dent wrestled all week with President Bush's plan to send more U.S. troops to Iraq." The Pennsylvania Republican "has reason to worry. He won reelection in November by a surprisingly narrow margin against an obscure opponent, and Democrats have no intention of letting him off easily again." GOP reaction to Bush's plan "has ranged from lukewarm to hostile. The negative statements that piled up Wednesday night after Bush's speech revealed a deepening political schism between a president whose campaign days are behind him and congressional Republicans who must face voters in two short years."

Surge Architect Claims Pentagon Is Watering Down Plan. The Washington Times/London Sunday Telegraph (1/14, Rayment) reports that retired Gen. John Keane "is criticizing the Bush administration, claiming the Pentagon is watering down the proposal for political reasons." Keane said the plan "could not be done 'piecemeal,' expressing 'alarm'" after Defense Secretary Robert Gates "testified on Capitol Hill that the troop buildup was expected to last 'a matter of months' -- rather than the 18 months proposed by Gen. Keane."

Maliki Aides Slowly Warm To Bush Plan. The New York Times/AP (1/14) reports, "Warming from its initial response this week, the Iraqi prime minister's office on Saturday expressed support for President Bush's new war strategy. But it continued to emphasize that the Iraqi government would retain control over all military action in Baghdad," and Prime Minister Nouri Kamal al-Maliki "maintained a public silence on the issue."

Troops, Families Have Mixed Reaction To Surge. The New York Times (1/14, Kleinfeld, 1.16M) reports, "The decision to increase the American military presence in Iraq is being greeted with a blend of optimism and anxiety among American soldiers and their families, those most directly affected by the change. Unlike in Congressional corridors and across the civilian landscape of the country, there seems far more support than outrage, more cheer than cheerlessness, and a hope that maybe this will do it. At the same time, especially among relatives of National Guard members dispatched to battlefields they never expected to stand on, there is plentiful disappointment and even anger at the

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prospect of prolonged disruptions in lives that have not been normal for a long time." ABC World News (1/13, story 6, Burman, 8.78M) said, "Sending more troops will increase the strain on military families, especially the families of those serving in the Reserves and National Guard. They never expected to see their loved ones called to arms so often or for so long."

Bush Speech Seen As Part Of Tradition Of Presidential Mea Culpas. In the New York Times (1/14, 1.16M), historian David Greenberg writes of President Bush's Iraq speech, "He had to defend the war that will define his legacy while admitting to enough error to regain credibility with the public. ... In this respect, Mr. Bush's speech follows in that great American oratorical tradition: the presidential mea culpa. ... While these confessions may work in the short term, they rarely work long-term magic. That typically requires a new course of action."

More Commentary. Today's newspapers are saturated with commentary on Iraq and the President's new strategy, almost all of it critical, and much of it comparing Iraq to Vietnam.

In a 1,250-word editorial, the New York Times (1/14, 1.16M) editorializes that President Bush's "disconnect" from reality is "surreal," adding, "There are no really satisfying answers in Iraq, since all of the remaining options are bad. Still, some are notably worse than others, and Mr. Bush has come up with possibly the worst. ... But even knowing all that, America cannot simply wash its hands of Iraq and go home." Bush "must put serious pressure on Mr. Maliki to support the troops' efforts with a genuine program of national reconciliation. ... The government must also assure that Iraqi oil revenues are fairly shared out among the entire Iraqi population. ... If Mr. Bush refuses to deliver this ultimatum to Mr. Maliki, Congress will have to do so in his stead."

The Washington Post (1/14, 690K) editorializes, "The political tempest that has greeted President Bush's latest plan for Iraq is largely of the president's making. Mr. Bush could have forged a bipartisan consensus if he had embraced the military strategy laid out by the Iraq Study Group ... Instead, he chose to embrace an option -- the dispatch of additional American soldiers to Baghdad and Anbar province -- that has the support of less than 20 percent of Americans and maybe even fewer Iraqis. It's not even clear that the Iraqi government is entirely on board. ... The intense criticism that has come from both houses and both parties in Congress is understandable, and justified." Rather than "cutting off funding or attaching crippling restrictions," Congress can "hold the administration to its promise to test the Iraqi government early and often."

The Los Angeles Times (1/14, 850K) editorializes, "This is not what the American people want; this is not what the Iraqi Study Group recommended; and it is not the best way to prosecute a war against the radical Islamists who attacked this country on 9/11. It is, instead, a way to guarantee that the U.S. military will be dangerously overstretched and needlessly vulnerable to sectarian militias in Iraq." The Times adds, "Unfortunately for Bush, and for the rest of us, 'we can't fail' is not a strategy. As painful experience has shown in Iraq, it is a recipe for further failure because it encourages wishful thinking at the expense of realistic planning."

In his New York Times (1/14, 1.16M) column, Frank Rich writes, "What the world saw on Wednesday night was a defeated Willy Loman who looked as broken as his war." Rich predicts, "I have long felt that it will be up to Mr. Bush's own party to ring down the curtain on his failed policy, and after the 2006 midterms, that is more true than ever."

New York Times (1/14, 1.16M) columnist Nicholas Kristof asks, "Why are we so awful at foreign policy? ... There are at least two reasons. The first is that great powers always lumber about, stepping on toes, provoking resentments, and solving problems militarily simply because they have that capability. ... The second reason is particular to the U.S.: We don't understand the world."

In his Washington Post (1/14, B7, 690K) column, Jim Hoagland writes that Bush has empowered Gen. David Petraeus to test his counterinsurgency theories. However, "the all-important Iraqi political context for the measured escalation in U.S. forces that Bush outlined remains murky and undeveloped. It falls to Petraeus more than any other individual to fill in the blanks left by Bush." But the Petraeus strategy "echoes many of the counterinsurgency practices formulated in the unsuccessful campaigns of Algeria, Vietnam and elsewhere."

Washington Post (1/14, B7, 690K) columnist George Will writes, "Bush's policy probably will not succeed, but at least we will know what were the parameters of the possible ... Today, in Iraq, the president's policy -- and that of his critics -- is to hope for a miracle."

In his Washington Post (1/14, B7, 690K) column, David Broder writes, "President Bush essentially has written off any prospect of regaining broad support at home for his course of action, in the slender hope of finding the key to military success and political agreements in Baghdad. It is a huge personal gamble, one that has triggered a debate that may well dominate the final two years of Bush's tenure."

In the Washington Post (1/14, B1, 690K), Associate Editor Robert Kaiser writes, "For a gray-haired journalist whose career included 18 months covering the Vietnam War for The Washington Post, it is a source of amazement to realize that my country has done this again.

New York Times (1/14, 1.16M) writer Helene Cooper says, "The best America can hope for, some experts said, would be for Iraq to turn into today's version of the Spanish Civil War. The death toll was huge ... But, in the end, the Spanish Civil War stayed Spanish."

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In the Washington Post (1/14, B1, 690K), Council on Foreign Relations President Emeritus Leslie Gelb and Columbia University scholar Richard Betts write, "Each day raises the odds that the U.S. fate in Iraq could eventually be the same as it was in Vietnam -- defeat." Bush now faces Lyndon Johnson's "dilemma, that of a war in which defeat is unthinkable but victory unlikely. And Bush's policy shift last week suggests that he has come to the same conclusion as Johnson: Just do what you can not to lose and pass the problem on to your successor."

In the Washington Post (1/14, B7, 690K), Michael O'Hanlon of the Brookings Institution writes, "But for a skeptical Congress and nation, it is still the right thing to try -- as long as we do not count on it succeeding and we start working on backup plans even as we grant Bush his request. ... Rather than deny funding for Bush's initiatives, Congress should provide it now -- but only for fiscal 2007." By that point, "or even the August congressional recess, we should know if the surge is showing promise."

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In the Washington Post (1/14, B5, 690K), former Foreign Service officer John Graham writes that the Nixon Administration "conceived an elaborate strategy to mask the U.S. defeat: Slowly withdraw combat troops over several years, while the remaining Americans would focus on training the South Vietnamese to fight on their own. ... What President Bush wants to do is Vietnamization in all but name. Its purpose is not to win an unwinnable war, but to provide political cover for a defeat, and eventually to blame the loss on the Iraqis. ... But the world will know whose mess it is."

Bush-Backed Iran Office Raid Said To Auger Increased Unilateralism. Under the headline, "UN-weary, US Opts For Unilateral Moves Against Iran," AFP (1/14, Lanteaume) reports, "Recent US operations against Iranian interests in Iraq appear to signal a shift by Washington towards unilateral action after growing frustated with slow-moving UN diplomacy." Secretary of State Condoleezza Rice is quoted saying yesterday, "We have had a strategy toward Iran, I think, that has been evolving to deal with the serious problems that Iran is causing." She further "assured that the US was not giving up on diplomacy in dealing with Iran, particularly on the issue of its nuclear program."

The AP (1/14, Gearan) notes Rice said yesterday that the "U.S. raids that President Bush approved against Iranian targets in Iraq are part of broad efforts to confront Tehran's aggression." The AP adds, "Echoing other Bush administration figures, Rice said the U.S. does not intend to cross the Iraq-Iran border to attack Iranians."

McClatchy (1/14, Strobel) also carries Rice comments as she began her Middle East trip in Israel, reporting she said that "U.S. military moves in the Persian Gulf and raids against Iranian installations in Iraq are meant to demonstrate that the United States will defend its interests against an increasingly aggressive Iran." McClatchy adds, "The focus of her diplomacy this week shows how far the United States has been forced to change its aims in the region because the war in Iraq has turned out differently than planned."

Detained Iranians Had Insurgent Ties. The Washington Times/AP (1/14) reports, "Five Iranians arrested in northern Iraq last week were connected to an Iranian Revolutionary Guard faction that funds and arms insurgents in Iraq, the U.S. military said on Sunday." The military said that the detainees "are connected to the Iranian Revolutionary Guard, Qods Force (IRGC-QF)." Despite the Iraqi foreign minister's claim that the Iranians' office was "a liaison office" about to be "approved as an Iranian consulate," the State Department "has said no legitimate diplomatic activity was being carried out at the site, and Rice said the office was not a consulate." BBC.com (1/14) reports that Iran "has demanded the immediate release of five of its citizens held in a US military raid in northern Iraq, who it says are diplomats."

Central Command Turns To Fallon To Confront Iran. The New York Times (1/14, Kifner, 1.16M) reports, "The United States Central Command stretches across some of the world's most volatile real estate from Kenya in the southwest through all of the Middle East to Kazakhstan in the northeast. … CentCom, as it is known, has always been run by a four-star general from the Army or Marines. So why name a sailor -- Adm. William J. Fallon -- as CentCom's new commander, as President Bush did earlier this month? One word: Iran." Fallon's appointment "comes amid a series of indications that the Bush administration is increasingly focused on putting pressure on Iran and, perhaps, veering toward open confrontation. ... The important thing is that Admiral Fallon is a naval aviator." While Iran is currently confident because of stress on US ground forces in Iraq, "introducing more air and sea power, with their long reach, in the gulf could change the military balance and options. It is classic gunboat diplomacy."

The Washington Post (1/14, A12, Tyson, 690K) differs with the Times, emphasizing Fallon's diplomatic skills. Experts "said that Fallon's diplomatic skills are likely to be more important than his war-fighting experience when he assumes the Central Command post." The Post reports that

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Admiral Fallon's "path-breaking pursuit of U.S. strategic goals -- shown over the past two years in his dealings with China, Japan, Indonesia and 40 other Asian states as head of the Pacific Command -- is a major factor behind his nomination."

Bush Administration Now Turns To Iraq Policy's Former Critics. The Washington Post (1/14, Chandrasekaran, 690K) reports in a front page article on those who worked with the Coalition Provisional Authority in Iraq and left disillusioned, such as Timothy Carney, who believed that the CPA "placed ideology over pragmatism." Carney recently received an offer "to go back to Baghdad as the overall coordinator of the American reconstruction effort." The Post comments, "The decision to send Carney back to Iraq -- and to abandon the policies that so rankled him in 2003 -- represents a fundamental shift in the Bush administration's approach to stabilizing the country. Desperate for new approaches to stifle the persistent Sunni insurgency and Shiite death squads that are jointly pushing the country toward an all-out civil war, the White House made a striking about-face last week, embracing strategies and people it once opposed or cast aside." Other rehired ex-dissenters were Ambassador designate Ryan Crocker and Lt. Gen. David Petraeus.

US Military Leaders Say They Can Now Target Militia Leaders. The Boston Globe (1/14, Stockman, Bender, 413K) reports in an apprehensive article, "US military officials say the Bush administration has given them new authority to target leaders of political and religious militias in Iraq who are implicated in sectarian violence," including t Moqtada al-Sadr. Such a showdown "could spark a deadly confrontation with Shi'ite militias, which enjoy widespread popularity in Shi'ite neighborhoods. It could also erode support for the fragile government of Prime Minister Nouri al-Maliki, who has agreed to the plan."

US, Iraqi Forces Look To Future. The Los Angeles Times (1/14, Perry) reports that the American troops' "concept of the future involved the Iraqis taking responsibility for catching insurgent smugglers and bomb-makers along the two freeways that stretch from the border region to Baghdad," yet Capt. Ian Lauer says, "We've got to force them to have confidence," otherwise, "they'll spend years saying they're not ready." Many see the "process of turning over responsibility to the Iraqis" as "slow and incremental."

Kurdish Troops Train To Deploy To Baghdad. The AP (1/13) reports, "A Kurdish army brigade in northern Iraq is undergoing intensive urban combat training as it readies for deployment in the latest Baghdad security operation and is expected to take on the capital's Mehdi Army Shiite militia, its commander said Saturday." Brig. Gen. Nazir Assem Korran "said his troops would face a language barrier and rely on translators because 95 percent of the brigade is Kurdish and unable to speak Arabic." The AP adds, "Meanwhile, three Iraqi generals told The Associated Press that the Iraqi commander who will lead the overall Baghdad security mission was the government's second choice and only got the job after the U.S. military objected to the first officer named to the post by Prime Minister Nuri al-Maliki." Anonymous Iraqi generals said the US "vetoed" the first choice, "Lt. Gen. Mohan al-Freiji," another Shiite.

The Los Angeles Times (1/14, Roug) reports that Baghdad "soon could be flooded with another volatile element: thousands of Kurds from northern Iraq" since "part of President Bush's new strategy for Iraq, 8,000 to 10,000 Iraqi troops will deploy to Baghdad in the coming weeks, American and Iraqi officials said, and as many as 3,600 could be Kurds. It would be the first time such a large number of Kurdish forces have been sent to the capital." These Kurds, "most of whom live in a protected autonomous enclave…are being dragged more directly into Iraq's bloody and complex civil war."

Iraq War Costs Are Hitting Record High. The Los Angeles Times (1/14, Havemann) reports that although the Iraq war "is far smaller and narrower than" other larger wars, "its price tag is beginning to reach historic proportions, and the budgetary 'burn rate' for Iraq may be greater than in some periods in past wars. If U.S. involvement continues on the current scale, the funding for the Iraq war — combined with the conflict in Afghanistan and other foreign fronts in the war on terrorism — is projected to surpass this country's Vietnam spending next year" with the "accumulating cost…adding to resistance to President Bush's war policy in Congress as well as in public opinion, even though concern about the cost in human lives, the war's impact on America's place in the world and other such factors loom larger."

Clinton Doubts Credibility Of Iraqi Promises. The AP (1/13) reports Sen. Hillary Clinton "expressed doubt Saturday that Iraq's government would follow through with its promises to secure Baghdad as she met with top Iraqi officials and American commanders. ... Noting she had to travel wearing body armor and surrounded by soldiers and security guards, Clinton called the situation in Iraq 'heartbreaking.'" ABC World News (1/13, story 5, 2:10, Burman, 8.78M) said Clinton "was on the ground there today, offering a grim new assessment of the mission and of the Iraqi government itself." Clinton: "The results of the election were clear that people at home are disturbed by what they see happening and the failure of the Iraqis to really step up and keep their end of the bargain."

Talabani To Visit Syria. BBC.com (1/13, Wooldridge) reports Iraqi President Jalal Talabani "is travelling to Syria for

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the highest level Iraqi visit in many years." The visit "demonstrates Iraq's balancing act between the United States and a country that Washington prefers to see isolated." Beyond the "expected signing of agreements, the question is how far the visit will be used to discuss American and Iraqi government concerns about insurgents crossing between Syria and Iraq."

Army Officer Calls For Fight Against Iraq Security Forces Corruption. In the New York Times (1/14, 1.16M), Army Capt. Luis Carlos Montalvan writes, "The level of corruption in the Iraq Security Forces is staggering. The Iraq Study Group found that $5 billion to $7 billion is lost annually to different types of corruption, and yet 'there are still no examples of senior officials who have been brought before a court and convicted of corruption charges.' … We must insist that the Iraqi government replace the customs workers at the 14 land border crossings with a new set of at least 1,400 elite officials jointly selected and vetted by the Iraqi ministries and the coalition forces. We should supplement this new force with teams of American advisers -- soldiers, police officers, customs officials and the like -- to ensure that the Iraqis are prepared to do their jobs. And we should create an anticorruption task force of coalition officers with the power to periodically review systemic issues like the Iraqis' recruitment methods, policies governing potential ethical problems and records of internal discipline."

Taliban Leader Sent Unprepared Fighters To Their Deaths. The New York Times/AP (1/14) reports, "An Afghan insurgent leader operating from Pakistan sent about 200 ill-equipped fighters, some wearing plastic bags on their feet, into Afghanistan, where most were killed in a major battle this week, an American general said Saturday." Maj. Gen. Benjamin Freakley said that Jalaluddin Haqqani "recruited and sent unemployed and untrained men to fight in Afghanistan. United States forces killed about 130 fighters moving in two groups in Paktika Province in the east late Wednesday and early Thursday, in one of the largest winter battles in Afghanistan since the fall of the Taliban in 2001." Freakley attributed the composition of the enemy force to "unemployment" in the region.

Clinton Meets With Karzai, US Troops. The AP (1/14, Straziuso) reports Sen. Hillary Clinton "ate with U.S. soldiers from New York and Indiana at the main U.S. base in Afghanistan on Sunday before meeting with the top U.S. general in Afghanistan and President Hamid Karzai, officials said." The senator "said she is hearing 'increasingly troubling reports out of Afghanistan' and would be searching for 'accurate information about the true state of affairs' militarily and politically on her trip."

UK Military Attributes Problems In Afghanistan To Poor Coordination. The Washington Times/London Sunday Telegraph (1/14, Rayment) reports, "A lack of political direction, a shortage of soldiers and 'complete disconnection' between Britain's Foreign Office and Ministry of Defense combined to hinder progress in the war in Afghanistan, a report by British military chiefs has concluded." The document offers "a withering assessment of how decisions in the British government prevented progress against the Taliban and, sources claim, contributed to deaths and injuries among soldiers. ... The troops were involved in dozens of bitter battles with the Taliban during which every weapon system, from the assault rifle to Apache attack helicopters, was used to kill insurgents."

CORPORATE SCANDALS:

Pro-Business Interests Seen As Leading Backlash Against DOJ's Prosecutorial Tactics. The Chicago Tribune (1/14, Burns) reports, "The government crackdown on corporate crime is coming under pressure to back off amid intense business lobbying and adverse court rulings." The Tribune continues, "Since the convictions in May of Enron Corp. honchos Jeffrey Skilling and Kenneth Lay, federal authorities have voluntarily stepped away from certain hardball tactics aimed at forcing companies to turn against accused executives. … An even greater retreat could be in the offing as the U.S. Chamber of Commerce and other business advocates extend their campaign to reign in what they consider excessive enforcement efforts. On top of that, a string of reversals on appeal has raised fresh doubts about recent government victories targeting criminal fraud among the business elite." The Tribune adds, "Some close observers sense a tide turning. 'Every month that goes by, the pushback seems to gather more steam,' says Douglas Berman, a law professor at Ohio State University. 'It's a realization the tough-on-crime campaign against white-collar offenders was at risk of being too tough.'" The Tribune notes, "On Jan. 5, appellate judges tossed out most of the charges against top executives at Westar Energy, who were accused of looting the Topeka-based public utility in a case dubbed the 'Kansas Enron.' … Though the Justice Department touted those 2005 convictions as proof that 'no boardroom is above the law,' Denver's 10th Circuit Court of Appeals found that prosecutors based their sweeping indictment on a 'thin legal thread.' … As standards shift, even the judge who presided over the Enron trial has conceded that Skilling has a good chance of seeing one count of conspiracy conviction overturned. … While U.S. District Judge Sim Lake ruled that Skilling's 18 other convictions were likely to stand on appeal, some legal experts believe Enron's 'smartest guy in the room'

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may yet win on wider issues. That could lead to a reduction in the 24-year sentence he began serving last month at a low-security Minnesota prison."

CRIMINAL LAW:

North Carolina AG Takes Over Duke Lacrosse Case. The New York Times (1/14, Wilson) reports, "North Carolina's attorney general said Saturday that his office would immediately assume control of the Duke lacrosse sexual assault case referred to him on Friday by the Durham County district attorney. … 'I wish I could tell you that this case would be resolved quickly,' the attorney general, Roy A. Cooper, said at a news conference here on Saturday afternoon. 'Since we have not been involved in the investigation or the prosecution of these cases, all of the information will be new to our office. Any case with such serious criminal charges requires a careful and deliberate review.'" The Times continues, "The district attorney, Michael B. Nifong, had asked Mr. Cooper to take over the prosecution, citing the conflict of interest he faced from having to respond to an ethics complaint from the North Carolina Bar Association. Mr. Nifong was 'very disappointed' at giving up the case, his lawyer, David B. Freedman, said Saturday, but pleased with Mr. Cooper's assignment of two veteran prosecutors. … Defense lawyers and families of the defendants welcomed the news that the case would be in the hands of the attorney general's office. … Mr. Cooper said his office would obtain the case files next week and then meet with defense lawyers and reinterview witnesses, including the accuser. He said he did not know if a pretrial hearing scheduled for Feb. 5 would have to be postponed."

The Washington Post (1/14, A3, Adcock) reports that Cooper "emphasized that his prosecutors will be looking at this case with fresh eyes, and that while the review could lead to dropped charges, it could also lead to new charges or reinstatement of rape charges dropped last month. … Cooper also said his office would not talk about details of the case while it is reviewing the sexual assault and kidnapping charges against Reade Seligmann of Essex Fells, N.J., Collin Finnerty of Garden City, N.Y., and David Evans of Bethesda." The Post adds, "The takeover of the case comes after Nifong sought to recuse himself, and follows weeks of increasing criticism of his handling of the case. Last month, the North Carolina State Bar charged Nifong with ethics violations. … The new lawyers appointed to the case -- career prosecutors Mary D. Winstead and James J. Coman -- will begin by going through the case files, which will be transferred from Durham to Raleigh."

Two NYPD Officers Suspended Over Kidnap Probe. The New York Times (1/14, Williams) reports, "Two police officers have been suspended without pay for failing to adequately investigate a 15-year-old girl's complaint that a man had tried to kidnap her, the police said yesterday. The man, a paroled sex offender, is now suspected of abducting and raping a 17-year-old girl just two hours after the complaint, the police said." The Times continues, "The officers, who have not been identified by the police, are assigned to the 101st Precinct in Queens, said Paul J. Browne, the Police Department's chief spokesman. … The suspect, Eric McCoy, was arrested on Jan. 3 and has been charged with committing two rapes in Queens in a little more than four weeks. In each case, he posed as a police officer and raped his victims inside motel rooms, the police said." The Times adds, "In the first assault, which occurred on Dec. 4, Mr. McCoy abducted a woman, 27, as she was getting off a bus in Jamaica and forced her to a motel, the police said. In the second episode, the authorities said, Mr. McCoy approached a 17-year-old girl on Jan. 2 in Kew Gardens and identified himself as a 'police special investigator.' He said he had a gun and took her to a motel where he raped her, the police said. .. Hours before the second rape, Mr. McCoy had told a 15-year-old girl that he was a police officer investigating an assault. After showing her a fake badge, he told her to wait inside a laundry. Inside, she talked about the encounter with a woman, who called 911, the police said."

Informant Says DeVecchio Leaked His Cooperation To Mob. Under the headline "'Gangland' G-Man Sent Rat Into Trap," the New York Post (1/14, Calabrese, Hamilton) reported, "It was the FBI's version of a planned hit. That's what mob turncoat Carmine Imbriale says he faced in 1992 after former G-man Lindley DeVecchio rigged him with a wire and sent him to gather evidence against Gregory Scarpa, the boss of the Colombo crime family. What Imbriale didn't know, he says, was that DeVecchio -- the allegedly corrupt FBI supervisor facing charges he helped Scarpa carry out gangland executions -- had tipped off the mobster about Imbriale's deal. … 'It was amazing I wasn't killed,' said the former loan shark, who is in witness protection." The Post added, "Only a two-week battle with migraines saved him, Imbriale said," leaving him too ill to leave his house.

Springfield, MA, Corruption Probes Continue. The Springfield (MA) Republican (1/14, Flynn) reports, "Thirty-three victories in 34 cases. … Half a dozen public agencies under new management. … Five million in swindled tax dollars being pumped back into a financially depleted city." The Republican continues, "Half a decade after it started, Springfield's clean government makeover, courtesy of the FBI, IRS and other federal agencies, just keeps going. Since August, 17 defendants have pleaded guilty to stealing public money earmarked for the poor, sick and homeless. …

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But behind the flurry of recent prosecutions, the U.S. Justice Department's landmark corruption probe is undergoing its own transformation, with three top investigators leaving the case since August and no high-profile indictments or raids in more than a year." The Republican adds, "For the first time since 2003, when indictments began cascading from U.S. District Court here, Springfield's seemingly endless corruption probe appears to be winding down. … Not so fast, says the region's FBI bureau chief, Michael G. O'Reilly. .. . 'Certainly, some of the urgency has drained away with all the success we've had,' said O'Reilly, who took over the Springfield office in 2001. 'But after terrorism, fighting organized crime is still our No. 1 priority.'" The Republican notes, "Those convicted run the gamut from powerful and well connected - former Police Commission Chairman Gerald A, Phillips, two-term state Rep. Christopher P. Asselin, homeless shelter director Francis G. Keough III - to little-known building contractors, a no-show bakery employee and a convicted sex offender with a patronage job on the city Health and Human Services Department payroll. … Several defendants, including Phillips, were convicted on whittled-down versions of the original charges, and some received probation or short prison sentences. Phillips, ordered to serve 21 months in a Pennsylvania prison, is finishing out the term at a Ludlow pre-release center. … The only outright defeat for prosecutors came in October, when a judge threw out racketeering and bid-rigging charges against a Springfield Housing Authority contractor because the five-year statute of limitations had expired."

Alleged 96-Year-Old Mobster May Be Oldest Ever Indicted By US. The Los Angeles Times (1/14, Williams) reports, "With his trial on racketeering charges set to begin next month, Albert 'The Old Man' Facchiano may be living proof that the only way to leave the mafia is feet first." The Times continues, "Facchiano, 96, is believed to be the oldest person ever indicted by the federal government and would likely be the country's most senior of senior-citizen inmates if convicted and sent to prison for alleged violent service to the Genovese crime family. … A federal grand jury last year issued a six-count indictment of Facchiano and six other South Florida men tied to the New York mob, alleging they ran the mafia's Miami operations and engaged in 'a pattern of racketeering activity' that included extortion, robbery, money laundering and loan sharking." The Times adds, "It is unclear from the Florida indictment whether Facchiano is suspected of actually pulling a trigger or wielding a lead pipe. But a parallel New York indictment of 30 reputed Genovese members specifically accuses the nonagenarian of trying to intimidate or eliminate a witness in the federal government's case against the nation's most powerful crime family. … Facchiano's attorney, Brian McComb, said he was trying to negotiate a plea bargain for his client, whom he describes as having 'a lot of medical problems' but still able to participate effectively in his own defense. The accused, who will turn 97 on March 10, is in full possession of his mental faculties 'so far,' McComb said. 'I think this is going to end up being worked out,' the lawyer from the Florida Gold Coast city of Stuart predicted. … But the U.S. attorney's office for south Florida reports that its prosecution of Facchiano is on track to begin Feb. 22 in the court of U.S. District Judge James I. Cohn. … 'I think the judge gave us sufficient time, and I think he intends to go forward. We're ready to go to trial,' said Assistant U.S. Atty. Jeffrey N. Kaplan."

New Orleans Residents Fight Back Against Wave Of Violence. NBC Nightly News (1/13, story 5, 2:00, Seigenthaler) reported on "taking back the streets of New Orleans. We have been reporting on the violence there -- 15 murders in 14 days. Now neighbors are getting together and getting organized and demanding the criminals get out." NBC (Mott): "Thursday, 5,000 people here made their way to City Hall demanding change…and headed back to neighborhoods armed and alive with action, including in parts of town untouched by the latest wave of murders."

CIVIL RIGHTS:

Florida Schools May Be Released From Desegregation Order. Ocala (FL) Star-Banner (1/14, Callahan) reports, "Marion County (FL) Public Schools likely will be released from a 28-year-old federal desegregation order Tuesday when they head back to the U.S. District Court in Jacksonville and ask that the order be lifted, according to the School District's attorney." The Star-Banner continues, "Department of Justice officials also will ask U.S. District Judge Harvey E. Schlesinger to give Marion County unitary status, meaning it will no longer be under the government's microscope, said Michael W. Kirk, the Washington, D.C.-based attorney representing Marion County." The Star-Banner adds, "There are 15,000 school districts in the country and fewer than 3 percent, or 280 districts, are still under court orders, including Marion County. Another 120 districts are affected by individual lawsuits. … Justice officials inspected area schools last year, and Kirk said they seem satisfied. He said Marion's public schools have complied with all requirements, including recruiting minority teachers, balancing of race in schools and stopping student and teacher transfers."

Cleveland, Columbus Police Officers Rarely Faulted For Use Of Force. The AP (1/14) reports,

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"Internal reviews and grand jury investigations rarely find fault with police officers who fire their guns or otherwise use force in making arrests, newspapers in Cleveland and Columbus reported." The AP continues, "Departments rarely involve outside reviewing agencies and records often reveal only scant details about the incidents, The Columbus Dispatch and The (Cleveland) Plain Dealer reported on Sunday." The AP adds, 'All 4,427 uses of non-deadly force by Cleveland police were ruled justified in a nearly three-year period from 2003 through last September. One case involving an off-duty officer using pepper spray was deemed 'inappropriate' but justified, The Plain Dealer reported. … The investigations were done by district supervisors who directly oversee the officers involved - a practice that the U.S. Justice Department warned the city in 2002 could create a conflict of interest." The AP notes, "The Dispatch reviewed 112 police shootings in Columbus from 1996 through 2005. Of those, six ended with rulings that officers violated department policy. One was fired. Franklin County grand juries independently reviewed only the 25 shootings that resulted in deaths. Most 2006 cases are still under review. … The newspapers noted either missing records or a dearth of public information."

The Cleveland Plain Dealer (1/14, Baird) reports, "Cleveland police supervisors reviewed 4,427 incidents in which police used non-deadly force in the last four years and determined the officers were justified in every case. … The only way police could rule that every single use-of-force incident was justified, some experts said, was to rubber-stamp rather than to investigate them." The Plain Dealer continues, "Dennis J. Kenney, a professor at the John Jay College of Criminal Justice in New York who specializes in police use of force, said that either Cleveland's officers are unbelievably well-trained or their investigations are cursory. … His opinion echoed criticism the U.S. Department of Justice leveled against Cleveland police. In 2000, the Justice Department opened an investigation into whether the city's police routinely violated citizens' constitutional rights." The Plain Dealer adds, "After two years of investigating, they found widespread problems with police guidelines for using force and investigating these incidents. … The chief of the Justice Department's Special Litigation Section lambasted Cleveland police in a 2002 letter, questioning 'the competency, thoroughness, and impartiality of use of force investigations.' … To avoid the possibility of federal sanctions suffered by other cities, Cleveland police promised improvements."

The Columbus Dispatch (1/14, Futty) reports, "Columbus police officers who shoot someone are almost always justified in the eyes of their supervisors. … Most 2006 cases, including two in November in which officers killed suspects, are under review. In 112 shootings from 1996 through 2005, six officers violated division policies, according to records reviewed by The Dispatch. One was fired." The Dispatch continues, "None of the 153 officers was charged with a crime. The 25 shootings that resulted in deaths were reviewed by Franklin County grand juries; nonfatal shootings are rarely reviewed independently as in some other cities. … Police brass say the dearth of unjustified shootings reflects good training and restraint by the city's 1,870 officers. But few people, even within police ranks, know case details or how often officers are cleared because the division is so secretive. It routinely withholds all but basic details. Even officers' names are usually not disclosed until a day or two after the incident." The Dispatch adds, "The division can take years to fulfill simple records requests. To conduct this study, The Dispatch filed its first request for public records more than 2½ years ago. … An analysis of the 112 officer involved shootings from the past decade found little evidence to refute that most were justified. The review identified only four cases in which officers fired at a suspect under the mistaken impression that the person was armed. All were ruled justified."

Hopes Rise For Akaka's Recognition Bill With Democratic Congress. The Honolulu Star-Bulletin (1/14, Borreca) reports, "U.S. Sen. Daniel Akaka will again seek passage of a native Hawaiian recognition bill possibly as early as this week, some seven months after a procedural defeat on the Senate floor." The Star-Bulletin continues, "Cheered by his new Democratic majority, Akaka was rounding up signatures of both new and old supporters last week. As soon as he gets what is a politically viable number, Akaka said, he will introduce the so-called Akaka Bill. … 'I wanted to drop (introduce) it this week, but there were some members I wanted for co-sponsor,' Akaka said Friday." The Star-Bulletin adds, "Last year, Akaka had the backing of the Democrats, but was not able to get the 60 votes needed to stop a GOP filibuster of the measure and bring it to the floor for a vote. …Because it is a new piece of legislation this year, the Akaka Bill will have to go back to committee. Akaka said he is confident it will get a good reception at the Indian Affairs committee, because the new Democratic chairman, Sen. Byron Dorgan, D-N.D., "is excited about getting the bill passed.""

FBI/DEA/ATF/USMS:

DEA Seeks New Offices Along US-Mexico Border. The San Antonio Express-News (1/14, Castillo) reports, "Reports that the Drug Enforcement Administration has asked the Mexican government to approve new DEA offices along the border abound, but officials on both sides of the border are keeping mum on the details." The Express-News continues, "The DEA wants to expand its presence in Mexico by placing agents in offices in the border cities of

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Matamoros , Nuevo Laredo and Nogales , the Mexico City newspaper Reforma and the Houston Chronicle reported, citing anonymous officials. … 'DEA has a very strong relationship with Mexican authorities, but any talk of new offices is premature,' agency spokesman Steve Robertson said. 'No decision has been made yet.' … But privately, agents along the border are excited and are following the developments closely, a border law enforcement source said." The Express-News adds, "The proposed offices would cost about $4.5 million a year and would be staffed by five to seven people each, the Houston Chronicle reported. … If the plan is approved, it would place U.S. agents in an area plagued by drug-related violence for much of the past three years. … Matamoros and Nuevo Laredo are strongholds for the Gulf Cartel, and violence regularly flares up in the region as other criminal organizations battle for the same smuggling routes into the United States." The Express-News notes, "News of the planned expansion coincided with a visit to Mexico by U.S. Attorney General Alberto Gonzales , who met with his counterpart, Eduardo Medina Mora , on Thursday. … In remarks after their meeting, Gonzales touted the need for expanded cooperation but didn't mention the request for more U.S. agents in Mexico. … 'Clearly, Mexico and the United States have a shared responsibility to make our communities safer from the drug traffickers and criminals who are threatening our way of life,' Gonzales said. 'Both Attorney General Medina Mora and I wholeheartedly agree that our law enforcement officials must be able to cooperate with one another on a broader scale and in an atmosphere of mutual trust if we are going to be able to turn back the tide of recent violence and crime that so adversely affects us all.'"

Former Star ATF Agent Now Paints Unflattering Picture Of Agency. The Arizona Republic (1/14, Wagner) reports, "Jay Dobyns is no stranger to dangerous adversaries. … Within days of becoming a sworn agent with the Bureau of Alcohol, Tobacco, Firearms and Explosives, Dobyns was taken hostage and shot during a Tucson sting operation. … A year later, he was run over by gangsters in a getaway car. … Since then, he has gone undercover to bust bombmakers, murderers, drug dealers, gunrunners and prison thugs. Three years ago, he infiltrated the Hells Angels so completely that he was offered membership in the biker club." The Republic continues, "Now, after nearly two decades of service, after being praised by ATF as a hero and earning national awards, the man known as 'Jaybird' is battling his most formidable foe yet: his employer. … Dobyns, 45, is one of dozens of current and former agents to allege mismanagement and misconduct in the ATF, a federal agency responsible for enforcing America's gun laws and preventing terrorist bombings. More than a dozen lawsuits, administrative claims, grievances, ATF documents and letters to Congress reviewed by The Arizona Republic accused administrators of betraying their own field investigators and operatives out of arrogance or incompetence." The Republic adds, "A 2006 inspector general's report also found that the agency was plagued by poor management and questionable judgment. The ATF director resigned amid the inspector general's investigation. But agents, lawyers and experts say problems persist, and if left unchecked, a troubled agency will continue to spin out of control." The Republic notes, "Claims of abuse In grievances filed with the ATF, Dobyns claimed the agency failed to protect him when he was threatened in the line of duty and then harassed him when he complained about the lack of security. He has submitted a multimillion-dollar claim alleging the bureau ignored death threats against him and his family. … According to a grievance Dobyns filed in May, ATF administrators sought to undermine his credibility by spreading false allegations that he was psychologically unfit for duty and a danger to himself or others. Dobyns alleged in that 83-page record that he was subjected to unwanted transfers, denied security, accused of fraud and blocked from getting a Medal of Valor. … In internal probes, the ATF has dismissed most of Dobyns' complaints."

IMMIGRATION:

Evangelicals Portrayed As Conflicted Over Immigration Reform. The Washington Times (1/14, Altamirano) reports, "Evangelical Christians say the issue of illegal aliens in the United States often creates a conflict between their allegiance to the Gospels and their loyalty to the government. 'On one hand, they really want to minister to people, but on the other hand, [illegal aliens] have broken the law -- and that's a problem for people,' said John Clifford Green, a senior fellow at the Pew Forum on Religion and Public Life. Several conservative Christian groups sent a letter Monday to President Bush asking that his plan to resolve the immigration crisis include strong border security, amnesty for illegals who are related to U.S. citizens and already are in the country and an end to birthright citizenship."

CONGRESS-ADMINISTRATION:

Bush, Congressional Leaders Meet To Discuss GOP Infighting. The New York Times (1/14, Hulse) reports Republicans "have suddenly fractured…with some prominently deserting the White House on Iraq and others bolting from their leadership on popular domestic issues. … Facing as much internal party dissension as he has seen since taking office, Mr. Bush invited Republican leaders of the House and Senate to his Camp David retreat this weekend to

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plot strategy only days after his plan for a troop buildup ran into scorching Republican resistance on Capitol Hill. While Republican unrest about Iraq was the most visible party division, others were starkly reflected in the ease with which House Democrats pushed through initial elements of their 100-hour legislative program with substantial Republican backing." The "harsh comments about the troop plan from well-known Republican critics like Senator Chuck Hagel was one thing. But strong statements coming from less prominent Republicans who have been Bush loyalists were quite another."

Moderate GOP House Members Voting With Democrats On Key Bills. The Washington Post (1/14, A1, Weisman) reports House Republican leaders, "who confidently predicted they would drive a wedge through the new Democratic majority, have found their own party splintering, with Republican lawmakers siding with Democrats in droves on the House's opening legislative blitz. … Many back-bench Republicans are showing themselves to be more moderate than their conservative leadership and increasingly mindful of shifting voter sentiment. The closest vote last week -- Friday's push to require the federal government to negotiate lower drug prices for Medicare -- pulled 24 Republicans. The Democrats' homeland security bill attracted 68 Republicans, the minimum wage increase 82." Rep. Jo Anne Emerson is quoted as saying, "You're freer to vote your conscience. …. I feel free to represent my constituents exactly as they want me to be."

The New York Times (1/14, Hulse) notes that "equally telling was a little-noticed procedural vote when more than 50 Republicans rejected their party's alternative to the Democratic minimum wage legislation, normally a statement of party loyalty. 'I thought it was a sham,' Representative Peter T. King, Republican of New York, said of his own party's substitute. The developments left many wondering whether recent days represented a permanent shift in the relationship between the White House and Congressional Republicans and a long-term weakening of party identity."

Earmark Disclosure Seen As Minor Victory For Fiscal Conservatives. The Washington Times (1/14, Lambro) reports Congressional Republicans "sought to burnish their tarnished credentials as foes of pork-barrel projects last week, winning cheers from spending critics but a wait-and-see response from other conservatives and the party's grass roots." Sen. Jim DeMint "overcame initial opposition from Democratic leaders to a broader definition of pork in a rules change that will require full disclosure from each lawmaker who sponsors so-called 'earmark' provisions. … When the smoke cleared Friday after a bitter two-day exchange of charges and countercharges," Sen. Harry Reid "agreed to an 'earmark disclosure that is even stronger than what I had originally proposed,' Mr. DeMint said." Former Rep. Pat Toomey, president of the Club for Growth, "said it was 'a solid first step, but by itself it is not enough for the Republicans to re-establish their credentials as fiscal conservatives.'"

SMU Faculty Coordinate Opposition To Bush Library Proposal. The New York Times (1/14, Blumenthal) reports, "With growing faculty unease over plans to enshrine President Bush's official papers and a policy institute at Southern Methodist University in Dallas, the process of creating the nation's 13th presidential library is off to a familiar start: discord. On Thursday, 68 theologians, professors and other faculty members present and past, citing complaints about President Bush's 'poor marks' on civil liberties, the environment, gay rights and the war in Iraq, sent the university president a letter questioning whether visions of the library were consistent with the school's religious and academic values. 'According to George Bush's closest associates, the half-billion-dollar endowment will be used by the institute to hire conservative scholars to agree to "write papers and books favorable to the president's policies,"' said the letter calling for a campuswide dialogue on the affiliation."

Abramoff's Ties To White House Described. In a New York Times Book Review (1/14) piece on Peter H Stone's "Heist: Superlobbyist Jack Abramoff, His Republican Allies, and the Buying of Washington," Norman Ornstein of the American Enterprise Institute writes, "The revelations are far from over. The House Government Reform Committee reported in late September that Abramoff's billing records showed a robust 485 contacts between Abramoff and his lobbyist team and key White House officials, including 10 or more direct contacts between Abramoff himself and Karl Rove. Subsequently, Rove's top assistant, Susan B. Ralston, who had worked for Abramoff and who accepted a number of high-priced tickets to concerts and sporting events from him while she was in the White House, resigned. Meantime, David Safavian, the former White House chief of government procurement (and Abramoff aide), who had been convicted of false statements and obstruction of justice, was sentenced last October to 18 months in prison."

Brooks Notes Modest Scope Of Democrats' Initiatives. In his column for the New York Times (1/14) David Brooks writes, "the most amazing thing about the past week is how modest the Democratic agenda has been. Democrats have been out of power in Congress for 12 years. They finally get a chance to legislate and they push through a series of small proposals that are little pebbles compared to the vast economic problems they described during the campaign. … They understand that in the face of inequality, Americans have usually opted for policies that offer more

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opportunity, not those emphasizing security or redistribution. American domestic policy is drifting leftward, but there are sharp limits on how far it will go."

Further Minimum Wage Hikes Said To Be Necessary. In an op-ed for the Los Angeles Times (1/14) Robert Pollin, Co-director Of The Political Economy Research Institute, writes, "The United States appears ready to support a national living wage. Last week, the House of Representatives voted to raise the federal minimum wage in three steps to $7.25 an hour as of mid-2009. The Senate is expected to link the raise to tax breaks for business, but passage seems assured. And President Bush has said that he will sign legislation to increase the wage. … But Congress shouldn't stop there because $7.25 an hour is not close to a living wage. Adjusted for inflation, it would represent an increase of just about 4% from the current $5.15. … Further increases could be tied to inflation and average labor productivity. If inflation and productivity trends of the last decade continue, this would translate into a 10% to 12% increase in the federal minimum wage every two years, to $10 an hour in 2013."

OTHER NEWS:

Bush Iraq Plan Complicates Presidential Race For McCain, Clinton. The New York Times (1/14, Nagourney, Healy) reports on its front page that "as the politics of the war" in Iraq "continue to shift, no prospective presidential candidates face more intensive scrutiny of their views or greater risk to their ambitions" than Sens. John McCain and Hillary Clinton. McCain, "long a proponent of sending more American forces into the fight," is "now more than ever is linked to a war that has splintered his party and lost public support." As for Clinton, who is "viewed with suspicion by elements of her party because she has not explicitly repudiated her October 2002 vote authorizing military action against Iraq," she "has been trying to shore up her credentials as a critic of the war without exposing herself to charges of indecisiveness or flip-flopping of the sort that so damaged" Sen. John Kerry in 2004. On the GOP side of the presidential race, "a deep split" within the party is increasing the chances McCain "will face challenges on the war from fellow Republicans long before he has to worry about Mrs. Clinton and other Democrats." While likely candidates Rudy Giuliani and Mitt Romney have expressed support for the President Bush's new plan, Sen. Sam Brownback, "who is positioning himself as an alternative to Mr. McCain among conservatives, denounced Mr. Bush's plan," as did Sen. Chuck Hagel. On the Democratic side, Sen. Barack Obama, "who joined the Senate in 2005 and thus escaped the Iraq vote that has come to haunt" Clinton, Kerry, and John Edwards, "used the platform of Senate hearings to lacerate the Bush Iraq policy and affirm his own opposition to the war."

The Chicago Tribune (1/14, Zuckman) writes that McCain's "unflinching insistence on boosting the number of troops in Iraq, and his position as one of the president's most vocal supporters of the war, could imperil his White House ambitions, even among the GOP faithful."

Bush Considers His Legacy As GOP Thinks Ahead To 2008. The New York Times (1/14, Zernike) examines Bush's legacy as the next election season looms, writing, "On one end of Pennsylvania Avenue is a president who argues that history will judge him favorably on the war; on the other are increasingly skeptical Republicans who blame the president's stay-the-course strategy for the loss of majority status in Congress and fear that it may cost them again in 2008. The unusual circumstances of the 2008 election may only aggravate the situation. Congressional Republicans face high stakes, particularly in the Senate, where 21 are up for re-election, compared with just 12 Democrats. And the Democrats have already put targets on senators in the Northeast and Midwest where antiwar sentiment helped Democrats sweep into office." Bush "has frequently likened himself to Harry Truman, an unpopular president when he left office, but one applauded by history." But presidential historian said, "He's no Harry Truman. Truman is now seen as a near great president because he put in place the containment doctrine boosted by the Truman Doctrine and the Marshall Plan and NATO, which historians now see as having been at the center of American success in the cold war. If you ask yourself, what is Bush's legacy, what is there? What's his larger design to meet the dangers of Islamic terrorism?" The Times adds, "The parallels, some historians say, are more to Lyndon Johnson."

Novak Says Obama Could Create Exploratory Committee This Week. In his syndicated column, Robert Novak (1/13) writes that Sen. Barack Obama "informed a major Democratic financial contributor that he probably will announce formation of a 2008 presidential exploration committee this coming week, which starts with Martin Luther King Jr. Day Monday. A political source close to Obama told this column he was not sure the exploratory committee would be named that early but added that probably would happen during the next three weeks. Actual announcement of his candidacy would come later."

Obama Has Not Won Over Traditional Black Leaders. Under the headline "Obama's Charm Lost On America's Black Activists," the Times of London (1/14, Allen) writes that while Obama "is a media darling, a paparazzi target and a source of inspiration for millions of Democrats," he "has not impressed some of America's most powerful black activists. Civil rights leaders who have dominated black politics for much of the past two decades have pointedly

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failed to embrace" Obama. The "unexpected coolness between the old civil rights guard and the new Democratic hopeful has added an intriguing twist to the budding rivalry between Obama" and Sen. Hillary Clinton, "who hopes to emulate her husband, former president Bill Clinton, in attracting support from black voters."

Obama's "Inner Circle" Examined. The Chicago Tribune (1/14, Dorning, Parsons) runs a feature on "Obama's Inner Circle" as Obama "and his advisers seek commitments from political operatives and donors in preparation for a likely run for the presidency. The existing core of advisers around the Illinois Democrat simultaneously anchors him in the pragmatic sensibility of his urban Midwestern home base and encompasses the world of ideas of his Harvard Law School classmates."

Romney Shifting Stance On Gun Issues. The Boston Globe (1/14, Helman) reports Mitt Romney, "who once described himself as a supporter of strong gun laws, is distancing himself from that rhetoric now as he attempts to court the gun owners who make up a significant force in Republican primary politics." During his 1994 Senate run and 2002 gubernatorial run, Romney backed gun-control measures, but now, "as he explores a presidential bid, Romney is sending a very different message on gun issues, which are far more prominent in Republican national politics than in Massachusetts. He now touts his work as governor to ease restrictions on gun owners," and he "proudly describes himself as a member of the NRA -- though his campaign won't say when he joined."

Tancredo In Iowa, Testing Presidential Waters. The Denver Post (1/14, Mulkern) reports Rep. Tom Tancredo "is in the key caucus state of Iowa this weekend, assessing whether he should formally announce a bid for the presidency." Tancredo spokesman Carlos Espinosa said if Tancredo enters the race, it would be because of his desire to inject the immigration issue into the debate, "and not because he thinks he can win the election. 'Any bid that Tom would put up, it would be fighting for third place,' Espinosa said. 'Third place would be a huge victory for Tom Tancredo.'"

LATimes Says Schwarzenegger Should Be Permitted To Seek Presidency. The Los Angeles Times (1/14) editorializes, "The governor of the nation's largest state was reelected in a landslide in November, even though his Republican Party is a minority in California. He works with Democrats in a way that offers the rest of the country a model of much-needed bipartisanship. To kick off his second term, he has proposed the most ambitious healthcare and environmental reforms in the country, and he is also committed to a massive reconstruction of the state's infrastructure. Yet, oddly enough, Gov. Arnold Schwarzenegger is not on the list of potential presidential candidates in 2008. … It's long past due for this nation of immigrants to amend the Constitution to allow naturalized Americans to aspire to the presidency. This is precisely the type of defining issue -- what it means to be American -- that the amendment process was designed to address. Supporting Schwarzenegger for governor (we did) does not necessarily lead to supporting him for president (we don't -- yet). But why should Californians have their governor sidelined from the race? And why can't voters across the country be entrusted to decide for themselves whether the governor of California is sufficiently 'American' to earn their vote?"

In a Los Angeles Times (1/14) op-ed, Stanford University research fellow Bill Whalen writes, "Schwarzenegger lives in rarified air -- an American politician the world knows on a first-name basis. That said, his sky has a ceiling. Term limits will force him to step down in 2011, and the Constitution stands in the way of a presidential run. That leaves the U.S. Senate as an alternative. Some option."

Schwarzenegger Said To Be Governing As A "Party Of One." The Los Angeles Times (1/14, Nicholas) reports that Schwarzenegger "is confident that he faces no real repercussions if he disappoints the state's GOP leadership. Siphoning ideas from both major parties, he remains a Republican by registration, but he is acting, speaking and governing increasingly like an independent. Like a party of one." Schwarzenegger's approach "reflects a careful reading of the California electorate. Since 1990, Republican and Democratic party membership in California has dropped, while the proportion of independent voters has climbed."

Riley Says He Is Not Interested In Vice Presidency. The AP (1/13) reports Alabama Gov. Bob Riley "is trying to stymie speculation that he wants to trade his new title for 'vice presidential candidate' next year. Riley says he is not interested in running a national campaign in 2008 or leaving the governor's office before the end of his new four-year term."

Davis Calls For Bipartisan Ticket In 2008. In a Washington Post (1/14, B3) "Outlook" piece, Lanny Davis, former counsel to President Clinton, urges "someone to form a bipartisan ticket in 2008" as a means of combating "today's national unease and rabid partisanship," which he compares to that of 1864, when Republican President Abraham Lincoln made "highly partisan Democrat Andrew Johnson" his running mate. Davis says the two parties could "nominate their respective tickets and wage a traditional partisan campaign on the issues, so that voters could see each party's approach and weigh their preferences," and then "after the election, the winner would ask his or her vice president-elect to step down…while inviting the defeated presidential or vice

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presidential candidate from the other party to serve as vice president." Davis proposes several combinations, including John McCain/Hillary Clinton, Barack Obama/Chuck Hagel, Joseph Biden/Mitt Romney, John Edwards/Michael Bloomberg, and Bill Richardson/Rudy Giuliani, saying "any of these bipartisan pairings, in any permutation, would create a stir -- and a dynamite ticket."

Death Said To Boost Former Presidents' Reputations. In an op-ed for the Los Angeles Times (1/14) David Greenberg, Professor Of Media Studies And History At Rutgers University, writes, "The national hoopla surrounding the deaths of Richard Nixon in 1994, Ronald Reagan in 2004 and last month — to the astonishment of historians, as well as most other Americans over 30 — Gerald Ford suggests that nothing helps a chief executive's standing with the public so much as his demise."

Rice Said To Have "Modest Goals" For Mideast Trip. Major media reported on Secretary of State Condoleezza Rice's first stop on her Middle East trip. The New York Times (1/14, Shanker, Myre, 1.16M) titles its piece, "Rice Backs Mideast Moderates, But Offers No Plan." Rice "and her Israeli counterpart declared their mutual backing on Saturday for a bilateral diplomatic strategy that would support moderate political leaders across the Middle East, but after a first evening of talks offered little new to push ahead any agreement with the Palestinians." Rice "played down expectations for any breakthrough during her travels," and Israeli Foreign Minister Tzipi Livni "said after a meeting with Ms. Rice that the two countries were joined in an 'ongoing mutual effort to empower the moderates throughout the region in the struggle against extremism and terror.'"

Under the subheading, "Modest Goals Set for Peace Effort," the Washington Post (1/14, A14, Kessler, 690K) notes Rice "embarked Saturday on a new push for Israeli-Palestinian peace but set modest goals for herself, saying she was coming without a particular plan or proposal but instead wanted to gather ideas from Israelis, Palestinians and key Arab figures in the region." During this trip, Rice "appears to be seeking to lower the temperature of a region shaken by the turmoil in Iraq and last summer's" Israeli-Hamas war.

ABC World News (1/13, story 4, 1:50, Morrell, 8.78M) reported, "Traveling in Israel today," Rice issued another warning to Iran." Rice: "The President has made it clear that we will go after the networks that are producing explosive devices that are threatening our forces." Morrell: "Administration officials insist US troops will not cross into Iran itself." NBC Nightly News (1/13, story 4, 3:00, Mitchell, 9.87M) reported, "As part of the US military buildup against Iran, the Pentagon plans to send a second carrier group to the Persian Gulf and Patriot missile batteries to allies. By scaling up," President Bush "is rejecting the Baker-Hamilton recommendation that he negotiate with Iran. Instead of increasing the military pressure."

On its front page, the Washington Times (1/14, Kralev) notes Rice "arrived in Israel yesterday on the first leg of a Middle East tour seeking support for a U.S. troop increase in Iraq, warning that the consequences of failure are too great to contemplate 'pulling the plug.'" She further "urged Sunni Arab nations to help 'reintegrate' Iraq into the Arab world to counter the increasing influence of Iran."

The AP (1/13, Gearan) reports Rice "explored opportunities Saturday for a fresh start in the stalled effort at a political compromise between Israel and the Palestinians. At the start of a weeklong trip to the region, she warned that an enduring peace cannot be stamped 'made in America.'" Rice "said she did not carry a specific plan and she tried to lower expectations for quick changes." The AP adds, "Any progress would require political risk-taking from weakened Israeli and Palestinian leaders, and some resolution to escalating divides in the Palestinian ranks." BBC.com (1/14) adds Rice will meet Palestinian President Mahmoud Abbas in Rammallah "a day after saying a 'creative' solution is needed to end the conflict between Israel and the Palestinians." Planning to dine tonight in Amman with King Abdullah, Rice "has admitted that she did not head to the Middle East with any specific plan to end the lingering conflict."

Ahmadinejad, Chavez Seek OPEC Output Cut, "Anti-US" Development Fund. The New York Times (1/14, A12, Romero) notes Iranian President Mahmoud Ahmadinejad embarked "on the first leg of a Latin American visit to enhance Tehran's stature with governments where distrust of the Bush administration already runs deep." This weekend marks his "second visit to Venezuela in the past five months, and" Ahmadinejad and President Hugo Chavez "were scheduled to talk about strengthening their economic ties." Ahmadinejad then "is to visit Ecuador and Nicaragua, where leftist presidents aligned with Mr. Chavez are taking office this month." Chavez's subordinates "promoted the visit as an example of Middle Eastern solidarity with Mr. Chávez's opposition to American foreign policy." The Times adds, "Nowhere has Iran's search for allies in Latin America been more fruitful than in Venezuela. The two countries have signed an array of agreements in recent months, pledging to work together here in exploring for oil, building low-income housing and assembling tractors and bicycles, among other ventures." Furthermore, "the tightening alliance with Iran comes as Mr. Chávez pushes for broad changes in Venezuela's political and economic structures."

Under the headline, "Iran And Venezuela Plan Anti-U.S. Fund," the AP (1/13, Pearson) notes the "fiery anti-American leaders, whose moves to extend their influence have alarmed

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Washington, said Saturday they would help finance investment projects in other countries seeking to thwart U.S. domination." As Ahmadinejad begins "a tour of left-leaning countries in the region," the AP says "it was not clear if the leaders were referring to investment in infrastructure, social and energy projects — areas that the two countries have focused on until now — or other types of financing." Both men "have been increasingly united by their deep-seated antagonism toward the Bush administration."

The Los Angeles Times (1/14, Mogollon, Kraul) calls the deal on the $2 billion fund the latest sign of the deepening ties between [the] oil-rich, anti-U.S. countries." The Times adds, "All the problems of the world, [Ahmadinejad] said, are the result of 'powerful countries that only seek economic benefits and do not value human rights because all they are concerned with is lining the pockets of their multinational companies.'" BBC.com (1/13) focuses on their call for a cut in oil production by OPEC members, saying "they wanted to co-ordinate the group to reduce the amount of crude oil on the market." Chavez "said the world oil market was oversupplied with crude, and said Opec should act to stop falling prices."

Argentina Continues Pursuit Of 1994 Iranian Bomb Plotters. The Washington Post (1/14, A14, Reel) highlights Argentine relations with Iran. As Ahmadinejad "visits Latin America this weekend to strengthen economic and political ties with the region, Argentina's Nestor Kirchner will not be in the line of presidents turning out to greet him." Kirchner "has reinvigorated attempts to prosecute Iranian figures for their alleged role in the 1994 bombing of a Jewish community center [in Buenos Aires], recently issuing arrest warrants for nine former Iranian officials. Among those sought is former president Ali Akbar Hashemi Rafsanjani, accused of ordering the attack that killed 85 people and injured more than 200." While Kirchner "maintains friendly relations" with many Ahmadinejad interlocutors, his "domestic agenda is driving him in a different direction." In addition, "the continuing U.S. conflict with Iran complicates matters further: Some critics contend that Kirchner's government has been manipulated by a regionally unpopular U.S. government that wants to use the Argentine court rulings to stir international outrage against Iran." The Post adds, "For many people in Argentina, the indictments have been a bright spot in a case that has been marred for years by botched attempts to bring the bombers to justice."

Hamas, Fatah Officials Make "Significant Progress" Towards Unity Government. The AP (1/13, Laub) reports Hamas and Fatah statements yesterday that "significant progress has been made in secret coalition talks between the" two sides, "signaling a sudden shift after several weeks of deadly internal fighting." The AP calls the end of the civil service union's strike "another unexpected show of unity," and also notes Prime Minister Ismail Haniyeh's call for both sides "to halt their increasingly violent power struggle that has claimed 35 lives in recent weeks." The AP adds the "emerging coalition deal" could return Salam Fayyad to the Finance Ministry, retain Haniyeh in the premiership, and make Abu Amr the foreign minister. "Two key sticking points in previous talks — the government's program and who will control most of the security forces — have not yet been resolved."

Despite Desire To Boost Fatah, Israeli Amnesty For Fighters Unlikely. Under the headline, "Amnesty For Fatah Fighters A Mideast Hurdle," the Los Angeles Times (1/14, Boudreaux) reports at length that Israeli fears of potential violence by former Palestinian gunmen have made Israel "reluctant to give [President Mahmoud] Abbas one of the concessions he wants most: to take hundreds of fighters from his Fatah movement off the wanted list and stop trying to kill or arrest them." The Times says this "question" of a Fatah amnesty "is an example of how [the Palestinians'] armed feud has become entangled with the Israeli-Arab conflict, complicating the Middle East diplomacy that U.S. Secretary of State Condoleezza Rice resumed Saturday as she arrived in Israel."

Pakistani Families Battle Courts For Information On Missing Relatives. A piece in today's New York Times (1/14, Masood) details Pakistani families' efforts "to locate what they and human rights groups say are hundreds of people who have disappeared into the hands of the country's feared intelligence agencies in the last few years." Noting that some Pakistanis "charge that the government is using the pretext of the war on terror to crack down on opponents," the Times reports, "In addition to some with ties to extremist groups, those missing include critics of the government, nationalists, journalists, scientists, researchers and social and political workers, the groups say."

ASEAN Agrees To Free Trade Zone, Enforceable Charter. The New York Times (1/14, Conde) notes the Association of Southeast Asian Nations (ASEAN) "made progress toward its goal of economic and political integration at a summit meeting here on Saturday, but it was sidetracked by tensions over how to deal with Myanmar, which has come under fire for its poor human rights record." The ten nations "agreed to establish a free-trade zone by 2015, intensify their fight against terrorism, protect the region's migrant workers and improve their campaign against H.I.V./AIDS. They also agreed to draft a new charter with broad enforcement powers — a break from the 40-year-old group's tradition of consensus and noninterference." However, members "failed to find common

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ground on Myanmar." The Times adds, "In a sense, the charter is a bid to remain relevant as the economic power of China and India grows, something the group itself acknowledged."

Chirac's Party To Nominate Sarkozy For French Presidency Today. The Washington Post (1/14, A14, Anderson, 690K) reports, "When Interior Minister Nicolas Sarkozy is nominated Sunday as the uncontested presidential candidate for the center-right Popular Movement party of President Jacques Chirac, it should be a moment of personal and political triumph, capping Sarkozy's four-year campaign for France's highest office." However, "bitter rivalries" inside the UMP "have left Sarkozy wounded and weakened, political analysts and party insiders say." He remains unendorsed by Prime Minister Dominique de Villepin, National Assembly President Jean-Louis Debre, Defense Minister Michele Alliot-Marie and Chirac, and the Post notes Villepin "said last week that he would not even vote for Sarkozy in the primary because he is holding out hope that Chirac will decide at the last minute to run for a third term." AFP (1/14) says Sarkozy "is the only politician who can prevent" Socialist Segolene Royal "from becoming the country's first ever woman president. However, his progress has been hampered by bitter feuding inside his own camp."

ETA Airport Attack Said To Isolate, Weaken Spain's Zapatero. The New York Times (1/14, Sciolino) details Spanish Prime Minister José Luis Rodríguez Zapatero's public relations efforts in light of the Basque separatist movement ETA's December 29 bombing of the Madrid airport. One day earlier, he had "proclaimed that the peace initiative he had started with [ETA] months before was making progress." The blast killed two and caused "tens of millions of dollars of damage to Spain's glittery showpiece of modernity," and the Times reports, "Instead of bringing the political establishment of Spain together, the attack ripped it apart. It has left Mr. Zapatero more isolated than at any time in his nearly three years in power and sent the country's politicians into a frenzy of finger-pointing and backbiting."

US, European Outlooks On Greenhouse Gases Said To Diverge. On its front page, the Washington Times (1/14, Harding) notes the European Commission "proposal to slash greenhouse-gas emissions by the end of the next decade has highlighted a growing trans-Atlantic split over global warming that is further stressed by a recent poll that shows Europeans are more concerned about climate change than terrorism." The EU executive statement "urged the bloc's 27 member states to unilaterally cut emissions of greenhouse gases, such as carbon dioxide, by one-fifth by 2020 compared with 1990 figures." The Times notes the EC "also called on the United States – which has rejected mandatory curbs on emissions -- and developing countries such as China and India to join it in signing up to a 30 percent reduction in greenhouse gases by the same date." The EC "says its new goal can be reached if member states improve energy efficiency, accept competition between national energy suppliers, agree to produce 20 percent of their energy from renewable sources such as wind and solar power by 2020 and ensure that 10 percent of gasoline consumed is made from biofuels by the same date."

Over 200 Killed In Darfur Clashes. The Washington Post (1/14, A15, Osman) reports Sudanese government claims that "more than 200 people have died in clashes between ethnic African farmers and nomadic Arabs in South Darfur in the past week, leading the Sudanese government to send emissaries to try to reconcile the tribes involved." The violence is "the latest outburst in a nearly four-year-long conflict ," and "involved Habania Arab nomads and Falata ethnic African farmers." The Post adds, "The government's casualty estimate could not be independently verified because the government has barred foreign journalists from Darfur for months," and the African Union peacekeeping mission "said it had not investigated the violence."

Brazilian Government To Mix Amazon Logging Access With Enhanced Oversight. On its front page, the New York Times (1/14, Rohter) reports, "A Brazilian government plan set to go into effect this year will bring large-scale logging deep into the heart of the Amazon rain forest for the first time, in a calculated gamble that new monitoring efforts can offset any danger of increased devastation." President Luiz Inácio Lula da Silva is trying "to create Brazil's first coherent, effective forest policy" and will soon "begin auctioning off timber rights to large tracts of the rain forest."

Bolton Praises Ban's Instincts, Early Decisions. In an op-ed on the front page of the Washington Post (1/14, B1, 690K)'s Outlook section, former UN Ambassador John Bolton previews at length Ban Ki-moon's tenure as UN Secretary-General. "The struggle is underway to determine what sort of leader Ban will be: Will the status quo of the U.N. system overwhelm him, or will he follow his instincts and those of his supporters, including Washington?" Saying Ban made the "right" call in not condemning Saddam Hussein's execution, Bolton writes that the UN "as an institution cannot have a legitimate position on a domestic issue such as the death penalty when there is such fundamental disagreement among its sovereign members -- and especially where democratically legitimate governments have different views." Where Ban "has followed his instincts -- deferring to member governments, supporting U.N. reform and demonstrating personal integrity -- he has done well. When he has followed

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the conventional wisdom inside the U.N. bubble on First Avenue in New York -- on matters of U.N. theology such as the death penalty and the Middle East -- he has not. In Washington this week, the president and others will again have the chance to take his measure. Based on what we have seen so far, I hope they encourage him to let Ban be Ban."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Democrats Threaten To Cut Off Military Funds."
"Gov. Is Shifting To A Party Of One."
"Attack On Gangs May Fall Through."
"Winter Blast Breaks Calif. Record."

New York Times:
"Military Is Expanding Its Intelligence Role In U.S."
"Bush's Proposal For Iraq Adds To '08 Intrigue."
"A Sliver Of A Storefront, A Faith On The Rise."
"Company Clinics Cut Health Costs."
"Brazil Gambles On Monitoring Of Amazon Loggers."
"Equal Cheers For Boys And Girls Draw Some Boos."

Washington Post:
"Georgia Ave. Awakening."
"House GOP Shows Its Fractiousness In The Minority."
"On Iraq, U.S. Turns To Onetime Dissenters."
"Few Details Emerge Of Boys' Captivity."
"U.S. Stars Shine Again In Japan Ads."

Washington Times:
"Rice Traverses Middle East For Iraq Plan."
"'Surge' Plan Put At Risk By Politics, General Says."
"Climate Trumps Terror In Europe."
"Christian Groups Torn Over Illegals."

Detroit Free Press:
"Crowds Flock To Auto Show."
"Veteran Pistons Hold Off Young Celtics."
"Wings Overcome West Coast Weariness."

Atlanta Journal-Constitution:
"New Charge In Sugarloaf Case."
"Hopes Rest On Pardon."
"Nardelli's Payday No Surprise."
"Whale Shark Death A Mystery."
"N.C. Takes Over Duke Case."
"Police Seize $20m In Cocaine."

Dallas Morning News:
"Cowboys Stadium Architect Hits His Stride."
"Music Feud Divides Hill Country Town."
"Perry Deserves More Credit, Many Say."
"At $50 Million, Is Cotton Bowl Worth Saving?"
"What Killed Napoleon Bonaparte?"
"Boucher, Named All-Star Reserve, Will Honor Dying Father's Wishes."

Houston Chronicle:
"Rain, Sleet, Freezing Temperatures To Hit Houston."
"Mexico Faces Culture's Effect On Domestic Abuse."
"Pershing Students Say Goodbye To Old Campus."
"Houston Councilwoman Most Likely To Halt Votes."
"Voices Of Hope Resonate At Silent MLK March."
"Saints Go Marching Into NFC Title Game."
"Texas To Tackle Debate On Harsher Predator Law."
"Investors Snub Whole Foods As Competitors Grow."

Story Lineup From Last Night's Network News:
ABC: Kidnapped Boys Return Home; Ice Storm Hits Mid-West; Two West Virginia Coal Miners Killed; US Warns Iran; Hilary Clinton In Iraq; Military Families Under Pressure; North Carolina Attorney General Takes Over Duke Case.
CBS: Preempted by sports coverage.
NBC: Kidnapped Boys Return Home; Winter Storm In Mid-West; Bush's New Iraq War Strategy; Rice In The Middle East; Program Note, New Orleans Citizens Protest Recent Violence; Two West Virginia Coal Miners Die; Development In Duke Lacrosse Case; Artist's View Of War In Iraq.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:
PRESIDENT BUSH — No public schedule.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: KING DAY-RELATED EVENTS. Highlights: 3 p.m. Prince George's County Executive Jack B. Johnson will deliver the keynote address at a Commemoration Awards Banquet in celebration of Dr. Martin Luther King's 78th birthday, hosted by the Prince George's County Chapter of the Southern Christian Leadership Conference (SCLC). La Fontaine Bleu, 7963 Annapolis Road, Lanham, Md. Contact: Denise Roberts, 301-952-5381. 4 p.m. - 7 p.m. There will be a Martin Luther King Jr. Celebration Day Gospel Musical Concert. Second New St. Paul Baptist Church, 2400 Franklin St. NE. Contact: Priscilla Clarke, 202-723-2200. Contacts: Beth Mullen, 202-537-6248.

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System Administrator

From: System Administrator
Sent: Tuesday, January 16, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1084186 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 10:38 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 16, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, January 16, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Office of Public Affairs will issue a release on identity theft. (Roehrkasse)

The Tax Division will issue a release. (Ames)

EVENTS/HEARINGS

12:00 P.M. EST Senior Officials from the Department of Justice and its components will hold a pen and pad roundtable regarding the Department's efforts to combat gang violence in America's communities.
Department of Justice
950 Pennsylvania Ave. N.W.
Washington, D.C.
PEN AND PAD BRIEFING (No Cameras or Recording for Broadcast)

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. EST Assistant Attorney General Regina B. Schofield and Mary Beth Buchanan, Acting Director of the Office on Violence Against Women, will host a program dedicated to educating the public, law enforcement agencies and social service organizations about stalking crimes to commemorate National Stalking Awareness Month.
National Press Club –Holeman Lounge
529 14th Street, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Joan LaRocca at 202-307-0703.

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3:00 P.M. EST Deputy Attorney General Paul J. McNulty will give remarks at the inaugural White House Office of Faith Based and Community Initiatives Compassion in Action roundtable. The discussion entitled *Grassroots Solutions for Reducing Youth Violence* will focus on strategies for reducing youth violence and will highlight the work of the Center for Neighborhood Enterprise.
Eisenhower Executive Office Building
Room 450
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.11308-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, January 16, 2007 11:08 AM
Subject: JCON BROADCAST, WEEK OF JANUARY 16, 2007

JCON BROADCAST, WEEK OF JANUARY 16, 2007

1. **DOJ Dr. Martin Luther King, Jr. Commemorative Program**
2. **Research Classes Offered by Library Staff**

DOJ Dr. Martin Luther King, Jr. Commemorative Program

The Department will present its commemorative program in observance of the life and legacy of the late **Dr. Martin Luther King, Jr.** at **10:00 a.m.**, **Thursday, January 18, 2007,** in the Great Hall of the Robert F. Kennedy (MAIN Justice Building). Featured speakers include Paul J. McNulty, Deputy Attorney General, and Wan J. Kim, Assistant Attorney General, Civil Rights Division. The keynote speaker will be Michael Battle, Director, Executive Office for United States Attorneys.

All employees in the Washington Metropolitan Area are invited to participate in the program. In view of the special significance of this program, we ask supervisors and managers to inform their employees of this event and to grant them reasonable official time to participate.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 12:22 PM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: DEPARTMENT OF JUSTICE EFFORTS TO STOP GANG VIOLENCE IN AMERICA'S COMMUNITIES

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, JANUARY 16, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: DEPARTMENT OF JUSTICE EFFORTS TO STOP GANG VIOLENCE IN AMERICA'S COMMUNITIES

"The effects of violence and gang activity reverberate beyond individuals, beyond a single perpetrator or a single victim. When a young man is murdered, an entire community feels the loss. When a young girl is raped, an entire neighborhood is violated."

-- Attorney General Alberto R. Gonzales, 2/15/06

At the direction of the Attorney General, the Department has taken several important steps to address gang violence. First, the Department established an Anti-Gang Coordination Committee to organize the Department's wide ranging efforts to combat gangs. Second, each United States Attorney has appointed an Anti-Gang Coordinator to provide leadership and focus to our anti-gang efforts at the district level. Third, the Anti-Gang Coordinators, in consultation with their local law enforcement and community partners, have developed comprehensive, district wide strategies to address the gang problems in their districts. All of the Department's law enforcement components are engaged in a coordinated effort to combat gang violence.

GangTECC, National Gang Intelligence Center, and Gang Squad

Through GangTECC, the National Gang Intelligence Center, and Gang Squad, the Department has established national coordination, intelligence and enforcement mechanisms aimed at dismantling the most significant, violent, national and regional gangs.

- **Coordination** – The Department has created a new national multi-agency, anti-gang task force- the Gang Targeting, Enforcement, and Coordination Center (GangTECC). GangTECC targets the nation's most violent and far-reaching gangs by bringing together representatives from all of the operational components of the Department, as well as from other agencies. Led by the Criminal Division, the center coordinates overlapping investigations, ensures that tactical and strategic intelligence is shared among law enforcement agencies, and serves as a central coordinating center for multi-jurisdictional gang investigations involving federal law enforcement agencies.

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- **Intelligence** – GangTECC works hand-in-hand with the new National Gang Intelligence Center (NGIC). The NGIC integrates the gang intelligence assets of all Department of Justice agencies, and has established partnerships with other federal, state and local agencies that possess gang-related information.

- **Enforcement** – The Criminal Division has established a new Gang Squad, a core team of eight experienced anti-gang prosecutors who serve as the prosecutorial arm of the Department's efforts to achieve maximum national impact against violent gangs.

Six Site Comprehensive Anti-Gang Program

In March 2006, the Attorney General announced six sites that would receive $2.5 million in grants as part of a new comprehensive initiative that focuses on reducing gang membership and gang violence through enforcement, prevention and re-entry strategies. These sites are: Los Angeles, Tampa, Cleveland, Dallas/Ft. Worth, Milwaukee, and Pennsylvania's 222 Corridor. The initiative includes the following measures:

- **Enforcement** – Approximately $1 million per site to help create enforcement programs that focus law enforcement efforts on the most significant violent gang offenders.

- **Prevention** – Approximately $1 million per site to focus on reducing youth gang crime and violence by addressing the full range of personal, family and community factors that contribute to juvenile delinquency and gang activity.

- **Re-entry** – Approximately $500,000 per site to create mentor-based re-entry assistance programs with faith-based and other community organizations that will provide transitional housing, job readiness and placement assistance, substance abuse and mental health treatment to prisoners re-entering society.

Project Safe Neighborhoods

In May 2001, President Bush announced Project Safe Neighborhoods (PSN), a comprehensive initiative to reduce gun crime in America by linking together federal, state and local law enforcement, prosecutors and community leaders. The Attorney General has recently expanded the PSN initiative as part of the Department's anti-gang efforts.

- In FY 2006, through the PSN initiative, the Department filed 10,425 federal gun crime cases against 12,479 defendants. This is a 66 percent increase in cases filed and a 55 percent increase in defendants prosecuted since FY 2000. In FY 2006, over 93 percent of those offenders received prison terms and over 50 percent were sentenced to three or more years in prison.

- In its first six years, this Administration has more than doubled the number of firearms prosecutions brought in the last six years of the previous Administration. From FY 2001 through FY 2006, the Department filed 58,464 federal firearms cases against 71,019 defendants – more than a 100 percent increase in cases filed from the prior six year period.

- In FY 2006, the Department has provided approximately $30 million in state and local grants and training and technical assistance to support PSN's new and enhanced anti-gang work. Those funds are in addition to the approximately $10 million in grant funds provided in FY 2006 in support of traditional PSN gun crime reduction programs.

Weed and Seed Initiative

The Weed and Seed Program is a community-based multi-agency approach to law enforcement, crime prevention, and neighborhood restoration. "Weeding" consists of law enforcement and community policing; and "seeding" consists of efforts designed to prevent, intervene, and treat crime, and social and economic distress. There are over 300 Weed and Seed sites, and in FY 2006, over 200 communities received Weed and Seed funding.

International Cooperation

The Department also works with the Department of Homeland Security, the Department of State and our international partners to fight gangs that operate both in the United States and other countries and to ensure that illegal aliens who are gang members are prosecuted and/or removed from the United States.

- In 2006, the Department has provided training to Assistant United States Attorneys on using immigration offenses as part of anti-gang efforts, and is currently working with countries in Central America to develop more efficient and effective information sharing and repatriation mechanisms.

- The Department has also worked with the Department of Homeland Security on Operation Community Shield, which is aimed at disrupting and dismantling international gangs.

Department of Justice Task Forces

In addition to the Attorney General's Department-wide Anti-Gang Initiative, each of the Department's components work with state and local law enforcement on specific programs to curb the threat of gang violence nationwide. These include:

Bureau of Alcohol, Tobacco, Firearms and Explosives Efforts

- The ATF-led Violent Crime Impact (VCIT) teams identify, target and arrest violent criminals to reduce the occurrence of homicide and firearm-related violent crime. These teams include federal agents as well as state and local law enforcement, and are currently deployed in 25 cities across the country.

- In addition to the VCIT initiative, ATF participates with state and local law enforcement and other federal agencies on 110 anti-gang task forces throughout the country.

Drug Enforcement Administration Efforts

- The DEA Mobile Enforcement Team (MET) Program responds to requests from state, local, and tribal law enforcement officials to help stem the rise in drug-related violence and methamphetamine trafficking. Often times, these MET deployments target violent gangs involved in drug trafficking activity, such as the Hell's Angels, Latin Kings, Bloods, Crips, Mexican Mafia, and Gangster Disciples. There are currently 22 METs located throughout the United States and the Caribbean.
- In FY 2006, the METs initiated 30 deployments. Of these, 30 percent were gang related. Additionally, between FY 2005 and 2006, there was a 45 percent increase in the number of the DEA's active Priority Target Organization (PTO) cases that involved gangs.

Federal Bureau of Investigation Efforts

- FBI-led Safe Streets Task Forces focus on dismantling organized gangs by addressing them as criminal enterprises. As of January 2007, the FBI operates more than 170 Task Forces (TFs) in its 56 field

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offices, including over 130 Safe Streets Task Forces (SSTFs) focused on violent gangs and over 30 SSTFs focused on violent crime.

- The FBI has launched a multi-agency MS-13 National Gang Task Force focused specifically on dismantling MS-13 by increasing the flow of information and intelligence, coordinating investigations, and helping local and state law enforcement more easily identify the gang in their areas.

Organized Crime Drug Enforcement Task Force (OCEDTF)

- The OCDETF program targets large, violent, national gangs involved in significant drug trafficking. The number of new gang-related OCDETF investigations increased 37 percent from FY 2005 to FY 2006.

U.S. Marshals Service

- The U.S. Marshals Service (USMS) leads six Regional Fugitive Task Forces, as well as 86 district-based task forces across the country, forming the backbone of the USMS' fugitive apprehension efforts. The USMS investigative network extends to its three foreign field offices and its Regional Technical Operations Centers, which provide sophisticated electronic and air surveillance support in fugitive apprehensions on the federal, state and local levels. In FY 2006, Deputy U.S. Marshals and their task force partners apprehended over 88,100 fugitives. Over 1,690 of those fugitives were gang-related.

- In October 2006, Deputy United States Marshals teamed up with thousands of fellow federal, state and local law enforcement agencies to conduct the largest ever round up of fugitive sex-offenders and wanted gang members. Dubbed "Operation FALCON III" (Federal And Local Cops Organized Nationally), Deputy Marshals and their fellow task force members arrested 10,773 felony fugitives. This number includes 1,659 sex offenders and 364 gang members.

Prevention and Public Awareness

- Over the past year, nearly all of the United States Attorneys have convened a Gang Prevention Summit, designed to explore additional opportunities in the area of gang prevention. The goal of the summits was to bring together law enforcement and community leaders to discuss best practices, identify gaps in services, and create a prevention plan to target at-risk youth within their individual communities. These summits have reached over 10,000 law enforcement officers, prosecutors, social service providers, prevention practitioners, and members of the faith-based community.

- In partnership with the Ad Council, the Department has created two new PSN public service announcements (PSAs) intended to educate youth about the perils of gun crime and the consequences of joining gangs. The announcements have been distributed to English and Spanish language radio stations nationwide and began airing in early July 2006.

- In addition to the existing anti-gang training and technical assistance provided by Department components, the Department has hosted two Gang Prevention webcasts that are accessible by the public. These webcasts share best practices in gang prevention; identify resources; support and complement the Attorney General's Anti-Gang Initiative; emphasize a community-based approach to gang prevention and the importance of collaboration; and assist the United States Attorneys in implementing their district-wide anti-gang strategies. The webcasts are available at www.dojconnect.com.

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- The Department provides funding for the Gang Resistance, Education and Training Program (GREAT) utilized in schools throughout the country. GREAT is a school-based, law enforcement officer-instructed curriculum. The program's primary objective is prevention and is intended as an immunization against delinquency, youth violence, and gang membership. GREAT lessons focus on providing life skills to students to help them avoid delinquent behavior and violence to solve problems. In FY 2006, the Department awarded $15 million to over 140 GREAT sites in 36 states.

- The Department has long supported gang prevention activities such as the National Youth Gang Center, the Boys & Girls Clubs of America, and the Office of Juvenile Justice and Deliquency Prevention's Gang Reduction Program.

- In addition, the Department has developed a wealth of resources and community policing solutions to help law enforcement and communities address the problem of gangs. These resources include guides for police on topics such as graffiti, bullying in schools, gun violence among youthful offenders, and witness intimidation; comprehensive gang prevention model programs; quick reference cards for parents in English, Spanish, Vietnamese, and Hmong; multi-site evaluations of gang programs; innovations documents on network analysis and jail information-gathering; and a *Solutions to Address Gang Crime CD-ROM* available free to the public containing DOJ anti-gang related resources and tools.

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System Administrator

From:	System Administrator
Sent:	Tuesday, January 16, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
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Mailbox size limits:

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 1:17 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT EDUCATES PUBLIC ABOUT STALKING

Department of Justice

Office of Justice Programs

FOR IMMEDIATE RELEASE

TUESDAY, JANUARY 16, 2007

WWW.OJP.USDOJ.GOV

Office of Justice Programs

Office o Against Women

Contact: Joan LaRocca

(202) 307-0703

JUSTICE DEPARTMENT EDUCATES PUBLIC ABOUT STALKING

Department Hosts Program, Releases Publications to Increase Awareness During National Stalking Awareness Month

WASHINGTON – To commemorate the fourth anniversary of National Stalking Awareness Month, officials from the Department of Justice's Office of Justice Programs (OJP) and Office on Violence Against Women (OVW) have joined with the National Center for Victims of Crime to host a program dedicated to educating the public, law enforcement agencies, and social service organizations about the serious dangers of stalking.

"Stalking is an unwanted intrusion into the privacy of an individual," said Assistant Attorney General Regina B. Schofield. "Increasingly, stalkers are using high-tech methods to commit their crimes, and we must have the tools to detect and prosecute them. That's why as part of our observance of Stalking Awareness Month, we are releasing two new resources that will enable law enforcement and prosecutors to better manage digital evidence and to investigate crimes involving the Internet."

At today's event, the Justice Department is releasing two new guides titled "Digital Evidence in the Courtroom: A Guide for Law Enforcement and Prosecutors" and "Investigations Involving the Internet and Computer Networks." These resources are designed to assist law enforcement and advocacy groups in collecting, handling and storing digital evidence while investigating electronic crimes, including stalking. The publications are available on the OJP Web site at www.ojp.usdoj.gov.

"This is a serious and too often under-reported crime, one compounded by advances in technology that provide stalkers with increased unwanted access to their victims, said Mary Beth Buchanan, Acting Director of the Office on Violence Against Women. "Recent studies show that four out of five stalking victims are women.

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No individual should have to live in fear because of unwanted attention or harassment by a stalker, and we are confident that the publications we release today will serve as important tools in the effort to combat and prosecute this disturbing crime."

Today's program also features a presentation by Sherri Peak, a victim advocate from Seattle, and Detective Debra D. McGuire of the Kirkland Police Department in Washington state. Ms. Peak and Detective McGuire discussed how Ms. Peak was stalked by her estranged husband who clandestinely placed a satellite tracking device inside her SUV and monitored her every move.

Other featured speakers at today's event included Mary Beth Buchanan, Acting Director of the Office on Violence Against Women, and Mary Lou Leary, Executive Director of the National Center for Victims of Crime, who outlined the impact of stalking on victims and the resources available to victims and their families.

The Office on Violence Against Women is a national federal office dedicated to providing federal leadership to reduce violence against women. OVW funds numerous programs throughout the nation, including the Stalking Resource Center, a component of the National Center for Victims of Crime, launched in July 2000. The dual mission of the Center is to raise national awareness of stalking and to encourage the development and implementation of multidisciplinary responses to stalking in local communities across the country.

OJP provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

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System Administrator

From:	System Administrator
Sent:	Tuesday, January 16, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 3:41 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PROSECUTES ILLEGAL ALIENS WHO USED STOLEN IDENTITIES TO FIND JOBS

Department of Justice

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TUESDAY, JANUARY 16, 2007
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DEPARTMENT OF JUSTICE PROSECUTES ILLEGAL ALIENS WHO USED STOLEN IDENTITIES TO FIND JOBS

WASHINGTON – Federal identity theft charges have been brought against 148 illegal aliens accused of stealing the identities of lawful U.S. citizens in order to gain legal employment, the Justice Department announced today. One hundred eight defendants have been charged with aggravated identity theft, which carries a mandatory minimum sentence of two years imprisonment and is the most serious federal identity theft charge. Other federal defendants will be charged with illegal reentry by an aggravated felon, document fraud, Social Security fraud, and identity theft. State charges of identity theft, forgery and criminal impersonation charges are also being pressed against 98 additional defendants.

The aliens being criminally prosecuted were identified as a result of Operation Wagon Train, an investigation led by agents from U.S. Immigration and Customs Enforcement (ICE) working in conjunction with six U.S. Attorney's Offices. Agents executed civil search warrants on December 12, 2006, at six meat processing plants owned by Swift & Company (Swift), one of the nation's largest processors of fresh pork and beef. In total, ICE agents apprehended 1,282 illegal alien workers on administrative immigration violations at Swift facilities.

To date, 148 of the most serious offenders have been charged with federal criminal violations. Fifty-three defendants have been charged in the Northern District of Texas, 30 in the Southern District of Iowa, 20 in the District of Minnesota, 26 in the District of Nebraska, 18 in the District of Utah, and one in the District of Colorado. The District Attorney in Cache County, Utah (home of a Swift plant), is prosecuting 80 defendants on charges that include identity theft and forgery and the District Attorney in Weld County, Colo. (home of another Swift plant), is prosecuting 18 defendants on charges that include identity theft, forgery and criminal impersonation.

"The Justice Department takes identity theft very seriously," said Attorney General Gonzales. "We are committed to ensuring that every American's identity is protected and that those who commit this crime are fully prosecuted."

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"Operation Wagon Train unveiled a clear and disturbing picture. What began as an illegal employment investigation uncovered a massive scheme in which illegal aliens used the identities of actual U.S. citizens to get jobs," said Julie Myers, Department of Homeland Security Assistant Secretary for Immigration and Customs Enforcement. "Our message is simple: No employee in any industry who uses a stolen identity is immune from law enforcement action."

Evidence uncovered during Operation Wagon Train, which began in February 2006, suggests that illegal aliens assumed the identities of actual U.S. citizens and improperly used the stolen Social Security numbers and other identity documents in order to gain employment at Swift facilities.

Federal authorities confirmed that many of the names and Social Security numbers being used at the Swift plants were reported stolen by identity theft victims to the Federal Trade Commission. In many cases, victims indicated that they received letters from the Internal Revenue Service demanding back taxes for income they had not reported because it was earned by someone working under their name. Other victims were denied driver's licenses, credit, or even medical services because someone had improperly used their personal information before.

The Justice Department has made vigorous efforts to combat identity theft in recent years. In fiscal year 2005, the Justice Department prosecuted 177 cases of aggravated identity theft. In fiscal year 2006, the Justice Department prosecuted 344 such cases, an increase of 94 percent.

Attorney General Alberto R. Gonzales co-chairs the President's Task Force on Identity Theft with Deborah Majoras, Chair of the Federal Trade Commission (FTC). The Task Force, established by President Bush in May 2006 and comprised of 17 federal agencies and departments, is developing a comprehensive national strategy to fight identity theft which will improve the ability of the government and the private sector to bring identity thieves to justice, mitigate the risks of identity theft for individuals and companies, and assist identity-theft victims in recovering from the aftermath of the crime.

In September, the Identity Theft Task Force adopted interim recommendations on measures that can be implemented immediately to combat identity theft, prior to publication of the final strategic plan. These recommendations will:

- Provide guidance to federal agencies when data breaches do occur;
- Develop a universal police report for identity theft victims;
- Extend restitution to victims of identity theft;
- Reduce access of identity thieves to Social Security numbers;
- Develop alternative methods of "authenticating" identities;
- Improve data security in the government; and
- Improve agencies' ability to respond to data breaches in government.

Anyone wishing to ask a question about identity theft or to report identity theft may call 1-877-ID-THEFT, or visit the FTC's Web site, http://www.ftc.gov/idtheft, or the Department of Justice's Web site, http://www.usdoj.gov/criminal/fraud/idtheft.html.

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07-019

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System Administrator

From:	System Administrator
Sent:	Tuesday, January 16, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT AMERICAN ENTERPRISE INSTITUTE

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, JANUARY 16, 2007
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*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT AMERICAN ENTERPRISE INSTITUTE

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks to the American Enterprise Institute titled *Democracy and the Third Branch* on judicial philosophy and the judicial selection process followed by a question and answer session with audience members on **WEDNESDAY, JANUARY 17 at 10:00 A.M. EST**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks
Question and Answer Session

WHEN: **WEDNESDAY, JANUARY 17, 2007 at 10:00 A.M. EST**

WHERE: American Enterprise Institute
1150 17th Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. All media wishing to cover the Attorney General's remarks must arrive no later than 9:30 A.M. EST. All press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Andrew Ryan at (202) 862-4870.

# # #

07-022

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 4:54 PM
To: USDOJ- Office of Public Affairs
Subject: MS-13 MEMBER PLEADS GUILTY TO RACKETEERING CONSPIRACY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 16, 2007
WWW.USDOJ.GOV/USAO/MD

CONTACT: VICKIE LEDUC
PHONE (410) 209-4885
FAX (410) 962-3091

MS-13 MEMBER PLEADS GUILTY TO RACKETEERING CONSPIRACY

GREENBELT, Md. - Walter Noel Barahona, also known as "Lil Loco," 23, of Hyattsville, Md., pleaded guilty today to conspiracy to conduct and participate in racketeering enterprise activities of an MS-13 gang, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland. Of 22 alleged MS-13 gang members indicted in 2005 on RICO conspiracy and other charges, Barahona is the eighth to plead guilty. Two others have been convicted at trial and six other defendants are scheduled to go to trial in March 2007. No trial date has been set for the remaining defendants, including nine who face a determination as to whether the United States will seek the death penalty.

"The RICO statute is a powerful tool that allows us to hold gang members accountable in federal court for the crimes of the criminal organizations they chose to join," stated U.S. Attorney Rosenstein. "Walter Noel Barahona will spend many years in federal prison with no probation and no parole, thanks to the joint efforts of local, state and federal authorities. The U.S. Attorney's Office in this case was fortunate to have the support of the Justice Department's Gang Squad."

According to the statement of facts provided to the court as part of the plea agreement, La Mara Salvatrucha, also known as the MS-13 gang (MS-13), is a gang composed primarily of immigrants or descendants of immigrants from El Salvador, with members operating throughout Prince George's County and Montgomery County, Md., and elsewhere. MS-13 is a national and international criminal organization with approximately 10,000 members.

Beginning at least in 2001 and continuing through August 2005, Barahona attended various MS-13 meetings and paid dues to the gang. On Sept. 17, 2004, Barahona and other MS-13 gang members took part in the stabbing of a rival gang member near a night club in Langley Park, Md. The victim was hit and cut with beer bottles, kicked and stabbed in the hands.

On June 7, 2005, Barahona and other MS-13 gang members assaulted two youths with bottles and a knife in Langley Park. Barahona fought with one of the youths, a rival gang member. The victim was forced to hold on to Barahona to prevent another MS-13 gang member from stabbing him. The victim was hit with a

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stick across his fingers and kicked when he subsequently fell. The victim's mother was able to eventually disperse the attackers after threatening to call police.

On Oct. 21, 2003 a 17-year old man was walking home from school when he was assaulted by Barahona and other MS-13 gang members. The victim was punched and struck with a wooden bat. A bystander threatening to call the police halted the assault. The victim had swelling and red marks on his face, arm and leg.

Barahona's home was searched in December 2004 and August 2005. Gang paraphernalia was found. His telephone number was recovered from the memory of a telephone seized at an address where MS-13 members were discovered, where a videotape of Teclas Locos Salvatruchos (TLS) members in El Salvador was recovered, saluting the Maryland TLS members.

Barahona faces a maximum sentence of life in prison. U.S. District Judge Deborah K. Chasanow has scheduled sentencing for April 16, 2007. Barahona remains in federal custody.

U.S. Attorney Rosenstein praised the investigative work performed by the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation, the Prince George's County Police Department; U.S. Immigration and Customs Enforcement; the Montgomery County Police Department; the Howard County Police Department; the Maryland National Capital Park Police; the Maryland State Police and the Fairfax County, Virginia Police Department. The prosecution of this case is being handled by Assistant U.S. Attorneys James M. Trusty and Chan Park, and Trial Attorney David Jaffe, a prosecutor for the Justice Department's Gang Squad, a new national anti-gang prosecution unit within the Criminal Division, headed by Assistant Attorney General Alice S. Fisher.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 5:41 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF DEPARTMENT OF JUSTICE BRIEFING ON EFFORTS TO COMBAT GANG VIOLENCE

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 16, 2007
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TRANSCRIPT OF DEPARTMENT OF JUSTICE BRIEFING ON EFFORTS TO COMBAT GANG VIOLENCE

12:05 P.M. EST

MR. ROEHRKASSE: Thank you all for coming today. As I'm well aware, you all know violent crime and specifically gang violence has been getting attention from the Department of Justice recently, so we thought we'd take this opportunity to bring together all of the components in the Department of Justice that have a stake in this matter and have been working diligently to combat gang violence specifically over the past three years.

We have first off is going to speaking Associate Deputy Attorney General for the Department of Justice and also U.S. Attorney in Connecticut, who has recently come down from Connecticut, Kevin O'Connor.

He will be followed by Alice Fisher, the Assistant Attorney General for the Criminal Division, who will be followed by the Assistant Director for the FBI, Chip Burrus, who will be followed by the Acting Director for the ATF, Mike Sullivan. And we also have Billy Sorukas, the Chief Task Force Operations for the Marshal Service who won't be making a proactive presentation but will be here to answer questions with regards to the Marshal Service working this effort.

So I would ask that we allow everybody to go through, talk about all of our missions to go through, talk about their work before we ask any questions. And when we do get to questions, if we could have you all identify yourselves as well as the news organization that -- where you're from. So with that, I'll turn it over to Kevin.

MR. O'CONNOR: Thanks, Brian. Good afternoon. Welcome. Pleased to be here today to update you on the Department's efforts to combat and prevent gang violence and gang activity in our communities. I'm pleased particularly to be joined by my colleagues, Ms. Fisher, Chip Burrus and Director Sullivan of the ATF, all of whom will probably provide you more specifics than I will.

But I think we can cast a good perspective, really a good perspective on the collaboration and the universe of anti-gang efforts that have been in place here at the Department and across the country since 2005 at least

Each of the components represented here today, ATF, Criminal Division, and FBI, as well as our colleagues here in

the Department of Justice, Bureau of Prisons, U.S. Marshals Service, DEA, as well as our state and local counterparts across the country, all play a key role in combating gang violence and preventing people from joining or rejoining gangs. And while these components can speak about their efforts individually and collectively, it does bear noting that so many other people played a key role in the effort to combat gangs across the country.

As Attorney General Gonzales has said on many occasions, combating gang violence is a top priority in the Department of Justice. As many of you are aware, this is a priority shaped in large part by both anecdotal and statistical information that we have had an opportunity to review showing certain crime trends across the country and the Department's need to respond to those crime trends. Even though they can be put in perspective in some respect, this is also an effort to address what is perceived or in fact may be an up tick in violent crime, at least based on 2005 Uniform Crime Reports.

The strategy is a relatively straightforward, simple, two-prong approach. There is the prevention aspects, and the key there is to try to prevent people from joining gangs in the first place. The bottom line is, people do not join gangs to engage in philanthropic activities. They typically join gangs with an effort towards eventually committing all sorts of crimes, violent crimes, property crimes and the like.

And it is incumbent that we not simply focus on enforcement, but we also try to prevent and deter gang membership, whether it's kids being asked to join gangs for the first time or prisoners reentering their communities after serving their time and rejoining the gangs that probably caused them to commit the crimes that they served time for in the first place.

We also recognize here at the Department there is no one-size-fits-all approach to combating gang violence in our communities, and we defer to the strategies that have been developed all across the country to address those particular problems.

And we also recognize, as I said before, that effective enforcement does not just involve prosecutors and the agencies up here, but so many other people, including faith-based community representatives, community service organizations, educators and the like.

What I'd like to do before I turn it over to my colleagues is briefly update you on some of the things that have happened here in the Department of Justice in the last two years in terms of our efforts to get this gangs initiative up and running and in place across the country.

The Attorney General established an anti-gang coordinating committee in 2005 to organize the Department's efforts to combat gangs, which as I said before, doesn't just involve one component but involves many components, all of whom serve on this committee. The committee meets regularly, in this room most of the time, for the purposes of coordinating our efforts to make sure everybody is playing the role we need them to play, and that we aren't duplicating the efforts unnecessarily.

Likewise, the Attorney General also asked in 2005 each United States Attorney to appoint an anti-gang coordinator in their office, so 94 offices across the country have an individual in that office who serves as the Department's primary point of contact for nationwide anti-gang efforts.

Those coordinators have met in person at least on one occasion, and they speak regularly, share information and best practices regularly that can be modeled or duplicated in other parts of the country.

The Attorney General also directed these anti-gang coordinators, as I referred to before, to implement, in consultation with local and state agencies in their districts, a comprehensive anti-gang strategy focusing on prevention and enforcement.

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All of the U.S. Attorneys across the country have done so. That information has been collected here in the Department and again is being made available to each of us to see if there are things that our colleagues are doing that may be of use to us in our districts.

Finally, the Attorney General expanded the successful project Safe Neighborhoods initiative that was launched in 2001, initially aimed at deterring gun violence, to include anti-gang efforts. The Department has provided approximately $30 million in state and local grants in the last year to support those efforts, and those funds are in addition to the $10 million in grant funds provided in FY 2006 to support our traditional PSN gun crime reduction programs.

You know, the PSN statistics are in your fact sheet. I won't go into great detail on them. But the bottom line is since 2000, the federal firearms prosecutions, the numbers of federal firearms prosecutions has increased just about 66 percent, and almost all of the defendants -- not all, but almost all of those defendants who are convicted actually served a period of incarceration, and in FY 2006, at least 50 percent of them received a term of more than five years, which shows you the benefits of federal prosecution when it comes to deterrence, specific deterrence and incarceration.

Under PSN, the strategy was simple. It was to develop partnerships with our state and local colleagues to aggressively attack gun crime in our districts. That model has been used to address gangs as well. The simple strategy of developing partnerships with our state and local counterparts, recognizing, as I said before, it's not a one-size-fits-all approach.

A particular district may want to focus on guns with the ATF. They may want to focus on drugs with the DEA. They may want to focus on fugitives with the U.S. Marshals. Every U.S. Attorney is given the leeway to adapt a strategy that best fits their particular district, and to use and partner up with the state, local and federal counterparts who can play the most effective role in doing that.

Finally, I would add that in February of 2006, the Attorney General announced an anti-gang initiative to be put in place in certain areas of the country, and this is in addition to the 30 million and the 10 million in funding, but what we refer to as the Six Sites Anti-Gang initiative, where six cities that were determined to have an acute gang problem were selected to receive an additional $2.5 million aimed at prevention, enforcement, and a reentry component to address the sizable prison population that was returning to their communities, and as I said before, a very at-risk population in terms of reentering gang life, and therefore, potentially increasing their likelihood to commit violent crimes.

As I said, each of these sites has received $2.5 million to address these issues. Those sites are Los Angeles, Tampa, Cleveland, Dallas-Fort Worth, Milwaukee, and what we refer to as the 222 corridor, which stretches from east into Lancaster, Pennsylvania.

Finally, one other aspect of prevention, the Attorney General also directed each United States Attorney to convene a gang prevention summit in their district, and nearly -- to date, nearly all have done so. These summits have brought together a total of more than 10,000 law enforcement officers, prosecutors, social service providers, prevention practitioners and members of the faith-based community to discuss and share best practices on how to prevent folks from joining or rejoining gangs in their communities.

As you can see in this priority area, the Department has been very active in addressing and responding to gang violence. As I said, I did not detail any specific cases, and I will defer to my colleagues to do that. I think I can, however, speak for all of us in saying while we are proud of the work we have done and the efforts we have made, we also recognize that we cannot rest on our laurels, and we're going to continue to work as hard as ever, because much work remains to be done, and we have a team in place across the country and a structure in place we believe to do that, to continue to do that effectively.

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I will leave it at that, and I will be turning it over now to my colleague, Alice Fisher, the head of the Criminal Division.

MS. FISHER: Thank you, and Happy New Year to all of you. Good afternoon. I'm going to use this, although I don't want to, just because they told me that they're taping it. I hope that it's not too loud. I know that my voice carries, but that's part of being the baby of six children.

So, I'm going to talk about the national strategy that we put in place to attack the regional, national and international gangs from kind of a headquarters level.

Kevin talked a little bit about what all the U.S. Attorneys are doing, and they're focusing on their districts, and their districts may have local gangs, they may have regional gangs, they may have national gangs. But it was important to the Attorney General that we step back and look at, from a national perspective, what we do to attack with maximum impact these national gangs and these international gangs that are crossing state lines and are crossing our borders. And so we've done a couple of things.

One is we set up a new national anti-gang task force that is aimed solely at dismantling and disrupting America's largest and most dangerous gangs that operate across state lines and across our borders.

It is called GangTECC, which stands for national Gang Targeting, Enforcement and Coordination Center, and it is up and running. And currently, we're at the FBI with lots of agents from different divisions, some of which are here, but it's a multi-agency initiative. It's DEA, FBI, ATF, BOP, Marshals, ICE. We work with state and locals. And we've also put prosecutors in to embed them with this national gang, GangTECC, the task force.

Now the purpose of this is that we are all centrally located, and we can share information about investigations. We can share information about tattoos that gangs, these national gangs are using, the drug trafficking routes that they're using. We can share cooperators, and we make sure that we're working together, side-by-side, so we can figure out what is the best strategy to hit hardest at these gangs.

So the targeting center, GangTECC, will be engaged in initiating new gang investigations, de-conflicting and coordinating ongoing investigations, make sure that they're effective and enhancing them, making sure that we get the intelligence that's coming into the National Gang Intelligence Center that is led by the FBI but is also multi-agency and really focused on intelligence gathering, and making sure that we're using that to support our investigation so we can put these people away.

GangTECC is very mission-focused. It is very clear. We are going to target the national and international gangs, and regional to some extent, to make sure that we achieve maximum impact against them. And each gang may have a different strategy to do that, and we're working very hard together with the intelligence analysts, the prosecutors and the operational assets.

Just a second on the prosecutor aspects. We have a new squad in the Criminal Division that is the Gang Squad, made up of seven brand new prosecutors, supplemented by five or six other prosecutors from within the Criminal Division solely focused on this mission.

So they are the prosecutorial arm of this effort. They are experienced gang prosecutors both from DA's offices across the country and from U.S. Attorneys offices. And their mission again is to just attack the most significant gang threats in the United States by aggressively using tools that we have at our disposal.

This means we are using the tools that we've used in organized crime cases in the past. We are using the racketeering statute. I'm going to talk a minute about an MS-13 indictment that was brought last week in Nashville

where we used the RICO law. We are using wiretaps. We are going to use informants. We are going to protect our witnesses.

So a lot of those tools that we historically have used in organized crime cases, we are going to look to use in our effort to dismantle these national and international gangs.

These prosecutors are also obviously going to look at best practices and help formulate policy and work with the U.S. Attorneys offices on multi-district cases, so they won't only be strategizing and enhancing prosecution, but they will be in court as well on some of the bigger cases where we can adequately use our resources.

But it's all about our integrated approach to combating these gangs; the analysts, the prosecutors, and the operational assets to work side-by-side. This -- I don't know if any of you got these on the way in, but this talks a little bit about the differences between the team and what we're doing together, the GangTECC, the NGIC, and the gang squad prosecutors. It also on the back has some of the tattoos that are being used by some of the national gangs. You can see MS-13, Latin Kings, motorcycle gangs, et cetera.

And you can -- I brought them for you to take off, but, you know, this is the kind of thing that we're sending out to all the U.S. Attorneys districts, to state and local law enforcement, so they will look. And when they see MS-13 tattoos, new tattoos, they will send that information into the Gang Intelligence Center so we can share that information, and we can best effectively use our resources by connecting the dots, leveraging our information from the field.

Case examples. I mentioned, just to briefly give you one, an indictment that we've brought in Nashville against MS -- 13 members of MS-13 last week. I also brought copies of the indictment, and you can get them on the way out. But it's a very good example how we can use this approach to try to make an impact and dismantle gangs.

This was a particular group of people operating in Nashville. As alleged in the indictment, the purpose of the enterprise was to further their gang violence, intimidation, their turf, through violent assaults, murders and attempted murders. They, according to the indictment, are charged with attempting to murder seven people and murdering three, plotting to shoot and kill several more.

But let me just step back and tell you about MS-13 and why it's important, and there's experts here that can talk further about it, but it's just one example of how we're leveraging our information. It's a national and international organization, obviously. It has approximately, as alleged in the indictment, but according to the FBI, approximately 10,000 members across the United States. It is affecting our communities. It is recruiting juveniles in our communities. It is active, according to the FBI, in over 30 states in this country, including Honduras, Mexico, Guatemala, El Salvador. It is one of the largest gangs in the U.S. And we want to make sure that with our efforts here, we step back and look at the national picture and don't just go after them district by district.

As you'll see in the indictment in Nashville, they -- this group of people were not only operating in a bubble in Nashville, they were also attempting and plotting murders in other states. They have a motto that's put here: Mata Viola Controlla, which means Kill, Rape, Control. That's MS 1 of the MS-13 mottoes. They wear certain tattoos. They wear certain colors. They have gang names for each other. They pay dues. They have international wire transfers to promote their activities, and they function as an enterprise, and we need to use those enterprise strategies to go after them.

There's another case that you all might be familiar with growing up in Maryland where 20 MS-13 members were indicted. There was one jury trial already as part of that, that resulted in two convictions. A pattern of racketeering activity, six murders in Maryland, one in Virginia, deadly weapons, kidnapping, robbery, obstruction, et cetera.

There's another case in Chicago I just mentioned that Director Sullivan is going to talk about against the Latin

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Kings. The U.S. Attorney's office in Chicago has indicted I believe 38 members, and again, you can talk about the details of that, but high-ranking members of the Latin Kings, another very serious, violent, severe threat in the gang area.

One final thing I'm going to mention before I turn it over to Chip, and Chip can also talk a lot about this, as can Michael, we are looking internationally as well, which means that we're working on our international cooperation with countries like El Salvador and Mexico to make sure that we positions ourselves well to share information with them and to make sure that we're hitting this threat from every angle that we need to hit with. So we're working very closely with the Department of Homeland Security and ICE, who are members of both GangTECC and NGIC, to make sure that we're prosecuting and using all our leverage against these people.

So, Chip.

MR. BURRUS: Thank you, Alice. Before I start, I wanted to introduce two members of the staff that were here, Mike Brunton, Mike, would you stand up? And Brian Truchon. Brian is the director of the MS-13 National Gang Task Force, and Mike is the director of the National Gang Intelligence Center. Both are here and would be able to provide you with some additional information should you desire it on both of those entities.

A few days before Christmas in Eastern Tennessee in a town near Knoxville, a young man walked into a bank. He was a local gang member. He pulled out a gun and he robbed the bank. After robbing the bank, he shot and killed the teller. This is a few days before Christmas. Exiting the bank, he said "Merry Christmas." This is the type of violent gang behavior that we face here in the United States almost every day. I could tell you countless stories just like that.

Most of us in the room remember the type of gang violence that we had back in the nineties where you had a cocaine or a crack-fueled organizations that had, you know, identifiable heads. The Rafel Edmonds organization here in D.C., many of us remember that. It's not the type of threat we face today, though it is equally s violent. What we face today is a much more decentralized threat. There's much more neighborhood-based gangs. They're much more local. They're local, they're violent, and we've really got to do something about it.

They're in smaller communities, they're on Indian reservations, and they use technology very well. They are very adept and very knowledgeable with how to use technology, and we face some real challenges from the federal standpoint.

But let's make no mistake about it. We're up to the challenge, folks. We have got some great agents that are on the ground, both state and local officers, and we've got great ATF agents, DEA agents, U.S. Marshals, FBI agents all working on this problem, and I think you've got some great leadership sitting here at this table that is taking this seriously.

I want to talk just a minute about our Safe Streets task forces. This is going to sound like a broken record to many of you, but I think it's such a successful concept, because the FBI does I think very well in terms of leadership, in taking leadership in the law enforcement community in many of these areas. But we can't do it by ourselves. We need the state and local task force officers. We need our partners at ATF or DEA to tell us what is going on, what do they know. State and local officers clearly know their territory much better than we do, and bring extreme dynamics to the task force that sometimes we don't have.

Kevin mentioned it earlier about the type of things that a task force, especially a federal task force brings, and that's access to the federal system. That's extremely important, because many of the gang members that you see today will be very pleased to go to their local jails. They go into environments that they're very comfortable with.

When they go to a federal system, a federal prison, they don't go to the local area prison. They end up in a place

like Sandstone, Minnesota or, you know, El Paso, Texas, very much out of their comfort zone. And I think that sends a real message that if you begin to engage in the type of violent behavior that we see many of these folks engaged in, you're not just facing the local time, you're facing some real hard federal time, and our prosecutors and agents are going to take that seriously.

There are 131 Safe Streets task forces around the country, 30 Violent Crime task forces, and 16 Safe Trails task forces in Indian country. Last year, or over the past ten years, we've indicated somewhere on the order of 24,800 indictments in Safe Streets task forces throughout the country, and an equal number of convictions. We've had 122 undercover operations and over 1,137 Title 3 tools used against gangs over the past ten years.

We're going to apply technology in areas where perhaps we don't have some of the resources. I think technology is one of the ways that all of us have been able to expand the use and application of our resources.

For example, many of the surveillance teams that we may have had pre-9/11 may not be available to us today because of the need to apply them to terrorism-type investigations. But that doesn't mean we do without that type of technology. There's certainly GPS locators, there's other ways that we can track movements without having to necessarily have a whole team on board.

So we're going to be able to apply technology in many of these cases where perhaps we haven't been able to do so in the past.

I also want to mention the National Gang Intelligence Center, which is really one of the lessons that we learned in the FBI after 9/11. Intelligence drives everything, and it should, especially in these gang investigations. You know, to get the intelligence together, to find out what all of these agencies have, state and locals have, and combine it into one product that we can then distribute it out, to work with our prosecutors, to be able to develop a good strategy, not to just do individual cases in individual cities, but to try to link that together.

We have somewhere on the order of 30 analysts. Mike, what's the number?

MR. SULLIVAN: Twenty-five.

MR. BURRUS: Twenty-five analysts in the National Gang Intelligence Center from the ATF, from DEA, from the Marshal Service, from the Bureau of Prisons, all contributing to these type of intelligence products day in and day out.

The last thing I want to mention from the FBI side is our MS-13 National Gang task force. Alice made some very good comments about how dangerous these people really are. We have to and will continue to work and coordinate with our partners overseas. I can't tell you how important that is. They come in and out of the country. They are involved in criminal activity not only here but in El Salvador, Guatemala, in Honduras, and we're going to continue to work internationally with our partners overseas to try to put a stop to this menace.

Thank you. Director Sullivan.

MR. SULLIVAN: Thanks, Chip. I'm going to actually start with a very short news clip and end with a news clip as well, and I think it really shows the challenges that we face in law enforcement at the federal, state and local level when you look at the faces of the new gangs. I mean, Chip talked about it being more local as opposed to national, international, and also how dangerous these organizations are.

So, if you can just show up our first news clip.

(Video shown.)

MR. SULLIVAN: ATF -- first off, I'm Mike Sullivan, the Acting Director of ATF. I've been on the job for a little bit over four months. But it's obvious to me that ATF's number one domestic priority is really going to address violent crime.

In many ways, because of the unique position we are in in terms of our regulation of firearms and the explosives industry, I think we're well positioned to partner with our federal, state and local law enforcement agencies to really try to address the tool of the trade of violent criminal organizations, large or small, that really pose the greatest threat to public safety at the neighborhood level, at the city level and at the national level as well.

These tools really are going after guns in the hands of felons and prohibited persons, and also weapons and explosives used to retaliate against rivals and witnesses to some of these gang investigations.

The fact is Congress has really given us some very powerful tools in terms of enforcement as relates to charging, prosecuting and sentencing violent offenders who use guns and explosives material as part of their tools of the trade. For example, when you have a firearm connected to another felony offense, it results in enhancements in minimum mandatory sentences, typically starting at the five-year level.

So if you get a drug dealer who essentially either has a gun or uses a gun to help protect his gun dealing trade, whatever the sentence is for the underlying conviction, typically the enhancement, at a minimum, will look at an additional mandatory five years.

Now if it happens to be a sawed off shot gun or a machine gun, the enhancement could be a minimum mandatory 25 years. So that's a powerful weapon to get dangerous felons off the street. So from my perspective, you know, as a prosecutor, as the director, as a citizen, the sentencing enhancements are critically important in terms of the tools that we have that Congress and the Sentencing Commission has given us.

ATF is a relatively lean federal law enforcement agency. We have approximately 2,000 special agents, but they're dedicated almost exclusively to investigating violent crime in gangs. As a United States attorney and former district attorney in Massachusetts, I've seen how important both the experience and expertise of ATF agents are in terms of addressing gang investigations and gang prosecutions.

Like everybody else has already talked about, partnerships is critically important in terms of our agency and fulfilling our agency's mission. We participate in more than 110 task forces across the country, and these task forces investigate gangs as a primary element of their enforcement missions. So they're really focused to gangs, in some instances small gangs, like depicted in the news article in terms of a Chicago neighborhood, and others, as we'll see at the end of it, much larger gangs tied into international organizations.

As a result of these partnerships with our federal, state, and local law-enforcement agencies working with prosecutors, officers, both at the local and the federal level, we've been able to perfect continuing criminal enterprise investigations against three gangs in their hierarchy. So we're not just looking at the individual; we're really looking at the organization because that really is critically important from an enforcement, crime reduction strategy.

Court jurisdiction at ATF enforcing the federal law is to prohibit violent criminal use of firearms, bombs and explosives, as well as fire and arson, place us at the center of gang investigations and allows us to focus on such groups as the Crips, the Bloods, the Latin Kings, the White Supremacists, the Asian gangs, and as I already mentioned, MS-13 and the threat that they pose.

Alice mentioned the recent takedown in Nashville. I'm not going to talk about that. But ATF has been doing this work for decades, taking down and addressing violent criminal organizations. Let me just give you a few

examples.

Just last week, an individual named Charles Thornton, a career criminal and notorious gang leader from Chicago, was arrested and detained on federal firearms and conspiracy charges. This ATF investigation uncovered a firearms trafficking scheme where, at Thornton's direction, firearms were diverted from one jurisdiction in Louisville, Kentucky to gang members in Chicago. It's a common theme in terms of getting organizations.

In 2005 ATF, working together with the tireless efforts of the United States Securities Office, led the Rage Task Force in Hyattsville, Maryland. That task force arrested and obtained indictments against more than 20 members of MS-13 on firearms and RICO charges, including, as Alice pointed out, seven homicides, which served as the RICO predicates. One defender has already pled guilty and received an 87-month sentence, and nine others face the death penalty.

Earlier this year, following a three-year undercover investigation in Chicago, ATF purchased and seized more than 80 firearms used in crimes for members and associates of the Latin Kings, the firearms used to protect, direct and facilitate the city's second largest street gang.

Undercover ATF special agents have infiltrated violent street gangs such as the El Rokins, MS-13, Latin Kings and the Vice Lords, exposing a culture of violence and criminal activity that has supported other federal prosecutions in jurisdictions nationwide. And when I close, I'll actually show you one piece of an undercover -- or the thoughts from an undercover agent's perspective in terms of MS-13.

In fiscal year 2006, ATF implemented the Southwest Border Initiative, which is focusing ATF resources on firearms violence, violent offenders in firearm trafficking along the U.S.-Mexico border, which obviously is turning out to be a significant challenge for both countries. And I know it's a priority for both attorney generals to address the firearms trafficking along the Southwest border.

This initiative has led to the identification of violent criminal groups in Laredo, Texas, including the Mexican Mafia, the Pistolaros and the Texas Syndicate, which are responsible for murders, drive-by shootings, aggravated robberies, and other violent criminal activity.

Working in partnership, ATF and U.S. attorneys have used the firearm statutes, mandatory minimum and sentencing enhancement provided in the federal courts to obtain the longest possible criminal sentences, keeping these dangerous predators off the street. But we also understand, and I think we all collectively understand that we, as an agency, ATF, or as a department can't do this alone. That's why we look at opportunities to collaborate and cooperate amongst the federal law enforcement agencies, which is critically important in terms of accomplishing our mission, but also in many instances even more important, the partnerships with local and state law enforcement agencies.

But we also understand that training is a key element in terms of building those relationships and partnerships. With that in mind, ATF has trained more than 13,000 local police officers, federal agents, and local prosecutors for Project Safe Neighborhoods, has supported gang conferences nationwide, including last year's National Gang Violence Conference in Los Angeles, which was attended by more than 1,200 participants.

Since our creation as a bureau in 1972, ATF has established itself as the lead federal agency in the investigations of nationally recognized street gangs operating in several jurisdictions. We're obviously very much committed to supporting the Department of Justice Anti-Gang Initiatives. ATF's Anti-Gang Initiatives under Project Safe Neighborhood already include prevention, enforcement, and reentry initiatives, and I know Kevin O'Connor had already touched upon that.

We also have unique enforcement initiatives like the Violent Crime Impact Teams, the VCITs, in 25 cities. And

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that places an emphasis on any gang violence that erodes the quality of life in the neighborhoods. And this has been very much supported by Congress as well, including additional enhancements in the '07 budget proposal.

ATF is a full participant, as Alice mentioned, in GangTECC, which is a multi-agency task force that targets national and regional gangs. I am confident through the Department's focus and leadership ATF will continue to play a critical role and make a difference in the quality of life with regard to the people that we serve.

So let me just close with the clip that really talks about an undercover investigation of MS-13, I think it was referred to as Northwest MS-13, come out Northwest Virginia. And at that time, I'll turn it over to Kevin O'Connor.

(Video clip plays.)

MR. SULLIVAN: He looks like my 13-year-old son. At the beginning of that clip, the older -- it looks like he's the older because he's the taller of the three essentially talks about his gang. They were identified as a gang with the news reporter.

(Video clip plays.)

MS. ROEHRKASSE: Okay. Well, thank you. I think we have about 15 or 20 minutes left to take questions. And I should have clarified at the beginning that this entire session was on the record. And for those of you in broadcast, if you are interested in sitting with any of these individuals, we can certainly arrange that. So I'll turn it over to question and answer.

QUESTION: You all mentioned at the beginning that one of your goals is to try to prevent young people from joining gangs in the first place. What sort of things are you doing and how successful are they?

MR. O'CONNOR: Well, I mean I think nationally people are doing different things and it's really a locally driven initiative in the sense that the Department funds it. And I think in the fact sheet you'll see the various funding mechanisms. But generally speaking, it's the communities who know who their at-risk population are, so we defer to them.

I can tell you from wearing my U.S. Attorney hat in Connecticut, what we've done there is based on Project Safe Neighborhoods, where we target primarily offenders under the felony possession statute, that felons cannot carry guns in the community. We target that community that every month they have to report as a group to probation. We send in a team of prosecutors and agents to give them the kind of carrot-and-stick talk about, "Look, here are the federal gun crimes. You see these five folks? They were here last week. They didn't listen. They're doing 10, 15, 20 years."

That's been a very successful model when we look at our recidivism rates in Connecticut of offenders. The message has gone out, "Don't carry a gun because it's just not worth it."

What we have done in Connecticut is taken that model and gone to juvenile facilities and had the same conversations. I mean the reality is, when juveniles are joining gangs, it's a much different problem for us, particular on the federal level, because a lot of these folks are beyond our reach in terms of prosecution. So it's even more imperative that we focus on prevention. And we now send prosecutors to visit with these 14-year-old kids either in the juvenile system or we'll call a police chief and say, "Do you have a particular community group that knows who the at-risk population is? Let's get them together and we'll send in an agent, we'll send in a prosecutor, we'll send in Social Services."

Again, it's the carrot-stick. We'll talk to them about the enforcement side, but at the same time, let's give them

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information on job training, let's give them information on GEDs if they've dropped out of school. Let's do what we can to give them positive alternatives.

But the reality is we're not with these kids 24 hours a day, so we have to rely on the communities. And we in law enforcement aren't social workers, so we really partner up with our local social service faith-based communities and we try to support them by sending folks to talk, funding various programs, whether it's police athletic leagues and the like.

QUESTION: Well, you mentioned police athletic leagues. There was a time when midnight basketball was considered a dirty word around this building. Has that attitude changed?

MR. O'CONNOR: You know, I don't know about midnight basketball and whether that's been an issue addressed at the Department. I can't answer that question. I can tell you in districts across the country people are doing different things, which may or may not include after school basketball, baseball. I don't think we really care what the sport is. We just want to see these kids occupied on things other than gang activity.

MR. SULLIVAN: You know, I think the point is that we'll learn that one size won't necessarily fit all in terms of jurisdictions and that the Department has made it clear to U.S. Attorneys and ATF offices and I'm sure the other federal components as well, "Work with your local contacts, whether that's the faith-based community, social service providers, law enforcement, and other leadership to determine exactly what the unique challenge is.

I know in Boston here recently, the faith-based community played a significant role in negotiating a truce between two of the most violent gang organizations in the city of Boston. So I think we're receptive to looking at what is working in a particular community and looking at that potentially as a best practice to be shared with other communities across the country. And there might be something that somebody can talk about in terms of the initiative with regards to the nationwide tour looking into where are the challenges and what are some of the solutions.

QUESTION: Director Sullivan, you had mentioned earlier that you thought that violent gangs were the single biggest threat to local public safety in the country, I guess in localities. How long has that been the case, and can you elaborate on how that has changed over time?

MR. SULLIVAN: well, I think it's been a case for as long as I've been involved in law enforcement or as a prosecutor. Back in my early days as a district attorney, when I'd speak to people in the neighborhoods I was serving, their biggest fear was whether or not it was safe in their neighborhood to allow their child to go down and get the local school bus because of the gang activity on the street corners.

And we've seen some successes, and we've seen some trends that would suggest that crime rates or strategy along with a lot of other things that have been implemented over the last dozen or so years have had a positive impact with -- from our perspective the most important thing -- dangerous offenders for as long as you possibly can has a positive impact with regards to crime rate.

I know there are others who will debate that issue, so I think that's a matter of concern on the minds of people in the neighborhoods for a long period of time. Some neighborhoods, it may not be as much of a concern today as it was several years ago, other neighborhoods more of a concern.

QUESTION: Yet, in some cities around the country, violent crime is increasing and demands for greater federal resources to be devoted to violent crime and anti-gang activities are increasing. The Chiefs are going to be here in a couple of weeks, and they're going to be asking for more resources. Are we going to see more? Are we at a point where you might start drawing away from counter-terrorism to devote more resources to anti-gang or violent crime?

MR. O'CONNOR: Well, I think from the resource perspective we have directed $30 million in FY 06 directly towards gangs. And I think from the perspective of -- and Chip can shed light on this -- obviously, violent crime is the bread and butter of what we do in our communities. That's what people care about. And we obviously since 9/11 and before that have to focus on terrorism. I think you'll find that the visions are compatible, at least at the local level, that you can do both.

I think the locals are always looking for more money, and if I were in their shoes, I would too. But they also, I think, appreciate the fact that you take a city like Hartford or New Haven or Bridgeport in Connecticut, and they are receiving Weed and Seed funding, Project Safe Neighborhoods funding, Anti-Gang funding. They're receiving HIDTA funding. They're receiving a vast array of different federal funding that's come in, some through the Department of Justice, some through Homeland Security. And we still have those resources.

And on any given day, resources may shift, but if you have the basic programs in place, be it Weed and Seed or Project Safe Neighborhoods, you can adapt those programs to address -- and to pick up on your question, in fact, as I thought about it, we did sponsor basketball in Connecticut. I don't know -- nobody certainly in the Department of Justice told me we couldn't do that, so I don't know about that.

But the point is it may not be what Mike needs to do, but we in fact put together programs like that, and we did it through Weed and Seed and Project Safe Neighborhoods. So there still is federal resources coming into our districts, and we're using them to tackle gangs. And as I said, it's not a one-size fits all approach. Certain areas you may find they're using it to focus on drugs; that might be the biggest problem. You might have MS-13 where you can build a racketeering case. You may have a gun-trafficking gang.

And I think, from our perspective, we're going to approach this in a way that's best for our communities, and if we have to do a gun case, a drug case, an immigration case or a racketeering case, we'll do that.

MR. BURRUS: David, I think from your question about backing off of terrorism, the answer is no. But I think, on the criminal side of the FBI, what we try to do is to balance. We do some things. For example, we don't do as many drug-trafficking organizations as we used to primarily because we've shifted those resources over to try to address gangs. So it's a matter of balance there much more.

But we chase every threat in the counter-terrorism area. We obviously address -- there's no backing off in that area. But I think what we're able to do is to balance that and to say, okay, we have some additional resources that we're not going to use towards drug-trafficking organizations. The marshals do a very good job with fugitives. We're not totally out of the game, but certainly they do a very good job; we can do less of that. And so we've been able to staff both needs.

MR. SULLIVAN: And I think we're getting more creative in terms of sharing information even amongst ourselves as we're sharing it with local law enforcement agencies. We're getting more creative with regard to the task force models that federal agencies are typically -- when joint task forces with one another. We're now joining task forces with one another. We're now less concerned about turf issues as maybe historically has been the case, so I think we're trying to be extremely creative recognizing that there are some significant pockets of needs throughout the country.

QUESTION: What is this Department review on -- have you been able to draw any link between gang activity and the crime spike? And what conclusions have you already drawn about kind of the uptake -- is it localized as the attorney general has said in the past or is it a national problem that we're starting to try to grapple with?

MS. FISHER: Well, I am part of the team that went to certain cities to get down in with local law enforcement to discuss what they were seeing on a local level with regard to up ticks and some cities that had an up tick, but I only

went to a couple. And there were other AGs that went to others. And I think that we're right now in the process of kind of looking that and pulling that information out and kind of seeing are there any trends, are there lessons that we should learn, are there things that we should be hearing from that. And so there hasn't been actually any conclusions drawn yet from everything that we saw. We're trying to -- gathering that information at this point.

QUESTION: Can you describe any of that to gangs, especially as applied to -- cities?

MS. FISHER: Well, Kevin, you might be able to comment on it. I only went to two, so I know that in the two cities that I went to, I heard a lot about gangs, and I heard a lot about reentry programs. I heard a lot about different prevention programs that were being done at the local level. I certainly think that the communities are facing a gang threat. That's clear.

MR. O'CONNOR: Just to clarify, the six cities are not the eighteen cities visited by Alice and OLP. The six cities is -- admittedly there's a gang problem, an acute one at that, which is why they applied for this funding. And there were certainly more than six cities that applied, and they were selected based explicitly on the nature of their gang problem.

The 18 cities that Alice and our colleagues at OLP are going out and visiting were not selected because of gang activity. They were selected for various statistical indicators, some good. Hartford for example, I was concerned when Hartford was selected, and the reason was because they actually had a decline in robberies over a period of time. And so part of this review -- Alice was exactly right, no conclusions have been reach yet, so it would be premature to sort of predict what it's going to say.

It was based on statistical review of certain cities and trends that they noticed, either up ticks in violent crime, downticks in violent crime to sort of get a full picture of what's working and what isn't. But it shouldn't be confused with the six cities that were selected for Anti-Gang Initiative.

QUESTION: Wondering if this review, especially in light of the chief saying it's a very dark situation, what is your feeling now about what you've seen going out across the country?

MR. O'CONNOR: Well, I think if you ask the police chiefs in certain communities, they will certainly attribute spike in violent crime to gang activity. I can only speak for Hartford. I sat in on that meeting. And Hartford is driven primarily by juvenile, and not really gang, it's sort of neighborhood cliques. I wouldn't compare it to an MS-13. The Hartford problem is much different than the El Paso problem, I'm sure.

But I think what Rachel Brand and her folks and Alice are going to have to do is sort of develop a national strategy based on anecdotal information. And, as I said, the problem differs all over the country.

QUESTION: Mr. Burrus, what drives these gangs? Are they just in it for the money? Is it turf? Do they just like to get together and shoot people? What makes them come together?

MR. BURRUS: That's a really good question. There's a lot of factors, and it depends on the gangs. Many of the well developed gangs that we all know from -- that have been around for a long time have profit as a motive. I mean you have almost different branches: that one is good at laundering money, one is good at buying guns, one is good at getting drugs, and so they have almost specializations within the gangs.

And so it depends on the gang. It depends on the motivation.

QUESTION: Well, MS-13 for example.

MR. BURRUS: Well, MS-13, it's a good example of one of the decentralized factors that we talked about earlier.

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We've worked very hard through our National Gang Task Force to identify national leadership, and to date that hasn't really come about. But what we do see is very much of a regionalized aspect with MS-13. Profit drives them. Compatibility drives them.

QUESTION: What is compatibility?

MR. BURRUS: Fellowship, get-together. It was originally formed, as you're well aware, in Los Angeles, as sort of a protection mechanism for El Salvador refugees where coming into the country. It was sort of one of the starts to the MS-13 gang. So it's certainly a fellowship type of arrangement, but unfortunately it's a deal with the devil. They're engaged in all type of horrendous activities.

QUESTION: Is this just a reflection of -- you focus primarily on Latin gangs, MS-13, Latin Kings, is this just a reflection of the immigration situation in this country?

MR. BURRUS: You know, I don't know that it is a reflection of that because we're seeing it in a lot of the different demographic areas. We just did a survey of all 130 of our Safe Streets task forces, and one of the things that we found when we asked them to rate the gangs based on high threat, medium, low threat, the highest threat that we came up with were the neighborhood-based gangs. And that's not necessarily having affiliation with anyone else, the Chip Burrus Boys or the Alice Fisher Gang or something, that it's a localized, regionalized type effect.

So I wouldn't attribute it to that. I think we have a problem basically in many of the cities with the regional gangs.

QUESTION: You really focused on Latin gangs here today.

MR. BURRUS: I don't know that we did.

MS. FISHER: I just used an example.

MR. O'CONNOR: I think I can give you an example in Connecticut where we've done non-MS-13. We don't have a large MS-13 presence in Connecticut, not to say they're not there, but they're not committing the violent acts. We have a lot of the neighborhood gangs. And the challenge is you can't racketeer these people. You know, we have wiretaps where -- and made it public, so I'm not giving you anything public, where we've heard people refer to each other as El Commandant or the CEO, and you can hear the other guy say, "don't call me that, we'll get RICO'd."

You know, gangs are pretty savvy. They recognize that we've got these racketeering statutes. That being said, it doesn't mean we fold up our tent and go home. We've got OCIDF, we've got Safe Streets. We've got guns, we've got drugs. I mean they're going to be committing crimes, federal and state. Some are going to be federal and we'll take them federal. Some are state colleagues and our partnerships will do.

But we really at the end of the day don't focus so much on the sort of composition of the gang as we do the activities of the gang and what types of crimes are they committing. And frankly, the police chiefs, that's what they care about. They don't want to hear, "Mr. O'Connor, here is the origin of MS-13 and why they're upset about injustices in El Salvador." They want to know how we're going to get them off the corner of Vine and Elm Street because they're terrorizing that neighborhood.

And so we use NGIC, we use GangTECC to get that kind of international perspective and to share information. If Mike Sullivan has got a problem in Boston, chances are I'm feeling some of it in Hartford. So those things are very valuable, but when it gets down to the local police chief, he just wants to know that there's a commitment to prosecute on the state and federal level. And we will do that by any means necessary. In Connecticut, you won't do a lot of immigration cases, but you do a lot of drug and gun cases.

MR. BURRUS: If I could add to that, Kevin, just real quick. You know, there's a lot of tools in our toolbox in the federal system that we can apply, the development of sources and the use of that federal system scares these gang folks to death, and the fact that they're going to go to Sandstone, Minnesota from Hartford, Connecticut is a scary thing. And so we do get some cooperation as a result.

The other thing is that we have the ability to run the Title Threes, and while that doesn't necessarily result in a RICO every time, it certainly results in a lot of conspiracy charges, and so we can apply that in the federal system very effectively. And that's one of the things the FBI brings to the table is that type of leadership with state and locals.

MS. FISHER: Can I just go back -- can I add something to your question about why are they doing it? I think that power and territory continues to be a reason why they do it as well as the violence and the profit. And I think we see that in the gang cases that we bring across the country, but what brought it home to me the most is last year when I was in El Salvador, and I was out traveling with the director of police down there, and he took me through a particular area of San Salvador and it literally was a divide in these just slums where it stopped being MS 13 and started being MS-18.

And everybody that was on this side was MS-13 and everybody that was on that side was MS-18. The graffiti was different. People didn't cross the lines, and it was in-bred from these kids when they were ten years old all the way up to when they were sixty-five. So it just, I think, territory also for whatever reason continues to be a part of the problem.

QUESTION: I wanted to bring up another aspect of prosecuting violent crimes, which is that it's particularly dangerous for law enforcement, for undercover agents, for prosecutors, and I'd like to know if the federal agencies here feel like they have the resources to protect their agents, to go after threats against their agents and aggressively prosecute those as well so that when agents go out in the field, they feel like they have the backing of their departments.

MR. BURRUS: Yes, yes and yes. I mean I'd never send an agent out in the field that didn't have that kind of backup.

QUESTION: And I bring this up, not to put you on the spot Mr. Sullivan, but the Arizona Republic had a very good story over the weekend about an ATF agent who feels like there were some missed opportunities in his case, threats against him that were not followed up, that he wasn't notified from ATF about -- and I wonder if, in this new age, if the internet, if gangs are on the internet and able to find out more information than they could, say, 10 years ago about agents, if some of the federal agencies are keeping up fast enough in ways to protect their agents against gang threats.

MR. SULLIVAN: Well, obviously I can't talk about anything that's pending in terms of internal matters dealing with personnel issues. But my response is the same as Chip's, absolutely in terms of protecting the safety and security of the folks in the field that are doing the most dangerous work -- is a highest priority certainly. Even in challenging times, I would make sure that they have all the tools and all the protection that they needed.

And I don't want to promote any websites, but there are websites out there, obviously, that try to out those folks that are assisting law enforcement, whether they happen to be informants or undercover agents. And I think it puts law enforcement folks and cooperatives at great peril. And I know the Department is trying to take steps to reduce access to some of that information. Obviously it conflicts in some instances with First Amendment rights.

I just want to get back very quickly because, you know, I think when we think about gangs sometimes we think about only the sophisticated organizations. We brought up the Latin Kings and MS-13. In some instances, and

we're talking about gangs being like that small collection of what appears to be either young men or in some cases children to kind of control a particular neighborhood -- it might simply be a street corner in some instances, not extremely sophisticated, but potentially very dangerous.

Professor David Kennedy talks about the issue of respect and how respect really plays into some of the violence and unintended victims in the neighborhood. If I'm living in a neighborhood, it doesn't make much difference to me whether it's an organized criminal enterprise or a local crew that's making me feel unsafe, I want law enforcement to do something about it. And I think we're trying to address clearly all of it, you know, from those sophisticated organizations to one that is just loosely held together because they all happen to live maybe in the same apartment complex, the same street on the same street corners.

QUESTION: Nor would it make any difference whether that person on the street corner was 19 or 16 years old, but under the law it makes a heck of a lot of difference, does it not? And in fact, Mr. O'Connor, didn't you indicate that you are much more limited in what you can do with juveniles when in fact juveniles make up a very substantial part of the problem that we're dealing with here?

So I guess I have two questions: one, is there anything that the federal government, the Justice Department is doing to try to either get Congress to change the laws or for the administration to somehow change regulations or something so you could be more aggressive at going after juveniles, and secondly, what are the states doing on that front to help get tough against underage offenders?

MR. O'CONNOR: I think that the question -- I don't know whether there's legislation pending on the federal level sponsored by the Department or otherwise with respect to juveniles. We can prosecute juveniles in the federal system, but it's very, very unique and very different. It's not certainly as easy as you can somebody over the age of 18. The state level varies. In Connecticut it's 16, so that's a nice little cushion for us, but my understanding is there's actually legislation in Connecticut going the opposite way where they're trying to increase it to 18, which obviously is each state's call.

But when it comes to juvenile crime, you're not going to prosecute your way out of it. I think we all recognize that that's where prevention is so key. We can't control the laws that Congress makes in terms of who we can treat from an enforcement perspective in the criminal justice system and who goes the juvenile way, but we certainly can do everything we can to get these kids to not pick up guns, to not sell drugs. And that's where I think the prevention component places an even greater role than it does perhaps on reentry.

But I think with respect to the issue of the juveniles you saw in that video, it's a real problem when you have kids picking up guns. But it's not the only problem.

MR. SULLIVAN: Yes, but most of the investigations, the joint investigations, we have our state and local partners, both law enforcement and prosecutors as well. Not everybody can and not everybody should be prosecuted federally and there are many states around the country that have very powerful tools to address violent juvenile offenders. I know in the district of Massachusetts, you can indict a juvenile offender as young as age 13 or 14 years old and prosecute that person as an adult. So we're not walking away from the opportunity to essentially use law enforcement sentencing tools to address violent offenders at a young age.

MR. ROEHRKASSE: I think we could do one, if you have one, and then Greg, and then that's it.

QUESTION: I just really wondered if you could elaborate a little bit on the use of technology to investigate these things, and what you're using and --

MR. BURRUS: In other words, where are our troops, and can I count them? No, no, no, no. We do have -- I'll just sort of preface that generally by saying we have wonderful science and technology division that is always using

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and trying to develop additional tools that we can apply pursuant to lawful warrants, pursuant to whatever the laws that we're allowed to use. I cited the GPS technology because it can -- it is widespread, it is easy to use, getting cheaper every day. The mapping programs are tremendously helpful for us to aggregate what we already know. We can use data from state and local law enforcement, put it into a mapping program, and give us a really good idea of say, informant coverage, or where is a predominant number of murders taking place, or what does our intelligence tell us about the location of gangs.

There's some other very unique technology applications that we're attempting to purchase that I would like to see nationwide that I think are just wonderful tools, but I don't think we're ready to roll those out yet.

MR. ROEHRKASSE: Last question.

QUESTION: Police chiefs who are facing surges in violent crime rate particularly have talked about and complained about federal cuts to the COPS program -- are you revisiting any of those decisions going into the next budget? Is the administration thinking about pushing for more money?

MR. O'CONNOR: I don't know the answer in the sense that I'm privy to the question of whether that's being pushed. I think certainly COPS grant has been raised by many police chiefs including those in Connecticut, and I think, to put it in perspective, it's certainly a valid issue from their perspective, but it's also not the complete picture in terms of federal funding as we talked about. When you put it in perspective, we're sending in a lot of federal resources, most of which, by the way, is used for police overtime, local police overtime, whether it's Weed and Seed or PSN or gang task forces.

But also you have to recognize that COPS was a hiring program not a sustaining program, and I think sometimes people have viewed it -- the 100,000 new cops were in fact hired, the money was allocated to do that. Now the question is whose going to continue to pay the salaries. And I think you can look at the original intention of COPS. It was not to perpetuate these positions indefinitely. It was to get these positions on board, get them up and running, and the assumption that the state and locals would, as they typically do with their police forces, assume the burden of paying their salaries although the federal government, as I said, continues to kick in millions of dollars to overtime, and that's key when you're using undercovers who have to work unconventional hours.

MR. ROEHRKASSE: All right. Thank you very much for coming today.

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Image not available for this document, ID: 0.7.10316.11260-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 16, 2007 6:34 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT RESOLVES INVESTIGATION OF BALTIMORE CITY DETENTION CENTER

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 16, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT RESOLVES INVESTIGATION OF BALTIMORE CITY DETENTION CENTER

WASHINGTON – The Department of Justice today announced a comprehensive agreement with the state of Maryland into the conditions of confinement at the Baltimore City Detention Center. The agreement follows the Department's investigation of the facility, which found substantial civil rights violations.

The Department identified inadequate medical and mental health care, inadequate security and adult and juvenile detention practices, inadequate fire safety and environmental health conditions, and inadequate provision of special education services. Today's agreement with the state ensures, among other things, that these deficiencies will be remedied and that services and systems will consistently meet generally accepted professional standards and constitutional and federal statutory requirements.

"I appreciate Maryland's commitment to improve conditions at the jail and look forward to the implementation of this important agreement," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division.

The Civil Rights Division conducted its investigation pursuant to the Civil Rights of Institutionalized Persons Act, which authorizes the federal government to identify and root out systemic abuses such as those identified in this case. The Civil Rights Division has successfully resolved similar investigations of other adult correctional facilities in numerous other jurisdictions, including Delaware, New Mexico, Arkansas, Oklahoma, Mississippi, California, Tennessee, New York, and Kentucky.

More information about the Special Litigation Section of the Justice Department's Civil Rights Division can be found at http://www.usdoj.gov/crt/split/index.html.

# # #

07-023

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System Administrator

From: System Administrator
Sent: Tuesday, January 16, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1086523 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 16, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1086524 KB.
Mailbox size limits:

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System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1086525 KB.
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From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 17, 2007 9:42 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 17, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, January 17, 2007

ATTORNEY GENERAL

10:00 A.M. EST Attorney General Alberto R. Gonzales will deliver remarks to the American Enterprise Institute titled *Democracy and the Third Branch* on judicial philosophy and the judicial selection process followed by a question and answer session with audience members.
American Enterprise Institute
1150 17th Street, N.W.
Washington, D.C.
OPEN PRESS

NOTE: All media must present valid photo ID and media credentials. All media wishing to cover the Attorney General's remarks must arrive no later than 9:30 A.M. EST. All press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Andrew Ryan at (202) 862-4870.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

The Tax Division will issue a release. (Ames)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.11214-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1090928 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
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From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 17, 2007 10:14 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE AMERICAN ENTERPRISE INSTITUTE

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 17, 2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE AMERICAN ENTERPRISE INSTITUTE

WASHINGTON, D.C.

Good morning, and thank you. I am pleased to be here with you today to talk about the federal Judiciary.

It has been said many times that the greatness of the American system of government, what has allowed it to thrive, is its simple foundation in the rule of law. And that continues to be true today because of the protection afforded to the rule of law by our great Judiciary.

While my reverence for judges and the Judiciary originated in law school and were molded during my service as a justice on the Texas Supreme Court, I have gained an even deeper and more robust appreciation for the Third Branch since being appointed Attorney General nearly two years ago.

The Framers of the Constitution truly were inspired in constructing the Judiciary the way they did: Appointment by the President "with the Advice and Consent of the Senate"; jurisdiction to hear only real "Cases" or "Controversies"; life tenure during "good Behaviour." My remarks today will focus on what I see as three essentials to allowing our Judiciary to continue to live up to the ideals of the Framers and preserve its place as the cornerstone of our constitutional democracy.

First, the Judiciary must be strong and independent. Second, for the rule of law in America to continue to be an example for the world, judges must understand and perform their proper role in our democratic society, as was intended by the Framers. And third, the very best people must fill these important judgeships—people who believe in the rule of law.

I. JUDICIAL INDEPENDENCE

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A strong and independent Judiciary is necessary for our republic to remain strong, for our democracy to survive, and for the rule of law to flourish. To understand what I mean by independence, let me first clarify what independence is not.

Judicial independence does not mean complete freedom from scrutiny or criticism. Judges' decisions may be criticized, and the nature of the job virtually guarantees it. After all, in every court case there will be a loser. Judges must resist the temptation to craft their opinions to avoid criticism or to seek approval, whether from the press, the public, the academy, or Congress.

The Framers granted federal judges lifetime tenure precisely so that they would be insulated from these sorts of pressures. Alexander Hamilton put it plainly in Federalist 78 when he wrote that lifetime tenure "during good behaviour" is the "best expedient which can be devised in any government, to secure a steady, upright, and impartial administration of the laws."

Judges also can help to maintain their independence, and shield themselves from public opinion, by deciding cases on neutral principles – not by considering factors, such as policy or the public mood, that are appropriately considered by the politically accountable branches.

Let me be clear about one thing. While criticism comes with the territory, I firmly believe that judges should not be subjected to retaliation for their judicial decisions, by budget cuts or through misguided efforts like the recent Jail for Judges initiative in South Dakota.

Some have also suggested creating an Inspector General for the Judiciary who would answer to Congress. I oppose this idea. The Judiciary should police itself, and if it does, the other two branches should not intervene. I believe the Judiciary is making commendable efforts to ensure its integrity. Justice Breyer's recent review is a good example.

And it should go without saying that threats to the safety of judges or their families are reprehensible.

I believe that judicial independence also would be strengthened if judges were paid more. I'm not going to argue that federal judges are not earning a livable wage. And I'm not going to argue that the government can or should match dollar-for-dollar the potential private sector salaries these dedicated men and women could make. But there should be some meaningful effort to increase salaries to allow the Judiciary to attract and retain the best legal minds – lawyers who could find far more lucrative ways to ply their trade.

As Chief Justice John Roberts noted in his year-end report on the federal Judiciary, "If judicial appointment ceases to be the capstone of a distinguished career and instead becomes a stepping stone to a lucrative position in private practice, the Framers' goal of a truly independent Judiciary will be placed in serious jeopardy."

Over the years, I have talked with too many potential judicial nominees who have politely declined consideration precisely because they did not feel they could afford to serve. I hope the Congress will consider

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enacting a meaningful pay raise for judges, so that future candidates for judicial office will not be faced with that choice, and so that judicial independence will be strengthened.

The Congress also should enact legislation to create more judgeships to handle the overwhelming workload now clogging our court system. Judicial workloads in most federal courts continue to increase, including crushing caseloads in the southwest border districts. There is a strong, and appropriate focus on detaining more undocumented aliens here illegally in this country, yet very little attention on the downstream impact upon the workload of our prosecutors and judges. Congress has not passed a comprehensive judgeships bill since 1990, despite tremendous increases in the number of cases being filed. This is just a variation on inadequate pay for the tremendous work of federal judges. Again, judges cannot carry out their constitutional duties adequately when dockets are stretched to the breaking point.

II. THE PROPER ROLE OF A JUDGE

Now, it is not enough for the courts only to be strong and independent. Judges also must understand their role in our system of limited government.

I am concerned that some have lost sight of the role of the Judicial Branch as the Framers intended it to be.

I do not believe the Framers ever intended for the Judicial Branch – the Supreme Court or the lower courts – to make policy. It is worth recalling Hamilton's famous words, again from Federalist 78: "The Judiciary, from the nature of its functions, will always be the least dangerous to the political rights of the Constitution; because it will be least in a capacity to annoy or injure them."

In arguing that states should ratify the Constitution, Hamilton sought to allay the concerns of those who feared that courts would endanger the political accountability of lawmakers or Executive Branch officials. In effect, he said, "Don't worry, courts won't be capable of arrogating to themselves the power of law- or policy-making."

Of course, the power and authority of courts – whether to improperly take policymaking power for themselves or to engage in legitimate decision making – is dependent upon the weight of their judgment. That is, it depends on their credibility with the public and the other branches of government. Judicial decisions are obeyed, in large part, because the judgment of the federal Judiciary is respected.

But it is perhaps underappreciated that when courts apply an activist philosophy that stretches the law to suit policy preferences, they actually reduce the credibility and authority of the Judiciary. In so doing, they undermine the rule of law that strengthens our democracy.

In contrast, a judge who humbly understands the role of the courts in our tripartite system of government decides cases based on neutral principles. He generally defers to the judgment of the political branches, and respects precedent – the collective wisdom of those who have gone before. In so doing, that judge strengthens respect for the Judiciary, upholds the rule of law, and permits the people – through their elected representatives – to make choices about the issues of the day.

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It is no accident that the person President Bush chose to head the Judiciary, Chief Justice Roberts, made this point in terms all Americans could understand: "Judges are like umpires. Umpires don't make the rules, they apply them. The role of an umpire and a judge is critical. They make sure everybody plays by the rules. But it is a limited role. Nobody ever went to a ball game to see the umpire."

When judges uphold laws enacted by Congress and actions taken by Executive Branch officials, they are sending a very clear message to the American people: "You have chosen this path, and it is presumed to be the right one because you have chosen it."

If the American people disagree with a law Congress has enacted or a policy of the Executive Branch, they have the right to vote Congress or the President out of office. That is the method by which the Constitution keeps control in the hands of the people and keeps our limited government limited. It is my strong belief that activist judges who take that power into their own hands do not serve the Constitution or the people well. They fundamentally misunderstand the role of a judge.

I also am concerned about judges who imagine they see everything in society addressed in the Constitution. It is worth remembering that the Constitution is a very brief document. It defines the structure and authority of the federal government and protects a limited list of sacred rights. It does not, and was never intended to, address every legal issue that might arise in our nation's history.

Democracy is well-served when the Court says, in effect, "the Constitution simply does not comment on this issue."
In contrast, constitutionalizing an issue takes it out of the democratic process. If the people disagree with a court decision based on the law, they have a remedy in the political process. Through their elected representatives, they can change the law.

But once a court declares a law to be unconstitutional or prohibits some agency action on constitutional grounds, it is limiting the options of the people. Such a step should be taken only where it is clear that the Constitution has truly spoken on the issue and forbidden what the political branches have determined to do.

Of course, if a law or an agency action is unconstitutional, then judges, consistent with their oaths of office, should not hesitate to strike it down or prohibit it. But courts should exercise extreme caution. Members of Congress and Executive Branch officials take an oath to uphold the Constitution just as judges do. Courts that rush to invoke the Constitution to strike down the actions of the other branches sell short the wisdom and the prerogatives of the legislature, the President, and the people.

A judge with life tenure who gives his own views on political and policy matters greater weight than the considered viewpoint of the elected representatives of the people, or who believes he alone knows what is the best policy, can make great mischief. The Framers understood this. Hamilton said, "It can be of no weight to say that the courts, on the pretense of a repugnancy, may substitute their own pleasure to the constitutional intentions of the legislature."

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Activist judges – those who on a pretense substitute their own views for the will of the legislatures – can find some rationale to support any outcome they desire. They can find in legislative history some quote to support their viewpoint. They can find a footnote in an earlier decision, and extrapolate from that a new principle despite what the language of the law itself says.

But in the end, distorting history or precedent to support a pre-determined outcome weakens the Judiciary, undermines the rule of law, and harms our democracy.

Courts must protect people from the "tyranny of the majority." That is certainly true. But we must also guard against the tyranny that results when unelected activist judges—both on the right and on the left—undermine the right of the people to govern themselves.

As we recently have seen, under our system of government, no legislative majority can expect to last forever. And no President can serve more than two terms. As long as the people retain the power, I have faith that they will exercise it prudently. When power is held by a few, however, we face a far greater danger. There is a fundamental difference between the tyranny of the majority and the will of the people.

Congressional majorities do not get to run roughshod over the Constitution, but if at the ballot box the people have decided they favor your policy goals, then you get a chance to set policy. Right now the Democrats control Congress. Where they have the votes to enact laws supporting their policies, they should be free to do so without contradiction from activist judges who disagree with those laws on policy grounds.

Now, just as judges must understand their proper role and strive not to subvert the democratic process, leaders of the political branches should not pass difficult questions to the Judicial Branch because they are unwilling to make tough choices or because they don't have the votes to enact clear language to advance their policy agenda. This far too common occurrence puts the courts in an untenable position. If there is a danger in judges removing policy discussions from the political sphere, then the political branches themselves should avoid encouraging that tendency.

III. JUDICIAL SELECTION

As I discussed earlier, the Constitution wisely protects federal judges from retaliation by providing them life tenure and forbidding Congress from reducing their pay. Short of the extraordinary measure of impeachment, the only true check on judicial over-reaching is the judges themselves. This is why the President and I view it as so important to select judges who embrace a philosophy of judicial restraint.

The President promised during both of his election campaigns to select judges who understand the proper role of the Judiciary in our constitutional democracy. As his Attorney General, I am charged with helping him find such people.

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It is worth noting how we do not go about determining who shares the President's vision of a good judge. We do not ask about a candidate's political views. Because judges are expected to set them aside when they don their judicial robes, these views are irrelevant.

Of course, to set aside personal views and rule according to the law is not always easy. All judges will be tempted to abandon judicial philosophy on cases they care about. The good ones resist. Indeed, the good ones will apply a misguided law as it exists and trust democracy to fix that law.

Nor do we ask how a judge would rule in a particular case or on a particular legal issue. There are good reasons for this. First of all, as Justices Roberts and Alito explained so well during their confirmation hearings, it would be inappropriate for a judicial candidate or nominee to predict how he would rule in a case that is not before him. Good judges keep an open mind in every case. They listen to the arguments of both parties, read the briefs, study the applicable law, and only then make a decision about what the law requires.

Moreover, it would be inappropriate for a judicial candidate or nominee to make a promise to the President or to me or to the Senate about how he would rule on an issue. This would undermine the independence of the Judiciary and would be grossly unfair to the parties if such a case later came before that judge. Imagine being the plaintiff in a case assigned to a judge who already had promised to rule against you.

What we do look for, in addition to sterling legal qualifications and upstanding character, is a general philosophy of restraint.

We try to determine whether a candidate understands the respective roles of our branches of government.

We want to know whether he understands the boundaries of Article III of the Constitution.

We want to determine whether he understands the inherent limits that make an unelected Judiciary inferior to Congress or the President in making policy judgments. That, for example, a judge will never be in the best position to know what is in the national security interests of our country. That a judge cannot hold hearings or conduct studies to understand all the possible implications of a policy decision.

We want to know whether he understands how judicial activism undermines democracy.

And we need to know that he can put aside his personal views when he takes the bench.

A judge who understands the importance of these principles will take the right approach in every case.

I believe that selection of judges in this mold benefits everyone, especially Congress. Fundamentally, judges who respect the rule of law respect the right of legislatures to make the law.

Under our Constitution, the President has the prerogative to nominate judges who agree with this philosophy. Of course, it is the Senate's responsibility to decide whether to confirm the President's nominees. But I think it

DOJ_NMG_ 0172791

is fair to note that when the Framers provided for nominations to proceed with the advice and consent of the Senate, they assumed that body would at least consider the nominees.

Today there are too many vacancies on the federal bench nationwide. Many of these have been designated "judicial emergencies" by the Administrative Office of the U.S. Courts. For the Judiciary to be strong, it must be fully staffed. Allowing vacancies on the bench to go unfilled does great damage to the courts in the short and long term – and it does not reflect well on the Senate.

The President has nominated, and is continuing to nominate, strong candidates to fill these vacancies, and we look forward to working with the Senate to confirm them.

The Framers left us a great and powerful legacy when they created our Judiciary. Respecting the prerogatives of the Executive and the Legislature, yet strong and independent, the courts have a vital role in protecting our democracy and the rule of law. President Bush has sought to nominate judges who appreciate this role. I believe he has chosen men and women who do honor to the institution of the Judiciary and to the Constitution. They are men and women we can all be proud of.

Thank you. May God bless you all, and may He continue to bless the United States of America.

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DOJ_NMG_ 0172792

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Image not available for this document, ID: 0.7.10316.11219-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1091517 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 17, 2007 2:23 PM
To: USDOJ- Office of Public Affairs
Subject: OHIO MAN SENTENCED FOR CRIMINAL CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 17, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

OHIO MAN SENTENCED FOR CRIMINAL CIVIL RIGHTS CHARGES

WASHINGTON – David Fredericy, of Cleveland, Ohio, was sentenced today to serve 33 months in federal prison for conspiring to commit and for committing hate crimes targeting African-American residents of Cleveland, and for making false statements to federal investigators. During the sentencing hearing, U.S. District Judge Patricia A. Gaughan stated that she wanted to send "a message loud and clear that this conduct will not be tolerated."

On October 26, 2006, Fredericy pleaded guilty to conspiring to interfere and interfering with the federally protected housing rights of an interracial family because of their race, and for making false statements to federal investigators. Another Cleveland resident, Joseph Kuzlik, pleaded guilty to the same charges on November 27, 2006, and is scheduled to be sentenced on February 21, 2007.

Fredericy and Kuzlik engaged in a series of acts intended to threaten and intimidate African-American residents in their neighborhood. Among other acts, the defendants placed toxic mercury on the porch of a family with children for the purpose of intimidating them because they were an interracial family. In order to keep their unlawful actions secret, both Fredericy and Kuzlik lied to federal investigators from the Environmental Protection Agency (EPA), the federal agency that was initially charged with cleaning up the mercury and investigating the incident. Fredericy was ordered to pay restitution to the U.S. EPA and the Ohio EPA for the cost of cleanup, and was also ordered to pay restitution of a to be determined amount to individual victims who suffered financial losses as a result of the offenses.

"Any vicious act of racism is deplorable," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "What these men did is despicable, and the Justice Department will continue to vigorously prosecute those who violate the federally protected civil rights of others."

"Today's sentence is a fitting conclusion to a joint effort by the FBI, the U.S. EPA, the Ohio EPA, and the Cleveland Police Department, and demonstrates the commitment of both state and federal law enforcement authorities to protecting every citizen's basic right to live in and enjoy his or her own home without fear of racial intimidation," said Gregory White, U.S. Attorney for the Northern District of Ohio.

The case was prosecuted by Assistant U.S. Attorney Ann C. Rowland and Trial Attorney Kristy L. Parker of the Civil Rights Division.

DOJ_NMG_ 0172796

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 163 defendants in 103 cases of bias-motivated crimes.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 163 defendants in 103 cases of bias-motivated crimes.

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07-026

DOJ_NMG_ 0172797

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Image not available for this document, ID: 0.7.10316.10960-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1092339 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1092486 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 17, 2007 6:09 PM
To: USDOJ- Office of Public Affairs
Subject: LOUISIANA RESIDENT PLEADS GUILTY IN BATON ROUGE ON FEDERAL FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 17, 2007
www.usdoj.gov/usao/lam

CONTACT: DAVID R. DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

LOUISIANA RESIDENT PLEADS GUILTY IN BATON ROUGE ON FEDERAL FRAUD CHARGE

BATON ROUGE, La. – A Louisiana resident pleaded guilty today in the U.S. District Court for the Middle District of Louisiana on a charge of fraud related to hurricane disaster relief programs, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced.

Juanita Wade, 34, of Baton Rouge, La., pleaded guilty today before Chief U.S. District Court Judge Ralph E. Tyson to a bill of information charging her with making a false and fraudulent claim for disaster assistance benefits. The case was investigated by the Federal Bureau of Investigation (FBI); the U.S. Department of Homeland Security, Office of Inspector General; and the West Baton Rouge Parish Sheriff's Office. As a result of her guilty plea, Wade faces a maximum sentence of five years in prison, a $250,000 fine, or both.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 84.

DOJ_NMG_ 0172802

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for United States Attorneys and others.

For further information, contact U.S. Attorney David R. Dugas, of the Middle District of Louisiana, or First Assistant U.S. Attorney Lyman Thornton, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0172803

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Image not available for this document, ID: 0.7.10316.10708-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1092599 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 17, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1092600 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 18, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1092601 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, January 18, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1095955 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 18, 2007 10:00 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED OPENING REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE JUSTICE DEPARTMENT OVERSIGHT HEARING OF THE SENATE JUDICIARY COMMITTEE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 18, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED OPENING REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE JUSTICE DEPARTMENT OVERSIGHT HEARING OF THE SENATE JUDICIARY COMMITTEE

WASHINGTON, D.C.

Chairman Leahy, Ranking Member Specter, and Members of the Committee: I look forward to our conversation this morning about the important work of the Department of Justice.

The Department of Justice's responsibilities are vast, but our top priority continues to be the prevention of terrorist attacks. At the Department of Justice, every day is September 12th.

I expect that much of our discussion today will focus on matters related to the war on terror.

In particular, I expect that you will want to discuss the letter I sent to Chairman Leahy and Senator Specter yesterday, regarding the President's decision not to reauthorize of the Terrorist Surveillance Program. Court orders issued last week by a Judge of the Foreign Intelligence Surveillance Court will enable the government to conduct electronic surveillance – very specifically, surveillance into or out of the United States where there is probable cause to believe that one of the communicants is a member or agent of al Qaeda or an associated terrorist organization – subject to the approval of the FISA Court.

We believe that the court's orders will allow the necessary speed and agility the government needs to protect our Nation from the terrorist threat. I look forward to discussing these matters.

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I hope that we also can discuss other, non-terrorism matters. I am keenly aware of the responsibilities that I have – and that you have – that are not related to terrorism but nonetheless are of great importance to the American people.

First, I hope we can discuss a few things we can do together to keep American neighborhoods safe from the threat of violent crime, gangs and drugs. The vast majority of this work is done by state and local law enforcement agencies, but the Department of Justice plays an important and unique role.

The Department's indictment last week of 13 members of the MS-13 street gang is an excellent example of the good work that is being done by a law enforcement community that works together at all levels – State, local and federal. Despite our increased focus on combating terrorism, investigating and prosecuting violent criminals remains a core function of DOJ.

Although the overall violent crime rate is down, near a 30-year low, we have some increase in certain types of crime in some areas of the country. This concerns me.

To better understand these increases, Department officials have, over the last two months, visited 18 cities. In some of these cities, the violent crime rate had increased, while in others it had decreased. In each state, we met with State, local and federal law enforcement, as well as with community groups, to discuss the unique causes of, and responses to, crime in their city.

Although our analysis is not complete, it is clear that there is no one-size-fits-all response. Every city is different, and the appropriate response to crime in each city depends on its particular circumstances. In the coming months, we will make policy recommendations based on our research, the crime trends we identify, and the best practices that have been developed.

Second, I hope we can discuss an emerging problem – the abuse of prescription drugs purchased over the Internet – and the things we can do together to address this issue. Prescription drug abuse is now the second largest form of drug abuse in the United States and the only rising category of abuse among youth. Feeding this abuse is the proliferation of illicit websites that offer controlled substances for sale, requiring little more than a cursory online questionnaire and charging double the normal price. Make no mistake: these illicit websites are not about getting necessary medicine to those in need.

We must preserve legitimate access to medications over the Internet while preventing online drug dealers from using cyberspace as a haven for drug trafficking. I look forward to working with Congress to ensure that controlled substances are dispensed over the Internet only for legitimate medical purposes.

Similarly, I look forward to working with the Congress to protect our children from pedophiles and sexual predators. Protecting our kids is a top priority for me.

DOJ_NMG_ 0172811

It is a shame that the Internet – the greatest invention of our time – has provided pedophiles and child pornographers with new opportunities to harm our children. This is a new and evolving criminal law enforcement challenge that we are addressing aggressively.

Last year's enactment of the Adam Walsh Act was historic, and I want to thank the Committee for its work on that important bill. It is clear to me every day, however, that more tools are needed.

I continue to hear from federal, state and local law enforcement that they need access to the information that will help us find online predators and child pornographers.

There are children to be rescued through the prosecution of these dangerous criminals. I ask you to work with me, this year on this critical issue of protecting those who cannot protect themselves.

I also hope that your desire to protect our Nation's children from unthinkable sexual abuse will influence you to reform the mandatory nature of federal Sentencing Guidelines.

The advisory guidelines system we currently have – as a result of the Supreme Court's Booker decision – can and must be improved. The Sentencing Commission has determined that, post-Booker, in almost 10 percent of all cases involving criminal sexual abuse of a minor, judges have given below-Guidelines sentences. Similarly, in over 20 percent of cases involving possession of child pornography, defendants are being sentenced below the Guidelines' range.

Sentences should be fair, determinate and tough.

I call upon this body to enact legislation to restore the mandatory nature of the Guidelines to ensure that our Criminal Justice system is both fair and tough.

One of the last issues I want to present to the Committee today is the urgent need to reform our immigration laws.

As the grandson of Mexican immigrants, and as a law enforcement official, border security and immigration reform are close to my heart and always on my mind. The President and I believe that we can take pride in being an open country and a nation of immigrants, while also protecting our country from those who seek to harm us.

I will conclude with one final, and I believe urgent request: please give the President's judicial nominees an up or down vote.

Currently, there are 56 judicial vacancies – half of which have been designated as judicial emergencies.

DOJ_NMG_ 0172812

During the 107th Congress, when Senator Hatch chaired this Committee, 73 federal judges nominated by President Clinton were confirmed. Fifteen of those were for the circuit court. I urge this Committee to treat President Bush's nominees at last as fairly as President Clinton's were treated.

Thank you for the opportunity to appear before you. I am happy to answer any questions you may have.

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Image not available for this document, ID: 0.7.10316.10686-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 18, 2007 10:05 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 18, 2007

Department of Justice

PRESS GUIDANCE
Thursday, January 18, 2007

ATTORNEY GENERAL

9:30 A.M. EST Attorney General Alberto R. Gonzales is testifying before the Senate Judiciary Committee on Department of Justice Oversight.
Dirksen Senate Office Building
Room G50
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

PRESS RELEASES

The Bureau of Justice Statistics will tentatively issue a release. (Peterson)

EVENTS/HEARINGS

12:00 P.M. PST FBI Director Robert Mueller will deliver remarks at the Los Angeles Chamber of Commerce on FBI efforts to combat gangs and violent crime in Los Angeles.
Los Angeles Chamber of Commerce
350 S. Bixel Street
Los Angeles, California
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Eimiller or Kenny Smith at 310-477-6565.

3:45 P.M. PST FBI Director Robert Mueller will hold a press availability following his visit to the FBI's Los Angeles Field Office.
11000 Wilshire Blvd.
Los Angeles, California 90024
OPEN PRESS

Press inquiries regarding logistics should be directed to Laura Eimiller or Kenny Smith at 310-477-6565.

DOJ_NMG_ 0172816

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0172817

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Image not available for this document, ID: 0.7.10316.10668-000002

System Administrator

From:	System Administrator
Sent:	Thursday, January 18, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097109 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, January 18, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097110 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 18, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097110 KB.
Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 18, 2007 5:42 PM
To: USDOJ- Office of Public Affairs
Subject: EMBARGOED: DEATH RATES LOWER IN STATE PRISONS THAN IN THE GENERAL POPULATION

THE REPORT IS ATTACHED

Department of Justice

Office of Justice Programs

EMBARGOED FOR RELEASE UNTIL 12:00 P.M. EST SUNDAY, JANUARY 21, 2007

WWW.OJP.USDOJ.GOV/BJS

BUREAU OF JUSTICE STATISTICS

Contact: Stu Smith: 202-307-0784

After hours: 301-983-9354

DEATH RATES LOWER IN STATE PRISONS THAN IN THE GENERAL POPULATION

Nine in Ten Deaths Due to Illness

WASHINGTON – The nation's state prison officials reported that 12,129 inmates died while in custody from 2001 through 2004, the Justice Department's Bureau of Justice Statistics (BJS) announced today. The deaths over this four-year period constituted an annual mortality rate of 250 deaths per 100,000 inmates, which was 19 percent lower than the adult mortality rate in the U.S. general population.

Overall, 89 percent of all state prisoner deaths were attributed to medical conditions and 8 percent were due to homicide or suicide. The remainder of deaths were due to alcohol/drug intoxication or accidental injury (1 percent each). A definitive cause of death could not be determined for an additional 1 percent. Two-thirds of inmate deaths from medical conditions involved a problem that was present at the time of admission to prison.

Half of all inmate deaths during this period resulted from heart disease (27 percent) or cancer (23 percent). Liver diseases, including cirrhosis, accounted for 10 percent of deaths, followed by AIDS-related causes (7 percent).

Among cancer deaths, lung cancer was the most common, accounting for 910 deaths from 2001 through 2004, followed by liver (276), colon (171), pancreatic (124) and non-Hodgkin's lymphoma (114). Deaths due to gender-specific cancer sites varied. Breast, ovarian, cervical and uterine cancer accounted for 24 percent of female cancer deaths. By comparison, prostate and testicular cancer caused 4 percent of male cancer deaths.

State prisoner mortality rates increased steadily with age. The mortality rate of inmates age 18-24 was lowest, at 34 deaths per 100,000 inmates. Among inmates age 55 or older, the rate was 1,973 deaths per

DOJ_NMG_ 0172823

100,000 inmates. Inmates age 45 or older represented 14 percent of state prisoners, but 67 percent of the prisoner deaths from 2001 through 2004.

More than half (59 percent) of inmates age 65 or older who died in state prisons were at least 55 or older when admitted to prison. Only 15 percent of elderly inmates who died were younger than 45 at the time of their admission to prison.

While the leading causes of death were the same for both male and female inmates in state prisons, the death rate of males was 72 percent higher. The only cause of death with a higher mortality rate for females than males was septicemia (e.g. streptococcal and staphylococcal infections).

White and Hispanic prisoners both had death rates slightly above their counterparts in the resident population, while the death rate of black inmates was 57 percent lower than that of black U.S. residents.

The BJS report included the first national statistics on the medical treatments provided in state prisons for fatal medical conditions. Correctional authorities reported that 94 percent of inmates who died from an illness were evaluated by a medical professional for that illness. Nearly all (93 percent) of illness fatalities were provided medications for the fatal illness. Diagnostic tests, such as x-rays, MRI exams and blood tests, were performed on 89 percent of these inmates.

The report, *Medical Causes of Death in State Prisons, 2001-2004* (NCJ-216340), was written by BJS policy analyst Christopher J. Mumola. Following publication, the report can be found at www.ojp.usdoj.gov/bjs/mcdsp04.htm

For additional information about the Bureau of Justice Statistics statistical reports programs, please visit the BJS Web site at www.ojp.usdoj.gov/bjs.

The Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP is headed by an Assistant Attorney General and comprises five component bureaus and an office: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; and the Office for Victims of Crime, as well as the Community Capacity Development Office, which incorporates the Weed and Seed strategy and OJP's American Indian and Alaska Native Affairs Desk. More information can be found at www.ojp.usdoj.gov.

# # #

BJS07010 (I)

DOJ_NMG_ 0172824

U.S. Department of Justice
Office of Justice Programs

Embargoed for release to public until
January 21, 2007 at 12:00 noon EST

Bureau of Justice Statistics
Data Brief

January 2007, NCJ 216340

Medical Causes of Death in State Prisons, 2001-2004

by Christopher J. Mumola
BJS Policy Analyst

Between 2001 and 2004, State prison authorities nationwide reported a total of 12,129 State prisoner deaths to the Deaths in Custody Reporting Program (DCRP).* Nearly 9 in 10 of these deaths (89%) were attributed to medical conditions. Fewer than 1 in 10 were the result of suicide (6%) and homicide (2%), while alcohol/drug intoxication and accidental injury accounted for another 1% each. A definitive cause could not be determined for 1% of these deaths.

This information was obtained from individual death records collected under the *Death in Custody Reporting Act of 2000* (PL 106-297). These records provide the first national data on personal characteristics of inmates who died in custody and the circumstances of the deaths. Detailed data tables on the topics covered in this report are available as appendix tables on the BJS website at <www.ojp.usdoj.gov/bjs/abstract/mcdsp04.htm>.

Among State prisoner deaths —

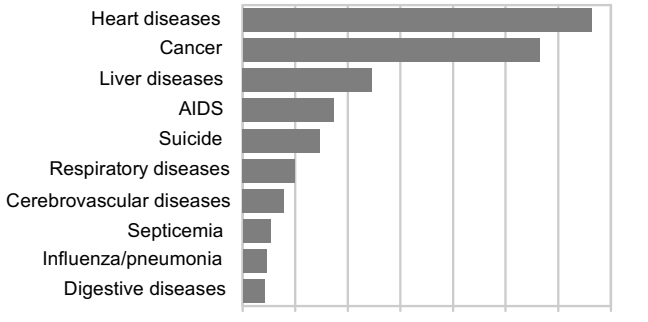
- Half were the result of heart diseases and cancer
- Two-thirds involved inmates age 45 or older
- Two-thirds were the result of medical problems which were present at the time of admission
- 40% occurred in 5 States (Texas, California, Florida, New York, and Pennsylvania)
- Over 90% were evaluated by medical staff for the fatal illness; 93% received medications for the illness.

Comparative mortality rates showed —

- Male State prisoners had a death rate 72% higher than female State prisoners
- State prisoners had a 19% lower death rate than the adult U.S. resident population; among blacks, the mortality rate was 57% lower among prisoners.

*Total number of deaths excludes 258 State prison executions during 2001-2004. See *Capital Punishment, 2005* (NCJ 215083, December 2006).

10 leading causes of State prisoner deaths, 2001-04



Heart diseases and cancer accounted for half of all State prison deaths

Correctional authorities reported over 60 different fatal medical conditions, but prisoner deaths were heavily concentrated among a small number of diseases. Heart diseases (27%), including heart attacks, and cancer (23%) caused half of all State prisoner deaths from 2001 to 2004. When combined with liver diseases (10%) and AIDS-related causes (7%), two-thirds of all State prisoner deaths were caused by these four medical conditions.

Death rates higher among men than women in 9 of the 10 leading causes of death

While the leading causes of death were the same for both men and women in State prisons, men died at a much higher rate than women. The mortality rate of men for all causes of death (257 deaths per 100,000 inmates) was 72% higher than that of women (149 deaths per 100,000 inmates). For the top three causes of death (heart diseases, cancer, and liver diseases), the male death rate was twice the female rate. Septicemia (for example, streptococcal and staphylococcal infection) was the lone cause of death that was higher among female State prisoners (10 deaths per 100,000) than male State prisoners (5 per 100,000).

Black and Hispanic inmate mortality rates identical; white inmates 67% higher

Between 2001 and 2004 the mortality rates of black and Hispanic State prisoners were identical (206 deaths per 100,000 inmates), while the rate for white inmates (343 per 100,000) was 67% higher. For heart diseases and cancer, the mortality rate of whites was nearly twice that of blacks and Hispanics. Despite higher mortality rates for most leading causes of death, white inmates had a lower AIDS-related death rate (10 per 100,000) than black (26 per 100,000) and Hispanic (18 per 100,000) State prisoners.

Two-thirds of State prison deaths involved inmates age 45 or older

Mortality rates rose dramatically with age. The death rate of inmates age 55 and older (1,973 per 100,000) was over 3 times higher than that of inmates age 45-54 (566 per 100,000), and 11 times higher than those age 35-44 (177 per 100,000). Inmates age 45 or older comprised 14% of State prisoners from 2001 to 2004, but accounted for 67% of all inmate deaths over the same period.

Unlike the leading fatal illnesses, suicide rates were stable across all adult age groups. While suicide was the leading cause of death for inmates under the age of 35, it fell far behind several illnesses as a cause of death for older inmates. Among inmates age 55 or older, there were 46 heart disease deaths and 42 cancer deaths for each suicide.

	Average annual mortality rate, per 100,000 State prisoners, by age			
Cause of death	25-34	35-44	45-54	55 or older
Leading illnesses				
Heart diseases	11	41	144	689
Cancer	5	28	135	635
Liver diseases	2	19	96	126
Respiratory diseases	2	5	18	107
Suicide	16	14	15	15

Note: Respiratory diseases exclude influenza and pneumonia.

Among deaths of elderly State prisoners, 85% were 45 or older when admitted

Among older inmates, the mortality rate of those age 65 or older was particularly high. Though these elderly inmates made up 1% of prisoners, they accounted for 15% of prisoner deaths. The mortality rate of elderly prisoners was nearly 3 times higher than that of inmates age 55-64. The death rate for aortic aneurysm was 6 times higher among elderly inmates than those age 55-64; for respiratory diseases, the rate was 5 times higher.

Deaths of elderly inmates typically did not involve offenders who had been incarcerated as young adults on lengthy (or "life") sentences. A majority (59%) of the elderly State prisoners who died during this period were 55 or older when admitted, and 85% were at least 45 years old at time of admission.

Death from illness increased with time served in prison

The death rate from illness rose sharply for prisoners serving lengthy terms. For inmates who had served at least 10 years in State prison, the mortality rate due to illness (503 deaths per 100,000 inmates) was triple that of inmates who had served less than 5 years in prison (162 per 100,000). Long-serving inmates showed similar increases in death rates for many of the leading fatal illnesses. AIDS-related causes had the smallest increase in mortality for long-serving inmates.

	Average annual mortality rate per 100,000 State prisoners, by time served		
Cause of death	Less than 60 mos.	60-119 mos.	120 mos. or longer
Heart diseases	47	84	160
Cancer	38	70	151
Liver diseases	20	31	48
AIDS-related	16	21	24
Respiratory diseases	7	13	38

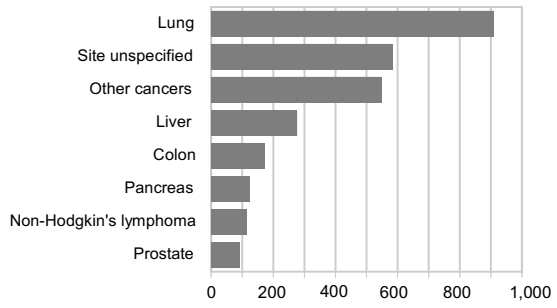
Lung cancer accounted for 1 in 3 cancer deaths in State prison, more than the next 6 leading cancer sites combined

A specific cancer site was named in 79% of the cancer deaths. Lung cancer alone accounted for 8% of all State prisoner deaths. More State prisoner deaths were caused by lung cancer (910) than the next 6 leading sites of cancer deaths (864) combined (i.e., liver, colon, pancreas, non-Hodgkins lymphoma, prostate, and leukemia).

Men in State prison died from cancer at twice the rate of women (60 deaths per 100,000 inmates compared to 27 per 100,000). This gender difference in cancer death rates was particularly evident for the most common fatal cancer sites. Men died from lung, liver and colon cancer at a rate nearly triple that of women. Regardless of gender, lung cancer caused twice as many deaths as any other site.

Deaths due to gender-specific cancer sites varied. Breast, ovarian, cervical and uterine cancer accounted for 24% of female cancer deaths. By comparison, prostate and testicular cancer accounted for 4% of male cancer deaths. Breast cancer was also the second most common site of female cancer deaths.

Cancer deaths in State prisons, 2001-04



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Time served in prison played little role in the death rate due to communicable diseases

Death rates from communicable diseases (other than AIDS) were much lower than those for the leading fatal illnesses, and did not show the same increases among long-serving inmates. There were no deaths in State prisons nationwide from syphilis, meningitis, or meningococcal infection. The death rate from tuberculosis was lower than 0.5 per 100,000 for all inmates, regardless of time served. The death rate for viral hepatitis (all types) was 1 per 100,000 for inmates who served less than 5 years and rose to 3 per 100,000 for inmates who served longer than 5 years.

Two-thirds of illness deaths resulted from pre-existing conditions — including 94% of AIDS deaths

In 68% of the illness deaths, State prison authorities reported that the fatal medical condition was present at the time of admission. AIDS (94%)* and liver diseases (88%) were most commonly present at the time of admission. Cancer was present at admission in 54% of all cancer fatalities. Among leading causes of death, influenza or pneumonia was least likely to be present at time of admission (39%).

In 93% of deaths from illness, medical staff had provided medications for the fatal condition

Among illness fatalities, 94% were evaluated by medical staff prior to death. Diagnostic tests, such as an x-ray, MRI, or blood test, were performed in 89% of these cases. For 93% of illness fatalities, medications had been administered for the fatal medical condition.

Surgery had been performed on 1 in 5 inmates who died from illness. Among deaths from leading causes, prisoners who died from septicemia were most likely to have received surgical treatments (35%), followed by those who had cancer and digestive diseases (31% each). Fatalities from AIDS (11%) and heart diseases (15%) were least likely to have had surgery.

*It is not known how many of the remaining 6% of AIDS-related deaths involved inmates whose HIV-positive status was undetected at time of admission and how many contracted HIV during their prison term.

Over 40% of prisoner deaths took place in 5 States; mortality rates varied widely across States

Five States each recorded over 500 prisoner deaths from 2001 to 2004. Texas led all States with 1,582 deaths, followed by California (1,306), Florida (813), New York (712), and Pennsylvania (558). These five States accounted for 41% of all State prisoner deaths during the 4-year period.

Illness mortality rates varied widely across States. Five States had more than 300 illness deaths per 100,000 inmates, while 10 States had fewer than 150 illness deaths per 100,000 inmates.

Illness mortality rate per 100,000 State inmates, 2001-2004

Five highest		Five lowest	
Louisiana	388	Vermont	108
Tennessee	344	Alaska	111
Pennsylvania	328	Iowa	111
West Virginia	326	North Dakota	116
Kentucky	323	Utah	116

Specific medical causes of death also varied widely across States:

- Heart disease death rates varied from 10 per 100,000 in New Hampshire to 189 per 100,000 in West Virginia
- Cancer death rates ranged from 0 in Vermont to 103 per 100,000 in Louisiana
- Liver disease death rates varied from 0 in Rhode Island to 58 per 100,000 in Colorado.

Mortality rate in State prisons nearly 20% lower than in U.S. resident population

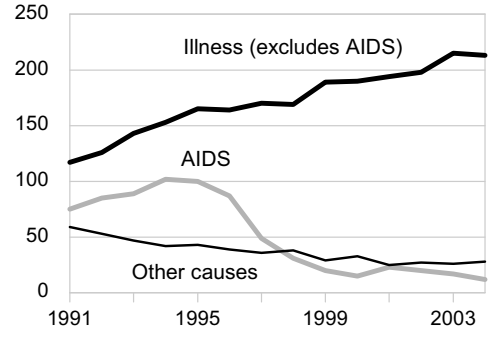
From 2001 to 2004, 99% of State prisoners were between ages 15 and 64. When compared to mortality rates for U.S. residents in this age group, the overall mortality rate of State prisoners was 19% lower during this period. White and Hispanic prisoners had death rates slightly above their counterparts in the resident population, while blacks were 57% less likely to die in State prisons. For all age groups under the age of 45, the death rate in State prisons was lower than in the U.S. resident population. For the 55 to 64 age group, prison death rates were 56% higher.

Since 1991, AIDS-related death rate dropped 84%; death rate for all other illnesses rose 82%

Prior to the enactment of the *Death in Custody Reporting Act of 2000*, the only national statistics on prisoner deaths from specific illnesses were annual counts of AIDS-related deaths begun in 1991. Between 1991 and 2004, sharply different trends emerged for the major causes of State prison deaths. While the death rate for AIDS dropped by over 80%, the death rate from all other illnesses rose by 82%. Over the same period, the suicide rate was nearly stable and homicide rates dropped by one-half.*

*See *Suicide and Homicide in State Prisons and Local Jails* (NCJ 210036, August 2005).

Mortality rate per 100,000 State prisoners, 1991-2004



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U.S. Department of Justice
Office of Justice Programs
Bureau of Justice Statistics

Washington, DC 20531

Official Business
Penalty for Private Use $300

NCJ 216340

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Methodology

In 2001 BJS began collecting individual records of all State prisoner deaths pursuant to PL 106-297. Prior to the collection of these records, BJS collected aggregate death counts in the National Prisoners Statistics (NPS) program. Since 1978 NPS counts have used a single category of "illness/natural causes," with AIDS-related deaths collected as a separate count from all other illnesses starting in 1991.

Records collected under the Deaths in Custody Reporting Program (DCRP) were submitted by correctional authorities in all 50 States for each year from 2001 to 2004. For each death marked as illness/natural cause, respondents were directed to specify a medical cause of death based on an autopsy review, if available.

These text entries were later coded by clinical data specialists according to the World Health Organization's *International Statistical Classification of Diseases and Related Health Problems, Tenth Revision* (ICD-10). BJS analysis of causes of death used categories of disease published by the National Center for Health Statistics (NCHS). See the NCHS website for mortality data for the U.S. resident population at <http://www.cdc.gov/nchs/deaths. htm>.

In compiling their DCRP records, States are instructed to include deaths of any inmates held in private prisons, medical facilities, substance abuse or mental health treatment centers, or any deaths at a work release site. Deaths of State prisoners held in local jails are excluded, but covered by a separate collection. Also excluded are executions and escaped inmates.

This report in portable document format and in ASCII and its related statistical data and tables are available at the BJS World Wide Web Internet site: <http://www.ojp.usdoj.gov/bjs/abstract/mcdsp04.htm>.

Office of Justice Programs

Partnerships for Safer Communities
http://www.ojp.usdoj.gov

The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Jeffrey L. Sedgwick is director.

This Data Brief was written by Christopher J. Mumola, under the supervision of Allen J. Beck. Margaret E. Noonan verified the report.

Data collection and processing of 2001-2002 death records were carried out by Lara E. Allen; data collection and processing of 2003-2004 death records were carried out by Greta B. Clark and Pamela Butler, under the supervision of Charlene Sebold, Governments Division, Census Bureau, U.S. Department of Commerce. Greg Wolfe, of GW Services, converted all death causes from text to ICD-10 codes.

Carolyn C. Williams and Tina Dorsey of BJS produced and edited the report and Jayne Robinson prepared the report for final printing, under the supervision of Doris J. James.

January 2007, NCJ 216340

DOJ_NMG_ 0172828

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From: USDOJ- Office of Public Affairs
Sent: Thursday, January 18, 2007 6:10 PM
To: USDOJ- Office of Public Affairs
Subject: MAN SENTENCED TO 18 YEARS FOR ENTICING A 10-YEAR OLD GIRL TO ENGAGE IN SEXUALLY EXPLICIT CONDUCT ON VIDEOTAPE

Department of Justice

United States Attorney John C. Richter
Western District of Oklahoma

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 18, 2007
www.usdoj.gov

CONTACT: BOB TROESTER
PHONE: (405) 553-8999
FAX: (405) 553-8742

MAN SENTENCED TO 18 YEARS FOR ENTICING A 10-YEAR OLD GIRL TO ENGAGE IN SEXUALLY EXPLICIT CONDUCT ON VIDEOTAPE

OKLAHOMA CITY- An Oklahoma City man, Keramat Taghizadeh, 56, was sentenced to 18 years in federal prison for enticing a 10-year-old girl to engage in sexually explicit conduct which he videotaped, U.S. Attorney John C. Richter announced today. He was sentenced by U.S. District Court Judge Joe Heaton.

Taghizadeh's arrest followed the March 2006 theft of his video camera by three juveniles from the Crossroads Mall in Oklahoma City. After watching the videotape found in the camera, the juveniles informed their parents that the video contained images of a child engaged in sexual activity. Del City Police Officers were notified by parents who turned over the camera to the police. Through a joint investigation by officers of Del City Police Department, Oklahoma City Police Department and the FBI, Taghizadeh was arrested and charged in federal court in April 2006. Later he was indicted by a federal grand jury on May 3, 2006 on four counts of production of child pornography.

DOJ_NMG_ 0172830

"The sexual predation of children is a profound evil," stated U.S. Attorney Richter. "I commend the citizens and my law enforcement partners who brought this man to justice. We simply cannot rest in our efforts to protect children from sexual abuse."

On Sept. 13, 2006, Taghizadeh pled guilty to the production of child pornography. In sentencing the defendant, the court found the extended period of time over which sexual abuse occurred necessitated an 18-year term of prison, followed by an additional three years of supervised release. The court also ordered the defendant to register as a sexual offender. Taghizadeh remains in custody pending designation of the federal prison where he will serve his sentence.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

This case was prosecuted by Assistant U.S. Attorney Randy Sengel.

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System Administrator

From: System Administrator
Sent: Thursday, January 18, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097716 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 18, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097717 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, January 19, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1097718 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, January 19, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1100810 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 10:02 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 19, 2007

Department of Justice

PRESS GUIDANCE
Friday, January 19, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a Fair Housing Act matter. (Magnuson)

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

The Criminal Division will issue a release on the sentencing of Congressman Bob Ney (R-Ohio). (Lesch)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Evan Peterson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 11:46 AM
To: USDOJ- Office of Public Affairs
Subject: FORMER CONGRESSMAN ROBERT W. NEY SENTENCED TO 30 MONTHS IN PRISON FOR CORRUPTION CRIMES

Department of Justice

FOR IMMEDIATE RELEASE

CRM

FRIDAY, JANUARY 19, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

FORMER CONGRESSMAN ROBERT W. NEY SENTENCED TO 30 MONTHS IN PRISON FOR CORRUPTION CRIMES

WASHINGTON – Former Congressman Robert W. Ney has been sentenced to 30 months in prison to be followed by two years of supervised release and fined $6,000, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Ney, 52, was sentenced today in U.S. District Court for the District of Columbia, before Judge Ellen Segal Huvelle, who also ordered the defendant to serve 100 hours of community service for each year of supervised release.

Ney pleaded guilty on October 13, 2006, to a two-count information charging him with conspiracy to commit multiple offenses – including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban – and with making false statements to the U.S. House of Representatives. The named co-conspirators in the charges to which Ney pleaded guilty include Jack Abramoff, Michael Scanlon, Tony Rudy, and Ney's former chief of staff Neil Volz. All have previously pleaded guilty in this investigation and are cooperating with law enforcement officials.

"Today's sentence makes it clear that our government is not for sale. Former Congressman Ney now faces 30 months in prison for abusing his position of trust as a representative of the American people," said Assistant Attorney General Fisher. "The Justice Department will continue to pursue and prosecute public officials who compromise the integrity of elected office for private benefit."

"The foundation of good government rests on the leap of faith Americans take that our public officials act in our interests. When an elected official violates that faith through the illegal exploitation of public office for personal gain, confidence in government suffers," said Assistant Director Chip Burrus of the Criminal Investigative Division, FBI. **"**Most public servants are law abiding and honest and I want to emphasize that point, but when an official chooses to sell his integrity as we see here today, the FBI stands ready to work with our partners and restore the confidence in government to which Americans are entitled."

DOJ_NMG_ 0172841

Ney was a Congressman representing the 18th District of Ohio from 1995 through the present. In 2001, Ney became chairman of the House Committee on Administration, a position he held until January 2006. Ney admitted that he engaged in a conspiracy beginning in approximately 2000 and continuing through April 2004, wherein he corruptly solicited and accepted a stream of things of value from Abramoff, Abramoff's lobbyists, and a foreign businessman, in exchange for agreeing to take and taking official action to benefit Abramoff, his clients, and the foreign businessman.

Specifically, Ney admitted that he corruptly solicited and accepted things of value from Abramoff and his lobbyists – including international and domestic trips, meals and drinks, concert and sporting tickets and tens of thousands of dollars of campaign contributions and in-kind contributions such as free fundraisers – with the intent to be influenced and induced to take official actions. Ney admitted that the actions he agreed to take, and took, to benefit Abramoff, his lobbyists and their clients, included opposing legislation at Abramoff's request, the insertion of statements into the Congressional Record at Scanlon's request, and supporting an application of a license for a contract to install wireless telephone infrastructure in the House of Representatives.

Ney also admitted that he accepted tens of thousands of dollars worth of gambling chips from a foreign businessman who was hoping to sell U.S.-made airplanes and airplane parts in a foreign country. Ney agreed to help the businessman with obtaining an exemption to the U.S. laws prohibiting the sale of these goods to the foreign country and with obtaining a visa to travel to the United States. Ney also admitted conspiring to aid and abet violations of the federal one-year lobbying ban by his former chief of staff Neil Volz.

This case was prosecuted by Trial Attorneys Mary K. Butler, M. Kendall Day and James A. Crowell IV of the Public Integrity Section. The case was investigated by a task force of federal agents including special agents of the Federal Bureau of Investigation, the Department of the Interior Office of the Inspector General, the General Services Administration Office of the Inspector General, and the Criminal Investigation branch of the Internal Revenue Service. The broader investigation into the lobbying activities of Jack Abramoff is being conducted by federal agents from the above-named agencies as well as prosecutors in the Public Integrity and Fraud Sections of the Criminal Division and prosecutors in the Criminal Tax Section of the Tax Division.

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07-027

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 12:13 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: FORMER CONGRESSMAN ROBERT W. NEY SENTENCED TO 30 MONTHS IN PRISON FOR CORRUPTION CRIMES

Please note addition to final paragraph.

Department of Justice

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FRIDAY, JANUARY 19, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

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DOJ_NMG_ 0172845

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Specifically, Ney admitted that he corruptly solicited and accepted things of value from Abramoff and his lobbyists – including international and domestic trips, meals and drinks, concert and sporting tickets and tens of thousands of dollars of campaign contributions and in-kind contributions such as free fundraisers – with the intent to be influenced and induced to take official actions. Ney admitted that the actions he agreed to take, and took, to benefit Abramoff, his lobbyists and their clients, included opposing legislation at Abramoff's request, the insertion of statements into the Congressional Record at Scanlon's request, and supporting an application of a license for a contract to install wireless telephone infrastructure in the House of Representatives.

Ney also admitted that he accepted tens of thousands of dollars worth of gambling chips from a foreign businessman who was hoping to sell U.S.-made airplanes and airplane parts in a foreign country. Ney agreed to help the businessman with obtaining an exemption to the U.S. laws prohibiting the sale of these goods to the foreign country and with obtaining a visa to travel to the United States. Ney also admitted conspiring to aid and abet violations of the federal one-year lobbying ban by his former chief of staff Neil Volz.

This case was prosecuted by Trial Attorneys Mary K. Butler, M. Kendall Day and James A. Crowell IV of the Public Integrity Section. The case was investigated by a task force of federal agents including special agents of the Federal Bureau of Investigation, the Department of the Interior Office of the Inspector General, the General Services Administration Office of the Inspector General, and the Criminal Investigation branch of the Internal Revenue Service. The investigation has received assistance from the U.S. Attorney's Office for the Southern District of Florida. The broader investigation into the lobbying activities of Jack Abramoff is being conducted by federal agents from the above-named agencies as well as prosecutors in the Public Integrity and Fraud Sections of the Criminal Division and prosecutors in the Criminal Tax Section of the Tax Division.

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07-027

DOJ_NMG_ 0172846

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Image not available for this document, ID: 0.7.10316.10475-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 19, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1101489 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, January 19, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1101490 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 3:50 PM
To: USDOJ- Office of Public Affairs
Subject: NATIONAL SECURITY DIVISION ANNOUNCES KEY PERSONNEL CHANGE IN INTELLIGENCE POSITION

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 19, 2007
WWW.USDOJ.GOV

NSD
(202) 514-2008
TDD (202) 514-1888

NATIONAL SECURITY DIVISION ANNOUNCES KEY PERSONNEL CHANGE IN INTELLIGENCE POSITION

WASHINGTON— Further enhancing his distinguished professional career, James Baker, Counsel for Intelligence Policy at the Department of Justice's National Security Division, is taking a temporary leave of absence from the Department to teach at Harvard University, Assistant Attorney General Kenneth L. Wainstein of the National Security Division announced today.

During the week of Jan. 29, Mr. Baker will begin teaching a course in national security investigations and litigation at Harvard University Law School in Cambridge, Mass. He will also serve as a Resident Fellow at Harvard University's Institute of Politics, located at the John F. Kennedy School of Government. Mr. Baker had initially announced his pending departure several months ago.

During his 16-year tenure at the Department, Mr. Baker has worked on all aspects of national security investigations and policy, particularly matters related to the Foreign Intelligence Surveillance Act (FISA). Since 2001, Mr. Baker has led the Department's Office of Intelligence Policy and Review (OIPR) and has been responsible for developing, coordinating and implementing national security intelligence and counterintelligence matters at the Department. Mr. Baker has also provided the U.S. intelligence community with legal and policy advice for many years and has conducted oversight of the intelligence community, including the FBI.

In December 2006, Mr. Baker received the George H.W. Bush Award for Excellence in Counterterrorism, the CIA's highest award for counterterrorism achievements. Past recipients of this prestigious award include former CIA Director George Tenet and current CIA Director Gen. Michael Hayden.

Earlier today, Attorney General Alberto R. Gonzales presented Mr. Baker with the Edmund J. Randolph Award for Outstanding Service, the Justice Department's highest award. The award is named for the first Attorney General and recognizes outstanding contributions to the accomplishment of the Department's mission.

"The Department of Justice owes a debt of gratitude to Jim Baker, who has played a critical role in guiding our nation's counterterrorism and intelligence activities in the aftermath of Sept. 11, 2001. His expertise

DOJ_NMG_ 0172851

and devotion will be sorely missed by everyone at the Department and, in particular, by his friends at the National Security Division," said Assistant Attorney General Wainstein.

In Mr. Baker's absence, Margaret A. "Peggy" Skelly-Nolen will serve as Acting Counsel for Intelligence Policy at the Department's National Security Division. Ms. Skelly-Nolen has previously served as the Deputy Counsel for Intelligence Operations and has been with the Justice Department for roughly a decade.

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07-028

DOJ_NMG_ 0172852

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Image not available for this document, ID: 0.7.10316.10453-000002

System Administrator

From: System Administrator
Sent: Friday, January 19, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1101535 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 5:24 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER SAN ANTONIO POLICE OFFICER SENTENCED FOR VIOLATING CITIZEN'S RIGHTS BY SEXUAL ASSAULT

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 19, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FORMER SAN ANTONIO POLICE OFFICER SENTENCED FOR VIOLATING CITIZEN'S RIGHTS BY SEXUAL ASSAULT

WASHINGTON – Former San Antonio Police Officer Dean Gutierrez was sentenced today in federal court to 24 years and four months in prison for violating the civil rights of a citizen whom Gutierrez detained while on duty, the Justice Department announced today.

Gutierrez was previously found guilty of sexually and physically assaulting a transgendered individual, who was 21 years-old at the time of the assault. On the night of June 10, 2005, Gutierrez detained and then drove the victim to a secluded location. Gutierrez then proceeded to beat and rape the victim.

"Officers of the law bear the special responsibility of upholding justice and protecting the rights of all citizens," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The defendant in this case brutally violated that responsibility. The Justice Department will continue to vigorously prosecute these cases."

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the willful use of excessive force or other acts of misconduct by law enforcement officials. In fact, the Division has compiled a significant record on criminal civil rights prosecutions in the last six years. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

Assistant U.S. Attorney Bill Baumann and Civil Rights Division attorney Jim Felte prosecuted this case for the government.

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07-029

DOJ_NMG_ 0172856

Image not available for this document, ID: 0.7.10316.10455-000001

Image not available for this document, ID: 0.7.10316.10455-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 19, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102117 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 19, 2007 7:39 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 22 – JANUARY 26, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 19, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 22 – JANUARY 26, 2007

Monday, January 22

Events TBD

Tuesday, January 23

Events TBD

Wednesday, January 24

Events TBD

Thursday, January 25

2:30 P.M. EST FBI Deputy Director John Pistole will testify before the Senate Select Committee on Intelligence on Intelligence Reform.
Hart Senate Office Building
Room 219
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Select Committee on Intelligence at 202-224-1700.

3:00 P.M. EST Solicitor General Paul Clement will participate in the Supreme Court Fellows Panel Discussion on "Judicial Independence: Drawing Lessons from History".

DOJ_NMG_ 0172860

Thurgood Marshall Federal Judiciary Building
Federal Judicial Center Auditorium
Concourse Level
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Annie Miller of the United States Supreme Court at 202-479-3411.

Friday, January 26

Events TBD

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DOJ_NMG_ 0172861

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Image not available for this document, ID: 0.7.10316.10443-000002

Amber.JMD

From: Amber.JMD
Sent: Friday, January 19, 2007 9:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Garden City, KS

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, January 19, 2007 9:35:24 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Garden City, KS
Auto forwarded by a Rule

AMBER ALERT:Garden City,KS VEH:93 Tan 4Door Cadillac TAG:WWJ232 CHILD:2 W/M 30 Eyes:Brown Hair:Brown SUSPECT:20 M 5FT7 180LBS Hair:Black CALL 800-KS-CRIME --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3222

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Friday, January 19, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102163 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 20, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102164 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Saturday, January 20, 2007 9:25 AM
To: USDOJ- Office of Public Affairs
Subject: STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON EXTRADITION OF 15 MEXICAN DRUG TRAFFICKERS AND OTHER CRIMINALS

Department of Justice

FOR IMMEDIATE RELEASE
SATURDAY, JANUARY 20, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

STATEMENT OF ATTORNEY GENERAL ALBERTO R. GONZALES ON EXTRADITION OF 15 MEXICAN DRUG TRAFFICKERS AND OTHER CRIMINALS

"The actions overnight by the Mexican government are unprecedented in their scope and importance. Never before has the United States received from Mexico such a large number of major drug defendants and other criminals for prosecution in this country, including Osiel Cardenas Guillen, the accused chief of the notorious Gulf Cartel. We recognize the bold stance of President Felipe Calderon and his government in targeting the drug-related violence and corruption that affects both our nations."

A listing of the individuals that the Mexican government extradited to the United States overnight is below.

1) **Osiel (Oziel) Cardenas Guillen** was indicted in the Southern District of Texas on charges of conspiring to possess with intent to distribute, and the distribution of large quantities of marijuana, and, further, with assaulting and threatening to murder an FBI agent, a Drug Enforcement Administration (DEA) agent, and a local sheriff's deputy who was working under the direction of the U.S. Customs Service (now called U.S. Immigration and Customs Enforcement). Cardenas is the leader of the notorious Gulf Cartel, headquartered in Matamoros, Mexico, and responsible for much of the hideous "narco-violence" at the Southwest border.

2) **Ismael Higuera Guerrero**, and

3) **Gilberto Higuera Guerrero** were indicted in the Southern District of California as co-defendants in the Arellano-Felix drug cartel case, for racketeering (RICO), drug trafficking and money laundering offenses. According to the indictment, Ismael served as a chief lieutenant and was responsible for the day-to-day operations of the cartel in Mexico, including the receipt of large shipments of cocaine and marijuana followed by the importation of those shipments into the U.S., and the collection of drug proceeds. Gilberto, according to the indictment, supervised the drug trafficking from Mexicali, Mexico, receiving shipments from Tijuana, Mexico, and elsewhere, importing those shipments into the U.S, and using kidnapping, torture, and murder to enforce the cartel's work.

4) **Consuelo Carreto Valencia** was indicted in the Eastern District of New York in a trafficking in persons conspiracy, namely to smuggle Mexican women into the U.S. to engage in prostitution in New York

DOJ_NMG_ 0172867

City and elsewhere. The women were compelled by the use of physical violence, sexual assault, threats of harm and deception to engage in prostitution. The defendant is charged with conspiring to engage in sex trafficking, travel in aid of prostitution (the Mann Act), sex trafficking, forced labor, conspiring to import aliens for immoral purposes, and alien smuggling among other offenses.

5) **Hector Palma Salazar** was indicted in the Southern District of California in 1995 on charges of conspiring to distribute large quantities of cocaine.

6) **Gilberto Salinas Doria** was indicted in the Southern District of New York, along with the former Governor of the State of Quintana Roo in Mexico, with conspiring to import and conspiring to distribute more than 200 tons of cocaine into the U.S. for delivery to New York City.

7) **Jose Alberto Marquez Esqueda** was indicted in the Southern District of California as part of the Arellano-Felix drug trafficking organization, in conspiracies to import and distribute marijuana and cocaine. Jose Alberto "Bat" Marquez worked as an enforcer, bodyguard, and caretaker of the drug "stash" houses for the organization, according to the indictment.

8) **Gracielo Gardea Carrasco** was indicted along with 31 others in the Los Tres de la Sierra Organization, in the Western District of Texas, with the conspiracy to import and distribute marijuana and the importation and distribution of marijuana in the U.S. As alleged in the indictment, Gracielo Gardea Carrasco was primarily responsible for overseeing the importation and distribution of marijuana from Chihuahua, Mexico into Texas.

9) **Miguel Angel Arriola Marquez** was indicted in the District of Colorado with a conspiracy to import cocaine and a conspiracy to possess cocaine with intent to distribute, as well as with conspiring to launder millions of dollars which represented drug proceeds.

10) **Alicia Gonzalez Cisneros** was indicted in the Southern District of Texas (McAllen) on charges of conspiring to possess more than 1,000 kilograms of marijuana and the possession with the intent to distribute approximately 1,375 kilograms of marijuana.

11) **Saul Saucedo Chaides** was indicted in the District of Colorado with conspiracy to distribute narcotics, a conspiracy to import narcotics, and with narcotics-related money laundering.

12) **Richard Matt** is sought by the State of New York, town of North Tonawanda, for entering a home, kidnapping, then beating the occupant to death.

13) **Carlos Villanueva Garcia** was charged in a criminal information in the state of Washington (Franklin County) with murder in the second degree, namely by stabbing his landlord and thereby causing his death.

14) **Efrain Gonzalez Cisneros** was indicted in the Southern District of Texas (Corpus Christi) on charge of conspiracy with the intent to distribute large quantities of marijuana and the possession with intent to distribute large quantities of marijuana in 1999 and 2000.

15) **Juan Ramon Morales Rodriguez** was charged by the State of Texas (Ector County) with aggravated kidnapping of two children and the sexual assault of one of these children.

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07-030

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DOJ_NMG_ 0172869

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Image not available for this document, ID: 0.7.10316.10384-000002

System Administrator

From: System Administrator
Sent: Saturday, January 20, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102747 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Saturday, January 20, 2007 10:02 AM
Subject: Resolved: Interruption in SMO H:Drive and Printer Services RFK Main Justice

Interruption in SMO H:\ Drive and Printer Services RFK Main Justice: Resolved

Attention Senior Management Staff JCON customers located in RFK Main Justice Building,

We were experiencing computer hardware problems with the server that is responsible for H:\ drive storage and network printer services. OSS Server Operations has resolved the issue. **Senior Management Staff JCON Customers: Please Log Off and then Log back on to your Computer as soon as possible.**

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From:	System Administrator
Sent:	Saturday, January 20, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102750 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 20, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102751 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, January 20, 2007 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Elkhart, IN

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, January 20, 2007 4:35:21 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Elkhart, IN
Auto forwarded by a Rule

AMBER ALERT:Elkhart,IN V:00 Rd Ddg Intr IL 9613090 V:Bei Sat IN 2OT1089 C:6 B/F 3' C:B/F 2' C:9 B/M 4' C:8 B/M 4' C:31 F 5'6 S:30 B/M 5'10 165 1-888-582-6237 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3242

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, January 20, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102754 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 20, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102755 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, January 20, 2007 8:36 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Elkhart, IN

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, January 20, 2007 8:35:28 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Elkhart, IN
Auto forwarded by a Rule

UPDATE AMBER ALERT:Elkhart,IN V:00 Rd Ddg Intr IL 9613090 V:Bei Sat IN 2OT1089 C:6 B/F 3' C:B/F 2' C:9 B/M 4' C:8 B/M 4' C:31 F 5'6 S:30 B/M 5'10 1-888-582-6237 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3242

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, January 20, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102758 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 21, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102759 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 21, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102760 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 21, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102761 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 21, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102762 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 21, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102763 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, January 21, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102764 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 21, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102765 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 22, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1102766 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Monday, January 22, 2007 8:06 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Saturday, January 20, 2007
Attachments:	agnb070120.pdf; agnb070120.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SATURDAY, JANUARY 20, 2007 7:45 AM EST**

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TERRORISM NEWS:

Gonzales Says Bush Can Protect Country Under "Parameters Of The FISA Statute."

Attorney General Alberto Gonzales discussed the Bush Administration's stance on domestic eavesdropping on PBS' NewsHour (1/19, Suarez), saying, "After the attacks of September 11, the President made a decision that we needed to do everything we could within the law and the Constitution to protect this country. He made the decision that we needed to engage in this kind of electronic surveillance on the enemy on a limited basis, exercising his authority under the Constitution. And, about two years ago, we began working to see whether or not -- was there another way to bring the program under the FISA court? … We worked very hard at trying to find a way to have this tool available to the President, but also fit within the parameters of the FISA statutes. And it wasn't until the very moment that the judge approved the application that we were convinced that, in fact, we could achieve that goal. … We now have provided an alternative way to protect this country, and therefore he's made the decision it's no longer necessary for the President to exercise his inherent constitutional authority, that he can continue to protect this country under the parameters of the FISA statute."

Administration's Shifting Legal Reasoning On Antiterrorism Measures Considered. The Los Angeles Times (1/20, Savage, 850K) reports, "In its legal war on terrorism, the Bush administration has proved itself undeterred by apparent setbacks. Faced with challenges involving spying, military tribunals and other anti-terrorism efforts it devised after Sept. 11, 2001, the administration has revised its legal rationales and shifted tactics a bit. But to a remarkable degree, it has continued on the same course as before — to the frustration of its many critics."

More Commentary. The Eugene (OR) Register-Guard (1/20) editorializes, "Congress should take a skeptical approach to the Bush administration's announcement that it is reversing course and allowing a secret federal court to oversee a controversial electronic surveillance program." The Register-Guard continues, "Such a warning shouldn't be

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necessary. Since 9/11, Congress has repeatedly been thwarted, marginalized, and circumvented by an administration that is intent on calling every shot in the war on terror - and that is indifferent to the system of checks and balances required by the Constitution." The Register-Guard adds, "It's tempting to applaud this change as a prudent and long-overdue move by a president who saw the light after last November's election. … Tempting. But unwise. … Congress should demand details and answers about the surveillance program - and do whatever is necessary to obtain them. Meanwhile, the question of the wiretap program's constitutionality should continue to make its way through the courts. A federal judge ordered a halt to the program last year, declaring it unconstitutional. The government's appeal is scheduled for argument in two weeks, raising a question of whether the administration's announcement was timed to influence the outcome of the case."

The Cape Cod (MA) Times (1/20) editorializes, "The exasperating thing about President Bush's plan was that it served no useful purpose. The FISA court process has been established for 25 years as the mechanism for sensitive surveillance matters. FISA court proceedings -- usually only one judge -- are not held in public, so no secrets are compromised. As in the much-maligned Patriot Act, there are prudent exceptions for those cases when speed is of the essence -- the warrant can catch up with the wiretaps at a later date. … The important thing is that the Constitution---that American original -- once again acted as ballast to right the ship of state."

The Des Moines Register (1/20) editorializes, "The Bush administration's back flip on the National Security Agency's warrantless wiretaps is a breathtaking example of chutzpah. … One day the party line is that the president, under the authority of an act of Congress following 9/11, has unfettered power to spy on American citizens without oversight by Congress or the federal courts. Then, it is, 'Oh, never mind.'" The Register continues, "Actually, the first example of the administration's chutzpah was when it insisted the president could authorize secret searches of American citizens' private communications without a warrant from a court. As the founders understood based on their experience with the king's agents, no government should have the right to conduct random searches, without court supervision under the authority of Congress. That fundamental separation-of-powers framework, the foundation of our constitutional government, was arrogantly dismissed by the Bush administration in its wiretaps program. … Could it be the administration saw that it was headed for a Supreme Court reversal and decided to pull the plug?" The Register concludes, "Either way, it is not entirely clear that with this change the administration is truly showing respect for the Fourth Amendment. The Justice Department has refused to release details of the order by the FISA court - even though the court's chief judge said in a letter to the Senate that she had no objections to releasing the order. … Congress should continue to press the administration for details of the FISA court process, and it should insist on having oversight of any NSA spying on American citizens."

Inventors Compete For Antiterrorism Grant. The Washington Post (1/20, B1, Wan, 690K) reports, "yesterday, officials unveiled the latest development in the country's war on terror: an American Idol-style contest for homeland security inventors. Six finalists. One stage. Ten minutes each to win the hearts of the judges and walk away with $50,000. Or perhaps more important, a phone call from one of the defense contractors sitting in the audience. Among the contestants: A Russian scientist with his biological weapons detector. … A team from Boston with a 300-degree steel furnace capable of killing biological threats. … A former Ohio police officer, frustrated with law enforcement's unwieldy Web networks and offering a way to fix them. … An inventor from Atlanta with an X-ray device able to detect everything from a vial of cocaine to nuclear waste. … And the hometown favorite, the Baltimore creators of a virtual reality helmet with 180-degree peripheral vision, for military and disaster-response training."

HOMELAND RESPONSE:

California Man Pleads Guilty To Terror Threat Hoax. The Los Angeles Times (1/20) reported, "An Ontario man who falsely told the FBI that he overheard a co-worker talking about a terrorist attack that would 'knock L.A. off the Earth' could face five years in prison. In a plea deal with prosecutors announced Friday, Dennis Leon Kolupski, 54, admitted that three weeks before Sept. 11, 2005, he called FBI officials to say he had overheard a co-worker talking about the bombings in London and Madrid before stating that '9/11 is nothing like what will happen on 9/12.' Officials at the U.S. attorney's office in Los Angeles said Kolupski admitted that he never heard the person making threats and hoped his report would bring more scrutiny on the co-worker." Under the headline "FBI not amused by area man's terrorist plot 'tip'," the Ontario Daily Bulletin (1/20, Leveque) added that Kolupski "faces up to five years in federal prison after agreeing to plead guilty to providing false information to the FBI about his co-worker's non-existent terrorist plot. 'The world changed on 9/11 and this type of conduct is not allowable,' Assistant U.S. Attorney Richard Lee said." The AP (1/20) also reported on Kolupski's plea agreement.

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Negroponte Addresses DNI Staff For Last Time. The Washington Post (1/20, A8, Pincus, 690K) reports, "The 'complex and demanding' process of restructuring the U.S. intelligence community is still 'a work in progress' after 22 months of effort, John D. Negroponte said yesterday in a farewell address wrapping up his tenure as the first director of national intelligence. Negroponte, who is leaving to become deputy secretary of state, spoke in the lobby of the modernistic Defense Intelligence Analysis Center at Bolling Air Force Base before 400 senior intelligence community officials and a portion of the 1,700 employees that make up the Office of the Director of National Intelligence."

CBP Works To Eliminate "No-Fly" List Misidentifications. The Washington Post (1/20, D1, Nakashima, Klein, 690K) reports, "Every time Kiernan O'Dwyer arrived at the airport after traveling overseas in recent years, he was flagged as a potential terrorist. But his uniform was a dead giveaway to his true identity: He is a veteran pilot for American Airlines. U.S. customs agents have stopped him about 80 times since 2003, apparently because his name and birth date nearly match those of an Irish Republican Army leader, one of at least 300,000 names on the U.S. government's watch lists. … The number of misidentifications is unknown, according to government auditors, but it has caused headaches for a cross-section of travelers, including nuns, infants and members of Congress. The U.S. Customs and Border Protection agency, under the jurisdiction of the Homeland Security Department, said it was trying to remedy the problem with a system to prevent unwarranted detentions on international flights. An agency official said in an interview that the system, launched in February 2006, has eliminated about 17,500 detentions involving people entering the country at airports, seaports and at land borders."

Spitzer, Corzine Seek Increased Federal Anti-Terrorism Aid. The New York Times (1/20, B3, Kocieniewski, 1.16M) reports, "Warning that it would be a 'grave mistake' to further reduce antiterrorism financing to the nation's busiest urban center, Govs. Eliot Spitzer of New York and Jon S. Corzine of New Jersey pressed the Bush administration on Friday for a substantial increase in federal money to improve security for the region's highways and mass transit lines. Appearing at a news conference in Hoboken Terminal that tens of thousands of commuters to Manhattan pass through each day, Mr. Spitzer and Mr. Corzine released a letter to the secretary of homeland security, Michael Chertoff, saying that their efforts to deter another terror attack had been set back by substantial cuts in financing for counterterrorism announced in June."

New US Rules Drive Demand For Canadian Passports. The Los Angeles Times (1/20, Farley, 850K) reports, "Canadians are scrambling to get passports before new U.S. rules go into effect Tuesday requiring all air travelers coming into the United States from Canada, Mexico and the Caribbean to carry one. Tourism officials here worry that the restrictions will deter Americans from coming north. … Travelers coming into the U.S. by land or sea will not need a passport until January 2008 and can still enter using a birth certificate, driver's license or border crossing card that shows citizenship. But beginning Tuesday, airline passengers coming into the U.S. will have to produce a passport."

Renewed Effort To Identify 9/11 Victims Underway. NBC Nightly News (1/19, story 7, Williams, 9.87M) reported, "More than five years now after the September 11 attacks on New York's World Trade Center and Ground Zero is still the scene of investigations and controversy to this day. … A stairway that is the last remaining vestige of the World Trade Center complex will be demolished under a plan. Preservationists and families of some of the victims want those stairs to stay right where they are because so many people used them to escape on that day. All of this against the backdrop of a renewed search for the remains at that site."

FEMA Extends Housing Assistance For Katrina, Rita Victims. The Washington Post (1/20, A2, Hsu, 690K) reports, "The U.S. government will extend housing aid through August for hundreds of thousands of Gulf Coast residents still displaced by hurricanes Katrina and Rita, officials said yesterday, acknowledging that wide swaths of New Orleans and parts of coastal Mississippi remain uninhabitable nearly 17 months after the 2005 storms. The Federal Emergency Management Agency said it would continue for six more months to pay for 130,000 households' trailers, mobile homes and apartments, aid that under federal law would have expired at the end of next month." The New York Times (1/20, A12, Eaton, 1.16M) reports, "The six-month extension, announced by Senator Mary L. Landrieu, Democrat of Louisiana, also applies to displaced families living in apartments paid for by FEMA."

WAR NEWS:

White House, Top Democrats Spar Over Iraq Strategy. NBC Nightly News (1/19, story 2, 2:00, Williams, 9.87M) reported, "So much for that new bipartisan spirit in Washington. Today the Speaker of the House said the President has dug himself into a hole in Iraq and called his policy a tragedy and a stark blunder. The White House fired

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back, calling the speaker's comments poisonous." House Speaker Nancy Pelosi: "The President knows that because the troops are in harm's way that we won't cut off the resources. That's why he's moving so quickly to put them in harm's way." NBC (Reid): "That brought a scathing response from the White House. Spokeswoman Dana Perino calling Pelosi's remarks, 'poisonous'." Reid: "Pelosi's office fired back, charging the White House with a 'selective and misleading quotation' of the interview."

The San Francisco Chronicle (1/20, A1, Epstein, 384K) reports, "The two top Democratic leaders of the new Congress blasted President Bush on his decision to send more troops to Iraq and warned him not to take military action against Iran without their approval, but they offered their bipartisan cooperation on domestic issues." Their "comments on Iraq…left little doubt that the debate over the war will overshadow everything else this year on Capitol Hill." The Los Angeles Times (1/20, Gerstenzang, 850K) reports that the exchange between Pelosi and the White House showcases "the difficulty the new Democratic leadership and the White House have faced in adhering to promises to stop the partisan quarreling that was common before the November election."

House Democrats Seek Accounting Of War Spending. The Washington Times (1/20, Hurt, Curl, 88K) reports, "Conservative House Democrats yesterday announced a plan to investigate the awarding of contracts in Iraq, as the White House and Speaker Nancy Pelosi sparred over President Bush's new war strategy." Pennsylvania Democrat Patrick Murphy "and the coalition Blue Dog Democrats drafted a resolution demanding a detailed accounting of where the $400 billion spent so far on the Iraq war has gone and where future expenditures will go. It also would require that future requests by the administration for war money go through Congress' normal budget channels as opposed to the special 'emergency supplemental' requests that bypass regular congressional appropriations."

Senate "Centrists" To Offer Iraq Proposal. The New York Times (1/20, A6, Hulse, Zeleny, 1.16M) reports Sen. John Warner "is drafting a proposal on Iraq policy with two Senate centrists in an effort to provide an outlet for lawmakers uneasy with President Bush's troop buildup but unwilling to back a toughly worded resolution opposing the new strategy. ... The emergence of a proposal embraced by Mr. Warner, an influential Republican leader on military issues, and other proposals circulating in the Senate showed there was no consensus yet." The Times adds, "The flurry of Iraq resolutions, coming from the political left, right and middle, raised the prospect of muddling the outcome of what Democratic leaders had hoped to keep a simple yes-or-no vote on Mr. Bush's plan." Warner's proposal is less "toughly worded" than one "by Senators Chuck Hagel, Republican of Nebraska, and Joseph R. Biden Jr. of Delaware and Carl Levin of Michigan, both Democrats."

Casey Sees Baghdad Surge Lasting Through Summer. Coverage of the coming troop surge in Iraq highlighted Gen. George Casey's prediction of a troop presence through summer. ABC World News (1/19, lead story, 2:40, Vargas, 8.78M) reported, "President Bush's plan to send 20,000 more US troops to secure the most violent parts of Iraq, has barely begun. Yet, already the top US commander in Iraq is talking about when those men and women could start coming home." Casey "said signs of progress would come within months of the troops' arrival. It is a level of optimism rarely seen in Iraq these days, and one that is essential, if any military and political campaign is to succeed." ABC (Raddatz): "The reason they can even think about a drawdown is that it looks like the Iraqi government is starting to cooperate. Today, the outgoing commander of US forces in Iraq said that by this summer, the US would start to consider whether to withdraw the now swelling number of troops now heading into Baghdad."

NBC Nightly News (1/19, story 3, 2:50, Williams, 9.87M) reported, "On the ground in Iraq today we heard the newest optimistic forecast for families who might be wondering when their loved ones in uniform will be coming home." Casey: "You're going to see some progress gradually over the next 60 to 90 days. Then I think it's going to be the summer, late summer before we get to the point where the people in Baghdad feel safe in their neighborhoods."

The Washington Post (1/20, A14, White, 690K) reports Casey "said that the primary focus of the additional U.S. forces will be to secure a violent Baghdad and that their mission, if it goes as planned, could last well into 2007. ... The president's plan has drawn ire from Democrats who see the November elections as a mandate to change course in Iraq." The Post continues, "The increased demand for U.S. troops in Iraq is likely to lead to an early, involuntary call-up late this year or early next year of about four Army National Guard combat brigades with 3,500 to 4,000 troops each, Pentagon officials said." The New York Times (1/20, A6, Cloud, 1.16M) reports that Casey "said that the Iraqi Prime Minister, Nuri Kamal al-Maliki, appeared to be carrying through on his side of the plan," even though "The three Iraqi brigades that Mr. Maliki promised have not yet arrived in Baghdad."

The Wall Street Journal (1/20, A4, Jaffe, 2.04M) writes that after Defense Secretary Robert Gates "went out of his way not to reveal his opinion on troop levels in his first weeks in office, he seems to have decided that the best way to stem surging violence in Iraq and Afghanistan for now is more U.S. troops." His statements "suggest that even if the additional troops don't produce quick results in the coming months, he will exercise patience." However, "If the strategy doesn't work, it isn't clear whether the administration has a backup plan."

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The Washington Times (1/20, A1, Sands, 88K) says Casey's "optimism comes amid a crescendo of opposition in Congress to Bush's decision to send more troops, with both the House and Senate planning votes condemn and possibly block the move." The Chicago Tribune/AP (1/20, Burns) also reports on Casey's comments.

Dodd, Richardson Voice Opposition To Surge. Sen. Christopher Dodd said on MSNBC's Tucker (1/19, Carlson), "I think we can offer a scenario here that not only allows us to withdraw and to redeploy forces, but also to do what everyone agrees needs to be done, and that is create the space and insist that Iraqis deal with the political problems they've got on their hands, as well as invite the kind of regional support you're going to have to have to provide Iraq with a real opportunity to sort out its difficulties. What everyone seems to agree on is raising the numbers of troops on the ground there does not contribute to greater security."

Gov. Bill Richardson said on MSNBC (1/19, O'Donnell), "A surge of 20,000 more troops is going to breed more sectarian violence. There's civil war. The government is much too slow, the Iraqi government, in providing their own security, training their own people. I have very firmly said the troops should be withdrawn this year, redeployed. But any cutoff of funds should not affect the troops that are already in Iraq. We got to be careful to do that. But I do believe the Congress needs to exercise its constitutional responsibility and limit funding or put caps or take steps that stop this war."

Strassel Lauds Lieberman's Iraq Stance. In her Wall Street Journal (1/20, A11, 2.04M) column, Kimberly Strassel offers an admiring profile of Sen. Joseph Lieberman, whom she says is "at the center" of the Iraq debate, "spiritedly trying to hold back a bipartisan stampede out of Iraq that he believes will result in devastating consequences for that country, the region, and, most importantly, U.S. national security."

Top Al-Sadr Aide Arrested. Coverage of the arrest of Abdul Hadi al-Daraji discussed whether it meant serious progress against the Mahdi Army of Moqtada al-Sadr. The Washington Post (1/20, A15, Londono, 690K) reports, "U.S.-backed Iraqi forces arrested a top aide to anti-American Shiite cleric Moqtada al-Sadr in eastern Baghdad on Friday, amid growing signs of stepped-up efforts to quell Sadr and his supporters. ... Abdul Hadi al-Daraji, Sadr's media director in Baghdad, was arrested at his house in the neighborhood of Baladiyat, near the Mahdi Army stronghold of Sadr City, shortly after midnight, said Sadr spokesman Abdul Razak al-Nadawi. ... Iraqi Prime Minister Nouri al-Maliki, who has been pressured by the Bush administration to bring the Mahdi Army and other Shiite militias under control, was not forewarned about the arrest, said Ali Dabbagh, a spokesman for Maliki. Dabbagh said the prime minister was not notified about every impending high-profile arrest."

The CBS Evening News (1/19, story 4, 3:15, Couric, 7.66M) reported, "In Iraq today, US forces took direct aim at a militia run by Moqtada al-Sadr, swooping in and arresting one of his top aides. This is a major development and a major challenge for Iraqi Prime Minister Maliki." CBS (Logan): "We met with al-Darraji, a top aide to anti-American cleric Moqtada al-Sadr at his home in Sadr City last spring. In our interview, he blamed the US for the sectarian violence in Iraq. ... Sadr can't be please by this arrest, but so far he's not looking to confront US forces. ... what you're asking people in Baghdad to believe is that Maliki, a prime minister that many say takes his orders from the militias, is now going to act against Sadr and his militias and many people here just don't believe that."

The New York Times (1/20, A6, Tavernise, 1.16M) reports it as "the latest high-profile arrest of a Shiite militia member." Daraji "had been in hiding since the fall, when the military began actively pursuing members of Mr. Sadr's militia, the Mahdi Army, a central driver of sectarian violence here. The detention will be a test for the government of Prime Minister Nuri Kamal al-Maliki. Mr. Maliki has generally avoided confrontation with Mr. Sadr." The Times continues, "His involvement in crime became well known in the neighborhood and in recent months Mr. Sadr disavowed him, but some still consider him a top aide. ... In Sadr City, the arrest stirred some discontent, but not the mass protests that such an arrest would have provoked in past years."

The Financial Times (1/20, Negus) called the arrest "the latest in a series of signs that Prime Minister Nouri al-Maliki had authorised a crackdown on the radical Shia movement whose militias are blamed for a large share of the country's sectarian violence. The arrest coincided with the arrival of US Secretary of Defense Robert Gates in Basra in the south of the country." The Los Angeles Times (1/20, Roug, 850K) reports the arrest comes on the heels of the arrival of Secretary of Defense Robert M. Gates who "arrived in Iraq…in the southern city of Basra" where he met with numerous military commanders including Army General Casey who "suggested that some of the extra troops President Bush plans to send could start returning home by late summer." The AP (1/20, Gamel) reports, "The raid drew immediate criticism from the Iraqi government."

NBC's Arraf Describes Life In Baghdad. NBC Nightly News (1/19, story 3, 2:50, Williams, 9.87M) reported, "For more on what life is like these days in Iraq, we're joined here in our New York studios tonight by NBC news correspondent Jane Arraf, who reported full time from Iraq for eight years. ... what is life like on the streets there?" NBC (Arraf): "I guess the short answer is, it isn't entirely what it seems. We're really good at getting across the relentless bombing and the violence but it's really a lot harder for to us

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portray those spaces in between. ... Unless they're [Iraqis] in the middle of it, life looks amazingly normal." Williams: "We get asked all the time, where are the views of normal Iraqi families and where's the good news we know is going on there?" Arraf: "I worked under Saddam Hussein in Saddam's Iraq and this is harder now than it ever was then."

Iran Accuses US Of "Illegal" Attack On "Consulate" In Iraq. The AP (1/20, Lederer) notes Tehran "charged in a letter to" UN Secretary-General Ban Ki-moon "that the United States illegally attacked its consulate in the northern Iraqi city of Irbil last week and demanded the immediate release of five detained Iranians." Deputy Iranian Ambassador Mehdi Danesh-Yazdi "strongly condemned the Jan. 11 raid and accused the U.S. of 'another flagrant violation of the basic principles of international law' and diplomatic conventions which bar attacks on diplomatic missions." US soldiers "also confiscated documents and other property," and Tehran "called for the immediate release of the five Iranians, the return of the property seized by U.S. forces and compensation for damages to the consulate."

Talabani Says Tehran Ready For Talks With US. The AP (1/19, Mroue) reports Iraqi President Jalal Talabani "said in remarks published Friday that the Iranians were ready to meet with the U.S. for talks about security issues — part of an apparent effort by Talabani to encourage a dialogue between two nations that are increasingly at odds, and vital to Iraq." His remarks "came amid escalating tensions between Washington and Tehran," and Talabani "described two failed efforts by U.S. and Iranian officials to hold secret talks last year." State Department deputy spokesman Tom Casey "said the U.S. is open to talks with Tehran."

Rockefeller Says Administration Rhetoric On Iran Reminiscent Of That On Iraq. The New York Times (1/20, A1, Mazzetti, 1.16M) reports, "The new chairman of the Senate Intelligence Committee on Friday sharply criticized the Bush administration's increasingly combative stance toward Iran, saying that White House efforts to portray it as a growing threat are uncomfortably reminiscent of rhetoric about Iraq before the American invasion of 2003." West Virginia Democrat Jay Rockefeller "said that the administration was building a case against Tehran even as American intelligence agencies still know little about either Iran's internal dynamics or its intentions in the Middle East" but "did not say which aspects of the Bush administration's case against Iran he thought were not supported by solid intelligence." His remarks "reflect the mounting concerns being voiced by other influential Democrats, including the Senate majority leader, Harry Reid of Nevada, and Senator Joseph R. Biden Jr. of Delaware, about the Bush administration's approach to Iran."

Moran Suggests White House Setting Up War With Iran. Rep. James Moran said on MSNBC's Hardball (1/19, Matthews), "We should not proceed with a war on Iran. Iran is a real country. It's 70 million people. It has an army. We don't have an army that could extend itself beyond Iraq today. … Why would we be sending Patriot missiles to Iraq? They're only good if you have Scud range missiles in the country. Iraq doesn't have any of those, Iran does. Why would we be appointing a naval aviator as the commander-in-chief? Iraq is not naval, nor aviation, but Iran is that kind of a war that would have to be fought."

Draft Law Keeps Central Control Over Iraqi Oil. The New York Times (1/20, A1, Glanz, 1.16M) reports, "After months of tense bargaining, a cabinet-level committee has produced a draft law governing Iraq's vast oil fields that would distribute all revenues through the federal government and grant Baghdad wide powers in exploration, development and awarding major international contracts. ... the law would appear to settle a longstanding debate over whether the oil industry and its revenues should be overseen by the central government or the regions dominated by Kurds in the north and Shiite Arabs in the south, where the richest oil fields are located. The draft comes down firmly on the side of central oversight, a decision that advocates for Iraq's unity are likely to trumpet as a triumph."

Iraqis Continue To Marry Despite Violence. ABC World News (1/19, story 3, 1:50, Vargas, 8.78M) reported, "Lost at times in the daily [body] counts in Iraq, is how average Iraqis are persevering, despite all the violence around them." ABC (Harris): "On a day when there were 6 car bombs, 2 fatal mortar attacks and 27 bodies found around Baghdad, Wesam and Aroba got married." Wesam: "You don't know what's going to happen. Where and how, you don't know. You got to be careful." Harris: "And with that, Wesam and Aroba March, with timid smiles and tempered hopefulness, into an uncertain future." The Washington Post (1/20, A1, Trejos, 690K) reports critically on a resurgence in "enjoyment marriages" in Iraq: "a temporary union believed by Shiite Muslims to be sanctioned by Islamic law. The Shiite practice began 1,400 years ago, in what is now Iraq and other parts of the region, as a way to provide for war widows."

US Civilian Killed In Ambush Profiled. ABC World News (1/19, story 2, 1:10, Vargas, 8.78M) and the CBS Evening News (1/19, story 5, 2:20, Couric, 7.66M) both ran features on US democracy activist Andrea Parhamovich, killed in an ambush in Iraq this week. ABC showed her fiancée saying, "She was brave. She was fearless. She had a magical quality about her, really." CBS profiled Parhamovich in an "American Heroes" feature.

New Generation Body Armor Displayed At Show. The Boston Globe (1/20, Woolhouse, 413K) reports

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that "the Army's Natick research center showed off the next generation in body armor yesterday to Secretary of the Army Francis J. Harvey," yet "it's not scheduled to get on the battlefield for three years. The new body armor hangs on a frame 2 inches from a soldier's body, a design that researchers say limits the impact and injury from a roadside bomb or mortar shell." The "The next generation of body armor, called the Chassis, is…made of Kevlar and ceramic," and "remains under development and has not been funded by Congress."

Harvard Lecturer Ponders Absence Of Student Antiwar Movement. In an op-ed for the Washington Post (1/20, A23, 690K), Harvard lecturer John McMillian asks, "Today, grass-roots antiwar activism has not been entirely absent. But one would be hard-pressed to argue that we're on the cusp of a rising protest movement. Why not?" McMillian gives two reasons: "First, the civil rights movement exerted a forceful influence on left-wing protesters in the 1960s. ... Second, the draft personalized the Vietnam War." However, his students suggested other reasons: "many of them spoke plaintively about being pressured from an early age to begin building their credentials for college. ... Some of my students suggested that they might not even be capable of experiencing the kind of indignation and disillusionment that spurred many baby boomers toward activism."

CORPORATE SCANDALS:

US Defends Jurors In Siegelman, Scrushy Trials. The AP (1/20) reports from Montgomery, AL, "Federal prosecutors defended jurors who convicted former Gov. Don Siegelman and former HealthSouth chief Richard Scrushy, claiming the latest purported e-mails from jurors were concocted and no cause for a new trial." The AP continues, "Acting U-S- Attorney Louis Franklin, in a brief filed late Friday, asked Montgomery Federal Judge Mark Fuller to deny the defense request to reconsider his earlier order denying a new trial." The AP adds, "Siegelman and Scrushy were convicted in June of bribery and conspiracy following a two month government corruption trial in federal court. Siegelman was convicted of a separate obstruction of justice charge. Both are appealing. … Arguing for a new trial, defense attorneys submitted copies of more e-mails that purportedly were sent between two jurors during the trial, alleging that the jurors deliberated improperly outside the presence of the full jury. … The defense lawyers said they received printed copies in December of the messages that were sent anonymously through the mail. The judge earlier had refused to order a new trial because of some earlier e-mail evidence submitted to the court. … Siegelman attorney David McDonald says there are six e-mails -- five between two jurors and a sixth one between one of the same jurors and a third juror. He called on the Justice Department to investigate the e-mails."

States Scrutinize Marketing Of Lilly's Zyprexa. The New York Times (1/20, Berenson) reports, "Stepping up government investigations into Eli Lilly's marketing of its best-selling drug Zyprexa, state prosecutors in Illinois and Vermont have demanded that the company turn over information about the way it promoted the medication." The Times continues, "On Thursday, lawyers from the consumer protection division of the Illinois attorney general's office demanded that Lilly hand over marketing materials, e-mail messages, and other documents with information about promotion of Zyprexa. Vermont investigators issued a similar order yesterday morning. … The orders are the civil equivalents of criminal subpoenas, according to Deborah Hagan, the chief of the Illinois consumer protection division." The Times adds, "Illinois and Vermont are now part of a coordinated five-state civil investigation into the way Lilly promoted Zyprexa, a treatment for schizophrenia and bipolar disorder. The states are investigating whether Lilly tried to hide Zyprexa's risk of causing weight gain and other risks associated with diabetes and whether the company promoted Zyprexa for use in patients who do not have schizophrenia or bipolar disorder. … Federal laws prohibit such so-called 'off label' marketing, although doctors may prescribe any drug for any disease that they believe the drug will help. … The orders on Thursday and yesterday are the first formal demands for Lilly documents from state attorneys and they indicate an escalation of the investigation, according to Ms. Hagan and Julie Brill, who is an assistant attorney general in Vermont. … In a statement yesterday, Lilly said it would cooperate with the investigations and had done nothing wrong."

Hewlett-Packard CEO Defends Stock Sale Timing. Bloomberg (1/20) reports, "The chief executive of Hewlett-Packard, Mark V. Hurd, told Congressional lawmakers that his sale of company shares on Aug. 25 was 'totally unrelated' to the fact that he was questioned the same day about an ill-fated internal investigation." Bloomberg continues, "The sale of 100,000 shares of Hewlett-Packard was made during a scheduled window for trading by executives, Mr. Hurd wrote in a letter dated Dec. 21 that he sent to the chairman of the House Energy and Commerce Committee, John D. Dingell, a Michigan Democrat. … On the same day the trade was completed, Mr. Hurd was interviewed by lawyers from the law firm of Wilson Sonsini Goodrich & Rosati. The lawyers were looking into techniques used by Hewlett-Packard to identify the source of boardroom leaks." Bloomberg adds, "The disclosure of the internal investigation

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into the source of the leaks eventually lead to resignations of the H.P. chairwoman, C. Patricia Dunn, and four other executives. … Last week, an outside investigator hired by H.P., Bryan Wagner, 29, of Littleton, Colo., pleaded guilty to identification theft and conspiracy because he posed as a reporter and a director of the company to obtain private telephone records. … Mr. Hurd's defense of his stock sale came in response to a Dec. 12 letter from Mr. Dingell and Representative Bart Stupak of Michigan, a Democrat who heads the subcommittee on oversight and investigations. They asked him about the timing of the sale. … The letter from the lawmakers noted that revelations of improperly dated stock option grants at more than 180 companies have raised questions about whether executives are cashing in or dodging bullets 'while in possession of potentially damaging material facts that shareholders do not know.' … Mr. Dingell and Mr. Stupak forwarded Mr. Hurd's letter to the Security and Exchange Commission and asked for the agency's views on the matter. … Their letter also noted that the S.E.C. was conducting an investigation into Hewlett-Packard's use of false identities to secure private phone records, a practice known as pretexting."

Two Former NYSE Traders Sentenced For Fraud. Bloomberg (1/20) reports, "Two former traders at the New York Stock Exchange were each sentenced yesterday to six months in prison and fined $250,000 for improper stock trading." Bloomberg continues, "The two traders, Michael J. Hayward and Michael F. Stern, former managers at Van der Moolen Specialists USA, were each convicted of securities fraud at a trial in July, part of a crackdown on illegal trading on the New York Stock Exchange. … Judge Sidney H. Stein of Federal District Court in Manhattan also ordered Mr. Stern, 56, and Mr. Hayward, 53, to perform 320 hours of community service." Bloomberg adds, "The case stems from a two-year investigation of trading specialists, who match buy and sell orders on the exchange floor to maintain an orderly market in specific securities. Specialists buy and sell for their own accounts and their clients'. Prosecutors said some specialists were using incoming orders to trade for their own firms, making millions of dollars at the expense of clients. … The case involved trading activity from 1999 to 2003. More than half a dozen former clerks testified that Mr. Hayward and Mr. Stern directed them to trade for Van der Moolen's account for a profit. Prosecutors also accused the defendants of "interpositioning," or buying stock from one customer and selling to another to profit on the price difference, instead of matching the orders."

Firms Repricing Options Make Payments To Executives. The Wall Street Journal (1/20, A1, Forelle) reports, "The stock-options backdating scandal has prompted dozens of companies to fire top executives, take charges totaling billions of dollars against earnings and tell shareholders that they misrepresented how options were awarded." The Journal continues, "Now, a number of companies are taking one more step: making special payments to executives or directors who received backdated options. Companies say the payments will compensate executives and directors who weren't involved in options wrongdoing, yet saw their potential profit reduced when their options were adjusted to reflect the actual dates they were issued. Several of the companies describe the payments as bonuses in regulatory filings. … But the practice has given critics more fodder for attacks on ballooning executive pay levels and special perks." The Journal adds, "Federal authorities are scrutinizing the options practices of nearly 140 companies, and scores more companies are conducting internal reviews. A stock option typically gives its holder the right to buy a set amount of stock at some future time, at its price at the time the option was granted. The idea is to give recipients an incentive to help boost the company's share price. But a number of companies and executives changed the date on their grants to make them appear they had been granted at a time when the price was even lower, making them worth more to their holders."

CRIMINAL LAW:

Ney Sentenced To 30 Months In Prison. The Washington Post (1/20, A3, Schmidt, Grimaldi, 690K) reports ex-Rep. Robert Ney "was sentenced to 30 months in prison yesterday, becoming the first elected official headed for jail because of corrupt dealings with now-convicted lobbyist Jack Abramoff." Both ABC World News (1/19, story 7, 0:10, Vargas, 8.78M) and NBC Nightly News (1/19, story 4, 0:10, Williams, 9.87M) reported on the sentence in brief items, with NBC saying Ney "traded political favors for Abramoff and his clients in exchange for golf trips, campaign donations, sports tickets, meals and other gifts."

The New York Times (1/20, A8, Shenon, 1.16M) reports the sentence was "longer than had been requested by the Justice Department." Federal District Court Judge Ellen Huvelle said she "had decided on her somewhat tougher sentence" for Ney "because his crimes involved a 'significant and serious abuse of the public trust' over several years." DOJ had sought a 27-month sentence. The Washington Times (1/20, Seper, 88K), which puts its story on its front page, says Huvelle said Ney "had betrayed the public's trust and his admitted problems with alcohol did not explain his illegal conduct."

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The Los Angeles Times (1/20, Havemann, 850K) adds that Huvelle "recommended that Ney enter a prison alcohol-rehabilitation program. Shortly after pleading guilty to the charges against him this fall, Ney acknowledged a drinking problem and checked into a rehabilitation program." RollCall.com (1/19) and the Web site of The Hill (1/19, Kucinich) also cover the sentence.

Libby Trial Opening Arguments Begin Next Week. The Wall Street Journal (1/20, A7, Timiraos, 2.04M) reports, "Opening arguments in the trial of Lewis 'Scooter' Libby, the ex-chief of staff to Vice President Dick Cheney, who is accused of lying to a grand jury in the government's leak investigation, get started next week. The trial promises to be a high-profile event, with potential witnesses ranging from the vice president to television journalist Tim Russert. But it also represents a bizarre twist in a case that has tested the limits of laws to protect reporters and their sources and could spotlight how key players in the Bush administration defended the case for war in Iraq."

Libby's Attorneys Withdraw Request For NBC Reporter's Notes. The AP (1/20, Apuzzo) reports, "Defense attorneys are withdrawing, for now, their request to use NBC News reporter Andrea Mitchell's notes during the CIA leak case, heading off a potential fight leading to the trial of former White House aide I. Lewis Libby." The AP continues, "A federal judge said Friday that he probably would release Mitchell's notes to attorneys for Libby and scheduled a hearing on the issue Monday. Within hours, network spokeswoman Barbara Levin said the request for the notes had been withdrawn and the hearing canceled. … Mitchell's notes on her conversation with former vice presidential chief of staff Libby have been under subpoena for nearly a year, but U.S. District Judge Reggie Walton had ruled that because Mitchell was unlikely to testify at trial, her notes would not be released." The AP adds, "Libby is accused of lying to investigators about his conversations with reporters regarding outed CIA operative Valerie Plame. Plame's identity was revealed shortly after her husband, Joseph Wilson, criticized the in a newspaper article the administration's use of false intelligence to ease the march to war in Iraq. … Attorneys for Libby, former chief of staff for Vice President Dick Cheney, said in court Friday they planned to call Mitchell as a defense witness during the perjury and obstruction trial. … Opening arguments are scheduled for Tuesday."

WSJournal Notes Fitzgerald And Libby's Involvement In Marc Rich Case. The Wall Street Journal (1/20, A10, 2.04M), in an editorial, writes, "One early bit of drama will be to see what motive prosecutor Patrick Fitzgerald comes up with to explain why Mr. Libby would lie to the FBI and a grand jury when he had essentially nothing to hide. … As it happens, Messrs. Fitzgerald and Libby had crossed legal paths before. Before he joined the Bush Administration, Mr. Libby had, for a number of years in the 1980s and 1990s, been a lawyer for Marc Rich. Mr. Rich is the oil trader and financier who fled to Switzerland in 1983, just ahead of his indictment for tax-evasion by the U.S. Attorney for the Southern District of New York. Bill Clinton pardoned Mr. Rich in 2001, and so the feds never did get their man. The pardon so infuriated Justice lawyers who had worked on the case that the Southern District promptly launched an investigation into whether the pardon had been 'proper.' One former prosecutor we spoke to described the Rich case as 'the single most rancorous case in the history of the Southern District.' Two of the prosecutors who worked on the Rich case over the years were none other than Mr. Fitzgerald and James Comey, who while Deputy Attorney General appointed Mr. Fitzgerald to investigate the Plame leak."

FBI Finds Rising Gang Activity In US Military. The Chicago Sun-Times (1/20, Main) reported, "Members of the Hells Angels, including an Army lieutenant colonel from Illinois, have served the U.S. military in Iraq. Another Iraq war veteran, a Marine who belongs to the Maniac Latin Disciples street gang, is charged with shooting three teens in Aurora. They are examples of growing gang activity in the military, which 'poses a threat to law enforcement officials and national security,' according to a new FBI report obtained by the Sun-Times. 'The military enlistment of gang members could ultimately lead to the worldwide expansion of U.S.-based gangs,' the report warned. The report by the FBI's National Gang Intelligence Center said gang members sneak into the military by failing to report criminal convictions or using fake documents." Additionally, "'Military recruiters under pressure to meet recruiting goals have engaged in criminal violations such as overly aggressive recruiting tactics and document falsification,' said the report."

Connecticut Jury Finds Retired FBI Agent Guilty Of Assaulting Officer. The Providence Journal (1/20, Mulvaney) reported, "After a three-day trial in Bridgeport, Conn., a federal jury found a retired FBI special agent guilty of assaulting an officer, the U.S. Attorney's office said. U.S. marshals, working with the Rhode Island Sheriffs Department and Stratford, Conn., police, arrested Gary L. John after a struggle in Stratford, on Dec. 8, 2005." John "was wanted in Rhode Island for allegedly violating protective and no-contact orders barring him from contacting his ex-wife and for failing to appear in court," and he "tried to punch a deputy marshal attempting to place him in custody, court records show." The Journal added, "An FBI agent for 29 years, John has been in and out of jail since he separated from his wife in 2001." The Connecticut Post (1/20, Mayko)

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noted, "John accused federal marshals of overreacting when one struck him with a metallic object and others piled on, punched him and ground his face into an ice-covered driveway." The AP (1/20) also reported on John's conviction.

Solid Data On Child Abductions Said To Be Scarce. The AP (1/20, Crary) reports, "Few crimes rivet the public as much as the abduction of a child and yet -- unlike murder, rape or even car theft -- there are no authoritative national statistics on the offense." The AP continues, "Kidnapping is not among the crimes covered by the FBI's annual uniform crime reports, and the last major federal study of child abductions used data from 1999, leaving experts to only guess the trends since then even as concern mounts about a possible surge of abductions by sexual predators using the Internet. … The Justice Department says the most recent nationwide data on child abductions is National Incidence Studies of Missing, Abducted, Runaway and Throwaway Children, a report issued in 2002 and based on survey data mostly collected in 1999." The AP adds, "That report estimated that 58,200 children annually are victims of non-family abductions, with the vast majority held briefly for any number of reasons -- a dispute between girlfriend and boyfriend, for instance -- and returned safely, often without the filing of a police report. … The report estimated that there were 115 cases in 1999 of 'stereotypical kidnappings' -- in which children were taken by non-family members for long periods, put up for ransom or killed by their abductors. In 40 percent of these cases, the child was killed. … However, the report said the actual number of stereotypical kidnappings could be anywhere from 60 to 170, and there has been no comprehensive federal effort since then to update the statistic. … The Justice Department, using partial national statistics, estimated last year that 3,400 kidnappings of juveniles by strangers were reported to police in 2001. These would include many short-lasting abductions that did not rise to the level of the menacing 'stereotypical kidnappings.'"

CIVIL LAW:

SCOTUS To Hear McCain-Feingold Challenge. The Washington Post (1/20, A1, Barnes, Mosk, 690K) reports the Supreme Court "agreed yesterday to revisit the landmark 2002 legislation overhauling the nation's campaign finance laws, moving to settle the role of campaign spending by corporations, unions and special interest groups in time for the 2008 presidential primaries. It would be the first time the court has reviewed the McCain-Feingold law of 2002 since justices ruled 5 to 4 three years ago that the act was constitutional. … At issue in the case is the question of whether so-called issue advocacy ads paid for by the general funds of special interest groups and broadcast in the period before a federal election may mention specific candidates. A three-judge panel in Washington last month overturned that prohibition, which is one of the key provisions of the law known formally as the Bipartisan Campaign Reform Act."

The New York Times (1/20, A9, Greenhouse, 1.16M) reports, "The court heard the same case a year ago, shortly before Justice Samuel A. Alito Jr. took his seat last January. Faced with the prospect of a 4-to-4 deadlock in the absence of Justice Sandra Day O'Connor, who was days away from retirement and would not have been able to participate in a decision, the court then sent the case back to the lower court." The plaintiff "is a Wisconsin anti-abortion group that in 2004 sought to run three television commercials criticizing a Senate filibuster against President Bush's judicial nominees and urging viewers to ask the state's two senators to permit the nominations to come to a vote." The Los Angeles Times (1/20, Savage, 850K) reports, "The McCain-Feingold Act specifically bans corporate and union-funded ads that mention a candidate for federal office within 30 days of the primary election or within 60 days of the general election. In upholding this rule in principle, the high court agreed with Congress that these ads are intended to influence an election, and therefore, they may be restricted because they amount to use of corporate and union money to sway an election."

Case Involving New York City Taxes On Consulates Will Also Be Heard. The Washington Times/AP (1/20, Press) reports the Supreme Court "also said it will review a lower court ruling allowing New York City to sue countries that own property near the United Nations over unpaid taxes. The city has battled over property taxes for years with countries that house their consulates and diplomatic missions in Manhattan skyscrapers."

Justices Will Consider Congressional Personnel Policy. CNN.com (1/19) notes that "the justices will hear oral arguments in an appeal by a staffer to Sen. Mark Dayton. At issue was whether the staffer had the legal right to sue his boss over personnel policy."

Waxman To Probe Contract Given To Friend Of GSA Administrator. The Washington Post (1/20, A3, O'Harrow, Higham, 690K) reports Rep. Henry Waxman, chairman of the House Oversight and Government Reform Committee, "opened an investigation into a no-bid contract that the chief of the General Services Administration attempted to give to companies operated by her longtime friend." Waxman "requested documents from GSA Administrator Lurita Alexis Doan and others after The Washington Post reported yesterday that Doan had signed a $20,000 deal with her friend's companies for a 24-page report

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about the procurement agency's use of businesses owned by minorities and women." Sen. Charles Grassley, the ranking GOP member of the Finance Committee, said it "is infuriating after all the problems in the past at GSA that this administrator would attempt to use tax money to give no-bid contracts to her friends." The GSA's inspector general's office "is conducting its own investigation into the arrangement between Doan and her friend, Edie Fraser, who runs Public Affairs Group Inc."

Legal Dispute Over National Guard Back Pay Resumes. The Mobile Press-Register (AL) (1/20, Reilly) reports, "Following a congressional counterattack, lawyers are resuming a legal fight seeking back pay for National Guard members for time spent taking government-prescribed correspondence courses. … 'The courts may have an entirely different view of what Congress can do in this particular situation,' said Mobile lawyer Richard Dorman, part of the team representing Baldwin County resident William A. Clark and other Guard members in states ranging from North Carolina to Hawaii." The Press-Register continues, "The federal lawsuit, filed in 2000, alleges that Guard members must take the courses to win promotions or even to keep their current rank. … Nonetheless, the military does not pay them for the time needed to complete the work, according to the lawsuit. Pentagon attorneys countered that Guard members could be paid only if they took correspondence courses while on active duty." The Press-Register adds, "In 2003, the U.S. Court of Appeals for the Federal Circuit in Washington, D.C., effectively sided with Clark, who is now a staff sergeant with almost 20 years of service, court papers indicate. … After added rounds of legal maneuvering, however, Congress -- apparently at the Pentagon's behest -- last year added an amendment to an annual defense bill aimed at overriding the appellate court decision."

Ohio Judge Deals Setback To Asbestos Case Plaintiffs. The Wall Street Journal (1/20, A4, Davies) reports, "In the latest setback for plaintiffs' attorneys involved in large-scale asbestos litigation, an Ohio state court judge barred a California law firm from appearing in his court after finding that its lawyers had lied and obstructed the discovery process in a case involving an asbestos claim." The Journal continues, "In a harshly worded opinion issued late Thursday, Judge Harry Hanna listed more than a dozen instances where attorneys from the Novato, Calif., law firm Brayton Purcell LLP either lied to the court, intentionally withheld key discovery materials, or distorted the degree of asbestos exposure alleged." The Journal adds, "The ruling is one of a number in the past several years that have gone against asbestos plaintiffs, including several in Mississippi, for years regarded as a plaintiff-friendly state. Other states have erected legislative hurdles, making asbestos claims more difficult to win. … Judge Hanna's ruling stemmed from a lawsuit brought by Brayton Purcell against Lorillard Tobacco Co. on behalf of the estate of the late Harry Kananian. The suit claimed Mr. Kananian died from a type of cancer caused by asbestos contained in Kent brand cigarette filters in the late 1950s. … According to Judge Hanna's ruling, the attorneys for Mr. Kananian, who died in 2000, altered claim forms used in earlier suits, which led to inconsistent assertions as to the cause of his asbestos exposure. Mr. Kananian had previously sued and collected roughly $700,000 from other asbestos defendants."

CIVIL RIGHTS:

San Francisco Police Under Fire For Fight Involving Yale Singing Group. The New York Times (1/20, McKinley) reports, "Investigators from the San Francisco Police Department are expected to travel to Connecticut this weekend to interview victims of a New Year's Day street fight here that left several Yale University students injured and the department once again fending off criticism." The Times continues, "The investigation stems from an attack just after midnight on Jan. 1, when several members of the Baker's Dozen, an all-male a cappella group from Yale, were set upon by a group of young men. The latter were apparently envious of the attention the singers had received at a New Year's Eve party, those who gave the party say. Members of the Yale group said they were taunted with anti-gay slurs, and were later jumped and pummeled on a nearby street in the city's usually sedate Richmond neighborhood. Three members of the group were injured, including one whose jaw was broken in two places." The Times adds, "The police have made no arrests after detaining four suspects only briefly after the fight, a course of action that angered and confused families of the students. And that frustration has grown as almost three weeks have passed with no arrests. … The police have also been accused of being slow to respond because of a personality conflict with the party's hosts, a married couple — Leanna Dawydiak and Reno Rapagnani — who were members of the Police Department. (Mr. Rapagnani is a retired investigator; Ms. Dawydiak is on disability.) Ms. Dawydiak said they were not well liked in the department, in part because of accusations that they had leaked information during a previous police scandal known as Fajitagate, accusations they were cleared of."

Grand Jury To Hear Testimony On NYPD Shooting. The New York Times (1/20, Baker) reports, "A Queens grand jury that will weigh evidence in the fatal police shooting of an unarmed black man on his wedding day in

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November will begin hearing testimony next week, lawyers involved in the case said yesterday." The Times continues, "Two months after the unarmed man, Sean Bell, was killed and two of his friends were wounded in a fusillade of 50 police bullets, prosecutors are expected to begin presenting evidence and calling witnesses before the panel, the lawyers said. … 'My understanding is that they should begin presenting on Monday,' said Michael Hardy, a lawyer who represents the woman Mr. Bell was to marry, Nicole Paultre Bell (she took his name after his death), and the two men wounded in the shooting." The Times adds, "The office of the Queens district attorney, Richard A. Brown, declined to comment or answer questions about the grand jury process. 'The investigation is continuing,' said Meris Campbell, a spokeswoman. … Mr. Hardy, lawyers representing some of the five officers involved in the shooting and others said they expected the grand jury's work would last at least three weeks. The two men wounded in the Nov. 25 shooting, Trent Benefield and Joseph Guzman, intend to testify, said Mr. Hardy, and will most likely do so toward the end of the grand jury process. … Of the officers who fired at Mr. Bell, two are black, one is black and Hispanic, and two are white. .. . In recent weeks, four of the five officers have given investigators for the Queens district attorney's office their version of events. The fifth, Detective Michael Oliver, who fired 31 of the shots, has not spoken to prosecutors, according to one lawyer involved in the case. … But it remained unclear yesterday if Detective Oliver planned to testify before the grand jury or speak with prosecutors, and his lawyer did not return phone calls seeking comment."

WPost Questions Probe Of Fairfax SWAT Shooting. The Washington Post (1/20, A22) reports, "The police report on the killing of an unarmed man by a SWAT officer finds fault -- but raises too many questions. … 'Our goal is to be as open and transparent as possible,' Fairfax County Police Chief David M. Rohrer said last week as he released a report on the fatal police shooting a year ago of an unarmed, nonthreatening suspect. The report confesses to 'gaps in decision-making guidelines' and questionable actions in what should have been a routine arrest of Salvatore J. Culosi, a 37-year-old optometrist suspected of being a sports bookmaker. … But the story still merits more explanation. In the report the police -- for the first time -- officially acknowledge the identity of the shooter: Officer Deval V. Bullock, a SWAT unit member with 17 years' experience. So why was the SWAT unit called in to help round up a man who had been taking bets from the same undercover detective for months -- and who had no criminal record? Exactly how did Officer Bullock's finger wind up on the trigger of his .45-caliber pistol, which fired a single deadly round into Mr. Culosi's chest?" The Post adds, "The chief prosecutor in Fairfax, Robert F. Horan Jr. -- who has never prosecuted a police officer for wrongfully shooting a citizen -- remained true to the force, swiftly declining to prosecute Officer Bullock or even to refer the case to a grand jury. The Justice Department's Civil Rights Division has yet to release any results of its inquiry. So the case is not closed, nor should it be. Public confidence in the justice system still hangs in the balance."

ANTITRUST:

Microsoft Case Plaintiffs Claim Antitrust Settlement Violations. The AP (1/20, Pitt) reports from Des Moines, IA, "'The plaintiffs in Iowa's class-action antitrust lawsuit against Microsoft Corp. claim they have uncovered information that indicates the software company is violating its 2002 agreement with the Justice Department." The AP continues, "The alleged misconduct surrounds Microsoft's duty to share software hooks known as application programming interfaces, or APIs, which let disparate programs work together. The Iowa plaintiffs' attorneys have alleged that Microsoft has not disclosed certain APIs to other software developers who want to make programs compatible with Microsoft software." The AP adds, "Plaintiffs' attorney Roxanne Conlin asked the judge in the Iowa case, Scott Rosenberg, for permission to tell the Justice Department and the Iowa attorney general what her side knows. Rosenberg responded that she could provide the information if a court order or a subpoena is issued for it. .. .The API issue also has landed Microsoft into trouble with the European Commission, which imposed a fine of 3 million euros ($3.9 million) a day last July for failure to provide proper software documentation. In response, the company provided 8,500 pages of documentation in November. … Microsoft attorney Rich Wallis said he doubted the Iowa case had turned up any information that would surprise the federal government and its independent experts who monitor the 2002 antitrust settlement. Microsoft must appear before a federal judge quarterly on the matter, and at the most recent hearing, in December, the judge said Microsoft was complying."

Microsoft Eyed Venture With Apple In 2003. Bloomberg (1/20, Bass, Van Voris) reports, "Microsoft Corp…. considered as early as 2003 working with Apple Inc. or creating its own digital music player to rival Apple's dominant iPod." Bloomberg continues, "Microsoft, displeased with hardware partners Creative Technology Ltd. and Dell Inc., which made players using Microsoft's Windows Media software, talked about building its own device, according to an e-mail exchange between Windows chief Jim Allchin and media software executive Amir Majidimehr. The correspondence, which was introduced into evidence in a civil antitrust trial against Microsoft in Des Moines, Iowa, was

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made public Friday." Bloomberg adds, "Allchin, who started the exchange in an e-mail titled 'sucking on media players,' also suggested that he talk to Apple Chief Executive Steve Jobs to get the iPod to work with Microsoft's media software for fear the iPod would 'drive people away from Windows Media Player.' Microsoft introduced its music player, Zune, in November. … 'My goodness it's terrible,' Allchin wrote about one of Creative's devices. 'What I don't understand is though is I was told the new Creative Labs device would be comparable to Apple. That is so not the case.' … Majidimehr replied, 'Now you feel our pain.' He said Microsoft was providing cash incentives to get the partners to improve devices. If that doesn't work 'it is time for us to roll up our sleeves and do our own hardware,' he wrote." Bloomberg notes, "Microsoft had been working with partners on music devices for at least a year before Apple introduced the iPod in 2001 and catapulted to a dominant position in the market. Microsoft and its partners failed to come up with compelling hardware and had difficulty getting software to properly connect music collections on computers with their devices."

Esmark To Purchase West Virginia Plant From Mittal. Bloomberg (1/20) reports, "Arcelor Mittal, the world's largest steel company, has agreed to sell its tin-plate plant in Weirton, W.Va., to Chicago Heights-based Esmark Inc. to satisfy U.S. antitrust concerns." Bloomberg continues, "Esmark signed a memorandum of understanding to acquire the plant, Esmark Chief Financial Officer Craig Bouchard said Friday. The agreement is contingent on approval by the Justice Department, he said. Terms weren't disclosed." Bloomberg adds, "Esmark 'has entered into a memorandum of understanding with Mittal Steel to purchase the hot-strip mill and tin-finishing operations of Mittal's Weirton plant,' Bouchard said. 'We are working on finalizing the asset purchase agreement by Feb. 2.'" Bloomberg adds, "The company's interest in Weirton increased after it acquired the steelworks of nearby Wheeling, W.Va.-based Wheeling-Pittsburgh Corp. through a reverse takeover in November. Excluded from the deal with Arcelor Mittal are a Weirton blast furnace, caster and basic oxygen furnace, Bouchard said. … The steel- and iron-making facilities at Weirton have been idled since June 2005 . … The Justice Department demanded Arcelor Mittal sell some assets to preserve competition in the tin-plate market in the Eastern U.S. Arcelor Mittal is the world's largest maker of tin plate, a type of steel coated with tin that is used mostly in packaging such as cans. … Gina Talamona, a spokeswoman with the Justice Department, said the matter is 'still under review' and declined to comment further."

The Pittsburgh Post-Gazette (1/20, Boselovic) reports, "Combining the Ohio Valley's two steel producers, long a topic of speculation in the small industrial towns along the river, took on renewed urgency yesterday when the Chicago-area steel distributor that wants to merge with Wheeling-Pittsburgh Steel confirmed it expects to acquire portions of the former operations of Weirton Steel." The Post-Gazette continues, "Esmark said it has a memorandum of understanding with Arcelor Mittal, the world's largest steel producer and owner of the Weirton mill. U.S. antitrust regulators are requiring Arcelor Mittal to divest one of its North American mills as a condition of Mittal's acquisition of Arcelor last year." The Post-Gazette adds, "Esmark gained control of Wheeling-Pitt in November, when the steel distributor's shareholders elected its slate of directors over the incumbent board, led by former Chairman and Chief Executive Officer James G. Bradley. The successful proxy fight set the stage for a vote by Wheeling-Pitt shareholders on merging with Esmark. .. .Esmark's shopping list includes the Weirton mills that roll steel slabs into sheet steel and coat it to make food cans and other products, but not the blast furnaces and other equipment used to produce the slabs. The company expects to sign a definitive agreement with Arcelor Mittal by Feb. 2. … That doesn't sit well with the leader of the union representing Weirton's workers. Independent Steelworkers Union President Mark Glyptis wants the steelmaking end of his plant to be included in any sale, saying it would put about 300 more workers on the payroll. He said steel executive Mitch Hecht is interested in acquiring the whole operation. … Any sale would have to be approved by the U.S. Department of Justice. The agency has given Mittal until Jan. 28 to sell Dofasco, its Canadian arm. That would take care of antitrust concerns. However, Arcelor put Dofasco into a trust before it was swallowed by Mittal. The trust prevents Arcelor Mittal from divesting the Canadian producer."

Sale Could Kill Plan For Louisiana Plant. The Baton Rouge Advocate (1/20, Perilloux) reports, "A U.S. Justice Department case could kill a German steelmaker's desire to build a $3 billion mill in Louisiana. .. Or it could open the door for St. James Parish to score a 3,000-job coup in Convent. Alabama and Arkansas also are vying for the steel mill." The Advocate continues, "Louisiana's chances of wooing ThyssenKrupp, amid a consolidating steel industry, may rest heavily with a Washington, D.C., federal court that's a week away from a key antitrust milestone. … After the world's two largest steel companies — Luxembourg-based Arcelor and Mittal Steel of The Netherlands — complete a merger this spring, a concentration of 84 percent of the tin production in the Eastern United States would result." The Advocate adds, "Here's why that matters to Louisiana: To break up the perceived tin monopoly, the Justice Department wants Arcelor Mittal to sell Canada's largest steelmaker, Dofasco, to ThyssenKrupp for $4.6 billion. … Should that happen, ThyssenKrupp would gain 3.9 million tons of annual steel

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production as it brings on line a 5-million ton Brazilian slab mill in 2009. The Canadian output is about what the proposed steel mill on the Gulf Coast would produce. … But if ThyssenKrupp doesn't acquire Dofasco, it likely would build the Gulf Coast mill to handle 3 million tons of the annual raw steel product from Brazil, with 2 million tons going to Germany."

Ohio AG Reviewing Hoover Deal. The Columbus Dispatch (1/20, Nash) reports, "Ohio Attorney General Marc Dann is looking into antitrust concerns that have arisen based on a Hong Kong company's planned purchase of the North Canton-based Hoover vacuum-cleaner company." The Dispatch continues, "Dann, a Democrat who led the antitrust division of the West Virginia attorney general's office earlier in his career, is investigating whether Techtronic Industries Co. Ltd. legally can purchase Hoover, which employs about 1,000 Ohio workers. … Techtronic manufactures the Dirt Devil, Regina, Royal and Vax brands of floor cleaners." The Dispatch adds, "Dann's office had not filed an antitrust claim as of yesterday, said Edgar Simpson, the attorney general's administration and policy chief. … 'The idea is to get some information to see if there's an impact on the competitive marketplace,' Simpson said. 'We have a feeling that we need to look at this pretty quickly. It is an Ohio company, and we feel that we have standing to do this.'" The Dispatch notes, "The Federal Trade Commission and U.S. Justice Department also have regulatory oversight of the acquisition, but Simpson said Dann thinks that his office also should look at the deal. … In a Dec. 7 news release announcing the $107 million purchase of Hoover, Techtronic said the deal is scheduled to close by the end of the summer but could be final as early as March."

Caremark Shareholders To Vote On CVS Merger Next Month. The Nashville Tennessean (1/20, Pack) reports, "CVS Corp. and Caremark Rx Inc. said Friday that the Securities and Exchange Commission has given the go-ahead for them to take their proposed 'merger of equals' to a vote of shareholders next month even as a third company pushes its rival bid." The Tennessean continues, "Caremark shareholders will vote on the CVS deal at a special meeting Feb. 20 at 8:30 a.m. at the Hilton Nashville Downtown. … CVS shareholders will vote at a special meeting Feb. 23 at the drugstore chain's headquarters in Woonsocket, R.I. … 'We are very pleased that we have received clearance from the SEC to move forward with our shareholder vote next month. We remain on track to close our merger with Caremark by the end of February,' Tom Ryan, CVS' chairman, president and CEO, said in a statement. … 'We look forward to our respective shareholder meetings and to closing our strategic merger of equals with CVS,' said Mac Crawford, Caremark's chairman, president and CEO." The Tennessean adds, "CVS, the United States' secondlargest drugstore chain in sales, announced plans to merge with Caremark, the second-largest pharmacy benefits manager, or PBM, on Nov. 1. … Based on Friday's closing price, CVS' offer was worth almost $24.6 billion, or $57.58 a share including a special $2-per-share cash dividend that the combined firm would pay Caremark shareholders after the deal closes."

Tribune Board To Review Auction Proposals. The Wall Street Journal (1/20, A3) reports, "A special committee of Tribune Co.'s board overseeing an auction of the company is to meet with its advisers Saturday, three days after receiving three proposals, according to people familiar with the situation. The full board is also expected to meet, possibly to vote on the recommendation of the special committee. A Tribune spokesman declined to comment on the schedule." The Journal continues, "None of the proposals offers what Tribune is looking for: a premium for the entire company, which owns newspapers such as the Los Angeles Times and TV stations." The Journal adds, "It is unlikely that the special committee will recommend any of the offers in their current form, said a person familiar with the situation. The committee is likely to try to negotiate better terms on each of the offers, or might reject them out of hand. The company may decide to spin off its TV stations or take on added debt to fund a dividend on its own. … Meanwhile, Tribune is negotiating with Gannett Co. to sell two of its papers in Connecticut, the Stamford Advocate and Greenwich Time."

Bristol-Myers Prepares For Upcoming Patent Trial. The New York Times (1/20, Saul) reports, "Bristol-Myers Squibb staggered, but the drug maker has remained on its feet. … That is the view of the company's interim chief executive, James M. Cornelius, who on Friday compared the company's struggle with a generic competitor to a boxing competition. … 'A less resilient, less solid management and employee base would have crumbled under a billion-dollar hit,' Mr. Cornelius said during an interview at a company office here. 'We took a body blow, but we didn't go down for the count.'" The Times continues, "Mr. Cornelius said the damage from last summer's market onslaught by a generic copy of Bristol-Myers's blockbuster drug Plavix, a blood thinner, would exceed $1 billion, but the company had 'more or less' already made up the money. … The financial details of that comeback, he said, will be revealed next Thursday when the company releases its fourth-quarter results." The Times adds, "The blow was dealt last summer by the Canadian company Apotex, which sold its Plavix imitator for only three weeks in August, before a federal judge ordered a

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halt. But during that period an estimated six-month supply of generic Plavix flooded the United States market. … The episode followed bungled efforts to settle a patent dispute with Apotex. And it eventually cost the Bristol-Myers chief executive at the time, Peter R. Dolan, his job. … Apotex has hardly gone away, though. Even as Mr. Cornelius expressed optimism yesterday about the company's future, lawyers were making final preparations to begin a trial Monday in federal court in Manhattan. There, Bristol-Myers and its marketing partner, the French company Sanofi-Aventis, will defend the Plavix patent against the Apotex challenge. … The trial's outcome will be critical for Bristol-Myers, which derives nearly a third of its revenue from Plavix. The drug's 2005 sales in this country were $3.8 billion and its use is growing. Worldwide sales of Plavix exceeded $6 billion in 2005, making it the second-largest drug, behind Lipitor from Pfizer. … In a four-week trial where much of the testimony is expected to involve scientific minutiae, Bristol-Myers and Sanofi will be asking Judge Sidney H. Stein to uphold their Plavix patent."

Judge Allows Record Companies' Suit Against XM To Proceed. The AP (1/20, Neumeister) reports, "A lawsuit in which record companies allege XM Satellite Radio Holdings is cheating them by letting consumers store songs can proceed toward trial, a judge ruled Friday after finding merit to the companies' claims." The AP continues, "U.S. District Judge Deborah A. Batts made the finding in a case brought by Atlantic Recording, BMG Music, Capitol Records and other music distribution companies against the licensed satellite radio broadcaster. … In a lawsuit last year, the companies said XM directly infringes on their exclusive distribution rights by letting consumers record songs onto special receivers marketed as 'XM + MP3' players." The AP adds, "XM has argued it is protected from infringement lawsuits by the Audio Home Recording Act of 1992, which permits individuals to record music off the radio for private use. The judge said she did not believe the company was protected in this instance by the act. … In a statement, XM said it remains confident that the lawsuit is without merit and it would prevail. … In refusing to toss out the lawsuit, the judge noted that the record companies consent to XM's use of their copyrighted material solely for the purposes of providing a digital satellite broadcasting service."

ENVIRONMENT:

Federal Judge Orders FWS Review Of Salamander Status. The AP (1/20, Chea) reports, "A federal judge on Friday ruled that the U.S. Fish and Wildlife Service illegally rejected a petition by environmentalists to give protected status to two salamander species that live in old-growth forests in California and Oregon." The AP continues, "U.S. District Judge William Alsup ordered the agency to consider listing the Siskiyou Mountains and Scott Bar salamanders as threatened or endangered species. … The San Francisco-based judge said the service's decision last year to deny the petition was 'arbitrary and capricious.' Alsup gave the agency until March 23 to decide whether to conduct a more in-depth analysis of the salamanders' status." The AP adds, "If the two species are granted protected status, the U.S. Forest Service would be required to make sure that logging operations do not harm the salamanders or their habitat. … Both salamanders are about five inches long, colored black with speckles, and have no lungs, instead breathing through their skin. They live on rocky slopes under the canopy of old-growth trees in the Siskiyou Mountains and Klamath River basin in northern California and southern Oregon. … The Fish and Wildlife Service will comply with Judge Alsup's order, said agency spokeswoman Alexandra Pitts."

Minerals Management Chief Defends Response To Lease Questions. The Billings Gazette (1/20, Straub) reports, "Minerals Management Service Director Johnnie Burton defended herself Friday against charges by some lawmakers that she should have acted earlier upon hearing of a mistake in oil and gas drilling leases that could cost the government billions of dollars." The Gazette continues, "Deep-water leases signed in 1998 and 1999 during the Clinton administration omitted a clause triggering royalty payments if energy prices rose over a certain amount. Officials say they raised the matter with Burton in early 2004, although she does not remember it, a report by the Interior Department's inspector general found. … 'I am now being held responsible for not remembering a passing mention of an issue in 2004, and for not doing anything to remedy a mistake made by the Clinton administration when, in fact, I wrote every company in June 2006 asking them if we could agree to an amendment to their leases,' Burton wrote in a letter to the editor of the Casper (Wyo.) Star-Tribune. … 'Unfortunately, only six of them agreed to an amendment,' she added. 'I cannot force anyone to change a valid lease signed by a representative of the U.S. government eight years after the fact, or had I acted in 2004, five years after the fact.'" The Gazette adds, "The error in the leases has cost the government about $1 billion in revenue and if not fixed could cost $10 billion. … The inspector general found that MMS officials made a conscious decision to omit the language from the leases, but that the choice was simply a mistake and was not malicious. Officials decided to leave out the language in the mistaken belief that another regulation, the Royalty Relief Act, automatically covered it."

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FBI/DEA/ATF/USMS:

Mueller Praises Los Angeles Joint Regional Intelligence Center. Under the headline "FBI Chief Likes New Facility," the Los Angeles Times (1/20, McGreevy) reported, "The Los Angeles area's new counter-terrorism center drew high marks Friday from FBI Director Robert S. Mueller III, who toured the high-tech facility in Norwalk and pronounced it a model for federal and local cooperation. … 'It's a model for the rest of the country,' Mueller said. 'With the contribution of first responders and the law enforcement intelligence component, it's the type of fusion you need to prevent terrorist attacks and to follow up on any threats of any terrorist attacks.' Mueller said the center is tangible proof of improved cooperation among agencies in the post-9/11 era. 'It enhances our partnership with the Los Angeles Police Department and Los Angeles [County] Sheriff's Department,' he said. 'They are doing a great job.'" The Times notes that LAPD Chief William Bratton also "said the effort to combat terrorism is part of a larger cooperative venture to have agencies share crime data." Bratton "said he talked to Mueller on Friday about the desire of local law enforcement to connect CopLink" – a crime database used by the LAPD and Sheriff's Department – "to a federal crime database called Links. … The chief said he plans a trip to Washington, D.C., to follow up his talks with Mueller on gaining access to the federal database."

2nd Circuit Rules FBI May Have Coerced Filmmaker. The AP (1/20, Neumeister) reports, "An effort by the FBI and federal prosecutors to remove a short fictional film about a military takeover of New York City from the Internet may have violated the First Amendment, a federal appeals court said Friday. … But the 2nd U.S. Circuit Court of Appeals in Manhattan said a lower court was still correct to toss out a lawsuit brought against an FBI agent and a federal prosecutor by a web hosting service operator and Michael Zieper, who wrote, directed and produced the film." The AP continues, "The appeals court said in a written opinion that the FBI agent, Joseph Metzinger, and the assistant U.S. attorney, Lisa Korologos, were immune from the lawsuit because it would not have been clear to a reasonable officer in their position that they were doing anything wrong. … Metzinger and Korologos got involved Nov. 8, 1999, when the New York Police Department faxed information to the FBI's Joint Terrorism Task Force about the film, 'Military Takeover of New York City.'" The AP adds, "The film includes various shots of Times Square as an unseen narrator who purports to be a military officer briefs other members of the military about plans for a military takeover of Times Square on New Year's Eve 1999. … The appeals court said Metzinger and Korologos were free to ask filmmaker Zieper and Web site operator Mark Wieger to take the film down - but Metzinger went too far when he said that FBI agents were heading to Zieper's home and he could not stop them."

Pelosi Urges DOJ To Halt Prosecution Of BALCO Reporters. The San Francisco Chronicle (1/20, Page A4, Coile) reports, "House Speaker Nancy Pelosi added her voice Friday to a growing list of lawmakers urging Attorney General Alberto Gonzales to drop the prosecution of two Chronicle reporters who face 18 months in prison for refusing to name their sources for stories about steroid use in professional sports." The Chronicle continues, "Pelosi, in a three-paragraph letter, called on Gonzales to withdraw the subpoenas of Lance Williams and Mark Fainaru-Wada asking them to identify their confidential sources. … Pelosi was seeking to ratchet up the pressure after two top lawmakers -- new Democratic House Judiciary Committee Chairman John Conyers of Michigan and Rep. Tom Davis of Virginia, the top Republican on the House Oversight and Government Reform Committee -- asked Gonzales in a letter Thursday to rescind the subpoenas. … 'I ask that you give favorable consideration to their bipartisan request for relief,' Pelosi wrote in her letter to the attorney general. 'Freedom of the press is critical for our democracy and for informing our citizens about public policy issues.'" The Chronicle adds, "The Justice Department did not respond to a request for comment on the letter. But a spokeswoman said Thursday that the agency subpoenas journalists 'only when absolutely necessary.' … Fainaru-Wada and Williams were ruled in contempt of court in September by U.S. District Judge Jeffrey White for refusing to testify to a grand jury investigating who leaked transcripts in the steroid distribution case involving the Bay Area Laboratory Co-Operative. … White sentenced Fainaru-Wada and Williams to up to 18 months in prison and imposed a $1,000-a-day fine on The Chronicle, but he suspended those penalties pending an appeal. … A panel of the Ninth Circuit U.S. Court of Appeals in San Francisco is scheduled to hear the case in March."

Davis Seeks Answers From DOJ On Leak Probes. The New York Sun (1/20, Gerstein) reports, "The ranking member of a House committee is demanding answers from the Justice Department about recent reports in The New York Sun that intelligence agencies failed to cooperate with FBI investigations into leaks of classified material and that the FBI's files on some leak probes have disappeared." The Sun continues, "The top Republican on the House Committee on Oversight and Government Reform, Rep. Thomas Davis of Virginia, said he was troubled by the Sun's report last week that FBI documents showed at least three leak investigations appeared to have been closed after

case agents repeatedly complained about a lack of cooperation from the 'victim agency.' … 'The FBI holds itself out as the premiere investigative agency for the United States. As such, I find it hard to believe the FBI closes espionage leak investigations simply because another agency refuses to cooperate,' Mr. Davis wrote Friday in a letter to Attorney General Gonzales." The Sun adds, "At a press conference last month, President Bush again decried leaks of classified information. 'It's an ongoing problem,' the president said. 'At some point in time, it would be helpful if we can find somebody inside our government who is leaking materials, clearly against the law, that they be held to account.' … Mr. Davis wrote, 'How can we ensure, as the President requested, those who leak classified information "be held to account," if the Department of Justice (DOJ) does not insist on pursuing investigative leads?' … The Sun's report about the alleged non-cooperation with leak probes was based on documents obtained under a federal Freedom of Information Act lawsuit brought by this reporter. The released records were heavily redacted to protect classified information, privacy, and investigative methods, the FBI said. … The Sun reported last month that a declaration filed by the FBI in connection with the Freedom of Information Act lawsuit indicated that 22 of 94 files believed to relate to recent leak investigations were missing from the bureau's file room with no indication of who had removed them. … Mr. Davis asked Mr. Gonzales to provide information on how the chief of the Justice Department's Counterespionage Section, John Dion, responded to the FBI's requests to close the leak investigations. The congressman also asked for details on what happened to the missing files."

Ohio Physician Sentenced To Two Years On Drug Charges. The Cincinnati (OH) Post (1/20) reports, "A Cincinnati doctor was sentenced to two years in prison Friday in connection with drug abuse in pain clinics where he worked." The Post continues, "Dr. Gregory L. Ebner, 55, pleaded guilty in June to money laundering and structuring money transactions illegally. He also faces three years supervised release and a $10,000 fine, according to the U.S. Department of Justice. … Starting in January 2001, Ebner worked in pain clinics in the southern Ohio towns of Lucasville, Chillicothe, Hanging Rock and Jackson." The Post adds, "A clinic would open for a short time, then move to another location in a nearby town after law enforcement officers started to investigate, prosecutors said. … Ebner worked in the clinics two or three days a week and saw 60 to 70 patients a day, according to federal court records. … He prescribed pain relievers such as Lorcet and Xanax after cursory exams, never checking the height, weight or blood pressure of patients. He never maintained any diagnostic equipment at the clinics."

IMMIGRATION:

Broad Immigration Reform Coalition Forms. The Washington Post (1/20, D1, Williams, 690K) reports, "Worried that surprise raids are driving away workers who are their lifeblood, businesses are pooling their money and joining unusually broad alliances that include labor unions and civil rights groups to push Congress to overhaul the nation's immigration laws. The coalition Alliance for Immigration Reform 2007 announced its formation this week, placing the force of the U.S. Chamber of Commerce, Service Employees International Union and the nation's largest Hispanic civil rights group behind a unified lobbying effort to get a law passed before the politics of the 2008 presidential campaign make a compromise on the contentious issue unworkable."

WPost Criticizes Several Agencies Over Asylum Application Backlog. The Washington Post (1/20, A22, 690K), in an editorial, writes, "The Post's Spencer S. Hsu reported that U.S. Citizenship and Immigration Services, a successor to the much-maligned Immigration and Naturalization Service, is overwhelmed and has failed to pursue basic administrative and technical reforms . A recent congressional investigation revealed that immigration officers had lost track of 111,000 files. … Despite these difficulties, Homeland Security lists its progress on immigration services as an accomplishment of the past year, pointing out that it has eliminated its backlog of applications, which stood at 3.8 million in 2004. Not so the FBI, which checks the names of those applying for citizenship. … The FBI admits that 100,000 background checks have sat uncompleted for a year or longer." The Post concludes, "Citizenship and Immigration Services needs to cut its wait times by making a rapid transition to electronic forms and better organizing reform efforts. And the FBI must conduct background checks more efficiently. The roughly 6,000 disabled asylum seekers who, the lawsuit alleges, lost their benefits will be suffering in the meantime."

Bush's Comments On Potential Pardon For Border Agents Draw Scrutiny. The New York Times (1/20, A12, Swarns, 1.16M) reports President Bush "waded this week into the furor surrounding two former border patrol agents who were each convicted and sentenced to more than a decade in prison in the shooting of a suspected Mexican drug dealer in Texas. The case has become something of a cause among some advocates for tougher border security, who argue that the agents should be pardoned because they were doing their jobs in 2005 when they fired on the man, an assertion that has been contested by the federal prosecutors overseeing the case." Bush was asked this week whether he would consider a pardon for the two former agents, Ignacio

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Ramos and Jose Alonso Compean. Bush said, "There are standards that need to be met in law enforcement, and according to a jury of their peers, these officers violated some standards. On this case, people need to take a hard look at the facts, at the evidence that the jury looked at, as well as a judge. And that's -- I will do the same thing." According to the Times, "Some interpreted Mr. Bush's remarks to imply that he would consider a pardon for the two men." However, DOJ officials "said on Friday that the two men were ineligible for consideration of a pardon at this time."

Hunter Introduces Congressional Pardon Legislation For Agents. The Washington Times (1/20, Seper, 88K) reports Rep. Duncan Hunter "has introduced legislation calling for a congressional pardon for two U.S. Border Patrol agents sent to prison this week for shooting a suspected drug smuggler in the buttocks as he fled back into Mexico." Hunter "also asked that pending any legislative action…that the two agents…be segregated from the general prison population to ensure their safety."

TAX:

Florida City Commissioner Resigns Ahead Of Tax Evasion Indictment. The South Florida Sun-Sentinel (1/20, Franceschina, Othón) reported West Palm Beach Commissioner James Exline "resigned his seat Friday and will be charged with a single count of tax evasion in coming weeks, his attorney said." Defense lawyer Robert Gershman said that Exline "has been cooperating with law enforcement officials for several months and will not face further charges." The Sun-Sentinel noted, "Exline is the second city commissioner to resign under a cloud in the past year, and his departure is sure to fuel the distrust residents have expressed in recent months. Former Commissioner Ray Liberti, 60, pleaded guilty in May to federal charges of mail fraud and obstruction of justice in a case that triggered the wider corruption investigation."

The Palm Beach Post (1/20, Collins) reported that in a Friday interview with the paper, Exline "said he approached federal prosecutors about the unpaid taxes in June. He said he offered to resign on the spot, but the authorities wanted him to stay in his post while he cooperated with them. 'Jim has made himself available to state and federal investigators for any questions they had,' … He added, 'It was not only limited to the recent headlines,' referring to the public corruption cases that have engulfed Palm Beach County since May."

Palm Beach Post Praises Federal Investigation. The Palm Beach Post (1/20) editorialized, "The unprecedented level of government scandal in Palm Beach County went higher Friday with the forced resignation of West Palm Beach City Commissioner Jim Exline, who faces a federal tax evasion charge over an alleged $60,000 in unreported income from 2004. … Federal investigators, including the FBI, also have forced the resignation of ex-County Commissioner Tony Masilotti, who last week pleaded guilty to a corruption charge stemming from a series of land deals in Martin County." The Post added, "Clearly, federal investigators have no shortage of leads to follow in Palm Beach County. The longer they go after criminal activity by public officials, the better it will be for the public."

DOJ Sues Michigan Tax Preparer. The Kalamazoo Gazette (MI) (1/20, Parikh) reports, "Portage resident Donald A. Gray is being sued by the U.S. Department of Justice for allegedly filing false income-tax returns on behalf of clients, resulting so far in an estimated $1.5 million in tax losses. … Justice department spokesman Andrew Ames said he did not know how many returns that may involve." The Gazette continues, "Gray is among four Michigan men being sued by the justice department for allegedly filing false income-tax returns for clients. The lawsuits seek to prevent the four men from filing more income-tax returns. … Gray, who lists himself as a certified public accountant in the telephone book, did not return phone calls Friday from the Kalamazoo Gazette seeking comment. The lawsuit against Gray was filed Jan. 16 in U.S. District Court for the Western District of Michigan in Grand Rapids. … It alleges that, 'Since 2004, Gray has been preparing false federal income-tax returns and related forms for customers to fraudulently under-report their income. On the returns he prepares for customers, Gray falsely states that he is a licensed CPA.'" The Gazette adds, "The lawsuit said Gray either 'falsely reports that his customer received no income or Gray substantially under-reports his customer's income, and fraudulently claims a refund of all federal taxes withheld from his customer's wages.' … There was no immediate word on what would happen to, or what should be done by, individuals whose tax returns were prepared in such a manner. … According to documents, the other area men identified by the Department of Justice as having committed tax fraud are: Charles Conces, of Battle Creek; Peter Eric Hendrickson, of Commerce Township; and Robert L. Mosher, of Cedar Springs. … Justice department officials charge in the lawsuit that Gray is following a scheme promoted by Hendrickson who operates a Web site called losthorizons.com."

SCOTUS To Hear Tax Authority Case. The AP (1/20, Sherman) reports, "Foreign countries fighting New York City's effort to collect property taxes will get the chance to make their case to the Supreme Court." The AP continues, "The justices said Friday they will review a lower court ruling allowing the city to sue countries that own property near the

United Nations over unpaid taxes." The AP adds, "The city has battled over property taxes for years with countries that house their consulates and diplomatic missions in Manhattan skyscrapers. … Under U.S. treaties, embassies and other diplomatic buildings are generally tax-exempt, but the city claims some countries are refusing to pay taxes on real estate used for non-diplomatic purposes, such as restaurants and apartments. … Two countries sued by the city, India and Mongolia, had argued that sovereign immunity meant they couldn't be sued in U.S. courts." The AP notes, "The 2nd U.S. Circuit Court of Appeals ruled last April, affirming a lower-court decision, that federal courts have the power to resolve such disputes. … The city is seeking $16.4 million in unpaid taxes and interest from India and $2.1 million from Mongolia, the Justice Department said in legal papers filed in support of the foreign governments."

IRS May Widen Municipal Investment Contract Fee Probe. Bloomberg (1/20, Preston) reports, "The Internal Revenue Service may widen its examination of municipal bond reinvestment practices amid a U.S. criminal probe of whether financial firms rigged bids on investment contracts bought by local governments, the head of the agency's tax-exempt bond enforcement division said." Bloomberg continues, "The IRS, which has focused its scrutiny on investment contract fees related to housing and non-profit debt, may broaden the scope of its audits to other types of municipal bonds, said Clifford Gannett, director of the IRS's tax-exempt bond enforcement office, in comments yesterday in Washington at a meeting of the Government Finance Officers Association." Bloomberg adds, "IRS investigations have found that improper bidding practices by financial firms for investment contracts with local governments may have deprived the U.S. of money it was owed. The findings prompted the widest antitrust probe of the municipal bond market, where local governments have $2.3 trillion of debt outstanding. … 'We're going methodically, there could be more out there,' Gannett said." Bloomberg notes, "The Justice Department, in connection with the IRS and Securities and Exchange Commission, is investigating whether bankers and brokers conspired to fix prices on the contracts. U.S. prosecutors in November subpoenaed more than a dozen financial firms and seized documents from three brokers."

Short-Line Railroads Seek Extension Of Targeted Tax Break. The Wall Street Journal (1/20, A4, Matthews, 2.04M) reports, "The 400 small, often money-losing, railroads that connect isolated farm towns to major rail lines won a minor tax break from Congress in 2004 after strenuous lobbying -- only to see the Internal Revenue Service write rules last September that limited the subsidy so much it was almost worthless. But the short-line railroad industry, as it's known, is the little industry that could. It quietly got Congress at the end of last year to undo what the IRS had done. … Next stop for the short-line railroads: getting Congress to extend the $100 million annual tax break beyond its scheduled expiration at the end of this year."

CONGRESS-ADMINISTRATION:

Bush To Speak At Congressional Democrats' Conference. The New York Times (1/20, A9, Stolberg, 1.16M) reports President Bush "has accepted an invitation from House Democrats to travel to Williamsburg, Va., in February to speak at their annual issues conference, a move that might have been unthinkable a few short months ago, when Republicans ran Capitol Hill. Mr. Bush has addressed the Democratic retreat before, in 2001, the first year he was in office. … Bush's appearance is testimony to the changed climate on Capitol Hill, where Democrats have just pushed six major pieces of legislation through the House, on issues including student loans, Medicare prescription drugs and stem cell research, with some Republican support. A White House spokeswoman said Mr. Bush would deliver a speech to the Democrats and take five questions."

Several Conservatives Blame Bush For Country's "Disastrous" Predicament. The Washington Times (1/20, Pfeiffer, 88K), in an article titled, "Conservatives Slam Bush Policies," reports that, according to "several prominent conservatives" who participated in a panel discussion at the Free Congress Foundation, President Bush's "policies, including the Iraq war, have left the country in a 'disastrous' state. … The leaders' recommendations, covering economic, military and social policy, would be largely different from those implemented by the Bush administration. 'We disagree on a lot of things,' Rep. Duncan Hunter, California Republican, said of Mr. Bush. Mr. Hunter is seeking his party's 2008 presidential nomination on a platform of military expertise and a desire to confront China on economic and trade issues. 'We have a competition which is not free trade, it's not fair trade, it's rigged trade,' he said of the China's trade tariffs, which many critics argue have hurt American businesses. 'The state of the union is disastrous,' said William Lind, president of the foundation's Center for Cultural Conservatism. 'We are fighting and losing two wars, in Iraq and Afghanistan.'" Former presidential candidate and conservative Christian activist Gary Bauer "was critical of Mr. Bush for what he described as the president's failure to more deeply inspire Americans after September 11."

"Energy, Immigration And Iran" Expected To Be Keys Of State Of The Union Address. The Wall Street Journal's Gerald Seib (1/20, A2) writes, "President

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Bush's last few State of the Union addresses have run at about 5,000 words each. … the White House suggests this one might be a bit shorter. Here's a way to cut through the verbiage even more. Listen especially closely for just three words: energy, immigration and Iran."

Salazar Gives Democrats' SOTU Preview Address. The Denver Post (1/20, Mulkern, 256K) reports, "The Democratic-controlled Congress in upcoming months will focus on immigration reform, improving access to college, lowering gas and prescription drug prices, and changing direction in Iraq, Colorado's Ken Salazar said today in his preview address to the State of the Union." Salazar "gave the speech today in both English and Spanish, the first time that has occurred."

Mondale Criticizes Administration, Says Cheney Has "Stepped Across The Line." During a joint appearance with ex-President Carter on CNN's The Situation Room (1/19, Blitzer), former vice president Walter Mondale said that during "our four years…I'm absolutely positive we told the truth, we obeyed the law, and we kept the peace. … We now have an Administration that stumbled over these values, and is having its own great difficulties trying to sustain public leadership, in part because of things they said that got us into this war. They surely have been contemptuous of enforcing the law. And they have dumped, basically, the whole foreign intelligence surveillance system. … And it seemed, for a while, they just recklessly wanted to get involved in international military conflicts. And I think it's been at great cost to our country."

On Vice President Cheney's role, Mondale said, "Carter is credited by all historians, I think, for having established a unique, new relationship with his vice president. … I was involved as an adviser and worked for the president in many, many different ways. And I think future vice presidents have all followed that example, including the Cheney example. But I think one of the problems now is that this vice president, the current vice president, seems to have stepped across the line that we thought was important in our time. … I tried to work as a representative of the president. I didn't go around volunteering my own policies. … This vice president, see, is troubling to me, because, time and time again, we have seen the establishment, for example, of almost a parallel National Security Council, the involvement of the vice president in trying to pressure, influence the kind of information that flows to the top and up to the presidency." The AP (1/19, Yee) and UPI (1/19) cover Mondale's remarks on Cheney.

Senate Provision On Lobbyists' "Bundling" Would Alter Fundraising Practices. The New York Times (1/20, A1, Kirkpatrick, 1.16M), in a front-page article, reports, "Of all the new rules passed in Congress's recent ethics overhauls, the most sweeping is a barely debated provision in a Senate bill passed Thursday night that could alter one of the most time-honored campaign fund-raising practices in Washington." The Senate "adopted a measure that, for the first time, would require registered lobbyists to disclose not only the limited money they can donate to candidates personally but also the tens or hundreds of thousands of dollars they raise from clients and friends and deliver as sheaves of checks — a tradition known as bundling." The Times notes, "House passage is far from assured, and its adoption by the Senate by a roll-call vote of 96 to 2 followed some backroom resistance among senators in both parties to allowing the idea to come up for a vote at all. … On Jan. 12, before the details of the proposal had been disclosed, Senator Charles E. Schumer, the New York Democrat in charge of his party's fund-raising as head of the senatorial campaign committee, used a run-in on the Senate floor to deliver an angry rebuke to the disclosure idea's lead sponsor, Senator Barack Obama, Democrat of Illinois, several people present or briefed on the confrontation said. In a subsequent conversation, Mr. Schumer said he worried that the proposal could cramp fund-raising by placing an undue burden on potential bundlers."

Senate Approves Tariff Suspension Transparency Measure. The Washington Post (1/20, A6, Stephens, 690K) reports the Senate "joined the House this week by voting to make it easier for the public to track a stealthy form of trade legislation that has delivered hundreds of millions of dollars in tax savings to favored corporations. As part of a broad ethics overhaul, the Senate voted 96 to 2 on Thursday to require lawmakers to publicly disclose details about tariff suspensions, which allow individual companies to escape paying import taxes on a range of products brought into the United States. The legislation would brand the tariff measures as a type of congressional earmark and would require the same disclosures now mandated for earmarks."

Reid Drops Opposition To Spousal Lobbying Provision. The Washington Post (1/20, A6, Solomon, 690K) reports, "For much of the past week, the prospects for a ban on lobbying by Senate spouses were uncertain. Senate Democratic Leader Harry M. Reid wanted an exemption that excluded current spouses who already are registered to lobby. … But Thursday night, as the Senate enacted its ethics package, Reid dropped his insistence on a grandfather clause and agreed to an amendment sponsored by Sen. David Vitter. Vitter's amendment bans spouses from lobbying the Senate unless they were registered to lobby for at least one year before their husband or wife was elected. It was approved by unanimous consent." The Post notes, "Neither chamber's ethics package deals with brothers, sisters or adult children of lawmakers who might lobby."

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Many Common Perks Survived Democrats' Ethics Reforms. The Washington Post (1/20, A1, Solomon, 690K), in a front-page article titled, "New Rules Still Allow Congress Many Perks," reports, "On the Monday that was supposed to start the new Congress's first five-day workweek, Minority Leader John A. Boehner helped persuade his Democratic colleagues to give House members the day off. The Ohio Republican had his reasons. He was going to see Ohio State compete in the national championship football game in Arizona. Boehner had tickets for the stadium's nosebleed section. Then, Boehner's office said, Rupert Murdoch's News Corp. offered him a bird's-eye seat in one of the company's skyboxes. In the skybox, Boehner mingled with lobbyists for the media giant." Legislators "can still go to widely attended events or campaign events and accept freebies such as meals. Nonprofit organizations and universities can still provide lawmakers free travel in many cases. And lawmakers can still offer creative opportunities for special interests to meet with them -- for a price."

WPost, NYTimes Praise Senate's Ethics Reform Package. The Washington Post (1/20, A22, 690K) editorializes, "We've had our doubts about the commitment of Senate Majority Leader Harry M. Reid to a strong ethics bill; we've had our qualms about his conduct. But Mr. Reid, along with Sens. Russell Feingold and Barack Obama deserves credit for assembling and passing this package. Whether Minority Leader Mitch McConnell was trying to sabotage passage of the bill when he temporarily blocked a move to end debate, as reformers contend, or whether he was simply trying to demonstrate to the new majority that Senate Republicans can't be muscled aside, what matters is that the measure passed 96 to 2." The New York Times (1/20, A10, 1.16M) editorializes, "The Senate has finally passed credible reforms of its shabby ethics code, reining in lawmakers' more egregious quid pro quo dealings with their fund-raising cohorts in the lobbying industry. The Republican minority had second thoughts about how its transparently obstructionist tactics would look to constituents. And an overwhelming majority then approved the first serious anticorruption strictures since the Watergate era."

Johnson's Condition Continues To Improve. The New York Times/AP (1/20, A12) reports Sen. Tim Johnson "is taking part in three hours of physical, occupational and speech therapy every day, and his tracheotomy tube has been removed, doctors at George Washington University Hospital said. … He is doing strengthening exercises to gain mobility on his right side, said Dr. Philip Marion, head of rehabilitation at the hospital."

Democrats' "100-Hour Agenda" Complete. The Washington Post/AP (1/20, A6) reports, "Democrats completed their six-bill, 100-hour legislative agenda Thursday night," with House Speaker Nancy Pelosi "proclaiming, 'This was only the beginning.' The last of the 'Six for '06' bills that Democrats promised voters in the fall passed about 87 hours after the 110th Congress opened Jan. 4. The Democrats' clock, which counted only the time spent directly on the six bills, showed that 42 hours and 15 minutes had elapsed when the roll call ended on the last bill, energy legislation that would reimpose billions in fees, royalties and taxes on the oil industry."

House Unanimously Approves Page Program Overhaul. The Washington Post/AP (1/20, A6, Press) reports the House "unanimously voted to overhaul the board supervising its teenage pages, responding to a scandal that helped Democrats win control of Congress. The vote was 416 to 0 to expand the membership of the House Page Board, whose Republican chairman never told two board colleagues that he had been warned that then-Rep. Mark Foley (R-Fla.) was a 'ticking time bomb.'" The Hill's Web site (1/19, Marre) reports, "Now, the board will include a second member of the minority, a parent of a current or former page, and a former page. The former page on the board can be neither a member of Congress nor the parent of a page." The Los Angeles Times (1/20, Neuman, 850K) reports the House Ethics Committee "investigated the Foley case and released its findings in December. … The ethics panel found 'a significant number of instances where members, officers or employees failed to exercise appropriate diligence and oversight.'"

Hoyer Seeks To Give DC Delegate A Vote On Amendments. The Washington Post (1/20, B1, Sheridan, 690K) reports House majority leader Rep. Steny Hoyer "announced yesterday the party will introduce a measure next week that would allow D.C. Del. Eleanor Holmes Norton to vote on amendments on the floor of the chamber. The D.C. delegate is allowed to vote only in House committees." Norton "said yesterday that she was grateful for Hoyer's move but that it wasn't enough and could even confuse supporters of broader voting powers for the District." The Washington Times (1/20, A1, Emerling, 88K) reports a "voting rights bill -- originally introduced in May by Mrs. Norton and Rep. Thomas M. Davis III, Virginia Republican -- would give one vote to the District, which is predominantly Democratic, and another to Utah, a mostly Republican state."

Perry Meets With Democrats In Texas Congressional Delegation. The Houston Chronicle (1/20, Mittelstadt, 530K) reports Gov. Rick Perry "and Texas' 13 U.S. House Democrats sought to bury the hatchet Friday after years of chilly relations and mistrust aggravated by the

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redistricting battle that forced five Democrats from Congress in 2004. Perry slipped quietly onto Capitol Hill for a breakfast meeting with the Texas Democrats, a first-of-its-kind summit that was not listed on his public schedule or mentioned beforehand by the congressional offices. The Democrats emerged saying they had a chance to air their gripes with Perry and brief him on legislative priorities that could benefit from teamwork."

NIH Official Claims Bush Stem Cell Policy Hampers Research. The Washington Post (1/20, A4, Weiss, 690K) reports Story Landis, director of the NIH's National Institute of Neurological Disorders and Stroke and interim chair of the agency's stem cell task force, "suggested that the controversial program is delaying cures, an unusually blunt assessment for an executive branch official." In prepared Senate testimony, Landis "closely mirrored previous testimony from other NIH officials, who have for years been careful not to criticize the Bush policy directly, even though that policy has infuriated many scientists because of the limits it places on embryo cell work. But under questioning, Landis spoke more plainly. When Sen. Edward Kennedy asked her how the policy was affecting medical research, she said, 'We are missing out on possible breakthroughs.' The ability to work on newly derived stem cell colonies -- precluded from federal funding under the Bush plan -- 'would be incredibly important,' she added."

Dowd Notes Bush's Reading Material Includes "Flashman" Books. The New York Times' Maureen Dowd (1/20, A11) writes, "In our continuing odyssey of discovery through the president's reading list, we learned that he perused two of George MacDonald Fraser's Flashman books, 'Flashman at the Charge' and 'Flash for Freedom.' There are those who are skeptical of the president's souped-up reading list, a result of a book-reading contest with Karl Rove." Dowd goes on to describe a conversation she had with Frasier concerning Afghanistan.

NYTimes Columnist Mocks HHS Population Affairs Official. New York Times guest columnist Stacy Schiff (1/20, A11) writes, "How to get a job in Washington, that balmy, bipartisan town: Direct an organization that opposes contraception on the grounds that it is 'demeaning to women.' Compare premarital sex to heroin addiction. Advertise a link between breast cancer and abortion — a link that was refuted in 1997. Rant against sex ed. And hatch a loony theory about hormones. You're a shoo-in, and if your name is Eric Keroack you're in your second month as deputy assistant secretary for population affairs at the Department of Health and Human Services."

SMU Professor Explains His Support For Bush Library. In an op-ed for the New York Times (1/20, A11, 1.16M) James F. Hollifield, a professor of political science and the director of the Tower Center for Political Studies at Southern Methodist University, writes, "When I was a graduate student at Duke in 1981, the university was faced with a difficult decision: Should it accept the papers of its law school alumnus, Richard M. Nixon, and build a library and museum named for one of the most controversial presidents in American history. … At the time I had the luxury of watching this drama unfold from the sidelines. Today I do not. As the director of a center for political studies at Southern Methodist University, I was invited to sit on an academic planning committee for the George W. Bush presidential library. By agreeing to serve on this committee, I took a stand in favor of Southern Methodist University's bid for the library, in part because I think Duke made a mistake in not accepting the Nixon library. George W. Bush…is a controversial president for difficult times. But we must put partisanship aside and strive for historical perspective. We must consider the importance of having presidential libraries to help generations of scholars understand the times in which we live, and to inform future policy debates."

In addition, Benjamin Hufbauer, a professor of art history at the University of Louisville, writes in the New York Times (1/20, A11, 1.16M), "Presidents are not required to have presidential libraries. Since Watergate, presidential records are not owned by each president but by the nation; a president could simply hand over his or her records to the National Archives. But if a president chooses to have a library, it is up to Congress, current and former presidents, host universities and the public to ensure that each library operates in the public interest."

OTHER NEWS:

Stock Markets Narrowly Mixed Friday. The New York Times/AP (1/20, C6) reports, "Shares closed narrowly mixed yesterday after profit reports and forecasts from companies like I.B.M. and General Electric left investors unimpressed." The Dow Jones Industrial Average "closed down 2.40 points, at 12,565.53," while the S&P 500 "rose 4.13 points, to 1,430.50, and the Nasdaq was up 8.10 points, at 2,451.31." The Wall Street Journal (1/20, B1, McKay, 2.04M) says that "after 25 record closes for the Dow Jones Industrial Average since Oct. 3, some Wall Street pros see the Dow's 8% rise since then as evidence that big-name stocks are best-suited to weather slowing U.S. economic growth. But despite a record in the just-completed week, the increments are getting smaller."

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Crude Oil Futures Post Biggest One-Day Gain Since October. The Wall Street Journal (1/20, B5, Farivar, Prezioso, 2.04M) reports energy futures "rallied sharply Friday as crude-oil futures posted their biggest one-day gain in nearly three months and natural gas futures reached a one-month high, boosted by forecasts of continued cold weather." The February crude contract in New York "settled $1.51 a barrel higher at $51.99 after trading as low as $50.12 in overnight trading. The gain was the biggest in both percentage and dollar terms since Oct. 25."

Dollar Changes Little Against Yen, Euro. The Wall Street Journal (1/20, B5, Molinski, 2.04M) says the dollar "was little changed against the yen and euro Friday," climbing to 121.49 yen, "just a few ticks below a four-year high of 121.60 yen that it reached earlier this past week. The euro briefly fell to as low as $1.2914."

Weak Dollar Barely Impacting US Trade Deficit. The New York Times (1/20, Porter, Landler, 1.16M) runs a front-page report on the weakness of the dollar and the growing trade deficit, saying that "shocking tourists into counting every penny, and getting Americans back home to spend less on costly imports, is part of what a weaker dollar is supposed to do to help pare America's outsize trade deficit, according to economic textbooks. But, so far, the dollar's slide has not helped enough. Although the dollar has lost a lot of ground against many of the world's major currencies," the US trade imbalance "has continued to rise, reaching $702 billion in the first 11 months of 2006, on track to easily outstrip the $717 billion of 2005 and set another record."

Martinez Takes Helm Of Republican National Committee. In a generally positive report, the Washington Post (1/20, A4, Murray, 690K) reports Sen. Mel Martinez, "who arrived in the United States as a teenage Cuban refugee, took his party's helm yesterday as general chairman of the Republican National Committee, vowing to reach out to minority voters and restore 'the principles that have made us great.'" Martinez "was handpicked for the job by President Bush, and his ascendance was not without controversy. A small group of conservative RNC members had announced their opposition" to Martinez "because they viewed him as overly tolerant of illegal immigration." But "to many Republicans, Martinez represented a fresh face for the party, a first-generation American whose background and congenial personality could widen GOP appeal to vast new voter groups." A less favorable take appears on the front page of the Washington Times (1/20, Hallow, 88K), which says Martinez was selected "despite some members' public objections and considerable private grumbling. … Some members said publicly and privately that the senator from Florida would make RNC fundraising more difficult because he supports what critics say is Mr. Bush's desire to grant amnesty to illegal aliens."

California May Move 2008 Presidential Primary To February 5. The Los Angeles Times (1/20, Rau, 850K) reports on its front page that "with Gov. Arnold Schwarzenegger's backing, state lawmakers from both parties are moving rapidly to make California a player in choosing the nation's next president by holding the state's primary four months earlier." Legislation introduced late this week would "change the 2008 presidential primary from June 3 to Feb. 5," the earliest date allowed by party rules. The new date would place California "right after four states that have secured the most privileged spots in January for their Democratic caucuses or primaries: Iowa (Jan. 14), Nevada (Jan. 19), New Hampshire (Jan. 22) and South Carolina (Jan. 29). The Republican calendar has Iowa and New Hampshire first, with the rest of the schedule in flux." The "huge cost of competing" in the nation's most populous state "would probably require all contenders to accelerate their fundraising and possibly give an edge to those candidates who have already amassed sizable war chests." In addition, "Republican moderates such as former New York Mayor Rudy Giuliani, who might face opposition in Southern states for their liberal views on social issues, could benefit from the change." Democratic National Committee member Robert Zimmerman said, "If California can succeed in moving up its primary, this truly is an earthquake in presidential national politics and the tremors will be felt through all 49 states."

Clinton, Giuliani Lead Most States In Latest Primary Polling. New state-level polls on the presidential nomination contests have been released from 10 states. The American Research Group released surveys from California, Florida, Illinois, Michigan, Missouri, New Mexico, North Carolina, and Pennsylvania, with 600 likely primary voters from each party surveyed in each state. Zogby surveyed 596 likely Democratic caucus-goers and 465 likely Republican caucus-goers in Iowa, while Strategic Vision surveyed 800 likely voters of each party in Georgia. On the Democratic side, Sen. Hillary Clinton leads in six states (California, Florida, Georgia, Michigan, Missouri, and Pennsylvania), John Edwards two (Iowa and North Carolina), Sen. Barack Obama one (Illinois), and Gov. Bill Richardson one (New Mexico). On the Republican side, Rudy Giuliani leads in nine states (California, Florida, Georgia, Illinois, Iowa, Michigan, New Mexico, North Carolina, and Pennsylvania), and Sen. John McCain one (Missouri). No candidate of either party reaches 40% in any state.

California. Democrats: Sen. Hillary Clinton 36%, Sen. Barack Obama 33%, John Edwards 6%, Sen. John Kerry 4%, Wesley Clark 2%, Sen. Joseph Biden 1%, Rep. Dennis

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Kucinich 1%, Gov. Bill Richardson 1%, Sen. Christopher Dodd 0%, Mike Gravel 0%, Tom Vilsack 0%, Other/Undecided 16%. Republicans: Rudy Giuliani 33%, Newt Gingrich 19%, Sen. John McCain 18%, Sen. Chuck Hagel 5%, Mitt Romney 3%, Rep. Duncan Hunter 1%, Sen. Sam Brownback 0%, Jim Gilmore 0%, Mike Huckabee 0%, George Pataki 0%, Tommy Thompson 0%, Other/Undecided 22%.

Florida. Democrats: Clinton 30%, Obama 15%, Edwards 14%, Biden 6%, Kerry 3%, Clark 2%, Vilsack 2%, Dodd 1%, Kucinich 1%, Richardson 1%, Gravel 0%, Other/Undecided 26%. Republicans: Giuliani 30%, Gingrich 16%, McCain 15%, Hagel 2%, Romney 2%, Brownback 1%, Huckabee 1%, Pataki 1%, Gilmore 0%, Hunter 0%, Thompson 0%, Other/Undecided 32%.

Georgia. Democrats: Clinton 27%, Obama 20%, Edwards 15%, Al Gore 11%, Clark 4%, Kerry 3%, Biden 2%, Dodd 1%, Kucinich 1%, Gov. Ed Rendell 1%, Richardson 1%, Vilsack 1%, Undecided 13%. Republicans: Giuliani 27%, McCain 24%, Gingrich 12%, Romney 7%, Huckabee 3%, Brownback 2%, Tancredo 2%, Thompson 2%, Gilmore 1%, Hagel 1%, Hunter 1%, Pataki 1%, Undecided 18%.

Illinois. Democrats: Obama 36%, Clinton 30%, Edwards 5%, Biden 3%, Richardson 3%, Dodd 2%, Kerry 2%, Vilsack 2%, Clark 1%, Kucinich 1%, Gravel 0%, Other/Undecided 16%. Republicans: Giuliani 34%, McCain 24%, Romney 12%, Gingrich 8%, Brownback 4%, Thompson 4%, Hagel 3%, Hunter 1%, Gilmore 0%, Huckabee 0%, Pataki 0%, Other/Undecided 11%.

Iowa. Democrats: Edwards 27%, Obama 17%, Clinton 16%, Vilsack 16%, Biden 3%, Kerry 3%, Kucinich 1%, Richardson 1%, Not Sure 13%. Republicans: Giuliani 19%, McCain 17%, Gingrich 13%, Secretary of State Condoleezza Rice 9%, Romney 5%, Hagel 2%, Rep. Tom Tancredo 2%, Brownback 1%, Huckabee 1%, Pataki 1%, Thompson 1%, Not Sure 22%.

Michigan. Democrats: Clinton 30%, Obama 30%, Edwards 17%, Biden 2%, Clark 2%, Kucinich 2%, Dodd 1%, Kerry 1%, Gravel 0%, Richardson 0%, Vilsack 0%, Other/Undecided 14%. Republicans: Giuliani 34%, McCain 24%, Romney 10%, Gingrich 9%, Thompson 7%, Huckabee 2%, Brownback 0%, Gilmore 0%, Hagel 0%, Hunter 0%, Pataki 0%, Other/Undecided 14%.

Missouri. Democrats: Clinton 30%, Obama 18%, Edwards 17%, Vilsack 5%, Kerry 2%, Kucinich 2%, Richardson 2%, Clark 1%, Biden 0%, Dodd 0%, Gravel 0%, Other/Undecided 23%. Republicans: McCain 31%, Giuliani 18%, Gingrich 14%, Brownback 5%, Hagel 3%, Romney 2%, Thompson 2%, Huckabee 1%, Gilmore 0%, Hunter 0%, Pataki 0%, Other/Undecided 24%.

New Mexico. Democrats: Richardson 28%, Clinton 22%, Obama 17%, Edwards 12%, Clark 5%, Kucinich 3%, Biden 1%, Dodd 1%, Kerry 1%, Vilsack 1%, Gravel 0%, Other/Undecided 10%. Republicans: Giuliani 38%, McCain 20%, Gingrich 9%, Romney 7%, Hagel 6%, Brownback 4%, Pataki 1%, Gilmore 0%, Huckabee 0%, Hunter 0%, Thompson 0%, Other/Undecided 15%.

North Carolina. Democrats: Edwards 30%, Clinton 26%, Obama 19%, Clark 3%, Kucinich 3%, Dodd 2%, Richardson 2%, Biden 1%, Kerry 1%, Gravel 0%, Vilsack 0%, Other/Undecided 15%. Republicans: Giuliani 34%, McCain 26%, Gingrich 11%, Huckabee 4%, Hagel 2%, Romney 2%, Gilmore 1%, Brownback 0%, Hunter 0%, Pataki 0%, Thompson 0%, Other/Undecided 19%.

Pennsylvania. Democrats: Clinton 32%, Obama 13%, Edwards 12%, Biden 8%, Clark 6%, Dodd 2%, Kerry 2%, Kucinich 2%, Gravel 1%, Richardson 1%, Vilsack 1%, Other/Undecided 21%. Republicans: Giuliani 35%, McCain 25%, Gingrich 10%, Hagel 4%, Brownback 2%, Gilmore 1%, Huckabee 1%, Romney 1%, Hunter 0%, Pataki 0%, Thompson 0%, Other/Undecided 21%.

Conservatives Eye Early GOP Presidential Field With Dismay. The Los Angeles Times (1/20, Barabak, 850K) reports that "as conservatives survey the 2008 field -- and, particularly, the early Republican front-runners -- many are despairing," since Rudy Giuliani, Sen. John McCain, and Mitt Romney "have all broken with conservative orthodoxy at one time or another." The candidate "closest to the heart of social conservatives" is Sen. Sam Brownback, who "plans to formally launch his White House bid today with a speech in Topeka. But even those who admire Brownback, and especially his Senate leadership opposing abortion, same-sex marriage and stem-cell research, question the viability of his candidacy. … Sensing opportunity, several candidates with strong conservative credentials -- if not the name recognition or fundraising potential of a McCain, Giuliani or Romney -- are looking to enter the Republican race." They include Jim Gilmore, Newt Gingrich, Mike Huckabee, Tom Tancredo, and Tommy Thompson.

McCain Adds Three Bush Advertising Veterans To Campaign Team. The New York Times (1/20, A12, Times, 1.16M) reports Sen. John McCain "has enlisted strategists from President Bush's advertising team to work on the senator's nascent drive for the Republican presidential nomination," according to his exploratory committee. Fred Davis, Russ Schriefer, and Stuart Stevens are being brought on "as part of a continuing accumulation of campaign advisers." Schriefer and Stevens "helped produce some of the most hard-charging advertisements of Mr. Bush's 2000 and 2004 campaigns," including the 2004 spot showing

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Sen. John Kerry "saying that he did vote for an $87 billion war appropriation 'before I voted against it.'"

Richardson Expected To Announce Exploratory Committee Sunday. The AP (1/19, Pickler) reports Gov. Bill Richardson "intends to say Sunday that he is taking the first step toward the Democratic presidential nomination, several officials with knowledge of his plans said Friday." The AP says Richardson "is hoping his extensive resume will fuel an insurgent campaign to become the nation's first Hispanic president. He plans to announce Sunday that he will soon file the papers to create a presidential exploratory committee, the officials said."

Dodd "No Longer A Candidate" For Reelection To Senate In 2010. CQ Politics (1/19) reports Sen. Christopher Dodd, "through his counsel, has sent a letter to the Federal Election Commission stating he 'is no longer a candidate in the 2010 election for the United States Senate in Connecticut.' This letter helps set the stage for his Senate campaign committee, Friends of Chris Dodd, to declare it has excess funds and transfer the funds to his presidential campaign committee, Chris Dodd for President Inc."

Dodd "Confident" He Can Win Democratic Nomination. On MSNBC's Tucker (1/19, Carlson), Dodd discussed his presidential campaign, saying, "I'm confident I can be nominated and elected. And I think my ability to solve problems, the experience I bring to this, I'm going to make my case and the others will make theirs. But I think in the end, I'd be a strong candidate for our party. I think I could win the presidency and I think I can help lead this country back on track again."

Impact Of Politicians' Mormonism Examined. The Dallas Morning News (1/20, Weiss, 500K) runs a report on whether it matters to voters if a politician is a Mormon, like presidential hopeful Mitt Romney or Senate Majority Leader Harry Reid. The Morning News says "distinctively Mormon values could have policy implications on issues including abortion, welfare, gay marriage and the role of federal judges. In addition to Mr. Reid, four other senators and 10 U.S. House members identify themselves as Mormons." But "that's not to say that observant Mormons run in political lockstep any more than members of any other faith."

Rendell Advocating Healthcare System Overhaul. The New York Times (1/20, A9, Hamill, 1.16M) reports Pennsylvania Gov. Edward G. Rendell plans "not only to extend health insurance coverage to the state's 760,000 uninsured adults, but also to cut billions of dollars in heath care costs and ban smoking in restaurants, bars and workplaces. … Though Pennsylvania has one of the lowest uninsured rates in the nation — about 7 percent, compared with 20 percent in California — Mr. Rendell said the proposal was crucial because 'the system is near collapse.'"

Communities Turn To Adults-Only Housing To Combat School Taxes. The Washington Times (1/20, A1, Ivry, 88K) reports, "Educating a child in New Jersey costs an average of $12,567 a year, the most in the nation and more than double the property tax parents typically pay. So local governments have hit upon a way to expand the tax base without the expense of higher enrollment: age-restricted housing. New Jersey developers have responded by building an estimated one-fifth of the country's adults-only housing, making the state the leader in a national trend spurred by baby boomers seeking new homes after their children move out."

LATimes Notes Ruling On Maryland Anti-Wal-Mart Law. The Los Angeles Times (1/20, 850K) editorializes, "what do Johns Hopkins University, Northrop Grumman Corp., Giant Food Inc. and Wal-Mart have in common? Answer: They are the four biggest private employers in Maryland. Yet last January, when the Maryland General Assembly passed its Fair Share Health Care Fund Act, requiring companies with more than 10,000 Maryland employees to spend at least 8% of their total payroll on workers' health insurance costs, it did something interesting. Though all four qualified under the law, legislators ensured that only one — Wal-Mart, the super-villain of documentary films, watchdog websites and countless news investigations — would have to obey it. This week, the U.S. 4th Circuit Court of Appeals upheld an industry group's challenge to the Maryland law, saying that it is preempted by the 1974 ERISA Act. … Californians, who are digesting the opening course of Gov. Arnold Schwarzenegger's healthcare overhaul, should take a special interest in the outcome of this case."

Chinese Missile Test Sparks Talk Of New Cold War. All three networks reported on China's test of an anti-satellite missile. NBC Nightly News (1/19, lead story, 2:40, Williams, 9.87M) led with it, saying, "There is evidence tonight that two major powers on our planet earth, China and the United States, may be entering a new era and not one for the better. ... It was a first for China and the fear is that space could become a place for weapons." ABC World News (1/19, story 4, 2:30, Vargas, 8.78M) reported, "What might be considered a throwback to the Cold War, courtesy of China. It crossed a final military frontier this week, destroying a satellite in space with a land-based missile. Until now, only the US and the former Soviet Union had this capability." ABC (Karl): "Firing the missile from the mainland, 530 miles into space, where it collided with an inactive Chinese weather

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satellite. The collision sent tens of thousands of fragments hurtling through space. It sent a message to the United States. China is prepared to challenge America's dominance in space." The CBS Evening News (1/19, story 3, 0:30, Couric, 7.66M) reported, "Tonight the Bush Administration is complaining to China about a missile test it conducted last week, a test that's raising concerns about a possible arms race in space. ... The immediate concern is that a piece of space junk could damage one of the many communication satellites out there, but the concern is that China might be able to knock out American spy satellites."

In a front page analysis piece, the New York Times (1/20, A1, Kahn, 1.16M) says Beijing's use of a ballistic missile to destroy a satellite this week "signals that its rising military intends to contest American supremacy in space, a realm many [Chinese leaders] consider increasingly crucial to national security." The test "was perceived by East Asia experts as China's most provocative military action since it testfired missiles off the coast of Taiwan more than a decade ago. Unlike in the Taiwan exercise, the message this time was directed mainly at the United States, the sole superpower in space." Beijing's continued "silence on the test underscores how much its rapidly modernizing military — perhaps especially the Second Artillery forces, in charge of its ballistic missile program — remains isolated and secretive, answering only to President Hu Jintao, who heads the military as well as the ruling Communist Party." The Times adds that, "while China's research and development of such weapons has been well known, the apparent decision to test-fire an antisatellite weapon came as a surprise to many analysts."

The Los Angeles Times (1/20, Barnes, 850K) focuses on Administration efforts to get Beijing to "explain why it conducted" the test," noting that "U.S. officials are seeking talks with their Chinese counterparts. Though some experts are calling for an expanded dialogue, more hawkish observers say the U.S. needs to take a tougher line." The Financial Times (1/20) focuses on continuing diplomatic fallout from the test, reporting Beijing "denied provoking a space arms race following international condemnation of its successful test of an anti-satellite weapon." Washington, Tokyo, London and Canberra "criticised Beijing for testing an anti-satellite system without warning by destroying a weather satellite in space orbit with a ballistic missile. Japanese officials were among the first to react to the test."

The Times of London (1/20, Macartney, Beeston, Reid) notes Beijing "signalled yesterday that its first missile strike against an orbiting satellite was intended to force the US into talks aimed at abolishing weapons in space." The Times says China "faced an international chorus of protest against its test," and notes Chinese "officials insisted that they wanted space to be free of weapons." Those "reassurances failed to placate jittery Asian neighbours and Western powers, which fear that the surprise Chinese muscle-flexing is part of a campaign to raise its global military posture while raising the spectre of a space arms race."

A Financial Times (1/20, Dickie, Fidler, Sevastopulo) compilation of expert analysis says the test "is likely to carry a cost for Beijing. … It is sure to raise further US suspicions about Beijing's intentions, heightened by previous launches in the past three years." The test "appears to be the latest example of China surprising the US over the extent of its military capabilities." Beijing's actions are "likely to increase pressure from hawks in Washington for the US to spend more on the defence of its space assets," and "might include pressure to base defensive weapons in space." However, "the test is likely to bring calls from another direction too: that it is time for an international treaty to stop the use of space for military purposes."

More Commentary. In an editorial today, the New York Times (1/20, A10, 1.16M) says the test "spread alarm and consternation among space powers," and the "aggressive show of force puts a wide range of United States military and intelligence satellites at risk and holds the danger of starting an arms race in space." However, "the Bush administration's own bellicose attitudes — and adamant refusal to consider an arms control treaty for space — give it scant standing to chastise the Chinese. The administration needs to reverse course promptly and join in talks aimed at banning further tests or use of antisatellite weapons." Noting that the US, "with many more satellites in orbit than any other power and a military that has become increasingly dependent on satellites, has the most to lose from an unbridled space arms race," the Times concludes, "Some experts suggest that China's latest test is intended to prod the United States to join serious negotiations. The way to counter China or any other potentially belligerent space power is through an arms control treaty, not a new arms race in space."

The Financial Times (1/20) calls the test "an alarming exhibition of [China's] military muscle," and says it "may or may not lead to a new arms race in space. But it will certainly strengthen the hand of hawks in Washington who regard Chinese power as a strategic threat to the US." The Times further argues that the US-India nuclear cooperation agreement and a new Pentagon outlook on space power "may have rattled Beijing." Washington "is so dependent on satellites for surveillance, observation of the "battlespace", communications and defence against any incoming missiles (or son of Star Wars) that it has reason to feel alarmed." Noting US condemnation of the test, the Times concludes, "Ideally, that remark would translate into a realisation that hyperpower exceptionalism – America's sense of entitlement to rights it concedes to no ally, let alone competitor – comes at a cost. But the risk is that this episode will instead translate into a new surge of defence spending that will delight the

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arms industry but do nothing to enhance international security."

North Korea Claims "Agreement" With US On Key Issues. The Financial Times (1/20, Fifield) reports, "Efforts to make progress on the North Korean nuclear stand-off received a rare boost on Friday when Pyongyang said it had reached 'certain agreement' during discussions with US diplomats this week." Assistant Secretary Chris Hill "arrived in Seoul Friday and noted 'very useful discussions' had been held but said he did not know to what 'agreement' North Korea was referring." The Times adds that "the gulf between Washington and Pyongyang remains so wide that the mere fact they talked this week was viewed as a sign of progress." Hill and Kim Kye-Gwan "held unprecedented bilateral talks in Berlin this week to discuss their considerable differences in opinion over Pyongyang's nuclear ambitions," and Hill "reportedly offered Pyongyang a package of energy and economic aid and security guarantees if it agrees to abandon its nuclear weapons programme."

The AP (1/19, Herman) notes Pyongyang "said it reached an agreement with the U.S. during talks this week on its nuclear program, and [Hill] expressed optimism Friday that progress could be made when wider arms negotiations reconvene." Hill "said the talks laid the foundation for progress when six-nation nuclear negotiations resume and that he had agreed with his North Korean counterpart 'on a number of issues.' He declined to elaborate." However, the White House "played down talk of an agreement," with Deputy Press Secretary Dana Perino quoted saying, "I think it's premature to say there is an agreement — premature to say the least."

US Alleges UN Made "Unaccountable" Hard Currency Payments To Pyongyang. The AP (1/20, Lederer) reports USUN Deputy Ambassador Mark Wallace "accused" the UN Development Program "of funneling millions of dollars in cash aid to North Korean leader Kim Jong Il and questioned if the funds had been used for other activities including nuclear weapons development." Wallace "charged that the UNDP in North Korea operated 'in blatant violation of U.N. rules' for years. He demanded an immediate outside audit, focusing on concerns that Pyongyang converted development funds 'to its own illicit purposes.'" UNDP Associate Administrator Ad Melkert "disputed allegations that the agency violated U.N. rules, insisting it followed UNDP financial rules." The Financial Times (1/20, Turner) says Wallace's letter to the UNDP alleges that "lax controls in the UNDP may have led to millions of dollars of currency being funnelled to North Korea."

The Washington Times (1/20, A1, Pisik, 88K) adds UNDP "is under fire for sending millions of dollars to North Korea that it is unable to monitor" and has "announced new operating procedures in an attempt to stave off opposition from the United States." The US had "demanded a full audit of UNDP operations in North Korea" because it "fears some of the estimated tens of millions of dollars in the program that were exchanged through the country's central bank have been siphoned off by the regime to help make atomic bombs." The Los Angeles Times (1/20, Farley, 850K) notes "a series of internal audits by the accounting firm KPMG found lax controls and failure by international staffers to visit UNDP projects, raising questions about whether the U.N. funds were used as intended."

Both the New York Times (1/20, Hoge, 1.16M) and the Washington Post (1/20, A17, Lynch, 690K) focus their reporting on the UN response. The Times says Secretary-General Ban Ki-moon "called Friday for outside examination of all United Nations activities after a published report that the UNDP in North Korea was making unaccountable payments in hard currency to local staff members and the North Korean government." Ban's "prompt action, taken after a morning meeting with the program's associate administrator, Ad Melkert, appeared to be an effort to head off the kind of problems that his predecessor, Kofi Annan, faced after muddled United Nations responses to reports of scandals." USUN spokesman Richard Grenell is quoted saying, "We are very pleased with the new team's reaction." The Post says Ban "ordered a broad inquiry into the financial practices of most of the United Nations' chief relief agencies, after a U.S. charge that the world body was inadvertently channeling foreign currency into the hands of North Korea's rulers."

NYTimes Calls Sevan "Typical Product" Of "Dysfunctional" UN System. In an editorial, the New York Times (1/20, A10, 1.16M) says the indictment of long-time Oil for Food (OFF) administrator Benon Sevan "points to a continuing problem in the U.N. appointments system that Secretary General Ban Ki-moon needs to tackle without further delay." Sevan had a "decidedly mixed performance," and he "is a typical product of a system in which who you know and where you come from count far more than merit or vision." The Times says, when considering the OFF program, "there is plenty of blame to go round," including to Security Council members who "failed to monitor its administration diligently." The UN's "dysfunctional personnel system" has "multiple failings, of which this is only the best-known example," and Sevan's case "has badly hurt the United Nations' credibility and effectiveness and handed a ready stick to its many enemies." The Times concludes, "Mr. Ban has repeatedly talked about reforming this disastrous personnel system. But his early appointments show little sign of actually doing so. Mr. Sevan's indictment should be a reminder of why Mr. Ban needs to do better."

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Israel Releases $100 Million In Palestinian Receipts To Abbas. The Washington Post (1/20, A18, Wilson, 690K) reports Tel Aviv "released $100 million in tax revenue Friday to Palestinian [President] Mahmoud Abbas, fulfilling Prime Minister Ehud Olmert's pledge last month to do so." Olmert had agreed to the transfer "as a way of strengthening [Abbas'] position in a political struggle with the rival Hamas movement." The monies are "being transferred directly to accounts controlled by Abbas." The Post adds Tel Aviv "continues to hold more than $400 million in sales and customs revenue that it collects on behalf of the Palestinian Authority under an agreement reached as part of the 1993 Oslo accords."

The AP (1/19, Weizman) notes the funds release and Tel Aviv's reversal of "a contentious decision for a new West Bank settlement, strengthening the hand of [Abbas] ahead of crucial weekend talks in Damascus with his Hamas rivals." The AP adds, "The scheduled Abbas-Mashaal meeting would be their first in years. Abbas' Fatah and Hamas are bitter enemies — their efforts to form a unity government must overcome deep ideological and political divides." The New York Times (1/20, Myre, 1.16M) says the funds transfer is "part of a plan to bolster [Abbas] and keep money out of the hands of the Hamas government." The Los Angeles Times (1/20, Ellingwood, 850K) says the transfer "could help the Palestinian leader in his political standoff with Hamas."

Carter's Book Said To Ignore Holocaust. The Washington Post (1/20, A23, 690K), professor Deborah Lipstadt says President Carter's book, "Palestine: Peace Not Apartheid," "ignores a legacy of mistreatment, expulsion and murder committed against Jews," and "trivializes the murder of Israelis." The book "makes two fleeting references to the Holocaust." By "almost ignoring the Holocaust, Carter gives inadvertent comfort to those who deny its importance or even its historical reality, in part because it helps them deny Israel's right to exist." His "minimization of the Holocaust is compounded by his recent behavior," which includes, Lipstadt says, relying "on traditional anti-Semitic canards." Noting that "Carter reflexively fell back on this kind of innuendo about Jewish control of the media and government" in defending his work, Lipstadt concludes, "Others can enumerate the many factual errors in this book. A man who has done much good and who wants to bring peace has not only failed to move the process forward but has given refuge to scoundrels."

Political Rise, Motives Of Lebanon's Michel Aoun Detailed. In this week's "Saturday Profile," the New York Times (1/20, A4, Fattah, 1.16M) describes the life and current role of Lebanese General Michel Aoun. His leadership of the ongoing anti-government protests in Beirut "is just the latest in a decades-long series of political surprises and controversies that have made him a political wild card, breaking all the rules of Lebanese politics while charging the country's political debate." The Times says Aoun's backers see him as "a Lebanese de Gaulle seeking to unite a fractious country and rebuild trust in its institutions," while his critics believe "he is a divisive megalomaniac willing to stop at nothing to become Lebanon's president." Many Lebanese believe "Aoun has embraced a populist agenda for personal gain. The Times adds, "The irony of General Aoun, who has spent much of his life fighting Syrian domination of Lebanon, joining hands with Hezbollah, with its close ties to Syria, is not lost on his opponents, nor on followers in protests against the government. But such about-faces are nothing new to him."

Leading Turkish-Armenian Journalist Murdered. Major media report the assassination yesterday of Turkish-Armenian newspaper editor Hrant Dink. The Washington Post/AP (1/20, A15, Harvey) calls Dink "the most prominent voice of Turkey's shrinking Armenian community" and "a man who stood trial for speaking out against the mass killings of Armenians by Turks." The Post adds, "Just hours after a gunman shot the journalist twice in the head, thousands marched down the bustling street where he was slain, carrying posters of Dink and shouting slogans in favor of free expression. Prime Minister Recep Tayyip Erdogan twice addressed the country to condemn the killing and vowed to capture those responsible." Dink was convicted in October 2005 "of trying to influence the judiciary after his newspaper ran stories criticizing" Turkish laws forbidding anti-government or anti-Turkish reporting. He "was charming, soft-spoken and eloquent. He was respected and beloved by many Turks who disagreed with his views but admired his courage in stating them. He was hated by just as many."

The Financial Times (1/20, Boland) calls Dink "a prominent newspaper editor and leading figure in one of Turkey's most painful historical debates - the massacre of Armenians during the collapse of the Ottoman empire." His "murder could have serious repercussions for Turkey in Washington. Both houses of the US Congress are due to debate a motion in the next few weeks that would recognise the Armenian massacre as genocide. Turkey is fighting a rearguard diplomatic action to prevent this and the White House has indicated that it would not approve such a motion. But the atmosphere in which the debate takes place will be clouded by Friday's events." The Los Angeles Times (1/20, Wilkinson, Borg, 850K) says Dink's "slaying is likely to further darken Turkey's reputation for repressing critics of the government and for tightly controlling how its turbulent past is portrayed." State Department spokesman Tom Casey is quoted saying, "We certainly are concerned any time someone who has been very outspoken in their views is made to pay a price simply for their ability to speak their mind." The New York Times (1/20, Arsu, 1.16M) adds,

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"Reaction to the daylight shooting, both [domestically] and abroad, was swift and deep."

Somali Insurgents Step Up Attacks As AU Considers Peacekeeping Force. The New York Times (1/20, A5, Gettleman, 1.16M) reports, "Insurgents blasted Somalia's presidential palace with heavy explosives on Friday night, Somali officials said, but it appeared that no one was hurt. It was the first time since Somalia's transitional government took control of Mogadishu, the capital, three weeks ago that the palace had come under attack," and the Times notes that "insurgent attacks on Somalia's government forces seem to be intensifying." Also yesterday, African Union leaders "discussed a plan to send 7,700 African peacekeepers to Somalia for a six-month mission that would eventually be taken over by the United Nations. So far, only Uganda has stepped forward." In reporting on African Union planning for a force, the AP (1/20, Leuhaus) notes, "More than a decade after the U.S. and U.N. pulled failed peacekeeping missions out of Somalia, African governments are under growing pressure to mount a new intervention in one of the continent's most violent and unstable nations."

Top Blair Aide Arrested In "Widening" Honors Investigation. The Washington Post (1/20, A16, Jordan, 690K) reports UK "police on Friday arrested" Ruth Turner, director of government relations for UK Prime Minister Tony Blair, "as part of a continuing criminal investigation into whether his Labor Party traded seats in the House of Lords and other government honors for cash." Turner, who denied any wrongdoing and was released on bail, "is the fourth person arrested in the investigation concerning seats in the House of Lords, the upper house of Parliament. So far no one has been charged." Her "arrest brings the investigation closer to Blair and suggests police believe there has been an attempt to cover up information." The Post adds that, "because Blair is in office and once promised voters to be 'purer than pure' on issues of ethics, he is taking the brunt of the scandal and it has further eroded his standing, which is already suffering from his support of the deeply unpopular war in Iraq."

The New York Times (1/20, A5, Cowell, 1.16M) says Turner's arrest could be part of "a widening inquiry." Blair "has been embroiled in questions about campaign financing before the May 2005 national election." The Washington Times/AP (1/20) says Blair "has acknowledged some supporters who offered loans were later nominated for honors, but has insisted that he did nothing wrong."

Serbian Election Could Embolden Democrats. Under the headline, "Election Could Decide Serbia's Role In Europe," the New York Times (1/20, A5, Wood, 1.16M) notes many Serbs believe their "country has seen little change" since the fall of Slobodan Milosevic. "Serbia remains isolated from the European Union while most of its former Eastern bloc neighbors — Hungary to the north and most recently Romania and Bulgaria to the east — have become members." However, experts believe Sunday's parliamentary elections "will make a difference by uniting Serbia's notoriously divided democratic bloc and by preventing the ultranationalist Serbian Radical Party from consolidating its position as the largest group in Parliament." This vote's "timing is particularly crucial. The parties that form the next government will be faced with the possible loss of Kosovo." While "the ultranationalists are widely expected to receive the largest number of votes over all," The Times says "there has been a substantial amount of diplomatic and political pressure from abroad to encourage the Democratic Party and the Serbian Democratic Party to work together and seriously consider forming a coalition government."

Chavez Says Castro "Battling" To Recover. The Washington Times/AP (1/20) reports comments by Venezuelan President Hugo Chavez in Rio de Janeiro that Cuban President Fidel Castro "is 'battling for his life,'" saying he had spoken with Castro "for nearly half an hour several days ago." Chavez "compared Mr. Castro's attempt to recover from an unspecified medical condition to efforts in the 1950s, when Mr. Castro was a guerrilla in Cuba's eastern mountains fighting the government he would eventually overthrow." CNN.com (1/19) notes the Spanish newspaper El Pais "quoted unnamed medical sources saying Castro was in grave condition," saying "that Castro had suffered complications after three failed surgeries."

Mercosur Postpones Decision On Admitting Bolivia. The Financial Times (1/20, Lapper, Wheatley) reports Mercosur "was on Friday expected to delay a controversial decision on expansion that would have strengthened the influence of" Venezuelan President Hugo Chávez "within the five-member trading bloc." While Brazil "had supported moves to give full membership" to La Paz, that "proposal met with resistance from Argentina, as well as from the two smaller members of Mercosur, Uruguay and Paraguay, and has been put on hold pending the considerations of a working group which will meet over the next six to twelve months." The Times says the delay "has added to multiple strains within the group," and notes the "dispute" over admitting La Paz "is centred on proposed exemptions from the group's common external tariff regime."

Scholar Says Congress Must Consider Long-Term Implications Of Foreign Policy. Headlining his Los Angeles Times (1/20, 850K) op-ed, "Congress And

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Foreign Policy Don't Mix," George Weigel describes "the indignities" Secretary of State Condoleezza Rice "absorbed during her first appearance before the" SFRC. "The recent sound bites out of Congress, and the anti-surge resolution introduced in the Senate on Wednesday, may be comforting to Democratic partisans and Republicans who've bailed out on President Bush. And no doubt the administration made serious mistakes in Iraq after the major combat phase of the war ended. Yet one can make the case … that the November election led to genuine soul-searching in the executive branch." The Congress, however, "seems stuck on last fall's script." In fact, Weigel says, "modern history suggests that Congress is a particularly blunt — and not terribly effective — instrument for making foreign policy." Weigel concludes, "Congress can do better than this. This Congress must do better, given the magnitude and complexity of the issues involved in a multi-front contest with global jihadism that has nonmilitary as well as military dimensions."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"State Push For Early Primary Gains Traction."
"Cruise Industry Faces Dark Waters."
"Bagging May Increase Risk Of E. Coli."
"Anti-Spanking Stance Draws Ire."

New York Times:
"Draft Law Keeps Central Control Over Oil In Iraq."
"Senate Measure Puts Spotlight On Fund-Raising."
"21 Parishes Face Shutdown In New York."
"China Shows Assertiveness In Weapons Test."
"Trade Deficit Stubbornly Defies The Dollar's Slide."
"Leading Senator Assails President Over Iran Stance."
"Class Divide In Chinese-Americans' Charity."

Washington Post:
"High Court To Revisit Campaign Finance Law."
"Mexico's Doctors Urged To Stub Out."
"New Rules Still Allow Congress Many Perks."
"A Potential Pothole In Va. Roads Deal."
"Headmasters' Salaries On The Rise."
"Temporary 'Enjoyment Marriages' In Vogue Again With Some Iraqis."

Washington Times:
"Iraq Aiding U.S. Surge, General Says."
"RNC Elects Martinez As Head."
"Ney Will Serve 30 Months In Abramoff Hill Bribery."
"Towns Tame Taxes By Keeping Children Out."
"Embattled U.N. Agency Alters Aid To N. Korea."
"House Likely To Give Norton A Vote."
"Teen Magazine Strikes A Pose With Muslims."

Detroit Free Press:
"Lawyers, State Clash On Aid Plan For Abraham."
"Turning The Lights Off."
"From Blue Chip To The Bayou."
"Pistons Eject Wolves."

Atlanta Journal-Constitution:
"Lawyers: Man Cleared In '85 Rape."
"Aaron Heading For Home."
"Call-Girl Suspect Back In Grind."
"Six-Mile Stretch Opens Monday."
"Good Samaritan Dies."
"Sex Offender Pix Targeted."
"In Hindsight, Carter Gets Due."

Dallas Morning News:
"UP To Enforce Roommate Limit."
"Parole Of Dallas Man Now Up To Perry."
"Can Voters Picture Good Mormons As Good Leaders?"
"FB Will Revise, Not Scrap, Rent Ordinance."
"Baptists At Odds Over Removal Of Female Professor."
"UTD Says More Put At Risk Of ID Theft."
"Long-Ignored Dems Give Governor An Earful."

Houston Chronicle:
"Harris Must Pay $3.75 Million To In-Laws."
"T-Mac Says He's Ready To Play Against Denver."
"Lopez: Smart Money Will Be Bet On Beckham."
"Deputy Constables Shoot Man Who Charged Them."
"Draft Law Would Give Oil Powers To Baghdad."
"Farmers Branch May Redo Immigrant Rental Ban."
"Perry Builds Bridges With Texas Democrats In D.C."
"New Dollar Coin To Debut In Houston, Chicago."
"Ship Channel Cancer Study Spurs Two Bills."
"Educator-Astronaut Set To Inspire From Space."
"Houston Teen Robyn Troup Goes For Grammy Goal."

Story Lineup From Last Night's Network News:
ABC: Surge Of Troops In Iraq; Civilian Death In Iraq; Weddings Amid Violence In Iraq; China Launches Missile Into Space; Deadly Storm In Europe; Abuse By Debt Collectors Reported; Ney Sentenced To Federal Prison; Utah Residents Focus On Global Warming.
CBS: Midwestern Winter Storm; European Winter Storm; Bush Administration Reacts To Chinese Missile Launch; Violence In Iraq; Civilian Killed In Iraq.
NBC: China Launches Missile Into Space; Pelosi Calls Bush's Iraq Policy A "Tragedy"; Casey's Positive Troop Prediction- Iraq Analysis; Ney Sentenced To Federal Prison; Congressional Ethics Reform Bill; Deadly European Storm; Technology Helps Identify 9/11 Victims.

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WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — 10:30 a.m. President and Mrs. Bush depart The White House via Marine One. South Lawn.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: REPUBLICANS-WINTER MEETING _ The Republican National Committee holds its 2007 Winter Meeting. Highlights: 8:30 a.m. - 10 a.m. Closing breakfast with White House press secretary Tony Snow. Constitution Ballroom. Location: Grand Hyatt Hotel, 1000 H St. NW. Contacts: Tracey Schmitt, 202-863-8614

FUTURE CITY COMPETITION _ The Washington DC regional Future City Competition will be held with local student engineers. Location: University of the District of Columbia, Van Ness Campus, UDC Firebird Inn Building, 38 B-Level, 4200 Connecticut Ave. NW. Contacts: Donald Lehr, 212-967-8200

O'CONNOR CONFERENCE _ The eighth annual Cardinal O'Connor Conference on Life will be held at Georgetown University. The event gathers more than 500 high school and college students from around the country in advance of the annual March for Life demonstration on the National Mall each January. Location: Healy Hall's Gaston Auditorium, Georgetown University. Contacts: Bridget Bowes, 412-965-4993

ROE V. WADE ANNIVERSARY EVENTS Highlights: 9 a.m. Demonstration. Planned Parenthood, 1108 16th St. NW. Contact: Amber Dolle, 540-903-9572. 10:30 a.m. The American Life League holds a memorial march. L St NW., to Connecticut Ave., to Dupont Circle, to Massachusetts Ave. to Union Station. Contact: Amber Dolle, 540-903-9572. 7 p.m. Rock for Life concert. Holiday Inn on Capitol Hill. 7 p.m. First session of the March for Life Convention. Hyatt Regency Hotel on Capitol Hill, 400 New Jersey Ave. NW. Contact: 202-543-3377.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SATURDAY, JANUARY 20, 2007 7:45 AM EST**

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TERRORISM NEWS:

Gonzales Says Bush Can Protect Country Under "Parameters Of The FISA Statute."

Attorney General Alberto Gonzales discussed the Bush Administration's stance on domestic eavesdropping on PBS' NewsHour (1/19, Suarez), saying, "After the attacks of September 11, the President made a decision that we needed to do everything we could within the law and the Constitution to protect this country. He made the decision that we needed to engage in this kind of electronic surveillance on the enemy on a limited basis, exercising his authority under the Constitution. And, about two years ago, we began working to see whether or not -- was there another way to bring the program under the FISA court? … We worked very hard at trying to find a way to have this tool available to the President, but also fit within the parameters of the FISA statutes. And it wasn't until the very moment that the judge approved the application that we were convinced that, in fact, we could achieve that goal. … We now have provided an alternative way to protect this country, and therefore he's made the decision it's no longer necessary for the President to exercise his inherent constitutional authority, that he can continue to protect this country under the parameters of the FISA statute."

Administration's Shifting Legal Reasoning On Antiterrorism Measures Considered. The Los Angeles Times (1/20, Savage, 850K) reports, "In its legal war on terrorism, the Bush administration has proved itself undeterred by apparent setbacks. Faced with challenges involving spying, military tribunals and other anti-terrorism efforts it devised after Sept. 11, 2001, the administration has revised its legal rationales and shifted tactics a bit. But to a remarkable degree, it has continued on the same course as before — to the frustration of its many critics."

More Commentary. The Eugene (OR) Register-Guard (1/20) editorializes, "Congress should take a skeptical approach to the Bush administration's announcement that it is reversing course and allowing a secret federal court to oversee a controversial electronic surveillance program." The Register-Guard continues, "Such a warning shouldn't be necessary. Since 9/11, Congress has repeatedly been thwarted, marginalized, and circumvented by an administration that is intent on calling every shot in the war on terror - and that is indifferent to the system of checks and balances required by the Constitution." The Register-Guard adds, "It's tempting to applaud this change as a prudent and

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long-overdue move by a president who saw the light after last November's election. … Tempting. But unwise. … Congress should demand details and answers about the surveillance program - and do whatever is necessary to obtain them. Meanwhile, the question of the wiretap program's constitutionality should continue to make its way through the courts. A federal judge ordered a halt to the program last year, declaring it unconstitutional. The government's appeal is scheduled for argument in two weeks, raising a question of whether the administration's announcement was timed to influence the outcome of the case."

The Cape Cod (MA) Times (1/20) editorializes, "The exasperating thing about President Bush's plan was that it served no useful purpose. The FISA court process has been established for 25 years as the mechanism for sensitive surveillance matters. FISA court proceedings -- usually only one judge -- are not held in public, so no secrets are compromised. As in the much-maligned Patriot Act, there are prudent exceptions for those cases when speed is of the essence -- the warrant can catch up with the wiretaps at a later date. … The important thing is that the Constitution--- that American original -- once again acted as ballast to right the ship of state."

The Des Moines Register (1/20) editorializes, "The Bush administration's back flip on the National Security Agency's warrantless wiretaps is a breathtaking example of chutzpah. … One day the party line is that the president, under the authority of an act of Congress following 9/11, has unfettered power to spy on American citizens without oversight by Congress or the federal courts. Then, it is, 'Oh, never mind.'" The Register continues, "Actually, the first example of the administration's chutzpah was when it insisted the president could authorize secret searches of American citizens' private communications without a warrant from a court. As the founders understood based on their experience with the king's agents, no government should have the right to conduct random searches, without court supervision under the authority of Congress. That fundamental separation-of-powers framework, the foundation of our constitutional government, was arrogantly dismissed by the Bush administration in its wiretaps program. … Could it be the administration saw that it was headed for a Supreme Court reversal and decided to pull the plug?" The Register concludes, "Either way, it is not entirely clear that with this change the administration is truly showing respect for the Fourth Amendment. The Justice Department has refused to release details of the order by the FISA court - even though the court's chief judge said in a letter to the Senate that she had no objections to releasing the order. … Congress should continue to press the administration for details of the FISA court process, and it should insist on having oversight of any NSA spying on American citizens."

Inventors Compete For Antiterrorism Grant. The Washington Post (1/20, B1, Wan, 690K) reports, "yesterday, officials unveiled the latest development in the country's war on terror: an American Idol-style contest for homeland security inventors. Six finalists. One stage. Ten minutes each to win the hearts of the judges and walk away with $50,000. Or perhaps more important, a phone call from one of the defense contractors sitting in the audience. Among the contestants: A Russian scientist with his biological weapons detector. … A team from Boston with a 300-degree steel furnace capable of killing biological threats. … A former Ohio police officer, frustrated with law enforcement's unwieldy Web networks and offering a way to fix them. … An inventor from Atlanta with an X-ray device able to detect everything from a vial of cocaine to nuclear waste. … And the hometown favorite, the Baltimore creators of a virtual reality helmet with 180-degree peripheral vision, for military and disaster-response training."

HOMELAND RESPONSE:

California Man Pleads Guilty To Terror Threat Hoax. The Los Angeles Times (1/20) reported, "An Ontario man who falsely told the FBI that he overheard a co-worker talking about a terrorist attack that would 'knock L.A. off the Earth' could face five years in prison. In a plea deal with prosecutors announced Friday, Dennis Leon Kolupski, 54, admitted that three weeks before Sept. 11, 2005, he called FBI officials to say he had overheard a co-worker talking about the bombings in London and Madrid before stating that '9/11 is nothing like what will happen on 9/12.' Officials at the U.S. attorney's office in Los Angeles said Kolupski admitted that he never heard the person making threats and hoped his report would bring more scrutiny on the co-worker." Under the headline "FBI not amused by area man's terrorist plot 'tip'," the Ontario Daily Bulletin (1/20, Leveque) added that Kolupski "faces up to five years in federal prison after agreeing to plead guilty to providing false information to the FBI about his co-worker's non-existent terrorist plot. 'The world changed on 9/11 and this type of conduct is not allowable,' Assistant U.S. Attorney Richard Lee said." The AP (1/20) also reported on Kolupski's plea agreement.

Negroponte Addresses DNI Staff For Last Time. The Washington Post (1/20, A8, Pincus, 690K) reports, "The 'complex and demanding' process of restructuring the U.S. intelligence community is still 'a work in progress' after 22 months of effort, John D. Negroponte said yesterday in a farewell address wrapping up his tenure as the first director of national intelligence. Negroponte, who is leaving to become deputy secretary of state, spoke in the lobby of the modernistic Defense Intelligence Analysis Center at Bolling

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Air Force Base before 400 senior intelligence community officials and a portion of the 1,700 employees that make up the Office of the Director of National Intelligence."

CBP Works To Eliminate "No-Fly" List Misidentifications. The Washington Post (1/20, D1, Nakashima, Klein, 690K) reports, "Every time Kiernan O'Dwyer arrived at the airport after traveling overseas in recent years, he was flagged as a potential terrorist. But his uniform was a dead giveaway to his true identity: He is a veteran pilot for American Airlines. U.S. customs agents have stopped him about 80 times since 2003, apparently because his name and birth date nearly match those of an Irish Republican Army leader, one of at least 300,000 names on the U.S. government's watch lists. … The number of misidentifications is unknown, according to government auditors, but it has caused headaches for a cross-section of travelers, including nuns, infants and members of Congress. The U.S. Customs and Border Protection agency, under the jurisdiction of the Homeland Security Department, said it was trying to remedy the problem with a system to prevent unwarranted detentions on international flights. An agency official said in an interview that the system, launched in February 2006, has eliminated about 17,500 detentions involving people entering the country at airports, seaports and at land borders."

Spitzer, Corzine Seek Increased Federal Anti-Terrorism Aid. The New York Times (1/20, B3, Kocieniewski, 1.16M) reports, "Warning that it would be a 'grave mistake' to further reduce antiterrorism financing to the nation's busiest urban center, Govs. Eliot Spitzer of New York and Jon S. Corzine of New Jersey pressed the Bush administration on Friday for a substantial increase in federal money to improve security for the region's highways and mass transit lines. Appearing at a news conference in Hoboken Terminal that tens of thousands of commuters to Manhattan pass through each day, Mr. Spitzer and Mr. Corzine released a letter to the secretary of homeland security, Michael Chertoff, saying that their efforts to deter another terror attack had been set back by substantial cuts in financing for counterterrorism announced in June."

New US Rules Drive Demand For Canadian Passports. The Los Angeles Times (1/20, Farley, 850K) reports, "Canadians are scrambling to get passports before new U.S. rules go into effect Tuesday requiring all air travelers coming into the United States from Canada, Mexico and the Caribbean to carry one. Tourism officials here worry that the restrictions will deter Americans from coming north. … Travelers coming into the U.S. by land or sea will not need a passport until January 2008 and can still enter using a birth certificate, driver's license or border crossing card that shows citizenship. But beginning Tuesday, airline passengers coming into the U.S. will have to produce a passport."

Renewed Effort To Identify 9/11 Victims Underway. NBC Nightly News (1/19, story 7, Williams, 9.87M) reported, "More than five years now after the September 11 attacks on New York's World Trade Center and Ground Zero is still the scene of investigations and controversy to this day. … A stairway that is the last remaining vestige of the World Trade Center complex will be demolished under a plan. Preservationists and families of some of the victims want those stairs to stay right where they are because so many people used them to escape on that day. All of this against the backdrop of a renewed search for the remains at that site."

FEMA Extends Housing Assistance For Katrina, Rita Victims. The Washington Post (1/20, A2, Hsu, 690K) reports, "The U.S. government will extend housing aid through August for hundreds of thousands of Gulf Coast residents still displaced by hurricanes Katrina and Rita, officials said yesterday, acknowledging that wide swaths of New Orleans and parts of coastal Mississippi remain uninhabitable nearly 17 months after the 2005 storms. The Federal Emergency Management Agency said it would continue for six more months to pay for 130,000 households' trailers, mobile homes and apartments, aid that under federal law would have expired at the end of next month." The New York Times (1/20, A12, Eaton, 1.16M) reports, "The six-month extension, announced by Senator Mary L. Landrieu, Democrat of Louisiana, also applies to displaced families living in apartments paid for by FEMA."

WAR NEWS:

White House, Top Democrats Spar Over Iraq Strategy. NBC Nightly News (1/19, story 2, 2:00, Williams, 9.87M) reported, "So much for that new bipartisan spirit in Washington. Today the Speaker of the House said the President has dug himself into a hole in Iraq and called his policy a tragedy and a stark blunder. The White House fired back, calling the speaker's comments poisonous." House Speaker Nancy Pelosi: "The President knows that because the troops are in harm's way that we won't cut off the resources. That's why he's moving so quickly to put them in harm's way." NBC (Reid): "That brought a scathing response from the White House. Spokeswoman Dana Perino calling Pelosi's remarks, 'poisonous'." Reid: "Pelosi's office fired

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back, charging the White House with a 'selective and misleading quotation' of the interview."

The San Francisco Chronicle (1/20, A1, Epstein, 384K) reports, "The two top Democratic leaders of the new Congress blasted President Bush on his decision to send more troops to Iraq and warned him not to take military action against Iran without their approval, but they offered their bipartisan cooperation on domestic issues." Their "comments on Iraq…left little doubt that the debate over the war will overshadow everything else this year on Capitol Hill." The Los Angeles Times (1/20, Gerstenzang, 850K) reports that the exchange between Pelosi and the White House showcases "the difficulty the new Democratic leadership and the White House have faced in adhering to promises to stop the partisan quarreling that was common before the November election."

House Democrats Seek Accounting Of War Spending. The Washington Times (1/20, Hurt, Curl, 88K) reports, "Conservative House Democrats yesterday announced a plan to investigate the awarding of contracts in Iraq, as the White House and Speaker Nancy Pelosi sparred over President Bush's new war strategy." Pennsylvania Democrat Patrick Murphy "and the coalition Blue Dog Democrats drafted a resolution demanding a detailed accounting of where the $400 billion spent so far on the Iraq war has gone and where future expenditures will go. It also would require that future requests by the administration for war money go through Congress' normal budget channels as opposed to the special 'emergency supplemental' requests that bypass regular congressional appropriations."

Senate "Centrists" To Offer Iraq Proposal. The New York Times (1/20, A6, Hulse, Zeleny, 1.16M) reports Sen. John Warner "is drafting a proposal on Iraq policy with two Senate centrists in an effort to provide an outlet for lawmakers uneasy with President Bush's troop buildup but unwilling to back a toughly worded resolution opposing the new strategy. ... The emergence of a proposal embraced by Mr. Warner, an influential Republican leader on military issues, and other proposals circulating in the Senate showed there was no consensus yet." The Times adds, "The flurry of Iraq resolutions, coming from the political left, right and middle, raised the prospect of muddling the outcome of what Democratic leaders had hoped to keep a simple yes-or-no vote on Mr. Bush's plan." Warner's proposal is less "toughly worded" than one "by Senators Chuck Hagel, Republican of Nebraska, and Joseph R. Biden Jr. of Delaware and Carl Levin of Michigan, both Democrats."

Casey Sees Baghdad Surge Lasting Through Summer. Coverage of the coming troop surge in Iraq highlighted Gen. George Casey's prediction of a troop presence through summer. ABC World News (1/19, lead story, 2:40, Vargas, 8.78M) reported, "President Bush's plan to send 20,000 more US troops to secure the most violent parts of Iraq, has barely begun. Yet, already the top US commander in Iraq is talking about when those men and women could start coming home." Casey "said signs of progress would come within months of the troops' arrival. It is a level of optimism rarely seen in Iraq these days, and one that is essential, if any military and political campaign is to succeed." ABC (Raddatz): "The reason they can even think about a drawdown is that it looks like the Iraqi government is starting to cooperate. Today, the outgoing commander of US forces in Iraq said that by this summer, the US would start to consider whether to withdraw the now swelling number of troops now heading into Baghdad."

NBC Nightly News (1/19, story 3, 2:50, Williams, 9.87M) reported, "On the ground in Iraq today we heard the newest optimistic forecast for families who might be wondering when their loved ones in uniform will be coming home." Casey: "You're going to see some progress gradually over the next 60 to 90 days. Then I think it's going to be the summer, late summer before we get to the point where the people in Baghdad feel safe in their neighborhoods."

The Washington Post (1/20, A14, White, 690K) reports Casey "said that the primary focus of the additional U.S. forces will be to secure a violent Baghdad and that their mission, if it goes as planned, could last well into 2007. ... The president's plan has drawn ire from Democrats who see the November elections as a mandate to change course in Iraq." The Post continues, "The increased demand for U.S. troops in Iraq is likely to lead to an early, involuntary call-up late this year or early next year of about four Army National Guard combat brigades with 3,500 to 4,000 troops each, Pentagon officials said." The New York Times (1/20, A6, Cloud, 1.16M) reports that Casey "said that the Iraqi Prime Minister, Nuri Kamal al-Maliki, appeared to be carrying through on his side of the plan," even though "The three Iraqi brigades that Mr. Maliki promised have not yet arrived in Baghdad."

The Wall Street Journal (1/20, A4, Jaffe, 2.04M) writes that after Defense Secretary Robert Gates "went out of his way not to reveal his opinion on troop levels in his first weeks in office, he seems to have decided that the best way to stem surging violence in Iraq and Afghanistan for now is more U.S. troops." His statements "suggest that even if the additional troops don't produce quick results in the coming months, he will exercise patience." However, "If the strategy doesn't work, it isn't clear whether the administration has a backup plan." The Washington Times (1/20, A1, Sands, 88K) says Casey's "optimism comes amid a crescendo of opposition in Congress to Bush's decision to send more troops, with both the House and Senate planning votes condemn and possibly block the move." The Chicago Tribune/AP (1/20, Burns) also reports on Casey's comments.

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Dodd, Richardson Voice Opposition To Surge. Sen. Christopher Dodd said on MSNBC's Tucker (1/19, Carlson), "I think we can offer a scenario here that not only allows us to withdraw and to redeploy forces, but also to do what everyone agrees needs to be done, and that is create the space and insist that Iraqis deal with the political problems they've got on their hands, as well as invite the kind of regional support you're going to have to have to provide Iraq with a real opportunity to sort out its difficulties. What everyone seems to agree on is raising the numbers of troops on the ground there does not contribute to greater security."

Gov. Bill Richardson said on MSNBC (1/19, O'Donnell), "A surge of 20,000 more troops is going to breed more sectarian violence. There's civil war. The government is much too slow, the Iraqi government, in providing their own security, training their own people. I have very firmly said the troops should be withdrawn this year, redeployed. But any cutoff of funds should not affect the troops that are already in Iraq. We got to be careful to do that. But I do believe the Congress needs to exercise its constitutional responsibility and limit funding or put caps or take steps that stop this war."

Strassel Lauds Lieberman's Iraq Stance. In her Wall Street Journal (1/20, A11, 2.04M) column, Kimberly Strassel offers an admiring profile of Sen. Joseph Lieberman, whom she says is "at the center" of the Iraq debate, "spiritedly trying to hold back a bipartisan stampede out of Iraq that he believes will result in devastating consequences for that country, the region, and, most importantly, U.S. national security."

Top Al-Sadr Aide Arrested. Coverage of the arrest of Abdul Hadi al-Daraji discussed whether it meant serious progress against the Mahdi Army of Moqtada al-Sadr. The Washington Post (1/20, A15, Londono, 690K) reports, "U.S.-backed Iraqi forces arrested a top aide to anti-American Shiite cleric Moqtada al-Sadr in eastern Baghdad on Friday, amid growing signs of stepped-up efforts to quell Sadr and his supporters. ... Abdul Hadi al-Daraji, Sadr's media director in Baghdad, was arrested at his house in the neighborhood of Baladiyat, near the Mahdi Army stronghold of Sadr City, shortly after midnight, said Sadr spokesman Abdul Razak al-Nadawi. ... Iraqi Prime Minister Nouri al-Maliki, who has been pressured by the Bush administration to bring the Mahdi Army and other Shiite militias under control, was not forewarned about the arrest, said Ali Dabbagh, a spokesman for Maliki. Dabbagh said the prime minister was not notified about every impending high-profile arrest."

The CBS Evening News (1/19, story 4, 3:15, Couric, 7.66M) reported, "In Iraq today, US forces took direct aim at a militia run by Moqtada al-Sadr, swooping in and arresting one of his top aides. This is a major development and a major challenge for Iraqi Prime Minister Maliki." CBS (Logan): "We met with al-Darraji, a top aide to anti-American cleric Moqtada al-Sadr at his home in Sadr City last spring. In our interview, he blamed the US for the sectarian violence in Iraq. ... Sadr can't be please by this arrest, but so far he's not looking to confront US forces. ... what you're asking people in Baghdad to believe is that Maliki, a prime minister that many say takes his orders from the militias, is now going to act against Sadr and his militias and many people here just don't believe that."

The New York Times (1/20, A6, Tavernise, 1.16M) reports it as "the latest high-profile arrest of a Shiite militia member." Daraji "had been in hiding since the fall, when the military began actively pursuing members of Mr. Sadr's militia, the Mahdi Army, a central driver of sectarian violence here. The detention will be a test for the government of Prime Minister Nuri Kamal al-Maliki. Mr. Maliki has generally avoided confrontation with Mr. Sadr." The Times continues, "His involvement in crime became well known in the neighborhood and in recent months Mr. Sadr disavowed him, but some still consider him a top aide. ... In Sadr City, the arrest stirred some discontent, but not the mass protests that such an arrest would have provoked in past years."

The Financial Times (1/20, Negus) called the arrest "the latest in a series of signs that Prime Minister Nouri al-Maliki had authorised a crackdown on the radical Shia movement whose militias are blamed for a large share of the country's sectarian violence. The arrest coincided with the arrival of US Secretary of Defense Robert Gates in Basra in the south of the country." The Los Angeles Times (1/20, Roug, 850K) reports the arrest comes on the heels of the arrival of Secretary of Defense Robert M. Gates who "arrived in Iraq…in the southern city of Basra" where he met with numerous military commanders including Army General Casey who "suggested that some of the extra troops President Bush plans to send could start returning home by late summer." The AP (1/20, Gamel) reports, "The raid drew immediate criticism from the Iraqi government."

NBC's Arraf Describes Life In Baghdad. NBC Nightly News (1/19, story 3, 2:50, Williams, 9.87M) reported, "For more on what life is like these days in Iraq, we're joined here in our New York studios tonight by NBC news correspondent Jane Arraf, who reported full time from Iraq for eight years. ... what is life like on the streets there?" NBC (Arraf): "I guess the short answer is, it isn't entirely what it seems. We're really good at getting across the relentless bombing and the violence but it's really a lot harder for to us portray those spaces in between. ... Unless they're [Iraqis] in the middle of it, life looks amazingly normal." Williams: "We get asked all the time, where are the views of normal Iraqi families and where's the good news we know is going on there?" Arraf: "I worked under Saddam Hussein in Saddam's Iraq and this is harder now than it ever was then."

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Iran Accuses US Of "Illegal" Attack On "Consulate" In Iraq. The AP (1/20, Lederer) notes Tehran "charged in a letter to" UN Secretary-General Ban Ki-moon "that the United States illegally attacked its consulate in the northern Iraqi city of Irbil last week and demanded the immediate release of five detained Iranians." Deputy Iranian Ambassador Mehdi Danesh-Yazdi "strongly condemned the Jan. 11 raid and accused the U.S. of 'another flagrant violation of the basic principles of international law' and diplomatic conventions which bar attacks on diplomatic missions." US soldiers "also confiscated documents and other property," and Tehran "called for the immediate release of the five Iranians, the return of the property seized by U.S. forces and compensation for damages to the consulate."

Talabani Says Tehran Ready For Talks With US. The AP (1/19, Mroue) reports Iraqi President Jalal Talabani "said in remarks published Friday that the Iranians were ready to meet with the U.S. for talks about security issues — part of an apparent effort by Talabani to encourage a dialogue between two nations that are increasingly at odds, and vital to Iraq." His remarks "came amid escalating tensions between Washington and Tehran," and Talabani "described two failed efforts by U.S. and Iranian officials to hold secret talks last year." State Department deputy spokesman Tom Casey "said the U.S. is open to talks with Tehran."

Rockefeller Says Administration Rhetoric On Iran Reminiscent Of That On Iraq. The New York Times (1/20, A1, Mazzetti, 1.16M) reports, "The new chairman of the Senate Intelligence Committee on Friday sharply criticized the Bush administration's increasingly combative stance toward Iran, saying that White House efforts to portray it as a growing threat are uncomfortably reminiscent of rhetoric about Iraq before the American invasion of 2003." West Virginia Democrat Jay Rockefeller "said that the administration was building a case against Tehran even as American intelligence agencies still know little about either Iran's internal dynamics or its intentions in the Middle East" but "did not say which aspects of the Bush administration's case against Iran he thought were not supported by solid intelligence." His remarks "reflect the mounting concerns being voiced by other influential Democrats, including the Senate majority leader, Harry Reid of Nevada, and Senator Joseph R. Biden Jr. of Delaware, about the Bush administration's approach to Iran."

Moran Suggests White House Setting Up War With Iran. Rep. James Moran said on MSNBC's Hardball (1/19, Matthews), "We should not proceed with a war on Iran. Iran is a real country. It's 70 million people. It has an army. We don't have an army that could extend itself beyond Iraq today. … Why would we be sending Patriot missiles to Iraq? They're only good if you have Scud range missiles in the country. Iraq doesn't have any of those, Iran does. Why would we be appointing a naval aviator as the commander-in-chief? Iraq is not naval, nor aviation, but Iran is that kind of a war that would have to be fought."

Draft Law Keeps Central Control Over Iraqi Oil. The New York Times (1/20, A1, Glanz, 1.16M) reports, "After months of tense bargaining, a cabinet-level committee has produced a draft law governing Iraq's vast oil fields that would distribute all revenues through the federal government and grant Baghdad wide powers in exploration, development and awarding major international contracts. ... the law would appear to settle a longstanding debate over whether the oil industry and its revenues should be overseen by the central government or the regions dominated by Kurds in the north and Shiite Arabs in the south, where the richest oil fields are located. The draft comes down firmly on the side of central oversight, a decision that advocates for Iraq's unity are likely to trumpet as a triumph."

Iraqis Continue To Marry Despite Violence. ABC World News (1/19, story 3, 1:50, Vargas, 8.78M) reported, "Lost at times in the daily [body] counts in Iraq, is how average Iraqis are persevering, despite all the violence around them." ABC (Harris): "On a day when there were 6 car bombs, 2 fatal mortar attacks and 27 bodies found around Baghdad, Wesam and Aroba got married." Wesam: "You don't know what's going to happen. Where and how, you don't know. You got to be careful." Harris: "And with that, Wesam and Aroba March, with timid smiles and tempered hopefulness, into an uncertain future." The Washington Post (1/20, A1, Trejos, 690K) reports critically on a resurgence in "enjoyment marriages" in Iraq: "a temporary union believed by Shiite Muslims to be sanctioned by Islamic law. The Shiite practice began 1,400 years ago, in what is now Iraq and other parts of the region, as a way to provide for war widows."

US Civilian Killed In Ambush Profiled. ABC World News (1/19, story 2, 1:10, Vargas, 8.78M) and the CBS Evening News (1/19, story 5, 2:20, Couric, 7.66M) both ran features on US democracy activist Andrea Parhamovich, killed in an ambush in Iraq this week. ABC showed her fiancée saying, "She was brave. She was fearless. She had a magical quality about her, really." CBS profiled Parhamovich in an "American Heroes" feature.

New Generation Body Armor Displayed At Show. The Boston Globe (1/20, Woolhouse, 413K) reports that "the Army's Natick research center showed off the next generation in body armor yesterday to Secretary of the Army Francis J. Harvey," yet "it's not scheduled to get on the battlefield for three years. The new body armor hangs on a frame 2 inches from a soldier's body, a design that

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researchers say limits the impact and injury from a roadside bomb or mortar shell." The "The next generation of body armor, called the Chassis, is…made of Kevlar and ceramic," and "remains under development and has not been funded by Congress."

Harvard Lecturer Ponders Absence Of Student Antiwar Movement. In an op-ed for the Washington Post (1/20, A23, 690K), Harvard lecturer John McMillian asks, "Today, grass-roots antiwar activism has not been entirely absent. But one would be hard-pressed to argue that we're on the cusp of a rising protest movement. Why not?" McMillian gives two reasons: "First, the civil rights movement exerted a forceful influence on left-wing protesters in the 1960s. ... Second, the draft personalized the Vietnam War." However, his students suggested other reasons: "many of them spoke plaintively about being pressured from an early age to begin building their credentials for college. ... Some of my students suggested that they might not even be capable of experiencing the kind of indignation and disillusionment that spurred many baby boomers toward activism."

CORPORATE SCANDALS:

US Defends Jurors In Siegelman, Scrushy Trials. The AP (1/20) reports from Montgomery, AL, "Federal prosecutors defended jurors who convicted former Gov. Don Siegelman and former HealthSouth chief Richard Scrushy, claiming the latest purported e-mails from jurors were concocted and no cause for a new trial." The AP continues, "Acting U-S- Attorney Louis Franklin, in a brief filed late Friday, asked Montgomery Federal Judge Mark Fuller to deny the defense request to reconsider his earlier order denying a new trial." The AP adds, "Siegelman and Scrushy were convicted in June of bribery and conspiracy following a two month government corruption trial in federal court. Siegelman was convicted of a separate obstruction of justice charge. Both are appealing. … Arguing for a new trial, defense attorneys submitted copies of more e-mails that purportedly were sent between two jurors during the trial, alleging that the jurors deliberated improperly outside the presence of the full jury. … The defense lawyers said they received printed copies in December of the messages that were sent anonymously through the mail. The judge earlier had refused to order a new trial because of some earlier e-mail evidence submitted to the court. … Siegelman attorney David McDonald says there are six e-mails -- five between two jurors and a sixth one between one of the same jurors and a third juror. He called on the Justice Department to investigate the e-mails."

States Scrutinize Marketing Of Lilly's Zyprexa. The New York Times (1/20, Berenson) reports, "Stepping up government investigations into Eli Lilly's marketing of its best-selling drug Zyprexa, state prosecutors in Illinois and Vermont have demanded that the company turn over information about the way it promoted the medication." The Times continues, "On Thursday, lawyers from the consumer protection division of the Illinois attorney general's office demanded that Lilly hand over marketing materials, e-mail messages, and other documents with information about promotion of Zyprexa. Vermont investigators issued a similar order yesterday morning. … The orders are the civil equivalents of criminal subpoenas, according to Deborah Hagan, the chief of the Illinois consumer protection division." The Times adds, "Illinois and Vermont are now part of a coordinated five-state civil investigation into the way Lilly promoted Zyprexa, a treatment for schizophrenia and bipolar disorder. The states are investigating whether Lilly tried to hide Zyprexa's risk of causing weight gain and other risks associated with diabetes and whether the company promoted Zyprexa for use in patients who do not have schizophrenia or bipolar disorder. … Federal laws prohibit such so-called 'off label' marketing, although doctors may prescribe any drug for any disease that they believe the drug will help. … The orders on Thursday and yesterday are the first formal demands for Lilly documents from state attorneys and they indicate an escalation of the investigation, according to Ms. Hagan and Julie Brill, who is an assistant attorney general in Vermont. … In a statement yesterday, Lilly said it would cooperate with the investigations and had done nothing wrong."

Hewlett-Packard CEO Defends Stock Sale Timing. Bloomberg (1/20) reports, "The chief executive of Hewlett-Packard, Mark V. Hurd, told Congressional lawmakers that his sale of company shares on Aug. 25 was 'totally unrelated' to the fact that he was questioned the same day about an ill-fated internal investigation." Bloomberg continues, "The sale of 100,000 shares of Hewlett-Packard was made during a scheduled window for trading by executives, Mr. Hurd wrote in a letter dated Dec. 21 that he sent to the chairman of the House Energy and Commerce Committee, John D. Dingell, a Michigan Democrat. … On the same day the trade was completed, Mr. Hurd was interviewed by lawyers from the law firm of Wilson Sonsini Goodrich & Rosati. The lawyers were looking into techniques used by Hewlett-Packard to identify the source of boardroom leaks." Bloomberg adds, "The disclosure of the internal investigation into the source of the leaks eventually lead to resignations of the H.P. chairwoman, C. Patricia Dunn, and four other executives. … Last week, an outside investigator hired by H.P., Bryan Wagner, 29, of Littleton, Colo., pleaded guilty to identification theft and conspiracy because he posed

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as a reporter and a director of the company to obtain private telephone records. … Mr. Hurd's defense of his stock sale came in response to a Dec. 12 letter from Mr. Dingell and Representative Bart Stupak of Michigan, a Democrat who heads the subcommittee on oversight and investigations. They asked him about the timing of the sale. … The letter from the lawmakers noted that revelations of improperly dated stock option grants at more than 180 companies have raised questions about whether executives are cashing in or dodging bullets 'while in possession of potentially damaging material facts that shareholders do not know.' … Mr. Dingell and Mr. Stupak forwarded Mr. Hurd's letter to the Security and Exchange Commission and asked for the agency's views on the matter. … Their letter also noted that the S.E.C. was conducting an investigation into Hewlett-Packard's use of false identities to secure private phone records, a practice known as pretexting."

Two Former NYSE Traders Sentenced For Fraud. Bloomberg (1/20) reports, "Two former traders at the New York Stock Exchange were each sentenced yesterday to six months in prison and fined $250,000 for improper stock trading." Bloomberg continues, "The two traders, Michael J. Hayward and Michael F. Stern, former managers at Van der Moolen Specialists USA, were each convicted of securities fraud at a trial in July, part of a crackdown on illegal trading on the New York Stock Exchange. … Judge Sidney H. Stein of Federal District Court in Manhattan also ordered Mr. Stern, 56, and Mr. Hayward, 53, to perform 320 hours of community service." Bloomberg adds, "The case stems from a two-year investigation of trading specialists, who match buy and sell orders on the exchange floor to maintain an orderly market in specific securities. Specialists buy and sell for their own accounts and their clients'. Prosecutors said some specialists were using incoming orders to trade for their own firms, making millions of dollars at the expense of clients. … The case involved trading activity from 1999 to 2003. More than half a dozen former clerks testified that Mr. Hayward and Mr. Stern directed them to trade for Van der Moolen's account for a profit. Prosecutors also accused the defendants of "interpositioning," or buying stock from one customer and selling to another to profit on the price difference, instead of matching the orders."

Firms Repricing Options Make Payments To Executives. The Wall Street Journal (1/20, A1, Forelle) reports, "The stock-options backdating scandal has prompted dozens of companies to fire top executives, take charges totaling billions of dollars against earnings and tell shareholders that they misrepresented how options were awarded." The Journal continues, "Now, a number of companies are taking one more step: making special payments to executives or directors who received backdated options. Companies say the payments will compensate executives and directors who weren't involved in options wrongdoing, yet saw their potential profit reduced when their options were adjusted to reflect the actual dates they were issued. Several of the companies describe the payments as bonuses in regulatory filings. … But the practice has given critics more fodder for attacks on ballooning executive pay levels and special perks." The Journal adds, "Federal authorities are scrutinizing the options practices of nearly 140 companies, and scores more companies are conducting internal reviews. A stock option typically gives its holder the right to buy a set amount of stock at some future time, at its price at the time the option was granted. The idea is to give recipients an incentive to help boost the company's share price. But a number of companies and executives changed the date on their grants to make them appear they had been granted at a time when the price was even lower, making them worth more to their holders."

CRIMINAL LAW:

Ney Sentenced To 30 Months In Prison. The Washington Post (1/20, A3, Schmidt, Grimaldi, 690K) reports ex-Rep. Robert Ney "was sentenced to 30 months in prison yesterday, becoming the first elected official headed for jail because of corrupt dealings with now-convicted lobbyist Jack Abramoff." Both ABC World News (1/19, story 7, 0:10, Vargas, 8.78M) and NBC Nightly News (1/19, story 4, 0:10, Williams, 9.87M) reported on the sentence in brief items, with NBC saying Ney "traded political favors for Abramoff and his clients in exchange for golf trips, campaign donations, sports tickets, meals and other gifts."

The New York Times (1/20, A8, Shenon, 1.16M) reports the sentence was "longer than had been requested by the Justice Department." Federal District Court Judge Ellen Huvelle said she "had decided on her somewhat tougher sentence" for Ney "because his crimes involved a 'significant and serious abuse of the public trust' over several years." DOJ had sought a 27-month sentence. The Washington Times (1/20, Seper, 88K), which puts its story on its front page, says Huvelle said Ney "had betrayed the public's trust and his admitted problems with alcohol did not explain his illegal conduct."

The Los Angeles Times (1/20, Havemann, 850K) adds that Huvelle "recommended that Ney enter a prison alcohol-rehabilitation program. Shortly after pleading guilty to the charges against him this fall, Ney acknowledged a drinking problem and checked into a rehabilitation program." RollCall.com (1/19) and the Web site of The Hill (1/19, Kucinich) also cover the sentence.

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Libby Trial Opening Arguments Begin Next Week. The Wall Street Journal (1/20, A7, Timiraos, 2.04M) reports, "Opening arguments in the trial of Lewis 'Scooter' Libby, the ex-chief of staff to Vice President Dick Cheney, who is accused of lying to a grand jury in the government's leak investigation, get started next week. The trial promises to be a high-profile event, with potential witnesses ranging from the vice president to television journalist Tim Russert. But it also represents a bizarre twist in a case that has tested the limits of laws to protect reporters and their sources and could spotlight how key players in the Bush administration defended the case for war in Iraq."

Libby's Attorneys Withdraw Request For NBC Reporter's Notes. The AP (1/20, Apuzzo) reports, "Defense attorneys are withdrawing, for now, their request to use NBC News reporter Andrea Mitchell's notes during the CIA leak case, heading off a potential fight leading to the trial of former White House aide I. Lewis Libby." The AP continues, "A federal judge said Friday that he probably would release Mitchell's notes to attorneys for Libby and scheduled a hearing on the issue Monday. Within hours, network spokeswoman Barbara Levin said the request for the notes had been withdrawn and the hearing canceled. … Mitchell's notes on her conversation with former vice presidential chief of staff Libby have been under subpoena for nearly a year, but U.S. District Judge Reggie Walton had ruled that because Mitchell was unlikely to testify at trial, her notes would not be released." The AP adds, "Libby is accused of lying to investigators about his conversations with reporters regarding outed CIA operative Valerie Plame. Plame's identity was revealed shortly after her husband, Joseph Wilson, criticized the in a newspaper article the administration's use of false intelligence to ease the march to war in Iraq. … Attorneys for Libby, former chief of staff for Vice President Dick Cheney, said in court Friday they planned to call Mitchell as a defense witness during the perjury and obstruction trial. … Opening arguments are scheduled for Tuesday."

WSJournal Notes Fitzgerald And Libby's Involvement In Marc Rich Case. The Wall Street Journal (1/20, A10, 2.04M), in an editorial, writes, "One early bit of drama will be to see what motive prosecutor Patrick Fitzgerald comes up with to explain why Mr. Libby would lie to the FBI and a grand jury when he had essentially nothing to hide. … As it happens, Messrs. Fitzgerald and Libby had crossed legal paths before. Before he joined the Bush Administration, Mr. Libby had, for a number of years in the 1980s and 1990s, been a lawyer for Marc Rich. Mr. Rich is the oil trader and financier who fled to Switzerland in 1983, just ahead of his indictment for tax-evasion by the U.S. Attorney for the Southern District of New York. Bill Clinton pardoned Mr. Rich in 2001, and so the feds never did get their man. The pardon so infuriated Justice lawyers who had worked on the case that the Southern District promptly launched an investigation into whether the pardon had been 'proper.' One former prosecutor we spoke to described the Rich case as 'the single most rancorous case in the history of the Southern District.' Two of the prosecutors who worked on the Rich case over the years were none other than Mr. Fitzgerald and James Comey, who while Deputy Attorney General appointed Mr. Fitzgerald to investigate the Plame leak."

FBI Finds Rising Gang Activity In US Military. The Chicago Sun-Times (1/20, Main) reported, "Members of the Hells Angels, including an Army lieutenant colonel from Illinois, have served the U.S. military in Iraq. Another Iraq war veteran, a Marine who belongs to the Maniac Latin Disciples street gang, is charged with shooting three teens in Aurora. They are examples of growing gang activity in the military, which 'poses a threat to law enforcement officials and national security,' according to a new FBI report obtained by the Sun-Times. 'The military enlistment of gang members could ultimately lead to the worldwide expansion of U.S.-based gangs,' the report warned. The report by the FBI's National Gang Intelligence Center said gang members sneak into the military by failing to report criminal convictions or using fake documents." Additionally, "'Military recruiters under pressure to meet recruiting goals have engaged in criminal violations such as overly aggressive recruiting tactics and document falsification,' said the report."

Connecticut Jury Finds Retired FBI Agent Guilty Of Assaulting Officer. The Providence Journal (1/20, Mulvaney) reported, "After a three-day trial in Bridgeport, Conn., a federal jury found a retired FBI special agent guilty of assaulting an officer, the U.S. Attorney's office said. U.S. marshals, working with the Rhode Island Sheriffs Department and Stratford, Conn., police, arrested Gary L. John after a struggle in Stratford, on Dec. 8, 2005." John "was wanted in Rhode Island for allegedly violating protective and no-contact orders barring him from contacting his ex-wife and for failing to appear in court," and he "tried to punch a deputy marshal attempting to place him in custody, court records show." The Journal added, "An FBI agent for 29 years, John has been in and out of jail since he separated from his wife in 2001." The Connecticut Post (1/20, Mayko) noted, "John accused federal marshals of overreacting when one struck him with a metallic object and others piled on, punched him and ground his face into an ice-covered driveway." The AP (1/20) also reported on John's conviction.

Solid Data On Child Abductions Said To Be Scarce. The AP (1/20, Crary) reports, "Few crimes rivet the public as much as the abduction of a child and yet -- unlike murder, rape or even car theft -- there are no authoritative

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national statistics on the offense." The AP continues, "Kidnapping is not among the crimes covered by the FBI's annual uniform crime reports, and the last major federal study of child abductions used data from 1999, leaving experts to only guess the trends since then even as concern mounts about a possible surge of abductions by sexual predators using the Internet. … The Justice Department says the most recent nationwide data on child abductions is National Incidence Studies of Missing, Abducted, Runaway and Throwaway Children, a report issued in 2002 and based on survey data mostly collected in 1999." The AP adds, "That report estimated that 58,200 children annually are victims of non-family abductions, with the vast majority held briefly for any number of reasons -- a dispute between girlfriend and boyfriend, for instance -- and returned safely, often without the filing of a police report. … The report estimated that there were 115 cases in 1999 of 'stereotypical kidnappings' -- in which children were taken by non-family members for long periods, put up for ransom or killed by their abductors. In 40 percent of these cases, the child was killed. … However, the report said the actual number of stereotypical kidnappings could be anywhere from 60 to 170, and there has been no comprehensive federal effort since then to update the statistic. … The Justice Department, using partial national statistics, estimated last year that 3,400 kidnappings of juveniles by strangers were reported to police in 2001. These would include many short-lasting abductions that did not rise to the level of the menacing 'stereotypical kidnappings.'"

CIVIL LAW:

SCOTUS To Hear McCain-Feingold Challenge. The Washington Post (1/20, A1, Barnes, Mosk, 690K) reports the Supreme Court "agreed yesterday to revisit the landmark 2002 legislation overhauling the nation's campaign finance laws, moving to settle the role of campaign spending by corporations, unions and special interest groups in time for the 2008 presidential primaries. It would be the first time the court has reviewed the McCain-Feingold law of 2002 since justices ruled 5 to 4 three years ago that the act was constitutional. … At issue in the case is the question of whether so-called issue advocacy ads paid for by the general funds of special interest groups and broadcast in the period before a federal election may mention specific candidates. A three-judge panel in Washington last month overturned that prohibition, which is one of the key provisions of the law known formally as the Bipartisan Campaign Reform Act."

The New York Times (1/20, A9, Greenhouse, 1.16M) reports, "The court heard the same case a year ago, shortly before Justice Samuel A. Alito Jr. took his seat last January. Faced with the prospect of a 4-to-4 deadlock in the absence of Justice Sandra Day O'Connor, who was days away from retirement and would not have been able to participate in a decision, the court then sent the case back to the lower court." The plaintiff "is a Wisconsin anti-abortion group that in 2004 sought to run three television commercials criticizing a Senate filibuster against President Bush's judicial nominees and urging viewers to ask the state's two senators to permit the nominations to come to a vote." The Los Angeles Times (1/20, Savage, 850K) reports, "The McCain-Feingold Act specifically bans corporate and union-funded ads that mention a candidate for federal office within 30 days of the primary election or within 60 days of the general election. In upholding this rule in principle, the high court agreed with Congress that these ads are intended to influence an election, and therefore, they may be restricted because they amount to use of corporate and union money to sway an election."

Case Involving New York City Taxes On Consulates Will Also Be Heard. The Washington Times/AP (1/20, Press) reports the Supreme Court "also said it will review a lower court ruling allowing New York City to sue countries that own property near the United Nations over unpaid taxes. The city has battled over property taxes for years with countries that house their consulates and diplomatic missions in Manhattan skyscrapers."

Justices Will Consider Congressional Personnel Policy. CNN.com (1/19) notes that "the justices will hear oral arguments in an appeal by a staffer to Sen. Mark Dayton. At issue was whether the staffer had the legal right to sue his boss over personnel policy."

Waxman To Probe Contract Given To Friend Of GSA Administrator. The Washington Post (1/20, A3, O'Harrow, Higham, 690K) reports Rep. Henry Waxman, chairman of the House Oversight and Government Reform Committee, "opened an investigation into a no-bid contract that the chief of the General Services Administration attempted to give to companies operated by her longtime friend." Waxman "requested documents from GSA Administrator Lurita Alexis Doan and others after The Washington Post reported yesterday that Doan had signed a $20,000 deal with her friend's companies for a 24-page report about the procurement agency's use of businesses owned by minorities and women." Sen. Charles Grassley, the ranking GOP member of the Finance Committee, said it "is infuriating after all the problems in the past at GSA that this administrator would attempt to use tax money to give no-bid contracts to her friends." The GSA's inspector general's office "is conducting its own investigation into the arrangement between Doan and her friend, Edie Fraser, who runs Public Affairs Group Inc."

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Legal Dispute Over National Guard Back Pay Resumes. The Mobile Press-Register (AL) (1/20, Reilly) reports, "Following a congressional counterattack, lawyers are resuming a legal fight seeking back pay for National Guard members for time spent taking government-prescribed correspondence courses. … 'The courts may have an entirely different view of what Congress can do in this particular situation,' said Mobile lawyer Richard Dorman, part of the team representing Baldwin County resident William A. Clark and other Guard members in states ranging from North Carolina to Hawaii." The Press-Register continues, "The federal lawsuit, filed in 2000, alleges that Guard members must take the courses to win promotions or even to keep their current rank. … Nonetheless, the military does not pay them for the time needed to complete the work, according to the lawsuit. Pentagon attorneys countered that Guard members could be paid only if they took correspondence courses while on active duty." The Press-Register adds, "In 2003, the U.S. Court of Appeals for the Federal Circuit in Washington, D.C., effectively sided with Clark, who is now a staff sergeant with almost 20 years of service, court papers indicate. … After added rounds of legal maneuvering, however, Congress -- apparently at the Pentagon's behest -- last year added an amendment to an annual defense bill aimed at overriding the appellate court decision."

Ohio Judge Deals Setback To Asbestos Case Plaintiffs. The Wall Street Journal (1/20, A4, Davies) reports, "In the latest setback for plaintiffs' attorneys involved in large-scale asbestos litigation, an Ohio state court judge barred a California law firm from appearing in his court after finding that its lawyers had lied and obstructed the discovery process in a case involving an asbestos claim." The Journal continues, "In a harshly worded opinion issued late Thursday, Judge Harry Hanna listed more than a dozen instances where attorneys from the Novato, Calif., law firm Brayton Purcell LLP either lied to the court, intentionally withheld key discovery materials, or distorted the degree of asbestos exposure alleged." The Journal adds, "The ruling is one of a number in the past several years that have gone against asbestos plaintiffs, including several in Mississippi, for years regarded as a plaintiff-friendly state. Other states have erected legislative hurdles, making asbestos claims more difficult to win. … Judge Hanna's ruling stemmed from a lawsuit brought by Brayton Purcell against Lorillard Tobacco Co. on behalf of the estate of the late Harry Kananian. The suit claimed Mr. Kananian died from a type of cancer caused by asbestos contained in Kent brand cigarette filters in the late 1950s. … According to Judge Hanna's ruling, the attorneys for Mr. Kananian, who died in 2000, altered claim forms used in earlier suits, which led to inconsistent assertions as to the cause of his asbestos exposure. Mr. Kananian had previously sued and collected roughly $700,000 from other asbestos defendants."

CIVIL RIGHTS:

San Francisco Police Under Fire For Fight Involving Yale Singing Group. The New York Times (1/20, McKinley) reports, "Investigators from the San Francisco Police Department are expected to travel to Connecticut this weekend to interview victims of a New Year's Day street fight here that left several Yale University students injured and the department once again fending off criticism." The Times continues, "The investigation stems from an attack just after midnight on Jan. 1, when several members of the Baker's Dozen, an all-male a cappella group from Yale, were set upon by a group of young men. The latter were apparently envious of the attention the singers had received at a New Year's Eve party, those who gave the party say. Members of the Yale group said they were taunted with anti-gay slurs, and were later jumped and pummeled on a nearby street in the city's usually sedate Richmond neighborhood. Three members of the group were injured, including one whose jaw was broken in two places." The Times adds, "The police have made no arrests after detaining four suspects only briefly after the fight, a course of action that angered and confused families of the students. And that frustration has grown as almost three weeks have passed with no arrests. … The police have also been accused of being slow to respond because of a personality conflict with the party's hosts, a married couple — Leanna Dawydiak and Reno Rapagnani — who were members of the Police Department. (Mr. Rapagnani is a retired investigator; Ms. Dawydiak is on disability.) Ms. Dawydiak said they were not well liked in the department, in part because of accusations that they had leaked information during a previous police scandal known as Fajitagate, accusations they were cleared of."

Grand Jury To Hear Testimony On NYPD Shooting. The New York Times (1/20, Baker) reports, "A Queens grand jury that will weigh evidence in the fatal police shooting of an unarmed black man on his wedding day in November will begin hearing testimony next week, lawyers involved in the case said yesterday." The Times continues, "Two months after the unarmed man, Sean Bell, was killed and two of his friends were wounded in a fusillade of 50 police bullets, prosecutors are expected to begin presenting evidence and calling witnesses before the panel, the lawyers said. … 'My understanding is that they should begin presenting on Monday,' said Michael Hardy, a lawyer who represents the woman Mr. Bell was to marry, Nicole Paultre Bell (she took his name after his death), and the two men

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wounded in the shooting." The Times adds, "The office of the Queens district attorney, Richard A. Brown, declined to comment or answer questions about the grand jury process. 'The investigation is continuing,' said Meris Campbell, a spokeswoman. … Mr. Hardy, lawyers representing some of the five officers involved in the shooting and others said they expected the grand jury's work would last at least three weeks. The two men wounded in the Nov. 25 shooting, Trent Benefield and Joseph Guzman, intend to testify, said Mr. Hardy, and will most likely do so toward the end of the grand jury process. … Of the officers who fired at Mr. Bell, two are black, one is black and Hispanic, and two are white. .. . In recent weeks, four of the five officers have given investigators for the Queens district attorney's office their version of events. The fifth, Detective Michael Oliver, who fired 31 of the shots, has not spoken to prosecutors, according to one lawyer involved in the case. … But it remained unclear yesterday if Detective Oliver planned to testify before the grand jury or speak with prosecutors, and his lawyer did not return phone calls seeking comment."

WPost Questions Probe Of Fairfax SWAT Shooting. The Washington Post (1/20, A22) reports, "The police report on the killing of an unarmed man by a SWAT officer finds fault -- but raises too many questions. … 'Our goal is to be as open and transparent as possible,' Fairfax County Police Chief David M. Rohrer said last week as he released a report on the fatal police shooting a year ago of an unarmed, nonthreatening suspect. The report confesses to 'gaps in decision-making guidelines' and questionable actions in what should have been a routine arrest of Salvatore J. Culosi, a 37-year-old optometrist suspected of being a sports bookmaker. … But the story still merits more explanation. In the report the police -- for the first time -- officially acknowledge the identity of the shooter: Officer Deval V. Bullock, a SWAT unit member with 17 years' experience. So why was the SWAT unit called in to help round up a man who had been taking bets from the same undercover detective for months -- and who had no criminal record? Exactly how did Officer Bullock's finger wind up on the trigger of his .45-caliber pistol, which fired a single deadly round into Mr. Culosi's chest?" The Post adds, "The chief prosecutor in Fairfax, Robert F. Horan Jr. -- who has never prosecuted a police officer for wrongfully shooting a citizen -- remained true to the force, swiftly declining to prosecute Officer Bullock or even to refer the case to a grand jury. The Justice Department's Civil Rights Division has yet to release any results of its inquiry. So the case is not closed, nor should it be. Public confidence in the justice system still hangs in the balance."

ANTITRUST:

Microsoft Case Plaintiffs Claim Antitrust Settlement Violations. The AP (1/20, Pitt) reports from Des Moines, IA, "'The plaintiffs in Iowa's class-action antitrust lawsuit against Microsoft Corp. claim they have uncovered information that indicates the software company is violating its 2002 agreement with the Justice Department." The AP continues, "The alleged misconduct surrounds Microsoft's duty to share software hooks known as application programming interfaces, or APIs, which let disparate programs work together. The Iowa plaintiffs' attorneys have alleged that Microsoft has not disclosed certain APIs to other software developers who want to make programs compatible with Microsoft software." The AP adds, "Plaintiffs' attorney Roxanne Conlin asked the judge in the Iowa case, Scott Rosenberg, for permission to tell the Justice Department and the Iowa attorney general what her side knows. Rosenberg responded that she could provide the information if a court order or a subpoena is issued for it. .. .The API issue also has landed Microsoft into trouble with the European Commission, which imposed a fine of 3 million euros ($3.9 million) a day last July for failure to provide proper software documentation. In response, the company provided 8,500 pages of documentation in November. … Microsoft attorney Rich Wallis said he doubted the Iowa case had turned up any information that would surprise the federal government and its independent experts who monitor the 2002 antitrust settlement. Microsoft must appear before a federal judge quarterly on the matter, and at the most recent hearing, in December, the judge said Microsoft was complying."

Microsoft Eyed Venture With Apple In 2003. Bloomberg (1/20, Bass, Van Voris) reports, "Microsoft Corp…. considered as early as 2003 working with Apple Inc. or creating its own digital music player to rival Apple's dominant iPod." Bloomberg continues, "Microsoft, displeased with hardware partners Creative Technology Ltd. and Dell Inc., which made players using Microsoft's Windows Media software, talked about building its own device, according to an e-mail exchange between Windows chief Jim Allchin and media software executive Amir Majidimehr. The correspondence, which was introduced into evidence in a civil antitrust trial against Microsoft in Des Moines, Iowa, was made public Friday." Bloomberg adds, "Allchin, who started the exchange in an e-mail titled 'sucking on media players,' also suggested that he talk to Apple Chief Executive Steve Jobs to get the iPod to work with Microsoft's media software for fear the iPod would 'drive people away from Windows Media Player.' Microsoft introduced its music player, Zune, in November. … 'My goodness it's terrible,' Allchin wrote about one of Creative's devices. 'What I don't understand is though

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is I was told the new Creative Labs device would be comparable to Apple. That is so not the case.' … Majidimehr replied, 'Now you feel our pain.' He said Microsoft was providing cash incentives to get the partners to improve devices. If that doesn't work 'it is time for us to roll up our sleeves and do our own hardware,' he wrote." Bloomberg notes, "Microsoft had been working with partners on music devices for at least a year before Apple introduced the iPod in 2001 and catapulted to a dominant position in the market. Microsoft and its partners failed to come up with compelling hardware and had difficulty getting software to properly connect music collections on computers with their devices."

Esmark To Purchase West Virginia Plant From Mittal. Bloomberg (1/20) reports, "Arcelor Mittal, the world's largest steel company, has agreed to sell its tin-plate plant in Weirton, W.Va., to Chicago Heights-based Esmark Inc. to satisfy U.S. antitrust concerns." Bloomberg continues, "Esmark signed a memorandum of understanding to acquire the plant, Esmark Chief Financial Officer Craig Bouchard said Friday. The agreement is contingent on approval by the Justice Department, he said. Terms weren't disclosed." Bloomberg adds, "Esmark 'has entered into a memorandum of understanding with Mittal Steel to purchase the hot-strip mill and tin-finishing operations of Mittal's Weirton plant,' Bouchard said. 'We are working on finalizing the asset purchase agreement by Feb. 2.'" Bloomberg adds, "The company's interest in Weirton increased after it acquired the steelworks of nearby Wheeling, W.Va.-based Wheeling-Pittsburgh Corp. through a reverse takeover in November. Excluded from the deal with Arcelor Mittal are a Weirton blast furnace, caster and basic oxygen furnace, Bouchard said. … The steel- and iron-making facilities at Weirton have been idled since June 2005 . … The Justice Department demanded Arcelor Mittal sell some assets to preserve competition in the tin-plate market in the Eastern U.S. Arcelor Mittal is the world's largest maker of tin plate, a type of steel coated with tin that is used mostly in packaging such as cans. … Gina Talamona, a spokeswoman with the Justice Department, said the matter is 'still under review' and declined to comment further."

The Pittsburgh Post-Gazette (1/20, Boselovic) reports, "Combining the Ohio Valley's two steel producers, long a topic of speculation in the small industrial towns along the river, took on renewed urgency yesterday when the Chicago-area steel distributor that wants to merge with Wheeling-Pittsburgh Steel confirmed it expects to acquire portions of the former operations of Weirton Steel." The Post-Gazette continues, "Esmark said it has a memorandum of understanding with Arcelor Mittal, the world's largest steel producer and owner of the Weirton mill. U.S. antitrust regulators are requiring Arcelor Mittal to divest one of its North American mills as a condition of Mittal's acquisition of Arcelor last year." The Post-Gazette adds, "Esmark gained control of Wheeling-Pitt in November, when the steel distributor's shareholders elected its slate of directors over the incumbent board, led by former Chairman and Chief Executive Officer James G. Bradley. The successful proxy fight set the stage for a vote by Wheeling-Pitt shareholders on merging with Esmark. .. .Esmark's shopping list includes the Weirton mills that roll steel slabs into sheet steel and coat it to make food cans and other products, but not the blast furnaces and other equipment used to produce the slabs. The company expects to sign a definitive agreement with Arcelor Mittal by Feb. 2. … That doesn't sit well with the leader of the union representing Weirton's workers. Independent Steelworkers Union President Mark Glyptis wants the steelmaking end of his plant to be included in any sale, saying it would put about 300 more workers on the payroll. He said steel executive Mitch Hecht is interested in acquiring the whole operation. … Any sale would have to be approved by the U.S. Department of Justice. The agency has given Mittal until Jan. 28 to sell Dofasco, its Canadian arm. That would take care of antitrust concerns. However, Arcelor put Dofasco into a trust before it was swallowed by Mittal. The trust prevents Arcelor Mittal from divesting the Canadian producer."

Sale Could Kill Plan For Louisiana Plant. The Baton Rouge Advocate (1/20, Perilloux) reports, "A U.S. Justice Department case could kill a German steelmaker's desire to build a $3 billion mill in Louisiana. .. Or it could open the door for St. James Parish to score a 3,000-job coup in Convent. Alabama and Arkansas also are vying for the steel mill." The Advocate continues, "Louisiana's chances of wooing ThyssenKrupp, amid a consolidating steel industry, may rest heavily with a Washington, D.C., federal court that's a week away from a key antitrust milestone. … After the world's two largest steel companies — Luxembourg-based Arcelor and Mittal Steel of The Netherlands — complete a merger this spring, a concentration of 84 percent of the tin production in the Eastern United States would result." The Advocate adds, "Here's why that matters to Louisiana: To break up the perceived tin monopoly, the Justice Department wants Arcelor Mittal to sell Canada's largest steelmaker, Dofasco, to ThyssenKrupp for $4.6 billion. … Should that happen, ThyssenKrupp would gain 3.9 million tons of annual steel production as it brings on line a 5-million ton Brazilian slab mill in 2009. The Canadian output is about what the proposed steel mill on the Gulf Coast would produce. … But if ThyssenKrupp doesn't acquire Dofasco, it likely would build the Gulf Coast mill to handle 3 million tons of the annual raw steel product from Brazil, with 2 million tons going to Germany."

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Ohio AG Reviewing Hoover Deal. The Columbus Dispatch (1/20, Nash) reports, "Ohio Attorney General Marc Dann is looking into antitrust concerns that have arisen based on a Hong Kong company's planned purchase of the North Canton-based Hoover vacuum-cleaner company." The Dispatch continues, "Dann, a Democrat who led the antitrust division of the West Virginia attorney general's office earlier in his career, is investigating whether Techtronic Industries Co. Ltd. legally can purchase Hoover, which employs about 1,000 Ohio workers. … Techtronic manufactures the Dirt Devil, Regina, Royal and Vax brands of floor cleaners." The Dispatch adds, "Dann's office had not filed an antitrust claim as of yesterday, said Edgar Simpson, the attorney general's administration and policy chief. … 'The idea is to get some information to see if there's an impact on the competitive marketplace,' Simpson said. 'We have a feeling that we need to look at this pretty quickly. It is an Ohio company, and we feel that we have standing to do this.'" The Dispatch notes, "The Federal Trade Commission and U.S. Justice Department also have regulatory oversight of the acquisition, but Simpson said Dann thinks that his office also should look at the deal. … In a Dec. 7 news release announcing the $107 million purchase of Hoover, Techtronic said the deal is scheduled to close by the end of the summer but could be final as early as March."

Caremark Shareholders To Vote On CVS Merger Next Month. The Nashville Tennessean (1/20, Pack) reports, "CVS Corp. and Caremark Rx Inc. said Friday that the Securities and Exchange Commission has given the go-ahead for them to take their proposed 'merger of equals' to a vote of shareholders next month even as a third company pushes its rival bid." The Tennessean continues, "Caremark shareholders will vote on the CVS deal at a special meeting Feb. 20 at 8:30 a.m. at the Hilton Nashville Downtown. … CVS shareholders will vote at a special meeting Feb. 23 at the drugstore chain's headquarters in Woonsocket, R.I. … 'We are very pleased that we have received clearance from the SEC to move forward with our shareholder vote next month. We remain on track to close our merger with Caremark by the end of February,' Tom Ryan, CVS' chairman, president and CEO, said in a statement. … 'We look forward to our respective shareholder meetings and to closing our strategic merger of equals with CVS,' said Mac Crawford, Caremark's chairman, president and CEO." The Tennessean adds, "CVS, the United States' secondlargest drugstore chain in sales, announced plans to merge with Caremark, the second-largest pharmacy benefits manager, or PBM, on Nov. 1. … Based on Friday's closing price, CVS' offer was worth almost $24.6 billion, or $57.58 a share including a special $2-per-share cash dividend that the combined firm would pay Caremark shareholders after the deal closes."

Tribune Board To Review Auction Proposals. The Wall Street Journal (1/20, A3) reports, "A special committee of Tribune Co.'s board overseeing an auction of the company is to meet with its advisers Saturday, three days after receiving three proposals, according to people familiar with the situation. The full board is also expected to meet, possibly to vote on the recommendation of the special committee. A Tribune spokesman declined to comment on the schedule." The Journal continues, "None of the proposals offers what Tribune is looking for: a premium for the entire company, which owns newspapers such as the Los Angeles Times and TV stations." The Journal adds, "It is unlikely that the special committee will recommend any of the offers in their current form, said a person familiar with the situation. The committee is likely to try to negotiate better terms on each of the offers, or might reject them out of hand. The company may decide to spin off its TV stations or take on added debt to fund a dividend on its own. … Meanwhile, Tribune is negotiating with Gannett Co. to sell two of its papers in Connecticut, the Stamford Advocate and Greenwich Time."

Bristol-Myers Prepares For Upcoming Patent Trial. The New York Times (1/20, Saul) reports, "Bristol-Myers Squibb staggered, but the drug maker has remained on its feet. … That is the view of the company's interim chief executive, James M. Cornelius, who on Friday compared the company's struggle with a generic competitor to a boxing competition. … 'A less resilient, less solid management and employee base would have crumbled under a billion-dollar hit,' Mr. Cornelius said during an interview at a company office here. 'We took a body blow, but we didn't go down for the count.'" The Times continues, "Mr. Cornelius said the damage from last summer's market onslaught by a generic copy of Bristol-Myers's blockbuster drug Plavix, a blood thinner, would exceed $1 billion, but the company had 'more or less' already made up the money. … The financial details of that comeback, he said, will be revealed next Thursday when the company releases its fourth-quarter results." The Times adds, "The blow was dealt last summer by the Canadian company Apotex, which sold its Plavix imitator for only three weeks in August, before a federal judge ordered a halt. But during that period an estimated six-month supply of generic Plavix flooded the United States market. … The episode followed bungled efforts to settle a patent dispute with Apotex. And it eventually cost the Bristol-Myers chief executive at the time, Peter R. Dolan, his job. … Apotex has hardly gone away, though. Even as Mr. Cornelius expressed optimism yesterday about the company's future, lawyers were making final preparations to begin a trial Monday in

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federal court in Manhattan. There, Bristol-Myers and its marketing partner, the French company Sanofi-Aventis, will defend the Plavix patent against the Apotex challenge. … The trial's outcome will be critical for Bristol-Myers, which derives nearly a third of its revenue from Plavix. The drug's 2005 sales in this country were $3.8 billion and its use is growing. Worldwide sales of Plavix exceeded $6 billion in 2005, making it the second-largest drug, behind Lipitor from Pfizer. … In a four-week trial where much of the testimony is expected to involve scientific minutiae, Bristol-Myers and Sanofi will be asking Judge Sidney H. Stein to uphold their Plavix patent."

Judge Allows Record Companies' Suit Against XM To Proceed. The AP (1/20, Neumeister) reports, "A lawsuit in which record companies allege XM Satellite Radio Holdings is cheating them by letting consumers store songs can proceed toward trial, a judge ruled Friday after finding merit to the companies' claims." The AP continues, "U.S. District Judge Deborah A. Batts made the finding in a case brought by Atlantic Recording, BMG Music, Capitol Records and other music distribution companies against the licensed satellite radio broadcaster. … In a lawsuit last year, the companies said XM directly infringes on their exclusive distribution rights by letting consumers record songs onto special receivers marketed as 'XM + MP3' players." The AP adds, "XM has argued it is protected from infringement lawsuits by the Audio Home Recording Act of 1992, which permits individuals to record music off the radio for private use. The judge said she did not believe the company was protected in this instance by the act. … In a statement, XM said it remains confident that the lawsuit is without merit and it would prevail. … In refusing to toss out the lawsuit, the judge noted that the record companies consent to XM's use of their copyrighted material solely for the purposes of providing a digital satellite broadcasting service."

ENVIRONMENT:

Federal Judge Orders FWS Review Of Salamander Status. The AP (1/20, Chea) reports, "A federal judge on Friday ruled that the U.S. Fish and Wildlife Service illegally rejected a petition by environmentalists to give protected status to two salamander species that live in old-growth forests in California and Oregon." The AP continues, "U.S. District Judge William Alsup ordered the agency to consider listing the Siskiyou Mountains and Scott Bar salamanders as threatened or endangered species. … The San Francisco-based judge said the service's decision last year to deny the petition was 'arbitrary and capricious.' Alsup gave the agency until March 23 to decide whether to conduct a more in-depth analysis of the salamanders' status." The AP adds, "If the two species are granted protected status, the U.S. Forest Service would be required to make sure that logging operations do not harm the salamanders or their habitat. … Both salamanders are about five inches long, colored black with speckles, and have no lungs, instead breathing through their skin. They live on rocky slopes under the canopy of old-growth trees in the Siskiyou Mountains and Klamath River basin in northern California and southern Oregon. … The Fish and Wildlife Service will comply with Judge Alsup's order, said agency spokeswoman Alexandra Pitts."

Minerals Management Chief Defends Response To Lease Questions. The Billings Gazette (1/20, Straub) reports, "Minerals Management Service Director Johnnie Burton defended herself Friday against charges by some lawmakers that she should have acted earlier upon hearing of a mistake in oil and gas drilling leases that could cost the government billions of dollars." The Gazette continues, "Deep-water leases signed in 1998 and 1999 during the Clinton administration omitted a clause triggering royalty payments if energy prices rose over a certain amount. Officials say they raised the matter with Burton in early 2004, although she does not remember it, a report by the Interior Department's inspector general found. … 'I am now being held responsible for not remembering a passing mention of an issue in 2004, and for not doing anything to remedy a mistake made by the Clinton administration when, in fact, I wrote every company in June 2006 asking them if we could agree to an amendment to their leases,' Burton wrote in a letter to the editor of the Casper (Wyo.) Star-Tribune. … 'Unfortunately, only six of them agreed to an amendment,' she added. 'I cannot force anyone to change a valid lease signed by a representative of the U.S. government eight years after the fact, or had I acted in 2004, five years after the fact.'" The Gazette adds, "The error in the leases has cost the government about $1 billion in revenue and if not fixed could cost $10 billion. … The inspector general found that MMS officials made a conscious decision to omit the language from the leases, but that the choice was simply a mistake and was not malicious. Officials decided to leave out the language in the mistaken belief that another regulation, the Royalty Relief Act, automatically covered it."

FBI/DEA/ATF/USMS:

Mueller Praises Los Angeles Joint Regional Intelligence Center. Under the headline "FBI Chief Likes New Facility," the Los Angeles Times (1/20, McGreevy) reported, "The Los Angeles area's new counter-terrorism center drew high marks Friday from FBI Director Robert S. Mueller III, who toured the high-tech facility in Norwalk and

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pronounced it a model for federal and local cooperation. … 'It's a model for the rest of the country,' Mueller said. 'With the contribution of first responders and the law enforcement intelligence component, it's the type of fusion you need to prevent terrorist attacks and to follow up on any threats of any terrorist attacks.' Mueller said the center is tangible proof of improved cooperation among agencies in the post-9/11 era. 'It enhances our partnership with the Los Angeles Police Department and Los Angeles [County] Sheriff's Department,' he said. 'They are doing a great job.'" The Times notes that LAPD Chief William Bratton also "said the effort to combat terrorism is part of a larger cooperative venture to have agencies share crime data." Bratton "said he talked to Mueller on Friday about the desire of local law enforcement to connect CopLink" – a crime database used by the LAPD and Sheriff's Department – "to a federal crime database called Links. … The chief said he plans a trip to Washington, D.C., to follow up his talks with Mueller on gaining access to the federal database."

2nd Circuit Rules FBI May Have Coerced Filmmaker. The AP (1/20, Neumeister) reports, "An effort by the FBI and federal prosecutors to remove a short fictional film about a military takeover of New York City from the Internet may have violated the First Amendment, a federal appeals court said Friday. … But the 2nd U.S. Circuit Court of Appeals in Manhattan said a lower court was still correct to toss out a lawsuit brought against an FBI agent and a federal prosecutor by a web hosting service operator and Michael Zieper, who wrote, directed and produced the film." The AP continues, "The appeals court said in a written opinion that the FBI agent, Joseph Metzinger, and the assistant U.S. attorney, Lisa Korologos, were immune from the lawsuit because it would not have been clear to a reasonable officer in their position that they were doing anything wrong. … Metzinger and Korologos got involved Nov. 8, 1999, when the New York Police Department faxed information to the FBI's Joint Terrorism Task Force about the film, 'Military Takeover of New York City.'" The AP adds, "The film includes various shots of Times Square as an unseen narrator who purports to be a military officer briefs other members of the military about plans for a military takeover of Times Square on New Year's Eve 1999. … The appeals court said Metzinger and Korologos were free to ask filmmaker Zieper and Web site operator Mark Wieger to take the film down - but Metzinger went too far when he said that FBI agents were heading to Zieper's home and he could not stop them."

Pelosi Urges DOJ To Halt Prosecution Of BALCO Reporters. The San Francisco Chronicle (1/20, Page A4, Coile) reports, "House Speaker Nancy Pelosi added her voice Friday to a growing list of lawmakers urging Attorney General Alberto Gonzales to drop the prosecution of two Chronicle reporters who face 18 months in prison for refusing to name their sources for stories about steroid use in professional sports." The Chronicle continues, "Pelosi, in a three-paragraph letter, called on Gonzales to withdraw the subpoenas of Lance Williams and Mark Fainaru-Wada asking them to identify their confidential sources. … Pelosi was seeking to ratchet up the pressure after two top lawmakers -- new Democratic House Judiciary Committee Chairman John Conyers of Michigan and Rep. Tom Davis of Virginia, the top Republican on the House Oversight and Government Reform Committee -- asked Gonzales in a letter Thursday to rescind the subpoenas. … 'I ask that you give favorable consideration to their bipartisan request for relief,' Pelosi wrote in her letter to the attorney general. 'Freedom of the press is critical for our democracy and for informing our citizens about public policy issues.'" The Chronicle adds, "The Justice Department did not respond to a request for comment on the letter. But a spokeswoman said Thursday that the agency subpoenas journalists 'only when absolutely necessary.' … Fainaru-Wada and Williams were ruled in contempt of court in September by U.S. District Judge Jeffrey White for refusing to testify to a grand jury investigating who leaked transcripts in the steroid distribution case involving the Bay Area Laboratory Co-Operative. … White sentenced Fainaru-Wada and Williams to up to 18 months in prison and imposed a $1,000-a-day fine on The Chronicle, but he suspended those penalties pending an appeal. … A panel of the Ninth Circuit U.S. Court of Appeals in San Francisco is scheduled to hear the case in March."

Davis Seeks Answers From DOJ On Leak Probes. The New York Sun (1/20, Gerstein) reports, "The ranking member of a House committee is demanding answers from the Justice Department about recent reports in The New York Sun that intelligence agencies failed to cooperate with FBI investigations into leaks of classified material and that the FBI's files on some leak probes have disappeared." The Sun continues, "The top Republican on the House Committee on Oversight and Government Reform, Rep. Thomas Davis of Virginia, said he was troubled by the Sun's report last week that FBI documents showed at least three leak investigations appeared to have been closed after case agents repeatedly complained about a lack of cooperation from the 'victim agency.' … 'The FBI holds itself out as the premiere investigative agency for the United States. As such, I find it hard to believe the FBI closes espionage leak investigations simply because another agency refuses to cooperate,' Mr. Davis wrote Friday in a letter to Attorney General Gonzales." The Sun adds, "At a press conference last month, President Bush again decried leaks of classified information. 'It's an ongoing problem,' the

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president said. 'At some point in time, it would be helpful if we can find somebody inside our government who is leaking materials, clearly against the law, that they be held to account.' … Mr. Davis wrote, 'How can we ensure, as the President requested, those who leak classified information "be held to account," if the Department of Justice (DOJ) does not insist on pursuing investigative leads?' … The Sun's report about the alleged non-cooperation with leak probes was based on documents obtained under a federal Freedom of Information Act lawsuit brought by this reporter. The released records were heavily redacted to protect classified information, privacy, and investigative methods, the FBI said. … The Sun reported last month that a declaration filed by the FBI in connection with the Freedom of Information Act lawsuit indicated that 22 of 94 files believed to relate to recent leak investigations were missing from the bureau's file room with no indication of who had removed them. … Mr. Davis asked Mr. Gonzales to provide information on how the chief of the Justice Department's Counterespionage Section, John Dion, responded to the FBI's requests to close the leak investigations. The congressman also asked for details on what happened to the missing files."

Ohio Physician Sentenced To Two Years On Drug Charges. The Cincinnati (OH) Post (1/20) reports, "A Cincinnati doctor was sentenced to two years in prison Friday in connection with drug abuse in pain clinics where he worked." The Post continues, "Dr. Gregory L. Ebner, 55, pleaded guilty in June to money laundering and structuring money transactions illegally. He also faces three years supervised release and a $10,000 fine, according to the U.S. Department of Justice. … Starting in January 2001, Ebner worked in pain clinics in the southern Ohio towns of Lucasville, Chillicothe, Hanging Rock and Jackson." The Post adds, "A clinic would open for a short time, then move to another location in a nearby town after law enforcement officers started to investigate, prosecutors said. … Ebner worked in the clinics two or three days a week and saw 60 to 70 patients a day, according to federal court records. … He prescribed pain relievers such as Lorcet and Xanax after cursory exams, never checking the height, weight or blood pressure of patients. He never maintained any diagnostic equipment at the clinics."

IMMIGRATION:

Broad Immigration Reform Coalition Forms. The Washington Post (1/20, D1, Williams, 690K) reports, "Worried that surprise raids are driving away workers who are their lifeblood, businesses are pooling their money and joining unusually broad alliances that include labor unions and civil rights groups to push Congress to overhaul the nation's immigration laws. The coalition Alliance for Immigration Reform 2007 announced its formation this week, placing the force of the U.S. Chamber of Commerce, Service Employees International Union and the nation's largest Hispanic civil rights group behind a unified lobbying effort to get a law passed before the politics of the 2008 presidential campaign make a compromise on the contentious issue unworkable."

WPost Criticizes Several Agencies Over Asylum Application Backlog. The Washington Post (1/20, A22, 690K), in an editorial, writes, "The Post's Spencer S. Hsu reported that U.S. Citizenship and Immigration Services, a successor to the much-maligned Immigration and Naturalization Service, is overwhelmed and has failed to pursue basic administrative and technical reforms . A recent congressional investigation revealed that immigration officers had lost track of 111,000 files. … Despite these difficulties, Homeland Security lists its progress on immigration services as an accomplishment of the past year, pointing out that it has eliminated its backlog of applications, which stood at 3.8 million in 2004. Not so the FBI, which checks the names of those applying for citizenship. … The FBI admits that 100,000 background checks have sat uncompleted for a year or longer." The Post concludes, "Citizenship and Immigration Services needs to cut its wait times by making a rapid transition to electronic forms and better organizing reform efforts. And the FBI must conduct background checks more efficiently. The roughly 6,000 disabled asylum seekers who, the lawsuit alleges, lost their benefits will be suffering in the meantime."

Bush's Comments On Potential Pardon For Border Agents Draw Scrutiny. The New York Times (1/20, A12, Swarns, 1.16M) reports President Bush "waded this week into the furor surrounding two former border patrol agents who were each convicted and sentenced to more than a decade in prison in the shooting of a suspected Mexican drug dealer in Texas. The case has become something of a cause among some advocates for tougher border security, who argue that the agents should be pardoned because they were doing their jobs in 2005 when they fired on the man, an assertion that has been contested by the federal prosecutors overseeing the case." Bush was asked this week whether he would consider a pardon for the two former agents, Ignacio Ramos and Jose Alonso Compean. Bush said, "There are standards that need to be met in law enforcement, and according to a jury of their peers, these officers violated some standards. On this case, people need to take a hard look at the facts, at the evidence that the jury looked at, as well as a judge. And that's -- I will do the same thing." According to the Times, "Some interpreted Mr. Bush's remarks to imply that he would consider a pardon for the two men." However,

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DOJ officials "said on Friday that the two men were ineligible for consideration of a pardon at this time."

Hunter Introduces Congressional Pardon Legislation For Agents. The Washington Times (1/20, Seper, 88K) reports Rep. Duncan Hunter "has introduced legislation calling for a congressional pardon for two U.S. Border Patrol agents sent to prison this week for shooting a suspected drug smuggler in the buttocks as he fled back into Mexico." Hunter "also asked that pending any legislative action…that the two agents…be segregated from the general prison population to ensure their safety."

TAX:

Florida City Commissioner Resigns Ahead Of Tax Evasion Indictment. The South Florida Sun-Sentinel (1/20, Franceschina, Othón) reported West Palm Beach Commissioner James Exline "resigned his seat Friday and will be charged with a single count of tax evasion in coming weeks, his attorney said." Defense lawyer Robert Gershman said that Exline "has been cooperating with law enforcement officials for several months and will not face further charges." The Sun-Sentinel noted, "Exline is the second city commissioner to resign under a cloud in the past year, and his departure is sure to fuel the distrust residents have expressed in recent months. Former Commissioner Ray Liberti, 60, pleaded guilty in May to federal charges of mail fraud and obstruction of justice in a case that triggered the wider corruption investigation."

The Palm Beach Post (1/20, Collins) reported that in a Friday interview with the paper, Exline "said he approached federal prosecutors about the unpaid taxes in June. He said he offered to resign on the spot, but the authorities wanted him to stay in his post while he cooperated with them. 'Jim has made himself available to state and federal investigators for any questions they had,' … He added, 'It was not only limited to the recent headlines,' referring to the public corruption cases that have engulfed Palm Beach County since May."

Palm Beach Post Praises Federal Investigation. The Palm Beach Post (1/20) editorialized, "The unprecedented level of government scandal in Palm Beach County went higher Friday with the forced resignation of West Palm Beach City Commissioner Jim Exline, who faces a federal tax evasion charge over an alleged $60,000 in unreported income from 2004. … Federal investigators, including the FBI, also have forced the resignation of ex-County Commissioner Tony Masilotti, who last week pleaded guilty to a corruption charge stemming from a series of land deals in Martin County." The Post added, "Clearly, federal investigators have no shortage of leads to follow in Palm Beach County. The longer they go after criminal activity by public officials, the better it will be for the public."

DOJ Sues Michigan Tax Preparer. The Kalamazoo Gazette (MI) (1/20, Parikh) reports, "Portage resident Donald A. Gray is being sued by the U.S. Department of Justice for allegedly filing false income-tax returns on behalf of clients, resulting so far in an estimated $1.5 million in tax losses. … Justice department spokesman Andrew Ames said he did not know how many returns that may involve." The Gazette continues, "Gray is among four Michigan men being sued by the justice department for allegedly filing false income-tax returns for clients. The lawsuits seek to prevent the four men from filing more income-tax returns. … Gray, who lists himself as a certified public accountant in the telephone book, did not return phone calls Friday from the Kalamazoo Gazette seeking comment. The lawsuit against Gray was filed Jan. 16 in U.S. District Court for the Western District of Michigan in Grand Rapids. … It alleges that, 'Since 2004, Gray has been preparing false federal income-tax returns and related forms for customers to fraudulently under-report their income. On the returns he prepares for customers, Gray falsely states that he is a licensed CPA.'" The Gazette adds, "The lawsuit said Gray either 'falsely reports that his customer received no income or Gray substantially under-reports his customer's income, and fraudulently claims a refund of all federal taxes withheld from his customer's wages.' … There was no immediate word on what would happen to, or what should be done by, individuals whose tax returns were prepared in such a manner. … According to documents, the other area men identified by the Department of Justice as having committed tax fraud are: Charles Conces, of Battle Creek; Peter Eric Hendrickson, of Commerce Township; and Robert L. Mosher, of Cedar Springs. … Justice department officials charge in the lawsuit that Gray is following a scheme promoted by Hendrickson who operates a Web site called losthorizons.com."

SCOTUS To Hear Tax Authority Case. The AP (1/20, Sherman) reports, "Foreign countries fighting New York City's effort to collect property taxes will get the chance to make their case to the Supreme Court." The AP continues, "The justices said Friday they will review a lower court ruling allowing the city to sue countries that own property near the United Nations over unpaid taxes." The AP adds, "The city has battled over property taxes for years with countries that house their consulates and diplomatic missions in Manhattan skyscrapers. … Under U.S. treaties, embassies and other diplomatic buildings are generally tax-exempt, but the city claims some countries are refusing to pay taxes on real estate used for non-diplomatic purposes, such as restaurants and apartments. … Two countries sued by the city, India and Mongolia, had argued that sovereign immunity meant they

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couldn't be sued in U.S. courts." The AP notes, "The 2nd U.S. Circuit Court of Appeals ruled last April, affirming a lower-court decision, that federal courts have the power to resolve such disputes. … The city is seeking $16.4 million in unpaid taxes and interest from India and $2.1 million from Mongolia, the Justice Department said in legal papers filed in support of the foreign governments."

IRS May Widen Municipal Investment Contract Fee Probe. Bloomberg (1/20, Preston) reports, "The Internal Revenue Service may widen its examination of municipal bond reinvestment practices amid a U.S. criminal probe of whether financial firms rigged bids on investment contracts bought by local governments, the head of the agency's tax-exempt bond enforcement division said." Bloomberg continues, "The IRS, which has focused its scrutiny on investment contract fees related to housing and non-profit debt, may broaden the scope of its audits to other types of municipal bonds, said Clifford Gannett, director of the IRS's tax-exempt bond enforcement office, in comments yesterday in Washington at a meeting of the Government Finance Officers Association." Bloomberg adds, "IRS investigations have found that improper bidding practices by financial firms for investment contracts with local governments may have deprived the U.S. of money it was owed. The findings prompted the widest antitrust probe of the municipal bond market, where local governments have $2.3 trillion of debt outstanding. … 'We're going methodically, there could be more out there,' Gannett said." Bloomberg notes, "The Justice Department, in connection with the IRS and Securities and Exchange Commission, is investigating whether bankers and brokers conspired to fix prices on the contracts. U.S. prosecutors in November subpoenaed more than a dozen financial firms and seized documents from three brokers."

Short-Line Railroads Seek Extension Of Targeted Tax Break. The Wall Street Journal (1/20, A4, Matthews, 2.04M) reports, "The 400 small, often money-losing, railroads that connect isolated farm towns to major rail lines won a minor tax break from Congress in 2004 after strenuous lobbying -- only to see the Internal Revenue Service write rules last September that limited the subsidy so much it was almost worthless. But the short-line railroad industry, as it's known, is the little industry that could. It quietly got Congress at the end of last year to undo what the IRS had done. … Next stop for the short-line railroads: getting Congress to extend the $100 million annual tax break beyond its scheduled expiration at the end of this year."

CONGRESS-ADMINISTRATION:

Bush To Speak At Congressional Democrats' Conference. The New York Times (1/20, A9, Stolberg, 1.16M) reports President Bush "has accepted an invitation from House Democrats to travel to Williamsburg, Va., in February to speak at their annual issues conference, a move that might have been unthinkable a few short months ago, when Republicans ran Capitol Hill. Mr. Bush has addressed the Democratic retreat before, in 2001, the first year he was in office. … Bush's appearance is testimony to the changed climate on Capitol Hill, where Democrats have just pushed six major pieces of legislation through the House, on issues including student loans, Medicare prescription drugs and stem cell research, with some Republican support. A White House spokeswoman said Mr. Bush would deliver a speech to the Democrats and take five questions."

Several Conservatives Blame Bush For Country's "Disastrous" Predicament. The Washington Times (1/20, Pfeiffer, 88K), in an article titled, "Conservatives Slam Bush Policies," reports that, according to "several prominent conservatives" who participated in a panel discussion at the Free Congress Foundation, President Bush's "policies, including the Iraq war, have left the country in a 'disastrous' state. … The leaders' recommendations, covering economic, military and social policy, would be largely different from those implemented by the Bush administration. 'We disagree on a lot of things,' Rep. Duncan Hunter, California Republican, said of Mr. Bush. Mr. Hunter is seeking his party's 2008 presidential nomination on a platform of military expertise and a desire to confront China on economic and trade issues. 'We have a competition which is not free trade, it's not fair trade, it's rigged trade,' he said of the China's trade tariffs, which many critics argue have hurt American businesses. 'The state of the union is disastrous,' said William Lind, president of the foundation's Center for Cultural Conservatism. 'We are fighting and losing two wars, in Iraq and Afghanistan.'" Former presidential candidate and conservative Christian activist Gary Bauer "was critical of Mr. Bush for what he described as the president's failure to more deeply inspire Americans after September 11."

"Energy, Immigration And Iran" Expected To Be Keys Of State Of The Union Address. The Wall Street Journal's Gerald Seib (1/20, A2) writes, "President Bush's last few State of the Union addresses have run at about 5,000 words each. … the White House suggests this one might be a bit shorter. Here's a way to cut through the verbiage even more. Listen especially closely for just three words: energy, immigration and Iran."

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Salazar Gives Democrats' SOTU Preview Address. The Denver Post (1/20, Mulkern, 256K) reports, "The Democratic-controlled Congress in upcoming months will focus on immigration reform, improving access to college, lowering gas and prescription drug prices, and changing direction in Iraq, Colorado's Ken Salazar said today in his preview address to the State of the Union." Salazar "gave the speech today in both English and Spanish, the first time that has occurred."

Mondale Criticizes Administration, Says Cheney Has "Stepped Across The Line." During a joint appearance with ex-President Carter on CNN's The Situation Room (1/19, Blitzer), former vice president Walter Mondale said that during "our four years…I'm absolutely positive we told the truth, we obeyed the law, and we kept the peace. … We now have an Administration that stumbled over these values, and is having its own great difficulties trying to sustain public leadership, in part because of things they said that got us into this war. They surely have been contemptuous of enforcing the law. And they have dumped, basically, the whole foreign intelligence surveillance system. … And it seemed, for a while, they just recklessly wanted to get involved in international military conflicts. And I think it's been at great cost to our country."

On Vice President Cheney's role, Mondale said, "Carter is credited by all historians, I think, for having established a unique, new relationship with his vice president. … I was involved as an adviser and worked for the president in many, many different ways. And I think future vice presidents have all followed that example, including the Cheney example. But I think one of the problems now is that this vice president, the current vice president, seems to have stepped across the line that we thought was important in our time. … I tried to work as a representative of the president. I didn't go around volunteering my own policies. … This vice president, see, is troubling to me, because, time and time again, we have seen the establishment, for example, of almost a parallel National Security Council, the involvement of the vice president in trying to pressure, influence the kind of information that flows to the top and up to the presidency." The AP (1/19, Yee) and UPI (1/19) cover Mondale's remarks on Cheney.

Senate Provision On Lobbyists' "Bundling" Would Alter Fundraising Practices. The New York Times (1/20, A1, Kirkpatrick, 1.16M), in a front-page article, reports, "Of all the new rules passed in Congress's recent ethics overhauls, the most sweeping is a barely debated provision in a Senate bill passed Thursday night that could alter one of the most time-honored campaign fund-raising practices in Washington." The Senate "adopted a measure that, for the first time, would require registered lobbyists to disclose not only the limited money they can donate to candidates personally but also the tens or hundreds of thousands of dollars they raise from clients and friends and deliver as sheaves of checks — a tradition known as bundling." The Times notes, "House passage is far from assured, and its adoption by the Senate by a roll-call vote of 96 to 2 followed some backroom resistance among senators in both parties to allowing the idea to come up for a vote at all. … On Jan. 12, before the details of the proposal had been disclosed, Senator Charles E. Schumer, the New York Democrat in charge of his party's fund-raising as head of the senatorial campaign committee, used a run-in on the Senate floor to deliver an angry rebuke to the disclosure idea's lead sponsor, Senator Barack Obama, Democrat of Illinois, several people present or briefed on the confrontation said. In a subsequent conversation, Mr. Schumer said he worried that the proposal could cramp fund-raising by placing an undue burden on potential bundlers."

Senate Approves Tariff Suspension Transparency Measure. The Washington Post (1/20, A6, Stephens, 690K) reports the Senate "joined the House this week by voting to make it easier for the public to track a stealthy form of trade legislation that has delivered hundreds of millions of dollars in tax savings to favored corporations. As part of a broad ethics overhaul, the Senate voted 96 to 2 on Thursday to require lawmakers to publicly disclose details about tariff suspensions, which allow individual companies to escape paying import taxes on a range of products brought into the United States. The legislation would brand the tariff measures as a type of congressional earmark and would require the same disclosures now mandated for earmarks."

Reid Drops Opposition To Spousal Lobbying Provision. The Washington Post (1/20, A6, Solomon, 690K) reports, "For much of the past week, the prospects for a ban on lobbying by Senate spouses were uncertain. Senate Democratic Leader Harry M. Reid wanted an exemption that excluded current spouses who already are registered to lobby. … But Thursday night, as the Senate enacted its ethics package, Reid dropped his insistence on a grandfather clause and agreed to an amendment sponsored by Sen. David Vitter. Vitter's amendment bans spouses from lobbying the Senate unless they were registered to lobby for at least one year before their husband or wife was elected. It was approved by unanimous consent." The Post notes, "Neither chamber's ethics package deals with brothers, sisters or adult children of lawmakers who might lobby."

Many Common Perks Survived Democrats' Ethics Reforms. The Washington Post (1/20, A1, Solomon, 690K), in a front-page article titled, "New Rules Still Allow Congress Many Perks," reports, "On the Monday that was supposed to start the new Congress's first five-day workweek, Minority Leader John A. Boehner helped persuade his Democratic colleagues to give House members the day off. The Ohio

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Republican had his reasons. He was going to see Ohio State compete in the national championship football game in Arizona. Boehner had tickets for the stadium's nosebleed section. Then, Boehner's office said, Rupert Murdoch's News Corp. offered him a bird's-eye seat in one of the company's skyboxes. In the skybox, Boehner mingled with lobbyists for the media giant." Legislators "can still go to widely attended events or campaign events and accept freebies such as meals. Nonprofit organizations and universities can still provide lawmakers free travel in many cases. And lawmakers can still offer creative opportunities for special interests to meet with them -- for a price."

WPost, NYTimes Praise Senate's Ethics Reform Package. The Washington Post (1/20, A22, 690K) editorializes, "We've had our doubts about the commitment of Senate Majority Leader Harry M. Reid to a strong ethics bill; we've had our qualms about his conduct. But Mr. Reid, along with Sens. Russell Feingold and Barack Obama deserves credit for assembling and passing this package. Whether Minority Leader Mitch McConnell was trying to sabotage passage of the bill when he temporarily blocked a move to end debate, as reformers contend, or whether he was simply trying to demonstrate to the new majority that Senate Republicans can't be muscled aside, what matters is that the measure passed 96 to 2." The New York Times (1/20, A10, 1.16M) editorializes, "The Senate has finally passed credible reforms of its shabby ethics code, reining in lawmakers' more egregious quid pro quo dealings with their fund-raising cohorts in the lobbying industry. The Republican minority had second thoughts about how its transparently obstructionist tactics would look to constituents. And an overwhelming majority then approved the first serious anticorruption strictures since the Watergate era."

Johnson's Condition Continues To Improve. The New York Times/AP (1/20, A12) reports Sen. Tim Johnson "is taking part in three hours of physical, occupational and speech therapy every day, and his tracheotomy tube has been removed, doctors at George Washington University Hospital said. … He is doing strengthening exercises to gain mobility on his right side, said Dr. Philip Marion, head of rehabilitation at the hospital."

Democrats' "100-Hour Agenda" Complete. The Washington Post/AP (1/20, A6) reports, "Democrats completed their six-bill, 100-hour legislative agenda Thursday night," with House Speaker Nancy Pelosi "proclaiming, 'This was only the beginning.' The last of the 'Six for '06' bills that Democrats promised voters in the fall passed about 87 hours after the 110th Congress opened Jan. 4. The Democrats' clock, which counted only the time spent directly on the six bills, showed that 42 hours and 15 minutes had elapsed when the roll call ended on the last bill, energy legislation that would reimpose billions in fees, royalties and taxes on the oil industry."

House Unanimously Approves Page Program Overhaul. The Washington Post/AP (1/20, A6, Press) reports the House "unanimously voted to overhaul the board supervising its teenage pages, responding to a scandal that helped Democrats win control of Congress. The vote was 416 to 0 to expand the membership of the House Page Board, whose Republican chairman never told two board colleagues that he had been warned that then-Rep. Mark Foley (R-Fla.) was a 'ticking time bomb.'" The Hill's Web site (1/19, Marre) reports, "Now, the board will include a second member of the minority, a parent of a current or former page, and a former page. The former page on the board can be neither a member of Congress nor the parent of a page." The Los Angeles Times (1/20, Neuman, 850K) reports the House Ethics Committee "investigated the Foley case and released its findings in December. … The ethics panel found 'a significant number of instances where members, officers or employees failed to exercise appropriate diligence and oversight.'"

Hoyer Seeks To Give DC Delegate A Vote On Amendments. The Washington Post (1/20, B1, Sheridan, 690K) reports House majority leader Rep. Steny Hoyer "announced yesterday the party will introduce a measure next week that would allow D.C. Del. Eleanor Holmes Norton to vote on amendments on the floor of the chamber. The D.C. delegate is allowed to vote only in House committees." Norton "said yesterday that she was grateful for Hoyer's move but that it wasn't enough and could even confuse supporters of broader voting powers for the District." The Washington Times (1/20, A1, Emerling, 88K) reports a "voting rights bill -- originally introduced in May by Mrs. Norton and Rep. Thomas M. Davis III, Virginia Republican -- would give one vote to the District, which is predominantly Democratic, and another to Utah, a mostly Republican state."

Perry Meets With Democrats In Texas Congressional Delegation. The Houston Chronicle (1/20, Mittelstadt, 530K) reports Gov. Rick Perry "and Texas' 13 U.S. House Democrats sought to bury the hatchet Friday after years of chilly relations and mistrust aggravated by the redistricting battle that forced five Democrats from Congress in 2004. Perry slipped quietly onto Capitol Hill for a breakfast meeting with the Texas Democrats, a first-of-its-kind summit that was not listed on his public schedule or mentioned beforehand by the congressional offices. The Democrats emerged saying they had a chance to air their gripes with Perry and brief him on legislative priorities that could benefit from teamwork."

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NIH Official Claims Bush Stem Cell Policy Hampers Research. The Washington Post (1/20, A4, Weiss, 690K) reports Story Landis, director of the NIH's National Institute of Neurological Disorders and Stroke and interim chair of the agency's stem cell task force, "suggested that the controversial program is delaying cures, an unusually blunt assessment for an executive branch official." In prepared Senate testimony, Landis "closely mirrored previous testimony from other NIH officials, who have for years been careful not to criticize the Bush policy directly, even though that policy has infuriated many scientists because of the limits it places on embryo cell work. But under questioning, Landis spoke more plainly. When Sen. Edward Kennedy asked her how the policy was affecting medical research, she said, 'We are missing out on possible breakthroughs.' The ability to work on newly derived stem cell colonies -- precluded from federal funding under the Bush plan -- 'would be incredibly important,' she added."

Dowd Notes Bush's Reading Material Includes "Flashman" Books. The New York Times' Maureen Dowd (1/20, A11) writes, "In our continuing odyssey of discovery through the president's reading list, we learned that he perused two of George MacDonald Fraser's Flashman books, 'Flashman at the Charge' and 'Flash for Freedom.' There are those who are skeptical of the president's souped-up reading list, a result of a book-reading contest with Karl Rove." Dowd goes on to describe a conversation she had with Frasier concerning Afghanistan.

NYTimes Columnist Mocks HHS Population Affairs Official. New York Times guest columnist Stacy Schiff (1/20, A11) writes, "How to get a job in Washington, that balmy, bipartisan town: Direct an organization that opposes contraception on the grounds that it is 'demeaning to women.' Compare premarital sex to heroin addiction. Advertise a link between breast cancer and abortion — a link that was refuted in 1997. Rant against sex ed. And hatch a loony theory about hormones. You're a shoo-in, and if your name is Eric Keroack you're in your second month as deputy assistant secretary for population affairs at the Department of Health and Human Services."

SMU Professor Explains His Support For Bush Library. In an op-ed for the New York Times (1/20, A11, 1.16M) James F. Hollifield, a professor of political science and the director of the Tower Center for Political Studies at Southern Methodist University, writes, "When I was a graduate student at Duke in 1981, the university was faced with a difficult decision: Should it accept the papers of its law school alumnus, Richard M. Nixon, and build a library and museum named for one of the most controversial presidents in American history. … At the time I had the luxury of watching this drama unfold from the sidelines. Today I do not. As the director of a center for political studies at Southern Methodist University, I was invited to sit on an academic planning committee for the George W. Bush presidential library. By agreeing to serve on this committee, I took a stand in favor of Southern Methodist University's bid for the library, in part because I think Duke made a mistake in not accepting the Nixon library. George W. Bush…is a controversial president for difficult times. But we must put partisanship aside and strive for historical perspective. We must consider the importance of having presidential libraries to help generations of scholars understand the times in which we live, and to inform future policy debates."

In addition, Benjamin Hufbauer, a professor of art history at the University of Louisville, writes in the New York Times (1/20, A11, 1.16M), "Presidents are not required to have presidential libraries. Since Watergate, presidential records are not owned by each president but by the nation; a president could simply hand over his or her records to the National Archives. But if a president chooses to have a library, it is up to Congress, current and former presidents, host universities and the public to ensure that each library operates in the public interest."

OTHER NEWS:

Stock Markets Narrowly Mixed Friday. The New York Times/AP (1/20, C6) reports, "Shares closed narrowly mixed yesterday after profit reports and forecasts from companies like I.B.M. and General Electric left investors unimpressed." The Dow Jones Industrial Average "closed down 2.40 points, at 12,565.53," while the S&P 500 "rose 4.13 points, to 1,430.50, and the Nasdaq was up 8.10 points, at 2,451.31." The Wall Street Journal (1/20, B1, McKay, 2.04M) says that "after 25 record closes for the Dow Jones Industrial Average since Oct. 3, some Wall Street pros see the Dow's 8% rise since then as evidence that big-name stocks are best-suited to weather slowing U.S. economic growth. But despite a record in the just-completed week, the increments are getting smaller."

Crude Oil Futures Post Biggest One-Day Gain Since October. The Wall Street Journal (1/20, B5, Farivar, Prezioso, 2.04M) reports energy futures "rallied sharply Friday as crude-oil futures posted their biggest one-day gain in nearly three months and natural gas futures reached a one-month high, boosted by forecasts of continued cold weather." The February crude contract in New York "settled $1.51 a barrel higher at $51.99 after trading as low as $50.12 in overnight trading. The gain was the biggest in both percentage and dollar terms since Oct. 25."

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Dollar Changes Little Against Yen, Euro. The Wall Street Journal (1/20, B5, Molinski, 2.04M) says the dollar "was little changed against the yen and euro Friday," climbing to 121.49 yen, "just a few ticks below a four-year high of 121.60 yen that it reached earlier this past week. The euro briefly fell to as low as $1.2914."

Weak Dollar Barely Impacting US Trade Deficit. The New York Times (1/20, Porter, Landler, 1.16M) runs a front-page report on the weakness of the dollar and the growing trade deficit, saying that "shocking tourists into counting every penny, and getting Americans back home to spend less on costly imports, is part of what a weaker dollar is supposed to do to help pare America's outsize trade deficit, according to economic textbooks. But, so far, the dollar's slide has not helped enough. Although the dollar has lost a lot of ground against many of the world's major currencies," the US trade imbalance "has continued to rise, reaching $702 billion in the first 11 months of 2006, on track to easily outstrip the $717 billion of 2005 and set another record."

Martinez Takes Helm Of Republican National Committee. In a generally positive report, the Washington Post (1/20, A4, Murray, 690K) reports Sen. Mel Martinez, "who arrived in the United States as a teenage Cuban refugee, took his party's helm yesterday as general chairman of the Republican National Committee, vowing to reach out to minority voters and restore 'the principles that have made us great.'" Martinez "was handpicked for the job by President Bush, and his ascendance was not without controversy. A small group of conservative RNC members had announced their opposition" to Martinez "because they viewed him as overly tolerant of illegal immigration." But "to many Republicans, Martinez represented a fresh face for the party, a first-generation American whose background and congenial personality could widen GOP appeal to vast new voter groups." A less favorable take appears on the front page of the Washington Times (1/20, Hallow, 88K), which says Martinez was selected "despite some members' public objections and considerable private grumbling. … Some members said publicly and privately that the senator from Florida would make RNC fundraising more difficult because he supports what critics say is Mr. Bush's desire to grant amnesty to illegal aliens."

California May Move 2008 Presidential Primary To February 5. The Los Angeles Times (1/20, Rau, 850K) reports on its front page that "with Gov. Arnold Schwarzenegger's backing, state lawmakers from both parties are moving rapidly to make California a player in choosing the nation's next president by holding the state's primary four months earlier." Legislation introduced late this week would "change the 2008 presidential primary from June 3 to Feb. 5," the earliest date allowed by party rules. The new date would place California "right after four states that have secured the most privileged spots in January for their Democratic caucuses or primaries: Iowa (Jan. 14), Nevada (Jan. 19), New Hampshire (Jan. 22) and South Carolina (Jan. 29). The Republican calendar has Iowa and New Hampshire first, with the rest of the schedule in flux." The "huge cost of competing" in the nation's most populous state "would probably require all contenders to accelerate their fundraising and possibly give an edge to those candidates who have already amassed sizable war chests." In addition, "Republican moderates such as former New York Mayor Rudy Giuliani, who might face opposition in Southern states for their liberal views on social issues, could benefit from the change." Democratic National Committee member Robert Zimmerman said, "If California can succeed in moving up its primary, this truly is an earthquake in presidential national politics and the tremors will be felt through all 49 states."

Clinton, Giuliani Lead Most States In Latest Primary Polling. New state-level polls on the presidential nomination contests have been released from 10 states. The American Research Group released surveys from California, Florida, Illinois, Michigan, Missouri, New Mexico, North Carolina, and Pennsylvania, with 600 likely primary voters from each party surveyed in each state. Zogby surveyed 596 likely Democratic caucus-goers and 465 likely Republican caucus-goers in Iowa, while Strategic Vision surveyed 800 likely voters of each party in Georgia. On the Democratic side, Sen. Hillary Clinton leads in six states (California, Florida, Georgia, Michigan, Missouri, and Pennsylvania), John Edwards two (Iowa and North Carolina), Sen. Barack Obama one (Illinois), and Gov. Bill Richardson one (New Mexico). On the Republican side, Rudy Giuliani leads in nine states (California, Florida, Georgia, Illinois, Iowa, Michigan, New Mexico, North Carolina, and Pennsylvania), and Sen. John McCain one (Missouri). No candidate of either party reaches 40% in any state.

California. Democrats: Sen. Hillary Clinton 36%, Sen. Barack Obama 33%, John Edwards 6%, Sen. John Kerry 4%, Wesley Clark 2%, Sen. Joseph Biden 1%, Rep. Dennis Kucinich 1%, Gov. Bill Richardson 1%, Sen. Christopher Dodd 0%, Mike Gravel 0%, Tom Vilsack 0%, Other/Undecided 16%. Republicans: Rudy Giuliani 33%, Newt Gingrich 19%, Sen. John McCain 18%, Sen. Chuck Hagel 5%, Mitt Romney 3%, Rep. Duncan Hunter 1%, Sen. Sam Brownback 0%, Jim Gilmore 0%, Mike Huckabee 0%, George Pataki 0%, Tommy Thompson 0%, Other/Undecided 22%.

Florida. Democrats: Clinton 30%, Obama 15%, Edwards 14%, Biden 6%, Kerry 3%, Clark 2%, Vilsack 2%, Dodd 1%, Kucinich 1%, Richardson 1%, Gravel 0%,

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Other/Undecided 26%. Republicans: Giuliani 30%, Gingrich 16%, McCain 15%, Hagel 2%, Romney 2%, Brownback 1%, Huckabee 1%, Pataki 1%, Gilmore 0%, Hunter 0%, Thompson 0%, Other/Undecided 32%.

Georgia. Democrats: Clinton 27%, Obama 20%, Edwards 15%, Al Gore 11%, Clark 4%, Kerry 3%, Biden 2%, Dodd 1%, Kucinich 1%, Gov. Ed Rendell 1%, Richardson 1%, Vilsack 1%, Undecided 13%. Republicans: Giuliani 27%, McCain 24%, Gingrich 12%, Romney 7%, Huckabee 3%, Brownback 2%, Tancredo 2%, Thompson 2%, Gilmore 1%, Hagel 1%, Hunter 1%, Pataki 1%, Undecided 18%.

Illinois. Democrats: Obama 36%, Clinton 30%, Edwards 5%, Biden 3%, Richardson 3%, Dodd 2%, Kerry 2%, Vilsack 2%, Clark 1%, Kucinich 1%, Gravel 0%, Other/Undecided 16%. Republicans: Giuliani 34%, McCain 24%, Romney 12%, Gingrich 8%, Brownback 4%, Thompson 4%, Hagel 3%, Hunter 1%, Gilmore 0%, Huckabee 0%, Pataki 0%, Other/Undecided 11%.

Iowa. Democrats: Edwards 27%, Obama 17%, Clinton 16%, Vilsack 16%, Biden 3%, Kerry 3%, Kucinich 1%, Richardson 1%, Not Sure 13%. Republicans: Giuliani 19%, McCain 17%, Gingrich 13%, Secretary of State Condoleezza Rice 9%, Romney 5%, Hagel 2%, Rep. Tom Tancredo 2%, Brownback 1%, Huckabee 1%, Pataki 1%, Thompson 1%, Not Sure 22%.

Michigan. Democrats: Clinton 30%, Obama 30%, Edwards 17%, Biden 2%, Clark 2%, Kucinich 2%, Dodd 1%, Kerry 1%, Gravel 0%, Richardson 0%, Vilsack 0%, Other/Undecided 14%. Republicans: Giuliani 34%, McCain 24%, Romney 10%, Gingrich 9%, Thompson 7%, Huckabee 2%, Brownback 0%, Gilmore 0%, Hagel 0%, Hunter 0%, Pataki 0%, Other/Undecided 14%.

Missouri. Democrats: Clinton 30%, Obama 18%, Edwards 17%, Vilsack 5%, Kerry 2%, Kucinich 2%, Richardson 2%, Clark 1%, Biden 0%, Dodd 0%, Gravel 0%, Other/Undecided 23%. Republicans: McCain 31%, Giuliani 18%, Gingrich 14%, Brownback 5%, Hagel 3%, Romney 2%, Thompson 2%, Huckabee 1%, Gilmore 0%, Hunter 0%, Pataki 0%, Other/Undecided 24%.

New Mexico. Democrats: Richardson 28%, Clinton 22%, Obama 17%, Edwards 12%, Clark 5%, Kucinich 3%, Biden 1%, Dodd 1%, Kerry 1%, Vilsack 1%, Gravel 0%, Other/Undecided 10%. Republicans: Giuliani 38%, McCain 20%, Gingrich 9%, Romney 7%, Hagel 6%, Brownback 4%, Pataki 1%, Gilmore 0%, Huckabee 0%, Hunter 0%, Thompson 0%, Other/Undecided 15%.

North Carolina. Democrats: Edwards 30%, Clinton 26%, Obama 19%, Clark 3%, Kucinich 3%, Dodd 2%, Richardson 2%, Biden 1%, Kerry 1%, Gravel 0%, Vilsack 0%, Other/Undecided 15%. Republicans: Giuliani 34%, McCain 26%, Gingrich 11%, Huckabee 4%, Hagel 2%, Romney 2%, Gilmore 1%, Brownback 0%, Hunter 0%, Pataki 0%, Thompson 0%, Other/Undecided 19%.

Pennsylvania. Democrats: Clinton 32%, Obama 13%, Edwards 12%, Biden 8%, Clark 6%, Dodd 2%, Kerry 2%, Kucinich 2%, Gravel 1%, Richardson 1%, Vilsack 1%, Other/Undecided 21%. Republicans: Giuliani 35%, McCain 25%, Gingrich 10%, Hagel 4%, Brownback 2%, Gilmore 1%, Huckabee 1%, Romney 1%, Hunter 0%, Pataki 0%, Thompson 0%, Other/Undecided 21%.

Conservatives Eye Early GOP Presidential Field With Dismay. The Los Angeles Times (1/20, Barabak, 850K) reports that "as conservatives survey the 2008 field -- and, particularly, the early Republican front-runners -- many are despairing," since Rudy Giuliani, Sen. John McCain, and Mitt Romney "have all broken with conservative orthodoxy at one time or another." The candidate "closest to the heart of social conservatives" is Sen. Sam Brownback, who "plans to formally launch his White House bid today with a speech in Topeka. But even those who admire Brownback, and especially his Senate leadership opposing abortion, same-sex marriage and stem-cell research, question the viability of his candidacy. … Sensing opportunity, several candidates with strong conservative credentials -- if not the name recognition or fundraising potential of a McCain, Giuliani or Romney -- are looking to enter the Republican race." They include Jim Gilmore, Newt Gingrich, Mike Huckabee, Tom Tancredo, and Tommy Thompson.

McCain Adds Three Bush Advertising Veterans To Campaign Team. The New York Times (1/20, A12, Times, 1.16M) reports Sen. John McCain "has enlisted strategists from President Bush's advertising team to work on the senator's nascent drive for the Republican presidential nomination," according to his exploratory committee. Fred Davis, Russ Schriefer, and Stuart Stevens are being brought on "as part of a continuing accumulation of campaign advisers." Schriefer and Stevens "helped produce some of the most hard-charging advertisements of Mr. Bush's 2000 and 2004 campaigns," including the 2004 spot showing Sen. John Kerry "saying that he did vote for an $87 billion war appropriation 'before I voted against it.'"

Richardson Expected To Announce Exploratory Committee Sunday. The AP (1/19, Pickler) reports Gov. Bill Richardson "intends to say Sunday that he is taking the first step toward the Democratic presidential nomination, several officials with knowledge of his plans said Friday." The AP says Richardson "is hoping his extensive resume will fuel an insurgent campaign to become the nation's first Hispanic president. He plans to announce Sunday that he will soon file the papers to create a presidential exploratory committee, the officials said."

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Dodd "No Longer A Candidate" For Reelection To Senate In 2010. CQ Politics (1/19) reports Sen. Christopher Dodd, "through his counsel, has sent a letter to the Federal Election Commission stating he 'is no longer a candidate in the 2010 election for the United States Senate in Connecticut.' This letter helps set the stage for his Senate campaign committee, Friends of Chris Dodd, to declare it has excess funds and transfer the funds to his presidential campaign committee, Chris Dodd for President Inc."

Dodd "Confident" He Can Win Democratic Nomination. On MSNBC's Tucker (1/19, Carlson), Dodd discussed his presidential campaign, saying, "I'm confident I can be nominated and elected. And I think my ability to solve problems, the experience I bring to this, I'm going to make my case and the others will make theirs. But I think in the end, I'd be a strong candidate for our party. I think I could win the presidency and I think I can help lead this country back on track again."

Impact Of Politicians' Mormonism Examined. The Dallas Morning News (1/20, Weiss, 500K) runs a report on whether it matters to voters if a politician is a Mormon, like presidential hopeful Mitt Romney or Senate Majority Leader Harry Reid. The Morning News says "distinctively Mormon values could have policy implications on issues including abortion, welfare, gay marriage and the role of federal judges. In addition to Mr. Reid, four other senators and 10 U.S. House members identify themselves as Mormons." But "that's not to say that observant Mormons run in political lockstep any more than members of any other faith."

Rendell Advocating Healthcare System Overhaul. The New York Times (1/20, A9, Hamill, 1.16M) reports Pennsylvania Gov. Edward G. Rendell plans "not only to extend health insurance coverage to the state's 760,000 uninsured adults, but also to cut billions of dollars in heath care costs and ban smoking in restaurants, bars and workplaces. … Though Pennsylvania has one of the lowest uninsured rates in the nation — about 7 percent, compared with 20 percent in California — Mr. Rendell said the proposal was crucial because 'the system is near collapse.'"

Communities Turn To Adults-Only Housing To Combat School Taxes. The Washington Times (1/20, A1, Ivry, 88K) reports, "Educating a child in New Jersey costs an average of $12,567 a year, the most in the nation and more than double the property tax parents typically pay. So local governments have hit upon a way to expand the tax base without the expense of higher enrollment: age-restricted housing. New Jersey developers have responded by building an estimated one-fifth of the country's adults-only housing, making the state the leader in a national trend spurred by baby boomers seeking new homes after their children move out."

LATimes Notes Ruling On Maryland Anti-Wal-Mart Law. The Los Angeles Times (1/20, 850K) editorializes, "what do Johns Hopkins University, Northrop Grumman Corp., Giant Food Inc. and Wal-Mart have in common? Answer: They are the four biggest private employers in Maryland. Yet last January, when the Maryland General Assembly passed its Fair Share Health Care Fund Act, requiring companies with more than 10,000 Maryland employees to spend at least 8% of their total payroll on workers' health insurance costs, it did something interesting. Though all four qualified under the law, legislators ensured that only one — Wal-Mart, the super-villain of documentary films, watchdog websites and countless news investigations — would have to obey it. This week, the U.S. 4th Circuit Court of Appeals upheld an industry group's challenge to the Maryland law, saying that it is preempted by the 1974 ERISA Act. … Californians, who are digesting the opening course of Gov. Arnold Schwarzenegger's healthcare overhaul, should take a special interest in the outcome of this case."

Chinese Missile Test Sparks Talk Of New Cold War. All three networks reported on China's test of an anti-satellite missile. NBC Nightly News (1/19, lead story, 2:40, Williams, 9.87M) led with it, saying, "There is evidence tonight that two major powers on our planet earth, China and the United States, may be entering a new era and not one for the better. ... It was a first for China and the fear is that space could become a place for weapons." ABC World News (1/19, story 4, 2:30, Vargas, 8.78M) reported, "What might be considered a throwback to the Cold War, courtesy of China. It crossed a final military frontier this week, destroying a satellite in space with a land-based missile. Until now, only the US and the former Soviet Union had this capability." ABC (Karl): "Firing the missile from the mainland, 530 miles into space, where it collided with an inactive Chinese weather satellite. The collision sent tens of thousands of fragments hurtling through space. It sent a message to the United States. China is prepared to challenge America's dominance in space." The CBS Evening News (1/19, story 3, 0:30, Couric, 7.66M) reported, "Tonight the Bush Administration is complaining to China about a missile test it conducted last week, a test that's raising concerns about a possible arms race in space. ... The immediate concern is that a piece of space junk could damage one of the many communication satellites out there, but the concern is that China might be able to knock out American spy satellites."

In a front page analysis piece, the New York Times (1/20, A1, Kahn, 1.16M) says Beijing's use of a ballistic missile to destroy a satellite this week "signals that its rising

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military intends to contest American supremacy in space, a realm many [Chinese leaders] consider increasingly crucial to national security." The test "was perceived by East Asia experts as China's most provocative military action since it testfired missiles off the coast of Taiwan more than a decade ago. Unlike in the Taiwan exercise, the message this time was directed mainly at the United States, the sole superpower in space." Beijing's continued "silence on the test underscores how much its rapidly modernizing military — perhaps especially the Second Artillery forces, in charge of its ballistic missile program — remains isolated and secretive, answering only to President Hu Jintao, who heads the military as well as the ruling Communist Party." The Times adds that, "while China's research and development of such weapons has been well known, the apparent decision to test-fire an antisatellite weapon came as a surprise to many analysts."

The Los Angeles Times (1/20, Barnes, 850K) focuses on Administration efforts to get Beijing to "explain why it conducted" the test," noting that "U.S. officials are seeking talks with their Chinese counterparts. Though some experts are calling for an expanded dialogue, more hawkish observers say the U.S. needs to take a tougher line." The Financial Times (1/20) focuses on continuing diplomatic fallout from the test, reporting Beijing "denied provoking a space arms race following international condemnation of its successful test of an anti-satellite weapon." Washington, Tokyo, London and Canberra "criticised Beijing for testing an anti-satellite system without warning by destroying a weather satellite in space orbit with a ballistic missile. Japanese officials were among the first to react to the test."

The Times of London (1/20, Macartney, Beeston, Reid) notes Beijing "signalled yesterday that its first missile strike against an orbiting satellite was intended to force the US into talks aimed at abolishing weapons in space." The Times says China "faced an international chorus of protest against its test," and notes Chinese "officials insisted that they wanted space to be free of weapons." Those "reassurances failed to placate jittery Asian neighbours and Western powers, which fear that the surprise Chinese muscle-flexing is part of a campaign to raise its global military posture while raising the spectre of a space arms race."

A Financial Times (1/20, Dickie, Fidler, Sevastopulo) compilation of expert analysis says the test "is likely to carry a cost for Beijing. … It is sure to raise further US suspicions about Beijing's intentions, heightened by previous launches in the past three years." The test "appears to be the latest example of China surprising the US over the extent of its military capabilities." Beijing's actions are "likely to increase pressure from hawks in Washington for the US to spend more on the defence of its space assets," and "might include pressure to base defensive weapons in space." However, "the test is likely to bring calls from another direction too: that it is time for an international treaty to stop the use of space for military purposes."

More Commentary. In an editorial today, the New York Times (1/20, A10, 1.16M) says the test "spread alarm and consternation among space powers," and the "aggressive show of force puts a wide range of United States military and intelligence satellites at risk and holds the danger of starting an arms race in space." However, "the Bush administration's own bellicose attitudes — and adamant refusal to consider an arms control treaty for space — give it scant standing to chastise the Chinese. The administration needs to reverse course promptly and join in talks aimed at banning further tests or use of antisatellite weapons." Noting that the US, "with many more satellites in orbit than any other power and a military that has become increasingly dependent on satellites, has the most to lose from an unbridled space arms race," the Times concludes, "Some experts suggest that China's latest test is intended to prod the United States to join serious negotiations. The way to counter China or any other potentially belligerent space power is through an arms control treaty, not a new arms race in space."

The Financial Times (1/20) calls the test "an alarming exhibition of [China's] military muscle," and says it "may or may not lead to a new arms race in space. But it will certainly strengthen the hand of hawks in Washington who regard Chinese power as a strategic threat to the US." The Times further argues that the US-India nuclear cooperation agreement and a new Pentagon outlook on space power "may have rattled Beijing." Washington "is so dependent on satellites for surveillance, observation of the "battlespace", communications and defence against any incoming missiles (or son of Star Wars) that it has reason to feel alarmed." Noting US condemnation of the test, the Times concludes, "Ideally, that remark would translate into a realisation that hyperpower exceptionalism – America's sense of entitlement to rights it concedes to no ally, let alone competitor – comes at a cost. But the risk is that this episode will instead translate into a new surge of defence spending that will delight the arms industry but do nothing to enhance international security."

North Korea Claims "Agreement" With US On Key Issues. The Financial Times (1/20, Fifield) reports, "Efforts to make progress on the North Korean nuclear stand-off received a rare boost on Friday when Pyongyang said it had reached 'certain agreement' during discussions with US diplomats this week." Assistant Secretary Chris Hill "arrived in Seoul Friday and noted 'very useful discussions' had been held but said he did not know to what 'agreement' North Korea was referring." The Times adds that "the gulf between Washington and Pyongyang remains so wide that the mere fact they talked this week was viewed as a sign of progress."

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Hill and Kim Kye-Gwan "held unprecedented bilateral talks in Berlin this week to discuss their considerable differences in opinion over Pyongyang's nuclear ambitions," and Hill "reportedly offered Pyongyang a package of energy and economic aid and security guarantees if it agrees to abandon its nuclear weapons programme."

The AP (1/19, Herman) notes Pyongyang "said it reached an agreement with the U.S. during talks this week on its nuclear program, and [Hill] expressed optimism Friday that progress could be made when wider arms negotiations reconvene." Hill "said the talks laid the foundation for progress when six-nation nuclear negotiations resume and that he had agreed with his North Korean counterpart 'on a number of issues.' He declined to elaborate." However, the White House "played down talk of an agreement," with Deputy Press Secretary Dana Perino quoted saying, "I think it's premature to say there is an agreement — premature to say the least."

US Alleges UN Made "Unaccountable" Hard Currency Payments To Pyongyang. The AP (1/20, Lederer) reports USUN Deputy Ambassador Mark Wallace "accused" the UN Development Program "of funneling millions of dollars in cash aid to North Korean leader Kim Jong Il and questioned if the funds had been used for other activities including nuclear weapons development." Wallace "charged that the UNDP in North Korea operated 'in blatant violation of U.N. rules' for years. He demanded an immediate outside audit, focusing on concerns that Pyongyang converted development funds 'to its own illicit purposes.'" UNDP Associate Administrator Ad Melkert "disputed allegations that the agency violated U.N. rules, insisting it followed UNDP financial rules." The Financial Times (1/20, Turner) says Wallace's letter to the UNDP alleges that "lax controls in the UNDP may have led to millions of dollars of currency being funnelled to North Korea."

The Washington Times (1/20, A1, Pisik, 88K) adds UNDP "is under fire for sending millions of dollars to North Korea that it is unable to monitor" and has "announced new operating procedures in an attempt to stave off opposition from the United States." The US had "demanded a full audit of UNDP operations in North Korea" because it "fears some of the estimated tens of millions of dollars in the program that were exchanged through the country's central bank have been siphoned off by the regime to help make atomic bombs." The Los Angeles Times (1/20, Farley, 850K) notes "a series of internal audits by the accounting firm KPMG found lax controls and failure by international staffers to visit UNDP projects, raising questions about whether the U.N. funds were used as intended."

Both the New York Times (1/20, Hoge, 1.16M) and the Washington Post (1/20, A17, Lynch, 690K) focus their reporting on the UN response. The Times says Secretary-General Ban Ki-moon "called Friday for outside examination of all United Nations activities after a published report that the UNDP in North Korea was making unaccountable payments in hard currency to local staff members and the North Korean government." Ban's "prompt action, taken after a morning meeting with the program's associate administrator, Ad Melkert, appeared to be an effort to head off the kind of problems that his predecessor, Kofi Annan, faced after muddled United Nations responses to reports of scandals." USUN spokesman Richard Grenell is quoted saying, "We are very pleased with the new team's reaction." The Post says Ban "ordered a broad inquiry into the financial practices of most of the United Nations' chief relief agencies, after a U.S. charge that the world body was inadvertently channeling foreign currency into the hands of North Korea's rulers."

NYTimes Calls Sevan "Typical Product" Of "Dysfunctional" UN System. In an editorial, the New York Times (1/20, A10, 1.16M) says the indictment of long-time Oil for Food (OFF) administrator Benon Sevan "points to a continuing problem in the U.N. appointments system that Secretary General Ban Ki-moon needs to tackle without further delay." Sevan had a "decidedly mixed performance," and he "is a typical product of a system in which who you know and where you come from count far more than merit or vision." The Times says, when considering the OFF program, "there is plenty of blame to go round," including to Security Council members who "failed to monitor its administration diligently." The UN's "dysfunctional personnel system" has "multiple failings, of which this is only the best-known example," and Sevan's case "has badly hurt the United Nations' credibility and effectiveness and handed a ready stick to its many enemies." The Times concludes, "Mr. Ban has repeatedly talked about reforming this disastrous personnel system. But his early appointments show little sign of actually doing so. Mr. Sevan's indictment should be a reminder of why Mr. Ban needs to do better."

Israel Releases $100 Million In Palestinian Receipts To Abbas. The Washington Post (1/20, A18, Wilson, 690K) reports Tel Aviv "released $100 million in tax revenue Friday to Palestinian [President] Mahmoud Abbas, fulfilling Prime Minister Ehud Olmert's pledge last month to do so." Olmert had agreed to the transfer "as a way of strengthening [Abbas'] position in a political struggle with the rival Hamas movement." The monies are "being transferred directly to accounts controlled by Abbas." The Post adds Tel Aviv "continues to hold more than $400 million in sales and customs revenue that it collects on behalf of the Palestinian Authority under an agreement reached as part of the 1993 Oslo accords."

The AP (1/19, Weizman) notes the funds release and Tel Aviv's reversal of "a contentious decision for a new West Bank settlement, strengthening the hand of [Abbas] ahead of

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crucial weekend talks in Damascus with his Hamas rivals." The AP adds, "The scheduled Abbas-Mashaal meeting would be their first in years. Abbas' Fatah and Hamas are bitter enemies — their efforts to form a unity government must overcome deep ideological and political divides." The New York Times (1/20, Myre, 1.16M) says the funds transfer is "part of a plan to bolster [Abbas] and keep money out of the hands of the Hamas government." The Los Angeles Times (1/20, Ellingwood, 850K) says the transfer "could help the Palestinian leader in his political standoff with Hamas."

Carter's Book Said To Ignore Holocaust. The Washington Post (1/20, A23, 690K), professor Deborah Lipstadt says President Carter's book, "Palestine: Peace Not Apartheid," "ignores a legacy of mistreatment, expulsion and murder committed against Jews," and "trivializes the murder of Israelis." The book "makes two fleeting references to the Holocaust." By "almost ignoring the Holocaust, Carter gives inadvertent comfort to those who deny its importance or even its historical reality, in part because it helps them deny Israel's right to exist." His "minimization of the Holocaust is compounded by his recent behavior," which includes, Lipstadt says, relying "on traditional anti-Semitic canards." Noting that "Carter reflexively fell back on this kind of innuendo about Jewish control of the media and government" in defending his work, Lipstadt concludes, "Others can enumerate the many factual errors in this book. A man who has done much good and who wants to bring peace has not only failed to move the process forward but has given refuge to scoundrels."

Political Rise, Motives Of Lebanon's Michel Aoun Detailed. In this week's "Saturday Profile," the New York Times (1/20, A4, Fattah, 1.16M) describes the life and current role of Lebanese General Michel Aoun. His leadership of the ongoing anti-government protests in Beirut "is just the latest in a decades-long series of political surprises and controversies that have made him a political wild card, breaking all the rules of Lebanese politics while charging the country's political debate." The Times says Aoun's backers see him as "a Lebanese de Gaulle seeking to unite a fractious country and rebuild trust in its institutions," while his critics believe "he is a divisive megalomaniac willing to stop at nothing to become Lebanon's president." Many Lebanese believe "Aoun has embraced a populist agenda for personal gain. The Times adds, "The irony of General Aoun, who has spent much of his life fighting Syrian domination of Lebanon, joining hands with Hezbollah, with its close ties to Syria, is not lost on his opponents, nor on followers in protests against the government. But such about-faces are nothing new to him."

Leading Turkish-Armenian Journalist Murdered. Major media report the assassination yesterday of Turkish-Armenian newspaper editor Hrant Dink. The Washington Post/AP (1/20, A15, Harvey) calls Dink "the most prominent voice of Turkey's shrinking Armenian community" and "a man who stood trial for speaking out against the mass killings of Armenians by Turks." The Post adds, "Just hours after a gunman shot the journalist twice in the head, thousands marched down the bustling street where he was slain, carrying posters of Dink and shouting slogans in favor of free expression. Prime Minister Recep Tayyip Erdogan twice addressed the country to condemn the killing and vowed to capture those responsible." Dink was convicted in October 2005 "of trying to influence the judiciary after his newspaper ran stories criticizing" Turkish laws forbidding anti-government or anti-Turkish reporting. He "was charming, soft-spoken and eloquent. He was respected and beloved by many Turks who disagreed with his views but admired his courage in stating them. He was hated by just as many."

The Financial Times (1/20, Boland) calls Dink "a prominent newspaper editor and leading figure in one of Turkey's most painful historical debates - the massacre of Armenians during the collapse of the Ottoman empire." His "murder could have serious repercussions for Turkey in Washington. Both houses of the US Congress are due to debate a motion in the next few weeks that would recognise the Armenian massacre as genocide. Turkey is fighting a rearguard diplomatic action to prevent this and the White House has indicated that it would not approve such a motion. But the atmosphere in which the debate takes place will be clouded by Friday's events." The Los Angeles Times (1/20, Wilkinson, Borg, 850K) says Dink's "slaying is likely to further darken Turkey's reputation for repressing critics of the government and for tightly controlling how its turbulent past is portrayed." State Department spokesman Tom Casey is quoted saying, "We certainly are concerned any time someone who has been very outspoken in their views is made to pay a price simply for their ability to speak their mind." The New York Times (1/20, Arsu, 1.16M) adds, "Reaction to the daylight shooting, both [domestically] and abroad, was swift and deep."

Somali Insurgents Step Up Attacks As AU Considers Peacekeeping Force. The New York Times (1/20, A5, Gettleman, 1.16M) reports, "Insurgents blasted Somalia's presidential palace with heavy explosives on Friday night, Somali officials said, but it appeared that no one was hurt. It was the first time since Somalia's transitional government took control of Mogadishu, the capital, three weeks ago that the palace had come under attack," and the Times notes that "insurgent attacks on Somalia's government forces seem to be intensifying." Also yesterday, African Union leaders "discussed a plan to send 7,700 African peacekeepers to Somalia for a six-month mission that would

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eventually be taken over by the United Nations. So far, only Uganda has stepped forward." In reporting on African Union planning for a force, the AP (1/20, Leuhaus) notes, "More than a decade after the U.S. and U.N. pulled failed peacekeeping missions out of Somalia, African governments are under growing pressure to mount a new intervention in one of the continent's most violent and unstable nations."

Top Blair Aide Arrested In "Widening" Honors Investigation. The Washington Post (1/20, A16, Jordan, 690K) reports UK "police on Friday arrested" Ruth Turner, director of government relations for UK Prime Minister Tony Blair, "as part of a continuing criminal investigation into whether his Labor Party traded seats in the House of Lords and other government honors for cash." Turner, who denied any wrongdoing and was released on bail, "is the fourth person arrested in the investigation concerning seats in the House of Lords, the upper house of Parliament. So far no one has been charged." Her "arrest brings the investigation closer to Blair and suggests police believe there has been an attempt to cover up information." The Post adds that, "because Blair is in office and once promised voters to be 'purer than pure' on issues of ethics, he is taking the brunt of the scandal and it has further eroded his standing, which is already suffering from his support of the deeply unpopular war in Iraq."

The New York Times (1/20, A5, Cowell, 1.16M) says Turner's arrest could be part of "a widening inquiry." Blair "has been embroiled in questions about campaign financing before the May 2005 national election." The Washington Times/AP (1/20) says Blair "has acknowledged some supporters who offered loans were later nominated for honors, but has insisted that he did nothing wrong."

Serbian Election Could Embolden Democrats. Under the headline, "Election Could Decide Serbia's Role In Europe," the New York Times (1/20, A5, Wood, 1.16M) notes many Serbs believe their "country has seen little change" since the fall of Slobodan Milosevic. "Serbia remains isolated from the European Union while most of its former Eastern bloc neighbors — Hungary to the north and most recently Romania and Bulgaria to the east — have become members." However, experts believe Sunday's parliamentary elections "will make a difference by uniting Serbia's notoriously divided democratic bloc and by preventing the ultranationalist Serbian Radical Party from consolidating its position as the largest group in Parliament." This vote's "timing is particularly crucial. The parties that form the next government will be faced with the possible loss of Kosovo." While "the ultranationalists are widely expected to receive the largest number of votes over all," The Times says "there has been a substantial amount of diplomatic and political pressure from abroad to encourage the Democratic Party and the Serbian Democratic Party to work together and seriously consider forming a coalition government."

Chavez Says Castro "Battling" To Recover. The Washington Times/AP (1/20) reports comments by Venezuelan President Hugo Chavez in Rio de Janeiro that Cuban President Fidel Castro "is 'battling for his life,'" saying he had spoken with Castro "for nearly half an hour several days ago." Chavez "compared Mr. Castro's attempt to recover from an unspecified medical condition to efforts in the 1950s, when Mr. Castro was a guerrilla in Cuba's eastern mountains fighting the government he would eventually overthrow." CNN.com (1/19) notes the Spanish newspaper El Pais "quoted unnamed medical sources saying Castro was in grave condition," saying "that Castro had suffered complications after three failed surgeries."

Mercosur Postpones Decision On Admitting Bolivia. The Financial Times (1/20, Lapper, Wheatley) reports Mercosur "was on Friday expected to delay a controversial decision on expansion that would have strengthened the influence of" Venezuelan President Hugo Chávez "within the five-member trading bloc." While Brazil "had supported moves to give full membership" to La Paz, that "proposal met with resistance from Argentina, as well as from the two smaller members of Mercosur, Uruguay and Paraguay, and has been put on hold pending the considerations of a working group which will meet over the next six to twelve months." The Times says the delay "has added to multiple strains within the group," and notes the "dispute" over admitting La Paz "is centred on proposed exemptions from the group's common external tariff regime."

Scholar Says Congress Must Consider Long-Term Implications Of Foreign Policy. Headlining his Los Angeles Times (1/20, 850K) op-ed, "Congress And Foreign Policy Don't Mix," George Weigel describes "the indignities" Secretary of State Condoleezza Rice "absorbed during her first appearance before the" SFRC. "The recent sound bites out of Congress, and the anti-surge resolution introduced in the Senate on Wednesday, may be comforting to Democratic partisans and Republicans who've bailed out on President Bush. And no doubt the administration made serious mistakes in Iraq after the major combat phase of the war ended. Yet one can make the case … that the November election led to genuine soul-searching in the executive branch." The Congress, however, "seems stuck on last fall's script." In fact, Weigel says, "modern history suggests that Congress is a particularly blunt — and not terribly effective — instrument for making foreign policy." Weigel concludes, "Congress can do better than this. This Congress must do better, given the magnitude and complexity of the issues

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involved in a multi-front contest with global jihadism that has nonmilitary as well as military dimensions."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"State Push For Early Primary Gains Traction."
"Cruise Industry Faces Dark Waters."
"Bagging May Increase Risk Of E. Coli."
"Anti-Spanking Stance Draws Ire."

New York Times:
"Draft Law Keeps Central Control Over Oil In Iraq."
"Senate Measure Puts Spotlight On Fund-Raising."
"21 Parishes Face Shutdown In New York."
"China Shows Assertiveness In Weapons Test."
"Trade Deficit Stubbornly Defies The Dollar's Slide."
"Leading Senator Assails President Over Iran Stance."
"Class Divide In Chinese-Americans' Charity."

Washington Post:
"High Court To Revisit Campaign Finance Law."
"Mexico's Doctors Urged To Stub Out."
"New Rules Still Allow Congress Many Perks."
"A Potential Pothole In Va. Roads Deal."
"Headmasters' Salaries On The Rise."
"Temporary 'Enjoyment Marriages' In Vogue Again With Some Iraqis."

Washington Times:
"Iraq Aiding U.S. Surge, General Says."
"RNC Elects Martinez As Head."
"Ney Will Serve 30 Months In Abramoff Hill Bribery."
"Towns Tame Taxes By Keeping Children Out."
"Embattled U.N. Agency Alters Aid To N. Korea."
"House Likely To Give Norton A Vote."
"Teen Magazine Strikes A Pose With Muslims."

Detroit Free Press:
"Lawyers, State Clash On Aid Plan For Abraham."
"Turning The Lights Off."
"From Blue Chip To The Bayou."
"Pistons Eject Wolves."

Atlanta Journal-Constitution:
"Lawyers: Man Cleared In '85 Rape."
"Aaron Heading For Home."
"Call-Girl Suspect Back In Grind."
"Six-Mile Stretch Opens Monday."
"Good Samaritan Dies."
"Sex Offender Pix Targeted."
"In Hindsight, Carter Gets Due."

Dallas Morning News:
"UP To Enforce Roommate Limit."
"Parole Of Dallas Man Now Up To Perry."
"Can Voters Picture Good Mormons As Good Leaders?"
"FB Will Revise, Not Scrap, Rent Ordinance."
"Baptists At Odds Over Removal Of Female Professor."
"UTD Says More Put At Risk Of ID Theft."
"Long-Ignored Dems Give Governor An Earful."

Houston Chronicle:
"Harris Must Pay $3.75 Million To In-Laws."
"T-Mac Says He's Ready To Play Against Denver."
"Lopez: Smart Money Will Be Bet On Beckham."
"Deputy Constables Shoot Man Who Charged Them."
"Draft Law Would Give Oil Powers To Baghdad."
"Farmers Branch May Redo Immigrant Rental Ban."
"Perry Builds Bridges With Texas Democrats In D.C."
"New Dollar Coin To Debut In Houston, Chicago."
"Ship Channel Cancer Study Spurs Two Bills."
"Educator-Astronaut Set To Inspire From Space."
"Houston Teen Robyn Troup Goes For Grammy Goal."

Story Lineup From Last Night's Network News:
ABC: Surge Of Troops In Iraq; Civilian Death In Iraq; Weddings Amid Violence In Iraq; China Launches Missile Into Space; Deadly Storm In Europe; Abuse By Debt Collectors Reported; Ney Sentenced To Federal Prison; Utah Residents Focus On Global Warming.
CBS: Midwestern Winter Storm; European Winter Storm; Bush Administration Reacts To Chinese Missile Launch; Violence In Iraq; Civilian Killed In Iraq.
NBC: China Launches Missile Into Space; Pelosi Calls Bush's Iraq Policy A "Tragedy"; Casey's Positive Troop Prediction- Iraq Analysis; Ney Sentenced To Federal Prison; Congressional Ethics Reform Bill; Deadly European Storm; Technology Helps Identify 9/11 Victims.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:
PRESIDENT BUSH — 10:30 a.m. President and Mrs. Bush depart The White House via Marine One. South Lawn.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: REPUBLICANS-WINTER MEETING _ The Republican National Committee holds its 2007 Winter Meeting. Highlights: 8:30 a.m. - 10 a.m. Closing breakfast with White House press secretary Tony Snow. Constitution Ballroom. Location: Grand Hyatt Hotel, 1000 H St. NW. Contacts: Tracey Schmitt, 202-863-8614

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FUTURE CITY COMPETITION _ The Washington DC regional Future City Competition will be held with local student engineers. Location: University of the District of Columbia, Van Ness Campus, UDC Firebird Inn Building, 38 B-Level, 4200 Connecticut Ave. NW. Contacts: Donald Lehr, 212-967-8200

O'CONNOR CONFERENCE _ The eighth annual Cardinal O'Connor Conference on Life will be held at Georgetown University. The event gathers more than 500 high school and college students from around the country in advance of the annual March for Life demonstration on the National Mall each January. Location: Healy Hall's Gaston Auditorium, Georgetown University. Contacts: Bridget Bowes, 412-965-4993

ROE V. WADE ANNIVERSARY EVENTS Highlights: 9 a.m. Demonstration. Planned Parenthood, 1108 16th St. NW. Contact: Amber Dolle, 540-903-9572. 10:30 a.m. The American Life League holds a memorial march. L St NW., to Connecticut Ave., to Dupont Circle, to Massachusetts Ave. to Union Station. Contact: Amber Dolle, 540-903-9572. 7 p.m. Rock for Life concert. Holiday Inn on Capitol Hill. 7 p.m. First session of the March for Life Convention. Hyatt Regency Hotel on Capitol Hill, 400 New Jersey Ave. NW. Contact: 202-543-3377.

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USDOJ- Office of Public Affairs

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, JANUARY 22, 2007 7:45 AM EST**

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TERRORISM NEWS:

US, Greek Authorities Cooperating In Embassy Attack Investigation. The Washington Times (1/22, Borowiec, 88K) reports US and Greek security services report "close cooperation" in the investigation of a grenade attack on the US embassy in Athens, "offsetting months of diplomatic squabbling and negative Greek opinion polls about the United States and its policies." Although the perpetrators of the attack are not known, FBI agents "have joined a Greek police team in conducting extensive searches in the capital and vicinity, coordinated by the Ministry of Public Order." The attack "sparked a wave of speculation about security in Greece, a longstanding American concern before the dismantling in 2002 of the terrorist 'November 17' organization." The Greek press is" divided on the strength and objectives of the latest attackers," who are thought to belong to a leftist group that calls itself "Revolutionary Struggle."

Star-Telegram Blasts Administration For Policy "Whiplash." The Fort Worth Star-Telegram (1/22) editorializes, "Leave it to the Bush administration to bend the law to the breaking point -- and then couch its return to reason as merely a voluntary fine-tuning of policy." The Star-Telegram continues, "It happened when the administration finally gave up on language that accommodated what bordered on torture of detainees captured in Afghanistan and Iraq. It happened when the administration relented on its resistance to extending protections of the Geneva Conventions to terrorism suspects. … And it happened again when the administration agreed to let the Foreign Intelligence Surveillance Court authorize wiretaps to spy on phone calls involving suspected foreign terrorists." The Star-Telegram adds, "When The New York Times in December 2005 revealed the existence of the warrantless eavesdropping program, administration officials insisted that the Constitution and congressional authorization gave Bush power to bypass the FISA Court, which Bush portrayed as too slow and cumbersome to accommodate national security needs in battling terrorism. … But now Attorney General Alberto Gonzales insists that the Justice Department was working to put the spying program under FISA Court oversight long before the warrantless wiretapping came to public light. … If that's so, why didn't he say so long before now? Why continue to feed the disturbing impression that this administration is determined to make itself more equal than the other two branches? … The American public doesn't need to know sensitive operational details about programs legitimately operating to protect our security. It does need to stop getting whiplash from an administration that repeatedly tests our trust and damages its own credibility."

More Commentary. The Bangor (ME) Daily News (1/22) editorializes, "Facing congressional investigations and legal challenges, the Bush administration last week reversed course and said it would seek the approval of a secret court before monitoring Americans' international communications as part of its terrorism surveillance work. Bringing the eavesdropping program back under the Foreign Intelligence Surveillance Court is the right thing to do, but it does not negate the need for continued scrutiny from Congress, which the Senate Judiciary Committee reiterated Thursday with tough questions for Attorney General Alberto Gonzales." The Daily News continues, "Unfortunately, Mr. Gonzales did not answer most questions. Particularly troublesome, the attorney general is refusing to allow the court to reveal details of the arrangement worked out with the administration. The court's presiding judge said she would detail its orders to lawmakers if allowed to do so by the Bush administration. Mr. Gonzales said the administration wanted to keep details of the wiretapping operation confidential. … The committee is right not to take the administration's word that the program, even under court review, is within the president's authority and meets constitutional requirements. It heard the same assurances about the torture of suspected terrorists and detaining such suspects without access to judicial proceedings. The administration has since backed off both these stances due to adverse court rulings and belated intervention from Congress. … With the Democratic takeover of Congress, it has changed its mind. The Justice Department this week said it had recently received several warrants from the court allowing it to monitor communications where there was probable cause to believe one of the participants had terrorist links. With the orders in hand, future eavesdropping would be conducted with the approval of the FISA court, Attorney General Gonzales said. .. Without knowing details, such as whether warrants are issued on a blanket basis, lawmakers must continue to scrutinize the program to ensure American's privacy is protected."

The Roanoke (VA) Times (1/22) editorializes, "Last week, the Bush administration backtracked on its program of warrantless wiretapping. Attorney General Alberto Gonzales said officials will no longer listen in on Americans' international phone calls and e-mails without first getting court approval. It's a promising victory for civil liberties and the Constitution. … However, before Democrats start crowing that the party's control of Congress led to the change, they should look at the administration's history in cases like this. The reversal reflects

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less a fear of Congress and more the White House's tactics to avoid legal rebuke." The Times adds, "This isn't the first time the administration has employed this dodge. … Recall the case of Jose Padilla, an American citizen detained by the administration as an enemy combatant. When the Supreme Court was about to review his detention, the administration suddenly dropped allegations that he was a terrorist and moved his case to the criminal justice system, rendering the appeal moot. … Engage in illegal activities. Continue them while challenges wind their way through the courts. When a final decision is near, pull the carpet out from under the case to avoid legal reckoning. The administration can cling to its illusion that it still has the right to ignore the Constitution. … The courts should not allow the president to circumvent justice again. The Bush administration says it will get a warrant for now, but the challenges to government intrusion should go forward to remind the executive that his power has limits."

The St. Petersburg (FL) Times (1/22) editorializes, "The public has known about the warrantless domestic wiretapping program of the Bush administration since the New York Times broke the story in December 2005. It took from then until the day before Attorney General Alberto Gonzales was scheduled to appear before the new Democratic-controlled Senate for the administration to finally bring its intelligence-gathering into compliance with the law. We appreciate the action but are left to wonder what took so long and whether there is less here than meets the eye." The Times continues, "It was a shocking revelation when the newspaper reported that the National Security Agency had been authorized by President Bush to monitor the international phone calls and e-mails of people inside this country suspected of terrorist links. … After the program came to light, Bush refused to acknowledge its extralegal nature, declaring instead that he had the inherent authority as commander in chief to order warrantless eavesdropping. This stunning position was reiterated by Gonzales on Thursday during questioning by members of the Senate Judiciary Committee." The Times adds, "The administration's ongoing claim of supreme executive authority adds a measure of discomfort to its overdue concession to the rule of law. The attorney general informed Congress in a letter on Wednesday that the administration will shut down its warrantless eavesdropping program in favor of one that respects the FISA court's jurisdiction. But in his testimony before the Senate committee, Gonzales gave no assurances that the administration would not revert to its old ways in the future. … The purpose of the sudden change in policy appears to be an attempt by the administration to avoid having its authority questioned, investigated and potentially curtailed by Congress. The demise of warrantless spying is a desirable policy reversal, even if it is not clear that there has been a change of attitude in the White House."

The Austin (TX) American-Statesman (1/22) editorializes, "Elections have consequences. Just ask U.S. Attorney General Alberto Gonzales, who announced last week that President Bush will no longer order wiretaps without the approval of a special federal court. … The issue is not whether to wiretap — of course persons suspected by the government of terrorist activities ought to be investigated. And to date, we know of no instance in which the Bush administration wiretapped political enemies or critics. … But no president, regardless of party, should have the power to order a wiretap on the private conversations and messages of someone in the United States without the constitutional check of court approval. It's far too tempting for those given such unlimited power to apply it ever more widely and eventually threaten the privacy of all." The American-Statesman adds, "Some in Congress suspect the administration is playing word games, and Gonzales fed that suspicion by refusing to give details about the new policy during an appearance before a Senate committee on Thursday. On the other hand, conservative voices that had stoutly defended the presidential refusal to get warrants for the wiretaps were outraged by the administration's sudden about-face. … Whatever its motive, the Bush administration was right to start going to the court to get the warrants, and we hope the court itself will not be a rubber stamp for this or any other administration."

LATimes Praises SCOTUS Inaction On Case Involving MEK Supporters. The Los Angeles Times (1/22, 850K), in an editorial, writes, "The Supreme Court has rightly refused to block the trial of seven Los Angeles residents accused of contributing funds to an Iranian opposition movement that the State Department has branded a terrorist group. The high court let stand a ruling by the U.S. 9th Circuit Court of Appeals that prosecuting the defendants — who are innocent until proved guilty — posed no 1st Amendment problem. … In 1997, then-Secretary of State Madeleine Albright designated the Marxist group Mujahedin Khalq, or MEK, as a 'foreign terrorist organization,' a designation reaffirmed in 1999." The defendants "are accused of soliciting donations for MEK in Los Angeles and of wiring at least several hundred thousand dollars to an MEK bank account in Turkey. The truth of those allegations is a matter for a jury."

HOMELAND RESPONSE:

TSA To Monitor Hazardous Rail Shipments. USA Today (1/22, 3A, Frank, 2.27M) reports that in the government's first effort to "monitor rail shipments of

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potentially deadly cargo passing through cities," the TSA "will start a nationwide tracking system in about a month to determine how long rail cars filled with lethal materials are stopped on tracks or sit in unsecured storage yards in urban areas. Unguarded rail cars filled with toxic chemicals such as chlorine in cities are the single biggest terrorist threat related to the nation's railroads, the TSA says." TSA chief said the move "immediately reduces the risk of a terrorist attack. These cars will not be sitting ducks." Though a number of cities are considering "banning or restricting hazardous rail shipments," Hawley said that could force the cargo "onto trucks, which are more easily attacked and accident-prone. 'You want to keep it on rail,' Hawley said."

DHS Officials To Explain Decision To "Abandon" Exit Tracking System. Under the headline "Should US track each foreigner's exit?" the Christian Science Monitor (1/22, Marks, 59K) reports, "The United States knows when visitors carrying visas enter the country, but it has no idea when, or if, most of those people leave. Congress ordered that key flaw in the immigration system to be fixed as far back as 1996 – in part because as many as 100,000 people overstay their visas annually and join the ranks of undocumented workers." And while DHS "expects to have a system in place to track people who leave by air or by sea" by the end of the year, "it has decided to abandon its efforts to track the exits of foreigners who depart through the nation's border checkpoints on land. Tuesday, top DHS officials will go before the Senate Judiciary Committee to explain the department's rationale. 'Land presents somewhat of a challenge,' says the DHS official who confirmed that the land exit program was being suspended. 'We're still looking into doing it at some point in time; it might be a number of years.'" The Monitor adds, 'The controversy over the entry/exit program, which is called US Visit, illustrates not only the difficulty of securing US borders physically, but also the larger question of how best to use limited resources to improve security in a post-9/11 world." Critics of the program "say the real problem is a lack of political will and confused priorities."

US Intelligence On Lookout For Extremism Among Young Muslims. The Washington Times (1/22, Waterman, 88K) reports, "U.S. law-enforcement and intelligence officials say they are taking steps to monitor and combat the spread of Islamist extremism and support for a violent holy war against the West among a 'Pepsi jihad' generation of young Muslims in the United States. At a hearing last week," CIA Director Michael Hayden, FBI National Security Branch director Phillip Mudd and DHS intelligence chief Charlie Allen "told lawmakers that the United States had less of a problem with 'homegrown' Islamist terrorists than Europe did because of its history as a nation of immigrants." However, the Times notes, Mudd said that "the ideology of extremist Islam…was spreading in the United States. 'The commonality we have [with Europe] is people who are using the Internet or talking among friends who are part of what I would characterize as a Pepsi jihad. ... It's become popular among youth, and we have this phenomenon in the United States.'"

WAR NEWS:

Levin, Biden Seek Support For Anti-Surge Resolution. The AP (1/21, Yen) reports, "Two leading Senate Democrats sought to build support Sunday for a bipartisan resolution opposing President Bush's war strategy in Iraq, cautioning that division over whether it goes far enough could spell defeat. 'The worst thing we can do is to vote on something critical of the current policy and lose it,' said Sen. Carl Levin, D-Mich., who chairs the Senate Armed Services Committee. 'The public doesn't support his policy, a majority of Congress doesn't support his policy.' 'If we lose it, the president will use the defeat of a resolution as support of his public policy,' Levin said." The proposed nonbinding resolution, "which is largely symbolic and would have no affect on money for troops, states that 'it is not in the national interest of the United States to deepen its military involvement in Iraq, particularly by escalating the United States military force presence in Iraq.' It has generated some division among Democrats who want to go farther by cutting funding for new troops, moderates in both parties who want softer language and Republican leaders who have vowed to filibuster." Yesterday, Levin and Sen. Joseph Biden, "who sponsored the resolution along with Republicans Chuck Hagel of Nebraska and Olympia Snowe of Maine, called their proposal a first step that would send a "powerful message" that Bush must change course."

Biden, asked on Fox News Sunday (1/21, Wallace) to respond to Vice President Cheney's claim that a resolution opposing addition troops would "embolden our enemy and discourage our troops in the field," responded, "Absolutely not. And not only does Carl Levin and Joe Biden and Sen. Hagel and Sen. Snowe, but the Joint Chiefs of Staff, the Iraqi Study Group, every single person out there that is of any consequence knows the Vice President doesn't know what he's talking about. I can't be more blunt than that. He has yet to be right one single time on Iraq." Biden went on to claim that President Bush is "doing it the exact wrong way. And he's not listening to his military. He's not listening to his old secretaries of state. He's not listening to his old friends. He's not listening to anybody but Cheney, and Cheney is dead-wrong."

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Levin, on Fox News Sunday (1/21, Wallace) contended, "Deepening military involvement now is not the answer. … It is a political solution which is needed in Iraq. There is no way to end this violence without it."

Sen. Patrick Leahy, on CNN's Late Edition (1/21, Blitzer) said all of Bush's "other plans have failed. There no reason why this one is suddenly going to succeed. We've heard everything from the 'shock and awe,' Vice President Cheney saying we'd be welcomed as liberators. That was years ago, and we've yet to be so welcomed. … Every one of these things have failed."

McCain Would Have Liked Bigger Surge, Says Resolution A Slap At US Soldiers. Asked on NBC's Meet The Press (1/21, Russert) if he believes "20,000 troops are probably too few to make a significant difference," Sen. John McCain answered, "I am concerned about it, whether it is sufficient numbers or not. I would have liked to have seen more. … Do I believe that, if it had been up to me, would there have been more? Yes. But one of the keys to this is get them over there quickly, rather than feed them in piecemeal, as some in the Pentagon would like to do today." McCain added, "I believe that President Bush now has the right strategy. I've been deeply disappointed in the strategy in the past, as is well known, and I think this is our last chance." Later in the interview McCain commented, "We have a military of 1.4 million. It seems to me that we could come up with 20,000 troops without the great difficulty that apparently the Pentagon feels it is."

However, says the Washington Times (1/22, Dinan, 88K), McCain also said that "voting for a resolution disapproving of…Bush's troop-surge idea would be a slap at the 21,000 new troops that would be sent to Iraq under the plan, putting the upcoming congressional debate on the Iraq war in stark terms. … 'This resolution is basically a vote of no confidence in the men and women we are sending over there,' he said. 'We're saying, "We're sending you -- we're not going to stop you from going there, but we don't believe you can succeed, and we're not willing to support that." I don't think the troops would find that an expression of support.'"

Brownback Will Not Support Resolution. Commenting on why he is opposing President Bush's "surge" proposal, Sen. Sam Brownback, on ABC's This Week (1/21, Stephanopoulos), said, "I went to Baghdad. … I was there the week before last, rather. I met with the military officials. I met with the Sunni and Shiite leaders, none of which really supported the idea. And then, the capstone on all of it was, I went to the Kurdish region. I went to Erbil and I met with Mr. Barzani, the head of the Kurdish region. And I asked him, 'will you send Kurdish troops, your Kurdish troops, into Baghdad to quell the violence?' And he said, 'why should I get in the middle of a Sunni-Shiite fight?'" Asked if he will join Sen. Chuck Hagel in voting for the resolution to oppose the president's plan, Brownback answered, "No. That doesn't give us a route forward. That just says, 'OK, we're against this.' What I think we really have got to do today is sit down with Democrat leaders and say, what will you support?"

Hagel Says Resolution Will Not "Undercut" The Troops. Sen. Chuck Hagel, on CBS' Face the Nation (1/21, Schieffer) said it "is complete nonsense to say we're undercutting the support of the troops. … Bottom line is this. Our young men and women and their families, these young men and women who are asked to fight and die deserve a policy worthy of those sacrifices. I don't think we have one now. And we have to have the Congress there. … It is morally wrong to continue to put American troops in the middle of a clearly defined sectarian civil war. … And think that somehow we are going to stop that or somehow we are going to have some sense of resolution because of that. I think that's morally wrong."

Kennedy Suggests Congress May Vote To End Funding For Iraq War. Sen. Edward Kennedy, appearing on NBC's Meet The Press (1/21, Russert), said, "The American people never voted to authorize to send American troops in the midst of a civil war. They authorized it to look after weapons of mass destruction that weren't there. … We've had four surges in Iraq. None of them have been successful. … If we have a president that is going to effectively defy the American people, going to defy the generals, defy the majority of the Congress of the United States in Republicans and Democrats, then we, I think, have a responsibility to end the funding for that, for the war."

Webb Favors Cutting Off Funding, Using Money For Katrina Rebuilding. USA Today (1/22, 4A, Kiely, 2.27M) reports, "The Democratic senator who will deliver his party's formal response to President Bush's State of the Union address Tuesday says he favors cutting off funding for Iraq reconstruction in order to pay for Hurricane Katrina recovery instead. 'How can we keep sending billions of dollars over to Iraq and not fund a really energetic effort to help places like New Orleans?' Sen. Jim Webb, D-Va., asked in an interview Friday." Webb "said that Iraq and what he sees as the precarious state of the nation's economy and infrastructure are two of the topics he'll tackle in his speech."

Graham, Pence Support Bush Strategy. Sen. Lindsey Graham, on CNN's Late Edition (1/21, Blitzer) said, "The President has listened to advice from all corners of the military and the public, and political advisers. He's come up with a strategy that was recommended by Gen. Petraeus, who will testify Tuesday. This strategy makes economic and political sense to me."

Rep. Mike Pence, on CNN's Late Edition (1/21, Blitzer) said, "What I heard from the President…was not just more troops for more troops' sake, but the president laid out a new

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strategy, new tactics, new rules of engagement where we would put Iraqi forces in the lead. And I believe what sold me, and I believe, ultimately will win the day in this cause is that new approach, that new way forward."

Kristol Sees Opportunity For Bush To Rally Support For His Iraq Policy. The Weekly Standard's Bill Kristol, on Fox News Sunday (1/21, Wallace), maintained that "if the President is aggressive in framing this debate, and Republicans on the Hill, led by Sen. McCain, are aggressive, they can really ask the American people 'what is the Democratic position here?' Do you leave the troops there to fight a war we're gradually losing and don't send the reinforcements that might give us a chance to turn it around? I think it's an untenable position the Democrats are in, and I think the president can now rally a decent chunk of the country to support his policy." Kristol alleged that the Democrats are "leapfrogging each other in the degrees of irresponsibility they're willing to advocate. … The president's sending over a new commander. He's sending over troops. And the Democratic Congress…is saying 'it won't work, forget it, you troops, you're going over there on a pointless mission.'"

NYTimes Urges Bipartisan Vote For Resolution, Opposes Kennedy Approach. The New York Times (1/22, 1.16M) writes in an editorial, "Bush's refusal to come up with a serious policy on Iraq means that the Democrats will have to goad him toward one. Congress needs to do more than just oppose the latest ill-conceived military escalation. It needs to insist that American troops are not captive to the destructive policies of an Iraqi government for which sectarian revenge counts for more than national unity and civil peace. To do that, it needs to demand that Mr. Bush impose firm, enforceable benchmarks on Prime Minister Nuri Kamal al-Maliki -- if any American troops are going to remain in Iraq. … Passing this resolution by the widest possible bipartisan margin would be a good first step. … Funding limits that simply freeze the number of troops, like the one Senator Edward Kennedy now proposes, are inadequate."

LATimes Says Resolution Would Strengthen Bush's Hand In Iraq. The Los Angeles Times (1/22, 850K) editorializes that the Senate resolution "would represent a dissent from the surge, the centerpiece of Bush's revised Iraq policy. The resolution would have no effect on the conduct of the war -- and any attempt by Congress to meddle in military strategy should be rejected -- but it would be seen as a blow to the president. Maybe it shouldn't be." Congress "actually could be doing Bush a favor by disagreeing with him. Ideally, passage of the resolution would create a diplomatic version of the 'good cop/bad cop' routine, with Congress playing the role of the bad cop and Bush using its stubbornness as leverage in dealing with Iraqi Prime Minister Nouri Maliki. … If he is smart, Bush will use that impatience to his advantage in pursuing both aspects of his 'new way forward' - a surge in U.S. troops and a message to the Iraqis that the surge is their last, best and temporary hope of US assistance in keeping their country together."

McCain, Graham May Oppose Casey As Army Chief. Bloomberg (1/22, Elsibai) reports Sens. John McCain and Lindsey Graham, "who have strongly backed sending more US troops to Iraq, indicated they may not support a promotion for the current military commander there because of past US mistakes." President Bush announced earlier this month he is replacing Gen. George Casey "as commanding general of multinational forces in Iraq and nominating him" to be Army chief of staff. Casey "has been the top commander in Iraq since July 2004, and sectarian violence there has worsened over the past year."

McCain was asked on NBC's Meet the Press (1/21, Russert) if he will vote to confirm Casey. McCain replied, "I have very serious concerns about Gen. Casey's nomination. I'm concerned about failed leadership, the message that sends to the rest of the military. I have hard questions to ask him, and I'm very skeptical about it." Pressed as to whether he was "leaning no," McCain responded that he was. Graham, on CNN's Late Edition (1/21, Blitzer), said "Casey and Gen. Abizaid are two fine, wonderful Americans and who have served with honor, but the strategy they've been telling us about for the last 2 1/2 years has not produced the outcomes we all desire in Iraq. … So we'll have to see, does Gen. Casey being chief of staff of the Army help or hurt the effort to re-engage and find victory through Gen. Petraeus' strategy?"

The Washington Post (1/22, A14, Smith, Pincus, 690K) reports that unlike the new US military commander in Iraq, Lt. Gen. David H. Petraeus, Casey "has been privately skeptical about the wisdom of deploying five new divisions now. He argued last year that the presence of US troops was fostering an unhealthy Iraqi dependency on foreign assistance. After publicly embracing Bush's plan, however, Casey said that it could make Baghdad residents begin to feel safe in their neighborhoods by the end of the summer."

Deadly Weekend For US Troops In Iraq. ABC World News (1/21, lead story, 2:35, Harris, 8.78M) reported on "what has been an extraordinarily deadly weekend for American forces" in Iraq. The US military "announced that six US troops were killed on Saturday, in Anbar Province, bringing yesterday's death toll to 25. And making it the third-deadliest day since the start of the war for American forces. This, as the first, large group of fresh troops, 3,200 soldiers from the 82nd Airborne, arrived in Baghdad, as part of President Bush's new strategy for this war." NBC Nightly News (1/21, lead story, 2:20, Seigenthaler, 9.87M) ran a

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similar report, saying it was "one of the deadliest weekends for Americans in Iraq since the war began."

The uptick in violence against US soldiers is generating extensive print coverage. The Los Angeles Times (1/22, Daragahi, 850K) reports "two Marines were killed Sunday in Al Anbar province west of the capital, bringing the weekend US death toll to at least 27, a dramatic increase in fatalities that comes as President Bush is trying to convince a wary public of his plan to escalate the military presence in Iraq." The Chicago Tribune (1/22, Daragahi, 617K) puts the number of killed US soldiers at "at least 27," and also says the "surge in fatalities comes just days before…Bush's State of the Union address , which is likely to inject a note of urgency into the debate over his Iraq policy." USA Today (1/22, 6A, Jervis, Michaels, 2.27M) and New York Times (1/22, Cave, 1.16M) run similar stories, while the Washington Post (1/22, A1, Ernesto Londoño, 690K) reports about an attack in Karbala under the headline "Disguises Used In Attack On Troops." Says the Post, "In December 2004, a U.S. base in Mosul was penetrated by a suicide bomber who killed 22 people, including 14 U.S. service members. But Saturday's attack appeared to present a new danger to authorities in Iraq: assailants who disguise themselves as officials and travel in convoys."

ABC World News (1/21, story 3, 0:30, Harris, 8.78M) reported, "It is bloody weekends like this one that will make it difficult for the President to change the subject from Iraq in his State of the Union speech. Twelve of the 25 troops who died on Saturday were on board a Blackhawk helicopter that crashed northeast of Baghdad. Tonight, there are still questions about the cause of the crash. Iraqi officials say insurgents shot the chopper down. The US military will only say the incident is under investigation."

Sending Kurdish Soldiers To Baghdad Called A "Serious Gamble." ABC World News (1/21, story 5, 2:30, Harris, 8.78M) reported, "As US and Iraqi officials prepare for" the upcoming security mission, "the Iraqi army is making what some people are describing as a serious gamble. They are sending thousands of Kurdish troops into Baghdad. This, as the Shiites and Sunnis in this city are already at each other's throats. Some are now asking, is it wise to throw yet another group into the fray? Kurdish soldiers leaving their peaceful, mountainous enclave in northern Iraq, and heading into the deadly streets of Baghdad. 'We're all Iraqi soldiers,' said this man. 'Why should coalition troops come from the US to defend us when we can do it ourselves?' But American military advisers say privately, these Kurdish soldiers are telling a different story. They fear getting stuck in the middle of a civil war between Shiites and Sunnis."

Mosul Held Up As Example Of Successful Handover To Iraqis. The Los Angeles Times (1/22, Zavis, 850K) reports from Mosul, site of a months-long battle between US-led forces and Sunni insurgents, "More than two years later, U.S. officials are again touting the city as an example of progress in an intensified effort to train Iraqi forces to take over security so American troops can begin heading home. Thousands of new police officers and soldiers have been recruited here and across northern Iraq. ... The 2nd Iraqi Army Division assumed security control over Mosul on Dec. 22 and is expected to fall under the command of Iraqi ground forces today, completing a hand-over that is a cornerstone of the U.S. exit strategy in Iraq. ... Police officers and soldiers who before rarely left their bases are guarding checkpoints, cruising bustling shopping streets, collecting intelligence, conducting raids and breaking up insurgent cells, with US forces taking an increasingly secondary role, American officials said." However, "bombings and mortar barrages rattle residents almost daily, and neighborhoods remain hotbeds of the Sunni Arab insurgency. Assassins have killed police officers, journalists, university professors, even a popular singer." The Nineveh provincial governor "and others blanch at the possibility of American troops leaving the region, which receives little support from Baghdad."

Gates Said To View Force As Leverage To Facilitate Diplomacy. The New York Times (1/22, Cloud, 1.16M) reports, "Less than a month after Defense Secretary Robert M. Gates took office, his imprint on American military strategy is beginning to show. Mr. Gates, it turns out, is a hawk. In just the last two weeks, he has supported deepening the American military commitment in Iraq, spoken approvingly of sending more troops to Afghanistan and, after dispatching a second American aircraft carrier to the Persian Gulf, declared that negotiations with Iran right now would be futile." But "a hawk may not be all he is. His favorite quotation from history, he told reporters traveling with him this week for meetings with allies and commanders in Europe and the Middle East, is from Frederick the Great, the 18th century Prussian monarch and gifted musician: 'Negotiations without arms are like music books without instruments.' Or, put another way, it takes military power to create the leverage necessary to make negotiations fruitful." The Times adds, "Mr. Gates seems to be hoping that a short-term application of military might can shift the balance of power in the region sufficiently to make eventual political settlements -- between Shiites and Sunnis in Iraq, with Taliban insurgents in Afghanistan and even with the ayatollahs in Iran -- more plausible for the United States than they appear right now."

Maliki No Longer Protecting Sadr Militia. The Washington Times/AP (1/22, Hurst) reports, "Iraq's prime minister has stopped protecting Shi'ite cleric Muqtada al-Sadr's militia because US intelligence convinced him that the

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group was infiltrated by death squads whose actions were leaving him isolated, two officials said yesterday. In a desperate bid to fend off an all-out US offensive, the radical anti-American cleric on Friday ordered the 30 lawmakers and six Cabinet ministers under his control to end their nearly two-month boycott of parliament. They were back at their jobs yesterday." The AP adds, "Sheik al-Sadr already had ordered his militia fighters not to display their weapons. They have not, however, ceded control of the formerly mixed neighborhoods that they captured by killing Sunnis or forcing them to abandon their homes and businesses."

Hagel Says Maliki Is Moving In "Right Direction." Sen. Chuck Hagel, on CBS' Face The Nation (1/21, Schieffer) said the Iraqi government is "reaching out to the Iranians, reaching out to the Syrians. They've been to Damascus and Tehran. That is going forward. … That's going to include a diplomatic accommodation, but also a political accommodation within Iraq that's going to require some shifts. … I think Maliki was moving in the right direction. I hope he continues to move in the right direction. The future of Iraq is not going to be determined by the American military."

Bush Told GOP Supporters "People Over There" May "Replace" Maliki. Newsweek (1/29, Hirsh, Wolffe, 3.12M) reports, "It may have been the last time George W. Bush felt really good about Iraq. Last June, as the president flew back from a surprise visit to Baghdad—and his first sitdown with the new Iraqi prime minister, Nuri al-Maliki -- he was visibly excited." Newsweek adds, "The White House doesn't seem to be taking much comfort in Maliki now. Late last week Bush gathered a group of his dwindling Republican supporters in the third-floor solarium at the White House to discuss his latest plan to salvage the war in Iraq. … According to one participant, conservative Sen. Craig Thomas of Wyoming, many of the GOP senators expressed doubts that America could depend on Maliki. … 'The president expressed doubts, too,' says Thomas. With Vice President Dick Cheney sitting silently beside him, Bush 'also indicated he was going to make pretty clear what he expects from the prime minister.' Echoing Secretary of State Condoleezza Rice, who recently told Congress that Maliki was living on 'borrowed time,' Bush added ominously that 'if [Maliki's effort] doesn't work very well there's a good chance those people over there will replace him,' says Thomas."

Bush Said To See Himself As A Latter-Day Truman. US News & World Report (1/29, Walsh) reports, "Only 32 percent of Americans approve of his job performance. Forty-three percent say that his war was a mistake. Critics deride him as too stubborn and inflexible. Others dismiss him as an intellectual lightweight. But the president sticks to his guns. … Sounds like President Bush, defending his policies in Iraq and the war on terrorism. Actually, it was Harry Truman in 1952, defending his conduct of the Cold War and the war in Korea. As Bush struggles to salvage victory in Iraq and regain some political traction with his State of the Union address, the 43rd president increasingly sees himself—rightly or wrongly—in the mold of the 33rd. Bush recently told congressional leaders his own policies would be vindicated by history, just as Truman's were. Others aren't so sure."

ISG Advised By Hadley That Bush Had Declined To Take Their Advice. Newsweek (1/29, Ephron, 3.12M) reports, "For Leon Panetta, the gesture of respect failed to disguise the rebuff. Two hours before George W. Bush announced plans to send more troops to Iraq earlier this month, the president had his national-security adviser, Stephen Hadley, brief members of the Iraq Study Group by phone on the 'surge' plan. … Hadley began by listing those recommendations Bush had chosen to incorporate into his plan. Most were minor, according to Panetta. 'I interrupted him and said that while we made 79 recommendations, three were the heart and soul of the report,' Panetta told NEWSWEEK, citing the drawdown of U.S. troops by next year, the need to penalize the Iraqi government if benchmarks were not met and the call for diplomacy with Iran and Syria. Hadley's response -- the three were not part of the Bush plan -- left Panetta feeling hoodwinked. 'Mainly I'm offended by the way they created the impression they gave it consideration but really didn't.' (A National Security Council official confirmed the exchange.)"

Bush Criticized For Overemphasizing Promotion Of Democracy. Newsweek's Fareed Zakaria (1/29) writes "the president's freedom agenda sees the entire complex process of political and economic development through one simple lens, which produces bad analysis and bad outcomes. Consider Iraq. The administration has constantly argued that Iraq has witnessed amazing political progress over the last four years only to be undermined by violence. In fact, Iraq has seen its politics and institutions fall apart since the American invasion. … The only things that did take place in Iraq were elections (and the writing of a Constitution that is widely ignored). Those elections had wondrous aspects, but they also divided the country into three communities and hardened these splits."

Gingrich Labels US "Bureaucracies" In Iraq "Incompetent." Newt Gingrich, on Fox News Sunday (1/21, Wallace), said, "I think it would surprise most Americans to know that about 80 percent of what we have to do [in Iraq] isn't about troops. It's about the absolute failure of the American bureaucracies to function. We're about 10 percent of the way into effective intelligence reform. We aren't even 10 percent of the way into reforming the State Department. … When you have 50, 60 and 70 percent unemployment among young males and all of the economic instruments in the United States are incompetent -- I mean,

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people talk about the Iraqi government being incompetent. I would argue that the non-combat components of the American system are fully as broken in their ability to deliver every day. And what Gen. Petraeus is going to discover when he gets there is that his ability to get decisions made, to get decisions implemented, to be directly effective, is going to be stunningly limited for a country which has now been fighting this war for four years."

Arabs Who Supported Iraq War Feel Frustrated, Betrayed. The Washington Post (1/22, A1, Shadid, 690K) reports from the United Arab Emirates, "The coterie of Arabs who supported the US-led invasion were never the target of expensive American propaganda efforts. Their unpopular stands in the Arab world earned them inboxes full of angry e-mails; a few claimed they got death threats. And nearly four years after the invasion they backed, their sense of frustration, resentment and even betrayal speaks volumes about how withered American standing is in the Middle East today and how far the region itself has deteriorated, riven as it is by escalating conflicts, worsening sectarian tension and a simmering struggle with an ascendant Iran." The Post adds, "The Israeli-Palestinian conflict has long festered, cultivating indelible resentment toward the United States, Israel's strategic ally. Now it is joined by growing crises and wars in Lebanon, Iraq and, on the Arab world's borders, Iran and Somalia. The Bush administration is moving to arm perceived allies: Nearly $100 million is proposed for Palestinian security forces pitted against the Islamic movement Hamas and potentially hundreds of millions more for the Lebanese army, seen as a bulwark against the ambitions of the Shiite Muslim movement Hezbollah. Across the region, political affiliations are being pared to the raw bone of sectarianism, often accompanied by emotional expressions of Sunni and Shiite identity."

WPost Urges Administration To Address Iraqi "Refugee Crisis." The Washington Post (1/22, A18, 690K) editorializes, "On of the few postwar problems the Bush administration prepared for before the invasion of Iraq was a refugee crisis. It didn't occur in the spring of 2003, and for months afterward administration officials pointed to that fact as a sign of the war's success. Now, four years later, a refugee crisis is exploding -- and, as is so often the case with Iraq, the administration has been slow to recognize the problem and even slower to respond. The crisis essentially began last February. … The best way to help Iraqi refugees, of course, is to secure their country so that they can return home safely. Since that won't be possible anytime soon, the United States is bound by both practical and moral considerations to address a crisis that it helped to create."

Bush Names Wood As Ambassador To Afghanistan. The Washington Times (1/22, Morrison, 88K) reports briefly that President Bush has nominated William B. Wood to replace Ronald E. Neumann as ambassador to Afghanistan. The appointment is "the latest in a diplomatic shuffle that included Zalmay Khalilzad, former ambassador to Afghanistan and Iraq, replacing John R. Bolton as ambassador to the United Nations, and Ryan C. Crocker, currently ambassador to Pakistan, replacing Mr. Khalilzad in Iraq."

"Destitute" Afghanistan Struggling Under Winter Weather. The Washington Post (1/22, A12, Constable, 690K) reports from Kabul, "Winter across Afghanistan is a season of majestic beauty, with distant snowcapped mountains rising in all directions, icicles forming on orchard branches and midday sunlight sparkling on iced-over irrigation streams that meander across a thousand fields." But "in the capital, it is a season of unrelenting harshness for tens of thousands of poor families, focused on the struggle to survive. People spend their days scrounging to buy a few chunks of coal or firewood, and their nights huddled under common blankets around braziers called sandali, praying for dawn to come. More than five years after the US-led overthrow of Islamic Taliban rule and the advent of an internationally backed civilian government, the country is still so destitute and undeveloped that most inhabitants have no central heating, electricity or running water." Adds the Post, "Even in Kabul, some desperate families remain beyond the reach of foreign aid agencies that provide cold-weather assistance such as free coal and blankets in impoverished rural provinces."

Stretched Military "Sharply" Reduces Role In War On Drugs. The Los Angeles Times (1/22, Meyer, 850K) reports, "Stretched thin from fighting in Iraq and Afghanistan, the U.S. military has sharply reduced its role in the war on drugs, leaving significant gaps in the nation's narcotics interdiction efforts. Since 1989, Congress has directed the Pentagon to be the lead federal agency in detecting and monitoring illegal narcotics shipments headed to the United States by air and sea and in supporting Coast Guard efforts to intercept them. In the early 1990s, at the height of the drug war, US military planes and boats filled the Southern skies and waters in search of cocaine-laden drug vessels coming from Colombia and elsewhere in South America." But "since 2002, the military has withdrawn many of those resources, according to more than a dozen current and former counter-narcotics officials, as well as a review of congressional, military and Homeland Security documents." The Times adds, "Internal records show that in the last four years the Pentagon has reduced by more than 62% its aerial

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surveillance flight hours over Caribbean and Pacific Ocean routes that are used to smuggle in cocaine, marijuana and, increasingly, Colombian-produced heroin. At the same time, the Navy is deploying one-third fewer patrol boats for detecting and catching smugglers."

Need For Larger Military Debated. Gordon Adams, a former Clinton aide and fellow at the Woodrow Wilson International Center for Scholars, writes in USA Today (1/22, 8A, 2.27M), "Expand the American ground forces? That puts the manpower cart before the strategic horse. Just what is the mission? If we buy that, we can buy a larger Army. Reduce force stress? That's about Iraq -- this larger ground force arrives after Iraq has been decided. Leaving Iraq removes force stress; what's the mission for the bigger force?" Meanwhile, USA Today (1/22, 8A, 2.27M) editorializes, "Growth won't help in Iraq but is prudent way to meet new threats," such as "unpredictable challenges of the war on terrorism."

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Sacramento Bee Urges Congress To Pass Feinstein Bill On US Attorneys. The Sacramento Bee (1/22) editorializes, "Since the November elections, the Justice Department has asked an unknown number of U.S. attorneys around the country, including two in California, to resign before the end of their terms. As Sen. Dianne Feinstein, D-Calif., has said, these are forced resignations in districts that have major ongoing cases." The Bee continues, "Last week at the Senate Judiciary Committee hearing, Feinstein asked Attorney General Alberto Gonzales how many U.S. attorneys were being fired, but he would not give a number. … One Californian departing is Carol Lam, the U.S. attorney in San Diego who is pursuing corruption related to the prosecution of Rep. Randy 'Duke' Cunningham, now in prison, thanks to her. The other is Kevin Ryan, the U.S. attorney in San Francisco who is in the middle of investigating whether 25 companies illegally withheld information about lucrative stock options for top executives." The Bee adds, "It is customary that U.S. attorneys are prepared to leave office when a new president is elected. At the beginning of their terms, presidents have the discretion to name the 93 U.S. attorneys, who then must be confirmed by the Senate. They typically serve until the president leaves office. These midterm U.S. attorney firings are unusual, particularly because there are no allegations of misconduct. … Presidential appointment with Senate confirmation remains an important check and balance in our system of government. The Senate and the House should approve Feinstein's bill immediately to prevent an unwarranted tilt toward presidential power."

CORPORATE SCANDALS:

Apple Prosecutor Leaves DOJ For Private Sector. The Financial Times (1/22, Allison) reports, "A federal prosecutor on the team investigating options backdating at Apple, the computer maker, is leaving government service for a job with a private white-collar law firm." The Times continues, "The departure of Chris Steskal, a member of the federal task force that brought the first charges in options backdating in August, comes days after his boss, Kevin Ryan, the US attorney for northern California, became one of several top federal prosecutors to announce that they would be leaving office. … The twin losses may interrupt the US government's effort to crack down on backdating. The justice department and the Securities and Exchange Commission are already struggling to keep up with hundreds of backdating cases. … A spokesman from the US attorney's office in northern California said the investigations into options backdating would continue in spite of the departures. … 'US Attorney Ryan is taking care to ensure a smooth transition in the office's cases,' the spokesman said. 'There continue to be many assistant US attorneys with strong investigative skills and substantial trial experience on the stock options backdating task force and throughout the office, who are fully capable of carrying on the work of the task force.'"

The California Recorder (1/22, Scheck) reports, "Christopher Steskal, the federal prosecutor who indicted the country's first stock option backdating prosecution in June -- and the leader of a criminal probe into Apple Inc.'s options grants -- will leave the San Francisco U.S. Attorney's Office next month to lead the white-collar practice at Fenwick & West." The Recorder continues, "Steskal has been busy with options prosecutions in recent weeks -- Apple CEO Steve Jobs was interviewed by prosecutors and SEC lawyers earlier this week, according to people familiar with the case. But the offer from Fenwick was too enticing, Steskal said. … 'I didn't spread my resume around the Valley,' he said Friday, referring to Silicon Valley, saying that leaving a prosecutor's post is never easy. … 'You're always going to be leaving cases on the table,' he said." The Recorder adds, "Steskal comes to Fenwick as perhaps the pre-eminent prosecutorial expert in options backdating, the white-collar bar's biggest source of business these days. … Steskal leaves behind the impending trial of two executives from Brocade Communications -- the first people to be indicted for backdating -- as well as the Apple probe, which has so far zeroed in on the tech company's legal department."

SEC Probing Sunrise Senior Living. The Washington Post (1/22, D1, Kang) reports, "Theirs was a classic entrepreneurial story. In 1981, Paul and Terry

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Klaassen, in their 20s, bought and renovated an old nursing home in Oakton with $16,000 in savings. … Terry was motivated by personal experience: When her mother became ill, she found the level of care available at the time to be inadequate and undignified. Paul saw the business potential in developing a warmer and more personalized European model of senior care, like that in his family's native Netherlands." The Post continues, "The couple moved into the home and eventually turned the business, Sunrise Senior Living, into one of the nation's largest senior residential services providers, operating 436 retirement communities in the United States, Canada and Europe. The Klaassens had landed smack in the middle of a sweeping demographic shift as America's growing aging population was looking for better retirement options and willing to pay for better services. … Yet as analysts touted Sunrise's business outlook, that rosy picture began to fray." The Post adds, "Last week, the McLean-based company said it would again delay the filing of its financial results for all four quarters of 2006, which it had previously promised to deliver on March 1. Sunrise blamed the postponement on the complexity of an ongoing internal accounting review and a Securities and Exchange Commission inquiry into its accounting practices and allegations of insider stock sales. … The troubles for Sunrise began last May, when executives announced they would implement a new way of accounting for profits and losses from certain joint ventures. The move resulted in an accounting review of past earnings reports and the reduction of $100 million in profits between 1999 and 2005. … The company's share price dropped 34 percent after the announcement, reaching the year's lowest point in late July 2006. Last week, pension funds for the United Food and Commercial Workers Union filed lawsuits against Sunrise charging the company with accounting fraud and insider stock trading. Another union pension fund, the SEIU Master Trust, has pressed the company in letters about insider stock sales and the questionable timing of stock options grants."

NYTimes Urges Congress To Pursue Tighter Hedge Fund Regulations. The New York Times (1/22, 1.16M) in an editorial, notes that as New York's Attorney General, Eliot Spitzer "opened investigations into whether employees at companies including Best Buy and Circuit City had improperly given nonpublic information to hedge fund managers. Two research firms, the Gerson Lehrman Group and Vista Research, a unit of McGraw Hill, are also under investigation. They specialize in matching up people who have information — say, middle managers — with clients who crave information, like hedge funds managers. … It will be up to the prosecutors to determine if the matchmaking firms merely appear to be conduits for nonpublic information, or if they indeed are. The firms say they follow procedures to guard against any inappropriate disclosures." The Times concludes, "New York's new attorney general, Andrew Cuomo, should pursue any wrongdoing. And the new Congress should move forward with hedge fund regulation. The possibility of a destabilizing meltdown only grows the longer the funds escape oversight."

CRIMINAL LAW:

US Subpoenas Investment Banks In Online Gambling Probe. The New York Times (1/22, Sorkin, Saul) reports, "The Justice Department has issued subpoenas to at least four Wall Street investment banks as part of a widening investigation into the multibillion-dollar online gambling industry, according to people briefed on the investigation." The Times continues, "The subpoenas were issued to firms that had underwritten the initial public offerings of some of the most popular online gambling sites that operate abroad. The banks involved in the inquiry include HSBC, Credit Suisse, Deutsche Bank and Dresdner Kleinwort, these people said." The Times adds, "While online gaming sites like PartyGaming and 888 Holdings operate from Gibraltar and their initial public offerings were held on the London Stock Exchange, companies that do business with them and have large bases in United States have come under scrutiny by regulators in Washington. … None of the biggest United States banks like Goldman Sachs or Citigroup underwrote the initial public offerings in London, in part because of the legal ambiguity of the sites; they are illegal in the United States, but still accessible to residents." The Times notes, "The subpoenas, earlier reported by The Sunday Times of London, appeared to be part of an indirect but aggressive and far-reaching attack by federal prosecutors on the Internet gambling industry just two weeks before one of its biggest days of the year, the Super Bowl. … Unable to go directly after the casinos, which are based overseas, they have sought to prosecute the operations' American partners, marketing arms and now, possibly, investors. … The prosecutors may be emboldened by a law signed by President Bush last October that explicitly defined the illegality of running an Internet casino. Even before that law, the Unlawful Internet Gambling Enforcement Act, was adopted, the government said that Internet gambling was illegal under a 1961 provision."

Libby Trial Reshaping Relations Between Journalists, Sources. The New York Times (1/22, Lewis, 1.16M) reports, "As the perjury and obstruction of justice trial of I. Lewis Libby Jr. unfolds over the next few weeks, the ways in which the case has vastly reshaped relations between reporters and high government officials will

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be on vivid display. Most striking, a handful of reporters for major news organizations will testify for the prosecution. They will be asked to recount conversations they had in 2003 with Mr. Libby, then Vice President Dick Cheney's chief of staff, that were undertaken with some understanding that they were confidential." The Times adds, "The highly unusual spectacle of journalists giving testimony at a criminal trial about their reporting is a result of the intense investigation into the disclosure of the identity of a Central Intelligence Agency operative. Previous leak investigations typically ended in failure as reporters were able to fend off prosecutors' efforts to delve into what they learned from government sources." But "in trying to determine how Valerie Wilson, who was known by her maiden name, Valerie Plame, came to be identified as a C.I.A. operative in a newspaper column in July 2003, the prosecutor, Patrick J. Fitzgerald, successfully pressed reporters to testify before a grand jury, threatening jail if they refused.

Questions Raised About Loudoun County Official's Connection To Developers. In a front-page story, the Washington Post (1/22, Fallis, Laris, 690K) reports former Loudoun Planning Commission Chairman Lawrence S. Beerman II, "who held sway over land decisions in Loudoun County for nearly a decade, voted multiple times in favor of companies with which he had business ties, according to records and interviews. His actions took place in a county where major land-use decisions have been dominated by a small group of public officials and their close allies in the development industry, The Washington Post found in a year-long investigation." The Post notes, "Beerman's relationships have drawn the interest of the FBI, according to two individuals who said they have been interviewed in recent months and asked to remain anonymous because of the sensitivity of the inquiry. An agent asked questions about Beerman's business activities and his actions on the Planning Commission, said one of those interviewed. Debbie Weierman, spokeswoman for the FBI's Washington Field Office, would not say whether agents are conducting an investigation in Loudoun but said her office 'is looking into reports of possible public corruption, unfair business practices and the like . . . in the Washington metropolitan area.'" In a front-page story on Sunday, the Washington Post reported more generally on the interaction of Loudoun officials with developers, and also included the same quotation from Weierman.

FBI Agent Impersonator Kidnaps California Man For Ransom. The San Francisco Chronicle (1/22, Bulwa, 384K) reports, "A 40-year-old San Rafael man's Sunday morning coffee run with his girlfriend turned into a terrifying ride when a young man posing as an FBI agent took him into custody for questioning, police said. The couple had just bought coffee…when a cream colored Lincoln Town Car pulled behind them on Canal Street, flashed a light at them, said Margo Rohrbacher, a San Rafael police spokeswoman. … David Charles Moon, 26, also a San Rafael resident, emerged in a crisp coat, a tie and a knit cap that said 'FBI,' Rohrbacher said. Moon convinced the man to get into his Town Car and drove off. The girlfriend soon received a call at home from her boyfriend asking her to deliver $5,000 'bai' at a nearby home renovation store."

The AP (1/22) adds, "When Moon went to retrieve the money, he saw police waiting for him" and fled. "Police spotted Moon again later, but when Moon tried to drive away he crashed, suffering minor injuries. Meanwhile the victim managed to escape and rang a San Rafael's resident's door bell. The resident called 911, Rohrbacher said." Bay City News Wire (1/21) also reported on the incident.

Pellicano Codefendant Accuses Federal Investigators Of Leaking To Reporters. The Los Angeles Times (1/22, Philips, 850K) reports, "Defense attorneys for a codefendant of indicted private investigator Anthony Pellicano have accused federal agents pursuing a wiretapping case against the pair of leaking confidential information. In a motion filed Friday in U.S. District Court in Los Angeles, lawyers for entertainment attorney Terry Christensen call on the court to force New York Times reporters David Halbfinger and Allison Hope Weiner to reveal the names of their sources for a report published Jan. 11 in the newspaper. The motion contends that the article slanted the evidence against Christensen, an entertainment lawyer who is accused of ordering an illegal wiretap of billionaire Kirk Kerkorian's former wife." The Times adds, "On Sunday, the U.S. attorney's office in San Diego did not return calls; neither did the New York Times nor the FBI."

Florida Executive Sentenced To 20 Years In Prison For Viatical Fraud. The Miami Herald (1/20, Danner, 286K) reports, "Peter Lombardi, the former president of Mutual Benefits Corp., was sentenced to 20 years in federal prison Friday for his role in defrauding some 30,000 investors out of nearly $1 billion. Lombardi had pleaded guilty in October to one count of securities fraud in the massive investment scheme, which was shut down in 2004. Lombardi, 56, could have faced additional charges that carried a potential life sentence, but he has agreed to cooperate with the FBI and the U.S. Attorney's Office in their ongoing investigation into Mutual Benefits -- a viatical and lifesettlement company that was based in Fort Lauderdale." The Herald noted, "Authorities alleged the company defrauded investors by using bogus life expectancies in figuring when the insured would die. When the insured

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outlived their life expectancies, authorities said Mutual Benefits used money from new investors to pay premiums on those insurance policies -- making it a modern-day Ponzi scheme."

New Orleans Man Sentenced To 14 Months In Prison For FEMA Fraud. The AP (1/20) reported, "A New Orleans man has been sentenced to 14 months in federal prison after he used a FEMA registration number to get multiple rooms at Jackson hotels after Hurricane Katrina, then rented out the rooms for cash. Derrick Shane Miller was also sentenced to three years of supervised release after his prison term and was ordered to pay $27,811 in restitution to FEMA, U.S. Attorney Dunn Lampton said in a Friday statement." The AP noted, "Miller was indicted June 6 after an investigation by the FBI, the Mississippi Bureau of Narcotics and the Hinds County Sheriff's Department."

Online Sale Of Stolen Loot Allows Victims To Track Valuables. USA Today (1/22, 3A, Heath) reports, "Popular online marketplaces that have made it easier for thieves to sell stolen property also are making it easier than ever for victims to track what was taken from them." USA continues, "Before the emergence of marketplaces such as eBay, petty thieves turned regularly to pawnshops to unload stolen gadgets, jewelry and other items. That left their victims no easy way to find and recover their property. Now, by using search engines, victims are often able to locate what was stolen and take steps to get it back. … 'It's kind of evolved with the Internet,' says Larry Abrahamson, district attorney in Colorado's Larimer County. 'Basically, if a victim (in the past) wanted to find something that was stolen, they'd go and search the local pawnshops. Now all you've got to do is sit down at your computer. It's made it easier for victims.'" USA adds, "Abrahamson's office is pursing a case in which security officers at a Fort Collins high school found 32 stolen computers for sale on eBay. The computers were taken in a break-in during the school's winter recess. Police were able to use the online listing to find and arrest two 17-year-old students, he says. … No one keeps track of how often victims or authorities recover stolen property online. Abrahamson says police still check with pawnbrokers as part of theft investigations more often than they search for items online. The largest online marketplace, eBay, cooperates daily with law enforcement but will not disclose the number of cases in which it is asked for assistance, spokeswoman Catherine England says. … Such searches are not without obstacles. EBay alone adds about 6 million items a day, and even if stolen property shows up on the site, picking it out from among dozens of similar items isn't always easy."

DOJ Study Finds State Prison Inmates Outlive Those On Outside. The AP (1/22) reports, "State prison inmates, particularly blacks, are living longer on average than people on the outside, the government said Sunday." The AP continues, "Inmates in state prisons are dying at an average yearly rate of 250 per 100,000, according to the latest figures reported to the Justice Department by state prison officials. By comparison, the overall population of people ages 15 to 64 is dying at a rate of 308 a year. … For black inmates, the rate was 57 percent lower than the overall black population--206 versus 484. White and Hispanic prisoners both had death rates slightly above their counterparts in the overall population." The AP adds, "The Justice Department's Bureau of Justice Statistics said 12,129 state prisoners died from 2001 through 2004. … Eight percent were murdered or killed themselves, 2 percent died of alcohol, drugs or accidental injuries, and 1 percent of the deaths could not be explained, the report said. … The rest of the deaths--89 percent--were due to medical reasons. Of those, two-thirds of inmates had the medical problem they died of before they were admitted to prison."

Child Deaths Help Spur Los Angeles Gang Crackdown. In a widely-distributed story, the AP (1/22, Marquez) reports from Los Angeles, "A 14-year-old girl was killed by Hispanic gang members who police say were targeting blacks. A 9-year-old girl died after being hit by a stray bullet as gang members exchanged shots near her home. A cop was wounded in a gunbattle with a suspected gangster. The soaring violence is prompting police and politicians to promise one of the toughest crackdowns against gangs in city history." The AP adds, "Mayor Antonio Villaraigosa has appealed to U.S. Attorney General Alberto Gonzalez for millions of dollars in anti-gang funds and for more federal prosecutors to pursue racketeering and other charges mostly used in the past against organized crime. FBI Director Robert Mueller has assigned agents to an anti-gang task force in the San Fernando Valley to work alongside police deputized as federal officers. … In some ways, the approach mirrors a multi-agency Boston campaign in the 1990s, known as the Boston Miracle, that resulted in a dramatic decline in gun violence and murder rates. Past efforts in Los Angeles, however, have produced mixed results." The AP notes, "Alex Sanchez, a former MS-13 member who now runs a gang intervention program, said police moves to identify the worst gangs could instead lead to more crime. … 'They're all going to want to be on the top 10.'"

NPR's All Things Considered (1/21, Stoltze) also reported on the rising gang violence and the crackdown, noting, "The FBI has pledged to help, but the local US Attorney, George Cardones, says the feds are strapped, too,

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as they fight everything from terrorism to corporate fraud." Cordones: "It's just a huge problem, with limited resources to address it."

Gang Violence Increasingly Has Racial Dimension. The Los Angeles Times (1/21, Garvey, McGreevy, 850K) reported that last week "Los Angeles Mayor Antonio Villaraigosa, Police Chief William J. Bratton and L.A. County Sheriff Lee Baca all spoke with unusual candor of their concern that an increasing number of gang crimes appear to be born out of racial hatred. … The acknowledgment by top officials, some activists say, has been a long time coming." However, the Times notes, "getting a handle on how much gang violence is rooted in racism is difficult. A Times analysis of Los Angeles Police Department statistics gives a partial picture," and "harder to determine is intent. Without an admission of motivation, and often without even a suspect to question, knowing why a victim was targeted by a gang member is difficult."

Missouri Kidnap Suspect Talks Of "Relatively Happy" Life. The Washington Post/AP (1/22, A4) reports, "The man accused of kidnapping two Missouri boys and holding one of them for four years told a newspaper that life was good for him during that period." The AP continues, "Michael J. Devlin, 41, said his own parents, who live nearby, have not visited him since his arrest earlier this month, the New York Post reported Sunday. … 'I don't know how I'm going to explain myself to my parents. It's much easier talking to a stranger about these things than your own parents,' Devlin told the Post in two 15-minute interviews at the Franklin County Jail in Union, Mo. They were his first public comments, aside from a brief court appearance, since his arrest." The AP adds, "The pizzeria manager is accused of taking William 'Ben' Ownby, 13, just after the boy got off a school bus Jan. 8 in Beaufort, Mo., about 50 miles southwest of St. Louis. A schoolmate's tip about a white pickup truck led authorities to Devlin's apartment in Kirkwood, Mo., a St. Louis suburb, where they found Ben and Shawn Hornbeck, 15, on Jan. 12. Shawn had been missing since 2002. … 'I guess I was relatively happy' during those four years, Devlin said. … Devlin pleaded not guilty Thursday to charges of kidnapping Ben. He also is charged with kidnapping Shawn but has not entered a plea in that case. … Devlin, who refused to discuss anything related to the case, said he 'was never really interested in' romantic relationships. He would not say whether he is attracted to women."

DC Council Mulls Legislation After Nightclub Shooting. The Washington Post (1/22, B1, Levine, Vargas) reports, "In the wake of a teenager's death this weekend in a packed District nightspot, D.C. Council member Jim Graham plans a meeting within days of police, regulators, industry officials and parents to craft emergency legislation barring minors from clubs that serve liquor. … 'There's something wrong here,' Graham (D-Ward 1) said yesterday as he weighed his options as chairman of the committee overseeing liquor control. 'It's pretty amazing that the only prohibition in D.C. law in terms of a minor being in an establishment where alcohol is available [deals with] a minor being in a liquor store during school hours.'" The Post continues, "Taleshia Ford, 17, was killed early Saturday morning at Smarta/Broadway, at 1919 Ninth St. NW, when another patron's gun fired during an altercation with a bouncer. Police have made no arrests in the case. … Despite catering to teenagers, the business had a license allowing it to serve alcohol to anyone 21 and older, and the dance floor was crowded with a combination of ages." The Post adds, "Graham said he was greatly concerned by the dangerous potential of 'mixing alcohol and adults and teens' in a nightclub, not only because of the possibility of adults buying drinks for minors but also because of the chance teenagers could be induced into risky behavior. In the absence of city law, bars and nightclubs that exclude underage patrons do so at their discretion."

CIVIL LAW:

Unabomber Fights Legal Battle To Halt Document Sale. The New York Times (1/22, Kovaleski) reports, "Nine years after he began serving a life sentence for the Unabomber crimes, Theodore J. Kaczynski is fighting to reclaim more than 40,000 pages of his writings and correspondence so he can preserve them in their rawest form for the public to read." The Times continues, "Mr. Kaczynski, 64, is in a legal battle with the federal government and a group of his victims over the future of the handwritten papers, which include journals, diaries and drafts of his anti-technology manifesto." The Times adds, "The journals contain blunt assessments of 16 mail bombings from 1978 to 1995 that killed 3 people and injured 28, as well as his musings on the suffering of victims and their families. The government wants to auction sanitized versions of the materials on the Internet to raise money for four of Mr. Kaczynski's victims. … But, citing the First Amendment, Mr. Kaczynski has argued in court filings that the government is not entitled to his writings and has no right to alter them. The writings were among the items taken from his remote Montana cabin after his arrest in April 1996. In a motion drafted in pen, he said he planned to argue that the government had too much discretion under a federal restitution law to confiscate writings." The Times notes, "The four victims pursuing restitution from Mr. Kaczynski were initially reluctant to agree to the auction, fearing it could ghoulishly generate more notoriety for him and

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further publicize their pain. But some were equally horrified by the prospect of Mr. Kaczynski reclaiming his writings. … One of the victims, Gary Wright, a computer-store employee seriously injured in an attack 20 years ago next month, said it was difficult for the four to reach a consensus. … Mr. Kaczynski came to be known as the Unabomber after the Federal Bureau of Investigation's code name for the case, Unabom, coined because the targets included universities and airlines. In his 18-year bombing campaign Mr. Kaczynski seemed bent on thwarting the advance of technology, and his victims included university professors, scientists and business executives."

WSJournal Celebrates Ohio Ruling Against "Giant" Of Asbestos Bar. The Wall Street Journal (1/22, 2.04M), in an editorial, writes, "The judicial hammer finally came down last week on the California law firm of Brayton Purcell, one of the giants of the asbestos bar. All the firm had done was file a false claim, lie in court and obstruct discovery. But hey, everyone has a bad day once in a while. The ruling came from Ohio Judge Harry Hanna of the Cuyahoga County Court of Common Pleas, as he barred Brayton Purcell from practicing in his court. In the process, the judge exposed one of the darker corners of tort abuse: asbestos trusts, or funds set up by bankrupt companies to pay legal claims."

CIVIL RIGHTS:

Pro-Life Groups Assess Democratic Majority On Anniversary Of Roe Decision. The Washington Times (1/22, Fagan, 88K) reports, "Today marks the 34th anniversary of the Supreme Court's Roe v. Wade decision, and as thousands descend on the District to protest abortion, some new twists have emerged on the political landscape, including a Democrat-controlled Congress, an upcoming Supreme Court decision and a burgeoning presidential race. … The pro-life community -- participating in the annual March for Life today -- is readying itself for Democrats seeking more funding for groups that support abortion and perhaps lifting restrictions on federal funding for abortion. But pro-life leaders note the House will still take a pro-life stance on many issues and that President Bush will likely veto objectionable legislation. 'We just need to do all we can to make the case that abortion exploits women and destroys children,' said Rep. Christopher H. Smith, New Jersey Republican and chairman of the Bipartisan Congressional Pro-Life Caucus." Smith "expects some Democrats -- especially those with their eyes on the White House -- to strike a moderate, seemingly pro-life tone on abortion."

ANTITRUST:

Senate Hearing To Examine Airline Merger. USA Today (1/22, Adams) reports, "US Airways' (LCC) hostile bid for Delta Air Lines moves into the political realm this week when a U.S. Senate panel explores the potential effect of industry consolidation on fares, air service and jobs." USA continues, "US Airways CEO Doug Parker and Delta CEO Gerald Grinstein will testify at Wednesday's hearing before the Senate Committee on Commerce, Science and Transportation, chaired by Sen. Daniel Inouye, D-Hawaii. … Federal regulators, consumer advocates and economists are also on the witness list. … 'We're looking forward to it,' said C.A. Howlett, US Airways' top lobbyist. 'The instinctive reaction … is to be naturally skeptical. But the market is driving what's occurring.'" USA adds, "Delta executives declined interview requests. US Airways — itself a merged airline formed by the 2005 takeover of the old US Airways by America West — wants to buy Delta out of bankruptcy reorganization. … The deal would create the nation's largest domestic carrier. Delta, already the USA's third-biggest carrier, wants to remain independent. … Some lawmakers and other critics of the deal say it could reduce competition and raise ticket prices, especially in cities along the East Coast where both are strong. … But US Airways argues the merger would cut costs and improve service nationwide."

Sun Nears Deal To Purchase Intel Chips. The Wall Street Journal (1/22, A3, Clark) reports, "Sun Microsystems Inc. and Intel Corp., two Silicon Valley powers that have frequently taken opposing sides in technology battles, appear ready to work together." The Journal continues, "The companies have been negotiating an agreement under which Sun would buy Intel chips for use in server systems, according to people briefed about Sun's plans. A deal, which could be announced as soon as today, may include an endorsement by Intel of Sun's Solaris operating system, these people said. … Sun's use of Intel chips, while not unprecedented, would be a blow to Advanced Micro Devices Inc., which is now Sun's exclusive source for chips based on the popular x86 design used in most personal computers and servers. It also would be a sign of the renewed competitiveness of Intel's chips, which outsell those of AMD but whose performance levels had fallen behind that of AMD's products until recently." The Journal adds, "Sun, of Santa Clara, Calif., also would keep making computers based on AMD chips, these people said. That dual-supplier strategy is already used by competitors Hewlett-Packard Co., International Business Machines Corp. and Dell Inc. Adding Intel-based servers would help Sun match the breadth of those rival offerings. … Sumit Dhanda, an analyst with Banc

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of America Securities, wrote a research note Friday predicting Sun would begin using Intel chips in servers that would hit the market in late 2007. He based the prediction on unspecified "channel checks," a phrase that often refers to information from companies that supply components to computer makers."

Ford, Toyota Eye Potential Alliance. The Wall Street Journal (1/22, A9, Shirouzu, Mccracken) reports, "Toyota Motor Corp. and Ford Motor Co. are sending more signals that they may want to establish deeper ties. But the cautious courtship between the two auto giants suggests a more modest, and less painful, approach than the megamergers of the late 1990s or the three-way alliance proposed last year among General Motors Corp., Nissan Motor Co. and Renault SA." The Journal continues, "Speculation that Toyota and Ford might be edging toward some form of alliance has heated up since a meeting in mid-December between Ford Chief Executive Alan Mulally and Toyota Chairman Fujio Cho. Both companies scrambled to play down the significance of that encounter, calling it a mere 'courtesy.' They stressed the talks produced no specific deals." The Journal adds, "People familiar with the matter say the meeting was prompted by an invitation from Toyota, sent from Toyota's top brass to Mr. Mulally via a visitor to Dearborn, Mich., where Ford is based, in mid-October. That messenger, a friend of former Toyota Chairman Hiroshi Okuda, met with Mark Fields, president of Ford's Americas operations, and gave him Mr. Okuda's invitation to the new Ford CEO. … Part of Toyota's aim in courting Ford is diplomacy -- an effort to win what people familiar with management's thinking describe as political peace from the U.S.'s second-biggest automobile producer. Though protectionist rhetoric has abated significantly, Toyota officials remain concerned about a possible backlash as they continue to gain market share in the U.S. while Detroit's Big Three shut factories and ax jobs. Analysts expect Toyota to outsell Ford in the U.S. on an annual basis as early as this year. … Toyota also could benefit in a practical way if Ford agreed to use its gasoline-electric hybrid technology."

Raid On Mixtape CDs Shows Industry Schism. The New York Times (1/22, Leeds) reports, "Not long before Christmas, Jeff Baker, the chief of police of Morrow, Ga., a small town just south of Atlanta, and one of his officers were walking through a local shopping mall when they happened to pass a kiosk hawking rap music CDs. One in particular caught their attention. … The CD was 'Tha Streets Iz Watchin,' with songs performed by the rapper Young Jeezy and, as Chief Baker recalled, it did not carry the name or address of the owner of the music copyrights, as Georgia law requires. Rather than arrest the kiosk vendor immediately, Chief Baker said, 'We'd rather go after the source of the material. And at that point we had no idea what the source was.'" The Times continues, "Any rap music aficionado would; the creator of the album is DJ Drama, whose real name is Tyree Simmons, arguably the nation's most prominent producer of mixtapes, the name given to popular but largely unlicensed CDs stocked with yet-to-be released rap hits and free-style rhymes. … And many more people now know: last week, local authorities, working with the recording industry's trade association, stunned fans and music executives alike by raiding DJ Drama's studio in Atlanta and arresting him and a fellow D.J., Don Cannon, on racketeering charges. Investigators seized more than 81,000 allegedly pirated CDs and say the pair were producing unlicensed recordings and selling them without permission." The Times adds, "The raid sparked an outcry among many rap fans. But it also threatens to throw into public view the recording industry's awkward relationship with mixtapes, long an integral element of rap culture and now commonly for sale on street corners, Web sites, many independent record shops and occasionally big chains. … Even as industry-financed antipiracy squads hunt for unauthorized recordings, senior executives at the major record labels privately say that they have courted — and often paid — top D.J.'s to create and distribute mixtapes featuring the labels' rappers as part of efforts to generate buzz. … The raid also exposes a schism that is taking shape as the industry tries to stanch a slide in album sales, for which many blame piracy. On one side, many label executives and officials at the Recording Industry Association of America, which represents the major music companies, say the mixtape is contributing to the problem. They argue that sales are ultimately undermined when the mixtape leaps from promotional giveaway item to replacement for an artist's official label-distributed album. … On the other side are a separate faction of label executives and a variety of artists, many of whom privately say they are worried that the chill cast on the mixtape world would handicap labels' efforts to promote hip-hop sales, which declined roughly 20 percent last year, more than any other major genre, according to Nielsen SoundScan data."

ENVIRONMENT:

Mallaby Says Climate Change Debate Signals Beginning Of Post-Bush Era. Washington Post (1/22, A19, 690K) columnist Sebastian Mallaby writes, "Last week the administration embarrassed itself on climate change, and today will be excruciating. A confluence of forces -- the Democratic takeover of Congress, freak winter weather, Al Gore's documentary on global warming -- has conspired to create an exciting moment in the climate debate.

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But the Bush team seems determined to be a wallflower, and to step on its own toes as it watches." This morning, "an all-star team of chief executives is descending on Washington to make the case for a comprehensive climate approach built around a cap-and-trade system." The "biggest embarrassment in the CEOs' visit concerns the extraordinary timing. Ordinarily, lobbyists aiming to influence the president's agenda do not seek to upstage him the day before his State of the Union address." The "chief executives are in Washington today because they aren't even trying to influence the White House. As they planned their visit over the past weeks, they were barely in touch with the Bush team because they assumed Bush to be irrelevant." All of this "makes for a surreal situation. Al Gore, the man who lost the agonizing 2000 election, has emerged as a force in the debate of the moment. George Bush, his nemesis, is so completely marginal that business guys ignore him. Meanwhile, John McCain and Barack Obama, two leading presidential contenders, are co-sponsoring a cap-and-trade bill in the Senate. To anyone who watched climate politics these past few days, the post-Bush era seemed to be beginning."

US Warned Against Dependence On Imported Oil. In a Wall Street Journal (1/22, A15, 2.04M) op-ed, retired Intel Corp. chairman Andy Grove writes, "I am intrigued by the prospect of applying -- to nations -- the strategic practices that have been formulated and evaluated in the 'laboratory' of the world's businesses." The availability of oil "determines the growth of a national economy. This has concerned every U.S. president since Richard Nixon, who emphatically devoted a major part of his State of the Union message in 1974 to the necessity of regaining control over our destiny by achieving independence from foreign oil suppliers." A chart accompanying Grove's op-ed, entitled, "The Mirage Of Oil Independence," illustrates "how our actual energy dependence deteriorated as time went on, despite repeated commitments to reverse this trend. The most recent addition to this thread of commitments was when President Bush, in his 2006 State of the Union address, set a new goal to replace more than 75% of our oil imports from the Middle East by 2025." Grove adds, "Even though the importance of the energy independence issue has been recognized and emphasized by every president since 1974, our vital national objective is vanishing like a mirage in the distance. This kind of dependence gives great power to other nations over our destiny."

Insurers Cite Climate Change In Dropping Coastal Homeowners. Newsweek (1/29, Breslau, 3.12M) reports, "Up and down the Eastern Seaboard, hundreds of thousands of policyholders…are being dropped by their insurers; many more have had to swallow double-, even triple-digit increases in premiums and deductibles. … Why the sudden rash of cancellations? An increase in 'extreme weather events' that many scientists -- and now insurers -- believe are linked to climate change."

FBI/DEA/ATF/USMS:

Mexico Claims No US Pressure On Extradition Of Drug Suspects. The AP (1/22, Stevenson) reports, "Mexico's attorney general said Sunday four alleged drug lords were extradited to the United States to stop them from communicating with their cartels from behind bars and to reduce the risk of violence and escape, not because of U.S. pressure." The AP continues, "Mexico sent Osiel Cardenas, the alleged Gulf cartel leader who was believed to be running his gang from prison, to the U.S. on Friday along with Palma Salazar, the alleged former leader of the Sinaloa cartel, and brothers Ismael and Gilberto Higuera Guerrero, former chiefs in the Arellano-Felix cartel in Tijuana. … 'This decision was a unilateral and sovereign one by the Mexican government,' Attorney General Eduardo Medina Mora told a news conference. The aim was to break any 'physical and geographical' contact they might have had with their gangs while in Mexican prisons. He also said Mexico plans to extradite other criminals and suspects who have exhausted their legal appeals." The AP adds, "Mexico has recently shown more willingness to extradite drug lords, even those facing life in prison. A record 63 alleged criminals were sent to the U.S. in 2006 alone. However, it refuses to extradite anyone who would face the death penalty, which is illegal in Mexico … Along with the four drug lords, Mexico also extradited 11 alleged criminals wanted in the U.S. on charges including murder, drug trafficking, kidnapping and sex crimes. … U.S. Attorney General Alberto Gonzales called the extraditions 'unprecedented in their scope and importance.'"

Express-News Supports New DEA Offices On Border. The San Antonio Express-News (1/22) editorializes, "The Texas-Mexico border separates sovereign nations, but social problems do not respect sovereignty. … And, because checkpoints represent such ineffective barriers when it comes to these problems, cooperation between Mexico the United States is crucial." The Express-News continues, "The U.S. government realizes partnership is necessary, according to recent reports, and that should encourage border residents growing increasingly anxious over the violence plaguing the area. … The Drug Enforcement Administration has asked the Mexican government to approve new DEA offices in Nogales, Matamoros and Nuevo Laredo, although officials refuse to provide any details, the Houston Chronicle reported. … 'By targeting the three cities for possible offices, the agency has

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picked the strongholds of the drug cartels. The drug lords covet the same things — smuggling routes into the United States. And their struggle for supremacy has endangered the lives of ordinary citizens, including Americans who cross the border as tourists. … 'Clearly, Mexico and the United States have a shared responsibility to make our communities safer from the drug traffickers and criminals who are threatening our way of life,' Attorney General Alberto Gonzales said after meeting with his Mexican counterpart recently. … Gonzales was not referring to the DEA offices specifically, but such offices would go a long way toward enhancing the cooperation necessary to combat the pernicious drug trafficking."

Prosecutors Say Thai Wiretap Helped Bust Heroin-Trafficking Organization. The AP (1/19) reported prosecutors say a heroin-trafficking organization that "processed drugs from Pakistan and Afghanistan through a storefront in Thailand has been busted with help from the first wiretap recordings to be authorized by Thai judicial authorities in a U.S. investigation. Three men from Thailand extradited to the United States to face drug charges made initial appearances in U.S. District Court in Manhattan, where they were ordered held without bail Thursday in a case authorities said processed more than $30 million in drug money." The extraditions "resulted from Operation Ivory Triangle, an investigation of drug networks in Bangkok, Lagos, Nigeria, and New York." The AP story was used by the Boston Herald as well as Thailand's Irrawaddy News Magazine and Bangkok Post.

The Washington Times (1/20) reported the U.S. government "has extradited three men from Thailand to stand trial on charges of operating an international heroin-trafficking organization that routed the drug from Pakistan, Afghanistan, Burma and northern Thailand throughout the world, including the United States. … The indictments said members of the organization transported the heroin through human couriers, mail, cargo shipments and other means."

On its Web site, WNBC-TV, New York (1/22) reports DEA Special Agent in Charge John Gilbride "said, 'Operation Ivory Triangle led us on a trail throughout the world from the Bronx to West Africa to Bangkok, Thailand. Today, this world-wide heroin trafficking enterprise is out of business.'" WNBC notes the indictments "also seek forfeiture of more than $30 million in narcotics proceeds produced by the drug-trafficking operations."

Former Guatemala Drug Investigators Get 10-Year Sentences For Cocaine Conspiracy. The AP (1/20) reported, "Guatemala's former top anti-drug investigator and his one-time deputy were sentenced Friday to ten years in a U.S. prison for conspiring to distribute cocaine. Adan Castillo, the former chief of Guatemala's special anti-drug police force, and Jorge Aguilar Garcia, Castillo's one-time deputy, were arrested in 2005. The men were lured to the United States for what they thought was training on fighting drug traffickers. In reality, the U.S. Drug Enforcement Administration had been investigating the men for four months with the help of the Guatemalan government." The AP story was used by FOX News, the San Francisco Chronicle, Forbes, Newsday, and the Seattle Post Intelligencer.

In New York, Authorities Say City Employee Was Drug Courier For Colombian Cartel. The New York Daily News (1/21, Gendar) reported a city Department of Transportation employee "lived a secret life as a drug courier, selling high-quality heroin smuggled into the city by a Colombian crew. … Federal Drug Enforcement Administration agents, NYPD detectives and state police dismantled the final pieces of the drug cartel that had employed [Ricardo Calderon] during a series of raids last week. … Calderon, a Colombian native, played a crucial role in trafficking heroin from Pereira, Colombia, to drug distributors in the city, authorities said. He delivered heroin that had been smuggled into the U.S. aboard cruise ships to three suppliers…in the Bronx, authorities said."

In North Carolina, Four Charged In DEA Investigation Of "Rogue" Internet Pharmacy. The AP (1/22) reports two North Carolina-based Internet pharmacies "are under investigation for distributing controlled substances. Wilmington-based United Care Pharmacy and a sister business, Kwik Fill in Fayetteville, distributed several controlled drugs without requiring customers to consult with a physician, according to the indictment. The Drug Enforcement Administration says United Care distributed several types of drugs, including erectile dysfunction drug Viagra, painkiller Vicodin and anti-anxiety drug Xanax." Four people "have been charged in what the DEA described as a 'rogue Internet pharmacy.'" The Hendersonville Times News, Durham Herald Sun, and Winston-Salem Journal used the AP story.

Businessman Acknowledges Money-Laundering Scheme In Ohio Marijuana Case. The Youngstown (OH) Vindicator (1/22) reports it "came as somewhat of a surprise to federal drug agents that a lawman and legitimate businessmen were linked to a massive pot factory concealed in a warehouse." Edwin J. Stupka "has acknowledged that he attempted to launder $1.7 million through a scheme to buy a chain of Arabica Coffee Houses in Cleveland. … The federal prosecutor said the marijuana distribution began as early as 1992 and continued through

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the summer of 2003. Stupka invested thousands of dollars in the indoor marijuana factory…in 2001." The Vindicator says Stupka is expected tol be sentenced in April.

Three Plead Guilty In New Jersey Heroin-Ring Investigation. The Jersey Journal (1/19, Conte) reported three accused leaders of a Hoboken-based drug ring that "moved up to 20,000 bags of heroin through Hudson County each week" have "pleaded guilty to federal drug crimes carrying sentences of up to 25 years in prison. … They were among eight people busted after the six-month investigation that came to a head last March 6, Hudson County Prosecutor Edward DeFazio said." Officials said that during the six-month investigation "numerous searches of locations and vehicles were conducted, resulting in seizure of 27,000 bags of heroin."

Cyclist Pleads Not Guilty In Federal Steroids Probe. The AP (1/19, Kravets) reported former elite cyclist Tammy Thomas "pleaded not guilty in federal court Friday to charges of lying to a grand jury investigating steroid use in sports. Thomas, the first athlete charged in a probe that has implicated some of the biggest stars in baseball and track and field, is charged with three counts of perjury and one count of obstruction of justice. … Thomas was banned from cycling for life in August 2002 after the performance-enhancing drug Norbolethone was detected in her urine."

US Military's Reduced Role In "Drug War" Said To Leave Interdiction Gaps. The Los Angeles Times (1/22, Meyer) reports the U.S. military "has sharply reduced its role in the war on drugs, leaving significant gaps in the nation's narcotics interdiction efforts. … Internal records show that in the last four years the Pentagon has reduced by more than 62% its surveillance flight-hours over Caribbean and Pacific Ocean routes that are used to smuggle cocaine, marijuana and, increasingly, Colombian-produced heroin. At the same time, the Navy is deploying one-third fewer patrol boats in search of smugglers. … (The Justice Department, through the FBI and Drug Enforcement Administration, also has a central role in the drug war, but it is more focused on arresting narcotics traffickers in the U.S. than on interdiction.)"

In Colombia, Uribe Supporters Said To Be Linked To Death Squads. The New York Times (1/21, Romero) reported the government of President Álvaro Uribe "has found itself ensnared in a widening scandal as revelations surface of a secret alliance between some of the president's most prominent political supporters and paramilitary death squads. Testimony…from Salvatore Mancuso, a former paramilitary commander who admitted to orchestrating the killing of more than 300 people, as well as a document made public on Friday implicating more than a dozen politicians in the pact with paramilitaries, have injected fresh detail into a slow-burning scandal that has caused Colombia's elite political class to shudder in recent weeks. Senior members of Mr. Uribe's government and Mr. Uribe himself have said that anyone shown to have had illegal ties to the paramilitaries, which terrorized Colombian cities and the countryside in the nation's internal war, which has gone on for decades, and made fortunes in cocaine trafficking, should be prosecuted in courts of law."

CONGRESS-ADMINISTRATION:

Bush Expected To Focus On Health Insurance, Fuel Economy In State Of The Union. ABC World News (1/21, story 2, 2:20, Harris, 8.78M) reported that "word from the White House" is that President Bush "will focus on domestic issues in his State of the Union speech on Tuesday night. But it will be very difficult to turn the nation's attention away from the war that is raging" in Iraq. ABC (Morrell) added, "This will be President Bush's seventh State of the Union address, but by far, his most challenging politically. Congress is now controlled by Democrats. His popularity is at an all-time low. And a new ABC News poll shows that 71% of Americans believe the country is on the wrong track -- the highest in a decade."

USA Today (1/22, 4A, Jackson, 2.27M) reports Bush said the Iraq issue "would not deter him from engaging the Democratic-controlled Congress on a sweeping domestic agenda, including helping states tailor their own plans for health insurance." Bush "pointed to the health care initiatives" of Republican governors like Jeb Bush, Mitt Romney, and Arnold Schwarzenegger "as reasons to support state-specific plans. However, he said state plans should not lead to universal health care run by the federal government." In a "wide-ranging and occasionally testy conversation" with USA Today, Bush said, "There's a lot of people in Washington that say the federal government ought to run health care. I'm not one." The President said he will use the State of the Union speech "to highlight a new health care plan" that calls for a health care tax deduction of $7,500 for individuals and $15,000 for families. Bush also said Social Security, energy policy, immigration, balancing the budget, education, terrorist surveillance, and combating diseases will figure prominently in his speech. The Financial Times (1/22, Callan) says health care reform will "be thrust to the forefront" with Bush's speech. In its report, the Wall Street Journal (1/22, A2, McKinnon, Harwood, 2.04M) says the planned focus on health care comes "as a new Wall Street Journal/NBC News poll indicates health-care costs are the nation's top economic concern."

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The Washington Post (1/22, A3, Lee, 690K) writes that 13 years after the collapse of the Clinton health care plan helped "make universal coverage politically radioactive, comprehensive proposals for expanding coverage to millions of uninsured Americans are flowering again inside the Beltway and around the country. And this time, advocates hope, the political climate is right for the best ideas to grow, in large part because many business groups that opposed earlier efforts now agree that rising health-care costs and increasingly tougher access to insurance are unsustainable trends."

The New York Times (1/22, Wald, 1.16M) focuses on the "widespread anticipation, inside government and outside, that President Bush will call for better fuel economy" in his speech, reporting that the "White House has posed questions to the Transportation Department about various options. One idea under consideration, government officials and car company executives who have consulted with the White House say, is to do away with the existing system of fleet averages, as has already happened with light trucks, and set a standard for each vehicle, based on its 'footprint,' or distance between the wheels." The AP (1/21, Hebert) says that "a year after warning America of its addiction to oil," Bush "is expected to renew concerns about energy security" Tuesday night.

Bush's Rate Of Success In Getting SOTU Proposals Enacted Has Declined. The Washington Times (1/22, Dinan, 88K) reviews the President's track record on "getting his State of the Union proposals enacted," concluding that "after successes in his early years in office," his success rate "has dropped off substantially. Of the 12 initiatives that he proposed or called on Congress to pass in 2006, the White House can claim complete success on just three: renewing the Patriot Act, expanding health savings accounts and expanding electronic medical records. That followed unfulfilled calls in 2005 to reform Social Security and the tax code and to pass a guest-worker program for illegal aliens and future immigrants. That record is a far cry from the major policies Mr. Bush proposed in his 2002, 2003 and 2004 speeches, and later won from Congress, including a stimulus package to pull out of recession in 2002, a $15 billion fund to combat AIDS, a prescription-drug benefit in Medicare, passage of the authority to more freely negotiate trade agreements and the goal of cutting the deficit in half."

White House Speechwriters Say Bush Is Tough Editor. The New York Times (1/22, A14, Stolberg, 1.16M) takes a look behind the speech at those who are crafting it, saying that Bush's speechwriters call him "editor in chief." Chief White House speechwriter William McGurn said, "He always wants it to be logical and straightforward. That's his big obsession. I always say I've been edited by Bill Buckley at the National Review, Bob Bartley at The Wall Street Journal. And the President is the strictest editor, the most line by line."

NYTimes Says Health Care Needs National Solution. The New York Times (1/22, A18, 1.16M) editorializes, "The sky-high cost of health care in the United States isn't just a challenge for the families that struggle to pay rising premiums and co-payments. It's also a serious issue for American companies, whose competitors in other countries often benefit from national health insurance programs. … While it is a welcome sign that businesses and states are trying to come up with answers, health care is a national issue that requires a comprehensive solution."

Krugman Skeptical About Bush Health Plan. In his New York Times (1/22, A19, 1.16M) column, Paul Krugman writes that Bush's health care proposal "won't go anywhere. But it's still worth looking" at his weekly radio address remarks on the subject, "because of what they say about him and his advisers." Bush "suggested that we should 'treat health insurance more like home ownership.' He went on to say that 'the current tax code encourages home ownership by allowing you to deduct the interest on your mortgage from your taxes. We can reform the tax code, so that it provides a similar incentive for you to buy health insurance.' Wow. Those are the words of someone with no sense of what it's like to be uninsured. … The uninsured don't need an 'incentive' to buy insurance; they need something that makes getting insurance possible."

Powerful House Democrats Reportedly Unhappy With Pelosi. The Washington Post (1/22, A5, Weisman, 690K), in an article titled, "Emerging Grievances Within Party Likely To Test Pelosi," reports, "tensions have been growing between House Speaker Nancy Pelosi and many new committee chairmen and other members over her aggressive management style and her approach to the war, according to lawmakers and advisers." Without citing any direct quotes from influential House Democrats, the Post claims that "powerful committee chairmen have bridled at the California Democrat's decision to impose six-year term limits on them. Liberal Democrats say she is being too cautious in confronting President Bush on the war in Iraq. Rank-and-file Democrats say she erred in denying Republicans more say in the early legislation, making the speaker appear autocratic.." The Post goes on to report, "In the most public breach, Pelosi created a special committee dedicated to global warming, infuriating" Rep. John Dingell, "whose committee would inevitably lose jurisdiction. Dingell fumed: 'These kinds of committees are as useful in relevance as feathers on a fish.' The move crystallized fears among some moderate Democrats that Pelosi would 'policy shop' to produce the legislative outcome she wants, even if that outcome goes against the grain of the moderates' constituents, several

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House members said. At a rancorous closed-door meeting of the Energy and Commerce Committee last week, members of all political stripes backed Dingell and threatened to subject the proposed committee to a public execution on the House floor."

Novak Claims Democrats Have Been Reduced To "Automatons." In his column for the Washington Post (1/22, A19, 690K) Robert Novak writes, "The student loan bill is one of the politically popular measures rushed through the opening days of the first Democratic-controlled House session in 12 years -- without hearings, without committee authorization and without meaningful debate. While Democratic support has been unanimous, Republicans are divided and listless. In contrast to the ideologically diverse Democrats who controlled Congress in the past, today's House majority members are like automatons. The hand of Rep. Rahm Emanuel, chairman of the House Democratic Caucus, was apparent as Democrats newly elected under his leadership took the floor to deliver nearly identical speeches of how this bill will help poor students."

House GOP Notes Democratic Criticism Of Pelosi's Methods. The Washington Times (1/22, Bellantoni, 88K) reports House Republicans "have been quoting some unlikely allies when complaining about the methods used by the new Democratic majority -- Democratic leaders. As the House approved the final piece of Speaker Pelosi's initial 'Six for '06' agenda, Republicans lamented that the bills in the package did not go through committees and that amendments were not allowed." Rep. Adam Putnam, chairman of the Republican Conference, "trotted out last week an article about" Senate Majority Leader Harry Reid in Time "that included an assertion: 'In private, Senate sources say, Reid has been critical of the Speaker for what he believes was unnecessary roughness in ramming through her first-100-hours agenda, refusing to allow Republicans to propose amendments and breaking her campaign promise to open up the lawmaking process.'" Republicans "seized on" the article, saying Speaker Pelosi "had achieved a 'trifecta' of Democratic critics. 'Top House Tax Writer, Senate Majority Leader, and now the Dean of the House,' Republicans blared in a press release citing" Reid, Dingell and Rep. Charles Rangel.

Gingrich Says Pelosi "Has Had A Very Good Run." On Fox News Sunday (1/21, Wallace), Newt Gingrich said of Pelosi's first days, "I wish I'd gotten the press she got. I think she has had a very good run. Every Republican should respect what Nancy Pelosi and Rahm Emanuel have done. They put together a campaign team. They recruited people who are fairly centrist. They learned a big lesson out of being too far to the left. Now, whether or not they can govern this way, we'll see. But they certainly deserve a lot of respect for how they put together the '06 campaign."

NYTimes Encourages Gore To Testify Before Dingell's Panel. The New York Times (1/22, 1.16M), in an editorial, writes that House Committee on Energy and Commerce Chairman Dingell "is, at best, agnostic on global warming. But he said he would put climate change at the top of the committee agenda this year and, for good measure, would invite Al Gore — whose documentary 'An Inconvenient Truth' has raised public awareness of the issue — to testify first. Mr. Gore should quickly accept. Mr. Dingell's support will be essential to any real progress on curbing emissions." According to the Times, Pelosi "established a select committee on global warming last week — not to end-run Mr. Dingell's powers, which she can't really do, but to elevate an issue she regards as important and to pressure Mr. Dingell to take a leadership role. … Which is why it's essential for Mr. Gore and others to become part of the conversation Mr. Dingell has invited. In the end, what is most likely to move him forward is not pressure from Ms. Pelosi or anyone else but appeals to his well-documented sense of environmental stewardship."

Business Interests "Relieved" By Democratic Congress's Moves So Far. The Los Angeles Times (1/22, Hamburger, Hook, 850K) reports House Speaker Nancy Pelosi "terrified the oil industry late last year when she outlined her priorities for the new Democratic majorities in Congress. Within the first 100 hours, she promised, they would 'roll back the multibillion dollar subsidies for Big Oil.'" However, the "much-touted" bill "socking it to the oil companies…turned out to be considerably less drastic than many in the industry originally feared. Out of an estimated $32 billion in subsidies and tax breaks that the oil companies are scheduled to receive over the next five years, the final House bill cut just $5.5 billion." The Times adds, "From one end of the House Democrats' 'first 100 hours' agenda to the other, businessmen and their K Street lobbyists have found success amid the fear in dealing with the new Congress. Surprising as it might seem in view of the Democrats' public rhetoric, business groups are getting their telephone calls returned. And they're getting plenty of face time with the new House and Senate leaders. … Many business lobbyists said they were relieved."

Schumer, Bloomberg Warn US Risks Losing Its Preeminence As Finance Center. The New York Times (1/22, Anderson, 1.16M) reports, "Adding to a chorus of concern that the United States is losing its edge as the leading financial center, Senator Charles E. Schumer and Mayor Michael R. Bloomberg will release a report today urging the country to take a series of steps to improve its legal and regulatory environment. If not, the report warns, it could lose 4 to 7 percent of the global financial services market over

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the next five years. 'The last thing that New York and the country, for that matter, need is to wake up one morning and find we are no longer the financial capital of the world,' Senator Schumer…said. … The…primary recommendations echo those of a similar report released in November, focusing on easing or eliminating provisions of the Sarbanes-Oxley Act for small and foreign companies — some steps that the Securities and Exchange Commission is currently undertaking — and curbing securities-related litigation. The latest report is one in a series commissioned in the public and private sectors voicing concern that the United States is falling behind because of a burdensome legal and regulatory environment."

Rove Stays Active Behind The Scenes. Newsweek (1/29, Bailey, 3.12M) reports, "Don't write Karl Rove's political obituary just yet. After the GOP's midterm thumping, President Bush's top aide fell out of the spotlight. But behind the scenes, according to administration officials (anonymous in order to discuss White House matters), Rove has been laying the groundwork for Bush's State of the Union address and mulling how the GOP can regain momentum in 2008. Earlier this month Rove showed up at a weekly meeting of influential D.C. conservatives, surprising attendees with his bubbly demeanor after weeks of rumors that he might be headed out. … At the meeting Rove previewed Bush's final two years in office, saying Social Security reform was likely off the table and that Iraq and the economy would be the biggest issues for 2008." Newsweek adds that Rove "has been busy trying to find common ground with Dems, organizing two meetings between Bush and the Blue Dog Democrats."

Congress To Debate Drug Advertising. The New York Times (1/22, Freudenheim, 1.16M) reports, "Drug advertising aimed at consumers, a fast-growing category that reached $4.5 billion last year, will face hard scrutiny in the new Congress, according to industry critics in both the House and Senate. The consumer ads will be on the griddle early in this session at hearings on the user fees that manufacturers pay to speed the reviewing of new drugs by the Food and Drug Administration. The user fee law will die in the fall unless Congress acts to renew it." The Times adds, "The pharmaceutical industry, which often gets what it asks for from Congress and the executive branch, seeks to renew the law and add a new set of user fees that would be pay salaries for additional F.D.A. employees to evaluate all consumer drug ads, before they are shown on television."

Push To Make English Official Language Seen As Gaining Momentum. The Washington Times (1/22, Pfeiffer, 88K) reports, "The push to make English the nation's official language is building momentum, with a congressional bill on the horizon and seven states pushing legislation to make English the official language or to strengthen laws already in place. 'There's been such strong support,' said Rep. Steve King, Iowa Republican. 'And it's gaining momentum.'" King "is expected next month to reintroduce the English Language Unity Act, which seeks to make English the nation's official language. However, he said that timetable had been postponed until House Speaker Nancy Pelosi could complete the Democrats' 'first 100 hours' agenda. 'Nancy Pelosi has us under martial law,' he said."

Survey Finds Employees Unhappy At AID. The Washington Post's "In the Loop" column (1/22, A17, Kamen) reports, "Didn't seem that morale at the Agency for International Development could get much lower. Word is that a recent survey of Foreign Service officers there found about half the FSOs ranked morale as low to poor and only 12 percent said morale was good. Probably didn't get better when employees found out last week that the annual employee awards ceremony for meritorious effort in 2006, scheduled for Wednesday, was postponed. AID Administrator Randall Tobias, the official announcement said, will be joining Rice as 'the second-ranking member of the U.S. delegation' to a gathering in Paris for donors helping Lebanon."

DC-Area Congressional Delegation Urges Bush To Endorse "Pay Parity." In his "Federal Diary" column for the Washington Post (1/22, 690K) Stephen Barr writes, "Nine Washington area House members, led by Majority Leader Steny H. Hoyer, plan to send a letter to President Bush today urging him to recommend equal pay raises for the civil service and the military in his fiscal 2008 budget. Hoyer expressed disappointment in the 2.2 percent raise for civil servants. The House members ask the president to 'embrace the principle of pay parity,' which the letter describes as a bipartisan approach that has been followed nearly every year for the past two decades." Barr notes, "The Bush administration has balked at providing equal pay adjustments to the civil service and the military, contending that across-the-board raises fail to properly reward high-performing employees and hinder agencies that need to pay more for difficult jobs and specialized skills."

Raines' Defense Tries To "Turn The Tables" On Bush Appointee. The Washington Post (1/22, Hilzenrath, 690K) reports, "Two years after falling from the height of corporate power and political possibility, the former Fannie Mae chairman and Clinton budget director is waging an all-out legal battle to save his fortune and repair his battered reputation. Accused of complicity in earnings

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manipulation, Raines last week escalated a counterattack against the federal agency that drove him from power and seeks to strip him of tens if not hundreds of millions of dollars. In an unconventional legal maneuver, Raines sought to move the case to federal court from the jurisdiction of that agency." He "has fielded a defense team that includes Kevin M. Downey of Williams & Connolly, the Washington law firm that represented such embattled figures as Oliver North and Bill Clinton, and Mark Fabiani, an advocate for Clinton during the Whitewater scandal." The Post adds, "Raines's camp had little to say publicly over the past two years during a series of drawn-out investigations of Fannie Mae's multibillion-dollar accounting misstatements. Raines has long declined requests for interviews from The Washington Post. But since regulators filed administrative charges against him in December, his advocates have filed a flurry of papers mapping out the beginnings of a strategy. Part of it boils down to this: Turn the tables on the accuser." The "lead accuser is James B. Lockhart III, appointed last year by President Bush to head the small federal agency that oversees Fannie Mae. … Attorneys for Raines have accused Lockhart of prejudging the facts and waging 'an unrelenting campaign of disparagement' against him."

Stem Cell Researchers Reject White House Claims. The Washington Post (1/22, 690K) in its "Primary Source" feature quotes Harvard University researchers Kevin Eggan, Chad Cowan and Douglas A. Melton who "wrote members of Congress earlier this month to complain that the White House domestic policy office's report 'Advancing Stem Cell Science Without Destroying Human Life' was a 'misuse and misunderstanding' of their research." An excerpt from the letter reads: "We are surprised to see our work on reprogramming adult stem cells used to support arguments that research involving human embryonic stem cells is unnecessary. On the contrary, we assert that human embryonic stem cells hold great promise to find new treatments and cures for diseases. … The work that we performed and that was cited in the White House policy report is precisely the type of research that is currently being harmed by the President's arbitrary limitation on federal funding for human embryonic stem cell research. … We feel that the President's restrictive policy has directly impeded research that provides a hope for cures for millions of Americans."

Justice Thomas Portrayed As Far More Independent Than Generally Thought. In an op-ed for the Wall Street Journal (1/22, A14, 2.04M) Jan Crawford Greenburg, legal correspondent for ABC News and author of "Supreme Conflict: The Inside Story for Control of the United States Supreme Court," writes that Justice Clarence Thomas "has borne some of the most vitriolic personal attacks in Supreme Court history. But the persistent stereotypes about his views on the law and subordinate role on the court are equally offensive -- and demonstrably false. An extensive documentary record shows that Justice Thomas has been a significant force in shaping the direction and decisions of the court for the past 15 years. … Immediately upon his arrival at the court, Justice Thomas was savaged by court-watchers as Antonin Scalia's dutiful apprentice, blindly following his mentor's lead. It's a grossly inaccurate portrayal, imbued with politically incorrect innuendo, as documents and notes from Justice Thomas's very first days on the court conclusively show. Far from being a Scalia lackey, the rookie jurist made clear to the other justices that he was willing to be the solo dissenter, sending a strong signal that he would not moderate his opinions for the sake of comity."

Jenna Bush Book Will Recount Her Work In Latin America. US News & World Report's "Washington Whispers" column (1/29) reports, "You can soon add the title of author to first daughter Jenna Bush's résumé. Whispers learns that the 25-year-old blond twin of Barbara Bush is shopping a book proposal to major publishers in New York City. We're told that the project is vague and that she's initially only gauging publishers' interest. The White House wouldn't comment, but others say it will be a young-adult book based on the former grade school teacher's experiences with charity causes in Latin America. … The profits will go to charity."

OTHER NEWS:

Data Showing Strength In US Manufacturing Seen As Surprise. The Wall Street Journal (1/22, A2, Whitehouse, 2.04M) reports, "It has long been an axiom that U.S.-made consumer goods such as TV sets and kitchen appliances can't compete in a world where cheaper labor can be found elsewhere. Like many axioms, though, it isn't entirely true. Recent data from the Federal Reserve contained some surprises for anyone who thought U.S. companies don't make things for American consumers anymore. In its monthly update on factory output, the Fed reported that U.S. production of audio and video equipment surged about 2% in December and was up 23% for all of 2006." That "is a significant change from several years ago, when the numbers were negative as U.S. production moved overseas. Even output of appliances, though down for 2006, popped 5% in December." But "the shift doesn't necessarily represent a renaissance. More likely, it reflects the fact that much of what can go abroad already has, leaving behind what can and should be made in the US."

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Crowded Presidential Race Already In Full Swing. The New York Times (1/22, Broder, Healy, 1.16M) writes on its front page that "two years before the next president is inaugurated and a full year before the first vote is cast, the contest for the White House is off to a breathtakingly fast start, exposing an ever-growing field of candidates to longer, more intensive scrutiny and increasing the amount of money they need to remain viable." Gov. Bill Richardson, a Democrat, "entered the fray" on Sunday, "the eighth member of his party to do so," as Sen. Hillary Clinton "held her first campaign event, highlighting her focus on health care a day after declaring her plans to run." The Times says the "scale and swiftness of the action has the potential to upset the traditional timetables and conventions of presidential campaigning," as candidates "could be forced to move more quickly to take positions on big issues, stripping them of the chance to run on more gauzy platforms in the early stages and therefore exposing them to more direct criticism from rivals, interest groups and the news media." The Christian Science Monitor (1/22, Feldmann, 59K) writes that the "field for both major parties has been growing almost daily, of late," with three candidates declaring their intentions over the weekend.

Internet To Take On New Importance In 2008 Race. The Wall Street Journal (1/22, A4, Schatz, 2.04M) writes about "one of the most important new presidential battlefields: the Netroots Primary." Sen. Hillary Clinton's "decision to enter the presidential race online and conduct a 'national conversation' in live video Internet chats before heading to campaign isn't the conventional route taken by presidential hopefuls. This year, however, candidates are making extra efforts to win the favor -- and money -- of keepers of Web logs, or bloggers, and other Internet activists." The Washington Post (1/22, Cillizza, Balz, 690K) has a front-page piece called "On The Electronic Campaign Trail" that says "if last year was the year of the rogue videographers, the already-underway 2008 presidential campaign is likely to be remembered as the point where Web video became central to the communications strategy of every serious presidential candidate."

Major Party Nominees Expected To Reject Public Funds. The Los Angeles Times (1/22, Morain, 850K) writes that "for the first time since the nation launched its grand experiment with publicly financed presidential campaigns three decades ago, major party nominees in 2008 are expected to turn down all public funds. The reason: The grant, expected to be $83.8 million, might not be enough to run a winning campaign."

Clinton, McCain Could Face Pitfalls Over Iraq. The Wall Street Journal (1/22, A4, Calmes, 2.04M) writes that the perceived frontrunners of both parties, Sens. Hillary Clinton and John McCain, could face "vulnerabilities" over their "stances on the increasingly unpopular war in Iraq. As Mrs. Clinton's weekend announcement of her candidacy made clear, they are responding to that issue in opposite ways." Clinton "has long been suspect among liberal Democratic activists for her 2002 vote approving President Bush's use of force in Iraq, and then for declining to disavow it. Saturday, she showed that she has changed course. … By contrast, Mr. McCain continues to be the most prominent supporter of the war, the president and a military buildup. That remains a popular stand among Republican voters, polls show. But it has been eroding his popularity with the general public."

Hagel Will Make Decision On Presidential Run "Soon." Sen. Chuck Hagel said on CBS' Face The Nation (1/21, Schieffer), "I'm not a candidate for any office. I may be. I'll make that decision soon. … If I would be a candidate for the presidency, it would not be a candidacy based on just the Iraqi war. I am an accumulation of my past experiences." Asked about suggestions that he could run as an independent, Hagel said, "If I would decide to run, I will run as a Republican."

Brownback Stresses Positive Approach On Abortion Question. Sen. Sam Brownback, appearing on ABC's This Week (1/21, Stephanopoulos) said that if he is elected president, he would take a different approach to abortion than past presidents of his party in that he would "push the issue in a positive setting. I think what is key here is that we talk about that life is sacred, and it's all life, and it's at every place. And it's the child in the womb, but it's also the mother that's in poverty, and it's the child that's in Darfur, and it's the man that's in prison. I think if we can present a fulsome picture, people will start to see that we do believe life is sacred and we are willing to fight for it." In a Washington Times (1/22, 88K) op-ed marking the annual March for Life, Brownback writes, "Life is beautiful. … A human being's value is intrinsic, not earned. Without this basic moral understanding, few of our laws would make much sense."

Kennedy Says Romney Should Not Be Underestimated. Asked on NBC's Meet The Press (1/21, Russert) to "assess" Mitt Romney "as a presidential candidate," Sen. Edward Kennedy said, "I wouldn't underestimate Mitt. I didn't agree with him on a lot of things, but I don't think he should be underestimated."

Romney Urged To Make JFK-Like Statement On Religion. In a USA Today (1/22, 9A, 2.27M) op-ed, political scientists David Campbell of the University of Notre Dame and J. Quin Monson of Brigham Young University write, "Should Americans fear Mitt Romney because he is a Mormon? In spite of what some political pundits have recently argued, the answer is a resounding no. Should Romney fear how some Americans will react to his religion? Unfortunately, recent polls say yes. But just like another Massachusetts politician who faced questions about his

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religion, namely John F. Kennedy, Romney can, and should, tackle uneasiness about his religion head-on -- sooner rather than later." Romney's challenge "is to make this clear to the American public. It is here that the parallel to Catholicism is instructive. … Kennedy marched into the proverbial lion's den and delivered a speech to Protestant ministers in Houston. That speech is a classic appeal for religious tolerance. In it, Kennedy declared, 'I do not speak for my church on public matters, and the church does not speak for me.'"

Kennedy Says He Will Back Kerry If He Runs. Sen. Edward Kennedy said on NBC's Meet The Press (1/21, Russert), "John Kerry will probably make his judgment decision, I expect soon. I'm going to support John."

Richardson Enters Democratic Presidential Race. ABC World News (1/21, story 6, :50, Berman, 8.78M) reported, "The field of Democratic presidential candidates got more crowded today, with New Mexico Gov. Bill Richardson jumping into the race." On ABC's This Week (1/21, Stephanopoulos), Richardson discussed his plan to win the Democratic nomination, saying, "I will outwork anybody. I'm a governor. Governors have good records in being elected presidents, because we balance budgets, we deal with health care, with education. I believe I can be competitive in raising money. I believe also that I'm a Westerner. This is a new area that is fertile for the Democratic Party. But most importantly, I can bring this country together. I'm a negotiator. I've brought countries together closer on peace treaties. I've rescued Americans, hostages and servicemen. What we have right now is an opportunity to deal with major issues that really are dividing this country. … A lot of people give speeches about these issues. I've actually done it. … I'm not interested in being vice president. I've got a better job as governor of New Mexico. If I don't get the nomination, I'll come back and be governor. … I am seeking the nomination because I believe I can do the job. And I have the passion for it. I'm prepared for it."

The Los Angeles Times (1/22, Alonso-Zaldivar, 850K) says Richardson enters "as a middle-of-the-road politician with a multifaceted resume who, if elected, would be the first president of Latino descent." And while Richardson is at just one percent among Democrats in the latest ABC News/Washington Post poll, "political insiders said it would be a miscalculation to dismiss Richardson's candidacy." Democratic consultant Anita Dunn said, "In the course of a campaign, there are plenty of opportunities for a candidate with a compelling message, who is not as well-known, to go out there and gain support." Dunn noted that Howard Dean "at this point in 2004 had maybe 2%, 3%," before going on to lead the field for months. The Albuquerque Tribune (1/22, Nash) says Richardson "is expected to hold a news conference in Santa Fe and to file the papers to establish an exploratory committee" today. USA Today (1/22, 4A, Lawrence, 2.27M) reports Richardson "said he'll raise money Tuesday in California and campaign over the weekend in Nevada, site of an early nomination contest."

The New York Times (1/22, A14, Wald, 1.16M) focuses on the new candidate's "varied résumé. He was elected to Congress to represent the Santa Fe area eight times, and then was chosen by President Bill Clinton to be ambassador to the United Nations, and later, secretary of energy. As governor, he has kept a hand in international politics, working to arrange a cease-fire this month between the government of Sudan and rebels in the Darfur region, and meeting several times with officials from North Korea to discuss nuclear weapons." The Washington Post (1/22, A6, Cillizza, 690K) says Richardson is "betting that his long resume and Hispanic heritage will boost his chances in a field already stocked with better-known candidates." In its report, the Washington Times (1/22, Pfeiffer, 88K) notes Richardson's disavowal of interest in the vice presidency.

Clinton Visits Community Clinic In First Public Appearance As Candidate. Under the front-page headline "For The Clinton Candidacy, A Soft Launch," the Washington Post (1/22, Kornblut, 690K) says "one day after declaring for president," Sen. Hillary Clinton "gave her first public glimpse of how she will run: as the mother of a daughter, as a serious student of policy and as a two-term senator from New York. With minimal staff, no family members and not even a sound system to amplify her remarks, Clinton appeared on Sunday at a colorless community clinic in Manhattan to announce a piece of health-care legislation, her first real outing since launching her presidential bid online. Despite a media crush that overwhelmed the participants, Clinton treated the event like a routine stop, acknowledging only during a question period at the end that she had finally decided to run."

ABC World News (1/21, Lead story, 2:35, Snow, 8.78M) added, "She's always drawn a crowd. But today, it was standing room only. There were signs that even a former First Lady's staff isn't perfect. The event started late. The audience couldn't hear. Clinton said she thought hard about running for president. … Today's event was all part of a carefully-crafted media strategy. On Tuesday, President Bush plans to unveil new health care proposals. But today, Sen. Clinton preempted that message with a health care plan of her own." NBC Nightly News (1/21, story 3, 2:20, Taibbi, 9.87M) said Clinton "chose a community health clinic for her first public appearance since her Web site announcement that she is running for president, a way to draw attention to one of her favorite issues -- children's health care -- while vowing to do more at the next level." The AP (1/21, Fouhy) says Clinton

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"expressed confidence" in her presidential prospects during the visit, but otherwise focused on health issues.

The New York Times (1/22, A14, Healy, 1.16M) says Clinton "pledged to continue protecting New York's interests in Washington even as she campaigns in Iowa and New Hampshire. She said she wanted to be president because she was 'worried about our country' and wanted to 'put it back on the right course.'" But while the candidate was reserved, Newsday (1/22, Thrush) says her pollster Mark Penn "fired an opening salvo at Sen. Barack Obama and John Edwards yesterday, claiming their campaigns are 'stalled or falling' -- and suggesting Obama isn't tough enough to withstand GOP attacks in 2008."

Potential Rivals Call Clinton "Bright," "Formidable." Clinton's candidacy was a frequent topic on Sunday talk shows, where four men eyeing the presidency themselves -- three Republicans and one Democrat -- commented on Clinton's announcement. Sen. John McCain said of Clinton on NBC's Meet The Press (1/21, Russert), "I think she would be a very formidable candidate. … To underestimate anyone who is the nominee of the party -- I think one of the mistakes we made in 1992 was underestimating her husband's potential. … I'm convinced that she would be a very serious president, that we would have strong philosophical differences, as is well known, but certainly I respect her views."

Sen. Joseph Biden said on Fox News Sunday (1/21, Wallace), "I think she's incredibly formidable and has got to be the frontrunner and the odds-on pick right now. But this is a marathon; there's a long way to go. … Hillary Clinton is going to have to make her best case. And there's a lot of us out there that are known but in a sense not known, and we're going to make our best case. And I don't think Hillary's best case versus mine or" Barack Obama's "or anybody else's necessarily trumps us."

Sen. Sam Brownback said on ABC's This Week (1/21, Stephanopoulos), "She's very bright. She's a talented lady, quite committed."

Newt Gingrich said on Fox News Sunday (1/21, Wallace), "I think you have to give Barack Obama a tremendous amount of credit. I think he forced Sen. Clinton's hand by weeks. He has gained ground so rapidly that I think she sort of thought she had to remind her friends she was around. I don't care what anyone else says; she and her husband are the most formidable pair of politicians in America. He is the smartest politician in America. She is a hard-working, disciplined person. She has won the Senate race in New York twice by very large margins. She is ahead in every poll. She can raise far more resources than any other Democrat, probably raise more resources than all the other Democrats combined. And you'd have to say, given those assets, that she has a six-out-of-10 chance or better of being the Democratic nominee."

More Commentary On Clinton Candidacy. The Washington Post (1/22, A18, 690K) editorializes that Clinton's announcement "is not a surprise, but that doesn't take away from its significance. There has been a flurry of justifiable excitement over Sen. Barack Obama (D-Ill.), but Ms. Clinton's candidacy is equally momentous: Never before has there been a female presidential contender with such a strong prospect of winning the White House. As with Mr. Obama, that is a development to be welcomed by Americans of both parties."

On NBC Nightly News (1/21, story 4, 2:30, Seigenthaler, 9.87M), Tim Russert said, "She is clearly the front-runner. She has money, organization and a great campaign manager. She is far ahead in the national polls. They are largely recognition polls. What you have to do is look at Iowa, Nevada, New Hampshire and South Carolina, four key primary and caucus states. We will have a nominee after those four states and John Edwards who ran for vice president in 2004 has been living in those states. Barack Obama has visited them several times. I see those three candidates in the top tier and five or six others trying to become an alternative. If Hillary Clinton will be the nominee, she will have to fight for it."

Brit Hume said on Fox News Sunday (1/21, Wallace), "The statement was fine. And she looked fine, and she looked comfortable, and she looked more approachable, perhaps, than in some settings in which we've seen her. She's got $14 million, which is pretty good for somebody who's just starting an exploratory committee."

NPR's Mara Liasson said on Fox News Sunday (1/21, Wallace), "I think this will be a spirited race. I think she starts absolutely as the frontrunner -- more money, more support, more experience -- the Clintons have deep roots in the party. … But it's going to be a great race. These are strong, interesting, historic candidates on the Democratic side -- Barack Obama, Hillary Clinton -- we're going to have Bill Richardson get in today. I think it's going to be great."

The Weekly Standard's Bill Kristol said on Fox News Sunday (1/21, Wallace), "She's got real vulnerabilities, and she went earlier than she wanted to. That's the big story, I think, of what happened. She had hoped to put this off for two, three, four more months, I think."

In his Washington Post (1/22, A19, 690K) column, E.J. Dionne writes, "Three differences and three similarities will define the contest between Hillary Rodham Clinton and Barack Obama. The most important difference lies in where their respective political journeys began. After her early work as an advocate for children, Clinton came to political maturity in the South as part of her husband's efforts to rescue the Democratic Party from its low point in the 1980s. … Obama,

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by contrast, began his political life as a community organizer in inner-city Chicago. His earliest experiences were of a bottom-up politics mobilizing the poor and the marginalized." A second contrast is in staffing and funding, and "the feel of the two campaigns is palpably different, with Obama enjoying an advantage on passion and Clinton on organization and discipline." And the third difference: "Clinton, more than any other Democrat, has been both scarred and toughened by the partisan warfare of the past 15 years, while Obama is unscathed and untested."

In a Los Angeles Times (1/22, 850K) op-ed called "Anyone But A Bush Or A Clinton," James Burkee of the bipartisan political action committee Americans for Responsibility in Washington writes, "George Washington offered the nation a farewell address in 1796, urging Americans to cherish the Union and to avoid the 'baneful effects' of political partisanship. Successors such as Thomas Jefferson warned against the formation of an 'unnatural' aristocracy of men who inherited great fortunes and political office. Both of these warnings have been overlooked in the debate" over the Clinton candidacy. If she "secures the Democratic nomination, wins and serves two terms, by 2017 the United States will have been governed by either a Bush or a Clinton for 28 years. … And it might not end there. Former Florida Gov. Jeb Bush…has not ruled out a White House bid or a vice presidential slot on the ticket in 2012 or 2016. If Washington's caustic, partisan atmosphere is to change, the era of Bushes and Clintons needs to end in 2008."

Magazine's Claim That Obama Attended A Madrassah Creates Controversy. The Washington Post's Howard Kurtz, in his "media Notes" column (1/22, C1) reports, "Days after Barack Obama jumped into the presidential sweepstakes, he was hit with a thinly sourced story from his past--39 years in his past, to be exact. The allegation, by a conservative magazine, raised questions about whether the Illinois senator had been schooled in Islamic radicalism when he was all of 6 years old. Insight, a magazine owned by the Washington Times, cited unnamed sources in saying that young Barack attended a madrassah, or Muslim religious school, in Indonesia. In his 1995 autobiography, Obama said his Indonesian stepfather had sent him to a 'predominantly Muslim school' in Jakarta, after two years in a Catholic school -- but Insight goes further in saying it was a madrassah and that Obama was raised as a Muslim." Kurtz notes that Fox News "picked up the Insight charge on two of its programs, playing up an angle involving Hillary Clinton. The magazine, citing only unnamed sources, said that researchers 'connected' to the New York senator were allegedly spreading the information about her rival for the Democratic presidential nomination."

Obama's Wife Avoiding Media. Newsweek (1/29, Springen, Darman, 3.12M) reports, "Last week her husband's name was on the lips of every Democrat from Boston to Berkeley after [Sen. Barack Obama] announced he was forming a presidential exploratory committee. But" Michelle Obama "was out of sight -- the Obama campaign declined to make her available for this story -- even as many Democrats wondered what she thought of her husband's big leap. … In the weeks before his announcement, Obama seemed to stiffen when asked what his wife thought of a presidential run."

Obama's Relative Lack Of Experience Seen As An Asset. Newsweek's Ellis Cose (1/29) writes, "When Jesse Jackson ran for president in 1984, he resembled Barack Obama in some striking respects. … In many important ways, however, Barack Obama is no Jesse Jackson—and that is a key to Obama's political appeal. Whereas Jackson was a fully formed public figure—with all the baggage that entails—Obama is a work in progress who has the ability to embrace nearly whatever qualities he chooses.

Presidential Politics Complicate Senate's Workings. US News & World Report (1/29, Brush) reports Senate Majority Leader Harry Reid "must reckon with another looming problem: a Senate full of presidential ambitions. Each election cycle, a handful of senators run; this year, though, it feels like two handfuls. … The daily and weekly effects are daunting: Take a recent hearing with Secretary of State Condoleezza Rice, for instance. The 21-member Senate Foreign Relations Committee has five possible presidential hopefuls, and they're all eager to press their case on Iraq policy. The bipartisan resolution proposed in the Senate last week to oppose Bush's plan to increase troops was sponsored in part by hopeful Sens. Joe Biden, a Delaware Democrat (and previous candidate in 1988), and Chuck Hagel, a Nebraska Republican. As the primaries approach, Reid must deal with a basic problem as well. The senators won't all be in Washington; they'll be on the campaign trail."

Luntz Offers Message Advice To Presidential Candidates. US News & World Report's "Washington Whispers" column (1/29) reports, "Let's…ask message man Frank Luntz for some words and visuals the pols could use to polish their candidacies. … On the Democratic side, we'll start with new fave Sen. Barack Obama. Luntz says he should talk about 'hope' and 'opportunity' and simply use his remarkable life story as the visual. 'He's a natural,' says Luntz, who cautions: 'Out with the sound bites and in with the stories.' Not surprisingly, Luntz says Sen. Hillary Rodham Clinton should use hubby Bill as her visual and mouth words like 'mission' and 'finally'—as in a woman president. Across the aisle, Luntz wants Sen. John McCain to talk about his

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trademark 'reform' and 'accountability.' Olympics exec and former Massachusetts Gov. Mitt Romney should highlight 'competence' and 'good governance' and use the Olympic symbol lots. Luntz pal Rudy Giuliani should talk 'success' and 'results' and use the cleaned-up Times Square for his backdrop."

Barone Laments Defects Of Presidential Selection Process. US News & World Report's Michael Barone (1/29) writes, "The single most glaring defect in our mostly admirable political system is the presidential selection process. … It starts too early, takes too long, and ends too abruptly. Thirteen months from today -- and 10 months before the general election -- we will probably know the nominees of both parties. … Iowa caucusgoers and New Hampshire primary voters -- fewer than 350,000 people in a nation of 300,000,000 -- effectively chose the Democratic nominee last time, a choice many Democrats now regret. In 2000, 573,000 South Carolina primary voters effectively chose George W. Bush over John McCain."

Schumer Says Democrats Have Yet To Fashion Message For 2008. In a piece for Newsweek (1/29, 3.12M) tilted, "We Can Win the White House," Sen. Chuck Schumer writes Republicans "figured out specific issues that connected to their deeply held values, defined themselves clearly by those issues and then stood by them unequivocally. In 2004, they did it with eight words: War in Iraq. Cut taxes. No gay marriage. Those eight words sum up the reasons for George W. Bush's re-election. … In 2006, Democrats did much better…but only because of Bush's mistakes. We had our own eight words: No war in Iraq. No corruption. Bad economy. But these eight words did not describe our own vision; they were the negative image of the Republican message. … It's not yet possible for Democrats to boil down our core ideology into eight words."

DCCC's Van Hollen Asks Dean To Help Recruit Candidates. US News & World Report's "Washington Whispers" column (1/29) reports, "Here's proof that election victories can salve wounds. The new chairman of the Democratic Congressional Campaign Committee, Rep. Chris Van Hollen, has asked party Chair Howard Dean to help recruit candidates. It was just a few months ago that the old head of the DCCC was swearing at Dean for not spending enough on House races. But Dean and Van Hollen 'broke bread' at their first meeting."

Voters' Preference For Consistent Politicians Said To Be Overestimated. In his column for the Washington Post (1/22, A2, 690K) Shankar Vedantam writes, "Americans say they want consistency from their president, not someone who panders to them by checking opinion polls before taking a stance on important issues. … In Bush, Americans have found a leader who gives them consistency in spades. If people really admire consistency, how is it that Bush's ratings have fallen so low?" According to Vedantam, "Experiments that explore the effects of consistent and inconsistent political stands on voters have produced a range of results. But one theme that emerges is that people think they admire consistency more than they actually do."

Many Aging Dams In US Said To Need Major Repairs. In an op-ed for the New York Times (1/22, 1.16M) Jacques Leslie, author of "Deep Water: The Epic Struggle Over Dams, Displaced People and the Environment," writes, "In 2005, the American Society of Civil Engineers gave United States dams a D, a grade that is still justified two years later. For starters, the nation's dam stock is rapidly aging. Most dams need major repairs 25 to 50 years after they're built, and most United States dams are at least 25 years old; some…were built more than a century ago."

WSJournal Criticizes Virginia GOP For Supporting Tax Increase. The Wall Street Journal (1/22, 2.04M), in an editorial, writes, "Virginia was once a solidly conservative Republican state, but in recent years it has tilted Democratic. A big reason for the shift is the GOP's recent love affair with higher taxes. … Now they are flirting with another tax hike even though the state has a Blue Ridge Mountain-high $900 million budget surplus." According to the Journal, "The Republican plan would spend $1 billion more for roads and cost-inefficient transit programs and pay for it through borrowing, raising taxes and fees on cars and trucks, and giving local governments authority to raise their assessments. … Only 10 years ago the Virginia GOP was riding high after Jim Gilmore was elected Governor on a wildly popular message: 'End the Car Tax.' Now the Virginia Republicans want to raise car taxes. Have they learned nothing from the party's implosion in Washington?"

WPost Notes Maryland's Precarious Fiscal Situation. The Washington Post (1/22, A18, 690K) editorializes that Maryland Gov. Martin O'Malley "inherited a $400 million shortfall for the coming fiscal year and is staring at a projected budget gap of $1.3 billion for the following year. Until Mr. O'Malley comes up with a serious revenue plan -- and that seems to be in his bulging wait-till-next-year file for the legislature -- there's trouble ahead. … To his credit, Mr. O'Malley has done some fiscal shaving and shifting to bring down spending, which will disappoint various constituencies but makes sense in the short run."

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Rice Prepares For New Mideast Talks. AFP (1/22, Lanteaume) reports Secretary of State Condoleezza Rice "embarks on a high-profile campaign to revive Israeli-Palestinian peace talks next month, but with no signs Washington is ready for a radical break with an approach that has proved fruitless for the past six years." Rice said during a week-long trip to the Middle East and Europe last week that her aim was to "accelerate" implementation of the so-called "road map." Rice has "indicated a new US willingness to move beyond the road map's strict sequencing," which "reflects in part a 2002 Saudi peace plan." However, Rice "has sidestepped tough questions about" Palestinian President Mahmoud Abbas and Israeli Prime Minister Ehud Olmert's "political weakness[es]." While "showing in interest in exploring some peacemaking ideas that" President Bush has "previously shunned," Rice "made clear over the past week that she was not ready to break the administration's taboo on engaging directly with Syria and Iran over their support for the Islamic radicals." She "also insisted she would not follow her predecessors in the kind of shuttle diplomacy used by past US administrations in their efforts to broker an Israeli-Palestinian peace deal."

Separately, AFP (1/21, Collinson) reports, "With US troops mired in Iraq after nearly four bloody years, the White House turning up the heat on Iran and Syria, and Lebanon on a political knife edge, the prospect of peace dawning anywhere in the region appears slim." Similarly, the Financial Times (1/22, Morris) reports, "Senior officials of the international 'Quartet' have begun talking up the prospects of reviving stalled Middle East peace efforts in the coming weeks, although an unsettled political outlook in both Israel and the Palestinian Authority threatens to damp their optimism." Over the weekend, the EU's Javier Solana said while visiting the region, "There's an emerging consensus that the period of crisis management is over and that we must move to the political phase and, within a reasonable time, define the framework."

Palestinian Unity Talks End Without Agreement. The New York Times/AP (1/22) reports Palestinian President Mahmoud Abbas and Khaled Meshal, the exiled chief of the rival Hamas faction, met Sunday in Damascus, "but failed to resolve an increasingly bloody dispute between their movements and form a unity government." However, the two men said in a statement that they had "achieved major progress" in the meeting and that they hoped to resume talks within two weeks.

The Washington Times/AP (1/22, Karam) notes the deputy head of Hamas' political bureau, Moussa Abu Marzouk, who attended part of yesterday's talks, "said the one sticking point was the conditions under which Mr. Abbas would name a new prime minister for the unity government."

Diehl Criticizes Rice's "Reversal" On Democracy In Egypt. Under the headline "Rice's Rhetoric, In Full Retreat," Washington Post (1/22, A19, 690K) columnist Jackson Diehl writes, during a press conference last week in Luxor with Egyptian Foreign Minister Ahmed Aboul Gheit, Secretary Rice "neglected to mention something: 'democracy and reform.' During the course of her visit to Egypt, and her latest tour through the Middle East, the words never publicly crossed her lips." Diehl observes, "The reversal this represents is staggering -- especially to Egyptians who have closely tracked Rice's visits to their country. After all, her first notable act on moving to the State Department two years ago was to cancel a visit to Egypt in order to signal US displeasure with the arrest of one of the country's leading liberal democratic politicians, Ayman Nour." Rice, Diehl notes, "has made no real attempt to explain the somersault in her policy, which comes across as a feckless attempt to simplify the increasingly chaotic and dangerous situation across the region."

Zuckerman Blasts Rice Over "Misconceived" Mideast Tour. US News & World Report's Mortimer Zuckerman (1/29) writes, "With her recently completed journey to the Middle East, Condoleezza Rice wasted both time and energy -- and badly dented America's diplomatic credibility. The secretary of state's intention was to revive the 'road map' plan to settle the Israeli-Palestinian conflict. It is a worthy but misconceived idea. The conflict that must be settled once and for all -- before anyone attempts anything like the plan envisioned in the road map -- is the conflict among the Palestinians, which is now verging on outright civil war. … The U.S. role in this nightmare scenario ought to be clear, though it is anything but. Washington is banking on the hope that Palestinians will remove Hamas from power and strengthen President Abbas and Fatah." Zuckerman concludes, "The American proposal for this spiraling crisis is worse than premature. It will damage our credibility and our influence. The last thing America needs in this increasingly dangerous part of the world is yet another demonstration of its naiveté."

Iran Announces New Short-Range Missile Tests. The Washington Times/AP (1/22, Karimi) reports Iran announced new tests of short-range missiles Sunday, and President Mahmoud Ahmadinejad "dismissed criticism that the country's economy has been hurt by U.N. sanctions imposed for its suspect nuclear program." The missile tests were seen as a response to the US Navy's deployment of the USS John C. Stennis to the Persian Gulf "as a warning to Iran." Stressing Iran's "preparedness," state television said the Revolutionary Guards planned to begin three days of testing the short-range Zalzal and Fajr-5 missiles Sunday. Though US officials "suggest Iran exaggerates its military

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capabilities," Washington is "very concerned about Iranian progress in developing missiles."

The New York Times (1/22, A4, Fathi, 1.16M) adds, "Iran's internal battle over President Mahmoud Ahmadinejad's defiant rhetoric on Iran's nuclear program continued to simmer on Sunday, with the president repeating his vow to ignore international sanctions and a moderate daily newspaper warning of Iran's increasing isolation." Speaking to reporters in Parliament, Ahmadinejad described the UNSC sanctions resolution as "a rusty instrument" that "has no effect." Meanwhile, "two hard-line daily newspapers close to Iran's supreme religious leader, Ayatollah Ali Khamenei, called on Mr. Ahmadinejad to distance himself from the nuclear issue, a sign that the president's his political capital may be declining as his country comes under increasing international pressure." USA Today (1/22, 6A, 2.27M) also reports briefly on the tests.

Iran Acquires Parts In US Military Surplus Sale. The Washington Post/AP (1/22, A17, Theimer) today publishes an AP report from last week that Iran has acquired "fighter-jet parts and other sensitive US military gear" at a Defense Department surplus auction. In one case, "middlemen for Iran bought Tomcat parts from the Defense Department's surplus division," but customs agents "confiscated them and returned them to the Pentagon."

Bush Has Embarked On Multi-Fronted Campaign Against Iranian Interests. US News & World report (1/29, Omestad) reports, "The Bush administration's military campaign in Iraq -- and its broader approach to the Middle East -- are morphing into a head-on struggle against Iran's growing influence. The shift portends either peril or promise. Critics fear President Bush has made another dangerous gamble that is more likely to expand the conflict than to bring Iran to heel. The clarifying focus on Iran, officials counter, offers an opportunity to block the region's leading provocateur from fomenting extremism and pursuing nuclear weapons. … The aim is to raise the price for Iranian actions on a range of fronts…rolling of militants in Lebanon and the Palestinian territories to its alleged supplying of weapons to anti-U.S. Shiite militias in Iraq to its defiant nuclear programs. 'We are clearly upping the ante and sending a powerful message to Iran,' Nicholas Burns, the under secretary of state for political affairs, said in an interview last week. 'They have to understand that there are consequences for their actions. This is a concerted strategy, no doubt about it.' One piece of that strategy, U.S. News has learned, is the creation of a military special operations task force to move against Iranian agents in Iraq. Task Force 16, as it is known, demonstrates the high priority assigned to the administration's new anti-Iranian drive." US News concludes the article by noting that "some U.S. Navy officers in the Persian Gulf, U.S. News has learned, are comparing the rising tensions with Iran to the events in the Gulf of Tonkin that spurred America's fateful plunge into the Vietnam War. Their question: Could it happen again?"

US Officials Receive No Diplomatic Response From China Over Missile Test. The New York Times (1/22, A3, Sanger, Kahn, 1.16M) reports Bush Administration officials "said that they had been unable to get even the most basic diplomatic response from China" after their detection of a successful test to destroy a satellite 10 days ago, and that they were "uncertain whether China's top leaders, including President Hu Jintao, were fully aware of the test or the reaction it would engender." In interviews over the past two days, American officials with access to the intelligence on the test said the United States "kept mum about it in hopes that China would come forth with an explanation." However, "protests filed by the United States, Japan, Canada and Australia, among others, were met with silence -- and quizzical looks from officials in The Chinese Foreign Ministry, who seemed to be caught unaware." The "mysteries" surrounding China's silence are "reminiscent of the cold war, when every case of muscle-flexing by competing powers was examined for evidence of a deeper agenda." American officials "presume that Mr. Hu was generally aware of the missile testing program, but speculate that he may not have known the timing of the test. China's continuing silence would appear to suggest, at a minimum, that Mr. Hu did not anticipate a strong international reaction, either because he had not fully prepared for the possibility that the test would succeed, or because he did not foresee that American intelligence on it would be shared with allies, or leaked." In an interview late Friday, national security adviser Stephen Hadley "raised the possibility that China's leaders might not have fully known what their military was doing." Meanwhile, Under Secretary of State for arms control and international security Robert Joseph said, "This is a wake-up call" that "a small number of states are pursuing capabilities to exploit our vulnerabilities."

Biden Warns Against Space Arms Race. The AP (1/22, Butler) reports Sen. Joe Biden Sunday warned "against fostering an arms race in space" in response to China's test earlier this month. During an appearance on "Fox News Sunday," the senator said the test was "provocative, but that the United States had ways to combat the threat posed by it."

Millennium Program Likely To Run Out Of Funding. The Wall Street Journal (1/22, A7, Phillips, 2.04M) reports President Bush's "signature" foreign-assistance program is "likely to run out of money this year, leaving in the lurch several poor countries that have labored to meet its strict eligibility standards," according to aid officials. The Millennium Challenge program's budget is "expected to

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fall short of its projected needs by $400 million to $1 billion, depending on the outcome of congressional negotiations over the coming weeks." The "crunch" comes at a time when Morocco, Tanzania, Mozambique and several other developing nations "are nearing agreements on huge aid packages." John Danilovich, chief executive of the Millennium Challenge Corp., warned, "At a lower level of funding, [the program] will need to turn away countries that have developed sound proposals designed to assist millions of the poor -- such as microfinance programs that help women, and water, irrigation, and transportation systems that enable poor farmers to participate in the local economy."

Hill Says Six-Party Talks Will Resume "Soon." AFP (1/22) reports Assistant Secretary of State Christopher Hill said six-party talks on North Korea's nuclear program "should resume as soon as possible." After meeting a round of meetings in the region over the weekend, Hill told reporters in Beijing, "I have had lengthy discussions with (Chinese Vice Minister) Wu Dawei and we have agreed to the need to get the six-party talks going as soon as possible." Hill said the US Treasury Department would resume separate bilateral talks with North Korea soon.

The AP (1/22, Olesen) reports Hill "told reporters that Washington was disappointed with the lack of progress in the last round" but that he believed there was "a basis for making progress" when negotiators meet again. He did not elaborate. The New York Times (1/22, A10, 1.16M) notes in a brief report that a South Korea's Chosun Ilbo daily reported Monday that Pyongyang "had offered to halt the operation of the five-megawatt reactor at its main nuclear complex while allowing monitoring by the international weapons inspectors" during talks last week in Berlin. It said that in return, the US "agreed to provide the North with economic and energy aid and show 'sincerity' in efforts to resolve a dispute over Washington's imposition of financial restrictions."

UN Force Left Out Of Plans For Korea. The Washington Times (1/22, Salmon, 88K) reports, "Planning for a handover of military command to South Korean forces has failed to provide for a small but vital UN force, jeopardizing the allied deterrent on the Peninsula," the US commander on the peninsula said. Gen. Burwell B. Bell "warned that the problem must be resolved" because a crisis on the Peninsula could "almost instantaneously lead to combat operations." In that case, "there could be no time to make changes in our command structure while crisis escalates," Gen. Bell told reporters.

UN Official Defends Aid Program To North Korea. In a letter to the editor of the Wall Street Journal (1/22, 2.04M), Ad Melker, associate administrator for the Under-Secretary-General of the UN Development Program, writes in response to Melanie Kirkpatrick's Jan. 19 commentary "United Nations Dictators Program" and the accompanying editorial "UN Cash for Kim," "There is no reason to believe that our programs were subverted to fund nuclear activities in North Korea," and "we would also welcome an independent and external audit of our operations in North Korea." Melker insisted that the UNDP "and its sister UN agencies have helped the North Korean people cope with a devastating famine in the 1990s and continue their assistance to improve the lives of North Korea's impoverished people. If the member states of the U.N. and UNDP's board were to decide that our presence there were no longer useful, we would leave immediately."

Political Divisions Slow Lebanon's Reconstruction. The New York Times (1/22, Fattah, 1.16M) reports on the "slowdown" in efforts to rebuild Lebanon after this summer's war with Israel. While "there may be as many excuses for the slowdown in rebuilding in the south as there are political factions in this nation," some "blame the weather; some say residents living abroad are just taking their time; some officials cite disagreements over the amounts paid to those who have lost their homes." However, the Times says "politics is at the heart of the problem. Hezbollah and its supporters point fingers at the government of Prime Minister Fouad Siniora; the government reflects the accusation back at Hezbollah. Residents now blame both sides." Ultimately, some analysts say, "neither side wants to take responsibility for the task of reconstruction. The government avoids direct involvement on the ground, trying to avoid blame for inefficiency, while Hezbollah has also reduced its activities and is capitalizing on residents' frustrations for the lack of action."

Russian-Born Financier Shakes-Up Israeli Politics. Newsweek (1/29, Peraino, 3.12M) reports, "the blowout that billionaire Arkady Gaydamak threw a few weeks ago in Tel Aviv was also one hell of a political rally. … Gaydamak has no patience for stodgy ritual, and the 54-year-old Moscow-born financier is just about the only one in Israel who feels like celebrating. After last summer's punishing war with Hizbullah and a rash of political scandals this winter, Israelis are fed up with their current crop of leaders." Prime Minister Ehud Olmert "faces 14 percent approval ratings—and now a criminal investigation into his role in the sale of one of Israel's largest banks while he was Finance minister. … Gaydamak styles himself as a sort of Israeli Ross Perot -- an eccentric electoral outsider with the bank account and business acumen to fill the gap."

New Somali Government Faces Threats From Clans. The New York Times (1/22, A1, Gettleman, 1.16M) reports in a front page article Somalia "has waited 16 years"

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for its new government, "but whether Somalia pulls itself together now or explodes into bloodshed again depends not on American troops, foreign peacekeepers, investment or aid. It depends on clans," which "tore down Somalia's last government in 1991." The nation's news "is trying to address the clan problem head-on…using a mathematical formula based on rough estimates of the population (the last census was in 1975) to allocate parliamentary seats and ministerial posts on a clan basis, and plans to govern like that until the next elections, which are proposed for 2009. But that approach is hardly original -- and it does not have an encouraging history."

Former US Marine Seeks To Become Next Somali President. The Los Angeles Times (1/22, Sanders, 850K) profiles former US Marine and California resident, Hussein Mohammed Aidid, who hopes to become the next president of Somalia. As interior minister for Somalia's struggling transitional government, Aidid is "the man charged with restoring security to Mogadishu." Described by critics as "a wily opportunist who switches alliances easily," Aidid "makes no secret of his desire to one day become president." Despite anger by some Somalis over the recent US airstrike against suspected terrorists in the country, Aidid "said his US background is an asset, not a liability."

Journalist's Murder Tests Turkey's Democratic Gains. The Christian Science Monitor (1/22, Schleifer, 59K) reports Friday's murder of "a prominent and outspoken Armenian journalist," Hrant Dink, "has sent shock waves throughout Turkey and raised questions about whether a recent nationalist upsurge in the country has taken a violent turn." It also presents the Turkish government "with what many say is a serious challenge to its already embattled democratization and reform efforts." In recent years, Turkey has "engaged in a deep internal struggle. On the one hand, the country's drive toward European Union (EU) membership has resulted in significant political reforms, particularly regarding democratization and human rights, and the freeing up of the debate on what had previously been taboo subjects, such as the Armenian question. On the other hand, the EU-related reforms have been met with a strong nationalist backlash."

Elif Shafak, author of "The Bastard of Istanbul," writes in the Wall Street Journal (1/22, A15, 2.04M) that Dink's killing "was interpreted by some beyond Turkey as proof that Turks don't belong in the European Union would have upset Hrant. Without close ties to the EU, and the West as a whole, he worried that the country will become less democratic and more insular. His Turkey is a tapestry, a place where conflicting voices coexist."

Blair Faces Mounting Pressure Over Weapons Probe. The Christian Science Monitor (1/22, Rice-Oxley, 59K) reports Britain is facing "stinging international criticism for smothering a corruption inquiry into arms deals with Saudi Arabia, a decision that appears to sacrifice probity and rule of law for the sake of security and commercial relations." Prime Minister Tony Blair, "who took responsibility for the move to pull the plug on a two-year inquiry into the multibillion-dollar Al-Yamamah deals, argued that persisting with the probe would jeopardize the struggle against terrorism." However, the move has generated "furious condemnation. Domestically, critics are seeking a legal ruling to overturn the decision. And internationally, the Organization for Economic Cooperation and Development (OECD) says it suspects Britain is in breach of an anticorruption convention and has given London until March to come up with some answers."

US, EU Near Agriculture Trade Deal. The Financial Times (1/22, Callan, Beattie) reports trade negotiators from the US and European Union "are edging towards a deal that could restart stalled world trade talks," according to people familiar with the discussions. The progress follows a meeting of high-level officials "that finished at the weekend and constant cabinet-level contact between Washington and Brussels in the run up to the World Economic Forum meeting in Davos, Switzerland, this week," officials said. The proposed outline of an agreement "includes politically explosive concessions that are already causing rifts in Europe and alarm in the US farm lobby." The "fragile deal" that is "starting to emerge has yet to be finalized and comes amid tremendous uncertainty about whether negotiators can get the political backing to achieve a breakthrough in the Doha round of trade talks," the Times notes.

After Meeting Merkel, Putin Pledges Secure Oil And Gas Supplies To Europe. The Wall Street Journal (1/22, Walker, A3, 2.04M) reports, "After a meeting with German Chancellor Angela Merkel, Russian President Vladimir Putin pledged to ensure smooth natural-gas and oil supplies to Europe just weeks after Russia shut down an oil pipeline to the European Union during a dispute with neighboring Belarus." The announcement "underscored Ms. Merkel's growing role as the linchpin in Europe's troubled relationship with Russia, its dominant energy supplier, at a time when concerns about Russia's clout and direction are growing." Merkel's "status as Europe's most influential political actor is partly due to timing -- she holds the EU's rotating presidency and this year's chairmanship of the Group of Eight leading nations. But her combination of plain speaking and bridge building has won her admirers on the international stage." Still, she "will need all her abilities to

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resolve differences both within the EU, and between the EU and Moscow, over the relationship with Russia."

The Financial Times (1/22, Buckley, Parker) reports Putin "said on Sunday that Moscow would reduce its dependence on transit countries, such as neighbouring Belarus and Ukraine, to help guarantee security of energy supplies to Europe. His comments came as [Merkel] chided Russia for failing to warn Europe before it briefly cut oil supplies through a pipeline across Belarus this month, and said Russian-EU communications on energy needed to improve."

Soaring Russian Stock Market Leads Many Western Investors Admire Putin. The Wall Street Journal (1/22, Chazan, A1, 2.04M) reports that while western politicians routinely accuse Putin "of squelching domestic dissent, strong-arming foreign oil companies and using Russia's vast energy resources to blackmail neighbors," Putin "is a hero" to many investors because of "the Russian stock market's spectacular rally during his seven years of rule." The Journal adds, "To be sure, some investors agree with Western criticism of Russia's spotty human-rights record and of Mr. Putin's moves to undermine the independence of Russia's courts and parliament. They concede that in the long run democratic institutions are crucial for healthy market economies. But for the time being, concern about the state of Russian democracy isn't driving share prices."

"Hardline" Serbian Prime Minister To Maintain Control. The Financial Times (1/22, MacDonald) reports, "Hardline nationalists won the largest share of votes again in Serbia's parliamentary elections on Sunday, in a result that will keep 'democratic forces' on the defensive for another four years." Prime Minister Vojislav Kostunica "looks well placed to keep his job at the head of a new coalition government, although his new partners could push harder for reviving European Union pre-accession talks." The results "could further obstruct western efforts to award independence to Kosovo."

China's Use Of Currency Reserves Isn't Likely To Hit Dollar. The Wall Street Journal (1/22, A7, Areddy, 2.04M) reports, "China's decision to make greater use of its $1.06 trillion in foreign-exchange reserves could fuel uncertainty about the dollar but is unlikely to result in any immediate selling of the US currency by the world's fourth-biggest economy." In a speech Saturday, Premier Wen Jiabao said China would "actively explore and expand the channels and methods for using foreign-exchange reserves," according to the official Xinhua news agency. The comment was "the highest-level confirmation yet that China is thinking actively about how it can use the reserves, which have increased by more than six times since 2000 and made China one of the largest holders of US Treasury bonds."

Chavez Condemns US "Meddling" In Affairs. The AP (1/22, Toothaker) reports Venezuelan President Hugo Chavez "told US officials to 'Go to hell!' on his weekly radio and TV show Sunday for what he called unacceptable meddling after Washington raised concerns about a measure to grant Venezuela's fiery leftist leader broad lawmaking powers." On Friday, US State Department deputy spokesman Tom Casey said Chavez's plans under the law "have caused us some concern." Chavez rejected Casey's statement in his broadcast, saying: "Go to hell, gringos! Go home!"

Chavez's Revenue Push Comes With "Big Risks." The Wall Street Journal (1/22, A3, De Córdoba, 2.04M) reports, "In a move that may hint at growing economic problems in Venezuela," Chávez "ordered his telecommunications minister to seize control of a Verizon-controlled telecommunications company before paying compensation to its US owners." Chávez's announcement "threw further doubts on whether Verizon Communications Inc. would receive fair compensation for its stake in Compañia Anónima Nacional Teléfonos de Venezuela, known as CANTV." It also "raises questions about the health of the Venezuelan economy as the price of oil that Venezuela depends on continues to fall -- and Mr. Chávez shows no signs of cutting his rate of spending."

Rwandans Suspected Of Killing Americans Seek Asylum. The Washington Times (1/22, McElhatton, 88K) reports, "Three Rwanda citizens who faced death sentences in the 1999 kidnapping and slaughter of two Americans in Uganda are seeking political asylum now that US authorities have moved to drop the charges." The three "reputed members of the Liberation Army of Rwanda who have been detained in the D.C. Jail for nearly four years," were charged in the deaths of two American tourists, but prosecutors earlier this month "filed a motion to drop felony murder charges after a federal judge last year threw out the defendants' confessions, citing evidence that the men were tortured while imprisoned by Rwandan officials." With a dismissal pending, the defendants are now seeking asylum in the US because of "fear of persecution" if they go back to Rwanda.

Darfur Aid Workers Targeted By Militias. Newsweek (1/29, Nordland, 3.12M) reports, "On Dec. 18, in the southern town of Gereida, unrelated gunmen attacked the compounds of Oxfam and Action Contre la Faim. More than 70 aid workers subsequently pulled out of the refugee camp there -- Darfur's largest, with 130,000 people -- leaving only

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10 Red Cross employees behind. Yet at the time no one revealed what had really sparked the dramatic pullbacks. In both cases, international staff, including three French aid workers, were either raped or sexually assaulted in territory controlled by the Sudanese government and its allies. … The attacks on international aid workers herald a dramatic and dangerous new trend -- the deliberate targeting of those helping to keep Darfur's millions of refugees alive. A dozen staffers from foreign NGOs have been killed in just the past six months, more than in the previous two years."

WSJournal Welcomes Ban's Move To Reform UN. In an editorial, the Wall Street Journal (1/22, A14, 2.04M) says UN Secretary-General Ban Ki Moon "has been on the job for less than a month, but with a 26-word announcement Friday he did more to reform that international body than anything ever attempted by predecessor Kofi Annan." On Friday, Ban's spokesman announced that the Secretary-General "will call for an urgent, system wide and external inquiry into all activities done around the globe by the UN funds and programs." The Journal writes, "In the absence of a UN leadership that demanded transparency and accountability, Congress and various US Administrations have been trying to reform the organization for years. If Secretary-General Ban follows through on his call for "external" audits of all UN programs, it will be a refreshing change at Turtle Bay."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Burdened US Military Cut Role In Drug War."
"Saving The ER For Real Emergencies."
"From Marine To Warlord."
"Lobbyist Find New Congress Is Open For Business."
"Woods Of German Are Home To Wolves Again."

USA Today:
"Why Some Democrats Worry That She Can't Win."
"Bush: iraq War Plan Will Prove Its Worth."
"Macau Leads Las Vegas In gambling."

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Southwestern US-Snow; Eastern US-Winter Advisories; Bush-Iraq; Bush-State Of Union Address; NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; Super Bowl; New Head Of Israeli Army Selected; Woman Arrested After Posing As CIA Agent; Vintage Ford Mustang Sold For Record Price; Tokyo Stock Exchange.
CBS: Super Bowl; New US Troop Deployment Now In Baghdad; Iraq-US KIAs; NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; CO-Snow; OK-Power Outages; CA-Crop Damage; US Travelers-New Passport Requirements; US Justice Department-Online Gambling Investigation; McCartney, Mills Divorce Settlement.
NPR: NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; New US Troop Deployment Now In Baghdad; Abbas Meets With Exiled Hamas Leader; North Korean Nuclear Program Talks; Mexican AG-Drug Cartel Leaders To Be Extradited To US; UN Refugee Agency-Colombia; CO-Snow; OK-Power Outages.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in Phone Call to March for Life Participants, Camp David.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Speaks at the President's Committee on the Arts and the Humanities Coming Up Taller Awards Ceremony, East Room.

US Senate: FLOOR SCHEDULE _ 1 p.m. Meets for morning business. At 2 p.m., begins consideration of H.R. 2, the minimum wage bill.

US House: FLOOR SCHEDULE _ 12:30 p.m. Meets for morning business. At 2 p.m. meets for legislative business. Highlights: Suspensions (6 Bills): 1) H.Res. 29 - Supporting the goals and ideals of National Mentoring Month 2007. 2) H.Res. 51 - Honoring the Contributions of Catholic Schools. 3) H.Res. 57 - Congratulating Illinois State University as it celebrates its sesquicentennial. 4) H.Res. 52 - Paying tribute to Reverend Waitstill Sharp and Martha Sharp for their recognition by the Yad Vashem Holocaust Martyrs' and Heroes' Remembrance Authority as Righteous Among the Nations for their heroic efforts to save Jews during the Holocaust. 5) H.R. 390 - To require the establishment of a national database in the National Archives to preserve records of servitude, emancipation, and post-Civil War reconstruction and to provide grants to State and local entities to establish similar local databases. 6) H.R. 476 - Congressional Pension Accountability - To amend title 5, US Code, to make noncreditable for Federal retirement purposes any Member service performed by an individual who is convicted of any of certain offenses committed by that individual while serving as a Member of Congress, and for other purposes.

Other: ROE V. WADE ANNIVERSARY EVENTS _ Highlights: The Jesuit Conference of the U.S. hosts a pre-

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march Mass and breakfast. St. Aloysius Gonzaga Parish, 19 Eye St. NW. Contact: James Rogers, 202-462-0400, ext. 23; 9 a.m. - 5 p.m. The Family Research Council hosts Blogs4Life, the second annual conference of pro-life bloggers. Speakers include Sen. Sam Brownback, R-Kansas; Rep. Duncan Hunter, R-Calif.; Bobby Schindler; and Ramesh Ponnuru. 801 G St. NW. Contact: J.P. Duffy, 866-372-6397. 10 a.m. Officials of the National Right to Life Committee, Inc. hold a press conference. National Press Club, Murrow Room. Contact: Derrick Jones, 202-626-8825. 12 p.m. Start of the March for Life. National Mall in front of the Capitol, line marches along Constitution Ave to the Supreme Court. Contact: 202-543-3377. 3 p.m. - 5 p.m. Sen. Sam Brownback, R-Kans., hosts pro-life activists at a reception during the annual March for Life. Capitol Hill Club, 300 First St. SE. Contact: Bryan Sanders, 913-909-3632. Note: Media setup at 2:30 p.m. Media availability/reception for marchers from 3-5 p.m. 4:30 p.m. Silent No More post-abortion speak out/rally. In front of the Supreme Court. Contact: Amber Dolle, 540-903-9572. 5:30 p.m. Demonstration outside a Planned Parenthood fund raiser. Sonoma Wine Bar, 233 Pennsylvania Ave. SE. Contact: Amber Dolle, 540-903-9572. 7 p.m. 25th Annual March for Life Rose Dinner. Hyatt Regency Hotel on Capitol Hill, 400 New Jersey Ave. NW. Contact: 202-543-3377.

SPACE SECURITY _ 8:30 a.m. The George C. Marshall Institute holds a forum on national security space, with John Sheldon of the Air Force School of Advanced Air and Space Studies, Peter Hays of SAIC, Baker Spring of Heritage Foundation, others. Location: Capitol Hill Club, 300 1st St. SE.

ALLEN-PORT SECURITY _ 9 a.m. Coast Guard Commandant Admiral Thad W. Allen deliver keynote remarks at the Marine Log Maritime and Port Security Conference. Location: Crystal Gateway Marriott, 1700 Jefferson Davis Highway, Arlington, Va.

PRO-LIFE BLOGGERS _ 9 a.m. Family Research Council hosts second annual conference for pro-life bloggers. Blogs4Life is set to take place the day of the 34th annual March for Life. Location: 801 G St. NW.

TAIWAN-MAINLAND CHINA _ 9 a.m. - 12 p.m. The American Enterprise Institute (AEI) hosts a forum, ``Constitutional Change in Taiwan: Provocation or Democratic Consolidation?,'' a discussion of the prospects for constitutional change in Taiwan and the effect of these changes on Taiwan's relationship with mainland China. Highlights: 9 a.m. Panel I: ``The Taiwanese Constitution: Past and Present.'' Panelists: Wen-cheng Lin, Taiwan Foundation for Democracy; John Tkacik, Heritage Foundation; and Jiunn-Rong Yeh, National Taiwan University. Moderator: Dan Blumenthal, AEI. 10:50 a.m. Panel II: ``Constitutional Change: From Autocracy to Democracy.'' Panelists: Richard Bush, Brookings Institution; T.J. Cheng, College of William and Mary; and Donald Horowitz, Duke University School of Law. Moderator: Gary J. Schmitt, AEI. Location: AEI's Wohlstetter Conference Center, 12th floor, 1150 17th St. NW.

FOOD-FARM POLICY _ 9:30 a.m. Agricultural, anti-hunger, faith-based, public health, rural and conservation groups hold a news conference to call for new farm and food policies to address the nation's needs. Participants include Linda Berlin of the Society for Nutrition Education; Scott Faber of Environmental Defense; Ralph Grossi of American Farmland Trust, others. Location: National Press Club.

LEGISLATIVE AGENDA _ 9:30 a.m. The Center for Democracy and Technology holds a news conference to release its 2007 legislative agenda. Location: 11th floor, 1634 Eye St. NW.

FEDERAL BUDGET _ 9:30 a.m. - 1:30 p.m. The National Press Foundation, The Center on Congress at Indiana University and The Regional Reporters Association host a free seminar for journalists, ``Covering the Federal Budget in a Democratic Congress.'' Lee Hamilton, director of the Center on Congress at Indiana University, former U.S. representative, and president of the Wilson Center will host the program. Other partcipants: Rob Nabors, staff director, House Appropriations Committee; Tom Kahn, staff director, House Budget Committee; Joseph Minarik, senior vice president and director of research, Committee for Economic Development, and former House and OMB staff; Donald Wolfensberger, director, The Wilson Center Congress Project and former House staff; Jeanne Cummings, The Wall Street Journal; Janet Hook, Los Angeles Times; David Espo, The Associated Press; and Suzanne Struglinski, president of the Regional Reporters Association. Location: Woodrow Wilson International Center for Scholars, Reagan Building, 1300 Pennsylvania Ave. NW.

MIDEAST SOLUTION _ 10 a.m. Former Defense Secretary William Cohen holds a news conference to discuss the U.S. role in promoting a two-state solution to the Israeli-Palestinian conflict, sponsored by the Campaign for American Leadership in the Middle East. Location: National Press Club.

PHYSICIANS-HEALTH CARE _ 11 a.m. The American College of Physicians holds a briefing on the state of the nation's health care. The organization says that comprehensive reforms are needed In how medical care is organized, valued, financed, and reimbursed. Briefers are: Dr. Lynne M. Kirk, president, American College of Physicians; and Robert B. Doherty, senior vice president for governmental affairs and public policy, American College of Physicians. Location: National Press Club, Zenger Room.

GREENHOUSE GASES _ 11:30 a.m. Executives of major corporations and environmental groups hold a news

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conference to call for speedy federal action to reduce greenhouse gases. Participants include ALCOA CEO Alain Belda; PG&E Corp. CEO Peter Darbee; Lehman Bros. CEO Richard Fuld, Jr.; General Electric CEO Jeffrey Immelt; DuPont CEO Chad Holliday; Caterpillar CEO Jim Owens; President Frances Beinecke of the Natural Resources Defense Council; Pew Center on Global Climate Change President Eileen Claussen; World Resources Institute President Jonathan Lash; others. Location: National Press Club.

MEDICARE _ 11:30 a.m. Sens. Pete Domenici and Dianne Feinstein hold a news conference to announce a bipartisan plan to reform Social Security and Medicare. Location: Senate Radio-TV Gallery.

CLIMATE CHANGE _ 12 p.m. Senior legislators from G-8 and emerging economies hold a media briefing on upcoming climate change meeting (Feb. 14-15). Briefers: Elliot Morley MP, president of GLOBE International and UK Prime Ministers Special Representative to the Gleneagles Dialogue; Otaviano Canuto, World Bank Executive Director for Brazil, Adam Mathews, Secretary General of GLOBE International; and forum coordinator Lord Michael Jay, former Head of UK Foreign Office. Location: National Press Club, Lisagor Room.

SAUDI ARABIA _ 1:30 p.m. George Washington University hosts Saudi Ambassador Prince Turki Al-Faisal, speaking on the challenges and opportunities facing his nation this century. Location: First floor Marvin Theater, 800 21st St. NW.

CHERTOFF-SWIFT RAIDS _ 2 p.m. There will be a media availability following a meeting between Sen. Wayne Allard, R. Colo., and a bipartisan group of his Senate colleagues and Department of Homeland Security Secretary Michael Chertoff regarding the U.S. Immigration and Customs Enforcement raids on Swift & Co. facilities in six states. Location: Room 538, Dirksen Senate Office Building.

DEVELOPMENT-STATES _ 2 p.m. The Corporation for Enterprise Development releases its 2007 report on development in the various states. Location: Room 428A, Russell.

GENETIC INFORMATION _ 3 p.m. Rep. Louise M. Slaughter, D-N.Y., chair of the House Rules Committee, will be joined by Rep. Judy Biggert, R-Ill., and Sharon Terry, head of the Coalition for Genetic Fairness, to announce the Genetic Information Nondiscrimination Act (GINA), introduced in the House this past Tuesday. Location: Room H-314, Capitol.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, JANUARY 22, 2007 7:45 AM EST**

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TERRORISM NEWS:

US, Greek Authorities Cooperating In Embassy Attack Investigation. The Washington Times (1/22, Borowiec, 88K) reports US and Greek security services report "close cooperation" in the investigation of a grenade attack on the US embassy in Athens, "offsetting months of diplomatic squabbling and negative Greek opinion polls about the United States and its policies." Although the perpetrators of the attack are not known, FBI agents "have joined a Greek police team in conducting extensive searches in the capital and vicinity, coordinated by the Ministry of Public Order." The attack "sparked a wave of speculation about security in Greece, a longstanding American concern before the dismantling in 2002 of the terrorist 'November 17' organization." The Greek press is" divided on the strength and objectives of the latest attackers," who are thought to belong to a leftist group that calls itself "Revolutionary Struggle."

Star-Telegram Blasts Administration For Policy "Whiplash." The Fort Worth Star-Telegram (1/22) editorializes, "Leave it to the Bush administration to bend the law to the breaking point -- and then couch its return to reason as merely a voluntary fine-tuning of policy." The Star-Telegram continues, "It happened when the administration finally gave up on language that accommodated what bordered on torture of detainees captured in Afghanistan and Iraq. It happened when the administration relented on its resistance to extending protections of the Geneva Conventions to terrorism suspects. … And it happened again when the administration agreed to let the Foreign Intelligence Surveillance Court authorize wiretaps to spy on phone calls involving suspected foreign terrorists." The Star-Telegram adds, "When The New York Times in December 2005 revealed the existence of the warrantless eavesdropping program, administration officials insisted that the Constitution and congressional authorization gave Bush power to bypass the FISA Court, which Bush portrayed as too slow and cumbersome to accommodate national security needs in battling terrorism. … But now Attorney General Alberto Gonzales insists that the Justice Department was working to put the spying program under FISA Court oversight long before the warrantless wiretapping came to public light. … If that's so, why didn't he say so long before now? Why continue to feed the disturbing impression that this administration is determined to make itself more equal than the other two branches? … The American public doesn't need to know sensitive operational details about programs legitimately operating to protect our security. It does need to stop getting whiplash from an administration that repeatedly tests our trust and damages its own credibility."

More Commentary. The Bangor (ME) Daily News (1/22) editorializes, "Facing congressional investigations and legal challenges, the Bush administration last week reversed course and said it would seek the approval of a secret court before monitoring Americans' international communications as part of its terrorism surveillance work. Bringing the eavesdropping program back under the Foreign Intelligence Surveillance Court is the right thing to do, but it does not negate the need for continued scrutiny from Congress, which the Senate Judiciary Committee reiterated Thursday with tough questions for Attorney General Alberto Gonzales." The Daily News continues, "Unfortunately, Mr. Gonzales did not answer most questions. Particularly troublesome, the attorney general is refusing to allow the court to reveal details of the arrangement worked out with the administration. The court's presiding judge said she would detail its orders to lawmakers if allowed to do so by the Bush administration. Mr. Gonzales said the administration wanted to keep details of the wiretapping operation confidential. … The committee is right not to take the administration's word that the program, even under court review, is within the president's authority and meets constitutional requirements. It heard the same assurances about the torture of suspected terrorists and detaining such suspects without access to judicial proceedings. The administration has since backed off both these stances due to adverse court rulings and belated intervention from Congress. … With the Democratic takeover of Congress, it has changed its mind. The Justice Department this week said it had recently received several warrants from the court allowing it to monitor communications where there was probable cause to believe one of the participants had terrorist links. With the orders in hand, future eavesdropping would be conducted with the approval of the FISA court, Attorney General Gonzales said. .. Without knowing details, such as whether warrants are issued on a blanket basis, lawmakers must continue to scrutinize the program to ensure American's privacy is protected."

The Roanoke (VA) Times (1/22) editorializes, "Last week, the Bush administration backtracked on its program of warrantless wiretapping. Attorney General Alberto Gonzales said officials will no longer listen in on Americans' international phone calls and e-mails without first getting court approval. It's a promising victory for civil liberties and the Constitution. … However, before Democrats start crowing that the party's control of Congress led to the change, they should look at the administration's history in cases like this. The reversal reflects less a fear of Congress and more the White House's tactics to avoid legal rebuke." The Times

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adds, "This isn't the first time the administration has employed this dodge. … Recall the case of Jose Padilla, an American citizen detained by the administration as an enemy combatant. When the Supreme Court was about to review his detention, the administration suddenly dropped allegations that he was a terrorist and moved his case to the criminal justice system, rendering the appeal moot. … Engage in illegal activities. Continue them while challenges wind their way through the courts. When a final decision is near, pull the carpet out from under the case to avoid legal reckoning. The administration can cling to its illusion that it still has the right to ignore the Constitution. … The courts should not allow the president to circumvent justice again. The Bush administration says it will get a warrant for now, but the challenges to government intrusion should go forward to remind the executive that his power has limits."

The St. Petersburg (FL) Times (1/22) editorializes, "The public has known about the warrantless domestic wiretapping program of the Bush administration since the New York Times broke the story in December 2005. It took from then until the day before Attorney General Alberto Gonzales was scheduled to appear before the new Democratic-controlled Senate for the administration to finally bring its intelligence-gathering into compliance with the law. We appreciate the action but are left to wonder what took so long and whether there is less here than meets the eye." The Times continues, "It was a shocking revelation when the newspaper reported that the National Security Agency had been authorized by President Bush to monitor the international phone calls and e-mails of people inside this country suspected of terrorist links. … After the program came to light, Bush refused to acknowledge its extralegal nature, declaring instead that he had the inherent authority as commander in chief to order warrantless eavesdropping. This stunning position was reiterated by Gonzales on Thursday during questioning by members of the Senate Judiciary Committee." The Times adds, "The administration's ongoing claim of supreme executive authority adds a measure of discomfort to its overdue concession to the rule of law. The attorney general informed Congress in a letter on Wednesday that the administration will shut down its warrantless eavesdropping program in favor of one that respects the FISA court's jurisdiction. But in his testimony before the Senate committee, Gonzales gave no assurances that the administration would not revert to its old ways in the future. … The purpose of the sudden change in policy appears to be an attempt by the administration to avoid having its authority questioned, investigated and potentially curtailed by Congress. The demise of warrantless spying is a desirable policy reversal, even if it is not clear that there has been a change of attitude in the White House."

The Austin (TX) American-Statesman (1/22) editorializes, "Elections have consequences. Just ask U.S. Attorney General Alberto Gonzales, who announced last week that President Bush will no longer order wiretaps without the approval of a special federal court. … The issue is not whether to wiretap — of course persons suspected by the government of terrorist activities ought to be investigated. And to date, we know of no instance in which the Bush administration wiretapped political enemies or critics. … But no president, regardless of party, should have the power to order a wiretap on the private conversations and messages of someone in the United States without the constitutional check of court approval. It's far too tempting for those given such unlimited power to apply it ever more widely and eventually threaten the privacy of all." The American-Statesman adds, "Some in Congress suspect the administration is playing word games, and Gonzales fed that suspicion by refusing to give details about the new policy during an appearance before a Senate committee on Thursday. On the other hand, conservative voices that had stoutly defended the presidential refusal to get warrants for the wiretaps were outraged by the administration's sudden about-face. … Whatever its motive, the Bush administration was right to start going to the court to get the warrants, and we hope the court itself will not be a rubber stamp for this or any other administration."

LATimes Praises SCOTUS Inaction On Case Involving MEK Supporters. The Los Angeles Times (1/22, 850K), in an editorial, writes, "The Supreme Court has rightly refused to block the trial of seven Los Angeles residents accused of contributing funds to an Iranian opposition movement that the State Department has branded a terrorist group. The high court let stand a ruling by the U.S. 9th Circuit Court of Appeals that prosecuting the defendants — who are innocent until proved guilty — posed no 1st Amendment problem. … In 1997, then-Secretary of State Madeleine Albright designated the Marxist group Mujahedin Khalq, or MEK, as a 'foreign terrorist organization,' a designation reaffirmed in 1999." The defendants "are accused of soliciting donations for MEK in Los Angeles and of wiring at least several hundred thousand dollars to an MEK bank account in Turkey. The truth of those allegations is a matter for a jury."

HOMELAND RESPONSE:

TSA To Monitor Hazardous Rail Shipments. USA Today (1/22, 3A, Frank, 2.27M) reports that in the government's first effort to "monitor rail shipments of potentially deadly cargo passing through cities," the TSA "will start a nationwide tracking system in about a month to determine how long rail cars filled with lethal materials are stopped on tracks or sit in unsecured storage yards in urban

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areas. Unguarded rail cars filled with toxic chemicals such as chlorine in cities are the single biggest terrorist threat related to the nation's railroads, the TSA says." TSA chief said the move "immediately reduces the risk of a terrorist attack. These cars will not be sitting ducks." Though a number of cities are considering "banning or restricting hazardous rail shipments," Hawley said that could force the cargo "onto trucks, which are more easily attacked and accident-prone. 'You want to keep it on rail,' Hawley said."

DHS Officials To Explain Decision To "Abandon" Exit Tracking System. Under the headline "Should US track each foreigner's exit?" the Christian Science Monitor (1/22, Marks, 59K) reports, "The United States knows when visitors carrying visas enter the country, but it has no idea when, or if, most of those people leave. Congress ordered that key flaw in the immigration system to be fixed as far back as 1996 – in part because as many as 100,000 people overstay their visas annually and join the ranks of undocumented workers." And while DHS "expects to have a system in place to track people who leave by air or by sea" by the end of the year, "it has decided to abandon its efforts to track the exits of foreigners who depart through the nation's border checkpoints on land. Tuesday, top DHS officials will go before the Senate Judiciary Committee to explain the department's rationale. 'Land presents somewhat of a challenge,' says the DHS official who confirmed that the land exit program was being suspended. 'We're still looking into doing it at some point in time; it might be a number of years.'" The Monitor adds, 'The controversy over the entry/exit program, which is called US Visit, illustrates not only the difficulty of securing US borders physically, but also the larger question of how best to use limited resources to improve security in a post-9/11 world." Critics of the program "say the real problem is a lack of political will and confused priorities."

US Intelligence On Lookout For Extremism Among Young Muslims. The Washington Times (1/22, Waterman, 88K) reports, "U.S. law-enforcement and intelligence officials say they are taking steps to monitor and combat the spread of Islamist extremism and support for a violent holy war against the West among a 'Pepsi jihad' generation of young Muslims in the United States. At a hearing last week," CIA Director Michael Hayden, FBI National Security Branch director Phillip Mudd and DHS intelligence chief Charlie Allen "told lawmakers that the United States had less of a problem with 'homegrown' Islamist terrorists than Europe did because of its history as a nation of immigrants." However, the Times notes, Mudd said that "the ideology of extremist Islam…was spreading in the United States. 'The commonality we have [with Europe] is people who are using the Internet or talking among friends who are part of what I would characterize as a Pepsi jihad. ... It's become popular among youth, and we have this phenomenon in the United States.'"

WAR NEWS:

Levin, Biden Seek Support For Anti-Surge Resolution. The AP (1/21, Yen) reports, "Two leading Senate Democrats sought to build support Sunday for a bipartisan resolution opposing President Bush's war strategy in Iraq, cautioning that division over whether it goes far enough could spell defeat. 'The worst thing we can do is to vote on something critical of the current policy and lose it,' said Sen. Carl Levin, D-Mich., who chairs the Senate Armed Services Committee. 'The public doesn't support his policy, a majority of Congress doesn't support his policy.' 'If we lose it, the president will use the defeat of a resolution as support of his public policy,' Levin said." The proposed nonbinding resolution, "which is largely symbolic and would have no affect on money for troops, states that 'it is not in the national interest of the United States to deepen its military involvement in Iraq, particularly by escalating the United States military force presence in Iraq.' It has generated some division among Democrats who want to go farther by cutting funding for new troops, moderates in both parties who want softer language and Republican leaders who have vowed to filibuster." Yesterday, Levin and Sen. Joseph Biden, "who sponsored the resolution along with Republicans Chuck Hagel of Nebraska and Olympia Snowe of Maine, called their proposal a first step that would send a "powerful message" that Bush must change course."

Biden, asked on Fox News Sunday (1/21, Wallace) to respond to Vice President Cheney's claim that a resolution opposing addition troops would "embolden our enemy and discourage our troops in the field," responded, "Absolutely not. And not only does Carl Levin and Joe Biden and Sen. Hagel and Sen. Snowe, but the Joint Chiefs of Staff, the Iraqi Study Group, every single person out there that is of any consequence knows the Vice President doesn't know what he's talking about. I can't be more blunt than that. He has yet to be right one single time on Iraq." Biden went on to claim that President Bush is "doing it the exact wrong way. And he's not listening to his military. He's not listening to his old secretaries of state. He's not listening to his old friends. He's not listening to anybody but Cheney, and Cheney is dead-wrong."

Levin, on Fox News Sunday (1/21, Wallace) contended, "Deepening military involvement now is not the answer. … It is a political solution which is needed in Iraq. There is no way to end this violence without it."

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Sen. Patrick Leahy, on CNN's Late Edition (1/21, Blitzer) said all of Bush's "other plans have failed. There no reason why this one is suddenly going to succeed. We've heard everything from the 'shock and awe,' Vice President Cheney saying we'd be welcomed as liberators. That was years ago, and we've yet to be so welcomed. … Every one of these things have failed."

McCain Would Have Liked Bigger Surge, Says Resolution A Slap At US Soldiers. Asked on NBC's Meet The Press (1/21, Russert) if he believes "20,000 troops are probably too few to make a significant difference," Sen. John McCain answered, "I am concerned about it, whether it is sufficient numbers or not. I would have liked to have seen more. … Do I believe that, if it had been up to me, would there have been more? Yes. But one of the keys to this is get them over there quickly, rather than feed them in piecemeal, as some in the Pentagon would like to do today." McCain added, "I believe that President Bush now has the right strategy. I've been deeply disappointed in the strategy in the past, as is well known, and I think this is our last chance." Later in the interview McCain commented, "We have a military of 1.4 million. It seems to me that we could come up with 20,000 troops without the great difficulty that apparently the Pentagon feels it is."

However, says the Washington Times (1/22, Dinan, 88K), McCain also said that "voting for a resolution disapproving of…Bush's troop-surge idea would be a slap at the 21,000 new troops that would be sent to Iraq under the plan, putting the upcoming congressional debate on the Iraq war in stark terms. … 'This resolution is basically a vote of no confidence in the men and women we are sending over there,' he said. 'We're saying, "We're sending you -- we're not going to stop you from going there, but we don't believe you can succeed, and we're not willing to support that." I don't think the troops would find that an expression of support.'"

Brownback Will Not Support Resolution. Commenting on why he is opposing President Bush's "surge" proposal, Sen. Sam Brownback, on ABC's This Week (1/21, Stephanopoulos), said, "I went to Baghdad. … I was there the week before last, rather. I met with the military officials. I met with the Sunni and Shiite leaders, none of which really supported the idea. And then, the capstone on all of it was, I went to the Kurdish region. I went to Erbil and I met with Mr. Barzani, the head of the Kurdish region. And I asked him, 'will you send Kurdish troops, your Kurdish troops, into Baghdad to quell the violence?' And he said, 'why should I get in the middle of a Sunni-Shiite fight?'" Asked if he will join Sen. Chuck Hagel in voting for the resolution to oppose the president's plan, Brownback answered, "No. That doesn't give us a route forward. That just says, 'OK, we're against this.' What I think we really have got to do today is sit down with Democrat leaders and say, what will you support?"

Hagel Says Resolution Will Not "Undercut" The Troops. Sen. Chuck Hagel, on CBS' Face the Nation (1/21, Schieffer) said it "is complete nonsense to say we're undercutting the support of the troops. … Bottom line is this. Our young men and women and their families, these young men and women who are asked to fight and die deserve a policy worthy of those sacrifices. I don't think we have one now. And we have to have the Congress there. … It is morally wrong to continue to put American troops in the middle of a clearly defined sectarian civil war. … And think that somehow we are going to stop that or somehow we are going to have some sense of resolution because of that. I think that's morally wrong."

Kennedy Suggests Congress May Vote To End Funding For Iraq War. Sen. Edward Kennedy, appearing on NBC's Meet The Press (1/21, Russert), said, "The American people never voted to authorize to send American troops in the midst of a civil war. They authorized it to look after weapons of mass destruction that weren't there. … We've had four surges in Iraq. None of them have been successful. … If we have a president that is going to effectively defy the American people, going to defy the generals, defy the majority of the Congress of the United States in Republicans and Democrats, then we, I think, have a responsibility to end the funding for that, for the war."

Webb Favors Cutting Off Funding, Using Money For Katrina Rebuilding. USA Today (1/22, 4A, Kiely, 2.27M) reports, "The Democratic senator who will deliver his party's formal response to President Bush's State of the Union address Tuesday says he favors cutting off funding for Iraq reconstruction in order to pay for Hurricane Katrina recovery instead. 'How can we keep sending billions of dollars over to Iraq and not fund a really energetic effort to help places like New Orleans?' Sen. Jim Webb, D-Va., asked in an interview Friday." Webb "said that Iraq and what he sees as the precarious state of the nation's economy and infrastructure are two of the topics he'll tackle in his speech."

Graham, Pence Support Bush Strategy. Sen. Lindsey Graham, on CNN's Late Edition (1/21, Blitzer) said, "The President has listened to advice from all corners of the military and the public, and political advisers. He's come up with a strategy that was recommended by Gen. Petraeus, who will testify Tuesday. This strategy makes economic and political sense to me."

Rep. Mike Pence, on CNN's Late Edition (1/21, Blitzer) said, "What I heard from the President…was not just more troops for more troops' sake, but the president laid out a new strategy, new tactics, new rules of engagement where we would put Iraqi forces in the lead. And I believe what sold me, and I believe, ultimately will win the day in this cause is that new approach, that new way forward."

Kristol Sees Opportunity For Bush To Rally Support For His Iraq Policy. The Weekly Standard's Bill Kristol, on

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Fox News Sunday (1/21, Wallace), maintained that "if the President is aggressive in framing this debate, and Republicans on the Hill, led by Sen. McCain, are aggressive, they can really ask the American people 'what is the Democratic position here?' Do you leave the troops there to fight a war we're gradually losing and don't send the reinforcements that might give us a chance to turn it around? I think it's an untenable position the Democrats are in, and I think the president can now rally a decent chunk of the country to support his policy." Kristol alleged that the Democrats are "leapfrogging each other in the degrees of irresponsibility they're willing to advocate. … The president's sending over a new commander. He's sending over troops. And the Democratic Congress…is saying 'it won't work, forget it, you troops, you're going over there on a pointless mission.'"

NYTimes Urges Bipartisan Vote For Resolution, Opposes Kennedy Approach. The New York Times (1/22, 1.16M) writes in an editorial, "Bush's refusal to come up with a serious policy on Iraq means that the Democrats will have to goad him toward one. Congress needs to do more than just oppose the latest ill-conceived military escalation. It needs to insist that American troops are not captive to the destructive policies of an Iraqi government for which sectarian revenge counts for more than national unity and civil peace. To do that, it needs to demand that Mr. Bush impose firm, enforceable benchmarks on Prime Minister Nuri Kamal al-Maliki -- if any American troops are going to remain in Iraq. … Passing this resolution by the widest possible bipartisan margin would be a good first step. … Funding limits that simply freeze the number of troops, like the one Senator Edward Kennedy now proposes, are inadequate."

LATimes Says Resolution Would Strengthen Bush's Hand In Iraq. The Los Angeles Times (1/22, 850K) editorializes that the Senate resolution "would represent a dissent from the surge, the centerpiece of Bush's revised Iraq policy. The resolution would have no effect on the conduct of the war -- and any attempt by Congress to meddle in military strategy should be rejected -- but it would be seen as a blow to the president. Maybe it shouldn't be." Congress "actually could be doing Bush a favor by disagreeing with him. Ideally, passage of the resolution would create a diplomatic version of the 'good cop/bad cop' routine, with Congress playing the role of the bad cop and Bush using its stubbornness as leverage in dealing with Iraqi Prime Minister Nouri Maliki. … If he is smart, Bush will use that impatience to his advantage in pursuing both aspects of his 'new way forward' - a surge in U.S. troops and a message to the Iraqis that the surge is their last, best and temporary hope of US assistance in keeping their country together."

McCain, Graham May Oppose Casey As Army Chief. Bloomberg (1/22, Elsibai) reports Sens. John McCain and Lindsey Graham, "who have strongly backed sending more US troops to Iraq, indicated they may not support a promotion for the current military commander there because of past US mistakes." President Bush announced earlier this month he is replacing Gen. George Casey "as commanding general of multinational forces in Iraq and nominating him" to be Army chief of staff. Casey "has been the top commander in Iraq since July 2004, and sectarian violence there has worsened over the past year."

McCain was asked on NBC's Meet the Press (1/21, Russert) if he will vote to confirm Casey. McCain replied, "I have very serious concerns about Gen. Casey's nomination. I'm concerned about failed leadership, the message that sends to the rest of the military. I have hard questions to ask him, and I'm very skeptical about it." Pressed as to whether he was "leaning no," McCain responded that he was. Graham, on CNN's Late Edition (1/21, Blitzer), said "Casey and Gen. Abizaid are two fine, wonderful Americans and who have served with honor, but the strategy they've been telling us about for the last 2 1/2 years has not produced the outcomes we all desire in Iraq. … So we'll have to see, does Gen. Casey being chief of staff of the Army help or hurt the effort to re-engage and find victory through Gen. Petraeus' strategy?"

The Washington Post (1/22, A14, Smith, Pincus, 690K) reports that unlike the new US military commander in Iraq, Lt. Gen. David H. Petraeus, Casey "has been privately skeptical about the wisdom of deploying five new divisions now. He argued last year that the presence of US troops was fostering an unhealthy Iraqi dependency on foreign assistance. After publicly embracing Bush's plan, however, Casey said that it could make Baghdad residents begin to feel safe in their neighborhoods by the end of the summer."

Deadly Weekend For US Troops In Iraq. ABC World News (1/21, lead story, 2:35, Harris, 8.78M) reported on "what has been an extraordinarily deadly weekend for American forces" in Iraq. The US military "announced that six US troops were killed on Saturday, in Anbar Province, bringing yesterday's death toll to 25. And making it the third-deadliest day since the start of the war for American forces. This, as the first, large group of fresh troops, 3,200 soldiers from the 82nd Airborne, arrived in Baghdad, as part of President Bush's new strategy for this war." NBC Nightly News (1/21, lead story, 2:20, Seigenthaler, 9.87M) ran a similar report, saying it was "one of the deadliest weekends for Americans in Iraq since the war began."

The uptick in violence against US soldiers is generating extensive print coverage. The Los Angeles Times (1/22, Daragahi, 850K) reports "two Marines were killed Sunday in Al Anbar province west of the capital, bringing the weekend US death toll to at least 27, a dramatic increase in fatalities that comes as President Bush is trying to convince a wary

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public of his plan to escalate the military presence in Iraq." The Chicago Tribune (1/22, Daragahi, 617K) puts the number of killed US soldiers at "at least 27," and also says the "surge in fatalities comes just days before…Bush's State of the Union address , which is likely to inject a note of urgency into the debate over his Iraq policy." USA Today (1/22, 6A, Jervis, Michaels, 2.27M) and New York Times (1/22, Cave, 1.16M) run similar stories, while the Washington Post (1/22, A1, Ernesto Londoño, 690K) reports about an attack in Karbala under the headline "Disguises Used In Attack On Troops." Says the Post, "In December 2004, a U.S. base in Mosul was penetrated by a suicide bomber who killed 22 people, including 14 U.S. service members. But Saturday's attack appeared to present a new danger to authorities in Iraq: assailants who disguise themselves as officials and travel in convoys."

ABC World News (1/21, story 3, 0:30, Harris, 8.78M) reported, "It is bloody weekends like this one that will make it difficult for the President to change the subject from Iraq in his State of the Union speech. Twelve of the 25 troops who died on Saturday were on board a Blackhawk helicopter that crashed northeast of Baghdad. Tonight, there are still questions about the cause of the crash. Iraqi officials say insurgents shot the chopper down. The US military will only say the incident is under investigation."

Sending Kurdish Soldiers To Baghdad Called A "Serious Gamble." ABC World News (1/21, story 5, 2:30, Harris, 8.78M) reported, "As US and Iraqi officials prepare for" the upcoming security mission, "the Iraqi army is making what some people are describing as a serious gamble. They are sending thousands of Kurdish troops into Baghdad. This, as the Shiites and Sunnis in this city are already at each other's throats. Some are now asking, is it wise to throw yet another group into the fray? Kurdish soldiers leaving their peaceful, mountainous enclave in northern Iraq, and heading into the deadly streets of Baghdad. 'We're all Iraqi soldiers,' said this man. 'Why should coalition troops come from the US to defend us when we can do it ourselves?' But American military advisers say privately, these Kurdish soldiers are telling a different story. They fear getting stuck in the middle of a civil war between Shiites and Sunnis."

Mosul Held Up As Example Of Successful Handover To Iraqis. The Los Angeles Times (1/22, Zavis, 850K) reports from Mosul, site of a months-long battle between US-led forces and Sunni insurgents, "More than two years later, U.S. officials are again touting the city as an example of progress in an intensified effort to train Iraqi forces to take over security so American troops can begin heading home. Thousands of new police officers and soldiers have been recruited here and across northern Iraq. ... The 2nd Iraqi Army Division assumed security control over Mosul on Dec. 22 and is expected to fall under the command of Iraqi ground forces today, completing a hand-over that is a cornerstone of the U.S. exit strategy in Iraq. ... Police officers and soldiers who before rarely left their bases are guarding checkpoints, cruising bustling shopping streets, collecting intelligence, conducting raids and breaking up insurgent cells, with US forces taking an increasingly secondary role, American officials said." However, "bombings and mortar barrages rattle residents almost daily, and neighborhoods remain hotbeds of the Sunni Arab insurgency. Assassins have killed police officers, journalists, university professors, even a popular singer." The Nineveh provincial governor "and others blanch at the possibility of American troops leaving the region, which receives little support from Baghdad."

Gates Said To View Force As Leverage To Facilitate Diplomacy. The New York Times (1/22, Cloud, 1.16M) reports, "Less than a month after Defense Secretary Robert M. Gates took office, his imprint on American military strategy is beginning to show. Mr. Gates, it turns out, is a hawk. In just the last two weeks, he has supported deepening the American military commitment in Iraq, spoken approvingly of sending more troops to Afghanistan and, after dispatching a second American aircraft carrier to the Persian Gulf, declared that negotiations with Iran right now would be futile." But "a hawk may not be all he is. His favorite quotation from history, he told reporters traveling with him this week for meetings with allies and commanders in Europe and the Middle East, is from Frederick the Great, the 18th century Prussian monarch and gifted musician: 'Negotiations without arms are like music books without instruments.' Or, put another way, it takes military power to create the leverage necessary to make negotiations fruitful." The Times adds, "Mr. Gates seems to be hoping that a short-term application of military might can shift the balance of power in the region sufficiently to make eventual political settlements -- between Shiites and Sunnis in Iraq, with Taliban insurgents in Afghanistan and even with the ayatollahs in Iran -- more plausible for the United States than they appear right now."

Maliki No Longer Protecting Sadr Militia. The Washington Times/AP (1/22, Hurst) reports, "Iraq's prime minister has stopped protecting Shi'ite cleric Muqtada al-Sadr's militia because US intelligence convinced him that the group was infiltrated by death squads whose actions were leaving him isolated, two officials said yesterday. In a desperate bid to fend off an all-out US offensive, the radical anti-American cleric on Friday ordered the 30 lawmakers and six Cabinet ministers under his control to end their nearly two-month boycott of parliament. They were back at their jobs yesterday." The AP adds, "Sheik al-Sadr already had ordered his militia fighters not to display their weapons. They have not, however, ceded control of the formerly mixed

neighborhoods that they captured by killing Sunnis or forcing them to abandon their homes and businesses."

Hagel Says Maliki Is Moving In "Right Direction." Sen. Chuck Hagel, on CBS' Face The Nation (1/21, Schieffer) said the Iraqi government is "reaching out to the Iranians, reaching out to the Syrians. They've been to Damascus and Tehran. That is going forward. … That's going to include a diplomatic accommodation, but also a political accommodation within Iraq that's going to require some shifts. … I think Maliki was moving in the right direction. I hope he continues to move in the right direction. The future of Iraq is not going to be determined by the American military."

Bush Told GOP Supporters "People Over There" May "Replace" Maliki. Newsweek (1/29, Hirsh, Wolffe, 3.12M) reports, "It may have been the last time George W. Bush felt really good about Iraq. Last June, as the president flew back from a surprise visit to Baghdad—and his first sitdown with the new Iraqi prime minister, Nuri al-Maliki -- he was visibly excited." Newsweek adds, "The White House doesn't seem to be taking much comfort in Maliki now. Late last week Bush gathered a group of his dwindling Republican supporters in the third-floor solarium at the White House to discuss his latest plan to salvage the war in Iraq. … According to one participant, conservative Sen. Craig Thomas of Wyoming, many of the GOP senators expressed doubts that America could depend on Maliki. … 'The president expressed doubts, too,' says Thomas. With Vice President Dick Cheney sitting silently beside him, Bush 'also indicated he was going to make pretty clear what he expects from the prime minister.' Echoing Secretary of State Condoleezza Rice, who recently told Congress that Maliki was living on 'borrowed time,' Bush added ominously that 'if [Maliki's effort] doesn't work very well there's a good chance those people over there will replace him,' says Thomas."

Bush Said To See Himself As A Latter-Day Truman. US News & World Report (1/29, Walsh) reports, "Only 32 percent of Americans approve of his job performance. Forty-three percent say that his war was a mistake. Critics deride him as too stubborn and inflexible. Others dismiss him as an intellectual lightweight. But the president sticks to his guns. … Sounds like President Bush, defending his policies in Iraq and the war on terrorism. Actually, it was Harry Truman in 1952, defending his conduct of the Cold War and the war in Korea. As Bush struggles to salvage victory in Iraq and regain some political traction with his State of the Union address, the 43rd president increasingly sees himself—rightly or wrongly—in the mold of the 33rd. Bush recently told congressional leaders his own policies would be vindicated by history, just as Truman's were. Others aren't so sure."

ISG Advised By Hadley That Bush Had Declined To Take Their Advice. Newsweek (1/29, Ephron, 3.12M) reports, "For Leon Panetta, the gesture of respect failed to disguise the rebuff. Two hours before George W. Bush announced plans to send more troops to Iraq earlier this month, the president had his national-security adviser, Stephen Hadley, brief members of the Iraq Study Group by phone on the 'surge' plan. … Hadley began by listing those recommendations Bush had chosen to incorporate into his plan. Most were minor, according to Panetta. 'I interrupted him and said that while we made 79 recommendations, three were the heart and soul of the report,' Panetta told NEWSWEEK, citing the drawdown of U.S. troops by next year, the need to penalize the Iraqi government if benchmarks were not met and the call for diplomacy with Iran and Syria. Hadley's response -- the three were not part of the Bush plan -- left Panetta feeling hoodwinked. 'Mainly I'm offended by the way they created the impression they gave it consideration but really didn't.' (A National Security Council official confirmed the exchange.)"

Bush Criticized For Overemphasizing Promotion Of Democracy. Newsweek's Fareed Zakaria (1/29) writes "the president's freedom agenda sees the entire complex process of political and economic development through one simple lens, which produces bad analysis and bad outcomes. Consider Iraq. The administration has constantly argued that Iraq has witnessed amazing political progress over the last four years only to be undermined by violence. In fact, Iraq has seen its politics and institutions fall apart since the American invasion. … The only things that did take place in Iraq were elections (and the writing of a Constitution that is widely ignored). Those elections had wondrous aspects, but they also divided the country into three communities and hardened these splits."

Gingrich Labels US "Bureaucracies" In Iraq "Incompetent." Newt Gingrich, on Fox News Sunday (1/21, Wallace), said, "I think it would surprise most Americans to know that about 80 percent of what we have to do [in Iraq] isn't about troops. It's about the absolute failure of the American bureaucracies to function. We're about 10 percent of the way into effective intelligence reform. We aren't even 10 percent of the way into reforming the State Department. … When you have 50, 60 and 70 percent unemployment among young males and all of the economic instruments in the United States are incompetent -- I mean, people talk about the Iraqi government being incompetent. I would argue that the non-combat components of the American system are fully as broken in their ability to deliver every day. And what Gen. Petraeus is going to discover when he gets there is that his ability to get decisions made, to get decisions implemented, to be directly effective, is going to be stunningly limited for a country which has now been fighting this war for four years."

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Arabs Who Supported Iraq War Feel Frustrated, Betrayed. The Washington Post (1/22, A1, Shadid, 690K) reports from the United Arab Emirates, "The coterie of Arabs who supported the US-led invasion were never the target of expensive American propaganda efforts. Their unpopular stands in the Arab world earned them inboxes full of angry e-mails; a few claimed they got death threats. And nearly four years after the invasion they backed, their sense of frustration, resentment and even betrayal speaks volumes about how withered American standing is in the Middle East today and how far the region itself has deteriorated, riven as it is by escalating conflicts, worsening sectarian tension and a simmering struggle with an ascendant Iran." The Post adds, "The Israeli-Palestinian conflict has long festered, cultivating indelible resentment toward the United States, Israel's strategic ally. Now it is joined by growing crises and wars in Lebanon, Iraq and, on the Arab world's borders, Iran and Somalia. The Bush administration is moving to arm perceived allies: Nearly $100 million is proposed for Palestinian security forces pitted against the Islamic movement Hamas and potentially hundreds of millions more for the Lebanese army, seen as a bulwark against the ambitions of the Shiite Muslim movement Hezbollah. Across the region, political affiliations are being pared to the raw bone of sectarianism, often accompanied by emotional expressions of Sunni and Shiite identity."

WPost Urges Administration To Address Iraqi "Refugee Crisis." The Washington Post (1/22, A18, 690K) editorializes, "On of the few postwar problems the Bush administration prepared for before the invasion of Iraq was a refugee crisis. It didn't occur in the spring of 2003, and for months afterward administration officials pointed to that fact as a sign of the war's success. Now, four years later, a refugee crisis is exploding -- and, as is so often the case with Iraq, the administration has been slow to recognize the problem and even slower to respond. The crisis essentially began last February. … The best way to help Iraqi refugees, of course, is to secure their country so that they can return home safely. Since that won't be possible anytime soon, the United States is bound by both practical and moral considerations to address a crisis that it helped to create."

Bush Names Wood As Ambassador To Afghanistan. The Washington Times (1/22, Morrison, 88K) reports briefly that President Bush has nominated William B. Wood to replace Ronald E. Neumann as ambassador to Afghanistan. The appointment is "the latest in a diplomatic shuffle that included Zalmay Khalilzad, former ambassador to Afghanistan and Iraq, replacing John R. Bolton as ambassador to the United Nations, and Ryan C. Crocker, currently ambassador to Pakistan, replacing Mr. Khalilzad in Iraq."

"Destitute" Afghanistan Struggling Under Winter Weather. The Washington Post (1/22, A12, Constable, 690K) reports from Kabul, "Winter across Afghanistan is a season of majestic beauty, with distant snowcapped mountains rising in all directions, icicles forming on orchard branches and midday sunlight sparkling on iced-over irrigation streams that meander across a thousand fields." But "in the capital, it is a season of unrelenting harshness for tens of thousands of poor families, focused on the struggle to survive. People spend their days scrounging to buy a few chunks of coal or firewood, and their nights huddled under common blankets around braziers called sandali, praying for dawn to come. More than five years after the US-led overthrow of Islamic Taliban rule and the advent of an internationally backed civilian government, the country is still so destitute and undeveloped that most inhabitants have no central heating, electricity or running water." Adds the Post, "Even in Kabul, some desperate families remain beyond the reach of foreign aid agencies that provide cold-weather assistance such as free coal and blankets in impoverished rural provinces."

Stretched Military "Sharply" Reduces Role In War On Drugs. The Los Angeles Times (1/22, Meyer, 850K) reports, "Stretched thin from fighting in Iraq and Afghanistan, the U.S. military has sharply reduced its role in the war on drugs, leaving significant gaps in the nation's narcotics interdiction efforts. Since 1989, Congress has directed the Pentagon to be the lead federal agency in detecting and monitoring illegal narcotics shipments headed to the United States by air and sea and in supporting Coast Guard efforts to intercept them. In the early 1990s, at the height of the drug war, US military planes and boats filled the Southern skies and waters in search of cocaine-laden drug vessels coming from Colombia and elsewhere in South America." But "since 2002, the military has withdrawn many of those resources, according to more than a dozen current and former counter-narcotics officials, as well as a review of congressional, military and Homeland Security documents." The Times adds, "Internal records show that in the last four years the Pentagon has reduced by more than 62% its aerial surveillance flight hours over Caribbean and Pacific Ocean routes that are used to smuggle in cocaine, marijuana and, increasingly, Colombian-produced heroin. At the same time, the Navy is deploying one-third fewer patrol boats for detecting and catching smugglers."

Need For Larger Military Debated. Gordon Adams, a former Clinton aide and fellow at the Woodrow Wilson International Center for Scholars, writes in USA Today (1/22,

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8A, 2.27M), "Expand the American ground forces? That puts the manpower cart before the strategic horse. Just what is the mission? If we buy that, we can buy a larger Army. Reduce force stress? That's about Iraq -- this larger ground force arrives after Iraq has been decided. Leaving Iraq removes force stress; what's the mission for the bigger force?" Meanwhile, USA Today (1/22, 8A, 2.27M) editorializes, "Growth won't help in Iraq but is prudent way to meet new threats," such as "unpredictable challenges of the war on terrorism."

DOJ:

Sacramento Bee Urges Congress To Pass Feinstein Bill On US Attorneys. The Sacramento Bee (1/22) editorializes, "Since the November elections, the Justice Department has asked an unknown number of U.S. attorneys around the country, including two in California, to resign before the end of their terms. As Sen. Dianne Feinstein, D-Calif., has said, these are forced resignations in districts that have major ongoing cases." The Bee continues, "Last week at the Senate Judiciary Committee hearing, Feinstein asked Attorney General Alberto Gonzales how many U.S. attorneys were being fired, but he would not give a number. … One Californian departing is Carol Lam, the U.S. attorney in San Diego who is pursuing corruption related to the prosecution of Rep. Randy 'Duke' Cunningham, now in prison, thanks to her. The other is Kevin Ryan, the U.S. attorney in San Francisco who is in the middle of investigating whether 25 companies illegally withheld information about lucrative stock options for top executives." The Bee adds, "It is customary that U.S. attorneys are prepared to leave office when a new president is elected. At the beginning of their terms, presidents have the discretion to name the 93 U.S. attorneys, who then must be confirmed by the Senate. They typically serve until the president leaves office. These midterm U.S. attorney firings are unusual, particularly because there are no allegations of misconduct. … Presidential appointment with Senate confirmation remains an important check and balance in our system of government. The Senate and the House should approve Feinstein's bill immediately to prevent an unwarranted tilt toward presidential power."

CORPORATE SCANDALS:

Apple Prosecutor Leaves DOJ For Private Sector. The Financial Times (1/22, Allison) reports, "A federal prosecutor on the team investigating options backdating at Apple, the computer maker, is leaving government service for a job with a private white-collar law firm." The Times continues, "The departure of Chris Steskal, a member of the federal task force that brought the first charges in options backdating in August, comes days after his boss, Kevin Ryan, the US attorney for northern California, became one of several top federal prosecutors to announce that they would be leaving office. … The twin losses may interrupt the US government's effort to crack down on backdating. The justice department and the Securities and Exchange Commission are already struggling to keep up with hundreds of backdating cases. … A spokesman from the US attorney's office in northern California said the investigations into options backdating would continue in spite of the departures. … 'US Attorney Ryan is taking care to ensure a smooth transition in the office's cases,' the spokesman said. 'There continue to be many assistant US attorneys with strong investigative skills and substantial trial experience on the stock options backdating task force and throughout the office, who are fully capable of carrying on the work of the task force.'"

The California Recorder (1/22, Scheck) reports, "Christopher Steskal, the federal prosecutor who indicted the country's first stock option backdating prosecution in June -- and the leader of a criminal probe into Apple Inc.'s options grants -- will leave the San Francisco U.S. Attorney's Office next month to lead the white-collar practice at Fenwick & West." The Recorder continues, "Steskal has been busy with options prosecutions in recent weeks -- Apple CEO Steve Jobs was interviewed by prosecutors and SEC lawyers earlier this week, according to people familiar with the case. But the offer from Fenwick was too enticing, Steskal said. … 'I didn't spread my resume around the Valley,' he said Friday, referring to Silicon Valley, saying that leaving a prosecutor's post is never easy. … 'You're always going to be leaving cases on the table,' he said." The Recorder adds, "Steskal comes to Fenwick as perhaps the pre-eminent prosecutorial expert in options backdating, the white-collar bar's biggest source of business these days. … Steskal leaves behind the impending trial of two executives from Brocade Communications -- the first people to be indicted for backdating -- as well as the Apple probe, which has so far zeroed in on the tech company's legal department."

SEC Probing Sunrise Senior Living. The Washington Post (1/22, D1, Kang) reports, "Theirs was a classic entrepreneurial story. In 1981, Paul and Terry Klaassen, in their 20s, bought and renovated an old nursing home in Oakton with $16,000 in savings. … Terry was motivated by personal experience: When her mother became ill, she found the level of care available at the time to be inadequate and undignified. Paul saw the business potential in developing a warmer and more personalized European model of senior care, like that in his family's native Netherlands." The Post continues, "The couple moved into

the home and eventually turned the business, Sunrise Senior Living, into one of the nation's largest senior residential services providers, operating 436 retirement communities in the United States, Canada and Europe. The Klaassens had landed smack in the middle of a sweeping demographic shift as America's growing aging population was looking for better retirement options and willing to pay for better services. … Yet as analysts touted Sunrise's business outlook, that rosy picture began to fray." The Post adds, "Last week, the McLean-based company said it would again delay the filing of its financial results for all four quarters of 2006, which it had previously promised to deliver on March 1. Sunrise blamed the postponement on the complexity of an ongoing internal accounting review and a Securities and Exchange Commission inquiry into its accounting practices and allegations of insider stock sales. … The troubles for Sunrise began last May, when executives announced they would implement a new way of accounting for profits and losses from certain joint ventures. The move resulted in an accounting review of past earnings reports and the reduction of $100 million in profits between 1999 and 2005. … The company's share price dropped 34 percent after the announcement, reaching the year's lowest point in late July 2006. Last week, pension funds for the United Food and Commercial Workers Union filed lawsuits against Sunrise charging the company with accounting fraud and insider stock trading. Another union pension fund, the SEIU Master Trust, has pressed the company in letters about insider stock sales and the questionable timing of stock options grants."

NYTimes Urges Congress To Pursue Tighter Hedge Fund Regulations. The New York Times (1/22, 1.16M) in an editorial, notes that as New York's Attorney General, Eliot Spitzer "opened investigations into whether employees at companies including Best Buy and Circuit City had improperly given nonpublic information to hedge fund managers. Two research firms, the Gerson Lehrman Group and Vista Research, a unit of McGraw Hill, are also under investigation. They specialize in matching up people who have information — say, middle managers — with clients who crave information, like hedge funds managers. … It will be up to the prosecutors to determine if the matchmaking firms merely appear to be conduits for nonpublic information, or if they indeed are. The firms say they follow procedures to guard against any inappropriate disclosures." The Times concludes, "New York's new attorney general, Andrew Cuomo, should pursue any wrongdoing. And the new Congress should move forward with hedge fund regulation. The possibility of a destabilizing meltdown only grows the longer the funds escape oversight."

CRIMINAL LAW:

US Subpoenas Investment Banks In Online Gambling Probe. The New York Times (1/22, Sorkin, Saul) reports, "The Justice Department has issued subpoenas to at least four Wall Street investment banks as part of a widening investigation into the multibillion-dollar online gambling industry, according to people briefed on the investigation." The Times continues, "The subpoenas were issued to firms that had underwritten the initial public offerings of some of the most popular online gambling sites that operate abroad. The banks involved in the inquiry include HSBC, Credit Suisse, Deutsche Bank and Dresdner Kleinwort, these people said." The Times adds, "While online gaming sites like PartyGaming and 888 Holdings operate from Gibraltar and their initial public offerings were held on the London Stock Exchange, companies that do business with them and have large bases in United States have come under scrutiny by regulators in Washington. … None of the biggest United States banks like Goldman Sachs or Citigroup underwrote the initial public offerings in London, in part because of the legal ambiguity of the sites; they are illegal in the United States, but still accessible to residents." The Times notes, "The subpoenas, earlier reported by The Sunday Times of London, appeared to be part of an indirect but aggressive and far-reaching attack by federal prosecutors on the Internet gambling industry just two weeks before one of its biggest days of the year, the Super Bowl. … Unable to go directly after the casinos, which are based overseas, they have sought to prosecute the operations' American partners, marketing arms and now, possibly, investors. … The prosecutors may be emboldened by a law signed by President Bush last October that explicitly defined the illegality of running an Internet casino. Even before that law, the Unlawful Internet Gambling Enforcement Act, was adopted, the government said that Internet gambling was illegal under a 1961 provision."

Libby Trial Reshaping Relations Between Journalists, Sources. The New York Times (1/22, Lewis, 1.16M) reports, "As the perjury and obstruction of justice trial of I. Lewis Libby Jr. unfolds over the next few weeks, the ways in which the case has vastly reshaped relations between reporters and high government officials will be on vivid display. Most striking, a handful of reporters for major news organizations will testify for the prosecution. They will be asked to recount conversations they had in 2003 with Mr. Libby, then Vice President Dick Cheney's chief of staff, that were undertaken with some understanding that they were confidential." The Times adds, "The highly unusual spectacle of journalists giving testimony at a criminal trial

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about their reporting is a result of the intense investigation into the disclosure of the identity of a Central Intelligence Agency operative. Previous leak investigations typically ended in failure as reporters were able to fend off prosecutors' efforts to delve into what they learned from government sources." But "in trying to determine how Valerie Wilson, who was known by her maiden name, Valerie Plame, came to be identified as a C.I.A. operative in a newspaper column in July 2003, the prosecutor, Patrick J. Fitzgerald, successfully pressed reporters to testify before a grand jury, threatening jail if they refused.

Questions Raised About Loudoun County Official's Connection To Developers. In a front-page story, the Washington Post (1/22, Fallis, Laris, 690K) reports former Loudoun Planning Commission Chairman Lawrence S. Beerman II, "who held sway over land decisions in Loudoun County for nearly a decade, voted multiple times in favor of companies with which he had business ties, according to records and interviews. His actions took place in a county where major land-use decisions have been dominated by a small group of public officials and their close allies in the development industry, The Washington Post found in a year-long investigation." The Post notes, "Beerman's relationships have drawn the interest of the FBI, according to two individuals who said they have been interviewed in recent months and asked to remain anonymous because of the sensitivity of the inquiry. An agent asked questions about Beerman's business activities and his actions on the Planning Commission, said one of those interviewed. Debbie Weierman, spokeswoman for the FBI's Washington Field Office, would not say whether agents are conducting an investigation in Loudoun but said her office 'is looking into reports of possible public corruption, unfair business practices and the like . . . in the Washington metropolitan area.'" In a front-page story on Sunday, the Washington Post reported more generally on the interaction of Loudoun officials with developers, and also included the same quotation from Weierman.

FBI Agent Impersonator Kidnaps California Man For Ransom. The San Francisco Chronicle (1/22, Bulwa, 384K) reports, "A 40-year-old San Rafael man's Sunday morning coffee run with his girlfriend turned into a terrifying ride when a young man posing as an FBI agent took him into custody for questioning, police said. The couple had just bought coffee…when a cream colored Lincoln Town Car pulled behind them on Canal Street, flashed a light at them, said Margo Rohrbacher, a San Rafael police spokeswoman. … David Charles Moon, 26, also a San Rafael resident, emerged in a crisp coat, a tie and a knit cap that said 'FBI,' Rohrbacher said. Moon convinced the man to get into his Town Car and drove off. The girlfriend soon received a call at home from her boyfriend asking her to deliver $5,000 'bai' at a nearby home renovation store."

The AP (1/22) adds, "When Moon went to retrieve the money, he saw police waiting for him" and fled. "Police spotted Moon again later, but when Moon tried to drive away he crashed, suffering minor injuries. Meanwhile the victim managed to escape and rang a San Rafael's resident's door bell. The resident called 911, Rohrbacher said." Bay City News Wire (1/21) also reported on the incident.

Pellicano Codefendant Accuses Federal Investigators Of Leaking To Reporters. The Los Angeles Times (1/22, Philips, 850K) reports, "Defense attorneys for a codefendant of indicted private investigator Anthony Pellicano have accused federal agents pursuing a wiretapping case against the pair of leaking confidential information. In a motion filed Friday in U.S. District Court in Los Angeles, lawyers for entertainment attorney Terry Christensen call on the court to force New York Times reporters David Halbfinger and Allison Hope Weiner to reveal the names of their sources for a report published Jan. 11 in the newspaper. The motion contends that the article slanted the evidence against Christensen, an entertainment lawyer who is accused of ordering an illegal wiretap of billionaire Kirk Kerkorian's former wife." The Times adds, "On Sunday, the U.S. attorney's office in San Diego did not return calls; neither did the New York Times nor the FBI."

Florida Executive Sentenced To 20 Years In Prison For Viatical Fraud. The Miami Herald (1/20, Danner, 286K) reports, "Peter Lombardi, the former president of Mutual Benefits Corp., was sentenced to 20 years in federal prison Friday for his role in defrauding some 30,000 investors out of nearly $1 billion. Lombardi had pleaded guilty in October to one count of securities fraud in the massive investment scheme, which was shut down in 2004. Lombardi, 56, could have faced additional charges that carried a potential life sentence, but he has agreed to cooperate with the FBI and the U.S. Attorney's Office in their ongoing investigation into Mutual Benefits -- a viatical and lifesettlement company that was based in Fort Lauderdale." The Herald noted, "Authorities alleged the company defrauded investors by using bogus life expectancies in figuring when the insured would die. When the insured outlived their life expectancies, authorities said Mutual Benefits used money from new investors to pay premiums on those insurance policies -- making it a modern-day Ponzi scheme."

New Orleans Man Sentenced To 14 Months In Prison For FEMA Fraud. The AP (1/20) reported, "A

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New Orleans man has been sentenced to 14 months in federal prison after he used a FEMA registration number to get multiple rooms at Jackson hotels after Hurricane Katrina, then rented out the rooms for cash. Derrick Shane Miller was also sentenced to three years of supervised release after his prison term and was ordered to pay $27,811 in restitution to FEMA, U.S. Attorney Dunn Lampton said in a Friday statement." The AP noted, "Miller was indicted June 6 after an investigation by the FBI, the Mississippi Bureau of Narcotics and the Hinds County Sheriff's Department."

Online Sale Of Stolen Loot Allows Victims To Track Valuables. USA Today (1/22, 3A, Heath) reports, "Popular online marketplaces that have made it easier for thieves to sell stolen property also are making it easier than ever for victims to track what was taken from them." USA continues, "Before the emergence of marketplaces such as eBay, petty thieves turned regularly to pawnshops to unload stolen gadgets, jewelry and other items. That left their victims no easy way to find and recover their property. Now, by using search engines, victims are often able to locate what was stolen and take steps to get it back. … 'It's kind of evolved with the Internet,' says Larry Abrahamson, district attorney in Colorado's Larimer County. 'Basically, if a victim (in the past) wanted to find something that was stolen, they'd go and search the local pawnshops. Now all you've got to do is sit down at your computer. It's made it easier for victims.'" USA adds, "Abrahamson's office is pursing a case in which security officers at a Fort Collins high school found 32 stolen computers for sale on eBay. The computers were taken in a break-in during the school's winter recess. Police were able to use the online listing to find and arrest two 17-year-old students, he says. … No one keeps track of how often victims or authorities recover stolen property online. Abrahamson says police still check with pawnbrokers as part of theft investigations more often than they search for items online. The largest online marketplace, eBay, cooperates daily with law enforcement but will not disclose the number of cases in which it is asked for assistance, spokeswoman Catherine England says. … Such searches are not without obstacles. EBay alone adds about 6 million items a day, and even if stolen property shows up on the site, picking it out from among dozens of similar items isn't always easy."

DOJ Study Finds State Prison Inmates Outlive Those On Outside. The AP (1/22) reports, "State prison inmates, particularly blacks, are living longer on average than people on the outside, the government said Sunday." The AP continues, "Inmates in state prisons are dying at an average yearly rate of 250 per 100,000, according to the latest figures reported to the Justice Department by state prison officials. By comparison, the overall population of people ages 15 to 64 is dying at a rate of 308 a year. … For black inmates, the rate was 57 percent lower than the overall black population--206 versus 484. White and Hispanic prisoners both had death rates slightly above their counterparts in the overall population." The AP adds, "The Justice Department's Bureau of Justice Statistics said 12,129 state prisoners died from 2001 through 2004. … Eight percent were murdered or killed themselves, 2 percent died of alcohol, drugs or accidental injuries, and 1 percent of the deaths could not be explained, the report said. … The rest of the deaths--89 percent--were due to medical reasons. Of those, two-thirds of inmates had the medical problem they died of before they were admitted to prison."

Child Deaths Help Spur Los Angeles Gang Crackdown. In a widely-distributed story, the AP (1/22, Marquez) reports from Los Angeles, "A 14-year-old girl was killed by Hispanic gang members who police say were targeting blacks. A 9-year-old girl died after being hit by a stray bullet as gang members exchanged shots near her home. A cop was wounded in a gunbattle with a suspected gangster. The soaring violence is prompting police and politicians to promise one of the toughest crackdowns against gangs in city history." The AP adds, "Mayor Antonio Villaraigosa has appealed to U.S. Attorney General Alberto Gonzalez for millions of dollars in anti-gang funds and for more federal prosecutors to pursue racketeering and other charges mostly used in the past against organized crime. FBI Director Robert Mueller has assigned agents to an anti-gang task force in the San Fernando Valley to work alongside police deputized as federal officers. … In some ways, the approach mirrors a multi-agency Boston campaign in the 1990s, known as the Boston Miracle, that resulted in a dramatic decline in gun violence and murder rates. Past efforts in Los Angeles, however, have produced mixed results." The AP notes, "Alex Sanchez, a former MS-13 member who now runs a gang intervention program, said police moves to identify the worst gangs could instead lead to more crime. … 'They're all going to want to be on the top 10.'"

NPR's All Things Considered (1/21, Stoltze) also reported on the rising gang violence and the crackdown, noting, "The FBI has pledged to help, but the local US Attorney, George Cardones, says the feds are strapped, too, as they fight everything from terrorism to corporate fraud." Cordones: "It's just a huge problem, with limited resources to address it."

Gang Violence Increasingly Has Racial Dimension. The Los Angeles Times (1/21, Garvey, McGreevy, 850K) reported that last week "Los Angeles Mayor Antonio Villaraigosa, Police Chief William J. Bratton and L.A. County Sheriff Lee Baca all spoke with unusual candor of their

concern that an increasing number of gang crimes appear to be born out of racial hatred. … The acknowledgment by top officials, some activists say, has been a long time coming." However, the Times notes, "getting a handle on how much gang violence is rooted in racism is difficult. A Times analysis of Los Angeles Police Department statistics gives a partial picture," and "harder to determine is intent. Without an admission of motivation, and often without even a suspect to question, knowing why a victim was targeted by a gang member is difficult."

Missouri Kidnap Suspect Talks Of "Relatively Happy" Life. The Washington Post/AP (1/22, A4) reports, "The man accused of kidnapping two Missouri boys and holding one of them for four years told a newspaper that life was good for him during that period." The AP continues, "Michael J. Devlin, 41, said his own parents, who live nearby, have not visited him since his arrest earlier this month, the New York Post reported Sunday. … 'I don't know how I'm going to explain myself to my parents. It's much easier talking to a stranger about these things than your own parents,' Devlin told the Post in two 15-minute interviews at the Franklin County Jail in Union, Mo. They were his first public comments, aside from a brief court appearance, since his arrest." The AP adds, "The pizzeria manager is accused of taking William 'Ben' Ownby, 13, just after the boy got off a school bus Jan. 8 in Beaufort, Mo., about 50 miles southwest of St. Louis. A schoolmate's tip about a white pickup truck led authorities to Devlin's apartment in Kirkwood, Mo., a St. Louis suburb, where they found Ben and Shawn Hornbeck, 15, on Jan. 12. Shawn had been missing since 2002. … 'I guess I was relatively happy' during those four years, Devlin said. … Devlin pleaded not guilty Thursday to charges of kidnapping Ben. He also is charged with kidnapping Shawn but has not entered a plea in that case. … Devlin, who refused to discuss anything related to the case, said he 'was never really interested in' romantic relationships. He would not say whether he is attracted to women."

DC Council Mulls Legislation After Nightclub Shooting. The Washington Post (1/22, B1, Levine, Vargas) reports, "In the wake of a teenager's death this weekend in a packed District nightspot, D.C. Council member Jim Graham plans a meeting within days of police, regulators, industry officials and parents to craft emergency legislation barring minors from clubs that serve liquor. … 'There's something wrong here,' Graham (D-Ward 1) said yesterday as he weighed his options as chairman of the committee overseeing liquor control. 'It's pretty amazing that the only prohibition in D.C. law in terms of a minor being in an establishment where alcohol is available [deals with] a minor being in a liquor store during school hours.'" The Post continues, "Taleshia Ford, 17, was killed early Saturday morning at Smarta/Broadway, at 1919 Ninth St. NW, when another patron's gun fired during an altercation with a bouncer. Police have made no arrests in the case. … Despite catering to teenagers, the business had a license allowing it to serve alcohol to anyone 21 and older, and the dance floor was crowded with a combination of ages." The Post adds, "Graham said he was greatly concerned by the dangerous potential of 'mixing alcohol and adults and teens' in a nightclub, not only because of the possibility of adults buying drinks for minors but also because of the chance teenagers could be induced into risky behavior. In the absence of city law, bars and nightclubs that exclude underage patrons do so at their discretion."

CIVIL LAW:

Unabomber Fights Legal Battle To Halt Document Sale. The New York Times (1/22, Kovaleski) reports, "Nine years after he began serving a life sentence for the Unabomber crimes, Theodore J. Kaczynski is fighting to reclaim more than 40,000 pages of his writings and correspondence so he can preserve them in their rawest form for the public to read." The Times continues, "Mr. Kaczynski, 64, is in a legal battle with the federal government and a group of his victims over the future of the handwritten papers, which include journals, diaries and drafts of his anti-technology manifesto." The Times adds, "The journals contain blunt assessments of 16 mail bombings from 1978 to 1995 that killed 3 people and injured 28, as well as his musings on the suffering of victims and their families. The government wants to auction sanitized versions of the materials on the Internet to raise money for four of Mr. Kaczynski's victims. … But, citing the First Amendment, Mr. Kaczynski has argued in court filings that the government is not entitled to his writings and has no right to alter them. The writings were among the items taken from his remote Montana cabin after his arrest in April 1996. In a motion drafted in pen, he said he planned to argue that the government had too much discretion under a federal restitution law to confiscate writings." The Times notes, "The four victims pursuing restitution from Mr. Kaczynski were initially reluctant to agree to the auction, fearing it could ghoulishly generate more notoriety for him and further publicize their pain. But some were equally horrified by the prospect of Mr. Kaczynski reclaiming his writings. … One of the victims, Gary Wright, a computer-store employee seriously injured in an attack 20 years ago next month, said it was difficult for the four to reach a consensus. … Mr. Kaczynski came to be known as the Unabomber after the Federal Bureau of Investigation's code name for the case, Unabom, coined because the targets included universities

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and airlines. In his 18-year bombing campaign Mr. Kaczynski seemed bent on thwarting the advance of technology, and his victims included university professors, scientists and business executives."

WSJournal Celebrates Ohio Ruling Against "Giant" Of Asbestos Bar. The Wall Street Journal (1/22, 2.04M), in an editorial, writes, "The judicial hammer finally came down last week on the California law firm of Brayton Purcell, one of the giants of the asbestos bar. All the firm had done was file a false claim, lie in court and obstruct discovery. But hey, everyone has a bad day once in a while. The ruling came from Ohio Judge Harry Hanna of the Cuyahoga County Court of Common Pleas, as he barred Brayton Purcell from practicing in his court. In the process, the judge exposed one of the darker corners of tort abuse: asbestos trusts, or funds set up by bankrupt companies to pay legal claims."

CIVIL RIGHTS:

Pro-Life Groups Assess Democratic Majority On Anniversary Of Roe Decision. The Washington Times (1/22, Fagan, 88K) reports, "Today marks the 34th anniversary of the Supreme Court's Roe v. Wade decision, and as thousands descend on the District to protest abortion, some new twists have emerged on the political landscape, including a Democrat-controlled Congress, an upcoming Supreme Court decision and a burgeoning presidential race. … The pro-life community -- participating in the annual March for Life today -- is readying itself for Democrats seeking more funding for groups that support abortion and perhaps lifting restrictions on federal funding for abortion. But pro-life leaders note the House will still take a pro-life stance on many issues and that President Bush will likely veto objectionable legislation. 'We just need to do all we can to make the case that abortion exploits women and destroys children,' said Rep. Christopher H. Smith, New Jersey Republican and chairman of the Bipartisan Congressional Pro-Life Caucus." Smith "expects some Democrats -- especially those with their eyes on the White House -- to strike a moderate, seemingly pro-life tone on abortion."

ANTITRUST:

Senate Hearing To Examine Airline Merger. USA Today (1/22, Adams) reports, "US Airways' (LCC) hostile bid for Delta Air Lines moves into the political realm this week when a U.S. Senate panel explores the potential effect of industry consolidation on fares, air service and jobs." USA continues, "US Airways CEO Doug Parker and Delta CEO Gerald Grinstein will testify at Wednesday's hearing before the Senate Committee on Commerce, Science and Transportation, chaired by Sen. Daniel Inouye, D-Hawaii. … Federal regulators, consumer advocates and economists are also on the witness list. … 'We're looking forward to it,' said C.A. Howlett, US Airways' top lobbyist. 'The instinctive reaction … is to be naturally skeptical. But the market is driving what's occurring.'" USA adds, "Delta executives declined interview requests. US Airways — itself a merged airline formed by the 2005 takeover of the old US Airways by America West — wants to buy Delta out of bankruptcy reorganization. … The deal would create the nation's largest domestic carrier. Delta, already the USA's third-biggest carrier, wants to remain independent. … Some lawmakers and other critics of the deal say it could reduce competition and raise ticket prices, especially in cities along the East Coast where both are strong. … But US Airways argues the merger would cut costs and improve service nationwide."

Sun Nears Deal To Purchase Intel Chips. The Wall Street Journal (1/22, A3, Clark) reports, "Sun Microsystems Inc. and Intel Corp., two Silicon Valley powers that have frequently taken opposing sides in technology battles, appear ready to work together." The Journal continues, "The companies have been negotiating an agreement under which Sun would buy Intel chips for use in server systems, according to people briefed about Sun's plans. A deal, which could be announced as soon as today, may include an endorsement by Intel of Sun's Solaris operating system, these people said. … Sun's use of Intel chips, while not unprecedented, would be a blow to Advanced Micro Devices Inc., which is now Sun's exclusive source for chips based on the popular x86 design used in most personal computers and servers. It also would be a sign of the renewed competitiveness of Intel's chips, which outsell those of AMD but whose performance levels had fallen behind that of AMD's products until recently." The Journal adds, "Sun, of Santa Clara, Calif., also would keep making computers based on AMD chips, these people said. That dual-supplier strategy is already used by competitors Hewlett-Packard Co., International Business Machines Corp. and Dell Inc. Adding Intel-based servers would help Sun match the breadth of those rival offerings. … Sumit Dhanda, an analyst with Banc of America Securities, wrote a research note Friday predicting Sun would begin using Intel chips in servers that would hit the market in late 2007. He based the prediction on unspecified "channel checks," a phrase that often refers to information from companies that supply components to computer makers."

Ford, Toyota Eye Potential Alliance. The Wall Street Journal (1/22, A9, Shirouzu, Mccracken) reports, "Toyota Motor Corp. and Ford Motor Co. are sending more

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signals that they may want to establish deeper ties. But the cautious courtship between the two auto giants suggests a more modest, and less painful, approach than the megamergers of the late 1990s or the three-way alliance proposed last year among General Motors Corp., Nissan Motor Co. and Renault SA." The Journal continues, "Speculation that Toyota and Ford might be edging toward some form of alliance has heated up since a meeting in mid-December between Ford Chief Executive Alan Mulally and Toyota Chairman Fujio Cho. Both companies scrambled to play down the significance of that encounter, calling it a mere 'courtesy.' They stressed the talks produced no specific deals." The Journal adds, "People familiar with the matter say the meeting was prompted by an invitation from Toyota, sent from Toyota's top brass to Mr. Mulally via a visitor to Dearborn, Mich., where Ford is based, in mid-October. That messenger, a friend of former Toyota Chairman Hiroshi Okuda, met with Mark Fields, president of Ford's Americas operations, and gave him Mr. Okuda's invitation to the new Ford CEO. … Part of Toyota's aim in courting Ford is diplomacy -- an effort to win what people familiar with management's thinking describe as political peace from the U.S.'s second-biggest automobile producer. Though protectionist rhetoric has abated significantly, Toyota officials remain concerned about a possible backlash as they continue to gain market share in the U.S. while Detroit's Big Three shut factories and ax jobs. Analysts expect Toyota to outsell Ford in the U.S. on an annual basis as early as this year. … Toyota also could benefit in a practical way if Ford agreed to use its gasoline-electric hybrid technology."

Raid On Mixtape CDs Shows Industry Schism. The New York Times (1/22, Leeds) reports, "Not long before Christmas, Jeff Baker, the chief of police of Morrow, Ga., a small town just south of Atlanta, and one of his officers were walking through a local shopping mall when they happened to pass a kiosk hawking rap music CDs. One in particular caught their attention. … The CD was 'Tha Streets Iz Watchin,' with songs performed by the rapper Young Jeezy and, as Chief Baker recalled, it did not carry the name or address of the owner of the music copyrights, as Georgia law requires. Rather than arrest the kiosk vendor immediately, Chief Baker said, 'We'd rather go after the source of the material. And at that point we had no idea what the source was.'" The Times continues, "Any rap music aficionado would; the creator of the album is DJ Drama, whose real name is Tyree Simmons, arguably the nation's most prominent producer of mixtapes, the name given to popular but largely unlicensed CDs stocked with yet-to-be released rap hits and free-style rhymes. … And many more people now know: last week, local authorities, working with the recording industry's trade association, stunned fans and music executives alike by raiding DJ Drama's studio in Atlanta and arresting him and a fellow D.J., Don Cannon, on racketeering charges. Investigators seized more than 81,000 allegedly pirated CDs and say the pair were producing unlicensed recordings and selling them without permission." The Times adds, "The raid sparked an outcry among many rap fans. But it also threatens to throw into public view the recording industry's awkward relationship with mixtapes, long an integral element of rap culture and now commonly for sale on street corners, Web sites, many independent record shops and occasionally big chains. … Even as industry-financed antipiracy squads hunt for unauthorized recordings, senior executives at the major record labels privately say that they have courted — and often paid — top D.J.'s to create and distribute mixtapes featuring the labels' rappers as part of efforts to generate buzz. … The raid also exposes a schism that is taking shape as the industry tries to stanch a slide in album sales, for which many blame piracy. On one side, many label executives and officials at the Recording Industry Association of America, which represents the major music companies, say the mixtape is contributing to the problem. They argue that sales are ultimately undermined when the mixtape leaps from promotional giveaway item to replacement for an artist's official label-distributed album. … On the other side are a separate faction of label executives and a variety of artists, many of whom privately say they are worried that the chill cast on the mixtape world would handicap labels' efforts to promote hip-hop sales, which declined roughly 20 percent last year, more than any other major genre, according to Nielsen SoundScan data."

ENVIRONMENT:

Mallaby Says Climate Change Debate Signals Beginning Of Post-Bush Era. Washington Post (1/22, A19, 690K) columnist Sebastian Mallaby writes, "Last week the administration embarrassed itself on climate change, and today will be excruciating. A confluence of forces -- the Democratic takeover of Congress, freak winter weather, Al Gore's documentary on global warming -- has conspired to create an exciting moment in the climate debate. But the Bush team seems determined to be a wallflower, and to step on its own toes as it watches." This morning, "an all-star team of chief executives is descending on Washington to make the case for a comprehensive climate approach built around a cap-and-trade system." The "biggest embarrassment in the CEOs' visit concerns the extraordinary timing. Ordinarily, lobbyists aiming to influence the president's agenda do not seek to upstage him the day before his State of the Union address." The "chief executives are in Washington today because they aren't even trying to influence the White House. As they planned their visit over the past weeks, they were barely in touch with the Bush team

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because they assumed Bush to be irrelevant." All of this "makes for a surreal situation. Al Gore, the man who lost the agonizing 2000 election, has emerged as a force in the debate of the moment. George Bush, his nemesis, is so completely marginal that business guys ignore him. Meanwhile, John McCain and Barack Obama, two leading presidential contenders, are co-sponsoring a cap-and-trade bill in the Senate. To anyone who watched climate politics these past few days, the post-Bush era seemed to be beginning."

US Warned Against Dependence On Imported Oil. In a Wall Street Journal (1/22, A15, 2.04M) op-ed, retired Intel Corp. chairman Andy Grove writes, "I am intrigued by the prospect of applying -- to nations -- the strategic practices that have been formulated and evaluated in the 'laboratory' of the world's businesses." The availability of oil "determines the growth of a national economy. This has concerned every U.S. president since Richard Nixon, who emphatically devoted a major part of his State of the Union message in 1974 to the necessity of regaining control over our destiny by achieving independence from foreign oil suppliers." A chart accompanying Grove's op-ed, entitled, "The Mirage Of Oil Independence," illustrates "how our actual energy dependence deteriorated as time went on, despite repeated commitments to reverse this trend. The most recent addition to this thread of commitments was when President Bush, in his 2006 State of the Union address, set a new goal to replace more than 75% of our oil imports from the Middle East by 2025." Grove adds, "Even though the importance of the energy independence issue has been recognized and emphasized by every president since 1974, our vital national objective is vanishing like a mirage in the distance. This kind of dependence gives great power to other nations over our destiny."

Insurers Cite Climate Change In Dropping Coastal Homeowners. Newsweek (1/29, Breslau, 3.12M) reports, "Up and down the Eastern Seaboard, hundreds of thousands of policyholders…are being dropped by their insurers; many more have had to swallow double-, even triple-digit increases in premiums and deductibles. … Why the sudden rash of cancellations? An increase in 'extreme weather events' that many scientists -- and now insurers -- believe are linked to climate change."

FBI/DEA/ATF/USMS:

Mexico Claims No US Pressure On Extradition Of Drug Suspects. The AP (1/22, Stevenson) reports, "Mexico's attorney general said Sunday four alleged drug lords were extradited to the United States to stop them from communicating with their cartels from behind bars and to reduce the risk of violence and escape, not because of U.S. pressure." The AP continues, "Mexico sent Osiel Cardenas, the alleged Gulf cartel leader who was believed to be running his gang from prison, to the U.S. on Friday along with Palma Salazar, the alleged former leader of the Sinaloa cartel, and brothers Ismael and Gilberto Higuera Guerrero, former chiefs in the Arellano-Felix cartel in Tijuana. … 'This decision was a unilateral and sovereign one by the Mexican government,' Attorney General Eduardo Medina Mora told a news conference. The aim was to break any 'physical and geographical' contact they might have had with their gangs while in Mexican prisons. He also said Mexico plans to extradite other criminals and suspects who have exhausted their legal appeals." The AP adds, "Mexico has recently shown more willingness to extradite drug lords, even those facing life in prison. A record 63 alleged criminals were sent to the U.S. in 2006 alone. However, it refuses to extradite anyone who would face the death penalty, which is illegal in Mexico … Along with the four drug lords, Mexico also extradited 11 alleged criminals wanted in the U.S. on charges including murder, drug trafficking, kidnapping and sex crimes. … U.S. Attorney General Alberto Gonzales called the extraditions 'unprecedented in their scope and importance.'"

Express-News Supports New DEA Offices On Border. The San Antonio Express-News (1/22) editorializes, "The Texas-Mexico border separates sovereign nations, but social problems do not respect sovereignty. … And, because checkpoints represent such ineffective barriers when it comes to these problems, cooperation between Mexico the United States is crucial." The Express-News continues, "The U.S. government realizes partnership is necessary, according to recent reports, and that should encourage border residents growing increasingly anxious over the violence plaguing the area. … The Drug Enforcement Administration has asked the Mexican government to approve new DEA offices in Nogales, Matamoros and Nuevo Laredo, although officials refuse to provide any details, the Houston Chronicle reported. … 'By targeting the three cities for possible offices, the agency has picked the strongholds of the drug cartels. The drug lords covet the same things — smuggling routes into the United States. And their struggle for supremacy has endangered the lives of ordinary citizens, including Americans who cross the border as tourists. … 'Clearly, Mexico and the United States have a shared responsibility to make our communities safer from the drug traffickers and criminals who are threatening our way of life,' Attorney General Alberto Gonzales said after meeting with his Mexican counterpart recently. … Gonzales was not referring to the DEA offices specifically, but such offices would go a long way toward enhancing the cooperation necessary to combat the pernicious drug trafficking."

Prosecutors Say Thai Wiretap Helped Bust Heroin-Trafficking Organization. The AP (1/19) reported prosecutors say a heroin-trafficking organization that "processed drugs from Pakistan and Afghanistan through a storefront in Thailand has been busted with help from the first wiretap recordings to be authorized by Thai judicial authorities in a U.S. investigation. Three men from Thailand extradited to the United States to face drug charges made initial appearances in U.S. District Court in Manhattan, where they were ordered held without bail Thursday in a case authorities said processed more than $30 million in drug money." The extraditions "resulted from Operation Ivory Triangle, an investigation of drug networks in Bangkok, Lagos, Nigeria, and New York." The AP story was used by the Boston Herald as well as Thailand's Irrawaddy News Magazine and Bangkok Post.

The Washington Times (1/20) reported the U.S. government "has extradited three men from Thailand to stand trial on charges of operating an international heroin-trafficking organization that routed the drug from Pakistan, Afghanistan, Burma and northern Thailand throughout the world, including the United States. … The indictments said members of the organization transported the heroin through human couriers, mail, cargo shipments and other means."

On its Web site, WNBC-TV, New York (1/22) reports DEA Special Agent in Charge John Gilbride "said, 'Operation Ivory Triangle led us on a trail throughout the world from the Bronx to West Africa to Bangkok, Thailand. Today, this world-wide heroin trafficking enterprise is out of business.'" WNBC notes the indictments "also seek forfeiture of more than $30 million in narcotics proceeds produced by the drug-trafficking operations."

Former Guatemala Drug Investigators Get 10-Year Sentences For Cocaine Conspiracy. The AP (1/20) reported, "Guatemala's former top anti-drug investigator and his one-time deputy were sentenced Friday to ten years in a U.S. prison for conspiring to distribute cocaine. Adan Castillo, the former chief of Guatemala's special anti-drug police force, and Jorge Aguilar Garcia, Castillo's one-time deputy, were arrested in 2005. The men were lured to the United States for what they thought was training on fighting drug traffickers. In reality, the U.S. Drug Enforcement Administration had been investigating the men for four months with the help of the Guatemalan government." The AP story was used by FOX News, the San Francisco Chronicle, Forbes, Newsday, and the Seattle Post Intelligencer.

In New York, Authorities Say City Employee Was Drug Courier For Colombian Cartel. The New York Daily News (1/21, Gendar) reported a city Department of Transportation employee "lived a secret life as a drug courier, selling high-quality heroin smuggled into the city by a Colombian crew. … Federal Drug Enforcement Administration agents, NYPD detectives and state police dismantled the final pieces of the drug cartel that had employed [Ricardo Calderon] during a series of raids last week. … Calderon, a Colombian native, played a crucial role in trafficking heroin from Pereira, Colombia, to drug distributors in the city, authorities said. He delivered heroin that had been smuggled into the U.S. aboard cruise ships to three suppliers…in the Bronx, authorities said."

In North Carolina, Four Charged In DEA Investigation Of "Rogue" Internet Pharmacy. The AP (1/22) reports two North Carolina-based Internet pharmacies "are under investigation for distributing controlled substances. Wilmington-based United Care Pharmacy and a sister business, Kwik Fill in Fayetteville, distributed several controlled drugs without requiring customers to consult with a physician, according to the indictment. The Drug Enforcement Administration says United Care distributed several types of drugs, including erectile dysfunction drug Viagra, painkiller Vicodin and anti-anxiety drug Xanax." Four people "have been charged in what the DEA described as a 'rogue Internet pharmacy.'" The Hendersonville Times News, Durham Herald Sun, and Winston-Salem Journal used the AP story.

Businessman Acknowledges Money-Laundering Scheme In Ohio Marijuana Case. The Youngstown (OH) Vindicator (1/22) reports it "came as somewhat of a surprise to federal drug agents that a lawman and legitimate businessmen were linked to a massive pot factory concealed in a warehouse." Edwin J. Stupka "has acknowledged that he attempted to launder $1.7 million through a scheme to buy a chain of Arabica Coffee Houses in Cleveland. … The federal prosecutor said the marijuana distribution began as early as 1992 and continued through the summer of 2003. Stupka invested thousands of dollars in the indoor marijuana factory…in 2001." The Vindicator says Stupka is expected tol be sentenced in April.

Three Plead Guilty In New Jersey Heroin-Ring Investigation. The Jersey Journal (1/19, Conte) reported three accused leaders of a Hoboken-based drug ring that "moved up to 20,000 bags of heroin through Hudson County each week" have "pleaded guilty to federal drug crimes carrying sentences of up to 25 years in prison. … They were among eight people busted after the six-month investigation that came to a head last March 6, Hudson County Prosecutor Edward DeFazio said." Officials said that during the six-month investigation "numerous searches of locations and

vehicles were conducted, resulting in seizure of 27,000 bags of heroin."

Cyclist Pleads Not Guilty In Federal Steroids Probe. The AP (1/19, Kravets) reported former elite cyclist Tammy Thomas "pleaded not guilty in federal court Friday to charges of lying to a grand jury investigating steroid use in sports. Thomas, the first athlete charged in a probe that has implicated some of the biggest stars in baseball and track and field, is charged with three counts of perjury and one count of obstruction of justice. … Thomas was banned from cycling for life in August 2002 after the performance-enhancing drug Norbolethone was detected in her urine."

US Military's Reduced Role In "Drug War" Said To Leave Interdiction Gaps. The Los Angeles Times (1/22, Meyer) reports the U.S. military "has sharply reduced its role in the war on drugs, leaving significant gaps in the nation's narcotics interdiction efforts. … Internal records show that in the last four years the Pentagon has reduced by more than 62% its surveillance flight-hours over Caribbean and Pacific Ocean routes that are used to smuggle cocaine, marijuana and, increasingly, Colombian-produced heroin. At the same time, the Navy is deploying one-third fewer patrol boats in search of smugglers. … (The Justice Department, through the FBI and Drug Enforcement Administration, also has a central role in the drug war, but it is more focused on arresting narcotics traffickers in the U.S. than on interdiction.)"

In Colombia, Uribe Supporters Said To Be Linked To Death Squads. The New York Times (1/21, Romero) reported the government of President Álvaro Uribe "has found itself ensnared in a widening scandal as revelations surface of a secret alliance between some of the president's most prominent political supporters and paramilitary death squads. Testimony…from Salvatore Mancuso, a former paramilitary commander who admitted to orchestrating the killing of more than 300 people, as well as a document made public on Friday implicating more than a dozen politicians in the pact with paramilitaries, have injected fresh detail into a slow-burning scandal that has caused Colombia's elite political class to shudder in recent weeks. Senior members of Mr. Uribe's government and Mr. Uribe himself have said that anyone shown to have had illegal ties to the paramilitaries, which terrorized Colombian cities and the countryside in the nation's internal war, which has gone on for decades, and made fortunes in cocaine trafficking, should be prosecuted in courts of law."

CONGRESS-ADMINISTRATION:

Bush Expected To Focus On Health Insurance, Fuel Economy In State Of The Union. ABC World News (1/21, story 2, 2:20, Harris, 8.78M) reported that "word from the White House" is that President Bush "will focus on domestic issues in his State of the Union speech on Tuesday night. But it will be very difficult to turn the nation's attention away from the war that is raging" in Iraq. ABC (Morrell) added, "This will be President Bush's seventh State of the Union address, but by far, his most challenging politically. Congress is now controlled by Democrats. His popularity is at an all-time low. And a new ABC News poll shows that 71% of Americans believe the country is on the wrong track -- the highest in a decade."

USA Today (1/22, 4A, Jackson, 2.27M) reports Bush said the Iraq issue "would not deter him from engaging the Democratic-controlled Congress on a sweeping domestic agenda, including helping states tailor their own plans for health insurance." Bush "pointed to the health care initiatives" of Republican governors like Jeb Bush, Mitt Romney, and Arnold Schwarzenegger "as reasons to support state-specific plans. However, he said state plans should not lead to universal health care run by the federal government." In a "wide-ranging and occasionally testy conversation" with USA Today, Bush said, "There's a lot of people in Washington that say the federal government ought to run health care. I'm not one." The President said he will use the State of the Union speech "to highlight a new health care plan" that calls for a health care tax deduction of $7,500 for individuals and $15,000 for families. Bush also said Social Security, energy policy, immigration, balancing the budget, education, terrorist surveillance, and combating diseases will figure prominently in his speech. The Financial Times (1/22, Callan) says health care reform will "be thrust to the forefront" with Bush's speech. In its report, the Wall Street Journal (1/22, A2, McKinnon, Harwood, 2.04M) says the planned focus on health care comes "as a new Wall Street Journal/NBC News poll indicates health-care costs are the nation's top economic concern."

The Washington Post (1/22, A3, Lee, 690K) writes that 13 years after the collapse of the Clinton health care plan helped "make universal coverage politically radioactive, comprehensive proposals for expanding coverage to millions of uninsured Americans are flowering again inside the Beltway and around the country. And this time, advocates hope, the political climate is right for the best ideas to grow, in large part because many business groups that opposed earlier efforts now agree that rising health-care costs and increasingly tougher access to insurance are unsustainable trends."

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The New York Times (1/22, Wald, 1.16M) focuses on the "widespread anticipation, inside government and outside, that President Bush will call for better fuel economy" in his speech, reporting that the "White House has posed questions to the Transportation Department about various options. One idea under consideration, government officials and car company executives who have consulted with the White House say, is to do away with the existing system of fleet averages, as has already happened with light trucks, and set a standard for each vehicle, based on its 'footprint,' or distance between the wheels." The AP (1/21, Hebert) says that "a year after warning America of its addiction to oil," Bush "is expected to renew concerns about energy security" Tuesday night.

Bush's Rate Of Success In Getting SOTU Proposals Enacted Has Declined. The Washington Times (1/22, Dinan, 88K) reviews the President's track record on "getting his State of the Union proposals enacted," concluding that "after successes in his early years in office," his success rate "has dropped off substantially. Of the 12 initiatives that he proposed or called on Congress to pass in 2006, the White House can claim complete success on just three: renewing the Patriot Act, expanding health savings accounts and expanding electronic medical records. That followed unfulfilled calls in 2005 to reform Social Security and the tax code and to pass a guest-worker program for illegal aliens and future immigrants. That record is a far cry from the major policies Mr. Bush proposed in his 2002, 2003 and 2004 speeches, and later won from Congress, including a stimulus package to pull out of recession in 2002, a $15 billion fund to combat AIDS, a prescription-drug benefit in Medicare, passage of the authority to more freely negotiate trade agreements and the goal of cutting the deficit in half."

White House Speechwriters Say Bush Is Tough Editor. The New York Times (1/22, A14, Stolberg, 1.16M) takes a look behind the speech at those who are crafting it, saying that Bush's speechwriters call him "editor in chief." Chief White House speechwriter William McGurn said, "He always wants it to be logical and straightforward. That's his big obsession. I always say I've been edited by Bill Buckley at the National Review, Bob Bartley at The Wall Street Journal. And the President is the strictest editor, the most line by line."

NYTimes Says Health Care Needs National Solution. The New York Times (1/22, A18, 1.16M) editorializes, "The sky-high cost of health care in the United States isn't just a challenge for the families that struggle to pay rising premiums and co-payments. It's also a serious issue for American companies, whose competitors in other countries often benefit from national health insurance programs. … While it is a welcome sign that businesses and states are trying to come up with answers, health care is a national issue that requires a comprehensive solution."

Krugman Skeptical About Bush Health Plan. In his New York Times (1/22, A19, 1.16M) column, Paul Krugman writes that Bush's health care proposal "won't go anywhere. But it's still worth looking" at his weekly radio address remarks on the subject, "because of what they say about him and his advisers." Bush "suggested that we should 'treat health insurance more like home ownership.' He went on to say that 'the current tax code encourages home ownership by allowing you to deduct the interest on your mortgage from your taxes. We can reform the tax code, so that it provides a similar incentive for you to buy health insurance.' Wow. Those are the words of someone with no sense of what it's like to be uninsured. … The uninsured don't need an 'incentive' to buy insurance; they need something that makes getting insurance possible."

Powerful House Democrats Reportedly Unhappy With Pelosi. The Washington Post (1/22, A5, Weisman, 690K), in an article titled, "Emerging Grievances Within Party Likely To Test Pelosi," reports, "tensions have been growing between House Speaker Nancy Pelosi and many new committee chairmen and other members over her aggressive management style and her approach to the war, according to lawmakers and advisers." Without citing any direct quotes from influential House Democrats, the Post claims that "powerful committee chairmen have bridled at the California Democrat's decision to impose six-year term limits on them. Liberal Democrats say she is being too cautious in confronting President Bush on the war in Iraq. Rank-and-file Democrats say she erred in denying Republicans more say in the early legislation, making the speaker appear autocratic.." The Post goes on to report, "In the most public breach, Pelosi created a special committee dedicated to global warming, infuriating" Rep. John Dingell, "whose committee would inevitably lose jurisdiction. Dingell fumed: 'These kinds of committees are as useful in relevance as feathers on a fish.' The move crystallized fears among some moderate Democrats that Pelosi would 'policy shop' to produce the legislative outcome she wants, even if that outcome goes against the grain of the moderates' constituents, several House members said. At a rancorous closed-door meeting of the Energy and Commerce Committee last week, members of all political stripes backed Dingell and threatened to subject the proposed committee to a public execution on the House floor."

Novak Claims Democrats Have Been Reduced To "Automatons." In his column for the Washington Post (1/22, A19, 690K) Robert Novak writes, "The student loan bill is one of the politically popular measures rushed through the opening days of the first Democratic-controlled House session in 12 years -- without hearings, without committee authorization and without meaningful debate. While

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Democratic support has been unanimous, Republicans are divided and listless. In contrast to the ideologically diverse Democrats who controlled Congress in the past, today's House majority members are like automatons. The hand of Rep. Rahm Emanuel, chairman of the House Democratic Caucus, was apparent as Democrats newly elected under his leadership took the floor to deliver nearly identical speeches of how this bill will help poor students."

House GOP Notes Democratic Criticism Of Pelosi's Methods. The Washington Times (1/22, Bellantoni, 88K) reports House Republicans "have been quoting some unlikely allies when complaining about the methods used by the new Democratic majority -- Democratic leaders. As the House approved the final piece of Speaker Pelosi's initial 'Six for '06' agenda, Republicans lamented that the bills in the package did not go through committees and that amendments were not allowed." Rep. Adam Putnam, chairman of the Republican Conference, "trotted out last week an article about" Senate Majority Leader Harry Reid in Time "that included an assertion: 'In private, Senate sources say, Reid has been critical of the Speaker for what he believes was unnecessary roughness in ramming through her first-100-hours agenda, refusing to allow Republicans to propose amendments and breaking her campaign promise to open up the lawmaking process.'" Republicans "seized on" the article, saying Speaker Pelosi "had achieved a 'trifecta' of Democratic critics. 'Top House Tax Writer, Senate Majority Leader, and now the Dean of the House,' Republicans blared in a press release citing" Reid, Dingell and Rep. Charles Rangel.

Gingrich Says Pelosi "Has Had A Very Good Run." On Fox News Sunday (1/21, Wallace), Newt Gingrich said of Pelosi's first days, "I wish I'd gotten the press she got. I think she has had a very good run. Every Republican should respect what Nancy Pelosi and Rahm Emanuel have done. They put together a campaign team. They recruited people who are fairly centrist. They learned a big lesson out of being too far to the left. Now, whether or not they can govern this way, we'll see. But they certainly deserve a lot of respect for how they put together the '06 campaign."

NYTimes Encourages Gore To Testify Before Dingell's Panel. The New York Times (1/22, 1.16M), in an editorial, writes that House Committee on Energy and Commerce Chairman Dingell "is, at best, agnostic on global warming. But he said he would put climate change at the top of the committee agenda this year and, for good measure, would invite Al Gore — whose documentary 'An Inconvenient Truth' has raised public awareness of the issue — to testify first. Mr. Gore should quickly accept. Mr. Dingell's support will be essential to any real progress on curbing emissions." According to the Times, Pelosi "established a select committee on global warming last week — not to end-run Mr. Dingell's powers, which she can't really do, but to elevate an issue she regards as important and to pressure Mr. Dingell to take a leadership role. … Which is why it's essential for Mr. Gore and others to become part of the conversation Mr. Dingell has invited. In the end, what is most likely to move him forward is not pressure from Ms. Pelosi or anyone else but appeals to his well-documented sense of environmental stewardship."

Business Interests "Relieved" By Democratic Congress's Moves So Far. The Los Angeles Times (1/22, Hamburger, Hook, 850K) reports House Speaker Nancy Pelosi "terrified the oil industry late last year when she outlined her priorities for the new Democratic majorities in Congress. Within the first 100 hours, she promised, they would 'roll back the multibillion dollar subsidies for Big Oil.'" However, the "much-touted" bill "socking it to the oil companies…turned out to be considerably less drastic than many in the industry originally feared. Out of an estimated $32 billion in subsidies and tax breaks that the oil companies are scheduled to receive over the next five years, the final House bill cut just $5.5 billion." The Times adds, "From one end of the House Democrats' 'first 100 hours' agenda to the other, businessmen and their K Street lobbyists have found success amid the fear in dealing with the new Congress. Surprising as it might seem in view of the Democrats' public rhetoric, business groups are getting their telephone calls returned. And they're getting plenty of face time with the new House and Senate leaders. … Many business lobbyists said they were relieved."

Schumer, Bloomberg Warn US Risks Losing Its Preeminence As Finance Center. The New York Times (1/22, Anderson, 1.16M) reports, "Adding to a chorus of concern that the United States is losing its edge as the leading financial center, Senator Charles E. Schumer and Mayor Michael R. Bloomberg will release a report today urging the country to take a series of steps to improve its legal and regulatory environment. If not, the report warns, it could lose 4 to 7 percent of the global financial services market over the next five years. 'The last thing that New York and the country, for that matter, need is to wake up one morning and find we are no longer the financial capital of the world,' Senator Schumer…said. … The…primary recommendations echo those of a similar report released in November, focusing on easing or eliminating provisions of the Sarbanes-Oxley Act for small and foreign companies — some steps that the Securities and Exchange Commission is currently undertaking — and curbing securities-related litigation. The latest report is one in a series commissioned in the public and private sectors voicing concern that the United States is falling behind because of a burdensome legal and regulatory environment."

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Rove Stays Active Behind The Scenes. Newsweek (1/29, Bailey, 3.12M) reports, "Don't write Karl Rove's political obituary just yet. After the GOP's midterm thumping, President Bush's top aide fell out of the spotlight. But behind the scenes, according to administration officials (anonymous in order to discuss White House matters), Rove has been laying the groundwork for Bush's State of the Union address and mulling how the GOP can regain momentum in 2008. Earlier this month Rove showed up at a weekly meeting of influential D.C. conservatives, surprising attendees with his bubbly demeanor after weeks of rumors that he might be headed out. … At the meeting Rove previewed Bush's final two years in office, saying Social Security reform was likely off the table and that Iraq and the economy would be the biggest issues for 2008." Newsweek adds that Rove "has been busy trying to find common ground with Dems, organizing two meetings between Bush and the Blue Dog Democrats."

Congress To Debate Drug Advertising. The New York Times (1/22, Freudenheim, 1.16M) reports, "Drug advertising aimed at consumers, a fast-growing category that reached $4.5 billion last year, will face hard scrutiny in the new Congress, according to industry critics in both the House and Senate. The consumer ads will be on the griddle early in this session at hearings on the user fees that manufacturers pay to speed the reviewing of new drugs by the Food and Drug Administration. The user fee law will die in the fall unless Congress acts to renew it." The Times adds, "The pharmaceutical industry, which often gets what it asks for from Congress and the executive branch, seeks to renew the law and add a new set of user fees that would be pay salaries for additional F.D.A. employees to evaluate all consumer drug ads, before they are shown on television."

Push To Make English Official Language Seen As Gaining Momentum. The Washington Times (1/22, Pfeiffer, 88K) reports, "The push to make English the nation's official language is building momentum, with a congressional bill on the horizon and seven states pushing legislation to make English the official language or to strengthen laws already in place. 'There's been such strong support,' said Rep. Steve King, Iowa Republican. 'And it's gaining momentum.'" King "is expected next month to reintroduce the English Language Unity Act, which seeks to make English the nation's official language. However, he said that timetable had been postponed until House Speaker Nancy Pelosi could complete the Democrats' 'first 100 hours' agenda. 'Nancy Pelosi has us under martial law,' he said."

Survey Finds Employees Unhappy At AID. The Washington Post's "In the Loop" column (1/22, A17, Kamen) reports, "Didn't seem that morale at the Agency for International Development could get much lower. Word is that a recent survey of Foreign Service officers there found about half the FSOs ranked morale as low to poor and only 12 percent said morale was good. Probably didn't get better when employees found out last week that the annual employee awards ceremony for meritorious effort in 2006, scheduled for Wednesday, was postponed. AID Administrator Randall Tobias, the official announcement said, will be joining Rice as 'the second-ranking member of the U.S. delegation' to a gathering in Paris for donors helping Lebanon."

DC-Area Congressional Delegation Urges Bush To Endorse "Pay Parity." In his "Federal Diary" column for the Washington Post (1/22, 690K) Stephen Barr writes, "Nine Washington area House members, led by Majority Leader Steny H. Hoyer, plan to send a letter to President Bush today urging him to recommend equal pay raises for the civil service and the military in his fiscal 2008 budget. Hoyer expressed disappointment in the 2.2 percent raise for civil servants. The House members ask the president to 'embrace the principle of pay parity,' which the letter describes as a bipartisan approach that has been followed nearly every year for the past two decades." Barr notes, "The Bush administration has balked at providing equal pay adjustments to the civil service and the military, contending that across-the-board raises fail to properly reward high-performing employees and hinder agencies that need to pay more for difficult jobs and specialized skills."

Raines' Defense Tries To "Turn The Tables" On Bush Appointee. The Washington Post (1/22, Hilzenrath, 690K) reports, "Two years after falling from the height of corporate power and political possibility, the former Fannie Mae chairman and Clinton budget director is waging an all-out legal battle to save his fortune and repair his battered reputation. Accused of complicity in earnings manipulation, Raines last week escalated a counterattack against the federal agency that drove him from power and seeks to strip him of tens if not hundreds of millions of dollars. In an unconventional legal maneuver, Raines sought to move the case to federal court from the jurisdiction of that agency." He "has fielded a defense team that includes Kevin M. Downey of Williams & Connolly, the Washington law firm that represented such embattled figures as Oliver North and Bill Clinton, and Mark Fabiani, an advocate for Clinton during the Whitewater scandal." The Post adds, "Raines's camp had little to say publicly over the past two years during a series of drawn-out investigations of Fannie Mae's multibillion-dollar accounting misstatements. Raines has long declined requests for interviews from The Washington Post. But since regulators filed administrative charges against him in

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December, his advocates have filed a flurry of papers mapping out the beginnings of a strategy. Part of it boils down to this: Turn the tables on the accuser." The "lead accuser is James B. Lockhart III, appointed last year by President Bush to head the small federal agency that oversees Fannie Mae. … Attorneys for Raines have accused Lockhart of prejudging the facts and waging 'an unrelenting campaign of disparagement' against him."

Stem Cell Researchers Reject White House Claims. The Washington Post (1/22, 690K) in its "Primary Source" feature quotes Harvard University researchers Kevin Eggan, Chad Cowan and Douglas A. Melton who "wrote members of Congress earlier this month to complain that the White House domestic policy office's report 'Advancing Stem Cell Science Without Destroying Human Life' was a 'misuse and misunderstanding' of their research." An excerpt from the letter reads: "We are surprised to see our work on reprogramming adult stem cells used to support arguments that research involving human embryonic stem cells is unnecessary. On the contrary, we assert that human embryonic stem cells hold great promise to find new treatments and cures for diseases. … The work that we performed and that was cited in the White House policy report is precisely the type of research that is currently being harmed by the President's arbitrary limitation on federal funding for human embryonic stem cell research. … We feel that the President's restrictive policy has directly impeded research that provides a hope for cures for millions of Americans."

Justice Thomas Portrayed As Far More Independent Than Generally Thought. In an op-ed for the Wall Street Journal (1/22, A14, 2.04M) Jan Crawford Greenburg, legal correspondent for ABC News and author of "Supreme Conflict: The Inside Story for Control of the United States Supreme Court," writes that Justice Clarence Thomas "has borne some of the most vitriolic personal attacks in Supreme Court history. But the persistent stereotypes about his views on the law and subordinate role on the court are equally offensive -- and demonstrably false. An extensive documentary record shows that Justice Thomas has been a significant force in shaping the direction and decisions of the court for the past 15 years. … Immediately upon his arrival at the court, Justice Thomas was savaged by court-watchers as Antonin Scalia's dutiful apprentice, blindly following his mentor's lead. It's a grossly inaccurate portrayal, imbued with politically incorrect innuendo, as documents and notes from Justice Thomas's very first days on the court conclusively show. Far from being a Scalia lackey, the rookie jurist made clear to the other justices that he was willing to be the solo dissenter, sending a strong signal that he would not moderate his opinions for the sake of comity."

Jenna Bush Book Will Recount Her Work In Latin America. US News & World Report's "Washington Whispers" column (1/29) reports, "You can soon add the title of author to first daughter Jenna Bush's résumé. Whispers learns that the 25-year-old blond twin of Barbara Bush is shopping a book proposal to major publishers in New York City. We're told that the project is vague and that she's initially only gauging publishers' interest. The White House wouldn't comment, but others say it will be a young-adult book based on the former grade school teacher's experiences with charity causes in Latin America. … The profits will go to charity."

OTHER NEWS:

Data Showing Strength In US Manufacturing Seen As Surprise. The Wall Street Journal (1/22, A2, Whitehouse, 2.04M) reports, "It has long been an axiom that U.S.-made consumer goods such as TV sets and kitchen appliances can't compete in a world where cheaper labor can be found elsewhere. Like many axioms, though, it isn't entirely true. Recent data from the Federal Reserve contained some surprises for anyone who thought U.S. companies don't make things for American consumers anymore. In its monthly update on factory output, the Fed reported that U.S. production of audio and video equipment surged about 2% in December and was up 23% for all of 2006." That "is a significant change from several years ago, when the numbers were negative as U.S. production moved overseas. Even output of appliances, though down for 2006, popped 5% in December." But "the shift doesn't necessarily represent a renaissance. More likely, it reflects the fact that much of what can go abroad already has, leaving behind what can and should be made in the US."

Crowded Presidential Race Already In Full Swing. The New York Times (1/22, Broder, Healy, 1.16M) writes on its front page that "two years before the next president is inaugurated and a full year before the first vote is cast, the contest for the White House is off to a breathtakingly fast start, exposing an ever-growing field of candidates to longer, more intensive scrutiny and increasing the amount of money they need to remain viable." Gov. Bill Richardson, a Democrat, "entered the fray" on Sunday, "the eighth member of his party to do so," as Sen. Hillary Clinton "held her first campaign event, highlighting her focus on health care a day after declaring her plans to run." The Times says the "scale and swiftness of the action has the potential to upset the

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traditional timetables and conventions of presidential campaigning," as candidates "could be forced to move more quickly to take positions on big issues, stripping them of the chance to run on more gauzy platforms in the early stages and therefore exposing them to more direct criticism from rivals, interest groups and the news media." The Christian Science Monitor (1/22, Feldmann, 59K) writes that the "field for both major parties has been growing almost daily, of late," with three candidates declaring their intentions over the weekend.

Internet To Take On New Importance In 2008 Race. The Wall Street Journal (1/22, A4, Schatz, 2.04M) writes about "one of the most important new presidential battlefields: the Netroots Primary." Sen. Hillary Clinton's "decision to enter the presidential race online and conduct a 'national conversation' in live video Internet chats before heading to campaign isn't the conventional route taken by presidential hopefuls. This year, however, candidates are making extra efforts to win the favor -- and money -- of keepers of Web logs, or bloggers, and other Internet activists." The Washington Post (1/22, Cillizza, Balz, 690K) has a front-page piece called "On The Electronic Campaign Trail" that says "if last year was the year of the rogue videographers, the already-underway 2008 presidential campaign is likely to be remembered as the point where Web video became central to the communications strategy of every serious presidential candidate."

Major Party Nominees Expected To Reject Public Funds. The Los Angeles Times (1/22, Morain, 850K) writes that "for the first time since the nation launched its grand experiment with publicly financed presidential campaigns three decades ago, major party nominees in 2008 are expected to turn down all public funds. The reason: The grant, expected to be $83.8 million, might not be enough to run a winning campaign."

Clinton, McCain Could Face Pitfalls Over Iraq. The Wall Street Journal (1/22, A4, Calmes, 2.04M) writes that the perceived frontrunners of both parties, Sens. Hillary Clinton and John McCain, could face "vulnerabilities" over their "stances on the increasingly unpopular war in Iraq. As Mrs. Clinton's weekend announcement of her candidacy made clear, they are responding to that issue in opposite ways." Clinton "has long been suspect among liberal Democratic activists for her 2002 vote approving President Bush's use of force in Iraq, and then for declining to disavow it. Saturday, she showed that she has changed course. … By contrast, Mr. McCain continues to be the most prominent supporter of the war, the president and a military buildup. That remains a popular stand among Republican voters, polls show. But it has been eroding his popularity with the general public."

Hagel Will Make Decision On Presidential Run "Soon." Sen. Chuck Hagel said on CBS' Face The Nation (1/21, Schieffer), "I'm not a candidate for any office. I may be. I'll make that decision soon. … If I would be a candidate for the presidency, it would not be a candidacy based on just the Iraqi war. I am an accumulation of my past experiences." Asked about suggestions that he could run as an independent, Hagel said, "If I would decide to run, I will run as a Republican."

Brownback Stresses Positive Approach On Abortion Question. Sen. Sam Brownback, appearing on ABC's This Week (1/21, Stephanopoulos) said that if he is elected president, he would take a different approach to abortion than past presidents of his party in that he would "push the issue in a positive setting. I think what is key here is that we talk about that life is sacred, and it's all life, and it's at every place. And it's the child in the womb, but it's also the mother that's in poverty, and it's the child that's in Darfur, and it's the man that's in prison. I think if we can present a fulsome picture, people will start to see that we do believe life is sacred and we are willing to fight for it." In a Washington Times (1/22, 88K) op-ed marking the annual March for Life, Brownback writes, "Life is beautiful. … A human being's value is intrinsic, not earned. Without this basic moral understanding, few of our laws would make much sense."

Kennedy Says Romney Should Not Be Underestimated. Asked on NBC's Meet The Press (1/21, Russert) to "assess" Mitt Romney "as a presidential candidate," Sen. Edward Kennedy said, "I wouldn't underestimate Mitt. I didn't agree with him on a lot of things, but I don't think he should be underestimated."

Romney Urged To Make JFK-Like Statement On Religion. In a USA Today (1/22, 9A, 2.27M) op-ed, political scientists David Campbell of the University of Notre Dame and J. Quin Monson of Brigham Young University write, "Should Americans fear Mitt Romney because he is a Mormon? In spite of what some political pundits have recently argued, the answer is a resounding no. Should Romney fear how some Americans will react to his religion? Unfortunately, recent polls say yes. But just like another Massachusetts politician who faced questions about his religion, namely John F. Kennedy, Romney can, and should, tackle uneasiness about his religion head-on -- sooner rather than later." Romney's challenge "is to make this clear to the American public. It is here that the parallel to Catholicism is instructive. … Kennedy marched into the proverbial lion's den and delivered a speech to Protestant ministers in Houston. That speech is a classic appeal for religious tolerance. In it, Kennedy declared, 'I do not speak for my church on public matters, and the church does not speak for me.'"

Kennedy Says He Will Back Kerry If He Runs. Sen. Edward Kennedy said on NBC's Meet The Press (1/21, Russert), "John Kerry will probably make his judgment decision, I expect soon. I'm going to support John."

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Richardson Enters Democratic Presidential Race. ABC World News (1/21, story 6, :50, Berman, 8.78M) reported, "The field of Democratic presidential candidates got more crowded today, with New Mexico Gov. Bill Richardson jumping into the race." On ABC's This Week (1/21, Stephanopoulos), Richardson discussed his plan to win the Democratic nomination, saying, "I will outwork anybody. I'm a governor. Governors have good records in being elected presidents, because we balance budgets, we deal with health care, with education. I believe I can be competitive in raising money. I believe also that I'm a Westerner. This is a new area that is fertile for the Democratic Party. But most importantly, I can bring this country together. I'm a negotiator. I've brought countries together closer on peace treaties. I've rescued Americans, hostages and servicemen. What we have right now is an opportunity to deal with major issues that really are dividing this country. … A lot of people give speeches about these issues. I've actually done it. … I'm not interested in being vice president. I've got a better job as governor of New Mexico. If I don't get the nomination, I'll come back and be governor. … I am seeking the nomination because I believe I can do the job. And I have the passion for it. I'm prepared for it."

The Los Angeles Times (1/22, Alonso-Zaldivar, 850K) says Richardson enters "as a middle-of-the-road politician with a multifaceted resume who, if elected, would be the first president of Latino descent." And while Richardson is at just one percent among Democrats in the latest ABC News/Washington Post poll, "political insiders said it would be a miscalculation to dismiss Richardson's candidacy." Democratic consultant Anita Dunn said, "In the course of a campaign, there are plenty of opportunities for a candidate with a compelling message, who is not as well-known, to go out there and gain support." Dunn noted that Howard Dean "at this point in 2004 had maybe 2%, 3%," before going on to lead the field for months. The Albuquerque Tribune (1/22, Nash) says Richardson "is expected to hold a news conference in Santa Fe and to file the papers to establish an exploratory committee" today. USA Today (1/22, 4A, Lawrence, 2.27M) reports Richardson "said he'll raise money Tuesday in California and campaign over the weekend in Nevada, site of an early nomination contest."

The New York Times (1/22, A14, Wald, 1.16M) focuses on the new candidate's "varied résumé. He was elected to Congress to represent the Santa Fe area eight times, and then was chosen by President Bill Clinton to be ambassador to the United Nations, and later, secretary of energy. As governor, he has kept a hand in international politics, working to arrange a cease-fire this month between the government of Sudan and rebels in the Darfur region, and meeting several times with officials from North Korea to discuss nuclear weapons." The Washington Post (1/22, A6, Cillizza, 690K) says Richardson is "betting that his long resume and Hispanic heritage will boost his chances in a field already stocked with better-known candidates." In its report, the Washington Times (1/22, Pfeiffer, 88K) notes Richardson's disavowal of interest in the vice presidency.

Clinton Visits Community Clinic In First Public Appearance As Candidate. Under the front-page headline "For The Clinton Candidacy, A Soft Launch," the Washington Post (1/22, Kornblut, 690K) says "one day after declaring for president," Sen. Hillary Clinton "gave her first public glimpse of how she will run: as the mother of a daughter, as a serious student of policy and as a two-term senator from New York. With minimal staff, no family members and not even a sound system to amplify her remarks, Clinton appeared on Sunday at a colorless community clinic in Manhattan to announce a piece of health-care legislation, her first real outing since launching her presidential bid online. Despite a media crush that overwhelmed the participants, Clinton treated the event like a routine stop, acknowledging only during a question period at the end that she had finally decided to run."

ABC World News (1/21, Lead story, 2:35, Snow, 8.78M) added, "She's always drawn a crowd. But today, it was standing room only. There were signs that even a former First Lady's staff isn't perfect. The event started late. The audience couldn't hear. Clinton said she thought hard about running for president. … Today's event was all part of a carefully-crafted media strategy. On Tuesday, President Bush plans to unveil new health care proposals. But today, Sen. Clinton preempted that message with a health care plan of her own." NBC Nightly News (1/21, story 3, 2:20, Taibbi, 9.87M) said Clinton "chose a community health clinic for her first public appearance since her Web site announcement that she is running for president, a way to draw attention to one of her favorite issues -- children's health care -- while vowing to do more at the next level." The AP (1/21, Fouhy) says Clinton "expressed confidence" in her presidential prospects during the visit, but otherwise focused on health issues.

The New York Times (1/22, A14, Healy, 1.16M) says Clinton "pledged to continue protecting New York's interests in Washington even as she campaigns in Iowa and New Hampshire. She said she wanted to be president because she was 'worried about our country' and wanted to 'put it back on the right course.'" But while the candidate was reserved, Newsday (1/22, Thrush) says her pollster Mark Penn "fired an opening salvo at Sen. Barack Obama and John Edwards yesterday, claiming their campaigns are 'stalled or falling' -- and suggesting Obama isn't tough enough to withstand GOP attacks in 2008."

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Potential Rivals Call Clinton "Bright," "Formidable." Clinton's candidacy was a frequent topic on Sunday talk shows, where four men eyeing the presidency themselves -- three Republicans and one Democrat -- commented on Clinton's announcement. Sen. John McCain said of Clinton on NBC's Meet The Press (1/21, Russert), "I think she would be a very formidable candidate. … To underestimate anyone who is the nominee of the party -- I think one of the mistakes we made in 1992 was underestimating her husband's potential. … I'm convinced that she would be a very serious president, that we would have strong philosophical differences, as is well known, but certainly I respect her views."

Sen. Joseph Biden said on Fox News Sunday (1/21, Wallace), "I think she's incredibly formidable and has got to be the frontrunner and the odds-on pick right now. But this is a marathon; there's a long way to go. … Hillary Clinton is going to have to make her best case. And there's a lot of us out there that are known but in a sense not known, and we're going to make our best case. And I don't think Hillary's best case versus mine or" Barack Obama's "or anybody else's necessarily trumps us."

Sen. Sam Brownback said on ABC's This Week (1/21, Stephanopoulos), "She's very bright. She's a talented lady, quite committed."

Newt Gingrich said on Fox News Sunday (1/21, Wallace), "I think you have to give Barack Obama a tremendous amount of credit. I think he forced Sen. Clinton's hand by weeks. He has gained ground so rapidly that I think she sort of thought she had to remind her friends she was around. I don't care what anyone else says; she and her husband are the most formidable pair of politicians in America. He is the smartest politician in America. She is a hard-working, disciplined person. She has won the Senate race in New York twice by very large margins. She is ahead in every poll. She can raise far more resources than any other Democrat, probably raise more resources than all the other Democrats combined. And you'd have to say, given those assets, that she has a six-out-of-10 chance or better of being the Democratic nominee."

More Commentary On Clinton Candidacy. The Washington Post (1/22, A18, 690K) editorializes that Clinton's announcement "is not a surprise, but that doesn't take away from its significance. There has been a flurry of justifiable excitement over Sen. Barack Obama (D-Ill.), but Ms. Clinton's candidacy is equally momentous: Never before has there been a female presidential contender with such a strong prospect of winning the White House. As with Mr. Obama, that is a development to be welcomed by Americans of both parties."

On NBC Nightly News (1/21, story 4, 2:30, Seigenthaler, 9.87M), Tim Russert said, "She is clearly the front-runner. She has money, organization and a great campaign manager. She is far ahead in the national polls. They are largely recognition polls. What you have to do is look at Iowa, Nevada, New Hampshire and South Carolina, four key primary and caucus states. We will have a nominee after those four states and John Edwards who ran for vice president in 2004 has been living in those states. Barack Obama has visited them several times. I see those three candidates in the top tier and five or six others trying to become an alternative. If Hillary Clinton will be the nominee, she will have to fight for it."

Brit Hume said on Fox News Sunday (1/21, Wallace), "The statement was fine. And she looked fine, and she looked comfortable, and she looked more approachable, perhaps, than in some settings in which we've seen her. She's got $14 million, which is pretty good for somebody who's just starting an exploratory committee."

NPR's Mara Liasson said on Fox News Sunday (1/21, Wallace), "I think this will be a spirited race. I think she starts absolutely as the frontrunner -- more money, more support, more experience -- the Clintons have deep roots in the party. … But it's going to be a great race. These are strong, interesting, historic candidates on the Democratic side -- Barack Obama, Hillary Clinton -- we're going to have Bill Richardson get in today. I think it's going to be great."

The Weekly Standard's Bill Kristol said on Fox News Sunday (1/21, Wallace), "She's got real vulnerabilities, and she went earlier than she wanted to. That's the big story, I think, of what happened. She had hoped to put this off for two, three, four more months, I think."

In his Washington Post (1/22, A19, 690K) column, E.J. Dionne writes, "Three differences and three similarities will define the contest between Hillary Rodham Clinton and Barack Obama. The most important difference lies in where their respective political journeys began. After her early work as an advocate for children, Clinton came to political maturity in the South as part of her husband's efforts to rescue the Democratic Party from its low point in the 1980s. … Obama, by contrast, began his political life as a community organizer in inner-city Chicago. His earliest experiences were of a bottom-up politics mobilizing the poor and the marginalized." A second contrast is in staffing and funding, and "the feel of the two campaigns is palpably different, with Obama enjoying an advantage on passion and Clinton on organization and discipline." And the third difference: "Clinton, more than any other Democrat, has been both scarred and toughened by the partisan warfare of the past 15 years, while Obama is unscathed and untested."

In a Los Angeles Times (1/22, 850K) op-ed called "Anyone But A Bush Or A Clinton," James Burkee of the bipartisan political action committee Americans for Responsibility in Washington writes, "George Washington offered the nation a farewell address in 1796, urging Americans to cherish the Union and to avoid the 'baneful

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effects' of political partisanship. Successors such as Thomas Jefferson warned against the formation of an 'unnatural' aristocracy of men who inherited great fortunes and political office. Both of these warnings have been overlooked in the debate" over the Clinton candidacy. If she "secures the Democratic nomination, wins and serves two terms, by 2017 the United States will have been governed by either a Bush or a Clinton for 28 years. … And it might not end there. Former Florida Gov. Jeb Bush…has not ruled out a White House bid or a vice presidential slot on the ticket in 2012 or 2016. If Washington's caustic, partisan atmosphere is to change, the era of Bushes and Clintons needs to end in 2008."

Magazine's Claim That Obama Attended A Madrassah Creates Controversy. The Washington Post's Howard Kurtz, in his "media Notes" column (1/22, C1) reports, "Days after Barack Obama jumped into the presidential sweepstakes, he was hit with a thinly sourced story from his past--39 years in his past, to be exact. The allegation, by a conservative magazine, raised questions about whether the Illinois senator had been schooled in Islamic radicalism when he was all of 6 years old. Insight, a magazine owned by the Washington Times, cited unnamed sources in saying that young Barack attended a madrassah, or Muslim religious school, in Indonesia. In his 1995 autobiography, Obama said his Indonesian stepfather had sent him to a 'predominantly Muslim school' in Jakarta, after two years in a Catholic school -- but Insight goes further in saying it was a madrassah and that Obama was raised as a Muslim." Kurtz notes that Fox News "picked up the Insight charge on two of its programs, playing up an angle involving Hillary Clinton. The magazine, citing only unnamed sources, said that researchers 'connected' to the New York senator were allegedly spreading the information about her rival for the Democratic presidential nomination."

Obama's Wife Avoiding Media. Newsweek (1/29, Springen, Darman, 3.12M) reports, "Last week her husband's name was on the lips of every Democrat from Boston to Berkeley after [Sen. Barack Obama] announced he was forming a presidential exploratory committee. But" Michelle Obama "was out of sight -- the Obama campaign declined to make her available for this story -- even as many Democrats wondered what she thought of her husband's big leap. … In the weeks before his announcement, Obama seemed to stiffen when asked what his wife thought of a presidential run."

Obama's Relative Lack Of Experience Seen As An Asset. Newsweek's Ellis Cose (1/29) writes, "When Jesse Jackson ran for president in 1984, he resembled Barack Obama in some striking respects. … In many important ways, however, Barack Obama is no Jesse Jackson—and that is a key to Obama's political appeal. Whereas Jackson was a fully formed public figure—with all the baggage that entails—Obama is a work in progress who has the ability to embrace nearly whatever qualities he chooses.

Presidential Politics Complicate Senate's Workings. US News & World Report (1/29, Brush) reports Senate Majority Leader Harry Reid "must reckon with another looming problem: a Senate full of presidential ambitions. Each election cycle, a handful of senators run; this year, though, it feels like two handfuls. … The daily and weekly effects are daunting: Take a recent hearing with Secretary of State Condoleezza Rice, for instance. The 21-member Senate Foreign Relations Committee has five possible presidential hopefuls, and they're all eager to press their case on Iraq policy. The bipartisan resolution proposed in the Senate last week to oppose Bush's plan to increase troops was sponsored in part by hopeful Sens. Joe Biden, a Delaware Democrat (and previous candidate in 1988), and Chuck Hagel, a Nebraska Republican. As the primaries approach, Reid must deal with a basic problem as well. The senators won't all be in Washington; they'll be on the campaign trail."

Luntz Offers Message Advice To Presidential Candidates. US News & World Report's "Washington Whispers" column (1/29) reports, "Let's…ask message man Frank Luntz for some words and visuals the pols could use to polish their candidacies. … On the Democratic side, we'll start with new fave Sen. Barack Obama. Luntz says he should talk about 'hope' and 'opportunity' and simply use his remarkable life story as the visual. 'He's a natural,' says Luntz, who cautions: 'Out with the sound bites and in with the stories.' Not surprisingly, Luntz says Sen. Hillary Rodham Clinton should use hubby Bill as her visual and mouth words like 'mission' and 'finally'—as in a woman president. Across the aisle, Luntz wants Sen. John McCain to talk about his trademark 'reform' and 'accountability.' Olympics exec and former Massachusetts Gov. Mitt Romney should highlight 'competence' and 'good governance' and use the Olympic symbol lots. Luntz pal Rudy Giuliani should talk 'success' and 'results' and use the cleaned-up Times Square for his backdrop."

Barone Laments Defects Of Presidential Selection Process. US News & World Report's Michael Barone (1/29) writes, "The single most glaring defect in our mostly admirable political system is the presidential selection process. … It starts too early, takes too long, and ends too abruptly. Thirteen months from today -- and 10 months before the general election -- we will probably know the nominees of both parties. … Iowa caucusgoers and New Hampshire primary voters -- fewer than 350,000 people in a nation of 300,000,000 -- effectively chose the Democratic

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nominee last time, a choice many Democrats now regret. In 2000, 573,000 South Carolina primary voters effectively chose George W. Bush over John McCain."

Schumer Says Democrats Have Yet To Fashion Message For 2008. In a piece for Newsweek (1/29, 3.12M) tilted, "We Can Win the White House," Sen. Chuck Schumer writes Republicans "figured out specific issues that connected to their deeply held values, defined themselves clearly by those issues and then stood by them unequivocally. In 2004, they did it with eight words: War in Iraq. Cut taxes. No gay marriage. Those eight words sum up the reasons for George W. Bush's re-election. … In 2006, Democrats did much better…but only because of Bush's mistakes. We had our own eight words: No war in Iraq. No corruption. Bad economy. But these eight words did not describe our own vision; they were the negative image of the Republican message. … It's not yet possible for Democrats to boil down our core ideology into eight words."

DCCC's Van Hollen Asks Dean To Help Recruit Candidates. US News & World Report's "Washington Whispers" column (1/29) reports, "Here's proof that election victories can salve wounds. The new chairman of the Democratic Congressional Campaign Committee, Rep. Chris Van Hollen, has asked party Chair Howard Dean to help recruit candidates. It was just a few months ago that the old head of the DCCC was swearing at Dean for not spending enough on House races. But Dean and Van Hollen 'broke bread' at their first meeting."

Voters' Preference For Consistent Politicians Said To Be Overestimated. In his column for the Washington Post (1/22, A2, 690K) Shankar Vedantam writes, "Americans say they want consistency from their president, not someone who panders to them by checking opinion polls before taking a stance on important issues. … In Bush, Americans have found a leader who gives them consistency in spades. If people really admire consistency, how is it that Bush's ratings have fallen so low?" According to Vedantam, "Experiments that explore the effects of consistent and inconsistent political stands on voters have produced a range of results. But one theme that emerges is that people think they admire consistency more than they actually do."

Many Aging Dams In US Said To Need Major Repairs. In an op-ed for the New York Times (1/22, 1.16M) Jacques Leslie, author of "Deep Water: The Epic Struggle Over Dams, Displaced People and the Environment," writes, "In 2005, the American Society of Civil Engineers gave United States dams a D, a grade that is still justified two years later. For starters, the nation's dam stock is rapidly aging. Most dams need major repairs 25 to 50 years after they're built, and most United States dams are at least 25 years old; some…were built more than a century ago."

WSJournal Criticizes Virginia GOP For Supporting Tax Increase. The Wall Street Journal (1/22, 2.04M), in an editorial, writes, "Virginia was once a solidly conservative Republican state, but in recent years it has tilted Democratic. A big reason for the shift is the GOP's recent love affair with higher taxes. … Now they are flirting with another tax hike even though the state has a Blue Ridge Mountain-high $900 million budget surplus." According to the Journal, "The Republican plan would spend $1 billion more for roads and cost-inefficient transit programs and pay for it through borrowing, raising taxes and fees on cars and trucks, and giving local governments authority to raise their assessments. … Only 10 years ago the Virginia GOP was riding high after Jim Gilmore was elected Governor on a wildly popular message: 'End the Car Tax.' Now the Virginia Republicans want to raise car taxes. Have they learned nothing from the party's implosion in Washington?"

WPost Notes Maryland's Precarious Fiscal Situation. The Washington Post (1/22, A18, 690K) editorializes that Maryland Gov. Martin O'Malley "inherited a $400 million shortfall for the coming fiscal year and is staring at a projected budget gap of $1.3 billion for the following year. Until Mr. O'Malley comes up with a serious revenue plan -- and that seems to be in his bulging wait-till-next-year file for the legislature -- there's trouble ahead. … To his credit, Mr. O'Malley has done some fiscal shaving and shifting to bring down spending, which will disappoint various constituencies but makes sense in the short run."

Rice Prepares For New Mideast Talks. AFP (1/22, Lanteaume) reports Secretary of State Condoleezza Rice "embarks on a high-profile campaign to revive Israeli-Palestinian peace talks next month, but with no signs Washington is ready for a radical break with an approach that has proved fruitless for the past six years." Rice said during a week-long trip to the Middle East and Europe last week that her aim was to "accelerate" implementation of the so-called "road map." Rice has "indicated a new US willingness to move beyond the road map's strict sequencing," which "reflects in part a 2002 Saudi peace plan." However, Rice "has sidestepped tough questions about" Palestinian President Mahmoud Abbas and Israeli Prime Minister Ehud Olmert's "political weakness[es]." While "showing in interest in exploring some peacemaking ideas that" President Bush has "previously shunned," Rice "made clear over the past week that she was not ready to break the administration's taboo on engaging directly with Syria and Iran over their

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support for the Islamic radicals." She "also insisted she would not follow her predecessors in the kind of shuttle diplomacy used by past US administrations in their efforts to broker an Israeli-Palestinian peace deal."

Separately, AFP (1/21, Collinson) reports, "With US troops mired in Iraq after nearly four bloody years, the White House turning up the heat on Iran and Syria, and Lebanon on a political knife edge, the prospect of peace dawning anywhere in the region appears slim." Similarly, the Financial Times (1/22, Morris) reports, "Senior officials of the international 'Quartet' have begun talking up the prospects of reviving stalled Middle East peace efforts in the coming weeks, although an unsettled political outlook in both Israel and the Palestinian Authority threatens to damp their optimism." Over the weekend, the EU's Javier Solana said while visiting the region, "There's an emerging consensus that the period of crisis management is over and that we must move to the political phase and, within a reasonable time, define the framework."

Palestinian Unity Talks End Without Agreement. The New York Times/AP (1/22) reports Palestinian President Mahmoud Abbas and Khaled Meshal, the exiled chief of the rival Hamas faction, met Sunday in Damascus, "but failed to resolve an increasingly bloody dispute between their movements and form a unity government." However, the two men said in a statement that they had "achieved major progress" in the meeting and that they hoped to resume talks within two weeks.

The Washington Times/AP (1/22, Karam) notes the deputy head of Hamas' political bureau, Moussa Abu Marzouk, who attended part of yesterday's talks, "said the one sticking point was the conditions under which Mr. Abbas would name a new prime minister for the unity government."

Diehl Criticizes Rice's "Reversal" On Democracy In Egypt. Under the headline "Rice's Rhetoric, In Full Retreat," Washington Post (1/22, A19, 690K) columnist Jackson Diehl writes, during a press conference last week in Luxor with Egyptian Foreign Minister Ahmed Aboul Gheit, Secretary Rice "neglected to mention something: 'democracy and reform.' During the course of her visit to Egypt, and her latest tour through the Middle East, the words never publicly crossed her lips." Diehl observes, "The reversal this represents is staggering -- especially to Egyptians who have closely tracked Rice's visits to their country. After all, her first notable act on moving to the State Department two years ago was to cancel a visit to Egypt in order to signal US displeasure with the arrest of one of the country's leading liberal democratic politicians, Ayman Nour." Rice, Diehl notes, "has made no real attempt to explain the somersault in her policy, which comes across as a feckless attempt to simplify the increasingly chaotic and dangerous situation across the region."

Zuckerman Blasts Rice Over "Misconceived" Mideast Tour. US News & World Report's Mortimer Zuckerman (1/29) writes, "With her recently completed journey to the Middle East, Condoleezza Rice wasted both time and energy -- and badly dented America's diplomatic credibility. The secretary of state's intention was to revive the 'road map' plan to settle the Israeli-Palestinian conflict. It is a worthy but misconceived idea. The conflict that must be settled once and for all -- before anyone attempts anything like the plan envisioned in the road map -- is the conflict among the Palestinians, which is now verging on outright civil war. … The U.S. role in this nightmare scenario ought to be clear, though it is anything but. Washington is banking on the hope that Palestinians will remove Hamas from power and strengthen President Abbas and Fatah." Zuckerman concludes, "The American proposal for this spiraling crisis is worse than premature. It will damage our credibility and our influence. The last thing America needs in this increasingly dangerous part of the world is yet another demonstration of its naiveté."

Iran Announces New Short-Range Missile Tests.

The Washington Times/AP (1/22, Karimi) reports Iran announced new tests of short-range missiles Sunday, and President Mahmoud Ahmadinejad "dismissed criticism that the country's economy has been hurt by U.N. sanctions imposed for its suspect nuclear program." The missile tests were seen as a response to the US Navy's deployment of the USS John C. Stennis to the Persian Gulf "as a warning to Iran." Stressing Iran's "preparedness," state television said the Revolutionary Guards planned to begin three days of testing the short-range Zalzal and Fajr-5 missiles Sunday. Though US officials "suggest Iran exaggerates its military capabilities," Washington is "very concerned about Iranian progress in developing missiles."

The New York Times (1/22, A4, Fathi, 1.16M) adds, "Iran's internal battle over President Mahmoud Ahmadinejad's defiant rhetoric on Iran's nuclear program continued to simmer on Sunday, with the president repeating his vow to ignore international sanctions and a moderate daily newspaper warning of Iran's increasing isolation." Speaking to reporters in Parliament, Ahmadinejad described the UNSC sanctions resolution as "a rusty instrument" that "has no effect." Meanwhile, "two hard-line daily newspapers close to Iran's supreme religious leader, Ayatollah Ali Khamenei, called on Mr. Ahmadinejad to distance himself from the nuclear issue, a sign that the president's his political capital may be declining as his country comes under increasing international pressure." USA Today (1/22, 6A, 2.27M) also reports briefly on the tests.

Iran Acquires Parts In US Military Surplus Sale. The Washington Post/AP (1/22, A17, Theimer) today publishes an

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AP report from last week that Iran has acquired "fighter-jet parts and other sensitive US military gear" at a Defense Department surplus auction. In one case, "middlemen for Iran bought Tomcat parts from the Defense Department's surplus division," but customs agents "confiscated them and returned them to the Pentagon."

Bush Has Embarked On Multi-Fronted Campaign Against Iranian Interests. US News & World report (1/29, Omestad) reports, "The Bush administration's military campaign in Iraq -- and its broader approach to the Middle East -- are morphing into a head-on struggle against Iran's growing influence. The shift portends either peril or promise. Critics fear President Bush has made another dangerous gamble that is more likely to expand the conflict than to bring Iran to heel. The clarifying focus on Iran, officials counter, offers an opportunity to block the region's leading provocateur from fomenting extremism and pursuing nuclear weapons. … The aim is to raise the price for Iranian actions on a range of fronts…rolling of militants in Lebanon and the Palestinian territories to its alleged supplying of weapons to anti-U.S. Shiite militias in Iraq to its defiant nuclear programs. 'We are clearly upping the ante and sending a powerful message to Iran,' Nicholas Burns, the under secretary of state for political affairs, said in an interview last week. 'They have to understand that there are consequences for their actions. This is a concerted strategy, no doubt about it.' One piece of that strategy, U.S. News has learned, is the creation of a military special operations task force to move against Iranian agents in Iraq. Task Force 16, as it is known, demonstrates the high priority assigned to the administration's new anti-Iranian drive." US News concludes the article by noting that "some U.S. Navy officers in the Persian Gulf, U.S. News has learned, are comparing the rising tensions with Iran to the events in the Gulf of Tonkin that spurred America's fateful plunge into the Vietnam War. Their question: Could it happen again?"

US Officials Receive No Diplomatic Response From China Over Missile Test. The New York Times (1/22, A3, Sanger, Kahn, 1.16M) reports Bush Administration officials "said that they had been unable to get even the most basic diplomatic response from China" after their detection of a successful test to destroy a satellite 10 days ago, and that they were "uncertain whether China's top leaders, including President Hu Jintao, were fully aware of the test or the reaction it would engender." In interviews over the past two days, American officials with access to the intelligence on the test said the United States "kept mum about it in hopes that China would come forth with an explanation." However, "protests filed by the United States, Japan, Canada and Australia, among others, were met with silence -- and quizzical looks from officials in The Chinese Foreign Ministry, who seemed to be caught unaware." The "mysteries" surrounding China's silence are "reminiscent of the cold war, when every case of muscle-flexing by competing powers was examined for evidence of a deeper agenda." American officials "presume that Mr. Hu was generally aware of the missile testing program, but speculate that he may not have known the timing of the test. China's continuing silence would appear to suggest, at a minimum, that Mr. Hu did not anticipate a strong international reaction, either because he had not fully prepared for the possibility that the test would succeed, or because he did not foresee that American intelligence on it would be shared with allies, or leaked." In an interview late Friday, national security adviser Stephen Hadley "raised the possibility that China's leaders might not have fully known what their military was doing." Meanwhile, Under Secretary of State for arms control and international security Robert Joseph said, "This is a wake-up call" that "a small number of states are pursuing capabilities to exploit our vulnerabilities."

Biden Warns Against Space Arms Race. The AP (1/22, Butler) reports Sen. Joe Biden Sunday warned "against fostering an arms race in space" in response to China's test earlier this month. During an appearance on "Fox News Sunday," the senator said the test was "provocative, but that the United States had ways to combat the threat posed by it."

Millennium Program Likely To Run Out Of Funding. The Wall Street Journal (1/22, A7, Phillips, 2.04M) reports President Bush's "signature" foreign-assistance program is "likely to run out of money this year, leaving in the lurch several poor countries that have labored to meet its strict eligibility standards," according to aid officials. The Millennium Challenge program's budget is "expected to fall short of its projected needs by $400 million to $1 billion, depending on the outcome of congressional negotiations over the coming weeks." The "crunch" comes at a time when Morocco, Tanzania, Mozambique and several other developing nations "are nearing agreements on huge aid packages." John Danilovich, chief executive of the Millennium Challenge Corp., warned, "At a lower level of funding, [the program] will need to turn away countries that have developed sound proposals designed to assist millions of the poor -- such as microfinance programs that help women, and water, irrigation, and transportation systems that enable poor farmers to participate in the local economy."

Hill Says Six-Party Talks Will Resume "Soon." AFP (1/22) reports Assistant Secretary of State Christopher Hill said six-party talks on North Korea's nuclear program "should resume as soon as possible." After meeting a round of meetings in the region over the weekend, Hill told reporters in Beijing, "I have had lengthy discussions with (Chinese Vice Minister) Wu Dawei and we have agreed to the need to get

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the six-party talks going as soon as possible." Hill said the US Treasury Department would resume separate bilateral talks with North Korea soon.

The AP (1/22, Olesen) reports Hill "told reporters that Washington was disappointed with the lack of progress in the last round" but that he believed there was "a basis for making progress" when negotiators meet again. He did not elaborate. The New York Times (1/22, A10, 1.16M) notes in a brief report that a South Korea's Chosun Ilbo daily reported Monday that Pyongyang "had offered to halt the operation of the five-megawatt reactor at its main nuclear complex while allowing monitoring by the international weapons inspectors" during talks last week in Berlin. It said that in return, the US "agreed to provide the North with economic and energy aid and show 'sincerity' in efforts to resolve a dispute over Washington's imposition of financial restrictions."

UN Force Left Out Of Plans For Korea. The Washington Times (1/22, Salmon, 88K) reports, "Planning for a handover of military command to South Korean forces has failed to provide for a small but vital UN force, jeopardizing the allied deterrent on the Peninsula," the US commander on the peninsula said. Gen. Burwell B. Bell "warned that the problem must be resolved" because a crisis on the Peninsula could "almost instantaneously lead to combat operations." In that case, "there could be no time to make changes in our command structure while crisis escalates," Gen. Bell told reporters.

UN Official Defends Aid Program To North Korea. In a letter to the editor of the Wall Street Journal (1/22, 2.04M), Ad Melker, associate administrator for the Under-Secretary-General of the UN Development Program, writes in response to Melanie Kirkpatrick's Jan. 19 commentary "United Nations Dictators Program" and the accompanying editorial "UN Cash for Kim," "There is no reason to believe that our programs were subverted to fund nuclear activities in North Korea," and "we would also welcome an independent and external audit of our operations in North Korea." Melker insisted that the UNDP "and its sister UN agencies have helped the North Korean people cope with a devastating famine in the 1990s and continue their assistance to improve the lives of North Korea's impoverished people. If the member states of the U.N. and UNDP's board were to decide that our presence there were no longer useful, we would leave immediately."

Political Divisions Slow Lebanon's Reconstruction. The New York Times (1/22, Fattah, 1.16M) reports on the "slowdown" in efforts to rebuild Lebanon after this summer's war with Israel. While "there may be as many excuses for the slowdown in rebuilding in the south as there are political factions in this nation," some "blame the weather; some say residents living abroad are just taking their time; some officials cite disagreements over the amounts paid to those who have lost their homes." However, the Times says "politics is at the heart of the problem. Hezbollah and its supporters point fingers at the government of Prime Minister Fouad Siniora; the government reflects the accusation back at Hezbollah. Residents now blame both sides." Ultimately, some analysts say, "neither side wants to take responsibility for the task of reconstruction. The government avoids direct involvement on the ground, trying to avoid blame for inefficiency, while Hezbollah has also reduced its activities and is capitalizing on residents' frustrations for the lack of action."

Russian-Born Financier Shakes-Up Israeli Politics. Newsweek (1/29, Peraino, 3.12M) reports, "the blowout that billionaire Arkady Gaydamak threw a few weeks ago in Tel Aviv was also one hell of a political rally. … Gaydamak has no patience for stodgy ritual, and the 54-year-old Moscow-born financier is just about the only one in Israel who feels like celebrating. After last summer's punishing war with Hizbullah and a rash of political scandals this winter, Israelis are fed up with their current crop of leaders." Prime Minister Ehud Olmert "faces 14 percent approval ratings—and now a criminal investigation into his role in the sale of one of Israel's largest banks while he was Finance minister. … Gaydamak styles himself as a sort of Israeli Ross Perot -- an eccentric electoral outsider with the bank account and business acumen to fill the gap."

New Somali Government Faces Threats From Clans. The New York Times (1/22, A1, Gettleman, 1.16M) reports in a front page article Somalia "has waited 16 years" for its new government, "but whether Somalia pulls itself together now or explodes into bloodshed again depends not on American troops, foreign peacekeepers, investment or aid. It depends on clans," which "tore down Somalia's last government in 1991." The nation's news "is trying to address the clan problem head-on…using a mathematical formula based on rough estimates of the population (the last census was in 1975) to allocate parliamentary seats and ministerial posts on a clan basis, and plans to govern like that until the next elections, which are proposed for 2009. But that approach is hardly original -- and it does not have an encouraging history."

Former US Marine Seeks To Become Next Somali President. The Los Angeles Times (1/22, Sanders, 850K) profiles former US Marine and California resident, Hussein Mohammed Aidid, who hopes to become the next president of Somalia. As interior minister for Somalia's struggling transitional government, Aidid is "the man charged with restoring security to Mogadishu." Described by critics as "a wily opportunist who switches alliances easily," Aidid "makes

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no secret of his desire to one day become president." Despite anger by some Somalis over the recent US airstrike against suspected terrorists in the country, Aidid "said his US background is an asset, not a liability."

Journalist's Murder Tests Turkey's Democratic Gains. The Christian Science Monitor (1/22, Schleifer, 59K) reports Friday's murder of "a prominent and outspoken Armenian journalist," Hrant Dink, "has sent shock waves throughout Turkey and raised questions about whether a recent nationalist upsurge in the country has taken a violent turn." It also presents the Turkish government "with what many say is a serious challenge to its already embattled democratization and reform efforts." In recent years, Turkey has "engaged in a deep internal struggle. On the one hand, the country's drive toward European Union (EU) membership has resulted in significant political reforms, particularly regarding democratization and human rights, and the freeing up of the debate on what had previously been taboo subjects, such as the Armenian question. On the other hand, the EU-related reforms have been met with a strong nationalist backlash."

Elif Shafak, author of "The Bastard of Istanbul," writes in the Wall Street Journal (1/22, A15, 2.04M) that Dink's killing "was interpreted by some beyond Turkey as proof that Turks don't belong in the European Union would have upset Hrant. Without close ties to the EU, and the West as a whole, he worried that the country will become less democratic and more insular. His Turkey is a tapestry, a place where conflicting voices coexist."

Blair Faces Mounting Pressure Over Weapons Probe. The Christian Science Monitor (1/22, Rice-Oxley, 59K) reports Britain is facing "stinging international criticism for smothering a corruption inquiry into arms deals with Saudi Arabia, a decision that appears to sacrifice probity and rule of law for the sake of security and commercial relations." Prime Minister Tony Blair, "who took responsibility for the move to pull the plug on a two-year inquiry into the multibillion-dollar Al-Yamamah deals, argued that persisting with the probe would jeopardize the struggle against terrorism." However, the move has generated "furious condemnation. Domestically, critics are seeking a legal ruling to overturn the decision. And internationally, the Organization for Economic Cooperation and Development (OECD) says it suspects Britain is in breach of an anticorruption convention and has given London until March to come up with some answers."

US, EU Near Agriculture Trade Deal. The Financial Times (1/22, Callan, Beattie) reports trade negotiators from the US and European Union "are edging towards a deal that could restart stalled world trade talks," according to people familiar with the discussions. The progress follows a meeting of high-level officials "that finished at the weekend and constant cabinet-level contact between Washington and Brussels in the run up to the World Economic Forum meeting in Davos, Switzerland, this week," officials said. The proposed outline of an agreement "includes politically explosive concessions that are already causing rifts in Europe and alarm in the US farm lobby." The "fragile deal" that is "starting to emerge has yet to be finalized and comes amid tremendous uncertainty about whether negotiators can get the political backing to achieve a breakthrough in the Doha round of trade talks," the Times notes.

After Meeting Merkel, Putin Pledges Secure Oil And Gas Supplies To Europe. The Wall Street Journal (1/22, Walker, A3, 2.04M) reports, "After a meeting with German Chancellor Angela Merkel, Russian President Vladimir Putin pledged to ensure smooth natural-gas and oil supplies to Europe just weeks after Russia shut down an oil pipeline to the European Union during a dispute with neighboring Belarus." The announcement "underscored Ms. Merkel's growing role as the linchpin in Europe's troubled relationship with Russia, its dominant energy supplier, at a time when concerns about Russia's clout and direction are growing." Merkel's "status as Europe's most influential political actor is partly due to timing -- she holds the EU's rotating presidency and this year's chairmanship of the Group of Eight leading nations. But her combination of plain speaking and bridge building has won her admirers on the international stage." Still, she "will need all her abilities to resolve differences both within the EU, and between the EU and Moscow, over the relationship with Russia."

The Financial Times (1/22, Buckley, Parker) reports Putin "said on Sunday that Moscow would reduce its dependence on transit countries, such as neighbouring Belarus and Ukraine, to help guarantee security of energy supplies to Europe. His comments came as [Merkel] chided Russia for failing to warn Europe before it briefly cut oil supplies through a pipeline across Belarus this month, and said Russian-EU communications on energy needed to improve."

Soaring Russian Stock Market Leads Many Western Investors Admire Putin. The Wall Street Journal (1/22, Chazan, A1, 2.04M) reports that while western politicians routinely accuse Putin "of squelching domestic dissent, strong-arming foreign oil companies and using Russia's vast energy resources to blackmail neighbors," Putin "is a hero" to many investors because of "the Russian stock market's spectacular rally during his seven years of rule." The Journal adds, "To be sure, some investors agree with Western criticism of Russia's spotty human-rights record and of Mr. Putin's moves to undermine the independence of Russia's courts and parliament. They concede that in the long run

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democratic institutions are crucial for healthy market economies. But for the time being, concern about the state of Russian democracy isn't driving share prices."

"Hardline" Serbian Prime Minister To Maintain Control. The Financial Times (1/22, MacDonald) reports, "Hardline nationalists won the largest share of votes again in Serbia's parliamentary elections on Sunday, in a result that will keep 'democratic forces' on the defensive for another four years." Prime Minister Vojislav Kostunica "looks well placed to keep his job at the head of a new coalition government, although his new partners could push harder for reviving European Union pre-accession talks." The results "could further obstruct western efforts to award independence to Kosovo."

China's Use Of Currency Reserves Isn't Likely To Hit Dollar. The Wall Street Journal (1/22, A7, Areddy, 2.04M) reports, "China's decision to make greater use of its $1.06 trillion in foreign-exchange reserves could fuel uncertainty about the dollar but is unlikely to result in any immediate selling of the US currency by the world's fourth-biggest economy." In a speech Saturday, Premier Wen Jiabao said China would "actively explore and expand the channels and methods for using foreign-exchange reserves," according to the official Xinhua news agency. The comment was "the highest-level confirmation yet that China is thinking actively about how it can use the reserves, which have increased by more than six times since 2000 and made China one of the largest holders of US Treasury bonds."

Chavez Condemns US "Meddling" In Affairs. The AP (1/22, Toothaker) reports Venezuelan President Hugo Chavez "told US officials to 'Go to hell!' on his weekly radio and TV show Sunday for what he called unacceptable meddling after Washington raised concerns about a measure to grant Venezuela's fiery leftist leader broad lawmaking powers." On Friday, US State Department deputy spokesman Tom Casey said Chavez's plans under the law "have caused us some concern." Chavez rejected Casey's statement in his broadcast, saying: "Go to hell, gringos! Go home!"

Chavez's Revenue Push Comes With "Big Risks." The Wall Street Journal (1/22, A3, De Córdoba, 2.04M) reports, "In a move that may hint at growing economic problems in Venezuela," Chávez "ordered his telecommunications minister to seize control of a Verizon-controlled telecommunications company before paying compensation to its US owners." Chávez's announcement "threw further doubts on whether Verizon Communications Inc. would receive fair compensation for its stake in Compañia Anónima Nacional Teléfonos de Venezuela, known as CANTV." It also "raises questions about the health of the Venezuelan economy as the price of oil that Venezuela depends on continues to fall -- and Mr. Chávez shows no signs of cutting his rate of spending."

Rwandans Suspected Of Killing Americans Seek Asylum. The Washington Times (1/22, McElhatton, 88K) reports, "Three Rwanda citizens who faced death sentences in the 1999 kidnapping and slaughter of two Americans in Uganda are seeking political asylum now that US authorities have moved to drop the charges." The three "reputed members of the Liberation Army of Rwanda who have been detained in the D.C. Jail for nearly four years," were charged in the deaths of two American tourists, but prosecutors earlier this month "filed a motion to drop felony murder charges after a federal judge last year threw out the defendants' confessions, citing evidence that the men were tortured while imprisoned by Rwandan officials." With a dismissal pending, the defendants are now seeking asylum in the US because of "fear of persecution" if they go back to Rwanda.

Darfur Aid Workers Targeted By Militias. Newsweek (1/29, Nordland, 3.12M) reports, "On Dec. 18, in the southern town of Gereida, unrelated gunmen attacked the compounds of Oxfam and Action Contre la Faim. More than 70 aid workers subsequently pulled out of the refugee camp there -- Darfur's largest, with 130,000 people -- leaving only 10 Red Cross employees behind. Yet at the time no one revealed what had really sparked the dramatic pullbacks. In both cases, international staff, including three French aid workers, were either raped or sexually assaulted in territory controlled by the Sudanese government and its allies. … The attacks on international aid workers herald a dramatic and dangerous new trend -- the deliberate targeting of those helping to keep Darfur's millions of refugees alive. A dozen staffers from foreign NGOs have been killed in just the past six months, more than in the previous two years."

WSJournal Welcomes Ban's Move To Reform UN. In an editorial, the Wall Street Journal (1/22, A14, 2.04M) says UN Secretary-General Ban Ki Moon "has been on the job for less than a month, but with a 26-word announcement Friday he did more to reform that international body than anything ever attempted by predecessor Kofi Annan." On Friday, Ban's spokesman announced that the Secretary-General "will call for an urgent, system wide and external inquiry into all activities done around the globe by the UN funds and programs." The Journal writes, "In the absence of a UN leadership that demanded transparency and accountability, Congress and various US Administrations have been trying to reform the organization for years. If Secretary-General Ban follows through on his call for

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"external" audits of all UN programs, it will be a refreshing change at Turtle Bay."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Burdened US Military Cut Role In Drug War."
"Saving The ER For Real Emergencies."
"From Marine To Warlord."
"Lobbyist Find New Congress Is Open For Business."
"Woods Of German Are Home To Wolves Again."

USA Today:
"Why Some Democrats Worry That She Can't Win."
"Bush: iraq War Plan Will Prove Its Worth."
"Macau Leads Las Vegas In gambling."

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Southwestern US-Snow; Eastern US-Winter Advisories; Bush-Iraq; Bush-State Of Union Address; NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; Super Bowl; New Head Of Israeli Army Selected; Woman Arrested After Posing As CIA Agent; Vintage Ford Mustang Sold For Record Price; Tokyo Stock Exchange.
CBS: Super Bowl; New US Troop Deployment Now In Baghdad; Iraq-US KIAs; NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; CO-Snow; OK-Power Outages; CA-Crop Damage; US Travelers-New Passport Requirements; US Justice Department-Online Gambling Investigation; McCartney, Mills Divorce Settlement.
NPR: NM Gov. Bill Richardson-Forming Presidential Exploratory Committee; New US Troop Deployment Now In Baghdad; Abbas Meets With Exiled Hamas Leader; North Korean Nuclear Program Talks; Mexican AG-Drug Cartel Leaders To Be Extradited To US; UN Refugee Agency-Colombia; CO-Snow; OK-Power Outages.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in Phone Call to March for Life Participants, Camp David.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Speaks at the President's Committee on the Arts and the Humanities Coming Up Taller Awards Ceremony, East Room.

US Senate: FLOOR SCHEDULE _ 1 p.m. Meets for morning business. At 2 p.m., begins consideration of H.R. 2, the minimum wage bill.

US House: FLOOR SCHEDULE _ 12:30 p.m. Meets for morning business. At 2 p.m. meets for legislative business. Highlights: Suspensions (6 Bills): 1) H.Res. 29 - Supporting the goals and ideals of National Mentoring Month 2007. 2) H.Res. 51 - Honoring the Contributions of Catholic Schools. 3) H.Res. 57 - Congratulating Illinois State University as it celebrates its sesquicentennial. 4) H.Res. 52 - Paying tribute to Reverend Waitstill Sharp and Martha Sharp for their recognition by the Yad Vashem Holocaust Martyrs' and Heroes' Remembrance Authority as Righteous Among the Nations for their heroic efforts to save Jews during the Holocaust. 5) H.R. 390 - To require the establishment of a national database in the National Archives to preserve records of servitude, emancipation, and post-Civil War reconstruction and to provide grants to State and local entities to establish similar local databases. 6) H.R. 476 - Congressional Pension Accountability - To amend title 5, US Code, to make noncreditable for Federal retirement purposes any Member service performed by an individual who is convicted of any of certain offenses committed by that individual while serving as a Member of Congress, and for other purposes.

Other: ROE V. WADE ANNIVERSARY EVENTS _ Highlights: The Jesuit Conference of the U.S. hosts a pre-march Mass and breakfast. St. Aloysius Gonzaga Parish, 19 Eye St. NW. Contact: James Rogers, 202-462-0400, ext. 23; 9 a.m. - 5 p.m. The Family Research Council hosts Blogs4Life, the second annual conference of pro-life bloggers. Speakers include Sen. Sam Brownback, R-Kansas; Rep. Duncan Hunter, R-Calif.; Bobby Schindler; and Ramesh Ponnuru. 801 G St. NW. Contact: J.P. Duffy, 866-372-6397. 10 a.m. Officials of the National Right to Life Committee, Inc. hold a press conference. National Press Club, Murrow Room. Contact: Derrick Jones, 202-626-8825. 12 p.m. Start of the March for Life. National Mall in front of the Capitol, line marches along Constitution Ave to the Supreme Court. Contact: 202-543-3377. 3 p.m. - 5 p.m. Sen. Sam Brownback, R-Kans., hosts pro-life activists at a reception during the annual March for Life. Capitol Hill Club, 300 First St. SE. Contact: Bryan Sanders, 913-909-3632. Note: Media setup at 2:30 p.m. Media availability/reception for marchers from 3-5 p.m. 4:30 p.m. Silent No More post-abortion speak out/rally. In front of the Supreme Court. Contact: Amber Dolle, 540-903-9572. 5:30 p.m. Demonstration outside a Planned Parenthood fund raiser. Sonoma Wine Bar, 233 Pennsylvania Ave. SE. Contact: Amber Dolle, 540-903-9572. 7 p.m. 25th Annual March for Life Rose Dinner. Hyatt Regency Hotel on Capitol Hill, 400 New Jersey Ave. NW. Contact: 202-543-3377.

DOJ_NMG_ 0173026

SPACE SECURITY _ 8:30 a.m. The George C. Marshall Institute holds a forum on national security space, with John Sheldon of the Air Force School of Advanced Air and Space Studies, Peter Hays of SAIC, Baker Spring of Heritage Foundation, others. Location: Capitol Hill Club, 300 1st St. SE.

ALLEN-PORT SECURITY _ 9 a.m. Coast Guard Commandant Admiral Thad W. Allen deliver keynote remarks at the Marine Log Maritime and Port Security Conference. Location: Crystal Gateway Marriott, 1700 Jefferson Davis Highway, Arlington, Va.

PRO-LIFE BLOGGERS _ 9 a.m. Family Research Council hosts second annual conference for pro-life bloggers. Blogs4Life is set to take place the day of the 34th annual March for Life. Location: 801 G St. NW.

TAIWAN-MAINLAND CHINA _ 9 a.m. - 12 p.m. The American Enterprise Institute (AEI) hosts a forum, ``Constitutional Change in Taiwan: Provocation or Democratic Consolidation?," a discussion of the prospects for constitutional change in Taiwan and the effect of these changes on Taiwan's relationship with mainland China. Highlights: 9 a.m. Panel I: ``The Taiwanese Constitution: Past and Present." Panelists: Wen-cheng Lin, Taiwan Foundation for Democracy; John Tkacik, Heritage Foundation; and Jiunn-Rong Yeh, National Taiwan University. Moderator: Dan Blumenthal, AEI. 10:50 a.m. Panel II: ``Constitutional Change: From Autocracy to Democracy." Panelists: Richard Bush, Brookings Institution; T.J. Cheng, College of William and Mary; and Donald Horowitz, Duke University School of Law. Moderator: Gary J. Schmitt, AEI. Location: AEI's Wohlstetter Conference Center, 12th floor, 1150 17th St. NW.

FOOD-FARM POLICY _ 9:30 a.m. Agricultural, anti-hunger, faith-based, public health, rural and conservation groups hold a news conference to call for new farm and food policies to address the nation's needs. Participants include Linda Berlin of the Society for Nutrition Education; Scott Faber of Environmental Defense; Ralph Grossi of American Farmland Trust, others. Location: National Press Club.

LEGISLATIVE AGENDA _ 9:30 a.m. The Center for Democracy and Technology holds a news conference to release its 2007 legislative agenda. Location: 11th floor, 1634 Eye St. NW.

FEDERAL BUDGET _ 9:30 a.m. - 1:30 p.m. The National Press Foundation, The Center on Congress at Indiana University and The Regional Reporters Association host a free seminar for journalists, ``Covering the Federal Budget in a Democratic Congress." Lee Hamilton, director of the Center on Congress at Indiana University, former U.S. representative, and president of the Wilson Center will host the program. Other partcipants: Rob Nabors, staff director, House Appropriations Committee; Tom Kahn, staff director, House Budget Committee; Joseph Minarik, senior vice president and director of research, Committee for Economic Development, and former House and OMB staff; Donald Wolfensberger, director, The Wilson Center Congress Project and former House staff; Jeanne Cummings, The Wall Street Journal; Janet Hook, Los Angeles Times; David Espo, The Associated Press; and Suzanne Struglinski, president of the Regional Reporters Association. Location: Woodrow Wilson International Center for Scholars, Reagan Building, 1300 Pennsylvania Ave. NW.

MIDEAST SOLUTION _ 10 a.m. Former Defense Secretary William Cohen holds a news conference to discuss the U.S. role in promoting a two-state solution to the Israeli-Palestinian conflict, sponsored by the Campaign for American Leadership in the Middle East. Location: National Press Club.

PHYSICIANS-HEALTH CARE _ 11 a.m. The American College of Physicians holds a briefing on the state of the nation's health care. The organization says that comprehensive reforms are needed In how medical care is organized, valued, financed, and reimbursed. Briefers are: Dr. Lynne M. Kirk, president, American College of Physicians; and Robert B. Doherty, senior vice president for governmental affairs and public policy, American College of Physicians. Location: National Press Club, Zenger Room.

GREENHOUSE GASES _ 11:30 a.m. Executives of major corporations and environmental groups hold a news conference to call for speedy federal action to reduce greenhouse gases. Participants include ALCOA CEO Alain Belda; PG&E Corp. CEO Peter Darbee; Lehman Bros. CEO Richard Fuld, Jr.; General Electric CEO Jeffrey Immelt; DuPont CEO Chad Holliday; Caterpillar CEO Jim Owens; President Frances Beinecke of the Natural Resources Defense Council; Pew Center on Global Climate Change President Eileen Claussen; World Resources Institute President Jonathan Lash; others. Location: National Press Club.

MEDICARE _ 11:30 a.m. Sens. Pete Domenici and Dianne Feinstein hold a news conference to announce a bipartisan plan to reform Social Security and Medicare. Location: Senate Radio-TV Gallery.

CLIMATE CHANGE _ 12 p.m. Senior legislators from G-8 and emerging economies hold a media briefing on upcoming climate change meeting (Feb. 14-15). Briefers: Elliot Morley MP, president of GLOBE International and UK Prime Ministers Special Representative to the Gleneagles Dialogue; Otaviano Canuto, World Bank Executive Director for Brazil, Adam Mathews, Secretary General of GLOBE International; and forum coordinator Lord Michael Jay, former Head of UK Foreign Office. Location: National Press Club, Lisagor Room.

SAUDI ARABIA _ 1:30 p.m. George Washington University hosts Saudi Ambassador Prince Turki Al-Faisal, speaking on the challenges and opportunities facing his

DOJ_NMG_ 0173027

nation this century. Location: First floor Marvin Theater, 800 21st St. NW.

CHERTOFF-SWIFT RAIDS _ 2 p.m. There will be a media availability following a meeting between Sen. Wayne Allard, R. Colo., and a bipartisan group of his Senate colleagues and Department of Homeland Security Secretary Michael Chertoff regarding the U.S. Immigration and Customs Enforcement raids on Swift & Co. facilities in six states. Location: Room 538, Dirksen Senate Office Building.

DEVELOPMENT-STATES _ 2 p.m. The Corporation for Enterprise Development releases its 2007 report on development in the various states. Location: Room 428A, Russell.

GENETIC INFORMATION _ 3 p.m. Rep. Louise M. Slaughter, D-N.Y., chair of the House Rules Committee, will be joined by Rep. Judy Biggert, R-Ill., and Sharon Terry, head of the Coalition for Genetic Fairness, to announce the Genetic Information Nondiscrimination Act (GINA), introduced in the House this past Tuesday. Location: Room H-314, Capitol.

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System Administrator

From: System Administrator
Sent: Monday, January 22, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1109918 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 9:46 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 22, 2007

Department of Justice

PRESS GUIDANCE
Monday, January 22, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue two releases on criminal matters. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173030

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Image not available for this document, ID: 0.7.10316.10215-000002

Amber.JMD

From: Amber.JMD
Sent: Monday, January 22, 2007 11:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: ColoradoSprings, CO

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 22, 2007 11:01:28 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: ColoradoSprings, CO
Auto forwarded by a Rule

AMBER ALERT:ColoradoSprings,CO CHILD:3 years old Black M 3' 41 lbs Eyes:Brown Hair:Black
SUSPECT:38 years old Black M 5'11" 250 lbs Eyes:Brown CALL 719-390-5555 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId
=3223

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, January 22, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1110533 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 22, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1110534 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 22, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1110550 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 5:46 PM
To: USDOJ- Office of Public Affairs
Subject: FOURTH GANG MEMBER SENTENCED TO LIFE IN PRISON FOR FEDERAL HATE CRIME MURDERS OF AFRICAN-AMERICANS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 22, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FOURTH GANG MEMBER SENTENCED TO LIFE IN PRISON FOR FEDERAL HATE CRIME MURDERS OF AFRICAN-AMERICANS

WASHINGTON — The fourth defendant and member of the Avenues street gang, who was convicted for his role in the racially-motivated murders of two African-Americans, was sentenced today to serve life in federal prison without the possibility of parole. Los Angeles gang member Porfirio Avila and his three co-defendants were previously found guilty of participating in a six-year conspiracy that led to the assaults and murders of African-Americans. This case marks the first time the federal hate crime statute has been used to combat racial violence by members of a street gang.

In August 2006, a federal jury found four defendants – Avila, as well as Gilbert Saldana, Alejandro Martinez and Fernandando Cazares – guilty of violating the civil rights of African-Americans by attacking and, on two occasions, killing them in the mostly-Latino neighborhood claimed by the gang. The victims included Christopher Bowser, an African-American man who was shot while waiting at a bus stop in Highland Park on Dec. 11, 2000, and Kenneth Wilson, an African-American man who was gunned down while looking for a parking space in Highland Park on April 18, 1999.

In November 2006, Avila's three co-defendants, also members of the Avenues gang, were sentenced to two consecutive life terms for their role in the violent civil rights conspiracy and the murder of Kenneth Wilson.

"Racial violence devastates not only individuals but entire communities," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department of Justice is grateful to the victims and witnesses who had the courage to come forward in this case, despite enormous personal sacrifices demanded by the trial, so that justice could be done. Today's sentence, as well as the sentences handed down last November, demonstrate how seriously we take these incidents."

At trial last summer, two former Avenues gang members testified that Martinez instigated the Wilson murder by using a racial slur and encouraging his fellow gang members to kill Wilson. Saldana then fired a gun at Wilson while Cazares served as a look-out. Avila did not directly participate in Wilson's murder, but participated in the six-year conspiracy against African-Americans and was implicated directly in the murder of Christopher Bowser. According to evidence at trial, Avila and Martinez attacked Bowser at a bus stop in Highland Park shortly before Bowser was shot to death in the same location. Avila was previously prosecuted

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in state court for the murders of Christopher Bowser and another African-American man, and is already serving a life sentence in state prison.

A fifth defendant, Merced Cambero, is also accused of participating in the murders of African-Americans. Cambero is currently a fugitive.

"Hate crimes are some of the most disturbing offenses prosecuted by this office," said Acting U.S. Attorney Thomas O'Brien. "These defendants will now spend the rest of their lives in federal prison for the despicable act of trying to rid their neighborhood of African-Americans. This case demonstrates that this office and the Department of Justice will use all tools available to ensure that the citizens of this District are protected from hate crimes, particularly violent hate crimes of the type committed by these defendants. The multiple life sentences imposed today guarantee that these violent, racist killers will never again be free to attack African-American residents of the Highland Park neighborhood just because they are African-American."

J. Stephen Tidwell, Assistant Director in Charge of the FBI in Los Angeles, said, "Today's sentencing represents the FBI's commitment to the protection of civil rights in the United States, which is listed among the FBI's highest priorities. My office continues to offer a $20,000 reward for the remaining fugitive charged in the conspiracy, Merced Cambero, so that all of those responsible for these insidious and racist crimes are prosecuted."

This case was investigated by the FBI and the Los Angeles Police Department, under Los Angeles Police Chief William J. Bratton. The case was prosecuted by the U.S. Attorney's Office in Los Angeles and the Civil Rights Division of the Department of Justice.

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07-032

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Image not available for this document, ID: 0.7.10316.10141-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 6:15 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: FOURTH GANG MEMBER SENTENCED TO LIFE IN PRISON FOR FEDERAL HATE CRIME MURDERS OF AFRICAN-AMERICANS

Department of Justice

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MONDAY, JANUARY 22, 2007
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(202) 514-2008
TDD (202) 514-1888

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DOJ_NMG_ 0173041

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This case was investigated by the FBI and the Los Angeles Police Department, under Los Angeles Police Chief William J. Bratton. The case was prosecuted by the U.S. Attorney's Office in Los Angeles and the Civil Rights Division of the Department of Justice.

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07-032

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Image not available for this document, ID: 0.7.10316.10145-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 6:30 PM
To: USDOJ- Office of Public Affairs
Subject: HARRISON COUNTY RESIDENT ARRESTED FOR HURRICANE KATRINA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 22, 2007
WWW.USDOJ.GOV/USAO/MSS

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

HARRISON COUNTY RESIDENT ARRESTED FOR HURRICANE KATRINA FRAUD

JACKSON, Miss. - Paul Ladner, of Pass Christian, Miss., waived arraignment today on charges of making false statements to Federal Emergency Management Agency for Hurricane Katrina disaster assistance funds, as well as wire fraud, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today Ladner was indicted on Dec. 5, 2006 for receiving over $14,000 from Federal Emergency Management Agency by providing a false address in Pass Christian, Miss., and claiming hurricane damage at that address.

The case has been set for trial on March 5, 2007 before U.S. District Judge Louis Guirola, Jr. If convicted, Ladner faces up to 60 years in prison and up to $1,250,000 in fines.

In September 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force, chaired by Assistant Attorney General for the Criminal Division, Alice S. Fisher, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 federal and state law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the Department of Homeland Security Office of the Inspector General Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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Image not available for this document, ID: 0.7.10316.10138-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: MASSACHUSETTS WOMAN CONVICTED OF ENGAGING IN CHILD PROSTITUTION SCHEME

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 22, 2007

CRM
(202) 514-2008
TDD (202) 514-1888

WWW.USDOJ.GOV

MASSACHUSETTS WOMAN CONVICTED OF ENGAGING IN CHILD PROSTITUTION SCHEME

WASHINGTON. – A Chelsea, Mass., woman pleaded guilty today in federal court to conspiring to engage in a child prostitution scheme, Assistant Attorney General Alice S. Fisher for the Criminal Division; United States Attorney Michael J. Sullivan for the District of Massachusetts; Sharon E. Ormsby, Acting Special Agent in Charge of the FBI in New England; Edward Davis, Commissioner of the Boston Police Department; and Colonel Mark Delaney, Superintendent of the Massachusetts State Police, announced today.

Evelyn Diaz, 22, pleaded guilty before U.S. District Judge Patti B. Saris to an indictment charging her with one count of conspiracy to engage in a child prostitution scheme, two counts of transportation of a minor to engage in prostitution, and three counts of sex trafficking of children. Diaz was arrested on Friday, July 7, 2006.

As part of the plea agreement, Diaz admitted that between approximately July 2003 and May 2005, she operated an escort service that advertised in multiple publications and websites, and sent individuals—including minors—on prostitution calls in and around Boston. Diaz primarily operated the business out of her home in Chelsea. In addition, Diaz at times traveled to other states for the purpose of having individuals—including minors—engage in commercial sex. Diaz kept all or part of the money obtained for the sex acts performed.

Diaz also admitted that in July of 2003, she transported Minor A and Minor B, ages 15 and 13 respectively, to New York City to engage in prostitution. Diaz arranged this meeting through her business, paid for the hotel, supplied condoms and received the money paid by the callers.

Judge Saris scheduled sentencing for April 27, 2007. Diaz faces a maximum sentence of five years in prison on the conspiracy charge; a mandatory minimum sentence of five years and a maximum of 30 years in prison on the transportation of a minor charges; a 40 year maximum sentence on two of the sex trafficking of children charges; and a maximum life sentence on the third sex trafficking charge.

A charge of conspiracy to engage in a child prostitution scheme is still pending against Diaz's co-defendant, Victor Diaz, 23, of East Boston, Mass.

DOJ_NMG_ 0173048

The case was investigated by the FBI, the Boston Police Department and the Massachusetts State Police. It is being prosecuted by Assistant U.S. Attorney Dana Gershengorn in Sullivan's Major Crimes Unit, and Wendy Waldron, Trial Attorney for the Child Exploitation and Obscenity Section.

This case is part of the Innocence Lost Initiative, a cooperative effort to prevent and prosecute child prostitution between the FBI, the Criminal Division's Child Exploitation and Obscenity Section and the National Center for Missing and Exploited Children.

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07-034

DOJ_NMG_ 0173049

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Image not available for this document, ID: 0.7.10316.10135-000002

System Administrator

From:	System Administrator
Sent:	Monday, January 22, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1111811 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 22, 2007 6:50 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA MAN SENTENCED TO 250 MONTHS IN PRISON FOR ARRANGING SEX TOURS INVOLVING MINORS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 22, 2007

CRM
(202) 514-2008
TDD (202) 514-1888

WWW.USDOJ.GOV

FLORIDA MAN SENTENCED TO 250 MONTHS IN PRISON FOR ARRANGING SEX TOURS INVOLVING MINORS

WASHINGTON – A Florida man was sentenced today to 250 months in prison and a lifetime of supervised release for conspiring to arrange for men in the United States to travel to Honduras to have sex with young teenage girls, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Paul I. Perez of the Middle District of Florida announced today.

Gary B. Evans, 58, of Cocoa Beach, Fla., was sentenced today before Chief Judge Patricia C. Fawsett in U.S. District Court in Orlando. Evans was ordered to forfeit his interest in his house, various computers and electronic equipment, and two cashier's checks totaling $24,000.

Evans was arrested on May 11, 2006, and indicted on May 23, 2006, on one count of conspiring to arrange the travel of an individual for the purpose of engaging in illicit sexual conduct and one count of arranging such travel. After Evans' computers were seized and examined, agents discovered digital images of minors engaged in sexually explicit conduct. On August 9, 2006, a superseding indictment was returned which added one count of receiving child pornography and one count of possessing child pornography. Evans pleaded guilty on October 23, 2006, before Magistrate Judge David A. Baker to one count of conspiring to arrange for the travel of a person to engage in illicit sexual conduct – specifically, a commercial sex act with a person under 18 years of age.

According to the plea agreement, in August 2005, Evans contacted the operator of a Web site which purported to sell "sex tour" packages to overseas locations. According to the Web site, the tour price would include an under-age companion who would have sex with the traveler. Evans proposed a partnership with the operator of the Web site in which they would jointly operate tours to Honduras and Costa Rica, where clients would pay to have sex with minors. However, the Web site was actually part of an undercover investigation being conducted by FBI agents who are part of the Innocent Images task force based in Calverton, Md.

Starting in September 2005 and continuing for several months, undercover agents exchanged several emails, and had numerous online and phone conversations with Evans and his associate in Honduras. Ultimately, Evans agreed to arrange for two clients to travel to Honduras to engage in sex with two girls, ages

16 and 14 respectively. The ultimate price for the hotel, expenses and sex was $2,260, paid in three installments.

On May 6, 2006, undercover agents from the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE) met three associates of Evans in Honduras. The three associates ultimately brought two girls, who appeared to be between the ages of 14 and 16, to the hotel. After briefly meeting the girls, the undercover agents told the associates that they had to return to the United States to attend to an emergency. At that point, the girls safely left the hotel.

As part of the plea agreement, Evans admits he possessed images of real children engaged in sexually explicit conduct. He also admits that the images depicted prepubescent children, and children engaged in sadistic or masochistic conduct. He further admits he possessed more than 150 images of child pornography. Finally, Evans admits that during the time of the offense, he engaged in a pattern of activity involving the sexual abuse and exploitation of minors.

This case is being investigated by ICE and the FBI. The Brevard County, Fla. Sheriff's Office is also assisting. This case is being prosecuted by Assistant U.S. Attorney Vincent Citro of the Middle District of Florida and Trial Attorney Alexandra Gelber of the Child Exploitation and Obscenity Section of the Justice Department's Criminal Division.

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07-033

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Image not available for this document, ID: 0.7.10316.10116-000002

System Administrator

From: System Administrator
Sent: Monday, January 22, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1111985 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 23, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1111986 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 23, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1115527 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 23, 2007 9:54 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 23, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, January 23, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173060

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Image not available for this document, ID: 0.7.10316.10082-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, January 23, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116097 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 23, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116098 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 23, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116099 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 23, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116100 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 23, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116100 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Wednesday, January 24, 2007 4:36 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: MIAMI, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Wednesday, January 24, 2007 4:35:26 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: MIAMI, FL
Auto forwarded by a Rule

AMBER ALERT:MIAMI-DADE,FL CHILD:14 White F 5'4 160 Eyes:Bro Hair:Bro SUSPECT:Approximately 20 Hispanic M SUSPECT:Approximately 20 Hispanic M CALL 305-995-1550 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3262

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1116104 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1119303 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 9:53 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 24, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, January 24, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Environment and Natural Resources Division will issue a release on a sentencing matter. (Magnuson)

The Criminal Division will issue a release on a child exploitation matter. (Lesch)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173071

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Image not available for this document, ID: 0.7.10316.10069-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 24, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1119895 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, January 24, 2007 1:05 PM
Subject: SMO/JMD JCON JUTNet Migration Testing

SMO/JMD JCON JUTNet Migration Testing

As a part of the SMO/JMD JCON network transition to the Justice Unified Telecommunications Network (JUTNet), technicians will perform migration testing this weekend. During the JUTNet migration testing, SMO/JMD JCON customers may experience email delays and an interruption of network availability.

There will be a brief interruption to network connectivity when the initial cutover action to JUTNet is made and again when the test is complete. Other intermittent interruptions may occur during the test period. If email is delayed, messages will be held and delivered once services are restored. No other impact to customers is anticipated.

When: Sunday, January 28, 2007 12:01 am to 6:00 am

Event: Migration Test for JUTNet

Customers Affected: SMO/JMD JCON Customers

Available Services: All services - only interruptions for brief cutover actions are anticipated

Suggested Action: If you have questions please call the SMO/JMD JCON Help Desk, 6-7100.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1119898 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 2:56 PM
To: USDOJ- Office of Public Affairs
Subject: WEST VIRGINIA MAN CONVICTED OF PRODUCING, RECEIVING, AND POSSESSING CHILD PORNOGRAPHY

Department of Justice

FOR IMMEDIATE RELEASE CRM
WEDNESDAY, JANUARY 24, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

WEST VIRGINIA MAN CONVICTED OF PRODUCING, RECEIVING, AND POSSESSING CHILD PORNOGRAPHY

WASHINGTON – A Cross Lanes, W. Va. man has been convicted of producing, receiving, and possessing child pornography, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Charles T. Miller of the Southern District of West Virginia announced today.

Following a five-day jury trial that began last Wednesday, David A. Hicks was found guilty on two counts of producing child pornography, two additional counts of possessing child pornography, and one count of receiving child pornography over the Internet. The trial was held in U.S. District Court in Charleston, W. Va. and U.S. District Court Judge Joseph R. Goodwin presided.

The evidence presented at trial demonstrated that Hicks, a father of two girls under the age of ten, frequently had his older daughter's friends spend the night as guests. Five of these juveniles, girls between the ages of nine and 12, testified that Hicks frequently took photos of them while they were at the home, commented on his ability to see through their clothing, walked in on them while they were changing or bathing, watched and photographed them through the blinds of the home while they were swimming in his pool, and physically touched more than one of them inappropriately. Hicks stored photos of the girls on his computer in a special archive folder, including photos of his daughter's friends either nude or partially nude. The two charges of production of child pornography were based on two photos taken in Hicks's bathtub that depicted one of the girls in a sexually suggestive position.

Evidence at trial also revealed that Hicks was a trained computer expert who maintained a computer in his bedroom that had four separate hard drives. These hard drives contained thousands of images and movies of children engaged in sexually explicit conduct. The images on these hard drives were the basis of one of the possession charges. Investigators also testified that they seized several CDs from Hicks' bedroom that contained similar images of prepubescent children engaged in sexually explicit conduct. Finally, forensic analysis of the computers and CDs revealed that Hicks searched for sexually explicit movie clips of children using a peer-to-peer file-sharing program, and then downloaded the movie clips to his computer. Hicks's use of

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the Internet to download movie clips containing graphic images of prepubescent children engaged in sexually explicit conduct was the basis of the receipt charge.

Sentencing is currently set for April 19, 2007. Hicks faces a minimum sentence of 15 years and up to 30 years in prison for each of the two production charges, a minimum sentence of 5 years and up to 15 years in prison for the receipt charge, and up to 10 years in prison for each of the two possession charges. The judge also approved the forfeiture of the child pornography and related computer equipment seized during the investigation.

This case was investigated by Special Agents Mike Ritzman and Jack Remaly of the FBI. The forensic analysis was conducted by Melinda Cash of the FBI's Computer Analysis Response Team. The case was prosecuted by Assistant U.S. Attorney Anna Forbes of the U.S. Attorney's Office for the Southern District of West Virginia and Trial Attorney Steve Grocki of the Child Exploitation and Obscenity Section of the Criminal Division.

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07-037

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 4:25 PM
To: USDOJ- Office of Public Affairs
Subject: AMERICAN-BASED SHIP OPERATOR SENTENCED FOR ENVIRONMENTAL CRIMES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007

ENRD
(202) 514-2007

WWW.USDOJ.GOV

TDD (202) 514-1888

AMERICAN-BASED SHIP OPERATOR SENTENCED FOR ENVIRONMENTAL CRIMES

WASHINGTON – American-based ship operator, Pacific-Gulf Marine, Inc. (PGM), was sentenced today for deliberate acts of pollution involving a fleet of four ships, in violation of the Act to Prevent Pollution from Ships. U.S. District Judge William M. Nickerson sentenced PGM to pay a $1 million criminal fine, $500,000 for community service and serve three years of probation under the terms of a rigorous Environmental Compliance Program (ECP), which is subject to court approval.

According to documents filed in court, including a Joint Factual Statement signed by the company's chief executive officer, PGM admitted that the ships illegally discharged hundreds of thousands of gallons of oil-contaminated bilge waste without the use of an oily water separator, a required pollution prevention device. Instead, the ships used secret bypass pipes, sometimes referred to as a "magic pipe," to circumvent the oily water separator.

After learning of the federal investigation, PGM voluntarily disclosed to investigators the results of an internal investigation comprised of approximately 50 reports of interviews with various current and former employees who had worked aboard the four giant "Car Carrier" vessels used to transport vehicles. Many of the interviews contained confessions, admissions or otherwise revealed incriminating information and evidence of illegal conduct, according to documents filed in court.

Both the Department of Justice and the EPA have voluntary disclosure programs under which a company can seek non-prosecution if it discovers violations and reports them in a timely manner prior to a government investigation. Prosecutors advised the court today that while PGM's cooperation occurred after the initiation of the criminal investigation, it was nevertheless substantial and warranted significant credit. At the sentencing hearing today, Judge Nickerson recognized that PGM had provided significant cooperation in the government's investigation.

"We will continue to prosecute companies who use our oceans as dumping grounds until those shipping companies clean up their acts," said David M. Uhlmann, Chief of the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division. "But this case also demonstrates that companies like PGM can help right their wrongs by cooperating with criminal investigators, and we are hopeful

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that others will follow PGM's example by identifying misconduct within their organizations and voluntarily disclosing that information to law enforcement officials."

"We will continue to work to protect the Chesapeake Bay and Maryland's other waterways by prosecuting people and companies that pollute them in violation of federal law," said Rod J. Rosenstein, U.S. Attorney for the District of Maryland. "We are fortunate that PGM responded in this case by accepting responsibility for its actions and assisting in our investigation."

Under the terms of the plea agreement, half of the $500,000 community service payment will fund environmental projects to improve, restore or study water quality in the Chesapeake Bay in Maryland, while the other half will fund environmental education for mariners at U.S. maritime schools.

PGM admitted that its shore-side management "failed to provide sufficient management resources and support to the ships, and also failed to exercise sufficient supervision and management controls to prevent or detect criminal violations by its employees." The motive for the criminal conduct was to save money, according to papers filed in court.

The investigation was conducted by the Chesapeake Regional Office of the Coast Guard Investigative Service and the EPA Criminal Investigation Division. Additional assistance was provided by U.S. Coast Guard Sector Baltimore, U.S. Coast Guard Activities Europe, U.S. Coast Guard Fifth District Legal Office, Coast Guard Office of International and Maritime Law, and Coast Guard Headquarters Office of Investigations and Analysis. The case was prosecuted by the U.S. Department of Justice Environmental Crimes Section and the U.S. Attorney's Office for the District of Maryland.

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07-038

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Image not available for this document, ID: 0.7.10316.9913-000002

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1120000 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 5:11 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER MBN AGENTS SENTENCED FOR USING EXCESSIVE FORCE AGAINST TWO JACSKON MEN

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FORMER MBN AGENTS SENTENCED FOR USING EXCESSIVE FORCE AGAINST TWO JACSKON MEN

WASHINGTON – Former Mississippi Bureau of Narcotics agents, Gregory Reynolds and John Forman, were sentenced yesterday for using excessive force to violate the civil rights of two motorists they assaulted during an unjustified traffic stop. Reynolds received 30 days in jail and 11 months of home detention; Forman received 12 months of home detention. Both defendants pleaded guilty in late 2006 to wilfully violating the civil rights of the victims.

The sentences arise from an Aug. 29, 2004 incident when the defendants stopped two motorists as they drove away from a local nightclub. According to documents filed in federal court, a third agent who was with the defendants on the night of the assault used anti-gay slurs to refer to one of the victims as they left the nightclub. The third agent then ordered Reynolds and Forman to pursue the victims in their vehicle. The defendants then conducted a stop during which they used unnecessary physical force to remove the victims from their truck. As a result of the assault, one of the victims suffered a spiral fracture to his arm and lacerations to his face and was transported to a hospital. The defendants followed the victim to the hospital where they confronted him, and tried to get him to agree that he would not file a complaint against them if they would not charge him with driving under the influence of alcohol. The victim ordered the agents to leave, and accordingly, Reynolds and Forman filed a DUI charge against him. Forman later testified falsely against the victim in Hinds County Justice Court in relation to the DUI charge.

"In our country, all Americans are treated equally under the law, and are entitled to the full protection of our civil rights laws," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The federal government will continue to vigorously prosecute law enforcement officers for using excessive force against our citizens."

This case was investigated by FBI special agent Phillip McDonald, and was prosecuted by special litigation counsel Paige Fitzgerald of the Civil Rights Division of the Department of Justice.

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07-039

DOJ_NMG_ 0173086

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 5:28 PM
To: USDOJ- Office of Public Affairs
Subject: THE PBSJ CORPORATION PAYS $6.4 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

THE PBSJ CORPORATION PAYS $6.4 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

WASHINGTON – The PBSJ Corp. (PBSJ), a design and engineering firm based in Florida, has paid more than $6.4 million to resolve claims that it violated the False Claims Act by submitting false and fraudulent claims to the government, the Justice Department announced.

The settlement arises from a $36 million embezzlement scheme that took place between 1992 and 2005 and was perpetrated by PBSJ's former Chief Financial Officer and two other employees. The scheme involved shifting funds and fabricating entries in the company's books and records to cover up the fraud, and resulted in PBSJ's audited overhead rates being overstated.

The settlement also resolves unrelated issues concerning how PBSJ treated certain indirect costs that also contributed to PBSJ's audited overhead rates being overstated. The inaccurate overhead rates were submitted to the United States in connection with hundreds of contracts with federal agencies for the purposes of contract qualification, contract negotiation, contract billing, and applicable contract and audit reporting requirements. As a result, PBSJ submitted claims to the United States under federal contracts that were false or fraudulent because the claims relied on and incorporated the overstated overhead rates. More than a dozen federal agencies were affected by the fraud, including the Departments of the Army, Transportation, Interior and Homeland Security.

"Companies that enter into contracts with the government must maintain accounting controls and procedures that ensure that the costs and rates that they submit to the government are accurate," said Assistant Attorney General Peter D. Keisler of the Civil Division.

Previously, three individuals responsible for the embezzlement, CFO William Scott Deloach, Maria Garcia, and Rosario Licata, pleaded guilty on Sept. 28, 2006 in the Southern District of Florida and currently await sentencing. The criminal investigation of the individuals was conducted by the U.S. Attorney's Office for the Southern District of Florida and the FBI, Miami Field Division.

The civil investigation of PBSJ was conducted by the Civil Division of the Department of Justice, the Office of Inspector General for the Department of Transportation, and the Defense Contract Audit Agency.

DOJ_NMG_ 0173090

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07-040

DOJ_NMG_ 0173091

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Image not available for this document, ID: 0.7.10316.9901-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 6:28 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES SETTLEMENT WITH HONOLULU APARTMENT COMPLEX TO RESOLVE FAIR HOUSING ACT CLAIMS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT WITH HONOLULU APARTMENT COMPLEX TO RESOLVE FAIR HOUSING ACT CLAIMS

WASHINGTON - The Justice Department today reached a partial settlement with the owner, builder, architect and civil engineer of the West Loch Village, a 150-unit apartment complex in Ewa Beach, Hawaii. Today's agreement, filed in the U.S. District Court for the District of Hawaii, partially resolves allegations of disability discrimination in the design and construction of the complex.

The original complaint was filed to enforce provisions of the federal Fair Housing Act that require recently constructed dwellings to include features designed to make the dwellings more accessible to persons with physical disabilities. The Department's suit was brought as a result of a referral to the Justice Department by the U.S. Department of Housing and Urban Development.

Under the partial settlement, which must be approved by the court, the defendants, (the City and County of Honolulu; Mecon Hawaii Limited; Yamasato, Fujiwara, Higa & Associates Inc.; Hawaii Affordable Properties Inc.; and R.M. Towill Corp.) will pay all costs related to making the apartment complex accessible to persons with disabilities. The defendants must also establish a $75,000 fund which will be used to compensate individuals harmed by the inaccessible housing. The settlement also requires the defendants to undergo training on the requirements of the Fair Housing Act.

"Accessible housing is a necessity for people with disabilities," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "These types of design and construction cases reflect the Justice Department's commitment to enforcing this nation's fair housing laws."

The United States' claim against the City and County of Honolulu, alleging that one resident of the complex was hurt when he fell due to the design and construction defects, is not settled by this partial settlement agreement.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet

DOJ_NMG_ 0173094

Home is not limited to the areas hit by Hurricane Katrina and targets housing discrimination all over the country. More information about Operation Home Sweet Home is available at the Justice Department Web site at http://www.usdoj.gov/fairhousing. Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line (1-800-896-7743), email the Justice Department at fairhousing@usdoj.gov, or contact the U.S. Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability and familial status. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 216 cases to enforce the Fair Housing Act, 96 of which have alleged discrimination based on disability. More information about the Civil Rights Division and the laws it enforces is available at http://www.usdoj.gov/crt.

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07-041

DOJ_NMG_ 0173095

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Image not available for this document, ID: 0.7.10316.9883-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 6:44 PM
To: USDOJ- Office of Public Affairs
Subject: LUMBERTON, TEXAS, MAN SENTENCED FOR CHILD PORNOGRAPHY

Department of Justice

United States Attorney Matthew D. Orwig
Eastern District of Texas

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007

CONTACT: DAVILYN BRACKIN
PHONE: (409) 839-2538
CELL: (409) 553-9881

www.usdoj.gov/usao/txe

LUMBERTON, TEXAS, MAN SENTENCED FOR CHILD PORNOGRAPHY

BEAUMONT, Texas – A 27-year-old Lumberton, Texas, man was sentenced for possessing and distributing child pornography in the Eastern District of Texas, U.S. Attorney Matthew D. Orwig of the Eastern District of Texas announced today. John Toby Walker was sentenced to 97 months in federal prison by U.S. District Judge Thad Heartfield.

"Child pornography is not a victimless crime," said U.S. Attorney Matthew D. Orwig. "Each photo or video clip represents an assault on the innocence of a living child, and memorializes unspeakable sexual abuse and exploitation. We are committed to protecting our children from these sexual predators."

According to information presented in court, in May 2005, the Lumberton Police Department received information from a Lumberton resident that Walker was receiving and viewing pornographic images of children on his home computer. A state search warrant was obtained by the Lumberton Police Department and Walker's home computer was seized on May 16, 2005. Special Agents from the FBI's Beaumont office assisted in the investigation. FBI computer forensics experts found the computer contained approximately 653 images of child pornography. Walker was indicted in May 2005 and charged with using a computer to receive, transmit and possess pornographic images of minors.

On Sept. 21, 2006, Walker pled guilty to charges of possession of a computer that contained child pornography.

This case was investigated by the FBI and the City of Lumberton Police Department. Assistant U.S. Attorney Randall L. Fluke prosecuted the case.

DOJ_NMG_ 0173098

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

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DOJ_NMG_ 0173099

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Image not available for this document, ID: 0.7.10316.9881-000002

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1121812 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 24, 2007 7:29 PM
To: USDOJ- Office of Public Affairs
Subject: ALABAMA WOMAN SENTENCED TO MORE THAN SIX YEARS IN PRISON FOR KATRINA FRAUD

Department of Justice

United States Attorney Deborah J. Rhodes
Southern District of Alabama

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 24, 2007
WWW.USDOJ.GOV/USAO/ALS

CONTACT: CHARLIE McNICHOL
PHONE: (251) 415-7131
FAX: (251) 441-5277

ALABAMA WOMAN SENTENCED TO MORE THAN SIX YEARS IN PRISON FOR KATRINA FRAUD

MOBILE, Ala.— Lawanda T. Williams, also known as Lawanda Johnson, was sentenced today to more than six years in prison for defrauding the Federal Emergency Management Agency (FEMA) of more than $267,000 and for aggravated identity theft following Hurricane Katrina, U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama announced.

Williams was sentenced to 75 months in prison, and was ordered to pay full restitution to FEMA in the amount of $267,377. In addition, Williams was ordered to forfeit all of the property she purchased with the proceeds of her fraud, including four automobiles, real estate, televisions and other electronics.

Williams pled guilty in September 2006 to making false claims to the government, wire fraud, and aggravated identity theft in connection with 28 fraudulent claims for disaster assistance she made to FEMA after Hurricane Katrina. Williams admitted that her residence in Jackson, Ala. was not damaged by the hurricane and that she filed 28 fraudulent claims for assistance, falsely claiming to have lived at various addresses in Alabama, Mississippi, Louisiana and Florida. In those applications, Williams admitted using Social Security numbers of other people and providing FEMA with fraudulent and fictitious documents that purported to prove her ownership of property she did not own.

"Ms. Williams used Hurricane Katrina and the relief efforts as an opportunity to make hundreds of thousands of dollars by lying and by stealing other people's identities," said U.S. Attorney Rhodes. "The Hurricane Katrina Fraud Task Force is actively working to bring to justice those who took advantage of the recovery efforts to enrich themselves."

In September 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force, chaired by Assistant Attorney General for the Criminal Division, Alice S. Fisher, includes members from the FBI, the

DOJ_NMG_ 0173103

Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

The case was investigated by the Department of Homeland Security, Office of the Inspector General, the FBI, and the United States Postal Inspection Service. The case was prosecuted by Assistant U.S. Attorney Sean Costello.

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DOJ_NMG_ 0173104

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Image not available for this document, ID: 0.7.10316.9846-000002

System Administrator

From: System Administrator
Sent: Wednesday, January 24, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1121865 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, January 25, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1121866 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 9:01 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON A CRIMINAL CIVIL RIGHTS MATTER

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON A CRIMINAL CIVIL RIGHTS MATTER

WASHINGTON – Attorney General Alberto R. Gonzales will hold a press conference on a criminal civil rights matter **TODAY, JANUARY 25 at 11:30 A.M. EST**.

WHO: Attorney General Alberto R. Gonzales
Robert S. Mueller, III., Director, FBI
Wan J. Kim, Assistant Attorney General for the Civil Rights Division
Dunn O. Lampton, U.S. Attorney for the Southern District of Mississippi

WHAT: Press Conference

WHEN: **TODAY, JANUARY 25, 2007**
11:30 A.M. EST

WHERE: Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

NOTE: MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Cameras must be pre-set by 11:10 A.M. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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07-042

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DOJ_NMG_ 0173110

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Image not available for this document, ID: 0.7.10316.9818-000002

System Administrator

From:	System Administrator
Sent:	Thursday, January 25, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1125430 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 10:17 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 25, 2007

Department of Justice

PRESS GUIDANCE
Thursday, January 25, 2007

ATTORNEY GENERAL

11:30 A.M. EST

Attorney General Alberto R. Gonzales will hold a press conference on a criminal civil rights matter with Wan J. Kim, Assistant Attorney General for the Civil Rights Division, and Dunn O. Lampton, U.S. Attorney for the Southern District of Mississippi.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave. N.W.
Washington, D.C.
OPEN PRESS

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Cameras must be pre-set by 11:10 A.M. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Antitrust Division will issue a release on a criminal matter. (Talamona)

The Civil Rights Division will issue a release. (Magnuson)

The Office of Public Affairs will issue a release on additional federal law enforcement efforts in New Orleans. (Carter)

EVENTS/HEARINGS

10:30 A.M. CST

Jim Letten, United States Attorney for the Eastern District of Louisiana, will hold a press conference with officials from DEA, ATF, FBI, U.S. Marshals, and ICE to announce additional federal resources to help fight violent crime in New Orleans.
U. S. Attorney's Office
8th Floor Conference Room

DOJ_NMG_ 0173114

Hale Boggs Federal Building
500 Poydras Street, Suite B-210
New Orleans, La.
OPEN PRESS

Press inquiries regarding logistics should be directed to Kathy English of the U.S Attorney's Office in the Eastern District of Louisiana at (504) 680-3068.

2:30 P.M. EST FBI Deputy Director John Pistole will testify before the Senate Select Committee on Intelligence on Intelligence Reform.
Hart Senate Office Building
Room 219
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Select Committee on Intelligence at 202-224-1700.

3:00 P.M. EST Solicitor General Paul Clement will participate in the Supreme Court Fellows Panel Discussion on "Judicial Independence: Drawing Lessons from History".
Thurgood Marshall Federal Judiciary Building
Federal Judicial Center Auditorium
Concourse Level
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to Annie Miller of the United States Supreme Court at 202-479-3411.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 11:11 AM
To: USDOJ- Office of Public Affairs
Subject: FORMER KLANSMAN INDICTED FOR 1964 KIDNAPPING AND MURDER OF TWO AFRICAN AMERICAN MEN

A copy of the indictment can be found attached below.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FORMER KLANSMAN INDICTED FOR 1964 KIDNAPPING AND MURDER OF TWO AFRICAN AMERICAN MEN

WASHINGTON – A federal court in Mississippi today unsealed a three-count indictment charging James Seale, a former member of the Ku Klux Klan, with two counts of kidnapping and one count of conspiracy related to his role in the abductions and slayings of two African American men in 1964.

The indictment alleges that Seale and other Klansmen conspired to abduct, interrogate, beat and eventually murder Henry Hezekiah Dee and Charlie Eddie Moore, both 19 years old at the time. Seale and his co-conspirators allegedly believed that Dee might have knowledge about African Americans importing firearms to Franklin County.

"The brutal murders of these two young men have gone unanswered for more than 40 years," said Attorney General Alberto R. Gonzales. "This prosecution demonstrates the Department of Justice's ongoing commitment to enforce fundamental civil rights protections. The sun will not set on such wrongs, and the Department will work to bring about justice in this case."

"Today's indictment is one example of the FBI's strong and ongoing commitment to reexamining and investigating unsolved Civil Rights-era murders and other crimes, supported by available evidence, today's forensic tools, persons who can provide information, and the ability to establish federal jurisdiction—no matter how long it takes," said FBI Director Robert S. Mueller, III. "Under our Cold Case Initiative, we will continue to identify and pursue these cases of racially motivated violence to ensure justice is served wherever possible."

According to the indictment, on May 2, 1964, the defendant and his accomplices abducted Dee and Moore and drove the two young men into the Homochitto National Forest in Franklin County, Mississippi, where the Klansmen beat the victims and interrogated them at gunpoint. Seale and the other Klansmen then allegedly bound the two men with duct tape.

The Klansmen allegedly then drove the victims to Parker's Landing in Warren County, Miss., on a route that took them through the state of Louisiana. Once at Parker's Landing, the Klansmen secured Dee to an

engine block and threw him into the Old Mississippi River, drowning him. The Klansmen next secured iron weights to Moore, and also threw him into the water.

Several months after the kidnappings and murders, divers recovered from the river the badly decomposed remains of the two young men.

No one has ever been prosecuted for the murders of Dee and Moore.

The indictment resulted from an investigation by the Federal Bureau of Investigation, the U.S. Attorney's Office and the Civil Rights Division of the United States Department of Justice. The Franklin County Sheriff's Office, the Adam's County Sheriff's Office, and the Mississippi Department of Public Safety also assisted in the investigation.

An indictment is merely an accusation and the defendants are presumed innocent unless and until proven guilty.

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07-043

Seale_Indictment....

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SOUTHERN DISTRICT OF MISSISSIPPI
FILED
JAN 24 2007
J T NOBLIN, CLERK
BY DEPUTY

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION

UNITED STATES OF AMERICA

CRIMINAL NO. 3:07cr9 HTW JCS

v.

JAMES FORD SEALE

18 U.S.C. § 1201(a)
18 U.S.C. § 1201(c)

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. The White Knights of the Ku Klux Klan (WKKKK) operated in the Southern District of Mississippi and elsewhere, and was a secret organization of adult white males who, among other things, targeted for violence African-Americans they believed were involved in civil rights activity in order to intimidate and retaliate against such individuals.

2. Defendant **JAMES FORD SEALE (SEALE)** was a member of the WKKKK, which organized and held regular meetings as a group or "klavern" in Franklin County, Mississippi during the 1960s.

3. HENRY HEZEKIAH DEE (HENRY DEE) was a young African-American man who the WKKKK suspected of being involved in civil rights activity.

4. CHARLES EDDIE MOORE (MOORE) was a young African-American man who was a friend of DEE.

COUNT ONE

[18 U.S.C. § 1201(c) Kidnaping; Conspiracy]

1. From on or about May of 1964, through in or about 1966, in Franklin County, in the Jackson Division of the Southern District of Mississippi and elsewhere,

the defendant **JAMES FORD SEALE**, along with other WKKKK members known and unknown to the Grand Jury, conspired to unlawfully seize, confine, inveigle, decoy, kidnap, abduct, and carry away, HENRY DEE and CHARLES MOORE, and transport DEE and MOORE in interstate commerce for the purposes of interrogation and assault. DEE and MOORE were not liberated unharmed, and the kidnapings and abductions resulted in the deaths of DEE and MOORE.

Overt Acts

In furtherance of this conspiracy, and to accomplish its objectives, the conspirators committed the following overt acts, among others, in and around the Southern District of Mississippi and elsewhere:

1. On or before May 2, 1964, in Franklin County, Mississippi, defendant **SEALE** and other WKKKK members known and unknown to the grand jury agreed to abduct and question HENRY DEE, who they believed might have knowledge about African-Americans importing firearms to Franklin County.

2. On or about May 2, 1964, defendant **SEALE** and other WKKKK members known to the Grand Jury drove to Meadville, Mississippi, to abduct HENRY DEE.

3. On or about May 2, 1964, defendant **SEALE** abducted DEE and MOORE in Meadville, Mississippi.

4. On or about May 2, 1964, defendant **SEALE**, followed by other WKKKK members known to the grand jury, transported DEE and MOORE to the Homochitto National Forest in Mississippi.

DOJ_NMG_0173123

5. On or about May 2, 1964, defendant **SEALE** aimed a sawed-off shotgun at DEE and MOORE while fellow members of the WKKKK known to the grand jury beat DEE and MOORE with switches and tree branches.

6. On or about May 2, 1964, defendant **SEALE** and other WKKKK members known to the grand jury questioned DEE and MOORE while beating them, and thereby coerced DEE and MOORE to admit, falsely, that they had information about firearms being smuggled into Franklin County.

7. On or about May 2, 1964, after extracting false information from DEE and MOORE, WKKKK members known to the grand jury traveled to a church in Roxie, Mississippi, where they unsuccessfully searched for firearms with the local sheriff.

8. While WKKKK members known to the grand jury traveled to Roxie, defendant **SEALE** and another co-conspirator known to the grand jury transported DEE and MOORE to the Franklin County, Mississippi, farm of another co-conspirator known to the grand jury.

9. While at the co-conspirator's farm, defendant **SEALE** and other WKKK members known to the Grand Jury bound DEE and MOORE with duct tape.

10. On or about May 2, 1964, after the search of the church in Roxie, defendant **SEALE** and other WKKKK members known and unknown to the grand jury transported DEE and MOORE, who were still alive, from the co-conspirator's farm in Franklin County, Mississippi, across state lines and through part of Louisiana, to Parker's Landing on the Old Mississippi River in Warren County, Mississippi.

DOJ_NMG_0173124

11. On or about May 2, 1964, defendant **SEALE** and other WKKKK members known to the grand jury attached a Jeep engine block to DEE, took him out onto the water in a boat, and threw him in the Old Mississippi River, killing him.

12. On or about May 2, 1964, defendant **SEALE** and other WKKKK members known and unknown to the grand jury attached iron weights and railroad rails, among other things, to MOORE, took him out onto the water in a boat, and threw him in the Old Mississippi River, killing him.

13. On or shortly after May 2, 1964, defendant **SEALE** and other WKKKK members known and unknown to the grand jury met to discuss the murders of DEE and MOORE and the need to maintain secrecy among the co-conspirators.

All in violation of Section 1201(c) Title 18, United States Code.

COUNT TWO

[18 U.S.C. § 1201 (a) Kidnaping]

On or about May 2, 1964, in Franklin County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **JAMES FORD SEALE**, aided and abetted by other members of the WKKKK known and unknown to the Grand Jury, did unlawfully seize, confine, inveigle, decoy, kidnap, abduct, and carry away HENRY DEE, and did knowingly transport DEE in interstate commerce for the purposes of interrogation and assault. DEE was not liberated unharmed, and the kidnaping and abduction resulted in DEE's death.

All in violation of Section 1201(a), Title 18, United States Code.

DOJ_NMG_0173125

COUNT THREE

[18 U.S.C. § 1201 (a) Kidnaping]

On or about May 2, 1964, in Franklin County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **JAMES FORD SEALE**, aided and abetted by other members of the WKKKK known and unknown to the Grand Jury, did unlawfully seize, confine, inveigle, decoy, kidnap, abduct, and carry away CHARLES MOORE, and did knowingly transport MOORE in interstate commerce for the purpose of interrogation and assault. MOORE was not liberated unharmed, and the kidnaping and abduction resulted in MOORE'S death.

All in violation of Section 1201(a), Title 18, United States Code.

DUNN LAMPTON
United States Attorney

for WAN KIM
Assistant Attorney General

A TRUE BILL:

Foreperson of the Grand Jury

A TRUE COPY, I HEREBY CERTIFY.
J. T. NOBLIN, CLERK
BY:
DEPUTY CLERK

DOJ_NMG_0173126

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 11:24 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES ANNOUNCES ADDITIONAL FEDERAL LAW ENFORCEMENT RESOURCES TO FIGHT VIOLENT CRIME IN NEW ORLEANS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL GONZALES ANNOUNCES ADDITIONAL FEDERAL LAW ENFORCEMENT RESOURCES TO FIGHT VIOLENT CRIME IN NEW ORLEANS

WASHINGTON – Today, Attorney General Alberto R. Gonzales announced additional federal resources to help combat the recent increase in violent crime in New Orleans. These additional resources will support state and local law enforcement officials who are struggling to meet the challenges of fighting violent crime in the continued aftermath of Hurricane Katrina.

The announcement was also made at a press conference in New Orleans by U.S. Attorney Jim Letten of the Eastern District of Louisiana, along with Special Agents in Charge Jim Bernazzani of the FBI, David Harper of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), William Renton of the Drug Enforcement Administration (DEA), Michael Holt of the Department of Homeland Security's Immigration and Customs Enforcement (ICE), Acting U.S. Marshal Roxanne Irwin, New Orleans Police Chief Warren Riley, and Regional Director of the Office of Federal Coordinator for Gulf Coast Rebuilding Donna Gambrell.

"The people of New Orleans deserve the opportunity to rebuild their communities without the fear of being victimized by violent criminals. These new resources further demonstrate the Department of Justice's support of state and local law enforcement to meet the challenges of preventing and prosecuting violent crime and to rebuild and strengthen the criminal justice system in the continued aftermath of Hurricane Katrina," said Attorney General Gonzales. "Ultimately, New Orleans' violent crime problem must be solved by local leadership and the hard work of local law enforcement professionals. I commend all the federal, state and local law enforcement professionals who dedicate themselves every day to the hard task of providing safety and security to the residents of New Orleans."

Justice Department officials outlined the additional resources that will act as a force multiplier to those state and local law enforcement officers dedicated to fighting violent crime in New Orleans. The additional federal resources include the following commitments:

- The Department has committed to extend funding for six Assistant U.S. Attorney detailees to the U.S. Attorney's Office for the Eastern District of Louisiana through the end of this fiscal year (FY 2007).

DOJ_NMG_ 0173127

- The U.S. Attorney's Office will spearhead an initiative that will co-locate a small number of ATF, DEA and FBI agents with the New Orleans Police Department around the clock. These federal agents will identify cases that are subject to federal jurisdiction, provide the necessary investigative assistance to make federal arrests, and follow up with federal prosecutions.

- The ATF will provide six special agent details to supplement the six ATF agents permanently assigned to the New Orleans Violent Crime Impact Team (VCIT). Four of the six special agent details were assigned to the New Orleans VCIT in August 2006, and the additional two special agent details are currently reporting for duty. This total increase temporarily doubles the standard ATF manpower assigned to the New Orleans VCIT.

- ATF has obtained new equipment to replace the National Integrated Ballistics Identification Network (NIBIN) equipment that had been deployed at a New Orleans Police Department site, but was destroyed by Katrina. By the end of February, ATF will move the NIBIN equipment to the new ATF offices to facilitate use and access until the police department is able to identify a suitable permanent site. Once the NIBIN equipment is redeployed, New Orleans will be able to link up with over 200 sites throughout the country to compare ballistics information. NIBIN is a powerful tool in the fight to solve and reduce violent crime because it allows law enforcement to link together cold crimes and recovered weapons where previously very few, if any, leads existed.

- The DEA temporarily has been provided authority to investigate and enforce all federal criminal law, in addition to federal drug laws. This authority will allow DEA agents to assist the New Orleans Police Department in maintaining law and order in the City of New Orleans.

- The FBI will detail an additional nine agents to the New Orleans area to supplement the 13 FBI agents permanently assigned to the Violent Gang Safe Streets Task Force.

- The FBI will provide training to the New Orleans Police Department on Project Pinpoint. Project Pinpoint combines mapping software with existing police intelligence such as the location of crimes, bench warrant information, source coverage and tips from the public. Using this innovative technique, the FBI and its law enforcement partners have been able to more efficiently use existing intelligence to solve real crimes.

- The U.S. Marshals Service will continue its increased support of the Crescent Star Fugitive Task Force by temporarily extending the additional three Deputy U.S. Marshals and one investigative analyst detailed to that Task Force in August 2006.

Last August, the Attorney General toured state and local law enforcement facilities and met with federal, state and local law enforcement officials to discuss ongoing collaborative efforts to fight crime and rebuild the community. The Attorney General also met with members of the Louisiana congressional delegation and state and local government officials to discuss how the federal government can best assist state and local law enforcement in combating violent crime.

These new resources build upon the Department's efforts in the last year. Following Hurricane Katrina, the U.S. Attorney's Office in the Eastern District of Louisiana was a driving force in the creation and continued vitality of the Southeast Louisiana Criminal Justice Recovery Task Force, and the Department has made nearly $30 million in grants available to the city of New Orleans and Orleans Parish to help rebuild the criminal justice system. In total, the Department has made available to the state of Louisiana over $61 million in justice assistance grants and Katrina relief law enforcement infrastructure funds.

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07-045

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Image not available for this document, ID: 0.7.10316.9791-000001

Image not available for this document, ID: 0.7.10316.9791-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 11:24 AM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: DEPARTMENT OF JUSTICE LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: DEPARTMENT OF JUSTICE LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

WASHINGTON – The Justice Department is committed to working in partnership and continuing its support of state and local law enforcement in New Orleans. In the wake of the destruction wrought by Hurricane Katrina, the Department has endeavored to strengthen the collective ability of all levels of law enforcement to address the emerging challenges and find new ways to help reduce crime. As part of this effort, the Department has allocated additional resources to the New Orleans area. Both new and existing programs and resources include the following:

FUNDING:

- The Department of Justice has made nearly $30 million in grants available to the city of New Orleans and Orleans Parish to help rebuild the criminal justice system. In total, the Department has made available to the state of Louisiana over $61 million in justice assistance grants and Katrina relief law enforcement infrastructure funds.

U.S. ATTORNEY'S OFFICES:

- The Department has committed to extend funding for six Assistant U.S. Attorney (AUSA) detailees to the U.S. Attorney's Offices for the Eastern District of Louisiana through the end of this fiscal year (FY 2007). These attorneys are focusing on prosecuting firearms, drug and immigration cases.

- The Department is in the process of hiring nine additional AUSAs in the Eastern District of Louisiana. The AUSAs will be tasked with assisting fraud and violent crime prosecutions.

- The U.S. Attorney's Office will spearhead an initiative that will co-locate a small number of ATF, DEA, and FBI agents with New Orleans Police Department around the clock. These federal agents will identify cases that are subject to federal jurisdiction, provide the necessary investigative assistance to make federal arrests, and follow-up with federal prosecutions.

DOJ_NMG_ 0173132

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES (ATF):

- The ATF will provide six special agent details to supplement the six ATF agents permanently assigned to the New Orleans Violent Crime Impact Team (VCIT). Four of the six special agent details were assigned to the New Orleans VCIT in August 2006, and the additional two special agent details are currently reporting for duty. This total increase temporarily doubles the standard ATF manpower assigned to the New Orleans VCIT. The VCIT initiative concentrates its efforts on high violent crime areas in New Orleans and targets violent offenders who violate federal firearms and narcotics statutes.

- ATF's New Orleans Field Division has re-launched the 24-hour ATF gun hotline, (504) 581-GUNS (4867), which allows citizens to report the illegal use and possession of firearms for federal response. In addition, ATF has used an aggressive advertising campaign to publicize the local hotline number, resulting in numerous tips that have led to arrests of violent offenders.

- ATF has a trained explosives detection canine and special agent handler assisting the New Orleans Police Department in its fight against violent crime. This ATF canine is being used on a weekly basis by the New Orleans Police Department to locate shell casings, projectiles and firearms—including murder weapons—at shooting scenes.

- ATF has obtained new equipment to replace the National Integrated Ballistics Identification Network (NIBIN) equipment that had been deployed at a New Orleans Police Department site, but was destroyed by Katrina. By the end of February, ATF will move the NIBIN equipment to the new ATF offices to facilitate use and access until the police department is able to identify a suitable permanent site. Once the NIBIN equipment is redeployed, New Orleans will be able to link up with over 200 sites throughout the country to compare ballistics information. NIBIN is a powerful tool in the fight to solve and reduce violent crime because it allows law enforcement to link together cold crimes and recovered weapons where previously very few, if any, leads existed.

DRUG ENFORCEMENT ADMINISTRATION (DEA):

- The DEA temporarily has been provided authority to investigate and enforce all federal criminal law, in addition to all federal drug laws. This authority will allow DEA agents to assist the New Orleans Police Department in maintaining law and order in the City of New Orleans.

- The DEA spearheads the High Intensity Drug Trafficking Area Task Force Group, which is comprised of DEA agents working in partnership with detectives from the New Orleans Police Department. This group focuses exclusively on violent drug trafficking organizations and violent offenders who have a prior criminal history involving aggravated offenses as well as a direct nexus to drug trafficking within the inner city.

FEDERAL BUREAU OF INVESTIGATION (FBI):

- The FBI will detail an additional nine agents to the New Orleans area to supplement the 13 FBI Agents permanently assigned to the Violent Gang Safe Streets Task Force. In addition to the FBI agents, the Task Force is staffed with officers from area police departments and sheriffs' offices, and focuses on the most violent subjects – whether associated with an organized gang or working in a more loose-knit fashion with other subjects.

DOJ_NMG_ 0173133

- The FBI will provide training to the New Orleans Police Department on Project Pinpoint. Project Pinpoint combines existing police intelligence such as the location of crimes, bench warrant information, source coverage and tips from the public with mapping software. Using this innovative technique, the FBI and its law enforcement partners have been able to more efficiently use existing intelligence to solve real crimes.

UNITED STATES MARSHALS SERVICE (USMS):

- The USMS will continue its increased support of the Crescent Star Fugitive Task Force by temporarily extending the additional three Deputy U.S. Marshals and one Investigative Analyst detailed to that task force in August 2006.

- The Crescent Star Fugitive Task Force supports the New Orleans Police Department's Violent Offender Warrant Squad by conducting fugitive round-ups on targeted violators. The round-ups have been conducted twice weekly—a doubling of previous efforts—which has resulted in a significant number of additional arrests.

- The USMS Technical Operations Group (TOG) has provided assistance to and prioritized the cases from the Crescent Star Fugitive Task Force. The TOG routinely provides federal, state and local agencies with support in electronic surveillance, aerial surveillance, communications, as well as analysis and intelligence, related to fugitive investigations.

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07-046

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Image not available for this document, ID: 0.7.10316.9796-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 11:47 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT PRESS CONFERENCE ANNOUNCING THE INDICTMENT OF FORMER KKK MEMBER

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT PRESS CONFERENCE ANNOUNCING THE INDICTMENT OF FORMER KKK MEMBER

WASHINGTON, D.C.

Good morning.

I am joined today by FBI Director Bob Mueller, Assistant Attorney General Wan Kim and U.S. Attorney Dunn Lampton.

Attorney General Robert F. Kennedy once said that nations around the world look to the United States for leadership, quote, "not merely by strength of arms but by strength of our convictions."

One of those convictions is that racially-motivated violence will not be tolerated and will be prosecuted to the full extent of the law.

Accordingly, we are announcing today that James Ford Seale has been indicted by a federal grand jury for two counts of kidnapping resulting in death, and one count of conspiracy, for his participation in the abductions and murder of two nineteen-year-old African American men in 1964. If convicted, Mr. Seale will face a maximum term of life imprisonment on each count of the indictment.

I want to be clear that Mr. Seale, like all defendants in our great nation, is presumed innocent until proven guilty – today's announcement is of an indictment, not a conviction.

According to the allegations in today's indictment, the victims in this case, Henry Dee and Charles Moore, were kidnapped by a group of men that included James Seale.

DOJ_NMG_ 0173137

Henry Dee was a civil rights activist. Charles Moore was his friend. Their captors were White Knights of the Ku Klux Klan.

Dee and Moore were beaten by their captors, then transported across state lines and finally forcibly drowned by being thrown into the Old Mississippi River, tied to heavy objects alleged to have included an engine block, iron weights and railroad ties.

These allegations are a painful reminder of a terrible time in our country – a time when some people viewed their fellow Americans as inferior, and as a threat – based only on the color of their skin.

We haven't solved all of the problems of racism in this country; our society is not yet perfect. But our country has made progress, far beyond, those times of hate, fear, and brutality.

Part of moving forward comes through addressing, as best we can and as soon as we can, the terrible crimes of the past. There was no statute of limitations for this crime, and there is no statute of limitations on the pain in a human heart or the memory of the appalling things that were done in cases like this one.

For those reasons, U.S. Attorney Dunn Lampton initiated a task force, composed of state and federal law enforcement and prosecution authorities, to examine all available evidence in this matter and determine whether any perpetrators could be identified and charged.

The case was subsequently investigated by the FBI Field Office in Jackson, Mississippi. It is being prosecuted by U.S. Attorney Lampton and attorneys from the Civil Rights Division, Special Litigation Counsel Paige Fitzgerald, and Trial Attorney Eric Gibson.

Public and government interest in the murders of Moore and Dee had been renewed by the activism of the brother of one of the victims. That brother, Thomas Moore, is here with us today. Thank you, Mr. Moore, for your tireless work keeping your brother's memory alive and not allowing people to forget this crime. We are also joined by Thelma Collins, sister of Henry Dee. We appreciate your coming to Washington to be here with us today.

This case is an example of the Administration's commitment to investigating and prosecuting civil-rights era homicides where evidence supports prosecution and federal jurisdiction can be established.

It is the privilege and the solemn duty of the professionals here at the Department to enforce our civil rights laws and protect the civil rights of all Americans. It is a responsibility that means a lot to me on a personal level, and I take pride in the hard work put into this and many other cases. The work put into civil rights cases, from beginning to end, is some of the most meaningful we know in government.

We would much prefer, of course, that justice had been served 40 years ago in this case. But what we are doing today – bringing closure to this horrible crime by trying this case through a public trial – should serve as notice

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to those who would violate the civil rights of their fellow citizens: We will pursue you as long as it takes and as long as the law allows. Whenever it comes, justice is always welcomed.

Now we will hear from Bob Mueller and then we would be happy to take your questions.

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DOJ_NMG_ 0173139

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Image not available for this document, ID: 0.7.10316.9805-000002

System Administrator

From: System Administrator
Sent: Thursday, January 25, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1127445 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Thursday, January 25, 2007 1:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Evergreen, MT

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Thursday, January 25, 2007 1:01:08 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Evergreen, MT
Auto forwarded by a Rule

AMBER ALERT:Evergreen,MT CHILD:W/M, 3yrs, 3', 40lbs, Eyes:Blu, Hair:Blo; CALL 1-877-AMBERMT or 911 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3282

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Thursday, January 25, 2007 1:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Evergreen, MT

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Thursday, January 25, 2007 1:35:16 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Evergreen, MT
Auto forwarded by a Rule

UPDATE AMBER ALERT:Evergreen,MT CHILD:W/M, 3yrs, 3', 40lbs, Eyes:Blu, Hair:Blo; CALL 1-877-AMBERMT or 911 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3282

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, January 25, 2007 1:54 PM
Subject: National Finance Center Announcement Regarding W-2s

National Finance Center Announcement Regarding W-2s

The National Finance Center (NFC) has advised that the 2006 W-2s printed or captured from Employee Personal Page (EPP) or the Reporting Center on Tuesday, January 16, 2007 or Wednesday, January 17, 2007, may not include the correct amount in Box 10, Dependant Care Benefit. Any 2006 W-2s printed from EPP or the Reporting Center prior to Thursday, January 18, 2007 should be reviewed to ensure the accuracy of Box 10, and reprinted, if necessary. There is no impact to hardcopy W-2s being mailed to employees.

If you have any questions, please contact your customer service representative or send an email to Customer.Support@usda.gov.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 2:03 PM
To: USDOJ- Office of Public Affairs
Subject: PENNSYLVANIA MAN AND TWO WOMEN CHARGED WITH PRODUCING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Pat Meehan
Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.usdoj.gov/usao/pae

CONTACT: RICH MANIERI
PHONE: (215) 861-8525
FAX: (215) 861-8509

PENNSYLVANIA MAN AND TWO WOMEN CHARGED WITH PRODUCING CHILD PORNOGRAPHY

PHILADELPHIA – A Pennsylvania man and two women have been charged in a 53-count indictment with producing child pornography, U.S. Attorney Pat Meehan of the Eastern District of Pennsylvania, Delaware County District Attorney G. Michael Green, and FBI Special Agent-in-Charge J.P. Weis announced today. John Worman, of Colwyn, Penn., was charged with 51 counts of producing and possessing child pornography. The same indictment charges Dorothy Prawdzik and Concetta Jackson, also of Delaware County, Penn., with helping Worman produce sexually explicit videos of children.

During their investigation, police discovered that Worman had installed a video camera in his bathroom wall, and for a three-year period between 2003 and 2006, videotaped four children as they used the toilet, undressed and showered. Jackson knew about the camera and aided Worman in videotaping the children.

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The investigation also revealed that from 1997 through 2006, Worman sexually abused eight other children, including five who he forced to engage in oral, vaginal and anal sex. Worman videotaped the assaults and downloaded the images to his computer. Three of the children that Worman forced oral and vaginal sex upon were infants, one as young as three months of age. Prawdzik helped Worman video the kids by posing them in front of the hidden video cameras, undressing the children and having them expose their genitals.

Police executed a search warrant on John Worman's home and recovered more than one million images from his computer, including thousands of videos that Worman produced of himself committing sexual acts on these children.

"This was a long-term, planned and horrific exploitation of young children," said U.S. Attorney Meehan. "According to the indictment, the defendants allegedly manipulated and abused children, even infants, to satisfy unimaginable perversions and they did it repeatedly."

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The case was investigated by the Criminal Investigation Division of the Delaware County District Attorney's Office, the FBI, and the U.S. Attorney's Office for the Eastern District of Pennsylvania. The case has been assigned to Assistant U.S. Attorney Michelle T. Rotella.

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Image not available for this document, ID: 0.7.10316.9783-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 2:04 PM
To: USDOJ- Office of Public Affairs
Subject: MAN PLEADS GUILTY TO TRANSMITTING LARGE QUANTITIES OF CHILD PORNOGRAPHY ACROSS THE INTERNET

Department of Justice

United States Attorney Terrance P. Flynn
Western District of New York

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.usdoj.gov/nyw

CONTACT: PEGGY KELLY McFARLAND
PHONE: (716) 843-5877
FAX: (716) 551-3169

MAN PLEADS GUILTY TO TRANSMITTING LARGE QUANTITIES OF CHILD PORNOGRAPHY ACROSS THE INTERNET

BUFFALO, N.Y. – Richard Harrold, 37, of North Wilkesboro, N.C., pleaded guilty before U.S. District Judge William Skretny to a felony information charging him with one count of possession of child pornography, U.S. Attorney Terrance P. Flynn of the Western District of New York announced. Possession of child pornography carries a maximum penalty of 10 years in prison, a fine of $250,000, or both.

Assistant U.S. Attorney Charles B. Wydysh, who handled the case, stated that the defendant was apprehended as a result of an FBI undercover operation through the Innocent Images National Initiative. During the undercover operation, an FBI agent was contacted by the defendant on the Internet. Following discussion, the defendant transmitted to the agent large quantities of child pornography on a number of occasions from 2004 through 2006.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The plea was the culmination of an investigation on the part of Special Agents of the FBI, under the direction of Special Agent in Charge Laurie Bennett.

Sentencing is scheduled for May 24, 2007, at 2:00 p.m. ET, in Buffalo, N.Y., in front of U.S. District Judge William M. Skretny.

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DOJ_NMG_ 0173151

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Image not available for this document, ID: 0.7.10316.9780-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 2:40 PM
To: USDOJ- Office of Public Affairs
Subject: TRUCK DRIVER PLEADS GUILTY TO POSSESSION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Terrance P. Flynn
Western District of New York

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.doj.gov/nyw

CONTACT: PEGGY KELLY MCFARLAND
PHONE: (716) 843-5877
FAX: (716) 551-3169

TRUCK DRIVER PLEADS GUILTY TO POSSESSION OF CHILD PORNOGRAPHY

BUFFALO, N.Y. - William Gorham Loomis, 53, of Tualatin, Ore., pleaded guilty before U.S. District Judge William Skretny, to a felony charge of possession of child pornography, U.S. Attorney Terrance P. Flynn of the Western District of New York announced today. Possession of child pornography carries a maximum penalty of 10 years in prison, a fine of $250,000, or both.

Assistant U.S. Attorney Charles B. Wydysh, who handled the case, stated that the defendant, a self-employed truck driver, attempted to enter Canada at the Peace Bridge on July 3, 2006. Canadian Customs Agents conducted a search of defendant's truck and found a computer and CDs. Examination of the computer disclosed that it contained approximately 3,000 images of child pornography. The defendant was ultimately referred by Canadian authorities to agents of the Department of Homeland Security's Immigration and Customs Enforcement (ICE).

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The plea was the culmination of an investigation on the part of Special Agents from the Department of Homeland Security's Immigration and Customs Enforcement under the direction of Special Agent in Charge Peter J. Smith, as well as representatives of Canadian Customs and the Niagara Regional Police.

Sentencing is scheduled for May 30, 2007, at 9:00 a.m. ET, in Buffalo, N.Y. in front of U.S. District Judge William M. Skretny.

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DOJ_NMG_ 0173155

Image not available for this document, ID: 0.7.10316.9773-000001

Image not available for this document, ID: 0.7.10316.9773-000002

System Administrator

From: System Administrator
Sent: Thursday, January 25, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1127616 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 4:32 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF JAMES F. SEALE, FORMER KLANSMAN INVOLVED IN 1964 KIDNAPPING AND MURDER OF TWO AFRICAN AMERICAN MEN

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING INDICTMENT OF JAMES F. SEALE, FORMER KLANSMAN INVOLVED IN 1964 KIDNAPPING AND MURDER OF TWO AFRICAN AMERICAN MEN

WASHINGTON, D.C.

11:30 A.M. EST

ATTORNEY GENERAL GONZALES: Good morning. I am joined today by FBI Director Bob Mueller, Assistant Attorney General Wan Kim, and U.S. Attorney Dunn Lampton.

Attorney General Robert F. Kennedy once said that nations around the world look to the United States for leadership "not merely by strength of arms but by strength of our convictions." One of those convictions is that racially-motivated violence will not be tolerated and will not -- and will be prosecuted to the full extent of the law.

Accordingly, we are announcing today that James Ford Seale has been indicted by a federal grand jury for two counts of kidnapping resulting in death and one count of a conspiracy for his participation in the abductions and murder of two 19-year-old African American men in 1964, Henry Dee and Charles Moore. If convicted, Mr. Seale will face a maximum term of life imprisonment on each count of the indictment.

I want to be clear that Mr. Seale, like all defendants in our great nation, is presumed innocent until proven guilty. Today's announcement is of an indictment, not a conviction.

According to the allegations in today's indictment the victims in this case were kidnapped by a group of men that included James Seale. Henry Dee was a civil rights activist. Charles Moore was his friend. Their captors were White Knights of the Ku Klux Klan. Dee and Moore were beaten by their captors, then transported and finally forcibly drowned by being thrown into the Old Mississippi River, tied to heavy objects alleged to have included an engine block, iron weights, and railroad ties.

These allegations are a painful reminder of a terrible time in our country, a time when some people viewed their fellow Americans as inferior and as a threat based only on the color of their skin.

We haven't solved all the problems of racism in this country. Our society is not yet perfect, but our country has made progress far beyond those times of hate, fear and brutality, and part of moving forward comes through addressing as best as we can and as soon as we can the terrible crimes of the past.

There was no statute of limitations for this crime and there is no statute of limitations on the pain in the human heart or the memory of the appalling things that were done in cases like this one.

For those reasons U.S. Attorney Dunn Lampton initiated a task force composed of state and federal law enforcement and prosecution authorities to examine all available evidence in this matter and to determine whether any perpetrators could be identified and charged.

The case was subsequently investigated by the FBI field office in Jackson, Mississippi. It is being prosecuted by U.S. Attorney Lampton and attorneys from the Civil Rights Division, special litigation counsel Paige Fitzgerald and trial attorney Eric Gibson.

Public and governmental interest in the murders of Moore and Dee had been renewed by the activism of the brother of one of the victims. That brother, Thomas Moore, is here with us today. Thank you, Mr. Moore, for your tireless work at keeping your brother's memory alive and not allowing people to forget this crime.

We are also joined by Thelma Collins, sister of Henry Dee. We appreciate you coming as well to be with us today.

This case is an example of the Administration's commitment to investigating and prosecuting civil rights era homicides where evidence supports prosecution and federal jurisdiction can be established. It is a privilege and a solemn duty of the professionals here at the Department to enforce our civil rights laws and to protect the civil rights of all Americans. It is a responsibility that means a lot to me on a personal level, and I take pride in the hard work put into this and many other cases. The work put into civil rights cases from beginning to end is some of the most meaningful that we know in government.

We would much prefer, of course, that justice had been served 40 years ago in this case, but what we are doing today, bringing closure to this horrible crime by trying this case through a public trial, should serve notice to those who would violate the civil rights of their fellow citizens. We will pursue you as long as it takes and as long as the law allows. Whenever it comes, justice is always welcomed.

Now we will hear from Bob Mueller, and then we will be happy to take your questions. Bob?

MR. MUELLER: Thank you, General.

According to the indictment returned in this case in late spring of 1964, Henry Dee and Charlie Moore, both aged 19, both African American, were kidnapped by members of the Ku Klux Klan and beaten, and then while still alive their bodies were tied with weights, pushed into a river, and they were left to drown. As the Attorney General has described, this was a horrible crime inflicted with stunning disregard for the suffering of the victims. Now James Seale will stand trial, accused of the kidnapping and murder of these two teenagers, Dee and Moore. He is innocent until proven guilty beyond a reasonable doubt and will have his trial.

These tragic murders are straight from among the darkest page of our country's history, and while sadly we cannot right the wrongs of the past, we can pursue justice to the end, and we will, no matter how long it takes, until every living suspect is called to answer for their crimes.

DOJ_NMG_ 0173160

This investigation was the result of the incorporated work of current FBI agents along with five former FBI agents who originally were assigned to the matter in the 1960s. We are also grateful for the assistance of the Franklin County sheriff's office and the Mississippi Highway Patrol in conducting this investigation.

Forty years ago the system failed. We in the FBI have a responsibility to investigate these cold case civil rights era murders where evidence still exists to bring both closure and justice to these cases that for many remain unhealed wounds to this day.

Thank you, General.

ATTORNEY GENERAL GONZALES: Okay, questions?

QUESTION: Judge, why was Mr. Seale not charged with murder? And a follow-up, why is Mr. Edwards, who is said to have accompanied Mr. Seale in the initial kidnapping, not being charged at all?

ATTORNEY GENERAL GONZALES: As to the second question, that goes beyond the facts that are recited in the indictment. I'm just not going to get into that. And as to the first question, we looked at the evidence and we looked at the law, and we believe that the indictment reflects the charges that are appropriate here and the charges that we can prove.

QUESTION: It that to say you didn't have any evidence that he was actually the one who was dumping the two men into the river?

ATTORNEY GENERAL GONZALES: Well, I am not going to get beyond the facts that were in the indictment. We looked -- we have looked at the evidence at this case very, very carefully. These are very, very difficult cases to make. Based upon the information that we have available to us and based upon the prosecutory judgment of career professionals, these are the charges. The charges reflected in the indictment are the charges that we believe we can prove in a court of law. We look forward to presenting our case to the jury and proving the case.

QUESTION: General, can you explain to us how the federal government has jurisdiction here and why it was thought it did not have jurisdiction in 1964?

ATTORNEY GENERAL GONZALES: The jurisdiction lies in the fact that there was transportation of the individuals across state lines, and that is why we have jurisdiction. I am not going to get into a discussion or dissection of the analysis that occurred back in the early '60s. I have already indicated these are very, very difficult cases and, you know, we felt it was an obligation to go back and look at the case, look at the facts.

Dunn Lampton has been instrumental in leading up the task force and gathering up state and local officials, looking at the facts, looking at the files, and we believe that based upon the evidence, and again based upon the career judgment of professionals that the charges reflected in the indictment are charges that can be proven. We look forward to doing that in a court of law.

QUESTION: What was the incident that sparked renewed interest in the case in terms of I know the brother was heavily every year trying to push additional investigation, but what happened recently that gave the case synergy?

ATTORNEY GENERAL GONZALES: Well, the brother, of course, was very, very instrumental, and obviously he's been vocal in terms of making sure that this case did not recede from view and, as I indicated, Dunn Lampton, working with other state and local officials, did some additional work looking at the files and then of course Civil Rights Division became involved, and we also became convinced that there was a case here that could be prosecuted.

QUESTION: One quick follow-up. ABC News did an interview with an informant on camera in which he detailed how these young men were killed, and that was in 2000. Can you explain why it took so long to get the case resolved?

ATTORNEY GENERAL GONZALES: These are very, very difficult cases to make, because you are talking about, you know, a crime that occurred over 40 years ago, and sometimes witnesses are no longer available. Sometimes you can't find evidence that you thought you once had. Sometimes, you know, there are changes that occur in the law. Sometimes there are changes that occur in forensic capacity to examine evidence. And so there are a variety of things that come into play in making a decision to prosecute or not to prosecute a case involving a crime that occurred many, many years ago, and so we worked this case as hard as we could, and we are ultimately at a place today where we believe we do have a case to present to the jury, and we look forward to presenting that case.

QUESTION: So when was the task force formed and so when did you start looking at this again a second time?

MR. LAMPTON: July of 2005. And then after that, Katrina hit in September. That set us back.

QUESTION: Judge Gonzales, can you or perhaps Mr. Lampton tell us a little bit about when and how you learned that the suspect was still alive?

ATTORNEY GENERAL GONZALES: I'll tell you what, Wan, can you answer that, or Dunn?

MR. LAMPTON: To the best of my understanding, it was Thomas Moore that uncovered the fact that Mr. Seale was still alive.

QUESTION: And was that then brought to your immediate attention and was that the most important factor then in reopening the investigation?

MR. LAMPTON: Really the most important factor in my mind was Thomas Moore coming to see me and at that time I had not really looked at the file, and I had -- you know, the case had lain dormant for years, and I thought that there was nothing we could do about it, and I was going to meet with Mr. Moore and explain to him why we couldn't do anything. I thought that was just the least I could do.

I took the file home with me and read it. I was a district attorney for 20 years. I have tried a lot of murder cases. I read the file and I thought that perhaps something could be done, either in the state side or on the federal side, and I told Mr. Moore that I would pursue it until I ran into a dead end, that I couldn't tell him today that I couldn't do anything about it, and that is why I brought in the Attorney General, local district attorneys.

We formed a task force and we were going to look at the case, and if it was state prosecution then it would go there, if it was federal prosecution I would handle it, and that was the basis we worked on, and we just had a great relationship.

I knew the prosecutors. I prosecuted cases with them. I knew the law enforcement officers. Civil Rights sent their best attorneys down to help us. George Phillips of the Highway Patrol just gave us everything we needed, it was really a joint effort with everyone working together.

QUESTION: Is this it? Why are there no codefendants? Is this the end of the investigation? Will there be nothing else?

ATTORNEY GENERAL GONZALES: I can't comment on any matter that is outside the indictment.

I have already indicated these are very, very difficult cases to make, and I can commit, I will commit to the American people that if we can make a case with respect to the civil rights crimes we are going to pursue them.

QUESTION: So are you saying other people are still under investigation?

ATTORNEY GENERAL GONZALES: What I have said is that we are committed to following up on leads, and if in fact we can make a case as a general matter with respect to civil rights era crimes we will pursue them.

QUESTION: Is it accurate that Mr. Edwards has agreed to testify against Mr. Seale?

ATTORNEY GENERAL GONZALES: I am not going to comment beyond -- I am not going to comment on facts that exist beyond the indictment.

QUESTION: Just to be clear, you talked about going back in the past. This, I assume, is not one of those cases where some scientific advance in the analysis of the evidence was some sort of forensic breakthrough -- it wasn't that kind of thing?

ATTORNEY GENERAL GONZALES: Again, I am not going to get into how we conducted the investigation, you know, or the strength of our case. I mean we believe that we have a strong case here obviously, and we look forward to presenting our case to the jury, and we want to ensure in doing so and limiting our comments, we want to ensure that this individual receives a fair trial. He is entitled to that, and we want to ensure that that occurs.

QUESTION: We understand that there were some trials missing for a period of time and they were rediscovered. Did that play any role in reigniting the case?

MR. LAMPTON: I am not going to go into how it happened, but the investigative file in this case became known to reporters, and it ultimately got to Thomas Moore, and he had the advantage of sitting down and looking at everything that we had in our file.

When I first met Thomas, he knew more about the case than I did, because he had poured over those files, and so what we had to do then was to see if that evidence that was in the files was still available, if the witnesses were still alive, and that is what took a good deal of time, but that was essentially worked out, I think, to the benefit, and then I would just like to say something -- you know, the press, ABC, ran a 20/20 story on this that heightened interest in it that led to one prosecution out of the Homochitto National Forest out in Franklin County. He had developed some evidence that we then later used or looked at in deciding to pursue charges against Mr. Seale, and there were some local reporters who were very close to -- had all the evidence they needed to do a story and to get this thing out before an arrest could be made, and they were calling me and I was asking them just to please hold off, and they did, and the arrest went without any -- well, went without any problems. I do appreciate that cooperation.

QUESTION: What was the result of the court hearing this morning in Jackson, sir?

MR. LAMPTON: I do not know.

ATTORNEY GENERAL GONZALES: It was simply that it was an initial appearance. He is being held without bond.

QUESTION: One more question? You suggested that Mr. Moore at least initially knew more about the case than yourself. I am just wondering, since you invited the guests here this morning, if we could hear from them about how they feel about this. We'd like to hear from them afterwards.

ATTORNEY GENERAL GONZALES: Yes, afterwards they will be available. You can hear from them.

QUESTION: Can I just ask another question about there was some legislation in Congress to give the Department more money to pursue cold cases. Is that something that you are still going to pursue? How important is that, in looking back at not just these civil rights cases but others like --

ATTORNEY GENERAL GONZALES: Well, I would say we have had discussions with members of Congress about this, and obviously we appreciate the assistance of Congress in giving us additional tools, but one thing we need to remember is that sometimes we simply -- we, the federal government, do not have jurisdiction, and so to the extent that, for example, additional dollars to hire additional prosecutors at the federal level, it doesn't do us any good if we just simply don't have jurisdiction. Sometimes those dollars, quite frankly -- if we have the flexibility to allocate some of those dollars to state prosecutors, that might be helpful in pursuing some of these cases.

Thank you very much.

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End 11:53 A.M. EST

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Image not available for this document, ID: 0.7.10316.9752-000001

Image not available for this document, ID: 0.7.10316.9752-000002

Amber.JMD

From: Amber.JMD
Sent: Thursday, January 25, 2007 4:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Nicholasville, KY

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Thursday, January 25, 2007 4:35:23 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Nicholasville, KY
Auto forwarded by a Rule

UPDATE AMBERALERT:Nicholasville,KY,VEH 05BlkDurango KY267BEH;VEH 98BlkJeepChero 010EJB;
CHILD:Birac/F,2,SUSP:W/F,20,SUSP:B/M,24,6'5 SUSP:B/F,45,CALL859-887-5447 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId
=3283

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Thursday, January 25, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1127670 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 5:49 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NURSE PLEADS GUILTY TO PRODUCING CHILD PORN

Department of Justice

United States Attorney Bradley J. Schlozman
Western District of Missouri

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.usdoj.gov/usao/mow

CONTACT: DON LEDFORD
PHONE: (816) 426-4234
FAX: (816) 426-5186

FORMER NURSE PLEADS GUILTY TO PRODUCING CHILD PORN

KANSAS CITY, Mo. — A Cameron, Mo., man pleaded guilty in federal court today to using a minor in his custody to produce child pornography, U.S. Attorney Bradley J. Schlozman of the Western District of Missouri, announced today.

William S. Price, 43, of Cameron, pleaded guilty before U.S. District Judge Nanette K. Laughrey this morning to all five counts contained in a June 28, 2006, federal indictment. Price was formerly a nursing supervisor at the Missouri State Veterans Home in Caldwell County, Mo.

"This defendant repeatedly drugged a minor victim, and, while she was unconscious, videotaped himself molesting and raping her," U.S. Attorney Schlozman said. "Never before have I encountered anything so revoltingly sadistic and morally repugnant. The only way to protect our community from this monster is to lock him up for a very long time."

In addition to his own production of child pornography, Price also downloaded and saved images of child pornography from the Internet using a file-sharing program.

U.S. Attorney Schlozman noted that law enforcement officers executed search warrants at Price's home and office. Drugs seized from his home included heavy sedatives, tranquilizers, muscle relaxers and anesthesia, along with drugs to reverse a sedative effect or anesthesia to bring a person out of unconsciousness, and Viagra. The items seized also included various needles and syringes, laxatives, a condom, a bottle of KY ultra gel, and a camera and tripod.

By pleading guilty today, Price admitted that he was a parent or guardian of a minor who he controlled for the purpose of attempting to produce child pornography from Oct. 1, 2005, to June 12, 2006.

DOJ_NMG_ 0173169

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

Price also admitted that he attempted to use the file-sharing program to cause notices to be published on the Internet offering child pornography, and that he attempted to distribute child pornography and to receive child pornography over the Internet, from Nov. 11, 2004 to May 16, 2006. Price admitted to being in possession of child pornography on June 12, 2006.

Price also agreed to forfeit to the government any property used to commit the offenses, including a Western Digital 120-gigabyte hard drive that was seized by law enforcement officers.

Under federal statutes, Price could be subject to mandatory minimum sentences of 15 years in federal prison without parole for controlling a minor to produce child pornography and for attempting to publish a notice of child pornography, and mandatory minimum sentences of five years in federal prison without parole for attempting to distribute child pornography and for attempting to receive child pornography, with a maximum sentence for all counts of the indictment of life in federal prison without parole, plus a fine up to $1.25 million. A sentencing hearing will be scheduled after the completion of a current investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Cynthia L. Phillips. It was investigated by the Cameron, Mo., Police Department, the Caldwell County, Mo., Sheriff's Department and the FBI.
http://www.usdoj.gov/usao/mow/index.html

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Image not available for this document, ID: 0.7.10316.9743-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 6:09 PM
To: USDOJ- Office of Public Affairs
Subject: ANOTHER SENTENCED IN BATON ROUGE, LOUISIANA, ON FEDERAL FEMA FRAUD CHARGES

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.usdoj.gov/usao/lam

CONTACT: DAVID DUGAS
PHONE: (225) 389-0443
FAX: (225) 389-0561

ANOTHER SENTENCED IN BATON ROUGE, LOUISIANA, ON FEDERAL FEMA FRAUD CHARGES

BATON ROUGE– Another Louisiana resident was sentenced today in federal court by U.S. District Court Judge John V. Parker on fraud charges related to a hurricane disaster relief program, U.S. Attorney David R. Dugas announced today.

Leonard Jackson, 56, of Baton Rouge La., pleaded guilty on August 24, 2006, to count one of an indictment charging him with making a false claim for Hurricane Katrina disaster assistance benefits. Jackson was sentenced to three years of probation and $2,000 in restitution. The U.S. Secret Service and the U.S. Department of Homeland Security, Office of Inspector General, conducted the investigation of this matter.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 84.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact the U.S. Attorney of the Middle District of Louisiana David R. Dugas, or First Assistant U.S. Attorney Lyman Thornton at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, La. 70821-4909.

DOJ_NMG_ 0173173

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DOJ_NMG_ 0173174

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Image not available for this document, ID: 0.7.10316.9747-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 6:32 PM
To: USDOJ- Office of Public Affairs
Subject: TWO OFFICERS PLEAD GUILTY ON CIVIL RIGHTS CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

TWO OFFICERS PLEAD GUILTY ON CIVIL RIGHTS CHARGES

WASHINGTON – Two former supervisors at the Winston-Choctaw County Regional Correctional Facility in Louisville, Miss., pleaded guilty today to federal criminal charges relating to physical assaults on prisoners at the facility in October 2001.

Former Captain David Mitchell pleaded guilty to one felony count of violating the civil rights of inmate Jimmy Commer by violently assaulting him without justification. Mitchell and former deputy warden Scotty Graham each pleaded guilty to one felony count of conspiring to obstruct justice by writing false reports about the October 2001 assaults of the inmates, and by lying to the officials who investigated them.

"The vast majority of law enforcement officials perform their duties with professionalism, often under difficult circumstances," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "But when officers cross the line and commit wilful misconduct, the Department of Justice will vigorously enforce the requirements of federal law."

Mitchell faces a maximum penalty of 10 years in prison for the civil rights offense. Mitchell and Graham each face a maximum penalty of five years in prison for the conspiracy offense.

The Civil Rights Division is committed to the vigorous enforcement of every federal criminal civil rights statute, such as those laws that prohibit the wilful use of excessive force or other acts of misconduct by law enforcement officials. In fact, the Division has compiled a significant record on criminal civil rights prosecutions in the last six years. In fiscal year 2006, nearly 50 percent of the cases brought by the Criminal Section of the Civil Rights Division involved such prosecutions. Since fiscal year 2001, the Division has convicted 50 percent more defendants for excessive force and official misconduct than in the preceding six years.

This case was investigated by the Oxford Division of the FBI and is being prosecuted by U.S. Department of Justice Trial Attorneys Edward Caspar and Kathleen Monaghan with the help of Assistant U.S. Attorney Robert Coleman.

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DOJ_NMG_ 0173177

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Image not available for this document, ID: 0.7.10316.9728-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: ABILENE, TEXAS, MAN PLEADS GUILTY IN FEDERAL COURT TO CHILD PORNOGRAPHY CHARGE

Department of Justice

United States Attorney Richard B. Roper
Northern District of Texas

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
WWW.USDOJ.GOV/USAO/TXN

CONTACT: KATHY COLVIN
PHONE: (214) 659-8600
FAX: (214) 767-2898

ABILENE, TEXAS, MAN PLEADS GUILTY IN FEDERAL COURT TO CHILD PORNOGRAPHY CHARGE

DALLAS - Allen Wayne Kirby of Abilene, Texas, pleaded guilty this afternoon in federal court in Lubbock, Texas, to one count of interstate receipt of child pornography, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. Kirby, who has been in a home-confinement program as a condition of his pre-trial release, was arrested Jan. 16, 2007, by federal law enforcement officers after U.S. District Judge Sam R. Cummings issued a warrant for his arrest in relation to pre-trial release issues. Following today's guilty plea, Judge Cummings ordered a pre-sentence investigation with sentencing to be scheduled following the investigation. Kirby, 55, faces a maximum statutory sentence of 20 years in prison, a $250,000 fine and a lifetime of supervised release.

In a six-count superseding indictment returned in September, 2006, Kirby was charged with three counts of receipt of child pornography, one count of receipt of child obscenity, one count of possession of child pornography, and one count of possession of child obscenity. In pleading guilty to one count of interstate receipt of child pornography, Kirby admitted that during 2005 and 2006 he subscribed to Web sites that contained images and videos of child pornography. Kirby used his subscriptions to these Web sites to download material depicting minors engaged in sexually explicit conduct. After downloading the images and videos of child pornography, Kirby would copy them onto computer CDs, which he saved and stored in his residence. Many of the children depicted in sexually explicit conduct were pre-pubescent.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov

DOJ_NMG_ 0173181

U.S. Attorney Roper commended the investigative efforts of the Department of Homeland Security's Immigration and Customs Enforcement (ICE). The case is being prosecuted by Assistant U.S. Attorney Steven M. Sucsy.

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DOJ_NMG_ 0173182

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Image not available for this document, ID: 0.7.10316.9708-000002

System Administrator

From: System Administrator
Sent: Thursday, January 25, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1128423 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, January 25, 2007 7:15 PM
To: USDOJ- Office of Public Affairs
Subject: MAN SENTENCED FOR USING THE INTERNET TO ENTICE A MINOR TO TRAVEL FOR ILLEGAL SEXUAL ACTIVITY

Department of Justice

United States Attorney John McKay
Western District of Washington

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 25, 2007
www.usdoj.gov/usao/waw

CONTACT: EMILY LANGLIE
PHONE: (206) 553-4110
FAX: (206) 553-2054

MAN SENTENCED FOR USING THE INTERNET TO ENTICE A MINOR TO TRAVEL FOR ILLEGAL SEXUAL ACTIVITY

SEATTLE, Wash. – John Leonard Young, 46, of Coupeville, Wash., was sentenced today in U.S. District Court in Seattle to five years in prison and five years of supervised release for using the internet to entice a minor to travel for illegal sexual activity. At sentencing, U.S. District Judge Thomas S. Zilly said, "This crime is very serious. The victim will never be the same, you've taken her innocence away."

In late 2004 and early 2005, Young communicated over the Internet with a 14-year-old girl who lived in the Chicago area. The girl met Young in an Internet chat room. Over a two- week period, the two communicated both over the Internet and by telephone. Young's communication with the girl included detailed discussions about sex. Young used a business credit card to pay for a plane ticket for the girl to travel to Seattle to be with him. Young urged the girl to remove the hard drive from her computer so that after she left her parents' home, she would be more difficult to find. The travel was to take place on Jan. 21, 2005, but instead of waiting, the girl went to the airport on Jan.12, 2005. Using her own money, she bought a ticket to the wrong Washington. Airport police contacted the FBI after the girl arrived at Dulles International Airport. The girl was upset that, intending to fly to Seattle, she had wound up in metropolitan Washington, D.C.

After contacting the girl's parents, FBI agents continued to investigate and subsequently recovered some of the communications from the girl's computer. A court also authorized a search of Young's home and computers, which revealed not only his communications with the girl, but child pornography as well.

This case was pursued as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the

DOJ_NMG_ 0173186

Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The case was investigated by the FBI, and was prosecuted by Assistant United States Attorney David Reese Jennings.

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DOJ_NMG_ 0173187

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Image not available for this document, ID: 0.7.10316.9720-000002

System Administrator

From: System Administrator
Sent: Thursday, January 25, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1128480 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Friday, January 26, 2007 4:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Covington, GA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, January 26, 2007 4:01:26 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Covington, GA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Covington,GA VEHICLE:Black Pickup truck Ford F350 Dulley CHILD:4 White M SUSPECT:White M CALL 770-784-2100 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3302

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Friday, January 26, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1128484 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, January 26, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1135124 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 9:55 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN BERKELEY, CALIF.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 26, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN BERKELEY, CALIF.

Sessions on January 30–31 to Focus on Business/Academic Testimony

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Jan. 30–31, 2007 in Berkeley, Calif. These hearings have been examining whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act (which prohibits monopolization and attempted monopolization) by harming competition and consumer welfare and when they are procompetitive and lawful. The January sessions will be hosted by the Berkeley Center for Law and Technology and the Competition Policy Center at the University of California, Berkeley.

The panels on Jan. 30 will provide an opportunity for business executives to express their views on Section 2 issues, including areas where the companies perceive that single-firm anticompetitive conduct has harmed consumers and areas where legitimate procompetitive behavior may have been chilled. These panels also will provide an opportunity for company executives to identify areas where they believe additional agency antitrust guidance would be useful. The Jan. 31 panels will provide an opportunity for the agencies to obtain testimony from academics with expertise in competition policy.

The sessions will be held at the University of California at Berkeley, Haas School of Business, Wells Fargo Room, 2220 Piedmont Avenue, Berkeley, Calif. 94720.

Further information is provided below:

Jan. 30, 2007 Sessions

DOJ_NMG_ 0173194

Business Testimony (9:30 A.M.–12:30 P.M. P.S.T.):

Michael D. Hartogs is the senior vice president and division counsel at QUALCOMM Technology Licensing.

David A. Heiner is the vice president and deputy general counsel for antitrust at Microsoft Corporation.

Scott K. Peterson is senior counsel at Hewlett-Packard Company.

Robert A. Skitol is a senior partner in the Antitrust Practice Group at Drinker Biddle & Reath LLP (Washington, D.C.) and counsel to the VMEbus International Trade Association (VITA).

Business Testimony (2:00 P.M.–4:30 P.M. P.S.T.):

David A. Dull is the senior vice president of business affairs and general counsel and secretary at Broadcom Corporation.

Michael E. Haglund is a partner at Haglund Kelley Horngren Jones & Wilder (Portland, Ore.) and counsel to Ross-Simmons.

Thomas M. McCoy is the executive vice president of legal affairs and chief administrative officer at AMD.

Jan. 31, 2007 Sessions

Academic Testimony (9:30 A.M.–12:00 P.M. P.S.T.):

Aaron Edlin is the Richard Jennings professor of law at the University of California, Berkeley.

Joseph Farrell is a professor of economics at the University of California, Berkeley.

Howard Shelanski is the associate dean and a professor of law at the University of California, Berkeley and the director of the Berkeley Center for Law & Technology.

Academic Testimony (1:30 P.M.–4:30 P.M. P.S.T.):

Timothy Bresnahan is the Landau professor in technology and the economy in the economics department at Stanford University.

Richard Gilbert is a professor of economics at the University of California, Berkeley and the chair of the Berkeley Competition Policy Center.

Daniel Rubinfeld is the Robert L. Bridges professor of law and professor of economics at the University of California, Berkeley.

Carl Shapiro is the TransAmerica professor of business strategy and professor of economics and the director of the Institute of Business and Economic Research at the University of California, Berkeley.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. The sessions will be webcast at: http://iber.berkeley.edu/cpc. Interested parties may submit written comments to the Antitrust Division and the FTC.

DOJ_NMG_ 0173195

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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07-048

DOJ_NMG_ 0173196

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 26, 2007

Department of Justice

PRESS GUIDANCE
Friday, January 26, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Antitrust Division issued a release on Section Two hearings. (Talamona)

The Civil Rights Division will issue a release on a civil litigation matter. (Magnuson)

The Environment and Natural Resources Division will issue a release on a sentencing matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are planned.

NIGHT DUTY OFFICER

Kimberly Smith

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173198

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Image not available for this document, ID: 0.7.10316.9577-000002

System Administrator

From:	System Administrator
Sent:	Friday, January 26, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1136288 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, January 26, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1136289 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, January 26, 2007 3:05 PM
Subject: Fire Alarm Test in RFK MAIN Justice Building

Fire Alarm Test in RFK MAIN Justice Building

On Saturday, January 27th, between the hours of 7:00 a.m. and 9:00 a.m. a test of the building fire alarm system will be conducted. If you are in the building during those hours and the fire alarm sounds, you are not required to evacuate the building.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 3:51 PM
To: USDOJ- Office of Public Affairs
Subject: SHIP CHIEF & CREW SENTENCED FOR VESSEL POLLUTION

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 26 2007
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

SHIP CHIEF & CREW SENTENCED FOR VESSEL POLLUTION

Korean Vessel Used Hoses to Bypass Pollution Prevention Equipment

WASHINGTON — The Chief Engineer and Second Engineer of the *M/V Sun New,* owned and operated by The Sun Ace Shipping Company based in Seoul, South Korea, were sentenced today for crimes related to vessel pollution in relation to the operation of the bulk carrier vessel, the Justice Department announced.

Chief Engineer Chang-Sig O was sentenced to five months in prison and two months of supervised release during which time he may not return to U.S. navigable waters serving as a ship's engineer. Second Engineer Mun Sig Wang was sentenced to three years of probation during which time he is prohibited from serving as an engineer on board any vessel that comes into the navigable waters of the U.S. The Sun Ace Shipping Company previously pleaded guilty, and was fined $400,000, ordered to pay $100,000 as a community service payment, and prohibited from returning to the U.S. for three years for similar violations in conjunction with this case.

In December 2006, Chief Engineer Chang-Sig O pleaded guilty to obstruction of justice for maintaining a false oil record book and lying to the U.S. Coast Guard about his knowledge of the bypass hoses.

Second Engineer Mun Sig Wang also pleaded guilty in December 2006, to a violation of the Act to Prevent Pollution from Ships for presenting a false oil record book to the U.S. Coast Guard in Camden, N.J., on Jan. 3, 2006. The false record book concealed the dumping of oily wastes overboard using the "magic pipe" built in order to bypass the vessel's oily water separator.

Engine room operations on board large oceangoing vessels such as the *Sun New* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an oily water separator. The law also requires that all overboard discharges be recorded in an oil record book, a required log which is regularly inspected by the Coast Guard.

A joint factual statement filed in federal district court in New Jersey stated that on the night of Jan. 3, 2006, U.S. Coast Guard inspectors boarded the *Sun New* and discovered that members of the engine room crew had used bypass hoses to discharge oily wastes overboard into the ocean without using the vessel's oily water separator. Upon further investigation, inspectors discovered that the crew of the *Sun New* had disposed of

DOJ_NMG_ 0173204

significant amounts of oil waste into the ocean at least twice during the voyage from South Korea to New Jersey.

In September a grand jury in Newark, N.J., returned a three-count indictment charging Chang-Sig O and Mun Sig Wang with conspiracy, obstruction of justice, and a violation of the Act to Prevent Pollution from Ships in connection with the use of the two bypass hoses.

The case was investigated by marine inspectors from Coast Guard Sector Delaware Bay, and special agents from the Coast Guard Investigative Service and the Environmental Protection Agency Criminal Investigation Division. The case is being prosecuted by Trial Attorney David Kehoe in the Environmental Crimes Section in the Justice Department's Environment and Natural Resources Division and Bradley Harsch, Assistant U.S. Attorney for the District of New Jersey.

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07-049

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Image not available for this document, ID: 0.7.10316.9564-000002

System Administrator

From: System Administrator
Sent: Friday, January 26, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1136348 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 4:57 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES SETTLEMENT IN UNLAWFUL TERMINATION SUIT OF LOUISIANA NATIONAL GUARD SOLDIER

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 26, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT IN UNLAWFUL TERMINATION SUIT OF LOUISIANA NATIONAL GUARD SOLDIER

WASHINGTON - The Justice Department today reached a settlement on behalf of a National Guardsman whose employment was alleged to have been unlawfully terminated in violation of the Uniform Servicemembers Employment and Reemployment Rights Act (USERRA). The settlement, which was lodged today in the U.S. District Court for the Western District of Louisiana, and which is subject to court approval, resolves allegations that Five Star Janitorial Supply of Leesville, La., violated the federal law protecting servicemembers from employment discrimination related to their military service.

The complaint and proposed consent decree were filed concurrently on behalf of the National Guardsman who alleged that he was fired by Five Star because he chose to attend a two-week military training course, part of his duties as a member of the National Guard. Men and women in the National Guard attend regular military training to remain ready to be called to active duty, if needed. USERRA is the federal statute that prohibits employers from firing or otherwise discriminating against employees who are also service members because of their military obligations.

"Men and women who volunteer to defend our freedom abroad deserve fair treatment at home," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "We are pleased that Five Star chose to resolve this lawsuit and to respect the employment rights of its former employee."

"Our nation is grateful to those who freely decide to be good citizens while also serving as soldiers, sailors, marines and airmen," said Donald W. Washington, U.S. Attorney for the Western District of Louisiana. "My office remains fully dedicated to doing all that we can to protect their rights during and after a tour of military duty. Our obligation includes taking whatever steps are necessary to enforce federal laws like USERRA, which protect the rights of members of the military."

In the proposed consent decree, Five Star agrees to pay the Guardsman his lost wages and interest, as well as other damages.

The Guardsman initiated his complaint with the Veterans Employment and Training Service of the U.S. Department of Labor. When the complaint was not able to be resolved, the complaint was referred to the Civil

Rights Division's Employment Litigation Section. USERRA provides that any servicemember has the right to have the Justice Department review his or her complaint if the Department of Labor cannot convince an employer to voluntarily resolve that complaint. The Department of Justice may then provide free legal representation to the servicemember and file a lawsuit on his or her behalf.

In September 2004, the Attorney General delegated enforcement of USERRA to the Civil Rights Division of the Department of Justice. Since that time, the Employment Litigation Section of the Civil Rights Division has vigilantly enforced the rights of servicemembers, filing 13 lawsuits and reaching 7 consent decrees since FY 2005.

To learn more about the Employment Litigation Section and the rights of servicemembers under USERRA, please visit www.usdoj.gov/crt/emp and www.servicemembers.gov.

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07-050

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 5:44 PM
To: USDOJ- Office of Public Affairs
Subject: ALABAMA RESIDENT SENTENCED FOR FEMA FRAUD FOLLOWING HURRICANE KATRINA

Department of Justice

United States Attorney Deborah J. Rhodes
Southern District of Alabama

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 26, 2007
WWW.USDOJ.GOV/USAO/ALS

CONTACT: CHARLIE McNICHOL
PHONE: (251) 415-7131
FAX: (251) 441-5277

ALABAMA RESIDENT SENTENCED FOR FEMA FRAUD FOLLOWING HURRICANE KATRINA

MOBILE, Ala. – Hannah Williams, 48, of Jackson, Ala., was ordered to repay more than $22,000 to the Federal Emergency Management Agency (FEMA) and sentenced to three years of probation following her conviction on fraud charges, U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama announced today.

Williams was charged in a five-count federal indictment with making false claims to the government, mail fraud and wire fraud. Williams made a false and fraudulent application for disaster assistance from FEMA following Hurricane Katrina, claiming that her primary residence and personal property had been damaged, but it had been more than 18 months since she had moved out of the claimed residence. Williams, who received $22,904 from FEMA as a result of the fraud in October 2006, pled guilty to making a false claim to the government.

Williams's daughter, Lawanda Williams, who helped her mother file the fraudulent claim, was sentenced on Jan. 24, 2007, to 75 months in prison on separate FEMA fraud charges.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice Fisher of the Criminal Division - includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys, and others.

DOJ_NMG_ 0173213

Anyone with information about fraudulent activity is encouraged to report it immediately through the Hurricane Relief Fraud Hotline at 1-866-720-5721, or via email at katrinafraud@dodig.mil.

# # #

DOJ_NMG_ 0173214

Image not available for this document, ID: 0.7.10316.9548-000001

System Administrator

From: System Administrator
Sent: Friday, January 26, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137523 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 6:46 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER LINCON COUNTY TEACHER SENTENCED TO 87 MONTHS IN PRISON FOR CHILD PORNOGRAPHY CHARGES

Department of Justice

United States Attorney Amul R. Thapar
Eastern District of Kentucky

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 26, 2007
www.usdoj.gov

CONTACT: COURTNEY NORRIS
PHONE: (859) 233-2661
FAX: (859) 233-2666

FORMER LINCON COUNTY TEACHER SENTENCED TO 87 MONTHS IN PRISON FOR CHILD PORNOGRAPHY CHARGES

LEXINGTON, Ky. — A former Lincoln County band teacher, Joseph Hugh Briley, 40, was sentenced today on child pornography charges by U.S. District Court Judge Karl S. Forester to 87 months in prison and supervised release for life. Briley pled guilty to the charges in November 2006.

In the plea agreement, Briley, of Stanford, Ky., admitted that from November 2005 until March 2006, he downloaded hundreds of images of minors engaging in sexually explicit conduct. Briley admitted that he knew those depicted were minors. As part of his plea agreement, Briley also agreed to surrender his teaching certificate and never teach in any jurisdictions for the rest of his life.

U.S. Attorney Amul R. Thapar of the Eastern District of Kentucky said he was pleased with the sentence that was handed down today.

"People who are put in a position of trust to care for our children need to be the most morally sound individuals," stated U.S. Attorney Thapar. "Capturing this predator makes us one step closer to creating a safe environment for our children to grow up in and learn."

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

DOJ_NMG_ 0173217

The investigation was conducted by the FBI. Assistant U.S. Attorney Erin J. May handled this case.

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From: USDOJ- Office of Public Affairs
Sent: Friday, January 26, 2007 6:48 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 29 – FEBRUARY 2, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, JANUARY 26, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR JANUARY 29 – FEBRUARY 2, 2007

Monday, January 29

TIME TBD

Michael J. Sullivan, Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives will be the keynote speaker at the International Society of Explosives Engineers (ISEE) 33rd Annual Conference on Explosives and Blasting Techniques.
Gaylord Opryland Resort
Nashville, Tennessee
OPEN PRESS

Press inquiries regarding logistics should be directed to ATF Public Affairs at 202-827-8500.

Tuesday, January 30

DOJ_NMG_ 0173221

Events TBD

Wednesday, January 31

10:15 A.M. EST John Elwood, Deputy Assistant Attorney General, Office of Legal Counsel, will testify before the House Judiciary Committee on the topic of *Presidential Signing Statements under the Bush Administration: A Threat to Checks and Balances and the Rule of Law?*
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at 202-225-3951.

10:00 A.M. CST United States Marshal Service Director John Clark will join Attorney General of Illinois Lisa Madigan to announce a new law enforcement program.
Illinois Attorney General's Office
100 W. Randolph
12th Floor
Chicago, Illinois
OPEN PRESS

Press inquiries regarding logistics should be directed to U.S. Marshals Service Public Affairs at 202-307-9065.

Thursday, February 1

8:00 A.M. EST Attorney General Alberto R. Gonzales will attend the National Prayer Breakfast.
Washington Hilton
International Ballroom
1919 Connecticut Ave., N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Friday, February 2

Events TBD

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Image not available for this document, ID: 0.7.10316.9552-000002

System Administrator

From: System Administrator
Sent: Friday, January 26, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137624 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137625 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137626 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137627 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137628 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137629 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, January 27, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137630 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, January 27, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137631 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137631 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137632 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137633 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137634 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137635 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137636 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, January 28, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137637 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Monday, January 29, 2007 3:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Reno, NV

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, January 29, 2007 3:01:20 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Reno, NV
Auto forwarded by a Rule

AMBER ALERT:Reno,NV CAR:'90 Teal 4dr Acura Integra TAG:NV 79157 CHLD:8 mo W/F 2'3 19lb Hair:Bro SUSPECT:33 W/M 6'5 250lb & 29 W/F 5'6 Hair:Bro CALL 775-328-3001 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3322

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Monday, January 29, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1137640 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Monday, January 29, 2007 8:12 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Monday, January 29, 2007
Attachments:	agnb070129.pdf; agnb070129.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, JANUARY 29, 2007 7:45 AM EST**

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TERRORISM NEWS:

Scolinos Defends Administration's Surveillance Authority. In an op-ed published in the Fort Worth Star-Telegram (1/29), Justice Department Public Affairs Director Tasia Scolinos writes, "Because your Jan. 22 editorial ('A case of whiplash') on the Terrorist Surveillance Program (TSP) and the Foreign Intelligence Surveillance Court might have left readers with inaccurate impressions, I offer this response:" Scolinos continues, "First, the TSP falls well within President Bush's constitutional authority, recognized and supplemented by Congress in the aftermath of Sept. 11, 2001, to protect Americans by intercepting the international communications of a lethal enemy. … Second, the Justice Department began exploring options for FISC approval of the collection of international al Qaeda communications into and out of the United States in the spring of 2005, well before the first media accounts disclosing the existence of the TSP. … Accordingly, under these circumstances, the president has determined not to reauthorize the TSP when the current authorization expires. … Third, the attorney general directed department officials to brief the Senate and House Intelligence committees, as well as other key members of Congress, on the new orders. Although the existence of these orders has been made public, their contents remain highly classified. The disclosure of such information could reveal to our enemies aspects of our intelligence capabilities and allow them to evade detection." Scolinos adds, "The intelligence community has confirmed the value of the TSP in providing us with information that we would not otherwise have had and has confirmed that these new orders will fulfill that crucial function. The attorney general and the Justice Department are committed to fighting terrorism and using all lawful tools to protect our nation in a manner that respects and preserves the civil liberties of all Americans."

US To Try Iraqi-Born Dutch Citizen On Terror Charges. CNN (1/29) reports, "The United States on Sunday was detaining an Iraqi-born Dutch citizen, extradited by the Netherlands' government, for allegedly conspiring to kill U.S. citizens in Iraq, the Dutch Justice Ministry said." CNN continues, "Iraqi native Wesam al-Delaema, 33, arrived on a Dutch plane Saturday and is the first suspect to face criminal charges in a U.S. court for alleged terrorist involvement in the violent Iraqi insurgency, Justice Ministry spokesman Ivo Hommes said." CNN adds, "The U.S. government charged him with possession of explosives and conspiracy to kill U.S. citizens in an attack. The Justice Ministry said intelligence revealed that al-Delaema traveled to Iraq and met up with "Mujahedeen from Falluja" in 2003 and conspired with the group to conduct terrorist activities. … He was arrested by Dutch officials in May 2005 on terrorism-related charges. The Justice Department said the Netherlands placed al-Delaema in extradition custody in response to a preliminary U.S. request. … Before releasing him into U.S. custody, Hommes said Dutch officials negotiated certain terms with U.S. officials." CNN notes, "Both sides agreed that al-Delaema would not be tried for charges outside the current six-count indictment, and that he would be tried in a federal court, not by a military commission, where he might have fewer civil rights."

Lieberman "Disappointed" With Reid, Pelosi Reaction To "War Council" Proposal. Sen. Joseph Lieberman said on Fox News Sunday (1/28, Wallace), "I was really disappointed with the reaction of Speaker Pelosi and Sen. Reid to the President's offer or invitation to have essentially a bipartisan war council, and it's a war on terror council. I talked with the President about this, and he said to me at one point in December when I met with him before -- John McCain and I were going over to Iraq. He said to me you know, it's obvious that we're not going to be able to have the broad bipartisan consensus I hoped we would have on Iraq, but we need to build that consensus on the larger war against the Islamist terrorists who attacked us on 9/11, because this is going to go on for a generation."

HOMELAND RESPONSE:

Hopes Rise For Congressional Ban On Racial Profiling. The AP (1/29, Frommer) reports, "The repercussions of an airline's decision to remove a group of imams from a commercial flight in Minneapolis could be heard in Congress this year, where newly dominant Democrats are ready to consider a national ban on racial profiling." The AP continues, "The incident happened in

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November, made national news and reinvigorated an old proposal that got little attention from the GOP. But now a champion of the legislation, Rep. John Conyers, D-Mich., is chairman of the House Judiciary Committee, which has jurisdiction on the issue. Sen. Russ Feingold, D-Wis., who sponsored legislation to ban racial profiling in the last Congress, now chairs the Judiciary subcommittee on the Constitution. … 'I'm convinced that once the body of evidence of racial profiling occurring in our nation is presented before the U.S. Congress and the American people, that indeed they'll be compelled to do something about it,' said Hilary Shelton, director of the NAACP's Washington Bureau." The AP adds, "Shelton said that the issue lost traction after the Sept. 11 attacks, when the nation was focused on security. … 'Many would argue that it's been exacerbated since 9/11, and we thought it was a tremendous problem before that,' Shelton said. He said he's spoken about the issue with Conyers and is hopeful for action on legislation soon - perhaps as early as next month. Conyers declined to comment for this story. … Civil rights groups renewed their push for the legislation after last November's incident, in which US Airways barred six imams from a Minneapolis to Phoenix flight. The imams, returning from a religious conference, had prayed on their prayer rugs in the airport before the flight. After boarding, a passenger, who said she overheard anti-U.S. statements, passed a note to a flight attendant. The men were taken off the airplane, handcuffed and questioned. They were later released." The AP notes, "Justice Department spokesman Cynthia Magnuson declined to comment specifically on the bill, but did say: 'In 2003, the department issued policy guidance to ban federal law enforcement officials from engaging in racial profiling in response to the president's directive that racial profiling is "wrong and we will end it in America." We continue to work toward this goal.'"

NYTimes Says "Small Group" Of 9/11 Families Should Not Be Catered To On Memorial. The New York Times (1/29, 1.16M) editorializes that "a compromise engineered last month by Mayor Michael Bloomberg" on how to place the names of the dead at the 9/11 memorial has satisfied "nearly everyone, including most of the 9/11 families." However, "a small group of victims' families has regrettably decided to mount a public campaign against the compromise." The Times says it fears that the group's efforts "to discourage contributions to the memorial until the victims' names appear exactly the way they want them, listing the age, corporate affiliation and floor on which each person worked," is going to "add to the distress of other families who have been waiting for years for what is, after all, a public memorial." The Times states, "As painful as the private loss of this small group of mourners is, it must be accommodated as part of the larger public loss."

146 US Levees Listed As Inadequate. USA Today (1/29, 1A, Eisler, 2.27M) reports, "The Army Corps of Engineers has identified 146 levees nationwide that it says pose an unacceptable risk of failing in a major flood. The deficiencies, mostly due to poor maintenance, are forcing communities from Connecticut to California to invest millions of dollars in repairs," or run the risk of FEMA determining that the levees "are no longer adequate flood controls." The corps' levee inspection program "has grown more aggressive since Hurricane Katrina overwhelmed levees across the Gulf Coast in August 2005." USA Today adds that the list provided by the corps identified only "how many faulty levees have been found in each state," but says it has filed a request for a list of the 146 specific locations under the Freedom of Information Act.

ICF Criticized Over Handling Of Road Home Program. The Washington Post (1/29, D1, Merle, 690K) reports that since Fairfax-based ICF was chosen by Louisiana's Office of Community Development to run the Road Home program, the company has been accused "of moving too slowly, paying its lawyers too much and valuing homes too low. The company's performance has been criticized by Donald Powell, federal coordinator of Gulf Coast rebuilding, and the Louisiana House and Senate have called for the contract to be canceled and for an audit of the company's $19 million in travel expenses." The Post adds that "the most significant complaints about the ICF have centered on the pace of the program." Gov. Kathleen Blanco "said she has given ICF 'a lot of leeway' and will meet with company officials soon to gauge when the bottleneck will be relieved and to ensure that ICF's 22 subcontractors also have a sense of urgency."

Week-Long Effort Underway To Bring Medical Care To New Orleans' Uninsured. The Washington Post/AP (1/29, A8, McConnaughey) reports, "Hundreds of people still without health insurance in areas hit hard by Hurricane Katrina lined up before dawn Sunday for the start of a week-

DOJ_NMG_ 0173246

long event offering free medical care." The fair, which "is open to anyone from the New Orleans area," but aimed specifically "at those who no longer have insurance," is the result of "a collaboration by Pat Robertson's Operation Blessing International and Remote Area Medical, which organizes volunteer medical treatment in remote parts of the United States and the world. While most people wouldn't consider New Orleans remote, the city is, 'since Hurricane Katrina, extremely remote from a medical and health-care infrastructure,' said Karen Wilson, executive director of the Remote Area Medical Foundation."

WAR NEWS:

Specter Comes Out Against Bush Iraq Plan.

The New York Times (1/29, Rutenberg, 1.16M) reports, "Republican allies of the White House argued on the Sunday news programs that resolutions critical of President Bush's new Iraq plan being considered by the Senate would embolden insurgents and demoralize American troops." On ABC's This Week (1/28), for example, GOP Senator Richard G. Lugar, said the resolutions were "not helpful" to the new US commander, Lt. Gen. David H. Petraeus, or "to the troops, to the Iraqis." These resolutions, he added, "are an opportunity for people to vent their emotions, their thoughts, get it on record. Some Republicans want to do that. Some Democrats want to do that. I don't believe that it's helpful right now to show there's disarray around the world as well as in our body at home." However, USA Today (1/29, Schouten, 2.27M) says Republicans "were faced with counterpoint arguments not only from Democrats but also from other Republicans." GOP Sen. Sam Brownback, "a Republican presidential contender, said he was considering voting for a resolution criticizing the plan." And Sen. Arlen Specter, Republican of Pennsylvania, said on CBS' Face The Nation (1/28, Schieffer), "I cannot support sending additional troops to Iraq. … The plan is not working because it requires Iraq to do some things which Iraq doesn't have the will or the capability to do -- that is, to stifle the sectarian disagreements and also to secure Baghdad." The Financial Times (1/29, Guha) also says "support for…Bush's strategy to inject more troops into Iraq frayed further on Sunday, ahead of a week in which Congress is expected to distance itself formally from the plan."

USA Today (1/29, 2.27M) reports some Republicans who oppose the anti-surge resolutions would instead "set benchmarks for the Iraqi government." Senate Minority Leader Mitch McConnell "said such benchmarks would send a strong signal to Iraqis. 'If someone like me, who has been the strongest supporter of the president you could find in the Senate on this effort, is saying this is the last chance for the Iraqis, I think that ought to help them get the message (that) this is the last chance,' he said Sunday on CBS' Face the Nation." The Los Angeles Times (1/29, Barnes, 850K) notes Sen. John McCain, "one of the strongest supporters of the troop buildup, is…crafting an alternative measure that would call for benchmarks against which to measure the Iraqi government." McConnell "said if there had to be a resolution, he would push for one like McCain's."

McConnell, on CBS' Face The Nation (1/28, Schieffer), also said, "I think I can pretty well speak for virtually all Republican senators when I say this is the last chance for the Iraqis to step up and do their part. This effort to quiet Baghdad is absolutely essential. If you don't have a relatively calm capital city, there's no chance the government can function properly."

With the notable exceptions of Brownback and Specter, Republicans generally defended Bush's plan in the Sunday talk shows. Sen. David Vitter said on NBC's Meet The Press (1/28, Russert), "I'm supporting the President's plan, and I'm strongly encouraging some add-ons -- specifically, I think we should be stronger and clearer about benchmarks. And John McCain is working on a resolution about that that I expect to support. Secondly, I think we should embrace and support a regional diplomatic conference which would include Iran and Syria. That's not bilateral talks with them directly with us, but a regional diplomatic conference. … And then third, I certainly agree with Chuck Hagel about one thing: We need to go over and over and over the issue of, is this new troop level enough to make a difference. Because I think, clearly, we've been wrong in the past about the adequacy of troop levels."

Sen. Jon Kyl said on CNN's Late Edition (1/28, Blitzer), "The reality is that there is violence all over Iraq that can be quelled if Iraqis are properly trained and if the United States stays for awhile to help them do that. Nobody believes the Iraqi military could stand on its own today. And so the question at the end of the day is, do we pull out, do we leave, leaving Iraq a failed state Because nobody believes the Iraqis themselves can create the stability, regardless of where it's coming from, or do we stay long enough to create that stability for the political conditions to exist?"

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Rep. Duncan Hunter said on ABC's This Week (1/28, Stephanopoulos), "I think the American people have some patience. … This plan is being carried out right now. The idea that Congress is going to sit back and talk about cutting off reinforcements, that disserves the mission and I think it disserves the soldiers that are over there." A resolution opposing the surge "provides cover for people who may be running for reelection, but it doesn't do anything substantive with respect to the fight, because the troops are already going."

Ex-Gov. Mike Huckabee said on NBC's Meet The Press (1/28, Russert), "We did a great job of going in and toppling Saddam Hussein. The tough part has been bringing some sense of stability there. And so it's been a struggle for the President." The Washington Post (1/29, A4, Romano, 690K) reports Huckabee "said yesterday that he supports…Bush's position on the Iraq war." The New York Times (1/29, Toner, 1.16M) quotes Huckabee saying of the Bush plan, "He's got to be given the opportunity to do his job."

Meanwhile, the AP (1/29) notes Vice President Cheney "shot back at Republican Sen. Chuck Hagel of Nebraska, who has accused the Bush administration of playing 'a pingpong game with American lives' by sending more US troops into Iraq." Said Cheney, "Let's say I believe firmly in Ronald Reagan's 11th commandment: Thou shalt not speak ill of a fellow Republican. … But it's very hard sometimes to adhere to that where Chuck Hagel is involved."

Novak Says Biden Resolution May Not Even Get Simple Senate Majority. Robert Novak, in a column running in today's Washington Post (1/29, A15, 690K), writes that Sen. Joseph Biden planned "to sit down over the weekend with his longtime Republican colleague Sen. John Warner and hammer out a consensus, bipartisan resolution opposing President Bush's troop surge in Iraq. But Warner, who has been making backroom deals for 28 years in the Senate, informed Biden late on Thursday: No deal." Warner "wrote that the 'will of the Senate' should be determined in 'open' session, not closeted negotiations. That killed the Democratic leadership's dream of passing a Biden-crafted anti-surge resolution by 70 votes or more. Such a proposal now cannot get the 60 votes needed for cloture to end a filibuster (and could fall short of the 50 needed for a simple majority). Conceivably, the Senate might pass no resolution at all." Now Senate Majority Harry Reid "faces a difficult choice. He could crack the whip on Democrats to pass the Biden resolution (though falling short of enough votes for cloture). Or he could swallow an unamended Warner resolution to win a bipartisan vote on the record against additional troops."

The AP (1/29, Yen) reports Biden yesterday "acknowledged that votes in Congress could splinter among several competing proposals but contended that senators' opposition to the buildup was widespread." Said Biden, "We will have a full throated debate on this policy. … I will make you a bet, you will not find 20 percent of the Senate standing up and saying the president is headed in the right direction."

The Los Angeles Times (1/29, Barnes, 850K) reports McConnell said yesterday that he did not think "any Senate resolution would have to have a filibuster-proof majority of 60 votes to pass. As a result, he predicted that it would be hard for any of the resolutions to pass."

Democrats Blast Gates, Cheney Remarks On Resolutions. NBC Nightly News (1/28, story 2, 2:15, Seigenthaler, 9.87M) reported, "Republicans and Democrats are at odds…over how to respond to the President's plan for a troop surge in Iraq." NBC (Yang) added, "As…Bush and the Democrats in Congress move toward a showdown on this issue, the rhetoric is heating up. Democrats opposing President Bush's Iraq plan fired back today at Administration officials who say they're aiding the enemy." Biden was shown saying, "It is not the American people and the Congress emboldening the enemy. It is the failed policy of this President." Sen. Jim Webb: "What I've been seeing over this last week is something from the other side on this that borders on irresponsibility." These remarks come "after Defense Secretary Robert Gates said the Democrats effort to oppose the troop buildup emboldened what he called 'America's enemy and adversaries.'" Gates was shown saying, "Any indication of flagging will in the United States gives encouragement to those folks." Also, "in an interview published in 'Newsweek' today…Cheney says pulling troops out of the Iraq would mean the United States 'could no longer be counted on by our friends and allies that have put so much into this struggle.'"

Biden said on ABC's This Week (1/28, Stephanopoulos), "There is no plan. He has tactics, but no plan. … There is a movement in the United States Congress to say to the president, Mr. President, listen to us. You didn't listen to the Iraqi Study Group. You didn't listen to my plan -- not that he should. You didn't listen to any plan. You took a path that was fundamentally different than 95% of the advice you were given."

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The Washington Times (1/29, Pfeiffer, 88K) reports Brownback "echoed Mr. Biden. 'I don't see this enemy as needing any more emboldening or getting it from any resolution. They're emboldened now,' he told 'Fox News Sunday.'" Brownback also said on Fox News Sunday (1/28, Wallace), "You're seeing now the first street protests in this country about the war. We can and we will win in Iraq if we can just pull together. And I think if the President would reach out to the Democrat leadership and ask them not what are you opposed to, but what are you for, we can start coming together."

More Democrats Blast Bush Plans. Rockefeller said on CNN's Late Edition (1/28, Blitzer), "It's a mistake to underestimate the power of a resolution…because it puts the American Congress on record. The American people are already on record as of the last election. … I think what you're seeing is the beginning of a process, the Congress and the White House for the first time really engaging each other on the tactical military implications for Iraq. I don't agree with the surge. I think it will only create more targets."

Webb said on CBS' Face The Nation (1/28, Schieffer) said, "America, by polling, by percentages has turned strongly against this strategic effort. It's a lack of this strategic effort, the lack of wisdom in the strategic effort. … What I object to is the fact that there isn't a plan. There hasn't been a plan for four years. This is almost just like a tipping point for a lot of people who are basically saying you cannot continue to give the administration a free hand in the manipulation of troop numbers without a clear end point to a strategy."

Sen. Charles Schumer said on NBC's Meet The Press (1/28, Russert), "We've had nine plans on Iraqization. We've had so many different alternatives, and no change in strategy."

Sen. Christopher Dodd said on CNN's Late Edition (1/28, Blitzer) that the surge "is a major mistake. It's basically an escalation of the status quo, which is not working at all. That's not my conclusion. That's the conclusion of almost everyone who's looked at this situation, including Jim Baker, Lee Hamilton and the 10 members who made up the Iraqi Study Group. … We need a different strategy, a different plan here."

Next Debate Could Be Over Funding. The Politico (1/28, O'Connor) said last night that while the debate right now is focusing on the sense-of-the-Senate resolutions, "Senate leaders are drawing battle lines over an even more pressing question: Whether to meet the new White House funding request for the war." Yesterday, Schumer suggested "Bush could be forced to start withdrawing troops by this summer or fall." On NBC Nightly News (1/28, story 2, 2:15, Seigenthaler, 9.87M), Schumer was shown saying, "We think this first step, this resolution -- nonbinding -- will send a real message close to a majority or even a majority of Republicans will vote for it. But we won't stop there." But public opinion, added NBC, "doesn't seem ready to support using the power of the purse to bring our troops home." Charlie Cook, NBC political analyst: "They want them to put pressure on the President but they don't want Congress to cut off the funding."

The Christian Science Monitor (1/29, Chaddock, 59K) says "many lawmakers are balancing what they see as competing constitutional responsibilities – and stepped up pressure from voters long weary of a war that most Americans no longer think can be won. A first step is the debate over a nonbinding resolution to oppose the escalation of the war in Iraq. But should that vote succeed, Democrats expect to move next to curb defense funding." The Monitor adds, "In the run-up to this week's debate, newly empowered Democrats have been conducting daily hearings on the war in both houses of Congress, aimed especially at clarifying Congress's role vis-à-vis a wartime president. At issue is how to balance powers inherent in two parts of the Constitution: Article 1, which gives the power to declare and fund wars to the Congress, and Article 2, which designates the president as commander in chief."

Adam Cohen, in an "Editorial Observer" piece for the New York Times (1/29, 1.16M), discusses similar points, writing that Bush "doesn't seem to care that Congress wants a bigger role in guiding the Iraq war. Talking about his plan to send in 20,000 additional troops, he said on '60 Minutes' that he knows Congress can vote against it, 'but I've made my decision and we're going forward.'" But "Congress has war powers, too, and with 70 percent of Americans now opposed to…Bush's handling of the war, according to an ABC News/Washington Post poll, it is becoming more assertive about them. … Down the line, Congress may well consider mandatory caps on the number of troops in Iraq, or setting a date for withdrawal. If it does, we may be headed toward a constitutional clash."

House Panel Will Examine Iraq Contracts. The Wall Street Journal (1/29, A8, Paltrow, 2.04M) reports, "With a Democrat now in the driver's seat, the House Oversight and Government Reform Committee is set to hold Congress's first in-depth hearings into charges of waste and fraud involving

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money spent on reconstruction in Iraq." Hearings chaired by Rep. Waxman "will mark the opening of what promises to be one of the most significant inquiries by the new Congress into actions by the Bush administration while Republicans controlled the House and Senate." Revelations 'about lax oversight or misspent funds could prove embarrassing to the Bush White House just as it is pressing for an additional $1.2 billion to spend on reconstruction and economic stimulus in Iraq." They "will be among the first of a range of hearings the Democratic majority is expected to launch in both the House and Senate on topics on which Democrats long have been eager to grill the Bush administration. Hearings also are expected on domestic spying, the conduct of the war in Iraq and legal procedures for Guantanamo detainees."

Anti-War Activists To Call For Bush Impeachment. The Politico (1/28, Reilly) reported, "On Monday, a small army of anti-war activists will fan out across Capitol Hill to lobby for congressional support to impeach President Bush, who's facing a storm of opposition for his handling of the Iraq war. The activists may get a sympathetic ear on their anti-Bush message from Democrats, many of whom favor formal investigations into the administration's handling of the war and terrorism. But they'll likely get only get polite smiles -- and little, if any, support -- when they bring up the 'I' word." The Politico adds, "It's a tricky issue for Democrats in Congress, who share many of the same frustrations about Bush and the war, but are hesitant to even discuss impeachment. 'Hell no,' said Rep. James Clyburn, D-S.C., the House majority whip, when asked whether impeachment is a possibility." But "other members aren't quite as emphatic as Clyburn," even as "they make it clear that Bush will not get a free ride on his handling of Iraq and national security. 'The only "I" word I worry about right now is Iraq,' said Rep. Henry A. Waxman, D-Calif., chairman of the House Oversight and Government Reform Committee, which is planning hearings on the Iraq reconstruction next week." Sen. Frank R. Lautenberg "said that calls for impeachment were 'premature' although he added: 'If (Bush's) failures (in Iraq) continue, there is no telling what the outcome can be in terms of congressional attitude.'" Sen. Patty Murray, meanwhile, said, "If we impeach President Bush, then Vice President Cheney is next in line (to be president), so I don't think we'd go there."

Bob Herbert, in the New York Times (1/29, 1.16M), describes the weekend protests, arguing that "you can say what you want about the people opposed to this wretched war in Iraq, try to stereotype them any way you can. But you couldn't walk among them for more than a few minutes on Saturday without realizing that they love their country as much as anyone ever has. They love it enough to try to save it." Herbert adds that "the thought that kept returning as I watched the earnestly smiling faces, so many of them no longer young, was the way these protesters had somehow managed to keep the faith. They still believed, after all the years and all the lies, that they could make a difference. They still believed their government would listen to them and respond."

More Commentary. Brit Hume said on Fox News Sunday (1/28, Wallace), "Poor Chuck Hagel…[is] getting grandiloquent about voting for a legislatively meaningless Senate resolution and calling it courage. That makes you kind of sad."

Bill Kristol said on Fox News Sunday (1/28, Wallace), "Support the troops. Appropriate the funds. Encourage them. Let Dave Petraeus have a chance to win this war. Don't pass a meaningless resolution that, as Joe Lieberman said -- on the one hand, it's non-binding so it's meaningless, but symbolically, it could only encourage our enemies."

Writing in the in the Hartford (CT) Courant (1/29), Frank Harris III, chairman of the journalism department at Southern Connecticut State University, likens President Bush to a man "at the roulette wheel" who has "already lost," but "keeps saying just one more spin, one more chance at the wheel," asking for "21,500 more chips." Bush, Harris says, "considers the lives of the 21,500 additional American soldiers he wants to send to fight in the civil war that is now Iraq" as "chips he wants to place on the table before watching the roulette wheel go round and round." Harris concludes by urging Congress not to approve the President's request for additional troops in Iraq.

Iran Outlines Plan To Expand Economic, Military Ties With Iraq. In a front page article, the New York Times (1/29, A1, Glanz, 1.16M) reports Iran's ambassador to Baghdad "outlined an ambitious plan on Sunday to greatly expand its economic and military ties with Iraq…just as the Bush administration has been warning the Iranians to stop meddling in Iraqi affairs." Iran's plan, as outlined by Ambassador Hassan Kazemi Qumi, "carries the potential to bring Iran into further conflict here with the United States." Qumi said Iran was "prepared to offer Iraq forces training, equipment and advisers" for what he called "the security fight." Economically, the ambassador said Iran was ready "to assume major responsibility for the reconstruction of

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Iraq, an area of failure on the part of the United States." Qumi's remarks, in a 90-minute interview at the Iranian Embassy in Baghdad, "amounted to the most authoritative and substantive response the Iranians have made yet to increasingly belligerent accusations by the Bush administration that Iran is acting against American interests in Iraq."

Cheney Says "Surge" Sending "Strong Signal" To Iran. The Washington Post (1/29, A2, Abramowitz, 690K) reports Vice President Cheney said the deployment this month of a second aircraft-carrier task force to the Persian Gulf delivered a "strong signal" of the United States' commitment to confront Iran's growing influence in the region. Countries in the Middle East "want us to have a major presence there," Cheney said in a Newsweek interview published online yesterday. Referring to the deployment of the carrier USS John C. Stennis, Cheney said, "That sends a very strong signal to everybody in the region that the United States is here to stay, that we clearly have significant capabilities, and that we are working with friends and allies as well as the international organizations to deal with the Iranian threat."

In an article on the increase in US rhetoric aimed at Iran, the Christian Science Monitor (1/29, Grier, 59K) reports "as the Pentagon begins its new push in Iraq, the Bush administration simultaneously is increasing military and political pressure on Iran." However, "it's not clear that such escalation will accomplish more than it will cost, say some experts. Any actual attack on its agents or interests might cause Iran to redouble its current support for Iraqi Shiite militias. Or Tehran could decide to outflank US forces by causing trouble elsewhere."

Senators Express Concern With Administration Rhetoric. During appearances on Sunday morning talk shows, several senators from both parties expressed concern with the Bush administration's increased rhetoric on Iran. For example, Senate Foreign Relations Chairman Joseph Biden said on ABC's This Week (1/28, Stephanopoulos), "The President…has no credibility. He exaggerated the rationale for going to war with Iraq. He exaggerated the intelligence. … If it's important enough to go to war with 72 million people in Iran, it's important enough to come back to the United States Congress, and present the evidence and get approval or disapproval."

Senate Intelligence Chairman Jay Rockefeller said on CNN's Late Edition (1/28, Blitzer), "I have a great deal of worry that this could expand, just through rhetoric and then through momentum, and then through the way the Iraq war expanded, into some kind of an action with respect to Iran, which I think would be an enormous mistake."

Sen. Richard Lugar said on ABC's This Week (1/28, Stephanopoulos), "The President would need authority, but I would just mention, there has been now a very good United Nations resolution with regard to Iran. We moved the carrier over in the Persian Gulf area. We have made these declarations about hunting down Iranians inside of Iraq. And the debate in Iran is becoming more interesting."

Sen. Jon Kyl said on CNN's Late Edition (1/28, Blitzer), "There's been no talk about attacking Iran, so I think this is really quite premature and hypothetical. On the matter of negotiating with Iran, there's a big difference between talking and negotiating. … And I would just ask my friends that are in favor of negotiating with Iran what it is that we're willing to give up. … [The Iranians] want us to give up our effort to stop them from acquiring nuclear capability, and that's not something we should do."

Iraqi Deputy PM Says US, Iran Competing Over Iraq. The AP (1/29, Gamel) reports Iraqi deputy prime minister, Barham Saleh, Sunday said Iran and the United States were using Iraq as a "zone of conflict and competition" and jeopardizing efforts to stabilize the country. In an interview with the AP, Saleh said, "Iraqi transition is burdened by many elements of interference in our domestic affairs." Iraq, he continued, "hopes to be at peace with itself and at peace with its neighbors. And that definitely requires noninterference in our affairs," noting that Iran and the US should see Iraq's well-being and prosperity as a "point of consensus."

Saudi Arabia Calls On Iran To Moderate Foreign Relations. The Financial Times (1/29, Saleh) reports Saudi Arabia "has warned Iran that it could endanger the whole Gulf region if it does not resolve the problems in its 'international relations,' a reference to Iran's increasingly tense standoff with the United States over its nuclear program and its role in Iraq." In an interview with the Kuwaiti daily Al Seyassah, King Abdullah said, "We have advised them not to expose the region to dangers. We do not interfere in anyone's affairs, [but] any state which resorts to unwise acts will have to bear the responsibility in front of the other countries in the region."

Egyptian Paper Cites Iranian Involvement In Envoy's Death. The New York Times (1/29, A11, El-Naggar, 1.16M) reports a front-page article in Egypt's Al Ahram newspaper Sunday "accused Iranian intelligence of

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involvement in the 2005 killing of Egypt's ambassador to Iraq." The article "was attributed to anonymous sources and stated that Iran's goal was to 'cut off the legs' of Egypt from Iraq." The report, which was denied by the Egyptian Foreign Ministry and the Iranian Foreign Ministry, "comes at a time of heightened concern in Egypt and other Arab states about Iran's growing influence in the region."

Iran Seeks Time To Review UN Plan To Delay Sanctions. The New York Times/AP (1/29, A8, Karimi) reports Iran said Sunday it "needs time to review a plan proposed by the head of the U.N. nuclear watchdog agency that calls for holding off on imposing U.N. Security Council sanctions if Tehran suspends uranium enrichment." IAEA chief Mohamed ElBaradei proposed the "simultaneous time-out plan" during the World Economic Forum in Switzerland "in an effort to end the standoff" between the West and Iran. Ali Larijani, Iran's top nuclear negotiator, told reporters during a joint news conference with Russia's national security adviser, Igor Ivanov, "Time should be allocated to see if the plan has the capacity to solve the (nuclear) case." He did not elaborate.

Russia To Continue Construction Of Iranian Nuclear Plant. AFP (1/29, Ghazi) reports, for his part, Ivanov "vowed to launch Iran's nuclear plant on schedule in September" after talks in Tehran. after meeting Iranian Foreign Minister Manouchehr Mottaki, Ivanov said, "Russia is determined and serious in fulfilling its obligation to finish Bushehr plant on the scheduled date." Iran's Ayatollah Ali Khamenei "also emphasized the need to complete the nuclear plant on time after meeting Ivanov," who delivered a message from Russian President Vladimir Putin, saying, "Cooperation and previous commitments should gain momentum and be carried out."

Lower Oil Prices Could Lessen Venezuelan, Iranian Influence. The Wall Street Journal (1/29, A2, Luhnow, Spindle, Chazan, 2.04M) reports, "Softening oil prices over the past few months have spurred hope in Washington that less revenue for oil-rich states could weaken the hand of governments the US considers worrisome -- particularly those in Iran, Venezuela and Russia." These three nations are "potentially vulnerable," because oil-and-gas revenue accounts for "between two-thirds and three-quarters of government income in both Venezuela and Iran, and only slightly less in Russia." Therefore, "a big drop in oil prices would slow economic growth and hit government finances, forcing them to cut back spending increases that have boosted the popularity of all three governments at home and emboldened them abroad." However, the Journal cautions that it "is far too early to expect the changing economics of oil to have big political effects."

Hadley Says More Troops Needed To Secure Baghdad. National security adviser Stephen Hadley writes in the Washington Post (1/29, A15, 690K) that the President's review of Iraq "concluded that the strategy with the best chance of success must have a plan for securing Baghdad." Without such a plan, the review warned, "the Iraqi government and its security institutions could fracture under the pressure of widespread sectarian violence, ethnic cleansing and mass killings." Hadley stresses that the President's new plan for Baghdad "specifically corrects the problems that plagued previous efforts," including "an Iraqi-initiated plan for taking control of their capital," "adequate" troop levels, and "economic assistance and reconstruction aid." Hadley concludes, "Ultimately, a strategy for success must present a realistic plan for bringing security to the people of Baghdad. This is a precondition to advancing other goals. President Bush's strategy offers such a plan -- and it is the only strategy that does."

Shiite, Sunni Officials Both See Need For US In Iraq. Newsweek (2/5, Weymouth, 3.12M) interviewed Shiite Iraqi Vice President Abdul Mahdi, who "seemed at best lukewarm to the idea of sending an additional 20,000 American troops to Iraq." Asked if he worried "the US will withdraw," Mahdi said, "Of course we worry. We will be worried whether you stay or leave. … I think America has only two alternatives: to stay or to leave. If they stay, they should stay in a helpful way." Weymouth also interviewed Egyptian Prime Minister Ahmed Nazif. Asked if he worried "about the U.S. withdrawing from Iraq," Nazif said, "Under the current circumstances? Of course! There is no alternative in place. You'll just give those militias a free hand. And I think it would be seen as the U.S. opting out of the region. The US started this, and they need to give closure to it in a proper way. Now, I think that what President Bush came up with is not an opting out, it's a commitment to peace and order. We support this, provided the Iraqi government deals even-handedly with both the Sunnis and the Shias."

Human Costs Of Iraq War Continue To Grow. Newsweek (2/5, Kosova, 3.12M) reports in its cover story on the human costs of the Iraq war, focusing on the downing of a

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Black Hawk helicopter last week that killed 12 US soldiers. The Army has "been unusually tight-lipped about the details of the crash. It has not said exactly what went wrong. At first it reported 13 people had died, then 12." The "most remarkable thing about the crash might be how quickly the deaths of a dozen soldiers can pass into and out of the public's consciousness these days, if they ever register at all."

Cheney Says Deployment Of Carrier To Gulf Send "Strong Signal." Newsweek (2/5, Wolffe, 3.12M) interviewed Vice President Cheney, who discussed a wide variety of topics. Cheney said criticism of Iraqi Prime Minister Nuri al Malaki's administration was "a little premature," and he had been "direct and forthright in responding to our concerns. There is some evidence that he's already beginning to act." On the topic of Iran, Cheney said the deployment of another carrier task force to the Gulf "sends a very strong signal to everybody in the region that the United States is here to stay, that we clearly have significant capabilities and that we are working with friends and allies as well as the international organizations to deal with the Iranian threat." Cheney said he would not "speculate about security action" against Iran, adding, "We've also made it clear that we haven't taken any options off the table." Cheney refused to discuss the trial of former aide, I. Lewis "Scooter" Libby. Newsweek (2/5, 3.12M) also runs the interview transcript on its Website.

250 Militants Killed, US Copter Short Down In Clash Near Najaf. NBC Nightly News (1/28, lead story, 2:25, Seigenthaler, 9.87M) reported, "There was more sad news from Iraq today. A US helicopter crashed killing the two crew members on board, and military officials confirmed the deaths of three other US troops today in separate incidents. The death toll for Iraqis was much higher, a major firefight broke out today in Najaf and there are reports that 200 to 300 Iraqis were killed." NBC (Arraf) added that in addition, "mortars hit a girls' high school in a Sunni area of city. Five girls were reported killed, another 20 wounded."

The New York Times (1/29, Cave, 1.16M) reports, "For 15 hours, Iraqi forces backed by American helicopters and tanks battled hundreds of gunmen hiding in a date palm orchard near the village of Zarqaa, about 120 miles south of Baghdad, by a river and a large grain silo that is surrounded by orchards, the officials said. It appeared to be one of the deadliest battles in Iraq since the American-led invasion four years ago," and was "the first major fight for Iraqi forces in Najaf Province since they took over control of security there from the Americans in December."

The Los Angeles Times (1/29, Roug, Daragahi, 850K) says the "Iraqi and American forces killed several hundred gunmen apparently planning to attack a Shiite Muslim shrine Sunday." The Washington Post (1/29, A1, Partlow, Sarhan, 690K) reports, "The fighters, who called themselves the Soldiers of the Sky, are driven by an apocalyptic vision of clearing the Earth of the depraved in preparation for the second coming of Muhammad al-Mahdi, a Shiite imam who disappeared in the 9th century, according to Ahmed Duaibel, a spokesman for the provincial government in Najaf." The governor of Najaf province, Assad Abu Gilel, "said the group planned to attack pilgrims and shrines and to assassinate Shiite clerics at the peak of the religious holiday, called Ashura, which culminates Tuesday." The Washington Times/AP (1/29, Reid) and USA Today (1/29, Michaels, Sabah, 2.27M) also reports on the Najaf clash, while the New York Times (1/29, Cave, 1.16M) runs a story about the insurgent attack on the girls school.

Fighting On Haifa Street Described. The New York Times (1/29, Cave, 1.16M) reports about a frustrating American-Iraqi mission on Haifa Street, in which one American is killed: "The joint military effort has been billed as the first step toward an Iraqi takeover of security. But this morning, in the two dark, third-floor apartments on Haifa Street, that promise seemed distant. What was close, and painfully real, was the cost of an escalating street fight that had trapped American soldiers and Iraqi bystanders between warring sects." Americans "tried to piece together what had happened. Maybe the sniper saw Sergeant Leija's silhouette in the window and fired. Or maybe the shot was accidental, they said, fired from below by Iraqi Army soldiers who had been moving between the buildings."

Report Warns Iraq War "Sliding" Into Civil War. The Financial Times (1/29, Dinmore) reports Iraq is "rapidly sliding into an all-out civil war that is likely to spill over into neighboring countries, resulting in mass deaths and refugee flows, serious disruption of Gulf oil supplies and a drastic decline in US influence in the region," according to a "grim forecast" set out in a report released today by the Brookings Institution's Saban Center for Middle East Policy. Brookings identifies "six patterns from other civil wars that are already manifesting themselves in Iraq: large refugee flows, the breeding ground of new terrorist groups, radicalization of

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neighboring populations, the spread of secessionism, regional economic losses, and intervention by neighbors." Among the report's recommendations are "'don't try to pick winners,' as proxies often fail or turn against their masters; avoid active support for partition; 'don't dump the problem on the United Nations'; pull back from Iraqi population centers despite the horrific consequences; bolster regional stability by revitalizing the Israeli-Palestinian peace process; set up an international contact group including Syria and Iran; and consider setting up 'safe havens' for refugees along Iraq's borders."

US, UK Diverge On Troops In Iraq. The Christian Science Monitor (1/29, Rice-Oxley, 59K) reports, "Reinforced by an apparently genuine friendship, the Bush-Blair axis has been the unshakable fulcrum on which the Iraq campaign has hinged. But now, there is a hint of dissonance in the air. Blair's government is desperate to start drawing down the 7,000-strong British force based in Basra at the same time that Bush is beefing up the US contingent in Iraq by more than 21,000. ... The twang of discord was apparent last week when the US ambassador to Baghdad, Zalmay Khalilzad, hinted at American exasperation over the British eagerness to start withdrawing." British "ministers are keen to pull at least some troops out for a number of reasons, experts say. First, troops from an overstretched Army are needed for the fight against the Taliban in southern Afghanistan ... Second, polls suggest public opinion strongly favors a pullout. ... A third reason is that Blair's time in office is limited ... [he] does not want to leave unfinished business, and [Gordon] Brown does not want to inherit a mess."

Australian PM Argues Against Pullout From Iraq. The AP (1/28, McGuirk) reports, "Prime Minister John Howard said withdrawing Australian troops from Iraq would damage Australia's alliance with the United States." He "said he agreed to send 2,000 troops to back the US-led Iraq invasion because of the perceived threat of weapons of mass destruction, but also to preserve a security alliance with the US that was formalized in a 1951 treaty. ... 'I have to now deal with a decision: do we rat on the Americans … Do we say to the Americans, it's got all too hard and too difficult? If anybody thinks that that wouldn't do damage to the alliance, they're kidding themselves,' Howard told Southern Cross Broadcasting radio."

Pelosi, Karzai Discuss Possible Troop Boost. The AP (1/29, Straziuso) reports, "The Afghan president told House Speaker Nancy Pelosi that his security forces need to be stronger as the two discussed possible U.S. troop increases on Sunday, days after the Pentagon extended the tour of 3,200 soldiers, an Afghan official said." President Hamid Karzai "stressed his desire for increased training and equipment for Afghanistan's fledgling army and police forces, the Afghan official said on condition of anonymity because he was not authorized to release the information publicly." Pelosi and Karzai "discussed plans announced last week by the Bush administration to ask Congress for $10.6 billion for Afghanistan, a major increase aimed at rebuilding the country and strengthening government security forces still fighting the Taliban five years after the U.S.-led invasion."

Lack of Strong Civil Institutions Seen As Major Problem In Afghanistan. Author Anne Marlowe writes in the Wall Street Journal (1/29, A17, 2.04M), "Afghanistan's biggest problem is not the Taliban, but underdeveloped institutions and a lack of rule of law. It is emphatically not 'another Iraq.' Most of Afghanistan is relatively peaceful. Just 192 American troops have been killed in action since fall 2001, and in 2006, 206 Afghan civilians were murdered in suicide bombings. Tragic, yes, but in 2003, the last year for which statistics are available, 16,000 Afghan women died in childbirth -- 44 a day." Marlowe adds, "As this comparison suggests, we need to foster civil society and robust institutions in order to assure a decent life for Afghanistan's citizens. An essential part of this is nurturing political parties."

Afghan War Takes Toll On Canada. The Los Angeles Times (1/29, King, Farley, 850K) reports in a 1,600-word article, "For the last six months, the task of confronting insurgents in volatile Kandahar province in southern Afghanistan has largely fallen to Canada, whose troops have participated in myriad peacekeeping missions in recent years but had not seen high-intensity combat since the Korean War. Although its nearly 3,000 troops account for less than 10% of the allied forces in Afghanistan, Canada absorbed nearly 20% of the coalition's combat deaths last year, losing 36 soldiers. ... The disproportionate casualty count in a region that Taliban commanders have pledged to seize this spring has triggered debate at home about whether Canada is finding itself in a quagmire of American making." Moreover, "the Canadian mission points up the stresses and strains caused by unequal burden-sharing within the North Atlantic Treaty

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Organization." The Times adds, "In the U.S., the Afghan conflict receives far less attention than the larger war in Iraq. But in Canada, it gets top billing daily in newspapers and on TV. And unlike in the U.S., the public is allowed to see soldiers' bodies returning home in flag-draped caskets." One poll showed support for the "Afghan mission" falling to 35% last year.

CORPORATE SCANDALS:

Brocade Case Tied Up In Immunity Disputes. The California Recorder (1/29, Scheck) reports, "San Francisco's best-known white-collar defendant says he needs the cooperation of prosecutors to defend himself against charges of securities fraud. The government, unsurprisingly, doesn't seem to like that idea." The Recorder continues, "Over the last few weeks, lawyers for Gregory Reyes, the ex-CEO of Brocade Communications -- and the first person to be charged in the burgeoning stock option backdating prosecutions -- have been frustrated as former company employees have invoked the Fifth Amendment in refusing to be deposed as Reyes prepares to defend SEC civil charges of stock fraud. … That's a problem, Reyes' lawyers say in court filings, because these same witnesses were granted temporary immunity by federal prosecutors to give government investigators their story -- setting up what defense lawyers call an unfair advantage for the government. Their solution: extend the immunity to cover defense depositions, a suggestion the government seems unlikely to follow." The Recorder adds, "Since the SEC and San Francisco U.S. Attorney's Office charged former Brocade executives with backdating employee stock options in July, the case has been a publicly contentious matter, with defense counsel loudly denouncing the government in court and in the press. … Tensions have increased in the last few weeks, as evidentiary matters in the SEC civil case have started to overlap with the pending criminal prosecution. … That's relatively rare, since most judges will separate such cases, staying the SEC civil suit until the resolution of the corresponding criminal case. … But Northern District of California federal Judge Charles Breyer has decided to move the cases forward in tandem."

Greelight Accuses Allied Capital Unit Of Bilking Government. The Wall Street Journal (1/29, C5, Remond) reports, "Hedge funds have plumbed many corners of the markets in search of returns. Now Greenlight Capital, a fund with a big negative bet on Allied Capital Corp., is breaking into new ground -- the courts." The Journal continues, "The $4 billion New York City fund has filed a lawsuit in federal court in Atlanta in the name of the U.S. government claiming that Business Loan Express LLC, a subsidiary of Allied Capital known as BLX, submitted fraudulent loan documents to the Small Business Administration, bilking the U.S. of millions of dollars." The Journal adds, "Greenlight and James Brickman, an individual working with the fund to bring the suit, are entitled to 25% to 30% of the proceeds if their complaint results in an award. … It appears to be one of the first times a hedge fund has filed suit under a provision of the Federal Civil False Claims Act that lets private citizens sue in the name of the federal government. Such cases -- called qui tam complaints -- typically are filed by whistleblowers alleging fraud by their employers." The Journal notes, "Allied Capital referred questions to its public-relations firm, Sitrick & Co., which didn't reply to questions submitted. The SEC declined to comment. … BLX declined to comment on the suit through the public-relations firm. Reached by telephone at BLX's Richmond, Va., office, Matthew McGee, a senior vice president, called the suit 'ridiculous' and 'another ploy' by investors who have made bearish bets on the stock. … Allied Capital has been under investigation for more than two years by the U.S. attorney for the District of Columbia in connection with a criminal probe of BLX. The company also is the focus of an informal investigation by the Securities and Exchange Commission. The company said in SEC filings that these investigations appear linked to 'matters related to the portfolio valuation' and BLX."

Lone Star Probe Expands To South Korea Chief. The Wall Street Journal (1/29, C2, Santini, Yoon) reports, "The indictment of Lone Star Funds' South Korea head is part of an investigation into suspicions of wrongdoing by the Dallas private-equity fund that has already delayed the firm's ability to make a lucrative exit from its investment in Korea Exchange Bank." The Journal continues, "On Friday, Korean prosecutors indicted Lone Star's country head, Paul Yoo, on allegations of stock manipulation and tax evasion. 'This is the continuation of the investigation,' a spokesman at South Korea's Supreme Prosecutors Office said. 'The case will pass now to the court.'" The Journal adds, "Lone Star, the largest shareholder of Korea Exchange Bank, tried to sell a

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controlling stake in the bank last year to Kookmin Bank for more than $7 billion, but the process was derailed by a probe into Lone Star's acquisition of KEB. Investigators claimed Lone Star's 2003 purchase was mishandled by government and KEB officials, allowing the U.S. firm to buy 51% of the bank for $1.2 billion. They allege the price was too low. Prosecutors haven't charged the firm with any wrongdoing in connection with the stake acquisition. … Friday's indictment of Mr. Yoo, the third against a Lone Star executive, relates to the merger of KEB's credit-card unit into the bank after Lone Star acquired control. Ellis Short, Lone Star's vice chairman, and Michael Thomson, its general counsel, were indicted late last year on similar charges."

CRIMINAL LAW:

High-Profile Journalists To Testify At Libby Trial. USA Today (1/29, Willing, 2.27M) reports, "This is the week the Lewis 'Scooter' Libby trial meets the press. High-profile journalists such as NBC's Tim Russert and former New York Times reporter Judith Miller are scheduled to be called as witnesses as soon as this week, as the perjury and obstruction trial of Vice President Cheney's former chief of staff heads into its second week of testimony." Prosecutors "argue that Libby deliberately lied when he told investigators and later grand jurors that he learned of Plame's identity from Russert in a telephone call on July 10 or 11, 2003. Russert will deny discussing the case with Libby and testify that he learned of Plame's identity several days later from a Robert Novak newspaper column, court papers say. … In court last week, defense attorney Theodore Wells said Russert may have learned Plame's identity from two NBC colleagues before his conversation with Libby. Russert's colleagues, David Gregory and Andrea Mitchell, were working on the Plame story and may have told a forgetful Russert, Wells said."

White House Worried About Prospect Of Rove, Bartlett Testimony. Newsweek (2/5, Isikoff, 3.12M) reports in its "Periscope" section that White House "anxiety is mounting over the prospect that top officials -- including deputy chief of staff Karl Rove and counselor Dan Bartlett -- may be forced to provide potentially awkward testimony in the perjury and obstruction trial of Lewis (Scooter) Libby." Both Rove and Bartlett "have already received trial subpoenas from Libby's defense lawyers, according to lawyers close to the case who asked not to be identified talking about sensitive matters." Last week, Libby attorney Ted Wells "laid out a defense resting on the idea that his client, Vice President Dick Cheney's former chief of staff, had been made a 'scapegoat' to protect Rove. Cheney is expected to provide the most crucial testimony to back up Wells's assertion, one of the lawyers close to the case said." An "equally embarrassing conflict could emerge next week when former White House press secretary Ari Fleischer takes the stand."

Tennessee Sheriff Says FBI Tipped Him To Lawyer "Conspiracy" Against Him. The Knoxville News Sentinel (1/29, Stambaugh) reports, "With only three days left before turning in his badge, Knox County Sheriff Tim Hutchison said in an interview broadcast Sunday that an FBI agent tipped him off to a 1998 conspiracy by 'some lawyers' to destroy his administration through the court system. He also called lawyer Herbert S. Moncier, his longtime legal nemesis, 'an anarchist' and described sheriff hopeful Randy Tyree as unqualified to hold the post of sheriff." During the 30-minute WBIR-TV interview, "the sheriff said he was approached by an FBI agent in late 1998 who told him that some lawyers were talking about 'suing me out of business.' Hutchison said he initially laughed off the tip, but after Moncier started filing dozens of lawsuits, 'I started seeing exactly what was planned.'" In an email to the News Sentinel responding to Hutchison's allegation, Moncier said, "I do not have a clue what he is talking about an FBI agent told him. It is interesting, however, that an FBI agent was leaking information to him, whether correct or not." Meanwhile, "FBI spokesman Gary Kidder said Sunday he had no comment."

Affidavit Details Kickback Allegations Against Oregon Prison Official. The Oregonian (1/29, Roberts, Zaitz, Denson, 318K) reports that in 2005, Oregon prison system food buyer Fred Monem "squeezed the system's daily meal costs by 40 percent with an innovative tactic: shopping the 'spot food market for bargains in distressed or expiring goods. By appearances, the 48-year-old Monem was a hero who'd saved taxpayers millions. But if allegations in federal court papers prove true, Monem himself may face charges including bribery and money laundering. In an affidavit used to justify searching Monem's home and office, IRS and FBI investigators assert that Monem and his wife, Karen, accepted about $680,000 in kickbacks from companies that sold the state Department of Corrections millions of dollars' worth of food during the past five years."

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The Oregonian notes, "Authorities say they can't recall a bigger Oregon bribery case," but "prosecutors and the FBI declined to discuss the ongoing investigation, outlined in the 42-page affidavit."

Coke Trial Jurors See Surveillance Video Of Alleged Formula Theft. In a widely-distributed story, the AP (1/27, Weber) reports, "A former Coca-Cola secretary charged with conspiring to steal trade secrets from the beverage giant was caught on surveillance cameras removing documents from her office last June, sometimes late into the evening. A Coca-Cola security expert testified Friday at Joya Williams' trial that a handful of concealed cameras were installed at the Atlanta-based company's headquarters to monitor Williams' movements in different parts of the sprawling complex. … Video images displayed in court Friday show Williams placing papers in her bag, holding drink bottles in her hand, placing bottles on a cart in a confidential document room and stuffing gift tote bags in her personal bag." The AP added, "In other testimony Friday, an FBI agent who questioned Williams the day she was arrested said Williams denied being part of a scheme to steal or sell Coke trade secrets." Special Agent Joan Cronier "said she observed some Coke product bottles in Williams' apartment that she had never seen before, and she asked Williams where she got them. 'She said that those were collectors items and that everyone at Coca-Cola took that type of stuff,' Cronier recalled."

Six Murdered In DC, Prince George's County In Five-Hour Span. The Washington Post (1/29, B1, Sheridan, Helderman) reports, "Four men were killed in the District and two others were fatally shot in Prince George's County in a burst of violence Saturday night and early yesterday, police said." The Post continues, "There was no apparent connection between the six slayings, which included an attack with a baseball bat in Northwest Washington, an apparent robbery in Southeast Washington and a shooting in Oxon Hill, where a gunman fired several times through a sliding-glass door into a man's living room. … Police made an arrest in one of the six cases." The Post adds, "The incidents occurred just weeks after D.C. police announced that homicides had hit a 21-year low in 2006. Killings also declined sharply in Prince George's last year. … The office of D.C. Mayor Adrian M. Fenty (D) said last night that Fenty, Police Chief Cathy L. Lanier and U.S. Attorney Jeffrey A. Taylor will hold a news conference this morning at the site of one of the slayings in Southeast to discuss 'their commitment to solve murder investigations in the city and strategies to prevent future homicides.' … Two of the weekend slayings occurred in or near Washington's central Shaw neighborhood, where residents have been complaining about a jump in gun violence."

New York Towns' Courts Seen Rife With Accounting Problems. The New York Times (1/29, Glaberson) reports, "As court clerk in the western New York village of Perry, Ruth Milks was in a prime spot to see the kind of big money that moves through the state's smallest courts. Her husband was the village justice, and Mrs. Milks — a former justice herself — collected the fines and fees. … She was also in a prime spot to cash in. Mrs. Milks started adding $35 to parking fines, recording the extra charge on the driver's receipt but not in her court files. By the time state auditors caught up with her in 2003 — only because she had fined one of them — they estimated she had pocketed at least $60,000, which investigators said she spent on gifts and a trip to a casino." The Times continues, "It is no secret that New York's justice courts — an unwieldy system of 1,250 town and village courts that dates back to Colonial days — have been troubled for a long time. Three-quarters of the justices are not lawyers, and state disciplinary records show that some have jailed defendants illegally and denied people basic legal rights. In recent months, the Legislature and state judicial officials have been scrambling to fix some of the courts' more obvious failings. … But one of the most intractable problems those officials face is the courts' miserable record with money, which has been lost, stolen or mishandled in case after case. State investigators have discovered financial records in disarray, missing or simply nonexistent. … It is easy to see why. More than $210 million passes through the justice courts each year in bail, fines and fees. But the part-time justices who are elected to preside in them, many with a high school diploma or less, receive about an hour of initial training in how to safeguard and keep track of the money. They and their clerks, if they have any, often get little supervision or resources, and the justices' pay can be as low as $2,000 a year." The Times adds, "The towns and villages that pay them are required by law to review the courts' books, but often fail to take even a cursory look. The officials who run New York's court system say they have neither the power nor the staff to carefully oversee the justice courts' finances, and

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even state disciplinary officials can do little more than punish the occasional justices whose crimes or errors come to light. … Small wonder, then, that some court officials have helped themselves. A clerk in Patchogue, a Long Island village with a busy justice court, was discovered stealing only after a new justice noticed a sharp drop in court revenues. A subsequent state audit in 2005 revealed that the clerk, Deborah Gustam-Williams, had made off with $37,500. … The sums that have been reported lost to fraud or ineptitude have tended to be small, but they loom large in the tiny budgets of the villages and towns. And state officials can only guess at the real extent of the problem, because the courts are so rarely scrutinized and the records are so often a shambles."

WPost Says FBI "Should Have Done More" In Response To Foley Emails. Under the headline "The Apathetic FBI," the Washington Post (1/29, 690K) editorializes, "Congress wasn't the only institution whose performance fell short when it came to protecting teenage pages and former pages from the predatory behavior of former representative Mark Foley." The Post adds, "No one wants a return to a J. Edgar Hoover-era FBI that feels empowered to rummage through people's private lives. As the agent in charge of the FBI's cyber crimes squad told the inspector general, the FBI needs to have a reasonable basis to believe that a crime is about to be committed before acting, because 'we're the big, bad government.' But given that minors were involved, the FBI should have done more."

CIVIL RIGHTS:

Florida Farm Boss Sentenced To 30 Years In Prison For Abusing Workers. The Miami Herald (1/27, Greene) reported, "The farm boss lured recruits from homeless shelters with promises of good work and steady pay, yet when the destitute arrived at the East Palatka camp of Ronald Evans Sr., they faced a different reality: a hovel-turned-open-market bazaar filled with crack, booze and cigarettes sold from the 'company store.' Evans docked workers' pay so steeply they pocketed just 30 cents on the dollar. … On Friday in Jacksonville federal court, Evans faced his penance: 30 years in prison, the longest sentence handed out for abuse of farmworkers in recent Florida history." The Herald noted, "The sentence handed out by U.S. District Judge Timothy J. Corrigan nearly closes a chapter on one of the most significant federal investigations into claims that workers toiling at the bottom of Florida's rich agricultural industry are often abused and sometimes held as virtual captives. … In 2003, the FBI launched a criminal investigation, later to be joined by the U.S. Department of Labor, Environmental Protection Agency and others."

FBI Investigating Attack On Palestinian Students At North Carolina College. The Christian Science Monitor (1/29, Marks) reports on "the trauma gripping" Guilford College, a "small Quaker school" after "at least five members of the school's football team were accused of attacking three Palestinian students." The FBI is "investigating whether the Palestinian students' civil rights were violated." The attacks are said to show "how deeply distrust of Islam now permeates the United States."

The New York Times (1/29, Huffman) adds, "There has been a great deal of speculation but no official confirmation of a motive for the attack. The police said the injured students first refused public safety officers' urgings that they seek medical treatment. The next day, though, a victim said, they were treated for injuries, including concussions and nerve damage, and told the police that they wanted to press charges." The Federal Bureau of Investigation "said it had begun an investigation to determine whether the attack was a hate crime."

California Free Speech Case To Test Prior Restraint In Defamation Cases. The Los Angeles Times (1/29, Dolan) reports, "The most important free speech case now before the California Supreme Court carries neither the heft of the Pentagon Papers nor the emotion of Nazis seeking to marching in Skokie, Ill. … In fact, the figure at the center of the case, a Christian evangelist in Newport Beach, makes an highly unlikely 1st Amendment hero. Anne Lemen, 58, says she doesn't care about free speech, or the constitutional question that her case, like the Pentagon Papers before it, poses: When may government prevent speech before it has occurred?" The Times continues, "Lemen just wants to tell people that she believes her nemesis, the Balboa Island Village Inn, is mafia, as are her ex-husband and the guards at a local church, and the police are in cahoots, And, she wonders aloud, why would anyone accuse an innocent Christian woman of lying? … On top of that, Lemen contended, 'the bar,' as she calls the Village Inn, has attempted to murder her." The Times adds, "Lemen owns a cottage only feet from the restaurant (and led

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a campaign to restrict it because she said it disrupted the neighborhood. Aric Toll, 41, a chef who bought the restaurant and bar with his parents, filed a defamation lawsuit against Lemen, saying she was ruining his business. … After a trial, a judge ordered Lemen to stop videotaping Toll's customers and barred her from telling anyone that the bar makes sex videos, dabbles in child pornography, distributes illegal drugs, encourages lesbian activities, has mafia links, is a whorehouse and sells tainted food — all false statements, the court said, that Lemen had made. She appealed the order before it could be enforced. … Courts around the country have disagreed over whether 'prior restraint' orders in defamation cases are constitutional, and cases involving them are multiplying as people sue to stop defamation on the Internet. The U.S. Supreme Court has upheld prior restraint in cases of national security and obscenity, but not in a defamation complaint. When it took up the question in a case brought by the late Johnnie Cochran against a picketer, the high court said only that the order against the picketer was unconstitutionally broad."

ANTITRUST:

US Air Scrambles To Sweeten Delta Bid. The Wall Street Journal (1/29, A3, Dade, Trottman, Carey) reports, "US Airways Group Inc. is willing to increase its hostile takeover offer for Delta Air Lines Inc. by $1 billion under certain conditions as part of a last-ditch effort to win support from Delta creditors, according to people familiar with the matter." The Journal continues, "The Tempe, Ariz., carrier said over the weekend that it would sweeten its $9.8 billion cash-and-stock bid to about $10.8 billion if the official committee of creditors approaches Delta with a demand that the Atlanta airline open itself to due diligence by US Airways, these people said. To get the additional $1 billion, all in cash, the committee also would have to ask a bankruptcy judge to postpone a hearing next week on Delta's restructuring plan, these people said. The group also would have to agree to support the start of a formal antitrust review." The Journal adds, "The move by US Airways is aimed at salvaging an acquisition attempt that so far has failed to win broad support from the official committee of Delta creditors, which holds much of the power to decide the airline's fate. The offer from US Airways is set to expire Thursday, and Delta could begin soliciting votes from creditors for its stand-alone reorganization plan following the Feb. 7 court hearing. Gerald Grinstein, Delta's chief executive, has insisted that the airline would be best to emerge from bankruptcy-court protection on its own later this year."

Levi's Takes Patent Disputes Into Courtroom. The New York Times (1/29, Barbaro, Creswell) reports, "United States Patent and Trademark No. 1,139,254 is not much to look at: a pentagon surrounding a childlike drawing of a seagull in flight. … But the design for a Levi's pocket, first used 133 years ago, has become the biggest legal battleground in American fashion." The Times continues, "Levi Strauss claims that legions of competitors have stolen its signature denim stitches — two intersecting arcs and a cloth label — for their own pockets, slapping them on the seats of high-priced, hip-hugging jeans that have soared in popularity." The Times adds, "So Levi's is becoming a leader in a new arena: lawsuits. The company, once the undisputed king of denim and now a case study in missed opportunities, has emerged as the most litigious in the apparel industry when it comes to trademark infringement lawsuits, firing off nearly 100 against its competitors since 2001. That's far more than General Motors, Walt Disney or Nike, according to an analysis by research firm Thomson West. … The legal scuffles offer a rare glimpse into the sharp-elbowed world of fashion, where the line between inspiration and imitation is razor thin. After all, clothing makers' trade secrets are hung on store racks for all to see, and designs can be quickly copied with small changes to exploit a hot trend. … The lawsuits, which Levi's says it is compelled to file to safeguard the defining features on its jeans, are not about the money — one settled for just $5,000 in damages. Instead, the company says, they are about removing copycats from stores. Nearly all the cases have settled out of court, with Levi's smaller rivals agreeing to stop making the offending pants and to destroy unsold pairs. … But those competitors say the lawsuits are the last resort of a poor loser, a company that has lost billions in sales, laid off thousands of workers and flirted with bankruptcy as the denim industry exploded."

Views Changing On Media Ownership Limits. USA Today (1/29, 1B, Lieberman) reports, "When members of the Federal Communications Commission look at TV stations these days, they aren't just kicking back to watch American Idol or Heroes." USA continues, "Regulators are about to reassess their rules on who can own stations and how many — a review they are legally bound to do every four

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years. And to rule on the most controversial proposals, they must determine how much damage — if any — the Internet and other new media are inflicting on local stations, which collectively had an estimated $26 billion in ad sales last year." USA adds, "If officials conclude that competition from the digital world threatens local TV, they might decide it's OK to ease the rules and let companies own multiple stations in a market, or let a newspaper buy a station in its town. … Broadcasters and newspaper companies (including USA TODAY parent Gannett, the largest newspaper publisher and a major owner of TV stations) are lobbying for that. … But the case for change becomes weaker if, as many consumer advocates say, stations still generate healthy cash flows and dominate local news." USA notes, "Many major media companies are looking to downsize and invest in new media, not increase their bets on over-the-air broadcasting. … The situation may be one reason some companies appear to be investing only a little political capital fighting for the right to grow."

ENVIRONMENT/INDIAN AFFAIRS:

Utilities Rush To Secure Sites For Reactors. In a front-page story, the Wall Street Journal (1/29, A1, Smith, 2.04M) reports, "With the U.S. on the verge of building a new generation of nuclear power plants, potential owners are racing to identify and lock down the best sites in order to secure billions of dollars in federal subsidies pledged to first-comers." Their efforts "represent a considerable financial gamble for the utility industry, which is moving ahead at a rapid pace despite uncertainty ranging from environmental opposition to finding a home for radioactive nuclear waste." A "flood of applications seeking permission to build at least 30 reactors, primarily in the South, is expected to pour into the Nuclear Regulatory Commission beginning late this year." The Journal adds, "Under recent legislation intended to jump-start development, Congress is dangling more than $8 billion worth of subsidies, plus loan guarantees, in front of the first few plants that get built. Practically speaking, companies must apply to the NRC this year or next to qualify for the special assistance."

Turbulence In Biofuels Pushing Investment Toward More Sustainable Energies. The Wall Street Journal (1/29, A2, Barta, 2.04M) reports, "President Bush's State of the Union address, which called for a nearly fivefold increase in the nation's alternative-fuel consumption by 2017, did little to silence critics who contend that new fuels like ethanol and biodiesel aren't likely to play a major role supplying the world's energy needs in the years ahead. They see two key problems. First, the profitability of many alternative fuels -- without sizable subsidies -- is still in question." The "cost of raw ingredients used to produce 'biofuel'...has rocketed" and "oil prices have receded since last summer." Second, "it's becoming clear that boosting output of agriculture-based fuels, such as ethanol, will cause significant new strains on the world's water and land resources, and could drive prices of basic foodstuffs to unacceptable heights, hurting poor consumers." However, "even as the outlook for alternative energies darkens, some analysts see a more positive outcome from the latest turbulence: a forced redirection of resources toward alternative fuels that are more efficient and sustainable than the current batch." The Journal adds, "There are indications that a shift toward more-sustainable investments is already taking place, as some serious investors channel their spending to energies that either produce less environmental fallout -- such as solar or wind power -- or to agriculture-based options that don't require as much water or compete with traditional food crops."

Krugman Criticizes Bush Focus On Alternative Fuels. New York Times (1/29, 1.16M) columnist Paul Krugman writes, "For those hoping for real action on global warming and energy policy, the State of the Union address was a downer." The "only real substance was Mr. Bush's call for a huge increase in the supply of 'alternative fuels.' Mainly that means using ethanol to replace gasoline. Unfortunately, that's a really bad idea." Any energy savings from ethanol "would come at a very high price compared with the obvious alternative — conservation." Krugman adds, "So why is ethanol, not conservation, the centerpiece of the administration's energy policy? Actually, it's not entirely Mr. Bush's fault." Even "after the Bushies are gone, bad energy policy ideas will have powerful constituencies, while good ideas won't. Subsidizing ethanol benefits two well-organized groups: corn growers and ethanol producers (especially the corporate giant Archer Daniels Midland). As a result, it's bad policy with bipartisan support. ... Meanwhile, conservation doesn't have anything like the same natural political mojo." There is "a huge gap between what obviously should be done and what seems politically possible. And I don't know how to close that gap."

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Water Treatment Firm Received No Bid Contract For Tijuana Project. The Wall Street Journal (1/29, A1, Paltrow, 2.04M) reports in a front page story that as Tijuana "has boomed, fueled by industrial expansion, something else has also surged: the flood of raw sewage the Mexican border city sends gushing downhill into neighboring California. Less than 60% of the city's sewage is being treated at all, and that only to minimal levels, leaving tons to flow into the canyons and surf of Southern California." To "stem this growing mess, the American government has chosen an unusual solution. Without any competitive bidding, the U.S. gave Bajagua LLC, a start-up company with no experience in treating waste water, sole authority to build and operate a treatment plant in Mexico." The "tale of Bajagua's success in getting the contract involves, among other things, well-timed campaign contributions to local members of Congress and other political figures. The firm also enlisted people with crucial connections as lobbyists. And when that didn't prove enough, Bajagua obtained backing from Vice President Dick Cheney and the White House, which cleared away opposition by federal agencies, several former senior federal agency officials say."

Cost Of Chesapeake Bay Cleanup Continues To Rise. The Washington Post (1/29, A1, Fahrenthold) reports, "To deliver on the pledge to save the Chesapeake Bay in three short years, you could start by digging up a million lawns to fix septic tanks that pollute too much. … Then ask 80,000 farmers to make expensive changes in the way their farms work. Overhaul hundreds of sewage plants, each project with a price tag that could run into the millions. … And find about $28 billion -- enough for six aircraft carriers -- to pay for it all. Right now, authorities are at least $14 billion short." The Post continues, "This month, the Environmental Protection Agency said efforts to restore the bay's health need to be accelerated to meet a 2010 deadline. It turns out that "accelerated" might be understating it: Experts say meeting the goal would require widespread sacrifices from individuals and unprecedented funding from government sources. And even then, it might not be enough." The Post adds, "For now, no such shock-therapy campaign has been proposed. But environmentalists say the bay project's many shortfalls are a lesson: After 19 years, the Chesapeake cleanup is struggling to produce results on par with its promises. … The bay cleanup, in its current form, began in 1987 with an agreement between state and federal governments. They promised that the bay, troubled by dirt, algae blooms and toxic chemicals, would be clean by 2000. … Instead, they found that some of the bay's worst pollutants came from such things as manure, lawn fertilizer and human waste. Its troubles began on every street, in every sewer, at the back end of every cow. … When the 2000 deadline was missed, an even more sweeping agreement took its place. The leaders of Maryland, Virginia, Pennsylvania, the District and the EPA pledged to fix the bay's water, its oyster population, its beds of underwater grass and other environmental indicators by 2010. … There have been significant successes since then. Maryland passed a 'flush tax,' a surcharge on water bills to pay for cleaning up the state's sewage plants and farm fields. The bay's rockfish population has continued its remarkable comeback, which began in the 1980s. Small strips of forest, designed to filter runoff, have been planted alongside 5,000 miles of streams. … But all of that hasn't been nearly enough, officials say."

Bush Focus On Energy In State Of The Union Noted. Time (2/5, Kluger, 4.03M) reports last Tuesday's State of the Union address "was President George W. Bush's most humble yet," but "most surprising was Bush's new focus on energy and the environment." Bush's "biggest bid was to cut gasoline use 20% by 2017, in part by boosting mileage requirements for cars" by imposing "car-by-car rules, depending on the model." James Connaughton, chairman of the White House Council on Environmental Quality, said, "Let experts consider the technology and the effect on safety and jobs." Time adds, "To skeptics, this smells fishy." But "perhaps more promising was Bush's call to quintuple U.S. production of biofuels such as corn ethanol by 2017."

FBI/DEA/ATF/USMS:

Mexico Prepares For Violence From Drug Smugglers Following Extraditions. The Washington Times (1/28, Seper) reported Mexico's government "has sent an additional 9,000 soldiers and police to the country's northern states to confront drug smugglers threatening to rise up against the extradition of their gang bosses. Mexican Defense Secretary Guillermo Galvan said the government buildup, part of 'Operation Sierra Madre,' came in response to the Jan. 19 extradition to the United States of 15 suspected smugglers, including 10 reputed drug cartel bosses." Karen Tandy "has described the extraditions as 'unprecedented in the history of Mexico' and said they had

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directly affected four major drug cartels in that country -- including the Gulf cartel. She described that operation as 'one of the most brutal and powerful drug cartels in the world.'"

Texas Lawyer Hired To Defend Cardenas-Guillen. In McAllen, the Monitor (1/27, Martinez) reported suspected Gulf Cartel leader Osiel Cardenas-Guillen "has hired prominent McAllen lawyer Roberto Yzaguirre as part of his defense team in a federal drug case that prompted Cardenas' extradition from Mexico a week ago. … Yzaguirre defended the Matamoros-based Gulf Cartel's former head, Juan Garcia Abrego, in another federal drug case in 1996. Unlike Cardenas, who was first tried in Mexico before being extradited, Mexican authorities whisked Garcia out of the country without a trial the day after he was arrested."

Federal Police Officers Under Investigation For Extortion. The AP (1/27) reported six federal police officers "involved in President Felipe Calderon's anti-drug operation were being investigated for extortion on Friday after they were videotaped taking money from a driver in the border city of Tijuana. The men, part of a force of more than 3,300 police and soldiers sent to Tijuana to clamp down on drug gangs and corruption, will be punished if found guilty, the Public Safety Department said in a statement. … The videotape, taken Jan. 17, was released to the media and posted on Mexican news Web sites on Friday." The AP adds that Karen Tandy "has described Calderon's battle against drug gangs as 'an enormous leap forward.'"

Guns Returned To Tijuana Police. The AP (1/28) reported Tijuana police "got their guns back Saturday three weeks after they were forced to turn over weapons to federal authorities because of allegations they were colluding with drug traffickers. Tijuana Public Safety Secretary Luis Javier Algorri said soldiers returned all 2,130 guns to his department. He planned to send a letter to the attorney general's office asking for the results of the investigation so he could clear up any doubts about his officers. No one from the attorney general's office was available for comment Saturday." News outlets that used a version of the AP stories include CBS News, CNN, Forbes, the Dallas Morning News, Houston Chronicle, and Contra Costa Times.

Mexico's "War On Drug Gangs" Scrutinized. In the New York Times (1/27) James McKinley wrote that officials in the United States from the president down have loudly praised [President Felipe] Calderón's courage, particularly for the extraditions, and hope it is a trend. But they acknowledge that only a long-term campaign can end the violence in Mexico and stop the flow of drugs. 'Nobody claims that these extraditions are the end,' said John P. Walters, the White House drug control policy director. 'They are an enormously powerful step to hopefully bring this violence to an end more rapidly.'" McKinley adds, "Yet skeptics…say rooting out drug trafficking will take more than a few weeks of roadblocks and highly visible federal patrols in drug-plagued towns. The roots of the problem, they say, run deep in Mexican society."

In the Los Angeles Times, (1/29) Sam Enriquez writes, "The U.S. war on drugs has seldom seen a more willing recruit than Mexican President Felipe Calderon. … But unfortunately for the Mexican leader, who put the drug-trafficking battle at the top of his nation's domestic agenda, the issue that once was a staple of U.S. political speeches has fallen so far off the radar that for the first time in years it didn't warrant a mention in President Bush's State of the Union address." Bush "telephoned Calderon on Wednesday to commend him. And the U.S. government's drug czar, John P. Walters, said last week that 'the boldness of the Mexican response here obviously calls upon us to continue, and to match that with our own boldness at home.'"

The San Antonio (TX) Express (1/27) wrote that it "remains to be seen how long the new president will keep the pressure on, but observers say he's already acting bolder than his predecessor, Vicente Fox. 'He is sending a strong message that some things that were tolerated in the past will not be tolerated anymore,' said Jorge Chabat, a Mexico criminal-justice system expert. 'It is my guess (traffickers) will get the message and modify their behavior.'"

New York Man Gets Life Sentence In "Operation Jamestown" Case. The Jamestown (NY) Post Journal (1/28) reported Aaron Pike of Jamestown "will spend life in prison for his role in Operation Jamestown, a 14-person federal drug case. … Pike was convicted of organizing a continuing criminal enterprise which involved the distribution of more than 1,000 kilograms of marijuana and more than 4 kilograms of methamphetamine in Jamestown between July 2000 and August 2001. The drugs were allegedly supplied and shipped to Pike in Jamestown by a former inmate he had met while serving in state prison."

Federal Officials Urge Hawaii To Close Medical Marijuana Loopholes. The AP (1/28) reported federal officials want Hawaii to "conduct background

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checks on those certified to supply medical marijuana to patients, saying the state must close loopholes being exploited by drug dealers. … 'We're not interested in investigating the sick and the dying,' said Anthony D. Williams, assistant special agent in charge of the U.S. Drug Enforcement Administration's Honolulu district office. 'But we will continue to investigate and pursue anyone cultivating and distributing marijuana.' … There are currently 249 licensed caregivers and 2,609 medical marijuana patients in the state."

IMMIGRATION:

Issue Of Path To Citizenship To Illegals Could Derail Immigration Reform Drive. The Los Angeles Times (1/29, Gaouette, 850K) reports, "With a new Democratic-controlled Congress and a president newly committed to bipartisan accomplishments, prospects for an overhaul of the nation's immigration laws have never seemed brighter. But reform efforts could still stumble over the stickiest issue: how to craft a path to citizenship for illegal immigrants that will win the support of lawmakers who draw the line at 'amnesty.'" In the House, "where these conservatives could derail a bill, the job of finding that elusive middle ground falls to Rep. Zoe Lofgren. The San Jose Democrat, who heads the immigration subcommittee, has been buttonholing lawmakers, quizzing them between votes and hosting formal meetings. … Across Capitol Hill, Sens. Edward M. Kennedy (D-Mass.) and John McCain (R-Ariz.) are pursuing the same goal as they develop a plan based on last year's comprehensive immigration bill, which passed the Senate, but not the House." The Times adds, "Advocates for a broad immigration bill say it will need the support of at least 20 Republicans in the Senate and perhaps 40 in the House. … For some conservatives, any plan to legalize illegal immigrants would be hard to swallow. And for advocates, who will meet at a Washington summit this week expected to draw 200 grass-roots groups, anything short of that is inhumane."

In an editorial, the Los Angeles Times (1/29, 850K) says "today's optimism shouldn't be overstated. Realistically, Congress only has about half a year to act before the issue becomes consumed by presidential politics. There is temptation on both sides of the aisle to preserve immigration as an election issue rather than solve the problem. … Plenty of Republicans will want to accuse Democrats in 2008 of favoring amnesty, and plenty of Democrats will want to accuse Republicans of animosity toward Latinos, the nation's fastest-growing bloc of voters. Complicating matters is the fact that the leading GOP presidential hopeful, Sen. John McCain of Arizona, joined…Kennedy…to write Capitol Hill's best immigration measure of 2006. McCain was then deemed too soft by anti-immigrant zealots."

Program Demands Workers' Documents In Exchange For Fewer Immigration Raids. The Washington Post (1/29, A3, Fears, Williams, 690K) reports, "Over the past seven months, Bush administration officials have quietly toured the country, trying to persuade businesses that rely heavily on immigrant labor to join" the "little-known" Mutual Agreement Between Government and Employers program, which "would spare them from embarrassing federal raids if they voluntarily handed over their workers' documents so the government can scan them for fraudulent information." As opposed to the Basic Pilot program, IMAGE, which is run by ICE, "covers all members of a company's workforce and does a more extensive scrub of records to determine if a worker is in the country illegally or is using fraudulent documents." The Post notes that Smithfield Packing Co., which has participated in the program since June, saw the arrest of 21 of its workers last week "after the government scrutinized forms submitted by the company. … A number of businesses said they have no intention of joining IMAGE, citing the disruptive action at Smithfield."

Urban Shift Leads To Illegal Immigrant Boom In Washington Region. The Washington Times (1/29, Lengell, 88K) reports, "Fifty years ago, as many as 90 percent of all undocumented workers came to the US to work in agriculture-related businesses. But while farms and rural meat-packing and poultry-processing plants still rely on cheap, immigrant labor, illegal aliens increasingly are flocking to urban areas for work." The shift has made the Washington area "one of the nation's fastest-growing communities of illegal aliens, immigration analysts say."

TAX:

Law Against Partisan Activity By Churches Often Unenforced. In a USA Today op-ed (1/29, 13A), Dan Gilgoff of US News & World Report says, "A 1954 law forbids partisan political activity that aims to help, or hurt, candidates for public office. Such behavior would put a church's tax-exempt status in jeopardy — if the government chose to enforce the law." Last year "was supposed to spell

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doom for sermons that endorsed political candidates or parties. Months before the congressional elections, the IRS made front-page headlines by trumpeting a new effort to crack down on churches that violated IRS restrictions on politicking by houses of worship." But it "may come as a surprise, then, that when the IRS releases its tally of complaints against church politicking in the '06 election — anticipated in the next month or so — the number is expected to be even higher than it was in 2004." This 'enforcement vacuum is aggravating the very problem that Congress set out to fix in 1954: preventing Uncle Sam from subsidizing partisan politics."

WSJournal Touts Increased Revenue From Capital Gains Tax Cut. The Wall Street Journal (1/29, 2.04M) says in an editorial, "Data released last week from the Congressional Budget Office confirm that the tax cuts of 2003 keep soaking the rich, especially on their capital gains. CBO and Congress's Joint Tax Committee originally estimated that reducing the capital gains rate to 15% from 20% would cost the Treasury $5.4 billion from 2003-2006." The "actual revenues exceeded expectations by 68%, creating a $133 billion revenue bonanza for the feds. CBO's original forecast for 2006 was for $57 billion in capital gains revenues, but actual receipts were $110 billion. This surprise windfall is one reason the budget deficit is also far lower than CBO predicted."

CONGRESS-ADMINISTRATION:

Three Top Democrats Failed To Disclose Role In Family Charities. USA Today (1/29, Kelley, 2.27M) reports House Speaker Nancy Pelosi "and two other prominent Democrats have failed to disclose they are officers of family charities, in violation of a law requiring members of Congress to report non-profit leadership roles." Rep. Rahm Emanuel, "the fourth-ranking House Democrat, and Sen. Evan Bayh of Indiana also did not report they serve as family foundation directors, according to financial disclosure reports examined by USA TODAY." Pelosi spokesman Brendan Daly "said Friday the speaker will amend her reports. He said it 'was an oversight' that she had not listed her position dating back to 1992."

USA Today (1/29, Kelley, 2.27M) also examines each of the charities, which "donated mostly to hometown charities that reflect the lawmakers' personal and political attitudes. None of the foundations received donations from outside sources."

Uncertainty Grows About Ethics Rules. The Wall Street Journal (1/29, A1, Mullins, 2.04M) reports on the front page that to "cut down on wining and dining by lobbyists, the House and Senate have drafted new rules that bar lawmakers and congressional aides from accepting almost any meals from lobbyists. Hors d'oeuvres are an exception. So is 'food that you have to eat standing up using a toothpick,' explains Washington lawyer Brett Kappel, who advises lobbyists and companies about ethics rules." Both chambers "have approved new rules, but legislation has not yet been finalized. The result: considerable uncertainty about what's allowed, and some unintended consequences."

Grass Roots Lobbying Disclosure Proposal Criticized. In a Roll Call op-ed (1/29), Stephen M. Hoersting, executive director of the Center for Competitive Politics, says, "Of the policy proposals circulating Capitol Hill to correct lobbying abuses, strengthen the relative voice of citizens and add accountability to the earmarking process, 'grass-roots lobbying disclosure' provisions seem oddly out of place. Proposals for grass-roots lobbying disclosure do nothing either to sever the link between lobbyist cash and lawmakers' pecuniary interests or to strengthen the relative voice of citizens." Proponents "characterize the activity as 'astroturf lobbying' to imply that the public outcry from such campaigns is fake. It is not. No matter if it is corporations or well-heeled lobbyists who alert citizens to a pending issue, all grass-roots campaigns are 'organic' in this sense: They tap true concerns of real citizens."

Democrats To Propose Cutting $186 Million In Agricultural Grants. The Wall Street Journal (1/29, A8, Rogers, 2.04M) reports that as "part of a giant spending bill to be filed in Congress tonight, Democrats will take a spade to more than $186 million in such research grants, which have quadrupled in the Agriculture Department since the 1980s. Hardest hit are the nation's 58 land-grant colleges, which have become dependent on the funds and now are caught in the backlash against members of Congress 'earmarking' money for particular causes or recipients." Filling "about 150 pages, the bill will govern spending for the last eight months of fiscal 2007 -- ending Sept. 30 -- and coming just a week before President Bush submits his budget request for fiscal 2008, its proposed cuts

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underscore the changed landscape after November's elections."

Debate Grows Over Definition Of "Earmark." The Washington Post (1/29, A7, Layton, 690K) reports the definition of an earmark "has been at the heart of passionate negotiations across the capital as lawmakers, federal agencies and lobbyists argue over what constitutes waste and what is legitimate spending." The debate "goes beyond semantics. The stakes are huge -- deciding how to spend $463 billion between now and Sept. 30 on thousands of programs run by local communities, states and federal agencies. While public debate on Capitol Hill has been dominated by the war in Iraq, closed-door arguments about what the federal government will fund this year have been nearly as intense."

Negroponte Prepares To Resume Diplomatic Career At State Department. As he prepares for Senate confirmation hearings Tuesday, the Washington Post (1/29, A1, Blumenfeld, 690K) reports on its front page that John Negroponte's move from the nation's first director of national intelligence to deputy secretary of state, "from the outside, it seems like an unusual move, a demotion." Speculation over Negroponte's departure "has split national security circles" -- "some question Negroponte's performance as DNI," while others "say that his step down is in fact a step up, that he will be in line to be secretary of state, if Condoleezza Rice moves on." The article continues by tracing Negroponte's previous experience in the foreign service and excerpts a discussion with four of Negroponte's five children about their father.

Google Ends "Miserable Failure" Link To Bush. The New York Times (1/29, Cohen, 1.16M) reports a "favored online tactic to mock" President Bush, "altering the Google search engine so the words 'miserable failure' lead to President Bush's home page at the White House -- has been neutralized." Google "announced on Thursday on its official blog that 'by improving our analysis of the link structure of the Web' such mischief would instead 'typically return commentary, discussions, and articles' about the tactic itself." A "search on Saturday of 'miserable failure' on Google leads to a now-outdated BBC News article from 2003 about the 'miserable failure' search, rather than the previous first result, President Bush's portal at whitehouse.gov/president."

Smith Says Pelosi Overlooked Unborn Children At Swearing In. In a Washington Times op-ed (1/29), Rep. Chris Smith says that at her swearing in, when Speaker Nancy Pelosi "invited the accompanying congressional kids to join her at the rostrum to 'touch the gavel' as history was made, I smiled and thought what a gracious gesture and photo-op. And then I thought again of the forgotten girls and boys -- at last count more than 49 million of them -- killed by what is euphemistically called 'choice.' To be sure, born children need strong and stable families, better access to health care, educational opportunities, a clean environment to grow up in and freedom from violence and abuse." But it "is equally valid and true that unborn children have inherent worth, value and dignity."

WSJournal Praises Schumer's "Epiphany" On Tort Reform. The Wall Street Journal (1/29, 2.04M) says in an editorial, "Even we didn't expect to see a leading Senate Democrat declare that tort law abuse is making America less economically competitive. Has Chuck Schumer told his colleagues about his epiphany?" The "really big news is that Mr. Schumer endorsed a study declaring that tort reform is the single biggest key to retaining U.S. leadership in global finance. As political conversions go, this is like Dick Cheney endorsing a stronger Congress. Mr. Schumer is chairman of the Democratic Senatorial Campaign Committee, which puts him at the center of fundraising for Democratic candidates. And trial lawyers have been a leading and deep-pocketed constituency for Democrats, donating millions of dollars in each election cycle. Over the last decade, more than 90% of trial lawyer donations have gone to Democrats. In return, the Democratic Senate caucus has been a bulwark against tort reform." Schumer "shouldn't be able to have it both ways by holding press conferences in New York City, then returning to Washington and winking to Tommy Boggs, Harry Reid and the tort lobby that it's all merely talk. If his conversion is real, we look forward to his energetic leadership in building a bipartisan majority for tort reform."

Bush Healthcare Plan Criticized. In a Time column (2/5), Matt Miller says, "With the health-care plan the President floated in his State of the Union address, he's literally picking up a page his father wouldn't keep in his health-care playbook. But the son has shrewdly disguised his slow-motion tax increase as a tax cut." But Bush's plan "isn't

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a serious attempt to cure what ails health care and might make some things worse. For starters, Bush's staff says his plan would reach just 3 million to 5 million of the 47 million uninsured."

In his Newsweek column (2/5), Allan Sloan says, "If you delve into the low-profile details of Bush's high-profile health-care proposals, you discover that embedded in them is a plan that would effectively trim future Social Security retirement benefits for some people, while reducing their current Social Security tax payments to help pay for health insurance." Paying "less Social Security tax would reduce your future Social Security retirement benefit, which is determined by a formula that's based on how much Social Security tax you pay."

OTHER NEWS:

Economists Expect Steady Growth, Higher Unemployment In 2007. USA Today (1/29, Hagenbaugh, Hansen, 2.27M) reports, "The Federal Reserve will wait to cut interest rates until the end of 2007, not earlier this year as was expected just a few months ago, economists say. Economists surveyed by USA TODAY expect the unemployment rate will tick higher this year as the economy grows at a steady, but not blazing, pace. The slower growth is expected to lead to a sharper pullback in inflation than what was predicted three months ago." The 56 economists were surveyed Jan. 18-24. USA Today adds, "The expectation for a rate cut at year's end represents a significant change. Just three months ago, economists said they expected the Fed would cut rates in the second quarter." But "since then, data have suggested the economy is faring better than was expected given the sharp slowdown in housing. Economists are now predicting the softening in this year's job market won't be as substantial as they predicted last quarter. That suggests the Fed doesn't need to cut rates."

The Wall Street Journal (1/29, McKay, 2.04M) reports, "There isn't much that moves the market like a shift in interest rates by Federal Reserve policy makers. This year, it is beginning to look like the Fed won't move much." As "central-bank rate setters prepare for their first meeting of the year this week, investors increasingly are resigned to a longer pause in rate moves than previously expected." But "it might be that it is the pause that refreshes. In recent years, the stock market usually has performed well when the Fed declines to move up or down, as it has since last summer." The Journal adds, "Some Wall Street forecasters say the Fed could go all year without changing its rate targets, a prospect that contributed to the market's sluggishness last week."

Refiner Stocks, Hit By Bush Gasoline Proposal, Seen As Likely To Rebound. The Wall Street Journal (1/29, C1, Ball, 2.04M) reports, "With President Bush calling for significantly slowing the growth in gasoline consumption in the next decade, stocks of some companies that refine crude oil into gasoline slipped temporarily last week, a sign that some investors are reassessing growth prospects for the refiners." But "[t]here are good reasons to conclude refiners of crude are poised for a nice seasonal stock pop as the high-demand summer driving season approaches." As "word of the president's energy proposals surfaced Tuesday, hours before the actual speech, the stocks of some producers of corn-based ethanol inched up -- and those of some refiners inched down." The Journal adds, "Time will tell whether Mr. Bush's proposals will meaningfully slow the growth in America's gasoline use. It would take real technological breakthroughs for the U.S. to produce the volume of ethanol the president outlined, requiring the country to move beyond corn...and use 'cellulosic' materials such as switchgrass and wood chips, which are far more plentiful, to make the fuel."

Iraq, 1993 Healthcare Drive Dominate Clinton's Iowa Visit. Under the headline "Mixed Reviews For Clinton In Iowa," the Washington Post (1/29, A1, Balz, 690K) reports on Sen. Hillary Clinton's first official campaign trip to Iowa, and says that "her campaign advisers may justifiably conclude that she made a positive first impression on Iowa Democratic Party activists." However, "a 90-minute conversation with 14 Iowa Democrats…tells a more complete and not-so-encouraging story of her candidacy in its early stages." Clinton "engenders substantial doubts among people who, by virtue of Iowa's place at the front of the nominating calendar, could play an outsized role in selecting the next Democratic presidential nominee. … The 14 party activists were invited by The Washington Post to come together to talk about the presidential race. All are currently uncommitted. Their views are in no way a scientific sample, but as voters who pay especially close attention to presidential politics, they offer clues to the future in their impressions. At the end of the conversation, these activists were asked whether they are leaning toward any particular

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candidates. Six said they are totally uncommitted. Of the other eight, three mentioned Clinton as one of the candidates they are looking at with the most interest." The Post adds, "Their opinions underscored what polls and strategists are saying: The Democratic race in Iowa is wide open."

The Wall Street Journal (1/29, A6, Calmes, 2.04M) reports, "The senator's challenge is plain in this state that holds both parties' first nominating caucuses a year from now. Mrs. Clinton is the Democrats' early front-runner nationally -- about 40% of Democrats support her, twice as many as her closest rival, Illinois Sen. Barack Obama, can claim. But in Iowa she has trailed in polls behind Mr. Obama and two other candidates: former Sen. John Edwards of North Carolina, who has been working the state since his 2004 White House bid; and Iowa's former Gov. Tom Vilsack. … So a week after announcing her presidential bid over the Internet, Mrs. Clinton was here in the flesh for what she calls 'conversations,' trying over a sub-freezing weekend to show fellow Democrats she isn't an ice queen. For Iowans, who jealously guard their 30-year role as vetters of presidential candidates, Mrs. Clinton can pass their 'electability' test only by first passing their 'likability' test." In Iowa, Clinton "repeatedly used her answers to show a folksy, self-deprecating and even humorous side."

The Mason City Globe Gazette (1/29, Tibbets) reports "many admirers greeted her Sunday," but "there were direct questions, too, like about her 2002 vote to authorize President Bush to go to war." Likewise, NBC Nightly News (1/28, story 3, 2:30, Seigenthaler, 9.87M) reported, "For the second straight day…Clinton was on the campaign trail in Iowa was asked about her vote more than four years ago to authorize the war in Iraq. This is what she said today in Davenport." Clinton: "I said that we should not go to war unless we have allies. So he took the authority that I and others gave him and he misused it. And I regret that deeply. If we had known then what we know now, there never would have been a vote and I never would have voted to give this President that authority." NBC (Harwood) added that "one of the main questions hanging over Hillary Clinton's campaign is whether she is too cautious and calculating, authorizing the war in the fall of 2002 when…Bush was riding high was the cautious vote for a Democrat interested in the White House. Now that most of the country has turned on the President and the war, some Democratic liberals want her to do more, if not to call her vote in the state to take bolder action to try to stop the war now."

The AP (1/29, Glover) reports Clinton also said that Bush "has made a mess of Iraq and it is his responsibility to 'extricate' the United States from the situation before he leaves office. It would be 'the height of irresponsibility' to pass the war along to the next commander in chief, she said." USA Today (1/29, Lawrence, 2.27M) notes those remarks "drew a response from the White House. Spokesman Rob Saliterman called them 'a partisan attack' and added it would be 'the height of irresponsibility to cap our troop numbers at an arbitrary figure and to cut off their funding.' Clinton supports a cap but opposes a funding cutoff." The Chicago Tribune (1/29, Quintanilla, 617K) and Washington Times (1/29, Hurt, 88K) also focus on Clinton's comments about Iraq.

McClatchy (1/29, Thomma) reports Clinton "faced pointed questions about issues such as Iraq and health care that suggested she will face many skeptical Democrats in the state that kicks off the nominating process next January. One asked whether she bore responsibility for the failure in 1993 and 1994 to enact universal health care coverage as she and her husband promised." The Des Moines Register (1/29, 160K) says Clinton "told an eastern Iowa audience…that her mistakes leading a highly publicized health care reform effort in the 1990s have changed how she approaches the issue. 'I learned a lot in '93 and '94,' the New York Democrat told more than 500 supporters and party activists at the Mississippi Valley Fairgrounds. 'I can tell you I come into this experience with my eyes wide open.'" Clinton "said she does not believe the political will yet exists for a government-run, universal health care system. Instead, she says the best way to begin moving toward health insurance coverage for everyone is to guarantee it for children."

The Washington Post (1/29, A4, Kornblut, Balz, 690K) reports, "More than questions on Iraq, Clinton heard repeated questions Sunday morning about health care, a subject that was once a liability for her but that she is now seeking to turn into an asset." The Post adds, "In keeping with her expressed desire to hold a 'conversation with Iowans,' Clinton asked at one point for a show of hands from the audience to see how many would prefer employer-based health insurance, how many would prefer a system in which individuals purchased insurance, with help from the government if necessary, and how many would prefer a system modeled on Medicare. The audience overwhelmingly favored moving toward a Medicare-like system for all Americans."

Comment About Experience With "Evil And Bad Men" Elicits Laughter. The Mason City Globe Gazette (1/29, Tibbets) reports Clinton "got an unexpected laugh at a fairgrounds appearance when a questioner, referring to

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terrorists in the world, asked about her experience dealing with 'evil and bad men.' Repeating the question, Clinton said, 'What in my background equips me to deal with evil and bad men?' That prompted growing laughter in the crowd, with Clinton smiling." The Gazette adds, 'Later, at the news conference, Clinton was asked three times about the incident and laughed at being 'psycho-analyzed.' She brushed off the idea, broached by a reporter, that the audience was thinking of the well-publicized behavior of her husband."

The Los Angeles Times (1/29, Finnegan, 850K) reports that after Clinton's comments, "the crowd's laughter gradually built, lasting a full 30 seconds, with the New York senator smiling gamely the entire time. … When asked later at a news conference what was on her mind during the laughs, she said she was thinking she 'could do a pretty good job' in pursuing Osama bin Laden, and 'our leadership for the last six years hasn't really produced results.' Incredulous reporters persisted in asking what she was thinking."

McClatchy (1/29, Thomma) reports the audience "response and Clinton's own contradictory comments later in the day were unscripted moments in a two-day swing that underscored both her strengths and vulnerabilities as she jumps into the battle for the 2008 Democratic presidential nomination. The very nature of the crowd's laughing response to the notion of Clinton and bad men was reminiscent of the empathy many Americans had for her when her husband was caught having an affair with a White House aide. Yet it also served as a reminder that the scandal will follow her."

The Wall Street Journal (1/29, A6, Calmes, 2.04M) reports "Clinton expressed mild exasperation that reporters were suggesting the audience interpreted her remark that way. '"I get a little funny and now I'm being psychoanalyzed,' she said. 'I don't think anybody felt that, I'm sorry.'" Long Island Newsday (1/29, Thrush, 414K) also remarks on the exchange in a story titled "Hillary: Dealing With "Evil, Bad Men"? No Problem."

Obama Fundraising Boosted By Liberal Donors. The Washington Times (1/29, Lambro, 88K) reports Democratic Sen. Barack Obama "is scoring gains in the early campaign-money sweepstakes, pulling in checks from liberal movie moguls, Silicon Valley executives and financiers such as George Soros in a bid to match Sen. Hillary Rodham Clinton's huge financial advantage in the race for the Democratic presidential nomination." Obama has "not only been raising serious money for his White House campaign, but has made inroads into Mrs. Clinton's financial power base in New York, the Hollywood movie industry and among trial lawyers, campaign-finance consultants said." Reports "coming in from Democrats across the country say Mr. Obama is raking in checks from a variety of major donors in part because of his support for troop withdrawal from the Iraq war and his near-perfect liberal voting record."

Occidental College Eager To Claim Obama As Alumnus. The Los Angeles Times (1/29, Gordon, 850K) reports Occidental College, a liberal arts school in Los Angeles, "isn't shy about claiming" Democratic Sen. Barack Obama "as an alum. He says he has 'fond memories' of the school." Obama is "usually described as an alumnus of Columbia University, where he earned his bachelor's degree, and of Harvard Law School. But the Illinois Democrat began his undergraduate education at Occidental, and the 1,825-student liberal arts college in the Eagle Rock neighborhood of Los Angeles is not shy about claiming him as an alumnus for his two years there (1979-81) on full scholarship. Perhaps, some think, it's where his political and oratory skills were nurtured."

Obama Leaves Comedians Speechless. In its "Periscope" column, Newsweek (2/5, Summers, 3.12M) reports, "Everyone's getting ready for a Barack Obama presidential bid. But one group is still unprepared: the nation's comedians, who say the pol appears almost invulnerable to caricature. How do you make fun of someone when all the audience knows is that he's popular and charismatic?" At least "until the campaign is underway and Obama says or does something that gives them some meat, comics and writers are scratching their heads."

Clinton, McCain Top Respective Primaries In Time Poll. Time (1/25, Karon, 4.03M) reports a poll of 1064 registered voters shows Sen. Hillary Clinton "is the clear front-runner to win the Democratic Party's nomination for President in 2008, but the Republican race will be a close contest between Senator John McCain and former New York mayor Rudy Giuliani — with McCain edging Giuliani by a three- to four-point margin. And a presidential face-off between Clinton and McCain, right now, would be close to a dead heat." The poll shows Clinton would defeat Sen. Barack Obama "for the Democratic nomination by a margin of 40% to 21%. Senator John Edwards is a distant third with 11%." McCain "holds a narrow lead of 30% to 26% over

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Giuliani for the G.O.P. nomination. A race between McCain and Clinton would be a virtual tie (47%-47%), according to the poll, while McCain would beat either Obama or Senator John Edwards by a 7-point margin."

Smooth Clinton Campaign Rollout Improves Poll Performance. In his Newsweek column (2/5), Howard Fineman says, "So far, so good for Hillary Clinton. She launched her presidential campaign with a smooth professionalism that reminded me of George W. Bush's debut eight years ago. The technology has changed (Web chats vs. a chartered-plane fly-around), but the message was the same: we know the game cold, it's in the family blood, we are inevitable." The "blitz moved the numbers. The new NEWSWEEK Poll shows Hillary beating her Democratic rivals in two-way matchups (55 to 35 percent over Sen. Barack Obama, 62 to 29 percent over former senator John Edwards). She does better than they do against Republicans, beating Sen. John McCain 50 to 44 percent, for example."

Negative Ads Quickly Circulate On Internet.

The Los Angeles Times (1/29, Finnegan, 850K) reports that in a "dim Culver City editing room, two video snippets of Republican presidential hopeful John McCain fill the monitors. In the first, he says same-sex marriage should be allowed. In the second, he says it should be illegal." The clips were researched "by filmmaker Robert Greenwald and his production team for damaging Internet video of the Arizona senator." The "first whack at McCain, now on the video-sharing site YouTube, joins a rapidly growing collection of Web videos posted by critics of leading contenders in the 2008 presidential race. Targets so far include Barack Obama, Rudolph W. Giuliani, John Edwards, Mitt Romney and Hillary Rodham Clinton." The "explosion of video-sharing on the Web poses major risks for presidential candidates: Gaffes and inconsistent statements witnessed by dozens can be e-mailed instantly to millions."

The New York Times (1/29, Zeller, 1.16M) reports, "It is perhaps no surprise, then, that Web gremlins would chuckle as the cameras panned the chamber Oscar-style last week" at the State of the Union "and alighted on what appeared to be Senator John S. McCain of Arizona, a presumed candidate for the Republican nomination for president, in an unguarded moment of slumber." It is, "perhaps, also no surprise in the age of YouTube — where unscripted video clips have become political Molotov cocktails — that a 'McCain sleeping' snippet was uploaded to the Internet and was being discussed and linked in short order." Whether the "original intent was political sabotage or simple humor is hard to say, but either way the clip went straight for Mr. McCain's Achilles' heel: his age. He is now 70 years old. By 2008, if elected, he would be the oldest president to move into the White House."

"Insight" Publication Of Obama Rumor Generates Echoes. The New York Times (1/29, Kirkpatrick, 1.16M) reports Jeffrey T. Kuhner, "whose Web site published the first anonymous smear of the 2008 presidential race, is hardly the only editor who will not reveal his reporters' sources. What sets him apart is that he will not even disclose the names of his reporters." In the "last two weeks, Mr. Kuhner's Web site, Insight, the last remnant of a defunct conservative print magazine owned by the Unification Church led by the Rev. Sun Myung Moon, was able to set off a wave of television commentary, talk-radio chatter, official denials, investigations by journalists around the globe and news media self-analysis that has lasted 11 days and counting." The controversy "started with a quickly discredited Jan. 17 article on the Insight Web site asserting that the presidential campaign of Senator Hillary Rodham Clinton was preparing an accusation that her rival, Senator Barack Obama, had covered up a brief period he had spent in an Islamic religious school in Indonesia when he was 6."

Steele Says Edwards Will Be The Democratic Nominee.

Former Maryland US Senate candidate Michael Steele said on CNN's Late Edition (1/28, Blitzer), "I think Edwards is going to be the nominee. That's just where I look at the landscape, and I think Edwards would present a real challenge to the Republican Party."

Biden Says He Needs To Raise $20 Million To Compete.

Sen. Joseph Biden said on ABC's This Week (1/28, Stephanopoulos), "The President has dug us in a deep hole. The President's foreign policy has made us more vulnerable, his economic policy has made the middle class more vulnerable. My life story, my record best prepares me to deal with those two issues." Asked how he can win the Democratic nomination, Biden said, "The path to victory is Iowa, New Hampshire. The path to victory is slow. … I'm not doing bad in Iowa…and I have significant and deep support in South Carolina. … This is a marathon. If people learn my story, learn my record, I think I can compete. The question is, can I raise the money? I think I need $20 million to get me

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into and through Iowa." Of the crowded field, Biden said, "I'm the 800th candidate."

Dodd Says He's Running On His Senate Experience. Sen. Christopher Dodd said on CNN's Late Edition (1/28, Blitzer), "What I bring to it, I think, is clearly some experience, 26 years in the Senate, which would normally disqualify you in years past. But this time around, I think experience is going to matter to people. … Having been through what we've been through, squandering America's leadership over the last six years, knowing that we have major problems here at home, domestically and with foreign policy, that I have been a leader on those issues, a problem solver. And the American public is hungry for leadership, candid leadership, that is willing to talk about big issues and has demonstrable evidence that you know how to bring people together. And I think I've been able to do that in 26 years on family and medical leave, on child care, dealing with the conflicts in Central America. I've been involved in every major foreign policy debate and every major domestic debate involving children and families. I think that kind of evidence is going to help make a case to the American public."

Lieberman Could Back A Republican In 2008. The AP (1/29) reports Lieberman, "the Democratic vice-presidential nominee in 2000 who won re-election as an independent last year, says he is open to supporting any party's White House nominee in 2008. 'I'm going to do what most independents and a lot of Democrats and Republicans in America do, which is to take a look at all the candidates and then in the end, regardless of party, decide who I think will be best for the future of our country,' Lieberman said Sunday." He added, "So I'm open to supporting a Democrat, Republican or even an Independent, if there's a strong one. Stay tuned." Lieberman "is an ally of GOP Sen. John McCain of Arizona."

Lieberman said on Fox News Sunday (1/28, Wallace), "I consider myself today an Independent-Democrat, and I'm staying in the Democratic Party because I believe in the historic principles and commitments of the party to be both progressive here at home and muscular, strong and principled in the world. I'm a Harry Truman, JFK, Scoop Jackson, and Bill Clinton Democrat. … There was a large message from the election last year, and it wasn't just about Iraq. It was about too much partisanship in Washington. The President said afterward he got it. Leaders of both parties said afterward they got it. And yet we seem to be sliding back into the partisanship. The people understandably want us to work together to get something done for them."

McCain Fails To Respond To Invite From GOP Study Committee. Roll Call (1/29, Davis, Whittington) reports, "Sen. John McCain (R-Ariz.) has decided not to address House Republican conservatives when they convene at their annual retreat this week, while one of his top rivals for the GOP's 2008 White House nod will be among the headliners of the event. Not only is McCain not attending the annual Conservative Members Retreat -- which draws members of the Republican Study Committee and is sponsored by the Heritage Foundation -- Republican sources said that McCain's campaign never responded to the invitation." Roll Call adds, "McCain campaign spokesman Danny Diaz did not address why his boss wouldn't attend, or why he didn't respond to the invite, but he said the Senator enjoys many friendships on Capitol Hill and has daily opportunities to reach out to conservative lawmakers."

Brownback Takes Shot At Romney On Abortion. Sen. Sam Brownback said on Fox News Sunday (1/28, Wallace), "As a tried and true conservative, I've been in the Congress or the United States Senate since 1994. I've voted on these issues of life and marriage -- many of the other social issues. I've been a leader on those issues. I think it speaks for itself that I'm tried and true on these issues and many of the others have looked or been in different positions at different times. Those are going to come out during the race." Asked if he was referring to Mitt Romney's alleged shifts on such issues, Brownback said, "Well, he'll have to stand on his own record. At times he's stated that he's pro-life, and at times he's stated differently. That's something that's going to be coming out during the campaign."

Hunter Sees Immigration Message As Central To His Campaign. Rep. Duncan Hunter said on ABC's This Week (1/28, Stephanopoulos), "I believe in spreading freedom around the world. But, you know, we have to have enforceable borders and I think the message to America is, since 9/11, border security's not just an immigration issue now. It's primarily a security issue. … I've built a border fence in San Diego and I wrote the law that extends it across the southwest United States, and I think that

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resonates with the American people. It sure does here in South Carolina."

Huckabee To Launch White House Bid Today. The AP (1/29) reports, "Conservative Republican Mike Huckabee, seeking to repeat the success of another former governor from Hope, Ark., said Sunday he is taking the first step in what he acknowledged is an underdog bid for the White House in 2008. 'I think this is an opportunity to show the American dream is still alive and there's hope and optimism that can be awakened in a lot of people's lives if they think that a person like me can run and actually become president,' Huckabee told The Associated Press." Huckabee, "who took over as governor at the height of Bill Clinton's Whitewater scandal, comes from the same small town -- Hope -- in the same rural state as the former Democratic president."

Huckabee said on NBC's Meet The Press (1/28, Russert), "Tomorrow I'll be filing papers to launch an exploratory committee, and yes, I'll be out there. I think America needs positive, optimistic leadership to kind of turn this country around, to see a revival of our national soul, and to reclaim a sense of the greatness of this country that we love, and also to help bring people together to find a practical solution to a lot of the issues that people really worry about when they sit around the dinner table and talk at night. … I make no apology for my faith. My faith explains me. It means that I believe that we're all frail, it means that we're all fragile, that all of us have faults, none of us are perfect, that all of us need redemption. We are a nation of faith. It doesn't necessarily have to be mine. But we are a nation that believes that faith is an important part of describing who we are, and our generosity, and our sense of optimism and hope."

USA Today (1/29, Lawrence, 2.27M) reports "Huckabee's tenure as governor was marked by several ethics controversies. The state ethics commission cited him five times for violations involving unreported gifts and cash. As he left office he took heat for wedding-gift registries at two stores. He said they were set up by his wife's friends and were meant to provide housewarming gifts for the couple's new home."

The Washington Post (1/29, A4, Romano, 690K) says Huckabee is "perhaps best known for losing 100 pounds in two years." He "enters the race as a long shot, boasting little national name recognition and up against such high-profile and well-funded Republican candidates as Sen. John McCain (Ariz.), former Massachusetts governor Mitt Romney and former New York mayor Rudolph W. Giuliani."

Hagel Weighs 2008 Bid. Newsweek (2/5, Darman, 3.12M) profiles Republican Sen. Chuck Hagel of Nebraska, saying that "viewed from afar, the stuff inside Hagel looks like the stuff that makes Republican presidential candidates." But Hagel, "who as of late last week was in the final stages of weighing a presidential run, is never mentioned in the top tier of Republican candidates for one, simple reason: since the initial buildup to the war in Iraq, he has assailed the Bush administration's policy — in sharp words, in constant refrain and, most unforgivably, in public. His outburst last week was the culmination of a four-year campaign to raise public outrage about a war he's always considered disastrous. His stance has earned him the enmity of the White House." Asked about Hagel last week, Vice President Dick Cheney said: "I believe firmly in Ronald Reagan's 11th Commandment: THOU SHALT NOT SPEAK ILL OF A FELLOW REPUBLICAN. But it's very hard sometimes to adhere to that where Chuck Hagel is involved."

Iraq Continues To Vex 2008 GOP Candidates. Newsweek (2/5, Wolffe, 3.12M) reports, "At a time when congressional Republicans are turning against the war in growing numbers, the backing of the top 2008 contenders -- John McCain, Rudy Giuliani and Mitt Romney -- is a godsend. But for the candidates themselves, the strategy of carrying Bush's baggage seems politically reckless." McCain's "longstanding support for the war left him little choice but to back the president's latest surge plan, his aides say. Still, his repeated clashes with Bush give him some distance from the president." McCain's "rivals are struggling to match his gravitas on issues of war and peace. Giuliani's aides (speaking anonymously about the candidate's thinking) say he consulted with a dozen military and regional experts -- some pro-surge, some anti -- before supporting Bush's plan." Last year, Romney, "then the Massachusetts governor, was happy to criticize Bush's handling of the war. More recently he has tempered his comments." Just "one announced candidate has split with the GOP pack," Sen. Sam Brownback.

Time (2/5, Calabresi, Bacon, Cox, Carney, 4.03M) lists "8 Keys To The Campaign," such as the Iraq war, where "no position on either side is particularly safe; they are all gambles on a certain outcome in Iraq. If the situation on the

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ground stabilizes, the leading Republicans and Clinton will appear steady hands; if it deteriorates, Biden, Brownback and Edwards will look wiser." The second key is "money," the third "religion," the "Amazon factor" or book sales, the "last minute campaigns" of potential heavyweights such as Al Gore or Newt Gingrich, "recruiting the new gurus" to staff the campaign, "winning over the online activists," and the "New Faces."

Impact Of Frontloaded Primary Season Uncertain. In his Newsweek column (2/5), Jonathan Alter says, "The front-loading of primaries—meant to help pick a nominee quickly—may backfire." The "conventional view is that the schedule will favor candidates who can spend in big media markets." McCainiacs "were marveling last week over how few days will elapse between early contests in '08. They think this favors them. But should Brownback (from nearby Kansas), or Mike Huckabee (a former minister) resonate with Iowa's religious GOP caucusgoers, McCain could be in trouble there. Throw in a win for former Massachusetts governor Mitt Romney in next-door New Hampshire and McCain may have only a week to turn things around and get on the scoreboard in South Carolina."

NYTimes Criticizes Early Start To Presidential Race. The New York Times (1/29, 1.16M) editorializes, "This really is an election on hyperspeed." The "biggest factors, though, are money and an ever-compressed schedule. California, Illinois, Florida and New Jersey are all maneuvering to move up their primaries to next February. That has candidates rushing to lock up the big donors — and bypassing the public finance system." The "problem with the 23-month campaign is not just the fatigue it will inspire, but the effect on democracy. Bundlers — master fund-raisers who package individual contributions into big ones — will have even more power. There is no way to stop candidates from hurling their hats into the ring so early. But there are things that can, and should, be done."

McConnell, Ensign Seek To Curb '08 Retirements. Roll Call (1/29, Billings) reports, "Hoping to minimize their vulnerability in the upcoming election cycle, Senate Minority Leader Mitch McConnell (R-Ky.) and National Republican Senatorial Committee Chairman John Ensign (Nev.) are privately making the rounds to urge GOP colleagues to run again in 2008 — and backing the request with promises of strong support from the party." Twenty-one Republican-held seats "are up in 2008, nearly twice the number of Democratic seats that will be on the ballot. One Republican — Sen. Wayne Allard (Colo.) -- already has announced he will not run again next year." Senators and aides "privy to the closed-door conversations said McConnell and Ensign are making a strong and early sell to encourage their incumbents to seek another term. They also have vowed to provide incumbents with the resources necessary to mount a successful campaign, especially in competitive states where Democrats are likely to invest heavily, Republican sources said."

Roll Call (1/29, Drucker) reports Sen. Thad Cochran (R-Miss.), "under pressure from Senate Republican leaders to decide whether he'll run for re-election in 2008, is stepping up his fundraising activity and said Friday through a spokeswoman that he is leaning toward seeking a sixth term." But Cochran spokeswoman Margaret Wicker "said the Senator does not plan to make a formal decision until late this year or early 2008, but she indicated that the 69-year-old Mississippian is inclined to not disappoint his supporters who are encouraging him to run again." About "six Republican Senators have left the door open to retiring next year. But those six are part of a larger group of 19 out of the 21 GOP Senators up for re-election in 2008 who have indicated to the National Republican Senatorial Committee that they plan to stick around. Of the two who haven't given such assurances, Sen. Wayne Allard (Colo.) recently announced that he'll retire, while Cochran had been relatively noncommittal."

House GOP Examines Causes Of 2006 Losses At Retreat. The Washington Times (1/29, Bellantoni, 88K) reports House Republicans "spent most of their 48 hours at last week's retreat" in Cambridge, Maryland, "examining why they lost the congressional majority and trying to formulate a winning way forward." The 160 Republicans "attending the retreat heard from motivational speakers and peppered President Bush with questions about his Iraq policy during a private session with the commander in chief. Now, leaders say, it's time to prove Republicans understand the message voters sent in the November elections." Aides "noted a higher turnout than in recent years, with only about 40 of the chamber's 202 Republicans skipping the retreat. Several Republicans agreed members left Friday with a 'back to basics' mentality focusing on fiscal responsibility and conservative principles in homage to the party's roots."

Roll Call (1/29, Davis) reports, "Twelve years after he helped lead them into the majority following decades in the

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wilderness, it seemed fitting that ex-Speaker Newt Gingrich (R-Ga.) was the keynote speaker for the House Republicans' first retreat back in the minority." Gingrich "told his Republican brethren at the Hyatt Regency Chesapeake Bay on Maryland's Eastern Shore to challenge themselves to redefine and recapture the enthusiasm for the Republican Party." House Minority Leader John Boehner said, "It was Newt being Newt." Boehner "promptly" shot "down questions as to whether Republicans were seeking to create another document similar to the 'Contract with America.' 'No, no, no,' Boehner said." While Republican leaders "and the rank-and-file continue to promote the message of 'new ideas,' it appears they don't yet know where to start." One leadership aide "said the retreat was helpful in getting the Republican Conference as a whole to understand the reasons why the GOP lost the majority."

Democratic "Surge" In Mountain West Said To Be Overstated. In his Roll Call column (1/29), Stuart Rothenberg says, "More than a few journalists and political pontificators have noted recent Democratic gains in the Mountain West, which includes Wyoming, Idaho, Montana, Nevada, Utah, Colorado, Arizona and New Mexico. Some see those gains in 2004 and 2006 as shattering a reliable Republican region, while others argue recent wins are only the beginning of a Democratic rally that will continue in 2008 and beyond." But after "dissecting the historical data over the past 25 years and comparing it to election results from the past few cycles, it's very clear that not much is going on. I'm certainly not ruling out changes in 2008 or 2010, and I'm not saying that there have been no changes. But so far, the hype about a shift has overwhelmed the reality." The "evidence strongly demonstrates that there has been no Democratic surge in the region, even if the hyperbole makes for a better news story."

Sebelius Seen As Rising National Star. The AP (1/29, Hanna) reports Democratic Gov. Kathleen Sebelius of Kansas "is generating some buzz with her 58 percent re-election margin, glowing write-ups in national magazines and political chatter about her place on short lists for Cabinet posts should Democrats recapture the White House next year." Sebelius, "who's made her fortune in Kansas politics by winning over moderate Republicans, has even popped up in speculation about potential vice presidential nominees. And this year, she's chairwoman of the Democratic Governors' Association."

Motherhood Now Seen As Asset For Women Candidates. The New York Times (1/29, Toner, 1.16M) reports some women "were struck by the politics of maternity practiced by Speaker Nancy Pelosi and Senator Hillary Rodham Clinton in recent weeks, the imagery and stagecraft that highlighted their roles as mothers and/or grandmothers." For a "long time women seeking high office, particularly executive office, were advised to play down their softer, domestic side, and play up their strength and qualifications. Focus groups often found voters questioning whether women were strong enough, tough enough, to lead." Today, "many political strategists say women no longer have to be so defensive. Voters have grown more accustomed to women in powerful positions. And women like Ms. Pelosi and Mrs. Clinton, whatever other problems they may have, have been on the public scene long enough and are familiar enough players in the architecture of power that they no longer have to prove their strength day in and day out." Strategists say "motherhood and a focus on children can become one more political asset to be showcased — a way of humanizing a candidate and connecting with voters, especially other women."

Individual Health Insurance Policies Face Potential Revocation. USA Today (1/29, Appleby, 2.27M) reports on "a little-recognized fact about insurance purchased by individuals: Even after being approved, policyholders can see their coverage amended to exclude certain medical conditions or revoked entirely, sometimes long after the policies are issued." Insurers say "they rarely revoke policies, and generally do so only because of misleading or omitted information on applications. One large insurer, Blue Cross of California, says it revokes less than one-half of 1% of all individual policies each year. Requiring complete medical details and honesty on the part of applicants, insurers say, is necessary to control costs and weed out fraud."

Father Drinan, Former Congressman, Dies At 86. The New York Times/AP (1/29) reports the Rev. Robert F. Drinan, "a Jesuit who served in Congress for 10 years until stepping down in response to a papal order, died Sunday. He was 86 and lived here in housing for the

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Georgetown University Jesuit community. A university statement Sunday night said Father Drinan had recently been ill with pneumonia and congestive heart failure." Drinan, an "internationally known human rights advocate," represented Massachusetts "in the House of Representatives for 10 years in the 1970s, stepping down only after a worldwide directive from Pope John Paul II barring priests from holding public office." Drinan "became the first member of Congress to call for the impeachment of President Richard M. Nixon — although the call was not related to the Watergate scandal, but to what Father Drinan viewed as the administration's undeclared war against Cambodia."

US Said To Be Moving Towards Political "Royalism." In a Wall Street Journal op-ed (1/29, A17), Michael Barone says, "To compare our political struggles to the conflicts between rival dynasties may be carrying it too far. But we have become, I think, a nation that is less small-r republican and more royalist than it used to be. Viscerally, this strikes me as a bad thing. But as I've thought about it, I've decided that something can be said for the increasing royalism of our politics. And whether you like it or not, you can't deny it's there. Not when the wife of the 42nd president is a leading candidate to succeed the 43rd president who in turn is the son of the 41st president. The two George Bushes are referred to in their family, we are told, as 41 and 43. If Hillary Clinton wins, will she and her husband call each other 42 and 44?"

Saudi King Urges Palestinian Factions To Talk. NBC Nightly News (1/28, story 4, 2:00, Seigenthaler, 9.87M) reported, "Once again, Palestinians were fighting each other today. The two factions, Hamas and Fatah, struggling for power are on the verge of civil war." NBC (Fletcher) added, "Street battles between Palestinians in Gaza for the fourth straight day, but no pictures of the fighting. Gunmen threatened to shoot the cameramen. Fifty-three Palestinians were killed by Palestinians in Gaza in January alone -- at least 25 in the last four days" and "they are kidnapping each other too" -- "more than 80 kidnapped in January, none have been harmed and most released. Leaders from both sides have appealed to end of the months of fighting but it is part of a bigger picture, a power struggle between those who want an Islamic state against those who want a western secular state. The fundamentalists are backed and financed by Iran."

The AP (1/29, Barzak, El Deeb) reports as the violence continued, Saudi Arabia's King Abdullah "urged Palestinian rival factions Sunday to hold talks" in Mecca. Abdullah called the factional fighting a "shame" that "has undermined the Palestinian cause," Saudi Arabia's official news agency reported. Both sides "welcomed the Saudi king's offer but did not say when talks might be held."

The New York Times (1/29, A3, Myre, 1.16M) reports the recent violence in Gaza is "some of the worst ever Palestinian internal fighting." The Times also notes that Saudi Arabia "does not have a tradition of such direct involvement in Palestinian affairs. But as one of the most important figures in the Arab world the king, by his decision to hold the talks in Mecca, could increase the pressure on the Palestinian leaders to find a compromise."

The Financial Times (1/29, Devi) says the violence also "threaten[s] to overshadow a meeting this week "of the Quartet. Representatives of the United States, European Union, Russia and United Nations are due to meet in Washington on February 2 to discuss the stalled peace process.

Malaysian PM Sys US Mideast Policies "Radicalize" Moderate Muslims. The Financial Times (1/29, Peel) reports Malaysian Prime Minister Abdullah Badawi warned that "moderate Muslim countries face a greater threat from terrorism than western countries, but all nations must urgently address the causes of that terrorism instead of concentrating on the symptoms." Speaking as chairman of the 57-nation Organization of the Islamic Conference, Abdullah said governments in the Islamic world were being "undermined by their failure to influence the US and the United Nations in enforcing resolutions calling for an end to Israeli occupation of Palestinian land" and that world Muslim opinion "had been radicalized by western policies in the Middle East," including the invasion of Iraq.

White House Worries Hizbullah Terrorist Resuming Activity. Newsweek (2/5, Hosenball, Bahari, Chen, 3.12M) reports in its "Periscope" column, "Before Osama bin Laden, there was Imad Mughniyeh. The Lebanese terrorist from Hizbullah was considered the most dangerous in the world. Now the White House worries that he's back, after years of lying low." Four "serving U.S. intel and counterterrorism officials" said "Mughniyeh is prominent in recent reporting from the field about Hizbullah activity.

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Bruce Riedel, a veteran Mideast expert recently retired from the CIA, told NEWSWEEK there is 'no question he is heavily involved in [formulating] terrorist contingency plans in case of a U.S.-Iran confrontation.'"

State Department To Report On Israeli Arms Use. In continuing coverage of news reported Sunday by the New York Times, USA Today (1/29, 9A, 2.27M) notes the State Department today will deliver to Congress a "preliminary" report "on whether Israel misused American-made cluster bombs in civilian areas of Lebanon during a 34-day war with Hezbollah militants last summer." State Department spokesman Kurtis Cooper "said the report doesn't make a final judgment," noting that the department is "required to notify Congress of even preliminary findings of possible violations of the Arms Control Act."

Israeli Cabinet Approves First Muslim Minister. The Washington Post (1/29, A12, Wilson, 690K) reports Israel's cabinet Sunday approved "the first Arab Muslim minister of the Jewish state, a milestone marked…mostly by bitter criticism of what many lawmakers viewed as a politically motivated selection." Raleb Majadele, a Labor Party legislator, was approved "by a wide margin as minister without portfolio" in Prime Minister Ehud Olmert's cabinet. Balad, one of several Arab parties that denounced Majadele's appointment, said in a statement that his service in the cabinet "would give a seal of approval to the policy of racial discrimination against Arabs."

Olmert Weighing Removal Of West Bank Settlements. Time (2/5, McGirk, 4.03M) reports the "evacuation of Gaza was supposed to be the first step in Israel's 'disengagement' from the Palestinians, followed by withdrawal from settlements in the more historically and strategically important West Bank. Those plans were shelved last year by Prime Minister Ehud Olmert, as conflicts with militants from Hizballah and Hamas soured many Israeli officials on the idea of giving up any more ground." But Olmert is "weighing a pullout again. The Bush Administration has signaled a new determination to forge a comprehensive peace between Israel and the Palestinians. And the success of those negotiations will hinge in part on whether Olmert's government can sustain support for dismantling the West Bank settlements, more than 40% of which have been built illegally on private Palestinian land, according to Peace Now, an Israeli pacifist group." It "won't be easy. Polls show that a thin majority of Israelis want to get rid of settlements. But Olmert's dismal approval ratings have forced him into a marriage of convenience with the pro-settlement right wing."

Lebanese Fear Violence May Rise Beyond Control. The Christian Science Monitor (1/29, Peterson, 59K) reports, "The political standoff between the government and opposition, simmering for two months, has taken an increasingly violent and sectarian turn in the past week, exposing long-dormant divisions between Lebanon's Sunnis and Shiites, and rival Christian factions." Thursday's violence was "more shocking to many Lebanese, because the spark was apparently so small" -- a skirmish at a university cafeteria. And "though it was quiet over the weekend, many Lebanese spoke of mistrusting politicians and concern that tension is rising beyond their ability to control the street." The Monitor warns that "specter of renewed conflict could mar the ambitions of both Lebanese camps and jeopardize a transformation that has rebuilt Beirut from the ashes of civil war."

Middle East "NATO" Seen As Way To Combat Islamic Extremists. In a column in Time (2/5, 4.03M), Walter Isaacson says, "Faced with a new global threat, that of terrorism from Islamist extremists, we could sure use some…creative and bold thinking" that led to institutions such as NATO, the World Bank, and the Marshall Plan. What "would George Marshall and Dean Acheson be doing now? At the top of their list, I suspect, would be forging a new version of NATO. They might call it MATO: The Mideast Antiterrorism Organization, a military, police, intelligence and security mutual-defense alliance between the West and our moderate allies in the Middle East."

US, North Korea To Resume Financial Talks. The AP (1/29, Lederer) reports a senior Treasury official "said the groundwork has been laid for US-North Korea talks Tuesday on US financial restrictions against the North's alleged smuggling and counterfeiting." US Deputy Treasury Secretary Robert M. Kimmitt said the talks will resume in Beijing at North Korea's request. In an interview Saturday in Davos, Kimmitt said, "I would say these talks are proceeding in a business-like fashion. I think progress is being made on the technical understanding on both sides." In a sign of "stepped-up diplomacy" with Pyongyang, the US-North Korea talks will be "quickly followed in early February" by another round of six-party talks.

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China Anti-Satellite Missile Test Seen As Threat. Time (2/5, 4.03M) reports in its "Notebook" column, "China's successful antisatellite-missle test Jan. 11 carries potential implications for the international community, which has collectively placed at least 316 satellites within the missile's proven range (528 more orbiters, such as GPS and early-warning satellites, fly even higher)." At issue "are military surveillance satellites -- the very ones that detected Beijing's test -- which represent only 6% of the total number but almost all of which fly within reach. Until now, only Russia and the U.S. have downed space objects, and despite Beijing's assurances that the test was not adversarial, the U.S. sees a threat to its spy satellites -- and a possible catalyst to a space arms race."

15 Years Later, Causes Of Salvadoran Civil War Questioned. In a front page article, the Washington Post (1/29, A1, Roig-Franzia, 690K) reports "as El Salvador commemorates the 15th anniversary" of its civil war's end this month, the war that was "defined at the time as a battle over communism is now seen by former government soldiers…and by former guerrillas, as less a conflict about ideology and more a battle over poverty and basic human rights." Former government soldiers today see that "for all their sacrifices, El Salvador is still among the poorest countries in the Western Hemisphere -- more than 40 percent of Salvadorans live on less than $2 a day, according to the United Nations. The country is still racked by violence, still scarred by corruption," leaving some to ask: "Was it all worth it?"

Davos Forum Seen As "Glimpse" Of Future With Weaker US. In his Newsweek column (2/5), Newsweek International editor Fareed Zakaria says, "Two things were missing from this year's world Economic Forum at Davos: snow (which arrived eventually) and America-bashing (which did not)." For the "first time in my memory, America was somewhat peripheral. There were few demands, pleas, complaints or tantrums directed at the United States. In this small but significant global cocoon, people -- for the moment at least -- seemed to be moving beyond America." A European who advised the Forum said, "There has always been a talk by a senior American official as one of the centerpieces of the Forum. And in the past, people eagerly anticipated who that would be -- Colin Powell, Dick Cheney, Condoleezza Rice. This year, almost no one inquired. We expected disappointment. But there was none. No one even noticed." We "might also be getting a glimpse of what a world without America would look like. It will be free of American domination, but perhaps also free of leadership -- a world in which problems fester and the buck is endlessly passed, until problems explode."

Cameron Gives Conservatives Reason For Optimism. Time (2/5, Mayer, 4.03M) profiles David Cameron, leader of Britain's Conservative Party, whose "telegenic appeal has propelled the Tories to a consistent lead in opinion polls for the first time since Tony Blair's 1997 victory. That has infused Britain's Conservatives with a sensation so unfamiliar, they barely recognize it: optimism. Giddy at this turn of fortune, some are already mythologizing the man behind it. Iain Dale, who writes a Conservative blog, speaks of Cameron's 'Kennedyesque glamour.'" But the "person whom Cameron resembles more than any other is a young Blair. He has the same brow-furrowing desire not only to understand his interlocutors but to empathize with them; the same rootless accent that in Britain indicates an easy start in life (in his case, school days at Eton and a degree from Oxford). And like Blair a decade ago -- when he was dumping his party's traditions to appeal to a wider constituency -- Cameron inspires suspicion as well as excitement."

WSJournal Urges China To Create More Capital Freedom. In an editorial, the Wall Street Journal (1/29, A16, 2.04M) writes, "For Wall Street, the big news out of China this month is that the country will 'actively explore and expand the channels and methods for using foreign-exchange reserves.'" In "yet another scene in the Party's balancing act between economic liberalization and state control," the Communist Party "might hive off a big chunk of its $1 trillion stash and invest abroad on behalf of its citizens, a la Singapore's Government Investment Corporation," which the Journal says "may be a boon for bankers, but it's not necessarily a smart idea for China." Instead of "creating an opaque government institution to manage reserves," the Journal says China "would do better to tackle the root problem: the need for more capital freedom."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Trove Of Letters Shows Einstein's Human Side."
"Afghan War Takes A Toll On Canada."
"Woman's Crusade Against Bar Spawns Free Speech Case."
"Attack Ads Go Online And Underground."
"Hundreds Die In Clash Near Shiite Holy City."
"Mexico's Willing Drug Fighter."

USA Today:

"People Left Holding Bag When Policies Revoked."
"146 U.S. Levees May Fail In Flood."
"Where They Are."
"Pelosi, Two Other Democrats Failed To Disclose Roles In Family Charities."

New York Times:

"Iranian Reveals Plan To Expand Role In Iraq."
"250 Are Killed In Major Iraq Battle."
"'Man Down': When One Bullet Alters Everything."
"Women Feeling Freer To Suggest 'Vote for Mom'"
"In Los Angeles, Antigang Efforts Start On The Street"
"Levi's Turns To Suing Its Rivals"
"Feeding Frenzy For A Big Story, Even If It's False".
"Money Trail Often Murky In Small-Town Courts."
"Sinn Fein Endorses Plan For Ulster Police Reforms."

Washington Post:

"What Would It Take To Clean Up The Bay By 2010?"
"Iraqis Raid Insurgents Near Shiite Holy City."
"Former Salvadoran Foes Share Doubts On War."
"Mixed Reviews For Clinton In Iowa."
"For Negroponte, Move to State Dept. Is a Homecoming."

Washington Times:

"GOP Getaway Focuses On Return To Roots."
"Landscape Changes For Illegal Alien Jobs."
"250 Militants Slain In Fight Near Najaf."
"Bow To Diversity Leaves Altar Empty."
"Hillary Defends Her Vote On War."
"Medium Is Message For '08 Runs."

Detroit Free Press:

"Unheeded Warnings."
"Millions At Stake In Name Of Parks."
"Insurgent Plans Likely Thwarted."

Atlanta Journal-Constitution:

"The Squeezing Of Milton."
"'She's Alive!' Duck's Luck Holds Up Again."
"Muslims Slam TV portrayals As Unfair."
"Mayor's Return To Alabama A Strike Against Voter Fraud."

Houston Chronicle:

"Lawmakers Cool To Governor's Rebate Idea."
"Mirren, Whitaker Take Honors At SAG Awards."
"300 Iraqi Insurgents Killed; U.S. Copter Crashes."
"Experts Warn Of Texas High School Dropout Crisis."
"NASA Spacecraft Speeding To 2015 Date With Pluto."
"Hispanic Chamber Losing Sight Of Duty, Some Say."

Story Lineup From Last Night's Network News:

ABC: Preempted By NBA Basketball.
CBS: Preempted By PGA Golf.
NBC: Iraq-US Helicopter Shot Down; Congress-Iraq Debate; Senator Clinton-Campaign Trail; Violence In Palestine; Mountain Lion Attack Survivor Speaks; Barbaro Faces Setback; Royal Family-US Visit.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Israel-Bakery Bombing; Fighting In Najaf, Iraq; San Antonio, TX-Senators McCain Clinton To Attend Military Rehabilitation Facility Opening; IA- Sen. Clinton; Huckabee Forming Presidential Exploratory Committee; Tokyo Stock Exchange.
CBS: Fighting In Najaf, Iraq; Senate-Iraq Resolution; Reverend Robert Drinan Obit; MI-Freeway Accident; Israel-Bakery Bombing; Israel-Muslim Arab Cabinet Minister; Fox News To Broadcast Outtakes From "The Path To 9/11"; Sinn Féin Votes To End Police Boycott; Prince Charles-Harlem.
NPR: Fighting In Najaf, Iraq; Senate-Iraq Resolution; Iraq-Baghdad-Market Bomb Blast; Gunmen Form Hamas, Fatah Fighting In Palestine; Saudi Arabia To Mediate Talks Between Hamas, Fatah Leaders; Israel-Bakery Bombing; Sinn Féin Votes To End Police Boycott; UN Secretary General-Sudanese President; Guinea-Strike; SAG Awards.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

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US House: No Scheduled Events.

Other: AIR TRAFFIC CONTROLLERS _ The National Air Traffic Controllers Association (NATCA) National Legislative Committee holds a Washington conference. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

SCHOOL BOARDS _ The National School Board Association holds its annual Federal Relations Network Conference. Highlights: 9:45 a.m. Sen. Edward Kennedy, D-Mass., chairman of the Senate Health, Education, Labor and Pensions Committee, will outline his priorities and new ideas for the education agenda in the 110th Congress as well as his proposed changes to the No Child Left Behind law for the upcoming reauthorization. 2:45 p.m. Secretary of Education Margaret Spellings will discuss the reauthorization of the No Child Left Behind Act and take questions from school board members. 3:30 p.m. - 5 p.m. A panel of Congressional Members will present their educational priorities for the 110th Congress. Participants: Reps. James Clyburn, D-S.C., House Majority Whip; Mike Castle, R-Del., Ranking Member, Subcommittee on Early Childhood, Elementary and Secondary Education; and Dale Kildee, D-Mich., Chairman, Subcommittee on Early Childhood, Elementary and Secondary Education. Location: Grand Hyatt Hotel, Independence A Room, 1000 H St. NW.

NUCLEAR WEAPONS _ 9:30 a.m. The Johns Hopkins School of Advanced International Studies (SAIS) hosts a program on nuclear weapons. Max Kampelman, leader of the US negotiating team with the Soviet Union from 1985 to 1989, will deliver the keynote address about ``Zero Nuclear Weapons." Following the address, Strobe Talbott, president of the Brookings Institution, will moderate a panel discussion titled ``The Future of Nuclear Weapons." Panelist: Thomas Graham Jr., former special representative of the president for arms control, non-proliferation and disarmament; Avis Bohlen, former assistant secretary for arms control; and Christopher Chyba, professor of astrophysical sciences and international affairs at Princeton University. Location: Kenney Auditorium, first floor, Nitze Building, 1740 Massachusetts Ave. NW.

ROBOTICS _ 10 a.m. Commerce Secretary Carlos M. Gutierrez visits a Maryland High School to view a student robotics program, and will highlight the importance of math and science education in maintaining a competive and innovative workforce. Gutierrez will be joined by NIST Director William Jeffrey; Montgomery County Public Schools Superintendent D. Jerry Weast; and Magruder High School students. Location: Col. Zadok Magruder High School, Technology Education Room, 5939 Muncaster Mill Road, Rockville, Md.

CHINA/ANTI-SATELLITE _ 12 p.m. Sen. Jon Kyl, R-Ariz., speaks on the implications of China's recent test of an anti-satellite weapon. Location: Heritage Foundation's Lehrman Auditorium, 214 Massachusetts Ave. NE.

HOMELAND SECURITY _ 12 p.m. Rep. Bennie G. Thompson, Chairman of the Committee on Homeland Security, rolls out his committee agenda for the 110th Congress. Location: City View Room, 7th floor, 1957 E St. NW.

IMMIGRATION _ 12 p.m. Immigration experts Douglas Massey of Princeton University and Jeffrey Passel of the Pew Hispanic Center hold a briefing on contradictions in U.S. immigration policy. Location: Room SC-4, Capitol.

MIDEAST-CLERICS _ 12 p.m. A delegation of Jewish, Christian and Muslim religious leaders hold a news briefing following a meeting with Secretary of State Rice to suppose increased US engagement in achieving Mideast peace. Location: C St. Entrance, State Department.

MEDICARE-RACIAL _ 12:15 p.m. - 2 p.m. The Alliance for Health Reform and the National Academy of Social Insurance co-sponsors a briefing, ``Bridging the Divide: Medicare's Role in Reducing Racial and Ethnic Disparities." Panelists include: Renee Landers, Suffolk University Law School; Carolyn Clancy, Agency for Health Research and Quality; and Peter Bach, Centers for Medicare and Medicaid Services. Location: Room G-50, Dirksen Senate Office Building.

AVIAN FLU _ 12:30 p.m. The Society for International Development holds a panel discussion on Avian flu, with Susan Zimicki and Silvio Waisbord, both of the Academy for Educational Development, and Kathryn Kohler Banke, of Abt Associates. Location: 3rd floor, Academy for Educational Development, 1875 Connecticut Ave. NW.

GRAY WOLVES _ 1:30 p.m. Deputy Interior Secretary Lynn Scarlett and Fish and Wildlife Service Director H. Dale Hall hold a telephone press conference to make ``major" announcements related to the status of gray wolves in the Western Great Lakes and Northern Rocky Mountain regions under the Endangered Species Act. Contacts: David Eisenhauer, 202-208-5634. Notes: Callin number: 888-426-8929, Passcode: Wolf. Credentialed media only.

BUDGET PROJECTIONS _ 2 p.m. The Center on Budget and Policy Priorities holds a telephone conference

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call briefing to release a major new set of long-term federal budget projections that cover years through 2050. Contacts: Michelle Bazie, 202-408-1080.

IRAQ WAR BOOKS _ 2 p.m. - 4 p.m. Rep. Maxine Waters, D-Calif., chair of the ``Out of Iraq'' Congressional Caucus; and Barbara Lee, D-Calif., and Lynn Woolsey, D-Calif., co-Chairs of the Congressional Progressive Caucus, host a book fair and roundtable discussion with the leading authors of books on the Iraq war. These include: Aaron Glantz, author of ``How America Lost Iraq;'' Rajiv Chandrasekaran, ``Imperial Life in the Emerald City;'' Ms. M. M. Chantiloupe, author of ``Iraq: The War That Shouldn't Be - You Decide;'' David J. Danelo, ``Blood Stripes: The Grunt's View of the War in Iraq;'' Christian Parenti, ``THE FREEDOM: Shadows and Hallucinations in Occupied Iraq;'' Anthony Arnove, ``Iraq: The Logic of Withdrawal;'' and John Prados, Hoodwinked: The Documents that Reveal How Bush Sold Us a War.'' Location: Room 1100, Longworth House Office Building.

O'REILLY-MISSILE DEFENSE _ 2 p.m. - 4 p.m. Brig. Gen. Patrick J. O'Reilly, deputy director of the Missile Defense Agency, speaks at a George C. Marshall Institute Washington Roundtable on Science and Public Policy. Topic: ``Current Status and Future Developments for U.S. Missile Defense.'' Location: National Press Club, Holeman Lounge.

BLIND-ELECTRONIC VOTING _ 5 p.m. Rep. Rush Holt addresses a seminar of the National Federation of the Blind on electronic voting machines and security concerns, and access by the blind. Location: Columbia room, Holiday Inn Capitol Hill, 550 C St. NW.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, JANUARY 29, 2007 7:45 AM EST**

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TERRORISM NEWS:

Scolinos Defends Administration's Surveillance Authority. In an op-ed published in the Fort Worth Star-Telegram (1/29), Justice Department Public Affairs Director Tasia Scolinos writes, "Because your Jan. 22 editorial ('A case of whiplash') on the Terrorist Surveillance Program (TSP) and the Foreign Intelligence Surveillance Court might have left readers with inaccurate impressions, I offer this response:" Scolinos continues, "First, the TSP falls well within President Bush's constitutional authority, recognized and supplemented by Congress in the aftermath of Sept. 11, 2001, to protect Americans by intercepting the international communications of a lethal enemy. … Second, the Justice Department began exploring options for FISC approval of the collection of international al Qaeda communications into and out of the United States in the spring of 2005, well before the first media accounts disclosing the existence of the TSP. … Accordingly, under these circumstances, the president has determined not to reauthorize the TSP when the current authorization expires. … Third, the attorney general directed department officials to brief the Senate and House Intelligence committees, as well as other key members of Congress, on the new orders. Although the existence of these orders has been made public, their contents remain highly classified. The disclosure of such information could reveal to our enemies aspects of our intelligence capabilities and allow them to evade detection." Scolinos adds, "The intelligence community has confirmed the value of the TSP in providing us with information that we would not otherwise have had and has confirmed that these new orders will fulfill that crucial function. The attorney general and the Justice Department are committed to fighting terrorism and using all lawful tools to protect our nation in a manner that respects and preserves the civil liberties of all Americans."

US To Try Iraqi-Born Dutch Citizen On Terror Charges. CNN (1/29) reports, "The United States on Sunday was detaining an Iraqi-born Dutch citizen, extradited by the Netherlands' government, for allegedly conspiring to kill U.S. citizens in Iraq, the Dutch Justice Ministry said." CNN continues, "Iraqi native Wesam al-Delaema, 33, arrived on a Dutch plane Saturday and is the first suspect to face criminal charges in a U.S. court for alleged terrorist involvement in the violent Iraqi insurgency, Justice Ministry spokesman Ivo Hommes said." CNN adds, "The U.S. government charged him with possession of explosives and conspiracy to kill U.S. citizens in an attack. The Justice Ministry said intelligence revealed that al-Delaema traveled to Iraq and met up with "Mujahedeen from Falluja" in 2003 and conspired with the group to conduct terrorist activities. … He was arrested by Dutch officials in May 2005 on terrorism-related charges. The Justice Department said the Netherlands placed al-Delaema in extradition custody in response to a preliminary U.S. request. … Before releasing him into U.S. custody, Hommes said Dutch officials negotiated certain terms with U.S. officials." CNN notes, "Both sides agreed that al-Delaema would not be tried for charges outside the current six-count indictment, and that he would be tried in a federal court, not by a military commission, where he might have fewer civil rights."

Lieberman "Disappointed" With Reid, Pelosi Reaction To "War Council" Proposal. Sen. Joseph Lieberman said on Fox News Sunday (1/28, Wallace), "I was really disappointed with the reaction of Speaker Pelosi and Sen. Reid to the President's offer or invitation to have essentially a bipartisan war council, and it's a war on terror council. I talked with the President about this, and he said to me at one point in December when I met with him before -- John McCain and I were going over to Iraq. He said to me you know, it's obvious that we're not going to be able to have the broad bipartisan consensus I hoped we would have on Iraq, but we need to build that consensus on the larger war against the Islamist terrorists who attacked us on 9/11, because this is going to go on for a generation."

HOMELAND RESPONSE:

Hopes Rise For Congressional Ban On Racial Profiling. The AP (1/29, Frommer) reports, "The repercussions of an airline's decision to remove a group of imams from a commercial flight in Minneapolis could be heard in Congress this year, where newly dominant Democrats are ready to consider a national ban on racial profiling." The AP continues, "The incident happened in November, made national news and reinvigorated an old proposal that got little attention from the GOP. But now a champion of the legislation, Rep. John Conyers, D-Mich., is chairman of the House Judiciary Committee, which has jurisdiction on the issue. Sen. Russ Feingold, D-Wis., who sponsored legislation to ban racial profiling in the last Congress, now chairs the Judiciary subcommittee on the Constitution. … 'I'm convinced that once the body of evidence of racial profiling occurring in our nation is presented before the U.S. Congress and the American people, that indeed they'll be compelled to do something about it,' said Hilary Shelton, director of the NAACP's

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Washington Bureau." The AP adds, "Shelton said that the issue lost traction after the Sept. 11 attacks, when the nation was focused on security. … 'Many would argue that it's been exacerbated since 9/11, and we thought it was a tremendous problem before that,' Shelton said. He said he's spoken about the issue with Conyers and is hopeful for action on legislation soon - perhaps as early as next month. Conyers declined to comment for this story. … Civil rights groups renewed their push for the legislation after last November's incident, in which US Airways barred six imams from a Minneapolis to Phoenix flight. The imams, returning from a religious conference, had prayed on their prayer rugs in the airport before the flight. After boarding, a passenger, who said she overheard anti-U.S. statements, passed a note to a flight attendant. The men were taken off the airplane, handcuffed and questioned. They were later released." The AP notes, "Justice Department spokesman Cynthia Magnuson declined to comment specifically on the bill, but did say: 'In 2003, the department issued policy guidance to ban federal law enforcement officials from engaging in racial profiling in response to the president's directive that racial profiling is "wrong and we will end it in America." We continue to work toward this goal.'"

NYTimes Says "Small Group" Of 9/11 Families Should Not Be Catered To On Memorial. The New York Times (1/29, 1.16M) editorializes that "a compromise engineered last month by Mayor Michael Bloomberg" on how to place the names of the dead at the 9/11 memorial has satisfied "nearly everyone, including most of the 9/11 families." However, "a small group of victims' families has regrettably decided to mount a public campaign against the compromise." The Times says it fears that the group's efforts "to discourage contributions to the memorial until the victims' names appear exactly the way they want them, listing the age, corporate affiliation and floor on which each person worked," is going to "add to the distress of other families who have been waiting for years for what is, after all, a public memorial." The Times states, "As painful as the private loss of this small group of mourners is, it must be accommodated as part of the larger public loss."

146 US Levees Listed As Inadequate. USA Today (1/29, 1A, Eisler, 2.27M) reports, "The Army Corps of Engineers has identified 146 levees nationwide that it says pose an unacceptable risk of failing in a major flood. The deficiencies, mostly due to poor maintenance, are forcing communities from Connecticut to California to invest millions of dollars in repairs," or run the risk of FEMA determining that the levees "are no longer adequate flood controls." The corps' levee inspection program "has grown more aggressive since Hurricane Katrina overwhelmed levees across the Gulf Coast in August 2005." USA Today adds that the list provided by the corps identified only "how many faulty levees have been found in each state," but says it has filed a request for a list of the 146 specific locations under the Freedom of Information Act.

ICF Criticized Over Handling Of Road Home Program. The Washington Post (1/29, D1, Merle, 690K) reports that since Fairfax-based ICF was chosen by Louisiana's Office of Community Development to run the Road Home program, the company has been accused "of moving too slowly, paying its lawyers too much and valuing homes too low. The company's performance has been criticized by Donald Powell, federal coordinator of Gulf Coast rebuilding, and the Louisiana House and Senate have called for the contract to be canceled and for an audit of the company's $19 million in travel expenses." The Post adds that "the most significant complaints about the ICF have centered on the pace of the program." Gov. Kathleen Blanco "said she has given ICF 'a lot of leeway' and will meet with company officials soon to gauge when the bottleneck will be relieved and to ensure that ICF's 22 subcontractors also have a sense of urgency."

Week-Long Effort Underway To Bring Medical Care To New Orleans' Uninsured. The Washington Post/AP (1/29, A8, McConnaughey) reports, "Hundreds of people still without health insurance in areas hit hard by Hurricane Katrina lined up before dawn Sunday for the start of a week-long event offering free medical care." The fair, which "is open to anyone from the New Orleans area," but aimed specifically "at those who no longer have insurance," is the result of "a collaboration by Pat Robertson's Operation Blessing International and Remote Area Medical, which organizes volunteer medical treatment in remote parts of the United States and the world. While most people wouldn't consider New Orleans remote, the city is, 'since Hurricane Katrina, extremely remote from a medical and health-care infrastructure,' said Karen Wilson, executive director of the Remote Area Medical Foundation."

WAR NEWS:

Specter Comes Out Against Bush Iraq Plan. The New York Times (1/29, Rutenberg, 1.16M) reports, "Republican allies of the White House argued on the Sunday news programs that resolutions critical of President Bush's new Iraq plan being considered by the Senate would embolden insurgents and demoralize American troops." On ABC's This Week (1/28), for example, GOP Senator Richard G. Lugar, said the resolutions were "not helpful" to the new US commander, Lt. Gen. David H. Petraeus, or "to the troops, to the Iraqis." These resolutions, he added, "are an opportunity for people to vent their emotions, their thoughts,

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get it on record. Some Republicans want to do that. Some Democrats want to do that. I don't believe that it's helpful right now to show there's disarray around the world as well as in our body at home." However, USA Today (1/29, Schouten, 2.27M) says Republicans "were faced with counterpoint arguments not only from Democrats but also from other Republicans." GOP Sen. Sam Brownback, "a Republican presidential contender, said he was considering voting for a resolution criticizing the plan." And Sen. Arlen Specter, Republican of Pennsylvania, said on CBS' Face The Nation (1/28, Schieffer), "I cannot support sending additional troops to Iraq. … The plan is not working because it requires Iraq to do some things which Iraq doesn't have the will or the capability to do -- that is, to stifle the sectarian disagreements and also to secure Baghdad." The Financial Times (1/29, Guha) also says "support for…Bush's strategy to inject more troops into Iraq frayed further on Sunday, ahead of a week in which Congress is expected to distance itself formally from the plan."

USA Today (1/29, 2.27M) reports some Republicans who oppose the anti-surge resolutions would instead "set benchmarks for the Iraqi government." Senate Minority Leader Mitch McConnell "said such benchmarks would send a strong signal to Iraqis. 'If someone like me, who has been the strongest supporter of the president you could find in the Senate on this effort, is saying this is the last chance for the Iraqis, I think that ought to help them get the message (that) this is the last chance,' he said Sunday on CBS' Face the Nation." The Los Angeles Times (1/29, Barnes, 850K) notes Sen. John McCain, "one of the strongest supporters of the troop buildup, is…crafting an alternative measure that would call for benchmarks against which to measure the Iraqi government." McConnell "said if there had to be a resolution, he would push for one like McCain's."

McConnell, on CBS' Face The Nation (1/28, Schieffer), also said, "I think I can pretty well speak for virtually all Republican senators when I say this is the last chance for the Iraqis to step up and do their part. This effort to quiet Baghdad is absolutely essential. If you don't have a relatively calm capital city, there's no chance the government can function properly."

With the notable exceptions of Brownback and Specter, Republicans generally defended Bush's plan in the Sunday talk shows. Sen. David Vitter said on NBC's Meet The Press (1/28, Russert), "I'm supporting the President's plan, and I'm strongly encouraging some add-ons -- specifically, I think we should be stronger and clearer about benchmarks. And John McCain is working on a resolution about that that I expect to support. Secondly, I think we should embrace and support a regional diplomatic conference which would include Iran and Syria. That's not bilateral talks with them directly with us, but a regional diplomatic conference. … And then third, I certainly agree with Chuck Hagel about one thing: We need to go over and over and over the issue of, is this new troop level enough to make a difference. Because I think, clearly, we've been wrong in the past about the adequacy of troop levels."

Sen. Jon Kyl said on CNN's Late Edition (1/28, Blitzer), "The reality is that there is violence all over Iraq that can be quelled if Iraqis are properly trained and if the United States stays for awhile to help them do that. Nobody believes the Iraqi military could stand on its own today. And so the question at the end of the day is, do we pull out, do we leave, leaving Iraq a failed state Because nobody believes the Iraqis themselves can create the stability, regardless of where it's coming from, or do we stay long enough to create that stability for the political conditions to exist?"

Rep. Duncan Hunter said on ABC's This Week (1/28, Stephanopoulos), "I think the American people have some patience. … This plan is being carried out right now. The idea that Congress is going to sit back and talk about cutting off reinforcements, that disserves the mission and I think it disserves the soldiers that are over there." A resolution opposing the surge "provides cover for people who may be running for reelection, but it doesn't do anything substantive with respect to the fight, because the troops are already going."

Ex-Gov. Mike Huckabee said on NBC's Meet The Press (1/28, Russert), "We did a great job of going in and toppling Saddam Hussein. The tough part has been bringing some sense of stability there. And so it's been a struggle for the President." The Washington Post (1/29, A4, Romano, 690K) reports Huckabee "said yesterday that he supports…Bush's position on the Iraq war." The New York Times (1/29, Toner, 1.16M) quotes Huckabee saying of the Bush plan, "He's got to be given the opportunity to do his job."

Meanwhile, the AP (1/29) notes Vice President Cheney "shot back at Republican Sen. Chuck Hagel of Nebraska, who has accused the Bush administration of playing 'a pingpong game with American lives' by sending more US troops into Iraq." Said Cheney, "Let's say I believe firmly in Ronald Reagan's 11th commandment: Thou shalt not speak ill of a fellow Republican. … But it's very hard sometimes to adhere to that where Chuck Hagel is involved."

Novak Says Biden Resolution May Not Even Get Simple Senate Majority. Robert Novak, in a column running in today's Washington Post (1/29, A15, 690K), writes that Sen. Joseph Biden planned "to sit down over the weekend with his longtime Republican colleague Sen. John Warner and hammer out a consensus, bipartisan resolution opposing President Bush's troop surge in Iraq. But Warner, who has been making backroom deals for 28 years in the Senate, informed Biden late on Thursday: No deal." Warner "wrote that the 'will of the Senate' should be determined in 'open' session, not closeted negotiations. That killed the Democratic leadership's dream of passing a Biden-crafted anti-surge

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resolution by 70 votes or more. Such a proposal now cannot get the 60 votes needed for cloture to end a filibuster (and could fall short of the 50 needed for a simple majority). Conceivably, the Senate might pass no resolution at all." Now Senate Majority Harry Reid "faces a difficult choice. He could crack the whip on Democrats to pass the Biden resolution (though falling short of enough votes for cloture). Or he could swallow an unamended Warner resolution to win a bipartisan vote on the record against additional troops."

The AP (1/29, Yen) reports Biden yesterday "acknowledged that votes in Congress could splinter among several competing proposals but contended that senators' opposition to the buildup was widespread." Said Biden, "We will have a full throated debate on this policy. … I will make you a bet, you will not find 20 percent of the Senate standing up and saying the president is headed in the right direction."

The Los Angeles Times (1/29, Barnes, 850K) reports McConnell said yesterday that he did not think "any Senate resolution would have to have a filibuster-proof majority of 60 votes to pass. As a result, he predicted that it would be hard for any of the resolutions to pass."

Democrats Blast Gates, Cheney Remarks On Resolutions. NBC Nightly News (1/28, story 2, 2:15, Seigenthaler, 9.87M) reported, "Republicans and Democrats are at odds…over how to respond to the President's plan for a troop surge in Iraq." NBC (Yang) added, "As…Bush and the Democrats in Congress move toward a showdown on this issue, the rhetoric is heating up. Democrats opposing President Bush's Iraq plan fired back today at Administration officials who say they're aiding the enemy." Biden was shown saying, "It is not the American people and the Congress emboldening the enemy. It is the failed policy of this President." Sen. Jim Webb: "What I've been seeing over this last week is something from the other side on this that borders on irresponsibility." These remarks come "after Defense Secretary Robert Gates said the Democrats effort to oppose the troop buildup emboldened what he called 'America's enemy and adversaries.'" Gates was shown saying, "Any indication of flagging will in the United States gives encouragement to those folks." Also, "in an interview published in 'Newsweek' today…Cheney says pulling troops out of the Iraq would mean the United States 'could no longer be counted on by our friends and allies that have put so much into this struggle.'"

Biden said on ABC's This Week (1/28, Stephanopoulos), "There is no plan. He has tactics, but no plan. … There is a movement in the United States Congress to say to the president, Mr. President, listen to us. You didn't listen to the Iraqi Study Group. You didn't listen to my plan -- not that he should. You didn't listen to any plan. You took a path that was fundamentally different than 95% of the advice you were given."

The Washington Times (1/29, Pfeiffer, 88K) reports Brownback "echoed Mr. Biden. 'I don't see this enemy as needing any more emboldening or getting it from any resolution. They're emboldened now,' he told 'Fox News Sunday.'" Brownback also said on Fox News Sunday (1/28, Wallace), "You're seeing now the first street protests in this country about the war. We can and we will win in Iraq if we can just pull together. And I think if the President would reach out to the Democrat leadership and ask them not what are you opposed to, but what are you for, we can start coming together."

More Democrats Blast Bush Plans. Rockefeller said on CNN's Late Edition (1/28, Blitzer), "It's a mistake to underestimate the power of a resolution…because it puts the American Congress on record. The American people are already on record as of the last election. … I think what you're seeing is the beginning of a process, the Congress and the White House for the first time really engaging each other on the tactical military implications for Iraq. I don't agree with the surge. I think it will only create more targets."

Webb said on CBS' Face The Nation (1/28, Schieffer) said, "America, by polling, by percentages has turned strongly against this strategic effort. It's a lack of this strategic effort, the lack of wisdom in the strategic effort. … What I object to is the fact that there isn't a plan. There hasn't been a plan for four years. This is almost just like a tipping point for a lot of people who are basically saying you cannot continue to give the administration a free hand in the manipulation of troop numbers without a clear end point to a strategy."

Sen. Charles Schumer said on NBC's Meet The Press (1/28, Russert), "We've had nine plans on Iraqization. We've had so many different alternatives, and no change in strategy."

Sen. Christopher Dodd said on CNN's Late Edition (1/28, Blitzer) that the surge "is a major mistake. It's basically an escalation of the status quo, which is not working at all. That's not my conclusion. That's the conclusion of almost everyone who's looked at this situation, including Jim Baker, Lee Hamilton and the 10 members who made up the Iraqi Study Group. … We need a different strategy, a different plan here."

Next Debate Could Be Over Funding. The Politico (1/28, O'Connor) said last night that while the debate right now is focusing on the sense-of-the-Senate resolutions, "Senate leaders are drawing battle lines over an even more pressing question: Whether to meet the new White House funding request for the war." Yesterday, Schumer suggested "Bush could be forced to start withdrawing troops by this summer or fall." On NBC Nightly News (1/28, story 2, 2:15, Seigenthaler, 9.87M), Schumer was shown saying, "We think this first step, this resolution -- nonbinding -- will send a real message close to a majority or even a majority of Republicans will vote for it. But we won't stop there." But

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public opinion, added NBC, "doesn't seem ready to support using the power of the purse to bring our troops home." Charlie Cook, NBC political analyst: "They want them to put pressure on the President but they don't want Congress to cut off the funding."

The Christian Science Monitor (1/29, Chaddock, 59K) says "many lawmakers are balancing what they see as competing constitutional responsibilities – and stepped up pressure from voters long weary of a war that most Americans no longer think can be won. A first step is the debate over a nonbinding resolution to oppose the escalation of the war in Iraq. But should that vote succeed, Democrats expect to move next to curb defense funding." The Monitor adds, "In the run-up to this week's debate, newly empowered Democrats have been conducting daily hearings on the war in both houses of Congress, aimed especially at clarifying Congress's role vis-à-vis a wartime president. At issue is how to balance powers inherent in two parts of the Constitution: Article 1, which gives the power to declare and fund wars to the Congress, and Article 2, which designates the president as commander in chief."

Adam Cohen, in an "Editorial Observer" piece for the New York Times (1/29, 1.16M), discusses similar points, writing that Bush "doesn't seem to care that Congress wants a bigger role in guiding the Iraq war. Talking about his plan to send in 20,000 additional troops, he said on '60 Minutes' that he knows Congress can vote against it, 'but I've made my decision and we're going forward.'" But "Congress has war powers, too, and with 70 percent of Americans now opposed to…Bush's handling of the war, according to an ABC News/Washington Post poll, it is becoming more assertive about them. … Down the line, Congress may well consider mandatory caps on the number of troops in Iraq, or setting a date for withdrawal. If it does, we may be headed toward a constitutional clash."

House Panel Will Examine Iraq Contracts. The Wall Street Journal (1/29, A8, Paltrow, 2.04M) reports, "With a Democrat now in the driver's seat, the House Oversight and Government Reform Committee is set to hold Congress's first in-depth hearings into charges of waste and fraud involving money spent on reconstruction in Iraq." Hearings chaired by Rep. Waxman "will mark the opening of what promises to be one of the most significant inquiries by the new Congress into actions by the Bush administration while Republicans controlled the House and Senate." Revelations 'about lax oversight or misspent funds could prove embarrassing to the Bush White House just as it is pressing for an additional $1.2 billion to spend on reconstruction and economic stimulus in Iraq." They "will be among the first of a range of hearings the Democratic majority is expected to launch in both the House and Senate on topics on which Democrats long have been eager to grill the Bush administration. Hearings also are expected on domestic spying, the conduct of the war in Iraq and legal procedures for Guantanamo detainees."

Anti-War Activists To Call For Bush Impeachment. The Politico (1/28, Reilly) reported, "On Monday, a small army of anti-war activists will fan out across Capitol Hill to lobby for congressional support to impeach President Bush, who's facing a storm of opposition for his handling of the Iraq war. The activists may get a sympathetic ear on their anti-Bush message from Democrats, many of whom favor formal investigations into the administration's handling of the war and terrorism. But they'll likely get only get polite smiles -- and little, if any, support -- when they bring up the 'I' word." The Politico adds, "It's a tricky issue for Democrats in Congress, who share many of the same frustrations about Bush and the war, but are hesitant to even discuss impeachment. 'Hell no,' said Rep. James Clyburn, D-S.C., the House majority whip, when asked whether impeachment is a possibility." But "other members aren't quite as emphatic as Clyburn," even as "they make it clear that Bush will not get a free ride on his handling of Iraq and national security. 'The only "I" word I worry about right now is Iraq,' said Rep. Henry A. Waxman, D-Calif., chairman of the House Oversight and Government Reform Committee, which is planning hearings on the Iraq reconstruction next week." Sen. Frank R. Lautenberg "said that calls for impeachment were 'premature' although he added: 'If (Bush's) failures (in Iraq) continue, there is no telling what the outcome can be in terms of congressional attitude.'" Sen. Patty Murray, meanwhile, said, "If we impeach President Bush, then Vice President Cheney is next in line (to be president), so I don't think we'd go there."

Bob Herbert, in the New York Times (1/29, 1.16M), describes the weekend protests, arguing that "you can say what you want about the people opposed to this wretched war in Iraq, try to stereotype them any way you can. But you couldn't walk among them for more than a few minutes on Saturday without realizing that they love their country as much as anyone ever has. They love it enough to try to save it." Herbert adds that "the thought that kept returning as I watched the earnestly smiling faces, so many of them no longer young, was the way these protesters had somehow managed to keep the faith. They still believed, after all the years and all the lies, that they could make a difference. They still believed their government would listen to them and respond."

More Commentary. Brit Hume said on Fox News Sunday (1/28, Wallace), "Poor Chuck Hagel…[is] getting grandiloquent about voting for a legislatively meaningless Senate resolution and calling it courage. That makes you kind of sad."

Bill Kristol said on Fox News Sunday (1/28, Wallace), "Support the troops. Appropriate the funds. Encourage them. Let Dave Petraeus have a chance to win this war. Don't pass a meaningless resolution that, as Joe Lieberman

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said -- on the one hand, it's non-binding so it's meaningless, but symbolically, it could only encourage our enemies."

Writing in the in the Hartford (CT) Courant (1/29), Frank Harris III, chairman of the journalism department at Southern Connecticut State University, likens President Bush to a man "at the roulette wheel" who has "already lost," but "keeps saying just one more spin, one more chance at the wheel," asking for "21,500 more chips." Bush, Harris says, "considers the lives of the 21,500 additional American soldiers he wants to send to fight in the civil war that is now Iraq" as "chips he wants to place on the table before watching the roulette wheel go round and round." Harris concludes by urging Congress not to approve the President's request for additional troops in Iraq.

Iran Outlines Plan To Expand Economic, Military Ties With Iraq. In a front page article, the New York Times (1/29, A1, Glanz, 1.16M) reports Iran's ambassador to Baghdad "outlined an ambitious plan on Sunday to greatly expand its economic and military ties with Iraq…just as the Bush administration has been warning the Iranians to stop meddling in Iraqi affairs." Iran's plan, as outlined by Ambassador Hassan Kazemi Qumi, "carries the potential to bring Iran into further conflict here with the United States." Qumi said Iran was "prepared to offer Iraq forces training, equipment and advisers" for what he called "the security fight." Economically, the ambassador said Iran was ready "to assume major responsibility for the reconstruction of Iraq, an area of failure on the part of the United States." Qumi's remarks, in a 90-minute interview at the Iranian Embassy in Baghdad, "amounted to the most authoritative and substantive response the Iranians have made yet to increasingly belligerent accusations by the Bush administration that Iran is acting against American interests in Iraq."

Cheney Says "Surge" Sending "Strong Signal" To Iran. The Washington Post (1/29, A2, Abramowitz, 690K) reports Vice President Cheney said the deployment this month of a second aircraft-carrier task force to the Persian Gulf delivered a "strong signal" of the United States' commitment to confront Iran's growing influence in the region. Countries in the Middle East "want us to have a major presence there," Cheney said in a Newsweek interview published online yesterday. Referring to the deployment of the carrier USS John C. Stennis, Cheney said, "That sends a very strong signal to everybody in the region that the United States is here to stay, that we clearly have significant capabilities, and that we are working with friends and allies as well as the international organizations to deal with the Iranian threat."

In an article on the increase in US rhetoric aimed at Iran, the Christian Science Monitor (1/29, Grier, 59K) reports "as the Pentagon begins its new push in Iraq, the Bush administration simultaneously is increasing military and political pressure on Iran." However, "it's not clear that such escalation will accomplish more than it will cost, say some experts. Any actual attack on its agents or interests might cause Iran to redouble its current support for Iraqi Shiite militias. Or Tehran could decide to outflank US forces by causing trouble elsewhere."

Senators Express Concern With Administration Rhetoric. During appearances on Sunday morning talk shows, several senators from both parties expressed concern with the Bush administration's increased rhetoric on Iran. For example, Senate Foreign Relations Chairman Joseph Biden said on ABC's This Week (1/28, Stephanopoulos), "The President…has no credibility. He exaggerated the rationale for going to war with Iraq. He exaggerated the intelligence. … If it's important enough to go to war with 72 million people in Iran, it's important enough to come back to the United States Congress, and present the evidence and get approval or disapproval."

Senate Intelligence Chairman Jay Rockefeller said on CNN's Late Edition (1/28, Blitzer), "I have a great deal of worry that this could expand, just through rhetoric and then through momentum, and then through the way the Iraq war expanded, into some kind of an action with respect to Iran, which I think would be an enormous mistake."

Sen. Richard Lugar said on ABC's This Week (1/28, Stephanopoulos), "The President would need authority, but I would just mention, there has been now a very good United Nations resolution with regard to Iran. We moved the carrier over in the Persian Gulf area. We have made these declarations about hunting down Iranians inside of Iraq. And the debate in Iran is becoming more interesting."

Sen. Jon Kyl said on CNN's Late Edition (1/28, Blitzer), "There's been no talk about attacking Iran, so I think this is really quite premature and hypothetical. On the matter of negotiating with Iran, there's a big difference between talking and negotiating. … And I would just ask my friends that are in favor of negotiating with Iran what it is that we're willing to give up. … [The Iranians] want us to give up our effort to stop them from acquiring nuclear capability, and that's not something we should do."

Iraqi Deputy PM Says US, Iran Competing Over Iraq. The AP (1/29, Gamel) reports Iraqi deputy prime minister, Barham Saleh, Sunday said Iran and the United States were using Iraq as a "zone of conflict and competition" and jeopardizing efforts to stabilize the country. In an interview with the AP, Saleh said, "Iraqi transition is burdened by many elements of interference in our domestic affairs." Iraq, he continued, "hopes to be at peace with itself and at peace with its neighbors. And that definitely requires noninterference in our affairs," noting that Iran and the US should see Iraq's well-being and prosperity as a "point of consensus."

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Saudi Arabia Calls On Iran To Moderate Foreign Relations. The Financial Times (1/29, Saleh) reports Saudi Arabia "has warned Iran that it could endanger the whole Gulf region if it does not resolve the problems in its 'international relations,' a reference to Iran's increasingly tense standoff with the United States over its nuclear program and its role in Iraq." In an interview with the Kuwaiti daily Al Seyassah, King Abdullah said, "We have advised them not to expose the region to dangers. We do not interfere in anyone's affairs, [but] any state which resorts to unwise acts will have to bear the responsibility in front of the other countries in the region."

Egyptian Paper Cites Iranian Involvement In Envoy's Death. The New York Times (1/29, A11, El-Naggar, 1.16M) reports a front-page article in Egypt's Al Ahram newspaper Sunday "accused Iranian intelligence of involvement in the 2005 killing of Egypt's ambassador to Iraq." The article "was attributed to anonymous sources and stated that Iran's goal was to 'cut off the legs' of Egypt from Iraq." The report, which was denied by the Egyptian Foreign Ministry and the Iranian Foreign Ministry, "comes at a time of heightened concern in Egypt and other Arab states about Iran's growing influence in the region."

Iran Seeks Time To Review UN Plan To Delay Sanctions. The New York Times/AP (1/29, A8, Karimi) reports Iran said Sunday it "needs time to review a plan proposed by the head of the U.N. nuclear watchdog agency that calls for holding off on imposing U.N. Security Council sanctions if Tehran suspends uranium enrichment." IAEA chief Mohamed ElBaradei proposed the "simultaneous time-out plan" during the World Economic Forum in Switzerland "in an effort to end the standoff" between the West and Iran. Ali Larijani, Iran's top nuclear negotiator, told reporters during a joint news conference with Russia's national security adviser, Igor Ivanov, "Time should be allocated to see if the plan has the capacity to solve the (nuclear) case." He did not elaborate.

Russia To Continue Construction Of Iranian Nuclear Plant. AFP (1/29, Ghazi) reports, for his part, Ivanov "vowed to launch Iran's nuclear plant on schedule in September" after talks in Tehran. after meeting Iranian Foreign Minister Manouchehr Mottaki, Ivanov said, "Russia is determined and serious in fulfilling its obligation to finish Bushehr plant on the scheduled date." Iran's Ayatollah Ali Khamenei "also emphasized the need to complete the nuclear plant on time after meeting Ivanov," who delivered a message from Russian President Vladimir Putin, saying, "Cooperation and previous commitments should gain momentum and be carried out."

Lower Oil Prices Could Lessen Venezuelan, Iranian Influence. The Wall Street Journal (1/29, A2, Luhnow, Spindle, Chazan, 2.04M) reports, "Softening oil prices over the past few months have spurred hope in Washington that less revenue for oil-rich states could weaken the hand of governments the US considers worrisome -- particularly those in Iran, Venezuela and Russia." These three nations are "potentially vulnerable," because oil-and-gas revenue accounts for "between two-thirds and three-quarters of government income in both Venezuela and Iran, and only slightly less in Russia." Therefore, "a big drop in oil prices would slow economic growth and hit government finances, forcing them to cut back spending increases that have boosted the popularity of all three governments at home and emboldened them abroad." However, the Journal cautions that it "is far too early to expect the changing economics of oil to have big political effects."

Hadley Says More Troops Needed To Secure Baghdad. National security adviser Stephen Hadley writes in the Washington Post (1/29, A15, 690K) that the President's review of Iraq "concluded that the strategy with the best chance of success must have a plan for securing Baghdad." Without such a plan, the review warned, "the Iraqi government and its security institutions could fracture under the pressure of widespread sectarian violence, ethnic cleansing and mass killings." Hadley stresses that the President's new plan for Baghdad "specifically corrects the problems that plagued previous efforts," including "an Iraqi-initiated plan for taking control of their capital," "adequate" troop levels, and "economic assistance and reconstruction aid." Hadley concludes, "Ultimately, a strategy for success must present a realistic plan for bringing security to the people of Baghdad. This is a precondition to advancing other goals. President Bush's strategy offers such a plan -- and it is the only strategy that does."

Shiite, Sunni Officials Both See Need For US In Iraq. Newsweek (2/5, Weymouth, 3.12M) interviewed Shiite Iraqi Vice President Abdul Mahdi, who "seemed at best lukewarm to the idea of sending an additional 20,000 American troops to Iraq." Asked if he worried "the US will withdraw," Mahdi said, "Of course we worry. We will be worried whether you stay or leave. … I think America has only two alternatives: to stay or to leave. If they stay, they should stay in a helpful way." Weymouth also interviewed Egyptian Prime Minister Ahmed Nazif. Asked if he worried "about the U.S. withdrawing from Iraq," Nazif said, "Under the current circumstances? Of course! There is no alternative in place. You'll just give those militias a free hand. And I think it would be seen as the U.S. opting out of the region. The US started this, and they need to give closure to it in a proper way. Now, I think that what President Bush came up with is not an opting out, it's a commitment to peace and order. We support this, provided the Iraqi government deals even-handedly with both the Sunnis and the Shias."

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Human Costs Of Iraq War Continue To Grow. Newsweek (2/5, Kosova, 3.12M) reports in its cover story on the human costs of the Iraq war, focusing on the downing of a Black Hawk helicopter last week that killed 12 US soldiers. The Army has "been unusually tight-lipped about the details of the crash. It has not said exactly what went wrong. At first it reported 13 people had died, then 12." The "most remarkable thing about the crash might be how quickly the deaths of a dozen soldiers can pass into and out of the public's consciousness these days, if they ever register at all."

Cheney Says Deployment Of Carrier To Gulf Send "Strong Signal." Newsweek (2/5, Wolffe, 3.12M) interviewed Vice President Cheney, who discussed a wide variety of topics. Cheney said criticism of Iraqi Prime Minister Nuri al Malaki's administration was "a little premature," and he had been "direct and forthright in responding to our concerns. There is some evidence that he's already beginning to act." On the topic of Iran, Cheney said the deployment of another carrier task force to the Gulf "sends a very strong signal to everybody in the region that the United States is here to stay, that we clearly have significant capabilities and that we are working with friends and allies as well as the international organizations to deal with the Iranian threat." Cheney said he would not "speculate about security action" against Iran, adding, "We've also made it clear that we haven't taken any options off the table." Cheney refused to discuss the trial of former aide, I. Lewis "Scooter" Libby. Newsweek (2/5, 3.12M) also runs the interview transcript on its Website.

250 Militants Killed, US Copter Short Down In Clash Near Najaf. NBC Nightly News (1/28, lead story, 2:25, Seigenthaler, 9.87M) reported, "There was more sad news from Iraq today. A US helicopter crashed killing the two crew members on board, and military officials confirmed the deaths of three other US troops today in separate incidents. The death toll for Iraqis was much higher, a major firefight broke out today in Najaf and there are reports that 200 to 300 Iraqis were killed." NBC (Arraf) added that in addition, "mortars hit a girls' high school in a Sunni area of city. Five girls were reported killed, another 20 wounded."

The New York Times (1/29, Cave, 1.16M) reports, "For 15 hours, Iraqi forces backed by American helicopters and tanks battled hundreds of gunmen hiding in a date palm orchard near the village of Zarqaa, about 120 miles south of Baghdad, by a river and a large grain silo that is surrounded by orchards, the officials said. It appeared to be one of the deadliest battles in Iraq since the American-led invasion four years ago," and was "the first major fight for Iraqi forces in Najaf Province since they took over control of security there from the Americans in December."

The Los Angeles Times (1/29, Roug, Daragahi, 850K) says the "Iraqi and American forces killed several hundred gunmen apparently planning to attack a Shiite Muslim shrine Sunday." The Washington Post (1/29, A1, Partlow, Sarhan, 690K) reports, "The fighters, who called themselves the Soldiers of the Sky, are driven by an apocalyptic vision of clearing the Earth of the depraved in preparation for the second coming of Muhammad al-Mahdi, a Shiite imam who disappeared in the 9th century, according to Ahmed Duaibel, a spokesman for the provincial government in Najaf." The governor of Najaf province, Assad Abu Gilel, "said the group planned to attack pilgrims and shrines and to assassinate Shiite clerics at the peak of the religious holiday, called Ashura, which culminates Tuesday." The Washington Times/AP (1/29, Reid) and USA Today (1/29, Michaels, Sabah, 2.27M) also reports on the Najaf clash, while the New York Times (1/29, Cave, 1.16M) runs a story about the insurgent attack on the girls school.

Fighting On Haifa Street Described. The New York Times (1/29, Cave, 1.16M) reports about a frustrating American-Iraqi mission on Haifa Street, in which one American is killed: "The joint military effort has been billed as the first step toward an Iraqi takeover of security. But this morning, in the two dark, third-floor apartments on Haifa Street, that promise seemed distant. What was close, and painfully real, was the cost of an escalating street fight that had trapped American soldiers and Iraqi bystanders between warring sects." Americans "tried to piece together what had happened. Maybe the sniper saw Sergeant Leija's silhouette in the window and fired. Or maybe the shot was accidental, they said, fired from below by Iraqi Army soldiers who had been moving between the buildings."

Report Warns Iraq War "Sliding" Into Civil War. The Financial Times (1/29, Dinmore) reports Iraq is "rapidly sliding into an all-out civil war that is likely to spill over into neighboring countries, resulting in mass deaths and refugee flows, serious disruption of Gulf oil supplies and a drastic decline in US influence in the region," according to a "grim forecast" set out in a report released today by the Brookings Institution's Saban Center for Middle East Policy. Brookings identifies "six patterns from other civil wars that are already manifesting themselves in Iraq: large refugee flows, the breeding ground of new terrorist groups, radicalization of neighboring populations, the spread of secessionism, regional economic losses, and intervention by neighbors." Among the report's recommendations are "'don't try to pick winners,' as proxies often fail or turn against their masters; avoid active support for partition; 'don't dump the problem on the United Nations'; pull back from Iraqi population centers despite the horrific consequences; bolster regional stability by revitalizing the Israeli-Palestinian peace process; set up an international contact group including Syria and Iran; and

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consider setting up 'safe havens' for refugees along Iraq's borders."

US, UK Diverge On Troops In Iraq. The Christian Science Monitor (1/29, Rice-Oxley, 59K) reports, "Reinforced by an apparently genuine friendship, the Bush-Blair axis has been the unshakable fulcrum on which the Iraq campaign has hinged. But now, there is a hint of dissonance in the air. Blair's government is desperate to start drawing down the 7,000-strong British force based in Basra at the same time that Bush is beefing up the US contingent in Iraq by more than 21,000. ... The twang of discord was apparent last week when the US ambassador to Baghdad, Zalmay Khalilzad, hinted at American exasperation over the British eagerness to start withdrawing." British "ministers are keen to pull at least some troops out for a number of reasons, experts say. First, troops from an overstretched Army are needed for the fight against the Taliban in southern Afghanistan ... Second, polls suggest public opinion strongly favors a pullout. ... A third reason is that Blair's time in office is limited ... [he] does not want to leave unfinished business, and [Gordon] Brown does not want to inherit a mess."

Australian PM Argues Against Pullout From Iraq. The AP (1/28, McGuirk) reports, "Prime Minister John Howard said withdrawing Australian troops from Iraq would damage Australia's alliance with the United States." He "said he agreed to send 2,000 troops to back the US-led Iraq invasion because of the perceived threat of weapons of mass destruction, but also to preserve a security alliance with the US that was formalized in a 1951 treaty. ... 'I have to now deal with a decision: do we rat on the Americans … Do we say to the Americans, it's got all too hard and too difficult? If anybody thinks that that wouldn't do damage to the alliance, they're kidding themselves,' Howard told Southern Cross Broadcasting radio."

Pelosi, Karzai Discuss Possible Troop Boost. The AP (1/29, Straziuso) reports, "The Afghan president told House Speaker Nancy Pelosi that his security forces need to be stronger as the two discussed possible U.S. troop increases on Sunday, days after the Pentagon extended the tour of 3,200 soldiers, an Afghan official said." President Hamid Karzai "stressed his desire for increased training and equipment for Afghanistan's fledgling army and police forces, the Afghan official said on condition of anonymity because he was not authorized to release the information publicly." Pelosi and Karzai "discussed plans announced last week by the Bush administration to ask Congress for $10.6 billion for Afghanistan, a major increase aimed at rebuilding the country and strengthening government security forces still fighting the Taliban five years after the U.S.-led invasion."

Lack of Strong Civil Institutions Seen As Major Problem In Afghanistan. Author Anne Marlowe writes in the Wall Street Journal (1/29, A17, 2.04M), "Afghanistan's biggest problem is not the Taliban, but underdeveloped institutions and a lack of rule of law. It is emphatically not 'another Iraq.' Most of Afghanistan is relatively peaceful. Just 192 American troops have been killed in action since fall 2001, and in 2006, 206 Afghan civilians were murdered in suicide bombings. Tragic, yes, but in 2003, the last year for which statistics are available, 16,000 Afghan women died in childbirth -- 44 a day." Marlowe adds, "As this comparison suggests, we need to foster civil society and robust institutions in order to assure a decent life for Afghanistan's citizens. An essential part of this is nurturing political parties."

Afghan War Takes Toll On Canada. The Los Angeles Times (1/29, King, Farley, 850K) reports in a 1,600-word article, "For the last six months, the task of confronting insurgents in volatile Kandahar province in southern Afghanistan has largely fallen to Canada, whose troops have participated in myriad peacekeeping missions in recent years but had not seen high-intensity combat since the Korean War. Although its nearly 3,000 troops account for less than 10% of the allied forces in Afghanistan, Canada absorbed nearly 20% of the coalition's combat deaths last year, losing 36 soldiers. ... The disproportionate casualty count in a region that Taliban commanders have pledged to seize this spring has triggered debate at home about whether Canada is finding itself in a quagmire of American making." Moreover, "the Canadian mission points up the stresses and strains caused by unequal burden-sharing within the North Atlantic Treaty Organization." The Times adds, "In the U.S., the Afghan conflict receives far less attention than the larger war in Iraq. But in Canada, it gets top billing daily in newspapers and on TV. And unlike in the U.S., the public is allowed to see soldiers' bodies returning home in flag-draped caskets." One poll showed support for the "Afghan mission" falling to 35% last year.

CORPORATE SCANDALS:

Brocade Case Tied Up In Immunity Disputes. The California Recorder (1/29, Scheck) reports, "San Francisco's best-known white-collar defendant says he needs the cooperation of prosecutors to defend himself against charges of securities fraud. The government, unsurprisingly, doesn't seem to like that idea." The Recorder continues, "Over the last few weeks, lawyers for Gregory Reyes, the ex-CEO of Brocade Communications -- and the first person to be charged in the burgeoning stock option backdating prosecutions -- have been frustrated as former company employees have invoked the Fifth Amendment in refusing to

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be deposed as Reyes prepares to defend SEC civil charges of stock fraud. … That's a problem, Reyes' lawyers say in court filings, because these same witnesses were granted temporary immunity by federal prosecutors to give government investigators their story -- setting up what defense lawyers call an unfair advantage for the government. Their solution: extend the immunity to cover defense depositions, a suggestion the government seems unlikely to follow." The Recorder adds, "Since the SEC and San Francisco U.S. Attorney's Office charged former Brocade executives with backdating employee stock options in July, the case has been a publicly contentious matter, with defense counsel loudly denouncing the government in court and in the press. … Tensions have increased in the last few weeks, as evidentiary matters in the SEC civil case have started to overlap with the pending criminal prosecution. … That's relatively rare, since most judges will separate such cases, staying the SEC civil suit until the resolution of the corresponding criminal case. … But Northern District of California federal Judge Charles Breyer has decided to move the cases forward in tandem."

Greelight Accuses Allied Capital Unit Of Bilking Government. The Wall Street Journal (1/29, C5, Remond) reports, "Hedge funds have plumbed many corners of the markets in search of returns. Now Greenlight Capital, a fund with a big negative bet on Allied Capital Corp., is breaking into new ground -- the courts." The Journal continues, "The $4 billion New York City fund has filed a lawsuit in federal court in Atlanta in the name of the U.S. government claiming that Business Loan Express LLC, a subsidiary of Allied Capital known as BLX, submitted fraudulent loan documents to the Small Business Administration, bilking the U.S. of millions of dollars." The Journal adds, "Greenlight and James Brickman, an individual working with the fund to bring the suit, are entitled to 25% to 30% of the proceeds if their complaint results in an award. … It appears to be one of the first times a hedge fund has filed suit under a provision of the Federal Civil False Claims Act that lets private citizens sue in the name of the federal government. Such cases -- called qui tam complaints -- typically are filed by whistleblowers alleging fraud by their employers." The Journal notes, "Allied Capital referred questions to its public-relations firm, Sitrick & Co., which didn't reply to questions submitted. The SEC declined to comment. … BLX declined to comment on the suit through the public-relations firm. Reached by telephone at BLX's Richmond, Va., office, Matthew McGee, a senior vice president, called the suit 'ridiculous' and 'another ploy' by investors who have made bearish bets on the stock. … Allied Capital has been under investigation for more than two years by the U.S. attorney for the District of Columbia in connection with a criminal probe of BLX. The company also is the focus of an informal investigation by the Securities and Exchange Commission. The company said in SEC filings that these investigations appear linked to 'matters related to the portfolio valuation' and BLX."

Lone Star Probe Expands To South Korea Chief. The Wall Street Journal (1/29, C2, Santini, Yoon) reports, "The indictment of Lone Star Funds' South Korea head is part of an investigation into suspicions of wrongdoing by the Dallas private-equity fund that has already delayed the firm's ability to make a lucrative exit from its investment in Korea Exchange Bank." The Journal continues, "On Friday, Korean prosecutors indicted Lone Star's country head, Paul Yoo, on allegations of stock manipulation and tax evasion. 'This is the continuation of the investigation,' a spokesman at South Korea's Supreme Prosecutors Office said. 'The case will pass now to the court.'" The Journal adds, "Lone Star, the largest shareholder of Korea Exchange Bank, tried to sell a controlling stake in the bank last year to Kookmin Bank for more than $7 billion, but the process was derailed by a probe into Lone Star's acquisition of KEB. Investigators claimed Lone Star's 2003 purchase was mishandled by government and KEB officials, allowing the U.S. firm to buy 51% of the bank for $1.2 billion. They allege the price was too low. Prosecutors haven't charged the firm with any wrongdoing in connection with the stake acquisition. … Friday's indictment of Mr. Yoo, the third against a Lone Star executive, relates to the merger of KEB's credit-card unit into the bank after Lone Star acquired control. Ellis Short, Lone Star's vice chairman, and Michael Thomson, its general counsel, were indicted late last year on similar charges."

CRIMINAL LAW:

High-Profile Journalists To Testify At Libby Trial. USA Today (1/29, Willing, 2.27M) reports, "This is the week the Lewis 'Scooter' Libby trial meets the press. High-profile journalists such as NBC's Tim Russert and former New York Times reporter Judith Miller are scheduled to be called as witnesses as soon as this week, as the perjury and obstruction trial of Vice President Cheney's former chief of staff heads into its second week of testimony." Prosecutors "argue that Libby deliberately lied when he told investigators and later grand jurors that he learned of Plame's identity from Russert in a telephone call on July 10 or 11, 2003. Russert will deny discussing the case with Libby and testify that he learned of Plame's identity several days later from a Robert Novak newspaper column, court papers say. … In court last week, defense attorney Theodore Wells said Russert may have learned Plame's identity from two NBC colleagues before his conversation with Libby. Russert's colleagues,

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David Gregory and Andrea Mitchell, were working on the Plame story and may have told a forgetful Russert, Wells said."

White House Worried About Prospect Of Rove, Bartlett Testimony. Newsweek (2/5, Isikoff, 3.12M) reports in its "Periscope" section that White House "anxiety is mounting over the prospect that top officials -- including deputy chief of staff Karl Rove and counselor Dan Bartlett -- may be forced to provide potentially awkward testimony in the perjury and obstruction trial of Lewis (Scooter) Libby." Both Rove and Bartlett "have already received trial subpoenas from Libby's defense lawyers, according to lawyers close to the case who asked not to be identified talking about sensitive matters." Last week, Libby attorney Ted Wells "laid out a defense resting on the idea that his client, Vice President Dick Cheney's former chief of staff, had been made a 'scapegoat' to protect Rove. Cheney is expected to provide the most crucial testimony to back up Wells's assertion, one of the lawyers close to the case said." An "equally embarrassing conflict could emerge next week when former White House press secretary Ari Fleischer takes the stand."

Tennessee Sheriff Says FBI Tipped Him To Lawyer "Conspiracy" Against Him. The Knoxville News Sentinel (1/29, Stambaugh) reports, "With only three days left before turning in his badge, Knox County Sheriff Tim Hutchison said in an interview broadcast Sunday that an FBI agent tipped him off to a 1998 conspiracy by 'some lawyers' to destroy his administration through the court system. He also called lawyer Herbert S. Moncier, his longtime legal nemesis, 'an anarchist' and described sheriff hopeful Randy Tyree as unqualified to hold the post of sheriff." During the 30-minute WBIR-TV interview, "the sheriff said he was approached by an FBI agent in late 1998 who told him that some lawyers were talking about 'suing me out of business.' Hutchison said he initially laughed off the tip, but after Moncier started filing dozens of lawsuits, 'I started seeing exactly what was planned.'" In an email to the News Sentinel responding to Hutchison's allegation, Moncier said, "I do not have a clue what he is talking about an FBI agent told him. It is interesting, however, that an FBI agent was leaking information to him, whether correct or not." Meanwhile, "FBI spokesman Gary Kidder said Sunday he had no comment."

Affidavit Details Kickback Allegations Against Oregon Prison Official. The Oregonian (1/29, Roberts, Zaitz, Denson, 318K) reports that in 2005, Oregon prison system food buyer Fred Monem "squeezed the system's daily meal costs by 40 percent with an innovative tactic: shopping the 'spot food market for bargains in distressed or expiring goods. By appearances, the 48-year-old Monem was a hero who'd saved taxpayers millions. But if allegations in federal court papers prove true, Monem himself may face charges including bribery and money laundering. In an affidavit used to justify searching Monem's home and office, IRS and FBI investigators assert that Monem and his wife, Karen, accepted about $680,000 in kickbacks from companies that sold the state Department of Corrections millions of dollars' worth of food during the past five years." The Oregonian notes, "Authorities say they can't recall a bigger Oregon bribery case," but "prosecutors and the FBI declined to discuss the ongoing investigation, outlined in the 42-page affidavit."

Coke Trial Jurors See Surveillance Video Of Alleged Formula Theft. In a widely-distributed story, the AP (1/27, Weber) reports, "A former Coca-Cola secretary charged with conspiring to steal trade secrets from the beverage giant was caught on surveillance cameras removing documents from her office last June, sometimes late into the evening. A Coca-Cola security expert testified Friday at Joya Williams' trial that a handful of concealed cameras were installed at the Atlanta-based company's headquarters to monitor Williams' movements in different parts of the sprawling complex. … Video images displayed in court Friday show Williams placing papers in her bag, holding drink bottles in her hand, placing bottles on a cart in a confidential document room and stuffing gift tote bags in her personal bag." The AP added, "In other testimony Friday, an FBI agent who questioned Williams the day she was arrested said Williams denied being part of a scheme to steal or sell Coke trade secrets." Special Agent Joan Cronier "said she observed some Coke product bottles in Williams' apartment that she had never seen before, and she asked Williams where she got them. 'She said that those were collectors items and that everyone at Coca-Cola took that type of stuff,' Cronier recalled."

Six Murdered In DC, Prince George's County In Five-Hour Span. The Washington Post (1/29, B1, Sheridan, Helderman) reports, "Four men were killed in the District and two others were fatally shot in Prince George's County in a burst of violence Saturday night and early yesterday, police said." The Post continues, "There was no apparent connection between the six slayings, which included an attack with a baseball bat in Northwest Washington, an apparent robbery in Southeast Washington and a shooting in Oxon Hill, where a gunman fired several times through a sliding-glass door into a man's living room. … Police made an arrest in one of the six cases." The Post adds, "The incidents occurred just weeks after D.C. police announced that homicides had hit a 21-year low in 2006. Killings also declined sharply in Prince George's last year. … The office of D.C. Mayor Adrian M. Fenty (D) said last night that Fenty,

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Police Chief Cathy L. Lanier and U.S. Attorney Jeffrey A. Taylor will hold a news conference this morning at the site of one of the slayings in Southeast to discuss 'their commitment to solve murder investigations in the city and strategies to prevent future homicides.' … Two of the weekend slayings occurred in or near Washington's central Shaw neighborhood, where residents have been complaining about a jump in gun violence."

New York Towns' Courts Seen Rife With Accounting Problems. The New York Times (1/29, Glaberson) reports, "As court clerk in the western New York village of Perry, Ruth Milks was in a prime spot to see the kind of big money that moves through the state's smallest courts. Her husband was the village justice, and Mrs. Milks — a former justice herself — collected the fines and fees. … She was also in a prime spot to cash in. Mrs. Milks started adding $35 to parking fines, recording the extra charge on the driver's receipt but not in her court files. By the time state auditors caught up with her in 2003 — only because she had fined one of them — they estimated she had pocketed at least $60,000, which investigators said she spent on gifts and a trip to a casino." The Times continues, "It is no secret that New York's justice courts — an unwieldy system of 1,250 town and village courts that dates back to Colonial days — have been troubled for a long time. Three-quarters of the justices are not lawyers, and state disciplinary records show that some have jailed defendants illegally and denied people basic legal rights. In recent months, the Legislature and state judicial officials have been scrambling to fix some of the courts' more obvious failings. … But one of the most intractable problems those officials face is the courts' miserable record with money, which has been lost, stolen or mishandled in case after case. State investigators have discovered financial records in disarray, missing or simply nonexistent. … It is easy to see why. More than $210 million passes through the justice courts each year in bail, fines and fees. But the part-time justices who are elected to preside in them, many with a high school diploma or less, receive about an hour of initial training in how to safeguard and keep track of the money. They and their clerks, if they have any, often get little supervision or resources, and the justices' pay can be as low as $2,000 a year." The Times adds, "The towns and villages that pay them are required by law to review the courts' books, but often fail to take even a cursory look. The officials who run New York's court system say they have neither the power nor the staff to carefully oversee the justice courts' finances, and even state disciplinary officials can do little more than punish the occasional justices whose crimes or errors come to light. … Small wonder, then, that some court officials have helped themselves. A clerk in Patchogue, a Long Island village with a busy justice court, was discovered stealing only after a new justice noticed a sharp drop in court revenues. A subsequent state audit in 2005 revealed that the clerk, Deborah Gustam-Williams, had made off with $37,500. … The sums that have been reported lost to fraud or ineptitude have tended to be small, but they loom large in the tiny budgets of the villages and towns. And state officials can only guess at the real extent of the problem, because the courts are so rarely scrutinized and the records are so often a shambles."

WPost Says FBI "Should Have Done More" In Response To Foley Emails. Under the headline "The Apathetic FBI," the Washington Post (1/29, 690K) editorializes, "Congress wasn't the only institution whose performance fell short when it came to protecting teenage pages and former pages from the predatory behavior of former representative Mark Foley." The Post adds, "No one wants a return to a J. Edgar Hoover-era FBI that feels empowered to rummage through people's private lives. As the agent in charge of the FBI's cyber crimes squad told the inspector general, the FBI needs to have a reasonable basis to believe that a crime is about to be committed before acting, because 'we're the big, bad government.' But given that minors were involved, the FBI should have done more."

CIVIL RIGHTS:

Florida Farm Boss Sentenced To 30 Years In Prison For Abusing Workers. The Miami Herald (1/27, Greene) reported, "The farm boss lured recruits from homeless shelters with promises of good work and steady pay, yet when the destitute arrived at the East Palatka camp of Ronald Evans Sr., they faced a different reality: a hovel-turned-open-market bazaar filled with crack, booze and cigarettes sold from the 'company store.' Evans docked workers' pay so steeply they pocketed just 30 cents on the dollar. … On Friday in Jacksonville federal court, Evans faced his penance: 30 years in prison, the longest sentence handed out for abuse of farmworkers in recent Florida history." The Herald noted, "The sentence handed out by U.S. District Judge Timothy J. Corrigan nearly closes a chapter on one of the most significant federal investigations into claims that workers toiling at the bottom of Florida's rich agricultural industry are often abused and sometimes held as virtual captives. … In 2003, the FBI launched a criminal investigation, later to be joined by the U.S. Department of Labor, Environmental Protection Agency and others."

FBI Investigating Attack On Palestinian Students At North Carolina College. The Christian Science Monitor (1/29, Marks) reports on "the trauma

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gripping" Guilford College, a "small Quaker school" after "at least five members of the school's football team were accused of attacking three Palestinian students." The FBI is "investigating whether the Palestinian students' civil rights were violated." The attacks are said to show "how deeply distrust of Islam now permeates the United States."

The New York Times (1/29, Huffman) adds, "There has been a great deal of speculation but no official confirmation of a motive for the attack. The police said the injured students first refused public safety officers' urgings that they seek medical treatment. The next day, though, a victim said, they were treated for injuries, including concussions and nerve damage, and told the police that they wanted to press charges." The Federal Bureau of Investigation "said it had begun an investigation to determine whether the attack was a hate crime."

California Free Speech Case To Test Prior Restraint In Defamation Cases. The Los Angeles Times (1/29, Dolan) reports, "The most important free speech case now before the California Supreme Court carries neither the heft of the Pentagon Papers nor the emotion of Nazis seeking to marching in Skokie, Ill. … In fact, the figure at the center of the case, a Christian evangelist in Newport Beach, makes an highly unlikely 1st Amendment hero. Anne Lemen, 58, says she doesn't care about free speech, or the constitutional question that her case, like the Pentagon Papers before it, poses: When may government prevent speech before it has occurred?" The Times continues, "Lemen just wants to tell people that she believes her nemesis, the Balboa Island Village Inn, is mafia, as are her ex-husband and the guards at a local church, and the police are in cahoots, And, she wonders aloud, why would anyone accuse an innocent Christian woman of lying? … On top of that, Lemen contended, 'the bar,' as she calls the Village Inn, has attempted to murder her." The Times adds, "Lemen owns a cottage only feet from the restaurant (and led a campaign to restrict it because she said it disrupted the neighborhood. Aric Toll, 41, a chef who bought the restaurant and bar with his parents, filed a defamation lawsuit against Lemen, saying she was ruining his business. … After a trial, a judge ordered Lemen to stop videotaping Toll's customers and barred her from telling anyone that the bar makes sex videos, dabbles in child pornography, distributes illegal drugs, encourages lesbian activities, has mafia links, is a whorehouse and sells tainted food — all false statements, the court said, that Lemen had made. She appealed the order before it could be enforced. … Courts around the country have disagreed over whether 'prior restraint' orders in defamation cases are constitutional, and cases involving them are multiplying as people sue to stop defamation on the Internet. The U.S. Supreme Court has upheld prior restraint in cases of national security and obscenity, but not in a defamation complaint. When it took up the question in a case brought by the late Johnnie Cochran against a picketer, the high court said only that the order against the picketer was unconstitutionally broad."

ANTITRUST:

US Air Scrambles To Sweeten Delta Bid. The Wall Street Journal (1/29, A3, Dade, Trottman, Carey) reports, "US Airways Group Inc. is willing to increase its hostile takeover offer for Delta Air Lines Inc. by $1 billion under certain conditions as part of a last-ditch effort to win support from Delta creditors, according to people familiar with the matter." The Journal continues, "The Tempe, Ariz., carrier said over the weekend that it would sweeten its $9.8 billion cash-and-stock bid to about $10.8 billion if the official committee of creditors approaches Delta with a demand that the Atlanta airline open itself to due diligence by US Airways, these people said. To get the additional $1 billion, all in cash, the committee also would have to ask a bankruptcy judge to postpone a hearing next week on Delta's restructuring plan, these people said. The group also would have to agree to support the start of a formal antitrust review." The Journal adds, "The move by US Airways is aimed at salvaging an acquisition attempt that so far has failed to win broad support from the official committee of Delta creditors, which holds much of the power to decide the airline's fate. The offer from US Airways is set to expire Thursday, and Delta could begin soliciting votes from creditors for its stand-alone reorganization plan following the Feb. 7 court hearing. Gerald Grinstein, Delta's chief executive, has insisted that the airline would be best to emerge from bankruptcy-court protection on its own later this year."

Levi's Takes Patent Disputes Into Courtroom. The New York Times (1/29, Barbaro, Creswell) reports, "United States Patent and Trademark No. 1,139,254 is not much to look at: a pentagon surrounding a childlike drawing of a seagull in flight. … But the design for a Levi's pocket, first used 133 years ago, has become the biggest legal battleground in American fashion." The Times continues, "Levi Strauss claims that legions of competitors have stolen its signature denim stitches — two intersecting arcs and a cloth label — for their own pockets, slapping them on the seats of high-priced, hip-hugging jeans that have soared in popularity." The Times adds, "So Levi's is becoming a leader in a new arena: lawsuits. The company, once the undisputed king of denim and now a case study in missed opportunities, has emerged as the most litigious in the apparel industry when it comes to trademark infringement lawsuits, firing off nearly 100 against its competitors since 2001. That's far more

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than General Motors, Walt Disney or Nike, according to an analysis by research firm Thomson West. … The legal scuffles offer a rare glimpse into the sharp-elbowed world of fashion, where the line between inspiration and imitation is razor thin. After all, clothing makers' trade secrets are hung on store racks for all to see, and designs can be quickly copied with small changes to exploit a hot trend. … The lawsuits, which Levi's says it is compelled to file to safeguard the defining features on its jeans, are not about the money — one settled for just $5,000 in damages. Instead, the company says, they are about removing copycats from stores. Nearly all the cases have settled out of court, with Levi's smaller rivals agreeing to stop making the offending pants and to destroy unsold pairs. … But those competitors say the lawsuits are the last resort of a poor loser, a company that has lost billions in sales, laid off thousands of workers and flirted with bankruptcy as the denim industry exploded."

Views Changing On Media Ownership Limits. USA Today (1/29, 1B, Lieberman) reports, "When members of the Federal Communications Commission look at TV stations these days, they aren't just kicking back to watch American Idol or Heroes." USA continues, "Regulators are about to reassess their rules on who can own stations and how many — a review they are legally bound to do every four years. And to rule on the most controversial proposals, they must determine how much damage — if any — the Internet and other new media are inflicting on local stations, which collectively had an estimated $26 billion in ad sales last year." USA adds, "If officials conclude that competition from the digital world threatens local TV, they might decide it's OK to ease the rules and let companies own multiple stations in a market, or let a newspaper buy a station in its town. … Broadcasters and newspaper companies (including USA TODAY parent Gannett, the largest newspaper publisher and a major owner of TV stations) are lobbying for that. … But the case for change becomes weaker if, as many consumer advocates say, stations still generate healthy cash flows and dominate local news." USA notes, "Many major media companies are looking to downsize and invest in new media, not increase their bets on over-the-air broadcasting. … The situation may be one reason some companies appear to be investing only a little political capital fighting for the right to grow."

ENVIRONMENT/INDIAN AFFAIRS:

Utilities Rush To Secure Sites For Reactors. In a front-page story, the Wall Street Journal (1/29, A1, Smith, 2.04M) reports, "With the U.S. on the verge of building a new generation of nuclear power plants, potential owners are racing to identify and lock down the best sites in order to secure billions of dollars in federal subsidies pledged to first-comers." Their efforts "represent a considerable financial gamble for the utility industry, which is moving ahead at a rapid pace despite uncertainty ranging from environmental opposition to finding a home for radioactive nuclear waste." A "flood of applications seeking permission to build at least 30 reactors, primarily in the South, is expected to pour into the Nuclear Regulatory Commission beginning late this year." The Journal adds, "Under recent legislation intended to jump-start development, Congress is dangling more than $8 billion worth of subsidies, plus loan guarantees, in front of the first few plants that get built. Practically speaking, companies must apply to the NRC this year or next to qualify for the special assistance."

Turbulence In Biofuels Pushing Investment Toward More Sustainable Energies. The Wall Street Journal (1/29, A2, Barta, 2.04M) reports, "President Bush's State of the Union address, which called for a nearly fivefold increase in the nation's alternative-fuel consumption by 2017, did little to silence critics who contend that new fuels like ethanol and biodiesel aren't likely to play a major role supplying the world's energy needs in the years ahead. They see two key problems. First, the profitability of many alternative fuels -- without sizable subsidies -- is still in question." The "cost of raw ingredients used to produce 'biofuel'...has rocketed" and "oil prices have receded since last summer." Second, "it's becoming clear that boosting output of agriculture-based fuels, such as ethanol, will cause significant new strains on the world's water and land resources, and could drive prices of basic foodstuffs to unacceptable heights, hurting poor consumers." However, "even as the outlook for alternative energies darkens, some analysts see a more positive outcome from the latest turbulence: a forced redirection of resources toward alternative fuels that are more efficient and sustainable than the current batch." The Journal adds, "There are indications that a shift toward more-sustainable investments is already taking place, as some serious investors channel their spending to energies that either produce less environmental fallout -- such as solar or wind power -- or to agriculture-based options that don't require as much water or compete with traditional food crops."

Krugman Criticizes Bush Focus On Alternative Fuels. New York Times (1/29, 1.16M) columnist Paul Krugman writes, "For those hoping for real action on global warming and energy policy, the State of the Union address was a downer." The "only real substance was Mr. Bush's call for a huge increase in the supply of 'alternative fuels.' Mainly that means using ethanol to replace gasoline. Unfortunately, that's a really bad idea." Any energy savings from ethanol "would come at a very high price compared with the obvious

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alternative — conservation." Krugman adds, "So why is ethanol, not conservation, the centerpiece of the administration's energy policy? Actually, it's not entirely Mr. Bush's fault." Even "after the Bushies are gone, bad energy policy ideas will have powerful constituencies, while good ideas won't. Subsidizing ethanol benefits two well-organized groups: corn growers and ethanol producers (especially the corporate giant Archer Daniels Midland). As a result, it's bad policy with bipartisan support. ... Meanwhile, conservation doesn't have anything like the same natural political mojo." There is "a huge gap between what obviously should be done and what seems politically possible. And I don't know how to close that gap."

Water Treatment Firm Received No Bid Contract For Tijuana Project. The Wall Street Journal (1/29, A1, Paltrow, 2.04M) reports in a front page story that as Tijuana "has boomed, fueled by industrial expansion, something else has also surged: the flood of raw sewage the Mexican border city sends gushing downhill into neighboring California. Less than 60% of the city's sewage is being treated at all, and that only to minimal levels, leaving tons to flow into the canyons and surf of Southern California." To "stem this growing mess, the American government has chosen an unusual solution. Without any competitive bidding, the U.S. gave Bajagua LLC, a start-up company with no experience in treating waste water, sole authority to build and operate a treatment plant in Mexico." The "tale of Bajagua's success in getting the contract involves, among other things, well-timed campaign contributions to local members of Congress and other political figures. The firm also enlisted people with crucial connections as lobbyists. And when that didn't prove enough, Bajagua obtained backing from Vice President Dick Cheney and the White House, which cleared away opposition by federal agencies, several former senior federal agency officials say."

Cost Of Chesapeake Bay Cleanup Continues To Rise. The Washington Post (1/29, A1, Fahrenthold) reports, "To deliver on the pledge to save the Chesapeake Bay in three short years, you could start by digging up a million lawns to fix septic tanks that pollute too much. … Then ask 80,000 farmers to make expensive changes in the way their farms work. Overhaul hundreds of sewage plants, each project with a price tag that could run into the millions. … And find about $28 billion -- enough for six aircraft carriers -- to pay for it all. Right now, authorities are at least $14 billion short." The Post continues, "This month, the Environmental Protection Agency said efforts to restore the bay's health need to be accelerated to meet a 2010 deadline. It turns out that "accelerated" might be understating it: Experts say meeting the goal would require widespread sacrifices from individuals and unprecedented funding from government sources. And even then, it might not be enough." The Post adds, "For now, no such shock-therapy campaign has been proposed. But environmentalists say the bay project's many shortfalls are a lesson: After 19 years, the Chesapeake cleanup is struggling to produce results on par with its promises. … The bay cleanup, in its current form, began in 1987 with an agreement between state and federal governments. They promised that the bay, troubled by dirt, algae blooms and toxic chemicals, would be clean by 2000. … Instead, they found that some of the bay's worst pollutants came from such things as manure, lawn fertilizer and human waste. Its troubles began on every street, in every sewer, at the back end of every cow. … When the 2000 deadline was missed, an even more sweeping agreement took its place. The leaders of Maryland, Virginia, Pennsylvania, the District and the EPA pledged to fix the bay's water, its oyster population, its beds of underwater grass and other environmental indicators by 2010. … There have been significant successes since then. Maryland passed a 'flush tax,' a surcharge on water bills to pay for cleaning up the state's sewage plants and farm fields. The bay's rockfish population has continued its remarkable comeback, which began in the 1980s. Small strips of forest, designed to filter runoff, have been planted alongside 5,000 miles of streams. … But all of that hasn't been nearly enough, officials say."

Bush Focus On Energy In State Of The Union Noted. Time (2/5, Kluger, 4.03M) reports last Tuesday's State of the Union address "was President George W. Bush's most humble yet," but "most surprising was Bush's new focus on energy and the environment." Bush's "biggest bid was to cut gasoline use 20% by 2017, in part by boosting mileage requirements for cars" by imposing "car-by-car rules, depending on the model." James Connaughton, chairman of the White House Council on Environmental Quality, said, "Let experts consider the technology and the effect on safety and jobs." Time adds, "To skeptics, this smells fishy." But "perhaps more promising was Bush's call to quintuple U.S. production of biofuels such as corn ethanol by 2017."

FBI/DEA/ATF/USMS:

Mexico Prepares For Violence From Drug Smugglers Following Extraditions. The Washington Times (1/28, Seper) reported Mexico's government "has sent an additional 9,000 soldiers and police to the country's northern states to confront drug smugglers threatening to rise up against the extradition of their gang bosses. Mexican Defense Secretary Guillermo Galvan said the government buildup, part of 'Operation Sierra Madre,' came in response to the Jan. 19 extradition to the United

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States of 15 suspected smugglers, including 10 reputed drug cartel bosses." Karen Tandy "has described the extraditions as 'unprecedented in the history of Mexico' and said they had directly affected four major drug cartels in that country -- including the Gulf cartel. She described that operation as 'one of the most brutal and powerful drug cartels in the world.'"

Texas Lawyer Hired To Defend Cardenas-Guillen. In McAllen, the Monitor (1/27, Martinez) reported suspected Gulf Cartel leader Osiel Cardenas-Guillen "has hired prominent McAllen lawyer Roberto Yzaguirre as part of his defense team in a federal drug case that prompted Cardenas' extradition from Mexico a week ago. … Yzaguirre defended the Matamoros-based Gulf Cartel's former head, Juan Garcia Abrego, in another federal drug case in 1996. Unlike Cardenas, who was first tried in Mexico before being extradited, Mexican authorities whisked Garcia out of the country without a trial the day after he was arrested."

Federal Police Officers Under Investigation For Extortion. The AP (1/27) reported six federal police officers "involved in President Felipe Calderon's anti-drug operation were being investigated for extortion on Friday after they were videotaped taking money from a driver in the border city of Tijuana. The men, part of a force of more than 3,300 police and soldiers sent to Tijuana to clamp down on drug gangs and corruption, will be punished if found guilty, the Public Safety Department said in a statement. … The videotape, taken Jan. 17, was released to the media and posted on Mexican news Web sites on Friday." The AP adds that Karen Tandy "has described Calderon's battle against drug gangs as 'an enormous leap forward.'"

Guns Returned To Tijuana Police. The AP (1/28) reported Tijuana police "got their guns back Saturday three weeks after they were forced to turn over weapons to federal authorities because of allegations they were colluding with drug traffickers. Tijuana Public Safety Secretary Luis Javier Algorri said soldiers returned all 2,130 guns to his department. He planned to send a letter to the attorney general's office asking for the results of the investigation so he could clear up any doubts about his officers. No one from the attorney general's office was available for comment Saturday." News outlets that used a version of the AP stories include CBS News, CNN, Forbes, the Dallas Morning News, Houston Chronicle, and Contra Costa Times.

Mexico's "War On Drug Gangs" Scrutinized. In the New York Times (1/27) James McKinley wrote that officials in the United States from the president down have loudly praised [President Felipe] Calderón's courage, particularly for the extraditions, and hope it is a trend. But they acknowledge that only a long-term campaign can end the violence in Mexico and stop the flow of drugs. 'Nobody claims that these extraditions are the end,' said John P. Walters, the White House drug control policy director. 'They are an enormously powerful step to hopefully bring this violence to an end more rapidly.'" McKinley adds, "Yet skeptics…say rooting out drug trafficking will take more than a few weeks of roadblocks and highly visible federal patrols in drug-plagued towns. The roots of the problem, they say, run deep in Mexican society."

In the Los Angeles Times, (1/29) Sam Enriquez writes, "The U.S. war on drugs has seldom seen a more willing recruit than Mexican President Felipe Calderon. … But unfortunately for the Mexican leader, who put the drug-trafficking battle at the top of his nation's domestic agenda, the issue that once was a staple of U.S. political speeches has fallen so far off the radar that for the first time in years it didn't warrant a mention in President Bush's State of the Union address." Bush "telephoned Calderon on Wednesday to commend him. And the U.S. government's drug czar, John P. Walters, said last week that 'the boldness of the Mexican response here obviously calls upon us to continue, and to match that with our own boldness at home.'"

The San Antonio (TX) Express (1/27) wrote that it "remains to be seen how long the new president will keep the pressure on, but observers say he's already acting bolder than his predecessor, Vicente Fox. 'He is sending a strong message that some things that were tolerated in the past will not be tolerated anymore,' said Jorge Chabat, a Mexico criminal-justice system expert. 'It is my guess (traffickers) will get the message and modify their behavior.'"

New York Man Gets Life Sentence In "Operation Jamestown" Case. The Jamestown (NY) Post Journal (1/28) reported Aaron Pike of Jamestown "will spend life in prison for his role in Operation Jamestown, a 14-person federal drug case. … Pike was convicted of organizing a continuing criminal enterprise which involved the distribution of more than 1,000 kilograms of marijuana and more than 4 kilograms of methamphetamine in Jamestown between July 2000 and August 2001. The drugs were allegedly supplied and shipped to Pike in Jamestown by a former inmate he had met while serving in state prison."

Federal Officials Urge Hawaii To Close Medical Marijuana Loopholes. The AP (1/28) reported federal officials want Hawaii to "conduct background checks on those certified to supply medical marijuana to patients, saying the state must close loopholes being exploited by drug dealers. … 'We're not interested in investigating the sick and the dying,' said Anthony D. Williams, assistant special agent in charge of the U.S. Drug Enforcement Administration's Honolulu district office. 'But we will continue to investigate and pursue anyone cultivating and distributing marijuana.' … There are currently 249 licensed caregivers and 2,609 medical marijuana patients in the state."

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IMMIGRATION:

Issue Of Path To Citizenship To Illegals Could Derail Immigration Reform Drive. The Los Angeles Times (1/29, Gaouette, 850K) reports, "With a new Democratic-controlled Congress and a president newly committed to bipartisan accomplishments, prospects for an overhaul of the nation's immigration laws have never seemed brighter. But reform efforts could still stumble over the stickiest issue: how to craft a path to citizenship for illegal immigrants that will win the support of lawmakers who draw the line at 'amnesty.'" In the House, "where these conservatives could derail a bill, the job of finding that elusive middle ground falls to Rep. Zoe Lofgren. The San Jose Democrat, who heads the immigration subcommittee, has been buttonholing lawmakers, quizzing them between votes and hosting formal meetings. … Across Capitol Hill, Sens. Edward M. Kennedy (D-Mass.) and John McCain (R-Ariz.) are pursuing the same goal as they develop a plan based on last year's comprehensive immigration bill, which passed the Senate, but not the House." The Times adds, "Advocates for a broad immigration bill say it will need the support of at least 20 Republicans in the Senate and perhaps 40 in the House. … For some conservatives, any plan to legalize illegal immigrants would be hard to swallow. And for advocates, who will meet at a Washington summit this week expected to draw 200 grass-roots groups, anything short of that is inhumane."

In an editorial, the Los Angeles Times (1/29, 850K) says "today's optimism shouldn't be overstated. Realistically, Congress only has about half a year to act before the issue becomes consumed by presidential politics. There is temptation on both sides of the aisle to preserve immigration as an election issue rather than solve the problem. … Plenty of Republicans will want to accuse Democrats in 2008 of favoring amnesty, and plenty of Democrats will want to accuse Republicans of animosity toward Latinos, the nation's fastest-growing bloc of voters. Complicating matters is the fact that the leading GOP presidential hopeful, Sen. John McCain of Arizona, joined…Kennedy…to write Capitol Hill's best immigration measure of 2006. McCain was then deemed too soft by anti-immigrant zealots."

Program Demands Workers' Documents In Exchange For Fewer Immigration Raids. The Washington Post (1/29, A3, Fears, Williams, 690K) reports, "Over the past seven months, Bush administration officials have quietly toured the country, trying to persuade businesses that rely heavily on immigrant labor to join" the "little-known" Mutual Agreement Between Government and Employers program, which "would spare them from embarrassing federal raids if they voluntarily handed over their workers' documents so the government can scan them for fraudulent information." As opposed to the Basic Pilot program, IMAGE, which is run by ICE, "covers all members of a company's workforce and does a more extensive scrub of records to determine if a worker is in the country illegally or is using fraudulent documents." The Post notes that Smithfield Packing Co., which has participated in the program since June, saw the arrest of 21 of its workers last week "after the government scrutinized forms submitted by the company. … A number of businesses said they have no intention of joining IMAGE, citing the disruptive action at Smithfield."

Urban Shift Leads To Illegal Immigrant Boom In Washington Region. The Washington Times (1/29, Lengell, 88K) reports, "Fifty years ago, as many as 90 percent of all undocumented workers came to the US to work in agriculture-related businesses. But while farms and rural meat-packing and poultry-processing plants still rely on cheap, immigrant labor, illegal aliens increasingly are flocking to urban areas for work." The shift has made the Washington area "one of the nation's fastest-growing communities of illegal aliens, immigration analysts say."

TAX:

Law Against Partisan Activity By Churches Often Unenforced. In a USA Today op-ed (1/29, 13A), Dan Gilgoff of US News & World Report says, "A 1954 law forbids partisan political activity that aims to help, or hurt, candidates for public office. Such behavior would put a church's tax-exempt status in jeopardy — if the government chose to enforce the law." Last year "was supposed to spell doom for sermons that endorsed political candidates or parties. Months before the congressional elections, the IRS made front-page headlines by trumpeting a new effort to crack down on churches that violated IRS restrictions on politicking by houses of worship." But it "may come as a surprise, then, that when the IRS releases its tally of complaints against church politicking in the '06 election — anticipated in the next month or so — the number is expected to be even higher than it was in 2004." This 'enforcement vacuum is aggravating the very problem that Congress set out to fix in 1954: preventing Uncle Sam from subsidizing partisan politics."

WSJournal Touts Increased Revenue From Capital Gains Tax Cut. The Wall Street Journal (1/29, 2.04M) says in an editorial, "Data released last week from the Congressional Budget Office confirm that the tax cuts of 2003 keep soaking the rich, especially on their capital gains. CBO and Congress's Joint Tax Committee originally estimated that reducing the capital gains rate to 15% from 20% would cost the Treasury $5.4 billion from 2003-2006." The "actual

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revenues exceeded expectations by 68%, creating a $133 billion revenue bonanza for the feds. CBO's original forecast for 2006 was for $57 billion in capital gains revenues, but actual receipts were $110 billion. This surprise windfall is one reason the budget deficit is also far lower than CBO predicted."

CONGRESS-ADMINISTRATION:

Three Top Democrats Failed To Disclose Role In Family Charities. USA Today (1/29, Kelley, 2.27M) reports House Speaker Nancy Pelosi "and two other prominent Democrats have failed to disclose they are officers of family charities, in violation of a law requiring members of Congress to report non-profit leadership roles." Rep. Rahm Emanuel, "the fourth-ranking House Democrat, and Sen. Evan Bayh of Indiana also did not report they serve as family foundation directors, according to financial disclosure reports examined by USA TODAY." Pelosi spokesman Brendan Daly "said Friday the speaker will amend her reports. He said it 'was an oversight' that she had not listed her position dating back to 1992."

USA Today (1/29, Kelley, 2.27M) also examines each of the charities, which "donated mostly to hometown charities that reflect the lawmakers' personal and political attitudes. None of the foundations received donations from outside sources."

Uncertainty Grows About Ethics Rules. The Wall Street Journal (1/29, A1, Mullins, 2.04M) reports on the front page that to "cut down on wining and dining by lobbyists, the House and Senate have drafted new rules that bar lawmakers and congressional aides from accepting almost any meals from lobbyists. Hors d'oeuvres are an exception. So is 'food that you have to eat standing up using a toothpick,' explains Washington lawyer Brett Kappel, who advises lobbyists and companies about ethics rules." Both chambers "have approved new rules, but legislation has not yet been finalized. The result: considerable uncertainty about what's allowed, and some unintended consequences."

Grass Roots Lobbying Disclosure Proposal Criticized. In a Roll Call op-ed (1/29), Stephen M. Hoersting, executive director of the Center for Competitive Politics, says, "Of the policy proposals circulating Capitol Hill to correct lobbying abuses, strengthen the relative voice of citizens and add accountability to the earmarking process, 'grass-roots lobbying disclosure' provisions seem oddly out of place. Proposals for grass-roots lobbying disclosure do nothing either to sever the link between lobbyist cash and lawmakers' pecuniary interests or to strengthen the relative voice of citizens." Proponents "characterize the activity as 'astroturf lobbying' to imply that the public outcry from such campaigns is fake. It is not. No matter if it is corporations or well-heeled lobbyists who alert citizens to a pending issue, all grass-roots campaigns are 'organic' in this sense: They tap true concerns of real citizens."

Democrats To Propose Cutting $186 Million In Agricultural Grants. The Wall Street Journal (1/29, A8, Rogers, 2.04M) reports that as "part of a giant spending bill to be filed in Congress tonight, Democrats will take a spade to more than $186 million in such research grants, which have quadrupled in the Agriculture Department since the 1980s. Hardest hit are the nation's 58 land-grant colleges, which have become dependent on the funds and now are caught in the backlash against members of Congress 'earmarking' money for particular causes or recipients." Filling "about 150 pages, the bill will govern spending for the last eight months of fiscal 2007 -- ending Sept. 30 -- and coming just a week before President Bush submits his budget request for fiscal 2008, its proposed cuts underscore the changed landscape after November's elections."

Debate Grows Over Definition Of "Earmark." The Washington Post (1/29, A7, Layton, 690K) reports the definition of an earmark "has been at the heart of passionate negotiations across the capital as lawmakers, federal agencies and lobbyists argue over what constitutes waste and what is legitimate spending." The debate "goes beyond semantics. The stakes are huge -- deciding how to spend $463 billion between now and Sept. 30 on thousands of programs run by local communities, states and federal agencies. While public debate on Capitol Hill has been dominated by the war in Iraq, closed-door arguments about what the federal government will fund this year have been nearly as intense."

Negroponte Prepares To Resume Diplomatic Career At State Department. As he prepares for Senate confirmation hearings Tuesday, the Washington Post (1/29, A1, Blumenfeld, 690K) reports on its front page that John Negroponte's move from the nation's first director of national intelligence to deputy secretary of state, "from the outside, it seems like an unusual move, a demotion." Speculation over Negroponte's departure "has split national security circles" -- "some question Negroponte's performance as DNI," while others "say that his step down is in fact a step up, that he will be in line to be secretary of state, if Condoleezza Rice moves on." The article continues by tracing Negroponte's previous experience in the foreign service and excerpts a discussion with four of Negroponte's five children about their father.

Google Ends "Miserable Failure" Link To Bush. The New York Times (1/29, Cohen, 1.16M) reports a "favored online tactic to mock" President Bush, "altering the Google search engine so the words 'miserable failure' lead to

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President Bush's home page at the White House -- has been neutralized." Google "announced on Thursday on its official blog that 'by improving our analysis of the link structure of the Web' such mischief would instead 'typically return commentary, discussions, and articles' about the tactic itself." A "search on Saturday of 'miserable failure' on Google leads to a now-outdated BBC News article from 2003 about the 'miserable failure' search, rather than the previous first result, President Bush's portal at whitehouse.gov/president."

Smith Says Pelosi Overlooked Unborn Children At Swearing In. In a Washington Times op-ed (1/29), Rep. Chris Smith says that at her swearing in, when Speaker Nancy Pelosi "invited the accompanying congressional kids to join her at the rostrum to 'touch the gavel' as history was made, I smiled and thought what a gracious gesture and photo-op. And then I thought again of the forgotten girls and boys -- at last count more than 49 million of them -- killed by what is euphemistically called 'choice.' To be sure, born children need strong and stable families, better access to health care, educational opportunities, a clean environment to grow up in and freedom from violence and abuse." But it "is equally valid and true that unborn children have inherent worth, value and dignity."

WSJournal Praises Schumer's "Epiphany" On Tort Reform. The Wall Street Journal (1/29, 2.04M) says in an editorial, "Even we didn't expect to see a leading Senate Democrat declare that tort law abuse is making America less economically competitive. Has Chuck Schumer told his colleagues about his epiphany?" The "really big news is that Mr. Schumer endorsed a study declaring that tort reform is the single biggest key to retaining U.S. leadership in global finance. As political conversions go, this is like Dick Cheney endorsing a stronger Congress. Mr. Schumer is chairman of the Democratic Senatorial Campaign Committee, which puts him at the center of fundraising for Democratic candidates. And trial lawyers have been a leading and deep-pocketed constituency for Democrats, donating millions of dollars in each election cycle. Over the last decade, more than 90% of trial lawyer donations have gone to Democrats. In return, the Democratic Senate caucus has been a bulwark against tort reform." Schumer "shouldn't be able to have it both ways by holding press conferences in New York City, then returning to Washington and winking to Tommy Boggs, Harry Reid and the tort lobby that it's all merely talk. If his conversion is real, we look forward to his energetic leadership in building a bipartisan majority for tort reform."

Bush Healthcare Plan Criticized. In a Time column (2/5), Matt Miller says, "With the health-care plan the President floated in his State of the Union address, he's literally picking up a page his father wouldn't keep in his health-care playbook. But the son has shrewdly disguised his slow-motion tax increase as a tax cut." But Bush's plan "isn't a serious attempt to cure what ails health care and might make some things worse. For starters, Bush's staff says his plan would reach just 3 million to 5 million of the 47 million uninsured."

In his Newsweek column (2/5), Allan Sloan says, "If you delve into the low-profile details of Bush's high-profile health-care proposals, you discover that embedded in them is a plan that would effectively trim future Social Security retirement benefits for some people, while reducing their current Social Security tax payments to help pay for health insurance." Paying "less Social Security tax would reduce your future Social Security retirement benefit, which is determined by a formula that's based on how much Social Security tax you pay."

OTHER NEWS:

Economists Expect Steady Growth, Higher Unemployment In 2007. USA Today (1/29, Hagenbaugh, Hansen, 2.27M) reports, "The Federal Reserve will wait to cut interest rates until the end of 2007, not earlier this year as was expected just a few months ago, economists say. Economists surveyed by USA TODAY expect the unemployment rate will tick higher this year as the economy grows at a steady, but not blazing, pace. The slower growth is expected to lead to a sharper pullback in inflation than what was predicted three months ago." The 56 economists were surveyed Jan. 18-24. USA Today adds, "The expectation for a rate cut at year's end represents a significant change. Just three months ago, economists said they expected the Fed would cut rates in the second quarter." But "since then, data have suggested the economy is faring better than was expected given the sharp slowdown in housing. Economists are now predicting the softening in this year's job market won't be as substantial as they predicted last quarter. That suggests the Fed doesn't need to cut rates."

The Wall Street Journal (1/29, McKay, 2.04M) reports, "There isn't much that moves the market like a shift in interest rates by Federal Reserve policy makers. This year, it is beginning to look like the Fed won't move much." As "central-bank rate setters prepare for their first meeting of the year this week, investors increasingly are resigned to a longer pause in rate moves than previously expected." But "it might be that it is the pause that refreshes. In recent years, the stock market usually has performed well when the Fed declines to move up or down, as it has since last summer." The Journal adds, "Some Wall Street forecasters say the Fed could go all year without changing its rate targets, a prospect that contributed to the market's sluggishness last week."

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Refiner Stocks, Hit By Bush Gasoline Proposal, Seen As Likely To Rebound. The Wall Street Journal (1/29, C1, Ball, 2.04M) reports, "With President Bush calling for significantly slowing the growth in gasoline consumption in the next decade, stocks of some companies that refine crude oil into gasoline slipped temporarily last week, a sign that some investors are reassessing growth prospects for the refiners." But "[t]here are good reasons to conclude refiners of crude are poised for a nice seasonal stock pop as the high-demand summer driving season approaches." As "word of the president's energy proposals surfaced Tuesday, hours before the actual speech, the stocks of some producers of corn-based ethanol inched up -- and those of some refiners inched down." The Journal adds, "Time will tell whether Mr. Bush's proposals will meaningfully slow the growth in America's gasoline use. It would take real technological breakthroughs for the U.S. to produce the volume of ethanol the president outlined, requiring the country to move beyond corn...and use 'cellulosic' materials such as switchgrass and wood chips, which are far more plentiful, to make the fuel."

Iraq, 1993 Healthcare Drive Dominate Clinton's Iowa Visit. Under the headline "Mixed Reviews For Clinton In Iowa," the Washington Post (1/29, A1, Balz, 690K) reports on Sen. Hillary Clinton's first official campaign trip to Iowa, and says that "her campaign advisers may justifiably conclude that she made a positive first impression on Iowa Democratic Party activists." However, "a 90-minute conversation with 14 Iowa Democrats…tells a more complete and not-so-encouraging story of her candidacy in its early stages." Clinton "engenders substantial doubts among people who, by virtue of Iowa's place at the front of the nominating calendar, could play an outsized role in selecting the next Democratic presidential nominee. … The 14 party activists were invited by The Washington Post to come together to talk about the presidential race. All are currently uncommitted. Their views are in no way a scientific sample, but as voters who pay especially close attention to presidential politics, they offer clues to the future in their impressions. At the end of the conversation, these activists were asked whether they are leaning toward any particular candidates. Six said they are totally uncommitted. Of the other eight, three mentioned Clinton as one of the candidates they are looking at with the most interest." The Post adds, "Their opinions underscored what polls and strategists are saying: The Democratic race in Iowa is wide open."

The Wall Street Journal (1/29, A6, Calmes, 2.04M) reports, "The senator's challenge is plain in this state that holds both parties' first nominating caucuses a year from now. Mrs. Clinton is the Democrats' early front-runner nationally -- about 40% of Democrats support her, twice as many as her closest rival, Illinois Sen. Barack Obama, can claim. But in Iowa she has trailed in polls behind Mr. Obama and two other candidates: former Sen. John Edwards of North Carolina, who has been working the state since his 2004 White House bid; and Iowa's former Gov. Tom Vilsack. … So a week after announcing her presidential bid over the Internet, Mrs. Clinton was here in the flesh for what she calls 'conversations,' trying over a sub-freezing weekend to show fellow Democrats she isn't an ice queen. For Iowans, who jealously guard their 30-year role as vetters of presidential candidates, Mrs. Clinton can pass their 'electability' test only by first passing their 'likability' test." In Iowa, Clinton "repeatedly used her answers to show a folksy, self-deprecating and even humorous side."

The Mason City Globe Gazette (1/29, Tibbets) reports "many admirers greeted her Sunday," but "there were direct questions, too, like about her 2002 vote to authorize President Bush to go to war." Likewise, NBC Nightly News (1/28, story 3, 2:30, Seigenthaler, 9.87M) reported, "For the second straight day…Clinton was on the campaign trail in Iowa was asked about her vote more than four years ago to authorize the war in Iraq. This is what she said today in Davenport." Clinton: "I said that we should not go to war unless we have allies. So he took the authority that I and others gave him and he misused it. And I regret that deeply. If we had known then what we know now, there never would have been a vote and I never would have voted to give this President that authority." NBC (Harwood) added that "one of the main questions hanging over Hillary Clinton's campaign is whether she is too cautious and calculating, authorizing the war in the fall of 2002 when…Bush was riding high was the cautious vote for a Democrat interested in the White House. Now that most of the country has turned on the President and the war, some Democratic liberals want her to do more, if not to call her vote in the state to take bolder action to try to stop the war now."

The AP (1/29, Glover) reports Clinton also said that Bush "has made a mess of Iraq and it is his responsibility to 'extricate' the United States from the situation before he leaves office. It would be 'the height of irresponsibility' to pass the war along to the next commander in chief, she said." USA Today (1/29, Lawrence, 2.27M) notes those remarks "drew a response from the White House. Spokesman Rob Saliterman called them 'a partisan attack' and added it would be 'the height of irresponsibility to cap our troop numbers at an arbitrary figure and to cut off their funding.' Clinton supports a cap but opposes a funding cutoff." The Chicago Tribune (1/29, Quintanilla, 617K) and Washington Times (1/29, Hurt, 88K) also focus on Clinton's comments about Iraq.

McClatchy (1/29, Thomma) reports Clinton "faced pointed questions about issues such as Iraq and health care that suggested she will face many skeptical Democrats in the state that kicks off the nominating process next January. One

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asked whether she bore responsibility for the failure in 1993 and 1994 to enact universal health care coverage as she and her husband promised." The Des Moines Register (1/29, 160K) says Clinton "told an eastern Iowa audience…that her mistakes leading a highly publicized health care reform effort in the 1990s have changed how she approaches the issue. 'I learned a lot in '93 and '94,' the New York Democrat told more than 500 supporters and party activists at the Mississippi Valley Fairgrounds. 'I can tell you I come into this experience with my eyes wide open.'" Clinton "said she does not believe the political will yet exists for a government-run, universal health care system. Instead, she says the best way to begin moving toward health insurance coverage for everyone is to guarantee it for children."

The Washington Post (1/29, A4, Kornblut, Balz, 690K) reports, "More than questions on Iraq, Clinton heard repeated questions Sunday morning about health care, a subject that was once a liability for her but that she is now seeking to turn into an asset." The Post adds, "In keeping with her expressed desire to hold a 'conversation with Iowans,' Clinton asked at one point for a show of hands from the audience to see how many would prefer employer-based health insurance, how many would prefer a system in which individuals purchased insurance, with help from the government if necessary, and how many would prefer a system modeled on Medicare. The audience overwhelmingly favored moving toward a Medicare-like system for all Americans."

Comment About Experience With "Evil And Bad Men" Elicits Laughter. The Mason City Globe Gazette (1/29, Tibbets) reports Clinton "got an unexpected laugh at a fairgrounds appearance when a questioner, referring to terrorists in the world, asked about her experience dealing with 'evil and bad men.' Repeating the question, Clinton said, 'What in my background equips me to deal with evil and bad men?' That prompted growing laughter in the crowd, with Clinton smiling." The Gazette adds, 'Later, at the news conference, Clinton was asked three times about the incident and laughed at being 'psycho-analyzed.' She brushed off the idea, broached by a reporter, that the audience was thinking of the well-publicized behavior of her husband."

The Los Angeles Times (1/29, Finnegan, 850K) reports that after Clinton's comments, "the crowd's laughter gradually built, lasting a full 30 seconds, with the New York senator smiling gamely the entire time. … When asked later at a news conference what was on her mind during the laughs, she said she was thinking she 'could do a pretty good job' in pursuing Osama bin Laden, and 'our leadership for the last six years hasn't really produced results.' Incredulous reporters persisted in asking what she was thinking."

McClatchy (1/29, Thomma) reports the audience "response and Clinton's own contradictory comments later in the day were unscripted moments in a two-day swing that underscored both her strengths and vulnerabilities as she jumps into the battle for the 2008 Democratic presidential nomination. The very nature of the crowd's laughing response to the notion of Clinton and bad men was reminiscent of the empathy many Americans had for her when her husband was caught having an affair with a White House aide. Yet it also served as a reminder that the scandal will follow her."

The Wall Street Journal (1/29, A6, Calmes, 2.04M) reports "Clinton expressed mild exasperation that reporters were suggesting the audience interpreted her remark that way. '"I get a little funny and now I'm being psychoanalyzed,' she said. 'I don't think anybody felt that, I'm sorry.'" Long Island Newsday (1/29, Thrush, 414K) also remarks on the exchange in a story titled "Hillary: Dealing With "Evil, Bad Men"? No Problem."

Obama Fundraising Boosted By Liberal Donors. The Washington Times (1/29, Lambro, 88K) reports Democratic Sen. Barack Obama "is scoring gains in the early campaign-money sweepstakes, pulling in checks from liberal movie moguls, Silicon Valley executives and financiers such as George Soros in a bid to match Sen. Hillary Rodham Clinton's huge financial advantage in the race for the Democratic presidential nomination." Obama has "not only been raising serious money for his White House campaign, but has made inroads into Mrs. Clinton's financial power base in New York, the Hollywood movie industry and among trial lawyers, campaign-finance consultants said." Reports "coming in from Democrats across the country say Mr. Obama is raking in checks from a variety of major donors in part because of his support for troop withdrawal from the Iraq war and his near-perfect liberal voting record."

Occidental College Eager To Claim Obama As Alumnus. The Los Angeles Times (1/29, Gordon, 850K) reports Occidental College, a liberal arts school in Los Angeles, "isn't shy about claiming" Democratic Sen. Barack Obama "as an alum. He says he has 'fond memories' of the school." Obama is "usually described as an alumnus of Columbia University, where he earned his bachelor's degree, and of Harvard Law School. But the Illinois Democrat began his undergraduate education at Occidental, and the 1,825-student liberal arts college in the Eagle Rock neighborhood of Los Angeles is not shy about claiming him as an alumnus for his two years there (1979-81) on full scholarship. Perhaps, some think, it's where his political and oratory skills were nurtured."

Obama Leaves Comedians Speechless. In its "Periscope" column, Newsweek (2/5, Summers, 3.12M) reports, "Everyone's getting ready for a Barack Obama presidential bid. But one group is still unprepared: the nation's comedians, who say the pol appears almost

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invulnerable to caricature. How do you make fun of someone when all the audience knows is that he's popular and charismatic?" At least "until the campaign is underway and Obama says or does something that gives them some meat, comics and writers are scratching their heads."

Clinton, McCain Top Respective Primaries In Time Poll. Time (1/25, Karon, 4.03M) reports a poll of 1064 registered voters shows Sen. Hillary Clinton "is the clear front-runner to win the Democratic Party's nomination for President in 2008, but the Republican race will be a close contest between Senator John McCain and former New York mayor Rudy Giuliani — with McCain edging Giuliani by a three- to four-point margin. And a presidential face-off between Clinton and McCain, right now, would be close to a dead heat." The poll shows Clinton would defeat Sen. Barack Obama "for the Democratic nomination by a margin of 40% to 21%. Senator John Edwards is a distant third with 11%." McCain "holds a narrow lead of 30% to 26% over Giuliani for the G.O.P. nomination. A race between McCain and Clinton would be a virtual tie (47%-47%), according to the poll, while McCain would beat either Obama or Senator John Edwards by a 7-point margin."

Smooth Clinton Campaign Rollout Improves Poll Performance. In his Newsweek column (2/5), Howard Fineman says, "So far, so good for Hillary Clinton. She launched her presidential campaign with a smooth professionalism that reminded me of George W. Bush's debut eight years ago. The technology has changed (Web chats vs. a chartered-plane fly-around), but the message was the same: we know the game cold, it's in the family blood, we are inevitable." The "blitz moved the numbers. The new NEWSWEEK Poll shows Hillary beating her Democratic rivals in two-way matchups (55 to 35 percent over Sen. Barack Obama, 62 to 29 percent over former senator John Edwards). She does better than they do against Republicans, beating Sen. John McCain 50 to 44 percent, for example."

Negative Ads Quickly Circulate On Internet. The Los Angeles Times (1/29, Finnegan, 850K) reports that in a "dim Culver City editing room, two video snippets of Republican presidential hopeful John McCain fill the monitors. In the first, he says same-sex marriage should be allowed. In the second, he says it should be illegal." The clips were researched "by filmmaker Robert Greenwald and his production team for damaging Internet video of the Arizona senator." The "first whack at McCain, now on the video-sharing site YouTube, joins a rapidly growing collection of Web videos posted by critics of leading contenders in the 2008 presidential race. Targets so far include Barack Obama, Rudolph W. Giuliani, John Edwards, Mitt Romney and Hillary Rodham Clinton." The "explosion of video-sharing on the Web poses major risks for presidential candidates: Gaffes and inconsistent statements witnessed by dozens can be e-mailed instantly to millions."

The New York Times (1/29, Zeller, 1.16M) reports, "It is perhaps no surprise, then, that Web gremlins would chuckle as the cameras panned the chamber Oscar-style last week" at the State of the Union "and alighted on what appeared to be Senator John S. McCain of Arizona, a presumed candidate for the Republican nomination for president, in an unguarded moment of slumber." It is, "perhaps, also no surprise in the age of YouTube — where unscripted video clips have become political Molotov cocktails — that a 'McCain sleeping' snippet was uploaded to the Internet and was being discussed and linked in short order." Whether the "original intent was political sabotage or simple humor is hard to say, but either way the clip went straight for Mr. McCain's Achilles' heel: his age. He is now 70 years old. By 2008, if elected, he would be the oldest president to move into the White House."

"Insight" Publication Of Obama Rumor Generates Echoes. The New York Times (1/29, Kirkpatrick, 1.16M) reports Jeffrey T. Kuhner, "whose Web site published the first anonymous smear of the 2008 presidential race, is hardly the only editor who will not reveal his reporters' sources. What sets him apart is that he will not even disclose the names of his reporters." In the "last two weeks, Mr. Kuhner's Web site, Insight, the last remnant of a defunct conservative print magazine owned by the Unification Church led by the Rev. Sun Myung Moon, was able to set off a wave of television commentary, talk-radio chatter, official denials, investigations by journalists around the globe and news media self-analysis that has lasted 11 days and counting." The controversy "started with a quickly discredited Jan. 17 article on the Insight Web site asserting that the presidential campaign of Senator Hillary Rodham Clinton was preparing an accusation that her rival, Senator Barack Obama, had covered up a brief period he had spent in an Islamic religious school in Indonesia when he was 6."

Steele Says Edwards Will Be The Democratic Nominee. Former Maryland US Senate candidate Michael Steele said on CNN's Late Edition (1/28, Blitzer), "I think Edwards is going to be the nominee. That's just where I look at the landscape, and I think Edwards would present a real challenge to the Republican Party."

Biden Says He Needs To Raise $20 Million To Compete. Sen. Joseph Biden said on ABC's This Week (1/28, Stephanopoulos), "The President has dug us in a deep hole. The President's foreign policy has made us more vulnerable, his economic policy has made the middle class more vulnerable. My life story, my record best prepares me to deal with those two issues." Asked how he can win the

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Democratic nomination, Biden said, "The path to victory is Iowa, New Hampshire. The path to victory is slow. … I'm not doing bad in Iowa…and I have significant and deep support in South Carolina. … This is a marathon. If people learn my story, learn my record, I think I can compete. The question is, can I raise the money? I think I need $20 million to get me into and through Iowa." Of the crowded field, Biden said, "I'm the 800th candidate."

Dodd Says He's Running On His Senate Experience. Sen. Christopher Dodd said on CNN's Late Edition (1/28, Blitzer), "What I bring to it, I think, is clearly some experience, 26 years in the Senate, which would normally disqualify you in years past. But this time around, I think experience is going to matter to people. … Having been through what we've been through, squandering America's leadership over the last six years, knowing that we have major problems here at home, domestically and with foreign policy, that I have been a leader on those issues, a problem solver. And the American public is hungry for leadership, candid leadership, that is willing to talk about big issues and has demonstrable evidence that you know how to bring people together. And I think I've been able to do that in 26 years on family and medical leave, on child care, dealing with the conflicts in Central America. I've been involved in every major foreign policy debate and every major domestic debate involving children and families. I think that kind of evidence is going to help make a case to the American public."

Lieberman Could Back A Republican In 2008. The AP (1/29) reports Lieberman, "the Democratic vice-presidential nominee in 2000 who won re-election as an independent last year, says he is open to supporting any party's White House nominee in 2008. 'I'm going to do what most independents and a lot of Democrats and Republicans in America do, which is to take a look at all the candidates and then in the end, regardless of party, decide who I think will be best for the future of our country,' Lieberman said Sunday." He added, "So I'm open to supporting a Democrat, Republican or even an Independent, if there's a strong one. Stay tuned." Lieberman "is an ally of GOP Sen. John McCain of Arizona."

Lieberman said on Fox News Sunday (1/28, Wallace), "I consider myself today an Independent-Democrat, and I'm staying in the Democratic Party because I believe in the historic principles and commitments of the party to be both progressive here at home and muscular, strong and principled in the world. I'm a Harry Truman, JFK, Scoop Jackson, and Bill Clinton Democrat. … There was a large message from the election last year, and it wasn't just about Iraq. It was about too much partisanship in Washington. The President said afterward he got it. Leaders of both parties said afterward they got it. And yet we seem to be sliding back into the partisanship. The people understandably want us to work together to get something done for them."

McCain Fails To Respond To Invite From GOP Study Committee. Roll Call (1/29, Davis, Whittington) reports, "Sen. John McCain (R-Ariz.) has decided not to address House Republican conservatives when they convene at their annual retreat this week, while one of his top rivals for the GOP's 2008 White House nod will be among the headliners of the event. Not only is McCain not attending the annual Conservative Members Retreat -- which draws members of the Republican Study Committee and is sponsored by the Heritage Foundation -- Republican sources said that McCain's campaign never responded to the invitation." Roll Call adds, "McCain campaign spokesman Danny Diaz did not address why his boss wouldn't attend, or why he didn't respond to the invite, but he said the Senator enjoys many friendships on Capitol Hill and has daily opportunities to reach out to conservative lawmakers."

Brownback Takes Shot At Romney On Abortion. Sen. Sam Brownback said on Fox News Sunday (1/28, Wallace), "As a tried and true conservative, I've been in the Congress or the United States Senate since 1994. I've voted on these issues of life and marriage -- many of the other social issues. I've been a leader on those issues. I think it speaks for itself that I'm tried and true on these issues and many of the others have looked or been in different positions at different times. Those are going to come out during the race." Asked if he was referring to Mitt Romney's alleged shifts on such issues, Brownback said, "Well, he'll have to stand on his own record. At times he's stated that he's pro-life, and at times he's stated differently. That's something that's going to be coming out during the campaign."

Hunter Sees Immigration Message As Central To His Campaign. Rep. Duncan Hunter said on ABC's This Week (1/28, Stephanopoulos), "I believe in spreading freedom around the world. But, you know, we have to have enforceable borders and I think the message to America is, since 9/11, border security's not just an immigration issue now. It's primarily a security issue. … I've built a border fence in San Diego and I wrote the law that extends it across the southwest United States, and I think that resonates with the American people. It sure does here in South Carolina."

Huckabee To Launch White House Bid Today. The AP (1/29) reports, "Conservative Republican Mike Huckabee, seeking to repeat the success of another former governor from Hope, Ark., said Sunday he is taking the first step in what he acknowledged is an underdog bid for the

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White House in 2008. 'I think this is an opportunity to show the American dream is still alive and there's hope and optimism that can be awakened in a lot of people's lives if they think that a person like me can run and actually become president,' Huckabee told The Associated Press." Huckabee, "who took over as governor at the height of Bill Clinton's Whitewater scandal, comes from the same small town -- Hope -- in the same rural state as the former Democratic president."

Huckabee said on NBC's Meet The Press (1/28, Russert), "Tomorrow I'll be filing papers to launch an exploratory committee, and yes, I'll be out there. I think America needs positive, optimistic leadership to kind of turn this country around, to see a revival of our national soul, and to reclaim a sense of the greatness of this country that we love, and also to help bring people together to find a practical solution to a lot of the issues that people really worry about when they sit around the dinner table and talk at night. … I make no apology for my faith. My faith explains me. It means that I believe that we're all frail, it means that we're all fragile, that all of us have faults, none of us are perfect, that all of us need redemption. We are a nation of faith. It doesn't necessarily have to be mine. But we are a nation that believes that faith is an important part of describing who we are, and our generosity, and our sense of optimism and hope."

USA Today (1/29, Lawrence, 2.27M) reports "Huckabee's tenure as governor was marked by several ethics controversies. The state ethics commission cited him five times for violations involving unreported gifts and cash. As he left office he took heat for wedding-gift registries at two stores. He said they were set up by his wife's friends and were meant to provide housewarming gifts for the couple's new home."

The Washington Post (1/29, A4, Romano, 690K) says Huckabee is "perhaps best known for losing 100 pounds in two years." He "enters the race as a long shot, boasting little national name recognition and up against such high-profile and well-funded Republican candidates as Sen. John McCain (Ariz.), former Massachusetts governor Mitt Romney and former New York mayor Rudolph W. Giuliani."

Hagel Weighs 2008 Bid. Newsweek (2/5, Darman, 3.12M) profiles Republican Sen. Chuck Hagel of Nebraska, saying that "viewed from afar, the stuff inside Hagel looks like the stuff that makes Republican presidential candidates." But Hagel, "who as of late last week was in the final stages of weighing a presidential run, is never mentioned in the top tier of Republican candidates for one, simple reason: since the initial buildup to the war in Iraq, he has assailed the Bush administration's policy — in sharp words, in constant refrain and, most unforgivably, in public. His outburst last week was the culmination of a four-year campaign to raise public outrage about a war he's always considered disastrous. His stance has earned him the enmity of the White House." Asked about Hagel last week, Vice President Dick Cheney said: "I believe firmly in Ronald Reagan's 11th Commandment: THOU SHALT NOT SPEAK ILL OF A FELLOW REPUBLICAN. But it's very hard sometimes to adhere to that where Chuck Hagel is involved."

Iraq Continues To Vex 2008 GOP Candidates. Newsweek (2/5, Wolffe, 3.12M) reports, "At a time when congressional Republicans are turning against the war in growing numbers, the backing of the top 2008 contenders -- John McCain, Rudy Giuliani and Mitt Romney -- is a godsend. But for the candidates themselves, the strategy of carrying Bush's baggage seems politically reckless." McCain's "longstanding support for the war left him little choice but to back the president's latest surge plan, his aides say. Still, his repeated clashes with Bush give him some distance from the president." McCain's "rivals are struggling to match his gravitas on issues of war and peace. Giuliani's aides (speaking anonymously about the candidate's thinking) say he consulted with a dozen military and regional experts -- some pro-surge, some anti -- before supporting Bush's plan." Last year, Romney, "then the Massachusetts governor, was happy to criticize Bush's handling of the war. More recently he has tempered his comments." Just "one announced candidate has split with the GOP pack," Sen. Sam Brownback.

Time (2/5, Calabresi, Bacon, Cox, Carney, 4.03M) lists "8 Keys To The Campaign," such as the Iraq war, where "no position on either side is particularly safe; they are all gambles on a certain outcome in Iraq. If the situation on the ground stabilizes, the leading Republicans and Clinton will appear steady hands; if it deteriorates, Biden, Brownback and Edwards will look wiser." The second key is "money," the third "religion," the "Amazon factor" or book sales, the "last minute campaigns" of potential heavyweights such as Al Gore or Newt Gingrich, "recruiting the new gurus" to staff the campaign, "winning over the online activists," and the "New Faces."

Impact Of Frontloaded Primary Season Uncertain. In his Newsweek column (2/5), Jonathan Alter says, "The front-loading of primaries—meant to help pick a nominee quickly—may backfire." The "conventional view is that the schedule will favor candidates who can spend in big media markets." McCainiacs "were marveling last week over how few days will elapse between early contests in '08. They think this favors them. But should Brownback (from nearby Kansas), or Mike Huckabee (a former minister) resonate with Iowa's religious GOP caucusgoers, McCain could be in trouble there. Throw in a win for former Massachusetts governor Mitt Romney in next-door New Hampshire and McCain may have only a week to turn things around and get on the scoreboard in South Carolina."

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NYTimes Criticizes Early Start To Presidential Race. The New York Times (1/29, 1.16M) editorializes, "This really is an election on hyperspeed." The "biggest factors, though, are money and an ever-compressed schedule. California, Illinois, Florida and New Jersey are all maneuvering to move up their primaries to next February. That has candidates rushing to lock up the big donors — and bypassing the public finance system." The "problem with the 23-month campaign is not just the fatigue it will inspire, but the effect on democracy. Bundlers — master fund-raisers who package individual contributions into big ones — will have even more power. There is no way to stop candidates from hurling their hats into the ring so early. But there are things that can, and should, be done."

McConnell, Ensign Seek To Curb '08 Retirements. Roll Call (1/29, Billings) reports, "Hoping to minimize their vulnerability in the upcoming election cycle, Senate Minority Leader Mitch McConnell (R-Ky.) and National Republican Senatorial Committee Chairman John Ensign (Nev.) are privately making the rounds to urge GOP colleagues to run again in 2008 — and backing the request with promises of strong support from the party." Twenty-one Republican-held seats "are up in 2008, nearly twice the number of Democratic seats that will be on the ballot. One Republican — Sen. Wayne Allard (Colo.) -- already has announced he will not run again next year." Senators and aides "privy to the closed-door conversations said McConnell and Ensign are making a strong and early sell to encourage their incumbents to seek another term. They also have vowed to provide incumbents with the resources necessary to mount a successful campaign, especially in competitive states where Democrats are likely to invest heavily, Republican sources said."

Roll Call (1/29, Drucker) reports Sen. Thad Cochran (R-Miss.), "under pressure from Senate Republican leaders to decide whether he'll run for re-election in 2008, is stepping up his fundraising activity and said Friday through a spokeswoman that he is leaning toward seeking a sixth term." But Cochran spokeswoman Margaret Wicker "said the Senator does not plan to make a formal decision until late this year or early 2008, but she indicated that the 69-year-old Mississippian is inclined to not disappoint his supporters who are encouraging him to run again." About "six Republican Senators have left the door open to retiring next year. But those six are part of a larger group of 19 out of the 21 GOP Senators up for re-election in 2008 who have indicated to the National Republican Senatorial Committee that they plan to stick around. Of the two who haven't given such assurances, Sen. Wayne Allard (Colo.) recently announced that he'll retire, while Cochran had been relatively noncommittal."

House GOP Examines Causes Of 2006 Losses At Retreat. The Washington Times (1/29, Bellantoni, 88K) reports House Republicans "spent most of their 48 hours at last week's retreat" in Cambridge, Maryland, "examining why they lost the congressional majority and trying to formulate a winning way forward." The 160 Republicans "attending the retreat heard from motivational speakers and peppered President Bush with questions about his Iraq policy during a private session with the commander in chief. Now, leaders say, it's time to prove Republicans understand the message voters sent in the November elections." Aides "noted a higher turnout than in recent years, with only about 40 of the chamber's 202 Republicans skipping the retreat. Several Republicans agreed members left Friday with a 'back to basics' mentality focusing on fiscal responsibility and conservative principles in homage to the party's roots."

Roll Call (1/29, Davis) reports, "Twelve years after he helped lead them into the majority following decades in the wilderness, it seemed fitting that ex-Speaker Newt Gingrich (R-Ga.) was the keynote speaker for the House Republicans' first retreat back in the minority." Gingrich "told his Republican brethren at the Hyatt Regency Chesapeake Bay on Maryland's Eastern Shore to challenge themselves to redefine and recapture the enthusiasm for the Republican Party." House Minority Leader John Boehner said, "It was Newt being Newt." Boehner "promptly" shot "down questions as to whether Republicans were seeking to create another document similar to the 'Contract with America.' 'No, no, no,' Boehner said." While Republican leaders "and the rank-and-file continue to promote the message of 'new ideas,' it appears they don't yet know where to start." One leadership aide "said the retreat was helpful in getting the Republican Conference as a whole to understand the reasons why the GOP lost the majority."

Democratic "Surge" In Mountain West Said To Be Overstated. In his Roll Call column (1/29), Stuart Rothenberg says, "More than a few journalists and political pontificators have noted recent Democratic gains in the Mountain West, which includes Wyoming, Idaho, Montana, Nevada, Utah, Colorado, Arizona and New Mexico. Some see those gains in 2004 and 2006 as shattering a reliable Republican region, while others argue recent wins are only the beginning of a Democratic rally that will continue in 2008 and beyond." But after "dissecting the historical data over the past 25 years and comparing it to election results from the past few cycles, it's very clear that not much is going on. I'm certainly not ruling out changes in 2008 or 2010, and I'm not saying that there have been no changes. But so far, the hype about a shift has overwhelmed the reality." The "evidence strongly demonstrates that there has been no Democratic

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surge in the region, even if the hyperbole makes for a better news story."

Sebelius Seen As Rising National Star. The AP (1/29, Hanna) reports Democratic Gov. Kathleen Sebelius of Kansas "is generating some buzz with her 58 percent re-election margin, glowing write-ups in national magazines and political chatter about her place on short lists for Cabinet posts should Democrats recapture the White House next year." Sebelius, "who's made her fortune in Kansas politics by winning over moderate Republicans, has even popped up in speculation about potential vice presidential nominees. And this year, she's chairwoman of the Democratic Governors' Association."

Motherhood Now Seen As Asset For Women Candidates. The New York Times (1/29, Toner, 1.16M) reports some women "were struck by the politics of maternity practiced by Speaker Nancy Pelosi and Senator Hillary Rodham Clinton in recent weeks, the imagery and stagecraft that highlighted their roles as mothers and/or grandmothers." For a "long time women seeking high office, particularly executive office, were advised to play down their softer, domestic side, and play up their strength and qualifications. Focus groups often found voters questioning whether women were strong enough, tough enough, to lead." Today, "many political strategists say women no longer have to be so defensive. Voters have grown more accustomed to women in powerful positions. And women like Ms. Pelosi and Mrs. Clinton, whatever other problems they may have, have been on the public scene long enough and are familiar enough players in the architecture of power that they no longer have to prove their strength day in and day out." Strategists say "motherhood and a focus on children can become one more political asset to be showcased — a way of humanizing a candidate and connecting with voters, especially other women."

Individual Health Insurance Policies Face Potential Revocation. USA Today (1/29, Appleby, 2.27M) reports on "a little-recognized fact about insurance purchased by individuals: Even after being approved, policyholders can see their coverage amended to exclude certain medical conditions or revoked entirely, sometimes long after the policies are issued." Insurers say "they rarely revoke policies, and generally do so only because of misleading or omitted information on applications. One large insurer, Blue Cross of California, says it revokes less than one-half of 1% of all individual policies each year. Requiring complete medical details and honesty on the part of applicants, insurers say, is necessary to control costs and weed out fraud."

Father Drinan, Former Congressman, Dies At 86. The New York Times/AP (1/29) reports the Rev. Robert F. Drinan, "a Jesuit who served in Congress for 10 years until stepping down in response to a papal order, died Sunday. He was 86 and lived here in housing for the Georgetown University Jesuit community. A university statement Sunday night said Father Drinan had recently been ill with pneumonia and congestive heart failure." Drinan, an "internationally known human rights advocate," represented Massachusetts "in the House of Representatives for 10 years in the 1970s, stepping down only after a worldwide directive from Pope John Paul II barring priests from holding public office." Drinan "became the first member of Congress to call for the impeachment of President Richard M. Nixon — although the call was not related to the Watergate scandal, but to what Father Drinan viewed as the administration's undeclared war against Cambodia."

US Said To Be Moving Towards Political "Royalism." In a Wall Street Journal op-ed (1/29, A17), Michael Barone says, "To compare our political struggles to the conflicts between rival dynasties may be carrying it too far. But we have become, I think, a nation that is less small-r republican and more royalist than it used to be. Viscerally, this strikes me as a bad thing. But as I've thought about it, I've decided that something can be said for the increasing royalism of our politics. And whether you like it or not, you can't deny it's there. Not when the wife of the 42nd president is a leading candidate to succeed the 43rd president who in turn is the son of the 41st president. The two George Bushes are referred to in their family, we are told, as 41 and 43. If Hillary Clinton wins, will she and her husband call each other 42 and 44?"

Saudi King Urges Palestinian Factions To Talk. NBC Nightly News (1/28, story 4, 2:00, Seigenthaler, 9.87M) reported, "Once again, Palestinians were fighting each other today. The two factions, Hamas and Fatah, struggling for power are on the verge of civil war." NBC (Fletcher) added, "Street battles between Palestinians in Gaza for the fourth straight day, but no pictures of the fighting. Gunmen threatened to shoot the cameramen. Fifty-three Palestinians were killed by Palestinians in Gaza in January alone -- at least 25 in the last four days" and "they are kidnapping each other too" -- "more than 80 kidnapped in January, none have been harmed and most released. Leaders from both sides have appealed to end of the months of fighting but it is part of a bigger picture, a power struggle between those who want an Islamic state against those who want a western secular state. The fundamentalists are backed and financed by Iran."

The AP (1/29, Barzak, El Deeb) reports as the violence continued, Saudi Arabia's King Abdullah "urged Palestinian

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rival factions Sunday to hold talks" in Mecca. Abdullah called the factional fighting a "shame" that "has undermined the Palestinian cause," Saudi Arabia's official news agency reported. Both sides "welcomed the Saudi king's offer but did not say when talks might be held."

The New York Times (1/29, A3, Myre, 1.16M) reports the recent violence in Gaza is "some of the worst ever Palestinian internal fighting." The Times also notes that Saudi Arabia "does not have a tradition of such direct involvement in Palestinian affairs. But as one of the most important figures in the Arab world the king, by his decision to hold the talks in Mecca, could increase the pressure on the Palestinian leaders to find a compromise."

The Financial Times (1/29, Devi) says the violence also "threaten[s] to overshadow a meeting this week "of the Quartet. Representatives of the United States, European Union, Russia and United Nations are due to meet in Washington on February 2 to discuss the stalled peace process.

Malaysian PM Sys US Mideast Policies "Radicalize" Moderate Muslims. The Financial Times (1/29, Peel) reports Malaysian Prime Minister Abdullah Badawi warned that "moderate Muslim countries face a greater threat from terrorism than western countries, but all nations must urgently address the causes of that terrorism instead of concentrating on the symptoms." Speaking as chairman of the 57-nation Organization of the Islamic Conference, Abdullah said governments in the Islamic world were being "undermined by their failure to influence the US and the United Nations in enforcing resolutions calling for an end to Israeli occupation of Palestinian land" and that world Muslim opinion "had been radicalized by western policies in the Middle East," including the invasion of Iraq.

White House Worries Hizbullah Terrorist Resuming Activity. Newsweek (2/5, Hosenball, Bahari, Chen, 3.12M) reports in its "Periscope" column, "Before Osama bin Laden, there was Imad Mughniyeh. The Lebanese terrorist from Hizbullah was considered the most dangerous in the world. Now the White House worries that he's back, after years of lying low." Four "serving U.S. intel and counterterrorism officials" said "Mughniyeh is prominent in recent reporting from the field about Hizbullah activity. Bruce Riedel, a veteran Mideast expert recently retired from the CIA, told NEWSWEEK there is 'no question he is heavily involved in [formulating] terrorist contingency plans in case of a U.S.-Iran confrontation.'"

State Department To Report On Israeli Arms Use. In continuing coverage of news reported Sunday by the New York Times, USA Today (1/29, 9A, 2.27M) notes the State Department today will deliver to Congress a "preliminary" report "on whether Israel misused American-made cluster bombs in civilian areas of Lebanon during a 34-day war with Hezbollah militants last summer." State Department spokesman Kurtis Cooper "said the report doesn't make a final judgment," noting that the department is "required to notify Congress of even preliminary findings of possible violations of the Arms Control Act."

Israeli Cabinet Approves First Muslim Minister. The Washington Post (1/29, A12, Wilson, 690K) reports Israel's cabinet Sunday approved "the first Arab Muslim minister of the Jewish state, a milestone marked…mostly by bitter criticism of what many lawmakers viewed as a politically motivated selection." Raleb Majadele, a Labor Party legislator, was approved "by a wide margin as minister without portfolio" in Prime Minister Ehud Olmert's cabinet. Balad, one of several Arab parties that denounced Majadele's appointment, said in a statement that his service in the cabinet "would give a seal of approval to the policy of racial discrimination against Arabs."

Olmert Weighing Removal Of West Bank Settlements. Time (2/5, McGirk, 4.03M) reports the "evacuation of Gaza was supposed to be the first step in Israel's 'disengagement' from the Palestinians, followed by withdrawal from settlements in the more historically and strategically important West Bank. Those plans were shelved last year by Prime Minister Ehud Olmert, as conflicts with militants from Hizballah and Hamas soured many Israeli officials on the idea of giving up any more ground." But Olmert is "weighing a pullout again. The Bush Administration has signaled a new determination to forge a comprehensive peace between Israel and the Palestinians. And the success of those negotiations will hinge in part on whether Olmert's government can sustain support for dismantling the West Bank settlements, more than 40% of which have been built illegally on private Palestinian land, according to Peace Now, an Israeli pacifist group." It "won't be easy. Polls show that a thin majority of Israelis want to get rid of settlements. But Olmert's dismal approval ratings have forced him into a marriage of convenience with the pro-settlement right wing."

Lebanese Fear Violence May Rise Beyond Control. The Christian Science Monitor (1/29, Peterson, 59K) reports, "The political standoff between the government and opposition, simmering for two months, has taken an increasingly violent and sectarian turn in the past week, exposing long-dormant divisions between Lebanon's Sunnis and Shiites, and rival Christian factions." Thursday's violence was "more shocking to many Lebanese, because the spark was apparently so small" -- a skirmish at a university cafeteria. And "though it was quiet over the weekend, many Lebanese spoke of mistrusting politicians and concern that

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tension is rising beyond their ability to control the street." The Monitor warns that "specter of renewed conflict could mar the ambitions of both Lebanese camps and jeopardize a transformation that has rebuilt Beirut from the ashes of civil war."

Middle East "NATO" Seen As Way To Combat Islamic Extremists. In a column in Time (2/5, 4.03M), Walter Isaacson says, "Faced with a new global threat, that of terrorism from Islamist extremists, we could sure use some…creative and bold thinking" that led to institutions such as NATO, the World Bank, and the Marshall Plan. What "would George Marshall and Dean Acheson be doing now? At the top of their list, I suspect, would be forging a new version of NATO. They might call it MATO: The Mideast Antiterrorism Organization, a military, police, intelligence and security mutual-defense alliance between the West and our moderate allies in the Middle East."

US, North Korea To Resume Financial Talks. The AP (1/29, Lederer) reports a senior Treasury official "said the groundwork has been laid for US-North Korea talks Tuesday on US financial restrictions against the North's alleged smuggling and counterfeiting." US Deputy Treasury Secretary Robert M. Kimmitt said the talks will resume in Beijing at North Korea's request. In an interview Saturday in Davos, Kimmitt said, "I would say these talks are proceeding in a business-like fashion. I think progress is being made on the technical understanding on both sides." In a sign of "stepped-up diplomacy" with Pyongyang, the US-North Korea talks will be "quickly followed in early February" by another round of six-party talks.

China Anti-Satellite Missile Test Seen As Threat. Time (2/5, 4.03M) reports in its "Notebook" column, "China's successful antisatellite-missle test Jan. 11 carries potential implications for the international community, which has collectively placed at least 316 satellites within the missile's proven range (528 more orbiters, such as GPS and early-warning satellites, fly even higher)." At issue "are military surveillance satellites -- the very ones that detected Beijing's test -- which represent only 6% of the total number but almost all of which fly within reach. Until now, only Russia and the U.S. have downed space objects, and despite Beijing's assurances that the test was not adversarial, the U.S. sees a threat to its spy satellites -- and a possible catalyst to a space arms race."

15 Years Later, Causes Of Salvadoran Civil War Questioned. In a front page article, the Washington Post (1/29, A1, Roig-Franzia, 690K) reports "as El Salvador commemorates the 15th anniversary" of its civil war's end this month, the war that was "defined at the time as a battle over communism is now seen by former government soldiers…and by former guerrillas, as less a conflict about ideology and more a battle over poverty and basic human rights." Former government soldiers today see that "for all their sacrifices, El Salvador is still among the poorest countries in the Western Hemisphere -- more than 40 percent of Salvadorans live on less than $2 a day, according to the United Nations. The country is still racked by violence, still scarred by corruption," leaving some to ask: "Was it all worth it?"

Davos Forum Seen As "Glimpse" Of Future With Weaker US. In his Newsweek column (2/5), Newsweek International editor Fareed Zakaria says, "Two things were missing from this year's world Economic Forum at Davos: snow (which arrived eventually) and America-bashing (which did not)." For the "first time in my memory, America was somewhat peripheral. There were few demands, pleas, complaints or tantrums directed at the United States. In this small but significant global cocoon, people -- for the moment at least -- seemed to be moving beyond America." A European who advised the Forum said, "There has always been a talk by a senior American official as one of the centerpieces of the Forum. And in the past, people eagerly anticipated who that would be -- Colin Powell, Dick Cheney, Condoleezza Rice. This year, almost no one inquired. We expected disappointment. But there was none. No one even noticed." We "might also be getting a glimpse of what a world without America would look like. It will be free of American domination, but perhaps also free of leadership -- a world in which problems fester and the buck is endlessly passed, until problems explode."

Cameron Gives Conservatives Reason For Optimism. Time (2/5, Mayer, 4.03M) profiles David Cameron, leader of Britain's Conservative Party, whose "telegenic appeal has propelled the Tories to a consistent lead in opinion polls for the first time since Tony Blair's 1997 victory. That has infused Britain's Conservatives with a sensation so unfamiliar, they barely recognize it: optimism. Giddy at this turn of fortune, some are already mythologizing the man behind it. Iain Dale, who writes a Conservative blog, speaks of Cameron's 'Kennedyesque glamour.'" But the "person whom Cameron resembles more than any other is a young Blair. He has the same brow-furrowing desire not only to understand his interlocutors but to empathize with them; the same rootless accent that in Britain indicates an easy start in life (in his case, school days at Eton and a degree from Oxford). And like Blair a decade ago -- when he was dumping his party's traditions to appeal to a wider constituency -- Cameron inspires suspicion as well as excitement."

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WSJournal Urges China To Create More Capital Freedom. In an editorial, the Wall Street Journal (1/29, A16, 2.04M) writes, "For Wall Street, the big news out of China this month is that the country will 'actively explore and expand the channels and methods for using foreign-exchange reserves.'" In "yet another scene in the Party's balancing act between economic liberalization and state control," the Communist Party "might hive off a big chunk of its $1 trillion stash and invest abroad on behalf of its citizens, a la Singapore's Government Investment Corporation," which the Journal says "may be a boon for bankers, but it's not necessarily a smart idea for China." Instead of "creating an opaque government institution to manage reserves," the Journal says China "would do better to tackle the root problem: the need for more capital freedom."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Trove Of Letters Shows Einstein's Human Side."
"Afghan War Takes A Toll On Canada."
"Woman's Crusade Against Bar Spawns Free Speech Case."
"Attack Ads Go Online And Underground."
"Hundreds Die In Clash Near Shiite Holy City."
"Mexico's Willing Drug Fighter."

USA Today:
"People Left Holding Bag When Policies Revoked."
"146 U.S. Levees May Fail In Flood."
"Where They Are."
"Pelosi, Two Other Democrats Failed To Disclose Roles In Family Charities."

New York Times:
"Iranian Reveals Plan To Expand Role In Iraq."
"250 Are Killed In Major Iraq Battle."
"'Man Down': When One Bullet Alters Everything."
"Women Feeling Freer To Suggest 'Vote for Mom'"
"In Los Angeles, Antigang Efforts Start On The Street"
"Levi's Turns To Suing Its Rivals"
"Feeding Frenzy For A Big Story, Even If It's False".
"Money Trail Often Murky In Small-Town Courts."
"Sinn Fein Endorses Plan For Ulster Police Reforms."

Washington Post:
"What Would It Take To Clean Up The Bay By 2010?"
"Iraqis Raid Insurgents Near Shiite Holy City."
"Former Salvadoran Foes Share Doubts On War."
"Mixed Reviews For Clinton In Iowa."
"For Negroponte, Move to State Dept. Is a Homecoming."

Washington Times:
"GOP Getaway Focuses On Return To Roots."
"Landscape Changes For Illegal Alien Jobs."
"250 Militants Slain In Fight Near Najaf."
"Bow To Diversity Leaves Altar Empty."
"Hillary Defends Her Vote On War."
"Medium Is Message For '08 Runs."

Detroit Free Press:
"Unheeded Warnings."
"Millions At Stake In Name Of Parks."
"Insurgent Plans Likely Thwarted."

Atlanta Journal-Constitution:
"The Squeezing Of Milton."
"'She's Alive!' Duck's Luck Holds Up Again."
"Muslims Slam TV portrayals As Unfair."
"Mayor's Return To Alabama A Strike Against Voter Fraud."

Houston Chronicle:
"Lawmakers Cool To Governor's Rebate Idea."
"Mirren, Whitaker Take Honors At SAG Awards."
"300 Iraqi Insurgents Killed; U.S. Copter Crashes."
"Experts Warn Of Texas High School Dropout Crisis."
"NASA Spacecraft Speeding To 2015 Date With Pluto."
"Hispanic Chamber Losing Sight Of Duty, Some Say."

Story Lineup From Last Night's Network News:
ABC: Preempted By NBA Basketball.
CBS: Preempted By PGA Golf.
NBC: Iraq-US Helicopter Shot Down; Congress-Iraq Debate; Senator Clinton-Campaign Trail; Violence In Palestine; Mountain Lion Attack Survivor Speaks; Barbaro Faces Setback; Royal Family-US Visit.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Israel-Bakery Bombing; Fighting In Najaf, Iraq; San Antonio, TX-Senators McCain Clinton To Attend Military Rehabilitation Facility Opening; IA- Sen. Clinton; Huckabee Forming Presidential Exploratory Committee; Tokyo Stock Exchange.
CBS: Fighting In Najaf, Iraq; Senate-Iraq Resolution; Reverend Robert Drinan Obit; MI-Freeway Accident; Israel-Bakery Bombing; Israel-Muslim Arab Cabinet Minister; Fox News To Broadcast Outtakes From "The Path To 9/11"; Sinn Féin Votes To End Police Boycott; Prince Charles-Harlem.
NPR: Fighting In Najaf, Iraq; Senate-Iraq Resolution; Iraq-Baghdad-Market Bomb Blast; Gunmen Form Hamas, Fatah Fighting In Palestine; Saudi Arabia To Mediate Talks Between Hamas, Fatah Leaders; Israel-Bakery Bombing; Sinn Féin Votes To End Police Boycott; UN Secretary General-Sudanese President; Guinea-Strike; SAG Awards.

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WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: AIR TRAFFIC CONTROLLERS _ The National Air Traffic Controllers Association (NATCA) National Legislative Committee holds a Washington conference. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

SCHOOL BOARDS _ The National School Board Association holds its annual Federal Relations Network Conference. Highlights: 9:45 a.m. Sen. Edward Kennedy, D-Mass., chairman of the Senate Health, Education, Labor and Pensions Committee, will outline his priorities and new ideas for the education agenda in the 110th Congress as well as his proposed changes to the No Child Left Behind law for the upcoming reauthorization. 2:45 p.m. Secretary of Education Margaret Spellings will discuss the reauthorization of the No Child Left Behind Act and take questions from school board members. 3:30 p.m. - 5 p.m. A panel of Congressional Members will present their educational priorities for the 110th Congress. Participants: Reps. James Clyburn, D-S.C., House Majority Whip; Mike Castle, R-Del., Ranking Member, Subcommittee on Early Childhood, Elementary and Secondary Education; and Dale Kildee, D-Mich., Chairman, Subcommittee on Early Childhood, Elementary and Secondary Education. Location: Grand Hyatt Hotel, Independence A Room, 1000 H St. NW.

NUCLEAR WEAPONS _ 9:30 a.m. The Johns Hopkins School of Advanced International Studies (SAIS) hosts a program on nuclear weapons. Max Kampelman, leader of the US negotiating team with the Soviet Union from 1985 to 1989, will deliver the keynote address about ``Zero Nuclear Weapons.'' Following the address, Strobe Talbott, president of the Brookings Institution, will moderate a panel discussion titled ``The Future of Nuclear Weapons.'' Panelist: Thomas Graham Jr., former special representative of the president for arms control, non-proliferation and disarmament; Avis Bohlen, former assistant secretary for arms control; and Christopher Chyba, professor of astrophysical sciences and international affairs at Princeton University. Location: Kenney Auditorium, first floor, Nitze Building, 1740 Massachusetts Ave. NW.

ROBOTICS _ 10 a.m. Commerce Secretary Carlos M. Gutierrez visits a Maryland High School to view a student robotics program, and will highlight the importance of math and science education in maintaining a competive and innovative workforce. Gutierrez will be joined by NIST Director William Jeffrey; Montgomery County Public Schools Superintendent D. Jerry Weast; and Magruder High School students. Location: Col. Zadok Magruder High School, Technology Education Room, 5939 Muncaster Mill Road, Rockville, Md.

CHINA/ANTI-SATELLITE _ 12 p.m. Sen. Jon Kyl, R-Ariz., speaks on the implications of China's recent test of an anti-satellite weapon. Location: Heritage Foundation's Lehrman Auditorium, 214 Massachusetts Ave. NE.

HOMELAND SECURITY _ 12 p.m. Rep. Bennie G. Thompson, Chairman of the Committee on Homeland Security, rolls out his committee agenda for the 110th Congress. Location: City View Room, 7th floor, 1957 E St. NW.

IMMIGRATION _ 12 p.m. Immigration experts Douglas Massey of Princeton University and Jeffrey Passel of the Pew Hispanic Center hold a briefing on contradictions in U.S. immigration policy. Location: Room SC-4, Capitol.

MIDEAST-CLERICS _ 12 p.m. A delegation of Jewish, Christian and Muslim religious leaders hold a news briefing following a meeting with Secretary of State Rice to suppose increased US engagement in achieving Mideast peace. Location: C St. Entrance, State Department.

MEDICARE-RACIAL _ 12:15 p.m. - 2 p.m. The Alliance for Health Reform and the National Academy of Social Insurance co-sponsors a briefing, ``Bridging the Divide: Medicare's Role in Reducing Racial and Ethnic Disparities.'' Panelists include: Renee Landers, Suffolk University Law School; Carolyn Clancy, Agency for Health Research and Quality; and Peter Bach, Centers for Medicare and Medicaid Services. Location: Room G-50, Dirksen Senate Office Building.

AVIAN FLU _ 12:30 p.m. The Society for International Development holds a panel discussion on Avian flu, with Susan Zimicki and Silvio Waisbord, both of the Academy for Educational Development, and Kathryn Kohler Banke, of Abt Associates. Location: 3rd floor, Academy for Educational Development, 1875 Connecticut Ave. NW.

GRAY WOLVES _ 1:30 p.m. Deputy Interior Secretary Lynn Scarlett and Fish and Wildlife Service Director H. Dale Hall hold a telephone press conference to make ``major'' announcements related to the status of gray wolves in the Western Great Lakes and Northern Rocky Mountain regions under the Endangered Species Act. Contacts: David Eisenhauer, 202-208-5634. Notes: Callin number: 888-426-8929, Passcode: Wolf. Credentialed media only.

BUDGET PROJECTIONS _ 2 p.m. The Center on Budget and Policy Priorities holds a telephone conference call briefing to release a major new set of long-term federal budget projections that cover years through 2050. Contacts: Michelle Bazie, 202-408-1080.

IRAQ WAR BOOKS _ 2 p.m. - 4 p.m. Rep. Maxine Waters, D-Calif., chair of the ``Out of Iraq'' Congressional

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Caucus; and Barbara Lee, D-Calif., and Lynn Woolsey, D-Calif., co-Chairs of the Congressional Progressive Caucus, host a book fair and roundtable discussion with the leading authors of books on the Iraq war. These include: Aaron Glantz, author of ``How America Lost Iraq;'' Rajiv Chandrasekaran, ``Imperial Life in the Emerald City;'' Ms. M. M. Chantiloupe, author of ``Iraq: The War That Shouldn't Be - You Decide;'' David J. Danelo, ``Blood Stripes: The Grunt's View of the War in Iraq;'' Christian Parenti, ``THE FREEDOM: Shadows and Hallucinations in Occupied Iraq;'' Anthony Arnove, ``Iraq: The Logic of Withdrawal;'' and John Prados, Hoodwinked: The Documents that Reveal How Bush Sold Us a War.'' Location: Room 1100, Longworth House Office Building.

O'REILLY-MISSILE DEFENSE _ 2 p.m. - 4 p.m. Brig. Gen. Patrick J. O'Reilly, deputy director of the Missile Defense Agency, speaks at a George C. Marshall Institute Washington Roundtable on Science and Public Policy. Topic: ``Current Status and Future Developments for U.S. Missile Defense.'' Location: National Press Club, Holeman Lounge.

BLIND-ELECTRONIC VOTING _ 5 p.m. Rep. Rush Holt addresses a seminar of the National Federation of the Blind on electronic voting machines and security concerns, and access by the blind. Location: Columbia room, Holiday Inn Capitol Hill, 550 C St. NW.

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System Administrator

From:	System Administrator
Sent:	Monday, January 29, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1144784 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, January 29, 2007 9:57 AM
Subject: JCON BROADCAST, WEEK OF JANUARY 29, 2007

JCON BROADCAST, WEEK OF JANUARY 29, 2007

1. **Be a HealthierFed in 2007**
2. **Research Classes Offered By Library Staff**

Be a HealthierFed in 2007!

The Department of Justice, Office of Personnel Management, and President's Council on Physical Fitness and Sports are again teaming to host the HealthierFeds Physical Activity Challenge now through March 18, 2007. All employees and their families are encouraged to participate.

The goals of the HealthierFeds Physical Activity Challenge are to inspire employees to be physically active and to build a spirit of camaraderie around physical fitness. The Challenge allows employees the opportunity to set a fitness goal and record their progress through an interactive website. The Challenge includes everybody, from those who already practice an active lifestyle to those who currently are less active. Participants may choose from nearly 100 activities to earn points, offering enough variety and flexibility to sustain interest and enthusiasm. Details on registration, rules for participation, and other information are available at http://www.opm.gov/healthierfeds/challenge07.asp.

It is never too early for a healthier, more physically fit future for yourself and your families!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 10:09 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 29, 2007

Department of Justice

PRESS GUIDANCE
Monday, January 29, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The National Security Division will issue a release on a terrorism-related matter. (Boyd)

The Criminal Division will issue a release on a sentencing matter. (Sierra)

The Civil Division will issue a release. (Miller)

The Environment and Natural Resources Division will issue a release on a plea-related matter. (Magnuson)

EVENTS/HEARINGS

TIME TBD Michael J. Sullivan, Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives will be the keynote speaker at the International Society of Explosives Engineers (ISEE) 33rd Annual Conference on Explosives and Blasting Techniques.
Gaylord Opryland Resort
Nashville, Tennessee
OPEN PRESS

Press inquiries regarding logistics should be directed to ATF Public Affairs at 202-927-8500.

NIGHT DUTY OFFICER

Dean Boyd

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.9427-000001

Image not available for this document, ID: 0.7.10316.9427-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 10:16 AM
To: USDOJ- Office of Public Affairs
Subject: DUTCH CITIZEN ARRAIGNED IN WASHINGTON, D.C., ON CHARGES OF TERRORISM CONSPIRACY AGAINST AMERICANS IN IRAQ

A copy of the indictment from April 29, 2005 is attached.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
WWW.USDOJ.GOV

NSD
(202) 514-2007
TDD (202) 514-1888

DUTCH CITIZEN ARRAIGNED IN WASHINGTON, D.C., ON CHARGES OF TERRORISM CONSPIRACY AGAINST AMERICANS IN IRAQ

WASHINGTON—An Iraqi-born Dutch citizen who was extradited from the Netherlands on Saturday made his initial appearance today in federal court in Washington, D.C., to face charges for allegedly participating in a conspiracy to attack Americans based in Iraq, announced Kenneth L. Wainstein, Assistant Attorney General for the National Security Division, Jeffrey A. Taylor, U.S. Attorney for the District of Columbia, and Joseph Persichini Jr., Assistant Director in Charge of the Federal Bureau of Investigation (FBI) Washington Field Office.

This case represents the first U.S. criminal prosecution arising from terrorist activities taking place in Iraq.

Wesam Al Delaema, a/k/a Wesam Khalaf Chayed Delaeme, was indicted by a grand jury in the District of Columbia in September 2005 and charged with six counts: conspiracy to kill U.S. citizens abroad; conspiracy to use a weapon of mass destruction (explosives); conspiracy to maliciously damage or destroy U.S. government property by means of an explosive; possession of a destructive device (explosives) during a crime of violence; conspiracy to possess a destructive device (explosives) during a crime of violence; and teaching or demonstrating the making or use of an explosive with the intent to further a crime of violence.

The indictment alleges that Delaema traveled from the Netherlands to Iraq in October 2003 and, together with a group of co-conspirators calling themselves the "Mujahideen from Fallujah," declared his intentions to kill Americans in Iraq using explosives. The indictment further alleges that Delaema and his co-conspirators hid explosives in a road in the area of Fallujah, Iraq.

Delaema, 33, was born in Fallujah, Iraq. He was arrested by Dutch law enforcement authorities on May 2, 2005, and he initially faced similar charges in that country. Following his arrest, Dutch law enforcement and prosecution authorities worked cooperatively with the FBI in its investigation of Delaema's alleged terrorist activities.

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In September 2005, the United States filed a formal request with the Netherlands seeking Delaema's extradition. The extradition request was subsequently granted by a Dutch court and then by the Dutch Ministry of Justice. In December 2006, the extradition request was sustained on appeal in the Netherlands. This past weekend, Delaema was flown to the United States, arrested, and taken into custody by the FBI.

Today in court, Delaema was arraigned and pleaded not guilty to the charges against him.

"After a lengthy extradition process, this defendant will now face justice for his efforts in orchestrating and launching roadside bomb attacks against our men and women serving in Iraq. We in the ranks of federal prosecutors are honored to play a role in protecting our military colleagues against such deadly and cowardly attacks," said Assistant Attorney General Kenneth L. Wainstein.

"We will continue to be vigilant in our efforts to bring to justice anyone who plots terrorist attacks against our citizens at home or abroad. We look forward to working cooperatively with the Dutch authorities in prosecuting this defendant under our criminal laws," said U.S. Attorney Jeffrey A. Taylor.

"Today's announcement of the extradition of Wesam Khalaf Chayed Delaeme to the United States sends a clear message of the FBI's unwavering dedication to our mission to detect, deter, and bring to justice any individual who conspires to commit terrorist acts against any U.S. citizen either in this country or on foreign soil. Together with the invaluable assistance of the Dutch National Police Agency and the Dutch Government, we were able to accomplish that mission," said FBI Assistant Director in Charge Joseph Persichini Jr.

The investigation into this matter was conducted by the FBI's Washington Field Office, with assistance from the Dutch National Police Agency and the National Office of the Public Prosecutor in the Netherlands. The Office of International Affairs in the Criminal Division of the U.S. Department of Justice coordinated the extradition efforts on behalf of the United States.

The prosecutors handling the case are Assistant U.S. Attorneys Gregg Maisel and Matthew Cohen of the U.S. Attorney's Office for the District of Columbia, and Trial Attorneys Gregg Sofer, Jerome Teresinski, and Marla Tusk of the Counterterrorism Section of the National Security Division at the Department of Justice.

If convicted of the charges in the criminal indictment, Delaema faces a maximum sentence of life in prison. An indictment is merely a formal charge that a defendant violated a criminal law. All defendants are presumed innocent unless and until proven guilty.

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Image not available for this document, ID: 0.7.10316.9439-000002

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Holding a Criminal Term

Grand Jury Sworn in on April 29, 2005

05mj 420

~~UNITED STATES OF AMERICA~~	)	~~CRIMINAL NO.~~ 05-337
	)	
v.	)	~~Grand Jury Original~~
	)	
WESAM AL DELAEMA,	)	Violations:
also known as	)	18 U.S.C. § 2332(b)(2)
WESAM KHALAF CHAYED DELAEME,	)	(Conspiracy to Murder United States
	)	Nationals Outside the United States)
Defendant.	)	18 U.S.C. § 2332a(a)(1)&(3)
	)	(Conspiracy to Use a Weapon of
	)	Mass Destruction)
	)	18 U.S.C. §§ 844(f)(2)&(n)
	)	(Conspiracy to Maliciously Damage or
	)	Destroy U.S. Government Property by
	)	Means of an Explosive)
	)	18 U.S.C. §§ 924(c)(1)(A)&(B)(ii)
	)	(Possession of a Destructive Device
	)	During a Crime of Violence)
	)	18 U.S.C. § 924(o)
	)	(Conspiracy to Possess a Destructive
	)	Device During a Crime of Violence)
	)	18 U.S.C. § 842(p)(2)(A)
	)	(Teaching or Demonstrating the Making
	)	or Use of an Explosive with Intent to
	)	Further a Crime of Violence)
	)	18 U.S.C. § 2
	)	(Aiding and Abetting and Causing an
	)	Act to be Done)

FRIEDMAN, J. PLF

FILED IN OPEN COURT

SEP 09 2005

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

INDICTMENT

The Grand Jury Charges that:

COUNT ONE

At all times material to this Indictment:

1. All of the acts referred to in this Indictment were committed in Iraq and elsewhere outside of the jurisdiction of any particular state or district of the United States, but within the extraterritorial jurisdiction of the United States and, therefore, pursuant to Title 18, United States Code, Section 3238, within the venue of the United States District Court for the District of Columbia.

2. The defendant in this case is **Wesam Al Delaema,** also known as Wesam Khalaf Chayed Delaeme, hereinafter referred to as "defendant **Delaema**."

3. From in or about October 2003 through on or about May 2, 2005, in Iraq and elsewhere outside the United States, defendant **Delaema** did knowingly and intentionally combine, conspire, confederate and agree with other co-conspirators, both known and unknown to the Grand Jury, to commit a killing that is murder as defined in Title 18, United States Code, Section 1111(a), of United States nationals outside the United States.

4. In furtherance of the aforesaid conspiracy and to accomplish the object thereof, defendant **Delaema**, together with his co-conspirators, both known and unknown to the Grand Jury, committed the following overt acts, among others:

a. In or about October 2003, defendant **Delaema** traveled from the Netherlands to an area in or around Fallujah, Iraq.

b. In or about October 2003, defendant **Delaema** and other co-conspirators, both known and unknown to the Grand Jury, calling themselves the "Mujahideen from Fallujah," declared their intentions to kill Americans in Iraq using destructive devices and other means.

c. In or about October 2003, defendant **Delaema** and other co-conspirators, both known and unknown to the Grand Jury, hid destructive devices and wires in

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a road in or around Fallujah, Iraq.

d. In or about October 2003, defendant **Delaema** and other co-conspirators, both known and unknown to the Grand Jury, discussed and demonstrated the way in which the destructive devices that they had buried in a road in or around Fallujah, Iraq, would be detonated and would destroy the American vehicles driving on the road and kill the American occupants of those vehicles.

e. In or about October 2003, defendant **Delaema** made video images of himself and his co-conspirators, both known and unknown to the Grand Jury, documenting their intentions to kill Americans in Iraq and their acts in furtherance of their conspiracy to kill Americans in Iraq, including hiding destructive devices in a road in or around Fallujah, Iraq.

f. From in or about September 2004 through on or about May 2, 2005, defendant **Delaema** discussed with co-conspirators, both known and unknown to the Grand Jury, and others attacks against Americans in Iraq.

g. On or about May 2, 2005, defendant **Delaema** possessed video images of himself and his co-conspirators, both known and unknown to the Grand Jury, documenting their intentions to kill Americans in Iraq and their acts in furtherance of their conspiracy to kill Americans in Iraq, including hiding destructive devices in a road in or around Fallujah, Iraq.

(**Conspiracy to Murder United States Nationals Outside the United States**, in violation of Title 18, United States Code, Sections 2332(b)(2))

DOJ_NMG_ 0173326

COUNT TWO

1. Paragraphs One, Two and Four of Count One of this Indictment are hereby incorporated by reference as if fully realleged and restated herein.

2. In or about October 2003, in Iraq and elsewhere outside the United States, defendant **Delaema** did knowingly and intentionally combine, conspire, confederate and agree with other co-conspirators, both known and unknown to the Grand Jury, without lawful authority, to use a weapon of mass destruction, that is, a destructive device, against a national of the United States while such national was outside of the United States and against property that was owned, leased and used by the United States outside the United States.

(**Conspiracy to Use a Weapon of Mass Destruction**, in violation of Title 18, United States Code, Section 2332a(a)(1)&(3))

COUNT THREE

1. Paragraphs One, Two and Four of Count One of this Indictment are hereby incorporated by reference as if fully realleged and restated herein.

2. In or about October 2003, in Iraq and elsewhere outside the United States, defendant **Delaema** did knowingly and intentionally combine, conspire, confederate and agree with other co-conspirators, both known and unknown to the Grand Jury, maliciously to damage and destroy, by means of an explosive, any vehicle owned, leased and possessed by the United States, and by any department and agency thereof, and, as a result, created a substantial risk of injury to any person.

(**Conspiracy to Maliciously Damage or Destroy U.S. Government Property By Means of an Explosive**, in violation of Title 18, United States Code, Sections 844(f)(2)&(n))

DOJ_NMG_ 0173327

COUNT FOUR

1. Paragraphs One and Two of Count One of this Indictment are hereby incorporated by reference as if fully realleged and restated herein.

2. In or about October 2003, in Iraq, defendant **Delaema** and others, known and unknown to the Grand Jury, knowingly possessed a firearm, that is, a destructive device, during, in relation to and in furtherance of a crime of violence for which he may be prosecuted in a court of the United States, that is, conspiracy to murder a United States national outside the United States, as set forth in Count One of this Indictment, conspiracy to use a weapon of mass destruction, as set forth in Count Two of this Indictment, and conspiracy to maliciously damage or destroy U.S. government property by means of an explosive, as set forth in Count Three of this Indictment.

(Possession of a Destructive Device During a Crime of Violence and Aiding and Abetting and Causing an Act to be Done, in violation of Title 18, United States Code, Sections 924(c)(1)(A)&(B)(ii) and 2)

COUNT FIVE

1. Paragraphs One, Two and Four of Count One of this Indictment are hereby incorporated by reference as if fully realleged and restated herein.

2. In or about October 2003, in Iraq, defendant **Delaema** did knowingly and intentionally combine, conspire, confederate and agree with other co-conspirators, both known and unknown to the Grand Jury, to commit an offense under Title 18, United States Code, Section 924(c), that is, to possess a firearm, that is, a destructive device, during, in relation to and in furtherance of a crime of violence for which he may be prosecuted in a court of the United States, that is, conspiracy to murder a United States national outside the United States, as set forth in Count One of this Indictment, conspiracy to use a weapon of mass destruction, as set forth in Count Two of this Indictment, and

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conspiracy to maliciously damage or destroy U.S. government property by means of an explosive, as set forth in Count Three of this Indictment.

(**Conspiracy to Possess a Destructive Device During a Crime of Violence**, in violation of Title 18, United States Code, Section 924(o))

~~COUNT SIX~~

1. Paragraphs One and Two of Count One of this Indictment are hereby incorporated by reference as if fully realleged and restated herein.

2. In or about October 2003, in Iraq, defendant **Delaema** and others, known and unknown to the Grand Jury, knowingly taught and demonstrated the making and use of an explosive, a destructive device and a weapon of mass destruction, with the intent that the teaching and demonstration be used for, and in furtherance of, an activity that constitutes a Federal crime of violence, that is, conspiracy to murder a United States national outside the United States, as set forth in Count One of this Indictment, conspiracy to use a weapon of mass destruction, as set forth in Count Two of this Indictment, and conspiracy to maliciously damage or destroy U.S. government property by means of an explosive, as set forth in Count Three of this Indictment.

(**Teaching or Demonstrating the Making or Use of an Explosive with Intent to Further a Crime of Violence and Aiding and Abetting and Causing an Act to be Done**, in violation of Title 18, United States Code, Sections 842(p)(2)(A) and 2)

A TRUE BILL

[redacted]

Kenneth L. Wainstein /DS
Attorney of the United States in
and for the District of Columbia

DOJ_NMG_ 0173329

Goodling, Monica

From: Goodling, Monica
Sent: Monday, January 29, 2007 10:56 AM
To: Gorsuch, Neil M
Subject: Not read: RE: ASG staffing

System Administrator

From: System Administrator
Sent: Monday, January 29, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1146224 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, January 29, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1146322 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 3:00 PM
To: USDOJ- Office of Public Affairs
Subject: UNITED STATES JOINS SUIT AGAINST PHARMACEUTICAL MANUFACTURER BOEHRINGER INGELHEIM ROXANE, INC.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

UNITED STATES JOINS SUIT AGAINST PHARMACEUTICAL MANUFACTURER BOEHRINGER INGELHEIM ROXANE, INC.

Firm Allegedly Overcharged Medicare, Medicaid

WASHINGTON – The United States has intervened in a whistleblower suit filed in the District of Massachusetts against Boehringer Ingelheim Roxane, Inc. and various related entities, alleging that Roxane violated the False Claims Act, the Justice Department announced today. In its complaint, the government alleges that Columbus, Ohio-based Roxane engaged in a scheme to report fraudulent and inflated prices for several pharmaceutical products, knowing that federal health care programs established reimbursement rates based on those reported prices.

The government's complaint alleges that the Ohio pharmaceutical manufacturer, from at least on or before January 1, 1996, reported prices that, in some instances, were more than 1,000 percent the actual sales prices on certain of the drugs it manufactures. The United States alleges that Medicare and Medicaid have reimbursed Roxane's customers in excess of $500 million for the drugs which are the subject of the complaint. Roxane sells generic drugs that are reimbursed by the two federal health care programs.

The difference between the inflated government reimbursement rates and the actual price paid by healthcare providers for a drug is referred to as the "spread." The larger the spread on a drug, the larger the profit or return on investment for the provider. The government alleges that Roxane used artificially inflated spreads to market, promote and sell the drugs to existing and potential customers. Because reimbursement from

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federal programs was based on the fraudulent inflated prices, the United States contends that Roxane caused false and fraudulent claims to be submitted to federal healthcare programs.

"Fraudulent pricing practices in the pharmaceutical industry have provided illicit profits for pharmaceutical manufacturers and providers at the expense of the taxpayer," said Peter D. Keisler, Assistant Attorney General for the Civil Division. "Our intervention in this lawsuit is another example of our ongoing effort to combat these practices and hold its perpetrators accountable for their misdeeds."

The investigation began after the filing of a False Claims Act suit by a Florida home-infusion company, Ven-A-Care of the Florida Keys Inc., and its principals. The False Claims Act allows for private persons to file whistleblower suits to provide the government information about wrongdoing. Under the statute, if it is established that a person has submitted or caused others to submit false or fraudulent claims to the United States, the government can recover treble damages and $5,500 to $11,000 for each false or fraudulent claim filed. If the government is successful in resolving or litigating its claims, the whistleblower who initiated the action can receive a share of between 15 percent and 25 percent of the amount recovered.

The lawsuit, called a *qui tam* action, was filed in the U.S. District Court for the District of Massachusetts. The case was assigned to U.S. District Court Judge Morris E. Lasker in Boston. This investigation was conducted by the U.S. Department of Justice, the U.S. Attorney's Office for the District of Massachusetts, and the Office of Inspector General of the Department of Health and Human Services.

# # #

07-052

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Image not available for this document, ID: 0.7.10316.9398-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 3:27 PM
To: USDOJ- Office of Public Affairs
Subject: TWO VESSEL CORPORATIONS PLEAD GUILTY, ARE SENTENCED FOR ILLEGAL DUMPING

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

TWO VESSEL CORPORATIONS PLEAD GUILTY, ARE SENTENCED FOR ILLEGAL DUMPING

WASHINGTON – Greek-based shipping companies Chian Spirit Maritime Enterprises, Inc. and Venetico Marine each pleaded guilty today in District court in Delaware to a felony violation related to the operation of the *M/V Irene E.M.*, a large bulk carrier. Chian Spirit, the carrier owner, and Venetico, the carrier operator, admitted to violating the Act to Prevent Pollution from Ships (APPS) by misleading U.S. Coast Guard investigators during the vessel's port call to the United States in December 2005. The companies were sentenced by the Court to pay a total criminal penalty of $1.25 million dollars and to implement a detailed, court-monitored Environmental Compliance Plan.

According to the plea agreement, on December 5, 2005, the *Irene* requested entry into the Delaware Bay, en route to Newark, N.J. During the Coast Guard's routine boarding, officers aboard the *Irene* provided Coast Guard investigators with a false log book that omitted required entries of overboard oily waste discharges made during the recent voyages.

Further investigation revealed that the vessel's oil water separator had been inoperable for several months during the previous year. A vessel crew member testified that the ship illegally discharged waste oil into the ocean approximately four times per week into the open ocean. Most of these discharges took place at night or far from shore during trips to various ports, from Africa to Brazil, and from Brazil to the United States, so as to avoid detection. These illegal discharges were either recorded in the ship's log inaccurately as having been "discharged through the oil water separator" or were not recorded at all. The *Irene*'s engineers also constructed a bypass pipe, often referred to as the "magic pipe," which was also hidden from investigators during Coast Guard boardings.

"Companies that illegally and intentionally pollute our oceans violate the law and harm one of our most precious and vulnerable natural resources," said David M. Uhlmann, Chief of the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division. "The Justice Department will continue to prosecute companies who fail to comply with the laws that protect our environment from illegal pollution."

Engine room operations on board large oceangoing vessels such as the *Irene* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an oil water

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separator. The law also requires that all overboard discharges be recorded in an oil record book, a required log which is regularly inspected by the Coast Guard.

As part of the plea agreement, the corporations will pay a combined penalty of $1.25 million, $250,000 of which will be dedicated to a marine-based environmental enhancement community service project on the Delaware Bay.

In a related case, the Chief Engineer of the *Irene*, Adrien Dragomir, pleaded guilty in August 2006 to one APPS violation for falsifying the *Irene's* oil record book. He was sentenced to serve a one-year term of unsupervised probation. Grigore Manolache, the ship's master, pleaded guilty in July 2006 to a one-count information charging him with presenting false information to the U.S. Coast Guard regarding the vessel's illegal dumping.

This case was investigated by the U.S. Coast Guard and the U.S. Environmental Protection Agency Criminal Investigation Division. This case was prosecuted by the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division.

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Image not available for this document, ID: 0.7.10316.9407-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 3:48 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER DOD CONTRACTOR SENTENCED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007

CRM (202) 514-2008
TDD (202) 514-1888

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FORMER DOD CONTRACTOR SENTENCED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

WASHINGTON – A former Department of Defense (DOD) contractor was sentenced to nine years in prison and ordered to forfeit $3.6 million for his role in a bribery and fraud scheme involving contracts in the reconstruction of Iraq, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Robert J. Stein, 52, of Fayetteville, N.C. was sentenced today in U.S. District Court for the District of Columbia by Judge Colleen Kollar-Kotelly. The judge also sentenced Stein to three years of supervised release.

Stein was arrested in Fayetteville on Nov. 14, 2005, and pleaded guilty on February 2, 2006, to being a felon in possession of a firearm, possession of machine guns, bribery, money laundering, and conspiracy in connection with a scheme to defraud the Coalition Provisional Authority – South Central Region (CPA-SC) in al-Hillah, Iraq.

"Robert Stein will now spend nine years in jail for exploiting his public position and accepting bribes for contracts during the rebuilding of Iraq," said Assistant Attorney General Fisher. "The Department of Justice will protect the integrity of the federal contracting process by aggressively prosecuting fraud, bribery and other crimes that taint missions as critical as the reconstruction of Iraq."

Stein admitted to participating in a complex bribery, fraud and money laundering scheme while serving as the Comptroller and Funding Officer for the CPA-SC. From December 2003 through December 2005, Philip H. Bloom, a U.S. citizen who owned and operated several companies in Iraq and Romania, Bruce D. Hopfengardner, a Lieutenant Colonel in the U.S. Army Reserves, and numerous public officials, including several high-ranking U.S. Army officers, conspired to rig the bids on contracts being awarded by the CPA-SC so that all of the contracts were awarded to Bloom. In return, Bloom provided the public officials with over $1 million in cash, SUVs, sports cars, a motorcycle, jewelry, computers, business class airline tickets, liquor, future employment with Bloom, and other items of value.

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In addition, Bloom laundered over $2 million in currency that Stein and his co-conspirators stole from the CPA-SC that had been designated to be used for the reconstruction of Iraq. Bloom then used his foreign bank accounts in Iraq, Romania and Switzerland to send the stolen money to Stein, Hopfengardner and other public officials in return for the awarded contracts. In total, Bloom received over $8.6 million in rigged contracts.

During the course of the conspiracy, Stein and other co-conspirators stole U.S. currency and funneled those funds to Bloom in order to purchase illegal controlled weapons which they converted to their own personal use in the United States, including assault rifles, silencers, and grenade launchers.

Stein has cooperated with the government's ongoing investigation.

On March 10, 2006, co-conspirator Bloom, pleaded guilty to related charges of conspiracy, bribery and money laundering in connection with the same scheme as Stein. Bloom is scheduled to be sentenced on February 16, 2007.

On August 25, 2006, co-conspirator Hopfengardner pleaded guilty to related charges of conspiracy to commit wire fraud and money laundering in connection with the same scheme as Bloom and Stein. Hopfengardner is scheduled for a status conference on March 23, 2007.

These cases are being prosecuted by Trial Attorneys James A. Crowell IV and Ann C. Brickley of the Public Integrity Section, headed by Section Chief Edward C. Nucci, and Trial Attorney Patrick Murphy and Mark Yost of the Asset Forfeiture and Money Laundering Section of the Criminal Division. These cases are being investigated by the Special Inspector General for Iraq Reconstruction, IRS Criminal Investigations, U.S. Immigration and Customs Enforcement at the Department of Homeland Security (ICE), Army Criminal Investigations Division, the U.S. Department of State Office of Inspector General, and the FBI's Washington Field Office in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The investigation has received substantial assistance from the ICE Cybercrimes Division.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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07-051

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Image not available for this document, ID: 0.7.10316.9395-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 4:40 PM
To: USDOJ- Office of Public Affairs
Subject: WOMAN PLEADS GUILTY TO FORCING JUVENILE GIRLS INTO PROSTITUTION IN MEMPHIS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

WOMAN PLEADS GUILTY TO FORCING JUVENILE GIRLS INTO PROSTITUTION IN MEMPHIS

WASHINGTON - Cristina Andres Perfecto, of Nashville, Tenn., pleaded guilty today to two counts of commercial sex trafficking related to her role in a Memphis trafficking ring. Perfecto admitted that she recruited two Mexican girls to come to the United States under fraudulent pretenses, knowing that the girls would be coerced into engaging in commercial sex acts and knowing that the victims were younger than 18 years of age. She faces a maximum sentence of life in prison for her crimes.

At her plea hearing, Perfecto admitted that she told the girls, who were 13 and 17 years of age at the time, that they would be employed at a restaurant in Nashville, knowing all along that the girls would be coerced to engage in prostitution in brothels in Memphis and Nashville. Perfecto further admitted that co-defendant Juan Mendez then used physical force and threats against the victims and their families to force the victims to engage in prostitution. Perfecto also admitted that she instructed the girls on how to engage in commercial sexual acts.

"The victims in this case were thrust into the brutal and demeaning world of human trafficking, fed lies, and treated as modern-day slaves," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to the vigorous enforcement and prosecution of human trafficking offenses."

Juan Mendez remains under indictment for two counts of child sex trafficking and one count of conspiracy to harbor an illegal alien. If convicted, he faces a maximum sentence of up to life in prison. All defendants are presumed innocent until proven guilty beyond a reasonable doubt.

Nine other defendants in the same case pleaded guilty earlier in the month to crimes including child sex trafficking, conspiracy to launder money, enticing an individual to travel in interstate commerce to commit prostitution, and failure to file a factual statement about an alien.

Human trafficking prosecutions are a top priority of the Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, quadrupled the number of defendants charged, and tripled the number of

DOJ_NMG_ 0173345

defendants convicted. In 2006, the Department obtained a record number of convictions in human trafficking prosecutions.

Assistant U.S. Attorney Steve Parker of the U.S. Attorney's Office for the Western District of Tennessee and Trial Attorney Jonathan Skrmetti from the Civil Rights Division of the Department of Justice are prosecuting the case. The investigation in this matter is being conducted by ICE and the FBI. World Relief, Catholic Charities, the Salvation Army, and the YWCA have assisted the victims and witnesses in this matter.

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07-054

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Image not available for this document, ID: 0.7.10316.9397-000002

System Administrator

From:	System Administrator
Sent:	Monday, January 29, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1147063 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 5:07 PM
To: USDOJ- Office of Public Affairs
Subject: ANNAPOLIS MAN PLEADS GUILTY TO POSSESSION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
www.usdoj.gov/usao/md/

CONTACT: VICKIE E. LEDUC
PHONE: (410) 209-4885
FAX: (410) 962-3091

ANNAPOLIS MAN PLEADS GUILTY TO POSSESSION OF CHILD PORNOGRAPHY

Hundreds of Pornographic Images were of Three-to-Five-Year-Olds

BALTIMORE – William Villeda, 22, of Annapolis, Md., pleaded guilty today to possession of child pornography, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland.

According to court documents, since about August 2006, Villeda downloaded through the Internet hundreds of images of children engaged in sexually explicit conduct. On two occasions in August and October 2006, an undercover officer, using file-sharing software on-line, located several files on Villeda's computer containing pornographic images of minors, including toddlers, which Villeda had made available to share on-line. In November 2006, federal officers searched Villeda's residence and recovered child pornography from his computer and several computer disks. Many of the hundreds of pornographic images recovered were of three-to-five- year-old children.

Villeda faces a maximum penalty of 10 years in prison, followed by a maximum of lifetime supervised release for possession of child pornography. U.S. District Judge J. Frederick Motz has scheduled sentencing for March 22, 2007, at 9:00 a.m. ET.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

U.S. Attorney Rosenstein commended the investigative work performed by the FBI and thanked Special Assistant U.S. Attorney Daniel J. Fortune, who is prosecuting the case.

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DOJ_NMG_ 0173351

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Image not available for this document, ID: 0.7.10316.9358-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTION: TWO VESSEL CORPORATIONS PLEAD GUILTY, ARE SENTENCED FOR ILLEGAL DUMPIN

Note the change in the 3rd paragraph. "Grigore Manolache, the ship's master, pleaded guilty in July 2006 to a one-count information charging him with presenting false information to the U.S. Coast Guard regarding the vessel's security log."

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

TWO VESSEL CORPORATIONS PLEAD GUILTY, ARE SENTENCED FOR ILLEGAL DUMPING

WASHINGTON – Greek-based shipping companies Chian Spirit Maritime Enterprises, Inc. and Venetico Marine each pleaded guilty today in District court in Delaware to a felony violation related to the operation of the *M/V Irene E.M.*, a large bulk carrier. Chian Spirit, the carrier owner, and Venetico, the carrier operator, admitted to violating the Act to Prevent Pollution from Ships (APPS) by misleading U.S. Coast Guard investigators during the vessel's port call to the United States in December 2005. The companies were sentenced by the Court to pay a total criminal penalty of $1.25 million dollars and to implement a detailed, court-monitored Environmental Compliance Plan.

According to the plea agreement, on December 5, 2005, the *Irene* requested entry into the Delaware Bay, en route to Newark, N.J. During the Coast Guard's routine boarding, officers aboard the *Irene* provided Coast Guard investigators with a false log book that omitted required entries of overboard oily waste discharges made during the recent voyages.

Further investigation revealed that the vessel's oil water separator had been inoperable for several months during the previous year. A vessel crew member testified that the ship illegally discharged waste oil into the ocean approximately four times per week into the open ocean. Most of these discharges took place at night or far from shore during trips to various ports, from Africa to Brazil, and from Brazil to the United States, so as to avoid detection. These illegal discharges were either recorded in the ship's log inaccurately as having been "discharged through the oil water separator" or were not recorded at all. The *Irene*'s engineers also constructed a bypass pipe, often referred to as the "magic pipe," which was also hidden from investigators during Coast Guard boardings.

"Companies that illegally and intentionally pollute our oceans violate the law and harm one of our most precious and vulnerable natural resources," said David M. Uhlmann, Chief of the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division. "The Justice Department

DOJ_NMG_ 0173354

will continue to prosecute companies who fail to comply with the laws that protect our environment from illegal pollution."

Engine room operations on board large oceangoing vessels such as the *Irene* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an oil water separator. The law also requires that all overboard discharges be recorded in an oil record book, a required log which is regularly inspected by the Coast Guard.

As part of the plea agreement, the corporations will pay a combined penalty of $1.25 million, $250,000 of which will be dedicated to a marine-based environmental enhancement community service project on the Delaware Bay.

In a related case, the Chief Engineer of the *Irene*, Adrien Dragomir, pleaded guilty in August 2006 to one APPS violation for falsifying the *Irene's* oil record book. He was sentenced to serve a one-year term of unsupervised probation. Grigore Manolache, the ship's master, pleaded guilty in July 2006 to a one-count information charging him with presenting false information to the U.S. Coast Guard regarding the vessel's security log.

This case was investigated by the U.S. Coast Guard and the U.S. Environmental Protection Agency Criminal Investigation Division. This case was prosecuted by the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division.

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07-053

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Image not available for this document, ID: 0.7.10316.9357-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, January 29, 2007 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: WALDORF MAN INDICTED FOR TRANSPORTATION AND POSSESSION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 29, 2007
www.usdoj.gov/usao/md/

CONTACT: VICKIE E. LEDUC
PHONE: (410) 209-4885
FAX: (410) 962-3091

WALDORF MAN INDICTED FOR TRANSPORTATION AND POSSESSION OF CHILD PORNOGRAPHY

GREENBELT, Md. – A federal grand jury today indicted Richard Patrick Jackman, 39, of Waldorf, Md., on charges of transporting and possessing child pornography, U.S. Attorney Rod J. Rosenstein of the District of Maryland announced.

According to court documents, on Jan. 10, 2007, a video that contained child pornography was transmitted via the Internet to an undercover agent in the Buffalo, N.Y. Innocent Images Task Force from the IP address associated with "luvsmooth," one of the screen names used by Richard Jackman. A search of Jackman's residence, on Jan. 18, 2007, recovered more than 100 images of child pornography from Jackman's computer.

Jackman faces a mandatory minimum sentence of 15 years and a maximum of 40 years in prison, followed by a lifetime of supervised release for transporting child pornography. Jackman also faces a mandatory minimum sentence of 10 years and a maximum of 20 years in prison followed by a lifetime of supervised release for possession of child pornography. No court date is currently scheduled.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

U.S. Attorney Rosenstein praised the investigative work performed by the Federal Bureau of Investigation and the Charles County Sheriff's Office. U.S. Attorney Rosenstein thanked Special Assistant U.S. Attorney Daniel J. Fortune, who is prosecuting the case.

DOJ_NMG_ 0173358

An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

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DOJ_NMG_ 0173359

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Image not available for this document, ID: 0.7.10316.9356-000002

System Administrator

From:	System Administrator
Sent:	Monday, January 29, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1147224 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, January 29, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1147225 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, January 30, 2007 12:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: East Mesa, AZ

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, January 30, 2007 12:35:16 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: East Mesa, AZ
Auto forwarded by a Rule

AMBER ALERT:East Mesa,AZ VEHICLE:1990 Blue Truck Chevrolet TAG:AZ 709SCM CHILD:1 H/M COMPANION:20 H/F SUSPECT:22-24 H/M 6'0 SUSPECT:H/M CALL 602-876-1011 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3342

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, January 30, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1147229 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 30, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1150289 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 9:52 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 30, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, January 30, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue two releases on sentencing matters. (Lesch)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Dean Boyd

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.9315-000002

System Administrator

From: System Administrator
Sent: Tuesday, January 30, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1150895 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, January 30, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1150896 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 3:36 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES AND ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, WAN J. KIM, TO HOLD PEN AND PAD BRIEFING ON HUMAN TRAFFICKING

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, JANUARY 30, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES AND ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION, WAN J. KIM, TO HOLD PEN AND PAD BRIEFING ON HUMAN TRAFFICKING

WASHINGTON – Attorney General Alberto R. Gonzales will join Assistant Attorney General for the Civil Rights Division Wan J. Kim and other senior administration officials in a roundtable meeting with invited reporters regarding the Justice Department's efforts to combat human trafficking, on **WEDNESDAY, JANUARY 31 at 10:00 A.M. EST**.

WHO: Attorney General Alberto R. Gonzales
Assistant Attorney General for the Civil Rights Division, Wan J. Kim
Senior Officials from the Civil Rights Division, the FBI, and Immigration and Customs Enforcement

WHAT: Roundtable discussion

WHEN: **WEDNESDAY, JANUARY 31, 2007**
10:00 A.M. EST

WHERE: Department of Justice
Civil Rights Division Conference Room (# 5643)
950 Pennsylvania Avenue, N.W.
Washington, D.C.

NOTE: THIS IS A PEN AND PAD DISCUSSION. RECORDING FOR BROADCAST WILL NOT BE PERMITTED. All media must present government-issued photo id (such as driver's license) as well as valid media credentials. Media must enter the Department at the entrance on Constitution Avenue, between 9th and 10th Streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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07-058

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Image not available for this document, ID: 0.7.10316.9243-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, January 30, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1150962 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 5:12 PM
To: USDOJ- Office of Public Affairs
Subject: MASSACHUSETTS RESIDENTS SENTENCED FOR CONSPIRING TO TRANSPORT A MINOR TO ENGAGE IN PROSTITUTION

Department of Justice

FOR IMMEDIATE RELEASE CRM
TUESDAY, JANUARY 30, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

MASSACHUSETTS RESIDENTS SENTENCED FOR CONSPIRING TO TRANSPORT A MINOR TO ENGAGE IN PROSTITUTION

WASHINGTON – Two Massachusetts residents were sentenced for their role in arranging for a minor to work as a prostitute in several New England states, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Michael J. Sullivan of the District of Massachusetts announced today.

Robert Williams and Brooke Denman were sentenced by Judge Joseph L. Tauro of the U.S. District Court in Boston for various crimes including conspiring to transport an individual in interstate commerce to engage in prostitution, transporting a minor in interstate commerce to engage in prostitution, and sex trafficking of children. Williams was sentenced to 151 months in prison and three years of supervised release. Denman was sentenced to three years of probation.

On Feb. 27, 2006, Williams pleaded guilty to two counts of conspiracy, one count of sex trafficking of children, two counts of inducing an individual to travel in interstate commerce to engage in prostitution, four counts of transporting a minor in interstate commerce to engage in prostitution and three counts of transporting an individual in interstate commerce to engage in prostitution.

On Feb. 9, 2006, Denman pleaded guilty to one count of conspiracy and one count of sex trafficking of children.

Also on Feb. 9, 2006, a third co-defendant, Dawn Young, pleaded guilty to two counts of conspiracy, one count of sex trafficking of children, one count of transporting a minor in interstate commerce to engage in prostitution and one count of transporting an individual in interstate commerce to engage in prostitution. Young has not yet been sentenced.

The defendants admitted to participating in a conspiracy between October 2000 and September 2002 in which they used a minor for prostitution activities in Massachusetts, Maine, Connecticut, Rhode Island and New Hampshire. Williams and Young took some or all of the minor's earnings from prostitution and helped

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her to obtain false identification documents. The conspiracy also involved causing the minor, who was 13 to 15 years old during the alleged crimes, to receive prostitution calls through Young, who operated an escort service.

The case was investigated by the FBI, with assistance from the Massachusetts State Police. The case is being prosecuted by Trial Attorney Wendy Waldron in the Department of Justice's Child Exploitation and Obscenity Section and Assistant U.S. Attorney Mark Balthazard in the Economic Crimes Unit of the U.S. Attorney's Office in the District of Massachusetts, with assistance from Assistant Attorney General Dana Dee Leccese in the Massachusetts Attorney General's Office.

This case is part of the Innocence Lost Initiative, a cooperative effort between the FBI, the Criminal Division's Child Exploitation and Obscenity Section, and the National Center for Missing and Exploited Children to prevent and prosecute child prostitution. As of January 23, 2007, the initiative has resulted in 275 open investigations, 697 arrests, 160 informations or indictments, and 136 convictions in the federal and state systems.

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07-057

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Image not available for this document, ID: 0.7.10316.9235-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 5:17 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. ARMY CORPS OF ENGINEERS CIVILIAN EMPLOYEE SENTENCED ON CORRUPTION CHARGES

Department of Justice

FOR IMMEDIATE RELEASE CRM
TUESDAY, JANUARY 30, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

U.S. ARMY CORPS OF ENGINEERS CIVILIAN EMPLOYEE SENTENCED ON CORRUPTION CHARGES

WASHINGTON – Gheevarghese Pappen, a retired U.S. Army Corps of Engineers employee was sentenced for soliciting and accepting nearly $50,000 in illegal gratuities, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Pappen, 62, of Savannah, Ga., was sentenced to two years in prison, $28,900 in restitution, and one year of supervised release by Chief Judge William T. Moore in U.S. District Court for the Southern District of Georgia.

Pappen previously pleaded guilty to soliciting and accepting nearly $50,000 in illegal gratuities while detailed to the U.S. Army Area Support Group, Host Nation Office at Camp Arifjan, Kuwait, which supports U.S. military operations in Iraq. His official duties at Camp Arifjan included working with local companies in order to secure housing for U.S. Army military and civilian personnel stationed in Kuwait and en route to Iraq. While working in Camp Arifjan, Pappen accepted money from a Kuwaiti realtor for assisting the realtor in obtaining contracts with the U.S. Army. Pappen, ordered by the U.S. Army Corps of Engineers to return to his domestic post in Georgia, was arrested on March 17, 2006, at the Atlanta Hartsfield Jackson International airport upon his return from Camp Arifjan.

This case is being prosecuted by Trial Attorneys Ann C. Brickley and James A. Crowell IV of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci of the Criminal Division. The case is being investigated by Army Criminal Investigation Division, Major Procurement Fraud Unit, the Defense Criminal Investigative Service, and the FBI.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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07-056

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Image not available for this document, ID: 0.7.10316.9221-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 5:40 PM
To: USDOJ- Office of Public Affairs
Subject: BISMARCK MAN CHARGED WITH TRAVELING TO SOUTH DAKOTA WITH INTENT TO HAVE ILLICIT SEXUAL CONDUCT WITH A MINOR

Department of Justice

United States Attorney Marty J. Jackle
District of South Dakota

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 30, 2007
www.usdoj.gov/usao/sd

CONTACT: MARTY J. JACKLEY
PHONE: (605) 330-4400
FAX: (605) 330-4410

BISMARCK MAN CHARGED WITH TRAVELING TO SOUTH DAKOTA WITH INTENT TO HAVE ILLICIT SEXUAL CONDUCT WITH A MINOR

SIOUX FALLS, S.D. – U.S. Attorney Marty J. Jackley announced today that David Boschee, 38, of Bismarck, N.D., has been charged in federal district dourt in South Dakota in a criminal complaint with one count of traveling with the intent to engage in illicit sexual conduct with a minor. Boschee appeared in federal court on Monday, Jan. 29, 2007, in Bismarck, where U.S. Magistrate Judge Charles S. Miller ordered Boschee detained pending his transfer to South Dakota.

The complaint alleges that Boschee traveled to South Dakota on or about Sept. 29, 2006, for the purpose of engaging in illicit sexual conduct with a minor. Boschee was arrested Monday morning at his place of employment. Law enforcement officers later executed a search warrant on Boschee's Bismarck residence. At the time of his arrest, Boschee was employed as a librarian with the City of Bismarck.

The charge of traveling with the intent to engage in illicit sexual conduct with a minor is punishable by up to 30 years in prison and/or a fine of up to $250,000. A trial date has not yet been set.

This case is being brought as part of Project Safe Childhood. In February, 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U. S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For mor information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The investigation involved federal, state and local law enforcement agencies, including the FBI, the Sioux Falls Police Department, the Bismarck Police Department, and the North Dakota Bureau of Criminal Investigation. The case is being prosecuted by Assistant U.S. Attorney Jeffrey C. Clapper.

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# # #

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Image not available for this document, ID: 0.7.10316.9225-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, January 30, 2007 6:42 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER POLITICAL PARTY OFFICIALS IN PUERTO RICO SENTENCED TO FIVE YEARS IN PRISON FOR EXTORTION, CONSPIRACY AND TAX FRAUD

Department of Justice

FOR IMMEDIATE RELEASE CRM
TUESDAY, JANUARY 30, 2007 (202) 514-2008
WWW.USDOJ.GOV TDD (202) 514-1888

FORMER POLITICAL PARTY OFFICIALS IN PUERTO RICO SENTENCED TO FIVE YEARS IN PRISON FOR EXTORTION, CONSPIRACY AND TAX FRAUD

WASHINGTON – Two residents of Puerto Rico were each sentenced to five years in prison for their involvement in a scheme to extort a group of contractors in connection with the Superaqueduct construction project along the north coast of Puerto Rico, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The defendants, Rene Vazquez-Botet and Marcos Morell-Corrada, were sentenced at a hearing in San Juan before U.S. District Court Judge Jose Antonio Fuste. Judge Fuste also ordered each defendant to serve three year terms of supervised release upon their release from custody and to pay fines of $100,000. Both defendants surrendered to begin serving their prison terms today.

On Nov. 3, 2006, after a six-week trial, a jury in federal court in San Juan returned guilty verdicts against Vazquez-Botet and Morell-Corrada including conspiracy, extortion, and a fraud scheme to deprive the Commonwealth of income tax involving unreported income.

In early 1995, the defendants, together with Jose Granados-Navedo—a member of the Commonwealth of Puerto Rico's House of Representatives—extorted money from a group of Puerto Rico-based contractors who ultimately obtained contracts for the construction of a $372 million public works project involving the construction of a 40-mile water pipe from Arecibo to San Juan, Puerto Rico. Vazquez-Botet, Granados-Navedo and Morell-Corrada demanded more than $2 million from the contractors for assistance in securing and preserving their contracts

Vazquez-Botet, who is a licensed pediatric ophthalmologist, was tapped in 1991 by the New Progressive Party to be campaign director for a gubernatorial candidate and served as campaign manager for the candidate's re-election in 1996. Before the extortion scheme ended prematurely in the summer of 1999, Vazquez-Botet demanded and received cash payments from the contractors totaling over $300,000 and directed that additional payments be made to third parties totaling approximately $60,000 to retire debts from the 1996 campaign. In convicting the defendant of the mail and wire fraud counts, the jury found that Vazquez-Botet failed to declare

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and pay taxes due on the cash payments from the contractors and approximately $150,000 in cash and checks earned in his medical practice.

Morell-Corrada, who served as the secretary general of the same political party as Vazquez-Botet from 1991 until his resignation in 1996, demanded and received $125,000 between September 1997 and May 1999, mostly under the guise of a sham retainer for legal services. Morell-Corrada was a licensed attorney and had worked as an administrator for the University of Puerto Rico before his term as the chief executive officer of the political party. He resumed his private law practice when he left the party. Granados-Navedo, who had resigned from office as the Vice President of the House in 1999, pleaded guilty before the first indictments were returned in this case in 2004 and cooperated with the FBI's investigation and prosecution. He pleaded guilty to one count of conspiracy for his role in the scheme to extort the contractors and admitted to receiving more than $175,000 during the scheme.

Jose Cobian Guzman, a former political party treasurer and electrical and mechanical contractor, cooperated in the investigation and at trial. Cobian had been convicted of participating in two other extortion schemes when he began cooperating in the investigation and prosecution of this extortion scheme.

This case was investigated and tried by trial attorneys Mary K. Butler and Matthew Solomon of the Criminal Division's Public Integrity Section, working with the FBI's San Juan Division of the FBI. Public Integrity Section trial attorney Michael Ferrara and the Criminal Division's Appellate Section successfully obtained the recusal of the judge originally assigned to this case. The Office of the Comptroller for the Commonwealth of Puerto Rico provided assistance in the investigation.

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07-059

DOJ_NMG_ 0173390

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Image not available for this document, ID: 0.7.10316.9219-000002

System Administrator

From: System Administrator
Sent: Tuesday, January 30, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1151151 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, January 30, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1151152 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 31, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1151153 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, January 31, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1155095 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 9:53 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR JANUARY 31, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, January 31, 2007

ATTORNEY GENERAL

10:00 A.M. EST

Attorney General Alberto R. Gonzales will join Assistant Attorney General for the Civil Rights Division Wan J. Kim and other senior administration officials in a roundtable meeting with invited reporters regarding the Justice Department's efforts to combat human trafficking.
Department of Justice
Civil Rights Division Conference Room (# 5643)
950 Pennsylvania Avenue, N.W.
Washington, D.C.
OPEN PRESS

THIS IS A PEN AND PAD DISCUSSION. RECORDING FOR BROADCAST WILL NOT BE PERMITTED. All media must present government-issued photo id (such as driver's license) as well as valid media credentials. Media must enter the Department at the entrance on Constitution Avenue, between 9th and 10th Streets. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

The Civil Rights Division will issue two releases on efforts to combat human trafficking. (Magnuson)

DOJ_NMG_ 0173397

EVENTS/HEARINGS

10:15 A.M. EST John Elwood, Deputy Assistant Attorney General, Office of Legal Counsel, will testify before the House Judiciary Committee on the topic of *Presidential Signing Statements under the Bush Administration: A Threat to Checks and Balances and the Rule of Law?*
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at 202-225-3951.

10:00 A.M. CST United States Marshal Service Director John Clark will join Attorney General of Illinois Lisa Madigan to announce a new law enforcement program.
Illinois Attorney General's Office
100 W. Randolph
12th Floor
Chicago, Illinois
OPEN PRESS

Press inquiries regarding logistics should be directed to U.S. Marshals Service Public Affairs at 202-307-9065.

NIGHT DUTY OFFICER

Dean Boyd

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173398

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Image not available for this document, ID: 0.7.10316.9210-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 10:14 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES CREATION OF HUMAN TRAFFICKING PROSECUTION UNIT WITHIN THE CIVIL RIGHTS DIVISION

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES CREATION OF HUMAN TRAFFICKING PROSECUTION UNIT WITHIN THE CIVIL RIGHTS DIVISION

WASHINGTON – Attorney General Alberto R. Gonzales and Assistant Attorney General for the Civil Rights Division, Wan J. Kim, announced today the creation of the Human Trafficking Prosecution (HTP) Unit within the Criminal Section of the Justice Department's Civil Rights Division. The Unit is designed to develop new strategies to combat modern-day slavery by focusing the Division's human trafficking expertise and expanding its anti-trafficking enforcement program to further increase human trafficking investigations and prosecutions throughout the nation.

"The Justice Department is proud to be at the forefront of the Administration's efforts to combat the heinous crime of human trafficking," said Attorney General Alberto R. Gonzales. "With the creation of the Human Trafficking Prosecution Unit, we will expand and enhance our ability to fight this crime by working together with federal, state and local investigators, and NGOs, to tackle the enormous challenges posed by this evil. We will continue to develop new ways to help victims and to bring their captors to justice."

The HTP Unit will work to enhance the Department's investigation and prosecution of significant human trafficking and slavery cases, such as multi-jurisdictional cases and those involving financial crimes. The Unit will also engage in training, technical assistance and outreach initiatives to federal, state and local law enforcement and NGOs.

The HTP Unit will be headed by noted anti-trafficking prosecutors who have prosecuted traffickers and freed hundreds of foreign and domestic victims from sex trafficking in brothels and forced labor in fields, homes and factories. Robert Moossy will head up the Unit, and is joined by Chief Counsel Lou de Baca and Special Litigation Counsels Hilary Axam and Andrew Kline, who bring significant anti-slavery experience to this effort and have been leaders in developing the modern victim-centered approach to human trafficking investigations and prosecutions. They will be joined in the coming months by additional federal prosecutors, a victim/witness specialist, and support staff.

Attorney General Gonzales has made combating human trafficking a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed, quadrupled the number of defendants

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charged, and tripled the number of defendants convicted. In FY 2006, the Department initiated 168 investigations, charged 111 defendants in 32 cases, and obtained a record number of convictions totaling 98.

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Image not available for this document, ID: 0.7.10316.9201-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 10:15 AM
To: USDOJ- Office of Public Affairs
Subject: FACT SHEET: CIVIL RIGHTS DIVISION EFFORTS TO COMBAT MODERN-DAY SLAVERY

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

FACT SHEET: CIVIL RIGHTS DIVISION EFFORTS TO COMBAT MODERN-DAY SLAVERY

Trafficking in persons is the equivalent of modern-day slavery. It is a crime that often involves the recruitment and smuggling of foreign nationals into the United States to force or coerce them into prostitution, labor or illicit sexual activity, and in many circumstances, it also victimizes U.S. citizens. Under the leadership of the President, this Administration has taken unprecedented efforts to combat the scourge of human trafficking. The Justice Department, along with federal, state and local partners, plays a key role in battling this deeply troubling, violent and often hidden crime.

Increased Prosecutions Since 2001

- To date, during FY 2007, the Civil Rights Division, working with U.S. Attorneys' Offices around the nation, has initiated 60 investigations, charged 26 defendants in eight cases and obtained 36 convictions involving human trafficking.

- In FY 2006, the Division and U.S. Attorneys' Offices initiated 168 investigations, charged 111 defendants in 32 cases and obtained 98 convictions involving human trafficking.

- Since FY 2001, 276 of the 386 defendants prosecuted by the Civil Rights Division and U.S. Attorneys' Offices, in human trafficking-related offenses, have been charged with or pleaded guilty to violating statutes under the Trafficking Victims Protection Act of 2000 (TVPA).

- From FYs 2001- 2006, the Civil Rights Division and U.S. Attorneys' Offices have:

    - Prosecuted 360 defendants compared to 89 defendants charged during the prior six years, representing a more than 300% increase;

    - Secured 238 convictions and guilty pleas, a 250% increase from the 67 obtained in the previous six years;

    - Opened 639 new investigations, approximately 399% more than the 128 opened in the previous

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six years.

Help to Victims

- To date, prosecutors in the Division and other law enforcement personnel have sought, and the Department of Homeland Security has granted, continued presence to 798 victims to extend their stay in the U.S. to assist with law enforcement efforts.

- To date, 1,123 trafficking victims from 72 countries have been assisted by the Civil Rights Division and other law enforcement personnel in obtaining refugee-type benefits from the Department of Health and Human Services under the TVPA.

Case Highlights

- On April 25, 2005, Mexican nationals Josue Flores Carreto, Gerardo Flores Carreto, and Daniel Perez Alonso pleaded guilty to 27-counts relating to the Carreto family sex trafficking ring. According to the indictment, for 13 years the men recruited young women from Mexico, smuggled them into the U.S., and forced them into prostitution in New York City. The young women were repeatedly threatened, beaten, and emotionally abused by the Carretos and their confederates, while being forced to service up to 20 men per day. On January 19, 2007, the Mexican government extradited Consuelo Carreto Valencia, the Carreto's mother, to the U.S. along with 14 other criminal defendants. Valencia is charged with conspiring with her co-defendants to compel the victims into forced prostitution and is expected to be arraigned on the pending charges in February 2007. The Carreto brothers were the first defendants to be tried under the TVPA, and were sentenced to 50 years in prison for their crimes. Alonso, their brothel manager, received 25 years in prison.

- On June 23, 2005, Kil Soo Lee, former owner of the Daewoosa garment factory in American Samoa, was sentenced to 40 years in prison for holding more than 200 people in forced servitude. This case is the largest human trafficking case ever prosecuted by the Justice Department with respect to the number of victims involved. The victims were recruited from China and Vietnam and each paid approximately $5,000 to $8,000 to gain employment in Lee's factory, where they were then subjected to minimal pay, food deprivation, and brutal beatings. One woman lost an eye as a result of the abuse. A manager and a garment worker in Lee's factory were each convicted as co-conspirators and sentenced to 70 and 51 months in prison, respectively.

- On November 16, 2006, Jefferson Calimlim Sr. and his wife Elnora Calimlim, both medical doctors in Milwaukee, Wis., were each sentenced to four years in prison for forcing a woman to work as their domestic servant and illegally harboring her for 19 years in their residence. The Calimlims were convicted of using threats of serious harm and physical restraint against their victim whom they recruited and brought from the Philippines to the U.S. when she was 19 years old. The victim testified that for 19 years she was hidden in the Calimlim's home, forbidden from going outside, and told that she would be arrested, imprisoned and deported if she was discovered. The Calimlim's son was also convicted of harboring an illegal alien and sentenced to 120 days of home confinement, three years of supervised release, and a $5,000 fine.

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07-061

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, January 31, 2007 10:35 AM
Subject: National Wear Red Day—omen' Heart Disease Awareness

National Wear Red Day—Women's Heart Disease Awareness

On Friday, February 2, 2007, Americans nationwide will celebrate the fourth annual National Wear Red Day by wearing Red to show their support for women's heart disease awareness. *The Heart Truth* campaign, sponsored by the National Heart, Lung, and Blood Institute, part of the National Institutes of Health in the U.S. Department of Health and Human Services, introduced the Red Dress as the national symbol for women and heart disease awareness in February 2003, to help spread the word that heart disease is the #1 killer of American women.

Mrs. Laura Bush participates in national and local events across the country as *The Heart Truth*'s ambassador, speaking about the issue of women and heart disease. As the campaign ambassador, Mrs. Bush is leading the Federal government's effort to give women a personal and urgent wake-up call about their risk of heart disease. During the past three years, Mrs. Bush has participated in more than a dozen *Heart Truth* events around the Nation, including community hospital visits and New York Fashion Week.

On National Wear Red Day, the Department of Justice is joining Federal agencies across the country by encouraging all employees to wear red. By wearing red—whether it is a red dress, shirt, tie, or the Red Dress Pin—and encouraging your colleagues and friends to do the same, you will be sending a lifesaving message: "Heart Disease Doesn't Care What You Wear—It's the #1 Killer of Women."

To help you plan, the National Wear Red Day Online Toolkit is available at www.hearttruth.gov. It contains ideas and tools (including how to order the Red Dress Pin) to help you participate in the National Wear Red Day celebration.

For more about heart disease risk factors go to http://www.nhlbi.nih.gov/health/hearttruth/press/riskfactor_nabel.htm to read about *The Heart Truth* from Dr. Elizabeth Nabel.

"When it comes to heart disease—education, prevention, and even a little red dress can save lives."
—First Lady Laura Bush, *Heart Truth* Campaign Ambassador

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU

HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From:	System Administrator
Sent:	Wednesday, January 31, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1156857 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 12:54 PM
To: USDOJ- Office of Public Affairs
Subject: RIGHTCHOICE MANAGED CARE TO PAY UNITED STATES $975,000 TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

RIGHTCHOICE MANAGED CARE TO PAY UNITED STATES $975,000 TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS

WASHINGTON — RightCHOICE Managed Care, Inc., has agreed to pay the United States $975,000 to settle allegations that it violated the False Claims Act in connection with providing health care benefits to federal employees and their dependents in the state of Missouri, the Justice Department announced today. The settlement resolves allegations that RightCHOICE overcharged the Federal Employees Health Benefits (FEHB) Program, which is administered by the U.S. Office of Personnel Management.

The government alleged that RightCHOICE, which participates in the FEHB Program as part of the Blue Cross and Blue Shield Service Benefit Plan (SBP), passed on excessive costs to the FEHB Program in connection with compensating a preferred provider network of physicians known as "Alliance." The government contended that RightCHOICE paid higher fees to Alliance physicians for serving patients insured through the SBP than these same physicians were reimbursed for providing the same types of services to patients insured through various other health plans. The government also alleged the physicians passed on these higher rates to the Office of Personnel Management as purportedly "reasonable" costs to the FEHB.

"Today's settlement demonstrates the United States' determination to make sure health care providers do not overcharge the Federal Employee Health Benefits Program," said Peter Keisler, Assistant Attorney General of the Justice Department's Civil Division.

The civil settlement resolves claims brought under the *qui tam* provisions of the False Claims Act by Ronald Ekstrand against Wellpoint Health Networks, Inc., the entity into which RightCHOICE merged in

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January 2002. Mr. Ekstrand will receive $165,750 of the total recovery as his statutory award for his suit filed in the U.S. District Court for the Eastern District of Missouri. Under the *qui tam* provisions of the False Claims Act, private individuals can bring
whistleblower actions for fraud on behalf of the United States and collect a share of any proceeds recovered by the suit as well as attorney fees.

"This civil health care fraud settlement should send a signal to all health care providers who receive federal funds that we are committed to protecting the health care system from fraud or abuse," said Catherine L. Hanaway, U.S. Attorney for the Eastern District of Missouri..

The case was handled by the Civil Division of the Department of Justice and the U.S. Attorney's Office for the Eastern District of Missouri. The case was investigated by the St. Louis offices of the Federal Bureau of Investigation and the Office of Personnel Management-Office of the Inspector General.

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07-062

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System Administrator

From:	System Administrator
Sent:	Wednesday, January 31, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1157440 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, January 31, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1157446 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 5:07 PM
To: USDOJ- Office of Public Affairs
Subject: SECOND FORMER OFFICIAL OF DEFENSE REUTILIZATION AND MARKETING SERVICE IS SENTENCED TO PRISON TERM FOR MILITARY EQUIPMENT THEFT SCHEME

Department of Justice

UNITED STATES ATTORNEY JEFFREY A. TAYLOR
DISTRICT OF COLUMBIA

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
www.usdoj.gov/usao/dc

CONTACT: CHANNING PHILLIPS
PHONE: (202) 514-6933
FAX: (202) 353-0121

SECOND FORMER OFFICIAL OF DEFENSE REUTILIZATION AND MARKETING SERVICE IS SENTENCED TO PRISON TERM FOR MILITARY EQUIPMENT THEFT SCHEME

WASHINGTON—A former Defense Reutilization and Marketing Service (DRMS) official, Gayden C. Woodson, has been sentenced to serve 33 months in prison to be followed by three years of supervised released, and ordered to pay $342,000 in restitution, for illegally selling to foreign nationals, in Middle East countries, stolen surplus military equipment, including militarized High-Mobility Multi-Wheeled Vehicles (HMMWVs). The sentence, imposed today by Judge James Robertson in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Jeffrey A. Taylor, together with Kenneth L. Wainstein, Assistant Attorney General of the National Security Division, U.S. Department of Justice, and Defense Criminal Investigative Service (DCIS) Director Daniel F. Willkens.

In sentencing the defendant today, Judge Robertson stated, "The word needs to get out to people who are representing this country in the field and in far-flung places that if the cookie jar is open, it doesn't mean they can steal from it."

Woodson, 46, of North Ogden, Utah, was employed for 27 years by the DRMS, which is responsible for managing the disposal – by reutilization, sale, transfer, or donation – of excess U.S. military property. DRMS operations at U.S. military facilities overseas are carried out by personnel authorized to conduct local sales for certain usable excess U.S. property, through sealed bid, auction, or retail fixed-price sales to qualified purchasers. From 2000 to 2006, Woodson served as a DRMS Property Disposal Specialist assigned to the Southwest Asia region, covering, among other countries, Oman, Kuwait, Saudi Arabia, and Qatar. According to papers filed in this case, after arriving in the Middle East Woodson willingly joined an ongoing conspiracy among DRMS personnel and local contractors and purchasers, to sell surplus military equipment outside regular channels and pocket the proceeds. Woodson admitted that he alone personally obtained nearly $350,000 through this illegal scheme. Among the equipment he admitted to selling in this way were militarized HMMWVs, which regulations require to be de-militarized before disposal, and which, if not de-militarized, may not be sold to foreign nationals without a validated export license issued by the U.S. Department of State's

DOJ_NMG_ 0173418

Directorate of Defense Trade Controls. The conspirators did not, of course, obtain licenses for their illegal sales of non-de-militarized HMMWVs in the Middle East. Some of the HMMWVs illegally sold by the Woodson and his criminal associates have been traced to, and some recovered from dealers in Europe, but the whereabouts of most are as yet unknown.

Woodson admitted having been recruited to the conspiracy by another DRMS official, Ronald W. Wiseman. Wiseman, 60, of New Boston, Texas, previously pled guilty to his part in the scheme and, after cooperating with the investigation, was sentenced to serve 18 months in prison. Woodson received a higher sentence in part because, after pleading guilty in October 2006 and telling government agents he had fully disclosed his criminal activity, he failed a polygraph examination and only then admitted additional illegal conduct.

"These men abused their positions of public trust to line their own pockets at the expense of our U.S. military services," said U.S. Attorney Taylor. "It is particularly offensive that in that process they put excess military equipment into the unregulated stream of international commerce – including militarized vehicles which could make their way into the hands of adversaries and endanger our fighting troops abroad. These prosecutions show that we will vigorously pursue national security crimes wherever they occur."

Assistant Attorney General Wainstein added, **"**These defendants's actions created significant force protection concerns for our troops and allies in the Middle East. The Department of Justice will make full use of our law enforcement tools and criminal penalties against those who seek to profit at the expense of our military and national security."

"The manipulation of the Defense Reutilization and Marketing Service and theft of Government property by two unscrupulous employees will not be tolerated within the Department of Defense," said DCIS Director Willkens. "The Defense Criminal Investigative Service is committed to aggressively investigating these cases to ensure the integrity of the Defense Reutilization and Marketing Service and to protect the investment of our taxpayers. This is also another example of how the Global War on Terrorism is not limited to any one area. It is worldwide. As others have so correctly pointed out, these vehicles in the wrong hands could pose a serious threat to our nation's warfighters. So this was not just a theft issue - it is also a force protection issue."

In announcing the sentence, U.S. Attorney Taylor, Assistant Attorney General Wainstein, and DCIS Director Willkens expressed appreciation for the outstanding investigative work of Special Agents John S. Schlotterer of the Defense Criminal Investigative Service (DCIS) and Thomas M. Tamsi of the Defense Logistics Agency's Defense Criminal Investigative Activity (DLA/DCIA), who uncovered and investigated the scheme, and for the investigative assistance of special agents of U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE), which enforces the AECA. They also commended the work of Assistant U.S. Attorney Laura A. Ingersoll, of the National Security Section, and Senior Trial Attorney Mariclaire Rourke of the National Security Division's Counterespionage Section.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 5:29 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF ATTORNEY GENERAL ALBERTO R. GONZALES, ASSISTANT ATTORNEY GENERAL WAN KIM, AND SENIOR DEPARTMENT OFFICIALS AT PEN AND PAD ROUNDTABLE ON HUMAN TRAFFICKING

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
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(202) 514-2008
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TRANSCRIPT OF ATTORNEY GENERAL ALBERTO R. GONZALES, ASSISTANT ATTORNEY GENERAL WAN KIM, AND SENIOR DEPARTMENT OFFICIALS AT PEN AND PAD ROUNDTABLE ON HUMAN TRAFFICKING

10:00 A.M. EST

(Video Presentation.)

ATTORNEY GENERAL GONZALES: Good morning. Well, you've just seen the video which gives you some idea about the commitment of the Department, my commitment, but most importantly from the President, to address the problem of human trafficking in our country. It remains and is a serious problem here in the United States.

I think too many of our citizens believe this is something that's only occurring on foreign shores, but it's something that's occurring here in America. And Wan Kim is with me, head of the Civil Rights Division, and he's going to talk about specifically what we're doing.

But I can say that prosecutions on human trafficking cases are up 600 percent since President Bush took office. There are 42 anti-trafficking task forces that are operating around the country, and we are now seeing the creation of a human trafficking prosecution unit. It will be the first time within the Civil Rights Division's history that we have a dedicated infrastructure, dedicated team of lawyers, focused solely on working on human trafficking cases. And so that's a further indication of the commitment of this Administration to facing this -- deal with this terrible problem, and also the acknowledgement of the reality that it's a serious problem in this country and that we need to focus on it.

So, I'm glad you're here today. This is important for me personally. It is, I've said before, it is a form of modern day slavery, and there is nothing more traditional for the Civil Rights Division than to focus on slavery kinds of issues, and that's what we're doing here.

So, with that, I'm going to leave it for Wan Kim to get into specific questions you may have about this initiative, the scope of the problem, but I'm happy to take some questions. Before I do, let me just say that I'm going to be gone

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next week. I'm traveling to South America, beginning first in El Salvador, meet with my counterparts there to talk about gangs, about crime in particular, then going to Argentina where we'll be focusing on some issues of security, meeting with my counterparts there, and then finally we're going to Brazil and focusing on similar kinds of issues as well as intellectual property. So I'll be gone next week in case you're wondering where I'll be, I won't be around, that's where I'll be.

So, before I left, I wanted to have the opportunity to sit down with you and answer some questions.

QUESTION: Could you identify the cities or areas of the country that you think are the big hubs where there would be activity more pronounced?

MR. KIM: With respect to human trafficking issues?

QUESTION: Yes.

MR. KIM: Well, I think the truthful answer to that question is it's all around. Certainly major cities have more people, and so the problem can be accentuated in major cities, large urban centers. But we have 45 task forces across the country, as the Attorney General mentioned.

They are located in big cities, they're located in smaller communities, and each of them credible investigations and successful prosecutions of many offenses. And I think our experience has shown us that where you look for these offenses, you will find violations.

And so, again, to answer your question, you look at big cities, of course you are likely to find problems in big cities just because of the number of people in those cities, the number of possible people to victimize victims. But even in smaller communities across the country, we have found these cases. We found one in a small town in Kansas. We found one in New Hampshire. You know, we found them in big cities across the country that you can think of. But this is a nationwide problem, and so our approach has to be nationwide in scope.

QUESTION: Mr. Attorney General, you said prosecutions were up 600 percent. How much of that do you think reflects a commitment by Justice to go after these cases more aggressively, and to what extent is there a growth in human trafficking? And if it's a recent growth, why? I mean, prostitution has been with us forever.

ATTORNEY GENERAL GONZALES: Well, let me begin by saying that I think it reflects two things. One, it reflects a commitment by the Administration to focus on this, and we -- for us, I mean, if you think about the victims here, these are defenseless individuals and they're victimized in the most horrific ways. And we feel a strong obligation to protect these victims and to prosecute those who take advantage of these individuals.

And the reason that we're doing the prosecution is, it is an acknowledgement that it is a growing problem. And we've got to look at additional ways that we can deter this kind of activity.

QUESTION: Mr. Attorney General, when you talk about how this is important for you personally, you just said, why is that? I mean, what is it about this issue that just gets you riled up personally?

ATTORNEY GENERAL GONZALES: Well, you know, many of these individuals are people from foreign lands and people with different kinds of backgrounds, different cultures, and they're often people that are poor. People that are voiceless. And, you know, I can appreciate that. I understand that.

And I think that especially those of us in government, and I think the Civil Rights Division, that's its core mission is to ensure that people's rights are protected, and so it's important.

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ATTORNEY GENERAL GONZALES: You have questions?

QUESTION: I had a couple of off-topic questions --

ATTORNEY GENERAL GONZALES: Okay. Yeah.

QUESTION: -- since you're leaving, and we won't have any other opportunities.

ATTORNEY GENERAL GONZALES: Okay.

QUESTION: As I'm sure you know, there have been a couple of different calls from the Hill from senators to release the FISA Court orders regarding -- relating to TSP. I'm just wondering where you are on that now.

ATTORNEY GENERAL GONZALES: We are prepared to provide access to the documents to those individuals who have been in the briefed in the Terrorist Surveillance Program previously.

In addition to that, we are prepared to provide access to the documentation to both Chairman Leahy and Senator Spector. Again, it's never been the case where we've said we would never provide access. We've been working hard and having discussions to reach an appropriate accommodation as to how that access should be provided.

So, my understanding is -- we're working through the final details, but my understanding, I believe the documents will be made available, access will be made available starting today.

QUESTION: But not publicly, correct? These would be for --

ATTORNEY GENERAL GONZALES: Well, again, we're talking about highly classified documents relating to highly classified activities of the United States government, so we obviously would be concerned about the public disclosure that may jeopardize the national security of our country, but we're looking forward to meet with the Congress to provide the information that it needs.

QUESTION: Will they get an in-person briefing from anyone at Justice?

ATTORNEY GENERAL GONZALES: They will receive briefings, those who've been designated to receive the briefings, and this is generally the people who have been previously cleared in the Terrorist Surveillance Program before.

Plus in addition to Chairman Leahy and Senator Spector, and, you know, we -- from the announcement, when I first announced that the program, TSP will now be covering the FISA order, I announced then that we would provide briefings. We have provided some briefings. Some members have declined briefings until they get this issue of the documents worked out.

So I anticipate that those briefings will continue. And, you know, we will continue to provide briefings to members as they need them. It's important for us that they understand what we're doing, and if that requires multiple briefings, we'll provide multiple briefings. All they have to do is ask.

QUESTION: And it's saying here that you were also asked to provide an updated briefing on the anthrax investigation to some members of the Senate Judiciary Committee. Has that happened, or do you know what the status is of that?

ATTORNEY GENERAL GONZALES: I'm not aware that that has happened. That offer still remains on the table.

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QUESTION: So how many all told will be getting access to documents on the Hill would you say?

ATTORNEY GENERAL GONZALES: I don't know the exact details, but we've had a number of discussions with committee staff, and so, I think the final details are being worked now.

QUESTION: You said they will have access to the FISA Court orders, to all the orders, is that --

ATTORNEY GENERAL GONZALES: My understanding is that they will have access to the court orders, the application, perhaps some additional documentation. Again, that's being worked out now. But we were also of course concerned about certain information that is especially sensitive, and so we're working out the details about how to deal with that piece -- those pieces of information.

QUESTION: Does "have access" mean that they come down here and look at it? Or will it --

ATTORNEY GENERAL GONZALES: No, that's not necessarily. Look, I'm not going -- until we get the final details worked out, I don't want to get into that. But it wouldn't necessarily mean they would have to come down here.

Again, we want to look at what's been done historically with respect to similar kinds of documents and see what, you know, what would be appropriate with respect to the situation.

QUESTION: And when you say --

MODERATOR: Due to the schedule, we've got time for one or two more.

QUESTION: Just to clarify something, when you said clear, that the orders would be available to people who have been cleared under TSP before in addition to Leahy and Spector, when you say cleared under TSP, do you mean the Intelligence Committees? Is that what you're talking about?

ATTORNEY GENERAL GONZALES: I'm talking about the full -- my understanding is it would be the full Intel committees, and I believe certain members of the committee staff. Again, those kind of details are being worked out. You know, we want to be as accommodating as we can, given the unique circumstances.

Obviously, this is an issue that enjoys extraordinary interest, and we understand that. But we also, we have a responsibility to ensure the confidentiality of this information, and we're going to do that.

QUESTION: -- arrests in --

ATTORNEY GENERAL GONZALES: Pardon me?

QUESTION: That were arrested in England --

ATTORNEY GENERAL GONZALES: Yes. Right.

QUESTION: So is there any connection to the U.S. investigatively or --

ATTORNEY GENERAL GONZALES: At this time I'm not aware of any kind of connection to any kind of U.S. threat, but it's still fairly early and we're still gathering information. I'll be having discussions later today with U.K officials, and hopefully I can get additional information. But I'm not aware of any ties to the United States.

QUESTION: Is there anything you can say about the arrest warrants in Germany about, I think 13 arrest warrants were issued by German authorities? They say that these would be targeting people who they claim are CIA operatives in connection to the --

ATTORNEY GENERAL GONZALES: The Almasri case?

QUESTION: Yeah. Exactly.

ATTORNEY GENERAL GONZALES: You know, I need to see what has happened in Germany before I comment on it. And I don't know whether I'm going to have a comment on it, but let me see what's happened.

QUESTION: So we don't know yet whether any U.S. citizens are among those --

ATTORNEY GENERAL GONZALES: Again, let me see what's going on before I comment on it, okay?

QUESTION: Thank you.

ATTORNEY GENERAL GONZALES: Okay. Great. Thanks.

(The Attorney General leaves the room.)

MODERATOR: Wan, we'll turn it back over to you. Before Wan begins, I just want to interject on the record brief is going to be Wan Kim, Assistant Attorney General, Civil Rights, and any other background official, we have background officials here from both ICE and the FBI, and they will be on background as Senior Department Officials if they respond to questions.

MR. KIM: As you heard the Attorney General, the work that we do on the trafficking front is some of the most difficult and yet some of the most rewarding work that we do in the Department of Justice and certainly in the Civil Rights Division. It is work that has been personally important to him and to the President.

And because of that leadership, we have been able to make great strides in prosecuting offenses, investigating offenses, and in doing in sum what is most important to us in these cases; that is, one, rescuing victims, and two, prosecuting offenders so they don't commit these crimes again.

The key tool that we use to prosecute these offenses is the Trafficking Victim Protection Act, passed in 2000 by the Congress, and which in the main prohibits crimes of this type of victimization that are based upon force, fraud or coercion.

One of the important things to recognize about the Trafficking Victim Protection Act is that it protects all victims, whether they be imported from outside the United States or whether they be U.S. citizens. And in fact, we have brought cases where the victims are American citizens or U.S. nationals, as well as many, many cases involving people who have been trafficked into the United States for sex or labor trafficking victimization.

Because of the level of interest that this has drawn by both the President and the Attorney General, it has been an initiative of the Department of Justice for the past six years. And based upon that, we have done an extraordinary amount of work cooperatively with state and local officials, at the FBI, at ICE, and many other federal investigative agencies to go after these crimes.

And I think it's important to remember also that these are by and large hidden crimes. If traffickers do their jobs well, the victims are never uncovered. If they do their jobs well, the victims are terrified, they fear law enforcement, and they provide, this is important to the traffickers, a continuing source of income.

Unlike drugs, unlike arms, unlike other illicit activity where you're dealing contraband once, a victim of a trafficking offense remains a continuous source of income. That is quite lucrative, and that is one of the reasons why this crime is not only worldwide in application and scope, but also one that is extremely alluring for criminals. It is one that can provide an incredible profit source for those who choose to engage upon it.

At the end of the day, that presents a huge law enforcement challenge. The challenge is finding victims and find the crimes, because the crimes are not evident. In many of the communities where we have found trafficking networks and operations in place, it has been found only by the dedicated efforts of law enforcement officials who stumble upon something, who see something that seems to be out of place, and by doing so, uncover a large trafficking operation.

You saw the trafficking DVD that we circulated recently produced, it captures some case examples. Sometimes a victim is able to flee and reports to authorities, or reports to people who then report to authorities. The subsequent investigation uncovers a large network, as we did in Brooklyn involving a sex trafficking operation, that uncovered dozens of victims and numerous defendants, all based upon a single, solitary count that we uncovered.

That is not an unusual model. And in fact, that's one of the reasons why it takes so many law enforcement resources across the table to bring these cases successfully.

One of the experiences we have also found in six years of working hard on this issue is that because these crimes are hidden, because these crimes are very labor-intensive to investigate and prosecute, the model that works is a collaborative model, it's a task force model. It's a model that requires training first responders, the local law enforcement officials who may first uncover an incident, which they believe might be just a simple prostitution incident.

And I don't mean to say prostitution is a simple incident, but an incident that is not nearly as wide in scope as a trafficking network, which we sometimes uncover, based upon reports of first responders who find victims, who are terrified, who seem to not trust authorities, who seem to lack documentation, who seem to have injuries.

These are tips. These are clues for trained first responders that they need to investigate further, that something else may be going on. And I think that is one of the real challenges of these cases is training everyone to be alert as to how to find these cases in the first instance.

But it is absolutely critical to bring these cases successfully that we do train state and local officials as to what to look for in the first instance, that there may be a trafficking problem that they've stumbled upon. And, again, that is something that you saw in the video with respect to some of the law enforcement officials in Texas, who found evidence of a trafficking operation.

It is absolutely essential also that these cases be investigated thoroughly. I'm lucky that we have today some of our law enforcement partners from FBI ICE who play a huge role in helping us bring these cases. Could not do it without their help.

This takes a large investment in law enforcement resources. It takes a large investment in law enforcement resources because these networks are complex. They can be large, and they often involve international nexus. That means that there has to be trips abroad to uncover additional victims, to conduct witness interviews, to uncover evidence, to coordinate with governments, foreign governments, for evidence and for sometimes defendants.

And at the end of the day, that is a lot of work for the law enforcement agencies that assist us. And so, obviously, without the partnership that we have with the federal law enforcement agencies and the state and local law enforcement agencies, this kind of successful prosecution could not take place.

Another important thing to remember about these cases that's different from many other kinds of cases that we prosecute in the Department of Justice are the victims are scared. That's why we've adopted something we call the victim-centered approach in these cases.

These victims are trained by the traffickers to distrust authorities, to be told that if authorities find you, they will deport you, they will prosecute you, they will punish you; that the traffickers, as bad as they are, are their only salvation in the United States of America.

And so the victims, whenever they encounter law enforcement, are scared. And their initial reaction is to be distrustful. In many instances, the countries they come from, they don't trust the law enforcement officials there. So they don't think that it would be any different in the United States of America.

And so these victims need to be worked with. They need to be provided with services, they need to be shown we do care. That is an essential component of getting them to come on board and help us prosecute the offenders so they don't continue the cycle of victimization and abuse. It's also the right thing to do. I mean, it's also the right thing to treat these victims as victims and not as offenders.

And so, one of the approaches we've taken is to spend and calculate a tremendous amount of time with the victims to gain their trust, to earn their trust, and to show them that in the United States of America, if you have been victimized, regardless of your status, you will be treated as just that, a victim. And those are the kinds of things we've put together to make a successful prosecution.

We have made an extraordinary commitment, as I said before, to this issue in the past six years, resulting in some of the statistics that the Attorney General has mentioned, and we provided you with handouts. We have increased the number of cases filed by 600 percent, increased the number of investigations by 400 percent, and tripled the number of defendants convicted with many more in the pipeline.

Last year we reached a record number of defendants convicted in a year, and we expect that progress to continue. Now someone raised a question a little bit earlier and I'll answer it now: Why have we done so much in the past year? How did that come about? Well, it came about through a lot of hard work, a lot of hard work by the dedicated prosecutors in the room, law enforcement agents in the room and throughout the country. But it also came about with the realization that this was a problem, and a burgeoning problem.

That realization came about through a number of channels, one of which was Congress in passing the TVPA. Congress has shown great leadership in this issue by passing a comprehensive set of tools that allows us to tackle the problem comprehensively.

It is fair to say that this has been a problem for a long time. It is fair to say that we also have a lot of work to do ahead of us. By every estimate, the scope of this problem is much greater than the number of defendants we have convicted. And so our work continues, and that is one of the reasons why the Attorney General has directed the formation of a dedicated group of prosecutors from the Criminal Section, the Human Trafficking Prosecution Unit, to handle and to spearhead these types of issues across the country.

That prosecution unit is headed by the Chief of the Criminal Section, Mark Kappelhoff, to my left. The Director of this new unit is Robert Moossy to my right. The Chief Counsel is Lou de Baca, who is seated underneath the pictures of all my predecessors. And two Special Litigation Counsels, Andy Kline and Hilary Axam.

Now these prosecutors are going to be dedicating 100 percent of the time to spearheading these types of investigations and prosecutions across the country, and certainly within the Criminal Section of the Civil Rights Division.

Now they draw on the resources of not only all the other prosecutors in the Criminal Section, which number more than fifty, but assisted by U.S. attorneys across the country as we prosecute these cases collaboratively with the U.S. attorneys offices and the task forces.

Also critical to the efforts and the success we've had in the past six years is my Senior Special Counsel for Trafficking Matters, March Bell, who has been working on these matters since he came to the Department of Justice a few years ago in his second iteration with DOJ.

With that overview, I'd be happy to take any questions you might have.

QUESTION: Mr. Kim, a couple of questions if I may. The little factsheet here says that to date, 1,123 trafficking victims have been assisted by the Civil Rights Division, but it also says that the Department sought and Homeland Security has granted continue presence to a much smaller number, 798 victims. What accounts for the difference?

MR. KIM: Well, continued presence is a category of relief that victims can get under the TVPA. They're tied to a bunch of other services as well. We provide services to as many victims as we can under the TVPA. Some of those people are also entitled to continued presence visas, but not all of them. And so the bottom line is, you can get services, it's a broad bundle of services --

QUESTION: I see.

MR. KIM: -- under the Trafficking Victim Protection Act. The only measure of service is not the continued presence visa. And so if you get continued presence visa, you're getting one of the bundle of services, but you may get others and not get that.

QUESTION: But is there a provision in the law -- what is the legal basis on which you seek to have DHS permit continued presence? Is there sort of a -- is it humanitarian exception?

MR. KIM: Well, at the end of the day -- let me just start with a general principle, and then I'll turn it over to Robert to actually go down and go over the details that the law requires.

Our commitment is to help the victims any way we can. I mean, I think the only way to make these cases and to do the right thing as the law requires, is to try to let the victims know that regardless of what their status might be, if they've been victimized on U.S. soil, typically by U.S. citizens -- not typically, but often by U.S. citizens -- they have a right to protections, and they have a right to be treated humanely in our system of justice.

And so whatever services we can provide, we will provide. And in some instances, that is continued residence visas. Now the reason why the continued residence visas are important as a prosecutorial matter --

QUESTION: Well, why wouldn't it be that if you're trying to get the message out, if what you're saying is that the folks who do these crimes intimidate their victims by saying, you know, boy, if you go to the authorities, you're out of here, are you saying the opposite? That if -- anyone who comes forward or anyone who is found to be victimized will not be deported?

MR. KIM: No.

QUESTION: Why not say that?

MR. KIM: They will be treated as victims first and foremost. And in many instances, that means that they may be eligible for continuous residence visas. Now one of the reasons behind the continuous residence visa is to allow for

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successful prosecution. And it is critical, by the way, that successful prosecutions take place.

Because one of the problems that we have found in our experience is that the reason why these cases did not proceed very far is because defendants were prosecuted for perhaps local prostitution charges. The victims were deported. Guess what? Local prostitution charges don't carry much of an offense, they're back on the streets doing it again.

It is critical to taking down these networks and ending the cycle of abuse and victimization that we prosecute them and send them to prison for the long periods of time described by Congress under the TVP Act.

So it's essential for all of this to work to end the cycle of victimization that these people go to jail for the sentences that they deserve.

Now as part of that, you need victims to testify against them. So it's absolutely an essential component of continued presence visas, one of the reasons why we have it, is that we can get witnesses to testify against them. But that is not the sole component. You know, they may be eligible for extended stay, and some of them have been eligible for even longer stays and permanent visa status. And if you want, Rob can tell you more about the details of how that breaks out.

QUESTION: Well, I'm just -- and I thank you for that. I'm just wondering if there's a somewhat contradictory message here to the victims, which is come forward because we want you to help prosecute these guys, but you may get deported anyway.

MR. KIM: There is always the risk that someone who is in the country unlawfully will be subject to our immigration laws. There's always that risk. But victims should know if they come forward, they will be treated humanely, and they have a right to a basket of services, and in many instances, they will receive continued presence visas. And by the way, that is a better road map and a target toward extended stay and possibly permanent stay than the current situation, or, you know, the situation for many people illegally in the country.

You know, the TVPA is not an escape hatch from the immigration laws. But it is a road towards rescuing victims, punishing offenders, and ending victimization.

QUESTION: What are the penalties under TVPA?

MR. KIM: The penalties can be very high. I mean, at the end of the day, they're determined on the facts of each case. I can tell you what the maximum penalties are, if that's helpful.

But at the end of the day, we get sentences from 50 years or more, as you saw with the Carreto Brothers, you know, 30, 25 years. Those sentences are not unusual. And they are much higher under the TVPA than typically state offenses that might apply to the same kind of conduct such as, you know, prostitution, with documentation, et cetera.

QUESTION: And these are post-Booker sentences?

MR. KIM: These are statutory sentences. So these not application of sentencing guidelines of statutory -- I mean, Booker obviously deals with the applicability of the sentencing guidelines as a mandatory matter. These are statutory sentences, maximum sentences, and, you know, obviously post-Booker, judges still engage in sentencing guidelines analysis to determine what a reasonable sentence might be. With the application of the sentencing guidelines under the TVPA prescribed statutory guidelines, which are I think quite fair sentences.

QUESTION: I'd like to ask the FBI representative, since these cases are so hard to find what investigative tools do

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you use once you've -- a ring. Do you use undercover operations? What are the tools you use to try to uncover and make arrests in these kinds of cases?

SENIOR DEPARTMENT OFFICIAL: Yeah. The host of tools that are available to us to include undercover operations, traditional surveillance techniques, cooperation of witnesses and victims, anything that's available to us, we'll work together with our partners at ICE and our state and local officials, whatever tools are available, like in most cases, we'll utilize.

QUESTION: Anything new, any novel approaches?

SENIOR DEPARTMENT OFFICIAL: I think the most novel approach is comprehensive methodology by which we deal with the victims. That's the key to these cases is having the cooperation of the victims. And as Mr. Kim and others have said, spending a great deal of time with them over numerous interviews is the key to success in these cases if you do not have the victims. And I guess from a novel approach is, I don't know how novel it is, but that is the key to these successful cases is the victims.

MR. KIM: That's actually a very fair -- what he says is just bottom line. Because within the same operation, you may have people who are victims, people who are not victims. And so, trying to talk to them and interview them and go through the process of how they came into the operation, you learn the difference -- you know, there may be a category of victims within, for example, a sex brothel. That may be redundant, by the way. A brothel, that are victims, and people who are not victims as defined by the TVPA with respect to force, fraud or coercion.

And so really knowing that you will be spending a great deal of time talking to victims and trying to get information that establishes how they got there, how they're being held there, and what has happened to them, that's a large part of the law enforcement effort, is making sure that you're right about how this person got there and what's happened to them.

QUESTION: Does that mean two agents sitting down with a 302 in front of them is not always the right approach to get someone who might really be scared?

SENIOR DEPARTMENT OFFICIAL: Oh, I mean, that's very true. I mean, you need to sit down with these victims for hours, days, sometimes over a period of a month. And it's just not law enforcement. Sometimes you employ victim advocacy groups to assist. Sometimes you use the prosecutors to assist in this process to gain the trust and the cooperation of these victims.

But another aspect to this matter is the sharing of information and the work with our state and local and other federal agencies by coming together with a comprehensive approach to train those people, those first responders to recognize the victimization for what it is, and then call the appropriate ICE authorities or FBI authorities so that we can engage these cases appropriately. That's the key. An information sharing partnership that exists amongst all law enforcement and our prosecutors.

MR. KIM: And these also raise other issues as well. Because, again, we have -- this is one of those areas where a victim witness the lawyer needs to more sensitive to understanding client victims is essential towards helping us talk to them, bilingual interpreters essentially, for helping us get the evidence we need.

In one major operation the FBI assisted us on, we had to fly interpreters for, Korean language interpreters, all over the country to get to the locations so we had sufficient numbers on hand to help interview people and victims of the operation.

And so that is another law enforcement challenge is getting a sufficient number of interpreters on board at the appropriate time, at the appropriate place to get the information that we need and to help work with these victims

because having me sit down with some of these victims is not going to do a whole lot of good if they can't talk to me, if they can't relate with me, if they view me as an obstacle and not as someone who's trying to help rescue them and help resolve the situation.

QUESTION: Speaking of the fact that all victims are not equal, what percentage roughly would you say are adults and what percentage are minors? I would think that's one important distinction. Another is, what percentage of victims know before they ever leave their home countries exactly what it is they're getting into and are willing to take the risk just in order to get here? Do you have any figures like that or can you give us some examples of somewhat typical cases?

MR. KIM: Yes I can. I mean, I can't give you exact figures. Maybe we can get back to you with exact figures on the number of cases that we prosecuted. But I will tell you that with respect to your latter question, the answer is they don't sign up for, and we have not seen a case, I have not seen a case, where they sign up for the type of abuse they get.

Now, I mentioned, for example, a minute ago, that in some brothels, you find people that are victims and you find people that are not victims. The distinction obviously is a legal distinction. Some are not there because they're forced by coercion. Some have enlisted to do exactly what they're doing in the place of operation.

Many have not. Those are the people who are victims, those are the offenders we prosecute, people who lure them into doing that. And the Carreto Brothers example that you saw in the DVD is a prime example.

Most of the victims -- and we're talking victims now, the TVPA -- held and forced to conduct services, either labor or sex, by force, fraud or coercion. They have been lured to the United States by false promises, false promises of a better job, of a better life, a better education, of a road to citizenship, of husbands, of wives.

These are the promises that they've been lured to come to America, and then once they come to America, obviously, they see a very different scenario.

With respect to ages, we have seen across the board from minors to adults in both labor and sex trafficking operations. In many instances, you know, the stories are heartbreaking. You have some girls as little as nine, eleven, who are brought over to engage in sex trafficking or labor trafficking. You have men, boys, who are forced to come over and engage in typically labor trafficking, okay.

We had an example of a case that we prosecuted involving young Mexican boys who were deaf who handed out little cards in New York City saying that they were deaf and asking you to contribute a dollar. That was part of a labor trafficking operation, and if they did not collect $100 a day, they would be beaten. That was an operation that we recently prosecuted in New York.

We have a case where a young girl is sold by her parents into a labor trafficking operation and forced to become a household servant for some U.S. -- people in the U.S. That is unfortunately not atypical. We have other scenarios where citizens, usually quite well off citizens, at least middle class, we prosecute a lot of, you know, doctors.

I mean, I'm not trying to single out an industry, but we have prosecuted people as good as doctors, for calling back to their home country, saying that they want to bring somebody over to help them get a good education and status in the United States, and then forcing them to work for years in their home as an unpaid servant.

So these are the kinds of cases that we see over and over again. And, you know, we can certainly try to get you breakdowns of all the cases we prosecuted from the allegations and the age of the victims, but we see them across the board, and we see them, you know, usually involving false hopes.

And I think one of the reasons -- and, I mean, I've talked about it with Attorney General, and he cares about this issue so much is because the Attorney General is fond, as you know, of talking about the American Dream.

Well, this is not the American Dream. This is a perversion of the American Dream. It's using the American Dream as a lure for victimization. And for many people across the world, America remains a shining opportunity, it's the golden opportunity. And the traffickers know that.

And they often use that as a lure to get unsuspecting people into their clutches, usually unsophisticated, often young, certainly not conversant with how America works, the English language, law enforcement, rules, et cetera, and use all those things to keep them in victimization.

QUESTION: How many of the cases that you've seen involve sex trafficking versus labor trafficking?

MR. KIM: With respect to prosecutions that we've brought, is they're possibly 75 percent on the sex trafficking side and 25 percent on the labor trafficking side.

QUESTION: That's prosecutions?

MR. KIM: Yes.

QUESTION: Okay. How about convictions? Do you have any?

MR. KIM: We can get you the exact figures. We don't have it. I mean, I will -- because we've been extraordinarily successful in these, I would imagine the ratio would be about the same.

QUESTION: Okay.

MR. KIM: Our record of success in bringing these cases have been extraordinarily good. That is because of the efforts that we've made along the way, because the FBI and ICE help us put together great cases. But, you know, we have been extremely successful in bringing these cases. I don't believe we had an acquittal in any of these cases.

SENIOR DEPARTMENT OFFICIAL: We have had some acquittals --

MR. KIM: Individuals --

SENIOR DEPARTMENT OFFICIAL: Individuals --

QUESTION: You alluded earlier to the scope of the problem. Can you be a little bit more specific as to what you think the population of victims is out there?

MR. KIM: Sure. Sure. I mean, you know, again, I will preface it with a healthy dose of caveats, because this is an underground economy. This is an underground enterprise. We can only surmise what the real scope of this enterprise is. It's just like trying to figure out, well, how much cocaine is smuggled into the U.S. every year? You basically extrapolate based upon what you know and to what you think might happen.

By some estimates, it's extraordinarily high. But, you know, some estimates by I think the CIA, possibly approximately 15,000 people are trafficked into the United States each year. And other estimates say that several hundred thousand people are trafficked internationally across all borders of all countries across the globe.

There are further estimates, and, again, you know, I can't corroborate these. These are just based upon other

independent estimates by other officials, there's some estimates that globally, human trafficking problems, violations across the globe, will surpass drug sales and arms sales as the leading source of illicit revenue.

And again, based upon the theory that these victims provide a continuing stream of income. And our cases establish that a victim of sex trafficking can provide a thousand dollars for the trafficker in a day. As you saw in the DVD, I hate to keep referring to it, but you saw the operation.

It's basically slapdash, filthy conditions, mattresses on the floor, each occupied by a woman. They may service dozens of men a day. And that is an income stream, and it's not an insignificant income stream, and that's the profit motive that keeps these operations going, unfortunately.

QUESTION: Just to follow up on that question, what is your sense of how much this has grown over the years? I mean, if you were this aggressive at prosecuting 20 years ago, would you be finding the same number of cases? What is your sense of what's happened?

MR. KIM: It's impossible to say. I think it is fair to say that based upon all the law enforcement evidence that we've had, it is very, very fair to say, and I think everyone in the law enforcement community would agree, this has been a problem that's been out there for a while, okay. We have been tackling it aggressively the past six years, but it did not mushroom and, you know, come out of nowhere six years ago. This has been a problem that's been there for a while.

The difficulty has been in recognizing the problem and responding to it appropriately. Again, if we had the situation come up ten years -- we've trained -- and this is -- we've trained thousands, thousands, of local law enforcement officials, state law enforcement officials, NGO, people in the community to be on the lookout for these types of problems.

Because if you had had a situation ten, fifteen years ago, where a police officer comes on the scene, small town in Texas or one of the border states, finds a brothel, finds out the prostitutes are all illegal immigrants, put the defendant in jail for prostitution violation, deport the prostitutes, problem solved.

That's not problem solved, because the misdemeanor penalties attached to that penalty mean that the traffickers will be up operating in a different location.

So, again, that would never have gone on the books as a trafficking case. Now it is our job to try to educate those people who have done that, and are continuing to do that, to recognize the violations for what they are and to uncover the operations that exist. And as we've indicated, that's not an easy proposition. It's not necessarily what you see at first blush is what relieves this.

I mean, you know, we had law enforcement operations where we've had reason to believe there was a trafficking operation. It turns out there was no force, fraud or coercion involved in that operation. We filed other charges as appropriate.

We've found some operations where we come on a little bit late because the locals find evidence of force, fraud or coercion, we come on and we corroborate that. So what appears at first blush is not necessarily what really exists, and I think the only generally speaking invaluable attribute is the victims are scared, and the victims are always going to tell you the first time around that everything's okay, that, you know, they're here voluntarily, you know, and they're scared. And they don't want -- they think that you're the enemy and that you're worse than the trafficker.

QUESTION: Have you found any resistance among the states and locals to contact federal authorities when one of these things are uncovered to say come in and maybe this is one of the cases that you all will want to be

interested in versus just bringing state charges?

MR. KIM: Yeah. We've had great cooperation with state and local authorities, great cooperation. I mean, I think they're very interested like we are in taking out operations that exist within their jurisdiction. They have been an integral part of why we have been successful on this front. We continue to use them as partners.

Many of the states -- and this has been a remarkable development. Many of the states within the past five years have passed anti-trafficking state laws, which help us bring our cases in addition to providing another vehicle and another avenue for resolving these cases.

The Attorney General wants all the states to pass anti-trafficking laws. I think we're at about three dozen right now, and I believe that both of those have been within the past five years. And I know the Attorney General sent out a letter about two years ago to all the states that hadn't passed it asking them to continue to work on passing them, and many have.

We can give you specific breakdowns of those. But it really is an impressive commitment and spearheaded by the Attorney General towards getting these states to recognize the problems not only by working with us but by passing state laws that are modeled upon the federal law.

QUESTION: So the real challenge is then when state and local authorities stumble on one of these operations, recognizing it for what it is?

MR. KIM: Absolutely. The real challenge is in reaching out to victims to let them know that in the United States, law enforcement officials are to be trusted, they're there to help. There are laws on the books preventing this. And the people on the street, especially the first responders, who often stumble upon these things, to recognize that they may be a bigger problem than they see. In fact, there's a little card that we have published for police officers, firemen, NGO, business organizations to put in their wallets to ask questions, certain types of questions that are sort of guarded that help you develop situations.

We helped pass that, distribute that, and we'll get you copies of it. It's a great little card that kind of helps law enforcement remember what kind of questions might be pertinent to developing this type of case along the way.

And another important thing that we haven't talked about that much but I mentioned earlier, NGO communities, essential for helping us identify these cases, and here's why. Because in many instances, because the victims have been so well trained to distrust law enforcement, they're not going to do what you or I would do if we were victimized.

They won't go and call the FBI or local police or ICE. They will go to people who speak their language, provide other services in the community, you know, the only people that they may feel they can relate with. And those people are often an invaluable source for us as to what, you know, I've heard that in X area there are Y people and they're being treated in this manner.

And so working with local NGOs has been a real integral tool in what we do to uncover these organizations and to help victims.

QUESTION: Can you speak a little bit more about this new unit, how it will operate, how big will it be? And how will it compare, do you have any idea what proportion of the Civil Rights Division cases in human trafficking is expected to rise within the unit?

MR. KIM: Well, you know, at the end of the day, you know, all the human trafficking cases that we find and uncover, we staff appropriately. The Attorney General, the President, Congress has given us the resources so we

can do that with the support of U.S. attorney's offices. So, there are many more AUSA's assigned to this in addition to the resources that we have in the division.

The Human Trafficking Unit, the dedicated unit, will be staffed by the people that I mentioned around the room. Now these are prosecutors that are working 100 percent of the time on these cases, and they provide an infrastructure, an infrastructure that did not exist. People created this recently.

Now with that infrastructure, you saw the success. That's because everyone essentially is focused on those problems. Now everyone essentially also focuses on the other problems that we have, other laws to enforce. For example, law enforcement misconduct cases, excessive force cases typically -- past six years. That is all part and parcel of what the Civil Rights Division Criminal Section does, okay.

We -- the states the staff and the scope that we now say we have dedicated officials to deal with this problem. They draw upon the resources of everyone else in the Criminal Section. So we have 50-plus prosecutors in the Criminal Section. We now have four that are completely dedicated to the mission of enforcing the TVPA and the trafficking laws. But in terms of what they can reach out, what the scope of their resources are, that hasn't changed. And as they need more resources, I'm confident they'll get them.

I mean, the real urgent problem that we have ahead of us is education, communication, pursuing the task force model to its completion, generating a consistent supply of cases to meet the demand that we know is out there. I mean, when I say demand that we know is out there, we know there are a lot more trafficking cases out there than we have been able to prosecute, and so going forward there should be even more. Because the numbers, as impressive as they are, will, I submit, you know, only be a beginning.

QUESTION: That kind of gets to the criticism last year that I think you responded to at the time, but the point was that former members of the division who are no longer here were complaining that the emphasis on human trafficking was an example of where this Administration had sort of dropped the traditional emphasis on discrimination against African Americans and so forth. And I trust you would flatly deny that, but how do you decide on this resource allocation?

MR. KIM: Well, first of all, I mean, first of all, the vast majority of the victims, a disproportionate majority of victims in human trafficking cases are women or minorities. And so -- and also the whole premise of the trafficking laws is based upon the 13th Amendment right to be free from slavery. I would quarrel with anyone who says that we are not enforcing.

Secondly, the Criminal Section, specifically in its mission, primary mission prior to the EPA, and the bulk of their work has always been law enforcement misconduct cases, cases where law enforcement officers use excessive force or engage in misconduct. With respect to that category, which has always been the bulk of the Criminal Section's work, we have increased convictions by -- percent. So we have not fallen short in our traditional assignments, and we have expanded the section to meet the needs of the current environment that we live in. We have done so pursuant to authority given by Congress in the TVPA, and also generous resources given to us by the Attorney General to prosecute these offenses.

It's fair to say the Criminal Section has grown over the past six years to meet the new challenges, and we invite this new challenge, because it is so important. Every prosecutor and law enforcement official will tell you, this is some of the most rewarding work they've ever done. Some of the most challenging, some of the most difficult, but some of the most rewarding.

At the end of the day, I don't -- I quarrel with anyone who says that prosecuting human trafficking offenders and liberating victims is not a civil rights mission.

QUESTION: Mr. Kim, the factsheet says, talking about the victims, that they've come from 72 countries. Are there some countries, though, that are at the top of the list from whom lots have come?

MR. KIM: I will say that there are some that we see more victims from. I'll tell you about it afterwards, and we can actually give you a sheet of all the countries and the victims we found.

I will also say that we have received extraordinary support from many of the countries in terms of cooperation, in terms of providing us access to witnesses, to getting tips from their embassies, like the Embassy of Mexico has been extraordinarily helpful in helping us prosecute offenders, giving us access to victims, getting information for the offenders.

You know, Korea is another area where we've seen a number of victims. They're a Tier I country on the State Department's list, and so they have made extraordinary efforts on that. Just because we see a lot of victims from certain countries does not mean the countries are not sensitive and responsive to the concerns. It just so happens that a lot of victims come from those countries.

QUESTION: One other question about --

MODERATOR: Last question.

QUESTION: Okay. One other question about the victims. In almost all the cases, I assume the victims know that they're being brought into the U.S. illegally?

MR. KIM: Again, I think the answer to that is generally yes. I think they ultimately know what their destination is. They made this because the promises as to what -- you know, in many, I would say many, because in some instances, for example, of certainly domestic labor trafficking. In some instances, the victims are given false promises of what -- of how they will get advancements in America. You know, they don't necessarily know. In some instances the victims are told, listen, we're sending you to the U.S. because you're going to get husbands, you can get jobs, and then we'll get you permanent resident status.

So it's not a very good case that they believe, okay, I am illegally entering the United States of America and then I will -- you know, I can't say that never happens, in fact, it does happen. But there is also the countervailing case of people who leave under lawful circumstances.

Thank you very much.

END 11:01 A.M.

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DOJ_NMG_ 0173437

Image not available for this document, ID: 0.7.10316.9187-000001

Image not available for this document, ID: 0.7.10316.9187-000002

System Administrator

From:	System Administrator
Sent:	Wednesday, January 31, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1158109 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 7:25 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SETTLES VOTING RIGHTS CLAIMS WITH CIBOLA COUNTY, NEW MEXICO

Department of Justice

FOR IMMEDIATE RELEASE

CRT

WEDNESDAY, JANUARY 31, 2007 (202) 514-2007

WWW.USDOJ.GOV TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES VOTING RIGHTS CLAIMS WITH CIBOLA COUNTY, NEW MEXICO

WASHINGTON — The Justice Department announced today the filing and successful resolution of its claims against Cibola County, N.M., alleging violations of the Help America Vote Act (HAVA) and the National Voter Registration Act of 1993 (NVRA). The claims were added to an earlier lawsuit against the county alleging violations of the Voting Rights Act. Also included in the settlement are provisions to address violations of a consent decree to resolve the earlier lawsuit.

"By quickly agreeing to implement a comprehensive and effective remedial plan, Cibola County officials have demonstrated a genuine commitment to addressing past problems and protecting the voting rights of all American citizens," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division.

The Department filed an amended complaint in the U.S. District Court for the District of New Mexico alleging that Cibola County failed to meet its legal responsibilities to ensure that all timely, valid voter registration applications are processed and entered into the computerized statewide voter registration list, that voters' names are not removed from the list without legal cause, and that provisional ballots are offered to eligible voters whose names are not on the list. A consent decree resolving the lawsuit was simultaneously filed today, which still must be approved by the federal district court. The consent decree also addresses noncompliance with provisions of a previous consent decree to ensure that American Indian citizens of the county, including those who rely in whole or in part on the Keresan or Navajo language, have an equal opportunity to participate in all phases of the electoral process. The decree requires the county to implement procedures that will ensure compliance with federal law and permit the Justice Department to continue monitoring elections in the county.

Section 203 of the Voting Rights Act requires that certain jurisdictions with a substantial language minority citizen voter population provide all voting information and assistance in the minority language as well as in English. Cibola County is required by Section 203 to provide such information and assistance in Keresan and Navajo to voters who need it to participate effectively in the electoral process. The NVRA requires that the

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county promptly process all valid, timely voter registration applications and prohibits the county from removing a voter's name from the voter registration list solely on the basis of the person's failure to vote. Under HAVA, the county must offer a provisional ballot to any person whose name is not on the voter registration list, but who believes that he or she is registered and eligible to vote in an election for federal office.

The Civil Rights Division has launched a vigorously enforces compliance by each jurisdiction covered under the language minority provisions of the Voting Rights Act, as well as compliance with the NVRA and HAVA. Since 2002, the Division has brought more lawsuits to enforce the language minority provisions of the Voting Rights Act than it brought in the preceding 26 years combined. This is the eighth claim brought by the Civil Rights Division under HAVA since HAVA's requirements went into effect three years ago, and the seventeenth under the NVRA.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at (800) 253-3931. More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at www.usdoj.gov/crt/voting/index.htm.

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07-063

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Image not available for this document, ID: 0.7.10316.9171-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, January 31, 2007 7:28 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA MAN SENTENCED IN CROSS BURNING

Department of Justice

FOR IMMEDIATE RELEASE

CRT

WEDNESDAY, JANUARY 31, 2007 (202)

514-2007

WWW.USDOJ.GOV TDD (202)

514-1888

FLORIDA MAN SENTENCED IN CROSS BURNING

WASHINGTON – Neal Chapman Coombs, a 50-year-old resident of Hastings, Fla., was sentenced today to 14 months in prison, to be followed by three years of supervised release, the Justice Department announced today. Coombs pleaded guilty on August 16, 2006 to a racially-motivated civil rights crime involving a cross burning.

In August 2006, Coombs was charged with knowingly and willfully intimidating an African-American family that was negotiating for the purchase of a house in Hastings, Fla., by threat of force and the use of fire. Specifically, it was alleged that Coombs' actions were motivated by the family's race and that he burned a cross on property adjacent to the house.

"Cross burning remains a vicious symbol of hatred and intolerance," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "Our welcoming society encourages people to live where they choose, undisturbed by such racist threats. This prosecution sends a clear message that we will not tolerate such deplorable criminal conduct."

"This display of racial hatred is alarming. Victims of this crime can be assured that our office will vigorously investigate and prosecute those who would choose this form of ugly criminal conduct," said Paul I. Perez, U.S. Attorney for the Middle District of Florida.

According to the plea agreement, on the afternoon of Jan. 15, 2006, an African-American family of four was looking at a house for sale in St. Johns County. The family was accompanied by their real estate agent and his wife. The parents were in the process of negotiating to purchase the house.

The plea agreement notes that while the parents were inside the house with the real estate agent, their son and daughter, who were 15 and 12-years-old at the time, were outside the house, where they overheard the defendant, who was in front yard, speaking loudly, apparently to a man on the street. Coombs, who is Caucasian, made a remark about having a "house-warming," and also made derogatory remarks about the visiting family.

DOJ_NMG_ 0173445

In Coombs' front yard was a set of wooden beams in the shape of a cross. The cross, which was approximately six feet tall, faced the house the family was considering purchasing. Coombs squirted a flammable liquid from a bottle onto the cross, and lit the cross on fire. Coombs then looked at the boy and stated, "I don't want to see you around here again, boy."

The family was alarmed and frightened by the defendant's actions and words, causing feelings of intimidation and disinterest in living in the house.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 163 defendants in bias-motivated crimes.

The case was investigated by the Federal Bureau of Investigation. The case was prosecuted by Assistant U.S. Attorney Scot Morris and Andrew J. Kline of the Department of Justice's Civil Rights Division.

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07-064

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Image not available for this document, ID: 0.7.10316.9106-000002

System Administrator

From: System Administrator
Sent: Wednesday, January 31, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1158198 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
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System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1158199 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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Cohn, Jonathan (CIV)

From: Cohn, Jonathan (CIV)
Sent: Thursday, February 01, 2007 9:17 AM
To: Gorsuch, Neil M
Subject: Not read: RE: Reception Welcoming [redacted] Thursday, September 29th

Cohn, Jonathan (CIV)

From: Cohn, Jonathan (CIV)
Sent: Thursday, February 01, 2007 9:19 AM
To: Gorsuch, Neil M
Subject: Not read: RE: 10th Circuit case

System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1161881 KB.
Mailbox size limits:

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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 01, 2007 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 1, 2007

Department of Justice

PRESS GUIDANCE
Thursday, February 01, 2007

ATTORNEY GENERAL

8:00 A.M. EST Attorney General Alberto R. Gonzales attended the National Prayer Breakfast.
Washington Hilton
International Ballroom
1919 Connecticut Ave., N.W.
Washington, D.C.
OPEN PRESS

PRESS RELEASES

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

The Environment and Natural Resources Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Dean Boyd

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173454

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Image not available for this document, ID: 0.7.10316.9107-000002

System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162475 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162476 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 01, 2007 3:56 PM
To: USDOJ- Office of Public Affairs
Subject: ALABAMA RESIDENT SENTENCED FOR FEMA FRAUD FOLLOWING HURRICANE KATRINA

Department of Justice

UNITED STATES ATTORNEY DEBORAH J. RHODES
SOUTHERN DISTRICT OF ALABAMA

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 31, 2007
www.usdoj.gov/usao/als

CONTACT: CHARLIE MCNICHOL
PHONE: (251) 415-7131
FAX: (251) 441-5277

ALABAMA RESIDENT SENTENCED FOR FEMA FRAUD FOLLOWING HURRICANE KATRINA

MOBILE, Ala. - Jason Endo Lawson, 45, of Mobile, Ala., was ordered to repay $2,000 to the Federal Emergency Management Agency (FEMA) and sentenced to three years probation following his conviction for fraud, U.S. Attorney Deborah J. Rhodes of the Southern District of Alabama announced today.

Lawson was named in a one-count indictment by a July 2006 federal grand jury. Count one charges that on or about Sept. 24, 2005, the defendant made and presented to FEMA a false claim for disaster assistance following Hurricane Katrina.

The case was investigated by the Department of Homeland Security, Office of the Inspector General and was prosecuted by Assistant U.S. Attorney E.T. Rolison.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force chaired by Assistant Attorney General Alice Fisher of the Criminal Division, includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys, and others.

Anyone with information about fraudulent activity is encouraged to report it immediately through the Hurricane Relief Fraud hotline at 1-866-720-5721, or via email at katrinafraud@dodig.mil.

# # #

DOJ_NMG_ 0173460

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Image not available for this document, ID: 0.7.10316.9084-000002

US District Court - Colorado

From: US District Court - Colorado
Sent: Thursday, February 01, 2007 4:07 PM
To: Gorsuch, Neil M
Subject: CM/ECF System Maintenance

The CM/ECF electronic filing system will be offline for maintenance Friday, February 2, 2007, from 5:00 p.m. to 7:00 p.m. and Saturday, February 3, 3007, from 2:00 p.m. to 4:00 p.m.

Pursuant to the ECF Procedures for the District of Colorado a Notice has been posted on the court's Internet website.

Thank you.

[redacted]
CM/ECF Manager
United States District Court
District of Colorado

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 01, 2007 4:24 PM
To: USDOJ- Office of Public Affairs
Subject: THREE MASSACHUSETTS MEN INDICTED AS PART OF NATIONWIDE INVESTIGATION OF INTERNET CHILD PORNOGRAPHY TRADE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 1, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

THREE MASSACHUSETTS MEN INDICTED AS PART OF NATIONWIDE INVESTIGATION OF INTERNET CHILD PORNOGRAPHY TRADE

WASHINGTON – Three Massachusetts men have been indicted by a federal grand jury on charges of receipt and possession of child pornography, announced Assistant Attorney General Alice S. Fisher for the Criminal Division, U.S. Attorney Michael J. Sullivan for the District of Massachusetts, and New England Immigration and Customs Enforcement (ICE) Special Agent in Charge Bruce M. Foucart. The three defendants are the latest to be charged in an ICE nationwide investigation called "Operation Emissary" targeting a Web site that offered images and movies of hardcore child pornography.

The three defendants were charged yesterday in separate sealed indictments, which were unsealed today upon their arrest. Philip Herzberg, 50, of Hingham, Mass., is charged with six counts of receipt of child pornography and one count of possession of child pornography. Matthew Wilson, 28, of Methuen, Mass., is charged with one count of possession of child pornography. Donald Banker, 64, of Methuen, Mass., is charged with two counts of receipt of child pornography and one count of possession of child pornography.

"This prosecution again demonstrates that the Department of Justice will vigorously pursue those who sexually exploit our children via the Internet so that these offenders can be held accountable for their serious crimes," said Assistant Attorney General Fisher.

"Those who think that they are safe behind the perceived anonymity of the Internet should be put on notice that there is no safe haven for child sex predators," stated U.S. Attorney Sullivan. "We will continue to aggressively pursue those who traffic in child pornography."

Federal search warrants were issued to search the three men's computers in September 2006. In the course of the investigation, agents learned that the three defendants had allegedly purchased subscriptions to a child pornography Web site. The agents seized each of the defendants' computers and computer-related equipment. A forensic analysis of these computers and equipment revealed that they each allegedly possessed and/or received child pornography in interstate commerce.

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Upon conviction, the penalty for each charge of receipt of child pornography is a mandatory minimum of five years in prison up to a maximum of 20; and a maximum of 10 years in prison for each charge of possession of child pornography.

Today's arrests stem from an investigation known as Operation Emissary, which was initiated by ICE in New Jersey. The investigation focused on a commercial Web site offering access to videos and images of hardcore pornography. The Web site alerted would-be subscribers that subscribing to the Web site was illegal and warned them to be discreet about their purchases. Investigators targeted individuals who subscribed to the Web site over a period of approximately two to three months at the end of 2005 and 2006. In October 2006, more than 125 individuals in more than 22 states were arrested in the first wave of a nationwide sweep.

This case is being brought as part of Project Safe Childhood, created by Attorney General Alberto R. Gonzales in February 2006, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys' Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as to identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The cases against Wilson and Banker were investigated by ICE Special Agent Paul Hartigan, and are being prosecuted by Assistant U.S. Attorney Dana Gershengorn of the District of Massachusetts and Trial Attorney Darcy Katzin of the Criminal Division's Child Exploitation and Obscenity Section. The case against Herzberg was investigated by ICE Special Agent Edward Salvas and is being prosecuted by Assistant U.S. Attorney Gershengorn and Trial Attorney Bonnie Kane of the Child Exploitation and Obscenity Section.

The details contained in the indictments are allegations. The defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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07-065

DOJ_NMG_ 0173465

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Image not available for this document, ID: 0.7.10316.9081-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 01, 2007 4:33 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT FILES FAIR HOUSING LAWSUIT AGAINST LANCASTER, PENNSYLVANIA APARTMENT COMPLEX

A copy of the complaint is attached.

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 1, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT FILES FAIR HOUSING LAWSUIT AGAINST LANCASTER, PENNSYLVANIA APARTMENT COMPLEX

WASHINGTON - The Justice Department today filed a lawsuit against the rental manager and owners of Barrcrest Manor Apartments, an apartment complex in Lancaster, Pa. According to the complaint, which was filed in the U.S. District Court for the Eastern District of Pennsylvania, the defendants refused to rent an apartment to a visually impaired individual who uses a guide dog, in violation of the Fair Housing Act.

"The services of guide dogs are essential to individuals with visual impairments," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "Our fair housing testing program will continue to proactively root out violations of the Fair Housing Act and ensure non-discriminatory treatment."

The Department of Justice conducted its investigation through the use of fair-housing testers – individuals who pose as renters for purposes of gathering information about possible discriminatory practices in the rental of apartments. The complaint seeks damages to compensate individuals injured by the defendants' conduct, and seeks to ensure that the defendants discontinue their discriminatory practices.

Fighting illegal housing discrimination is a top priority of the Civil Rights Division. This case was brought as part of Operation Home Sweet Home, a concentrated initiative by Attorney General Alberto R. Gonzales to expose and eliminate housing discrimination in America.

Individuals who believe that they may have been the victim of housing discrimination by Barrcrest Manor Apartments should call the Justice Department's Housing and Civil Enforcement Section at 1-800-896-7743, ext. 2. Anyone wishing to report unlawful housing discrimination should also contact the Justice Department or the Department of Housing and Urban Development at 1-800-669-9777. More information about the Civil Rights Division and the laws it enforces is available at http://www.usdoj.gov.

Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 217 cases to enforce the Fair Housing Act, 97 of which have alleged discrimination based on disability.

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07-067

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DOJ_NMG_ 0173469

B

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA, Plaintiff, v. NATIONAL PROPERTIES INC., NPI MANAGEMENT CORPORATION, BARRCREST MANOR ASSOCIATES, L.P., and SANDY BROWN, Defendants.	)	Civil Action No. 07 -04[illegible]

A TRUE COPY CERTIFIED TO FROM THE RECORD
DATE: FEB 01 2007
ATTEST: Steve Torres
EASTERN DISTRICT OF PENNSYLVANIA

COMPLAINT

The United States of America alleges:

1. This action is brought to enforce the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 ("Fair Housing Act"), 42 U.S.C. §§ 3601 *et seq*.

2. This court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. § 3614(a).

3. Venue is proper because the claim alleged herein arose in the Eastern District of Pennsylvania, and concerns or otherwise relates to real property located in the Eastern District of Pennsylvania.

4. Defendant National Properties, Inc., is incorporated under the laws of Pennsylvania, and has its principal place of business in the Eastern District of Pennsylvania.

5. Defendant National Properties, Inc., owns, operates and manages multifamily dwellings in the Eastern District of Pennsylvania, including the Barrcrest Manor Apartments, a 85-

unit residential apartment complex located at 1705 Marietta Avenue, Lancaster, PA.

6. Defendant Barrcrest Manor Associates is a limited partnership under the laws of Pennsylvania. Defendant Barrcrest Manor Associates, along with Defendant National Properties, Inc., owns Barrcrest Manor Apartments.

7. Defendant NPI Management Corporation is incorporated under the laws of Pennsylvania, and has its principal place of business in the Eastern District of Pennsylvania.

8. Defendant NPI Management Corporation, along with its parent company, National Properties, Inc., manages and operates residential multifamily dwellings, including Barrcrest Manor Apartments, in the Eastern District of Pennsylvania.

9. Defendant Sandy Brown is the rental manager at Barrcrest Manor Apartments. At all times relevant to this complaint, Defendant Brown has participated in and was responsible for the management and operation of the Barrcrest Manor Apartments on behalf of Defendant National Properties, Inc., Defendant NPI Management Corporation, and Defendant Barrcrest Manor Associates.

10. At all times relevant to this complaint, Defendants have had a policy of refusing to allow residents at the Barrcrest Manor Apartments to keep dogs, including dogs used as service animals to assist persons with a handicap.

11. In June and August of 2006, the United States Department of Justice conducted testing to evaluate the Defendants' compliance with the Fair Housing Act. Testing is a simulation of a housing transaction which compares responses given by housing providers to different types of home-seekers in order to determine whether or not illegal discrimination is occurring. The testing undertaken by the United States revealed that the

DOJ_NMG_ 0173471

Defendants are engaged in housing practices that discriminate on the basis of handicap at the Barrcrest Manor Apartments, by refusing to make reasonable accommodations in their no-dog policy when such accommodations may be necessary to afford a person with a handicap equal opportunity to use and enjoy a dwelling, such conduct has included, but is not necessarily limited to, refusing to allow guide dog users with vision impairments to reside in their apartments.

12. Defendants, through the actions described above, have:

(a) Discriminated in the rental of, or otherwise made unavailable or denied, dwellings to renters because of handicap, in violation of 42 U.S.C. § 3604(f)(1);

(b) Discriminated against persons in the terms, conditions or privileges of rental of a dwelling, or in the provision of services or facilities in connection with a dwelling, because of handicap, in violation of 42 U.S.C. § 3604(f)(2);

(c) Refused to make reasonable accommodations in its rules, policies, practices, and services, when such accommodations may be necessary to afford a person with a handicap equal opportunity to use and enjoy a dwelling, in violation of 42 U.S.C. § 3604(f)(3)(B); and

(d) Made, printed, or published a notice or statement with respect to the rental of a dwelling that indicated a preference, limitation, or discrimination based on handicap, in violation of 42 U.S.C. § 3604(c).

The conduct of Defendants described above constitutes:

(a) A pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619; or

DOJ_NMG_ 0173472

(b) A denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, which denial raises an issue of general public importance.

13. There may be persons who have been the victims of discriminatory housing practices by the Defendants. Such persons are aggrieved persons as defined in 42 U.S.C. § 3602(i), and may have suffered injuries as a result of the Defendants' conduct described above.

14. The discriminatory actions of the Defendants were intentional, willful, and taken in disregard of the rights of the victims of this discrimination.

WHEREFORE, the United States prays that the court enter an ORDER that:

1. Declares that the Defendants' policies and practices, as alleged herein, violate the Fair Housing Act;

2. Enjoins the Defendants, their officers, employees, agents, successors and all other persons in active concert or participation with them, from:

(a) Discriminating in the rental, or otherwise making unavailable or denying dwellings to renters because of handicap;

(b) Discriminating against any person in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection with such dwelling because of handicap;

(c) Failing or refusing to make reasonable accommodations as required by 42 U.S.C. § 3604(f)(3)(B);

(d) Making, printing or publishing any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that limits, or discriminates on the basis of handicap, in violation of 42 U.S.C. § 3604(c); and

(e) Failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, the victims of the Defendants' unlawful practices to the

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position they would have been in but for the discriminatory conduct.

3. Awards monetary damages, pursuant to 42 U.S.C. § 3614(d)(1)(B), to all persons aggrieved by the Defendants' discriminatory practices; and

4. Assesses a civil penalty against the Defendants in an amount authorized by 42 U.S.C. § 3614(d)(1)(C), to vindicate the public interest.

DOJ_NMG_ 0173474

The United States further prays for such additional relief as the interests of justice may require.

Dated: February 1, 2007

ALBERTO R. GONZALES
Attorney General

PATRICK L. MEEHAN
United States Attorney
Eastern District of Pennsylvania

WAN J. KIM
Assistant Attorney General

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ANTHONY F. ARCHEVAL, Trial Attorney
Department of Justice
Civil Rights Division
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950 Pennsylvania Avenue, N.W.
Northwestern Building, 7th Floor
Washington, DC 20530
Tel: (202) 305-4066; Fax: (202) 514-1116

DOJ_NMG_ 0173475

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Image not available for this document, ID: 0.7.10316.9090-000003

System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162781 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 01, 2007 5:29 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA MAN SENTENCED IN TAMPA TO 40 YEARS IN PRISON FOR ROLE AS COLOMBIAN COCAINE KINGPIN

Department of Justice

United States Attorney Paul I. Perez
Middle District of Florida

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 1, 2007
WWW.USDOJ.GOV/USAO/FLM

CONTACT: STEVE COLE
PHONE: (813) 274-6352
FAX: (813) 274-6246

FLORIDA MAN SENTENCED IN TAMPA TO 40 YEARS IN PRISON FOR ROLE AS COLOMBIAN COCAINE KINGPIN

TAMPA, Fla. – Joaquin Mario Valencia-Trujillo was sentenced in federal court for his role as a Colombian cocaine kingpin, the Justice Department announced today. Valencia-Trujillo was sentenced to 40 years in prison and ordered to forfeit $110 million. Valencia-Trujillo was convicted by a jury of all charges in October 2007.

Valencia-Trujillo, 49, of Cali, Colombia, was charged by indictment in August of 2002 with engaging in a continuing criminal enterprise, conspiracy to import cocaine, conspiracy to distribute cocaine and conspiracy to engage in money laundering. After his arrest in Bogota, Colombia in January 2003, the defendant was extradited to the Middle District of Florida in March 2004.

During the four month trial, government witnesses depicted Valencia-Trujillo as the cocaine supplier for Salvatore Magluta and Guillermo "Willie" Falcon dating back as early as the 1970s. Testimony further described Valencia-Trujillo as the supplier of over 100 tons of cocaine annually to the United States since the early 1990s until his arrest in January 2003.

In accordance with the extradition agreement with Colombia, the jury's verdict and the court's sentence were based solely upon the defendant's post Dec. 17, 1997 conduct.

"The Valencia-Trujillo case serves as another example of the cooperation and commitment of the United States and Colombia to the counterdrug effort," said U.S. Attorney Paul I. Perez. "The human misery and societal cost for which this defendant is responsible immeasurable. The punishment is well-deserved and long overdue."

The investigation and prosecution was the result of the efforts of agents and analysts from the Drug Enforcement Administration, FBI, U.S. Immigration and Customs Enforcement, Hillsborough County Sheriff's Office, U.S. Marshals Service, Sarasota County Sheriff's Office and the Colombian National Police.

The case was prosecuted by Assistant U.S. Attorneys Maria Chapa-Lopez and Joseph K. Ruddy.

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Image not available for this document, ID: 0.7.10316.9069-000002

System Administrator

From:	System Administrator
Sent:	Thursday, February 01, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162838 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, February 01, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162839 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 02, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1162840 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 02, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1169631 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 9:50 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 2, 2007

Department of Justice

PRESS GUIDANCE
Friday, February 02, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue two releases on sentencing matters. (Sierra)

The Criminal Division will issue a release on an alien smuggling matter. (Sierra)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Dean Boyd

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173487

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Image not available for this document, ID: 0.7.10316.9049-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, February 02, 2007 10:00 AM
Subject: A Message from the Attorney General

Dear Colleagues,

It is hard to believe that I have been serving with you for two years now. Since my swearing-in on February 3rd, 2005, the work of this Department has proven to be the most important and inspiring of my life, and the time is passing quickly.

The expertise and dedication of the Department's employees to its mission never fails to motivate me, so I'd like to use my two-year mark at the Department as an opportunity to thank you.

Thank you for the long hours, for the tenacity, for the teamwork, and most of all for the heart you put into your work. It is very clear to me that you care about what you do and that you take your service to this great country very seriously. I share your devotion.

Every day, your work makes a difference – on countless matters, so many of which go unheralded in the public arena. Your work matters. It matters to the American people, and it is deeply appreciated by me and by the President.

As Dr. Martin Luther King once said, "True peace is not merely the absence of tension; it is the presence of justice." Making sure that justice is always present in this country is our job – a great and important one – and I encourage you to be inspired by that fact each and every day as we tackle the challenges and embrace the opportunities of the year ahead.

Thank you for serving on the side of justice and in the Department of Justice.

Most sincerely,

Alberto R. Gonzales

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE CALL THE JCON HELPDESK AT 616-7100.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, February 02, 2007 10:02 AM
Subject: SMO/JMD JCON Network Service Interruption - 4th Floor RFK Main Justice
Importance: High

SMO/JMD JCON Network Service Interruption

The Department is currently experiencing a network interruption in an area of the 4th floor of RFK Main Justice Building. The result is affecting normal SMO/JMD JCON e-mail services for portions the following staffs:

- Office of the Deputy Attorney General
- Executive Secretariat

This interruption will not affect normal BlackBerry services. A notification will be sent when the network interruption is resolved. Please take this into consideration when coordinating communications with these offices.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Friday, February 02, 2007 10:39 AM
Subject: NETWORK SERVICES RESTORED: 4th Floor RFK Main Justice

SMO/JMD JCON NETWORK SERVICES RESTORED
4th Floor RFK Main Justice

The SMO/JMD JCON network services for the 4th floor of RFK Main Justice have been restored. E-mail is flowing normally.

Check the Intranet, **DOJNet,** at http://10.173.2.12/ for additional information of Department wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: Miller, Charles S
Sent: Friday, February 02, 2007 10:59 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/2/07 Civil Division News

Judges Pose Questions On Bush Detainee Policy

U.S. senators get briefing on Arar

Lawyers seek release of Palestinian family held in U.S.

US lawyers ask to dismiss Cuban militant's claims

Judge Gives Rationale for Tossing Hatfill Suit Against Times

Judge rejects government motion, allows Wiccan lawsuit to proceed

Feds May Sue Over Film Promotion

Pair Sued For Submitting False 9/11 Claims

Sen. Grassley Introduces Bill Concerning False Claims Settlements

New York Times (NY)

February 2, 2007

Judges Pose Questions On Bush Detainee Policy

ADAM LIPTAK

RICHMOND, Va., Feb. 1 In a series of probing and sometimes testy exchanges with a government lawyer , two of three judges on a federal appeals court panel here indicated Thursday that they might not be prepared to accept the Bush administration's claim that it has the unilateral power to detain people it calls enemy combatants.

The case was brought by Ali al-Marri, a citizen of Qatar who is the only person on the American mainland being held as an enemy combatant, at the Navy brig in Charleston, S.C. Mr. Marri, a legal resident whom the government calls a sleeper agent for Al Qaeda, was arrested in Peoria, Ill., on Dec. 12, 2001, where he was living with his family and studying computer science at Bradley University.

"What would prevent you from plucking up anyone and saying, 'You are an enemy combatant?' " Judge Roger L. Gregory of the United States Court of Appeals for the Fourth Circuit asked the administration's lawyer, David B. Salmons.

Mr. Salmons said the executive branch was entitled to make that judgment in wartime without interference from the courts. "A citizen, no less than an alien, can be an enemy combatant," he added.

Mr. Marri's appeal had been expected mostly to concern the impact of a new law, the Military Commissions Act, which says the courts have no jurisdiction to hear challenges from any noncitizen "who has been determined by the United States to have been properly detained as an enemy combatant."

But questions from Judge Gregory and Judge Diana Gribbon Motz suggested that the court might be willing to reach the more fundamental question of when and how such enemy-combatant determinations should be made.

Judge Motz asked, for instance, about the broader implications of the government's position that the United States is at war with Al Qaeda and that people affiliated with it may be subject to military detention rather than criminal prosecution.

"Nations have wars against each other," Judge Motz said. "People have quarrels or fights. Individuals can be terrorists. Individuals don't make war."

Mr. Salmons responded that a 2001 Congressional authorization to use military force after the Sept. 11 attacks had granted the president the power to detain Mr. Marri.

Judge Motz asked a series of hypothetical questions about whether the president could designate someone affiliated with People for the Ethical Treatment of Animals, or PETA, as an enemy combatant. "Could the president declare war on PETA?" she asked.

Mr. Salmons said the hypothetical was unrealistic, but he stopped short of categorically rejecting the idea. "The representative of PETA can sleep well at night," he said, because the executive branch's determination of who is an enemy combatant is a careful one.

Judge Motz also suggested that the criminal justice system could handle people like Mr. Marri.

"That doesn't mean he doesn't get punished," Judge Motz said. "Perhaps he gets punished worse, under the criminal process."

Mr. Marri was in fact charged with credit card fraud and lying to federal agents after his arrest in 2001, and he was on the verge of trial when he was moved into military detention in 2003.

The third judge, Henry E. Hudson, visiting from the Federal District Court for the Eastern District of Virginia, asked relatively few questions, most of them centered on the adequacy of the hearing Mr. Marri received in the trial court.

Judge Gregory, by contrast, subjected both lawyers to tough questioning.

"Do you agree," he asked Jonathan Hafetz, a lawyer for Mr. Marri with the Brennan Center for Justice at New York University School of Law, "that Congress gave the president broad power after Sept. 11 to wage the war on terrorism?"

"Certainly, your honor," Mr. Hafetz responded. "Broad, but not unlimited."

Judge Motz indicated that the government's shifting legal tactics in other cases had lost it a measure of credibility. It moved Jose Padilla, once labeled an enemy combatant, into the criminal justice system as the United States Supreme Court was considering whether to hear his challenge to that designation.

"Often the government in these cases has a late-breaking development," Judge Motz said. "Is there any late-breaking development here?"

Mr. Salmons said no.

Judges Motz and Gregory were appointed by President Bill Clinton, and Judge Hudson by President Bush.

END

CanWest News Service

February 2, 2007

U.S. senators get briefing on Arar

Two veteran U.S. senators pledged yesterday to continue investigating the Bush administration's treatment of Maher Arar, saying they have "more questions" despite receiving an extensive briefing from the Justice Department on his top secret file.

"I want a much more detailed presentation about why Arar was detained, and more details on why he was sent to Syria," Pennsylvania Senator Arlen Specter, the ranking Republican on the Senate Judiciary Committee, told reporters. "This matter is under very intensive congressional oversight."

Specter and Vermont Senator Patrick Leahy, the Judiciary Committee chairman, spent one hour and 40 minutes yesterday meeting with Justice officials.

The Bush administration has refused to remove the Syrian-born Ottawa computer engineer from U.S. terror watch lists despite repeated appeals from the government of Canada, which last week apologized to Arar and paid him $10.5 million in compensation.

Arar and his family were removed from Canada's watch lists after an inquiry by Justice Dennis O'Connor cleared him of any ties to terrorism.

Neither senator would state whether they believe Arar's continued watch listing in the U.S. is justified. "We can't answer that without giving any more classified information," Leahy said.

END

AP

February 2, 2007

Lawyers seek release of Palestinian family held in U.S.

DALLAS_Lawyers are seeking the release of the members of a Palestinian family being held in two detention centers in the U.S. state of Texas as the family tries to resolve a deportation order.

Lawyers for the Ibrahim family filed writs of habeas corpus in federal district courts in Dallas and Austin on Thursday saying the government has no legal basis to detain the family.

Immigration officers arrested the family on Nov. 2 during a raid on their Dallas-area apartment. The arrests came more than two years after the family's request for asylum was denied.

Salaheddin Ibrahim, 37, is being held in Haskell, about 170 miles (275 kilometers) west of Dallas, while his wife Hanan, 34, and four of their children, ages 5 to 15, are being held in a detention center in the Austin-area town of Taylor.

The New York-based lawyers representing the family say the Ibrahims will accept deportation in order to be reunited, but they have nowhere to go. Their temporary Jordanian passports have expired, and the government cannot secure their right to cross into their Palestinian homeland.

The lawyers have not requested a halt to the deportation\l "l" order issued in 2003 for the family. Lawyer Theodore Cox said the family has applied to 54 countries for asylum.

"What they have told us is do whatever it takes, just get us out of here so we can be reunited," lawyer Joshua Bardavid said.

The petitions filed Thursday request that the courts order the government to justify the Ibrahim's detention.

"The government will have three days to explain why they are in detention," Cox said.

The attorneys contend that detention risks the health of Hanan, who is five months pregnant, and the "psychological, emotional, and mental health of all petitioners."

U.S. immigration officials and prosecutors declined to comment on the case, citing the pending litigation.

The Ibrahims came to the United States on Sept. 30, 2001, on business and tourist visas and temporary Jordanian-issued passports, their lawyers said.

The family then applied for asylum, citing the alleged danger they faced from Israeli forces in the West Bank. An immigration judge denied their request in early 2003 and ordered the Ibrahims deported.

The lawyers say the family never received notice from U.S. immigration telling them when and where to appear for deportation or detention. The next they heard from the government was the early morning raid on their home in November.

Bardavid said federal law does not allow the government to detain someone six months after the date they were ordered removed, unless removal is imminent or the person is dangerous, which he said is not the case with the Ibrahims.

END

Reuters

Feb. 2, 2007

US lawyers ask to dismiss Cuban militant's claims

HOUSTON, USA (Reuters): The US government took another step on Wednesday to keep holding an anti-Fidel Castro militant, who is accused of bombing a Cuban airliner in 1976, without declaring him a terrorist.

In a court filing in El Paso, Texas, Justice Department lawyers asked a judge to dismiss Luis Posada Carriles' claim he was being detained illegally and must be released.

The lawyers said Posada, 78, was charged on Jan. 11 with a specific crime - lying to immigration authorities - so he was no longer being detained awaiting deportation but was jailed awaiting trial.

Cuba and Venezuela have demanded Posada's extradition to face charges in the airliner bombing, in which 73 people died, but US officials have refused, arguing he might be tortured.

The United States has not been able to find another country willing to accept Posada's deportation, and a judge said in November he either had to be charged with something by Thursday or released.

US officials had resisted either course until recently.

The case is embarrassing to the US government, which is engaged in a war on terror, because Cuba and Venezuela consider Posada, once in the pay of the CIA, a terrorist.

Politically powerful Cuban-Americans see him as a hero.

Posada has been transferred from an immigration detention center to a New Mexico jail, where he is in the custody of US marshals.

He had been in the custody of immigration officials in El Paso since sneaking into the United States to join his family in Miami in 2005.

Posada has said he is old, has renounced violence and only wants to be with his family.

A Jan. 11 indictment returned by a grand jury in El Paso alleged Posada lied about how he entered the United States and made false claims on a naturalization application.

He could face 40 years in prison if convicted.

END

NY Sun

February 2, 2007

Judge Gives Rationale for Tossing Hatfill Suit Against Times

BY JOSH GERSTEIN - Staff Reporter of the Sun

February 2, 2007A former Army scientist's work and his public advocacy for bioterrorism defense led to the dismissal of his libel suit charging the New York Times with publishing columns unfairly linking him to the 2001 anthrax attacks.

In a 28-page opinion released yesterday, Judge Claude Hilton of Alexandria, Va., concluded that the scientist, Steven Hatfill, was a public official and a public figure. Those findings set a high bar for Mr. Hatfill's suit, requiring him to present evidence that the author of the columns, Nicholas Kristof, knew that the columns were false or had strong reason to think they were untrue. Judge Hilton said he dismissed the case last month before trial because there was no way Mr. Hatfill could make such a showing.

"Plaintiff was a vocal critic of the government's level of preparedness for a bioterrorist attack. His lectures, writings, participation on panel, and interviews, as well as his own resume, led many to consider Plaintiff an expert in the field of biological weaponry," Judge Hilton wrote. "Plaintiff should have foreseen that by providing interviews, delivering lectures, and publishing articles on the subject of the bioterrorism threat, a public interest in him would arise."

Judge Hilton's opinion offers no criticism of Mr. Kristof and suggests that he acted responsibly in preparing the columns. "The evidence in the record demonstrates that Mr. Kristof did not believe that any of his statements were false," the judge wrote, adding that the Times "made efforts to avoid implicating" Mr. Hatfill.

"Mr. Kristof reminded readers to assume Plaintiff's innocence, and highlighted the fact that Plaintiff was viewed by his family and friends as a patriot who could not have perpetrated the crime in question," Judge Hilton wrote.

An attorney for Mr. Hatfill, Thomas Connolly, vowed an appeal. "The opinion is more or less what we expected, given the judge's earlier statements," the lawyer said. "We expect to prevail on appeal like we've done before."

It was the second time that Judge Hilton has thrown out Mr. Hatfill's suit. In 2004, the judge dismissed the case after finding that the Times columns accurately described the federal investigation and did not accuse Mr. Hatfill of responsibility for the anthrax attacks. A federal appeals court overturned that decision, holding that a jury could find that the columns implied the scientist's guilt.

Mr. Connolly said there was evidence that Mr. Kristof knew that his reporting was unreliable. "There enough evidence on the record demonstrating the falsity of the statements to permit this to go to trial with a jury," the attorney said. Only one of the six columns in question mentioned Mr. Hatfill by name, and that was after the Justice Department identified him as a person of interest in the probe. The other five columns referred to him as "Mr. Z," though Mr. Hatfill contends his associates knew he was the one being discussed.

The columns, published in 2002, faulted the FBI for failing to investigate Mr. Z adequately in connection with mailing of anthrax to various news outlets. Five deaths were attributed to the tainted mailings. FBI investigators searched Mr. Hatfill's home and a storage locker, but neither he nor anyone else has been charged in the five-year-old case.

END

AP

Feb. 01, 2007

Judge rejects government motion, allows Wiccan lawsuit to proceed

SCOTT BAUER
Associated Press

MADISON, Wis. - A federal lawsuit filed by Wiccans against the U.S. Department of Veterans Affairs will proceed despite a request by the VA that it be put on hold for perhaps as much as a year.

The lawsuit, filed in November, accuses the VA of coming up with "excuse after excuse" for more than nine years to deny the Wiccan symbol on grave markers of veterans who were members of that religion. The department does not allow its religious symbols on veterans' headstones in national cemeteries.

The VA argued in a motion filed Jan. 19 with the U.S. District Court in Madison that the lawsuit should be put on hold until after the department finalized its new rules related to accepting new grave marker symbols. That process could take up to 12 months but the VA would make a decision on the Wiccan request within a month after the process ended, the government's motion said.

The Wiccans' attorney objected, arguing that nothing commits the VA to finalize its rules within that time frame, or take up the Wiccan request at all.

U.S. District Judge John Shabaz issued a one-line order on Jan. 26 allowing the case to proceed. He set a trial date for June 29.

"We're pleased that the litigation will go forward and the VA will not be able to delay further coming to the right decision and giving the families of veterans the memorials that they're entitled to," said Richard Katskee, lead lawyer in the case for Americans United for Separation of Church and State.

U.S. Attorney Erik Peterson, who is defending the government, did not immediately return a call seeking comment Thursday.

Selena Fox, a Wiccan high priestess with Circle Sanctuary in Barneveld, praised the judge's decision.

"The VA's decade-long pattern of delay, disregard, and discrimination against the Wiccan religion must stop," she said. "The thought of possibly having to wait more than a year to have our case heard was terrible."

A nature-based religion, the Wiccan faith is founded on respect for the earth, nature and the cycle of the seasons.

The Wiccan symbol is a pentacle, a five-pointed star representing earth, air, fire, water and spirit. Variations of it that are not part of the Wiccan belief have been used in horror movies as a sign of the devil.

The lawsuit argues that constitutional rights of freedom of speech, religion and due process have been violated by the department's not acting on requests to allow the symbol. The lawsuit seeks an order compelling the VA to make a decision.

The lawsuit was filed by Circle Sanctuary, Isis Invicta Military Mission, a Wiccan and Pagan congregation serving military personnel based in Geyserville, Calif., and two widows of Wiccans - Roberta Stewart of Nevada and Karen DePolito of Utah.

The lawsuit argued that it makes no sense for Wiccan symbols to be denied on grave markers especially given that Wiccan soldiers can list their faith on dog tags, Wiccan organizations are allowed to hold services on military installations and the Army Chaplains Handbook includes an explanation of the religion.

Americans United is in the process of objecting to the new proposed rules that the VA has drafted covering acceptance of new symbols on grave markers, Katskee said. The rule gives the VA too much discretion in deciding what to allow and doesn't have firm enough timelines governing the process, he said.

"It leaves a lot of room for the government to reject things out of hand," Katskee said.

A message left with the VA's public affairs office was not immediately returned.

Currently, 38 religious symbols are recognized by the VA for gravestones. The list includes commonly recognized symbols for Christianity, Buddhism, Islam and Judaism, as well as those for smaller religions such as Sufism Reoriented, Eckiankar and the Japanese faith Seicho-No-Ie.

The VA has suspended consideration of all requests while the new rule is being drafted.

END

AP
February 1, 2007

Feds May Sue Over Film Promotion

(AP) - LOS ANGELES-Federal prosecutors have said they may sue Paramount Pictures and the Los Angeles Times over a film promotion last year in which digital devices planted in news racks were mistaken for bombs.

Assistant U.S. Attorney Linda A. Kontos accused the companies of acting "carelessly in executing the promotional campaign by planting a device that could be mistaken for a bomb in a United States government building post-9/11," the Times reported Thursday.

The threat of prosecution was reported a day after Boston officials found 38 blinking electronic signs promoting the Cartoon Network TV show "Aqua Teen Hunger Force" across the city. Authorities are investigating whether Cartoon Network parent Turner Broadcasting Systems Inc., a unit of Time Warner Inc., or other companies should be criminally charged.

Last April, Paramount placed the devices in 4,500 Times news racks around Los Angeles that played the iconic movie theme music for "Mission: Impossible III" whenever the door was opened. Some people thought they were bombs and reported them to police.

The Los Angeles County sheriff's arson squad blew up a Times news rack as a precaution and the Veterans Affairs Medical Center in West Los Angeles was evacuated for 90 minutes after someone spotted a 6-inch-long red plastic box attached to the news rack by wires.

"With the wires leading to the micro-switch on the news rack doors, I can easily see how someone might have misconstrued it as an improvised explosive device," Times security manager Mike LaPerruque said.

Kontos sent a letter to Paramount and the Times last week, saying her office intended to sue both companies but would be willing to discuss a settlement, the Times reported.

Times spokeswoman Nancy Sullivan said the paper had no comment on the letter. Paramount spokeswoman Janet Hill also declined comment.

Thom Mrozek, a spokesman for the U.S. attorney's office, said he could not comment and declined to make copies available to The Associated Press.

END

North County Gazette (NY)

Feb. 2, 2007

Pair Sued For Submitting False 9/11 Claims

NEW YORK-The federal government has filed a civil lawsuit in federal court under the False Claims Act against Alexander Koltovskoy and Vincent Pizzi for allegedly fraudulently obtaining loans and grants from several federal agencies after the September 11, 2001 terrorist attacks.

As alleged in the complaint, Koltovskoy of Denver, Colo., applied for and obtained loans and grants from two federal relief programs individually: the Mortgage and Rental Assistance program, the World Trade Center Business Recovery Grant program, and a third, the Economic Injury Disaster Loan program jointly with Pizzi of Mamaroneck.

The EIDL program, administered by the Small Business Administration, provides operating funds at a reduced interest rate to assist in the recovery of businesses injured as a direct result of the terrorist attacks on the World Trade Center.

The MRA program, administered by the Federal Emergency Management Agency assists individuals with mortgage or rent payments when financial hardship resulting from a disaster has led to eviction or dispossession. The WTCBRG program was established by the New York State Urban Development Corporation (d/b/a the Empire State Development Corporation) to assist in the recovery of businesses in lower Manhattan after the September 11, 2001 attacks.

Funding for the WTCBRG program was provided by the U.S. Department of Housing and Urban Development through its Community Development Block Grant disaster assistance funds. HUD awarded $564 million dollars to the State of New York to fund the WTCBRG program.

In order to obtain federal assistance from the EIDL, WTCBRG and MRA programs, Koktovskoy and Pizzi allegedly falsely claimed to the Government that their business, Alexander Edwards Global Search, Inc. (d/b/a Alexander Edwards International, Inc. or "AEI"), an executive search firm, had leased property and maintained equipment at 2 World Trade Center in Manhattan. In fact, neither Koltovskoy and Pizzi nor AEI had any such property, lease, or equipment at 2 World Trade Center on September 11, 2001, and AEI, which at one time was based in 2 World Trade Center, had vacated its office in December, 1999, nearly two years prior to the terrorist attacks.

Koltovskoy, in order to obtain assistance from the MRA program, also allegedly falsely claimed to the Government that landlord of his personal residence intended to evict him for nonpayment of rent.

In total, Koltovskoy and Pizzi allegedly jointly defrauded the EIDL program of $228,000, and Koltovskoy allegedly defrauded the MRA program of $13,410.24 and the WTCBRG program of $64,390.

Under the False Claims Act, the Government is entitled to recover three times the actual damages from the false claims. The suit against the pair seeks a total of $918,000, plus penalties.

On Oct. 3, 2003, Koltovskoy and Pizzi were convicted of federal criminal charges relating to the fraudulent conduct described above. On May 20, 2004, Koltovskoy was sentenced to a term of imprisonment of 51 months and supervised

release of three years, and Pizzi was sentenced to a term of imprisonment of 33 months and supervised release of three years.

END

US Federal News

February 2, 2007

Sen. Grassley Introduces Bill Concerning False Claims Settlements

SHIV KUMAR US Fed News

WASHINGTON, Feb. 2 -- Sen. Chuck Grassley, R-Iowa, has introduced a bill (S. 226) to "direct the Inspector General of the Department of Justice to submit semi-annual reports regarding settlements relating to false claims and fraud against the Federal Government."

The bill, introduced on Jan. 9, was referred to the Senate Homeland Security and Governmental Affairs Committee.

END

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Image not available for this document, ID: 0.7.10316.9045-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 11:27 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE OFFICIALS TO HOLD BRIEFING ON THE PRESIDENT'S FY 2008 BUDGET REQUEST

Department of Justice

FOR PLANNING PURPOSE ONLY
FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

DEPARTMENT OF JUSTICE OFFICIALS TO HOLD BRIEFING ON THE PRESIDENT'S FY 2008 BUDGET REQUEST

WASHINGTON, D.C. – Justice Department officials will hold a pen and pad press briefing on the FY 2008 budget request for the Department of Justice on **MONDAY, FEBRUARY 5, 2007 at 2:30 P.M. EST.**

WHO: Assistant Attorney General for Administration Lee Lofthus
Principal Associate Deputy Attorney General Will Moschella
Deputy Assistant Attorney General/Controller Jolene Lauria Sullens
Other Department of Justice Officials

WHAT: Budget Briefing (Pen and pad; no cameras permitted)

WHEN: **MONDAY, FEBRUARY 5, 2007 2:30 P.M. EST**

WHERE: Seventh Floor Conference Center
Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C.

NOTE: **THIS IS A PEN AND PAD DISCUSSION. RECORDING FOR BROADCAST WILL NOT BE PERMITTED.** ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Media must enter the Department at the center entrance on Constitution Avenue, between Ninth and Tenth Streets. Final escort to room will be at 2:20 P.M. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

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Image not available for this document, ID: 0.7.10316.9017-000002

System Administrator

From: System Administrator
Sent: Friday, February 02, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170278 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 1:00 PM
To: USDOJ- Office of Public Affairs
Subject: CIRCUS AGENT PLEADS GUILTY TO SMUGGLING ALIENS AND VISA FRAUD

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

CIRCUS AGENT PLEADS GUILTY TO SMUGGLING ALIENS AND VISA FRAUD

WASHINGTON – A former acrobatic performer who resides in Orlando, Fla., has pleaded guilty to charges of inducing aliens to enter the United States illegally and to making false statements in visa applications, Assistant Attorney General Alice S. Fisher and U.S. Attorney Paul I. Perez for the Middle District of Florida announced today.

Kristo Ivanov, 70, entered the plea today before U.S. District Court Judge Donald P. Dietrich in U.S. District Court in Orlando.

In his plea agreement, Ivanov admitted that from 2001 through February 2006, he personally helped as many as 870 aliens enter or remain in the United States through fraudulent means. He prepared visa applications for the aliens that falsely stated that they were circus performers coming to work in Florida circuses. In fact, none of the aliens had been hired by any of the circuses listed in the visa applications. Rather, the visa applications were simply a means for the aliens to enter or remain in the United States. Ivanov charged each alien from $500 to $2,500 to prepare the applications.

"Ivanov admits to helping hundreds of illegal aliens into the United States under false pretenses so that he could benefit financially," said Assistant Attorney General Fisher. "We will not allow this type of exploitation of our immigration system, which poses a risk to the security of our nation."

"Smuggling aliens into the United States is an insult to those who enter our country legally," said U.S. Attorney Paul I. Perez. "Millions of people have worked long and hard to enter the U.S. legally and become productive citizens. Those who try to take a shortcut by smuggling, must be stopped."

Ivanov, a Bulgarian native who is now a naturalized American citizen, came to the United States in 1980 as an acrobat for Ringling Bros. and Barnum & Bailey Circus. He has owned and operated a circus booking agency, Magic Star Entertainment, of Lake Mary, Fla., for more than five years and used that agency to fraudulently sponsor aliens to enter or remain in the United States.

As part of his plea agreement, Ivanov agreed to forfeit to the United States approximately $600,000 he earned in smuggling fees. Sentencing is scheduled for March 2007.

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"Businesses who knowingly sponsor foreign nationals under false pretenses should know that you will be caught," said Robert Weber, Special Agent in Charge for U.S. Immigration and Customs Enforcement (ICE), Office of Investigations in Tampa. "The federal government will not tolerate the exploitation of our nation's visa system."

"Visa fraud potentially threatens the national security of the United States. The U.S. passport and visa are two of the most coveted travel documents in the world, and foreign nationals who have acquired passports and visas fraudulently to enter the United States could perpetrate further illegal acts to include terrorism. These crimes make the United States more vulnerable to terrorism, plain and simple," said Joe D. Morton, Director of the U.S. State Department's Diplomatic Security Service.

The case was investigated by the U.S. Department of State's Diplomatic Security Service, ICE and U.S. Citizenship and Immigration Services at the Department of Homeland Security. The case was prosecuted by Assistant U.S. Attorney Cynthia Hawkins of the U.S. Attorney's Office for the Middle District of Florida and Trial Attorney Arlene Reidy of the Domestic Security Section of the Criminal Division.

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07-069

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From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 2:39 PM
To: USDOJ- Office of Public Affairs
Subject: JURY FINDS FORMER COKE EMPLOYEE GUILTY IN CONSPIRACY TO STEAL AND SELL COCA COLA TRADE SECRETS

Department of Justice

United States Attorney David E. Nahmnias
Northern District of Georgia

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV/USAO/GAM

CONTACT: PATRICK CROSBY
PHONE: (404)581-6016
FAX: (404)581-6160

JURY FINDS FORMER COKE EMPLOYEE GUILTY IN CONSPIRACY TO STEAL AND SELL COCA COLA TRADE SECRETS

ATLANTA, Ga. – A federal jury today found Joya Williams, 41, of Norcross, Ga., guilty on the charge of conspiring to steal and sell The Coca Cola Company's trade secrets. Williams was found guilty of conspiring to unlawfully obtain and sell trade secrets after a federal trial which lasted seven days. The jury returned their guilty verdict after a day and a half of deliberation.

"This defendant misused her unique access as an employee to Coke's trade secrets and other proprietary, confidential information for personal profit," said United States Attorney David E. Nahmias. "Because of good corporate citizenship by Coke's competitor and aggressive work by the FBI and the prosecutors in this case, the evidence needed to prosecute this case was gathered and the two co-defendants quickly pleaded guilty. Today's guilty verdict by the jury has brought the final defendant to justice."

"The government's resolve to assist corporations in protecting their intellectual property from theft remains strong," said FBI Special Agent In Charge Greg Jones. "The FBI's Cyber Crimes Program has demonstrated itself, as evident in this case, as being capable of building strong criminal cases within the cyber arena."

According to U.S. Attorney Nahmias and evidence presented at trial: On May 19, 2006, PepsiCo provided to Coca Cola headquarters in Atlanta a copy of a letter mailed to PepsiCo in Purchase, New York, in an official Coca Cola business envelope. The letter, postmarked from the Bronx, New York, was from an individual identifying himself as "Dirk," who claimed to be employed at a high level with Coca Cola and offered "very detailed and confidential information." Coca Cola immediately contacted the FBI and an undercover FBI investigation began. FBI investigation determined that "Dirk" was Ibrahim Dimson, 30, of the Bronx, New York. Subsequent investigation revealed that another "go-between" in the attempted deal was Edmund Duhaney, 43, of Decatur, Ga. Dimson and Duhaney both later pleaded guilty to a charge of conspiracy to steal and sell trade secrets. Duhaney testified at trial.

DOJ_NMG_ 0173512

Phone records and further investigation showed the source of the information was in fact Ms.Williams, at the time an Executive Administrative Assistant at Coke in Atlanta, who had access to the information and materials described by "Dirk." Evidence at trial showed that "Dirk" provided to an FBI undercover agent, among other things, 14 pages of Coca Cola documents with logo-marked "Classified - Confidential" and "CLASSIFIED - Highly Restricted." The company confirmed that these documents were valid and highly confidential and contained highly classified proprietary information—trade secrets. Almost immediately, "Dirk" requested $10,000 for the documents sent as proof, emailing, in part, "I must see some type of seriousness on their part, if I'm to maintain the faith to continue with you guys, or if I need to look towards another entity that will be interested in a relationship with me. I have the capability of obtaining information per request. I have information that's all classified and extremely confidential, that only a handful of the top execs at my company have seen. I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs. I need to know today, if I have a serious partner or not. If the good faith moneys is in my account by Monday, that will be an indication of your seriousness."

Later "Dirk" produced other documents, provided by Joya Williams, that Coca Cola confirmed were valid trade secrets of Coca Cola and highly confidential, and was to receive $5,000 for the documents received as good faith money for additional purchases. "Dirk" also agreed to an amount of $75,000 for the purchase of a highly confidential product sample from a new Coca Cola project.

Meanwhile, with the cooperation and assistance of Coca Cola security personnel, video surveillance presented at trial showed Ms. Williams at her desk going through a looseleaf file looking for documents and stuffing them into bags. The evidence at trial also showed a glass container with a white label, which resembled the description of a new Coca Cola product sample falling out of her personal bag. Coca Cola later verified the sample was genuine and is in fact a product being developed by the company.

On June 16, 2006, a FBI undercover agent met with Dimson ("Dirk") at Hartsfield-Jackson International Airport, with "Dirk" providing a brown Armani Exchange bag containing one manila envelope with documents marked "highly confidential" and one glass bottle with a white label containing a liquid product sample. The undercover agent paid "Dirk" $30,000 in $100 and $50 bills of U.S. currency contained within a yellow Girl Scout cookie box with the agreement that after successful testing of the product sample, an additional $45,000 would be paid. After leaving, Dimson met in a rental car with Duhaney and they drove to Duhaney's home in Decatur. Call records showed that Duhaney was in contact with Dimson and Williams on that day. On June 27, 2006, an undercover FBI agent offered to buy the remaining trade secret items for $1.5 million from "Dirk." The same day a bank account was opened under the name of Noblehouse Group, LLC, and the address used on the account was that of Duhaney's Decatur residence. The purpose of the account was to facilitate the transfer of the $1.5 million. Williams, Dimson, and Duhaney were arrested in Atlanta without incident on July 5, 2006, the day the $1.5 million deal was to take place.

This case was investigated by the FBI. Assistant U.S. Attorneys BJay Pak and Randy S. Chartash prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), U.S. Attorney, or Charysse L. Alexander, Executive Assistant U.S. Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.

# # #

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From: System Administrator
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Sent: Friday, February 02, 2007 2:49 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: JURY FINDS FORMER COKE EMPLOYEE GUILTY IN CONSPIRACY TO STEAL AND SELL COCA COLA TRADE SECRETS

Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
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CONTACT: PATRICK CROSBY
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FAX: (404)581-6160

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ATLANTA, Ga. – A federal jury today found Joya Williams, 41, of Norcross, Ga., guilty on the charge of conspiring to steal and sell The Coca Cola Company's trade secrets. Williams was found guilty of conspiring to unlawfully obtain and sell trade secrets after a federal trial which lasted seven days. The jury returned their guilty verdict after a day and a half of deliberation.

"This defendant misused her unique access as an employee to Coke's trade secrets and other proprietary, confidential information for personal profit," said United States Attorney David E. Nahmias. "Because of good corporate citizenship by Coke's competitor and aggressive work by the FBI and the prosecutors in this case, the evidence needed to prosecute this case was gathered and the two co-defendants quickly pleaded guilty. Today's guilty verdict by the jury has brought the final defendant to justice."

"The government's resolve to assist corporations in protecting their intellectual property from theft remains strong," said FBI Special Agent In Charge Greg Jones. "The FBI's Cyber Crimes Program has demonstrated itself, as evident in this case, as being capable of building strong criminal cases within the cyber arena."

According to U.S. Attorney Nahmias and evidence presented at trial: On May 19, 2006, PepsiCo provided to Coca Cola headquarters in Atlanta a copy of a letter mailed to PepsiCo in Purchase, New York, in an official Coca Cola business envelope. The letter, postmarked from the Bronx, New York, was from an individual identifying himself as "Dirk," who claimed to be employed at a high level with Coca Cola and offered "very detailed and confidential information." Coca Cola immediately contacted the FBI and an undercover FBI investigation began. FBI investigation determined that "Dirk" was Ibrahim Dimson, 30, of the Bronx, New York. Subsequent investigation revealed that another "go-between" in the attempted deal was Edmund Duhaney, 43, of Decatur, Ga. Dimson and Duhaney both later pleaded guilty to a charge of conspiracy to steal and sell trade secrets. Duhaney testified at trial.

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Phone records and further investigation showed the source of the information was in fact Ms.Williams, at the time an Executive Administrative Assistant at Coke in Atlanta, who had access to the information and materials described by "Dirk." Evidence at trial showed that "Dirk" provided to an FBI undercover agent, among other things, 14 pages of Coca Cola documents with logo-marked "Classified - Confidential" and "CLASSIFIED - Highly Restricted." The company confirmed that these documents were valid and highly confidential and contained highly classified proprietary information—trade secrets. Almost immediately, "Dirk" requested $10,000 for the documents sent as proof, emailing, in part, "I must see some type of seriousness on their part, if I'm to maintain the faith to continue with you guys, or if I need to look towards another entity that will be interested in a relationship with me. I have the capability of obtaining information per request. I have information that's all classified and extremely confidential, that only a handful of the top execs at my company have seen. I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs. I need to know today, if I have a serious partner or not. If the good faith moneys is in my account by Monday, that will be an indication of your seriousness."

Later "Dirk" produced other documents, provided by Joya Williams, that Coca Cola confirmed were valid trade secrets of Coca Cola and highly confidential, and was to receive $5,000 for the documents received as good faith money for additional purchases. "Dirk" also agreed to an amount of $75,000 for the purchase of a highly confidential product sample from a new Coca Cola project.

Meanwhile, with the cooperation and assistance of Coca Cola security personnel, video surveillance presented at trial showed Ms. Williams at her desk going through a looseleaf file looking for documents and stuffing them into bags. The evidence at trial also showed a glass container with a white label, which resembled the description of a new Coca Cola product sample falling out of her personal bag. Coca Cola later verified the sample was genuine and is in fact a product being developed by the company.

On June 16, 2006, a FBI undercover agent met with Dimson ("Dirk") at Hartsfield-Jackson International Airport, with "Dirk" providing a brown Armani Exchange bag containing one manila envelope with documents marked "highly confidential" and one glass bottle with a white label containing a liquid product sample. The undercover agent paid "Dirk" $30,000 in $100 and $50 bills of U.S. currency contained within a yellow Girl Scout cookie box with the agreement that after successful testing of the product sample, an additional $45,000 would be paid. After leaving, Dimson met in a rental car with Duhaney and they drove to Duhaney's home in Decatur. Call records showed that Duhaney was in contact with Dimson and Williams on that day. On June 27, 2006, an undercover FBI agent offered to buy the remaining trade secret items for $1.5 million from "Dirk." The same day a bank account was opened under the name of Noblehouse Group, LLC, and the address used on the account was that of Duhaney's Decatur residence. The purpose of the account was to facilitate the transfer of the $1.5 million. Williams, Dimson, and Duhaney were arrested in Atlanta without incident on July 5, 2006, the day the $1.5 million deal was to take place.

This case was investigated by the FBI. Assistant U.S. Attorneys BJay Pak and Randy S. Chartash prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), U.S. Attorney, or Charysse L. Alexander, Executive Assistant U.S. Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.

# # #

DOJ_NMG_ 0173518

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Image not available for this document, ID: 0.7.10316.9004-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 4:17 PM
To: USDOJ- Office of Public Affairs
Subject: DEFENDANT SENTENCED TO MORE THAN 27 YEARS FOR THREATENING FEDERAL PROSECUTOR AND ANTHRAX HOAX

Department of Justice

United States Attorney Randy G. Massey
Southern District of Illinois

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV/USAO/ILS

CONTACT: RANDY MASSEY
PHONE: (618) 628-3700
FAX: (618) 528-3730

DEFENDANT SENTENCED TO MORE THAN 27 YEARS FOR THREATENING FEDERAL PROSECUTOR AND ANTHRAX HOAX

FAIRVIEW HEIGHTS, Ill.—Charles E. Fuller, 39, currently incarcerated in the Federal Correctional Institution at Pekin, Ill., was sentenced in Indianapolis in U.S. District Court in the Southern District of Indiana to more than 27 years in prison for two offenses related to his threatening of an Assistant U.S. Attorney, Acting U.S. Attorney Randy G. Massey for the Southern District of Illinois announced today. Fuller pled guilty to one count of mailing a threatening communication and one count of threatening the use of a weapon of mass destruction (Anthrax) immediately prior to his sentencing. He was charged with those offenses by a Grand Jury on Dec. 20, 2005.

In addition to the term of imprisonment, Fuller was ordered to pay a fine of $500 and a special assessment of $200 to the United States and was placed on a term of 5 years supervised release to follow his incarceration.

Information presented at the sentencing hearing revealed that in June 2004, Fuller was serving a sentence of imprisonment for Threatening the Life of the President of the United States which had been imposed in the Southern District of Indiana. On June 21, 2004, the U.S. Attorney's Office in Indianapolis received an envelope addressed to the Assistant U.S. Attorney (AUSA) who prosecuted Fuller on that charge which contained a letter and a white powdery substance. In the letter, Fuller claimed that the white powder was the biological agent Anthrax and was being sent to "get [the AUSA's] attention . . . " Fuller further demanded $250,000 in cash from the AUSA and a false letter from her admitting that the AUSA had lied and used false information in order to obtain Fuller's conviction. Fuller further threatened that associates of his outside of prison were "going to start killing off members of [the AUSA's] family until you comply." After numerous law enforcement agencies responded, including agents of the Department of Homeland Security, the Indiana State Police, and the Indiana Chief Deputy State Fire Marshal, field tests were conducted which determined that the white powder was not Anthrax. Fingerprint and handwriting analysis showed that the envelope and letter had been authored and sent by Fuller.

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The 327 month sentence of imprisonment was imposed consecutively to a 77 month sentence which Fuller began serving in September 2006 for the offense of Assault Resulting in Serious Bodily Injury which resulted from Fuller's stabbing of a fellow inmate at FCI-Pekin five times with a six inch ice pick. Under federal law, parole has been abolished and Fuller will be required to serve a minimum of 85% of both sentences.

Investigation into the case was conducted by agents of the Federal Protective Service, an agency of the Department of Homeland Security, and the Federal Bureau of Investigation.

Because an attorney in its office was the target of the threats contained in the letter, the U.S. Attorney's Office for the Southern District of Indiana was recused from the investigation and prosecution of the case. The U.S. Attorney's Office for the Southern District of Illinois was assigned to prosecute the case. Michael C. Carr and James M. Cutchin, who serve as Assistant U.S. Attorneys in the Southern District of Illinois, were assigned to prosecute the case.

# # #

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From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 4:21 PM
To: USDOJ- Office of Public Affairs
Subject: TREASURER OF MS-13 GANG PLEADS GUILTY TO RACKETEERING CONSPIRACY

Department of Justice

UNITED STATES ATTORNEY ROD J. ROSENSTEIN
DISTRICT OF MARYLAND

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
www.usdoj.gov/usao/md

CONTACT: VICKIE LEDUC
PHONE: (410) 209-4885
FAX: (410) 962-3091

TREASURER OF MS-13 GANG PLEADS GUILTY TO RACKETEERING CONSPIRACY

GREENBELT, Md. – Melvin Murios-Garcia, a.k.a. "Strichar," 19, of Hyattsville, Md., pleaded guilty today to conspiracy to conduct and participate in racketeering enterprise activities of an MS-13 gang, announced U.S. Attorney for the District of Maryland Rod J. Rosenstein said.

"We will continue to coordinate our efforts and use all available tools to combat violent gangs that engage in such vicious and heartless crimes," U.S. Attorney Rosenstein.

According to the plea agreement, La Mara Salvatrucha, also known as the MS-13 gang is a gang composed primarily of immigrants or descendants of immigrants from El Salvador, with members operating throughout Prince George's County and Montgomery County, Md., and elsewhere. MS-13 is a national and international criminal organization with approximately 10,000 members.

From 2001 to 2006, Murios-Garcia paid dues to the gang and engaged in "tagging" (graffiti) to mark the territory purportedly under the control of MS-13. Murios-Garcia became the gang's treasurer, collecting gang dues and relaying that money to gang leaders, including wire transfers to other gang members in Los Angeles.

On May 12, 2003, MS-13 gang members picked up two girls—ages 15 and 17—outside a local high school early in the morning. The girls were taken to the home of an MS-13 member, where Murios-Garcia and a number of MS-13 gang members were present. The girls were taken to separate bedrooms where they were held at gunpoint. One of the gang members held the first victim and choked her while telling her that she would have sex with all the gang members. Murios-Garcia and the other MS-13 gang members lined up in a "train" and entered the bedrooms in five minute intervals, raping each girl. Each victim estimated being raped by more than 10 gang members.

In the summer of 2003, Murios-Garcia and other gang members robbed a marijuana dealer at knife-point near a liquor store in Hyattsville, Md. An MS-13 member took approximately $1,700 from the dealer and gave

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it to Murios-Garcia, who maintained the money to assist incarcerated gang members and for other gang purposes.

In July 2005, Murios-Garcia attended a gang meeting in which he and other MS-13 members decided that an MS-13 gang member named "Coco" would murder a rival gang member as punishment because Coco did not help in a fight in which two MS-13 gang members were stabbed. Ultimately, "Coco" did not murder the rival gang member.

Murios-Garcia faces a maximum sentence of life in prison and a $250,000 fine. U.S. District Judge Deborah K. Chasanow has scheduled sentencing for April 30, 2007. Murios-Garcia remains in federal custody.

U.S. Attorney Rod J. Rosenstein praised the investigative work performed by the Bureau of Alcohol, Tobacco, Firearms and Explosives; the FBI, the Prince George's County Police Department; U.S. Immigration and Customs Enforcement; the Montgomery County Police Department; the Howard County Police Department; the Maryland National Capital Park Police; the Maryland State Police and the Fairfax County, Va. Police Department. Mr. Rosenstein thanked Assistant U.S. Attorneys James Trusty and Chan Park, and Trial Attorney David Jaffe, of the Justice Department's Gang Squad, who are prosecuting the case. Mr. Rosenstein also commended the State's Attorney's Office for Prince George's County for the cooperation provided by their office.

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Image not available for this document, ID: 0.7.10316.9006-000002

System Administrator

From:	System Administrator
Sent:	Friday, February 2, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170557 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 5:01 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. CIVILIAN TRANSLATOR SENTENCED FOR OFFERING BRIBES TO IRAQI AND U.S. OFFICIALS WHILE WORKING IN ADNON PALACE IN BAGHDAD

Department of Justice

FOR IMMEDIATE RELEASE

CRM

FRIDAY, FEBRUARY 2, 2007 (202)

514-2008

WWW.USDOJ.GOV TDD (202)

514-1888

U.S. CIVILIAN TRANSLATOR SENTENCED FOR OFFERING BRIBES TO IRAQI AND U.S. OFFICIALS WHILE WORKING IN ADNON PALACE IN BAGHDAD

WASHINGTON – A former U.S. army civilian translator was sentenced to three years in prison for attempting to bribe a senior Iraqi police official in violation of the Foreign Corrupt Practices Act (FCPA), Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Jeffrey A. Taylor of the District of Columbia announced today.

Faheem Mousa Salam, 29, of Livonia, Mich., a U.S. citizen, was sentenced today in U.S. District Court for the District of Columbia by the Hon. Judge Richard J. Leon.

Salam was arrested on March 23, 2006 at the Dulles International Airport upon his return from Iraq, and pleaded guilty on August 4, 2006 to violating the Foreign Corrupt Practices Act. Salam admitted that in January 2006, while working in Baghdad as a civilian translator for a U.S. army subcontractor, he offered a senior Iraqi police official $60,000 in exchange for the official's assistance in facilitating the purchase of 1,000 armored vests and a sophisticated map printer for a sale price of approximately $1 million. Salam requested the official use his position with the Iraqi police force to coordinate the sale of the material to the multinational Civilian Police Assistance Training Team (CPATT), an organization designed to train the Iraqi police and border guard in Iraq. Salam admitted that he later made final arrangements with an undercover agent of the Office of the Special Inspector General for Iraq Reconstruction who was posing as a procurement officer for CPATT. Salam admitted that during the subsequent discussions with the undercover agent he offered a separate $28,000 to $35,000 "gift" to the agent to process the contracts.

At sentencing, the government argued that Salam was motivated by greed and the prospect of financial gain, rather than any desire to provide the Iraqi troops with equipment; in fact, Salam made no attempt to check the brand names, quality or source of the vests, demonstrating that his motives were anything but altruistic.

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The case is being prosecuted jointly by the Criminal Division's Fraud Section Deputy Chief Mark F. Mendelsohn and Trial Attorney Stacey Luck and Assistant United States Attorney for the District of Columbia Bradley Weinsheimer. The case was investigated by the Office of the Special Inspector General for Iraq Reconstruction.

# # #

07-068

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From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 5:18 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 5 – FEBRUARY 9, 2007

Department of Justice

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FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 5 – FEBRUARY 9, 2007

Monday, February 5

2:30 P.M. EST

Justice Department officials will hold a press briefing on the FY 2008 budget request for the Department of Justice.
Department of Justice
7th Floor Conference Center
Washington, D.C.
PEN AND PAD ONLY, NO RECORDING FOR BROADCAST

Press inquiries regarding logistics should be directed to the Office of Public Affaris at 202-514-2007.

2:30 P.M. EST

Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, will testify before the Senate Judiciary Subcommittee on Human Rights and the Law on "Genocide and the Rule of Law."
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

6:10 P.M. CST

Attorney General Alberto R. Gonzales and Salvadoran President Elias Antonio Saca will participate in a press conference on joint efforts to combat transnational gangs and gang-related violence.
Casa Presidencial
San Salvador, El Salvador
OPEN PRESS

DOJ_NMG_ 0173534

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007 or the U.S. Embassy in San Salvador at 503-2501-2471.

Tuesday, February 6

1:00 P.M. EST Barry Sabin, Deputy Assistant Attorney General, Criminal Division, will testify before the House Judiciary Subcommittee on Crime, Terrorism,and Homeland Security on H.R. 740: Preventing Harassment through Outbound Number Enforcement.
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at 202-225-3951.

Wednesday, February 7

9:30 A.M. EST Deputy Attorney General Paul J. McNulty will testify before the Senate Judiciary Committee on the topic: "Is the DOJ Politicizing the Hiring and Firing of U.S. Attorneys?"
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

4:15 P.M. GMT (2:15 P.M. EST)
Attorney General Alberto R. Gonzales will deliver a statement at the Asociación Mutual Israelita Argentina (Argentine Israeli Mutual Association).
Pasteur 633
C1028 AAM
Buenos Aires, Argentina
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007 or the U.S. Embassy in Buenos Aires at 54-11-5777-4658.

Thursday, February 8

TIME TBD Attorney General Alberto R. Gonzales will participate in a press availability with Brazil Minister of Justice Marcio Thomaz Bastos following a bilateral meeting on law enforcement cooperation between the two countries.
Ministry of Justice
Brasilia, Brazil
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

DOJ_NMG_ 0173535

Friday, February 9

12:30 P.M. GMT (9:30 A.M. EST)

Attorney General Alberto R. Gonzales will deliver remarks to members of the Brazil business community on international intellectual property rights.
Location TBD
Rio de Janeiro, Brazil
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

10:00 A.M. EST

Ron Tenpas, Associate Deputy Attorney General, will testify before the House Oversight and Government Reform Committee on Health Care Fraud and Drug Pricing.
Rayburn House Office Building
Room 2154
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

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Image not available for this document, ID: 0.7.10316.9002-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 5:27 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 5 – FEBRUARY 9, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, FEBRUARY 2, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 5 – FEBRUARY 9, 2007

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Department of Justice
7th Floor Conference Center
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Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

6:10 P.M. CST

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Casa Presidencial
San Salvador, El Salvador

DOJ_NMG_ 0173539

OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007 or the U.S. Embassy in San Salvador at 503-2501-2471.

Tuesday, February 6

9:30 A.M. EST Deputy Attorney General Paul J. McNulty will testify before the Senate Judiciary Committee on the topic: "Is the DOJ Politicizing the Hiring and Firing of U.S. Attorneys?"
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C1028 AAM
Buenos Aires, Argentina
OPEN PRESS

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Thursday, February 8

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Ministry of Justice
Brasilia, Brazil
OPEN PRESS

DOJ_NMG_ 0173540

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

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12:30 P.M. GMT (9:30 A.M. EST)

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Location TBD
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Rayburn House Office Building
Room 2154
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

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Image not available for this document, ID: 0.7.10316.9001-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 02, 2007 6:14 PM
To: USDOJ- Office of Public Affairs
Subject: DALLAS MAN ARRESTED ON FEMA FRAUD CHARGES

Department of Justice

UNITED STATES ATTORNEY RICHARD B. ROPER
NORTHERN DISTRICT OF TEXAS

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 2, 2007
www.usdoj.gov/usao/txn

CONTACT: KATHY COLVIN
PHONE: (214) 659-8600
FAX: (214) 767-2898

DALLAS MAN ARRESTED ON FEMA FRAUD CHARGES

DALLAS - A Dallas man who claimed to be a hurricane Katrina victim was arrested on charges outlined in a three-count indictment returned in October 2006 by a federal grand jury in Dallas, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. Barry Ward, age 42, of Dallas, was arrested yesterday, without incident, by officers with the Irving, Texas, Police Department. The indictment charges Ward with one count of filing false claims against an agency of the U.S., one count of mail fraud and one count of wire fraud. Ward appeared before a U.S. Magistrate Judge today who ordered him detained, pending a detention hearing set for next week.

The indictment alleges that in September 2005, Barry Ward fraudulently applied for individual financial assistance from the Federal Emergency Management Agency (FEMA) under the Disaster Housing Program and the Individual Assistance programs, stating that his primary home in New Orleans had suffered damage and his personal property was also damaged as a result of Hurricane Katrina. Ward made further fraudulent requests for rental assistance from FEMA. Ward fraudulently obtained approximately $17,655 from FEMA in disaster relief funds.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office and the Executive Office for U.S. Attorneys, among others.

An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. However, if convicted on all charges, defendant Barry Ward faces a maximum statutory sentence of 45 years in prison and a $750,000 fine.

U.S. Attorney Roper commended the investigative efforts of the Department of Homeland Security, Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorney Sarah R. Saldaña.

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# # #

DOJ_NMG_ 0173545

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Image not available for this document, ID: 0.7.10316.9000-000002

System Administrator

From:	System Administrator
Sent:	Friday, February 2, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170747 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, February 2, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170747 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170748 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170749 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, February 03, 2007 11:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Braddock, PA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, February 03, 2007 11:35:18 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Braddock, PA
Auto forwarded by a Rule

AMBER ALERT:Braddock,PA CHILD:1 year, 11 months Black F 2'0" 30 lbs Eyes:Brown Hair:Black CALL 412-271-1003 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3362

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170776 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Saturday, February 03, 2007 1:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Braddock, PA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Saturday, February 03, 2007 1:01:08 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Dewey, Christopher R.; Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Braddock, PA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Braddock,PA CHILD:1 year, 11 months Black F 2'0" 30 lbs Eyes:Brown Hair:Black CALL 412-271-1003 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3362

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170779 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170780 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 3, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170781 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 03, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170782 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170783 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170784 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170785 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170786 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170787 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170787 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 04, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170788 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 05, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1170789 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, February 5, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1177702 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 9:51 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 5, 2007

Department of Justice

PRESS GUIDANCE
Monday, February 5, 2007

ATTORNEY GENERAL

6:10 P.M. CST

Attorney General Alberto R. Gonzales and Salvadoran President Elias Antonio Saca will participate in a press conference on joint efforts to combat transnational gangs and gang-related violence.
Casa Presidencial
San Salvador, El Salvador
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007 or the U.S. Embassy in San Salvador at 503-2501-2471.

PRESS RELEASES

No press releases expected.

EVENTS/HEARINGS

2:30 P.M. EST

Justice Department officials will hold a press briefing on the FY 2008 budget request for the Department of Justice.
Department of Justice
7th Floor Conference Center
Washington, D.C.
PEN AND PAD ONLY, NO RECORDING FOR BROADCAST

Press inquiries regarding logistics should be directed to the Office of Public Affaris at 202-514-2007.

2:30 P.M. EST

Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, will testify before the Senate Judiciary Subcommittee on Human Rights and the Law on "Genocide and the Rule of Law."
Dirksen Senate Office Building
Room 226

DOJ_NMG_ 0173568

Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173569

Image not available for this document, ID: 0.7.10316.8954-000001

Image not available for this document, ID: 0.7.10316.8954-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, February 5, 2007 10:33 AM
Subject: JCON BROADCAST, WEEK OF FEBRUARY 5, 2007

JCON BROADCAST, WEEK OF FEBRUARY 5, 2007

1. **Sign up TODAY to be a HealthierFed in 2007**
2. **DOJ Food Drive**
3. **Seasonal Affective Disorder**
4. **Research Classes Offered by Library Staff**

Sign Up TODAY To Be a HealthierFed in 2007!

The Department of Justice, Office of Personnel Management, and the President's Council on Physical Fitness and Sports are again teaming up to host the HealthierFeds Physical Activity Challenge now through March 18, 2007. All employees and their families are encouraged to participate. **Registration closes today, February 5, for this program....sign up now!**

The goals of the HealthierFeds Physical Activity Challenge are to inspire employees to be physically active and to build a spirit of camaraderie around physical fitness. The Challenge allows employees the opportunity to set a fitness goal and record their progress through an interactive website. The Challenge includes everybody, from those who already practice an active lifestyle to those who currently are less active. Participants may choose from nearly 100 activities to earn points, offering enough variety and flexibility to sustain interest and enthusiasm. Details on registration, rules for participation, and other information are available at http://www.opm.gov/healthierfeds/challenge07.asp. It is never too early for a healthier, more physically fit future for you and your families!

DOJ Food Drive

Help make a difference! Food banks and pantries are dedicated to provide meals and supplemental food to those in need. Every year, the Department of Justice engages employees in assisting food banks around the country with food collections. This year's food drive will be held during the month of February, with drop-off locations in the lobbies of the RFK Main Justice Building (1400 Corridor), National Place Building, Patrick Henry Building, Bicentennial Building, and 20 Massachusetts Avenue Building.
Food collected will benefit the Capital Area Food Bank, the largest non-profit food and nutrition education resource in the area. The Capital Area Food Bank distributes food to more than 750 member programs. Food banks can best use the following items:

- Canned meats/fish/poultry

- Peanut butter
- Canned fruits/vegetables
- Canned soup
- Dry pasta

Your voluntary participation in the food drive can help provide a warm, healthy meal for someone in need. Please give!

Seasonal Affective Disorder

During the fall and winter months, some people experience symptoms of depression which can appear gradually or come on all at once. They often lessen as spring arrives and stay in remission through the summer months. For some people this is a sign that they suffer from Seasonal Affective Disorder or SAD. Symptoms of SAD usually appear during the colder months of fall and winter, when there is less exposure to sunlight during the day, usually January and February. SAD can be difficult to diagnose, since many of the symptoms are similar to those of depression. Symptoms can include, but are not limited to:

- sadness
- anxiety
- irritability
- inability to concentrate
- change in appetite
- craving foods high in carbohydrates
- weight gain
- decreased energy/fatigue
- tendency to oversleep and
- avoidance of social situations

According to the American Psychiatric Association, SAD has been linked to a biochemical imbalance in the brain prompted by shorter days and a lack of sunlight in winter. As seasons change, people experience a shift in their biological clock or circadian rhythm that can cause them to be out of step with their daily schedule. Younger adults and women are thought to be at higher risk. SAD may begin at any age, but the main age of onset is between 18 and 30 years.

Researchers have proved that bright light makes a difference to the brain chemistry, although the exact means by which sufferers are affected is not yet known. Increased exposure to sunlight can improve symptoms of SAD. With the right course of treatment, SAD can be a manageable condition.Information on SAD can be found at the National Institute of Mental Health website http://www.nimh.nih.gov/press/sad-melatonin.cfm . Information pertaining to other depressive disorders can also be found at http://www.nimh.nih.gov/. Find a health professional that is qualified to treat SAD and discuss treatments that are most appropriate. **The JMD Employee Assistance Program (EAP) at 800-626-0385 can also provide information on treatment options related to SAD and other related disorders. Contact with the EAP is private and confidential.**

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 11:59 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE FY 2008 BUDGET REQUEST

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
WWW.USDOJ.GOV

AG
(202) 514-2008
TDD (202) 514-1888

DEPARTMENT OF JUSTICE FY 2008 BUDGET REQUEST

President's Request Supports Department's Critical Counterterrorism and Intelligence Efforts

WASHINGTON, D.C. – Attorney General Alberto R. Gonzales today announced that the President's FY 2008 budget proposal for the Department of Justice (DOJ) is $21.8 billion in discretionary funding. The President's overall FY 2008 budget requests $227 million in program increases and directed state and local assistance for counterterrorism and intelligence programs, reflecting the Department of Justice's continued and expanding focus on national security and the prevention of terrorist attacks.

"For those of us at the Department of Justice, every day is September 12th, and every day requires a sustained commitment to combating terrorism and protecting our homeland," said Attorney General Alberto R. Gonzales. "The resources requested in this year's budget represent the Department of Justice's commitment to protecting our nation's security on many fronts. We have made important strides in identifying and prosecuting suspected terrorists, safeguarding children against Internet predators, and protecting communities from the havoc of drugs and gun crime. This budget will robustly support our most efficient, effective and essential programs and functions."

Since 9/11, the Department has broadened its investigative and prosecutorial mission, and the FY 2008 budget request is aligned with the Department's major priorities. These priorities and the requested FY 2008 program increases are:

- Preventing and Combating Terrorism $227 million
- Preventing Violent Crime $214 million
- Drugs and Border Security $89 million
- Crimes Against Children and Obscenity $25 million
- Judicial System Support and Incarceration $152 million
- Enforcing Federal Laws in the Courts $33 million
- Management and Information Technology $75 million

Further, the FY 2008 budget includes a total program level of $1.234 billion for state and local assistance.

DOJ_NMG_ 0173575

PROTECTING THE AMERICAN PEOPLE BY PREVENTING TERRORIST ACTS

Preventing, investigating and prosecuting terrorist acts is the Department of Justice's top priority. The budget request reflects the Department's commitment to identifying, tracking and dismantling terrorist cells in the U.S. and overseas by bolstering counterterrorism and counterintelligence activities and by improving coordination of national security functions. Since the passage of the Intelligence Reform and Terrorism Prevention Act of 2004, the Department has enhanced its counterterrorism and intelligence capabilities through improvements to its infrastructure and innovative program changes. The FY 2008 budget builds on these initiatives by providing funding for the FBI's national security field investigations, and its recently-created Weapons of Mass Destruction Directorate and National Security Branch. Additionally, the budget recognizes the FBI's critical need for modernized technical capabilities, and it provides for information technology and forensic investigative and analytical improvements. The FY 2008 budget also includes funding to institute two additional offices within DOJ's new National Security Division to formalize and enhance the Division's crisis management and policy and legal analysis capacities, and provides resources for operations and oversight of Foreign Intelligence Surveillance Act (FISA) processes. In total, the budget provides $227 million in program increases, including the following:

National Security Division
The National Security Division's total budget request for FY 2008 is $78 million including $6.6 million in program increases such as:

- FISA Operations and Intelligence Oversight: $3.1 million to address the volume and intensity of FISA processing and related workload that has increased substantially over the past five years.

Federal Bureau of Investigation
Since FY 2001, the Federal Bureau of Investigation's total budget has doubled. For FY 2008, the FBI's total budget is $6.431 billion, including 227 new counterterrorism and intelligence agents and $217 million in program increases such as:

- National Security: $40.3 million to support field activities dedicated to national security investigations.

- National Security Branch Analytic Capabilities: $11.9 million to support the FBI's National Security Branch components in the detection, identification and tracking of individuals or entities that pose threats to the United States and its interests.

- Weapons of Mass Destruction (WMD) Directorate: $18.9 million to expand the newly established WMD Directorate and to continue forging strategic partnerships in preparation for cohesive response to a WMD event.

- Computer Analysis Response Teams: $22.8 million to develop new technical capabilities and to provide digital forensic support to the FBI, intelligence organizations, and other law enforcement agencies involved in digital evidence collection and analysis.

- Render Safe Mission: $11 million to addresses the White House directive giving the FBI the mission to respond to devices involving WMD within the United States and its territories.

- Data Intercept and Access Program: $37.8 million to address the demand for secure interception of data from public and private networks.

- National Virtual Translation Center: $3.5 million to provide translation services at the Intelligence Community Linguistic Exploitation Program.

DOJ_NMG_ 0173576

PREVENTING VIOLENT CRIME

Violent gun crime and weapons trafficking continue to be significant law enforcement problems throughout the nation, and the Department of Justice remains invested in pursuing violent offenders and reclaiming communities from the scourge of gangs and gun crime. The Project Safe Neighborhood (PSN) initiative, announced by the President and the Attorney General in 2001, is a comprehensive strategy that brings together multiple agencies to reduce gun crime in our communities. The initiative aims to improve the coordination and communication between federal, state, and local law enforcement agencies to enhance each agency's capability to prevent and prosecute violent crime. The FY 2008 budget request includes funding for the Bureau of Alcohol, Tobacco, Firearms & Explosives' (ATF) Project Safe Neighborhoods (PSN) initiative and its Firearms Tracking Teams, as well as funding for the United States Attorneys' aggressive prosecution of gang members. The budget also supports the newly-launched GangTECC, an Administration program designed to work with the National Gang Intelligence Center to coordinate the Department's anti-gang strategy among its components. In total, the budget provides $214 million to address violent crime, including the following:

Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF)

- Firearms Trafficking Teams: $6.3 million to expand domestic firearms trafficking enforcement efforts nationwide and to establish additional firearms trafficking investigative teams in areas with the highest levels of illegal firearms trafficking.

- Project Safe Neighborhoods/Firearms Violence Reduction Initiative: $2.2 million to support PSN through increased gang and firearms enforcement efforts, and additional training for Assistant U.S. Attorneys, district attorneys, and state and local enforcement partners.

Gang Targeting Enforcement Coordination Center (GangTECC)

- GangTECC is a 2006 initiative that unites federal gang disruption efforts by streamlining resources and communication, developing a refined understanding of the national gang problem and proposing appropriate countermeasure strategies, and supporting the National Gang Intelligence Center. The FY 2008 budget provides $0.694 million and 4 positions for this initiative.

U.S. Attorneys

- Gang Prosecution Initiative: $4.1 million to support the Attorney General's efforts to combat gang violence and reduce crime by providing additional prosecutorial resources.

DRUGS AND BORDER SECURITY

In March 2002, Attorney General Ashcroft announced a comprehensive six-part drug enforcement strategy for DOJ. This strategy uses the combined talent and expertise of all federal law enforcement agencies to identify and target the most significant drug supply organizations. The FY 2008 President's budget recognizes the nexus between drug control and national security by supporting intelligence sharing between the Drug Enforcement Administration (DEA) and key counterterrorism partners. Additionally, the FY 2008 budget provides funding to expand investigative and prosecutorial efforts by several DOJ components along the Southwest border, in support of the Administration's focus on border security and targeted enforcement. In total, the budget provides $89 million in program increases, including the following:

Interagency Crime and Drug Enforcement/Organized Crime and Drug Enforcement Task Force (OCDETF)

- Intelligence Sharing - OCDETF Fusion Center: $8.6 million for operation and maintenance.

Drug Enforcement Administration

DOJ_NMG_ 0173577

- Southwest Border & Methamphetamine Enforcement: $29.2 million to attack poly-drug trafficking organizations crossing the Southwest Border by increasing DEA's intelligence gathering, detection, monitoring, and surveillance capabilities.

- Counterterrorism & Intelligence Sharing: $7.1 million to improve information sharing with the Intelligence Community by modernizing DEA's classified information technology system.

U.S. Attorneys

- Border and Immigration Prosecution Initiative: $7.4 million to respond to a dramatic increase in immigration cases since FY 2000, and to accommodate the additional workload generated by additional Border Patrol Agents along the Southwest Border.

U.S. Marshals Service

- Southwest Border Enforcement: $7.5 million to manage the increased workload resulting from heightened immigration enforcement along the Southwest Border, and the resultant spike in the number of detainees in USMS custody.

CRIMES AGAINST CHILDREN AND OBSCENITY

DOJ is committed to fighting child pornography and obscenity, protecting children from trafficking, and preventing all forms of child exploitation. The Department works with other law enforcement agencies to target, apprehend and prosecute child molesters and those who traffic in child pornography. In 2006, the Department charged 1,658 individuals and obtained 1,386 guilty pleas and convictions in criminal cases involving predation against children. The FY 2008 budget provides program increases totaling $12.5 million for Attorney General Gonzales' Project Safe Childhood initiative, which targets purveyors of child pornography and obscenity. The FY 2008 President's request also provides funding for efforts to pursue child obscenity and abduction cases, as well as for aggressive efforts against online child pornographers and molesters. Finally, the Adam Walsh Child Protection and Safety Act of 2006 directs the Department to collaborate with the National Center for Missing and Exploited Children to target and take into custody the approximately 100,000 non-compliant sex offenders who are believed to be living in the United States. The FY 2008 budget provides $12.8 million in program increases for the United States Marshals Service and the Bureau of Prisons to implement sex offender tracking and management initiatives that comply with the Walsh Act.

In total, the budget provides $25.4 million in program increases for crimes against children and obscenity.

JUDICIAL SYSTEM SUPPORT AND INCARCERATION

As a result of successful law enforcement policies targeting terrorism, violent crime, and drug crimes, the number of criminal suspects appearing in federal court and the number of individuals detained and incarcerated continue to grow. Through the United States Marshals Service (USMS), the Office of the Federal Detention Trustee (OFDT), and the Bureau of Prisons (BOP), the Department of Justice ensures that federal criminals are safely and cost-effectively incarcerated and detained, and the FY 2008 budget provides funding to improve each component's ability to manage the increasing detention population.

The FY 2008 President's budget requests $142 million to expand prison capacity by completing the first phase of the activation of a new prison in Pollock, La., and by completing a current prison project in Mendota, Cal. The FY 2008 budget also provides funding for BOP to expand the number of contract prison beds by 1,079. Additionally, the FY 2008 budget provides $10.4 million to the United States Marshals Service to improve judicial security in high-threat trials and vulnerable judicial districts, such as the Eastern District of Virginia, which hosted the Zacarias Moussaoui proceeding in 2006.

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In total, the budget provides $152 million in program increases for detention and incarceration.

ENFORCING FEDERAL LAWS IN THE COURTS

The Department of Justice is charged with enforcing federal laws and safeguarding the rights and interests of the American people. As the nation's top prosecutor and litigator, DOJ's legal activities resources contribute directly to its ability to enforce and uphold federal statutes in court. Legislative changes frequently require the Department to revise its programs and its focus to accommodate an increased law enforcement and litigation workload. Accordingly, the FY 2008 budget provides $21.6 million to expand the FBI's DNA collection and indexing programs based on the requirements specified in the DNA Fingerprint Act of 2005 and the Adam Walsh Child Protection and Safety Act of 2006.

DOJ legal activities also align with top Administration priorities, and the FY 2008 budget provides $5.2 million for the Tax Division to enhance "Operation Continued Follow-Through," which is a tax law enforcement initiative that supports the President's focus on reducing tax fraud. In total, the FY 2008 budget provides $33 million in program increases for the Department of Justice's federal law enforcement efforts.

MANAGEMENT AND INFORMATION TECHNOLOGY

The Department of Justice relies on innovative management practices and information technology systems to ensure that resources are used efficiently and effectively in support of key national security and law enforcement activities. The Department continues to evaluate its programs and operations with the goals of achieving both component-specific and departmental economies of scale, increased efficiencies, and cost savings/offsets to permit funding for critical law enforcement initiatives.

The FY 2008 President's budget advances these goals by ensuring an interoperable environment within the Department, and by forging information-sharing mechanisms with other law enforcement and homeland security partners. As the Department's primary member of the Intelligence Community (IC), the FBI requires the ability to contribute to and benefit from the multi-agency pool of knowledge that the IC generates. The FY 2008 budget provides $47.5 million to advance the FBI's data intake, information sharing, and IT project management mechanisms, as well as $11.5 million to improve the organization's data storage and work facilities.

Additionally, the FY 2008 President's budget provides $514,000 to improve Interpol's law enforcement information-sharing capabilities with its key state and local partners, as well as with the FBI, the Department of Defense, and the National Law Enforcement Telecommunications System. The budget provides $74.5 million in new management and information technology (IT) program increases and $58.6 million in IT improvements across DOJ components and programs, for a total of $133.2 million in IT program increases.

STATE AND LOCAL ASSISTANCE

DOJ's FY 2008 budget contains over $1.234 billion in discretionary grant assistance to state, local, and tribal governments, and creates four new competitive grant programs. These programs will address the violent crime problem that communities face, and will provide states, localities, and tribes with considerable flexibility to address their most critical needs. Consolidation of the grant programs will also allow the Department to respond in a more targeted way to local up-ticks in the crime rate. The four grant categories and their amounts are:

- Violent Crime Reduction Partnership Initiatives: $200 million to help state, local, and tribal law enforcement agencies form partnership with federal law enforcement agencies to combat violent crime.

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- Byrne Public Safety and Protection Program: $350 million to assist state, local, and tribal governments with their highest-priority concerns, such as violent and drug-related crime and Presidential priorities, such as DNA backlog reduction and offender re-entry programs.

- Child Safety and Juvenile Justice Program: $280 million to consolidate existing juvenile justice and exploited children programs, and to assist state, local, and tribal governments with targeted efforts.

- Violence Against Women Grants Program: $370 million help state, local, and tribal governments address multiple domestic violence needs.

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07-072

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Image not available for this document, ID: 0.7.10316.8949-000002

System Administrator

From:	System Administrator
Sent:	Monday, February 5, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1178328 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 2:25 PM
To: USDOJ- Office of Public Affairs
Subject: ELEMENTARY SCHOOL TEACHER AND SCOUT LEADER CHARGED WITH ATTEMPTED ENTICEMENT OF A MINOR TO ENGAGE IN SEXUAL ACTIVITY

Department of Justice

United States Attorney Terrance P. Flynn
Western District of New York

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
www.usdoj/usao/nyw

CONTACT: Peggy Kelly McFarland
PHONE: (716) 843-5877
FAX: (716) 551-3169

ELEMENTARY SCHOOL TEACHER AND SCOUT LEADER CHARGED WITH ATTEMPTED ENTICEMENT OF A MINOR TO ENGAGE IN SEXUAL ACTIVITY

BUFFALO – Kollin Roy King, 26, of Hamburg, N.Y., has been charged in a one count criminal complaint with attempted enticement of a minor to engage in criminal sexual activity, U.S. Attorney Terrance P. Flynn of the Western District of New York announced today. If convicted, King faces a mandatory minimum penalty of 5 years in prison and a maximum of 30 years in prison, a $250,000 fine and the possibility of lifetime supervised release.

According to the complaint, since December 2005, King had been chatting online with an undercover FBI agent posing as a 14-year-old boy. Throughout the chats, King and the undercover FBI agent engaged in sexually explicit conversations and King repeatedly requested a meeting for the purpose of engaging in sexually explicit conduct with the individual he believed to be a 14-year-old boy, and the 14-year-old boy's young friend. As alleged in the criminal complaint, on Jan. 30, 2007, King and the undercover agent posing as a 14-year-old boy agreed to meet at a restaurant in Cheektowaga, N.Y., on Feb. 1, 2007 at 8:30 p.m. EST. King later re-scheduled the meeting for 9:00 p.m. EST. Upon his arrival at the Cheektowaga restaurant at 9:00 p.m. EST, King was arrested.

Thereafter, King admitted to arranging other meetings that due to circumstances out of King's control never came to fruition. In each case, either the minors did not show or the pre-arranged meeting location was fictitious. King did admit however to meeting a 16-year-old boy on the Internet and engaging in sexual activity with the boy in a park and at King's apartment. King denied having any inappropriate contact with any of his students at Blasdell Elementary School or any members of his cub scout den.

King appeared before U. S. Magistrate H. Kenneth Schroeder, Jr., for an initial appearance on the criminal complaint. Assistant U.S. Attorney Allison P. Gioia asked that King be detained pending further proceedings on the grounds that King poses a danger to the community and a risk of flight. King will remain in custody until a detention hearing is held on Feb. 6, 2007 at 10:30 a.m. EST, before U.S. Magistrate Schroeder.

DOJ_NMG_ 0173584

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

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Image not available for this document, ID: 0.7.10316.8816-000002

System Administrator

From:	System Administrator
Sent:	Monday, February 5, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1178381 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 3:35 PM
To: USDOJ- Office of Public Affairs
Subject: MAN SENTENCED TO 15 YEARS FOR POSSESSION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Karin J. Immergut
District of Oregon

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
www.usdoj.gov/usao/or

CONTACT: Gerri Badden
PHONE: (503) 727-1033
FAX: (503) 727-1117

MAN SENTENCED TO 15 YEARS FOR POSSESSION OF CHILD PORNOGRAPHY

PORTLAND, Ore. – Timothy Olander, 49, was sentenced today to 15 years in federal prison for knowingly receiving computer images containing child pornography, including images containing visual depictions of minors engaged in sexually explicit conduct, and having traveled in interstate commerce. He was sentenced by U.S. District Court Judge Ancer L. Haggerty.

Olander's arrest came after a year-long investigation that began in 2005 by the Cyber Crimes Center, an investigative arm of the Immigration and Customs Enforcement (ICE) Child Exploitation Section. ICE had received information from the National Center for Missing and Exploited Children that certain Web sites containing child pornography and available by subscription had been paid for and accessed by Olander's brother, David Olander. Case agents executed a search warrant on Jan. 5, 2006 at Timothy Olander's residence and found that his brother, David, had gained access to the Internet wirelessly through Timothy Olander's computer. When agents told Timothy Olander they were going to seize his computer, he then admitted to possessing child pornography on his computer, and that he had copied it to CDs and other media.

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"Thanks to the hard work of ICE agents, this defendant was brought to justice," stated U.S. Attorney Karin J. Immergut. "Prosecuting those engaged in the sexual exploitation of children is a top priority for this office. This defendant collected horrible images of children being sexually victimized. We are pleased that he will be removed from the community for a significant period of time."

During a search of Timothy Olander's room, agents found printed stories of sexual exploits involving children, numerous photographs of children and several pairs of children's underwear in a bag. Timothy Olander told agents that he found the children's underwear in a backpack outside the synagogue where he worked. Olander said the photographs of children were pictures he had taken of children at the synagogue and that he had collected the photographs over several years. Most of the pictures came from the trash or off the floor. Several of the photographs were laminated. Also found was a large manila envelope containing children's undergarments which he stated belonged to the child of a prior sexual abuse for which he had been convicted.

A forensic analysis of the computer found in Timothy Olander's room revealed an extensive collection of 1,500 images, at least 600 images which reflected children engaged in sexually explicit conduct, and 300 video files. At least one of the videos included images of sadistic or masochistic conduct being performed on the child. According to case agents, the images also reflected prepubescent minors based on their lack of observable secondary sexual characteristics.

David Olander was indicted by a federal grand jury and remains on release pending the resolution of his charges. David Olander remains innocent until he is proven guilty.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

This case was prosecuted by Assistant U.S. Attorney Greg Nyhus.

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DOJ_NMG_ 0173591

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Image not available for this document, ID: 0.7.10316.8803-000002

System Administrator

From:	System Administrator
Sent:	Monday, February 5, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1178439 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 5:00 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES AGGRESSIVE NEW JOINT INITIATIVES WITH EL SALVADOR TO COMBAT TRANSNATIONAL GANGS

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL ALBERTO R. GONZALES ANNOUNCES AGGRESSIVE NEW JOINT INITIATIVES WITH EL SALVADOR TO COMBAT TRANSNATIONAL GANGS

SAN SALVADOR, EL SALVADOR – Today, Attorney General Alberto R. Gonzales and Salvadoran President Elias Antonio Saca announced tough new collaborative efforts to combat transnational gangs such as MS-13 and 18th Street that operate in El Salvador, elsewhere in Central America, Mexico, and the United States. The comprehensive, four-part initiative is designed to help identify and prosecute the most dangerous Salvadoran gang members through programs to enhance gang enforcement, fugitive apprehension, international coordination, information sharing, and training and prevention.

"This initiative will enable the United States and our colleagues in Central America to share information and coordinate law enforcement efforts as we work in partnership to target and dismantle violent gangs," said Attorney General Alberto R. Gonzales. "I look forward to working with President Saca and other Central American leaders to fight crime and keep our citizens safe."

First, through assistance from the U.S. Federal Bureau of Investigation (FBI) and the U.S. Department of State, El Salvador's civilian police force (Policia Nacional Civil or PNC) will establish a new Transnational Anti-Gang (TAG) Unit to better pursue and prosecute gang members. FBI agents will provide front-line training, information-sharing, and other support aimed at increasing the capacity of PNC detectives to identify and arrest the worst offenders, who can then be prosecuted, when possible, by a Salvadoran anti-gang prosecutor embedded as a member of the new TAG unit.

Second, to better identify, track and apprehend gang members, the FBI will accelerate the implementation of the Central American Fingerprinting Exploitation (CAFE) initiative. The State Department and the FBI will collaborate to provide equipment and training to help law enforcement agencies in El Salvador and other Central American nations acquire digital fingerprints of violent gang members and other criminals who travel and commit crimes under different identities in El Salvador, the U.S. and other countries. The prints will then be integrated into a computerized system that allows law enforcement officials from participating countries to exchange information. Additionally, the Justice Department is working with the Department of Homeland Security (DHS), El Salvador and others in the region to implement DHS's new Electronic Travel

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Document system (eTD), which will provide law enforcement officials in El Salvador with electronic information on Salvadoran gang members and other criminals who have been deported from the United States to El Salvador after serving their sentences in the United States.

Third, because international cooperation and coordination is critical to combat gangs that know no borders, tomorrow in Los Angeles, for the first time, the Chiefs of Police for El Salvador, Guatemala, Honduras, and Belize are meeting in an international summit of chiefs of police focused on the single issue of transnational gangs. The outcome of that summit will be proposals that will be presented at the 3rd Annual International Gang Conference in San Salvador in April. In addition, at the request of the government of El Salvador, the U.S. Marshals Service (USMS), FBI, Drug Enforcement Administration (DEA), Bureau of Alcohol Tobacco, Firearms and Explosives (ATF), and other law enforcement agencies will conduct a series of joint assessments of anti-gang capabilities in El Salvador, and help identify the best strategic options for El Salvador for undertaking additional steps to enhance domestic and regional anti-gang efforts in such areas as gang intelligence, fugitive apprehension, witness protection, firearms violence, prisons and drug trafficking.

Fourth, the United States has increased its anti-gang training in Central America, including efforts through the International Law Enforcement Academy (ILEA) in San Salvador. Last week the Academy completed its third anti-gang program in recent months, training police and prosecutors from El Salvador and nearby countries in the best practices of targeting and fighting gang activity and other crimes. The Attorney General announced today that the State Department is funding a new regional anti-gang program aimed at gang prevention, police training, and the development of effective law enforcement and criminal justice institutions in El Salvador and neighboring countries. The U.S. Agency for International Development is also funding a new regional program to support public-private partnerships in gang prevention and to further regional cooperation on this issue.

These joint initiatives with El Salvador are part of a greater effort by the U.S. government to combat gangs and gang-related violence in North and Central America. The Department of Justice, under the leadership of Attorney General Gonzales, has made the fight against gangs one of its highest priorities. Just last year, Attorney General Gonzales created a new, national anti-gang task force, the National Gang Targeting, Enforcement and Coordination Center (GangTECC) – led by the Department's Criminal Division and made up c agents from ATF, DEA, FBI, USMS, the Bureau of Prisons, and Department of Homeland Security's Immigration and Customs Enforcement (ICE). GangTECC works in close collaboration with the new National Gang Intelligence Center, the Gang Squad prosecution unit in the Criminal Division, and the FBI's MS-13 National Gang Task Force, as well as with other federal, state, local and overseas law enforcement agencies.

In order to coordinate the Department's efforts to fight gangs, Attorney General Gonzales has established an Anti-Gang Coordination Committee which organizes the Department's wide-ranging efforts to combat gangs. Additionally, every U.S. Attorney has appointed an anti-gang coordinator to provide leadership and focus to the Department's anti-gang efforts at the district level. In coordination with local law enforcement and community partners, the anti-gang coordinators have developed comprehensive, district-wide strategies to address the gang problems in their districts.

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07-071

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Hogan & Hartson Announcement

From: Hogan & Hartson Announcement
Sent: Monday, February 5, 2007 5:15 PM
To: Gorsuch, Neil M
Subject: Please Join Us: Hogan & Hartson Governmen[redacted]Reception

Please join Hogan & Hartson
as we welcome our new partner

[redacted]

THURSDAY, MARCH 1, 2007
5:00 - 7:30 p.m.

HOGAN & HARTSON
One Tabor Center, Suite 1300
1200 Seventeenth Street
Denver, Colorado 80202

Click here to register
by February 21, 2007.

www.hhlaw.com

- - -

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From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 6:02 PM
To: USDOJ- Office of Public Affairs
Subject: OWNER AND OPERATOR OF MODELING/PHOTOGRAPHY STUDIO SENTENCED TO 30 YEARS FOR TAKING SEXUALLY EXPLICIT PICTURES OF CHILDREN

Department of Justice

United States Attorney Amul R. Thapar
Eastern District of Kentucky

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
www.usdoj.gov

CONTACT: COURTNEY NORRIS
PHONE: (859) 233-2661 ext 104
FAX: (859) 233-2666

OWNER AND OPERATOR OF MODELING/PHOTOGRAPHY STUDIO SENTENCED TO 30 YEARS FOR TAKING SEXUALLY EXPLICIT PICTURES OF CHILDREN

LONDON, Ky. – The owner and operator of a Mt. Vernon modeling and photography studio, Southern Stars, was sentenced today to 30 years in federal prison for producing sexually explicit pictures of young girls between the ages of 11 and 13, U.S. Attorney Amul R. Thapar of the Eastern District of Kentucky announced today.

Donald R. Martin, 48, admitted that in the course of operating his business, he took pornographic pictures of an 11-year-old child attending modeling classes at his studio. During sentencing, Judge Reeves found that Martin also took pornographic pictures of two more children attending modeling classes at Martin's studio, who at the time were 12 and 13-years-old. In addition to the pornographic pictures taken by Martin, the defendant admitted to possessing numerous other pornographic images of children that were downloaded from the Internet.

As part of his sentence, the defendant was also placed on supervision for the remainder of his life.

DOJ_NMG_ 0173601

"Our children deserve to live in a society where they are safe, and can grow up free from harm," U.S. Attorney Thapar said. "Putting another child predator behind bars for the majority of his life takes us steps closer to achieving this."

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The investigation was conducted by the Federal Bureau of Investigation and the Kentucky State Police, Electronic Crime Section. Assistant U.S. Attorney Erin May represented the United States in the case.

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Image not available for this document, ID: 0.7.10316.8794-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 6:05 PM
To: USDOJ- Office of Public Affairs
Subject: MAN SENTENCED TO FIVE YEARS FOR USING THE INTERNET TO SET UP SEXUAL ENCOUNTER WITH 14-YEAR-OLD FEMALE

Department of Justice

United States Attorney Terrance P. Flynn
Western District of New York

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
www.usdoj/usao/nyw

CONTACT: Peggy Kelly McFarland
PHONE: (716) 843-5877
FAX: (716) 551-3169

MAN SENTENCED TO FIVE YEARS FOR USING THE INTERNET TO SET UP SEXUAL ENCOUNTER WITH 14-YEAR-OLD FEMALE

BUFFALO, N.Y. - Christopher M. Wodrich, 25, of Shelby, N.Y., was sentenced to five years in prison and placed on lifetime supervised release by U.S. District Judge Charles J. Siragusa, in connection with his guilty plea in August 2006 to using an interstate facility to attempt to entice a minor to engage in illegal sexual conduct, U.S. Attorney Terrance P. Flynn of the Western District of New York announced today.

According to the charges, in May 2006, Wodrich engaged in Internet chats with a Monroe County Sheriff's Office Deputy who was acting in an undercover capacity as a 14-year-old female residing in Rochester, N.Y. During the Internet chats, Wodrich, using the screen name "wildwoodie21," made arrangements to meet with the 14-year-old at the Bill Gray's restaurant in Irondequoit, N.Y., for the purposes of having sexual activity with the minor. On May 25, 2006, Wodrich was arrested at the Bill Gray's restaurant after approaching a Monroe County Sheriff's Office female undercover officer who was portraying herself to be the 14 year-old girl.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The conviction in this case was the culmination of an investigation by the Federal Bureau of Investigation under the direction of Special Agent in Charge Laurie Bennett, and the Monroe County Sheriff's Office under the direction of Sheriff Patrick M. O'Flynn.

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Image not available for this document, ID: 0.7.10316.8788-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 6:08 PM
To: USDOJ- Office of Public Affairs
Subject: EIGHT AND A HALF YEAR PRISON SENTENCE GIVEN IN $100,000 FEMA HURRICANE RELIEF FUND FRAUD SCHEME

Department of Justice

United States Attorney Jeffrey A. Taylor
District of Columbia

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 05, 2006
http://www.usdoj.gov/usao/dc

CONTACT: CHANNING PHILLIPS
PHONE: (202) 514-6933
FAX: (202) 353-0121

EIGHT AND A HALF YEAR PRISON SENTENCE GIVEN IN $100,000 FEMA HURRICANE RELIEF FUND FRAUD SCHEME

WASHINGTON – Jeffrey Alan Rothschild, 59, also known as Jeffrey Zahler, has been sentenced to 102 months in prison in connection with a scheme to defraud the Federal Emergency Management Agency (FEMA) of more than $100,000 in relief funds intended for victims of Hurricanes Katrina and Rita, U.S. Attorney Jeffrey A. Taylor of the District of Columbia announced today.

Rothschild, who has no fixed address, received his sentence earlier today in the U.S. District Court for the District of Columbia before the Honorable Colleen Kollar-Kotelly. In August 2006, Rothschild pleaded guilty to three-counts of information charging bank fraud, mail fraud and money laundering from September to December 2005.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force, chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division, includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Starting in early September 2005, FEMA made available money transfers of $2,000 to victims of Hurricanes Katrina and Rita. Eligible parties could apply for emergency relief funds in person, by calling a toll-free phone number, or online by providing a name, a Social Security number, and an address of a location affected by Hurricane Katrina or Hurricane Rita and other information. Following this process, an applicant may received $2,000 in the form of a check, electronic transfer, or debit card.

According to the government's evidence in this case, between about Sept. 13, 2005 and Dec. 31, 2005, Rothschild applied for emergency FEMA funds using the names, birth dates and Social Security numbers of other individuals—none of whom had given him permission to apply for such benefits on their behalf. Rothschild obtained most of this information through the Martindale-Hubble legal directory and various other public databases, as well as through his previous job at a construction company. Rothschild admitted that on

DOJ_NMG_ 0173608

the portion of the application that asked for the address of a property damaged by Hurricane Katrina or Hurricane Rita, he would fill in addresses that he found on the Internet or that he made up.

As a result of this scheme, FEMA mailed 38 U.S. Treasury checks, made out to the individuals Rothschild specified, to motels where Rothschild was staying or to private mailboxes that Rothschild had rented using false names, but using his own photograph.

Rothschild then forged the signatures of the payees and deposited the checks into bank accounts that he had opened in the names of other people without their permission, but that he controlled. In particular, Rothschild opened an account at an E*Trade Financial Corporation Branch in Northwest Washington, D.C., into which he deposited five of the fraudulently obtained checks, intending to withdraw the money and convert it to his own use at a later date. In addition, Rothschild submitted 14 applications, including one in his alias, Jeffrey Alan Zahler, for which he did not receive a check.

Rothschild also admitted engaging in a number of other fraudulent schemes, including check kiting and credit card fraud in the District of Columbia, Virginia, New York, Florida, and elsewhere. After Rothschild was arrested, investigators found identification documents in the names of eight people, all bearing Rothschild's photograph, in his possession.

U.S. Attorney Taylor praised Assistant U.S. Attorneys Barbara E. Kittay and Jessie K. Liu, who investigated and prosecuted the case.

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Image not available for this document, ID: 0.7.10316.8790-000002

System Administrator

From: System Administrator
Sent: Monday, February 05, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1178683 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 7:04 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PRESS CONFERENCE FOLLOWING BILATERAL MEETINGS IN EL SALVADOR

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PRESS CONFERENCE FOLLOWING BILATERAL MEETINGS IN EL SALVADOR

SAN SALVADOR, EL SALVADOR

Good afternoon, and thank you.

I am pleased to be here today on behalf of President Bush and to recognize the new Ambassador to El Salvador—Ambassador Glazer. And I am grateful for the opportunity to meet with President Saca, Attorney General Safie, and Minister of Public Security and Justice Figueroa to discuss issues of great importance to both of our countries.

Protecting the safety of our citizens is perhaps the central mission of any government. Without basic safety and security, we cannot be free to enjoy the many blessings of liberty, democracy, and economic opportunity.

We recognize that the safety of El Salvador is threatened by its serious gang problem. The United States has a gang problem as well. We estimate that about 30,000 violent gangs, with 800,000 members, operate in the U.S. today.

Violent crime committed by these gangs is a major concern for many American cities, and fighting it is one of my top priorities. So I appreciate the challenge you are facing, and I want you to know that you are not alone in your struggle.

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In the United States, we have set up special national anti-gang task forces and a gang intelligence center to help us combat gang violence. But we recognize that this is not a problem that stops at our national borders, and we know that we need to do more.

So today I am proud to announce a tough new anti-gang initiative, launched in partnership with the government of El Salvador, and focused on those transnational gangs responsible for the worst violence.

It is a comprehensive, four-part initiative, aimed at enhancing enforcement, fugitive apprehension, international coordination and information sharing, and training and prevention.

First, the PNC and the FBI are together launching a new Transnational Anti-Gang Unit, or "TAG Unit," to go after the worst offenders. FBI agents will work with PNC detectives in El Salvador, and the U.S. Department of State has pledged funding and support to help set up this new unit. I am grateful to Attorney General Safie for his commitment to assign an experienced anti-gang prosecutor to work in the TAG unit to help bring these criminals to justice.

Second, thanks to a funding commitment from the U.S. Department of State, the FBI will be accelerating the implementation of the Central American Fingerprint Exploitation initiative, known as CAFÉ. The FBI and the CAFÉ initiative will provide equipment and training to help El Salvador and other countries acquire fingerprints of violent criminals who elude capture by slipping across international borders, and put them into a computerized system searchable by law enforcement.

In addition, the U.S. Department of Homeland Security has created an Electronic Travel Document system, called eTD, that will soon go into operation for criminals deported to El Salvador. The eTD system will provide Salvadoran authorities with faster, more complete computerized information than has ever been available before. I want to stress that U.S. policy is to deport convicted criminals back to El Salvador only after they have finished serving all their prison time in the United States.

Third, international cooperation and coordination is critical to combating gangs that know no borders. Tomorrow in Los Angeles, for the first time, the Chiefs of Police for El Salvador, Guatemala, Honduras, and Belize are meeting in a summit focused on the single issue of transnational gangs. Their new proposals will be presented at the 3rd Annual International Gang Conference here in San Salvador in April.

Fourth, the U.S. has increased anti-gang training in the region, including at the International Law Enforcement Academy in San Salvador. Just last week, police and prosecutors from El Salvador and four neighboring countries completed an intensive anti-gang training program that included U.S. prosecutors and agents. And I am pleased to announce that the U.S. State Department will be funding a new program aimed at gang prevention, police training, and development of law enforcement institutions in El Salvador and throughout the region.

Each of these new steps is being launched in close cooperation between our two governments. I commend Salvadoran law enforcement, and you Mr. President, for you commitment to the fight against gang

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violence in El Salvador, and for your courage in recognizing and addressing this problem. The United States stands with El Salvador in your fight against violent gangs. We recognize that this is not just an issue for one or two countries; it affects the entire region, and so we must work together regionally. It is essential that both our nations fight this problem, individually and together. For all of our citizens, we must win this fight--and I believe that working together, as friends and partners, we will.

Thank you.

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Image not available for this document, ID: 0.7.10316.8777-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 05, 2007 7:39 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: DEPARTMENT OF JUSTICE FY 2008 BUDGET REQUEST

CORRECTED: IN THE SECTION ENTITLED: "PROTECTING THE AMERICAN PEOPLE BY PREVENTING TERRORIST ACTS," THE PRESIDENT'S FY 2008 BUDGET REQUEST FOR THE FBI INCLUDES FUNDING FOR 231 NEW COUNTERTERRORISM AND INTELLIGENCE AGENTS, NOT 227 AS PREVIOUSLY WRITTEN.

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
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AG
(202) 514-2008
TDD (202) 514-1888

DEPARTMENT OF JUSTICE FY 2008 BUDGET REQUEST

President's Request Supports Department's Critical Counterterrorism and Intelligence Efforts

WASHINGTON, D.C. – Attorney General Alberto R. Gonzales today announced that the President's FY 2008 budget proposal for the Department of Justice (DOJ) is $21.8 billion in discretionary funding. The President's overall FY 2008 budget requests $227 million in program increases and directed state and local assistance for counterterrorism and intelligence programs, reflecting the Department of Justice's continued and expanding focus on national security and the prevention of terrorist attacks.

"For those of us at the Department of Justice, every day is September 12th, and every day requires a sustained commitment to combating terrorism and protecting our homeland," said Attorney General Alberto R. Gonzales. "The resources requested in this year's budget represent the Department of Justice's commitment to protecting our nation's security on many fronts. We have made important strides in identifying and prosecuting suspected terrorists, safeguarding children against Internet predators, and protecting communities from the havoc of drugs and gun crime. This budget will robustly support our most efficient, effective and essential programs and functions."

Since 9/11, the Department has broadened its investigative and prosecutorial mission, and the FY 2008 budget request is aligned with the Department's major priorities. These priorities and the requested FY 2008 program increases are:

- Preventing and Combating Terrorism $227 million
- Preventing Violent Crime $214 million
- Drugs and Border Security $89 million
- Crimes Against Children and Obscenity $25 million
- Judicial System Support and Incarceration $152 million
- Enforcing Federal Laws in the Courts $33 million
- Management and Information Technology $75 million

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Further, the FY 2008 budget includes a total program level of $1.234 billion for state and local assistance.

PROTECTING THE AMERICAN PEOPLE BY PREVENTING TERRORIST ACTS

Preventing, investigating and prosecuting terrorist acts is the Department of Justice's top priority. The budget request reflects the Department's commitment to identifying, tracking and dismantling terrorist cells in the U.S. and overseas by bolstering counterterrorism and counterintelligence activities and by improving coordination of national security functions. Since the passage of the Intelligence Reform and Terrorism Prevention Act of 2004, the Department has enhanced its counterterrorism and intelligence capabilities through improvements to its infrastructure and innovative program changes. The FY 2008 budget builds on these initiatives by providing funding for the FBI's national security field investigations, and its recently-created Weapons of Mass Destruction Directorate and National Security Branch. Additionally, the budget recognizes the FBI's critical need for modernized technical capabilities, and it provides for information technology and forensic investigative and analytical improvements. The FY 2008 budget also includes funding to institute two additional offices within DOJ's new National Security Division to formalize and enhance the Division's crisis management and policy and legal analysis capacities, and provides resources for operations and oversight of Foreign Intelligence Surveillance Act (FISA) processes. In total, the budget provides $227 million in program increases, including the following:

National Security Division
The National Security Division's total budget request for FY 2008 is $78 million including $6.6 million in program increases such as:

- FISA Operations and Intelligence Oversight: $3.1 million to address the volume and intensity of FISA processing and related workload that has increased substantially over the past five years.

Federal Bureau of Investigation
Since FY 2001, the Federal Bureau of Investigation's total budget has doubled. For FY 2008, the FBI's total budget is $6.431 billion, including 231 new counterterrorism and intelligence agents and $217 million in program increases such as:

- National Security: $40.3 million to support field activities dedicated to national security investigations.

- National Security Branch Analytic Capabilities: $11.9 million to support the FBI's National Security Branch components in the detection, identification and tracking of individuals or entities that pose threats to the United States and its interests.

- Weapons of Mass Destruction (WMD) Directorate: $18.9 million to expand the newly established WMD Directorate and to continue forging strategic partnerships in preparation for cohesive response to a WMD event.

- Computer Analysis Response Teams: $22.8 million to develop new technical capabilities and to provide digital forensic support to the FBI, intelligence organizations, and other law enforcement agencies involved in digital evidence collection and analysis.

- Render Safe Mission: $11 million to addresses the White House directive giving the FBI the mission to respond to devices involving WMD within the United States and its territories.

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- Data Intercept and Access Program: $37.8 million to address the demand for secure interception of data from public and private networks.

- National Virtual Translation Center: $3.5 million to provide translation services at the Intelligence Community Linguistic Exploitation Program.

PREVENTING VIOLENT CRIME

Violent gun crime and weapons trafficking continue to be significant law enforcement problems throughout the nation, and the Department of Justice remains invested in pursuing violent offenders and reclaiming communities from the scourge of gangs and gun crime. The Project Safe Neighborhood (PSN) initiative, announced by the President and the Attorney General in 2001, is a comprehensive strategy that brings together multiple agencies to reduce gun crime in our communities. The initiative aims to improve the coordination and communication between federal, state, and local law enforcement agencies to enhance each agency's capability to prevent and prosecute violent crime. The FY 2008 budget request includes funding for the Bureau of Alcohol, Tobacco, Firearms & Explosives' (ATF) Project Safe Neighborhoods (PSN) initiative and its Firearms Tracking Teams, as well as funding for the United States Attorneys' aggressive prosecution of gang members. The budget also supports the newly-launched GangTECC, an Administration program designed to work with the National Gang Intelligence Center to coordinate the Department's anti-gang strategy among its components. In total, the budget provides $214 million to address violent crime, including the following:

Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF)

- Firearms Trafficking Teams: $6.3 million to expand domestic firearms trafficking enforcement efforts nationwide and to establish additional firearms trafficking investigative teams in areas with the highest levels of illegal firearms trafficking.

- Project Safe Neighborhoods/Firearms Violence Reduction Initiative: $2.2 million to support PSN through increased gang and firearms enforcement efforts, and additional training for Assistant U.S. Attorneys, district attorneys, and state and local enforcement partners.

Gang Targeting Enforcement Coordination Center (GangTECC)

- GangTECC is a 2006 initiative that unites federal gang disruption efforts by streamlining resources and communication, developing a refined understanding of the national gang problem and proposing appropriate countermeasure strategies, and supporting the National Gang Intelligence Center. The FY 2008 budget provides $0.694 million and 4 positions for this initiative.

U.S. Attorneys

- Gang Prosecution Initiative: $4.1 million to support the Attorney General's efforts to combat gang violence and reduce crime by providing additional prosecutorial resources.

DRUGS AND BORDER SECURITY

In March 2002, Attorney General Ashcroft announced a comprehensive six-part drug enforcement strategy for DOJ. This strategy uses the combined talent and expertise of all federal law enforcement agencies to identify and target the most significant drug supply organizations. The FY 2008 President's budget recognizes the nexus between drug control and national security by supporting intelligence sharing between the Drug Enforcement Administration (DEA) and key counterterrorism partners. Additionally, the FY 2008 budget provides funding to expand investigative and prosecutorial efforts by several DOJ components along the Southwest border, in support of the Administration's focus on border security and targeted enforcement. In total, the budget provides $89 million in program increases, including the following:

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Interagency Crime and Drug Enforcement/Organized Crime and Drug Enforcement Task Force (OCDETF)

- Intelligence Sharing - OCDETF Fusion Center: $8.6 million for operation and maintenance.

Drug Enforcement Administration

- Southwest Border & Methamphetamine Enforcement: $29.2 million to attack poly-drug trafficking organizations crossing the Southwest Border by increasing DEA's intelligence gathering, detection, monitoring, and surveillance capabilities.

- Counterterrorism & Intelligence Sharing: $7.1 million to improve information sharing with the Intelligence Community by modernizing DEA's classified information technology system.

U.S. Attorneys

- Border and Immigration Prosecution Initiative: $7.4 million to respond to a dramatic increase in immigration cases since FY 2000, and to accommodate the additional workload generated by additional Border Patrol Agents along the Southwest Border.

U.S. Marshals Service

- Southwest Border Enforcement: $7.5 million to manage the increased workload resulting from heightened immigration enforcement along the Southwest Border, and the resultant spike in the number of detainees in USMS custody.

CRIMES AGAINST CHILDREN AND OBSCENITY

DOJ is committed to fighting child pornography and obscenity, protecting children from trafficking, and preventing all forms of child exploitation. The Department works with other law enforcement agencies to target, apprehend and prosecute child molesters and those who traffic in child pornography. In 2006, the Department charged 1,658 individuals and obtained 1,386 guilty pleas and convictions in criminal cases involving predation against children. The FY 2008 budget provides program increases totaling $12.5 million for Attorney General Gonzales' Project Safe Childhood initiative, which targets purveyors of child pornography and obscenity. The FY 2008 President's request also provides funding for efforts to pursue child obscenity and abduction cases, as well as for aggressive efforts against online child pornographers and molesters. Finally, the Adam Walsh Child Protection and Safety Act of 2006 directs the Department to collaborate with the National Center for Missing and Exploited Children to target and take into custody the approximately 100,000 non-compliant sex offenders who are believed to be living in the United States. The FY 2008 budget provides $12.8 million in program increases for the United States Marshals Service and the Bureau of Prisons to implement sex offender tracking and management initiatives that comply with the Walsh Act.

In total, the budget provides $25.4 million in program increases for crimes against children and obscenity.

JUDICIAL SYSTEM SUPPORT AND INCARCERATION

As a result of successful law enforcement policies targeting terrorism, violent crime, and drug crimes, the number of criminal suspects appearing in federal court and the number of individuals detained and incarcerated continue to grow. Through the United States Marshals Service (USMS), the Office of the Federal Detention Trustee (OFDT), and the Bureau of Prisons (BOP), the Department of Justice ensures that federal criminals are safely and cost-effectively incarcerated and detained, and the FY 2008 budget provides funding to improve each component's ability to manage the increasing detention population.

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The FY 2008 President's budget requests $142 million to expand prison capacity by completing the first phase of the activation of a new prison in Pollock, La., and by completing a current prison project in Mendota, Cal. The FY 2008 budget also provides funding for BOP to expand the number of contract prison beds by 1,079. Additionally, the FY 2008 budget provides $10.4 million to the United States Marshals Service to improve judicial security in high-threat trials and vulnerable judicial districts, such as the Eastern District of Virginia, which hosted the Zacarias Moussaoui proceeding in 2006.

In total, the budget provides $152 million in program increases for detention and incarceration.

ENFORCING FEDERAL LAWS IN THE COURTS

The Department of Justice is charged with enforcing federal laws and safeguarding the rights and interests of the American people. As the nation's top prosecutor and litigator, DOJ's legal activities resources contribute directly to its ability to enforce and uphold federal statutes in court. Legislative changes frequently require the Department to revise its programs and its focus to accommodate an increased law enforcement and litigation workload. Accordingly, the FY 2008 budget provides $21.6 million to expand the FBI's DNA collection and indexing programs based on the requirements specified in the DNA Fingerprint Act of 2005 and the Adam Walsh Child Protection and Safety Act of 2006.

DOJ legal activities also align with top Administration priorities, and the FY 2008 budget provides $5.2 million for the Tax Division to enhance "Operation Continued Follow-Through," which is a tax law enforcement initiative that supports the President's focus on reducing tax fraud. In total, the FY 2008 budget provides $33 million in program increases for the Department of Justice's federal law enforcement efforts.

MANAGEMENT AND INFORMATION TECHNOLOGY

The Department of Justice relies on innovative management practices and information technology systems to ensure that resources are used efficiently and effectively in support of key national security and law enforcement activities. The Department continues to evaluate its programs and operations with the goals of achieving both component-specific and departmental economies of scale, increased efficiencies, and cost savings/offsets to permit funding for critical law enforcement initiatives.

The FY 2008 President's budget advances these goals by ensuring an interoperable environment within the Department, and by forging information-sharing mechanisms with other law enforcement and homeland security partners. As the Department's primary member of the Intelligence Community (IC), the FBI requires the ability to contribute to and benefit from the multi-agency pool of knowledge that the IC generates. The FY 2008 budget provides $47.5 million to advance the FBI's data intake, information sharing, and IT project management mechanisms, as well as $11.5 million to improve the organization's data storage and work facilities.

Additionally, the FY 2008 President's budget provides $514,000 to improve Interpol's law enforcement information-sharing capabilities with its key state and local partners, as well as with the FBI, the Department of Defense, and the National Law Enforcement Telecommunications System. The budget provides $74.5 million in new management and information technology (IT) program increases and $58.6 million in IT improvements across DOJ components and programs, for a total of $133.2 million in IT program increases.

STATE AND LOCAL ASSISTANCE

DOJ's FY 2008 budget contains over $1.234 billion in discretionary grant assistance to state, local, and tribal governments, and creates four new competitive grant programs. These programs will address the violent crime problem that communities face, and will provide states, localities, and tribes with considerable flexibility

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to address their most critical needs. Consolidation of the grant programs will also allow the Department to respond in a more targeted way to local up-ticks in the crime rate. The four grant categories and their amounts are:

- Violent Crime Reduction Partnership Initiatives: $200 million to help state, local, and tribal law enforcement agencies form partnership with federal law enforcement agencies to combat violent crime.

- Byrne Public Safety and Protection Program: $350 million to assist state, local, and tribal governments with their highest-priority concerns, such as violent and drug-related crime and Presidential priorities, such as DNA backlog reduction and offender re-entry programs.

- Child Safety and Juvenile Justice Program: $280 million to consolidate existing juvenile justice and exploited children programs, and to assist state, local, and tribal governments with targeted efforts.

- Violence Against Women Grants Program: $370 million help state, local, and tribal governments address multiple domestic violence needs.

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From: USDOJ- Office of Public Affairs
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Subject: TRANSCRIPT OF PRESS BRIEFING ON PRESIDENT'S FY 2008 BUDGET REQUEST FOR THE DEPARTMENT OF JUSTICE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 5, 2007
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TRANSCRIPT OF PRESS BRIEFING ON PRESIDENT'S FY 2008 BUDGET REQUEST FOR THE DEPARTMENT OF JUSTICE

WASHINGTON, D.C.

2:33 P.M. EST

MR. MOSCHELLA: All right. Thank you all for coming. I apologize that we're getting started a couple minutes late. I'm Will Moschella. I'm the principal associate deputy attorney general.

Oh, were you going to do the introductions? You go ahead.

MR. ABLIN: Real quick. Okay, it's no problem.

Good afternoon. Welcome to the Department of Justice. My name is Eric Ablin. I'm from the Office of Public Affairs. Obviously today we're providing the President's request on the fiscal year 2008 budget briefing.

As Will has already told you, this is our principal associate deputy attorney general Will Moschella. We have Jolene Lauria-Sullens, our deputy assistant attorney general and controller and Lee Lofthus, our assistant attorney general for administration.

In terms of ground rules today, this is an on-the-record pen and pad. Should you have any questions following -- in coming days, following the briefing, you're more than welcome to give me a call. Call the Public Affairs line at (202) 514-2007. But today is an on-the-record briefing. It's a pen and pad. No cameras allowed. Audio recordings are allowed, but you may not use those for broadcast purposes. You're more than welcome to attribute these three individuals.

And then you should have some materials on your chair that should help facilitate the discussion today. Again, if there are any questions following the briefing, tomorrow, in the coming days, feel free to give us a call.

And with that I will turn it over to Will Moschella.

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MR. MOSCHELLA: Great. Thank you very much. We'll spend about 15 or so minutes going through the 10 or 11 slides that I think you have, and then you've got plenty of reading material, background material that gets into a lot more depth. And both Jolene and Lee, who work on these numbers day in and day out can really help us through those numbers.

The big number for our budget is $21.8 billion. And as you've all heard the Attorney General -- it really focuses on our big priorities, counter-terrorism and counter-intelligence, obviously, at the top of the list. It continues to be this department's number one priority, particularly with the reorganization of the FBI and then most recently the creation of the National Security Division, which was authorized in the Patriot Act. Those continue to be at the top of our agenda for the next fiscal year.

Violent crime is very, very important. We've seen some preliminary numbers from the Uniform Crime Report. Some areas of the country, crime, violent crime, has gone down. Some areas of the country, it has gone up. But we continue to want to make an impact in this area.

The Attorney General has traveled around the country, testified on the Hill with regard to the scourge of child predators. We held a conference several months ago and brought hundreds of law enforcement professionals from around the country who are our partners in the battle against child predators, and that continues to be a high priority.

And then finally drugs and our borders, I recently was in El Paso to see the problems created by that situation and this budget recognizes those problems, particularly the drugs and violence on our southern border and addresses those issues.

Lee is going to walk us through the next several slides to give you a big picture about where this budge has been and where it's going. Then I'm going to pick up again and give a little bit more granularity to those priorities.

MR. LOFTHUS: Thanks a lot, Will.

Good afternoon everybody. Thank you for coming out.

I think the best place to start is to give you some context for the DOJ budget. So if you want to take a look at the vertical bar chart on the screen and on your monitors and in your packets, this chart shows you the growth over time since 2001 in the Department of Justice discretionary budget. And it culminates at the right with the $21.8 billion discretionary budget for Justice in 2008.

The $21.8 billion demonstrates our continued emphasis on our counter-terrorism, our national security, our law enforcement missions, and at $21.8 billion, we're supporting over 104,000 DOJ staff to carry out those missions.

I'd also like to point out one thing that's sometimes overlooked. In addition to carrying out our mission at $21.8 billion, we put this mission together with a commitment for both fiscal responsibility and for performance accountability. So that's something to keep in mind as you look at the bar chart and the $21.8 billion.

The next chart really looks at a high level what makes up the Department of Justice budget. And the first number I'd like you to focus on is the adjustments to base, the second line there. And the adjustments to base are important because that's the number that keeps our core programs sound, and that's a billion dollars.

These dollars on the chart here are in millions, so when you see the $1.022, that's just over a billion dollars, and that billion dollars in adjustments to base pays for increases for the payroll here, rent and other costs of living and inflationary increases during the year. And again, that's an important number to us. It keeps our core programs and operations sound.

If you drop down two lines, you'll see $1.774. That's $1.774 billion, just under $1.8 billion, and those are in program funding increases or what we call enhancements. Those increases are again to our priority programs in Justice, counter-terrorism, national security, violent crime and other key programs here, programs that Will and Jolene will talk about in detail later in this presentation.

You'll also see program reductions on this slide. You'll see the $2.4 billion in program reductions. Again the Department's effort here is to spend our money wisely and redirect money where we can to our priority programs. That number is mainly grants, and it's related to grants that are in programs that the administration normally does not request. So I just want to point that out to you.

If you drop down to the bottom you'll see score-keeping offsets $1.6 billion. Those are basically the attempt at Justice to utilize excess balances and existing accounts in order to fund our programs without requesting new dollars. And those in this case are rescissions from the crime victims fund, excess balances, the working capital fund and the asset forfeiture programs.

The total of all this results in a budget of $20.1 billion down at the bottom of this chart. I'm pointing this out as distinct from the $21.8 billion we're quoting here in this presentation because you may see that number quoted in some of the President's rollout materials from OMB, and I just want you to understand the distinction between the two numbers that could get quoted. The $21.8 billion is our total discretionary budget. The $20.1 billion number you'll see is after the offsets, the $1.6 billion in score-keeping offsets.

The pie chart here really just shows you where the budget goes in the Department of Justice by component. The most significant thing, I think, to take away from this chart is, you'll notice that the Federal Bureau of Investigation, the FBI, and the Bureau of Prisons, BOP on this chart, alone account for 55 percent of the Department of Justice funding. And again, it reflects FBI's counter-terrorism and national security growth, and it reflects BOP's growth as the inmate population grows as we enforce federal crimes.

Also I want to point out that after BOP and FBI, the drug enforcement administration and the U.S. attorney's offices are the next largest components by budget. I guess this is a good point to point out at the pie chart. If you look over to the right, you may see some acronyms that are not immediately recognizable to you. If you want to look at the slice that says OFDT, that's the Federal Detention Trustee. Below that is ICDE, that's the Inter-Agency Crime and Drug Enforcement Task Force money that we have. Below that is GLA, General Legal Activities. That's the legal divisions here in the main Justice Department, like Civil Division, Civil Rights Division, the Environment Division, National Security Division and so forth. So I just wanted you to know what those acronyms were.

And lastly, this pie chart is a similar view of the Department and its budget by positions rather than dollars. Again, you'll notice that FBI and Prisons account for the predominant piece of the pie here. It's now 66 percent of the pie based on workforce rather than dollars. And again, the United States Attorneys and the Drug Enforcement Administration are the next two largest components of the Department of Justice.

So that gives you some context for our 2008 budget request. And at this point I'd like to turn it back to Will to go give you a programmatic view of the increases we have in our budget. So Will.

MR. MOSCHELLA: Thanks, Lee.

If we could, go to the next slide, Slide Seven. We'll spend about thirty seconds on this, but this slide lays out the top line enhancements for the various priorities that you've heard the Attorney General talk about.

The next several slides, I will talk about the top four, and as I said in the introduction, your background materials will have details on judicial system support and incarceration, enforcing federal law in the courts, and the

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management and IT component enhancements.

The next slide will give you a look into our counter-terrorism and homeland security growth over the last several years, and as you all know this is where the meat of our enhancements has been targeted for the last several years, our FY08 request being $3.3 billion. But you'll see back in FY01, we were just over $1 billion.

Slide Nine, for counter-terrorism, counter-intelligence, again the top priority of the department. We are asking that Congress provide $194 million to enhance the FBI's counter-terrorism and CI programs. There will be a number of items in here, including CTCI field investigations, continuing to beef up the national security branch. As you all know, there has been a major reorganization of the FBI and the creation of the National Security Branch, and its analytical capability has been a key for Director Mueller, and the FBI continues to bring analysts into that capability.

You'll see some other things under here. The Render Safe Mission, that is basically the WMD capability at the bureau. Under presidential directive, the bureau has lead for domestic WMD response, and so part of the funding here will go to aid in responding to any WMD threat that occurs.

We're asking for $23 million for the FBI's intelligence program. Again, we can get into some of the things listed here. You may recognize some of these, including the source validation requirements and then the computer programming to go along with it to keep track of all of the source validation protocols that the bureau is looking to implement.

$6.6 million, which is 34 attorneys, for the new NSD, and in large measure one of the things the department is looking to do is beef up its oversight capabilities with regard to the entire intelligence community. The NSD itself is not a part of the intelligence community the way the FBI is and the way the DEA is, but the NSD has an oversight role under executive order to -- and there are a number of Attorney General orders that we implement and review the various components of the IC.

And then $3.3 million for the heavy caseload coming out of Gitmo.

The next slide details our enhancements for violent crime with a top number of $214 million. $200 million of that is for a new violent crime reduction partnership program. Many of you know that after the ECR numbers came out, the Attorney General asked the Deputy Attorney General to take a look at what's behind those numbers. And an effort led by the office of legal policy together with the Office of Justice programs and others went out and took a look, community by community, at what was going on in those areas. And I know some of you have been briefed about some of the things that we've seen, although that effort continues to -- we continue to look at that.

We've heard from a number of our partners, state and local partners. And we're going to be asking Congress for this $200 million to ensure that these partnerships remain strong, they're focused on key priorities, and that we are able to address violent crime in those areas that require it.

$9 million for ATF to support Project Safe Neighborhoods. This is a key initiative of the department. Just for some context, if you'll look at the last six years compared to the six years preceding, we have doubled the number of cases that we have brought in federal court under PSN. And attacking gun crime is key to our strategy in reducing violent crime across the nation.

I'll drop down a couple bullets just point out the $4 million and 30 attorneys throughout the U.S. Attorneys offices to aid in the prosecution of gangs throughout the country.

The next slide, drugs and border security, we've got just over $89 million total, and we'll want to focus you on the $47.9 million for the DEA to focus on the Southwest Border and Methamphetamine Initiative. As you know, after

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passage of the Combat Meth Act, many of the small labs are disappearing throughout the nation, particularly in the Midwest where meth is such a problem. But we continue to need to attack the problem of shipments coming in through Mexico and our southern border, and so this enhancement will go specifically to aid in that effort -- $7.5 million for the marshals to assist and manage the workload as a result of the increased enforcement on the border, and you'll see a number of the other entries here will address that; $7.4 million for U.S. Attorneys on the border; $12 million for immigration judges and BIA attorneys.

I want to make a general point about the border enforcement dollars because we get this question from, particularly members of Congress and the Interior that say, "well, what does this do for us?"

But increasing focus on drug smuggling and border enforcement aids the entire country if we can catch it at the border and hopefully keep it contained.

$14.1 million for the Civil Division's immigration litigation efforts, that's particularly the Office of Immigration Litigation. There has just been an explosion of litigation in this area. A number of you have written about it, and we continue to need attorneys in that area.

You've heard the Attorney General talk about this over and over and over again, and we can't talk about it enough because of how important it is. And building on the success on the conference that our Office of Justice Programs put on earlier this year, we want to now implement that and really take that to the field.

So we've got a total of 25, just over $25 million for this effort. $12.4 million will go to various priorities, including 2.4 for Innocent Images, which is run out of the field office in Baltimore; $9.5 million for U.S. Attorneys around the country; and four attorneys in the Criminal Division, that's a little under a million dollars to help prosecute these cases out of the child exploitation and obscenity section; $7.8 million for deputy marshals for U.S. Marshals to track down sex offenders.

As you know in the Adam Walsh Act we've got a new job to do, and the Marshals are charged with doing the lion's share, which is sex offenders who go from one jurisdiction in one state to another without reregistering is now a federal crime. The department is working with U.S. attorneys' offices on that. We'll be promulgating regulations that it will fall to the deputy marshals who do this work so very well.

And then $5 million for BOP to implement the Walsh Act, particularly the civil commitment provisions of the Walsh Act, which fall on the shoulders of Harley Lapp and the director of Bureau of Prisons.

So finally just to wrap up and then we will open it up for all your questions, this budget supports the department's highest priorities, particularly prevention of another terrorist attack.

We have funding for the Bureau of Prisons to keep pace with the rising prison population, aids in the prosecution of offenders, and the protection of our communities from violent crime, drugs, and other signification threats, and then of course, we continue to work with our state and local partners on all these problems with $1.2 billion of funding, which is almost identical to the funding we requested for state and locals in FY '07. And with that I will open it up to questions.

QUESTION: There's some pretty dramatic cuts in the state and local law enforcement program funding, and state and local law enforcement organizations have said that despite the $200 million partnership program they say, you know, it's founded on good principles but compared to, for example, the $1.6 billion that the COPS program received at its peak that this is really just a drop in the bucket, and especially as violent crime is rising in many cities, they want to know how the attorney general justifies making these deep cuts.

MR. MOSCHELLA: Well as I said, the number is exactly the same as the number, nearly identical, $1.2 billion

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to a number that we requested in the last fiscal year and is roughly similar to the proceeding years.

With regard to the COPS program, the COPS program was established with a particular mission and focus, and it achieved that mission and focus. It was never intended to last forever. We very much -- we work with our state and local counterparts everyday and you should not measure our commitment to that effort by just this figure.

For example, let's take one of many that occur on a daily basis, when you look at various Falcon initiatives that have occurred under this administration, the U.S. Marshals organizes that program and the lion's share, I think over, around 65 or 70 percent, we can get the exact number, but the lion's share of the fugitives -- are state and local fugitives and we couldn't do that without a partnership, without -- we couldn't do that without our partnership, the state and locals, and I think, quite frankly, they couldn't do that without us because of the nationwide reach that we have with the Marshals.

So and with regard to the $200 million we believe that this is important. It is not a one size fits all kind of program. This is a program that will be targeted in those areas where violent crime is a problem and quite frankly this money, as opposed to like hiring funds, will be available very, very quickly. It can go to pay for overtime. It can go for, you know, paying for other task force activities whereas hiring, you know, you have to recruit, you have to hire, you have to train, and this money will be in the system pretty quickly.

Yes, ma'am?

QUESTION: I'm curious. The department has yet to release this study out of your office on the nature and scope of the problem. How did you arrive at this figure and is this a new name that you're calling this? A new -- you said that we've been briefed on --

MR. MOSCHELLA: No, no, no this --

QUESTION: -- how do we know that this is -- but we still don't have any intent of what the Justice Department has -- what conclusions you've drawn.

MR. MOSCHELLA: -- right, we are still looking at the data but it is clear that from our visits that crime is up in areas. You know, you don't need an empirical study to know that in some places it's up, some places it's down.

We're looking at the best practices in each of those cities and the concern continues to be for us violent crime. That's why we're keeping our commitment to PSN and the resources that we're going to send to ATF and we want to make sure, you know, this funding will -- we don't know. This is a short term thing, a demographic issue that can be multiple factors. It can be geographic. There can be many reasons for it. What we do know is that, particularly in talking with our state and local partners, there are problems and they will submit applications for this money and hopefully we'll be able to address any emerging problem that is occurring now.

QUESTION: So some of like and weed and seed programs, some of these other kinds of Drug Courts, Missing Alzheimer's Program, are these things, I mean they've been zeroed out from '07 to '08, are these things that are now wrapped into the Byrne and to the violent crimes, is that basically where that money went?

MR. MOSCHELLA: Yes, the budget proposes for basically pots of money for grant programs and it will be a competition and those programs that are successful and submit to this competitive process, you know, they will continue to be funded. But you're right, there are now four pots of money for which various grantees can compete but it doesn't mean that drug courts for example will no longer be funded. Drug Courts will compete along with all these other programs.

QUESTION: What exactly is the number that said was the same from last year to this year, how do you define

what's in that number? Because when I look at it I just -- I'm trying to figure it out.

MS. LAURIA SULLENS: Well the state and locals is $1.2 billion. Last year the President's budget request asked for $1.2 billion and I was actually going to follow up on that point. The reason we say it's roughly the same is because last year's proposal proposed two things to be zeroed, earmarks in the budget of over $550 million. We do that every year, and SCAT. So when you take those two large buckets of zero out, that's what we do every year, and those are the same things that come out of this budget in '08. So the dollar level is the same and roughly when it breaks out in those four other buckets -- I hate to keep using that word "buckets" --but in those four other areas they roughly match up to, once you take ear marks out, the level of programs in last year's President's budget.

And I'll give you one example, like violence against women. It was $370 million and the DOJ request is about $370 million in this competitive program this year. So the areas roughly line up in terms of total dollars.

QUESTION: Because the International Association of Chiefs of Police thinks it's 75 percent less than it was last year.

MS. LAURIA SULLENS: It's difficult --

QUESTION: And that's based on the cuts in COPS and --

MS. LAURIA SULLENS: -- right.

QUESTION: -- they actually weren't looking at COPS. That was a separate problem they had.

QUESTION: No, I mean I've got the IACP statement and they say that we were mained concerned about the elimination or severe cutting of highly successful programs like the Justice Assistance -- and the COPS program by $1.7 billion which represents the 75 percent cut compared to FY '07.

QUESTION: Because in the appendix at the back of the main budget, it was like pages 670 to 672, there was one column for state and local law enforcement assistance. There was a separate column for COPS and the state and local law enforcement assistance totals at the bottom, you know, '06 and '07 were roughly the same and the '08 total was about 75 percent less. I just want to make sure I'm understanding it.

MS. LAURIA SULLENS: Well let me state again, from President's budget to President's budget, it's the same top line, $1.2 billion and we've created four areas and one area, and one way I would look at it, it's almost impossible to do an apples to apples comparison, even between the line items in the, you know, the detail in the '07 President's budget or the enacted.

One way to look at it is the violent crime reduction partnership program, that $200 million that we've set aside, and then the $350 million for the Byrne Public Safety protection Byrne Program. That's roughly $550 million for those two areas and last year's President's request for those areas if you do an apples to apples was 598. There were earmarks in that 598. Again, so if you kind of combine those two areas you're roughly at the same President's request level.

QUESTION: So you're saying there's no increase, absolutely -- I'm sorry, there's no decrease whatsoever? Bottom line, there's no decrease?

MS. LAURIA SULLENS: I'm not saying there's no decrease whatsoever, but in small areas and we can get back to you more of a line item analysis. I'm trying to give you sort of the big picture.

Again President's to President's request it's relatively similar. You see us zero out earmarks every year. You see us zero out SCAT every year so those are the same. What's not the same is the four bucket areas with completely flexible, competitive programs where we're now asking everything that fell under the President's request in those areas last year must now compete. And that's the primary difference between the President's request.

In many respects when we've talked about this we not only zero out earmarks in this budget, but we also take out any specific line items that had been in previous President's requests and we're asking that everybody compete so the proposals that have the highest merit, the proposals that have the most success, the proposals that are targeted towards those areas of violent crime where we see upticks will win the competition. So that's the main difference.

QUESTION: How is the '08 President's request compare with the real '07, what actually happened in '07. Is that where we're tripping up here? Is that where the disagreement is about this loss of money?

MR. MOSCHELLA: We're still waiting for the '07.

QUESTION: But '07 was essentially '06. Is the difference here that in '06 the actual number was 75 percent higher or whatever?

MS. LAURIA SULLENS: Yes, and primarily I would say those areas were in earmarks for both OJP and COPS and in the SCAT program. And there was JAG amount of a little over $400 million that we asked for zero and it was enacted in the '06 budget and carried forward into the '07 JR.

QUESTION: For what it's worth for our purposes it's not particularly helpful to talk about President's request to President's request. It's more helpful to talk about what's actually happening versus what you want to happen next year, don't you think? I mean, I understand that your priorities have remained consistent.

MS. LAURIA SULLENS: Right.

QUESTION: But even in the budget and brief if we're looking for that $1.2 billion in apples to apples comparison, we're not going to find it in here, right? I mean, I don't see anything in the OJP numbers that indicate that.

MS. LAURIA SULLENS: I think in the budget and brief it tries to show you in a table, because that's -- it lines up President's request -- it'll show you where the top line dollar for each of the areas are, of flexible grant programs. So there should be an '08 number.

QUESTION: On page 135?

MS. LAURIA SULLENS: Page 125. You should be able to track -- the only thing I caution you is again, because the President's request has been different in structure and in line items from the enacted, it's really hard to do that crosswalk.

QUESTION: Right, and I guess what I'm saying, like on page 137 the grand total for OJP, the estimate for '07 is $2.2 billion and the ask for '08 is $1.6 billion, so where are we getting 1.2 for both years?

MS. O'LEARY: The '07 column in here is the average of the House and Senate marks because we built this budget way before we had any kind of resolution. So that's how the President's budget was built. So it's not exactly the same. What Jolene was talking about was the $1.2 billion, that was the '07.

QUESTION: So in the '08 where would I find 1.2?

MS. O'LEARY: If you look at page 138, the bottom right corner.

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QUESTION: Oh, the discretionary.

MS. LAURIA SULLENS: You get it?

QUESTION: Yes, thanks.

MR. MOSCHELLA: Any other questions?

QUESTION: This, what you call an alarming rise in the number of attorneys now in the civil division who have to defend against litigation in both the Gitmo and immigration, have been able track over the last few years, can you quantify that for us just a little bit more and how many, what percentage of the civil division is now engaged is this new kind of litigation, because we know that the civil division always defends the government's programs.

MR. MOSCHELLA: We had some enhancement, for example, to OIL, the Office of Immigration Litigation, in the last year's supplemental appropriation bill. We got $9 million and we're asking for a little bit more here.

You know, one of the things that we're doing, I know the Washington Post has written a little bit about it, but we've got immigration briefs that have been farmed out to many of our components and we've got a strategy, and everybody's doing it, working on immigration briefs, U.S. Attorneys, other litigating divisions, and we are plussing up OIL, the Office of Immigration Litigation, so that they can do all of those immigration briefs. I don't have the exact number over the last several years of how many attorneys OIL has increased by but I'm sure we can get that.

QUESTION: So the civil division came to you and said we're now getting buried with these kinds of cases and we need more --

MR. MOSCHELLA: We didn't have them come to us. I mean, the immigration litigation -- there has been quite a dramatic rise in the number of briefs. The other thing is in the Second Circuit, I am not the expert on this, but in the Second Circuit the Southern District of New York used to do all of those immigration briefs, and within the last several years because of work load they couldn't continue to take that on, so OIL is taking on all of the immigration work in the Second Circuit. So in part it's a transfer because of the work in the Second Circuit.

MS. LAURIA SULLENS: So there was $9 million in the SUP but we are also asking for $14 million for civil OIL litigation in the '08 budget request and there's a paragraph on that particular increase in your fact sheets.

QUESTION: You mentioned the Guantanamo attorney -- responsibility I think you're asking for 23 new positions this budget. Can you give an overall picture of how many attorneys you have working on the civil end of that?

MR. MOSCHELLA: I don't know how many we have right now, but obviously you read about the cases every day. The Detainee Treatment Act provides for a process and appeal rights to the D.C. Circuit so there will be, anticipate there will be that work as DoD does its moves, detainees through the CCERT and ARB process. There is that right under the Detainee Treatment Act.

QUESTION: Not to harp on this law enforcement assistance but to harp on the law enforcement assistance program here, I mean, are you just talking about reprogramming all these former initiatives into, again, this $200 million violent crime reduction initiative and I guess this one other program. Is that what you're doing?

MR. MOSCHELLA: No, some of those like Drug Courts wouldn't fall into the $200 million for violent crime partnership grants.

QUESTION: But earlier somebody said that the Drug Courts would now be able to apply --

MR. MOSCHELLA: Right, they will go within one of those four areas, one of those four buckets and so they will be eligible to compete along with some of the other programs that have been funded in the past.

QUESTION: -- why do that when, say, at least the Drug Court system seems to be a very successful program and even the federal government had acknowledged that as a fairly successful initiative. Why -- what decisions went into or how did you decide to zero out these various programs?

MR. MOSCHELLA: A couple things, but one just drawing on a previous life, I worked on Capitol Hill and did some oversight and you'll be able to easily find several GAO reports that finds that some, as you say, are very, very good and some probably could be a little bit better. But the point is they're going to compete and there's -- we find merit in the idea that there will be competition for the limited resources that are available.

If we had unlimited resources and we were able to fund everything, that's one thing. But we're not and so these funds need to go to the best programs out there; the most innovative, the ones that show results, the ones that may have -- that are doing things to control overhead and the like, and so competition for these scarce resources should be viewed as a step in the right direction.

QUESTION: On a different topic, prior to today and based on the CR numbers for '07 I believe DEA and ATF were looking at potential, I think definite hiring freezes, if not some kind of furloughs in the future, and the FBI said that they had a hiring slow down.

Since there's money going into staffing for all three of those agencies, what's the situation there? Will DEA and ATF have to go to freezes or keep the freezes? Do they have to go furloughs? Will they be able to start hiring again?

MR. MOSCHELLA: I don't think that FBI and ATF are in the same situation as the DEA. The DEA is managing its workforce right now, and in part they are attriting some numbers. There are no furloughs and there won't be any furloughs, but one reduction in their budget, which was a carryover from last year's budget is part of the Joint Resolution that's pending in the Senate -- assuming the Senate enacts the Joint Resolution that was passed by the House -- downsizes the Met Ret teams.

The focus for the DEA -- these are the teams that are basically rapid response to deal with a very localized drug problem. The focus really has got to be on the large drug trafficking organizations throughout the world. And that's why ILR increase, for example, on the Southwest border is very, very important, because the focus for DEA is what DEA does best, which is the large multinational drug cartels. And that's where this budget focuses on. So this budget will reduce or will eliminate those Met Ret teams, which were on a glide path to reduction anyway.

QUESTION: Okay. So what does that mean in terms of hiring going forward?

MR. MOSCHELLA: As I said, on FBI and DEA I haven't seen any information that they're not going to be fine. On DEA I think we're going to have to take a look at --

QUESTION: FBI and ATF -- sorry, I meant FBI and --

MR. MOSCHELLA: FBI and ATF, and then I think on DEA, we're just going to have to see how things proceed over the next year or so to see how many people are retiring and the like. But I can't say that they're going to be under a furlough for all of FY08.

MS. LAURIA-SULLENS: We still don't have the Joint Resolution passed, so that's still to come, but if we were proposing in '07 and '08 to eliminate Met and Ret and I think '07 was about 150 agents. The '08 piece is 80 agents.

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DEA has to maintain a managed hiring program from now until we attrite down that program.

So that's why we're saying for -- technically DEA has to maintain a hiring freeze to get -- to eliminate the agents from that program without doing a furlough or a RIF. So there's two kinds of hiring freezes, if you will.

And first of all, the other reason we can't answer it specifically is because the Joint Resolution hasn't passed and the numbers are still a little bit at play. But if the Joint Resolution passes as is in our budget, it's likely they'll have to maintain some sort of managed hiring process in order for those programs to then attrite down as we requested.

QUESTION: But that's just for DEA, not for ATF?

MS. LAURIA-SULLENS: Yes, the other two should be okay. I haven't heard that they have to have any sort of -- I mean we got fairly good numbers in the Joint Resolution for both FBI and ATF. The hiring freeze of past was related to either not getting -- for ATF, not getting current service as their base or the imposed ATF fee, which is not reinstated, and they restored the money for that in the '07 Joint Resolution. So ATF should be okay as well.

QUESTION: A couple minor things. The National Security Division, the $6.6 million for 34 new attorneys, was there some additional cost that shows up anywhere in standing up the division or is that included -- the $6.6 million include all the costs of standing up this new division?

MR. MOSCHELLA: The Joint Resolution that's pending in the Senate, if it's enacted, will take care of -- is it 19?

MS. LAURIA-SULLENS: It's a 19 million enhancement, but we stood up the division in fiscal year '06 with a one-time reprogramming. We took two existing components and then we added about 10 million to create the front office. So that happened in '06. The '07 Joint Resolution then makes sure that money is permanent and then a little bit extra, the 19 million Will references. And then this is additional to the base. This is just the enhancement piece.

MR. MOSCHELLA: But there will be things over time, skiffed base, securer computer systems and the like that over the next several years we anticipate asking for funding. And of course OIPR is still -- I mean their workload has been increasing every year since 9/11, and so that's one new -- one component that was moved into the NSD, which continues to have growth in the number of attorneys.

QUESTION: The other thing I was wondering about was where in the overall administration budget would be a figure for the operations of the FISA court?

MS. LAURIA-SULLENS: That would be NSD, and if you --

MR. MOSCHELLA: Well, the FISA court itself -- you'd have to get that from the Federal Judiciary -- out of Justice funds.

QUESTION: Can you talk for a minute -- I see that under the FBI's line item it looks like you're asking for 50 new surveillance positions, 245 under national security. In what ways is the increase in both the NSD and the FBI's surveillance and national security capabilities -- how is that related to the termination of the Warrantless Surveillance Program? Has the ending of that program led to more work for these surveillance agents or the OIPR attorneys? Is that leading to this increase?

MR. MOSCHELLA: Oh, I don't think there's any correlation. I mean the TSP, as explained by the President last year, was operated by a different agency, not by this one.

QUESTION: -- said that's going to be operated under FISA, which is a --

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MR. MOSCHELLA: Well, it didn't say who operates it, but it was -- it will -- to the extent that what the Attorney General talked about before the Senate, which was there are FISA orders now in place that govern this type of thing -- obviously attorneys will have to continue with those orders. The actual operation of the program is a different agency.

QUESTION: Do you have a total on the number of new attorney positions in U.S. Attorneys offices? I mean I see some different chunks, but there have been obviously some big vacancy problems around the country. Is there any attempt to take care of that?

MR. LOFTHUS: The U.S. Attorney -- an overall number.

MR. MOSCHELLA: The U.S. Attorneys, we think we have a very positive budget proposal for the U.S. Attorneys this year. There's $21 million in program increases and that funds 158 new attorney positions, and it gives the U.S. attorneys enhancements to concentrate on border crimes, gang issues and child crimes.

QUESTION: That's not necessarily related to the vacancies though. I mean the vacancies are already slots that are just sitting vacant, right? What's the problem there? Is that a budget problem or is that a different --

MR. MOSCHELLA: Well, I think it was a problem created over several years, and in part U.S. Attorneys offices are about 70 percent, 75 percent personnel costs. The rest is -- or fixed costs, rent and personnel. We haven't been getting our -- programs that have those fixed costs, when there haven't been the adjustments to base and Congress passes a bigger pay raise and doesn't fund the entire pay raise for federal employees, it's got to come out of somewhere. And so over the last several years we had about $120 million hole to fill because of that.

And quite frankly, you know, with a lot of focus in the Congress on border security, one of the problems that we have is the Department of Homeland Security, particularly CBP, Border Patrol, they've got a lot of people on the border. And as they are increasing their efforts there, we have to remind Congress, just don't look at what you're doing in that bill and -- part of the problem is that there are the different bills, the DHS bill, the Justice bill. So to really fund the DHS bill and forget about kind of the back end -- and we say, "don't forget about the back end; don't forget about prosecutors; don't forget about prisons."

And that message is slowly getting through, and we've gotten positive reaction, but it takes a little while because, you know, sometimes there is that disconnect because it's in different bills. And I think DHS has more law enforcement bodies actually than this department when you add Border Patrol and ICE. I think in total numbers of agents, they have more than we do. So their activity directly bears on the workload of the U.S. Attorneys.

QUESTION: Are most of these new attorney positions going to go down by the border or a big chunk of them?

MR. MOSCHELLA: A big chunk of them. We've got the specific number for the border, but we obviously have some for violent crime and some for crimes against children.

QUESTION: Because you're only talking about -- that's like one and a half per office on average, so it's not --

MS. LAURIA-SULLENS: Yes, and they'll look at the areas. The areas we've justified for border gangs and Project Safe Childhood, where the areas of need are for those is where they'll -- but I wanted to follow up on your point about the U.S. Attorneys and the vacant positions.

Two critical things is we got the Joint Resolution as well as the President's Budget Request. We fought hard to receive what Will kind of described in a policy way, what we call current services to fund the pay and the rent, and this budget has over $100 million in adjustments to base just to keep current the people that are on board. And the Joint Resolution also fully funded the base.

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Those two enhancements, while nobody talked about -- Lee mentioned them earlier, the adjustments to baseline, those will keep us from creating new hollow FTE. So while the enhancements are critical, the base is also critical to sustain. In previous years we didn't get a fully funded base, either we weren't able to ask for everything we needed or the Congress wasn't able to enact it and there were across the board rescissions, the $120 million that Will mentioned. That creates unfunded positions. And so over the years, they've had up to 700 unfunded positions. We're trying to turn the clock on that.

QUESTION: The $100 million refers to U.S. Attorneys?

MS. LAURIA-SULLENS: U.S. Attorneys adjustments.

MR. ABLIN: Folks, we need to wrap it up. Two more questions.

QUESTION: Tell me what your four buckets are again?

MS. LAURIA-SULLENS: The Violent Crime Reduction Partnership Program, the $200 million; Byrne Public Safety and Protection, that's $350 million. Oh -- is it behind me? Child Safety and Juvenile Justice $280 million and the Violence Against Women Grant Program, $370 million.

And in the fact sheets it has those listed out. There are also a couple other line item fundings. Like BJS and NIJ also receive funding. So if you add those up it's not exactly the total because there's a couple line items in others that are still -- still maintain their own individual lines.

QUESTION: Is there something in your budget for Weapons of Mass Destruction Directorate or -- mistaken? Weapons of Mass Destruction Directorate?

MS. LAURIA-SULLENS: In the FBI enhancement?

QUESTION: I've just been told it's there.

MS. LAURIA-SULLENS: In the counter-terrorism fact sheets, there is an enhancement for FBI's weapons of mass destruction responsibilities. I don't know about if it's titled Directorate though.

MR. LOFTHUS: It is. It is called WMD Directorate, and it's $18.9 million as an increase.

QUESTION: Is that an existing group?

MR. LOFTHUS: Well, under presidential directive, the FBI has the lead in responding to WMD attack, which could be nuclear or biological or radiological. And although there is DOD support, the FBI has primary CONUS responsibility for those responses, particularly -- they've got a team just for the national capital region.

QUESTION: That funds those personnel.

MR. ABLIN: Thank you very much. Again, if you have any questions once you get back to your desks, feel free to call the Public Affairs line, (202) 514-2007. Thanks very much.

END 3:28 P.M. EST

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System Administrator

From: System Administrator
Sent: Monday, February 05, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1179917 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, February 06, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1179918 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, February 6, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1183376 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 9:54 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 6, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, February 06, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a fraud related matter. (Lesch)

The Tax Division will issue two releases. (Miller)

EVENTS/HEARINGS

9:30 A.M. EST Deputy Attorney General Paul J. McNulty is testifying before the Senate Judiciary Committee on the topic: "Is the DOJ Politicizing the Hiring and Firing of U.S. Attorneys?"
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

1:00 P.M. EST Barry Sabin, Deputy Assistant Attorney General, Criminal Division, will testify before the House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security on H.R. 740: Preventing Harassment through Outbound Number Enforcement.
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at 202-225-3951.

NIGHT DUTY OFFICER

DOJ_NMG_ 0173645

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173646

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Image not available for this document, ID: 0.7.10316.8663-000002

Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, February 6, 2007 11:03 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/6/07 Civil Division News

Jury finds FBI retaliated against agent, awards her $565,000

Relatives sue FBI, say club sting was bungled

Collins' crash trial starts; Air collision killed WGN star, 2 others

Feds drop LDS Church from blaze suit

ACLU Renews Legal Challenge to Exclusion of Islamic Scholar From U.S. Soil

Australian PM vows to pressure US to quickly try Guantanamo Bay inmate

Havana accuses US of 'legal subterfuge' in Cuban militant case

Comment: Where's our apology for Arar detention?

NASA Loses Legal Battle Over Small Business Data

AP

February 6, 2007

Jury finds FBI retaliated against agent, awards her $565,000

MINNEAPOLIS (AP) - A jury awarded $565,000 in damages on Monday to a former FBI agent, agreeing

that Jane Turner's superiors retaliated against her for filing a sex-discrimination complaint against her supervisor.

"Today is a true vindication for whistleblowers in the FBI," Turner said after the jury returned its verdict in federal court.

Turner retired in 2003, amid the pressure of both her discrimination case and a separate dispute that arose after she accused colleagues of stealing a Tiffany crystal globe from the World Trade Center ruins.

The jury awarded her $60,000 in damages for lost wages and $505,000 for emotional distress. One of her attorneys, Robert Hill, said the judge will have to reduce the $505,000 to $300,000 because of a statutory cap on nonmonetary damages, so she'll get $360,000.

Still, Hill said, it's believed to be the largest jury verdict for retaliation in the history of the FBI.

Members of the six-woman, four-man jury expressed strong admiration for Turner afterward. Several gathered around and embraced her. Some had tears in their eyes.

"I just want to tell you I have nothing but the utmost respect for you," juror Renee Anderle said.

Deliberations took a half-day Thursday, all day Friday and half the day Monday.

The defense team's jury consultant, Nikki Carlson, said it was clear that the jury didn't buy the government's defense, which attacked Turner's credibility and job performance. She said one juror told her that the two jurors seated either side of her wrote "LIAR" on their notepads and stopped taking notes when one of Turner's superiors was testifying.

Spokespeople for the FBI and U.S. attorney's office did not immediately return phone calls seeking comment.

Over her 25-year FBI career, Turner was credited with solving some horrifying child-sex abuse and murder cases on North Dakota Indian reservations. She also helped capture Christopher Boyce, a Soviet spy portrayed in the 1985 movie "The Falcon and the Snowman."

Records show Turner was rated superior or exceptional in her job reviews until she filed a sex discrimination complaint against her supervisor, Craig Welken.

Turner said Monday that her initial Equal Employment Opportunity complaint was relatively minor. She recalled that it alleged female agents in the FBI's Minneapolis division, which covers Minnesota and the Dakotas, were being given lower ratings that male agents, and that she herself was not getting equal respect, among other things.

That case was separate from one still pending before the Justice Department's Office of Inspector General. She noticed a Tiffany globe paperweight on a secretary's desk in the Minneapolis FBI office and, after learning it came from Ground Zero, reported it to the inspector general. The FBI then began moves to fire her.

That case had been on hold pending a resolution of this case, Turner said, and she hopes the inspector general takes note that her jury didn't believe the government's claims.

Turner said the FBI's treatment of her had had a "chilling effect" on other agents, and that she'd received several congratulatory calls Monday from current FBI employees, after eight years of getting little support from her colleagues.

"I guess they maybe had a sense that it was OK to poke their heads up and say they did support me," she said.

END

Bergen County, NJ, Record

February 6, 2007

Relatives sue FBI, say club sting was bungled

By DOUGLASS CROUSE
STAFF WRITER

Relatives of three of the four people gunned down in a Paterson after-hours club sued the federal government Monday, claiming the deaths resulted from a bungled FBI sting operation.

Three men and a woman were massacred inside the illegal gambling club during an early-morning robbery Dec. 14, 2005.

"The FBI violated their own policies on undercover cases: to make sure that the safety of unrelated civilians is not in jeopardy," said the families' attorney, Rosemarie Arnold. "You have a virtual casino operating in a known dangerous neighborhood without any security. That to me is an invitation to robbery."

Four co-defendants are now behind bars, with the Passaic County Prosecutor's Office preparing a death penalty case against the alleged gunman.

FBI officials have declined comment and did not return a call Monday.

Based on police files, the lawsuit says the FBI set up the sting four months before the shootings to investigate drugs and arms trafficking by the Latin Kings gang. It claims the agency paid a former convict $3,500 a month to run the business -- known as Kings Court -- atop a warehouse on Railroad Avenue, but failed to properly train or supervise him.

The nine-count complaint filed in federal court in Newark names as defendants the U.S. government, three FBI agents and the four criminal defendants.

The victims' relatives say they hunger for accountability.

"I'm left wondering: Does the FBI realize what actions they set in motion when they opened this place?" said the sister of victim Tara Woods of West Paterson. "Somebody messed up and they have to be held accountable."

She asked that her name not be published for safety concerns.

Law enforcement sources say the club manager was a federal informant, and he had opened the club on the night of the shootings without notifying the FBI.

But the sister of Woods, a 29-year-old mother of two, isn't satisfied by that account.

"We want to know exactly what happened and why," she said. "This has devastated us. And that's one family. Multiply that effect by four."

Carmen Suarez of Paterson, who lived for 20 years with victim Ralph Hernandez, 53, said, "I want the people responsible for his death to pay."

Relatives of Jesus Antonio Gonzales, 31, also of Paterson, also are plaintiffs but could not be reached. The fourth victim was Johnny Melendez, 39, of Newark.

Investigators say the conspirators had envisioned an in-and-out robbery that would never get reported to police. Instead, they say, gunman David Baylor of Passaic snapped and shot the cowering victims point-blank.

"However solidified the [robbery] plan had been, at that point it went out the window," said John Latoracca, chief assistant prosecutor for Passaic County. "Baylor had effectively elevated the stakes a thousand times."

After the shootings, rumors spread quickly about FBI involvement in the illegal club.

Latoracca confirmed the club was the "subject of an undercover operation by the FBI." He was not aware of any armed guards, but said patrons were "wanded."

Baylor's death-penalty trial is tentatively set for September.

Baylor's attorney, Harley Breite, has attacked some of the state's witnesses as "people with lengthy criminal records."

"Is that the type of credible testimony we can rely upon to send somebody to death?" he said.

Baylor's co-defendants are Reginald "Khaddafi" Barris of Clifton; Beatriz Hernandez, 24, address unavailable, and Hamid Shabazz, 30, of Passaic.

All four have been indicted on felony murder, robbery and weapons charges.

Baylor, 27, and Barris, 25, are in the county jail in lieu of $5 million bail each. Shabazz is in prison for an unrelated robbery, and Hernandez is in undisclosed custody.

END

CHICAGO TRIBUNE

February 6, 2007

Collins' crash trial starts; Air collision killed WGN star, 2 others

Matt O'Connor, Tribune staff reporter.

Nearly seven years to the day after a midair collision killed WGN radio personality Bob Collins and two others, a trial opened in federal court Monday to decide who was at fault for the crash of the two small aircraft.

Government lawyers laid the blame on Collins, while attorneys for the three victims said the collision was caused by an air traffic controller and was ultimately the responsibility of the Federal Aviation Administration.

Collins, 57, had been Chicago's top-ranked morning-radio personality for 14 years when his Moravan Z242L struck a Cessna 172P as the two aircraft approached the Waukegan Regional Airport on the hazy afternoon of Feb. 8, 2000.

Collins' plane crashed onto the roof of the Midwestern Regional Medical Center, killing him and passenger Herman Luscher, 58. The Cessna's pilot, Sharon Hock, 31, a flight attendant who was on her second solo flight, died when her plane crashed on a Zion street.

No one on the ground was injured, but the hospital sustained $28 million in property damage and lost

business.

The bench trial before U.S. District Judge John Darrah, expected to last about two weeks, opened with the federal government as the lone defendant after Midwest Air Traffic Control Inc., which operates the Waukegan airport's tower, admitted liability Monday.

But lawyers for survivors of the three victims, including Collins' widow, Christine, contend the FAA controlled the Waukegan airport's operations and bears the responsibility for the collision.

In opening remarks, attorney Kevin Durkin, who represents Collins' estate, said air traffic controller Gregory Fowler failed to properly sequence the planes on their approach to the airfield and made other errors.

For years, Durkin said, the Waukegan airfield was mistakenly left off an FAA list of airports that qualified for radar.

The FAA had radar installed in the Waukegan tower after the collision because of political pressure following Collins' death, Durkin said. Another factor, he said: After the crash, Bulls great Michael Jordan wouldn't fly into Waukegan in his personal jet without the airfield equipped with radar.

Robert Clifford, another Collins attorney, said an economic expert hired by the plaintiffs estimates Collins would have earned more than $20 million if he hadn't perished in the crash. He disputed that Collins had planned to retire when his five-year contract was to expire 2004.

"Next to the Cubs, Bob personified WGN and was the heart and soul of WGN," Clifford said.

WGN is owned by Tribune Co., which also owns the Chicago Tribune.

Jill Dahlmann Rosa, a Justice Department lawyer, said Collins set up the collision by misreporting his location to the tower, misleading Hock and the air traffic controller.

Collins' conduct "fell below the standard of care of a reasonable pilot," she said.

Rosa also maintained that Collins failed to report his diabetes to the FAA and that it "impaired his ability to see and evaluate the threat and react accordingly."

Rosa scoffed at the lack of radar playing a part in the collision, saying the Waukegan airfield has low levels of activity and that thousands of small airports operate even without air traffic controllers.

"We are not talking about O'Hare [International Airport]," she said.

Furthermore, Rosa said, the FAA shouldn't be held negligent for not adding radar at Waukegan because not every tower can be upgraded.

END

Salt Lake Tribune

February 6, 2007

Feds drop LDS Church from blaze suit

By Russ Rizzo

The U.S. Attorney's Office has dropped the Mormon Church as a defendant in a civil suit against the Boy Scouts of America over a 2002 wildfire in the Uinta Mountains.

The attorney's office sued the Boy Scouts and its Great Salt Lake Council in 2004 to recoup money spent fighting the fire, which began near the East Fork of the Bear

River Scout Reservation and blackened nearly 14,000 acres. The government seeks to recover $14 million.

The Boy Scouts said boys set fires to earn wilderness survival merit badges but put them out properly, according to court documents. The organization says others could be responsible for the blaze.

The Church Jesus Christ of Latter-Day Saints was listed as a defendant in the case because it sponsors the Boy Scout troop blamed for the fire, U.S. Attorney for Utah Brett Tolman said.

The Boy Scouts agreed to take full responsibility for damages of the fire if it loses the case and will not attempt to put fault on any sponsoring organization, according to the agreement.

"Nobody wants to go after the Boy Scouts," said Tolman, an Eagle Scout himself and father of a Cub Scout. "They are a great organization, but unfortunately, responsibility sometimes lies with great organizations."

A trial is set for March 5, though the parties have been in discussions for a possible settlement, Tolman said.

The lawyer representing the Boy Scouts, Robert Wallace, could not be reached for comment.

END

Chronicle of Higher Education

February 5, 2007

ACLU Renews Legal Challenge to Exclusion of Islamic Scholar From U.S. Soil

The American Civil Liberties Union has filed a new legal complaint challenging the federal government's continued exclusion of a prominent Swiss scholar, Tariq Ramadan, from the United States. The complaint also challenges a provision of the USA Patriot Act that, the ACLU says, authorizes the government to deny visas to foreign citizens on the basis of their political views.

The new complaint adds to a lawsuit filed in 2006 by the ACLU, which said that the government was preventing professors and others from meeting with Mr. Ramadan and from hearing constitutionally protected speech. Mr. Ramadan, a leading European expert on contemporary Islam who was profiled in Sunday's *New York Times Magazine,* had also been set to take up a teaching post at the University of Notre Dame in 2004, when his entry into the United States was barred. At the time, federal authorities invoked the Patriot Act's "ideological exclusion" provision, which applies to those who have "endorsed or espoused" terrorism, although when challenged in court, the authorities never presented evidence backing up the accusations.

Last June a federal judge ordered the government to either grant Mr. Ramadan a visa or explain why it would not do so. The court also ruled that the government could not bar non-citizens from the United States simply because of their political views. In September the State Department offered a new justification for excluding Mr. Ramadan: that he had donated about 600 euros from 1998 to 2002 to legal French and Swiss groups that provide humanitarian aid to Palestinians. In 2003 the Bush administration added the groups to a blacklist because they allegedly provided "material support" to Hamas.

In the amended complaint, which was filed late Friday, the ACLU argues that the donations were not a basis for inadmissibility at the time they were made and the current material-support provision cannot be applied retroactively.

END

AP Alert - Business

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February 6, 2007

AP

February 7, 2007

Australian PM vows to pressure US to quickly try Guantanamo Bay inmate

By ROD McGUIRK

Associated Press Writer

CANBERRA, Australia_Prime Minister John Howard vowed to pressure the United States to ensure that the lone Australian terror suspect held at the U.S. Navy base at Guantanamo Bay, Cuba, be tried quickly.

But a senior U.S. State Department lawyer said Tuesday it was too earlier to say whether David Hicks' trial before a military commission would be under way within a year.

"It is too early to speculate as to what might be possible," Sandra Hodgkinson, deputy in the department's Office of War Crimes Issues, told reporters in Canberra in a video-link briefing from Washington.

Hicks is one of three high-profile prisoners at Guantanamo who were selected last week to become the first suspects at Guantanamo tried by military commissions for alleged terrorist crimes.

He will be charged with attempted murder in violation of the law of war and providing material support for terrorism.

The charges must still be approved by the U.S. Department of Defense legal adviser and another official who oversees the tribunals.

Hodgkinson said that process could take more than a month.

Howard is under mounting political pressure to bring Hicks home because he has already spent five years at Guantanamo without being put on trial or convicted of any offense.

Protests against Hicks' incarceration are planned outside Parliament House Tuesday which is Parliament's first sitting day of an election year.

"I want Hicks brought to trial before the commission as quickly as possible," Howard told Australian

Broadcasting Corp. television last Monday.

"I'm very unhappy with the length of time it has taken and we will be harassing the Americans from now on at every point to ensure that the deadlines that are set under the new legislation are met," Howard added.

Hodgkinson said the charges are unlikely to be formally approved before the mid-February deadline Howard set. That process was likely to take more than a month, she said.

From then, Hicks must be formally arraigned within 30 days. A military commission to hear the charges must then be constituted within 120 days.

"Obviously there will be motions raised by Hicks' defense counsel, there will be litigation that has to go back and forth before the judge," Hodgkinson said, adding she could not speculate how long the trial would take.

State Department legal adviser John Bellinger III said the government was anxious that the trials start as soon as possible.

"It has been frustrating for us that we have not been able, five years later, to move forward with these trials," Bellinger said from Washington in the same video-link briefing.

"It would be surprising to me if it were a lengthy period of time before we can start with the first trails," he added.

Hicks' Australian lawyer David McLeod, who visited his client in Guantanamo last week, said the defense team could need seven months to prepare his case against the new charges because of difficulties in traveling to Cuba.

"Guantanamo Bay is really at the end of the earth," McLeod told ABC radio.

Hicks, a former kangaroo skinner who converted to Islam, was captured in Afghanistan by the Northern Alliance during the U.S.-led invasion in December 2001. He allegedly fought for the Taliban and was originally charged with attempted murder, conspiracy to commit war crimes and aiding the enemy.

The U.S. Supreme Court last June halted the military tribunals for Guantanamo detainees, saying that their rules violated U.S. and international laws.

Congress then passed a new law authorizing military commissions, and the military then drafted a new set of rules for the trials.

Nearly half the members of Australia's Parliament signed a letter to the U.S. Congress last week appealing for help repatriating Hicks.

END

AP**Error! Hyperlink reference not valid.** February 6, 2007

Havana accuses US of 'legal subterfuge' in Cuban militant case

HAVANA In Cuba, the Foreign Ministry today accused the U-S government of "legal subterfuge" in the case of a Cuban-born foe of Fidel Castro being held in the United States on immigration charges.

In a communique, the ministry criticized the U-S government for not filing terrorism charges against Luis Posada Carriles, who Cuba accuses of masterminding a 1976 airliner bombing that killed 73 people.

One day before their deadline to justify Posada's continued detention, U-S immigration officials on Wednesday asked a federal judge to toss out Posada's bid to be set free pending his deportation from the United States.

The 78-year-old Posada is being held without bond at the Otero County jail in New Mexico, near El Paso, Texas, where his immigration hearings have been held. He has been indicted on charges he made several false statement about how he entered the United States.

The Cuban and Venezuelan governments want Posada sent to Venezuela to stand trial on charges that he was in Caracas when he planned the Cuban jetliner bombing. Posada has denied wrongdoing in the bombing. He pleaded not guilty in the current immigration case.

END

Sacramento Bee

February 6, 2007

Comment: Where's our apology for Arar detention?

By Robyn Blumner

"On behalf of the United States, I wish to apologize to you and your family," President Bush told Maher Arar in a televised news conference, during which the president announced that the United States was also giving Arar $8.9 million in compensation for our role in sending the Canadian to a Syrian prison where he was tortured.

OK, now it's time to wake up from a dream.

This scene happened all right, not in the United States but in Canada, and the nobly contrite politician was Canadian Prime Minister Stephen Harper, not our own Decider-in-Chief.

Arar's ordeal is well known. The software engineer was detained during a stopover at New York's John F. Kennedy Airport in 2002. After being subject to days of interrogation in the United States, the Syrian-born Canadian was sent to Syria under the American program of extraordinary rendition. He spent 10 months in a cell the size of a grave and was tortured into signing a false confession that he was associated with terrorists and had trained in Afghanistan -- a place he had never visited. He was eventually released without charge.

Since Arar's return to Canada, our neighbor to the north committed itself to investigating its role in this outrage. A two-year inquiry by Justice Dennis O'Connor concluded that there was no evidence linking Arar to terrorism, and that the Royal Canadian Mounted Police were demonstrably wrong when they informed U.S. border agents that Arar was suspected of Islamic extremism. The head of the RCMP resigned over the incident.

Canada has now issued a very public apology, coming straight from its national leader, and the nation will compensate Arar for its hand in his terrifying ordeal. Harper has also promised increased oversight of Canada's intelligence agencies "to lessen the likelihood that something like this will ever happen again."

Arar responded to the prime minister's gesture by declaring, "I feel proud as a Canadian."

Before Bush came to the White House I would have expected our own government to act in a very similar manner: a public apology, the rolling of heads, a promise to exert tighter controls and due compensation to the victim.

Instead, we've responded to Arar by keeping him, his wife and his children on a government watch list so that they cannot travel in or over our country or its territories. We have stymied his lawsuit against the United States for abducting and deporting him, claiming that to allow it to go forward would jeopardize state secrets. And, perhaps most galling, even though it is an open secret that we send people to other countries for interrogation where they are sure to be tortured, we continue to claim that our actions are consistent with the Convention Against Torture -- a treaty that explicitly bars such conduct.

The contrast between the model of responsible and responsive governance in Canada and the sniveling, defensive, fabulizing posture of the White House and Justice Department on this matter of national character is the answer to the question: Why does the rest of the world hate us? The Arar case is the perfect storm of Bush administration arrogance, dishonesty and incompetence coalescing with its utter disregard for the principles of due process and human rights that once were the foundation of our republic.

Attorney General Alberto Gonzales and Homeland Security Secretary Michael Chertoff claim there is reason to keep Arar on a watch list. But when Canada's minister of public safety, Stockwell Day, examined Arar's confidential U.S. files he announced that there was "nothing new" to justify any suspicion.

Arar is a terrorist the same way our Iraq adventure is full of "enormous successes," as the vice president recently declared. When reality doesn't fit the script, Team Bush ignores it.

Some of our nation's more responsible political leaders have tried to act more Canada-like. Rep. Edward Markey, D-Mass., has called on the White House to "admit publicly that it was cruel to detain and transfer" Arar for torture.

And it was a moment of national pride when Senate Judiciary Chairman Patrick Leahy, D-Vt., publicly called Gonzales on the carpet at a Senate Judiciary Committee hearing for claiming that assurances were given by Syria that Arar wouldn't be tortured.

"We knew damn well if he went to Canada he wouldn't be tortured," Leahy declared loudly. "He'd be held. He'd be investigated.

"We also knew damn well, if he went to Syria, he'd be tortured."

Gonzales could only reiterate the bald-faced lie that the United States tries to meet its anti-torture treaty obligations. How lame.

When Canada is better at demonstrating American values than we are, it's time our government took a refresher in Civics 101.

END

American Small Business League

February 5, 2007

NASA Loses Legal Battle Over Small Business Data

The National Aeronautics and Space Administration has lost an 18-month legal battle with

California-based American Small Business League, forcing NASA to provide detailed information that proved the agency had exaggerated its small business contracting statistics for 2002, 2003 and 2004.

The ASBL filed the suit in San Francisco federal court after NASA refused to comply with a Freedom of Information Act request as well as a second formal appeal for information that revealed billions of dollars in contracts that NASA had reported as going to small businesses actually went to many of the nation's largest defense and aerospace contractors, such as Lockheed Martin and Boeing.

Federal law mandates a minimum of 23 percent of the total value of federal contracts and subcontracts be awarded to small businesses. However, since 2003, 13 federal investigations have found federal agencies and prime contractors like NASA have allowed billions in federal small business contracts to wind up on the desks of corporate giants. Even though some of the federal investigations revealed fraud was responsible for this diversion, Congress has failed to enact any legislation to stop it.

"The SBA's own Inspector General has called this one of the biggest problems facing the nation today," said Lloyd Chapman, president of the ASBL. "Yet I don't think you can find a single piece of legislation currently being proposed by either party to stop it."

The ASBL has won a series of federal lawsuits against the Small Business Administration that proved the SBA was aware NASA and other federal agencies were diverting government small business contracts to Fortune 500 firms. In December, new SBA Administrator Steven Preston proposed a federal policy that experts agree would allow these fraudulent practices to continue until the year 2012.

Based on information obtained through its legal campaign and the Freedom of Information Act, ASBL president Lloyd Chapman estimates that over $200 million a day in federal small business contracts are actually going to the top 2 percent of firms in the United States.

"I plan to file several more federal lawsuits against the SBA, NASA, General Service Administration and the Department of Defense to uncover the blatant fraud, abuse and corruption that has been allowed to go unchecked in federal small business contracting programs," said Chapman. "This new Congress needs to realize there are 23 million small businesses in this country; they pay their taxes, they vote and they are sick and tired of being cheated. This Congress needs to come through with its promise to end fraud and corruption in government."

END

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 11:25 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE SENATE JUDICIARY COMMITTEE HEARING ON APPOINTMENTS AND RESIGNATIONS OF U.S. ATTORNEYS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 6, 2007
WWW.USDOJ.GOV

DAG
(202) 514-2007
TDD (202) 514-1888

PREPARED STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AT THE SENATE JUDICIARY COMMITTEE HEARING ON APPOINTMENTS AND RESIGNATIONS OF U.S. ATTORNEYS

WASHINGTON, D.C.

Thank you, Mr. Chairman. I appreciate the opportunity to be here this morning and attempt to clear up the misunderstandings and mispersceptions about the recent resignations of some United States Attorneys (USA), and to testify in strong opposition to S.214, a bill which would strip the Attorney General of the authority to make interim appointments to fill vacant USA positions.

As you know, I had the privilege of serving as a USA for 4 ½ years. It was the best job I ever had. That's something you hear a lot from former USAs – "Best job I ever had." In my case, Mr. Chairman, it was even better than serving as counsel on the House Crime Sub. under your leadership.

Why is being a USA such a great job? There are a variety of reasons, but I think it boils down to this. The USAs are the President's chief legal representatives in the 94 federal judicial districts. In my former district of Eastern Virginia, Supreme Court Chief Justice John Marshal was the first USA.

Being the President's chief legal representative means you are the face of the Justice Department in your district. Every police chief you support, every victim you comfort, every citizen you inspire or encourage, and, yes, every criminal who is prosecuted in your name, communicates to all of these people something significant about the priorities and values of both the President and the AG. At his innauguration, the President raises his right hand and solemnly swears to faithfully execute the office of the President of the United States. He fulfills this promise in no small measure through the men and women he appoints as USAs. If the President and the

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Attorney General want to crack down on gun criminals or go after child pornographers and pedophiles, as this President and AG have ordered federal prosecutors to do, it's the USAs who have the privilege of making such priorities a reality. That's why it's the best job a lawyer can ever have. It's an incredible honor.

And this is why, Mr. Chairman, judges should not appoint USAs, as S.214 proposes. What could be clearer Executive Branch responsibilities than the AG's authority to temporarily appoint and for the President to nominate for Senate confirmation those who will execute the President's duties of office? S.214 doesn't even allow the AG to make ANY interim appointments, contrary to the law prior to the most recent amendment.

The indisputable fact is that USAs serve at the pleasure of the President. They come and they go for lots of reasons. Of the USAs appointed in my class at the beginning of this Administration, more than half are now gone. Turnover is not unusual and it rarely causes a problem because even though the job of USA is extremely important, the greatest assets of any successful USA are the career men and women who serve as AUSAs, victim-witness coordinators, paralegals, legal assistants, and administrative personnel. Their experience and professionalism ensures smooth continuity as the USA job transitions from one person to another.

Mr. Chairman, I conclude with these three promises to this Committee and the American people on behalf of the AG and myself:

1) We never have and never will seek to remove a USA to interfere with an ongoing investigation or prosecution. Such an act is contrary to the most basic values of our system of justice, the proud legacy of the Department of Justice, and our integrity as public servants.

2) In every single case, where a USA position is vacant, the Administration is committed to filling that position with a USA who is confirmed by the Senate. The AG's appointment authority has not, and will not, be used to circumvent the confirmation process. All accusations in this regard are contrary to the clear factual record. The statistics are all laid out in my written statement.

3) Through temporary appointments and nominations for Senate confirmation, the Administration will continue to fill USA vacancies with men and women who are well qualified to assume the important duties of this office.

Mr. Chairman, I appreciate your friendship and courtesy, and I am happy to respond to the Committee's questions.

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Image not available for this document, ID: 0.7.10316.8651-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 12:01 PM
To: USDOJ- Office of Public Affairs
Subject: STATE SENATOR VINCENT FUMO INDICTED ALONG WITH THREE AIDES

Department of Justice

United States Attorney Pat Meehan
Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 6, 2007
www.usdoj.gov/usao/pae

CONTACT: Rich Manieri
PHONE: (215) 861-8200
FAX: (215) 861-8509

STATE SENATOR VINCENT FUMO INDICTED ALONG WITH THREE AIDES

PHILADELPHIA – Pennsylvania State Senator Vincent J. Fumo and three of his aides have been indicted on numerous charges of fraud, tax offenses and obstruction of justice, U.S. Attorney Pat Meehan of the Eastern District of Pennsylvania announced today. The three aides charged with Senator Fumo are Ruth Arnao, 50, of Philadelphia; Leonard P. Luchko, 50, of Collingdale, Penn.; and Mark C. Eister, 37, of Camp Hill, Penn.

According to the indictment, which supersedes an indictment of two Fumo aides returned on June 27, 2006, Senator Fumo defrauded the Senate of the Commonwealth of Pennsylvania by repeatedly and pervasively using Senate employees and contractors to serve his personal and political needs, causing a loss to the Senate substantially in excess of $1 million.

The indictment also alleges that Senator Fumo defrauded a nonprofit, tax-exempt organization, Citizens Alliance for Better Neighborhoods, which he and his aides established to improve neighborhoods in the City and County of Philadelphia. The indictment charges that Fumo, along with defendant Ruth Arnao, the executive director of Citizens Alliance from 1999 to 2005, persistently used funds and employees of Citizens Alliance for their personal and political benefit. This fraud on Citizens Alliance caused a loss substantially in excess of $1 million.

Senator Fumo is also charged with defrauding the Independence Seaport Museum by using yachts and other property of the museum solely for his personal benefit. Senator Fumo sat on the board of directors for the Museum. The indictment alleges that this fraud caused a loss to the museum of more than $100,000. Additionally, according to the indictment, Senator Fumo, aided by Arnao and two Senate computer aides, Leonard P. Luchko and Mark C. Eister, engaged in extensive obstruction of justice, by endeavoring to destroy e-mails and other electronic evidence on Senate and Citizens Alliance computers once they learned of this federal investigation.

"In addition to using Senate employees for personal benefit, Senator Fumo is charged with abusing his authority to hire Senate contractors," said U.S. Attorney Meehan. "For example, he allegedly hired with Senate

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funds a private investigator, a former police officer, to follow his ex-wife and girlfriends on dates, and to dig up dirt on political rivals."

The specific charges in indictment are as follows:

Vincent J. Fumo, 63, of Philadelphia, is charged with two counts of conspiracy to commit mail and wire fraud; one count of conspiracy to defraud the United States; one count of conspiracy to obstruct justice; 60 counts of mail fraud; 41 counts of wire fraud; 32 counts of obstruction of justice; and two counts of aiding and assisting the filing of a false tax return.

Ruth Arnao is charged with one count of conspiracy to commit mail and wire fraud; one count of conspiracy to defraud the United States; one count of conspiracy to obstruct justice; 25 counts of mail fraud; eight counts of wire fraud; seven counts of obstruction of justice; and two counts of filing a false tax return.

Leonard P. Luchko is charged with one count of conspiracy to obstruct justice and 28 counts of obstruction of justice.

Mark C. Eister is charged with one count of conspiracy to obstruct justice and four counts of obstruction of justice.

This case was investigated by the FBI and the Internal Revenue Service, Criminal Investigation Division. It has been assigned for prosecution to Assistant U.S. Attorneys John J. Pease and Robert A. Zauzmer.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 12:30 PM
To: USDOJ- Office of Public Affairs
Subject: THREE VETCO INTERNATIONAL LTD. SUBSIDIARIES PLEAD GUILTY TO FOREIGN BRIBERY AND AGREE TO PAY $26 MILLION IN CRIMINAL FINES

Department of Justice

FOR IMMEDIATE RELEASE

CRM

TUESDAY, FEBRUARY 6, 2007 (202)

514-2008

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514-1888

THREE VETCO INTERNATIONAL LTD. SUBSIDIARIES PLEAD GUILTY TO FOREIGN BRIBERY AND AGREE TO PAY $26 MILLION IN CRIMINAL FINES

Separate Subsidiary Enters Into A Deferred Prosecution Agreement Following Cooperation With Justice Department

WASHINGTON – Vetco Gray Controls Inc., Vetco Gray Controls Ltd., and Vetco Gray UK Ltd., wholly owned subsidiaries of Vetco International Ltd., have pleaded guilty to violating the anti-bribery provisions of the Foreign Corrupt Practices Act, or FCPA, Deputy Attorney General Paul J. McNulty announced today.

At a hearing today before U.S. District Judge Lynn N. Hughes in the Southern District of Texas, the companies pleaded guilty to violations of the anti-bribery provisions of the FCPA, as well as conspiracy to violate the FCPA. Additionally, Aibel Group Ltd., another wholly owned subsidiary of Vetco International, simultaneously entered into a deferred prosecution agreement with the Justice Department regarding the same underlying conduct. As part of the plea and deferred prosecution agreements, it was agreed that Vetco Gray Controls Inc., Vetco Gray Controls Ltd., and Vetco Gray UK Ltd. would pay criminal fines of $6 million, $8 million, and $12 million, respectively, for a total of $26 million. This total fine amount represents the largest criminal fine to date in a FCPA prosecution by the Justice Department.

In the charging and plea documents, Vetco Gray Controls Inc., Vetco Gray Controls Ltd., and Vetco Gray UK Ltd. admitted that they violated and conspired to violate the FCPA in connection with the payment of approximately $2.1 million in corrupt payments over approximately a two-year period to Nigerian government officials. These corrupt payments were paid through a major international freight forwarding and customs clearance company to employees of the Nigerian Customs Service, and coordinated largely through Vetco Gray Controls Inc.'s offices in Houston. Additionally, Aibel Group Ltd. agreed in its deferred prosecution agreement to accept responsibility for similar conduct by its employees.

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As the charging and plea documents reflect, beginning in February 2001, Vetco Gray UK began providing engineering and procurement services and subsea construction equipment for Nigeria's first deepwater oil drilling project, the Bonga Project. Several Vetco Gray UK affiliates, including Aibel Group Ltd., Vetco Gray Controls Inc., and Vetco Gray Controls Ltd., supplied Vetco Gray UK with employees and manufacturing equipment for the project. From at least September 2002 to at least April 2005, each of the defendants engaged the services of a major international freight forwarding and customs clearing company and, collectively, authorized that agent to make at least 378 corrupt payments totaling approximately $2.1 million to Nigerian Customs Service officials to induce those officials to provide the defendants with preferential treatment during the customs process.

"This case represents the largest criminal penalty the Department of Justice has ever sought in a Foreign Corrupt Practices case and confirms our commitment to root out corruption," said Deputy Attorney General McNulty. "The Department of Justice will continue its efforts to assure a level playing field for businesses operating abroad."

This is the second time since July 2004 Vetco Gray UK has pled guilty to violating the FCPA. On July 6, 2004, Vetco Gray UK, previously named ABB Vetco Gray UK Ltd., and an affiliated company pleaded guilty to violating the antibribery provision of the FCPA in connection with the payment of more than $1 million in bribes to officials of NAPIMS, a Nigerian government agency that evaluates and approves potential bidders for contract work on oil exploration projects. ABB Vetco Gray UK Ltd. was renamed Vetco Gray UK Ltd. following an acquisition by a group of private equity entities of the upstream oil and gas businesses and assets of its parent corporation, ABB Handels-und Verwaltungs AG ("ABB"). The July 12, 2004 acquisition included the sale of Vetco Gray UK and the predecessors to the two other Vetco International subsidiaries that pleaded guilty today. In anticipation of the July 12, 2004 acquisition, the private equity acquirers requested and the Justice Department issued an FCPA Opinion Release (No. 2004-02) (http://www.usdoj.gov/criminal/fraud/fcpa/o0402.htm). The Opinion Release required the acquirers to effectively institute and implement a compliance system, internal controls, training, and other procedures sufficient to have deterred and detected violations of the FCPA, among other obligations. The corrupt payments underlying today's guilty pleas continued unabated from the period prior to the acquisition until at least mid-2005, notwithstanding the acquirer's commitments to the Justice Department under the Opinion Release. The sale to new owners, the prior directives issued by the Department of Justice, and Vetco Gray UK's prior FCPA conviction were all taken into account under the U.S. Sentencing Guidelines in calculating the $12 million criminal fine against Vetco Gray UK Ltd.

The resolution of the criminal investigation of Vetco International and its subsidiaries resulted, in large part, from the actions of Vetco International in voluntarily disclosing the matter to the Justice Department and Vetco International's subsidiaries' agreement to take significant remedial steps. In addition to the criminal fines, the plea agreements also require the defendants to: (1) hire an independent monitor to oversee the creation and maintenance of a robust compliance program; (2) undertake and complete an investigation of the companies' conduct in various other countries as originally required under FCPA Opinion Release No. 2004-02; and (3) ensure that in the event that any of the companies are sold, the sale shall bind any future purchaser to the monitoring and investigating obligations.

The criminal case is being prosecuted by Deputy Chief Mark F. Mendelsohn and Trial Attorney Stacey Luck of the Fraud Section, with assistance from Assistant United States Attorney James R. Buchanan from the United States Attorney's Office for the Southern District of Texas.

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System Administrator

From:	System Administrator
Sent:	Tuesday, February 6, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1184653 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, February 06, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1184653 KB.
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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 3:00 PM
To: USDOJ- Office of Public Affairs
Subject: WRITTEN STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO THE SENATE JUDICIARY COMMITTEE FOR HEARING ON APPOINTMENTS AND RESIGNATIONS OF U.S. ATTORNEYS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 6, 2007
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DAG
(202) 514-2007
TDD (202) 514-1888

WRITTEN STATEMENT OF DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY TO THE SENATE JUDICIARY COMMITTEE FOR HEARING ON APPOINTMENTS AND RESIGNATIONS OF U.S. ATTORNEYS

WASHINGTON, D.C.

Chairman Leahy, Senator Specter, and members of the Committee, thank you for the invitation to discuss the importance of the Justice Department's United States Attorneys. As a former United States Attorney, I particularly appreciate this opportunity to address the critical role U.S. Attorneys play in enforcing our Nation's laws and carrying out the priorities of the Department of Justice.

I have often said that being a United States Attorney is one of the greatest jobs you can ever have. It is a privilege and a challenge—one that carries a great responsibility. As former Attorney General Griffin Bell said, U.S. Attorneys are "the front-line troops charged with carrying out the Executive's constitutional mandate to execute faithfully the laws in every federal judicial district." As the chief federal law-enforcement officers in their districts, U.S. Attorneys represent the Attorney General before Americans who may not otherwise have contact with the Department of Justice. They lead our efforts to protect America from terrorist attacks and fight violent crime, combat illegal drug trafficking, ensure the integrity of government and the marketplace, enforce our immigration laws, and prosecute crimes that endanger children and families—including child pornography, obscenity, and human trafficking.

U.S. Attorneys are not only prosecutors; they are government officials charged with managing and implementing the policies and priorities of the Executive Branch. United States Attorneys serve at the pleasure of the President. Like any other high-ranking officials in the Executive Branch, they may be removed for any reason or no reason. The Department of Justice—including the office of United States Attorney—was created precisely so that the government's legal business could be effectively managed and carried out through a coherent program under the supervision of the Attorney General. And unlike judges, who are supposed to act independently of those who nominate them, U.S. Attorneys are accountable to the Attorney General, and through him, to the President—the head of the Executive Branch. For these reasons, the Department is committed to having the best person possible discharging the responsibilities of that office at all times and in

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every district.

The Attorney General and I are responsible for evaluating the performance of the United States Attorneys and ensuring that they are leading their offices effectively. It should come as no surprise to anyone that, in an organization as large as the Justice Department, U.S. Attorneys are removed or asked or encouraged to resign from time to time. However, in this Administration U.S. Attorneys are never—repeat, never—removed, or asked or encouraged to resign, in an effort to retaliate against them, or interfere with, or inappropriately influence a particular investigation, criminal prosecution, or civil case. Any suggestion to the contrary is unfounded, and it irresponsibly undermines the reputation for impartiality the Department has earned over many years and on which it depends.

Turnover in the position of U.S. Attorney is not uncommon. When a presidential election results in a change of administration, every U.S. Attorney leaves and the new President nominates a successor for confirmation by the Senate. Moreover, U.S. Attorneys do not necessarily stay in place even during an administration. For example, approximately half of the U.S. Attorneys appointed at the beginning of the Bush Administration had left office by the end of 2006. Given this reality, career investigators and prosecutors exercise direct responsibility for nearly all investigations and cases handled by a U.S. Attorney's Office. While a new U.S. Attorney may articulate new priorities or emphasize different types of cases, the effect of a U.S. Attorney's departure on an existing investigation is, in fact, minimal, and that is as it should be. The career civil servants who prosecute federal criminal cases are dedicated professionals, and an effective U.S. Attorney relies on the professional judgment of those prosecutors.

The leadership of an office is more than the direction of individual cases. It involves managing limited resources, maintaining high morale in the office, and building relationships with federal, state and local law enforcement partners. When a U.S. Attorney submits his or her resignation, the Department must first determine who will serve temporarily as interim U.S. Attorney. The Department has an obligation to ensure that someone is able to carry out the important function of leading a U.S. Attorney's Office during the period when there is not a presidentially-appointed, Senate-confirmed United States Attorney. Often, the Department looks to the First Assistant U.S. Attorney or another senior manager in the office to serve as U.S. Attorney on an interim basis. When neither the First Assistant nor another senior manager in the office is able or willing to serve as interim U.S. Attorney, or when the appointment of either would not be appropriate in the circumstances, the Department has looked to other, qualified Department employees.

At no time, however, has the Administration sought to avoid the Senate confirmation process by appointing an interim U.S. Attorney and then refusing to move forward, in consultation with home-State Senators, on the selection, nomination, confirmation and appointment of a new U.S. Attorney. The appointment of U.S. Attorneys by and with the advice and consent of the Senate is unquestionably the appointment method preferred by both the Senate and the Administration.

In every single case where a vacancy occurs, the Bush Administration is committed to having a United States Attorney who is confirmed by the Senate. And the Administration's actions bear this out. Every time a vacancy has arisen, the President has either made a nomination, or the Administration is working—in consultation with home-state Senators—to select candidates for nomination. Let me be perfectly clear—at no time has the Administration sought to avoid the Senate confirmation process by appointing an interim United States Attorney and then refusing to move forward, in consultation with home-State Senators, on the selection, nomination and confirmation of a new United States Attorney. Not once.

Since January 20, 2001, 125 new U.S. Attorneys have been nominated by the President and confirmed by the Senate. On March 9, 2006, the Congress amended the Attorney General's authority to appoint interim U.S. Attorneys, and 13 vacancies have occurred since that date. This amendment has not changed our commitment to nominating candidates for Senate confirmation. In fact, the Administration has nominated a

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total of 15 individuals for Senate consideration since the appointment authority was amended, with 12 of those nominees having been confirmed to date. Of the 13 vacancies that have occurred since the time that the law was amended, the Administration has nominated candidates to fill five of these positions, has interviewed candidates for nomination for seven more positions, and is waiting to receive names to set up interviews for the final position—all in consultation with home-state Senators.

However, while that nomination process continues, the Department must have a leader in place to carry out the important work of these offices. To ensure an effective and smooth transition during U.S. Attorney vacancies, the office of the U.S. Attorney must be filled on an interim basis. To do so, the Department relies on the Vacancy Reform Act ("VRA"), 5 U.S.C. § 3345(a)(1), when the First Assistant is selected to lead the office, or the Attorney General's appointment authority in 28 U.S.C. § 546 when another Department employee is chosen. Under the VRA, the First Assistant may serve in an acting capacity for only 210 days, unless a nomination is made during that period. Under an Attorney General appointment, the interim U.S. Attorney serves until a nominee is confirmed the Senate. There is no other statutory authority for filling such a vacancy, and thus the use of the Attorney General's appointment authority, as amended last year, signals nothing other than a decision to have an interim U.S. Attorney who is not the First Assistant. It does not indicate an intention to avoid the confirmation process, as some have suggested.

No change in these statutory appointment authorities is necessary, and thus the Department of Justice strongly opposes S. 214, which would radically change the way in which U.S. Attorney vacancies are temporarily filled. S. 214 would deprive the Attorney General of the authority to appoint his chief law enforcement officials in the field when a vacancy occurs, assigning it instead to another branch of government.

As you know, before last year's amendment of 28 U.S.C. § 546, the Attorney General could appoint an interim U.S. Attorney for the first 120 days after a vacancy arose; thereafter, the district court was authorized to appoint an interim U.S. Attorney. In cases where a Senate-confirmed U.S. Attorney could not be appointed within 120 days, the limitation on the Attorney General's appointment authority resulted in recurring problems. Some district courts recognized the conflicts inherent in the appointment of an interim U.S. Attorney who would then have matters before the court—not to mention the oddity of one branch of government appointing officers of another—and simply refused to exercise the appointment authority. In those cases, the Attorney General was consequently required to make multiple successive 120-day interim appointments. Other district courts ignored the inherent conflicts and sought to appoint as interim U.S. Attorneys wholly unacceptable candidates who lacked the required clearances or appropriate qualifications.

In most cases, of course, the district court simply appointed the Attorney General's choice as interim U.S. Attorney, revealing the fact that most judges recognized the importance of appointing an interim U.S. Attorney who enjoys the confidence of the Attorney General. In other words, the most important factor in the selection of past court-appointed interim U.S. Attorneys was the Attorney General's recommendation. By foreclosing the possibility of judicial appointment of interim U.S. Attorneys unacceptable to the Administration, last year's amendment to Section 546 appropriately eliminated a procedure that created unnecessary problems without any apparent benefit.

S. 214 would not merely reverse the 2006 amendment; it would exacerbate the problems experienced under the prior version of the statute by making judicial appointment the only means of temporarily filling a vacancy—a step inconsistent with sound separation-of-powers principles. We are aware of no other agency where federal judges—members of a separate branch of government—appoint the interim staff of an agency. Such a judicial appointee would have authority for litigating the entire federal criminal and civil docket before the very district court to whom he or she was beholden for the appointment. This arrangement, at a minimum, gives rise to an appearance of potential conflict that undermines the performance or perceived performance of both the Executive and Judicial Branches. A judge may be inclined to select a U.S. Attorney who shares the judge's ideological or prosecutorial philosophy. Or a judge may select a prosecutor apt to settle cases and enter

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plea bargains, so as to preserve judicial resources. *See* Wiener, Inter-Branch Appointments After the Independent Counsel: Court Appointment of United States Attorneys, 86 Minn. L. Rev. 363, 428 (2001) (concluding that court appointment of interim U.S. Attorneys is unconstitutional).

Prosecutorial authority should be exercised by the Executive Branch in a unified manner, consistent with the application of criminal enforcement policy under the Attorney General. S. 214 would undermine the effort to achieve a unified and consistent approach to prosecutions and federal law enforcement. Court-appointed U.S. Attorneys would be at least as accountable to the chief judge of the district court as to the Attorney General, which could, in some circumstances become untenable. In no context is accountability more important to our society than on the front lines of law enforcement and the exercise of prosecutorial discretion, and the Department contends that the chief prosecutor should be accountable to the Attorney General, the President, and ultimately the people.

Finally, S. 214 seems to be aimed at solving a problem that does not exist. As noted, when a vacancy in the office of U.S. Attorney occurs, the Department typically looks first to the First Assistant or another senior manager in the office to serve as an Acting or interim U.S. Attorney. Where neither the First Assistant nor another senior manager is able or willing to serve as an Acting or interim U.S. Attorney, or where their service would not be appropriate under the circumstances, the Administration has looked to other Department employees to serve temporarily. No matter which way a U.S. Attorney is temporarily appointed, the Administration has consistently sought, and will continue to seek, to fill the vacancy—in consultation with home-State Senators—with a presidentially-nominated and Senate-confirmed nominee.

Thank you again for the opportunity to testify, and I look forward to answering the Committee's questions.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 3:45 PM
To: USDOJ- Office of Public Affairs
Subject: MANCHESTER MAN PLEADS GUILTY IN CHILD EXPLOITATION CASE

Department of Justice

United States Attorney Thomas P. Colantuono
District of New Hampshire

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 05, 2006
http://www.usdoj.gov/usao/dc

CONTACT: Linda Tomlinson
PHONE: (603) 230-2581
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MANCHESTER MAN PLEADS GUILTY IN CHILD EXPLOITATION CASE

CONCORD, Mass. - Craig Marcotte, 26, of Manchester, Mass., appeared in U.S. District Court and pleaded guilty to transporting a minor in interstate commerce with the purpose of having the child engage in illegal sexual conduct, U.S. Attorney Tom Colantuono of the District of New Hampshire announced today.

Marcotte was arrested in April 2006, when Manchester Police received information that the defendant was involved with using a computer to lure minors for sex. Further investigation by the Manchester Police Department and the FBI revealed that in March 2005, Marcotte met a 14-year-old boy from Massachusetts via his "My Space" account. Between March and June of 2005, Marcotte and the boy communicated with each other using AOL's Instant Messaging and then arranged to meet. Marcotte then drove to Massachusetts where he met the boy and brought him back to New Hampshire where they engaged in sexual activity in Marcotte's apartment.

The defendant will be sentenced on May 14, 2007. He faces a minimum of five years in prison. After serving his prison term, he will be placed on a period of federal supervised release, potentially for the rest of his life.

"Cases involving the sexual exploitation of children remain among the highest priority matters handled by the U.S. Attorney's Office for the District of New Hampshire," stated U.S. Attorney Colantuono, "This office will aggressively seek to prosecute those individuals who choose to prey on our children."

U.S. Attorney Colantuono praised the FBI and the Manchester Police Department for continuing their diligent work in bringing to justice those who would engage in such heinous victimization of children and thanked Assistant U.S. Attorney Helen White Fitzgibbon, who is prosecuting the case.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as

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well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 4:10 PM
To: USDOJ- Office of Public Affairs
Subject: MISSISSIPPI MAN SENTENCED FOR KATRINA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 6, 2007
http://www.usdoj.gov/usao/mss

CONTACT: Sheila Wilbanks
PHONE: (601) 965-4480
FAX: (601) 965-4409

MISSISSIPPI MAN SENTENCED FOR KATRINA FRAUD

GULFPORT, Miss. – Robert A. Martin of Gulfport, Miss., was sentenced to serve four months in prison and ordered to pay $2,358 in restitution to the Federal Emergency Management Agency (FEMA) for submitting a false claim for Hurricane Katrina disaster assistance funds, U.S. Attorney Dunn Lampton of the Southern District of Mississippi announced today. In November 2006, Martin pled guilty to charges that he received $5,864 from FEMA by providing a false address in Gulfport, and claiming hurricane damage at that address. At the time Hurricane Katrina hit the Mississippi Gulf Coast, Martin was in jail at the Harrison County Correctional Facility.

In September 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General for the Criminal Division, Alice S. Fisher, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 Federal and State law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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System Administrator

From: System Administrator
Sent: Tuesday, February 06, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1185345 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 06, 2007 5:06 PM
To: USDOJ- Office of Public Affairs
Subject: TWO MISSISSIPPI RESIDENTS AND ONE FLORIDA RESIDENT PLEADGUILTY TO KATRINA DEBRIS REMOVAL FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 6, 2007
www.usdoj.gov/usao/mss

CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

TWO MISSISSIPPI RESIDENTS AND ONE FLORIDA RESIDENT PLEADGUILTY TO KATRINA DEBRIS REMOVAL FRAUD

GULFPORT, Miss**.** – Allan Kitto, Clinton K. Miller and Lauren Robertson pleaded guilty in U.S. District Court to charges of conspiracy to defraud the United States through the creation and submission of false debris removal load slips in the amount of $716,677, U.S. Attorney Dunn Lampton of the Southern District of Miss. announced today.

Allan Kitto, of Dundee Fla., owned and operated J.A.K. DC&ER Inc., a debris removal contracting company working as a sub-contractor in Pearl River County, Miss. Clinton K. Miller, of Carrier Miss., and Lauren Robertson, of Picayune Miss., worked for a debris removal monitoring company operating in Pearl River County, Miss.

Robertson signed false debris load slips showing that debris was loaded onto trucks on the roadway, when Robertson was not in fact present at the loading site and, in most instances, created and signed the false load slips at her residence. The false documents indicated that certain trucks, belonging to and under the control of Kitto and identified by a certain number, were hauling loads of debris at a time when the trucks identified on the debris load slips were not in operation on the roadway or at the dump site reflected on the slips. The false slips misrepresented that loads of debris were delivered to a designated dump site in Pearl River County, Miss. In fact, no debris were delivered and dumped.

Miller collected the false load slips from his co-conspirators and submitted the documents to the debris monitoring company who would, in turn, submit the false load slips to the prime contractor for payment to Kitto. Kitto also admitted that, in an effort to conceal the conspiracy, he would deposit the funds obtained into a bank account opened in the name of one of his employees. Kitto would then write a check to an unidentified co-conspirator who would then cash the check and give the money to Kitto and Miller. Miller would then pay Robertson for completing and signing the false load slips along with an extra amount of "hush money."

DOJ_NMG_ 0173688

U. S. Attorney Lampton praised the work of the investigators in this case. “My office and federal law enforcement will continue a relentless pursuit of people who have defrauded the tax payers in the aftermath of Hurricane Katrina. We will continue to devote available resources to investigating and prosecuting both individual assistance fraud cases and, increasingly, large dollar contract fraud cases. The tax payers of this country deserve nothing less.”

The indictment in this case was a result of a joint investigation conducted by the FBI and the U.S. Department of Homeland Security. The maximum penalty for conspiracy to defraud the United States is five years in prison and a $250,000 fine. The defendants will be sentenced on May 7, 2007.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division - includes the FBI, the U. S. Inspectors General community, the U. S. Secret Service, the U. S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 Federal and State law enforcement agencies, was formed in the Southern District of Miss. to pursue and prosecute individuals who file false and fraudulent claims.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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DOJ_NMG_ 0173689

Image not available for this document, ID: 0.7.10316.8596-000001

Image not available for this document, ID: 0.7.10316.8596-000002

System Administrator

From:	System Administrator
Sent:	Tuesday, February 6, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1185399 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, February 06, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1185400 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 07, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1185401 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 07, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1188906 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 10:11 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 7, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, February 07, 2007

ATTORNEY GENERAL

4:15 P.M. GMT (2:15 P.M. EST)

Attorney General Alberto R. Gonzales will deliver a statement at the Asociación Mutual Israelita Argentina (Argentine Israeli Mutual Association).
Pasteur 633
C1028 AAM
Buenos Aires, Argentina
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007 or the U.S. Embassy in Buenos Aires at 54-11-5777-4658.

PRESS RELEASES

The Civil Rights Division will issue a release on a fair housing matter. (Magnuson)

EVENTS/HEARINGS

2:00 P.M. EST

Deputy Attorney General Paul J. McNulty will participate in a press conference on a criminal matter.
7th Floor Conference Center
Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C.
OPEN PRESS

ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Media must enter the Department at the center entrance on Constitution Avenue, between Ninth and Tenth Streets. Media wishing to cover the press conference must arrive NO LATER than 1:30 P.M. EST. Press inquiries regarding logistics should be directed to the Office of Public Affairs at (202) 514-2007.

DOJ_NMG_ 0173696

Representatives from the FBI, DEA, ATF and Marshal's Service will participate in the Los Angeles International Chief of Police Leadership Summit on Transnational Gangs held today through Friday.
Universal Hilton Hotel
Ballroom A, Lobby Level (3rd Level)
555 Universal Hollywood Drive,
Universal City, California

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173697

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Image not available for this document, ID: 0.7.10316.8481-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, February 7, 2007 10:23 AM
Subject: Fire Alarms in RFK MAIN Justice Building

Fire Alarms in MAIN Justice Building

The two fire alarm events in the MAIN Justice Building this morning occurred as a result of GSA working to repair leaking steam lines near the building. As a result of their work, steam was released in the sub-basement area of MAIN which triggered the smoke detectors, then in turn set off the fire alarms. We have currently suspended the repair work until we can conduct the repairs without setting off false alarms.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 10:34 AM
To: USDOJ- Office of Public Affairs
Subject: DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AND OTHER SENIOR OFFICIALS TO HOLD PRESS CONFERENCE ON A CRIMINAL MATTER

Department of Justice

FOR PLANNING PURPOSE ONLY
WEDNESDAY, FEBRUARY 7, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY AND OTHER SENIOR OFFICIALS TO HOLD PRESS CONFERENCE ON A CRIMINAL MATTER

WASHINGTON – Deputy Attorney General Paul J. McNulty and representatives from the Office of the Special Inspector General for Iraq Reconstruction, the FBI, ICE, and the IRS will hold a press conference on a criminal matter on **TODAY, FEBRUARY 7, 2007 at 2:00 P.M. EST.**

WHO: Deputy Attorney General Paul J. McNulty
Stuart Bowen, Special Inspector General for Iraq
Mark W. Everson, IRS Commissioner
Kumar Kibble, Deputy Assistant Director for National Security Division, ICE
Mike Mason, Executive Assistant Director of the Criminal Branch, FBI

WHAT: Press Conference

WHEN: **TODAY, FEBRUARY 7, 2007**
2:00 P.M. EST

WHERE: 7th Floor Conference Room
Robert F. Kennedy (Main Justice) Building
950 Constitution Avenue, NW
Washington, D.C. 20530

MEDIA MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as a Driver's license) as well as VALID MEDIA CREDENTIALS. All attending should enter the Department on Constitution Ave. between 9th and 10th streets. Cameras must be pre-set by 1:45 P.M. Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

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07-076

DOJ_NMG_ 0173701

DOJ_NMG_ 0173702

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Image not available for this document, ID: 0.7.10316.8478-000002

Miller, Charles S

From: Miller, Charles S
Sent: Wednesday, February 07, 2007 10:50 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/7/07 Civil Division News

Feds want PUC to put off contempt hearing for Verizon

Timing of turn pivotal in trial; Controller testifies in Collins plane crash

O'Connor to mediate WWII land dispute

Venezuela demands prosecution of Cuban activist in the US

AP

February 7, 2007

Feds want PUC to put off contempt hearing for Verizon

AUGUSTA - The Justice Department asked a judge Tuesday to bar the Maine Public Utilities Commission from proceeding with a contempt hearing for Verizon that stems from telephone customer complaints related to allegations about domestic surveillance by the National Security Agency.

A multi-customer complaint filed with the Maine PUC last May effectively seeks to force Verizon to say whether it provided telephone call records to the government without a warrant.

The PUC has challenged the adequacy of Verizon responses to date and set a hearing for Friday.

In a federal court filing Tuesday, the Justice Department said PUC officials had been put on notice months ago that the federal government believes the information being sought about an alleged involvement of Verizon with the NSA "cannot be disclosed."

The Justice Department requested a judicial order to keep the Maine PUC from moving forward until a court decides "what is clearly a federal question without the immediate threat of disclosure of the very information that is at issue in this case - information that, if disclosed, might reveal or tend to reveal highly significant federal classified intelligence activities."

In addition to seeking to block PUC action, the Justice Department said the order it was requesting would bar Verizon from responding to PUC demands "because of the substantial risk of direct or inadvertent disclosure of information that would tend to confirm or deny the existence of foreign intelligence activities."

Justice Department lawyer Alexander Haas said he had no comment. Department spokesman Charles Miller confirmed that the request for a court order was aimed at Friday's scheduled PUC hearing.

Assistant Maine Attorney General Chris Taub said the state planned to formally respond on Wednesday in advance of a Thursday hearing in U.S. District Court in Bangor before Judge John Woodcock.

"We're going to oppose the motion and ask the court to permit the PUC hearing to take place as scheduled," Taub said.

Verizon spokesman Peter Reilly said the company had no comment.

Verizon, in answer to last May's customer complaint, issued a response on May 19, 2006, in which it referred to points made in two press releases, including one that declared the company was not asked for records by the NSA and did not provide such records.

The PUC subsequently ordered Verizon, on Aug. 9, to affirm in writing that its representations to the commission were true.

On Aug. 21, the same day that the U.S. Justice Department originally filed suit against the PUC and Verizon asserting that the PUC was pre-empted by federal law from investigating the alleged spying program, Verizon said it would not submit an affirmation, citing legal action by the federal government.

Since then, the PUC has sought to have the federal suit dismissed and the complaint case has not moved forward.

Ten days ago on Jan. 29, the PUC voted 3-0 to hold a contempt hearing.

END

CHICAGO TRIBUNE

February 7, 2007

Timing of turn pivotal in trial; Controller testifies in Collins plane crash

Matt O'Connor, Tribune staff reporter.

An air-traffic controller admitted Tuesday that he had no idea of a Cessna's location when he instructed its pilot to turn, a maneuver that less than two minutes later resulted in a midair collision that killed radio star Bob Collins and two others.

Testifying at a federal trial stemming from lawsuits filed by the families of the three victims, air-traffic controller Gregory Fowler said the crash of the two small aircraft would have been prevented if the Waukegan Regional Airport had been equipped with radar at the time.

A radar system was installed at the airfield five months after the February 2000 collision that killed Collins, a passenger in his Moravan Z242L plane and the student pilot at the controls of the Cessna 172P, Fowler said.

Fowler's testimony highlighted the first full day of testimony in the bench trial before U.S. District Judge John Darrah. Lawyers for the victims have sued the U.S. government, contending the Federal Aviation Administration was responsible for the crash, even though the Waukegan airport is operated by a private company. Other defendants reached settlements before the trial, which is expected to last about two weeks.

Relatives of two victims also testified, including Ed Hock, who struggled to keep his composure as he spoke about his daughter, Sharon, the student pilot, who he said had a vibrant personality. Evan Luscher, 19, whose father, Herman, died in Collins' plane, said he thinks of his dad every day.

Attorneys for Collins played audiotapes of the transmissions between Fowler and the pilots in the minutes before the fatal crash.

Collins, 57, at the time Chicago's top-ranked morning-radio personality on WGN, could be heard calmly identifying his airplane before he announced: "Just had a midair."

WGN is owned by Tribune Co., which also owns the Chicago Tribune.

Collins' plane crashed onto the roof of the Midwestern Regional Medical Center, and Hock's plane plummeted to a Zion street.

The planes were approaching the Waukegan tower in order to land, but a hazy sky made it difficult for the pilots to see one another and for Fowler to observe the planes, he said. The airfield is near Lake Michigan in the north suburb.

Under questioning by Kevin Durkin, a lawyer for Collins' widow, Christine, Fowler acknowledged it was important that Hock had Collins' plane in sight before she was instructed to turn her plane on the approach to the airfield.

Yet Fowler admitted that he asked Hock three separate times if she saw Collins' plane and each time she responded no, the last time seconds before he told her to make the turn.

"Have you passed the shoreline?" Fowler then asked.

"Gettin' there," the transcript quoted Hock as replying.

It was then that Fowler instructed Hock to turn the plane, even though under questioning he acknowledged that Hock's answer hadn't been precise enough for him to so act.

Durkin asked Fowler if he had issued that instruction "without having any real idea of where [Hock] was?"

"Correct," Fowler replied.

"And you couldn't see [Collins' plane]?" Durkin asked.

No, Fowler said.

Less than two minutes later, Collins' plane rear-ended Hock's Cessna, even though Collins was supposed to be the first to land.

Fowler, who then managed the tower, said radar would have given him "the tools" to prevent the crash.

On cross-examination by Jill Dahlmann Rosa, a Justice Department lawyer, Fowler agreed that the collision could have been avoided if Collins hadn't misreported his location seconds before Fowler instructed Hock to turn her plane.

The government has blamed Collins for the collision, saying he missed the mark by about 1 1/2 miles when he reported to the tower that he was "just crossing the shoreline."

"If Mr. Collins had been crossing the shoreline when he said he was, would this accident have happened?" Rosa asked.

"I don't believe it would have," Fowler replied.

But under questioning by another plaintiff's lawyer, Fowler acknowledged that if Collins had in fact been on the shoreline when he said he was, his plane "in all likelihood" would have been visible to Fowler about a minute and a half later, just before the collision.

"And you didn't see him?" asked Mark Fineberg, who represents the damaged hospital's insurer.

END

AFX

February 6, 2007

O'Connor to mediate WWII land dispute

WASHINGTON (AFX) - Former Supreme Court Justice Sandra Day O'Connor has agreed to mediate a long-running dispute over government reimbursement for land that was taken during World War II.

The case involves 36,000 acres of farmland, and the valuable natural resources beneath them, in western Kentucky that was taken by condemnation to build the Army's Camp Breckenridge as a training facility. The government paid the owners $3.1 million for the property in the early 1940s.

Hundreds of families had to leave, believing they might be allowed to buy back their property someday.

But by the early 1950s, the Defense Department learned there could be valuable oil and gas reserves beneath the land. The government sold the land and the mineral rights for $32 million in 1965.

It took an act of Congress before the families finally won the right to sue in 1993.

O'Connor was asked to step in by U.S. Court of Federal Claims Judge Susan G. Braden after President Bush chose the original mediator in the suit, Fred Fielding, to be White House counsel.

Lawyers for the government and the heirs of the former landowners have until Feb. 15 to sign off on O'Connor's participation.

She will have roughly four months to determine whether a settlement is within reach.

Since leaving the court a year ago, O'Connor has sat on three federal appeals courts, been an outspoken advocate for judicial independence and served on the Iraq Study Group.

O'Connor, 76, maintains an office at the Supreme Court and continues to draw a salary.

END

El Universal (Venezuela)
February 6, 2007

Venezuela demands prosecution of Cuban activist in the US

Venezuela demanded the United States to either prosecute Luis Posada Carriles -a Cuban anti-Fidel Castro activist- or extradite him to Venezuela to serve a prison term for his bomb attack against a Cuban airplane in 1976 that killed 73 people.

In a communiqué forwarded to Washington, the Venezuelan Ministry of Foreign Affairs stressed that in Posada Carriles case the White House has two choices, namely prosecution or extradition, as provided for under article 7 of the Convention for the suppression of unlawful acts against the safety of civil aviation the United States signed in 1971.

"The Contracting State in the territory of which the alleged offender is found shall, if it does not extradite him, be obliged, without exception whatsoever and whether or not the offence was committed in its territory, to submit the case to its competent authorities for the purpose of prosecution," reads article 7 of such convention and quoted by the Venezuelan Ministry of Foreign Affairs.

On January 31st, the US "based on a technicality not to file charges against Luis Posada Carriles for what he really is, namely a murderer and terrorist," Venezuela added in the communiqué.

The document came following another communiqué Cuba published accusing the US of continuing to shelter the Cuban activist, after Washington said it was not obliged to justify Posada Carriles indefinite detention.

END

System Administrator

From: System Administrator
Sent: Wednesday, February 07, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1189538 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, February 7, 2007 1:35 PM
Subject: Blood Drive - February 8, 2007

Blood Drive - February 8, 2007

The American Red Cross will conduct a blood drive from 8:30 a.m. to 2:00 p.m., Thursday, February 8, 2007, in the Great Hall of the Robert F. Kennedy Main Justice Building. Please contact your organization recruiter or call Lynn Sutton on 305-8986 to schedule your appointment.

Volunteers who donate blood may be granted up to four hours of excused absence for recuperative purposes. Each blood donor will receive a blood drive t-shirt at the drive.

HAVE A HEART! DONATE THE GIFT OF LIFE!

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 1:50 PM
To: USDOJ- Office of Public Affairs
Subject: FIVE DEFENDANTS INDICTED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 7, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FIVE DEFENDANTS INDICTED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

WASHINGTON – A federal grand jury in Trenton, N.J. has indicted three former U.S. Army officers and two U.S. civilians for their role in a bribery, fraud and money laundering scheme involving the theft of millions of dollars from the Coalition Provisional Authority (CPA) in Iraq, Deputy Attorney General Paul J. McNulty announced today.

The 25-count indictment unsealed today charges U.S. Army Colonel Curtis G. Whiteford, U.S. Army Lt. Colonels Debra M. Harrison and Michael B. Wheeler, and civilians Michael Morris and William Driver with various crimes related to a scheme to defraud the CPA - South Central Region (CPA-SC) in al-Hillah, Iraq. Whiteford, once the second-most senior official at CPA-SC, was charged with one count of conspiracy, one count of bribery, and 11 counts of honest services wire fraud. Harrison, at one time the acting Comptroller at CPA-SC who oversaw the expenditure of CPA-SC funds for reconstruction projects, was charged with one count of conspiracy, one count of bribery, 11 counts of honest services wire fraud, four counts of interstate transport of stolen property, one count of bulk cash smuggling, four counts of money laundering, and one count of preparing a false tax form. Wheeler, an advisor for CPA projects for the reconstruction of Iraq, was charged with one count of conspiracy, one count of bribery, 11 counts of honest services wire fraud, one count of interstate transport of stolen property, and one count of bulk cash smuggling.

Morris, a U.S. citizen in Romania who owns and operates a Cyprus-based financial services business, was charged with one count of conspiracy and 11 counts of honest services wire fraud. Morris was arrested by Romanian authorities on Feb. 6, 2007. The United States is seeking to have him extradited to New Jersey on these charges. Driver, Harrison's husband, was charged with four counts of money laundering. Harrison and Wheeler, who were previously charged in criminal complaints, remain released on bond.

"This indictment alleges that the defendants flagrantly enriched themselves at the expense of the Iraqi people – the very people they were there to help," said Deputy Attorney General McNulty. "U.S. government

officials working in Iraq are not for sale. We will prosecute anyone who attempts to exploit the reconstruction efforts in Iraq for their personal gain."

According to the indictment, from December 2003 through December 2005, Whiteford, Harrison, Wheeler and Morris conspired with at least three others—Robert Stein, at the time the Comptroller and Funding Officer for the CPA-SC; Philip H. Bloom, a U.S. citizen who owned and operated several companies in Iraq and Romania; and U.S. Army Lt. Colonel Bruce D. Hopfengardner—to rig the bids on contracts being awarded by the CPA-SC so that all of the contracts were awarded to Bloom. In total, Bloom received more than $8.6 million in rigged contracts. The indictment alleges that Bloom, in return, provided Whiteford, Harrison, Wheeler, Stein, Hopfengardner and others with over $1 million in cash, SUVs, sports cars, a motorcycle, jewelry, computers, business class airline tickets, liquor, promise of future employment with Bloom, and other items of value.

The indictment alleges that Bloom laundered over $2 million in currency that Whiteford, Harrison, Wheeler, Hopfengardner, Stein and others stole from the CPA-SC that had been designated for the reconstruction of Iraq. Bloom then used his foreign bank accounts in Iraq, Romania and Switzerland to send some of the stolen money to Harrison, Stein, Hopfengardner, and other Army officials in return for them awarding contracts to Bloom and his companies. Morris allegedly assisted Bloom in making these wire transfers of stolen CPA funds and in funneling those monies to the co-conspirators. Harrison and her husband, William Driver, for example, allegedly received a Cadillac Escalade as a bribe and used tens of thousands of dollars for improvements to their home in Trenton. Whiteford allegedly received at least $10,000 in cash, a $3,200 watch, a job offer from Bloom, and other valuables.

The indictment further alleges that during the course of the conspiracy, Whiteford, Harrison, Wheeler, Stein and Hopfengardner used U.S. currency stolen from the CPA-SC to funnel funds to Bloom for the purchase of weapons which they converted to their own personal use in the United States, including machine guns, assault rifles, silencers and grenade launchers.

Stein was sentenced on Jan. 29, 2007, to nine years in prison. He previously pleaded guilty to conspiracy, bribery, money laundering, possession of machine guns, and being a felon in possession of a firearm for his role in the scheme to defraud the CPA-SC.

On March 10, 2006, Bloom pleaded guilty to related charges of conspiracy, bribery, and money laundering in connection with the same scheme as Stein. Bloom is scheduled to be sentenced on Feb.16, 2007.

On Aug. 25, 2006, Hopfengardner, pleaded guilty to charges of conspiracy to commit wire fraud and money laundering in connection with the same scheme as Bloom and Stein. Hopfengardner is scheduled for a status conference on March 23, 2007.

These cases are being prosecuted by Trial Attorneys James A. Crowell IV and Ann C. Brickley of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci, and Trial Attorney Patrick Murphy of the Asset Forfeiture and Money Laundering Section, headed by Chief Richard Weber, of the Criminal Division. These cases are being investigated by the Special Inspector General for Iraq Reconstruction (SIGIR), Internal Revenue Service Criminal Investigations (IRS), the U.S. Immigration and Customs Enforcement at the Department of Homeland Security (ICE), Army Criminal Investigations Division, the U.S. Department of State Office of Inspector General, and the FBI's Washington Field Office in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The investigation has received substantial assistance from the ICE Cybercrimes Division.

"These indictments not only serve as a deterrent to future crimes of this nature, but also demonstrate the direct benefits of independent oversight and interagency cooperation in guarding American tax dollars invested

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in Iraq," said Special Inspector General for Iraq Stuart Bowen. "SIGIR's investigative team, now in Baghdad for more than three years, should be proud of their significant contribution in bringing these individuals to justice."

"No matter how complex the fraud scheme, the individuals indicted today illustrate that even military officers are not above the law and will be brought to justice if they engage in procurement fraud in the Iraqi reconstruction. The FBI, in support of the National Procurement Fraud Task Force and the International Corruption Initiative, stands ready to work with our partners to investigate, as appropriate, and to eliminate contract bid rigging, bribery, fraud, and money laundering schemes that hinder the rebuilding efforts in Iraq," said Assistant Director Michael A. Mason, Criminal, Cyber, Response and Services Branch of the FBI.

"Criminals motivated by profit and greed don't deserve to work alongside the brave men and women of our military serving in Iraq," said Julie Myers, Assistant Secretary of Homeland Security for ICE. "These charges highlight the federal government's commitment in targeting suspected bribery, fraud and money laundering involving Iraq reconstruction funds and the war in Iraq. ICE is proud to have contributed its financial investigative expertise to this important joint operation."

"The IRS will use the tax code and money laundering authorities to go after corrupt officials and contractors," said IRS Commissioner Mark W. Everson. "Sometimes this is the fastest and most direct way to hold accountable those who abuse the public trust, as is clearly the case in this instance."

"We are committed to investigating and rooting out these types of crimes to the fullest, wherever the truth may lead us," said Brig. Gen. Rodney Johnson, commanding general, U.S. Army Criminal Investigation Command and Provost General of the Army. "This goes against the very fabric of our values as an Army and we will continue to aggressively pursue individuals, in or out of uniform, and companies who commit crimes against the Army, the American taxpayer, and the people we serve."

An indictment is merely an allegation. Defendants are presumed to be innocent until proven guilty.

Deputy Attorney General McNulty announced the creation of the National Procurement Fraud Initiative in October 2006, designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force (www.usdoj.gov/criminal/npftf), includes federal prosecutors, the FBI, SIGIR, and the Offices of Inspectors General for key federal agencies, and is chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division. The Task Force has formed regional working groups around the country and is addressing many important topics relating to procurement fraud, including international procurement fraud issues, training, potential legislation, and information sharing between agencies.

Since the formation of the Task Force, federal prosecutors have brought or resolved 15 different criminal cases involving procurement fraud and have recovered more than $100 million through vigorous enforcement of civil remedies available in procurement fraud cases. Other examples of fraud and abuse cases prosecuted by the Department of Justice in recent months include the following:

- On Feb. 2, 2007, former U.S. Army civilian translator Faheem Salam of Michigan was sentenced to three years in prison for offering bribes to a senior Iraqi police official, in violation of the Foreign Corrupt Practices Act;
- On Jan. 30, 2007, Gheevarghese Pappen, a U.S. Army Corps of Engineers employee at Camp Arifjan in Kuwait, was sentenced to two years in prison for accepting $50,000 in illegal gratuities from a Kuwaiti contractor;

- On Jan. 25, 2007, Peleti "Pete" Peleti Jr., a U.S. Army Chief Warrant Officer, was charged in the Central District of Illinois with receiving a $50,000 bribe in exchange for influencing a food supplies services contract. Peleti served as Army's Theater Food Service Advisor and was stationed at Camp Arifjan in Kuwait;
- On Nov. 13, 2006, four members of the California Army National Guard pleaded guilty to conspiracy charges related to their embezzlement from the U.S. Army while deployed in Iraq.

# # #

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RCVD 2/1/07

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	**Criminal Number:** 07-76 (MLC)
	:	
	:	**VIOLATION**
v.	:	
	:	**Count One**
CURTIS G. WHITEFORD,	:	**18 U.S.C. § 371**
DEBRA M. HARRISON,	:	**(Conspiracy)**
MICHAEL B. WHEELER,	:	
SEYMOUR MORRIS, JR.,	:	**Count Two**
WILLIAM DRIVER,	:	**18 U.S.C. §§ 201 and 2**
	:	**(Bribery)**
Defendants.	:	
	:	**Count Three**
	:	**18 U.S.C. §§ 201 and 2**
	:	**(Bribery)**
	:	
	:	**Count Four**
	:	**18 U.S.C. §§ 201 and 2**
	:	**(Bribery)**
	:	
RECEIVED	:	**Counts Five through Fifteen**
	:	**18 U.S.C. §§ 1343, 1346 and 2**
FEB - 1 2007	:	**(Honest Services Wire Fraud)**
	:	
AT 8:30 M	:	**Count Sixteen**
WILLIAM T. WALSH	:	**18 U.S.C. §§ 2314 and 2**
CLERK	:	**(Interstate Transport of Stolen Property)**
	:	
	:	**Count Seventeen**
	:	**18 U.S.C. § 2314**
	:	**(Interstate Transport of Stolen Property)**
	:	
	:	**Count Eighteen**
	:	**18 U.S.C. § 2314**
	:	**(Interstate Transport of Stolen Property)**
	:	
	:	**Count Nineteen**
	:	**18 U.S.C. § 2314**
	:	**(Interstate Transport of Stolen Property)**
	:	
	:	**Count Twenty**
	:	**31 U.S.C. § 5332 and 18 U.S.C. § 2**

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: (Bulk Cash Smuggling)
:
: Counts Twenty-One through
: Twenty-Four
: 18 U.S.C. §§ 1956(a)(1)(B)(ii) and 2
: (Money Laundering)
:
: Count Twenty-Five
: 26 U.S.C. § 7206(2)
: (Aiding and Assisting in the Preparation
: and Presentation of a False and
: Fraudulent Return)
:
: Criminal Forfeiture
:
: 18 U.S.C. §§ 981(a)(1)(c) & 982
: 26 U.S.C. § 5872
: 28 U.S.C. § 2461(c)
: 31 U.S.C. § 5332

INDICTMENT

The Grand Jury, in and for the District of New Jersey, sitting at Trenton, charges that at all times relevant to this Indictment:

COUNT ONE
Conspiracy
18 U.S.C. § 371

I. INTRODUCTION

A. The Coalition Provisional Authority

1. In May 2003, the United States and the United Kingdom created the Coalition Provisional Authority ("CPA") to temporarily exercise powers of government for the Republic of Iraq. The President of the United States appointed a United States Ambassador to serve as the United States Presidential Envoy to Iraq. Thereafter, the United States Secretary of Defense designated the U.S. Ambassador/Envoy to serve as the Administrator of the CPA

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and the civil governing authority of Iraq. The CPA was divided into five regions with each region having a United States Regional Embassy Office ("US-REO") and a United States Ambassador, who served as the regional advisor overseeing the reconstruction efforts and financial expenditure of CPA funds in the region.

2. In 2003, Congress appropriated $698 million in initial funding to the CPA for its daily operating budget. Thereafter, the CPA conducted its operations and awarded contracts for projects intended to promote Iraq's reconstruction from several funding sources, including over $24.1 billion in funds appropriated in 2003 and 2004 by Congress from the General Funds of the United States as well as $2.1 billion in repatriated Iraqi funds that were confiscated by the United States during the Gulf War in 1990. The United States deposited $210 million of the repatriated funds into a CPA account known as the Development Fund for Iraq ("DFI") which also held over $1 billion in Iraqi funds derived from Oil for Food sales. All of these CPA funds were designated for the promotion of reconstruction projects in Iraq and administered by and under the authority of the Administrator and the United States Army.

3. The CPA was primarily staffed by Department of Defense ("DoD") employees, including civilians and members of the military forces detailed to the CPA, as well as DoD contractors and subcontractors, who were responsible for the management, accounting, and expenditure of CPA funds.

4. The United States Army and the United States Army Reserve were components of the DoD.

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B. The Defendants

5. Defendant CURTIS G. WHITEFORD was a Colonel in the United States Army Reserve, who resided in Utah. From at least in or about September 2003 until at least in or about July 2004, WHITEFORD served on active duty for the U.S. Army and was assigned to the US-REO in the CPA's South Central ("CPA-SC") region in Al-Hillah, Iraq. WHITEFORD's duties included, among others, serving as the Chief of Staff and Deputy Regional Advisor for the CPA-SC. In this capacity, WHITEFORD served as the second most senior official at the CPA-SC and was responsible for supervising CPA-SC personnel, who awarded contracts related to the reconstruction of Iraq and made payments for the CPA-SC in al-Hillah, Iraq and elsewhere. WHITEFORD had supervisory responsibility for and oversaw the contracting processes for all CPA-SC projects, including project development, selection, funding, and tracking spending of CPA-SC funds for CPA-SC expenditures. WHITEFORD had direct responsibility for running the CPA-SC offices and, from time to time, served as the Regional Ambassador's liaison between contractors and the CPA and between the CPA and Iraqi nationals.

6. Defendant DEBRA M. HARRISON was a Lieutenant Colonel in the United States Army Reserve, who resided in Trenton, New Jersey. From at least in or about February 2003 until at least in or about July 2004, HARRISON served on active duty for the U.S. Army and was assigned to a U.S. Army Civil Affairs until approximately April 2004, when she was reassigned to the US-REO in the CPA-SC region in al-Hillah, Iraq, where she remained until at least in or about July 2004. At the CPA-SC, HARRISON served as the Deputy Comptroller and, for a period, as the acting Comptroller for the CPA-SC, in

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which capacity she oversaw the expenditure of CPA funds for Iraq reconstruction projects by the CPA-SC.

7. Defendant MICHAEL B. WHEELER was a Lieutenant Colonel in the United States Army Reserve, who resided in Wisconsin. From at least in or about October 2003 until at least in or about July 2004, WHEELER served on active duty for the U.S. Army and was assigned to the US-REO in the CPA-SC region in al-Hillah, Iraq. WHEELER served as the Deputy Civil Administrator and Deputy Chief of Staff for the CPA-SC. In these capacities, WHEELER served as an advisor and project officer on CPA projects for the reconstruction of Iraq. His duties, among others, included recommending the expenditure of CPA funds for CPA-sponsored projects, ensuring that awarded contracts had been satisfactorily performed, and facilitating payments to contractors for services performed on the awarded contracts.

8. Defendants HARRISON and WHEELER worked under the supervision and direction of defendant WHITEFORD.

9. Defendant SEYMOUR MORRIS, JR. was a United States citizen, who owned and operated a Cyprus-based financial services business and resided in Romania.

C. The Co-Conspirators

10. Robert Stein ("Stein") was a DoD contract employee who served in various positions at the CPA-SC from in or about November 2003 until in or about June 2004, including Comptroller and Funding Officer, under the supervision and direction of defendant WHITEFORD. Stein controlled the expenditure of at least $82 million in funds that were to be used for the payment of contract services rendered in al-Hillah, Iraq, for the

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rebuilding of Iraq by the CPA-SC. Stein disbursed cash to CPA project officers and contractors that received contracts from the CPA.

11. Philip Bloom ("Bloom") was a United States citizen. From in or about November 2003 through in or about 2005, Bloom operated and controlled construction and service companies, including Global Business Group, in Iraq, Romania, and elsewhere that did business with the CPA, DoD and other U.S. agencies in Iraq and elsewhere.

12. Bruce D. Hopfengardner ("Hopfengardner") was a Lieutenant Colonel in the United States Army Reserve. From in or about August 2003 until in or about June 2004, Hopfengardner served on active duty for the U.S. Army and was assigned to the US-REO in the CPA-SC region in al-Hillah, Iraq. Hopfengardner served as a project officer under the supervision and direction of defendant WHITEFORD, and his duties included, among others, recommending the expenditure of CPA funds by CPA-SC officials for CPA contracts related to the reconstruction of Iraq, as well as overseeing and managing CPA-SC security and the procurement of equipment and weapons for the local Iraqi police force.

D. CPA Contracting and Grant Rules

13. In order to enter into contracts and award grants for the rebuilding of Iraq, the CPA used both DoD and CPA-specific contracting forms and procedures. The CPA promulgated its procedures in several CPA Contracting Memoranda which mirrored the competition, transparency, and accountability standards applicable to federally-funded DoD contracts. The CPA required that all contracts valued over $500,000 be reviewed by the CPA

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Program Review Board in Baghdad, Iraq. Contracts under $500,000 could be approved by the regional CPA offices, such as the CPA-SC.

14. DoD and CPA regulations prohibited military personnel from accepting gifts or other things of value from contractors doing business with DoD or the CPA.

II. THE CONSPIRACY

15. From in or about December 2003 through in or about December 2005, in the District of New Jersey, the Republic of Iraq, and elsewhere, the Defendants,

CURTIS G. WHITEFORD,
DEBRA M. HARRISON,
MICHAEL B. WHEELER, and
SEYMOUR MORRIS, JR.,

did knowingly conspire, confederate and agree with Bloom, Hopfengardner, Stein, and other persons known and unknown to the Grand Jury, to commit offenses against the United States, that is, to:

a. directly and indirectly, corruptly demand, seek, receive, accept, and agree to receive and accept things of value, that is, among other things, business class plane tickets, real estate, liquor, a sports car, sport utility vehicles, a motorcycle, a recreational vehicle, weapons, tactical gear, jewelry, money, and employment from Bloom, in return for being influenced in the performance of official acts in violation of 18 U.S.C. § 201;

b. devise and intend to devise a scheme and artifice to defraud and to deprive the United States and the CPA of money, property, and their intangible right to the honest services of DoD officials assigned to and working for and with the CPA

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through the use of the mail and interstate wires, in violation of 18 U.S.C. §§ 1341, 1343, and 1346;

c. transport, transmit, and transfer in interstate and foreign commerce goods, wares, merchandise, securities and money, of the value of $5,000 or more knowing the same to have been stolen, converted and taken by fraud, in violation of 18 U.S.C. § 2314; and

d. knowingly receive and possess firearms not registered to them in the National Firearms Registration and Transfer Record, in violation of 26 U.S.C. § 5861(d).

III. PURPOSE OF THE CONSPIRACY

16. The purpose of the conspiracy was for WHITEFORD, HARRISON, WHEELER, MORRIS, Bloom, Hopfengardner, Stein, and their co-conspirators to enrich and reward themselves, each other, and entities under Bloom's control, by committing criminal offenses against the United States, and to conceal the conspiracy and its objects and the acts undertaken in furtherance of it.

IV. MANNER AND MEANS OF THE CONSPIRACY

17. To further the objects and goals of the conspiracy, WHITEFORD, HARRISON, WHEELER, MORRIS, Bloom, Hopfengardner, Stein, and their co-conspirators would, among other things, do the following:

a. Recommend at least twenty-seven CPA construction projects in Iraq that were steered to Bloom and his companies through a rigged bidding process.

b. Use official positions to cause, or authorize, payment of over $8,000,000 by the CPA to Bloom and his companies.

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c. Structure the contracts awarded to Bloom and his companies in amounts under $500,000, which was the dollar limit of all CPA-SC contracting officers' contracting authority, and avoid scrutiny by the CPA's contract review board and its auditors in Baghdad, Iraq, and others.

d. Rig the bids on the contracts to allow Bloom to submit both legitimate and fake bids on CPA-SC contracts in order to conceal the contract transactions with Bloom and his companies.

e. Solicit and accept money and other things of value, including, among other things, business class plane tickets, real estate, liquor, a sports car, sport utility vehicles, a motorcycle, a recreational vehicle, weapons, tactical gear, jewelry, money, and employment from Bloom in return for taking or refraining from taking official action that was favorable to Bloom and his companies.

f. Steal, convert, or obtain by fraud over $1,700,000 from the CPA that was designated for use in the reconstruction of Iraq and smuggle at least $500,000 of the stolen funds into the United States for personal benefit.

g. Provide Bloom with stolen CPA-SC funds to be used for the purchase of things of value for WHITEFORD, HARRISON, WHEELER, Stein, Hopfengardner and other CPA-SC officials.

h. Cause over $1 million in wire transfers, including stolen CPA funds, to be sent to or for the benefit of the co-conspirators, including HARRISON, MORRIS, Stein, Hopfengardner, and others or their spouses or persons acting on their behalf,

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drawn on Bloom's accounts or accounts under his control in Iraq, Romania, Switzerland, the United States, and elsewhere.

i. Obtain weapons purchased with stolen CPA funds and convert them to their personal use.

j. Conceal the bid-rigging scheme by creating fraudulent receipts and other contract documents that were provided to CPA auditors.

V. OVERT ACTS

In furtherance of the conspiracy and to achieve its purposes, WHITEFORD, HARRISON, WHEELER, MORRIS, Bloom, Hopfengardner, Stein and others committed the following overt acts, among others, in the District of New Jersey, the Republic of Iraq, and elsewhere:

18. On or about December 31, 2003, Bloom e-mailed Stein, telling Stein that Bloom had already sent funds for the purchase of watches for Stein and others and would check on the status of the payment.

19. On or about January 1, 2004, Bloom e-mailed Stein, directing him to "line up [WHEELER] and get [Hopfengardner] on board."

20. On or about January 2, 2004, Stein e-mailed Bloom, telling him, "[b]etween Mike [WHEELER], myself and the Corps of Engineers we should be able to develop the scopes of work to make sure things line up to you! I gave the Corps guys each a pistol tonight to make sure they were on board and to thank them for their help."

21. On or about January 3, 2004, Stein e-mailed Bloom, telling him, "FYI, [WHEELER] and I got the contract through of rhte (sic) ground prep at the police academy. I will give you 200K sometime tomorrow afternoon! I love to give you money."

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22. On or about January 7, 2004, Bloom e-mailed WHEELER, informing him that Bloom would provide WHEELER with bottles of liquor and asking WHEELER for favorable official action in getting Bloom contracts and payments from the CPA.

23. On or about January 7, 2004, WHEELER accepted bottles of liquor from Bloom in al-Hillah, Iraq.

24. On or about January 13, 2004, Stein e-mailed Bloom, providing Bloom with Stein's bank account information and the bank's address in North Carolina.

25. On or about January 14, 2004, Stein e-mailed Bloom, telling him, "I spoke with . . . WHEELER and he said he still needed [the] rest of the information on the next part of the police academy so he can finish it up. I would like to get that one awarded to you ASAP then we can start [on] the next part."

26. On or about January 14, 2004, Bloom e-mailed WHEELER, informing him that he had additional liquor for WHEELER and that he would deliver the liquor to WHEELER himself and asking WHEELER for favorable official action in getting Bloom contracts and payments from the CPA.

27. On or about January 14, 2004, WHEELER accepted bottles of liquor from Bloom in al-Hillah, Iraq.

28. On or about January 15, 2004, Bloom wire transferred $30,000 from his accounts in Iraq to Stein's bank account in North Carolina.

29. On or about January 22, 2004, WHEELER, at Bloom's request, allowed Bloom to mislead CPA-SC officials about a CPA project he was performing by using photographs

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from another CPA project to describe work accomplished by Bloom's companies in order for Bloom to secure additional CPA work.

30. On or about January 26, 2004, Bloom e-mailed WHEELER a bid proposal for a CPA-SC contract.

31. On or about January 26, 2004, WHEELER e-mailed Bloom, informing Bloom that his bid on a CPA-SC contract had to be in the name of one of Bloom's other companies in order for WHEELER to award the contract to Bloom.

32. On or about January 26, 2004, Stein signed a DoD Standard Form 1449 contract with a U.S. arms manufacturer based in Sterling, Virginia that provided that the CPA-SC would purchase weapons that were to be delivered to Fort Bragg, North Carolina, including, among others: four grenade launchers; twenty fully automatic machine guns; twelve assault rifles; twelve handguns; and silencers.

33. On or about the following dates in 2004, as set out below, WHEELER submitted numerous CPA funding requests for construction work to be performed in al-Hillah, Iraq by Bloom and his companies pursuant to CPA-SC contracts, and thereafter, WHEELER signed numerous Certificates of Completion certifying that the work on these CPA-SC contracts was "satisfactorily completed" and that Bloom or his companies should be paid even though Bloom had not fully performed the contracts. The total value of the following funding requests submitted by WHEELER for CPA-SC contracts payable to Bloom was approximately $1,700,000.

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Date	Contract No.	Contracted Services	Official Action - Submission of Document
January 2, 2004	8003	Radio Studio Construction	Request Form
January 3, 2004	8016	Police Academy Building Demolition	Request Form
January 5, 2004	8023	Regional Tribal Center	Request Form
January 15, 2004	8063	Generator	Request Form
January 17, 2004	8064	Police Academy Classroom Construction	Request Form
January 22, 2004	8070	Police Academy Office Building-Water System	Request Form
January 22, 2004	8069	Police Academy Security Wall	Request Form
January 26, 2004	8136	Babylon Foot Bridge	Request Form
January 31, 2004	8089	Mobile Command Post	Certification of Completion
January 31, 2004	8091	Mobile Command Post	Certification of Completion
February 1, 2004	8092	Police Academy Conference - Living Quarters	Request Form
February 1, 2004	8093	Police Academy Living Quarters	Request Form
February 19, 2004	8167	Demolition Ba'ath Party Headquarters	Certification of Completion
February 19, 2004	8165	Karbala Generator	Certification of Completion
February 19, 2004	8165	Karbala Generator	Request Form
February 20, 2004	8169	Karbala Women's Center	Request Form
February 23, 2004	8169	Building Improvements	Certification of Completion
February 24, 2004	8174	Tribal Democracy Center Office Furniture	Request Form
February 26, 2004	8174	Tribal Democracy Center Office Furniture	Certification of Completion

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March 3, 2004	8023	Tribal Democracy Center	Certification of Completion
March 28, 2004	8345	Karbala Library Internet	Request Form
March 28, 2004	8339	Karbala Library Repairs	Request Form
March 29, 2004	8342	Karbala Library Landscaping	Request Form
March 29, 2004	8343	Karbala Library Furniture	Request Form
March 30, 2004	8092	Generator - Sleeping Quarters	Certification of Completion
March 30, 2004	8090	Tribal Democracy Center Generator	Certification of Completion
April 30, 2004	8023-2	Regional Tribal Center 2	Request Form
June 16, 2004	None	Pool	Request Form
June 16, 2004	8265	Security Facility Upgrades	Certification of Completion
June 16, 2004	8169	Karbala Women's Center	Request Form
June 18, 2004	8169	Karbala Women's Center	Certification of Completion
June 18, 2004	8136	Mobile Foot Bridge	Certification of Completion

34. On or about February 4, 2004, Stein e-mailed Bloom, providing him with the banking information for an arms manufacturer in Illinois and informing Bloom that Stein would be providing Bloom with additional banking information for other arms manufacturers in the United States.

35. On or about February 18, 2004, Bloom e-mailed Stein, confirming that Bloom had named Stein Vice President of Operations for one of Bloom's companies.

36. On or about February 19, 2004, Stein e-mailed Bloom, telling Bloom that Stein had received several high-end Breitling watches that Bloom had purchased and had sent to Stein.

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37. On or about February 19, 2004, Stein e-mailed Bloom, confirming that, as he and Bloom had agreed, Stein had given a $3,200 Breitling watch to Hopfengardner.

38. On or about February 19, 2004, Stein e-mailed Bloom, stating that Stein was going to give a Breitling watch to WHITEFORD, and asking if Bloom agreed that they should give WHITEFORD a Breitling watch.

39. On or about February 19, 2004, Bloom e-mailed a response to Stein, confirming that Bloom agreed that Stein should give a Breitling watch to WHITEFORD.

40. In or about February 2004, WHITEFORD accepted a $3,200 Breitling watch from Stein that was paid for by Bloom.

41. In or about February 2004, WHITEFORD accepted $10,000 in stolen CPA-SC funds from Stein.

42. On or about February 29, 2004, WHITEFORD appointed Stein to be responsible for monitoring, assistance, projects and program management in police issues for the CPA-SC, including equipment distribution and accountability.

43. In or about February 2004, WHITEFORD used stolen CPA funds to purchase a round-trip business class ticket for his return to his home in Utah.

44. In or about February 2004, WHITEFORD traveled to the United States and carried with him several thousand U.S. dollars given to him by Stein from stolen CPA-SC funds, which he then provided to his spouse.

45. In or about March 2004, Hopfengardner accepted a $3,000 Toshiba laptop computer for his personal use from Stein paid for by Bloom with stolen CPA-SC funds.

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46. In or about March 2004, WHITEFORD accepted a $3,000 Toshiba laptop computer for his personal use from Stein paid for by Bloom with stolen CPA-SC funds.

47. On or about March 3, 2004, Stein e-mailed Bloom, confirming that WHITEFORD had the CPA-SC project list and that WHITEFORD had recently been in Stein's office talking to Stein about assisting Bloom with Bloom's development of an airline company in Iraq.

48. On or about March 3, 2004, Bloom e-mailed a response to Stein, explaining that WHITEFORD had the CPA-SC project list and that WHITEFORD should be excited that Bloom and Stein were setting WHITEFORD up in a new business.

49. On or about March 6, 2004, Bloom e-mailed WHITEFORD, offering him a job as president of a new airline company that Bloom was creating in Iraq.

50. On or about March 6, 2004, WHITEFORD e-mailed a response to Bloom, explaining that WHITEFORD could not accept the job while on active duty but agreed to assist Bloom with the airline company by agreeing to "go to Baghdad and search out the appropriate offices/ministries and processes for obtaining permits/licenses for operations, landing rights, FBOs, etc."

51. On or about March 6, 2004, WHITEFORD again e-mailed Bloom, assuring Bloom that WHITEFORD was still interested in the airline company job and that WHITEFORD was going to assist Bloom in obtaining licenses and permits and help Bloom get the company "off the ground."

52. On or about March 25, 2004, WHITEFORD e-mailed Hopfengardner, Stein, and another DoD official, advising them that the name of a private security company to be run by WHITEFORD, Bloom, Stein, Hopfengardner, and others was "Anaconda" and that the

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"[k]ey objectives of the company are making money while allowing us to look cool and have cool stuff. That ought to be easy to do."

53. On or about March 27, 2004, WHITEFORD e-mailed Stein, informing Stein that WHITEFORD wanted a business class ticket to travel from Iraq to his home in Salt Lake City, Utah with a departure date of May 22, 2004.

54. On or about March 29, 2004, Stein forwarded to Bloom WHITEFORD's e-mail requesting a business-class ticket home and provided Bloom with a proposed ticket and flight schedule for Bloom to purchase for WHITEFORD.

55. On or about March 29, 2004, Bloom wire transferred $140,000 from his bank account in Romania to a real estate company's escrow bank account in North Carolina for the benefit of Stein.

56. On or about March 30, 2004, Hopfengardner e-mailed WHITEFORD, Stein, and another DoD official, advising them about obtaining several e-mail addresses for them to use to help manage a private security company to be run by WHITEFORD, Bloom, Stein, Hopfengardner, and others.

57. In or about April 2004, Stein smuggled in excess of $117,000 in stolen CPA funds from Iraq into the United States.

58. In or about April 2004, Bloom, through one of his companies, purchased a business class airline ticket for WHITEFORD with stolen CPA funds.

59. On or about April 5, 2004, WHITEFORD, at Stein's direction, signed a letter on CPA-SC letterhead in his capacity as Chief of Staff which authorized the purchase with CPA-SC

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funds of numerous firearms and grenade launchers to be shipped to Ft. Bragg, North Carolina.

60. On or about April 5, 2004, in a weapons purchase authorization letter, WHITEFORD certified that he was "authorized to order, purchase, and receive" the weapons and that the weapons were by and for the CPA when WHITEFORD knew that the weapons were to be converted in part for a private security company run by WHITEFORD, Bloom, Stein, Hopfengardner, and others.

61. On or about April 5, 2004, WHITEFORD, at Stein's direction, signed a letter authorizing the purchases of numerous weapons including two sniper rifles that were purchased in the names of others in Minnesota and Wisconsin and ultimately converted to the personal use of Stein and WHEELER in North Carolina and Wisconsin.

62. On or about April 9, 2004, WHITEFORD, at Stein's direction, signed a letter in his official capacity authorizing the purchase of firearms and related equipment knowing that these weapons and equipment were actually being diverted in part for a private security company run by WHITEFORD, Bloom, Stein, Hopfengardner, and others.

63. On or about April 22, 2004, WHITEFORD met with HARRISON in al-Hillah, Iraq to ensure that she had prepared the CPA-SC's books in advance of a CPA Inspector General audit of all contracts and disbursements of funds for the CPA-SC scheduled for early May 2004.

64. On or about April 28, 2004, MORRIS wire transferred $60,000 for Bloom from his bank account in Cyprus to an automobile dealer's bank account in North Carolina for the benefit of Stein.

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65. On or about May 5, 2004, Bloom wire transferred $10,000 from his bank account in Iraq to Hopfengardner's bank account in California.

66. On or about May 7, 2004, Bloom e-mailed MORRIS, informing him that he wanted to purchase a 2004 GMC Yukon Denali for $40,000 and that he would pay MORRIS a $5,000 commission.

67. On or about May 9, 2004, Stein e-mailed Hopfengardner, stating, "With things winding down we need to make sure [Bloom] gets 10 – 12 sets of everything. Vests, helmets so on and so forth. Remember, you have 400 sets of carriers reroute (sic) and should be there any day. We need to talk about a few other things too."

68. On or about May 12, 2004, WHITEFORD e-mailed another DoD official telling him, "the fact that all the money was not disbursed is a good thing at this point. Between . . . Stein we need to nail down the exact numbers for each grant. Having done that, we marry the money with the files and, voila, we move on to the next crisis."

69. On or about May 19, 2004, at Stein's direction, HARRISON took approximately $420,000 in U.S. funds from the CPA-SC office and hid the money in her official residence in al-Hillah, Iraq.

70. On or about May 21, 2004, WHITEFORD received a round-trip business class ticket for travel from Kuwait to Salt Lake City, Utah, obtained for him through Stein and paid for by Bloom with stolen CPA funds.

71. On or about May 26, 2004, WHITEFORD e-mailed CPA-SC staff, including HARRISON, informing them that members of the CPA Inspector General audit team would be visiting the CPA-SC the following day to review CPA-SC contract and grant

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funding records, telling the staff, "I got this at 8:09 PM tonight. Apparently they will be here tomorrow for a short time. Nothing I can do to prepare you other than what we've already done."

72. On or about May 30, 2004, WHITEFORD e-mailed Bloom, providing Bloom information about Bloom starting up an airline and stating, "I hope this is helpful and leads to the right answers. . . . If I can stop in the FAA office again for you let me know."

73. On or about May 31, 2004, WHITEFORD e-mailed Bloom, providing a detailed description of a 350 Z Nissan sports car that WHITEFORD wanted Bloom to purchase for him and telling Bloom, "I appreciate your help with this and your help while in Iraq."

74. On or about May 31, 2004, Bloom e-mailed MORRIS, instructing him to locate a Nissan 350 Z sports car and have it delivered to WHITEFORD in Riverton, Utah.

75. On or about June 1, 2004, HARRISON e-mailed Stein, WHITEFORD and another CPA-SC official, relaying WHEELER's inability to find contract receipts and stating that she hoped to have left the CPA-SC by the time the CPA's Inspector General returned to the CPA-SC to conduct a full audit of the CPA-SC's contracting.

76. On or about June 1, 2004, a CPA-SC official e-mailed WHITEFORD, asking him what he wanted her and HARRISON to do about a contractor's request for payment and the lack of receipts that WHEELER had mentioned in an initial e-mail to her and HARRISON .

77. On or about June 1, 2004, WHITEFORD e-mailed the CPA-SC official, WHEELER, and HARRISON, instructing them to work with other CPA-SC officials to "see if they can scare up some receipts" to satisfy the contractor and the CPA Inspector General's audit

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team.

78. On or about June 2, 2004, WHITEFORD e-mailed Bloom, asking Bloom for a Sport Utility Vehicle.

79. On or about June 2, 2004, Bloom e-mailed Stein, stating that he had bought a GMC Yukon for Hopfengardner but that WHITEFORD was only getting a Nissan 350 Z sports car, because WHITEFORD had not been able to get Bloom all of the aviation licenses necessary to startup Bloom's airline company.

80. On or about June 2, 2004, Bloom wire transferred $35,000 from his bank account in Iraq to Hopfengardner's bank account in California.

81. In or about June 2004, WHITEFORD prepared an official CPA memorandum authorizing Stein to transport at least $250,000 in cash from the CPA-SC back to the United States.

82. In or about June 2004, Stein smuggled in excess of $100,000 in stolen CPA funds from Iraq into the United States.

83. On or about June 8, 2004, a CPA official e-mailed WHITEFORD, HARRISON, Stein, and other CPA officials, informing them that the CPA Inspector General audit team was arriving at the CPA-SC on June 12, 2004, and was planning on meeting with HARRISON, Stein, and other CPA officials about CPA-SC contracting.

84. On or about June 9, 2004, in response to an e-mail to WHITEFORD, Stein and others about the CPA Inspector General audit team visit, Stein e-mailed WHITEFORD, discussing CPA-SC contracting and funding records and stating, "I hope I have your total support in rectifying anything the [audit] team might come across. . . ."

85. On or about June 13, 2004, HARRISON authorized the payment of $35,000 in CPA

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funds on a CPA-SC contract for the construction of the Babylon Foot Bridge, to GBGLD, a company controlled by Bloom.

86. On or about June 15, 2004, at the request and direction of Stein and Bloom, HARRISON, while serving as Acting Comptroller for the CPA-SC, provided WHEELER with approximately $150,000 in CPA funds to pay Bloom on a CPA-SC project which Bloom had not performed.

87. On or about June 18, 2004, HARRISON authorized the payment of $36,000 in CPA funds on a CPA-SC contract for improvements to the Women's Rights Center, to Global Business Group, a company controlled by Bloom.

88. On or about June 20, 2004, WHITEFORD contacted MORRIS and informed him that WHITEFORD wanted the Nissan 350 Z sports car being purchased for him by Bloom to be the touring model with manual transmission, cargo convenience package, and other high-end vehicle options.

89. On or about June 20, 2004, WHITEFORD e-mailed Bloom, asking Bloom when WHITEFORD could expect Bloom to purchase and deliver the 350 Z sports car to WHITEFORD in Utah.

90. On or about June 26, 2004, Bloom e-mailed WHITEFORD, telling him that MORRIS had found the car that WHITEFORD wanted and instructed WHITEFORD to have Hopfengardner contact Bloom.

91. On or about July 2, 2004, HARRISON and WHEELER smuggled at least $330,000 in stolen CPA funds from Iraq to New York aboard a commercial business class flight paid for by Bloom with stolen CPA-SC funds.

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92. On or about July 2, 2004, during their travel from Iraq to New York and then to North Carolina, HARRISON paid for WHEELER's hotel accommodations in Kuwait and North Carolina with stolen CPA funds.

93. On or about July 2, 2004, WHEELER accepted $1,000 in stolen CPA funds from HARRISON.

94. On or about July 2, 2004, Stein e-mailed HARRISON, discussing HARRISON's providing $1,000 in stolen CPA funds to WHEELER and advising HARRISON to keep WHEELER "undercontrol (sic) with the pick up of items. . . ."

95. On or about July 3, 2004, Stein e-mailed HARRISON, discussing HARRISON's and WHEELER's smuggling cash into the United States.

96. On or about July 3, 2004, Stein e-mailed HARRISON, reassuring HARRISON that their scheme to smuggle stolen CPA funds into the United States would not be discovered by authorities.

97. On or about July 6, 2004, Bloom wire transferred $25,000 from his account in Iraq to a bank account in North Carolina for the benefit of Stein.

98. On or about July 7, 2004, WHEELER in North Carolina took possession of numerous weapons and related weaponry that were authorized for purchase by WHITEFORD and Stein, including, at least, eleven handguns, four silencers, thirty-one automatic machine guns, and four grenade launchers, none of which were registered to WHEELER in the National Firearms Registration and Transfer Record and were paid for by Bloom with stolen CPA funds, and transported them to his hotel room in the Fayetteville, North Carolina area.

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99. On or about July 10, 2004, WHEELER, HARRISON and Stein transported weapons, including, at least, eleven handguns, four silencers, thirty-one automatic machine guns, and four grenade launchers, none of which were registered to them in the National Firearms Registration and Transfer Record and were paid for by Bloom with stolen CPA funds, from WHEELER's hotel room in Fayetteville, North Carolina to Stein's garage at his home in Hope Mills, North Carolina.

100. On or about July 10, 2004, at Stein's residence in Hope Mills, North Carolina, WHEELER took possession of at least three handguns, two automatic assault rifles, and one silencer from Stein, which were not registered to WHEELER in the National Firearms Registration and Transfer Record.

101. On or about July 10, 2004, at Stein's residence in Hope Mills, North Carolina, HARRISON took possession of two handguns from Stein.

102. In or about July 2004, WHEELER transported the weapons he accepted from Stein from North Carolina to WHEELER's home in Wisconsin.

103. In or about July 2004, HARRISON transported the weapons she accepted from Stein from North Carolina to HARRISON's home in Trenton, New Jersey.

104. On or about July 23, 2004, HARRISON e-mailed Bloom, telling him "Bob [Stein] let me know you are taking care of me.... You know I am on the North East Coast and you know I am you (sic) (as well as Bob's), so if you ever need me to do something for you don't hesitate to ask."

105. On or about July 24, 2004, Bloom e-mailed HARRISON, informing her that he was in the process of providing her with a vehicle.

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106. On or about July 26, 2004, Stein, at HARRISON's request, mailed narcotic prescription drugs from North Carolina to HARRISON in Trenton, New Jersey.

107. On or about August 3, 2004, Bloom e-mailed HARRISON, informing her that he was sending her descriptions of three cars and for her to choose the one she wanted.

108. On or about August 5, 2004, MORRIS e-mailed Bloom and told him that he had found a car for HARRISON.

109. On or about August 5, 2004, Bloom e-mailed MORRIS, providing MORRIS with HARRISON's e-mail and telling him to contact her to see if she liked the vehicle that MORRIS had found for HARRISON.

110. On or about August 6, 2004, MORRIS e-mailed Bloom, telling him that the car that HARRISON wanted was in Trenton, New Jersey and that it cost $48,788.

111. On or about August 6, 2004, Bloom e-mailed MORRIS, responding that Bloom would pay the quoted price for HARRISON's vehicle and that Bloom was wiring $55,000 to MORRIS's bank account.

112. On or about August 7, 2004, HARRISON e-mailed MORRIS, Bloom, Stein, and another person, telling MORRIS that she was at an automobile dealership in Trenton, New Jersey and was attaching banking instructions to her e-mail for MORRIS to use to wire money to the automobile dealer's bank account.

113. On or about August 9, 2004, HARRISON mailed approximately $30,000 in stolen CPA funds from Trenton, New Jersey to Stein in North Carolina.

114. On or about August 10, 2004, MORRIS wire transferred $9,348 for the benefit of HARRISON from his bank account in Cyprus to an automobile dealer's bank account in

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Trenton, New Jersey.

115. On or about August 17, 2004, HARRISON e-mailed Bloom and Stein, offering to help Bloom account for weapons at the CPA-SC and advising Bloom not to worry about a United States Department of State audit of weapons at the CPA-SC.

116. On or about August 19, 2004, MORRIS wire transferred $9,348 for the benefit of HARRISON from his bank account in Cyprus to an automobile dealer's bank account in Trenton, New Jersey.

117. On or about August 20, 2004, HARRISON e-mailed MORRIS, discussing MORRIS sending wire transfers to an automobile dealer in Trenton, New Jersey in amounts under $10,000 for the benefit of HARRISON.

118. On or about August 24, 2004, MORRIS wire transferred $9,348 for the benefit of HARRISON from his bank account in Cyprus to an automobile dealer's bank account in Trenton, New Jersey.

119. On or about August 24, 2004, MORRIS wire transferred $9,348 for the benefit of HARRISON from his bank account in Cyprus to an automobile dealer's bank account in Trenton, New Jersey.

120. On or about August 24, 2004, MORRIS e-mailed Stein, confirming that HARRISON's car had been paid for and the money was in the automobile dealer's bank account in Trenton, New Jersey.

121. On or about August 25, 2004, MORRIS wire transferred $9,348 for the benefit of HARRISON from his bank account in Cyprus to an automobile dealer in Trenton, New Jersey.

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122. On or about August 25, 2004, HARRISON e-mailed MORRIS, informing him that the car dealership was waiting for a final payment of $9,476 for the car being purchased for her by Bloom.

123. On or about August 25, 2004, HARRISON in Trenton, New Jersey accepted a Cadillac Escalade paid for by Bloom via wire transfers from bank accounts in Cyprus controlled by MORRIS.

124. On or about August 27, 2004, Bloom wire transferred $69,620 to an arms manufacturer in Virginia.

125. On or about August 28, 2004, HARRISON e-mailed Bloom, telling Bloom that he could tell certain CPA-SC officials that she authorized certain work to be performed by Bloom even though HARRISON had no knowledge of and did not authorize the work to be performed.

126. On or about September 2, 2004, HARRISON e-mailed Bloom, informing him, "The truck is Great!!! I needed a new truck. My old truck is a 1991 with well over 150,000 miles on it. People I work with cannot stop commenting on how much they love it. It drives real smooth like a sedan. As you know, Bob [Stein] and I stay in touch. He told me the way these State Dept guys are jerking you around. . . . So don't worry about the State Dept jerks. If there were any smoking guns, they would have been found months ago. . . ."

127. On or about September 3, 2004, HARRISON e-mailed Stein, telling him, "Did you get this message? I'll send you what you need, but we need to talk. Can I count on Phil [Bloom] for payback? I have nothing other than what I carried out. I have no investments like you do and I get paid badly where I work. You know I'm your friend

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and I will always stand by you, but I need to know how much I'll end up with in the end."

128. On or about September 7, 2004, HARRISON mailed approximately $30,000 in stolen CPA funds from Trenton, New Jersey to Stein in North Carolina.

129. On or about September 13, 2004, MORRIS wire transferred $124,962 in stolen CPA funds provided to him by Bloom from MORRIS's bank account in Cyprus to a recreation vehicle dealer's bank account in Georgia for the benefit of Stein.

130. On or about September 18, 2004, Stein e-mailed Bloom offering to assist him with getting paid on a CPA contract by getting WHEELER to help them, stating, "I will contact Mike Wheeler, he needs a few favor from me [sic]. . . ."

131. On or about September 23, 2004, Stein, at HARRISON'S request, mailed narcotic prescription drugs from North Carolina to HARRISON in Trenton, New Jersey.

132. In or about 2004, WHEELER and others at WHEELER'S direction falsified certain Firearms Dealer's License documents and had at least two sniper rifles shipped from an arms manufacturer in Minnesota to Wisconsin.

133. In or about September 2004, WHEELER, in Wisconsin, obtained at least two sniper rifles, paid for with approximately $10,000 in stolen CPA funds that were wired to the arms dealer in Minnesota by Bloom.

134. In or about September 2004, WHEELER transported a sniper rifle from Wisconsin to North Carolina and delivered it to Stein.

135. On or about October 7, 2004, HARRISON e-mailed Stein, informing him that she would help Stein and Bloom with a CPA Inspector General audit of the CPA-SC in exchange for Stein and Bloom's providing her with a car.

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136. On or about October 7, 2004, Stein, at HARRISON'S request, mailed narcotic prescription drugs from North Carolina to HARRISON in Trenton, New Jersey.

137. On or about October 8, 2004, Bloom e-mailed Stein, asking Stein to obtain WHEELER's assistance in getting Bloom and his companies paid on a CPA contract, stating "Contact Mike W. And make sure he backs up this story for the library."

138. On or about October 18, 2004, HARRISON e-mailed WHEELER, informing WHEELER that she had spoken with Stein about obtaining approval of certain military awards and evaluation reports for HARRISON and WHEELER and that WHEELER should talk with Stein about the awards and documents being approved.

139. On or about October 20, 2004, Bloom wire transferred $32,900 from his account in Switzerland to Stein's bank account in North Carolina.

140. On or about October 23, 2004, Stein, at HARRISON'S request, mailed narcotic prescription drugs from North Carolina to HARRISON in Trenton, New Jersey.

141. On or about January 20, 2005, HARRISON mailed approximately $30,000 in stolen CPA funds from Trenton, New Jersey to Stein in North Carolina.

142. On or about May 2, 2005, Stein, at HARRISON's request, mailed narcotic prescription drugs from North Carolina to HARRISON in Trenton, New Jersey.

143. On or about September 28, 2005, WHITEFORD used computer software to erase files and e-mails from his laptop computer prior to providing it to law enforcement agents.

144. On or about October 3, 2005, WHITEFORD, during a voluntary interview with federal law enforcement officers, falsely stated that he was unaware of problems with the bidding process at the CPA-SC and he thought it was a coincidence that all of the contracts

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awarded to Bloom for the Al Hillah Police Academy were in amounts below $500,000 – Stein's funding limit.

145. On or about November 30, 2005, HARRISON, during a voluntary interview with federal law enforcement officers, falsely denied that she was aware that Stein received monies from Bloom.

146. On or about November 30, 2005, HARRISON, during a voluntary interview with federal law enforcement officers, falsely denied receiving weapons and smuggling U.S. currency into the United States from Iraq.

147. On or about November 30, 2005, HARRISON from New Jersey telephoned WHEELER in Wisconsin and informed WHEELER that federal agents had searched her home in Trenton, New Jersey and asked her questions about her conduct, CPA funds, and weapons in Iraq.

148. On or about November 30, 2005, in Amherst Junction, Wisconsin, WHEELER was found in possession of firearms paid for with stolen CPA funds, including, among others, one automatic assault rifle, one sniper rifle, and two handguns, not registered to him in the National Firearms Registration and Transfer Record.

149. On or about December 14, 2005, in Trenton, New Jersey, HARRISON was found in possession of firearms paid for with stolen CPA funds, including two handguns.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
Bribery
18 U.S.C. §§ 201 and 2

150. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

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151. From in or about December 2003 through in or about December 2005, in the Republic of Iraq, outside of any particular judicial district, and elsewhere, defendant

CURTIS G. WHITEFORD,

as a public official, directly and indirectly, did corruptly demand, seek, receive, accept, and agree to receive and accept things of value, in return for being influenced in the performance of official acts and for being induced to do and omit to do acts in violation of an official duty; that is, WHITEFORD solicited and agreed to accept, among other things, a Nissan 350 Z sports car, a sport utility vehicle, money, a business class airline ticket, a laptop computer, tactical gear, a Breitling watch, and an offer of employment from Bloom in return for providing favorable official action regarding CPA contracts involving Bloom and Bloom's companies.

All in violation of Title 18, United States Code, Sections 201(b)(2)(A) & (C) and 3238.

COUNT THREE
Bribery
18 U.S.C. §§ 201 and 2

152. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

153. From in or about December 2003 through in or about December 2005, in the District of New Jersey, the Republic of Iraq, and elsewhere, defendant

DEBRA M. HARRISON,

as a public official, directly and indirectly, did corruptly demand, seek, receive, accept, and agree to receive and accept things of value, in return for being influenced in the performance of official acts and for being induced to do or omit to do acts in violation of an official duty, that is HARRISON accepted, among other things, a Cadillac Escalade,

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money, and a business class airline ticket in return for providing favorable official action regarding CPA contracts involving Bloom and Bloom's companies.

All in violation of Title 18, United States Code, Sections 201(b)(2)(A) & (C).

COUNT FOUR
Bribery
18 U.S.C. §§ 201 and 2

154. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

155. From in or about December 2003 through in or about December 2005, in the Republic of Iraq, outside of any particular judicial district, and elsewhere, defendant

MICHAEL B. WHEELER,

as a public official, directly and indirectly, did corruptly demand, seek, receive, accept, and agree to receive and accept things of value, in return for being influenced in the performance of official acts and for being induced to do and omit to do acts in violation of an official duty; that is, WHEELER accepted, among other things, bottles of liquor, tactical gear, and a business class airline ticket from Bloom, in return for providing favorable official action regarding CPA contracts involving Bloom and Bloom's companies.

All in violation of Title 18, United States Code, Sections 201(b)(2)(A) & (C) and 3238.

COUNTS FIVE THROUGH FIFTEEN
Honest Services Wire Fraud
18 U.S.C. §§ 1343, 1346 and 2

156. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

The Wire Fraud Scheme

157. From in or about December 2003 through in or about December 2005, in the District of

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New Jersey, the Republic of Iraq, and elsewhere, the Defendants,

CURTIS G. WHITEFORD,
DEBRA M. HARRISON,
MICHAEL B. WHEELER, and
SEYMOUR MORRIS, JR.,

together with Bloom, Hopfengardner, Stein, and other persons known and unknown to the Grand Jury, aiding and abetting each other, devised and intended to devise a scheme and artifice: a) to defraud the DoD and to obtain money and property by means of false and fraudulent pretenses and representations; b) to defraud the CPA and to obtain money and property by means of false and fraudulent pretenses and representations; c) to defraud and deprive the DoD and the CPA of their right to the honest and faithful services of WHITEFORD, HARRISON, WHEELER, and other DoD employees detailed to and working for the CPA, performed free from deceit, favoritism, bias, self-enrichment, self-dealing, conflict of interest and concealment.

Purpose of the Scheme

158. The purpose of the scheme was for defendants WHITEFORD, HARRISON, WHEELER, MORRIS and others to enrich themselves by stealing, converting, and taking by fraud money and property from the CPA and by soliciting and accepting things of value from Bloom and his companies in return for favorable official action in derogation of their duty of honest and faithful services to the DoD and the CPA.

Manner and Means of the Scheme

159. Paragraph 17 of Count One of this Indictment is re-alleged as if set forth in full.

Wire Communications

160. On or about the dates set forth below, for the purpose of executing the scheme and artifice

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to defraud, WHITEFORD, HARRISON, WHEELER, MORRIS, Bloom, Stein, Hopfengardner, aided and abetted by each other, transmitted and caused to be transmitted by means of wire in interstate and foreign commerce the following wire communications in the form of writings, signs, signals, pictures, and sounds as set forth for in each count:

COUNT	Defendant	Interstate Wire Communication	Date On or About
5	**HARRISON MORRIS WHEELER WHITEFORD**	E-mail sent by Stein from North Carolina to HARRISON in New Jersey discussing HARRISON's and WHEELER's smuggling cash into the United States	July 3, 2004
6	**HARRISON MORRIS WHEELER WHITEFORD**	E-mail sent by Stein from North Carolina to HARRISON in New Jersey discussing CPA auditors' review of CPA contracts	July 3, 2004
7	**HARRISON MORRIS WHEELER WHITEFORD**	E-mail sent by HARRISON from New Jersey to MORRIS in Romania, Bloom in Iraq, Stein in North Carolina, and another person in New Jersey informing MORRIS that HARRISON was at an automobile dealership in Trenton, New Jersey and that HARRISON was attaching banking instructions to the e-mail for the purchase of MORRIS wiring money to the automobile dealer's bank account	August 7, 2004
8	**HARRISON MORRIS WHEELER WHITEFORD**	Wire Transfer of $9,348 by MORRIS for benefit of HARRISON from a bank in Cyprus to the bank account of an automobile dealer in New Jersey	August 10, 2004
9	**HARRISON MORRIS WHEELER WHITEFORD**	E-mail sent by HARRISON in New Jersey to Bloom in Iraq offering to help Bloom account for weapons at the CPA-SC	August 17, 2004

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10	**HARRISON MORRIS WHEELER WHITEFORD**	Wire Transfer of $9,348 by MORRIS for benefit of HARRISON from a bank in Cyprus to the bank account of an automobile dealer in New Jersey	August 19, 2004
11	**HARRISON MORRIS WHEELER WHITEFORD**	E-mail sent by HARRISON in New Jersey to Stein in North Carolina discussing MORRIS sending payments to an automobile dealer in Trenton, New Jersey under $10,000	August 20, 2004
12	**HARRISON MORRIS WHEELER WHITEFORD**	Wire Transfer of $9,348 by MORRIS for benefit of HARRISON from a bank in Cyprus to the bank account of an automobile dealer in New Jersey	August 24, 2004
13	**HARRISON MORRIS WHEELER WHITEFORD**	Wire Transfer of $9,348 by MORRIS for benefit of HARRISON from a bank in Cyprus to the bank account of an automobile dealer in New Jersey	August 24, 2004
14	**HARRISON MORRIS WHEELER WHITEFORD**	Wire Transfer of $9,348 by MORRIS for benefit of HARRISON from a bank in Cyprus to the bank account of an automobile dealer in New Jersey	August 25, 2004
15	**HARRISON MORRIS WHEELER WHITEFORD**	Telephone call from HARRISON in New Jersey to WHEELER in Wisconsin about Federal Agents Searching HARRISON's home in Trenton, New Jersey	November 30, 2005

All in violation of Title 18, United States Code, Sections 1343 and 1346, and 2.

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COUNT SIXTEEN
Interstate Transportation of Stolen Property
18 U.S.C. §§ 2314 and 2

161. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

162. On or about July 2, 2004, in the District of New Jersey, the Republic of Iraq, and elsewhere, the Defendants,

DEBRA M. HARRISON and
MICHAEL B. WHEELER,

aided and abetted by each other, did unlawfully transport, transmit and transfer in interstate and foreign commerce, goods, wares, merchandise, securities and money, of the value of $5,000 or more, that is approximately $330,000 in U.S. currency from outside the United States to a place within the United States, knowing the same to have been stolen, converted and taken by fraud.

All in violation of Title 18, United States Code, Sections 2314 and 2.

COUNT SEVENTEEN
Interstate Transportation of Stolen Property
18 U.S.C. § 2314

163. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

164. On or about August 9, 2004, in the District of New Jersey and elsewhere, defendant

DEBRA M. HARRISON,

did unlawfully transport, transmit and transfer in interstate and foreign commerce, goods, wares, merchandise, securities, and money of the value of $5,000 or more, that is approximately $30,000 in U.S. currency from New Jersey to North Carolina, knowing the same to have been stolen, converted and taken by fraud.

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All in violation of Title 18, United States Code, Section 2314.

COUNT EIGHTEEN
Interstate Transportation of Stolen Property
18 U.S.C. § 2314

165. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

166. On or about September 7, 2004, in the District of New Jersey and elsewhere, defendant

DEBRA M. HARRISON,

did unlawfully transport, transmit and transfer in interstate and foreign commerce, goods, wares, merchandise, securities, and money of the value of $5,000 or more, that is approximately $30,000 in U.S. currency from New Jersey to North Carolina, knowing the same to have been stolen, converted and taken by fraud.

All in violation of Title 18, United States Code, Section 2314.

COUNT NINETEEN
Interstate Transportation of Stolen Property
18 U.S.C. § 2314

167. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

168. On or about January 20, 2005, in the District of New Jersey and elsewhere, defendant

DEBRA M. HARRISON,

did unlawfully transport, transmit and transfer in interstate and foreign commerce, goods, wares, merchandise, securities, and money of the value of $5,000 or more, that is approximately $30,000 in U.S. currency from New Jersey to North Carolina, knowing the same to have been stolen, converted and taken by fraud.

All in violation of Title 18, United States Code, Section 2314.

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COUNT TWENTY
Bulk Cash Smuggling
31 U.S.C. § 5332 and
18 U.S.C. § 2

169. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

170. On or about July 2, 2004, within the District of New Jersey, the Republic of Iraq, and elsewhere, the Defendants,

DEBRA M. HARRISON and
MICHAEL B. WHEELER,

aided and abetted by each other, did knowingly and with intent to evade the funds reporting requirements under Title 31, United States Code, Sections 5316(a)(1)(A) and 5316(b), conceal more than $10,000 in funds and other monetary instruments on their persons and in articles of luggage and other containers, and transport and transfer such funds and monetary instruments from a place outside the United States to a place within the United States.

All in violation of Title 31, United States Code, Section 5332 and Title 18, United States Code, Section 2.

COUNTS TWENTY-ONE THROUGH TWENTY-FOUR
Money Laundering
18 U.S.C. § 1956(a)(1)(B)(ii) and 2

171. Paragraphs 1-15 and 19-149 are realleged as though fully stated herein.

172. Section 6050I-1(a) of Title 26 of the Code of Federal Regulations requires that "any person . . . , who, in the course of a trade or business in which such person is engaged, receives cash in excess of $10,000 in one transaction (or two or more related transactions), shall . . . make a return of information with respect to the receipt of cash."

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This "return of information" is typically referred to as Internal Revenue Service Form 8300 ("IRS Form 8300").

173. Section 5331 of Title 31 of the United States Code makes it a criminal offense for any person who is engaged in a trade or business to fail to file a an IRS Form 8300 when the trade or business receives more than $10,000 in coins or currency in one transaction.

174. Section 5324(b)(3) of Title 31 of the United States Code states, in relevant part, that "[n]o person shall, for the purpose of evading the reporting requirements of section 5331 . . . structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with 1 or more nonfinancial trades or businesses."

175. Defendant WILLIAM DRIVER is HARRISON's spouse and resided at HARRISON's home in Trenton, New Jersey.

176. On or about the dates set forth below, in the District of New Jersey and elsewhere, the Defendants,

WILLIAM DRIVER and
DEBRA M. HARRISON,

aided and abetted by each other, as set forth below, did conduct and attempt to conduct financial transactions knowing that the property involved in the transactions represented proceeds of some form of unlawful activity, with money that did, in fact, involve the proceeds of specified unlawful activity, to wit the interstate transportation of stolen property, knowing that the transaction was designed in whole or in part to avoid a transaction reporting requirement under Federal law:

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COUNT	DEFENDANT/TRANSACTION	AMOUNT	DATE
21	Cash payment to a home improvements company for the benefit of **DRIVER** and **HARRISON**.	$9,000	October 11, 2004
22	Cash payment to a home improvements company for the benefit of **DRIVER** and **HARRISON**.	$9,000	November 12, 2004
23	Cash payment to a home improvements company for the benefit of **DRIVER** and **HARRISON**.	$9,000	November 24, 2004
24	Cash payment to a home improvements company for the benefit of **DRIVER** and **HARRISON**.	$9,000	December 15, 2004

All in violation of Title 18, United States Codes, Sections 1956(a)(1)(B)(ii) and 2.

COUNT TWENTY-FIVE
Aiding and Assisting in Preparation and Presentation of False and Fraudulent Tax Return
26 U.S.C. § 7206(2)

177. Paragraphs 1-15, 19-149, and 176 are realleged as though fully stated herein.

178. On or about the date listed below, HARRISON signed, filed and caused to be filed with the Internal Revenue Service ("IRS") a U.S. Individual Income Tax Return, Form 1040, on behalf of herself and her husband, DRIVER, for the year 2004. This return understated their specific adjusted gross income for 2004.

179. During the calendar year 2004, HARRISON had and received taxable income of about $347,163 which she failed to report to her tax preparer.

180. In or about March 2005, HARRISON mailed her tax income information from New Jersey to her tax preparer in Pennsylvania.

181. The tax returns were signed by HARRISON and DRIVER and contained a written declaration that they were signed under the penalties of perjury.

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182. On or about June 10, 2005, in the District of New Jersey and elsewhere, defendant

DEBRA M. HARRISON,

willfully did aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040 for the calendar year 2004, which was false and fraudulent as to a material matter, in that on line 36 the Return reported adjusted gross income of $78,665 which did not include additional income of HARRISON in 2004, whereas HARRISON then and there knew and believed she had received additional income in the form of payments and other benefits from Bloom and MORRIS as well as funds stolen from Iraq, all during the calendar year 2004.

All in violation of Title 26, United States Code, Section 7206(2).

CRIMINAL FORFEITURE

183. Pursuant to Title 18, United States Code, Section 981(a)(1)(c), and Title 28, United States Code, Section 2461 (c), WHITEFORD, HARRISON, WHEELER, and MORRIS, once convicted of Count 1 (conspiracy) or Counts 2-19 shall forfeit to the United States the following property:

a. Any property, real and personal, which constitutes and is derived from proceeds traceable to the violations of 18 U.S.C. §§ 201, 371, 1341, 1343, 1346 and 2314.

b. A sum of money equal to the total amount of proceeds traceable to the violations of 18 U.S.C. §§ 201, 371, 1341, 1343, 1346 and 2314 for which each defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such

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offense.

184. Pursuant to Title 26, United States Code § 5872 and Title 28, United States Code § 2461, WHITEFORD, HARRISON, WHEELER, and MORRIS once convicted of Count 1 shall also forfeit to the United States any firearm involved in the conspiracy to commit violations of 26 U.S.C. § 5861(d).

185. Pursuant to Title 31, United States Code, Section 5332(b), HARRISON and WHEELER, once convicted of Count 20 shall forfeit to the United States the following property:

a. Any property, real and personal, involved in the offense, and any property traceable to such property.

b. A sum of money equal to the total amount of proceeds traceable, an amount not less that $330,000, to the violation of 31 U.S.C. § 5332.

186. Pursuant to Title 18, United States Code Section 982, DRIVER and HARRISON, once convicted of Counts 21 through 24 (money laundering in violation of 18 U.S.C. § 1956) shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real and personal, involved in the violation of Title 18, United States Code, Section 1956, for which the defendant is convicted, and all property traceable to such property, including the following: 1) all money or other property that was the subject of each violation of Section 1956; 2) all commissions, fees and other property constituting proceeds obtained as a result of those violations; and 3) all property used in any manner or part to commit or to facilitate the commission of those violations.

b. A sum of money equal to the total amount of money involved in each offense in

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violation of 18 U.S.C. § 1956, as charged in Counts 21-24, for which each defendant is convicted.

187. The property to be forfeited in connection with the convictions in Counts 1-24 includes but is not limited to:

a. One 2004 Cadillac Escalade automobile, VIN WP0AB29953S696097;

b. Various firearms, ammunition and paraphernalia, including

i. Six (6) .45 Caliber weapons bearing Serial Numbers 23-0099573, 23-0099574, 23-0099576, 23-0099577, 23-0099578 and 23-0099580;

ii. Two (2) .308 caliber machine guns bearing Serial Numbers DS23728 and DS23783;

c. One Breitling Watch, bearing the serial number E56321; and

d. Real property located at 3 Ivy Court, Trenton, New Jersey.

188. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), the defendant shall forfeit substitute property, up to the value of the amount described in the foregoing paragraphs, if, by any act or omission of the defendant, the property described in such paragraphs, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been

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substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

(Criminal Forfeiture, pursuant to Title 18, United States Code, Sections 981(a)(1)(c) and 982, Title 26, United States Code, Section 5872, Title 28, United States Code, Section 2461, and Title 31, United States Code, Section 5332).

A TRUE BILL

Foi

approved by:

EDWARD C. NUCCI
Acting Chief, Public Integrity Section

Date: Feb. 1, 2007

James A. Crowell IV
Ann C. Brickley
Public Integrity Section

Patrick T. Murphy
Trial Attorney
Asset Forfeiture and Money Laundering Section

DOJ_NMG_ 0173761

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

CURTIS WHITEFORD,
DEBRA HARRISON,
MICHAEL WHEELER,
SEYMOUR MORRIS, JR.,
WILLIAM DRIVER

INDICTMENT FOR

A

F

EDWARD NUCCI
ACTING CHIEF
PUBLIC INTEGRITY SECTION
UNITED STATES DEPARTMENT OF JUSTICE
CRIMINAL DIVISION

JAMES A. CROWELL IV
ANN C. BRICKLEY, PATRICK MURPHY
TRIAL ATTORNEYS
(202) 514-1412

USA-48AD 8 (Ed. 1/97)

DOJ_NMG_0173762

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 2:21 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE ARGENTINE ISRAELI MUTUAL ASSOCIATION

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 07, 2006
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TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE ARGENTINE ISRAELI MUTUAL ASSOCIATION

BUENOS AIRES, ARGENTINA

Good afternoon.

First, let me extend my thanks to the leadership of the AMIA for inviting me to visit here today. I am humbled to stand here before you today, and to mourn the victims of such a vicious act of hate.

Civilized nations cannot easily forget the pain that we share when terrorist attacks occur. Whether 1994 in Argentina, 2001 in the United States, or 2004 in Spain -- these moments bind us together in our grief and in our memories.

American writer Henry James once wrote that "sorrow comes in great waves… but it rolls over us, and though it may almost smother us it leaves us on the spot and we know that if it is strong we are stronger, in as much as it passes and we remain."

We realize…here, today…that we are, in fact, stronger than the sorrow. And we are unquestionably stronger than our enemies who brought that sorrow upon us.

While we will never forget, we will not be afraid -- and we will never give up the fight for justice and the defense of our cherished freedom. For just as we are bound together in our grief and in our memories of terrorist attacks, so too, we must be bound together in our resolve.

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Argentina has steadfastly pursued the perpetrators of the AMIA attacks. I often speak of the importance of international cooperation in our fight against global terrorism. And there is no more striking reminder of that fact than this memorial. The memory of what happened here, like our September 11th, is a touchstone for us.

It is in the memory of the dead here, as well as for the living, that we fight the terrorists. We must never forget; and we must not give up our fight until the fight is won.

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Image not available for this document, ID: 0.7.10316.8467-000002

System Administrator

From: System Administrator
Sent: Wednesday, February 07, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1191345 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 4:01 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH MEMPHIS DEVELOPERS, ARCHITECTS AND ENGINEERS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 7, 2007
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JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH MEMPHIS DEVELOPERS, ARCHITECTS AND ENGINEERS

WASHINGTON – The Justice Department today reached a Fair Housing Act settlement with a group of developers, builders, architects and engineers related to the design and construction of two Memphis-area apartment complexes. Today's settlement resolves the government's claims, as well as those filed by the Memphis Center for Independent Living (MCIL), a disability rights organization. The suits were brought to enforce provisions of the federal Fair Housing Act that require newly or recently constructed dwellings to include features designed to make them more accessible to persons with physical disabilities.

"Those who design and construct housing units may not ignore their obligation to make them accessible to persons with disabilities," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department will continue its vigorous enforcement of all the fair housing laws."

In 2004, the court ruled that the defendants violated the Fair Housing Act by failing to design and build accessible pedestrian walkways from ground floor apartment units to public street and on-site amenities at the apartment complexes. The court also found a number of other violations, including the defendants' failures to provide accessible clubhouses; accessible parking at complex amenities; thresholds at breezeways without steps; bathroom, bedroom, and walk-in closet doors wide enough for wheelchair passage; thermostats within the reach of persons in wheelchairs; reinforcements in bathroom walls; adequate clearance space for wheelchair passage into the kitchen and use of counter space; and sufficient clear floor space in front of bathroom sinks. The settlement, which still must be approved by the court, requires the defendants to retrofit apartments; to retrofit public and common use areas; to provide accessible pedestrian routes; to pay damages and civil penalties; and to undergo training on the requirements of the Fair Housing Act and the Americans with Disabilities Act.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home is not limited to the areas hit by Hurricane Katrina and targets housing discrimination all over the country.

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More information about Operation Home Sweet Home is available at the Justice Department Web site at http://www.usdoj.gov/fairhousing. Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line (1-800-896-7743), email the Justice Department at fairhousing@usdoj.gov, or contact the U.S. Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability and familial status. Since January 1, 2001, the Justice Department's Civil Rights Division has filed 216 cases to enforce the Fair Housing Act, 97 of which have alleged discrimination based on disability. More information about the Civil Rights Division and the laws it enforces is available at http://www.usdoj.gov/crt.

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System Administrator

From:	System Administrator
Sent:	Wednesday, February 7, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1191403 KB.
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 5:55 PM
To: USDOJ- Office of Public Affairs
Subject: HAITIAN MAN SENTENCED TO 14 YEARS IN PRISON FOR TAKING AN AMERICAN WOMAN HOSTAGE IN HAITI IN MAY 2006

Department of Justice

United States Attorney Jeffrey A. Taylor
District of Columbia

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 7, 2007
http://www.usdoj.gov/usao/dc

CONTACT: CHANNING PHILLIPS
PHONE: (202) 514-6933
FAX: (202) 353-0121

HAITIAN MAN SENTENCED TO 14 YEARS IN PRISON FOR TAKING AN AMERICAN WOMAN HOSTAGE IN HAITI IN MAY 2006

WASHINGTON—Attly Hans, a Haitian man who previously pled guilty to hostage-taking, was sentenced to 14 years in prison today by the Honorable James Robertson in the U.S. District Court for the District of Columbia, announced U.S. Attorney Jeffrey A. Taylor and Kenneth L. Wainstein Assistant Attorney General for the Justice Department's National Security Division. Hans, 21, of Haiti, pleaded guilty on July 26, 2006, to taking hostage in Haiti a woman who is a U.S. citizen in May 2006. The defendant was arrested in late May in Haiti and brought to the United States to face prosecution.

"The kidnaping and hostage-taking of American citizens overseas is a cowardly and dangerous crime that the Department of Justice will forever investigate and prosecute aggressively," stated U.S. Attorney Taylor. "Today's 14-year prison sentence imposed by the Court should make those who think about committing such frightening acts of terror upon innocent victims think twice before doing so."

"This case demonstrates our resolve to prosecute and punish those who take our people hostage overseas. It also highlights the importance of domestic and international law enforcement cooperation in the conduct of these investigations," said Assistant Attorney General Kennth L. Wainstein.

According to the government's evidence, on May 10, 2006, the American woman victim had been visiting relatives in Haiti and was traveling between the cities of Carrefour and Port au Prince, riding in a truck with a relative. The ordeal began for the woman when a car coming from the opposite direction pulled in front of them, blocking the road. Armed men alighted from the car and took the victim hostage, leaving her companion on the roadside. The hostage-takers threatened her and demanded ransom for her release. She was taken to a deserted area and pushed into a shallow grave to further intimidate her. Among other threats, the hostage-takers contacted relatives of the woman and told them that if they did not pay a large sum of money, they would kill the woman and dump her in a garbage pail.

The woman had friends and relatives in the city of Leogane, Haiti. They heard that she had been kidnaped and that her vehicle was carjacked. They were able to spot her vehicle on a street in Leogane and

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decided to keep an eye on it. Citizens from the area were watching the vehicle on May 15 when three men came to take possession of the vehicle. One of these men was defendant Attly Hans. The citizens of Leogane were able to detain the three men and notify the authorities, who reported to the scene and arrested defendant Hans.

The other hostage-takers still holding the woman apparently became apprehensive, and freed the woman later in the day on May 15, 2006. Over the five days that the woman was held, ransom of over $7,200 was paid to the hostage-takers.

In announcing today's sentence, U.S. Attorney Taylor and Assistant Attorney General Wainstein praised the hard work of the FBI's Extraterritorial Squad, in particular lead case agents Carlos Monero and Oscar Montoto, the Evidence Response Team, and the FBI Miami Special Weapons and Tactics Squad, all based in Miami, FBI Legal Attache and ALAT based in Santo Domingo, Dominican Republic, the Haitian National Police and the United Nations Civil Police, the Haitian Ministry of Justice, the ICE Office in Santo Domingo, Dominican Republic, and the staff of the U.S. Embassy in Port au Prince, Haiti. Furthermore, they acknowledged the efforts of Assistant U.S. Attorney Jeanne M. Hauch and Trial Attorney Jennifer Levy of the Counterterrorism Section of the National Security Division of the Department of Justice.

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Image not available for this document, ID: 0.7.10316.8447-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 6:30 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ON INDICTMENT OF FIVE DEFENDANTS IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 7, 2007
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OPA
(202) 514-2008
TDD (202) 514-1888

TRANSCRIPT OF PRESS CONFERENCE ON INDICTMENT OF FIVE DEFENDANTS IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

WASHINGTON, D.C.

2:08 P.M. EST

DEPUTY ATTORNEY GENERAL McNULTY: Good afternoon. I am Paul McNulty, Deputy Attorney General, and I want to introduce those who are with me here on the stage. I am joined by Stuart Bowen, who is the Special Inspector General for Iraq Reconstruction; IRS Commissioner Mark Everson; Mike Mason, the Executive Assistant Director of the Criminal Division -- Criminal Branch of the FBI; and Kumar Kibble, the National Security Division Deputy Assistant Director for Immigration and Customs Enforcement. And each of those gentlemen will speak to you in just a moment.

Today a federal indictment was unsealed in the District of New Jersey that charged five people, three former officers of the United States Army, and two U.S. civilians, for their roles in a complex bribery scheme involving the theft of millions of dollars from the Coalition Provisional Authority in Iraq.

And as you know, the CPA was the entity created by the United States and the United Kingdom to rebuild and reconstruct Iraq.

This indictment is part of the first major investigation being prosecuted by the Department of Justice to root out corruption and fraud in the awarding of Iraq reconstruction contracts. The indictment alleges that these five defendants, along with several other individuals, conspired to steal millions of dollars from funds slated for the reconstruction of Iraq.

These individuals, including three military reserve officers, Army colonels and lieutenant colonels, were placed in positions of trust, used the CPA funds as their own personal ATM machines. They allegedly stole millions of dollars from the CPA and rigged valuable reconstruction projects, all while helping themselves to cash, SUVs and luxury cars, jewelry and other valuable items.

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These defendants actually took bricks of stolen cash, cash that was stolen from the CPA, and smuggled them out of Iraq and back to the United States for their own personal use. In one trip, one defendant carried more than $300,000.

Two of the defendants even went so far as to use the money from this scheme to build a new hot tub and deck on their own home in New Jersey, according to the indictment.

The following individuals are named in the indictment unsealed today: U.S. Army Colonel Curtis Whiteford, once the second most senior official in the CPA's South Central Region in Al-Hillah, Iraq, charged with conspiracy, bribery and honest services wire fraud.

U.S. Army Lieutenant Colonel Debra Harrison at one time the acting comptroller at CPA's South Central Region, who oversaw funding for reconstruction projects, charged with several counts, including conspiracy, bribery, honest services wire fraud, interstate transportation of stolen property, and money laundering.

William Driver, Harrison's husband, charged with four counts of money laundering. U.S. Army Lieutenant Colonel Michael Wheeler, an advisor on Iraqi reconstruction projects, charged with conspiracy, bribery, honest services wire fraud, interstate transport of stolen property, and bulk cash smuggling.

And Michael Morris, a United States citizen in Romania, who owns and operates a Cyprus-based financial services business, charged with conspiracy and honest services wire fraud. Morris was arrested on Tuesday in Romania, allowing for the unsealing of the indictment, and we intend to seek his extradition to the United States on these charges.

The indictment alleges that over a two-year period, from December 2003 through December 2005, Whiteford, Harrison, and Wheeler conspired with at least three others to rig the bids on contracts being awarded by the CPA's South Central Region, so that all the contracts were awarded to one man, Philip Bloom, an American citizen who owned and operated several companies in Iraq and Romania.

Bloom showed his gratitude for receiving those contracts, worth more than $8.6 million total, by showering the three Army officers and others with a long list of extravagant things, more than $1 million in cash, a Cadillac Escalade, a Lexus, a Porsche, a GMC Yukon, a Nissan 350Z sports car, a Cessna airplane, real estate, a motorcycle, jewelry, computers, business class airline tickets, and even future employment with Bloom.

Bloom, I should mention, has already pled guilty in federal court to related charges of conspiracy, bribery and money laundering.

Another co-conspirator, Robert Stein, a former comptroller of the CPA's South Central Region, an Army Ranger, also pleaded guilty to related charges and was sentence late last month to nine years in prison.

A third co-conspirator, U.S. Army Lieutenant Colonel Bruce Hopfengardner, pleaded guilty to charges of conspiracy to commit wire fraud and money laundering.

The CPA fund lost more than $3.6 million because of the corruption we allege in this indictment. The good news is that, to this date, we have already recovered more than $2 million from conspirators who pled guilty.

The work of prosecutors and investigators in bringing this case is vital to the American taxpayer and Iraqi people. We cannot allow a mission as important as the reconstruction of Iraq to fall victim to fraud, corruption and theft. Thousands upon thousands of courageous, patriotic soldiers and civilians from the United States have devoted themselves to the mission of creating a free and democratic society in Iraq. We will not allow a handful of greedy individuals to undermine the self-sacrificing labors of these heroes.

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The Department of Justice is committed to the pursuit and prosecution of anyone who attempts to exploit the reconstruction efforts in Iraq for their own personal or financial gain.

Now it's important to remember that we are discussing an indictment which contains allegations brought forth by the U.S. government, and the defendants charged in this indictment are presumed innocent until proven guilty in a court of law.

This case is part of the Department of Justice's Procurement Fraud Initiative. It's a national initiative designed to promote the detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Investigations like the one involving alleged fraud and corruption at Al-Hillah are the reasons why this initiative was launched and why the National Procurement Fraud Task Force, chaired by Assistant Attorney General Alice Fisher, was created.

We will do everything in our power to protect the integrity of billions of dollars in federal contracts and other government programs from thieves, con artists and dirty businessmen. And we'll do everything in our power to prosecute those who abuse their positions of trust and try to steal from the American taxpayers or the people of Iraq, working hard to rebuild their nation.

There are a lot of people who put time and effort into this investigation and prosecution, including James Crowell and Ann Brickley from the Public Integrity Section, and Patrick Murphy from the Asset Forfeiture and Money Laundering Section, both from those sections of the Criminal Division here at the Department of Justice.

And these cases are being prosecuted by the Office of the Special Inspector General for Iraq Reconstruction, Stuart Bowen; the FBI's Washington Field Office; the U.S. Immigration and Customs Enforcement, or ICE, at the Department of Homeland Security; the IRS Criminal Investigative Agents; and the Army's Criminal Investigations Division; and the State Department's Office of Inspector General.

And now it is my honor to introduce to you and to give someone an opportunity to speak. Stuart Bowen is our Special Inspector General for Iraq Reconstruction. And everything I've said here today about our commitment to guarding tax dollars and ensuring the integrity of the reconstruction effort is something that he labors tirelessly for. And we are honored to have him with us today as he continues his great work in trying to promote integrity in what is being done in Iraq.

So, Stuart, I'm pleased to have you here with us today.

STUART BOWEN, SPECIAL INSPECTOR GENERAL FOR IRAQ: Thank you, Paul. Three years ago this week, I made my first trip to Iraq as Inspector General. Two months after I arrived there, a whistleblower walked into my office to report concerns that he had about what was going on in the comptroller's office in Hillah, which governed the South Central Region of the Coalition Regional Authority. Hillah is about 50 miles south-southwest of Baghdad.

The concerns that he outlined were significant enough for me to deploy my auditors immediately down there to investigate those issues. And shortly after they got down there, I received a phone call that outlined more than just issues that needed auditing, but issues that needed investigating.
And as their audits progressed, we accumulated more evidence, and then I deployed investigators down to Hillah, and then commenced a coordinated and rigorous investigation in Iraq and in Romania, in the United States, coordinated among the agencies represented here today, and now effectively carried forth by the Department of Justice prosecutors.

What this says is that we are rooting out fraud, waste and abuse in Iraq where we find it. It has not been a significant component of the American reconstruction experience over there, but where we found it, it has been egregious, and this is an egregious example of it. We will not tolerate corruption in contractors or U.S. officials, and those that engage in the conspiracy in this case are an example of those that we will continue to pursue.

We have 80 cases ongoing under investigation now. I have 10 investigators in Iraq operating today, and I will return to join them and support their work next week.

This is also a story about the importance of whistleblowers. This case evolved from an official who worked in that office and came in and told us the truth about what was going on there. And it's also the story about coordination among federal agencies to accumulate evidence that can produce effective prosecutions.

Robert Stein has already been convicted, and he's gone to prison. Philip Bloom is on his way. And these prosecutions will commence forthwith.

So, thank you to all the agencies that participated in this effort, and especially Department of Justice prosecutors who've very effectively carried forth our evidence and brought it to fruition in these indictments unsealed today.

Thank you. And I'm pleased to introduce my friend, Mark Everson, the Commissioner of the IRS.

IRS COMMISSIONER MARK EVERSON: Thank you, Stuart. Good afternoon. The job of the Coalition Provisional Authority was to temporarily exercise the responsibility of government before Iraq could fully form its own democracy. This was an important responsibility.

What we have here at its core is a serious instance of public corruption by some officials entrusted with these important duties. It's a sad situation with all the trappings of personal greed and blatant criminal conduct.

As the indictment makes clear, the individuals charged manipulated the contracting process to escape proper oversight and enrich themselves. They stole the money in Iraq and then smuggled vast sums into the United States to support lavish lifestyles.

The conspiracy took the form of a maze of financial transactions designed, of course, to escape detection. IRS criminal investigators helped unravel this mess. Sometimes tracing the flow of funds is the fastest and most direct way to document criminal activity and hold accountable those who violate the public trust.

Before closing, I want to congratulate Stuart Bowen and his team for this very important work. Members of the Special Inspector General's staff spent many months in dangerous situations to get at the truth. Stuart, I want to express my personal admiration for your work and that of your colleagues. Our nation owes you a debt of gratitude.

Thank you. Now, Mike Mason from the FBI.

MIKE MASON, FBI EXECUTIVE ASSISTANT DIRECTOR, CRIMINAL BRANCH : Thanks. Good afternoon. There are many things in the Iraqi combat theater which can be -- terrible things -- which can be attributed to the fog of combat, the fog of war. But the diversion of public funds for personal use, funds intended for the rebuilding of Iraq, is not one of those things. It is a reprehensible crime.

According to the indictment, these five people and their co-conspirators, high ranking military personnel and civilians alike, abused the public trust. They abused their positions of authority, and they have betrayed those

with whom they serve. In short, they traded their integrity for cash, computers and luxury automobiles.

They may have believed that they were too far from the watchful eyes of law enforcement to get caught, but they were wrong. Today's indictment reinforces the importance of all the agencies represented here today, and those not here today, of working together to ensure those who break the law in this manner are brought to justice.

There are many ways to contribute to the war in Iraq. We in the FBI are fully committed to working with our partners in law enforcement, the Inspector General's office and others in the military to investigate all allegations of fraud emanating from the Iraqi theater.

Thank you. And now I will introduce Kumar Kibble.

KUMAR KIBBLE, DEPUTY ASSISTANT DIRECTOR, NATIONAL SECURITY DIVISION, ICE: Thank you, Mike. When the Special Inspector General for Iraq was established, ICE joined the team effort at targeting those motivated by greed and illicit profits at the expense of progress and stability. Several ICE entities supported the Inspector General's efforts.

Our Computer Crime Center conducted forensic examinations of computer hard drives, PDAs, GPS units, cell phones and other electronic storage devices. This center analyzed more than half a million files and provided evidence to other SIGIR Task Force members for investigative action.

ICE's D.C.-based Special Agents provided the SIGIR Task Force with the financial investigative expertise that helped to identify the primary conspirators by following the money trail.

Our headquarters-based financial investigative section provided the analysis that identified the contract fraud and bank accounts that helped to lead to today's indictments.

Our International Affairs Attache Office in Vienna, Austria, provided the Romanian authorities with the leads that led to the arrest of Seymour Morris, Jr. yesterday in Bucharest on a provisional arrest warrant.

The SIGIR Task Force is made up law enforcement authorities wearing a number of different badges. But we have one common goal. And that is to ensure that illegal war profiteering doesn't go unnoticed or unpunished.

Thank you.

DEPUTY ATTORNEY GENERAL McNULTY: Thank you, gentlemen, for your contributions, and more importantly, for the work of your agencies. I'm happy now to answer any questions you might have.

QUESTION: Yes. For both you and Mr. Bowen, as you know, there was a -- in fact, Mr. Bowen was at the hearing yesterday on Capitol Hill on this very subject, and it's clear that not just a few million but actually billions are yet unaccounted for.

And the question is, you said this is the first prosecution. Much of the money may be lost because of corruption by Iraqis, and they have no judicial system to deal with that. When and how can charges eventually be brought against either Americans or Iraqis down the line, and is there any statute of limitations to deal with the fact that there's no -- no yet any judicial system to speak of to deal with this in Iraq?

DEPUTY ATTORNEY GENERAL McNULTY: Thanks. The question about the -- when we will see additional charges -- first let me clarify on this being the first prosecution. As Stuart mentioned and I said in my statement, we've already had a couple individuals plead in this case, and therefore, it's an ongoing matter.

But the scheme or the conspiracy associated here is the first conspiracy scheme brought in for prosecution, and this is the next major step in this large investigation.

Stuart mentioned earlier the number of investigations that they have underway. And that's just the right thing for them to be doing, along with other agencies that are working in partnership with the Inspector General there, to gather up all the facts they can, to work vigorously to try to uncover information, and to bring that really to the Department of Justice so that we can see if we have enough information to bring charges.

And so we have a group of people who are dedicated to the process of trying to make cases from this evidence, and we will bring every charge we can as soon as we have a sufficient amount of evidence to meet the standard we have to meet for proving our cases before a jury beyond a reasonable doubt.

We have set up the national task force in large measure to try create a kind of energy and cooperative attitude among all the agencies involved with procurement fraud, but there's a subgroup within the task force focused just on Iraq and trying to create as much momentum and energy as possible to continue this great work.

So we will be trying to find as many prosecutable cases in the midst of all this evidence that's being gathered and investigation work that's being done.

There is a possibility also on the Iraqi side of a possible prosecution. We have our own statutes of limitation, and we always have to keep an eye on those. And I don't think we're in danger any time soon of running up against one of those, but that's something we deal with here on a regular basis.

Do you want to comment about the Iraq side of it?

MR. BOWEN: Thank you. First of all, we have no jurisdiction over Iraqis. However, I do work in coordination with the Commissioner on Public Integrity, the Board of Supreme Audit and the Iraqi Inspector General, who do have that jurisdiction. And I have a working agreement with the Commissioner on Public Integrity, that's their FBI, created by the CPA to share information with respect to ongoing cases. Commissioner Roddey, who directs that agency, has over 2,000 cases against Iraqi officials.

With respect to the $8.8 billion issue that you alluded to that was subject of a hearing yesterday, that does not involve fraud; that involves a finding by my office that there should have been more accountability with respect to that money that was provided to the interim Iraqi government for its national budget expenses.

QUESTION: I have a couple of detailed questions.

DEPUTY ATTORNEY GENERAL McNULTY: Yes.

QUESTION: First, I think Ambassador Bremer also yesterday made -- tried to make the point that this was Iraqi money that had been not accounted for properly yesterday. The money we're talking about today is U.S. and Iraqi money, correct?

DEPUTY ATTORNEY GENERAL McNULTY: This money today is the CPA -- Iraqi money, right. So it's not the U.S. tax dollars appropriated for the war and reconstruction effort, but the CPA Iraqi money.

QUESTION: So Congress didn't appropriate any of the money that was going to the CPA? It just -- the indictment outlines something like $26 billion, and I'm just unclear where the $8.6 million that we're talking about in these cases, where that pot is coming from. Is that out of the $26 billion total in the CPA for reconstruction?

MR. BOWEN: The CPA had oversight of the Development Fund For Iraq, which was formerly the Oil For Food money. And some of that money went for the national budget to pay for the ministry's expenses; and that was the $8.8 billion. Other parts of it went for contract, including the Regional Rapid Response Program in Hillah that this money was part of.

And so it was Iraqi money that was allocated by the CPA across the country for quick turnaround projects, in this case projects that didn't get done and money that was stolen.

QUESTION: How much money was smuggled back into the United States by all of the parties? I know the deputy attorney general said $300,000 in one instance alone; I'm wondering how much cash came back through.

MR. BOWEN: I think those evidentiary issues are still being developed but about $500,000.

QUESTION: And the hot tub incident, was that -- that was, I assume, by Harrison and Driver, was that their total cut, the total money that they stole?

DEPUTY ATTORNEY GENERAL McNULTY: What happened there was Harrison took a large portion of money that was brought back, over $300,000, with her to her home in New Jersey. And then the work that was done in her home was paid for out of that money, so there was other money as well that was recovered from the house.

QUESTION: And then can you talk a little bit more about Morris' role in this? I'm a little unclear. The indictment makes it sound like he was kind of the go-between who was wiring some of the money and setting up the car exchanges and all of that, but who is this guy?

DEPUTY ATTORNEY GENERAL McNULTY: I may have to call on someone in the criminal division to provide more information on Morris. Do you want to do that?

James Crowell, one of the prosecuting attorneys.

MR. CROWELL: Mr. Morris, in summary, was a -- Mr. Morris was a U.S. citizen living in Romania. He was a personal friend of Mr. Bloom, and as alleged in the indictment, he served as a conduit to launder some of the funds and purchase some of the vehicles that are listed in the earlier plea agreements that are -- Mr. Stein, Mr. Hopfengardner and Mr. Bloom's plea agreements reflect wire transfers from Mr. Bloom's accounts in Switzerland and Romania, and they were transferred to Cyprus, which were accounts under the control of Mr. Morris.

Mr. Morris then returned domestic wires to the United States to pay for a Lexus, a Porsche, the Cadillac Denali (sic) that's alleged in the indictment you're looking at today.

QUESTION: Okay. So his total involvement was all illicit? He was never at any time hired by the United States government or the CPA to do any actual work?

MR. CROWELL: He is a civilian who received stolen CPA money and then used that money to purchase bribe payments for the other coconspirators.

DEPUTY ATTORNEY GENERAL McNULTY: There were three to this point, right?

MR. CROWELL: Yes, sir.

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DEPUTY ATTORNEY GENERAL McNULTY: I said two earlier, so let me correct that. Yes?

QUESTION: There are several coconspirators named, but I guess there are unindicted coconspirators. Could you talk a little bit about the status of some of the others involved just so we get it straight?

DEPUTY ATTORNEY GENERAL McNULTY: Well, we have an investigation that's ongoing here, so we won't discuss other individuals at this point.

QUESTION: I also have a question for Mr. Bowen in that Mr. Everson pointed out that you're conducting these investigations in very hazardous conditions. Could you talk a little bit about what it was like to follow this trail, and is there anything that really surprises you about how these guys carried out their plot?

MR. BOWEN: Well, the Green Zone is a dangerous place, and everyone who works in Iraq knows that. And it's certainly more dangerous today than it has been -- it was dangerous in 2004, and indeed my auditors, when they went down there -- during one of their trips down, their convoy, the convoy right adjacent to them as they were traveling together, was hit by an IED.

And so that danger affects everyone, and that's just one example of the close calls. I'm happy to say that all of my employees who've worked over there to date have -- are fine, and have come away unscathed. But it still continues to be a dangerous environment.

QUESTION: And in terms of -- did anything surprise you about the plot, about the extent to which they were carrying out these activities or anything like that or does nothing surprise you at this point?

MR. BOWEN: I was surprised at the audacity of the fraudulent -- the fraud and the scope of the conspiracy. Robert Stein was a CPA official, the comptroller for the South Central Region. He had three military officers working with him, and that officer in conjunction with him, and they knew that these contracts weren't being done and that Philip Bloom was simply pocketing the proceeds of money that was meant to relieve and reconstruct Iraq. And again, that speaks to the egregiousness of the fraud contained in this conspiracy.

QUESTION: Speaking of the audacity and scope, does any oversight now exist, you know, that came out of this investigation? Is there anything that would stop this sort of thing now before it gets to the criminal level?

MR. BOWEN: Yes, what exists is we now have a robust investigative team on the ground in Iraq. Special Inspector General's office was a startup. It's a temporary organization and has expanded over time. Now, three years into this, our presence is well known, and thus has an appropriate deterrent effect.

QUESTION: Is there -- beyond the deterrent effect, are there systems in place now so that there are self checks for groups that are actually doing these contracts? You know, one of the things that they did was they were all under $500,000, so they never had to go up to Baghdad to be reviewed. Has any of that changed?

MR. BOWEN: Yes, that's changed. That's because that was the function of the CPA regulations. The CPA has been gone for two-and-a-half years. The current oversight mechanisms are run through the Department of Defense, the United States Agency for International Development, Department of State, and primarily coordinated through the Joint Contracting Command, Iraq. And that is a much, much larger contingent of contracting officers overseeing how these contracts are managed than there was during CPA.

And that was the subject of one of our lessons learned in our contracting study. We said, there needs to be more coordination, more information sharing, and more personnel carrying out this important mission. And that's a lesson learned applied in Iraq.

QUESTION: Can you also tell us a little bit about this company that Bloom was running? Was it in any way legitimate? Did they make -- did they complete any projects at all? Is everything listed on that sheet not constructed?

MR. BOWEN: Well, I'll let Mr. Crowell speak to that, but I'll just say that in the Green Zone there was a small plaza with a few shops there, and one of them was Bloom's Coffee Shop, and it was sort of a testament to him. After he was arrested it stayed open; it's now closed. But he was everywhere.

There was something called GBG Logistics. Wherever you drove, whenever I traveled around Baghdad, there were signs, man camp built by GBG Logistics. And for me those were signs to pursue more investigations. And we have, and we continue to look at other things that he has done.

QUESTION: Mr. McNulty --

DEPUTY ATTORNEY GENERAL McNULTY: Any more questions on this subject before we move on?

QUESTION: Yes, I had --

DEPUTY ATTORNEY GENERAL McNULTY: Go ahead.

QUESTION: Just on the military guys, are they going to be -- the three military officers, the Reserve officers, are they going to be appearing in court in New Jersey and when? What is their status?

DEPUTY ATTORNEY GENERAL McNULTY: Well, they will have to make an appearance, their initial appearance pursuant to these indictments in New Jersey. I don't believe that date has been set yet.

QUESTION: Where are they?

DEPUTY ATTORNEY GENERAL McNULTY: James, do you want to tell us where they are?

MR. CROWELL: COL Whiteford lives in Utah. LTC Harrison lives in New Jersey. And LTC Wheeler lives in Wisconsin.

QUESTION: Are they arrested? Are they --

MR. CROWELL: Both Colonels Wheeler and Harrison have been arrested on criminal complaints. One was issued out of the District of Columbia. That was on COL Wheeler. And the one out of New Jersey, the criminal complaint, was on COL Harrison. Both of those were entered or returned in November of '05. They've been arrested and they remain on bond.

DEPUTY ATTORNEY GENERAL McNULTY: I think James will stay behind, by the way, in case you have any more factual things like this, periods of sentences, stuff like that.

QUESTION: Well, just to follow up on the last question, I believe somebody said that these cases have amounted to $3.6 million worth of corruption. And if Bloom's business got $8.6 million in contracts -- so there's about $5 million in legitimate work that was done, correct? I mean it wasn't all --

DEPUTY ATTORNEY GENERAL McNULTY: Is that a fair calculation?

MR. CROWELL: It was actually -- a report prepared that actually delineates some of the work that was done, and some of that was not. The $3.6 million reflects the total loss to the United States, including -- and the Iraqi

people, including the stolen money as well as what we deemed the failure to complete the projects.

QUESTION: I just want to make sure it's clear that I say that Bloom did sound, legit work.

MR. CROWELL: He did, yes.

DEPUTY ATTORNEY GENERAL McNULTY: Any more questions for us? And then we'll leave James behind to keep going on some of this. Yes.

QUESTION: Let me ask you a question about this international porn ring that was busted up in Vienna.

DEPUTY ATTORNEY GENERAL McNULTY: Oh, yes. Please.

QUESTION: Because you're always saying about the seriousness of the problem and the ability of governments to cooperate in trying to deal with it?

DEPUTY ATTORNEY GENERAL McNULTY: Well, it's a good sign that we can reach across the ocean to handle these cases. That's very important if we're going to make progress against child pornography and child exploitation because so many of the perpetrators are overseas.

The Department of Justice, of course, is thrilled that efforts are being made of this magnitude. This is one of our top priorities, as you know. Attorney General Gonzales has put a lot of personal time into promoting investigation and prosecution of child exploitation offenses. Project Safe Childhood is something that we are pushing hard within our federal law enforcement system and with our state and local partners.

So what this case represents is another way that enforcement work can be done where other countries are in partnership with us and making cases, and then coming or bringing to the United States information that we can pursue and that we can pick up from the leads and other information we receive.

QUESTION: What was the U.S. government's involvement in all this?

DEPUTY ATTORNEY GENERAL McNULTY: Well, we have been working on a lot of international investigations, and we have been involved with this one. As to specific involvement, I'm not sure. I'll ask Mike Mason if he has any details. Otherwise we may have to get back to you on that.

Do you have some more, Mike?

MR. MASON: The only details I have on that is many of the ISP addresses resolve back to the United States, and much of the internet traffic has passed through ISPs that are located in the United States. So we are working with those to identify the computers, identify the people, and move forward with the prosecutions.

QUESTION: Would those people be extradited to Austria?

MR. MASON: It's hard to say. This is way too early to say at this point in time what will become of the people who we find at the end of the trail.

DEPUTY ATTORNEY GENERAL McNULTY: Okay. Thank you all very much.

2:45 P.M. EST

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System Administrator

From: System Administrator
Sent: Wednesday, February 07, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1191528 KB.
Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 07, 2007 6:57 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 8 – FEBRUARY 9, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, FEBRUARY 7, 2007
WWW.USDOJ.GOV

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TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 8 – FEBRUARY 9, 2007

Thursday, February 8

10:30 A.M. GMT (7:30 A.M. EST)

Attorney General Alberto R. Gonzales will participate in a press availability with Brazil Minister of Justice Marcio Thomaz Bastos following a bilateral meeting on law enforcement cooperation between the two countries.
Ministry of Justice
Brasilia, Brazil
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Friday, February 9

12:30 P.M. GMT (9:30 A.M. EST)

Attorney General Alberto R. Gonzales will deliver remarks to members of the Brazil business community on international intellectual property rights.
Swiss Consulate
Casa da Suica
Rua Cândido Mendes 157
Rio de Janeiro, Brazil
OPEN PRESS

DOJ_NMG_ 0173791

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

10:00 A.M. EST Ron Tenpas, Associate Deputy Attorney General, will testify before the House Oversight and Government Reform Committee on Health Care Fraud and Drug Pricing.
Rayburn House Office Building
Room 2154
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

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System Administrator

From:	System Administrator
Sent:	Wednesday, February 07, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
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System Administrator

From: System Administrator
Sent: Thursday, February 08, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1191573 KB.
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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 8:42 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT A JOINT PRESS AVAILABILITY WITH BRAZILIAN MINISTER OF JUSTICE MARCIO THOMAZ BASTOS

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 8, 2007
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AG
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TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT A JOINT PRESS AVAILABILITY WITH BRAZILIAN MINISTER OF JUSTICE MARCIO THOMAZ BASTOS

BRASILIA, BRAZIL

Good morning.

I am pleased to join Minister of Justice Bastos as part of a series of meetings we will be having over the next two days while in Brazil. We have already had a fruitful discussion on a number of topics of mutual importance to Brazil and the United States.

Protecting the safety of our citizens is perhaps the central mission of any government. Without basic safety and security, we cannot be free to enjoy the many blessings of liberty and democracy. Today's meeting provided an opportunity to share our experiences combating violent crimes and gangs.

I would like to thank Brazil and the Justice Minister for their partnership on the law enforcement and counterterrorism issues that are so important to the wellbeing of both of our countries. Brazil has taken key steps to combat terrorism including the creation of an intelligence center and allocation of additional resources in the tri-border area. We encourage Brazil to continue in its progress to strengthen laws to help fight international terrorism.

We have been discussing the hard work of the government of Brazil to combat cybercrime and intellectual property crime. Specifically, Brazil has been an Organization of American States (OAS) leader in addressing cybercrime. In December, for example, you hosted an OAS cybercrime workshop for South American states. We also discussed additional ways in which we could work together to increase the number of prosecutions for cybercrimes and intellectual property

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These are issues we must face together. As your partners in the global fight against terrorists, violent gangs and criminals, the United States appreciates and supports your efforts and look forward to continuing our conversation and exploring additional ways our two nations can work together to keep all of our citizens safe.

Thank you.

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System Administrator

From: System Administrator
Sent: Thursday, February 08, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Your mailbox size is 1194732 KB.
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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 9:56 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 8, 2007

Department of Justice

PRESS GUIDANCE
Thursday, February 08, 2007

ATTORNEY GENERAL

10:30 A.M. GMT (7:30 A.M. EST)

Attorney General Alberto R. Gonzales participated in a press availability with Brazil Minister of Justice Marcio Thomaz Bastos following a bilateral meeting on law enforcement cooperation between the two countries.
Ministry of Justice
Brasilia, Brazil
OPEN PRESS

PRESS RELEASES

The Civil Rights Division will issue two releases on sentencing matters. (Magnuson)

The Office of Violence Against Women will issue a release. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173802

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Miller, Charles S

From: Miller, Charles S
Sent: Thursday, February 08, 2007 10:40 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/8/07 Civil Division News

Judge Throws out False Claims Act Lawsuit Against Custer Battles

Controller blamed in crash; Aviation expert faults orders to pilots in accident that killed 3

Verizon: Request would violate federal law

Editorial: No secrets here

Lawsuit by Wiccans allowed to proceed

Editorial:A witches' brew of religious discrimination

Prison ministry case in appeals court

CORPORATE CRIME REPORTER

February 7, 2007

Judge Throws out False Claims Act Lawsuit Against Custer Battles

A federal judge in Virginia has dismissed a False Claims Act lawsuit against Iraq contractor Custer Battles.

Federal court judge T.S. Ellis ruled in favor of Scott Custer, Mike Battles and their company – Custer Battles – and dismissed allegations that the company committed fraud in connection with its contract with

the Coalition Provisional Authority (CPA) to provide security support services at the Baghdad International Airport.

Judge Ellis found that “the undisputed facts manifestly demonstrate” that the fraud alleged had not been and could not be established.

“We have always maintained that our company did its best to perform its contracts in Iraq under unimaginably difficult conditions,” said Scott Custer. “In fact, we consistently met or exceeded the terms of our contracts with the CPA. It was not until well after our contracts were completed that these allegations were brought against us by competitors.

Obviously, we’re relieved by today’s decision, but it does not dispel the cloud that hangs over us or erase the two
years of legal battles we’ve fought to clear our name.”

“The facts of this case really showed just how difficult it is for private contractors in Iraq given the fluid and dangerous circumstances under which they operated, the inexperience of the government personnel, and the lack of clear legal guidance,” said Custer Battles lawyer David Douglass, a partner at Porter Wright in Washington, D.C.

Last year, in a separate claim, a federal jury in Alexandria, Virginia hit Custer Battles with a $10 million verdict for ripping off the federal government on the Iraq currency exchange program.

Both cases were brought under the False Claims Act by Robert J. Isakson and William D. "Pete" Baldwin, two whistleblowers who used to work for Custer Battles.

Isakson and Baldwin were represented by Alan Grayson.

END

CHICAGO TRIBUNE

February 8, 2007

Controller blamed in crash; Aviation expert faults orders to pilots in accident that killed 3

Matt O'Connor, Tribune staff reporter.

An aviation consultant testified Wednesday that an air-traffic controller's negligence led to the midair collision near Waukegan that killed radio star WGN Bob Collins and two other people in 2000.

"There were a multitude of things he did wrong," Richard P. Burgess, who spent 32 years at the Federal Aviation Administration, testified at a federal trial into the cause of the crash.

Burgess, hired by lawyers for Collins' widow, also said that a 1997 midair collision at Chicago's Meigs Field that killed seven people was "a wake-up call" that should have prompted the FAA to install radar at the Waukegan Regional Airport in addition to installing it at Meigs.

The Waukegan airfield was busier than Meigs, yet only Meigs was equipped with radar after the midair collision at the lakefront airport, according to testimony.

Radar was installed at the Waukegan field five months after the crash killed Collins, his passenger, Herman Luscher, and student pilot Sharon Hock in the other plane.

In testimony Tuesday, Gregory Fowler, the air-traffic controller in question, admitted he had no idea of the precise location of Hock's Cessna when he instructed her to turn toward the Waukegan airport.

Less than two minutes later, Collins' Moravan Z242L rear-ended the Cessna 172P. Collins' plane crashed onto the roof of the Midwestern Regional Medical Center, and Hock's plane plummeted to a Zion street.

Lawyers for the victims have sued the U.S. government, contending that the FAA was responsible for the crash even though a private company operated the Waukegan tower. U.S. District Judge John Darrah is to decide the case.

Burgess testified that Fowler erred when he issued certain directives to the two pilots, including clearing Collins to land, even though he had neither plane in sight.

The sky was hazy, making visibility difficult on Feb. 8, 2000.

Burgess also faulted Fowler for not requesting additional reports from the pilots on their positions.

Moments before instructing Hock to turn toward the airfield, which is located near Lake Michigan, Fowler had asked if she had passed the shoreline. "Gettin' there," she replied. On the witness stand Tuesday, Fowler admitted he should have followed up to obtain a more precise location.

On cross-examination of Burgess, Jill Dahlmann Rosa, a Justice Department lawyer, suggested he had a vendetta against the FAA after he had been suspended and reassigned to a nonsupervisory position late in his career. Burgess denied any hard feelings.

Rosa also contended that in the last four years Burgess had found 32 air-traffic controllers at fault in 18 lawsuits in which he testified.

In other testimony Wednesday, Dr. Frank Weschler, Collins' physician, who briefly examined him the day before the fatal crash, said he didn't believe Collins' vision or cognitive abilities were impaired by his diabetes.

In opening statements Monday, the government contended that Collins caused the collision by misreporting his position to the tower and argued that diabetes impaired his ability to see and react.

Also Wednesday, media lawyer Joel Weisman, testifying as an expert, estimated that Collins, Chicago's top-ranked morning-radio personality, might have earned as much as $14 million from his next five-year contract and signing bonus if he had survived. At the time of his death, Collins was in the first year of a five-year contract that paid him about $9.5 million, bonus included.

END

AP

Feb. 8, 2007

Verizon: Request would violate federal law

By Francis X. Quinn

AUGUSTA, Maine -- Verizon is backing the U.S. government's attempt to stop a contempt hearing for the telecommunications giant that's scheduled for Friday by the Maine Public Utilities Commission.

Federal officials say the hearing could compromise national security.

"The MPUC seeks, under threat of sanction, to compel Verizon to provide information in state proceedings concerning its alleged cooperation with an alleged national security program despite the fact that the United States has specifically instructed Verizon that providing such a response would violate federal law," lawyers for Verizon wrote in a legal brief.

U.S. District Judge John Woodcock is expected to hear arguments in Bangor on Thursday.

A multi-customer complaint filed with the PUC last May effectively seeks to force Verizon to say whether it provided telephone call records to the government without a warrant. The complaint followed reports about domestic surveillance by the National Security Agency.

The PUC has challenged the adequacy of Verizon responses to date.

On Tuesday, the Justice Department asked Woodcock to bar the PUC from going ahead with a contempt hearing at this time.

The Justice Department also asked the judge to block Verizon from responding to PUC demands for an affirmation of previous statements "because of the substantial risk of direct or inadvertent disclosure of information that would tend to confirm or deny the existence of foreign intelligence activities."

Verizon supports the federal government's request for a temporary restraining order or preliminary injunction.

"The MPUC's action unfairly puts Verizon squarely in the middle of this dispute between the United States and Maine over the state's authority to investigate, and potentially interfere with, an alleged federal national security program," lawyers for Verizon said.

The federal government's position drew new criticism Wednesday from the Maine Civil Liberties Union.

"It is the PUC's job to ensure that all of Maine's utilities companies are acting within the law," Zachary Heiden, a staff attorney for the Maine Civil Liberties Union, said in a statement. "The Department of Justice has no business trying to keep Maine's PUC from simply doing its job."

"The contempt hearings on Friday are simply meant to find out why Verizon ignored an order from the PUC," Heiden said. "There is nothing secret at issue here."

A multi-district litigation panel has been considering whether to consolidate a number of similar cases in which the federal government has sued state officials.

END

Bangor Daily News

Feb. 8, 2007

Editorial: No secrets here

U.S. District Court in Bangor today is expected to decide whether the Maine Public Utilities Commission can ask Verizon officials to confirm they told the truth through press releases last year about the National Security Agency’s wiretapping program. The Justice Department argues that this is entirely a federal question and a discussion about what is accurate could disclose secret information.

But the PUC is far from digging for official secrets. It has not asked about the kinds of information a phone company might collect, nor is it asking about specific instances of information being collected. It simply seeks confirmation of statements volunteered by Verizon and sent out in the form of two Verizon press releases.

A PUC hearing, scheduled for Friday, is in response to a statutory deadline for Verizon to either confirm or deny the accuracy of these releases, which said news stories about the company's involvement with the NSA were false, or state why the company could not respond to the request. If Verizon fails to do any of those things, the PUC could hold it in contempt, which means the possibility of significant fines or imprisonment until it meets the order.

The Justice Department is seeking a temporary restraining order from District Court to stop the PUC hearing, but District Court Judge John Woodcock might observe that the care with which the PUC has proceeded in this contentious case provides an opportunity to establish how far the PUC's jurisdiction extends. Certainly, the level of information sought by the PUC is so benign that to allow it to proceed cannot pose a threat to anyone, unless Verizon was less than truthful in its press releases.

The duty of the PUC is to carry out Maine statutes that say "telephone subscribers have a right to privacy and the protection of this right to privacy is of paramount concern to the state" and that to "exercise their right to privacy, telephone subscribers must be able to limit the dissemination of their telephone numbers to persons of their choosing."

If anything, the PUC could be considerably more aggressive in pursuit of its duties. It has chosen to take small steps slowly as it feels its way through this difficult issue. But the next step today should be easy for the District Court to take.

END

AP

February 8, 2007

Lawsuit by Wiccans allowed to proceed

By Scott Bauer Associated Press

MADISON, Wis. -- A federal lawsuit filed by Wiccans against the U.S. Department of Veterans Affairs will proceed despite a request by the VA that it be put on hold for perhaps as much as a year.

The lawsuit, filed in November, accuses the VA of coming up with "excuse after excuse" for more than nine years for not putting the Wiccan symbol on grave markers of veterans who were members of that religion. The department does not allow Wiccan religious symbols on veterans' headstones in national cemeteries.

The VA argued in a motion filed Jan. 19 with the U.S. District Court in Madison that the lawsuit should be put on hold while the department finalizes a new rule governing symbols on gravestones. That process could take as long as 12 months, but the agency will make a decision on the Wiccan request within a month after the new rule is issued, the government's motion said.

The Wiccans' attorney objected, arguing that nothing requires the VA to finalize its rules within a year or to take up the Wiccan request at all.

Trial date set

U.S. District Judge John Shabaz issued a one-line order on Jan. 26 allowing the case to proceed. He set a trial date for June 29.

"We're pleased that the litigation will go forward, and the VA will not be able to delay further coming to the right decision and giving the families of veterans the memorials that they're entitled to," said Richard Katskee, lead lawyer in the case for Americans United for Separation of Church and State.

U.S. Attorney Erik Peterson, who is defending the government, did not return a call seeking comment.

Selena Fox, a Wiccan high priestess with Circle Sanctuary in Barneveld, praised the judge's decision. "The VA's decade-long pattern of delay, disregard and discrimination against the Wiccan religion must stop," she said.

"The thought of possibly having to wait more than a year to have our case heard was terrible."

Wiccans want inclusion

A nature-based religion, the Wiccan faith is founded on respect for the earth, nature and the cycle of the seasons. The Wiccan symbol is a pentacle, a five-pointed star representing earth, air, fire, water and spirit. Variations not accepted by Wiccans have been used in horror movies as a sign of the devil.

The lawsuit argues that the department's refusal to act on requests to permit the symbol on veterans' grave markers violated Wiccan's constitutional rights of freedom of speech, religion and due process. The lawsuit seeks an order compelling the VA to make a decision.

The lawsuit was filed by Circle Sanctuary, Isis Invicta Military Mission, a Wiccan and Pagan congregation serving military personnel based in Geyserville, Calif., and two widows of Wiccans -Roberta Stewart of Nevada and Karen DePolito of Utah.

The lawsuit says it makes no sense for Wiccan symbols to be banned from grave markers when Wiccan soldiers can list their faith on dog tags, Wiccan organizations are allowed to hold services on military installations and the Army Chaplains Handbook includes an explanation of the religion.

New symbol process

Americans United also objects to the VA's proposed rule covering acceptance of new symbols on grave markers, Katskee said. It contains guidelines that give the VA too much discretion in deciding what to allow and does not have a firm enough timeline governing the process, he said.

"It leaves a lot of room for the government to reject things out of hand," Katskee said.

The VA has suspended consideration of all requests while the new rule is being drafted. A message left with its public affairs office was not returned.

The VA currently allows 38 religious symbols to be placed on gravestones.

The list includes commonly recognized symbols for Christianity, Buddhism, Islam and Judaism, as well as those for smaller religions such as Sufism Reoriented, Eckiankar and the Japanese faith Seicho-No-Ie.

END

Chicago Tribune

February 8, 2007

Editorial:A witches' brew of religious discrimination

Steve Chapman

When he was alive, the U.S. government had no trouble finding a place for Patrick Stewart, never mind his unconventional beliefs. It inducted him into the Army National Guard, issued him dog tags giving his religion as "Wiccan," and deployed him to Afghanistan. He died there in 2005 when Taliban forces shot down his helicopter. It was only later that Uncle Sam had second thoughts.

Sgt. Stewart was buried in a veterans cemetery in Nevada, and his widow asked that his memorial plaque include the encircled five-pointed star of Wicca, a religion based on nature worship. But the Department of Veterans Affairs declined, because that emblem is not among the 38 religious symbols it allows.

Eventually, the state of Nevada stepped in and said it was in charge of the cemetery and would provide the plaque, which finally was dedicated in December. But back in Washington, the VA is still treating fallen Wiccan soldiers as a terrible inconvenience.

For nearly a decade, family members have been asking for the right to put the pentacle on the gravestones of Wiccan soldiers, and so far, they have been disappointed. Last year, two widows filed a lawsuit accusing the government of unconstitutional religious discrimination. At that point, the department suddenly unveiled a proposed regulation for handling such requests.

But the department won't say whether the new policy will permit the Wiccans to use their symbol. Nor is it clear from the text, which says the department may refuse to recognize religious groups that "promote or engage in activity that is illegal or contrary to public policy," and may reject any emblem that "would have an adverse impact on the dignity or solemnity of cemeteries."

When I asked a department spokesman whether the Wiccan application would qualify under this policy, he said only that it would get "thorough consideration." The new rules didn't dissuade a federal judge from letting the lawsuit proceed.

Maybe the VA is finally ready to do the right thing. But after all the time it has spent stalling on this issue, the suspicion arises that somebody there has a major problem with the Wiccans. And it's not hard to imagine that the current secretary of Veterans Affairs would like to delay a resolution until the next administration, so someone else would get the blame for--as the change will undoubtedly be portrayed--giving a seal of approval to an evil cult.

But the question is not whether Wicca is a good or true religion--only whether its adherents are entitled to the same rights as everyone else. The Constitution has a simple answer: Yes.

In deference to freedom of religion, the VA makes room for lots of faiths. If you're buried in a military cemetery, you can choose from the familiar (several crosses, a Star of David, a Muslim crescent and star) or the esoteric (symbols of Buddhism, Baha'i and Sufism Reoriented).

There is even room for non-believers: One approved emblem is an atom, representing atheism. During the time the Wiccans have been waiting, the VA has added several other symbols, including one for Sikhs and another for Izumo Taishakyo, a branch of Shinto.

It's not as though Wicca is any less of a religion than these others. The Pentagon, which says there are some 1,800 Wiccans serving in the ranks, allows Wiccan groups to hold services on military bases. The

Justice Department treats Wicca as an authentic religion in the reference manuals given to federal prison chaplains. The IRS grants tax exemptions to Wiccan churches.

But some people imagine adherents to be a dangerous throng of witches, warlocks, devil-worshipers and virgin-sacrificers who huddle around cauldrons chanting, "Double, double, toil and trouble." Americans United for the Separation of Church and State, which filed the lawsuit, suspects the VA may be fearful of provoking the religious right.

A few years back, after a flap over Wiccan events at military installations, some Christian groups called for a ban, and lobbyist Paul Weyrich of the Free Congress Foundation declared, "Until the Army withdraws all official support and approval from witchcraft, no Christian should enlist or re-enlist in the Army."

It doesn't appear his suggestion cost the military any Christian enlistees--which suggests that soldiers and sailors of many faiths can live, work and fight together despite their religious differences. If Wiccans are good enough to die for their country, they're good enough to be treated with respect afterward.

END

AP

Feb. 8, 2007

Prison ministry case in appeals court

ASSOCIATED PRESS

A federal appeals court panel of three judges, including former U.S. Supreme Court Justice Sandra Day O'Connor, will hear arguments next week in a case that challenges President Bush's policy of intermingling private faith-based programs and government.

U.S. District Judge Robert Pratt ruled on June 2, 2006, that the Prison Fellowship Ministries Inc. program used at a central Iowa prison was unconstitutional and must be shut down.

The program, during which inmates immersed themselves in evangelical Christianity, was operated at the Newton Correctional Facility.

The program was challenged in federal court by the Washington-based Americans United for Separation of Church and State.

Pratt ruled that the program operated by Prison Fellowship through a contract with InnerChange Freedom Initiative Inc. violated the First Amendment's clause barring government from the establishment of religion.

The ruling ordered the Iowa Department of Corrections to close the program and that $1.5 million had to be returned to the state.

The 8th Circuit arguments in the case are scheduled to be held in St. Louis before O'Connor and Judges Roger Wollman and Duane Benton at 9:30 a.m. Tuesday, according to the court schedule.

END

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, February 8, 2007 10:58 AM
Subject: Blood Drive for February 8, 2007, to Be Rescheduled

Blood Drive for February 8, 2007, to Be Rescheduled

The American Red Cross Blood Drive, scheduled for today from 8:30 a.m. to 2:00 p.m. in the Great Hall of the Robert F. Kennedy Main Justice Building, has been postponed and will be rescheduled. We apologize for the inconvenience and will be notifying donors of the new date and time.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 11:23 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT'S OFFICE ON VIOLENCE AGAINST WOMEN OBSERVES NATIONAL TEEN VIOLENCE AWARENESS AND PREVENTION WEEK

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 8, 2007
WWW.USDOJ.GOV

OVW
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT'S OFFICE ON VIOLENCE AGAINST WOMEN OBSERVES NATIONAL TEEN VIOLENCE AWARENESS AND PREVENTION WEEK

Acting Director Mary Beth Buchanan Participates in Launch of National Teen Dating Abuse Hotline

WASHINGTON – To continue its efforts to raise awareness and increase education of the alarming and often under-reported crime of teen dating violence, this week (Feb. 5-9), the Office on Violence Against Women (OVW) is observing National Teen Dating Violence Awareness and Prevention Week. OVW is also joining with Liz Claiborne Inc. and the Domestic Violence Hotline to launch the National Teen Dating Abuse Helpline (NTDAH). The NTDAH is a 24-hour national Web-based and telephone hotline that has been created to help teens (ages 13-18) experiencing dating abuse. The hotline will be the only helpline in the country serving all 50 states, Puerto Rico and the Virgin Islands. Teens and parents anywhere in the country can call toll-free, 866-331-9474 or log on to the interactive Web site, http://www.loveisrespect.org, and receive immediate and confidential assistance. OVW Director Mary Beth Buchanan was the first to call into the new helpline this morning.

"Teenagers, especially young women, are too often victims of violence that goes unacknowledged and unreported," said Mary Beth Buchanan, Acting Director of the Office on Violence Against Women. "During this National Teen Dating Violence Awareness and Prevention Week, and throughout the entire year, it is crucial to raise awareness about such an important issue that greatly touches the lives of so many teens. OVW has made combating this issue a priority, and we are pleased that members of the public and private sectors are helping to raise the profile of teen dating violence."

According to recent studies, 20 percent of teenage girls and young women have experienced some form of dating violence. Teen dating violence often increases the risks of substance abuse, sexual activity, pregnancy and suicide, especially for female victims.

The Justice Department's Office on Violence Against Women (OVW) has made combating teen dating violence a priority. In 2006, OVW convened roundtable discussions in partnership with the Department of Education and the Office of Justice Programs to discuss efforts to address teen dating violence. In 2002, OVW funded the national Teen Dating Violence Resource Center at the National Center for Victims of Crime. The

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center provides communities and programs across the country with training, resources and information to increase awareness of and commitment to addressing this crime.

Liz Claiborne Inc. initiated and funded the new Web site with a multi-year, million-dollar grant as part of the company's commitment to help end teen dating abuse in this country. The helpline and Web site will operated by the National Domestic Violence Hotline, which was established in 1996 and is a grantee of OVW. Since then, the Hotline has answered over 1.5 million calls and now responds to 16,000 calls each month, offering translations for 140 languages, a TTY line for the deaf, deaf-blind and hard of hearing, and now a National Helpline for Teen Dating Abuse victims.

Teen dating violence includes physical abuse as well as sexual, verbal and emotional abuse. The potential for violent behavior in an abusive relationship often escalates as the relationship becomes more serious. Victims may remain in abusive relationships for many reasons, including fear of the perpetrator, self-blame, loyalty, love for the perpetrator, social stigma, or lack of understanding. Teen dating violence crosses all gender, racial and socioeconomic lines. Although the dynamics are similar to those for adult domestic violence, teens generally have less experience with relationships, so may be less likely to recognize abuse. Some of the signs of abuse, such as jealousy or possessiveness, may be confused as signs of love.

Through its past actions and many future efforts, OVW has made educating teens and others about the seriousness of teen dating violence a priority. OVW will continue to partner with federal and private entities to increase awareness in the hopes that early detection will be able to prevent these crimes from occurring.

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07-079

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Image not available for this document, ID: 0.7.10316.8436-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 12:15 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER NSA EMPLOYEE PLEADS GUILTY TO CONFLICT OF INTEREST

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 8, 2007
WWW.USDOJ.GOV/USAO/MD

CONTACT: VICKIE LEDUC
PHONE (410) 209-4885
FAX (410) 962-3091

FORMER NSA EMPLOYEE PLEADS GUILTY TO CONFLICT OF INTEREST

Over $770,000 in Contracts Awarded to Companies in Which He Had a Financial Interest

BALTIMORE, Md. – Wayne J. Schepens, 37, of Severna Park, Md., pleaded guilty today to engaging in a conflict of interest by using his official position as a National Security Agency (NSA) employee to cause government contracts to be awarded to companies owned and operated by Schepens or his spouse, announced Assistant Attorney General Alice S. Fisher for the Criminal Division and U.S. Attorney Rod J. Rosenstein for the District of Maryland.

"While he was working for NSA, Wayne Schepens arranged to award government contracts worth over $770,000 to companies in which he and his wife had a financial interest," said U.S. Attorney Rosenstein. "It is a crime for government employees to participate in awarding contracts that bring them personal financial benefits."

Schepens faces a maximum sentence of five years in prison followed by three years of supervised release and a $250,000 fine. U.S. District Judge Catherine C. Blake has scheduled sentencing for April 6, 2007 at 9:00 a.m.

According to the plea agreement, Schepens was an employee of NSA from January 1998 until his resignation on July 26, 2006. During his government employment, Schepens co-created and directed the Cyber Defense Exercise (CDX), an annual information assurance competition between students at various military service academies. The CDX was first held in the spring semester of 2001 while Schepens was assigned as an NSA visiting fellow at the U.S. Military Academy at West Point, N.Y. Thereafter, the CDX was held annually through 2006. In the CDX, "blue" teams from the participating service academies were graded on their ability to protect computer networks from attacks by "red" teams of "hackers." The red teams were generally comprised of NSA employees and military reservists.

As part of his official duties, Schepens essentially directed the CDX. In particular, he

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determined which support services were to be provided by government employees or by government contractors for the CDXs; determined the scope of the work to be obtained through government contracts; recommended whether any government contracts should be obtained by competitive bidding or as "sole source" procurements; established the reasonable costs of such services; and determined the sources of funding and obtained funding for government contracts to support the exercise.

Schepens knew that he had financial interests which were likely to be affected by his participation in the CDXs. Between March 2003 and July 2005, companies owned and operated by Schepens or his spouse obtained over $770,000 in government contracts or subcontracts with the U.S. Military Academy, the U.S. Merchant Marine Academy at Kings Point, N.Y., and the Naval Postgraduate School at Monterey, Cal. to provide support of the CDXs.

Additionally, Schepens and his spouse, through their companies, were paid $54,000 on invoices they submitted to both the U.S. Merchant Marine Academy and the U.S. Military Academy under separate contracts for the same or similar services rendered.

Schepens also recommended that military purchasing requests of $720,000 be issued by NSA to the Naval Postgraduate School for the 2005 and 2006 CDXs, intending that $640,000 of those funds would be used to enter into a subcontract and a contract with his spouse's company, CDXperts, Inc. Schepens had a financial interest in CDXperts, as payments made on government contracts awarded to CDXperts were deposited into the joint bank account of Schepens and his spouse. Schepens recommended the award of the subcontract and contract to CDXperts without competitive bidding and the contracts were so awarded. During the contract negotiations with other government employees in which he recommended that the contracts be "sole sourced," Schepens represented CDXperts' interests. CDXperts was paid a total of $606,402 under these two contracts with the Naval Postgraduate School.

Schepens did not identify CDXperts as a source of income for himself and his spouse on the confidential financial disclosure report for 2004, as required. When, after learning of the existence of a governmental investigation into his alleged conflict of interest, Schepens subsequently listed CDXperts on his financial disclosure report for 2005, his supervisor recognized the conflict of interest that existed between Schepens' official duties and financial interests, and removed him from further participation in the 2006 CDX.

U.S. Attorney Rosenstein praised the investigative work performed by the NSA Office of Inspector General, with assistance from the FBI. Mr. Rosenstein thanked Assistant U.S. Attorney Jonathan Biran and Trial Attorney Eileen Gleason of the Public Integrity Section of the Criminal Division, who are prosecuting the case.

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DOJ_NMG_ 0173819

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Image not available for this document, ID: 0.7.10316.8437-000002

[redacted]

Subject: Action Item 5.1.1.2 meeting
Location: GSA Bldg, 7th & D Sts, Room 7511

Start: Friday, January 05, 2007 1:00 PM
End: Friday, January 05, 2007 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: [redacted]
Required Attendees: Adise, Russell; Ames, Fred; Anderson, Bill; Anderson, Margot; Arvonio, Faye; Avila, E.J.; Bagley, Martin; Bailey, John; Barkdull, Nolan; Barth, Marvin; Bates, Tom; Becker, Gary; Betson, Sharon; Bird, Ronald; Blake, Erica; Boundy, Mark COL; Breuder, Jen; Brodsky, Nancy; Brown, Laurence; Brown, Theresa; Burleson, Deeanna; Chavez, COL Richard; Clancy, Dean; Cononi, Rachel; Coulliette, Bruce T; Croddy, Jack; Davey, Victoria; Decker, Chris; Deland, Sharon; Desmond, Angela; Dickerson, Nathan; Domich, Paul; Donlon, Jerome; Donnelly, Kurt; Downs, Kathleen; Eckstrand, Dr. Irene; Ehlen, Mark; Eissa, Nada; Estacio, P.H.; Finney, Tremika; Foley, Tara; Friedman, Kenneth; Garfield, Reed; Gellin, Bruce; Gorsuch, Neil; Granger, Larry; Harless, Angela; Harris, Joan; Hatchett, Richard; Hayes, John; Henry, David; Herring, Bradley; Highnam, Dr. Peter; Hinchion, Rick; Howe, Susan (Suey); Hrubovcak, Jim; Jakubowski, Ted <CTR>; Kalmus, Rebecca; Kearney, Rick; Kennedy, Beth; Kircher, Amy; Knapp, Kathryn; Knouse, Ruth; Koenigsberg, Dr. Edward; Lampkin, Emily Kertz; Langdon, David; Lazarus, Larry; Lippert, Alice; MacLaren, Jon; Malphrus, Steve; Mansoura, Monique; Mares, Jan; Mariner, Robert A.; Martinez-Fonts, Al; McClure, Laura; McCracken, Kathie; McHale, Paul; Melius, Carl; Melzer, Martin; Michelsen, Randy; Miller, Joy; Miller, William LTC; Mitchiner, John; Molloy, Jane; Moorhead, Hunter; Music, Francesca; Nash, John M.; Nelson, Keith; Nemmers, Kris; Noblitt, Doy; Oliver, Charlotte; O'Malley, Mike; Otis, Lee L.; Parrish, Cayce; Peyus, Sharon; Phillips, Sally; Pierce, Michael; Purdy, Caroline; Rahaman, Andrew; Randall, Jenny; Rastogi, Tanuja; Raub, Dr. William; Reynolds, Timothy L.; Richards,

Jack; Robinson, Robin; Rodenhiser, Mary; Rogers, Karen; Roth, Keith; Rothrock, Anne; Runge, Dr. Jeff; Ryan, Keith; Schneider, Diana; Schutte, Carol; Shaw, Aloma; Smith, Jim; Smith, Marty P.; Soares, Chris; Stokes, Kem; Stump, Jeremy; Sylvester,John; Szabat, Joel; Teachman, Mark; Thurman, Stephan; Viola, Dr. Michael; Wall, Joel; Warren, Carlene; Wascom, michael; Weimer, Tom; Wells, Jack; Wolfson, Jonathan A.; Worth, John; Yevich, Steven

All-

This is the meeting for Action Item 5.1.1.2. I will send out the agenda the day before (January 4th). If anyone has any issues they would like to see discussed at this meeting, please let me know, otherwise I will have an item for 'other issues' on the agenda.

For reference: *5.1.1.2 -- HHS and DHS, in coordination with the National Economic Council (NEC), DOD, DOC, U.S. Trade Representative (USTR), DOT, DOS, USDA, Treasury, and key transportation and border stakeholders, shall establish an interagency modeling group to examine the effects of transportation and border decisions on delaying spread of a pandemic, and the associated health benefits, the societal and economic consequences, and the international implications, within 6 months. Measure of performance: Interagency working group established, planning assumptions developed, priorities established, and recommendations made on which models are best suited to address priorities.* ***DUE DATE: 6 months***

Please note the conference call information for those who cannot attend in person.
DDI number: 202-243-6160 or 1-877-711-5292
Conference Pin: 157454
For all those who plan on attending, please enter the GSA building at the main entrance with the ramp and all weather canopy. I will be downstairs to sign in those attendees who are not DHS badge holders. If there is a problem, my cell phone [redacted]

Look forward to seeing everyone in the new year!!
Best,

[redacted]
Economist
O: [redacted]
F: 202.282.9207
[redacted]@dhs.gov

System Administrator

From:	System Administrator
Sent:	Thursday, February 8, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195452 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Thursday, February 08, 2007 2:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Pittsburgh, PA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Thursday, February 08, 2007 2:01:08 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Pittsburgh, PA
Auto forwarded by a Rule

AMBER ALERT:Pittsburgh,PA VEH:Drk 4D Sedan TAG:PA partial DN096 VEH:'97 Drk grn Toyota Camry TAG:PA GMR7704 CHILD:B/M,4,3'06,45lb SUSP:B/M,29,5'5,180lb;CALL 911 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3382

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Thursday, February 8, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195459 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, February 8, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195460 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 5:39 PM
To: USDOJ- Office of Public Affairs
Subject: NEW JERSEY MAN SENTENCED TO 46 MONTHS IN PRISON FOR ATTEMPTED SEX CRIME

Department of Justice

United States Attorney Michael J. Sullivan
District of Massachusetts

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 8, 2007
WWW.USDOJ.GOV/USAO/MA

CONTACT: SAMANTHA MARTIN
PHONE: (617) 748-3139
SAMANTHA.MARTIN@USDOJ.GOV

NEW JERSEY MAN SENTENCED TO 46 MONTHS IN PRISON FOR ATTEMPTED SEX CRIME

BOSTON, Mass. – A New Jersey man was sentenced today in federal court for traveling with the intent to commit a sexual act with a juvenile, Assistant Attorney General Alice S. Fisher for the Criminal Division, U.S. Attorney Michael J. Sullivan, Chief Edward J. Drew of the Waltham, Mass. Police Department, Chief Leo A. Sacco of the Medford, Mass. Police Department, and Special Agent in Charge of the U.S. Secret Service in New England Steven D. Ricciardi, announced today.

Martin Rob Van Vliet, 49, of Hillsdale, N.J., was sentenced by U.S. District Judge Nancy Gertner to 46 months in prison to be followed by three years of supervised release and fined $10,000, following a Feb. 1, 2006, jury conviction.

Evidence presented during the six-day trial proved that in October 2001, Van Vliet met a person he believed to be a 15-year-old girl in a Yahoo! Internet chat room. The evidence proved that unbeknownst to him, the 15-year-old girl he thought he was communicating with was in fact an undercover police officer from the Waltham Police Department. Finally, the evidence proved that on Nov. 19, 2001, after several communications on the Internet, Van Vliet traveled from New Jersey to Waltham to meet the 15-year-old and commit a sexual act with her.

The case was investigated by the Waltham and Medford Police Departments, and the U.S. Secret Service. It was prosecuted by Assistant U.S. Attorney S. Waqar Hasib, and Trial Attorney Darcy Katzin of the Child Exploitation and Obscenity Section of the Criminal Division.

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DOJ_NMG_ 0173828

Image not available for this document, ID: 0.7.10316.8325-000001

Image not available for this document, ID: 0.7.10316.8325-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 6:01 PM
To: USDOJ- Office of Public Affairs
Subject: SOLDIER INDICTED FOR USING THE INTERNET TO SET UP SEXUAL ENCOUNTER WITH 13-YEAR-OLD GIRL

Department of Justice

United States Attorney John C. Richter
Western District of Oklahoma

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 8, 2007
WWW.USDOJ.GOV/USAO/OKW

CONTACT: Bob Troester
PHONE (405) 553-8999
FAX (405) 553-8888

SOLDIER INDICTED FOR USING THE INTERNET TO SET UP SEXUAL ENCOUNTER WITH 13-YEAR-OLD GIRL

OKLAHOMA CITY — A federal grand jury has returned an indictment against Scott William Johnson, 34, of Lawton, Okla. for using the Internet to arrange a sexual encounter with a person who he believed to be a 13-year-old girl, U.S. Attorney John C. Richter of the Western District of Oklahoma announced today.

According to the indictment, on Jan. 20, 2007, Johnson used the Internet to discuss his desire to have sex with a person he believed to be a 13-year-old girl, and to make arrangements to travel to her home. It is alleged that Johnson did travel to the home to have a sexual encounter with the girl. However, Johnson was not communicating with a 13-year-old girl but with undercover personnel working with the Walters Police Department.

According to court records, Johnson is an E-5 Sergeant in the U.S. Army stationed at Ft. Sill, living in Lawton, Okla. If convicted, Johnson faces no less than five and up to 30 years in prison, a fine of up to $250,000, or both.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

DOJ_NMG_ 0173831

The case is the result of an investigation conducted by the Walters Police Department and the FBI. This case is being prosecuted by Special Assistant U.S. Attorney William C. Knott, Jr. and Assistant U.S. Attorney Randy Sengel.

The public is reminded that the indictment is merely an accusation and that the defendant is presumed innocent unless and until proven guilty.

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DOJ_NMG_ 0173832

Image not available for this document, ID: 0.7.10316.8410-000001

Image not available for this document, ID: 0.7.10316.8410-000002

Amber.JMD

From: Amber.JMD
Sent: Thursday, February 08, 2007 6:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Pittsburgh, PA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Thursday, February 08, 2007 6:01:02 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Pittsburgh, PA
Auto forwarded by a Rule

UPDATE AMBER ALERT:Pittsburgh,PA VEH:Drk 4D Sedan TAG:PA partial DN096 VEH:'97 Drk grn Toyota Camry TAG:PA GMR7704 CHILD:B/M,4yr, SUSP:B/M,29,5'5,180lb;CALL 911 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3382

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 08, 2007 6:05 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER POLICE OFFICER SENTENCED FOR POSSESION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Matthew D. Orwig
Eastern District of Texas

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 8, 2007
www.uddoj.gov/usao/txe

CONTACT: Davilyn Brackin
PHONE: (409) 839-2538
CELL: (409) 553-9881

FORMER POLICE OFFICER SENTENCED FOR POSSESSION OF CHILD PORNOGRAPHY

TYLER, Texas – Bennie Frank Parrish, 58, a former Palestine, Texas police officer has been sentenced to 27 months in federal prison for possession of child pornography, U.S. Attorney Matthew D. Orwig of the Eastern District of Texas announced today.

Parrish was sentenced today by U.S. District Judge Michael H. Schneider for possessing child pornography on his home computer.

According to information presented in court, a federal investigation led to the execution of a search warrant for computers and floppy disks recovered from Parrish's Anderson County home in October 2004. The search revealed images depicting a minor engaging in sexually explicit conduct.

Parrish was indicted by a federal grand jury in November 2005 and pleaded guilty to charges of possession of child pornography on Sept. 13, 2006.

In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

This case was investigated by the FBI and the Longview Police Department's Cyber Crimes Unit. It was prosecuted by Assistant U.S. Attorney Jim Noble.

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DOJ_NMG_ 0173836

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Image not available for this document, ID: 0.7.10316.8322-000002

System Administrator

From: System Administrator
Sent: Thursday, February 8, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195607 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, February 8, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195608 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Friday, February 9, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1195609 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 9, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1198445 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 9:48 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 9, 2007

Department of Justice

PRESS GUIDANCE
Friday, February 09, 2007

ATTORNEY GENERAL

12:30 P.M. GMT (9:30 A.M. EST)
Attorney General Alberto R. Gonzales delivered remarks to members of the Brazil business community on international intellectual property rights.
Swiss Consulate
Casa da Suica
Rua Cândido Mendes 157
Rio de Janeiro, Brazil
OPEN PRESS

PRESS RELEASES

No releases are planned.

EVENTS/HEARINGS

10:00 A.M. EST Ron Tenpas, Associate Deputy Attorney General, will testify before the House Oversight and Government Reform Committee on Health Care Fraud and Drug Pricing.
Rayburn House Office Building
Room 2154
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

NIGHT DUTY OFFICER

Bryan Sierra

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0173845

Image not available for this document, ID: 0.7.10316.8313-000001

Image not available for this document, ID: 0.7.10316.8313-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 9:53 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES TO MEMBERS OF THE BRAZILIAN BUSINESS COMMUNITY ON INTERNATIONAL INTELLECTUAL PROPERTY RIGHTS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 9 2007
WWW.USDOJ.GOV

AG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES TO MEMBERS OF THE BRAZILIAN BUSINESS COMMUNITY ON INTERNATIONAL INTELLECTUAL PROPERTY RIGHTS

RIO DE JANEIRO, BRAZIL

Good afternoon.

I am glad to be here with you in Rio de Janeiro and to have had the opportunity yesterday and today to speak with my Brazilian colleagues about the many issues that connect our two countries. This is my first trip to this unique city, and in my short time here I have begun to understand how it earned its reputation for spectacular beauty.

Over the past two days I have had fruitful and candid discussions with government officials and civic leaders, and I am pleased that we share a common understanding of so many issues of importance to the people of Brazil and the United States.

One of those issues, the one I'm here to talk about today, is the protection of intellectual property rights.

As everyone here today knows, IP protection is undeniably an international concern. It requires cooperation and a partnership that bridges cultural and geographic distances to achieve common goals for our citizens and our economies. And I am here to say that this partnership must include a mutual commitment to enforce the intellectual property rights that form the foundation of our dynamic global economy.

I want to talk a little today about the nature of the issue as I see it; what we've seen working, in both Brazil and the United States; and what I think we can do next, together.

We are at a critical time in the history of international IP rights enforcement. Global changes, both economic and technological, have created unprecedented challenges to this task. It is therefore paramount that

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we continue to work together to protect intellectual property. IP helps drive our economies, and it has too great an effect on the health and safety of our citizens to be ignored.

People around the world enjoy the fruits of the hard work of our creative communities -- be it in movies, music, business software, computer games, clothing, automobile parts, or even medicines. Modern technology gives IP owners unprecedented opportunities to distribute their works to a worldwide audience.

But as demand for these products increases, criminals will attempt to profit from the hard work and creativity of others. And the same technology that allows for legitimate widespread distribution to consumers has also made it relatively easy and inexpensive to peddle pirated and counterfeit products around the world.

Resourceful criminals can use the Internet to violate both trademark and copyright laws by creating and selling products, such as software, that appear to be legitimate, but are not.

And criminal organizations benefiting from IP theft have become more sophisticated and more organized. They hide in the economic shadows to exploit any weakness in our enforcement efforts, and then use the proceeds of their theft to finance other criminal enterprises.

While crimes like IP theft may appear harmless to some, the reality can be terrible. Criminals who manufacture and sell counterfeit products can pose a substantial risk to the health and safety of our citizens. Imagine a heart patient undergoing emergency surgery at a hospital that unknowingly purchased substandard counterfeit surgical equipment. Or a truck driver who buys counterfeit brake pads that jeopardize his ability to avoid an accident. Or worse yet, an aircraft mechanic who unknowingly buys fake parts to repair a jet engine.

Our concern is more than hypothetical. In one case last September, the Department of Justice announced the indictment of eleven individuals and an Atlanta-based company on charges related to a scheme to sell fake drugs over the internet.

According to the indictment, the defendants in that case marketed approximately 24 different drugs through spam email advertisements. While customers expected to get safe and authentic generic versions of these vital drugs, they instead got adulterated fakes that had been crudely made in an unsanitary house in Belize.

We have seen the real and tangible consequences of IP theft as it steals business from honest merchants, defrauds innocent customers, and undermines our values of competition and creativity. This underground economy costs legitimate businesses billions of dollars every year - and causes significant harm to the economies of both the United States and Brazil.

What can our respective law enforcement authorities do about this problem? In my view, our work must proceed on several fronts. We must strengthen our global enforcement efforts, ensure strong intellectual property laws, increase resources devoted to IP law enforcement, and work to increase the number of joint U.S.-Brazil operations.

I know that everyone here understands the importance of these efforts and I would like to commend the Brazilian government, and especially the CNCP, for their hard work and dedication in combating intellectual property crime. Improving enforcement, raising awareness, and changing public perception and behaviors all take time and perseverance. There is much work to be done, but I am heartened by the progress that has been made so far.

Seizures of infringing copyrighted materials at the borders have been high, public seminars on anti-piracy awareness are numerous, training continues, and there is growing cooperation between Brazilian law enforcement authorities at the federal and state levels. I am especially glad to see a substantial amount of

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cooperation between the copyright private sectors and the CNCP. All of these are signs of a government that takes IP law enforcement seriously.

And we are not without examples of joint enforcement work between the United States and Brazil. Recent cooperative efforts highlight how, working together, we can dismantle criminal organizations engaged in intellectual property crime on both American continents.

During one operation, the FBI discovered that a Brazilian citizen was illegally copying and posting to the internet the software of a small U.S. company. Utilizing Brazilian law enforcement contacts developed during bilateral IP consultations, the Department of Justice and FBI were able to supply detailed information that resulted in a raid, search, and arrest of the Brazilian citizen.

This type of joint law enforcement operation helps send a clear message that neither Brazil nor the United States will tolerate intellectual property crime anywhere in the world.

In the United States, we have been working hard on this issue as well. We have long recognized the importance of preserving IP rights and we have made their protection a law enforcement priority. We are waging an aggressive and successful campaign against intellectual property crime on multiple fronts.

As technology has increased the stakes, we have responded, establishing a Task Force on Intellectual Property in 2004. This Task Force includes high-level officials and is charged with reviewing how the Department enforces and protects IP rights. As a result of the Task Force's work, we have increased our capacity to address IP theft and preserve the rights of intellectual property owners in a number of ways.

We have increased the number of prosecutors across the country specially trained to handle IP crimes. Last year this resulted in a 98 percent increase in the number of defendants prosecuted for intellectual property offenses. And we've worked with our Congress to close loopholes in our IP laws and strengthen penalties for offenders.

In one important case last August, we disrupted a Florida operation running a software piracy website. Illegal sales through the site resulted in losses to the copyright owners totaling nearly $20 million. After pleading guilty in federal court, the leader of the scheme was sentenced to six years in prison and was ordered to pay restitution of more than $4 million. In addition, the operation forfeited a staggering variety of assets purchased with the profits of its crime, including three airplanes, a helicopter, a Lamborghini and other sports cars, a boat, and an ambulance.

The stiff sentence in this case shows modern-day pirates that we take these crimes seriously. We have organized victims conferences to educate the public on ways to seek help from the government; and we're targeting America's youth to make sure they understand that IP theft is harmful and illegal.

But strong domestic enforcement and education is not enough to effectively combat this growing global threat. It is imperative that countries work together to ensure strong enforcement worldwide. There can be no safe havens for intellectual property criminals.

To that end, our Criminal Division has worked with prosecutors throughout the United States and internationally to protect the rights of IP owners and to enforce the law. In fact, last year alone Department of Justice prosecutors provided training and technical assistance on IP investigations and prosecutions to over 3,300 foreign prosecutors, investigators, and judges in 107 countries. And we're training more every day.

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In addition, over the past two years, the Department of Justice has successfully led the two largest international enforcement actions ever undertaken against online software piracy. Operation FastLink and Operation Site Down together involved more than 16 countries across five continents, including Brazil.

These U.S.-led operations synchronized the execution of more than 200 search warrants, the confiscation of hundreds of computers and illegal online distribution hubs, and the removal of more than $100 million worth of software, games, movies, and music from illicit distribution channels. More than 80 defendants in the U.S. have been convicted of criminal copyright infringement crimes as a result of these two operations, and our efforts are continuing.

The list of countries participating in these efforts is long, and we are committed to building on these successes and achieving even greater global cooperation in the future. In the increasingly connected global economy, nothing short of this type of coordinated international enforcement effort will suffice.

Developing transnational cases requires a network of law enforcement contacts on the ground. And we have seen a tremendous benefit from placing a highly trained IP prosecutor in a partner country to work with and assist foreign law enforcement counterparts in the complex and unique aspects related to protecting intellectual property.

In building international teams to fight this battle, we have deployed an experienced federal prosecutor to Southeast Asia to serve as an Intellectual Property Law Enforcement Coordinator, or IPLEC, and we will be sending another prosecutor to Eastern Europe in the coming months.

We are now also exploring ways to put another coordinator in this region in the near future to focus on IP enforcement activities throughout South America. We think that having this kind of experienced prosecutor in the region would be a great asset...as a resource for both of our governments and as a vital liaison as we continue our successful cooperative enforcement efforts.

And yesterday I pledged to work with my counterparts here in Brazil to continue their leadership efforts in focusing on the tri-border region.

In the United States, our message to criminals who seek to profit from the intellectual property of honest and hard-working citizens and businesses is clear: The U.S. is devoting more of its law enforcement resources -- including Justice Department prosecutors and investigators -- than ever before to the enforcement of IP rights.

During this trip, I've encouraged my law enforcement colleagues in Brazil to do the same.

Individually, both the United States and Brazil must have strong domestic enforcement regimes, and I support and applaud Brazil's efforts to increase its capacity in this area. But we cannot, and must not, work alone. Our law enforcement agencies must work together to develop and prosecute international piracy cases.

The digital age has created a borderless world for large criminal conspiracies -- so our law enforcement efforts must be global and borderless as well. Every member of the global economy has a responsibility to keep counterfeit goods out of the marketplace.

By building on our successful cooperative efforts, we can turn the tide in our battle against intellectual property crime and the criminal organizations that profit from it. And we can help to ensure a just and prosperous future for both Brazil and the United States.

Thank you, again, for the opportunity to be with you today.

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DOJ_NMG_ 0173852

Image not available for this document, ID: 0.7.10316.8308-000001

Image not available for this document, ID: 0.7.10316.8308-000002

Miller, Charles S

From: Miller, Charles S
Sent: Friday, February 09, 2007 10:21 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/9/07 Civil Division News

Judge scuttles Verizon hearing

Judge blocks contempt hearing for Verizon in phone records case

U.S. government faces massive suit over New Orleans canal breach

Military Contractor Exonerated

Faced with lawsuit, U.S. finally grants residency to immigrants

Immigrants sue over delays in processing citizenship applications

2 women tell stories of loss 7 years to day after air crash

Tough times for US ambassador

Bangor Daily News

February 9, 2007

Judge scuttles Verizon hearing

BANGOR - A federal judge concluded Thursday that the "potential risk" to national security is significant enough to grant a Justice Department motion to keep the Maine Public Utilities Commission from forcing

Verizon to reveal whether it has cooperated with the National Security Agency's warrantless wiretap program.

The PUC had ordered Verizon to appear before it today to explain why the communications giant has ignored the commissioners' previous order to affirm under oath statements issued last year in the form of press releases.

U.S. District Judge John Woodcock's strongly worded 24-page ruling was issued after a 90-minute hearing Thursday morning.

In it, he enjoined the PUC from holding the hearing and Verizon from responding to any subpoenas the commission has or might issue.

"It is painfully obvious that, in making assessments about the impact of its order on national security, the PUC is acting beyond its depth," Woodcock wrote.

"The PUC's statutory area of responsibility and expertise is to regulate public utilities, it is not charged with evaluating threats to national security, investigating the NSA, or holding businesses in contempt when their silence was mandated by the federal government.

"When confronted with a divergence of opinion as to the national security implications of the PUC order, as between the NSA, which is charged with ensuring national security, and the PUC, which is charged with state utility regulation, the court would be hard-pressed to rely on the assurances of the PUC over the warnings of the NSA," he said.

The showdown between federal and state governments began in May when a multicustomer complaint was filed with the PUC.

It seeks to force Verizon to say whether it provided telephone call records to the government without warrants. The complaint came after news reports about domestic surveillance by the NSA.

Verizon moved that same month to dismiss the complaint. As background information, it attached two press releases it had issued, according to court documents.

The press releases stated the company could not comment on whether it had any relationship to the NSA program, but also said it had not shared records with the agency. Last summer, the PUC asked Verizon to submit sworn affirmations about the truth of the statements in the press releases.

The Justice Department in August sued the PUC and Verizon. It sought an injunction and declaratory judgment to keep commissioners from asking questions about what phone records the company has turned over to NSA, if any, and to keep Verizon from answering questions from the PUC.

Similar lawsuits were filed in federal courts in Missouri, Connecticut and New Jersey where agencies that regulate phone companies were seeking similar information. The lawsuits are being combined and sent to U.S. District Court in San Francisco under the federal court's multidistrict litigation program.

Attorneys for the PUC have moved that its case stay in Maine. A hearing was held last month on the motion but a decision has not been issued.

Woodcock cited the pending litigation as another reason for his ruling. The case was moved to the Northern California District Court because it has a procedure for reviewing classified information the government has said would be a part of the case, the judge said.

"In contrast," Woodcock wrote, "there is nothing to suggest that the Maine PUC has ever created or utilized a procedure for reviewing classified information and nothing to suggest that the contempt proceeding would provide the appropriate judicial oversight required for such highly sensitive matters."

Carl J. Nichols, a Justice Department attorney who successfully argued the case Thursday, had no

comment after the hearing.

"We respect Judge Woodcock's decision," said Assistant Attorney General Christopher Taub, who represented the PUC. "Obviously, we're disappointed. Over the next few days, we'll be considering our options, one of which would be to appeal to the 1st Circuit Court of Appeals in Boston."

The executive director of the Maine Civil Liberties Union, which represented the Verizon customers who brought the complaint to the PUC, disagreed with Woodcock's ruling.

"We don't think it's a national secret that the federal government and many phone companies conspired to conduct surveillance of phone customers in the U.S. and very possibly Maine," Shenna Bellows said. "It's hard to believe that confirmation under oath about statements made widely in the press would violate state secrets."

Before hearing arguments Thursday, Woodcock strongly urged the PUC to put off today's hearing until the lawsuit had either been resolved or the issue over where the Maine case will be heard has been decided.

The PUC would not delay the contempt hearing, Taub said, and the hearing on the government's motion began.

As he has in previous motion hearings, Woodcock aggressively questioned attorneys for both sides forcing them to defend their positions and plug any legal holes the judge found in their arguments.

Attorneys for both sides continued sparring after Woodcock had adjourned the hearing and left the courtroom.

"This is ridiculous. You never asked us to sit down," Nichols said, referring to Taub's statement that the PUC had sought to meet with government attorneys before the contempt hearing.

"This is all your doing," Taub shot back, apparently referring to the fact that the Justice Department had filed the lawsuit against the PUC.

The people who initiated the action appeared to be forgotten in Thursday's hearing, said James Cowie of Portland as he left the Margaret Chase Smith Federal Building in Bangor. Cowie is one of 22 people who in April filed the complaint with the PUC in an effort to determine if they had been targets of the NSA's warrantless wiretap program.

"The complainants have been waiting nine months for justice," Cowie said. "We're still waiting for a determination to be made about whether our phone records have been given to the government without warrants. Neither the judge nor the government said anything about us."

In procedural move, Woodcock replaced the name of former PUC member Dennis L. Keschl with the name of Vendean Vafiades, who was confirmed last month by the Maine Senate.

Vafiades, a former District Court judge, is the daughter of the late Lew Vafiades, a well-known and revered Bangor attorney.

"I will note that I am familiar with the word 'Vafiades,'" Woodcock said. "I wanted to hear that much beloved name echo in this courtroom."

END

AP

February 9, 2007

Judge blocks contempt hearing for Verizon in phone records case

BANGOR, Maine_A federal judge Thursday blocked state regulators from going ahead with a contempt hearing for Verizon, ruling that national security considerations outweighed the state's interest in speedy resolution of a complaint by customers.

The preliminary injunction forced cancellation of the Public Utilities Commission hearing that had been set for Friday in Augusta to force the telecommunications giant to say whether it provided customer call records to the government without a warrant.

In his 24-page order, U.S. District Judge John Woodcock said the hearing was not the appropriate place to air the dispute.

"The federal court, not the PUC hearing room, is the proper forum to resolve the opposing positions of the federal and state governments," he wrote. "Moreover, in this controversy, Verizon is a surrogate for the position of the federal government\l "I" and it would be profoundly unfair to punish Verizon for asserting a legal position mandated by the federal government."

Woodcock said the only hardship that the PUC would suffer from the injunction would be to face some delay in resolving the multi-citizen complaint that triggered the federal lawsuit.

By contrast, he wrote, "the revelation of sensitive information pertaining to national security is a manifest hardship to the United States if the injunction were denied."

The dispute before the judge was an outgrowth of a complaint filed by Verizon customers last May. Last week, the PUC said it would begin contempt proceedings against Verizon for failure to comply with an order last August that requires an official of the company to swear under oath that its previous statements regarding the National Security Agency's alleged surveillance were true.

PUC spokeswoman Nicole Clegg said the commission was "obviously disappointed" at the ruling. "We're still reviewing it, and tomorrow we're going to discuss our options with the Attorney General's Office."

Shenna Bellows of the Maine Civil Liberties Union, which had backed the agency's stance, described the judge's ruling as a "temporary setback."

"The Maine Civil Liberties Union is committed to carrying this as far as we need to go to defend Mainers' privacy," she said.

A spokesman for Verizon, which had backed the U.S. Justice Department suit to stop the contempt hearing, could not be reached immediately for comment. The company had argued that it had been unfairly placed in the middle of a dispute between the state and federal governments.

END

AP
February 9, 2007

U.S. government faces massive suit over New Orleans canal breach

By CAIN BURDEAU Associated Press Writer

(AP) - NEW ORLEANS-The federal government and Army Corps of Engineers are targeted in a new lawsuit that alleges flooding during Hurricane Katrina was the fault of a decision to allow dredging of a main canal, weakening the soil base that supported its levees.

The suit, which seeks class-action status and unspecified damages, was filed Thursday in U.S. District Court representing seven residents of the Lakeview neighborhood, which was hard hit by flooding when a levee on the east side of the 17th Street Canal broke.

If class-action status is granted, tens of thousands of New Orleans residents and claims in the tens of billions of dollars could be affected.

The suit's basic argument was bolstered by a decision last week. In that ruling, U.S. District Judge Stanwood Duval allowed a suit to go forward charging the corps with liability for the flooding of eastern New Orleans and St. Bernard Parish from the Mississippi River-Gulf Outlet. The ship channel, maintained by the corps, connects New Orleans' inner harbor with the Gulf of Mexico.

The corps declined to comment on the suit.

The issue in Thursday's suit is whether the 17th Street Canal should be considered a navigable waterway or a flood control project. The canal is one of three arteries that drain water out of the below sea-level city during heavy rainfall. Levees on two of the canals broke during Katrina and caused massive flooding.

If the court determines the 17th Street Canal was a flood control project, then the 1928 Flood Control Act would shield the corps from liability. However if a judge decides it is a navigable waterway, then the corps, and by extension the federal government, may have to defend their actions at trial.

Though primarily a drainage waterway, fishing boats and other small vessels tied up along the canal near its mouth for years before Katrina.

The plaintiffs argue the corps knew about weak soil under that area, and that maps dating as far back as the mid-1800s and subsequent academic studies showed the ground under the canal walls was made up of sand and other unstable soil.

Oliver Houck, an environmental law scholar at Tulane University, said the case may force Congress to consider broad compensation for Katrina victims.

"Congress may be compelled to find a more generic solution than trying to settle thousands and thousands of individual claims," Houck said.

END

AP

February 9, 2007

Military contractor exonerated

Published February 9, 2007

ASSOCIATED PRESS
For the second time, a judge has dismissed a lawsuit against a military contractor that whistleblowers accuse of scamming the U.S. government out of tens of millions of dollars in the first months of the Iraq war.

U.S. District Judge T.S. Ellis III in Alexandria ruled in favor of Fairfax-based Custer Battles LLC, which has been pilloried in Congress and elsewhere as an example of the fraud and mismanagement that plagued the occupation of Iraq under the U.S.-led Coalition Provisional Authority (CPA).

Dismissing a lawsuit filed by two whistleblowers, Judge Ellis said there was no evidence that Custer Battles committed fraud while under a $16.8 million contract to provide security at Baghdad International Airport in 2003. The ruling was issued last Friday and made public Tuesday.

The whistleblowers, former Custer Battles employees Robert Isakson and William Baldwin, said the company failed to deliver on promises that it would provide 138 security personnel at the airport.

But Judge Ellis found that Custer Battles never specified how many security personnel it would provide. He said Custer Battles initially provided more than 138 workers and received glowing performance evaluations in its first few months on the job.

The whistleblowers' attorney, Alan Grayson, said Judge Ellis' ruling ignored evidence that Custer Battles later diverted airport-security workers to other contracts it obtained from the CPA, and illegally double-billed the government for those employees' work.

He cited testimony from CPA inspector general Richard Ballard, who said Custer Battles left the airport woefully understaffed, resulting in long lines at checkpoints and, at times, vehicles being waved through checkpoints without inspection.

"The judge never even bothers to mention [the inspector general's testimony] in his decision," Mr. Grayson said.

Scott Custer, one of Custer Battles' founders, issued a statement that he was relieved by the judge's ruling "but it does not dispel the cloud that hangs over us or erase the two years of legal battles we've fought to clear our name."

Last year, Judge Ellis threw out a separate case against Custer Battles, after a jury awarded a $10 million judgment against the company over its work on a contract to replace the old Iraqi currency. Judge Ellis ruled that any fraud was perpetrated on the CPA rather than the U.S. government, even though the U.S. government ultimately footed the bill.

Mr. Grayson said he will appeal both rulings to the 4th U.S. Circuit Court of Appeals in Richmond.

The two cases were initially part of the same lawsuit, which was among the first filed against an Iraq war contractor under the federal False Claims Act. The law allows whistleblowers to bring suits against companies they think are cheating the government, with the whistleblowers getting a percentage of any damages awarded.

END

San Francisco Chronicle (CA)

February 9, 2007

Faced with lawsuit, U.S. finally grants residency to immigrants

Bob Egelko and Matthai Chakko Kuruvila

Mohamed Aboushaban isn't bitter about the 16 years it took for the government to process his application for legal residency. He's bewildered.

"If my name was Boris or John, maybe it would have been a different situation," said the 53-year-old Santa Rosa resident and auto salesman. His lawyer says the Palestinian refugee probably still would be waiting for legal residency, the gateway to citizenship, if he hadn't taken the unusual step of suing the government a year ago. Exactly a month later, the FBI approved his security clearance, which had been pending for at least five years as part of a "name check" program the bureau expanded after Sept. 11.

The FBI name checks are at the heart of a federal lawsuit filed Thursday by the American Civil Liberties Union, San Francisco's Asian Law Caucus and the Council on American-Islamic Relations on behalf of eight green-card holders. The eight have waited years to hear whether they cleared the name check, despite passing all tests, interviews and criminal checks.

"There are thousands of people in this situation waiting years and years with no light at the end of the tunnel," said Aboushaban's attorney, Kip Steinberg.

More than 82,000 immigration cases had been pending longer than a year as of May, the ombudsman at U.S. Customs and Immigration Services, which submits all applications it receives for permanent residency and citizenship to the FBI for clearance, said in a report to Congress.

The report said the immigration agency's policy of waiting to conduct security reviews until after immigrants have applied for legal residency "may increase the risk to national security by prolonging the time a potential criminal or terrorist remains in the country."

ACLU senior staff attorney Cecillia Wang said the cases disproportionately affect people coming from China, former Soviet republics and Muslim-majority countries.

The new lawsuit is similar to one filed last summer in Los Angeles, but the 12 plaintiffs agreed to drop that one when 11 of them quickly won citizenship. Another suit filed last summer in Brooklyn on behalf of mostly elderly and disabled green-card holders, who were denied Social Security benefits because they lacked citizenship, and a fourth case in Chicago are still pending, Wang said.

The lawsuit seeks information about the name check database, which allegedly includes the names of victims, witnesses and suspects alongside the names of convicted criminals. Unlike the National Crime Information Center database, which is used for criminal background checks, it's nearly impossible to determine whether someone is in the name check database, said Sin Yen Ling, an attorney for the Asian Law Caucus. And there is no legal process for getting into the database or out of it. The FBI did not return calls seeking comment about the lawsuit.

Sharon Rummery, a spokeswoman for the U.S. Citizenship and Immigration Services said less than 1 percent of name checks take more than six months. U.S. Citizenship and Immigration Services regulations entitle applicants to hear back from the agency in 120 days. Either way, she said the delays were justifiable.

"We feel the American public expects us not to approve applicants until the background checks are complete," she said.

Most security checks take only a few weeks, and long waits are an aberration, immigration and FBI officials said. But with more than 3 million applications a year from immigrants, prospective federal employees, new lawyers and others requiring security review, the aberrations run into the tens of thousands.

Joseph Schadler, San Francisco spokesman for the FBI, said his agency has had a backlog since early 2002, when U.S. Customs and Immigration Services resubmitted 2.7 million names for more intensive security checks after Sept. 11, 2001.

Most were cleared quickly, but about one-sixth required manual searches through records held by multiple law enforcement agencies and, in some cases, by foreign countries, Schadler said. Delays often involve common names, confusions in translating other names, clerical errors or inaccessible records, but the chief cause is a shortage of personnel, Schadler said.

The immigration agency's director, Emilio Gonzales, promised to shorten application processing Jan. 31 with revenue from proposed fee increases averaging 66 percent for immigration documents, and nearly 150 percent -- from $325 to $905 -- for green cards issued to permanent legal residents like Aboushaban.

Aboushaban, born in Gaza, was living in Kuwait in 1990 and became a man without a country when the United States led a military campaign to end Iraq's occupation of Kuwait.

He couldn't return to Gaza, where entry was controlled by Israel, and he couldn't stay in Kuwait because of Palestinian officials' support for Iraq, but his children lived in the United States, and he became part of a group of Palestinians who were airlifted to the country.

He was recommended for asylum in 1991 by an immigration officer but it wasn't granted until 1997, after he hired a lawyer. Aboushaban applied for permanent residency in 1998 and made repeated calls to check on his case.

Every time he was told nothing had changed, he said, "I suffered a little bit. I have fear. What if they deport me?" He missed his mother's funeral in Gaza in 2001 because attorneys advised him he would be unable to get a visa in time.

Finally Steinberg, his new lawyer, sued the government last February. By the time U.S. Magistrate Bernard Zimmerman ruled in October, the FBI had granted Aboushaban's security clearance, but more paperwork approval was still needed from the immigration agency.

"It was only after the filing of this complaint ... that the government moved on plaintiff's application. The delay plaintiff has experienced is unreasonable," Zimmerman said. He ordered action "forthwith."

"Our clients deserve to get out of the limbo that the government agencies have created," said ACLU lawyer Wang.

In Aboushaban's case, the government responded promptly to the magistrate's ruling, approving legal residency in three days. The Palestinian refugee is three to four years away from becoming a citizen.

"The guy who met us in immigration shook my hand and said, 'We had no reason to delay your case. ... I've never seen anything like it. There is no explanation for this,' " Aboushaban said. "I said, 'I'm glad it worked out, no hard feelings,' and shook his hand."

END

AP

February 9, 2007

Immigrants sue over delays in processing citizenship applications

By JULIANA BARBASSA

Associated Press Writer

SAN FRANCISCO_Eight immigrants who have waited years for their citizenship applications to clear tougher post-Sept. 11 background checks claim in a lawsuit that the delays violate their constitutional rights of due process.

The lawsuit was filed Thursday in U.S. District Court in San Francisco and names the FBI and the Department of Homeland Security among the defendants. It seeks to enforce regulations in which the federal government must act on a citizenship application within 120 days of the applicant's interview.

The eight immigrants cleared traditional criminal background checks and other requirements only to see their applications bogged down by federal immigration officials' process of checking names against an FBI database, the plaintiffs' attorneys said.

"The system is broken, and it's time to fix it," said Maya Harris, executive director of American Civil Liberties Union of Northern California, which filed the lawsuit on behalf of the eight immigrants. Also named as plaintiffs are the Asian Law Caucus and the Council on American-Islamic Relations, San Francisco Bay Area Chapter.

The name checks were adopted before the Sept. 11, 2001, terrorist attacks, but only after the attacks did every application go through the process, said Christopher Bentley, spokesman for the U.S. Bureau of Citizenship and Immigration Services.

The majority of the 35 million background checks the agency runs every year are cleared within nine months, Bentley said. The others require more research and can take years, he said.

Calls to the FBI were not immediately returned.

Bentley defended the rigorous background checks as vital to national security.

"The American public expects that as an agency we won't grant a benefit such as citizenship to someone who is not qualified," he said. "We will not and do not grant any benefits until all background security clearances have been resolved."

One plaintiff, Sana Jalili of Pakistan, applied for citizenship in December 2003. She gave her fingerprints, passed a criminal background check and completed the final interview in September 2004.

Jalili, 26, said she was told she would be naturalized in three months, at most. She's waited almost three years with no conclusion.

"We are continuously told the same message, that my name has gone for a background check," she said. "But how long does it take to complete a simple background check?"

Cecillia D. Wang, senior attorney with the ACLU Immigrants' Rights Project, said a faster approval process would improve national security.

"If there are lawful permanent residents who pose a security risk, the government should discover that quickly and get to the bottom of any possible problems," Wang said.

Three other lawsuits are pending around the country asking the government to act on citizenship applications within 120 days of the last interview.

Immigration officials now conduct name checks before interviews, following the letter of the law but violating applicants' due process rights, said Sin Yen Ling, staff attorney with the Asian Law Caucus.

The suit asks for a time limit for name checks and a speedy review of the plaintiffs' own applications.

END

CHICAGO TRIBUNE

February 9, 2007

2 women tell stories of loss 7 years to day after air crash

Matt O'Connor, Tribune staff reporter.

Each year on the anniversary of radio star Bob Collins' death in a midair collision, his widow says she has traveled to his cemetery plot to hold a short service, chocolate doughnut in hand for her once weight-challenged husband.

But on Thursday, the seventh anniversary of the crash of two small aircraft, Christine Collins and Rise Barkhoff, who also lost her husband as a result of the accident, took turns on the witness stand of a federal courtroom to share their losses.

At stake are potentially millions of dollars in damages in lawsuits by the families of three men killed in the 2000 collision in the skies near Waukegan Regional Airport.

Collins, 51, kept her composure except for a brief moment when she recalled e-mailing her husband during his WGN radio broadcast on the day of his death after he had read a list of witticisms about "the things I have learned as I age." An audiotape of Collins' performance was played Thursday in court.

"I e-mailed him to tell him that I love him," she said, pausing to collect herself. "And he e-mailed me back, `I love you too.'"

Barkhoff, whose husband, Herman Luscher, died in Collins' plane, wept as she recalled that his death came shortly after the couple had celebrated their 20th wedding anniversary.

Barkhoff, 55, an anesthesiologist, said that among the things she misses most is sharing how her work day went with Luscher, who was a retired Navy pilot.

"When something funny happens at work, I don't have anyone to tell that to [at home]," she said, dabbing at her eyes with a tissue. His death "left a big hole in my life," she added.

Their son, Evan Luscher, 19, and Ed Hock, the father of the third person who died, Sharon Hock, testified earlier in the federal trial.

Bob Collins, 57, had been Chicago's top-ranked morning-radio personality when his Moravan Z242L struck a Cessna 172P piloted by Hock as the two aircraft approached the Waukegan airfield on the hazy afternoon of Feb. 8, 2000.

Collins' plane crashed onto the roof of the Midwestern Regional Medical Center, killing him and Luscher, 58, a friend. Hock, 31, a flight attendant who was on her second solo flight, perished when her plane plummeted to a Zion street.

Lawyers for the victims have sued the U.S. government, contending the Federal Aviation Administration was responsible for the crash, even though the Waukegan airport is operated by a private company.

U.S. District Judge John Darrah is to decide the case.

Government lawyers have blamed Collins for the crash, saying he gave inaccurate reports of his position in the minutes before the collision. But attorneys for the victims contend an air-traffic controller at the Waukegan tower was at fault for improperly spacing the planes.

The government also has alleged that Collins' diabetes "impaired his ability to see and evaluate the threat and react accordingly."

Christine Collins disputed that her husband's diabetes impaired his vision or affected his alertness. She said he was an active person who enjoyed snow skiing and snowmobiling, target shooting, riding motorcycles and bicycles and traveling in addition to flying.

She also said he frequently bought new eyeglasses.

She also took issue with any suggestion that her husband was contemplating retirement. She said he considered jumping to a rival radio station for more money but decided against it because "he was happy every day at WGN. He knew he was lucky."

WGN is owned by Tribune Co., which also owns the Chicago Tribune.

Collins said the 13-year age difference with her husband became meaningless once their relationship became serious.

But she recalled how her husband proposed to her in the parking lot of a motorcycle shop after he and a friend had decided it was time for him to pop the question.

"It was not romantic," she said with a laugh.

Seven years after his death, Collins said she still wears her wedding ring.

"Just because he didn't come home one day doesn't mean we're still not married in my head and my heart," she said.

Government lawyers had no questions for either woman.

END

Courier Mail (Australia)

February 10, 2007

Tough times for US ambassador

David Costello

US AMBASSADOR to Australia Robert McCallum is an upbeat and positive man with an increasingly tough job.

The former Atlanta lawyer and Rhodes Scholar was a student friend of President George W. Bush at Yale University. Now as Bush's man Down Under, he is a ``zealous representative'' of US interests for a beleaguered and unpopular White House.

Some Republican senators are deserting Bush as the Iraq war disaster takes his approval ratings below 30 per cent -- the sort of levels the troubled US President Richard Nixon suffered during the Watergate break-in scandal.

In Australia, even the ultra-loyal Prime Minister John Howard has been forced by public opinion to make threatening noises over the long delay in bringing Guantanamo Bay inmate David Hicks to trial.

These are testing times, but McCallum says Bush remains strong and focused.

``He is still an extraordinarily strong man,'' he told The Courier-Mail this week. ``The President has an ability to make decisions after receiving advice from all quarters, to be comfortable and confident with those decisions.

``He has never been been one who . . . makes decisions with a short-term view of what it is going to do to the polls this next week or this next month. He takes a very long-term view as to what is in the best interests of the US.''

Canberra is a plum posting often reserved for presidential friends. Bush has followed this tradition with McCallum and his predecessor, Tom Schieffer.

McCallum was a first-year student with Bush at Yale and both were members of the Order of Skull and Bones, a secret society that has attracted some attention thanks to the Bush connection. It is rumoured that members dine off silverware once used by Italian dictator Benito Mussolini and that members are referred to as ``knights'' who are a step ahead of the ``barbarians'' in the wider world.

McCallum said ``secret society'' was wide of the mark -- it is more a private association, and being private, he doesn't talk about it.

Schieffer was a former partner with Bush in the Texas Rangers baseball team and an ardent defender of the President. He was criticised, however, in 2004 when he attacked former Labor leader Mark Latham's plan to withdraw Australian troops from Iraq.

McCallum has been at pains to avoid stepping into the minefield of domestic politics.

``The last thing I want to do is involve myself in internal politics in the Commonwealth of Australia,'' he said this week when asked how the US could live with a government led by Kevin Rudd, given Labor's criticism of the Hicks affair and its lack of enthusiasm for continued involvement in Iraq.

That said, he has talked over these issues with Rudd and knows where the Queenslander is coming from.

``I do know from Kevin Rudd that he is very much of a view that the US has not proceeded appropriately and expeditiously in the charging and trial of Mr Hicks before a military commission,'' he said.

The fate of Hicks has been the dominant issue this year and McCallum defends the process under which the Australian will be charged and tried.

He says the US Supreme Court has given Bush the right to designate illegal enemy combatants in the war on terror.

``Illegal enemy combatants can be detained during the course of the hostilities, just as Australian forces detained irregular Japanese partisans in the islands north of Australia during World War II,'' he said.

Hicks, he added, was not merely a combatant, but is also accused of war crimes including attempted murder and material support of the enemy.

The ambassador understands the ``great distress'' among Australians that it has taken so long to bring him to trial, but insists that Hicks can get a fair hearing.

Critics have raised the fact that the military commission will admit hearsay evidence. McCallum counters that the ``fog of war'' means the admission of hearsay is inevitable and that it is accepted at the International War Crimes Tribunal in The Hague.

Hicks has complained of physical and sexual abuse in Afghanistan and Guantanamo, leading to the question that he may have said things under conditions that could be described as torture.

McCallum says ``coerced evidence'' cannot be admitted unless ``proved to be relevant and prohibitive and determined to be so by the judge''.

``Torture is outlawed completely. Coerced testimony depends on what the individual circumstances are . . . what is the nature of the coercion.''

Given his legal background -- he once served as assistant attorney-general in the Justice Department -- McCallum is loath to discuss the details of the charges against Hicks, but he does point out that the Australian is ``an individual who has made certain choices in his life''.

``Among those choices is to be trained as a terrorist with a group that killed more than 3000 Americans in one day in the US,'' he says.

Behind his lawyer's reserve, McCallum is a warm person -- a southerner born and raised in Memphis who slips an occasional ``y'all'' into his speech.

He finds Australians warm and forthright and ``willing to laugh at almost anything'', but is dismayed over how Iraq and Guantanamo has coloured views of the US.

``I am very disturbed by polls indicating the majority of people feel that the influence of the US is negative,'' he said, referring to a recent BBC survey which found 60 per cent of Australians now held a mainly negative view of Washington's role in the world.

As for Iraq, McCallum praises the role Australia is playing in the south of that country.

``Australia deserves a tremendous amount of credit because the Australian troops who have been there have been successful in two provinces in capacity building for the Iraqis and have turned over the responsibility for domestic security in those provinces to Iraqi troops.''

He says the Iraqi regime of Nuri al-Maliki must assume ``greater and greater responsibility'' and the current ``surge'' of troops is appropriate to provide Maliki with additional support so it can assume greater responsibility.

END

System Administrator

From:	System Administrator
Sent:	Friday, February 9, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1199106 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 12:57 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN CHICAGO

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 9, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE IN CHICAGO

Session on February 13 to Focus on Business Testimony

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on Feb. 13, 2007, in Chicago. The hearings examine whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act (which prohibits monopolization and attempted monopolization) by harming competition and consumer welfare and when they are procompetitive and lawful. The Feb. 13 session will be hosted by the University of Chicago Graduate School of Business.

The panels on Feb.13 will provide an opportunity for business executives to express their views on Section 2 issues, including areas where the companies perceive that single-firm anticompetitive conduct has harmed consumers and areas where legitimate pro-competitive behavior may have been chilled. These panels also will provide an opportunity for company executives to identify areas where they believe additional agency antitrust guidance would be useful.

The session will be held in Room 208 of the University of Chicago Graduate School of Business' Gleacher Center, 450 Cityfront Plaza, Chicago, Illinois 60611.

Further information is provided below:

Business Testimony (9:30 A.M.–12:00 P.M. CST):

David A. Balto, attorney, on behalf of the Generic Pharmaceutical Association.

DOJ_NMG_ 0173869

Patrick Sheller is the chief compliance officer of Eastman Kodak Company.

Ronald Stern is the vice president and senior counsel for antitrust of General Electric Company.

Business Testimony (1:30 P.M.–4:00 P.M. CST):

Stan Anderson is the senior counsel to the president of the U.S. Chamber of Commerce.

Bruce Sewell is the senior vice president and general counsel of Intel Corporation.

Bruce Wark is the associate general counsel of AMR Corporation, the parent company of American Airlines Inc.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov, or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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07-080

DOJ_NMG_ 0173870

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System Administrator

From:	System Administrator
Sent:	Friday, February 9, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1199701 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 3:49 PM
To: USDOJ- Office of Public Affairs
Subject: MARYLAND MAN SENTENCED TO 14 YEARS IN PRISON FOR RECEIVING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 9, 2007
http://www.usdoj.gov/usao/md/

CONTACT: Vickie E. LeDu
PHONE: (410) 209-4885
FAX: (410) 962-3091

MARYLAND MAN SENTENCED TO 14 YEARS IN PRISON FOR RECEIVING CHILD PORNOGRAPHY

Sexually Abused and Exploited a Minor

BALTIMORE – Ernie Preston Hancock, 48, of Elkton, Md., was sentenced today to 14 years in prison followed by supervised release for life for receiving child pornography, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland. Chief U.S. District Judge Benson E. Legg enhanced Hancock's sentence based on his admitted sexual abuse of a minor. Chief Judge Legg also ordered that Hancock not have access to the Internet or a computer while on supervised release, unless pre-approved, and must register as a sex offender upon his release from prison.

"As a result of law enforcement cooperation under the Project Safe Childhood program, sexual predators are being brought to justice and removed from society for many years," stated U.S. Attorney Rosenstein.

According to his plea agreement, law enforcement officers searched Hancock's home on March 28, 2005 and recovered a computer hard drive containing 131 images of child pornography. Hancock acknowledged that he knew the images were of actual children under the age of 18 and that at least one of the images involved a minor under the age of 12.

Hancock also admitted that beginning in 2003, he sexually abused and exploited a minor. The victim—who was 13 years old when the abuse began—was a friend of Hancock's son and would often visit their home. The victim also traveled with Hancock to his job in Bear, Del., and Hancock engaged in sexual conduct with the victim on several of those encounters.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorney's Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

DOJ_NMG_ 0173873

U.S. Attorney Rosenstein commended the investigative work performed by the FBI and the Elkton Police Department. U.S. Attorney Rosenstein also thanked Assistant U.S. Attorney Kwame J. Manley, who is prosecuting the case.

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DOJ_NMG_ 0173874

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System Administrator

From:	System Administrator
Sent:	Friday, February 9, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1199754 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 6:16 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER TELECOM OWNER CONVICTED FOR SCHEME TO DEFRAUD FEDERAL E-RATE PROGRAM

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 9, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER TELECOM OWNER CONVICTED FOR SCHEME TO DEFRAUD FEDERAL E-RATE PROGRAM

WASHINGTON — A federal jury in McAllen, Texas, convicted the former president and owner of ATE Tel Solutions Inc., which does business as ATE Telecom Solutions Inc. (ATE Tel), on seven of nine counts of wire fraud in a scheme to defraud the federal E-Rate program, the Department of Justice announced today. Rafael G. Adame was convicted of submitting fraudulent applications for payment on behalf of ATE Tel to the Federal Communications Commission's (FCC) Universal Service Administrative Company (USAC). The indictment against Adame was returned on Dec. 6, 2006.

Adame was convicted of submitting fraudulent invoices for payment to the Schools and Libraries Division of USAC from December 2001 to May 2003. As a result of the scheme to defraud the E-Rate program, Adame fraudulently obtained $106,514 in payments from USAC.

"Committing fraud upon the E-Rate program harms underprivileged school districts," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division will continue to vigorously pursue those who cheat the competitive process and steal money from this federal program."

The E-Rate program subsidizes the provision of Internet access and telecommunications services, as well as internal computer and communications networks, to economically disadvantaged schools and libraries. The program was created by Congress in the Telecommunications Act of 1996 and is administered by USAC, a non-profit corporation, under the auspices of the FCC.

Adame owned and operated ATE Tel, a vendor that provided computer-related goods and services through the E-Rate program to various school districts, including Weslaco Independent School District in South Texas. Adame devised a scheme to defraud the E-Rate program through illegitimate invoices which were transmitted via wire communications to USAC. On these invoices Adame entered fabricated data, such as false

DOJ_NMG_ 0173878

customer bill dates and false amounts for reimbursement. USAC then relied on this illegitimate information to transmit wire transfers for the indicated amount into ATE Tel's bank account. By making false representations on invoices filed with USAC, Adame received payments in excess of what was authorized and for work that was not actually performed.

The wire fraud conviction under 18 U.S.C. § 1343 carries a maximum penalty per count of 20 years in jail, and a $250,000 fine. Adame has not yet been sentenced.

Today's conviction resulted from an ongoing national investigation of fraud in the E-Rate program. The trial and prosecution of this case was conducted by the Antitrust Division's Dallas Field Office and the Federal Communications Commission's Office of Inspector General.

The Antitrust Division's ongoing investigation into fraud and anti-competitive conduct in the E-Rate program has yielded charges being filed against 14 individuals and 12 companies. Six companies and four individuals have either been found guilty at trial, pleaded guilty, agreed to plead guilty, or have entered civil settlements. The defendants have collectively agreed to pay criminal fines and restitution totaling more than $40 million. Two of the individuals have each been sentenced to serve six years in prison.

Anyone with information concerning fraud or anticompetitive conduct in the E-Rate program should contact the Dallas Field Office of the Antitrust Division at 214-661-8600.

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07-081

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System Administrator

From: System Administrator
Sent: Friday, February 09, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200348 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 09, 2007 7:09 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 12 – FEBRUARY 16, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, FEBRUARY 9, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 12 – FEBRUARY 16, 2007

Monday, February 12

12:00 P.M. EST

Attorney General Alberto R. Gonzales will deliver remarks before the National Association of Secretaries of State 2007 Winter Conference.
Capitol Hill Hyatt Regency
Yorktown/Valley Forge Room
400 New Jersey Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, February 13

2:15 P.M. CST

Attorney General Alberto R. Gonzales will participate in a press conference with U.S. Attorney Jim Letten of the Eastern District of Louisiana to announce Department of Justice grant funding to the New Orleans area.
U.S. Attorney's Office
Room B210
500 Poydras Street
New Orleans, Louisiana
OPEN PRESS

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-3486.

Wednesday, February 14

DOJ_NMG_ 0173882

10:00 A.M. EST United States Marshal Service Director John Clark will provide a written statement for the Senate Judiciary Committee hearing on the topic of "Judicial Security and Independence."
Hart Senate Office Building
Room 216
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:00 P.M. EST Melanie Pustay, Deputy Director, Office of Information and Privacy, will testify before the House Oversight and Government Reform Subcommittee on Information Policy, Census, and National Archives on the topic, "The State of FOIA: Assessing Agency Efforts to Meet FOIA Requirements"
Rayburn House Office Building
Room 2154
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

Thursday, February 15

9:30 A.M. EST Assistant Attorney General Regina Schofield of the Office of Justice Programs will testify before the Senate Committee on Indian Affairs at an oversight hearing on the President's fiscal year 2008 budget request for tribal programs.
Russell Senate Office Building
Room 485
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Committee on Indian Affairs at 202-224-2251.

Friday, February 16

TBD TIME U.S. Attorney Patrick Meehan of the Eastern District of Pennsylvania will testify before the Senate Judiciary Committee at a field hearing on youth gangs.
TBD Location
Philadelphia, Pennsylvania
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

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Image not available for this document, ID: 0.7.10316.8282-000002

System Administrator

From: System Administrator
Sent: Friday, February 09, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200393 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200394 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200395 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200396 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200396 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200397 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 10, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200398 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 10, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200399 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, February 11, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200400 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, February 11, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200401 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 11, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200402 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 11, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200403 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From:	System Administrator
Sent:	Sunday, February 11, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200404 KB.
Mailbox size limits:

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System Administrator

From: System Administrator
Sent: Sunday, February 11, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Your mailbox size is 1200405 KB.
Mailbox size limits:

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See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, February 11, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1200406 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From: System Administrator
Sent: Monday, February 12, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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Mailbox size limits:

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See client Help for more information.

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Monday, February 12, 2007 8:09 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Monday, February 12, 2007
Attachments:	agnb070212.pdf; agnb070212.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, FEBRUARY 12, 2007 7:45 AM EST**

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TERRORISM NEWS:

Report Finds Coast Guard's Deepwater Contract Should Be Revisited. The New York Times (2/12, Lipton, 1.16M) reports an assessment of the Coast Guard's deal with Lockheed Martin and Northrop Grumman under the $24 billion Deepwater modernization effort has concluded that the contract "is fundamentally flawed." The Defense Acquisition University report "does not explicitly recommend terminating the five-year-old deal," but "says that if the arrangement is extended -- negotiations are already under way -- it should be redrafted so that it is no longer presumed that Lockheed and Northrop will play dual roles as program manager and primary builder." Coast Guard spokesman Brendan McPherson "said the agency was still reviewing the report. 'Unfortunately we can't change history,' Mr. McPherson said. 'But we can look at where we are going with Deepwater, and figure out ways to make it better.'"

Flight Restrictions Needed For UAV Patrols Along US-Canada Border. The Washington Times/UPI (2/12, Waterman) reports, "Homeland Security Department officials say they will work with the Federal Aviation Administration to impose flight restrictions around the North Dakota air base from which they plan to fly a remotely piloted plane this year to patrol regions of the US-Canada border." UPI adds, "The flight restrictions, which will apply to small planes operating below 18,000 feet, are necessary because of the danger of collisions, but they will draw protests from those who own or fly private planes." Customs and Border Protection "already is flying one Predator B, built by General Atomics Aeronautical Systems, over the US-Mexico border, where it uses the already-restricted airspace around Libby Army Air Field at Fort Huachuca, Ariz. 'But there are no restricted or prohibited areas near Grand Forks,' points out Heidi Williams, the head of regulatory affairs for the Aircraft Owners and Pilots Association, and the group 'would oppose any new restricted airspace created solely for UAV border patrols.'"

Depiction Of War On Terror In "24" Said To Be In Line With Administration Message. The New Yorker (2/19, Mayer) profiles Joel Surnow, the co-creator and executive producer of the Fox drama "24". Surnow says the US military "loves" the show, as do members of "the Administration." "It's a patriotic show," says Surnow. "They should love it." The New Yorker adds that while the "outlandishness" of the show's chronology "marks it clearly as a fantasy," it "obviously plays off the anxieties that have beset the country since September 11th, and it sends a political message. The series, Surnow told me, is 'ripped out of the Zeitgeist of what people's fears are—their paranoia that we're going to be attacked,' and it 'makes people look at what we're dealing with' in terms of threats to national security. … For all its fictional liberties, '24' depicts the fight against Islamist extremism much as the Bush Administration has defined it: as an all-consuming struggle for America's survival that demands the toughest of tactics."

HOMELAND RESPONSE:

DHS Streamlining Passenger Screening Process. U.S. News and World Report (2/19, Marek, 2.03M) reports, "there may be fewer of those Kafka-esque stories if the Department of Homeland Security has its way. DHS is engaged in an aggressive effort to clean out extraneous names from the watch lists. It's also launching a website to help people appeal identity mix-ups. But Congress has its own ideas about fixing the screening system, and critics say the process has an awfully long way to go. The problem, of course, is relatively new. Before 9/11, just 16 names were on the no-fly list, meaning people with those names couldn't board U.S. airplanes. Today, the TSA maintains a presumably larger no-fly list, as well as a selectee list, which designates people who get special security screening. … That list has been held in National Counterterrorism Center and has been reported to total some 325,000 names. Parts of it are passed along to the FBI's Terrorist Screening Center, which uses some of the names to make up the TSA's lists."

US Urged To Change Priorities, Commit To Homeland Security. Retired U.S. Coast Guard officer Stephen Flynn, a senior fellow at the Council on Foreign Relations, in a cover story for U.S. News and World Report (2/19, 2.03M) titled, "Terror's Next Target? More than five years after 9/11, a frightening inside look at why we are still

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terribly vulnerable," writes, "Increasingly, Americans are living on the edge of disaster. Like reckless teenagers, we have been embracing risks while shrugging off the likely consequences. … Homeland security has become a decidedly second-rate priority today in a world where the United States has chosen to combat terrorism as essentially a military and intelligence activity. In 2006, the defense budget accounted for more than half the federal government's discretionary spending and included $16.5 billion the Pentagon requested specifically to protect itself from terrorist attacks. That means the Department of Defense is spending 10 times more protecting its own military bases, naval ships, and barracks-two thirds of which are located inside the United States-than the federal government is spending on our major cities. The U.S. Navy, meanwhile, is bankrolling a Coast Guard force to protect its vessels moving in and out of Puget Sound in Washington that is several times larger than the entire Seattle port police force, which is responsible for protecting that city's long and densely populated waterfront. Any objective analysis would conclude that terrorists would be more interested in targeting crucial civilian structures on U.S. soil than taking on the U.S. military."

WAR NEWS:

As Many As 60 House Republicans Could Back Anti-Surge Resolution. The Los Angeles Times (2/12, Levey, Simon, 850K) reports, "As the House this week launches its first major debate over the Iraq war since the November elections, Democrats are counting on many Republicans to join them in passing a resolution opposing President Bush's troop buildup." GOP Rep. Wayne T. Gilchrest "predicts that 30 to 60 of his colleagues will back the nonbinding resolution, which would be the strongest repudiation of Bush's Iraq policy from Republicans since the war began nearly four years ago." The debate, "likely to be highly emotional, begins Tuesday and is expected to last three or four days. Each of the House's 435 members will be given five minutes to speak." The resolution "will express support for the US military personnel in harm's way, while opposing adding 21,500 troops to the 135,000-plus already in Iraq."

The AP (2/12) reports, "A House vote on Iraq this week will be limited to the question of supporting President Bush's troop escalation, House Majority Leader Steny Hoyer said Sunday." Hoyer's comment "drew a vehement objection from House Minority Leader John Boehner, R-Ohio, who said House Democrats had promised to allow a vote this week on a Republican alternative opposing a cutoff of money for the war."

The Politico (2/12) reports, "Boehner looked irritated for part of the show -- and with good reason. Hoyer's decision, which will be criticized as another example of Democrats breaking their election-year promise to hold open and fair debates in the House, undercuts the GOP strategy. Last week, Hoyer initially said Republicans would be allowed to offer an alternative measure on the floor before a House vote on the Democrats nonbinding resolution. 'The Republicans will be given either a substitute or a motion to recommit so that they can propose whatever substantive alternative that they choose,' Hoyer told reporters Thursday. 'That will also be debated.'" He "backtracked later that day." Roll Call (2/12, Yachnin) says "a Democratic lawmaker, who asked not to be named, asserted that many rank-and-file Members" had lobbied "against allowing Republicans to offer a substitute resolution, asserting it could 'fracture' the majority."

The Washington Post (2/12, A5, Layton, Weisman, 690K) reports Democrats plan "to propose a narrowly worded rebuke of…Bush's troop buildup" and Republicans are "girding for broad defections on their side. … For some Republicans, the Democratic takeover of Congress has been liberating. A barrage of recent hearings into malfeasance under the U.S. occupation authority in Iraq, the stretched state of the military and the cost of the war have brought to light new information while underscoring congressional acquiescence under GOP control, said Rep. Walter B. Jones (R-N.C.), a longtime war critic." The Wall Street Journal (2/12, Rogers, 2.04M) notes that "as now drafted, the measure expresses support for American forces without delving into the more sensitive issue of whether Congress may restrict war funds in the future. At the same time, hoping to attract Republican votes, the resolution is expected to avoid the use of the word 'escalation.'" Instead, "the draft language speaks simply of rejecting 'the decision of President George W. Bush announced on January 10, 2007, to deploy more than 20,000 additional United States combat troops to Iraq.'"

Asked on NBC's Meet the Press (2/11, Russert) if there will be a resolution offered by House Democrats "disapproving of the president sending more troops to Iraq," Hoyer answered, "Yes there will be. We're going to do a very simple, straightforward, very clear resolution which says two things: We support the troops, we're going to protect the

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troops. Secondly, we do not support the president's escalation of the troops in Iraq. … We don't believe that that policy will work. The overwhelming sentiment of the military is it won't work, and certainly the American people do not believe it'll work. … The American public voted for a new direction in November. They said we need to change policies that aren't working. This is not a new policy. Senator Hagel said this is not a new policy. John McCain says he doesn't think this is going to work. We're going to make a clear statement next week that we do not support this escalation." Hoyer added that the House vote on the resolution will probably take place Friday.

Laying out his opposition to the Democrats' proposed resolution, on NBC's Meet the Press (2/11, Russert), Boehner said, "I believe that victory in Iraq is the only option. We've had problems in Iraq, we've had mistakes in Iraq, but Iraq is but a small part in a global war being waged by radical Islamic terrorists. … And if we don't have victory in Iraq, the consequences of failure are immense: a destabilized Iraq, a safe haven for terrorists, possible access to their oil revenue, destabilizing the greater Middle East. What happens to Israel? And if this isn't bad enough, who doesn't believe that if we withdraw and leave that chaos in the Middle East that the terrorists won't follow us here to the United States?"

The Christian Science Monitor (2/12, Chaddock, 59K) reports, "At issue is more than a test of wills. It's how to frame the terms of opposition to a war that has lost public support and strained US relations with the rest of the world. The vote – or nonvote – on the resolution is also politically toxic. Opposition to the war helped sweep Republicans out of control in the House and Senate in 2006." But "if the issue is mishandled, it could do the same to Democrats – or topple even more GOP careers – in 2008."

McConnell Accuses Media Of Misinterpreting Senate's Surge Debate. Senate minority leader Mitch McConnell was asked on Fox News Sunday (2/11, Wallace) if GOP senators lost "the public relations battle" when they "blocked a vote" on the non-binding resolution opposing the president's troop surge. McConnell responded, "Some journalists reported it exactly the way you suggest, that a vote to cut off debate was actually a vote to begin debate. I don't think that's ever happened in the history of the Senate. … The New York Times editorial page, ironically, got it right. They said that we shouldn't be limiting the number of proposals when it comes to debating Iraq to just proposals that the majority would like."

Sen. Jack Reed, also on Fox News Sunday (2/11, Wallace), said, "I think they end of the day, [the Senate GOP leadership] wanted to defeat by any means they could the resolution that Senator Warner proposed. And I think, again, the letter that Senator Warner authored along with seven or eight other Republicans just a day after this procedural deadlock, suggesting they're going to bring it up, shows that they really want to get back to the business of getting an up or down vote on the resolution. … But no one assumes that this is going to be the last step. But I think it's an important first step and a necessary step before we go forward."

Dodd Says Offering Non-Binding Resolution Was A Mistake. Sen. Chris Dodd, on CBS's Face the Nation (2/11, Schieffer) said, "I thought we made a mistake by not having a real vote where there was real teeth in it, with real accountability, on the war in Iraq. And I think, frankly, we got ourselves into a mess here by competing with the Senate resolutions which have no legal bearing at all whatsoever. … I'll be supporting a resolution that will cut off funding but not put our troops in jeopardy."

Congress Said To Have "Power To End The War." Lynn Chu, a lawyer in New York, and John Yoo, a deputy assistant attorney general from 2001 to 2003, write in the New York Times (2/12, 1.16M), "Before the November elections, many Democratic candidates and legal academics insisted that the Iraq war was illegal and that only Congress, not the president, had the power to manage it under the Constitution. Interestingly, now that Democrats control Capitol Hill, they are fretting that if Congress tried to cut back on funds or troop levels, it might be, well, unconstitutional. … The fact is, Congress has every power to end the war — if it really wanted to. It has the power of the purse. … Not only could Congress cut off money, it could require scheduled troop withdrawals, shrink or eliminate units, or freeze weapons supplies. It could even repeal or amend the authorization to use force it passed in 2002."

Feith Says He Never Claimed Saddam And Al Qaeda Had "Operational Relationship."

Former Undersecretary of Defense Douglas Feith, appearing on Fox News Sunday (2/11, Wallace), responded to the claim that the pre-war briefing he put together titled, "Iraq and Al Qaida Making the Case," was "all wrong." The AP (2/12, Ben Feller) reports Feith "was responding to a report by the Defense Department inspector general that Feith's office 'did not provide the most accurate analysis of intelligence to

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senior decision makers.' The IG's report found that there was no support for the Pentagon's claim of a 'mature symbiotic relationship' in all areas between Iraq and al-Qaida." Feith said on Fox, "Nobody in my office ever said there was an operational relationship between Iraq and Al Qaida. It's just not correct. … There was a relationship. That relationship was summarized on October 7th, 2002, by George Tenet in a letter that he sent, unclassified, to the Senate Intelligence Committee chairman, and it basically brought together what the CIA had been saying, what my people had been criticizing, and it summarized the Iraq-Al Qaida relationship. And we stood on that, and I think that that was the best information that the government had. … It's absurd for the inspector general to say that what we did was not the best intelligence, not because he examined the underlying intelligence, because he didn't, and he admitted that to the Senate Armed Services Committee on Friday morning. What he said was it wasn't the best intelligence because it disagreed with the intelligence."

Feith, on CNN's Late Edition (2/11, Blitzer), said, "What the inspector general is criticizing is the fact that people in the Pentagon criticized the quality of the CIA intelligence. And the inspector general, I think wrongly, says that the criticism of intelligence was intelligence work, and it was inappropriate for non-intelligence people to do that. … The inspector general, with all due respect, was in an area of opinion for which there are no legal standards, and he made an argument that is self-contradictory, doesn't hang together. The essence of his argument was that criticism of intelligence is intelligence work. Ridiculous." The Los Angeles Times (2/12, Meyer, 850K) reports Feith also "defended as 'good government' his office's prewar findings."

WSJournal Says Feith Owed An Apology. The Wall Street Journal (2/12, 2.04M) editorializes, "In a reasonable world, Douglas Feith would have received an apology late last week from Senator Carl Levin. But the obsessive Democrat won't let go of his story that the Bush Administration 'politicized' pre-war Iraq intelligence no matter how many times the facts disprove it. Senator Ahab is now going even further and suggesting behavior standards that would make the US intelligence bureaucracy less accountable to elected officials; this could get Americans killed." Senate Intelligence Chairman Jay Rockefeller and Levin "may enjoy scoring partisan points. But their nasty obsession with Mr. Feith will have the effect of endorsing more group-think as the last, best word in intelligence -- and will lead to more Iraqs and more 9/11s."

US Shows Arms Linking Iran To Iraqi Insurgents. ABC World News (2/11, lead story, 2:10, Muir, 8.78M) reported, "In Baghdad, today, the US military carefully laid out what it has hinted at for weeks... Evidence, top officials say, that proves Iran is helping arm the attackers killing American forces in Iraq. Even more troubling, the sophisticated weapons they say that could be tied to the highest levels of the Iranian government." ABC (Marquez) added, "Senior defense officials finally laid their cards on the table, today, and offered what they say is proof of Iran supporting Shia militias, causing havoc in Iraq. The majority of the briefing was spent on EFPs, or explosively formed projectiles, powerful bombs that can pierce the toughest armor." ABC noted that while "much of the information provided today in Baghdad has already been leaked by Pentagon officials," this is "the first time military officials have made the link to the highest level of Iran's government."

NBC Nightly News (2/11, lead story, 3:15, Seigenthaler, 9.87M) reported the US military release was "prompted by the growing toll on the US military." NBC (Arraf) added that one "US official tells NBC News Iraq plans to shut down some of the border crossings [with Iran] to stop the weapons coming across."

Separately, ABC World News (2/11, story 3, 1:40, Muir, 8.78M) reported, "On a day the US military lays out what it considers strong evidence that weapons are being funneled to Iraq some are asking, why bring forward that information now? And what is the Bush Administration planning to do next." ABC (Hendren) added, "Top US officials insist they have no plans of attacking Iran. Defense Secretary Robert Gates made this point only Friday. But if diplomacy fails, the military options are very limited. A ground war is probably unthinkable. US troops are stretched thinly in Iraq and Afghanistan already. And they would face a better-equipped military in Iran."

The New York Times (2/12, A1, Glanz, 1.16M) reports on its front page, "After weeks of internal debate, senior United States military officials on Sunday literally put on the table their first public evidence of the contentious assertion that Iran supplies Shiite extremist groups in Iraq with some of the most lethal weapons in the war. They said those weapons had been used to kill more than 170 Americans in the past three years." The officials also asserted, "without providing direct

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evidence, that Iranian leaders had authorized smuggling those weapons into Iraq for use against the Americans." The officials "said such an assertion was an inference based on general intelligence assessments." However, the Times says "that inference, and the anonymity of the officials who made it, seemed likely to generate skepticism among those suspicious that the Bush administration is trying to find a scapegoat for its problems in Iraq, and perhaps even trying to lay the groundwork for war with Iran."

Also on its front page, the Washington Post (2/12, A1, Partlow, 690K) says, "With so much official US buildup about the purported evidence of Iranian influence in Iraq, the briefing was also notable for what was not said or shown. The officials offered no evidence to substantiate allegations that the 'highest levels' of the Iranian government had sanctioned support for attacks against US troops. Also, the military briefers were not joined by US diplomats or representatives of the CIA or the office of the Director of National Intelligence."

USA Today (2/12, Michaels, 2.27M) reports the US officials said that "much of the Iranian weaponry found in Iraq was manufactured last year, indicating the munitions were recently shipped into Iraq and were not Saddam-era weapons."

The AP (2/12, Hurst) adds, "The display appeared to be part of the White House drive that has empowered US forces in Iraq to use all means to curb Iranian influence in the country, including killing Iranian agents." Similarly, in a front page report, the Washington Times (2/12, A1, Gertz, 88K) calls the briefing the "first Bush administration effort to expose details of Iranian support for extremists that has been a growing problem."

The Los Angeles Times (2/12, Susman, 850K) notes the "unveiling came amid discomfort from Iraqi government officials, who have made clear they don't want to be in a diplomatic cross-fire between the United States and Iran."

Democrats Warn Administration To Move Cautiously On Iran. NBC Nightly News (2/11, story 2, 2:35, Seigenthaler, 9.87M) reported in Washington "these latest claims by coalition officials are being greeted with some skepticism by some Democrats and raising questions about whether or not the Administration could be preparing another case for war." NBC (Yang) added, "Key Democrats expressed serious doubts about his Administration's case that Iran is involved in the Iraq war." And "for some the claims recall the build-up to the war in Iraq."

The AP (2/12) reports, "Skeptical congressional Democrats said Sunday the Bush administration should move cautiously before accusing Iran of fomenting a campaign of violence against US troops in Iraq." The Congressmen spoke on the morning talk shows as the US military delivered its briefing in Baghdad. For example, Sen. Christopher Dodd on CBS's Face the Nation (2/11, Schieffer) said, "I read the same report, but I'm also concerned about some of these reports coming out of intelligence analysts. … That's how we got into the mess in Iraq. That's why some of us supported those resolutions because of doctored information." Dodd added, "You need to engage the people in the region if you've got some hope of solving those problems short of military conflict. … And it seems to me until we engage them in some way on a multiple of issues, including this one, it's only going to get worse. Diplomacy is not a favor to your enemy. It's how you extend your interests in the region. We ought to be doing more of it, not less."

Sen. Jack Reed, also on Fox News Sunday (2/11, Wallace), called the evidence "confused," saying, "The question is: Is this a deliberate policy of the Iranian government at the highest levels? Is it rogue elements within the government? And then the other question is to what extent are there countervailing signals that the Iranians actually are trying to -- not control, but not to further raise the stakes in Iraq."

Kerry Says The Iranian Government Wants A More Stable Iraq. Sen. John Kerry was asked on ABC's This Week (2/11, Stephanopoulos) if he believes the administration when they say they are not preparing to attack Iran, Kerry answered, "That remains to be seen. You're going to have a skeptical Congress, and appropriately so, because of the last experience with Iraq. We need to ask tough questions. We will. … Nobody questions that there are weapons flowing across the border. … The key here is to listen to the Iraq Study Group, listen to those of us in Congress who have said, we've got to engage in the region, fully. That means engage with Syria, engage with Iran. … And every leader in the region and every observer, every expert here in our country, tells us that Iran does not want a complete and total implosion in Iraq. Do they want to make mischief for us now? Yes, because there are issues of tension between us. But ultimately, they want an Iraq that is stable."

Wyden Says Bush Must Get OK From Congress Before Attacking Iran. Sen. Ron Wyden, on CNN's Late Edition (2/11, Blitzer), noted that "we've been waiting in the

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United States Senate for a full-scale briefing from the administration with respect to Iran. They have been putting it off for days and days. We ought to have those facts. … I think what's really needed in the region is a diplomatic surge. and I think the country wants to hear that as well. … I want to make it also clear that I and others in the Senate are going to insist if there is any effort to go to war with Iran, the president would have to come to the United States Congress, and Congress would first have to approve it. … The administration is engaged in a drumbeat with Iran that is much like the drumbeat that they did with Iraq. We're going to insist on accountability. They'll have to come to the Congress, and Congress will have to vote to approve it before their support.

Asked on Fox News Sunday (2/11, Wallace) to respond to allegations that some explosive devices found in Iraq "are coming from the highest levels of the Iranian government," Senate minority leader Mitch McConnell said, "we're going to protect our forces in Iraq, and if there are Iranians in Iraq, inside Iraq, seeking to do harm to our soldiers, of course we'll take the appropriate action. … There's no indication that any of this has to do with going beyond Iraq. But inside Iraq, if there are foreigners in there seeking to harm American soldiers, certainly we're going to respond to that." Despite repeated questioning on the point McConnell declined to condone US operations within Iran as an appropriate response to the new allegations.

Sen. Trent Lott, on CBS's Face the Nation (2/11, Schieffer) said, "I haven't had an in-depth briefing but we do know that they've become more deadly. And there's reason to believe they're coming from Iran. We should take actions to try to stop them. You do that by interdiction, though."

Sen. John Cornyn, on CNN's Late Edition (2/11, Blitzer), said, "this is obviously extremely serious evidence that Iran has been involved in supplying these kinds of weapons to Shia militants. … And I will tell you that we have to do everything within our power to stop it, and I'm confident we will."

Ahmadinejad Vows Not To Stop Enrichment As Aid Suggests Willingness To Talk. ABC World News (2/11, story 2, 1:00, Muir, 8.78M) reported on the 28th anniversary of that Iran's Islamic revolution, "Hundreds of thousands rallied in the streets of Tehran, as the Iranian President Madhmoud Ahmadinejad marked the anniversary with defiance, saying the country will not give up its nuclear program." ABC notes that Diane Sawyer is in Iran to interview the Iranian president.

The New York Times (2/12, A8, Fathi, 1.16M) reports Ahmadinejad vowed "not stop its nuclear program," but "stopped short of making a promised announcement about 'good news' in the country's nuclear progress, raising speculation that domestic political pressure and technological glitches may have put off a milestone in the government's efforts to begin mass enrichment of uranium." In addition, he "accused Western governments of making false promises of aid to lure Iran into giving up its program at a moment when it holds great promise."

The Los Angeles Times (2/12, Murphy, 850K) says Ahmadinejad had been expected to "announce progress on Iran's uranium enrichment program," including the "beginning stages of installing industrial-scale uranium enrichment centrifuges at an underground site at Natanz."

Meanwhile, the Washington Post (2/12, A12, Whitlock, Ricks, 690K) reports, "Iran's president and national security chief on Sunday offered to resume negotiations over their country's nuclear program and eased up on some of the contentious rhetoric of the past, including threats to destroy Israel." In Munich, Ali Larijani, Iran's top nuclear negotiator, "briefly met with European diplomats for the first time since talks collapsed in September and said Iran was willing to return to formal discussions." He also said his country had "no intention of aggression against any country," adding that Iran "posed no threat to Israel" in particular. In Tehran, President Mahmoud Ahmadinejad "also said that Iran was willing to resume negotiations, although both he and Larijani rejected a condition for talks set by the U.N. Security Council that Iran first freeze its uranium enrichment program."

The Financial Times (2/12, Smyth, Fidler, Sevastopulo) adds, "European officials said the meeting was too brief to ascertain whether Mr. Larijani's comments represented a potential breakthrough."

The Christian Science Monitor (2/12, Peterson, 59K) notes that while Ahmadinejad made his announcement, "a far more conciliatory -- and unexpected -- message was offered to Western security chiefs" by Larijani, who "said that Iran is ready to resolve within three weeks all issues with the UN nuclear watchdog agency." Larijani's words indicate "that despite Mr. Ahmadinejad's tough rhetoric -- or perhaps because of it -- Tehran has grasped how sensitive Iran's position has become, analysts say. But diplomats reacted with skepticism, even as they tried to find a compromise on the issue of enrichment."

Krugman Says Attacking Iran Would Be A Mistake. The New York Times' (2/12) Paul Krugman writes, "Attacking Iran would be a catastrophic mistake, even if all the allegations now being made about Iranian actions in Iraq are true. But it wouldn't be the first catastrophic mistake this administration has made, and there are indications that, at the very least, a powerful faction in the administration is spoiling for a fight." In particular, Krugman questions why would the Administration be "really planning to attack Iran, when it's so obvious that another war would be a recipe for even bigger disaster. But remember who's calling the shots: Dick Cheney thinks we've had 'enormous successes' in Iraq."

US Troops Begin Baghdad Push. The New York Times (2/12, Oppel, Cave, 1.16M) reports, "American troops locked down a large industrial area of eastern Baghdad on Sunday while Prime Minister Nuri Kamal al-Maliki, without indicating how he would do it, vowed to speed the deployment of Iraqi forces throughout the war-ravaged capital." The Americans took fire and "detained 10 Iraqis while searching for a car-bomb manufacturing site in the area." Many in Iraq "view [the surge] as a last-ditch effort to save the country from all-out civil war." The Times says of Maliki's vow, "It remains unclear just how fast that deployment will take place, because only a portion of the Iraqi forces called for under the new Baghdad security plan are in position. And if the Iraqis who accompanied American soldiers during the 14-hour mission on Sunday were an accurate barometer, most are skeptical that the latest plan will make much difference."

Tikirit Police Station Bombing Kills 9. The Washington Post (2/12, A12, Londono, Al-Izzi, 690K) reports, "Nine police officers were killed Sunday near Tikrit when a suicide bomber drove up to a police station and detonated explosives hidden under hay on the bed of a truck, the U.S. military and Iraqi officials said." Meanwhile, Prime Minister Maliki "said Sunday that the Baghdad security plan ... will speed up this week."

Insurgents Step Up Anti-Helicopter Efforts. The New York Times (2/12, Glanz, 1.16M) reports, "A deputy commanding general in Iraq whose duties include aviation said Sunday that insurgents had adopted new tactics and stepped up their efforts to shoot down American helicopters, and he acknowledged that the rash of recent incidents included a previously unreported downing of a Black Hawk late last month." Maj. Gen. Jim Simmons admitted an "unreported incident ... on Jan. 25 near the Euphrates River town of Hit when a Black Hawk was struck by automatic weapons fire" in which nobody was killed. He "said he also believed that the insurgents might be especially motivated to shoot down helicopters as a way of discrediting the new American and Iraqi security plan." A "troublesome" tactic he cited is firing "on helicopters with heavy machine guns from more than one direction at once." Simmons "acknowledged for the first time that the American military had altered its flight patterns and schedules as a result of the downings." A Brookings Institution study "indicates that since the beginning of the conflict, 57 American military helicopters have either crashed or been shot down." The Washington Post (2/12, A12, Londono, Al-Izzi, 690K) also quotes Simmons.

Last Two Weeks In Iraq Said To Have Been "Demoralizing" For US Troops. U.S. News and World Report (2/19, Whitleaw, Mulrine, 2.03M) reports, "For now, Democrats and Republicans in Congress are tying themselves in knots trying to respond to the new strategy President Bush laid out last month for Iraq-his Plan B. The president's critics have focused on his call for a so-called surge of 21,500 U.S. troops, but Plan B is a broader shift that makes American soldiers responsible (for the first time) for keeping the Iraqi people safe. The new security plan is still taking shape, with additional U.S. troops moving into Baghdad. But the past two weeks have been demoralizing, with a handful of U.S. helicopters shot down and Baghdad convulsed by its own surge of suicide bombings and sectarian killings. Even U.S. officials admit privately that Plan B is a long shot, alarmingly dependent on the performance of an Iraqi government that has yet to demonstrate much by way of resolve." Defense Secretary Robert Gates "told a Senate panel last week that he is 'planning for success' but conceded that he has ordered Pentagon officials to look at fallbacks. … Unfortunately, the options for Plan C range from ugly to abhorrent-underscoring exactly how much is riding on Bush's Plan B."

US Studying Recent Attacks On Helicopters. Newsweek (2/19, Hosenball, Ephron, 3.12M) reports, "Six U.S. choppers (including two belonging to a private security company) have crashed in Iraq since Jan. 20, killing a total of 27. Investigators have concluded four were shot down. … A U.S. counterterrorism official said it looks as if some Iraqi fighters have been getting special training lately on how to down helicopters." Newsweek notes, "Part of the problem is

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that helicopters are vulnerable at almost any altitude. … The fear of crashes aside, many soldiers still prefer flying to travel by roads, where IEDs (improvised explosive devices) account for nearly 40 percent of American fatalities. Cutting back on chopper use would be a serious blow to U.S. mobility in Iraq. But if insurgents continue to improve their aim, the counterterrorism official said, the military would need to find safer ways to move soldiers."

Wolfowitz's Claim That Iraq Could Finance Its Own Reconstruction Noted. U.S. News and World Report (2/19, Pethokoukis, 2.03M) reports, "what's the running tally on America's 21st-century military expeditions? So far $427 billion has been appropriated for 'operations in the Global War on Terror.' Tack on the funds requested in the new budget, and the total is $662 billion. War doves and budget hawks will recall that when former White House economic adviser Lawrence Lindsey estimated the cost of the war in Iraq to be between $100 billion and $200 billion, then Deputy Secretary of Defense Paul Wolfowitz scoffed, 'We are dealing with a country that can really finance its own reconstruction, and relatively soon.'"

US Embassy In Baghdad Having Trouble Employing Locals. The Washington Post's(2/10, A15) Al Kamen writes in his "In the Loop" column that the Pentagon and the State Department "have been squabbling quite publicly over State's request to have the already-stretched military fill about 40 percent of the 300 new State jobs in Iraq created by the administration's latest rebuilding plan." In addition, Kamen says the US Embassy in Baghdad is finding it increasingly difficult to get local Iraqis to work there "because of what one senior official at the embassy called the 'precarious security situation' in the country."

"Thousands Of" Army Humvees Reportedly Lack Armor Upgrade. The Washington Post (2/12, A1, Tyson, 690K) reports in a critical article, "The Army is working to fill a shortfall in Iraq of thousands of advanced Humvee armor kits designed to reduce U.S. troop deaths from roadside bombs -- including a rising threat from particularly lethal weapons linked to Iran and known as 'explosively formed penetrators' (EFP) -- that are now inflicting 70 percent of the American casualties in the country, according to U.S. military and civilian officials." However, "U.S. Army units in Iraq and Afghanistan lack more than 4,000 of the latest Humvee armor kit, known as FRAG Kit 5, according to U.S. officials. The Army has ramped up production of the armor, giving priority to troops in Baghdad, but the upgrade is not scheduled to be completed until this summer, Army officials said." The Army "has struggled to keep up with demands for new armor to protect against increasingly deadly bombs. In the case of FRAG Kit 5, the Army quickly produced a bolt-on version in limited quantities, while the permanent version has taken longer than expected to develop, test, produce and install." Furthermore, "there is no guarantee that even the latest armor -- which reinforces the doors -- can prevent deaths from EFPs, defense officials have emphasized."

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Congress Urged To Take Back Oversight Of US Attorneys. The Toledo Blade (2/12) editorializes, "By most accounts, the Bush Administration has gone further in infusing the federal government with partisanship than any administration in modern history. That is why Congress should enact legislation to ensure that the White House doesn't undertake unnecessary political mischief in the appointment of federal prosecutors." The Blade continues, "Assistant U.S. attorneys, the 5,200 men and women who prosecute federal crimes, traditionally have been commissioned by the president and confirmed by the Senate. Typically, a new president replaces the entire crew with supporters. … But last year, Sen. Arlen Specter, Republican of Pennsylvania, quietly inserted into reauthorization of the Patriot Act a provision to allow appointment of such prosecutors on an interim but indefinite basis - without Senate consent." The Blade adds, "The action came to light at Christmas time as seven assistant U.S. attorneys were summarily fired by the Justice Department. One, who had been in the post in Little Rock, Ark., for five years, was replaced by a former aide to Karl Rove, President Bush's political hatchet man. … Any government maneuver involving Mr. Rove is immediately suspect, to be sure, and the episode raised suspicions that skulduggery was afoot. Favoritism and political influence are this administration's basic tools. Remember 'Brownie' at FEMA?" The Blade notes, Attorney General Alberto Gonzales, empowered to make the interim appointments, is vague about the need for the new law. He told the Washington Post that political appointees are subject to removal for any - or no - cause, and he added obliquely that the administration might be inclined to replace personnel to

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get 'better results.' … Maybe so, but more likely the new law is a thin disguise for some sort of shenanigan. According to the Post, the prosecutor sacked in Little Rock was told his removal was no reflection on his work, that officials in Washington just wanted to give his job to the other guy." The Blade concludes, "Who is prosecuted and for what crimes should not be a matter of partisan whim, or even appear to be. Congress should act now to take back its oversight role on assistant U.S. attorneys from a power-hungry president."

CORPORATE SCANDALS:

Former McAfee Counsel Could Face Options Charges. The Wall Street Journal (2/12, A10, Bandler, Maremont) reports, "Federal prosecutors are readying criminal charges related to alleged backdating of stock options against a former general counsel of McAfee Inc., Kent Roberts, according to people familiar with the matter." The Journal continues, "The charges are likely to be filed in the next few days, a person familiar with the situation said, but the person added that the actions could be delayed for at least a week. If charged, Mr. Roberts would become the sixth person charged with criminal offenses in the widening federal probe into stock-options backdating, which is examining conduct at about 140 companies. The pace of investigations appears to be quickening, and more criminal and civil charges are expected in coming weeks." The Journal adds, "Mr. Roberts was fired by McAfee in May 2006. At the time, the company said it took the action after it 'became aware of one episode involving the General Counsel in 2000 that was improper.' The company hasn't explained further. Mr. Roberts received options dated April 14, 2000, to buy 20,000 shares at $19.75, a deep low in the company's stock price, according to a Securities and Exchange Commission filing. Shares rose to more than $25 that month." The Journal notes, "Conduct at McAfee is being investigated by prosecutors at the office of the U.S. attorney for the Northern District of California, in San Francisco, who are handling several high-profile criminal probes into backdating. It isn't clear if Mr. Roberts will cooperate with prosecutors, who often seek the help of lower-level officials in their continuing investigation of high-ranking executives. The SEC also is probing stock-option practices at McAfee."

Options Probes Cited As Factor In Record Number Of Restatements. The Wall Street Journal (2/12, C7, Reilly) reports, "Publicly traded companies filed 1,876 restatements of financial results in 2006, setting a record for corrections of financial statements while showing that many still are struggling to get the accounting right for both simple and complex transactions." The Journal continues, "In a sign that some of the corporate-governance changes enacted this decade may be taking root, the number of restatements filed by large companies fell in 2006, the first such decline since 2001, according to a study by audit research firm AuditAnalytics. Large companies -- those having more than $700 million in stock that the public is able to buy -- filed 196 restatements in 2006, a nearly 20% drop from the previous year." The Journal adds, 'By contrast, companies with a public float of less than $75 million, which don't yet have to follow rules related to checks on their internal controls, continued to have restatements climb. In 2006, U.S. companies in this category filed 1,108 restatements, a 42% jump from the previous year. This group accounted for more than two-thirds of the 1,608 restatements filed by U.S. companies. 'Presumably the difference is because internal controls are working better,' said Mark Cheffers, chief executive of AuditAnalytics." The Journal notes, "Restatements of financial results are akin to a product recall and mean that investors no longer can rely on figures companies previously provided and which may have formed the basis for their decision to buy or sell stocks or bonds. Restatements, a black mark both for financial executives within a company and its outside auditors, once were fairly rare and occurred only when major problems were found. … That changed in the wake of corporate scandals such as Enron and WorldCom. Auditors who generally missed the frauds that rocked markets began doing a more-thorough job than they did during the technology boom. The Sarbanes-Oxley Act, passed in 2002, also created a regulator for accounting firms, causing them to further improve audits. Finally, Sarbanes-Oxley mandated that corporate executives attest to having internal systems designed to prevent accounting mistakes and fraud, and that auditors check these mechanisms, known as internal controls. … Combined, the changes caused restatements to soar to 1,876 in 2006 for both U.S. and foreign companies filing with the Securities and Exchange Commission, according AuditAnalytics. Restatements last year rose 17% from 2005 and compare with just 452 restatements in 2001."

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Questions Raised About Conflicts For CNBC Anchor. The New York Times (2/12, Thomas) reports, "In November 2005, Citigroup gathered top clients at a lush spa resort in Napa Valley for two days of wine tasting and a chance to road test some of the hottest luxury cars on the market." The Times continues, "The test drivers included Todd S. Thomson, then the chief executive of Citigroup's wealth management arm, car collectors, clients of the bank and Maria Bartiromo, the CNBC anchor and celebrity guest. … Their charge: To pick the 2006 car of the year for Robb Report, the luxury magazine. Like many of the judges, Ms. Bartiromo chose the bright red Ferrari Spider, according to one attendee. So did Mr. Thomson, a car enthusiast." The Times adds, " With its blend of high living, glitz and privileged access, the event provides a glimpse of the rarefied world inhabited by Ms. Bartiromo, who, in her years as CNBC's most recognizable face, has lent to the reporting of once gray business news a veneer of gloss and celebrity. … Socializing with sources is a long journalistic tradition, especially for television personalities whose renown often allows them to travel in the same elite circles as their subjects. … But for Ms. Bartiromo, who accompanied Mr. Thomson last fall on Citigroup's corporate jet to a series of client and other bank-sponsored functions in China, her ability to gain entree into the exclusive and mostly male world of chief executives and financial titans has made her a valuable commodity to CNBC." The Times notes, "After Mr. Thomson's abrupt departure from Citigroup, however, such ties have raised questions about her closeness to her sources, all of whom she also covers as the cable network's top anchor. CNBC has said that it paid commercial fare to Citigroup for Ms. Bartiromo's trip to China. And last week, Jeffrey R. Immelt, the chief executive of General Electric, CNBC's parent, voiced his support for Ms. Bartiromo and the cable network."

CRIMINAL LAW:

Testifying At Libby Trial Seen As Carrying Risk For Cheney. Under the headline "Cheney Testimony In Libby Trial Would Carry High Risk," the New York Times (2/12, Shane, Rutenberg, 1.16M) reports Vice President Dick Cheney "has dominated the trial of I. Lewis Libby Jr. without even showing up in the courtroom," and now he "is expected to make a historic appearance on the witness stand. It is an act of loyalty that carries considerable risk for Mr. Cheney, a powerful figure in the administration who has in recent months suffered a series of major political and policy setbacks. If he testifies, Mr. Cheney will bring to the jurors the awesome authority of his office," but under cross-examination, "the vice president may be forced to describe in uncomfortable detail how he directed the counteroffensive on Joseph C. Wilson." Further, if "Cheney makes a statement that conflicts with the public record — and nearly every witness so far has done so at least once — it could prove embarrassing for him and for the administration."

Meanwhile, under the headline "A Historic Moment if Cheney Testifies Live, as Expected," the New York Times (2/12, Johnston, 1.16M) reports that "Cheney would be the first sitting vice president, at least in modern times, to appear as a witness in a criminal trial. And if he testifies in court, he may also be the first to give live testimony in defense of a subordinate's actions on his behalf, legal historians said." Cheney's testimony "would break with one of the closest historical parallels, when former President Ronald Reagan testified in 1990 via videotape as a defense witness in the trial of his former national security adviser, John M. Poindexter." The Times notes that Reagan's "appearance seemed to have little direct impact on the trial, but it created a permanent historical record of his failing memory, which would have been preserved through a printed transcript had he appeared as a live witness but would not have caused the same impact as the widely broadcast videotape."

Cheney Increasingly Criticized By Former Conservative Backers. Under the headline "Cheney Backers Grow Restive," the Wall Street Journal (2/12, A8, Dreazen, 2.04M) reports "Cheney's diminished popularity outside the White House hasn't affected his power within the Bush administration, where he continues to hold considerable clout." But "as his standing erodes among the administration's most conservative supporters, Mr. Cheney finds himself being criticized by former allies and emerging as a focal point for Republican anger about the war in Iraq. … It is a shift for Mr. Cheney, who remained popular with conservatives as his support among the general public declined." The Journal adds, "A number of conservative figures outside the administration offered three reasons for their displeasure with Mr. Cheney. They point first to Iraq, expressing concerns Mr. Cheney was in denial about how bad the situation was in the country and about the war's political cost for Republicans. Second, they say Mr. Cheney was finally caught up in conservative anger at Mr. Bush for not

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limiting government spending or balancing the budget. Lastly, some conservatives say they are uncomfortable with Mr. Cheney's support for his daughter Mary's decision to have a child and raise it with her partner, another woman."

Glimpse Of Which House "Inner Workings" Seen As Trial's Biggest Draw. The Christian Science Monitor (2/12, Feldmann, 59K) reports that "what has captured the fascination of the press and observers of the Bush administration is how this case has pulled back the curtain on the inner workings of a White House known for being secretive and on the ways of elite Washington – much of it less than flattering. And even if the perjury trial of a former aide may seem to be a sideshow to the weightier issues of the day, the context of the Libby trial remains central: the runup to the Iraq war and its aftermath when the rationale for the war came under question." Georgetown law professor Paul Rothstein said of the trial, "In the public mind, it stands for, "Was Bush lying about the war, and was he willing to destroy a woman's career to cover up a lie about the war?" … The case doesn't actually go that far, but that's how it will be read if Libby is convicted."

Libby Defense To Call Several High-Profile Journalists. USA Today (2/12, Willing, 2.27M) reports Libby's lawyers "are scheduled to begin their case today by calling a brace of high-profile journalists to give testimony they hope will clear Libby of perjury and obstruction charges. Among those likely to be called, according to court transcripts: NBC's Andrea Mitchell, Bob Woodward of The Washington Post, Evan Thomas of Newsweek and Jill Abramson, managing editor of The New York Times." USA notes, "Theodore Wells, Libby's lead counsel, has said in court filings and statements to the court that he'll call these journalists to show there was no 'plot' to unmask Plame's identity and that talk of her CIA job was widespread. … The defense may also pit journalists from the same newspapers or networks against each other."

However, the Washington Post (2/12, A3, Leonnig, 690K) says in its headline that the "Media Figures May Be Reluctant Defense Witnesses," and notes, "In several ways, those witnesses will be asked to raise doubts about the testimony and accuracy of other reporters, and some may end up tarnishing themselves or their sources."

Russert Said To Lack Sufficient "Outrage." In a Los Angeles Times (2/12, 850K) column, reporter Scott Collins writes that Tim Russert's testimony at the Libby trial exposed "Washington's deeply cynical attitude toward 'Meet the Press,' a venerable, 60-year-old staple of network TV and the No. 1-rated Sunday news talk show. … A former Cheney press aide testified…that she pushed to get the vice president on Russert's show to bat down negative news because it was 'our best format,' a program where political handlers can 'control the message,'" and "to Russert's longtime critics, this was an a-ha! moment." Arianna Huffington said that at Libby's trial "she found fresh confirmation for her view of Russert as one of the media handmaidens who carried water for the Bush administration in the run-up to the Iraq war. 'When we started RussertWatch, we didn't know he was on Dick Cheney and [ex-aide] Mary Matalin's list of ways to get their message out,' Huffington told me Friday." Collins adds, "Outrage is the reporter's ultimate stock in trade," but "Russert doesn't do outrage."

FBI Criticized For Not Recording Interviews. In his New York Times (2/12, 1.16M) "Sidebar" legal column, reporter Adam Liptak writes that Libby trial jurors "must rely on an F.B.I. agent's recollection, based on notes taken at the time. … Why is the Federal Bureau of Investigation still using Sherlock Holmes methods in the YouTube era? … "Deborah S. Bond, the F.B.I. agent who testified about two interviews with Mr. Libby, said her notes were pretty good but not perfect." Liptak notes, "The F.B.I. reviewed its policy about a year ago, and decided to keep it." FBI General Counsel Valerie E. Caproni "defended the decision, saying that its specialized work required sensitive case-by-case judgments about when recording was appropriate. … Most important, Ms. Caproni said, suspects may clam up if they know they are being recorded. … But those objections seemed to crumble at the Libby trial. Mr. Libby was interviewed with his lawyer, and it is hard to imagine that the presence of a tape recorder would have changed what he said. And it seems only fair to make the most accurate record possible of statements that could send a man to prison. Ms. Bond, the F.B.I. agent, was repeatedly questioned about gaps in her notes."

FEC Warns Wilkes Over Failure To File PAC Disclosure Forms.

Roll Call (2/12, Murray) reports that "media reports suggest that the Justice Department likely will indict" defense contractor Brenty Wilkes "any day for his alleged involvement in Cunningham's pay-to-play contract scandal. And now the Federal Election Commission could add to Wilkes' legal woes by prying into details involving his firm's political action committee. Just before Christmas, the agency sent a warning letter to Wilkes promising to fine, audit

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or worse…for failing to file campaign finance disclosure documents going back months on behalf of his company's PAC, ADCS Inc." However, election law lawyer Brett Kappel said that "there is little chance the agency will seek monetary penalties from Wilkes. … 'I have to think that the FBI investigation includes a campaign finance angle,' Kappel said. 'I would be extremely surprised if the FBI is not investigating the PAC and the campaign contributions by Wilkes and others.'"

New York FBI Supervisor's 1995 Statement About Mob Capo Released. The New York Post (2/12, Ginsberg) reports, "Dogged by accusations of corruption, mob-busting FBI supervisor Lindley DeVecchio sat down with Justice Department investigators in May 1995 to defend his relationship with the Colombo capo who'd been his source for 13 years. … What he said helped save his job and his freedom - and it could do so again." The Post continues, "The confidential sworn statement was finally made public last week as part of a massive defense motion to get the Brooklyn district attorney's quadruple-murder case against the former G-man tossed. … In it, DeVecchio concedes that handling Colombo capo Gregory 'The Killing Machine' Scarpa Sr. was tricky. … 'I established an excellent rapport with Scarpa Sr., but I always remembered that he was a "wiseguy" and I was an FBI agent,' DeVecchio wrote, under oath and with a grant of immunity." The Post adds, "Scarpa dealt only with DeVecchio, a departure from FBI protocol. DeVecchio said FBI brass green-lighted the one-on-one relationship after the gangster himself penned a note asking that an exception be made in his case. … Under Justice Department rules, nothing DeVecchio said in the statement can ever be used against him. … Although the current allegations are different from the ones 12 years ago, DeVecchio's lawyers contend some of the off-limits statements were the indirect basis for the current case. … DeVecchio is charged with helping the mob plot murders."

Medicare Beneficiaries "Hoodwinked" By Agents Peddling PFFS Plans. U.S. News and World Report (2/19, Andrews, 2.03M) reports, "When two insurance agents showed up at Dorothy and Charles Holt's Visalia, Calif., home last spring, they offered a deal that seemed too good to pass up. … The agents said the new policy would not replace their coverage under the regular Medicare plan; it would just make it better." But "it wasn't long before they started running into trouble. The Holts found out that the SecureHorizons plan had indeed replaced their original Medicare plan, which allowed them to see most any doctor. … When the Holts tried to get out of the plan, they were told they were locked in until 2007. Finally, after filing a complaint with the federal Centers for Medicare and Medicaid Services, writing their legislators, and enlisting the assistance of the local Health Insurance Counseling and Advocacy Program, they were allowed to go back to regular Medicare. But they're worried that other seniors could be hoodwinked. … The plan the Holts signed up for was a Medicare 'private fee-for-service' plan (PFFS), a relatively new option that resembles traditional Medicare in that it generally doesn't limit beneficiaries to a defined network of providers."

WPost Urges Action Against Guns In DC Nightclubs. The Washington Post (2/12, A16) editorializes, "The shooting of a 17-year-old girl in a Northwest nightclub opened a window into the District's world of nightspots that attract young people. It's one involving music, dance, alcohol and, too often, violence. City officials are right to look for ways to improve the safety of people of all ages who go to these establishments. Yet some issues central to the death of this young woman are being given short shrift in a rush to a solution." The Post continues, "Much of the debate spurred by the Jan. 20 death of Taleshia Ford has centered on whether people under age 21 should be allowed to attend clubs that serve alcohol. D.C. … D.C. Council member Jim Graham (D-Ward 1) is sponsoring legislation that would require any District club, bar or restaurant with entertainment to obtain a special permit in order to admit anyone younger than 21 after 11 p.m. Those underage shouldn't drink; businesses that serve alcohol to minors should be prosecuted, and we don't think there is an inherent birthright for teenagers to go to nightclubs. But alcohol had little to do with the shooting in the Smarta/Broadway club. She was a bystander when the club's bouncer scuffled with a patron carrying a gun and it went off. Police say she was killed by accident." The Post adds, "Equally urgent is a point made by D.C. Acting Attorney General Linda Singer as she challenged the city to take a more aggressive approach in keeping guns out of such places. … Ms. Singer, in testimony to the D.C. Council, has suggested exploring whether certain establishments should be required under specific conditions to have armed D.C.

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police officers in place to screen for weapons through a reimbursable arrangement. Ms. Singer's emphasis on guns being the true scourge is indeed welcome and we hope will be a priority of her office."

CIVIL LAW:

Maximus In Medicaid Claims Settlement Talks With DOJ. The Washington Times (2/12, Mcelhatton) reports, "U.S. Department of Justice criminal division lawyers say a Reston-based government consulting company either 'willfully or recklessly' submitted inaccurate Medicaid claims on behalf of the D.C. government, the company recently disclosed." The Times continues, "Officials with Maximus Inc. said in a recent Securities and Exchange Commission (SEC) filing that they disagree with the criminal division lawyers' assessment. The company also said it is engaged in ongoing talks with the Justice Department concerning a potential civil settlement, the SEC filing states. … Federal authorities began investigating Maximus' work for the District more than two years ago." The Times adds, "Though not outlined in the SEC filings, unsealed court records show that investigators have reviewed accusations in a False Claims Act lawsuit in which a former employee says the company overcharged the government tens of millions of dollars while Maximus was working for the District's foster care agency. … No charges have been filed against the company. Last week, Maximus first disclosed in SEC filings that Justice Department criminal division lawyers 'have expressed their view that the company either willfully or recklessly submitted inaccurate claims to the federal government on behalf of the District of Columbia.' … 'Maximus disputes that view,' company officials said. 'Nevertheless, the criminal division attorneys have referred the company to attorneys for the civil division to determine if a civil resolution of the matter is possible. Those discussions are ongoing.' … A spokesman for Jeffrey A. Taylor, U.S. attorney for the District, on Friday declined to comment, saying the matter is pending. There is no indication from Maximus' latest SEC filing that the criminal probe has concluded."

ANTITRUST:

EMI In Talks To Eliminate Music Copyright Protection. USA Today (2/12, 1B, Graham) reports, "The music industry is looking ahead to life without copy protection. … Major label EMI — home of Coldplay and Norah Jones — is in discussions with online music stores about selling its music without copy protection, or digital rights management (DRM), according to two sources with direct knowledge of the talks who would not speak for attribution because discussions are ongoing." USA continues, "Last week, Apple CEO Steve Jobs created a huge stir when he called on the music industry to dump DRM, saying it hinders sales. Yahoo Music general manager Dave Goldberg predicts that by Christmas, most of Yahoo's catalog will be DRM-free. … 'The labels understand that DRM has to go,' he says. 'It's nothing but a tax on digital consumers. There's good momentum behind DRM going away.' … He says sales would increase by 15% to 20% without DRM. Consumers have bitterly complained about DRM, which puts rules on how a song can be used. For instance, songs bought at Apple's iTunes Store can be easily played only on an iPod, and not on digital devices from Microsoft and SanDisk." USA adds, "Big four music labels EMI, Warner, Sony BMG and Universal long have said they must have their work protected against piracy. Last week Warner reiterated its support for DRM. .. Meanwhile, online piracy has continued to grow. Some 15 billion songs were downloaded for free via unauthorized file-sharing services in 2006, says measurement firm BigChampagne. Album sales continue to tumble — down 15% so far in 2007 according to Nielsen SoundScan — and labels are exploring options. … EMI, in fact, offered a non-copy-protected song from Jones on Yahoo Music and eMusic in late 2006."

Hindalco To Purchase Novelis For $3.43 Billion. . The Wall Street Journal (2/12, A11, Wonacott, Glader) reports, "Corporate India's emergence as a force in global deal making accelerated with Hindalco Industries Ltd.'s agreement to pay $3.43 billion for Novelis Inc., a maker of rolled aluminum used in products such as beer cans and cars." The Journal continues, "The deal, announced yesterday, comes about two weeks after India's Tata Group won the bidding for British steelmaker Corus Group PLC, an $11.3 billion deal that was the biggest foreign acquisition by an Indian company. Hindalco's purchase of Novelis, which is incorporated in Canada and has its headquarters in Atlanta, would be the second-largest and underscores the drive of Indian companies to expand overseas by targeting struggling manufacturers and niche players in Western markets." The Journal adds, "The combined entity would be one of Asia's

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largest aluminum producers and the world's biggest maker of rolled aluminum by production, the companies said. Novelis's aluminum is also used in automobile manufacturing and in construction. … India's Aditya Birla Group, which owns Hindalco, has been growing rapidly across a broad spectrum of industries, from cement and chemicals to telecommunications and financial services. … The Novelis acquisition mirrors other recent Indian bids to buy North American and European companies that may be struggling in their home markets. Earlier this month, Tata beat out a rival bid from Brazil's Cia. Siderurgica Nacional to win Corus. The rising price of iron ore and relatively high labor costs had squeezed margins for the British steelmaker."

Nasdaq's LSE Bid Lapses. The Financial Times (2/12, Beales) reports, "Nasdaq has conceded defeat in its most recent bid for the London Stock Exchange, saying on Saturday that the £2.7bn bid had lapsed without the US exchange receiving enough acceptances to control the LSE." However, Nasdaq also "indicated… that it would remain a long-term holder of LSE shares, saying it 'will monitor with interest how the business performs going forward.' Nasdaq cannot make another bid for the LSE for at least 12 months, but the stake it has accumulated is large enough to discourage other likely bidders."

The Wall Street Journal (2/12, Macdonald) reports, "Nasdaq Stock Market Inc. has failed in its bid to buy the London Stock Exchange Group PLC, its second attempt on the LSE. Nasdaq said that less than 1% of the LSE's shareholders had tendered their shares by today's deadline." Bob Greifeld, Nasdaq's chief executive "said he was 'disappointed' with the result but the exchange had shown itself disciplined in its bid by sticking to its valuation of the LSE." The Journal adds, "Nasdaq is now barred under British takeover law from renewing its bid for a year and declined to say Saturday what it planned to do with the 29.16% stake in the London bourse it retains."

The New York Times (2/12, Henriques) reports the failed takeover leaves both the LSE and Nasdaq "without a strong international presence at a time when stock trading has become an increasingly global business. NYSE Group, parent of the New York Stock Exchange, for instance, has made deals with three foreign exchanges within the last year. One of those deals was a limited alliance last month with the Tokyo Stock Exchange, which is now in talks" with the LSE "over what might become a similar relationship, according to one Tokyo exchange official. If the London and Tokyo exchanges paired up, it could put even more pressure on Nasdaq to find a foreign partner."

Vodafone Buys Majority Stake In Indian Company. The Wall Street Journal (2/12, A11, Bellman, Singer, Bryan-Low) reports, "Vodafone Group PLC's deal to acquire a majority stake in Indian cellphone operator Hutchison Essar Ltd. for $11.1 billion is expected to give the British company a perch from which to tackle one of the fastest-growing and most promising cellphone markets." But the high price "the world's largest cellphone-service company by sales is paying may test the patience of Vodafone shareholders just as Chief Executive Arun Sarin has been working to rebuild investor confidence." Vodafone, "which said it is assuming $2 billion in debt, said the deal values all of Hutchison Essar, India's fourth-largest cellular provider by number of subscribers, at $18.8 billion including debt." The Journal adds that Sarin "defended the price tag by pointing to the Indian market's fast growth. 'This is an excellent investment for our shareholders,' he said in a conference call."

ENVIRONMENT/INDIAN AFFAIRS:

Dingell Open To Considering Emissions Caps, Higher Fuel Economy Standards. The Wall Street Journal (2/12, A6, Hitt, 2.04M) reports, "As he begins a series of hearings on climate change, the chairman of the House Energy and Commerce Committee said he is open to considering caps on harmful carbon emissions and higher fuel-economy standards for autos. Many environmentalists worry that Rep. John Dingell (D., Mich.), a pivotal player in the looming climate fight in Congress and an ally of U.S. auto makers, could become a roadblock to meaningful legislation." Dingell "has long fought big increases in fuel-economy standards, and as Energy and Commerce chair, he has the power to block strict environmental regulations. His flexibility on such measures would boost the chances of them clearing Congress this year." Tomorrow, Dingell's committee will start "twice-a-week hearings on climate change, with sessions expected to run through at least mid-April."

Stevens's Change Of Heart Could Signal Turning Point On Fuel Economy Standards. The Los Angeles Times (2/12, Simon, 850K) reports, "For decades, Sen. Ted

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Stevens has battled environmentalists, but the Alaska Republican now finds himself in an unusual spot: pushing tougher fuel-economy standards for cars. Amid heightened concerns over global warming and U.S. dependence on foreign oil, Stevens is one of a number of lawmakers shifting gears in the debate over whether Congress should mandate stricter miles-per-gallon rules." His "change of heart illustrates how the landscape has shifted in Congress, and could signal a turning point in the long campaign by environmentalists — successfully fended off by Detroit — to toughen fuel-economy standards." Stevens is sponsoring legislation to raise fuel economy "standards for cars to 40 miles per gallon within a decade. Just two years ago, he voted against a similar measure." Legislation "to require an increase faces strong opposition from the U.S. auto industry and its congressional allies, who contend it would lead to lighter, less safe vehicles; threaten auto industry jobs; and limit consumer choice."

Many In Congress Expect Action This Year On Global Warming. The Washington Times (2/12, Bellantoni, 88K) reviews the climate-change legislation before Congress, writing, "More than a dozen competing measures have been introduced in Congress on the issue of global warming -- some minor, such as creating incentives for biofuel research, and others more drastic, such as taxing automakers for selling gas-guzzling sport utility vehicles." Democrats...and a growing number of Republicans...say this year the government will take significant action against climate change. They say President Bush helped the cause by mentioning it in his State of the Union address last month, as have the presidential candidates pushing the issue." House Speaker Nancy Pelosi "has promised to introduce a package of bills by June 1 aimed at cutting greenhouse gases, with a vote slated for July 4." Sen. Joe Lieberman, "a chief author of a leading global-warming bill, said there is a 'very diverse cavalry' calling for action."

California AG Defends Suit Against Automakers. In a letter to the Wall Street Journal (2/12, 2.04M) California Attorney General Edmund G. Brown Jr. responds to a Journal editorial that criticized his decision to continue his predecessor's suit against automakers over carbon dioxide emissions. Brown writes, "California's public nuisance case is well grounded in precedent. For more than 100 years the Supreme Court has allowed states to take legal action to prevent the destruction of their air and natural resources." The "Big Six automakers generate 20% of all of the human-made carbon dioxide emissions in the U.S., and at least 30% of such emissions in California." Brown adds, "Under our tripartite system of government, courts have an essential role to play, even in issues as complex as global warming." The issue "is a serious, unavoidable challenge and we need to face it. The path of litigation, first taken up by the auto companies, is not my preference. But a legal cease fire requires that both sides lay down their arms. We should use our considerable joint resources to help fashion a common sense and practical approach. I stand ready to do so."

WSJournal Praises Branson Carbon-Dioxide Contest. In an editorial, the Wall Street Journal (2/12, A14, 2.04M) writes, "Richard Branson's $25 million contest to solicit ways to remove carbon dioxide from the atmosphere has many things to recommend it. Not least that it is anything but climate-change politics as usual." Branson "is plunking down his own money for the prize, rather than asking middle-class taxpayers to pony up, à la the Kyoto Protocol and other top-down schemes favored by environmentalists and European politicians. Who knows whether it will prove possible to reduce existing stocks of CO2 from the atmosphere. We're pretty sure, though, that technology and innovation are far more likely to make it happen than Kyoto-style restrictions on emissions."

Alternative Energy Becoming More Cost-Competitive With Fossil Fuels. In a 3,400-word article, the Wall Street Journal (2/12, Smith, 2.04M) reports, "For years, the big criticism of alternative energy was cost: It was too expensive compared with energy based on traditional fuels like coal and natural gas." Now "the equation is showing significant signs of change. Costs are falling for some alternative-energy sources, driven by new technology and renewed development interest. Alternative energy still can't compete with fossil fuels on price. But the margins are narrowing, particularly since oil and gas prices have been rising." The Journal adds, "The math looks even more favorable if you consider the environmental cost of fossil fuels -- which most purely economic calculations don't." The Journal provides "a look at the economics of the various alternative-energy sources -- how much they cost now and what developments could make them more competitive."

Zakaria Argues That It Is Already Too Late To Avert Global Warming. Newsweek's Fareed Zakaria (2/19) writes, "The most inconvenient truth about

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global warming is that we cannot stop it. Please don't mistake me for a skeptic. I'm fully persuaded by the evidence that climate change is real and serious. … The trouble is, if you accept all these facts and theories about global warming, it is difficult to see how any human response launched today can avert it. The gases that are warming the Earth have built up over hundreds of years. They do not disappear or dissipate easily. Even if the world adopted the most far-reaching plans to combat climate change, most scientists agree that the concentration of greenhouse gases will continue to rise for the next few decades. In other words, global warming is already baked into Earth's future."

DC Court Of Appeals Rules Labor Laws Apply To Tribes. The San Diego Union-Tribune/Copley News Service (2/10, Sweeney) reports, "Indian tribes must comply with federal labor laws, an appeals court ruled (Friday) in a California case that could affect thousands of casino workers across the country." Copley continues, "The decision against one of the state's wealthiest tribes, the San Manuel band of San Bernardino County, also took another bite out of the immunity that tribes have long enjoyed as sovereign governments. … It was unclear how the ruling might affect an impasse between labor and five big Southern California tribes, including Sycuan of El Cajon and Pechanga of Temecula. The stalemate has blocked legislative ratification of expansive new gambling agreements that would authorize 22,500 more slot machines for the tribes." Copley adds, "A three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit concluded that San Manuel operated its thriving casino as a commercial enterprise, rather than a government operation. … 'The principle of tribal sovereignty in American law exists as a matter of respect for Indian communities. It recognizes the independence of these communities,' Janice Rogers Brown, a former California Supreme Court justice, wrote for the court. … 'But tribal sovereignty is not absolute autonomy, permitting a tribe to operate in a commercial capacity without legal restraint,' Brown concluded." Copley notes, "Indian gaming has become a $23 billion industry nationally, with more than 400 casinos in 28 states. California alone has 58 casinos that employ 58,000 workers and gross more than $7 billion a year. Only a handful of California's casinos have labor agreements. … The appeals court ruling allows the National Labor Relations Board to hear allegations that San Manuel 'interfered with, coerced and restrained employees' trying to exercise collective bargaining rights at the tribe's casino, which grosses more than $450 million a year."

FBI/DEA/ATF/USMS:

ATF Officials Who Opposed Former Agency Director Demoted. The Washington Post (2/12, A15, 690K) reports, "Two senior officials at the Bureau of Alcohol, Tobacco, Firearms and Explosives who opposed many questionable management and spending decisions by the agency's former director are being moved to lower-ranking positions effective Thursday, officials said." Deputy Director Edgar A. Domenech, "who also served as acting director last year, is being moved out of ATF headquarters to lead the agency's Washington field office. The assistant director for field operations, Michael Bouchard, will become an assistant to Michael J. Sullivan, a U.S. attorney who is temporarily running ATF." The Post adds, "The transfers are widely seen within ATF as demotions. They come seven months after the sudden departure of Carl J. Truscott, the former director, who clashed with Domenech and other senior executives over spending and management practices."

Drug Underworld Said To Have Created New Type Of American Gangster. The Philadelphia Inquirer (2/11, Anastasia) reported, "When he came to the attention of federal drug agents three years ago, Benjamin Ton, then 30, was an unemployed copy-machine repairman inexplicably living the American dream. … 'It was obvious there was a lot of money coming from somewhere,' said Christopher A. Jakim, the Drug Enforcement Administration agent who supervised the squad working the case. Eight months later, Ton was arrested on charges of heading a $50 million drug operation that in just two years had brought nearly 10 tons of high-quality marijuana and more than 300,000 ecstasy pills to the Philadelphia area from Canada, a quietly growing source for those illegal drugs in the United States." Operating in "close-knit ethnic groups and using language and culture as shields…Asian, Latino and African American mobsters pose a more difficult challenge to law enforcement than the overexposed and largely disorganized American Mafia."

"Unraveling" Drug Investigation In DC Raises Questions About Paid Informants. The Washington Post (2/11, C3, Cauvin) reported an

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undercover narcotics investigation "touted by the government as a significant blow to a notorious haven for drug dealing has been left in tatters after damning revelations about an informant, among them that he was using the same sort of drugs he was buying for the police. The U.S. attorney's office in the District said it has dropped or is preparing to drop charges against 13 of 23 people charged in a five-month investigation in and around the Woodland Terrace public housing complex in Southeast Washington. The cases collapsed less than five months after the arrests were announced." The "unraveling of the cases has renewed questions about how police use paid informants and how prosecutors determine which evidence they must turn over to the defense in the early stages."

Walters Reports Decline In Illegal Drug Use, Unveils Anti-Drug Plan. There are more than 100 media references to John Walters unveiling President Bush's anti-drug plan, with most reports citing the AP story. In Portland, Oregon, the AP (2/10) reported illegal drug use in the United States "has dropped sharply since 2001 but abuse of prescription drugs remains a problem." John Walters "said that President Bush's anti-drug plan for 2007-08 is to reduce prescription drug abuse by 15% over three years. The administration ranks the problem second only to marijuana." Walters "said the data came from a survey done at the University of Michigan for the National Institute For Substance Abuse. The report says about 19.7 million Americans reported using at least one illegal substance in the previous month." In Washington, D.C, Bill Piper, director of affairs for the Drug Policy Alliance, "called the strategy a 'spin on the failure of the war on drugs.'" CBS News, FOX News, KGW-TV in Portland, KOMO-TV in Seattle, the Washington Post, USA Today, Miami Herald, Houston Chronicle, San Jose Mercury News, and Seattle Post Intelligencer are among the news outlets that used the AP story.

The Oregonian (2/10, Denson) reported, "In an interview with The Oregonian Friday morning, Walters said public officials must approach today's teen drug abuse in much the way it approached the epidemic of gun violence that swept America's big cities in the early 1990s. Like gunfire, he said, teen drug use is a preventable public health problem that can't be treated solely by the criminal justice system. Preventing the onset of drug abuse is key to the National Drug Control Strategy released Friday, Walters explained. The White House strategy seeks an extra $7.5 million for nonpunitive drug testing in school districts across the nation and an additional $30 million to blitz the airwaves and the Internet with anti-drug messages aimed at teens."

FBI Warns Wanted Honduran Gang Leader May Be In Texas. The Houston Chronicle (2/12, Carroll, 530K) reports, "A reputed killer and leader of one of the world's most notorious street gangs escaped during a botched custody transfer in Honduras and has been a fugitive for more than a year, the Houston Chronicle has learned. Ever Anibal Rivera Paz, the alleged chief of the Honduran arm of the Mara Salvatrucha gang, was being extradited on charges of plotting a massacre that left 28 people, including six children, dead on Dec. 23, 2004." He "was last seen boarding a deportation flight from Houston to Honduras on Nov. 17, 2005, according to U.S. Immigration and Customs Enforcement records. The FBI fears Rivera Paz may have returned to the United States or may be headed that way, according to a confidential May 2006 FBI bulletin obtained by the Chronicle. 'Officers should be aware that he has threatened to assassinate any officer that attempts to apprehend him,' the bulletin states."

Authorities Say Violence, Corruption Kept Gulf Cartel Leader In Business. The AP (2/12) reports court documents filed when Osiel Cardenas-Guillen, who is facing trial in Houston, "was extradited to the United States last month reveal some of the brutal tactics and corruption that investigators say went into his business moving drugs along the billion-dollar smuggling route from Mexico to Texas. Federal agents say Cardenas-Guillen, who seized the leadership of the [Gulf] cartel from Juan Garcia Abrego when Garcia Abrego was imprisoned in the United States, employed former Mexican special forces soldiers who called themselves the Zetas and tortured, beat and beheaded rivals and police. … 'He authorized the murder of countless rivals. He killed his way up the ladder to lead the Gulf cartel,' Karen Tandy…said after Cardenas-Guillen's extradition last month."

Venezuela Seen As "Hot Spot" For Drug Trafficking. The Miami Herald (2/12) reports last April, Mexican authorities "seized 5.1 tons of cocaine aboard a DC-9 coming from Venezuela. The traffickers had removed the seats in the airplane and packed the drugs in identical suitcases that somehow got past security at Caracas'

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principal airport, Maiquetía. The case was a watershed, illustrating the brazen attitude with which drug traffickers seemed to be operating in Venezuela and apparent cover they could expect from high-level Venezuelan government officials." The Herald notes that the Venezuelan government "cut relations with the Drug Enforcement Administration last year and has yet to sign an addendum to a bilateral cooperation agreement that establishes the guidelines for how U.S. counter-drug officials can operate in Venezuela."

Giuliani Defends Gun Control While Mayor. The AP (2/12) reports Rudy Giuliani "addressed a potentially troublesome issue with conservative voters, saying his policies as mayor to get handguns off the street helped reduce crime in New York." At a news conference Saturday during a swing through California, Giuliani said, "I used gun control as mayor. [But]I understand the Second Amendment. I understand the right to bear arms." The AP adds Giuliani added "what he did as mayor would have no effect on hunting." Giuliani also "spoke in favor of a border fence, saying, 'You have to have secure borders, you have to have a fence, and the fence I think has to be a highly technological one.'"

Giuliani Called "Hottest" 2008 GOP Candidate. NBC Nightly News (2/11, Story 6, 1:30, Harwood, 9.87M) reported, "Rudy Giuliani who is in California this week and then goes to South Carolina is the hottest Republican, also the riskiest because his support for abortion rights could divide the Republican coalition that's been so powerful since Ronald Reagan." Seigenthaler: "Well, Giuliani still hasn't made it official. What would Giuliani's candidacy mean for John McCain?" Harwood: "He would hurt John McCain because he would present another Republican with crossover appeal to Democrats. John McCain is already facing questions about his age and ongoing support for the Iraq war where he keeps siding with Bush. Here's one side of concern in the McCain camp. His formal entry in the race originally scheduled for the fall is now being accelerated and is likely to occur before springtime."

IMMIGRATION:

King Challenges Martinez, McCain On Immigration. GOP Rep. Steve King, ranking member of the immigration subcommittee, writes in the Washington Times (2/12, 88K), "I emphatically disagree with statements Sen. Mel Martinez made recently to the Washington Times ('New RNC chief backs bill with guest-worker plan' Page 1, Feb. 2). Mr. Martinez wants to grant illegal aliens a 'path to citizenship.' This represents nothing less than endorsement of a mass amnesty for many millions of illegal aliens. Americans reject mass amnesty by large margins. Amnesty is an affront to native-born Americans, to legal immigrants, and to the very concept of the rule of law." King adds, "The one segment of voters who Mr. Martinez and Sen. John McCain threaten to alienate is not Hispanics, but the Republicans' law-and-order base. If they manage to do that, Democratic control of Congress won't be just a two-year aberration, but something we will have to live with for many years."

CONGRESS-ADMINISTRATION:

White House Preparing For Wave Of Congressional Investigations. U.S. News and World Report (2/19, Brush, 2.03M) reports that last week House Oversight and Government Reform Committee chairman Rep. Henry Waxman "grilled 29 different witnesses on everything from Iraq reconstruction and military and homeland security contracts to prescription drug pricing. Waxman says he's focusing on waste, fraud, and abuse, and his committee holds unique subpoena power, so these days, Waxman is one of the most feared representatives in Washington. … Elected with a mandate to clean up Washington, congressional Democrats on oversight committees across Capitol Hill are still just revving up; many are hiring staff and deciding what exactly to investigate. Those investigations can take months, and the showdown hearings could be a long way off. But investigations are coming. Lots of them." US News adds, "A real flash point could come if the Bush administration claims executive privilege and withholds information from Democratic investigative committees. … An inkling of that struggle emerged last week when Ambassador Timothy Carney, the new overseer of Iraq reconstruction projects, did not appear before Waxman. The State Department said Carney was working in Iraq, but Waxman left an empty seat for him at the table and declared, 'The chair won't be empty for too long.' Presidential advisers say they'll be relying on new White House counsel Fred Fielding."

White House Report Forecasts Continuing Productivity Growth. The Wall Street Journal (2/12,

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A6, McKinnon, 2.04M) reports, "President Bush's economic team predicts rapid gains in US productivity can continue for the foreseeable future, as long as rising protectionist sentiment and higher taxes don't get in the way." In the annual Economic Report of the President, "to be released today, Mr. Bush's advisers said productivity increases in the past five years have produced a range of economic benefits including strong overall growth, a solid job market and low inflation. … Administration officials are optimistic they will see more productivity-driven earnings growth in the years ahead. That could help them score some political points with lower-wage workers, who have been falling further behind the well-to-do for years. It could help blunt attacks by Democrats that Bush policies have exacerbated differences between the haves and have-nots." The report "focuses on gains in workers' overall compensation growth, rather than on wages alone. Administration officials have acknowledged real wage growth has lagged behind compensation growth, which includes the rising cost of health-insurance benefits. Most economic forecasters, however, doubt the US economy can maintain a 3% productivity pace in the next decade, and there are signs that productivity growth is tapering off."

Bond Markets Await Bernanke's Testimony. The Wall Street Journal (2/12, C7, Reed, 2.04M) reports, "Federal Reserve Chairman Ben Bernanke's semiannual monetary-policy report to Congress could well set the bond market's direction this week, with scope for added volatility if he wavers from the tone of his recent comments. Barring any surprises from Mr. Bernanke's two-day testimony or on the data front, the 10-year yield is expected to stay in a range of 4.7% to 4.95% this week." Bernanke's report to Congress "'certainly has the potential' to set the tone for the market, said Michael Pond, Treasury and inflation-linked strategist for Barclays Capital in New York." Meanwhile, USA Today (2/12, 7B, Kirchhoff, 2.27M) says that even as Bernanke "prepares to update Congress this week on the outlook for the economy, he faces new challenges within the central bank. Fed Governor Susan Bies, 59, a former Tennessee banking executive and economics professor, said Friday she would leave the Fed at the end of March. Bies' decision means Fed Vice Chair Donald Kohn will be the sole member of the seven-person Board of Governors who has been there longer than Bernanke."

Ryan Said To Be Pick For Treasury's International Post. The Wall Street Journal (2/12, 2.04M) reports, "T. Timothy Ryan, a former bank regulator with international experience in the private sector, has emerged as the front-runner to become the Treasury Department's top international-policy adviser, a person familiar with the situation said." Ryan "is managing director of the Global Government Institutions Group at J.P. Morgan Chase. He would succeed Timothy Adams as the Treasury's undersecretary for international affairs. Mr. Ryan declined to comment through a J.P. Morgan spokesman. The Treasury and White House declined to comment."

Specter Renews Call For Televising Supreme Court Proceedings. The Washington Post (2/12, A15, Barnes) reports, "With Supreme Court justices becoming increasingly comfortable in the spotlight, Sen. Arlen Specter says it might finally be time for their close-ups." The Post continues, "Spector (Pa.), joined by two other Republican and three Democratic senators, has refiled his legislation to require the court to televise its proceedings. Although getting the rest of Congress to agree still seems very much a long shot, Specter said there is a big difference between now and last year, when the bill did not reach the Senate floor. … 'I think the frequency with which the justices are appearing on television can be a very significant factor' in changing minds in Congress, Specter said in an interview." The Post adds, "There is no doubt that the once-cloistered justices are making themselves more available to the media, giving on-the-record interviews with newspapers and magazines and popping up on television. Chief Justice John G. Roberts Jr. starred in PBS's recent look at the history of the court. … Specter, former chairman of the Judiciary Committee and sometimes a sharp critic of the court, said the individual justices have been 'extensively televised.' … More substantive arguments -- that cameras would alter the deliberative nature of the court or that lawyers would play to television rather than answer the justices' questions -- are overruled by the importance of increasing the public's knowledge of the court, Specter said."

Agricultural Interests Upset By Bush Farm Bill's Proposed Income Cap. The Christian Science Monitor (2/12, Paulson, 59K) reports, "The Bush administration's recent proposals for the next farm bill…have been winning accolades and criticisms from some surprising quarters. Environmentalists have lauded it as an important step in the right direction, even as the largely Republican

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agricultural community has met many of its proposals – such as a plan to scrap subsidies for any farmer with an adjusted gross income of more than $200,000 a year – with skepticism. … 'We have some major concerns,' says Mary Kay Thatcher, director of public policy for the American Farm Bureau Federation, which bills itself as 'the voice of agriculture.' 'We're supportive of [conservation, energy, and rural development] getting additional funding, but we don't think you ought to reduce farmers' safety net to do that.' One of the most significant elements of the proposed bill would change the countercyclical program – the means by which the federal government helps farmers in an off year. It would go from one that's price-based to one that's revenue-based." The American Farm Bureau Federation "is skeptical of that shift." Thatcher's "major concerns have to do with the new income limits and payment caps, which would limit payments to a single farmer to $360,000." The Monitor adds, "The new income limit – lowered from the previous limit of a $2.5 million adjusted gross income per farmer per year – would affect about 80,000 farmers, says Chuck Conner, deputy secretary of Agriculture. He says the decision was not a difficult one."

Senate Logjam Unlikely To Ease In The Near Future. Roll Call (2/12, Billings, Stanton) reports, "Senate Democrats and Republicans today will begin competing public relations campaigns designed to secure some stronger political ground heading into the first recess of the 110th Congress. Democrats will spend the coming days trying to increase party momentum under the broad message that the voters put them in charge because they wanted change, and the majority has started to deliver. Republicans, meanwhile, will use the week to poke holes in the Democrats' initial stewardship of the chamber, while outlining the specifics of a Congressional agenda they hope to sell to the public in the coming months." Roll Call notes, "The Senate has moved at a slower clip than the House, where Democrats with a 15-seat advantage have passed numerous bills and are set to do this week what the Senate could not — debate a resolution opposing Bush's troop increase. Senate Democrats have a much bigger challenge given they have a narrow two-seat majority and the chamber's rules afford the minority significant power. Democrats and Republicans alike acknowledge that pace is likely to slow even more in the coming weeks as the Senate considers more controversial legislation and the 2008 elections muddy motivations."

Federal Workers See Little Relationship Between Performance, Pay, Survey Says. The Washington Post's (2/12, D1, Barr) "Federal Diary" column reports, "In a government-wide survey, federal employees were presented with this statement: 'Pay raises depend on how well employees perform their jobs.' The responses: 45 percent disagreed with the statement, 22 percent agreed, and 25 percent were neutral." The Post adds that the OPM recently added the query to government-wide surveys "in hopes of better understanding employee attitudes on pay." The "majority of federal employees in the survey are covered by the General Schedule system, where pay, by and large, is dependent on time in the job and not how the employee performs, said John M. Palguta, a vice president at the nonprofit Partnership for Public Service. 'The responses are an accurate reflection for the government as a whole,' he said. 'Pay raises are not heavily dependent on job performance.'" The Post adds that Clay Johnson III, deputy director for management at OMB suggested that one obstacle to improving government performance "is that every employee, from unsatisfactory to outstanding, gets the same annual raise. I think that is an insult to the outstanding employee, and I think that is a miscommunication or an unfair communication to the unsatisfactory employee."

NCLB Hearings Likely To Feature Criticism From Local School Officials. U.S. News and World Report (2/19, Green, 2.03M) reports, "Over the next several weeks, congressional committees will hold hearings on" the No Child Left Behind Act "as they try to decide before it expires whether to reauthorize the act as is, change it, or throw it out. … Both leading Democrats and President George Bush say they are committed to keeping the law-one of only a few big domestic initiatives produced in the past five years. Further, the two sides appear unanimous on what aspects of the law need to be changed-a consensus that will inform a blueprint for reform scheduled for release this week by the bipartisan No Child Left Behind Commission. But talk to the nine school districts that have filed a lawsuit challenging the act as an unfunded mandate or to the many newly elected U.S. representatives who campaigned against the law, and you will hear a different story. Every child may have been tested, the critics say, but the real question is: Has every child been helped?"

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Wyden Uses Bush Healthcare Plan As Starting Point For Compromise. U.S. News and World Report's Michael Barone (2/19) writes, "Not many expected George W. Bush to advance a serious healthcare proposal in his State of the Union address, and few expect anyone in Congress to act in response to it. But Bush did, and at least one member of Congress seems interested. More ought to be paying attention. Bush's proposal in a nutshell is to end the preferential tax treatment for employer-provided health insurance. … Bush's point was not lost on Oregon's Democratic Sen. Ron Wyden, who over a long congressional career has specialized in assembling bipartisan coalitions for various reforms. He notes that government single-payer health insurance-the goal of some senior liberal Democrats in Congress-was rejected by the voters of his liberal state by a 4-to-1 margin." Wyden is "looking to make something of a political deal. Republicans would get Bush's standard deduction and a private insurance market in which consumers would have incentives to hold down costs. In return, Democrats would get universal coverage, with subsidies for low earners to pay for coverage."

NYTimes Blasts Bush For Drive To "Slash Domestic Spending." The New York Times (2/12, 1.16M), in an editorial, writes, "The administration long ago sacrificed any meaningful domestic agenda to finance tax cuts for the wealthy and its reckless war in Iraq. The White House's reckless determination to make the tax cuts permanent is now driving it to slash domestic spending in health and other vital programs. Instead of trying to address the underlying problems of escalating health care costs, Mr. Bush's strategy is to cut services or shift more of the bill to states, health care providers and individuals. … The real outrage is that the administration has not proposed comparable reductions in the large overpayments — roughly 12 percent more per patient — made to private managed care plans that enroll Medicare beneficiaries. The budget would also phase out Medicare bad-debt payments, forcing hospitals to swallow beneficiaries' unpaid bills."

NYTimes Urges Renewal Of Appalachian Regional Commission. The New York Times (2/12, 1.16M), in an editorial, notes the Appalachian Regional Commission "is still going strong. Over the decades the area's poverty rate has fallen by half and infant mortality by two-thirds. We cite this overlooked bit of hard-knocks progress not just to puncture the canard that government is always the problem, not the solution. … But also to urge renewal of the commission's authority for its unfinished business."

OTHER NEWS:

Bernanke Warns Of Entitlement Spending "Death Spiral." U.S. News and World Report's Mortimer Zuckerman (2/19) writes President Bush "is fond of pointing to the decline in the federal deficit over the past two years, but that's virtually irrelevant to the long term. How many of us realize, for instance, that Uncle Sam is spending almost four times as much on paying interest on borrowed money as on education, transportation, and NASA combined? One person who knows-and it gives him plenty of sleepless nights-is Federal Reserve Chairman Ben Bernanke. He tells us we are in 'the calm before the storm' because Social Security, Medicare, and Medicaid costs now amount to almost half of federal noninterest spending. President Bush has not increased taxes to pay for this expansion of Medicare; in fact, taxes have been cut-repeatedly. Hence, by 2030 the ratio of publicly held federal deficits to overall economic output is likely to triple, from roughly 37 percent today to a mind-boggling 100 percent. This will produce a terrible torque on our economy, since financing deficits means paying out still more in interest, adding still further to the deficit. Bernanke has a not-so-quaint term for this phenomenon. He calls it a 'death spiral.'"

Administration And Congress Urged To Consider Welfare Cuts. Newsweek's Paul Samuelson (2/19) writes, "The welfare state has made budgeting an exercise in futility. Both liberals and conservatives, in their own ways, peddle phony solutions. Cut waste, say conservatives. … For its 2008 budget, the Bush administration brags it would end or sharply reduce 141 programs. But most are microscopic; total savings would be $12 billion, or 0.4 percent of spending. Worse, Congress has previously rejected some of these cuts. … It might help if Americans called welfare programs…by their proper name. … That way, we might ask ourselves who deserves welfare and why."

Saudi Minister Says Oil Market Is In Good Balance. The Wall Street Journal (2/12, A3, House, 2.04M) reports, "The world oil market is in 'much, much better health and balance' now and, if trends hold, there will be no need for further production cuts or increases in supply

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when members of the Organization of Petroleum Exporting Countries meet next month, Saudi Arabian Oil Minister Ali Naimi said yesterday." Naimi "said the kingdom's production is now 8.5 million to 8.6 million barrels a day, confirming its reduction by one million barrels a day from its output about six months ago. The reduction is part of a push by OPEC to shrink stockpiles of oil that climbed sharply last year as demand growth stumbled." OPEC "is to meet March 15 in Vienna to assess its production policy. 'If you are asking me are we going to take additional cuts or increase supply, I do not know,' said Mr. Naimi, the oil cartel's de facto leader. 'But, most probably if the trend is like what it is like today, with the market getting in much, much better health and balance, there may not be any reason to change."

Italian Insurance Firm Extends Deadline For Holocaust Claims. The New York Times (2/12, Treaster) reports, "Survivors of the Holocaust and their relatives, who have been fighting to compel European insurance companies to pay death benefits for victims of the Nazis, are getting a break from a big Italian insurance company, lawyers for the insurer and policyholders said yesterday." The Times continues, "As part of a proposed class-action settlement, the company, Assicurazoni Generali, has agreed to give heirs of Holocaust victims another 18 months to uncover documentation on unpaid life insurance policies at long-sealed Nazi archives in Bad Arolsen, Germany." The Times adds, "Representatives of several countries, including the United States, have been pushing to open the archives since May. … 'This adds another motivation and a very concrete one to get the archives opened right now,' Paul Shapiro, an executive of the United States Holocaust Memorial Museum, said of the deadline extension." The Times notes, "Staff technicians at the archives are meeting today to discuss progress on scanning more than 50 million pages of Nazi and Allied records of the period. The documents include reports on the arrest and transfer of millions of people to concentration camps as well as on hundreds of thousands of deaths. … A meeting of representatives of the United States and 10 other countries that control the archives has been called for March. Those countries have kept the archives sealed for 62 years, mainly for privacy reasons. … The deadline extension came at the behest of a United States judge in Manhattan who is conducting hearings on the fairness of a settlement reached by Generali and class-action lawyers last fall."

Romney Seen As "Minimally Acceptable" To The Right. New York Magazine (2/12, Heilemann) reports by "all accounts, including his own," Mitt Romney has "been for most of his life a middle-of-the-road Republican of moderate views on issues from abortion to gun control to taxes. But ever since he decided to run for president -- a decision he will make official on February 13 -- he has labored to present himself as a rock-ribbed man of the right." But "now, just as Romney seemed to be establishing a foothold, he finds himself increasingly tangled up in his own inconvenient record." That Romney is "still taken seriously illustrates a number of the central dynamics driving the campaign on the Republican side. At a moment when the Democrats, miraculously, have at hand a troika of top-tier candidates -- Clinton, Obama, Edwards -- who are capable of drawing thousands-strong crowds (in early 2007, for heaven's sake) and look like eminently credible winners, the GOP is saddled with a crop of hopefuls at once uninspiring and implausible." At "first glance, he has the appearance of an attractive standard-bearer," but Romney's "drawbacks are as glaring as his assets -- starting with his Mormonism." But his "religion is causing him fewer headaches than his policy gymnasticism. As a challenger to Ted Kennedy in 1994 and in his 2002 statehouse bid, Romney was unequivocally pro-choice ('I believe that abortion should be safe and legal'). Today, he is just as unequivocally pro-life." The "case for Romney's viability, therefore, boils down to this: He's the minimally acceptable man to the right who has a chance of winning."

NBC Nightly News (2/11, Story 6, 1:30, Harwood, 9.87M) reported, "Romney has done very well raising money. He announces in Michigan on Tuesday. He's also switched his position on abortion rights. The question is whether he can he do that effectively enough to keep long-term conservatives like Mike Huckabee and Sam Brownback from consolidating that vote and keep potential threats like Gingrich from jumping into the race."

Obama Implicitly Criticizes Hillary Clinton's 2002 Iraq Vote. NBC Nightly News (2/11, Story 5, :25, Seigenthaler, 9.87M) reported, "Tonight Senator Obama is speaking to students at the University of Illinois in Chicago. And earlier at a campaign stop in Iowa, Senator Obama indirectly criticized Senator Clinton's defense of her Iraq war vote. He said it was possible to see that invading Iraq was a

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bad idea, even before the war. Obama was not a senator at the time of the vote but says he opposed it from the start."

The Mason City Globe Gazette (2/12, Eby) reports Obama "began the courting of Iowa party activists Sunday with a blistering critique of the war in Iraq. More than 6,000 people who came to hear him at the Iowa State University campus saved their biggest cheers for his criticism of the war." Obama said, "We ended up launching a war that should have never been authorized and should have never been waged and to which we now have spent $400 billion and have seen over 3,000 lives of the bravest young Americans wasted." In an interview, Obama "predicted the war in Iraq will dominate American politics for some time to come and wants the discussion to include creating a broader foreign policy framework." The Globe adds, "On Sunday, two state officials, Attorney General Tom Miller and Treasurer Michael Fitzgerald, threw their support behind the senator's campaign and joined him on stage at the Ames rally."

The Los Angeles Times (2/12, Barabak, 850K) reports in a parenthetical, "(Obama was forced to issue a clarification later Sunday after referring during an Iowa State rally to the 'wasted' lives of more 3,000 U.S. troops killed in Iraq. 'I was upset with myself,' Obama said. 'The sacrifices they are making are unbelievable. I meant to say that those sacrifices have not been honored by the same attention to strategy and diplomacy needed to be successful in Iraq.')"

The Washington Post (2/12, A4, Kornblut, Balz, 690K) reports Obama "challenged his Democratic rivals to lay out specifics for withdrawing U.S. troops from Iraq and declared that the thousands of lives lost so far in the war had been 'wasted.'" Obama "later said he regretted his choice of words, telling an interviewer that he meant the troops' sacrifices 'have not been honored' by an adequate policy. But Obama indicated in his earliest steps on the campaign trail that he considers Iraq a central distinction between himself and the rest of the Democratic field."

The Chicago Tribune (2/12, Parsons, McCormick, 617K) reports a "homecoming for" Sen. Obama "turned into an anti-war rally Sunday evening, as he returned to his home city" of Ames "following the weekend launch of his candidacy for president to find a crowd of 7,300 troubled over the Iraq war." A "vocal crowd of anti-war protesters quickly made the issue the central focus of Obama's evening rally at the University of Illinois at Chicago Pavilion, holding up a sign that read 'Cut the Funding' during his address and chanting loudly as he tried to speak." Obama said, "I'm glad they were there. They feel a sense of urgency about a war that should have never been authorized and a war that should have never been fought." The Tribune adds, "But he said he doesn't want to cut funding for the military personnel who are already serving in Iraq, saying that could mean they don't get the equipment they need."

USA Today (2/12, Keen, 2.27M) reports that at "the final stop of his first campaign trip to Iowa, Illinois Sen. Barack Obama invited a cheering crowd Sunday to help him 'take this country back.'" Obama said, "Ultimately I am an imperfect vessel for your hopes and dreams. I can't do this alone. I'm going to need all of you, and I hope that you guys decide it's something that's worth doing." USA adds Obama "announced his candidacy Saturday at the Old State Capitol in Springfield, Ill., and made four stops this weekend in Iowa, which holds the nation's first presidential caucuses. He campaigns today in New Hampshire, host of the first presidential primary." During "a news conference here, Obama criticized New York Sen. Hillary Rodham Clinton's record on Iraq and health care, underscoring the intensity of the campaign with the first votes almost a year away."

The Financial Times (2/12, Ward) reports "the scale of Saturday's rally" in Springfield, Illinois – "the crowd was in the thousands despite freezing temperatures – and the frenzied excitement surrounding it showed that Mr Obama is already in possession of that most precious of political commodities: momentum." There were "some concrete proposals amid the rhetoric, including a plan to return combat troops from Iraq by March 2008 and a vow to introduce universal healthcare coverage by the end of his first term. But it was clear that Mr Obama's campaign will rest as much on his promise of a new style of leadership as it will on policy."

Obama Said To Make Clinton Seem "Hawkish" In Comparison. The Weekly Standard's Bill Kristol, on Fox News Sunday (2/11, Wallace) said Obama "says 9/11 was a very important moment, and therefore we have to be tough on terrorists, but the first thing we have to do to be tough on terrorists is to withdraw from Iraq by 2008. That will really send a signal to those terrorists. He's going to run as a dovish candidate. Hillary Clinton will stay more hawkish than he, and I do think that's good for Hillary Clinton."

Obama Quick To Draw Contrasts With Clinton. The Politico (2/12, Smith) reports an "Egged on by an enthusiastic Iowa crowd, Barack Obama took perhaps his most direct shot at Hillary Clinton of the campaign season, echoing and mocking her signature phrase." Obama said,

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"I'm in it…to win it." But then "he quieted the crowd. 'Hold on,' he said. 'Yes I want to win. But I'm in it to transform the country.'" The Politico adds the "exchange with the overflow crowd in his final event of the day Sunday crystallized an unspoken theme of his announcement speech: Contrasts with Hillary Clinton." The "unspoken contrast was between Clinton's presumed ambition, and perhaps her generation's self-involvement; and Obama's attempt to transform his own campaign for President into a broader movement."

Australian Prime Minister Criticizes Obama On Iraq. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported that in his "first full day as an official candidate, Democratic Senator Barack Obama got a taste of the rough and tumble world of presidential politics. Obama, often criticized for his lack of foreign policy experience, had his plan to withdraw US troops from Iraq by 2008 attacked by an unlikely source, the Prime Minister of Australia, an ally of President Bush." John Howard, Prime Minister of Australia: "If I were running Al Qaeda in Iraq, I would put a circle around March 2008 and pray as many times as possible for a victory not only for Obama, but also for the Democrats." Tapper: "Obama responded at a campaign stop in Ames, Iowa." Sen. Barack Obama: "I think it's flattering that, you know, one of George Bush's allies, on the other side of the world, started attacking me a day after I announced. I take that as a compliment."

The Chicago Tribune (2/12, Parsons, McCormick, 617K) reports, "Obama had harsh words for Australian Prime Minister John Howard, who said that Obama's proposal to withdraw combat troops by March of 2008 would 'just encourage those who want to completely destabilize and destroy Iraq.'" Obama said "that Australia had sent only 1,400 troops to join the effort in Iraq, a fraction of the 140,000 American troops now serving there." Obama said, "I would suggest that he call up another 20,000 Australians and send them to Iraq. Otherwise, it's just a bunch of empty rhetoric."

The AP (2/11) reports Prime Minister Howard "slammed Barack Obama on Sunday over his opposition to the Iraq war." Howard, "a staunch Bush ally who has sent troops to Iraq and faces his own re-election bid later this year, said Obama's proposals would spell disaster for the Middle East." Howard said, "I think that will just encourage those who want to completely destabilize and destroy Iraq, and create chaos and a victory for the terrorists to hang on and hope for an Obama victory." The New York Times (2/12, 1.16M) reports, "In a television interview in Australia, Mr. Howard said the senator's redeployment plan would simply inspire insurgent violence in Iraq."

The AP (2/12, Jackson) reports Obama "laughed off criticism Saturday from Australian Prime Minister John Howard, who said Obama's plans for Iraq 'encourage those who wanted to completely destabilize and destroy Iraq.'" Obama said, "It's flattering that one of George W. Bush's allies feels obliged to attack me."

Depth Of Obama's Appeal To Black Voters Still Unknown. U.S. News and World Report (2/19, Walsh, 2.03M) reports Sen. Barack Obama "already has demonstrated strong appeal to white voters. He comes in second to Senator Clinton in national polls of preferences for the Democratic nomination. And he impresses many as a talented newcomer who, because of his multicultural background, could conceivably redefine America's debate on race-away from a focus on the consequences of slavery toward an emphasis on the benefits of diversity. … Cornell Belcher, Obama's pollster-and an African-American himself-says the Illinois senator represents a fulfillment of the civil rights movement: a black man who overcame prejudice, worked hard, and excelled. 'It's not a wonderful black story; it's a great American story,' Belcher told U.S. News. But questions remain about how Obama will fare in the African-American community, where some, such as columnist Stanley Crouch and author Debra Dickerson, don't think Obama has shared enough of the black experience to truly bond with the community."

Herbert Says Iraq Is Obama's Test Of Leadership. In his New York Times (2/12, 1.16M), Bob Herbert says while Obama "is pushing a plan to bring American combat troops home by March 2008 (and former Senator John Edwards is calling for an immediate withdrawal), Senator Clinton continues to dance on the war issue." The "bottom line is that nothing has changed. … We need to stop pretending that there is something sane about continued U.S. involvement in this ruinous war." Sen. Obama's "capacity for leadership will be tested in large part by whether he can get the country to rally around his crucial point — that all further progress on important issues here at home depends on whether we can find the will to extricate ourselves from Iraq."

Obama Said To Offer Little New, Different.

The Los Angeles Times (2/12, Barabak, 850K) reports, "Over two days, tens of thousands of people turned out across Illinois and Iowa to see the freshly declared White House

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hopeful, spilling over city blocks and filling gymnasiums rafter-high with their red, white and blue posters, lusty cheers and wide-eyed fervor." But, "truth be told, there was little that was really new or different about the issues Obama raised in his maiden swing as a formal presidential candidate. Washington gridlock. Poison politics. Overweening special interests. Poverty, poor schools and an exorbitantly expensive health-care system." Obama "offered little in the way of concrete solutions. And most of the proposals he did throw out, such as harnessing technology to bring greater efficiencies to the health-care system, were hardly novel." Obama strategist David Axelrod said, "Every campaign evolves. Of course we'll address specific issues in detail along the way."

Obama Says Press Ignoring Substance. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported Obama "responded to one criticism, that his soaring rhetoric has net yet to be backed up with significant substance. He says that's the fault of the press." Sen. Barrack Obama: "The problem is not that the information isn't out there. The problem is that's not what you've been reporting on. You've been reporting on how I look in a swim suit."

The Wall Street Journal (2/12, A4, Calmes, 2.04M) reports that by Sunday, "sensitive to critics calling for details, he took the offensive during a news conference at the University of Iowa." Obama said, "One of the narratives that's established itself in the mainstream media is this notion that, 'Well, you know, Obama has a pretty good style. He can deliver a pretty good speech, but he seems to prioritize rhetoric over substance.' Now, factually that's incorrect.'" He said "he has 'the most specific plan' on leaving Iraq, gave major speeches on health, education and energy in the two years before he decided to run for president, and has two books giving more 'insights into how I think and how I feel about the issues facing America than any candidate in the field.'"

The Politico (2/12, Smith) reports Obama "used his first news conference after announcing his run for president to accuse the media of ignoring his substantive record and falsely depicting him as a lightweight." Obama's "peevish comment reflected an ambivalent relationship with the national media, rooted in his transformation from an obscure Chicago politician into a bona fide celebrity over just 2 1/2 years." Obama's "pointed riff was unexpected by many in the press. Newsweek's senior White House correspondent, Richard Wolffe, said he took it as both personal and strategic." Wolffe said, "The key term he used is 'mainstream media' – it's that we're the establishment and that he's siding with the people. [But] I was surprised by the edge."

Obama Said To Face Delicate Balance On Race. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported Obama's critics "have questions for the Senator on any number of issues. Including whether his church, here on Chicago's South Side, which espouses a message of black power, is too militant for mainstream Americans to accept. Conversely, there are some African Americans critics, who argue that Obama is not black enough. That was an issue in 2000, when Obama ran for Congress and lost to Congressman Bob Rush, who now supports Barack Obama's presidential bid." Rep. Bobby Rush: "I think that he has to do some intensive work in the black community. I think he's fully capable of doing that. But he can't take the black vote for granted."

Obama Doesn't Expect Litmus Test On Religion. The AP (2/12, Jackson) reports Obama said Sunday "he does not think voters have a litmus test on religion, whether evangelical Christianity or his childhood years in a largely Muslim country." Obama said, "If your name is Barack Hussein Obama, you can expect it, some of that. I think the majority of voters know that I'm a member of the United Church of Christ, and that I take my faith seriously."

Clinton Faces Tough Questions On Iraq Vote. NBC Nightly News (2/11, Story 4, 2:40, Mitchell, 9.87M) reported, "Hillary Clinton has been telling New Hampshire voters that she's the most experienced Democrat running for president. But many of them are asking why then did she vote to authorize the war in Iraq? … How hard is it to explain what happened in 2002? The war vote that keeps coming up?" Sen. Hilary Clinton: "You know, I think it's absolutely fair for people who see what's going on in Iraq, understand how deeply it has damaged America's standing in leadership in the world to have strong feelings and want to talk about that with elected officials and particularly someone running for president. But I think it has to be put into the context of who is best equipped to face the realities, the dangers that we confront globally and restore America's leadership." Mitchell: "Is it a legitimate question that you have this experience in 2002 but didn't vote against it, didn't see the dangers ahead?" Sen. Hilary Clinton: "Well, I think that the issue here is that this President asked for authority which he misused."

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ABC World News (2/11, story 5, :20, Muir, 8.78M) reported, "While Senator Obama focused on the Midwest, Hillary Clinton continued her campaigning in New Hampshire. The frontrunner repeatedly faced questions about her vote to authorize the war in Iraq. Today, she referred to that conflict as a civil war."

The AP (2/12, Fouhy) reports that from "crowded town hall meetings to smaller gathering at private homes…invariably, the questions returned to Iraq. What would she do to end the conflict if elected president? Would she support cutting funds to stop President Bush's planned increase in troop levels? And, perhaps most importantly, why won't she recant her 2002 vote authorizing the military invasion?" Paul LeBlanc, a Clinton supporter and president of Southern New Hampshire University, said, "She has a very nuanced explanation, and it's a pretty good explanation. But many people want to hear her clearly say that her vote was a mistake." The AP adds that if Clinton "repudiates her vote — buckling to pressure from anti-war activists and two top Democratic rivals, Illinois Sen. Barack Obama and former North Carolina Sen. John Edwards — Clinton opens herself to accusations of flip-flopping. But defending her vote means she'll continue to be dogged by skeptical questions about it as she campaigns in not only the early voting states but around the country."

The New York Times (2/12, Healy, Zeleny, 1.16M) reports Clinton "was challenged on Iraq from corner to corner of New Hampshire this weekend, while Senator Barack Obama drew cheers in Iowa for his opposition to the war." Besides "giving voters a chance to probe the views of two major rivals for the 2008 Democratic presidential nomination, the weekend appearances gave the two campaigns a chance to road test their strategies for dealing with the central issue of Iraq in the primaries and beyond." At "nearly every stop in New Hampshire," Clinton "has been greeted warmly but has been met by skeptical voters asking pointedly about her 2002 vote authorizing the use of force in Iraq. On Sunday in Nashua, one person told her that her explanation 'doesn't fly,' while another asked why she did not simply say that the vote was a mistake." Clinton "stuck to a set of talking points that she and her advisers hope will ultimately overcome the antiwar anger that is particularly strong among Democrats likely to vote in primaries. She took full responsibility for the vote, said she would not vote for military action in Iraq again, and then pivoted quickly to frame Iraq as President Bush's war. This answer was usually met with applause."

USA Today (2/12, Schouten, 2.27M) reports Clinton faced "pointed questions from Democratic activists about her early support for the war in Iraq," but she "refused to characterize her 2002 vote authorizing the invasion as a mistake."

The Washington Post (2/12, A3, Cillizza, 690K) reports Clinton "touted the politics of the possible Sunday during her inaugural visit to New Hampshire as a presidential candidate, a message that found an energetic but not ecstatic reception in town-hall meetings and house parties across the state." Clinton's "unwillingness to offer a rhetorical olive branch to the antiwar left contrasts sharply with the positions taken by her two main rivals for the Democratic nomination," Obama and Edwards. Clinton is "sending a message to primary voters as well as to her opponents that governing -- unlike campaigning -- is about finding common ground and forging compromise, not making difficult promises." The "response to Clinton's approach was mixed."

Long Island Newsday (2/12, Palmer, 414K) reports that in Berlin, New Hampshire, Clinton "was generally well-received by the overflow crowds, although she had to face tough questions about her position on Iraq." Clinton "fielded questions from the audience - most dealing with topics she touched on during her opening remarks - that were largely friendly. But she did take occasional heat for her stance on the war."

The Financial Times (2/12, Kirchgaessner) reports on Clinton's New Hampshire visit under the headline, "Smart Money Is On Clinton As She Homes In On Primary." The Times says, "But even those who appear to adore Ms Clinton take her to task on the biggest issue for many voters: her 2002 vote to authorise President George W. Bush to invade Iraq." But Charlie Cook, editor of the Cook Political Report, says ultimately, Ms Clinton will be able to take the issue of Iraq 'off the table.' The more important question now, he says, is how voters respond to Ms Clinton, who holds a lead in New Hampshire and national polls."

The New York Sun (2/12, Gardiner) reports Sens. Obama and Clinton "banged heads over the Iraq war yesterday, marking their first dustup since the start of the presidential campaign." Obama "took aim at Mrs. Clinton's vote to authorize the war, saying, 'I think the war was a tragic mistake and it never should have been authorized.'" The Sun adds Clinton's vote "is the one issue that has been dogging her thus far in the campaign. Otherwise, enthusiastic crowds have been giving her standing ovations on her proposals

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covering everything from health care to energy dependency." At Clinton's stop in Keene, "the crowd was mostly wowed, but the decision to insist that President Bush made a mistake on Iraq rather than taking that responsibility is trailing her like a bad odor."

Clinton Says Rove, Gingrich, DeLay Fear Her Candidacy Most. The Politico (2/12, Budoff) reports it was "a roundabout endorsement, to be sure, but Hillary Rodham Clinton Sunday cited none other than White House political adviser Karl Rove to make her case that she is the most electable Democrat in 2008." At a New Hampshire campaign stop, Clinton claimed that she -- and her husband, the former president -- are the Democrats that Rove and other leading Republican handicappers fear most." Clinton said, "I know what Gingrich tells people privately, I know what DeLay tells people privately, I know what Karl Rove tells people privately. I'm the one person they are most afraid of. Bill and I have beaten them before, and we will again." The Politico adds Clinton "did not offer support for her claim that Rove believes she is the most formidable Democrat, but former House Republican leaders Newt Gingrich and Tom DeLay have both warned publicly that Republicans are headed for defeat, most likely at Clinton's hands, if the party does not do a better job of organizing itself and presenting a winning message to voters."

Novak Says Many Democrats Oppose "Coronation" For Hillary. In his column, run today in the Washington Post (2/12, A17, 690K), Bob Novak says a "substantial number of" Democratic activists "do not want to participate in a coronation of the former first lady because they still doubt her viability as a presidential candidate. They question both her positions on the issues and her skills on the campaign trail." The "real reason for not desiring a Hillary coronation, as described to me by California Democrats, is resentment of her cautious sidestep rightward over the past six years. They still cannot get over her sponsorship in 2005 of legislation against flag burning. The whispered worry is that Clinton as the presidential nominee would be a loser in a year when the stars seem aligned for a Republican defeat."

Edwards Attempting To Showcase His "Less-Scripted Side." Newsweek (2/19, Darman, 3.12M) reports, "The 'real' John Edwards is not someone America knows well. When he first crossed the national stage, he called himself the 'son of a mill worker,' but he seemed more like a creature spawned in a focus group—attractive, well spoken and safe. Since then, he has weathered enormous hardship…but hardly a wrinkle has crossed his perpetually tanned face. He has spent the better part of five years in one of the most contrived careers known to man: candidate for president of the United States. In recent weeks, however, Edwards has been trying to draw attention to his less- scripted side."

Giuliani's Temper May Haunt Him In Primaries. On Newsweek (2/19, 3.12M), Jonathan Alter writes, "Until recently, discussion about which GOP candidate might be temperamentally unsuited for the presidency has revolved around Sen. John McCain, who has a short fuse. But with former New York mayor Rudy Giuliani now poised to run, questions about the Big T are also hovering over Hizzoner. … New Yorkers…remember his thirst for power and bouts of unwarranted nastiness. After 9/11, the mayor briefly weighed challenging the city constitution that barred a third term. 'He was hellbent on doing it,' says one former aide from this period, who wouldn't be named for fear of retaliation. McCain was among those who talked Giuliani out of it, arguing that he'd be better off going out on top. Other examples of temperamentally questionable behavior go back more than a decade. After Police Commissioner William Bratton's innovative crime-fighting landed him on the cover of Time magazine in 1994, Giuliani sacked him, apparently for getting too much publicity."

Fellow Democrats Raising Funds For Johnson '08 Bid. Roll Call (2/12, Billings, Newmyer) reports that in what "may be the strongest signal yet" that South Dakota Sen. Tim Johnson (D) will run for re-election in 2008, "at least seven of his Democratic Senate colleagues are organizing big-ticket fundraisers in the coming weeks to help him fill his campaign coffers as he continues to recover from emergency brain surgery." Majority Leader Harry Reid, Democratic Senatorial Campaign Committee Chairman Chuck Schumer "and five other prominent Democratic Senators are hosting the D.C. events that begin Wednesday and run through March." Johnson "continues to recover at The George Washington University Hospital, where he has been undergoing rehabilitation since suffering a brain hemorrhage on Dec. 13. The South Dakota Democrat is making major strides, and sources say he possibly could return to work part-time in the coming months." A Democratic operative "with ties to South Dakota politics said the

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upcoming rash of Johnson fundraisers is a clear indicator that he is preparing to run for re-election and that he understands he cannot afford to waste any time filling his campaign accounts."

Democrats Said To Have Potential For 60 Seat Majority By 2010. In his Roll Call (2/12), Stuart Rothenberg writes, "Democrats probably don't have to worry about losing their Senate majority in 2008, but that doesn't mean next year's elections aren't crucial for them." A strong '08 "could put the party in sight of a 60-seat majority in 2010, and that filibuster-proof majority would change the rules of the game on Capitol Hill." Last year, Democrats "won a stunning 24 of 33 races, which means over the next two Senate cycles they will need to win another 36 seats, out of the 67 that will be up, to give them the magic number of 60. Given the small Democratic classes next year (12) and in 2010 (15), and the fact that Republicans will be defending a total of 40 seats over the two cycles, it's certainly possible that Democrats can net nine seats to get to 60." Five or six "of the GOP's 21 Senate seats up next year already look to be at some risk, and that number could grow if there are key retirements and if President Bush's problems continue to drag down Republican Party numbers."

"Tele-Townhall" Technology Used To Stay In Touch With Constituents. USA Today/AP (2/12, Hananel) reports, "On a recent weeknight, Kansas Rep. Jerry Moran spoke to nearly 10,000 of his constituents at once — from the comfort of his Capitol Hill office. … A 'tele-town hall meeting' lets lawmakers call up to 35,000 households in their district at random by using a special automated dialing system. A recorded voice tells those who answer to stay on the line if they want to participate in the meeting. More than 50 members of Congress, including a few senators, have tried the technology over the past year, said Rodney Smith, founder of Washington, D.C.-based Tele-Town Hall LLC."

2008 Presidential Hopefuls Urged To Focus On Budget Deficit. Bill Frenzel, a former Republican representative, Charles Stenholm, a former Democratic representative, William Hoagland, a former Republican staff member in the Senate, and Isabel Sawhill, a former associate director of the Office of Management and Budget in the Clinton administration, write in today's New York Times (2/12, 1.16M), "Festering deficits, a poorly designed tax system, an addiction to oil and uncontrolled entitlement spending are all symptoms of what is wrong with our current politics. Those jockeying for position in the 2008 presidential race should emphasize that deficits matter, that bipartisan solutions are needed and that it is possible to make fiscal progress while improving the tax system, health care and energy security." And "more specifically, they should promise to eliminate the deficit within five years and to set the budget on a sustainable trajectory for the longer term."

WPosts Calls Number Of Uninsured In Maryland "An Embarrassment." The Washington Post (2/12, A16, 690K) editorializes that "in a rich state such as Maryland, the presence of 800,000 people without medical insurance is an embarrassment and a burden on state finances. But a $600 million proposal in the House of Delegates, which would double the cigarette tax to $2 a pack and extend coverage to nearly a third of the uninsured, raises an ever-larger question: How is Maryland to tackle projected annual deficits of well over $1 billion starting next year? And when it comes to health insurance, what can the state afford?"

WSJournal Criticizes Rell's Proposed Tax Increase. The Wall Street Journal (2/12, 2.04M), in an editorial, writes, "After hiding her intentions during last year's campaign, Connecticut Governor M. Jodi Rell wants to thank constituents for electing her with 63% of the vote by socking them with a 10% hike in the personal income tax rate. … The larger danger of a tax increase is its impact on the state's overall economy. Connecticut adopted its income tax in 1991, and it has since ranked last nationally in employment growth while losing tens of thousands of people to other states. Increasing the income tax rate seems an odd way to reverse these trends."

Bush Ancestor Advocated Jewish State In The Nineteenth Century. Newsweek's Christopher Dickey (2/19) in a review of Michael Oren's 'Power, Faith and Fantasy: America in the Middle East, 1776 to the Present,' notes "in 1844 a Biblical scholar and professor of Hebrew at New York University by the name of George Bush wrote an influential tract called 'The Valley of Vision; or, The Dry Bones of Israel Revived,' which advocated 'elevating' the Jews 'to a rank of honorable repute among the nations of the earth' by re-creating the state of Palestine for them. (According to

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Oren, who spent two days in the genealogical room of the Library of Congress researching family trees, George Bush was a direct forebear of the two presidents with the same name.)"

Gates Responds To Putin Criticism Of US Foreign Policy. NBC Nightly News (2/11, story 3, :20, Seigenthaler, 9.87M) reported, "Secretary of Defense Robert Gates today said he will go to Russia to try to reduce tensions with that country. Speaking at a security conference in Europe, Gates said one Cold War was enough. His comments came a day after Russian President Vladimir Putin attacked the United States for a foreign policy that he said makes the world more dangerous."

The Financial Times (2/12, Sevastopulo, Fidle) reports Gates Sunday "brushed aside a blistering attack on US foreign policy" by Putin, who "lambasted US foreign policy in a theatrical display at a high-profile Munich security conference" Saturday, saying "illegal" unilateral military action had plunged the world into an "abyss of permanent conflicts." In response, the New York Times (2/12, A6, Shanker, 1.16M) says Gates "chose words of velvet, not steel, in offering Washington's fullest response." Gates told attendees of the 43rd Munich Conference on Security Policy that both he and Putin had spent most of their careers in their governments' spy agencies. "And, I guess, old spies have a habit of blunt speaking," Gates said.

The AP (2/12, Baldor) also says "Gates' rebuke of the Russian president relied on humor and some pointed jabs. 'As an old Cold Warrior, one of yesterday's speeches almost filled me with nostalgia for a less complex time. Almost.'"

Meanwhile, the Christian Science Monitor (2/12, Weir, 59K) notes Putin "blasted the US for its militaristic approach to foreign policy, saying its actions were 'nourishing an arms race.'" But "little noticed amid the sharp US and European response to Mr. Putin's comments is Russia's burgeoning military-industrial complex, generally thought to have collapsed with the Soviet Union." The Monitor adds "experts say that Russia is increasingly capable of turning out cutting-edge weaponry and selling it to countries that are shunned by Western suppliers. … Russian defense budgets have been soaring since Putin came to power, buoyed by a rising tide of petroleum income, and are set to jump by 23 percent in 2007 to a post-Soviet high of $32.4 billion. Moscow does arms business with over 70 countries, including China, Iran, and Venezuela, and in 2006 exported $6 billion worth of arms."

Putin Seeks Expanded Ties With Saudis. The New York Times (2/12, A8, Fattah, 1.16M) reports Russian President Vladimir Putin arrived Sunday in Riyadh "for a visit intended to expand trade and military links between the nations." The visit "was part of a three-day tour of the Middle East intended to bolster bilateral ties with major Arab countries." The Times notes that Russia "has sought to bolster its military and trade relations with countries in the Middle East and is hoping to win a major order from Saudi Arabia for Russian weapons."

Russian Official Says Chechen Rebels Have Been Defeated. The New York Times (2/12, Chivers, 1.16M) reports, "Russia's defense minister said Sunday that Russia had succeeded in its latest war in Chechnya, defeating separatists and what he called their 'emissaries from 50 states.' 'We have scored a success in Chechnya,' said the defense minister, Sergei B. Ivanov. 'The problem has been solved.'"

More Commentary On Putin. In his Washington Post column (2/12, A17), Fred Hiatt writes, "If any ordinary person predicted trouble ahead for the cocky and seemingly untouchable KGB-regime of…Putin, you might say he ought to have his head examined." But "if the head happened to contain one of the most formidable brains of our era, you might at least listen to the argument. Garry Kasparov, legendary world chess champion and now a leader of Russia's political dissidents, possesses such a brain. And having peered two or three or 10 moves into the future, Kasparov says that Putin's petro-Kremlin autocracy may be more brittle than it seems as it approaches a promised presidential succession next year." Hiatt adds, "Ultimately the regime's vulnerability lies in its basic nature, Kasparov suggests. In the system Putin has created, Kasparov sees elements of feudalism ('local bosses loyal to the top man in exchange for rights to loot the region'), Mussolini-style corporate fascism and old-style KGB brutality. But in the end, 'this is not the geopolitical monster of Soviet times. This is all about money. The government is business. It's about Gazprom, it's about Rosneft.'"

Olmert Withholds Judgment On Palestinian Unity Plan. The Washington Times (2/12, Mitnick, 88K) reports Israel "wouldn't automatically reject the Palestinian unity government accord between Hamas and Fatah, even though it doesn't contain recognition of the Jewish state," Israeli Prime Minister Ehud Olmert said Sunday. During his

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weekly cabinet meeting, Olmert said, "Israel neither rejects nor accepts the agreements at this stage. Like the international community, we're studying what was achieved and what was said."

Arab States Reaching Out To Israel, American Jews. On its front page, USA Today (2/12, 1A, Slavin, 2.27M) reports, "Arab states, led by Saudi Arabia, are making some of their most public overtures ever to Israel and American Jews in an effort to undercut Iran's growing influence, contain violence in Iraq and Lebanon and push for a Palestinian solution." The high-profile gestures "coincide with Saudi Arabia's lead role last week in brokering a deal for a coalition Palestinian government." In addition to Saudi Arabia, Qatar and the United Arab Emirates have also "stepped up contacts with Israel and pro-Israel Jewish groups in the USA" with "the Bush administration's blessing."

Fallon Seeks To Engage Arab Nations. The Washington Times (2/12, A1, Halloran, 88K) reports on its front page the new commander of US military forces in the Middle East, Adm. William Fallon, "says he will set a high priority on enlisting the help of friendly Arab and Asian nations in the wars in Iraq and Afghanistan, and against the al Qaeda terrorist network led by Osama bin Laden." In an interview with the Times, Adm. Fallon said, "There are a lot of people out there just standing around not doing anything to help us. We need to turn that around. The neighboring nations there have to play a role." Egypt and Saudi Arabia "seemed likely candidates," the Times writes.

Arab States Seek To Boost Military Readiness. Also on its front page, the Washington Times (2/12, A1, Chamberlain, 88K) reports that leaders of Sunni Arab states "are embarking on a military spending spree in an attempt to contain the growing threat from Iran. Alarmed by the progress of Iran's nuclear program and the prospect of a military clash between its Shi'ite regime and the United States," Gulf leaders "intend to use billions of dollars of oil revenue to purchase a huge array of military hardware." Many of the deals, the Times reports, "will be finalized at a massive arms fair scheduled to open in the United Arab Emirates on Sunday."

Sunni, Shiite Divide Widening. The Washington Post (2/12, A1, Shadid, 690K) reports on its front page, "The growing Sunni-Shiite divide is roiling an Arab world as unsettled as at any time in a generation. Fought in speeches, newspaper columns, rumors swirling through cafes and the Internet, and occasional bursts of strife, the conflict is predominantly shaped by politics: a disintegrating Iraq, an ascendant Iran, a sense of Arab powerlessness and a persistent suspicion of American intentions. But the division has begun to seep into the region's social fabric, too. The sectarian fault line has long existed and sometimes ruptured, but never, perhaps, has it been revealed in such a stark, disruptive fashion." While the divide has existed for centuries, the Post says "rarely has the region witnessed so many events, in so brief a time, that have been so widely interpreted through a sectarian lens: the empowering of Iraq's Shiite-led government and the bloodletting that has devastated the country; the lack of support by America's Sunni Arab allies -- Egypt, Jordan and Saudi Arabia -- for the Shiite movement Hezbollah in its fight with Israel last summer; and, most decisively, the perception among many Sunni Arabs that Saddam Hussein was lynched by Shiites bent on revenge."

Powell, Former NSC Aide Criticize Bush's Handling Of Iran. Newsweek (2/19, Hirsh, Bahari, 3.12M), in its cover article titled, "Blowup? America's Hidden War With Iran," reports, "The Iranians have reason to feel paranoid. … At least one former White House official contends that some Bush advisers secretly want an excuse to attack Iran. 'They intend to be as provocative as possible and make the Iranians do something [America] would be forced to retaliate for,' says Hillary Mann, the administration's former National Security Council director for Iran and Persian Gulf Affairs. US officials insist they have no intention of provoking or otherwise starting a war with Iran." However, "the fact remains that the longstanding war of words between Washington and Tehran is edging toward something more dangerous. A second Navy carrier group is steaming toward the Persian Gulf, and NEWSWEEK has learned that a third carrier will likely follow." Newsweek goes on to report, "The secret history of the Bush administration's dealings with Iran is one of arrogance, mistrust and failure." Former Secretary of State Colin Powell "thinks Bush simply wasn't prepared to deal with a regime he thought should not be in power. As secretary of State he met fierce resistance to any diplomatic overtures to Iran and its ally Syria. 'My position in the remaining year and a half was that we ought to find ways to restart talks with Iran,' he says of the end of his term. 'But there was a reluctance on the part of the president to do that.' The former secretary of State angrily rejects the administration's characterization of efforts by him and his top aides to deal

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with Tehran and Damascus as failures. 'I don't like the administration saying, "Powell went, Armitage went...and [they] got nothing." We got plenty,' he says. 'You can't negotiate when you tell the other side, "Give us what a negotiation would produce before the negotiations start'."'"

Japanese Media Sees Cheney Decision Not To Meet Official As A "Snub." The AP (2/12) reports Vice President Dick Cheney "will not meet with Japan's defense minister during his trip to the country next week, a decision Japanese media characterized as a snub over the official calling the US-led invasion of Iraq a 'mistake.'" The Kyodo news agency said Cheney "has asked Japan not to schedule any talks with Defense Minister Jumio Kyuma," who lat month criticized the decision to go to war. In Washington, Cheney spokeswoman Lea Anne McBride "said the vice president's schedule had been filled before he received an invitation from Kyuma to meet."

Six-Party Talks Appear To Stall In Beijing. On its front page, the New York Times (2/12, A1, Yardley, Sanger, 1.16M) reports the latest round of six-party talks on Pyongyang's nuclear program "appeared near collapse on Sunday over North Korea's demands for huge shipments of fuel oil and electricity before agreeing to a schedule for turning over its nuclear weapons and fuel." Assistant Secretary Christopher Hill said he and North Korean envoy Kim Kye-gwan held a "lengthy and very frank" meeting on Sunday. But Mr. Hill "seemed much less optimistic that a deal could be struck. Negotiators are planning to end the talks on Monday, and other envoys were pessimistic that any breakthrough would emerge on the final day." The Times notes that "after months of preparation that created unusual optimism within the Bush administration, failure to reach even a preliminary agreement could cast doubt on the prospects of disarming North Korea in the administration's last two years."

The Wall Street Journal (2/12, A6, Ramstad, 2.04M) says the "stakes are high for the US, which, since the North's test of a nuclear device in October, has stepped up its diplomatic efforts to reverse Pyongyang's desire for such weapons. Success with North Korea might help the US persuade another budding nuclear power, Iran, to give up its work, too."

The Financial Times (2/12, Fifield) reports the talks are "teetering on the brink of collapse" after two "tortuous days discussing a single paragraph in a draft agreement that would pave the way for denuclearization." The Washington Post (2/10, A 18, Cody, 690K) also reports briefly on the developments.

LATimes Urges Negotiators To Strike A Deal With Pyongyang. In an editorial, the Los Angeles Times (2/10, 850K) writes, "The United States, and the world, have lived with a dangerous North Korea for half a century and a dangerously unstable North Korea for more than a decade. What the world cannot live with is a dangerously unstable nuclear North Korea. So a true disarmament deal must be eventually struck. And if a taste of fuel oil, like a swig of Kim's favorite cognac, can begin the cycle of mutual concessions that will be required, then the wisest course may be to pour just enough -- and not a drop more -- to keep the North Koreans at the table."

US Seeks To Counter Chavez's Influence In Latin America. The Los Angeles Times (2/10, McDonnell, 850K) reports the Bush administration's "self-proclaimed 'year of engagement' with Latin America kicked off last week with broadsides against Venezuela and Iran, a diplomatic tiff with Argentina and analysts wondering whether it all wasn't a little late in the game." The Times reports that Undersecretary of State for political affairs, Nicholas Burns, and Thomas A. Shannon, "the administration's top diplomat for Latin America," as well as Atty. Gen. Alberto R. Gonzales made visits last week to Argentina and Brazil as the President prepares to visit Latin America in March. The moves are "widely seen in South America as an effort to counter the influence of Venezuelan President Hugo Chavez."

Holbrooke Urges Deal Between Turkey, Kurds. Former US ambassador to the United Nations, Richard Holbrooke, writes in the Washington Post (2/12, A17, 690K) that "whatever happens in Iraq, we must try to limit the terrible fallout from the war. The place to start should be with our indispensable NATO ally Turkey...whose relations with the United States have deteriorated dramatically in the past six years." However, the Ambassador says, "Despite centuries of enmity, rapprochement is in the long-term interests of both Turkey and the Kurds of northern Iraq. But such an effort would be controversial and could be undertaken only with strong American encouragement."

G-7 To Analyze "Duplicative" Financial Regulations. The Wall Street Journal (2/12, A2,

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Solomon, 2.04M) reports, "- Treasury Secretary Henry Paulson said he and other finance ministers in the Group of Seven leading industrial nations are exploring ways to reduce 'duplicative' financial regulations and standards that burden companies doing business globally." Paulson "said the aim is to 'break down artificial barriers' and harmonize regulations and standards so costs and other constraints on multinational companies are reduced."

Many Bolivians In US Alarmed Over Morales' Policies. The Washington Post (2/12, A1, Constable, Brulliard, 690K) analyzes the effect of Evo Morales' leadership on the Bolivian community in the Washington, DC, area. The Post reports, "Greater Washington is home to the largest population of Bolivian immigrants in the United States, with 37 percent of the total. Census figures show that more than 20,000 Bolivian-born immigrants live in the area, but activists and diplomats say the community is more than three times that size. … Most Bolivians here say they initially welcomed Morales's presidency as a change from elitist and military governments, but many say they became indignant and alarmed as he has antagonized domestic opponents and befriended Chavez and Cuba's Fidel Castro."

French Socialist Candidate Unveils Program. The New York Times (2/12, Smith, 1.16M) reports, "France's Socialist presidential candidate, Ségolène Royal, presented her long-awaited presidential program in a two-hour speech on Sunday, hoping to dispel criticism that she is a pretty face without fundamental policies and to reverse a slide in opinion polls." Royal "promised a new kind of French politics based on closer attention to the will of the people through American-style town hall meetings, Internet-based dialogue and national referendums. Her program was studded with promises and proposals meant to address desires filtered from the more than 700,000 people who attended what her campaign organization puts at 6,500 public meetings since November, together with tens of thousands of ideas left by visitors to her Web site." The Wall Street Journal (2/12, A8, Galloni, Gauthier-Villars, 2.04M) and Washington Post (2/12, A12, Moore, 690K), which headlines its story "Falling In Polls, French Socialist Offers Platform," also report the story.

Low Voter Turnout In Portuguese Abortion Referendum. The New York Times (2/12, Sciolino, 1.16M) reports, "Portugal voted decisively in a referendum on Sunday to liberalize its restrictive abortion law, but the result was not considered valid because of low voter turnout." Still, Prime Minister José Sócrates, "a Socialist who supported the liberalization, declared victory and said he would ask Parliament, where his party enjoys a comfortable majority, to change the law." The vote "was 59.25 percent in favor and 40.75 percent opposed, with a turnout of slightly less than 44 percent of the 8.8 million eligible voters. At least 50 percent of eligible voters needed to cast ballots for the results to be legally binding."

US Urged To Join Effort To Provide Drugs To The Developing World. The Washington Post (2/12, A16, 690K), in an editorial, writes, "Currently, drug companies do not have a strong incentive to develop new medications or to increase production capacity to serve low-income countries. There's demand in developing nations for everything from better anti-retrovirals to new malaria medication, but the money isn't there, especially given the fickleness of foreign aid. So manufacturers face the unappealing prospect of investing hundreds of millions into drug development and production plants only to see the money available to buy their product disappear. The solution Italy, Britain, Russia and a few other countries endorsed is in essence a promise to buy medication from any company willing to develop it according to World Health Organization standards and sell it at a certain price. … Notably absent from the agreement so far is America's contribution, even though the plan is a relatively cheap, market-based approach that could eliminate a major killer in the developing world. If the pneumococcus test case produces results, the United States should join similar ventures."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"U.S. Makes Case That Iran Arms Flow Into Iraq."
"Dying Large In China."
"Between Rocks And Hard Times."
"The Battle Scars Of A Private War."
"Grammys Make Nice With The Dixie Chicks."
"In Congress, A Shift Over Fuel Economy."

New York Times:

"Nuclear Talks On North Korea Hit Roadblock."

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"U.S. Says Arms Link Iranians To Iraqi Shiites."
"8 Days, 10 Feet And The Snow Isn't Done Yet."
"Believing Scripture But Playing By Science's Rules."
"For Clinton and Obama, Different Tests On Iraq."

Washington Post:

"Obama Joins Race With Goals Set High."
"Putin Hits U.S. Over Unilateral Approach."
"McCain Taps Cash He Sought To Limit."
"Hunting's Crisis of Less Space and Time."
"Jewish Inroads in Muslim Quarter."

Washington Times:

"Iran Arms Iraq Insurgents."
"Congress tackles Global Warming."
"Fallon To Recruit Arab Nations For Help."
"Bellowed Brimestone Raises Raises Ire On Hill."
"Calling To break language Barriers."
"Russian Fur Under Attack."

Detroit Free Press:

"Fight On Gas Mileage Rev Up."
"Creating A Buzz."
"U.S. Mint Tries Again, But Public Is Skeptical."

Atlanta Journal-Constitution:

"U.S.: Bombs Traced To Iran."
""Atlanta, Georgia I'm Bringing This Home To You.'"
"Churches Grieve For Members Who Died In Honduras."
"IPod's New Tune: Teacher's Aide."
"Two-Timing Valentines Give Private Eyes A Field Day."

Houston Chronicle:

"U.S.: Proof Iran Is Arming Shites."
"Race may Crown Area's 1st Patrona."
"A Heroric, And Tragic, End."
"Report On Water Needs Downplays Climate Change."

Story Lineup From Last Night's Network News:

ABC: Iran Supporting Insurgents; Iran's Celebration; Possible Strikes-Iran; Obama's Presidential Bid; Clinton Campaign Trail; Winter Weather-NY; Saving For College; Saving For College.

CBS: Preempted By Golf.

NBC: Iraq-Iranian Weapons; Iran Claims-Democrats; Gates-Russia Trip; Hillary Clinton-New Hampshire; Obama-Iraq; GOP Primary; New York Snow; Starbucks-China; Harvard-Woman President; Airbus A-380; Young Nuns.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Giuliani-CA; Huckabee-South Carolina; Hillary Clinton-NH; Obama-Iowa; Iranian Assistance To Iraqi Insurgents; Harvard-Woman President; Grammy Awards; Gas Prices.

CBS: Grammy Awards; Washington Post-Humvees Bound For Iraq Lacking Armor Upgrade; German Foreign Minster-Missing Germans In Iraq; Gates-Pakistan; WA-Mall Evacuated; Western NY-Heavy Snow; Coco Beach, FL-Fundraiser For NASA Astronaut; St. Louis-Dog Parade; TX-Protests Against Plans For New Coal-Fired Power Plants.

NPR: Iran, EU Talks On Iranian Nuclear Program; Iranian Assistance To Iraqi Insurgents; Sen. Dodd Skeptical Of Evidence Of Iranian Assistance To Iraqi Insurgents; Gates-Moscow Visit; Portuguese Voters Approve Reform To Abortion Laws; CA-National Parks And Marijuana Cultivation; Western NY-Heavy Snow.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the President of Lithuania, Oval Office; remarks at the celebration of African American History Month, East Room.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 1 p.m. Meets for morning business, followed by resumption of debate on the continuing resolution.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Energy Subcommittee. Hearing on recommendations on policies and programs to improve the energy efficiency of buildings, and to expand the role of electric and gas utilities in energy efficiency programs. Kateri Callahan, president, Alliance to Save Energy; Kim Christianson, Energy Program Director, North Dakota Department of Commerce; Jack Hebert, president/CEO, Cold Climate Housing Research Center; James E. Rogers, Chairman, Edison Electric Institute and chairman/president/CEO of Duke Energy; R.K. Stewart, president, American Institute of Architects; and Charles Zimmerman, vice president, Wal-Mart. Location: Room 366, Dirksen.

US House: FLOOR SCHEDULE _ 12:30 p.m. Meets for morning business. At 2 p.m., meets for legislative business.

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Other: PRESIDENT VALDAS ADAMKUS OF LITHUANIA _ Highlights: 10:15 a.m. Meets with President Bush. Oval Office.

SECRETARIES OF STATE _ Winter conference of the National Association of Secretaries of State. Highlights: 8:30 a.m. - 4 p.m. Joint session with the National Association of State Election Directors. 12 p.m. Attorney General Gonzales. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

EDUCATION _ The American Council on Education holds its 89th annual meeting. Highlights: 9 a.m. journalist Ron Suskind 12:15 p.m. Luncheon speaker - Advertising Council CEO Peggy Condon. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

GOVERNMENT ACCOUNTANTS _ The Association of Government Accountants holds its 5th Annual National Leadership Conference. Particiapnts include: Juan C. Zarate, Deputy to the President and Deputy National Security Advisor for Combating Terrorism, National Security Council; and Mark W. Everson, Commissioner, Internal Revenue Service. Location: Reagan Building, 1300 Pennsylvania Ave. NW.

PUBLIC TELEVISON _ The Association of Public Television Stations holds its annual meeting. Highlights: 12 p.m. Awards luncheon honoring Sen. Daniel Inouye. 4 p.m. APTS/PBS Joint Session, with award to John Marshall, III, former President, Kresge Foundation. Speakers PBS CEO Paula Kerger and APTS President John Lawson. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

TERRORISM _ 9 a.m. - 4 p.m. The US Army War College and Womern in International Security host a forum, ``The Roots of Terror: Understanding the Evolving Threat of Global Terrorism." Participants: Sara Daly, RAND; Ronnie Edelman, US Department of Justice; C. Christine Fair, US Institute of Peace; Michele Flournoy, Center for Strategic and International Studies; Michael German, American Civil Liberties Union; Lori Helene Gronich, Georgetown University; Matthew Levitt, Washington Institute for Near East Policy; Dalia Mogahed, The Gallup Organization; and David Shinn, George Washington University; Cynthia Storer, University of Maryland. Location: Wyndham Washington Hotel, 1400 M St. NW.

BORDER CROSSINGS _ 10 a.m. Mobilisas Defense ID holds a pen and pad only briefing on the technology and status of the pilot project on the Washington State/British Columbia border crossing to make the borders more secure. Location: National Press Club.

PALESTINIAN UNITY TALKS _ 10 a.m. The Middle East Institute holds a briefing on Palestinian Unity Talks, with Diana Buttu, former legal adviser to PLO leaders Yasser Arafat and Mahmoud Abbas, and Rob Malley of the International Crisis Group. Location: MEI, 1761 N St. NW.

VOA-SOMALI _ 10:30 a.m. The Voice of America launches its new Somali-language broadcast service. Location: Briefing Room, VOA, 330 Independence Ave. SW.

EDWARD BROOKE _ 11 a.m. - 12:15 p.m. Former Massachusetts Senator Edward Brooke, the first African American popularly elected to the U.S. Senate, will be the keynote speaker for the annual Patricia Roberts Harris Lecture. Brooke, a Howard University alumnus, also hosts a book signing of recently published autobiography, ``Bridging the Divide: My Life." Location: Howard University Main Campus, Ira Aldridge Theater, 2455 6th St. NW.

AFL-CIO-KOREA _ 12 p.m. The AFL-CIO holds a rally with members of the Korean trade union movement in front of the hotel, where the final round of negotiations of the proposed US-Korea Free Trade Agreement will be held. Location: Outside Washington Court Hotel, 525 New Jersey Ave. NW. (Monday only), Tuesday location - TBA.

RIGA SUMMIT FOLLOWUP _ 12 p.m. Former Spanish President Jose Maria Aznar and former Polish President Aleksander Kwasniewski discuss NATO and the war on terrorism following the Riga Summit, sponsored by Georgetown University. Location: Bunn Center auditorium, on campus.

LOW-INCOME ENERGY _ 1 p.m. State Energy Officials hold a news briefing to release an analysis of the effect of rising home energy prices on low income families and call on the Congress to reject the Presidents Budget for the Low Income Home Energy Assistance Program (LIHEAP). The Presidents Budget for FY'08 of $1.78 billion would cut LIHEAP by $1.38 billion (44%) from the comparable FY 06 appropriation level of $3.2 billion (regular plus supplemental appropriations). Location: National Press Club, Zenger Room.

ECONOMIC REPORT _ 1:30 p.m. The Council of Economic Advisers releasaes the 2007 Economic Report of the President. Location: Indian Treaty Room, Eisenhower EOB.

NATION BUILDING _ 3 p.m. Rand Corp. holds a briefing on a new report, giving a comprehensive step by step guide for nation building. Location: Room 2247, Rayburn.

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CELLULOSIC ETHANOL _ 3:30 p.m. The Environmental and Energy Study Institute holds a briefing for House members on ``Cellulosic Ethanol: Not Just a Liquid Fuel." Location: Room 485, Russell.

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TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **MONDAY, FEBRUARY 12, 2007 7:45 AM EST**

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TERRORISM NEWS:

Report Finds Coast Guard's Deepwater Contract Should Be Revisited. The New York Times (2/12, Lipton, 1.16M) reports an assessment of the Coast Guard's deal with Lockheed Martin and Northrop Grumman under the $24 billion Deepwater modernization effort has concluded that the contract "is fundamentally flawed." The Defense Acquisition University report "does not explicitly recommend terminating the five-year-old deal," but "says that if the arrangement is extended -- negotiations are already under way -- it should be redrafted so that it is no longer presumed that Lockheed and Northrop will play dual roles as program manager and primary builder." Coast Guard spokesman Brendan McPherson "said the agency was still reviewing the report. 'Unfortunately we can't change history,' Mr. McPherson said. 'But we can look at where we are going with Deepwater, and figure out ways to make it better.'"

Flight Restrictions Needed For UAV Patrols Along US-Canada Border. The Washington Times/UPI (2/12, Waterman) reports, "Homeland Security Department officials say they will work with the Federal Aviation Administration to impose flight restrictions around the North Dakota air base from which they plan to fly a remotely piloted plane this year to patrol regions of the US-Canada border." UPI adds, "The flight restrictions, which will apply to small planes operating below 18,000 feet, are necessary because of the danger of collisions, but they will draw protests from those who own or fly private planes." Customs and Border Protection "already is flying one Predator B, built by General Atomics Aeronautical Systems, over the US-Mexico border, where it uses the already-restricted airspace around Libby Army Air Field at Fort Huachuca, Ariz. 'But there are no restricted or prohibited areas near Grand Forks,' points out Heidi Williams, the head of regulatory affairs for the Aircraft Owners and Pilots Association, and the group 'would oppose any new restricted airspace created solely for UAV border patrols.'"

Depiction Of War On Terror In "24" Said To Be In Line With Administration Message. The New Yorker (2/19, Mayer) profiles Joel Surnow, the co-creator and executive producer of the Fox drama "24". Surnow says the US military "loves" the show, as do members of "the Administration." "It's a patriotic show," says Surnow. "They should love it." The New Yorker adds that while the "outlandishness" of the show's chronology "marks it clearly as a fantasy," it "obviously plays off the anxieties that have beset the country since September 11th, and it sends a political message. The series, Surnow told me, is 'ripped out of the Zeitgeist of what people's fears are—their paranoia that we're going to be attacked,' and it 'makes people look at what we're dealing with' in terms of threats to national security. … For all its fictional liberties, '24' depicts the fight against Islamist extremism much as the Bush Administration has defined it: as an all-consuming struggle for America's survival that demands the toughest of tactics."

HOMELAND RESPONSE:

DHS Streamlining Passenger Screening Process. U.S. News and World Report (2/19, Marek, 2.03M) reports, "there may be fewer of those Kafka-esque stories if the Department of Homeland Security has its way. DHS is engaged in an aggressive effort to clean out extraneous names from the watch lists. It's also launching a website to help people appeal identity mix-ups. But Congress has its own ideas about fixing the screening system, and critics say the process has an awfully long way to go. The problem, of course, is relatively new. Before 9/11, just 16 names were on the no-fly list, meaning people with those names couldn't board U.S. airplanes. Today, the TSA maintains a presumably larger no-fly list, as well as a selectee list, which designates people who get special security screening. … That list has been held in National Counterterrorism Center and has been reported to total some 325,000 names. Parts of it are passed along to the FBI's Terrorist Screening Center, which uses some of the names to make up the TSA's lists."

US Urged To Change Priorities, Commit To Homeland Security. Retired U.S. Coast Guard officer Stephen Flynn, a senior fellow at the Council on Foreign Relations, in a cover story for U.S. News and World Report (2/19, 2.03M) titled, "Terror's Next Target? More than five years after 9/11, a frightening inside look at why we are still terribly vulnerable," writes, "Increasingly, Americans are living on the edge of disaster. Like reckless teenagers, we have been embracing risks while shrugging off the likely consequences. … Homeland security has become a decidedly second-rate priority today in a world where the United States has chosen to combat terrorism as essentially a military and intelligence activity. In 2006, the defense budget accounted for more than half the federal government's discretionary spending and included $16.5 billion the Pentagon requested specifically to protect itself from terrorist attacks. That means the Department of Defense is spending 10 times more protecting its own military bases, naval ships, and barracks-two thirds of which are located inside the United

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States-than the federal government is spending on our major cities. The U.S. Navy, meanwhile, is bankrolling a Coast Guard force to protect its vessels moving in and out of Puget Sound in Washington that is several times larger than the entire Seattle port police force, which is responsible for protecting that city's long and densely populated waterfront. Any objective analysis would conclude that terrorists would be more interested in targeting crucial civilian structures on U.S. soil than taking on the U.S. military."

WAR NEWS:

As Many As 60 House Republicans Could Back Anti-Surge Resolution. The Los Angeles Times (2/12, Levey, Simon, 850K) reports, "As the House this week launches its first major debate over the Iraq war since the November elections, Democrats are counting on many Republicans to join them in passing a resolution opposing President Bush's troop buildup." GOP Rep. Wayne T. Gilchrest "predicts that 30 to 60 of his colleagues will back the nonbinding resolution, which would be the strongest repudiation of Bush's Iraq policy from Republicans since the war began nearly four years ago." The debate, "likely to be highly emotional, begins Tuesday and is expected to last three or four days. Each of the House's 435 members will be given five minutes to speak." The resolution "will express support for the US military personnel in harm's way, while opposing adding 21,500 troops to the 135,000-plus already in Iraq."

The AP (2/12) reports, "A House vote on Iraq this week will be limited to the question of supporting President Bush's troop escalation, House Majority Leader Steny Hoyer said Sunday." Hoyer's comment "drew a vehement objection from House Minority Leader John Boehner, R-Ohio, who said House Democrats had promised to allow a vote this week on a Republican alternative opposing a cutoff of money for the war."

The Politico (2/12) reports, "Boehner looked irritated for part of the show -- and with good reason. Hoyer's decision, which will be criticized as another example of Democrats breaking their election-year promise to hold open and fair debates in the House, undercuts the GOP strategy. Last week, Hoyer initially said Republicans would be allowed to offer an alternative measure on the floor before a House vote on the Democrats nonbinding resolution. 'The Republicans will be given either a substitute or a motion to recommit so that they can propose whatever substantive alternative that they choose,' Hoyer told reporters Thursday. 'That will also be debated.'" He "backtracked later that day." Roll Call (2/12, Yachnin) says "a Democratic lawmaker, who asked not to be named, asserted that many rank-and-file Members" had lobbied "against allowing Republicans to offer a substitute resolution, asserting it could 'fracture' the majority."

The Washington Post (2/12, A5, Layton, Weisman, 690K) reports Democrats plan "to propose a narrowly worded rebuke of…Bush's troop buildup" and Republicans are "girding for broad defections on their side. … For some Republicans, the Democratic takeover of Congress has been liberating. A barrage of recent hearings into malfeasance under the U.S. occupation authority in Iraq, the stretched state of the military and the cost of the war have brought to light new information while underscoring congressional acquiescence under GOP control, said Rep. Walter B. Jones (R-N.C.), a longtime war critic." The Wall Street Journal (2/12, Rogers, 2.04M) notes that "as now drafted, the measure expresses support for American forces without delving into the more sensitive issue of whether Congress may restrict war funds in the future. At the same time, hoping to attract Republican votes, the resolution is expected to avoid the use of the word 'escalation.'" Instead, "the draft language speaks simply of rejecting 'the decision of President George W. Bush announced on January 10, 2007, to deploy more than 20,000 additional United States combat troops to Iraq.'"

Asked on NBC's Meet the Press (2/11, Russert) if there will be a resolution offered by House Democrats "disapproving of the president sending more troops to Iraq," Hoyer answered, "Yes there will be. We're going to do a very simple, straightforward, very clear resolution which says two things: We support the troops, we're going to protect the troops. Secondly, we do not support the president's escalation of the troops in Iraq. … We don't believe that that policy will work. The overwhelming sentiment of the military is it won't work, and certainly the American people do not believe it'll work. … The American public voted for a new direction in November. They said we need to change policies that aren't working. This is not a new policy. Senator Hagel said this is not a new policy. John McCain says he doesn't think this is going to work. We're going to make a clear statement next week that we do not support this escalation." Hoyer added that the House vote on the resolution will probably take place Friday.

Laying out his opposition to the Democrats' proposed resolution, on NBC's Meet the Press (2/11, Russert), Boehner said, "I believe that victory in Iraq is the only option. We've had problems in Iraq, we've had mistakes in Iraq, but Iraq is but a small part in a global war being waged by radical Islamic terrorists. … And if we don't have victory in Iraq, the consequences of failure are immense: a destabilized Iraq, a safe haven for terrorists, possible access to their oil revenue, destabilizing the greater Middle East. What happens to Israel? And if this isn't bad enough, who doesn't believe that if we withdraw and leave that chaos in the Middle East that the terrorists won't follow us here to the United States?"

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The Christian Science Monitor (2/12, Chaddock, 59K) reports, "At issue is more than a test of wills. It's how to frame the terms of opposition to a war that has lost public support and strained US relations with the rest of the world. The vote – or nonvote – on the resolution is also politically toxic. Opposition to the war helped sweep Republicans out of control in the House and Senate in 2006." But "if the issue is mishandled, it could do the same to Democrats – or topple even more GOP careers – in 2008."

McConnell Accuses Media Of Misinterpreting Senate's Surge Debate. Senate minority leader Mitch McConnell was asked on Fox News Sunday (2/11, Wallace) if GOP senators lost "the public relations battle" when they "blocked a vote" on the non-binding resolution opposing the president's troop surge. McConnell responded, "Some journalists reported it exactly the way you suggest, that a vote to cut off debate was actually a vote to begin debate. I don't think that's ever happened in the history of the Senate. … The New York Times editorial page, ironically, got it right. They said that we shouldn't be limiting the number of proposals when it comes to debating Iraq to just proposals that the majority would like."

Sen. Jack Reed, also on Fox News Sunday (2/11, Wallace), said, "I think they end of the day, [the Senate GOP leadership] wanted to defeat by any means they could the resolution that Senator Warner proposed. And I think, again, the letter that Senator Warner authored along with seven or eight other Republicans just a day after this procedural deadlock, suggesting they're going to bring it up, shows that they really want to get back to the business of getting an up or down vote on the resolution. … But no one assumes that this is going to be the last step. But I think it's an important first step and a necessary step before we go forward."

Dodd Says Offering Non-Binding Resolution Was A Mistake. Sen. Chris Dodd, on CBS's Face the Nation (2/11, Schieffer) said, "I thought we made a mistake by not having a real vote where there was real teeth in it, with real accountability, on the war in Iraq. And I think, frankly, we got ourselves into a mess here by competing with the Senate resolutions which have no legal bearing at all whatsoever. … I'll be supporting a resolution that will cut off funding but not put our troops in jeopardy."

Congress Said To Have "Power To End The War." Lynn Chu, a lawyer in New York, and John Yoo, a deputy assistant attorney general from 2001 to 2003, write in the New York Times (2/12, 1.16M), "Before the November elections, many Democratic candidates and legal academics insisted that the Iraq war was illegal and that only Congress, not the president, had the power to manage it under the Constitution. Interestingly, now that Democrats control Capitol Hill, they are fretting that if Congress tried to cut back on funds or troop levels, it might be, well, unconstitutional. … The fact is, Congress has every power to end the war — if it really wanted to. It has the power of the purse. … Not only could Congress cut off money, it could require scheduled troop withdrawals, shrink or eliminate units, or freeze weapons supplies. It could even repeal or amend the authorization to use force it passed in 2002."

Feith Says He Never Claimed Saddam And Al Qaeda Had "Operational Relationship." Former Undersecretary of Defense Douglas Feith, appearing on Fox News Sunday (2/11, Wallace), responded to the claim that the pre-war briefing he put together titled, "Iraq and Al Qaida Making the Case," was "all wrong." The AP (2/12, Ben Feller) reports Feith "was responding to a report by the Defense Department inspector general that Feith's office 'did not provide the most accurate analysis of intelligence to senior decision makers.' The IG's report found that there was no support for the Pentagon's claim of a 'mature symbiotic relationship' in all areas between Iraq and al-Qaida." Feith said on Fox, "Nobody in my office ever said there was an operational relationship between Iraq and Al Qaida. It's just not correct. … There was a relationship. That relationship was summarized on October 7th, 2002, by George Tenet in a letter that he sent, unclassified, to the Senate Intelligence Committee chairman, and it basically brought together what the CIA had been saying, what my people had been criticizing, and it summarized the Iraq-Al Qaida relationship. And we stood on that, and I think that that was the best information that the government had. … It's absurd for the inspector general to say that what we did was not the best intelligence, not because he examined the underlying intelligence, because he didn't, and he admitted that to the Senate Armed Services Committee on Friday morning. What he said was it wasn't the best intelligence because it disagreed with the intelligence."

Feith, on CNN's Late Edition (2/11, Blitzer), said, "What the inspector general is criticizing is the fact that people in the Pentagon criticized the quality of the CIA intelligence. And the inspector general, I think wrongly, says that the criticism of intelligence was intelligence work, and it was inappropriate for non-intelligence people to do that. … The inspector general, with all due respect, was in an area of opinion for which there are no legal standards, and he made an argument that is self-contradictory, doesn't hang together. The essence of his argument was that criticism of intelligence is intelligence work. Ridiculous." The Los Angeles Times (2/12, Meyer, 850K) reports Feith also "defended as 'good government' his office's prewar findings."

WSJournal Says Feith Owed An Apology. The Wall Street Journal (2/12, 2.04M) editorializes, "In a reasonable world, Douglas Feith would have received an apology late last week from Senator Carl Levin. But the obsessive Democrat won't let go of his story that the Bush

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Administration 'politicized' pre-war Iraq intelligence no matter how many times the facts disprove it. Senator Ahab is now going even further and suggesting behavior standards that would make the US intelligence bureaucracy less accountable to elected officials; this could get Americans killed." Senate Intelligence Chairman Jay Rockefeller and Levin "may enjoy scoring partisan points. But their nasty obsession with Mr. Feith will have the effect of endorsing more group-think as the last, best word in intelligence -- and will lead to more Iraqs and more 9/11s."

US Shows Arms Linking Iran To Iraqi Insurgents. ABC World News (2/11, lead story, 2:10, Muir, 8.78M) reported, "In Baghdad, today, the US military carefully laid out what it has hinted at for weeks... Evidence, top officials say, that proves Iran is helping arm the attackers killing American forces in Iraq. Even more troubling, the sophisticated weapons they say that could be tied to the highest levels of the Iranian government." ABC (Marquez) added, "Senior defense officials finally laid their cards on the table, today, and offered what they say is proof of Iran supporting Shia militias, causing havoc in Iraq. The majority of the briefing was spent on EFPs, or explosively formed projectiles, powerful bombs that can pierce the toughest armor." ABC noted that while "much of the information provided today in Baghdad has already been leaked by Pentagon officials," this is "the first time military officials have made the link to the highest level of Iran's government."

NBC Nightly News (2/11, lead story, 3:15, Seigenthaler, 9.87M) reported the US military release was "prompted by the growing toll on the US military." NBC (Arraf) added that one "US official tells NBC News Iraq plans to shut down some of the border crossings [with Iran] to stop the weapons coming across."

Separately, ABC World News (2/11, story 3, 1:40, Muir, 8.78M) reported, "On a day the US military lays out what it considers strong evidence that weapons are being funneled to Iraq some are asking, why bring forward that information now? And what is the Bush Administration planning to do next." ABC (Hendren) added, "Top US officials insist they have no plans of attacking Iran. Defense Secretary Robert Gates made this point only Friday. But if diplomacy fails, the military options are very limited. A ground war is probably unthinkable. US troops are stretched thinly in Iraq and Afghanistan already. And they would face a better-equipped military in Iran."

The New York Times (2/12, A1, Glanz, 1.16M) reports on its front page, "After weeks of internal debate, senior United States military officials on Sunday literally put on the table their first public evidence of the contentious assertion that Iran supplies Shiite extremist groups in Iraq with some of the most lethal weapons in the war. They said those weapons had been used to kill more than 170 Americans in the past three years." The officials also asserted, "without providing direct evidence, that Iranian leaders had authorized smuggling those weapons into Iraq for use against the Americans." The officials "said such an assertion was an inference based on general intelligence assessments." However, the Times says "that inference, and the anonymity of the officials who made it, seemed likely to generate skepticism among those suspicious that the Bush administration is trying to find a scapegoat for its problems in Iraq, and perhaps even trying to lay the groundwork for war with Iran."

Also on its front page, the Washington Post (2/12, A1, Partlow, 690K) says, "With so much official US buildup about the purported evidence of Iranian influence in Iraq, the briefing was also notable for what was not said or shown. The officials offered no evidence to substantiate allegations that the 'highest levels' of the Iranian government had sanctioned support for attacks against US troops. Also, the military briefers were not joined by US diplomats or representatives of the CIA or the office of the Director of National Intelligence."

USA Today (2/12, Michaels, 2.27M) reports the US officials said that "much of the Iranian weaponry found in Iraq was manufactured last year, indicating the munitions were recently shipped into Iraq and were not Saddam-era weapons."

The AP (2/12, Hurst) adds, "The display appeared to be part of the White House drive that has empowered US forces in Iraq to use all means to curb Iranian influence in the country, including killing Iranian agents." Similarly, in a front page report, the Washington Times (2/12, A1, Gertz, 88K) calls the briefing the "first Bush administration effort to expose details of Iranian support for extremists that has been a growing problem."

The Los Angeles Times (2/12, Susman, 850K) notes the "unveiling came amid discomfort from Iraqi government officials, who have made clear they don't want to be in a diplomatic cross-fire between the United States and Iran."

Democrats Warn Administration To Move Cautiously On Iran. NBC Nightly News (2/11, story 2, 2:35, Seigenthaler, 9.87M) reported in Washington "these latest claims by coalition officials are being greeted with some skepticism by some Democrats and raising questions about whether or not the Administration could be preparing another case for war." NBC (Yang) added, "Key Democrats expressed serious doubts about his Administration's case that Iran is involved in the Iraq war." And "for some the claims recall the build-up to the war in Iraq."

The AP (2/12) reports, "Skeptical congressional Democrats said Sunday the Bush administration should move cautiously before accusing Iran of fomenting a campaign of violence against US troops in Iraq." The Congressmen spoke on the morning talk shows as the US military delivered its

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briefing in Baghdad. For example, Sen. Christopher Dodd on CBS's Face the Nation (2/11, Schieffer) said, "I read the same report, but I'm also concerned about some of these reports coming out of intelligence analysts. … That's how we got into the mess in Iraq. That's why some of us supported those resolutions because of doctored information." Dodd added, "You need to engage the people in the region if you've got some hope of solving those problems short of military conflict. … And it seems to me until we engage them in some way on a multiple of issues, including this one, it's only going to get worse. Diplomacy is not a favor to your enemy. It's how you extend your interests in the region. We ought to be doing more of it, not less."

Sen. Jack Reed, also on Fox News Sunday (2/11, Wallace), called the evidence "confused," saying, "The question is: Is this a deliberate policy of the Iranian government at the highest levels? Is it rogue elements within the government? And then the other question is to what extent are there countervailing signals that the Iranians actually are trying to -- not control, but not to further raise the stakes in Iraq."

Kerry Says The Iranian Government Wants A More Stable Iraq. Sen. John Kerry was asked on ABC's This Week (2/11, Stephanopoulos) if he believes the administration when they say they are not preparing to attack Iran, Kerry answered, "That remains to be seen. You're going to have a skeptical Congress, and appropriately so, because of the last experience with Iraq. We need to ask tough questions. We will. … Nobody questions that there are weapons flowing across the border. … The key here is to listen to the Iraq Study Group, listen to those of us in Congress who have said, we've got to engage in the region, fully. That means engage with Syria, engage with Iran. … And every leader in the region and every observer, every expert here in our country, tells us that Iran does not want a complete and total implosion in Iraq. Do they want to make mischief for us now? Yes, because there are issues of tension between us. But ultimately, they want an Iraq that is stable."

Wyden Says Bush Must Get OK From Congress Before Attacking Iran. Sen. Ron Wyden, on CNN's Late Edition (2/11, Blitzer), noted that "we've been waiting in the United States Senate for a full-scale briefing from the administration with respect to Iran. They have been putting it off for days and days. We ought to have those facts. … I think what's really needed in the region is a diplomatic surge. and I think the country wants to hear that as well. … I want to make it also clear that I and others in the Senate are going to insist if there is any effort to go to war with Iran, the president would have to come to the United States Congress, and Congress would first have to approve it. … The administration is engaged in a drumbeat with Iran that is much like the drumbeat that they did with Iraq. We're going to insist on accountability. They'll have to come to the Congress, and Congress will have to vote to approve it before their support.

Asked on Fox News Sunday (2/11, Wallace) to respond to allegations that some explosive devices found in Iraq "are coming from the highest levels of the Iranian government," Senate minority leader Mitch McConnell said, "we're going to protect our forces in Iraq, and if there are Iranians in Iraq, inside Iraq, seeking to do harm to our soldiers, of course we'll take the appropriate action. … There's no indication that any of this has to do with going beyond Iraq. But inside Iraq, if there are foreigners in there seeking to harm American soldiers, certainly we're going to respond to that." Despite repeated questioning on the point McConnell declined to condone US operations within Iran as an appropriate response to the new allegations.

Sen. Trent Lott, on CBS's Face the Nation (2/11, Schieffer) said, "I haven't had an in-depth briefing but we do know that they've become more deadly. And there's reason to believe they're coming from Iran. We should take actions to try to stop them. You do that by interdiction, though."

Sen. John Cornyn, on CNN's Late Edition (2/11, Blitzer), said, "this is obviously extremely serious evidence that Iran has been involved in supplying these kinds of weapons to Shia militants. … And I will tell you that we have to do everything within our power to stop it, and I'm confident we will."

Ahmadinejad Vows Not To Stop Enrichment As Aid Suggests Willingness To Talk. ABC World News (2/11, story 2, 1:00, Muir, 8.78M) reported on the 28th anniversary of that Iran's Islamic revolution, "Hundreds of thousands rallied in the streets of Tehran, as the Iranian President Madhmoud Ahmadinejad marked the anniversary with defiance, saying the country will not give up its nuclear program." ABC notes that Diane Sawyer is in Iran to interview the Iranian president.

The New York Times (2/12, A8, Fathi, 1.16M) reports Ahmadinejad vowed "not stop its nuclear program," but "stopped short of making a promised announcement about 'good news' in the country's nuclear progress, raising speculation that domestic political pressure and technological glitches may have put off a milestone in the government's efforts to begin mass enrichment of uranium." In addition, he "accused Western governments of making false promises of aid to lure Iran into giving up its program at a moment when it holds great promise."

The Los Angeles Times (2/12, Murphy, 850K) says Ahmadinejad had been expected to "announce progress on Iran's uranium enrichment program," including the "beginning stages of installing industrial-scale uranium enrichment centrifuges at an underground site at Natanz."

Meanwhile, the Washington Post (2/12, A12, Whitlock, Ricks, 690K) reports, "Iran's president and national security

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chief on Sunday offered to resume negotiations over their country's nuclear program and eased up on some of the contentious rhetoric of the past, including threats to destroy Israel." In Munich, Ali Larijani, Iran's top nuclear negotiator, "briefly met with European diplomats for the first time since talks collapsed in September and said Iran was willing to return to formal discussions." He also said his country had "no intention of aggression against any country," adding that Iran "posed no threat to Israel" in particular. In Tehran, President Mahmoud Ahmadinejad "also said that Iran was willing to resume negotiations, although both he and Larijani rejected a condition for talks set by the U.N. Security Council that Iran first freeze its uranium enrichment program."

The Financial Times (2/12, Smyth, Fidler, Sevastopulo) adds, "European officials said the meeting was too brief to ascertain whether Mr. Larijani's comments represented a potential breakthrough."

The Christian Science Monitor (2/12, Peterson, 59K) notes that while Ahmadinejad made his announcement, "a far more conciliatory -- and unexpected -- message was offered to Western security chiefs" by Larijani, who "said that Iran is ready to resolve within three weeks all issues with the UN nuclear watchdog agency." Larijani's words indicate "that despite Mr. Ahmadinejad's tough rhetoric -- or perhaps because of it -- Tehran has grasped how sensitive Iran's position has become, analysts say. But diplomats reacted with skepticism, even as they tried to find a compromise on the issue of enrichment."

Krugman Says Attacking Iran Would Be A Mistake. The New York Times' (2/12) Paul Krugman writes, "Attacking Iran would be a catastrophic mistake, even if all the allegations now being made about Iranian actions in Iraq are true. But it wouldn't be the first catastrophic mistake this administration has made, and there are indications that, at the very least, a powerful faction in the administration is spoiling for a fight." In particular, Krugman questions why would the Administration be "really planning to attack Iran, when it's so obvious that another war would be a recipe for even bigger disaster. But remember who's calling the shots: Dick Cheney thinks we've had 'enormous successes' in Iraq."

US Troops Begin Baghdad Push. The New York Times (2/12, Oppel, Cave, 1.16M) reports, "American troops locked down a large industrial area of eastern Baghdad on Sunday while Prime Minister Nuri Kamal al-Maliki, without indicating how he would do it, vowed to speed the deployment of Iraqi forces throughout the war-ravaged capital." The Americans took fire and "detained 10 Iraqis while searching for a car-bomb manufacturing site in the area." Many in Iraq "view [the surge] as a last-ditch effort to save the country from all-out civil war." The Times says of Maliki's vow, "It remains unclear just how fast that deployment will take place, because only a portion of the Iraqi forces called for under the new Baghdad security plan are in position. And if the Iraqis who accompanied American soldiers during the 14-hour mission on Sunday were an accurate barometer, most are skeptical that the latest plan will make much difference."

Tikirit Police Station Bombing Kills 9. The Washington Post (2/12, A12, Londono, Al-Izzi, 690K) reports, "Nine police officers were killed Sunday near Tikrit when a suicide bomber drove up to a police station and detonated explosives hidden under hay on the bed of a truck, the U.S. military and Iraqi officials said." Meanwhile, Prime Minister Maliki "said Sunday that the Baghdad security plan ... will speed up this week."

Insurgents Step Up Anti-Helicopter Efforts. The New York Times (2/12, Glanz, 1.16M) reports, "A deputy commanding general in Iraq whose duties include aviation said Sunday that insurgents had adopted new tactics and stepped up their efforts to shoot down American helicopters, and he acknowledged that the rash of recent incidents included a previously unreported downing of a Black Hawk late last month." Maj. Gen. Jim Simmons admitted an "unreported incident ... on Jan. 25 near the Euphrates River town of Hit when a Black Hawk was struck by automatic weapons fire" in which nobody was killed. He "said he also believed that the insurgents might be especially motivated to shoot down helicopters as a way of discrediting the new American and Iraqi security plan." A "troublesome" tactic he cited is firing "on helicopters with heavy machine guns from more than one direction at once." Simmons "acknowledged for the first time that the American military had altered its flight patterns and schedules as a result of the downings." A Brookings Institution study "indicates that since the beginning of the conflict, 57 American military helicopters have either crashed or been shot down." The Washington Post (2/12, A12, Londono, Al-Izzi, 690K) also quotes Simmons.

Last Two Weeks In Iraq Said To Have Been "Demoralizing" For US Troops. U.S. News and World Report (2/19, Whitleaw, Mulrine, 2.03M) reports, "For now, Democrats and Republicans in Congress are tying themselves in knots trying to respond to the new strategy President Bush laid out last month for Iraq-his Plan B. The president's critics have focused on his call for a so-called surge of 21,500 U.S. troops, but Plan B is a broader shift that makes American soldiers responsible (for the first time) for keeping the Iraqi people safe. The new security plan is still taking shape, with additional U.S. troops moving into Baghdad. But the past two weeks have been demoralizing, with a handful of U.S. helicopters shot down and Baghdad convulsed by its own surge of suicide bombings and sectarian killings. Even U.S. officials admit privately that Plan B is a long shot, alarmingly dependent on the performance of

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an Iraqi government that has yet to demonstrate much by way of resolve." Defense Secretary Robert Gates "told a Senate panel last week that he is 'planning for success' but conceded that he has ordered Pentagon officials to look at fallbacks. … Unfortunately, the options for Plan C range from ugly to abhorrent-underscoring exactly how much is riding on Bush's Plan B."

US Studying Recent Attacks On Helicopters. Newsweek (2/19, Hosenball, Ephron, 3.12M) reports, "Six U.S. choppers (including two belonging to a private security company) have crashed in Iraq since Jan. 20, killing a total of 27. Investigators have concluded four were shot down. … A U.S. counterterrorism official said it looks as if some Iraqi fighters have been getting special training lately on how to down helicopters." Newsweek notes, "Part of the problem is that helicopters are vulnerable at almost any altitude. … The fear of crashes aside, many soldiers still prefer flying to travel by roads, where IEDs (improvised explosive devices) account for nearly 40 percent of American fatalities. Cutting back on chopper use would be a serious blow to U.S. mobility in Iraq. But if insurgents continue to improve their aim, the counterterrorism official said, the military would need to find safer ways to move soldiers."

Wolfowitz's Claim That Iraq Could Finance Its Own Reconstruction Noted. U.S. News and World Report (2/19, Pethokoukis, 2.03M) reports, "what's the running tally on America's 21st-century military expeditions? So far $427 billion has been appropriated for 'operations in the Global War on Terror.' Tack on the funds requested in the new budget, and the total is $662 billion. War doves and budget hawks will recall that when former White House economic adviser Lawrence Lindsey estimated the cost of the war in Iraq to be between $100 billion and $200 billion, then Deputy Secretary of Defense Paul Wolfowitz scoffed, 'We are dealing with a country that can really finance its own reconstruction, and relatively soon.'"

US Embassy In Baghdad Having Trouble Employing Locals. The Washington Post's(2/10, A15) Al Kamen writes in his "In the Loop" column that the Pentagon and the State Department "have been squabbling quite publicly over State's request to have the already-stretched military fill about 40 percent of the 300 new State jobs in Iraq created by the administration's latest rebuilding plan." In addition, Kamen says the US Embassy in Baghdad is finding it increasingly difficult to get local Iraqis to work there "because of what one senior official at the embassy called the 'precarious security situation' in the country."

"Thousands Of" Army Humvees Reportedly Lack Armor Upgrade. The Washington Post (2/12, A1, Tyson, 690K) reports in a critical article, "The Army is working to fill a shortfall in Iraq of thousands of advanced Humvee armor kits designed to reduce U.S. troop deaths from roadside bombs -- including a rising threat from particularly lethal weapons linked to Iran and known as 'explosively formed penetrators' (EFP) -- that are now inflicting 70 percent of the American casualties in the country, according to U.S. military and civilian officials." However, "U.S. Army units in Iraq and Afghanistan lack more than 4,000 of the latest Humvee armor kit, known as FRAG Kit 5, according to U.S. officials. The Army has ramped up production of the armor, giving priority to troops in Baghdad, but the upgrade is not scheduled to be completed until this summer, Army officials said." The Army "has struggled to keep up with demands for new armor to protect against increasingly deadly bombs. In the case of FRAG Kit 5, the Army quickly produced a bolt-on version in limited quantities, while the permanent version has taken longer than expected to develop, test, produce and install." Furthermore, "there is no guarantee that even the latest armor -- which reinforces the doors -- can prevent deaths from EFPs, defense officials have emphasized."

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Congress Urged To Take Back Oversight Of US Attorneys. The Toledo Blade (2/12) editorializes, "By most accounts, the Bush Administration has gone further in infusing the federal government with partisanship than any administration in modern history. That is why Congress should enact legislation to ensure that the White House doesn't undertake unnecessary political mischief in the appointment of federal prosecutors." The Blade continues, "Assistant U.S. attorneys, the 5,200 men and women who prosecute federal crimes, traditionally have been commissioned by the president and confirmed by the Senate. Typically, a new president replaces the entire crew with supporters. … But last year, Sen. Arlen Specter, Republican of Pennsylvania, quietly inserted into reauthorization of the Patriot Act a provision to allow appointment of such prosecutors on an interim but indefinite basis - without Senate consent." The Blade adds, "The action came to light at Christmas time as seven assistant U.S. attorneys were summarily fired by the Justice Department. One, who had been in the post in Little Rock, Ark., for five years, was replaced by a former aide to Karl Rove, President Bush's political hatchet man. … Any government maneuver involving Mr. Rove is immediately suspect, to be sure, and the episode raised suspicions that skulduggery was afoot. Favoritism and political influence are this administration's basic tools. Remember 'Brownie' at FEMA?" The Blade notes, Attorney General Alberto Gonzales, empowered to make the interim appointments, is vague about the need for the new law. He told the Washington Post that political

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appointees are subject to removal for any - or no - cause, and he added obliquely that the administration might be inclined to replace personnel to get 'better results.' … Maybe so, but more likely the new law is a thin disguise for some sort of shenanigan. According to the Post, the prosecutor sacked in Little Rock was told his removal was no reflection on his work, that officials in Washington just wanted to give his job to the other guy." The Blade concludes, "Who is prosecuted and for what crimes should not be a matter of partisan whim, or even appear to be. Congress should act now to take back its oversight role on assistant U.S. attorneys from a power-hungry president."

CORPORATE SCANDALS:

Former McAfee Counsel Could Face Options Charges. The Wall Street Journal (2/12, A10, Bandler, Maremont) reports, "Federal prosecutors are readying criminal charges related to alleged backdating of stock options against a former general counsel of McAfee Inc., Kent Roberts, according to people familiar with the matter." The Journal continues, "The charges are likely to be filed in the next few days, a person familiar with the situation said, but the person added that the actions could be delayed for at least a week. If charged, Mr. Roberts would become the sixth person charged with criminal offenses in the widening federal probe into stock-options backdating, which is examining conduct at about 140 companies. The pace of investigations appears to be quickening, and more criminal and civil charges are expected in coming weeks." The Journal adds, "Mr. Roberts was fired by McAfee in May 2006. At the time, the company said it took the action after it 'became aware of one episode involving the General Counsel in 2000 that was improper.' The company hasn't explained further. Mr. Roberts received options dated April 14, 2000, to buy 20,000 shares at $19.75, a deep low in the company's stock price, according to a Securities and Exchange Commission filing. Shares rose to more than $25 that month." The Journal notes, "Conduct at McAfee is being investigated by prosecutors at the office of the U.S. attorney for the Northern District of California, in San Francisco, who are handling several high-profile criminal probes into backdating. It isn't clear if Mr. Roberts will cooperate with prosecutors, who often seek the help of lower-level officials in their continuing investigation of high-ranking executives. The SEC also is probing stock-option practices at McAfee."

Options Probes Cited As Factor In Record Number Of Restatements. The Wall Street Journal (2/12, C7, Reilly) reports, "Publicly traded companies filed 1,876 restatements of financial results in 2006, setting a record for corrections of financial statements while showing that many still are struggling to get the accounting right for both simple and complex transactions." The Journal continues, "In a sign that some of the corporate-governance changes enacted this decade may be taking root, the number of restatements filed by large companies fell in 2006, the first such decline since 2001, according to a study by audit research firm AuditAnalytics. Large companies -- those having more than $700 million in stock that the public is able to buy -- filed 196 restatements in 2006, a nearly 20% drop from the previous year." The Journal adds, 'By contrast, companies with a public float of less than $75 million, which don't yet have to follow rules related to checks on their internal controls, continued to have restatements climb. In 2006, U.S. companies in this category filed 1,108 restatements, a 42% jump from the previous year. This group accounted for more than two-thirds of the 1,608 restatements filed by U.S. companies. 'Presumably the difference is because internal controls are working better,' said Mark Cheffers, chief executive of AuditAnalytics." The Journal notes, "Restatements of financial results are akin to a product recall and mean that investors no longer can rely on figures companies previously provided and which may have formed the basis for their decision to buy or sell stocks or bonds. Restatements, a black mark both for financial executives within a company and its outside auditors, once were fairly rare and occurred only when major problems were found. … That changed in the wake of corporate scandals such as Enron and WorldCom. Auditors who generally missed the frauds that rocked markets began doing a more-thorough job than they did during the technology boom. The Sarbanes-Oxley Act, passed in 2002, also created a regulator for accounting firms, causing them to further improve audits. Finally, Sarbanes-Oxley mandated that corporate executives attest to having internal systems designed to prevent accounting mistakes and fraud, and that auditors check these mechanisms, known as internal controls. … Combined, the changes caused restatements to soar to 1,876 in 2006 for both U.S. and foreign companies filing with the Securities and Exchange Commission, according AuditAnalytics. Restatements last year rose 17% from 2005 and compare with just 452 restatements in 2001."

Questions Raised About Conflicts For CNBC Anchor. The New York Times (2/12, Thomas) reports, "In November 2005, Citigroup gathered top clients at a lush spa resort in Napa Valley for two days of wine tasting and a chance to road test some of the hottest luxury cars on the market." The Times continues, "The test drivers included Todd S. Thomson, then the chief executive of Citigroup's wealth management arm, car collectors, clients of the bank and Maria Bartiromo, the CNBC anchor and celebrity guest. … Their charge: To pick the 2006 car of the year for Robb

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Report, the luxury magazine. Like many of the judges, Ms. Bartiromo chose the bright red Ferrari Spider, according to one attendee. So did Mr. Thomson, a car enthusiast." The Times adds, " With its blend of high living, glitz and privileged access, the event provides a glimpse of the rarefied world inhabited by Ms. Bartiromo, who, in her years as CNBC's most recognizable face, has lent to the reporting of once gray business news a veneer of gloss and celebrity. … Socializing with sources is a long journalistic tradition, especially for television personalities whose renown often allows them to travel in the same elite circles as their subjects. … But for Ms. Bartiromo, who accompanied Mr. Thomson last fall on Citigroup's corporate jet to a series of client and other bank-sponsored functions in China, her ability to gain entree into the exclusive and mostly male world of chief executives and financial titans has made her a valuable commodity to CNBC." The Times notes, "After Mr. Thomson's abrupt departure from Citigroup, however, such ties have raised questions about her closeness to her sources, all of whom she also covers as the cable network's top anchor. CNBC has said that it paid commercial fare to Citigroup for Ms. Bartiromo's trip to China. And last week, Jeffrey R. Immelt, the chief executive of General Electric, CNBC's parent, voiced his support for Ms. Bartiromo and the cable network."

CRIMINAL LAW:

Testifying At Libby Trial Seen As Carrying Risk For Cheney. Under the headline "Cheney Testimony In Libby Trial Would Carry High Risk," the New York Times (2/12, Shane, Rutenberg, 1.16M) reports Vice President Dick Cheney "has dominated the trial of I. Lewis Libby Jr. without even showing up in the courtroom," and now he "is expected to make a historic appearance on the witness stand. It is an act of loyalty that carries considerable risk for Mr. Cheney, a powerful figure in the administration who has in recent months suffered a series of major political and policy setbacks. If he testifies, Mr. Cheney will bring to the jurors the awesome authority of his office," but under cross-examination, "the vice president may be forced to describe in uncomfortable detail how he directed the counteroffensive on Joseph C. Wilson." Further, if "Cheney makes a statement that conflicts with the public record — and nearly every witness so far has done so at least once — it could prove embarrassing for him and for the administration."

Meanwhile, under the headline "A Historic Moment if Cheney Testifies Live, as Expected," the New York Times (2/12, Johnston, 1.16M) reports that "Cheney would be the first sitting vice president, at least in modern times, to appear as a witness in a criminal trial. And if he testifies in court, he may also be the first to give live testimony in defense of a subordinate's actions on his behalf, legal historians said." Cheney's testimony "would break with one of the closest historical parallels, when former President Ronald Reagan testified in 1990 via videotape as a defense witness in the trial of his former national security adviser, John M. Poindexter." The Times notes that Reagan's "appearance seemed to have little direct impact on the trial, but it created a permanent historical record of his failing memory, which would have been preserved through a printed transcript had he appeared as a live witness but would not have caused the same impact as the widely broadcast videotape."

Cheney Increasingly Criticized By Former Conservative Backers. Under the headline "Cheney Backers Grow Restive," the Wall Street Journal (2/12, A8, Dreazen, 2.04M) reports "Cheney's diminished popularity outside the White House hasn't affected his power within the Bush administration, where he continues to hold considerable clout." But "as his standing erodes among the administration's most conservative supporters, Mr. Cheney finds himself being criticized by former allies and emerging as a focal point for Republican anger about the war in Iraq. … It is a shift for Mr. Cheney, who remained popular with conservatives as his support among the general public declined." The Journal adds, "A number of conservative figures outside the administration offered three reasons for their displeasure with Mr. Cheney. They point first to Iraq, expressing concerns Mr. Cheney was in denial about how bad the situation was in the country and about the war's political cost for Republicans. Second, they say Mr. Cheney was finally caught up in conservative anger at Mr. Bush for not limiting government spending or balancing the budget. Lastly, some conservatives say they are uncomfortable with Mr. Cheney's support for his daughter Mary's decision to have a child and raise it with her partner, another woman."

Glimpse Of Which House "Inner Workings" Seen As Trial's Biggest Draw. The Christian Science Monitor (2/12, Feldmann, 59K) reports that "what has captured the fascination of the press and observers of the Bush administration is how this case has pulled back the curtain on the inner workings of a White House known for being secretive and on the ways of elite Washington – much of it less than flattering. And even if the perjury trial of a former aide may seem to be a sideshow to the weightier issues of the day, the context of the Libby trial remains central: the runup to the Iraq war and its aftermath when the rationale for the war came under question." Georgetown law professor Paul Rothstein said of the trial, "In the public mind, it stands for, "Was Bush lying about the war, and was he willing to destroy a woman's career to cover up a lie about the war?" … The case doesn't actually go that far, but that's how it will be read if Libby is convicted."

Libby Defense To Call Several High-Profile Journalists. USA Today (2/12, Willing, 2.27M) reports Libby's lawyers "are scheduled to begin their case today by

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calling a brace of high-profile journalists to give testimony they hope will clear Libby of perjury and obstruction charges. Among those likely to be called, according to court transcripts: NBC's Andrea Mitchell, Bob Woodward of The Washington Post, Evan Thomas of Newsweek and Jill Abramson, managing editor of The New York Times." USA notes, "Theodore Wells, Libby's lead counsel, has said in court filings and statements to the court that he'll call these journalists to show there was no 'plot' to unmask Plame's identity and that talk of her CIA job was widespread. … The defense may also pit journalists from the same newspapers or networks against each other."

However, the Washington Post (2/12, A3, Leonnig, 690K) says in its headline that the "Media Figures May Be Reluctant Defense Witnesses," and notes, "In several ways, those witnesses will be asked to raise doubts about the testimony and accuracy of other reporters, and some may end up tarnishing themselves or their sources."

Russert Said To Lack Sufficient "Outrage." In a Los Angeles Times (2/12, 850K) column, reporter Scott Collins writes that Tim Russert's testimony at the Libby trial exposed "Washington's deeply cynical attitude toward 'Meet the Press,' a venerable, 60-year-old staple of network TV and the No. 1-rated Sunday news talk show. … A former Cheney press aide testified…that she pushed to get the vice president on Russert's show to bat down negative news because it was 'our best format,' a program where political handlers can 'control the message,'" and "to Russert's longtime critics, this was an a-ha! moment." Arianna Huffington said that at Libby's trial "she found fresh confirmation for her view of Russert as one of the media handmaidens who carried water for the Bush administration in the run-up to the Iraq war. 'When we started RussertWatch, we didn't know he was on Dick Cheney and [ex-aide] Mary Matalin's list of ways to get their message out,' Huffington told me Friday." Collins adds, "Outrage is the reporter's ultimate stock in trade," but "Russert doesn't do outrage."

FBI Criticized For Not Recording Interviews. In his New York Times (2/12, 1.16M) "Sidebar" legal column, reporter Adam Liptak writes that Libby trial jurors "must rely on an F.B.I. agent's recollection, based on notes taken at the time. … Why is the Federal Bureau of Investigation still using Sherlock Holmes methods in the YouTube era? … "Deborah S. Bond, the F.B.I. agent who testified about two interviews with Mr. Libby, said her notes were pretty good but not perfect." Liptak notes, "The F.B.I. reviewed its policy about a year ago, and decided to keep it." FBI General Counsel Valerie E. Caproni "defended the decision, saying that its specialized work required sensitive case-by-case judgments about when recording was appropriate. … Most important, Ms. Caproni said, suspects may clam up if they know they are being recorded. … But those objections seemed to crumble at the Libby trial. Mr. Libby was interviewed with his lawyer, and it is hard to imagine that the presence of a tape recorder would have changed what he said. And it seems only fair to make the most accurate record possible of statements that could send a man to prison. Ms. Bond, the F.B.I. agent, was repeatedly questioned about gaps in her notes."

FEC Warns Wilkes Over Failure To File PAC Disclosure Forms. Roll Call (2/12, Murray) reports that "media reports suggest that the Justice Department likely will indict" defense contractor Brenty Wilkes "any day for his alleged involvement in Cunningham's pay-to-play contract scandal. And now the Federal Election Commission could add to Wilkes' legal woes by prying into details involving his firm's political action committee. Just before Christmas, the agency sent a warning letter to Wilkes promising to fine, audit or worse…for failing to file campaign finance disclosure documents going back months on behalf of his company's PAC, ADCS Inc." However, election law lawyer Brett Kappel said that "there is little chance the agency will seek monetary penalties from Wilkes. … 'I have to think that the FBI investigation includes a campaign finance angle,' Kappel said. 'I would be extremely surprised if the FBI is not investigating the PAC and the campaign contributions by Wilkes and others.'"

New York FBI Supervisor's 1995 Statement About Mob Capo Released. The New York Post (2/12, Ginsberg) reports, "Dogged by accusations of corruption, mob-busting FBI supervisor Lindley DeVecchio sat down with Justice Department investigators in May 1995 to defend his relationship with the Colombo capo who'd been his source for 13 years. … What he said helped save his job and his freedom - and it could do so again." The Post continues, "The confidential sworn statement was finally made public last week as part of a massive defense motion to get the Brooklyn district attorney's quadruple-murder case against the former G-man tossed. … In it, DeVecchio concedes that handling Colombo capo Gregory 'The Killing Machine' Scarpa Sr. was tricky. … 'I established an excellent rapport with Scarpa Sr., but I always remembered that he was a "wiseguy" and I was an FBI agent,' DeVecchio wrote, under oath and with a grant of immunity." The Post adds, "Scarpa dealt only with DeVecchio, a departure from FBI protocol. DeVecchio said FBI brass green-lighted the one-on-one relationship after the gangster himself penned a note asking that an exception be made in his case. … Under Justice Department rules, nothing DeVecchio said in the statement can ever be used against him. … Although the current allegations are different from the ones 12 years ago, DeVecchio's lawyers contend some of the off-limits

statements were the indirect basis for the current case. … DeVecchio is charged with helping the mob plot murders."

Medicare Beneficiaries "Hoodwinked" By Agents Peddling PFFS Plans. U.S. News and World Report (2/19, Andrews, 2.03M) reports, "When two insurance agents showed up at Dorothy and Charles Holt's Visalia, Calif., home last spring, they offered a deal that seemed too good to pass up. … The agents said the new policy would not replace their coverage under the regular Medicare plan; it would just make it better." But "it wasn't long before they started running into trouble. The Holts found out that the SecureHorizons plan had indeed replaced their original Medicare plan, which allowed them to see most any doctor. … When the Holts tried to get out of the plan, they were told they were locked in until 2007. Finally, after filing a complaint with the federal Centers for Medicare and Medicaid Services, writing their legislators, and enlisting the assistance of the local Health Insurance Counseling and Advocacy Program, they were allowed to go back to regular Medicare. But they're worried that other seniors could be hoodwinked. … The plan the Holts signed up for was a Medicare 'private fee-for-service' plan (PFFS), a relatively new option that resembles traditional Medicare in that it generally doesn't limit beneficiaries to a defined network of providers."

WPost Urges Action Against Guns In DC Nightclubs. The Washington Post (2/12, A16) editorializes, "The shooting of a 17-year-old girl in a Northwest nightclub opened a window into the District's world of nightspots that attract young people. It's one involving music, dance, alcohol and, too often, violence. City officials are right to look for ways to improve the safety of people of all ages who go to these establishments. Yet some issues central to the death of this young woman are being given short shrift in a rush to a solution." The Post continues, "Much of the debate spurred by the Jan. 20 death of Taleshia Ford has centered on whether people under age 21 should be allowed to attend clubs that serve alcohol. D.C. … D.C. Council member Jim Graham (D-Ward 1) is sponsoring legislation that would require any District club, bar or restaurant with entertainment to obtain a special permit in order to admit anyone younger than 21 after 11 p.m. Those underage shouldn't drink; businesses that serve alcohol to minors should be prosecuted, and we don't think there is an inherent birthright for teenagers to go to nightclubs. But alcohol had little to do with the shooting in the Smarta/Broadway club. She was a bystander when the club's bouncer scuffled with a patron carrying a gun and it went off. Police say she was killed by accident." The Post adds, "Equally urgent is a point made by D.C. Acting Attorney General Linda Singer as she challenged the city to take a more aggressive approach in keeping guns out of such places. … Ms. Singer, in testimony to the D.C. Council, has suggested exploring whether certain establishments should be required under specific conditions to have armed D.C. police officers in place to screen for weapons through a reimbursable arrangement. Ms. Singer's emphasis on guns being the true scourge is indeed welcome and we hope will be a priority of her office."

CIVIL LAW:

Maximus In Medicaid Claims Settlement Talks With DOJ. The Washington Times (2/12, Mcelhatton) reports, "U.S. Department of Justice criminal division lawyers say a Reston-based government consulting company either 'willfully or recklessly' submitted inaccurate Medicaid claims on behalf of the D.C. government, the company recently disclosed." The Times continues, "Officials with Maximus Inc. said in a recent Securities and Exchange Commission (SEC) filing that they disagree with the criminal division lawyers' assessment. The company also said it is engaged in ongoing talks with the Justice Department concerning a potential civil settlement, the SEC filing states. … Federal authorities began investigating Maximus' work for the District more than two years ago." The Times adds, "Though not outlined in the SEC filings, unsealed court records show that investigators have reviewed accusations in a False Claims Act lawsuit in which a former employee says the company overcharged the government tens of millions of dollars while Maximus was working for the District's foster care agency. … No charges have been filed against the company. Last week, Maximus first disclosed in SEC filings that Justice Department criminal division lawyers 'have expressed their view that the company either willfully or recklessly submitted inaccurate claims to the federal government on behalf of the District of Columbia.' … 'Maximus disputes that view,' company officials said. 'Nevertheless, the criminal division attorneys have referred the company to attorneys for the civil division to determine if a civil resolution of the matter is possible. Those discussions are ongoing.' … A spokesman for Jeffrey A. Taylor, U.S. attorney for the District, on Friday declined to comment, saying the matter is pending. There is no indication from Maximus' latest SEC filing that the criminal probe has concluded."

ANTITRUST:

EMI In Talks To Eliminate Music Copyright Protection. USA Today (2/12, 1B, Graham) reports, "The music industry is looking ahead to life without copy protection. … Major label EMI — home of Coldplay and Norah Jones —

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is in discussions with online music stores about selling its music without copy protection, or digital rights management (DRM), according to two sources with direct knowledge of the talks who would not speak for attribution because discussions are ongoing." USA continues, "Last week, Apple CEO Steve Jobs created a huge stir when he called on the music industry to dump DRM, saying it hinders sales. Yahoo Music general manager Dave Goldberg predicts that by Christmas, most of Yahoo's catalog will be DRM-free. … 'The labels understand that DRM has to go,' he says. 'It's nothing but a tax on digital consumers. There's good momentum behind DRM going away.' … He says sales would increase by 15% to 20% without DRM. Consumers have bitterly complained about DRM, which puts rules on how a song can be used. For instance, songs bought at Apple's iTunes Store can be easily played only on an iPod, and not on digital devices from Microsoft and SanDisk." USA adds, "Big four music labels EMI, Warner, Sony BMG and Universal long have said they must have their work protected against piracy. Last week Warner reiterated its support for DRM. .. Meanwhile, online piracy has continued to grow. Some 15 billion songs were downloaded for free via unauthorized file-sharing services in 2006, says measurement firm BigChampagne. Album sales continue to tumble — down 15% so far in 2007 according to Nielsen SoundScan — and labels are exploring options. … EMI, in fact, offered a non-copy-protected song from Jones on Yahoo Music and eMusic in late 2006."

Hindalco To Purchase Novelis For $3.43 Billion. . The Wall Street Journal (2/12, A11, Wonacott, Glader) reports, "Corporate India's emergence as a force in global deal making accelerated with Hindalco Industries Ltd.'s agreement to pay $3.43 billion for Novelis Inc., a maker of rolled aluminum used in products such as beer cans and cars." The Journal continues, "The deal, announced yesterday, comes about two weeks after India's Tata Group won the bidding for British steelmaker Corus Group PLC, an $11.3 billion deal that was the biggest foreign acquisition by an Indian company. Hindalco's purchase of Novelis, which is incorporated in Canada and has its headquarters in Atlanta, would be the second-largest and underscores the drive of Indian companies to expand overseas by targeting struggling manufacturers and niche players in Western markets." The Journal adds, "The combined entity would be one of Asia's largest aluminum producers and the world's biggest maker of rolled aluminum by production, the companies said. Novelis's aluminum is also used in automobile manufacturing and in construction. … India's Aditya Birla Group, which owns Hindalco, has been growing rapidly across a broad spectrum of industries, from cement and chemicals to telecommunications and financial services. … The Novelis acquisition mirrors other recent Indian bids to buy North American and European companies that may be struggling in their home markets. Earlier this month, Tata beat out a rival bid from Brazil's Cia. Siderurgica Nacional to win Corus. The rising price of iron ore and relatively high labor costs had squeezed margins for the British steelmaker."

Nasdaq's LSE Bid Lapses. The Financial Times (2/12, Beales) reports, "Nasdaq has conceded defeat in its most recent bid for the London Stock Exchange, saying on Saturday that the £2.7bn bid had lapsed without the US exchange receiving enough acceptances to control the LSE." However, Nasdaq also "indicated… that it would remain a long-term holder of LSE shares, saying it 'will monitor with interest how the business performs going forward.' Nasdaq cannot make another bid for the LSE for at least 12 months, but the stake it has accumulated is large enough to discourage other likely bidders."

The Wall Street Journal (2/12, Macdonald) reports, "Nasdaq Stock Market Inc. has failed in its bid to buy the London Stock Exchange Group PLC, its second attempt on the LSE. Nasdaq said that less than 1% of the LSE's shareholders had tendered their shares by today's deadline." Bob Greifeld, Nasdaq's chief executive "said he was 'disappointed' with the result but the exchange had shown itself disciplined in its bid by sticking to its valuation of the LSE." The Journal adds, "Nasdaq is now barred under British takeover law from renewing its bid for a year and declined to say Saturday what it planned to do with the 29.16% stake in the London bourse it retains."

The New York Times (2/12, Henriques) reports the failed takeover leaves both the LSE and Nasdaq "without a strong international presence at a time when stock trading has become an increasingly global business. NYSE Group, parent of the New York Stock Exchange, for instance, has made deals with three foreign exchanges within the last year. One of those deals was a limited alliance last month with the Tokyo Stock Exchange, which is now in talks" with the LSE "over what might become a similar relationship, according to one Tokyo exchange official. If the London and Tokyo exchanges paired up, it could put even more pressure on Nasdaq to find a foreign partner."

Vodafone Buys Majority Stake In Indian Company. The Wall Street Journal (2/12, A11, Bellman, Singer, Bryan-Low) reports, "Vodafone Group PLC's deal to acquire a majority stake in Indian cellphone operator Hutchison Essar Ltd. for $11.1 billion is expected to give the British company a perch from which to tackle one of the fastest-growing and most promising cellphone markets." But the high price "the world's largest cellphone-service company by sales is paying may test the patience of Vodafone shareholders just as Chief Executive Arun Sarin has been working to rebuild investor confidence." Vodafone, "which said it is assuming $2 billion in debt, said the deal values all

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of Hutchison Essar, India's fourth-largest cellular provider by number of subscribers, at $18.8 billion including debt." The Journal adds that Sarin "defended the price tag by pointing to the Indian market's fast growth. 'This is an excellent investment for our shareholders,' he said in a conference call."

ENVIRONMENT/INDIAN AFFAIRS:

Dingell Open To Considering Emissions Caps, Higher Fuel Economy Standards. The Wall Street Journal (2/12, A6, Hitt, 2.04M) reports, "As he begins a series of hearings on climate change, the chairman of the House Energy and Commerce Committee said he is open to considering caps on harmful carbon emissions and higher fuel-economy standards for autos. Many environmentalists worry that Rep. John Dingell (D., Mich.), a pivotal player in the looming climate fight in Congress and an ally of U.S. auto makers, could become a roadblock to meaningful legislation." Dingell "has long fought big increases in fuel-economy standards, and as Energy and Commerce chair, he has the power to block strict environmental regulations. His flexibility on such measures would boost the chances of them clearing Congress this year." Tomorrow, Dingell's committee will start "twice-a-week hearings on climate change, with sessions expected to run through at least mid-April."

Stevens's Change Of Heart Could Signal Turning Point On Fuel Economy Standards. The Los Angeles Times (2/12, Simon, 850K) reports, "For decades, Sen. Ted Stevens has battled environmentalists, but the Alaska Republican now finds himself in an unusual spot: pushing tougher fuel-economy standards for cars. Amid heightened concerns over global warming and U.S. dependence on foreign oil, Stevens is one of a number of lawmakers shifting gears in the debate over whether Congress should mandate stricter miles-per-gallon rules." His "change of heart illustrates how the landscape has shifted in Congress, and could signal a turning point in the long campaign by environmentalists — successfully fended off by Detroit — to toughen fuel-economy standards." Stevens is sponsoring legislation to raise fuel economy "standards for cars to 40 miles per gallon within a decade. Just two years ago, he voted against a similar measure." Legislation "to require an increase faces strong opposition from the U.S. auto industry and its congressional allies, who contend it would lead to lighter, less safe vehicles; threaten auto industry jobs; and limit consumer choice."

Many In Congress Expect Action This Year On Global Warming. The Washington Times (2/12, Bellantoni, 88K) reviews the climate-change legislation before Congress, writing, "More than a dozen competing measures have been introduced in Congress on the issue of global warming -- some minor, such as creating incentives for biofuel research, and others more drastic, such as taxing automakers for selling gas-guzzling sport utility vehicles." Democrats...and a growing number of Republicans...say this year the government will take significant action against climate change. They say President Bush helped the cause by mentioning it in his State of the Union address last month, as have the presidential candidates pushing the issue." House Speaker Nancy Pelosi "has promised to introduce a package of bills by June 1 aimed at cutting greenhouse gases, with a vote slated for July 4." Sen. Joe Lieberman, "a chief author of a leading global-warming bill, said there is a 'very diverse cavalry' calling for action."

California AG Defends Suit Against Automakers. In a letter to the Wall Street Journal (2/12, 2.04M) California Attorney General Edmund G. Brown Jr. responds to a Journal editorial that criticized his decision to continue his predecessor's suit against automakers over carbon dioxide emissions. Brown writes, "California's public nuisance case is well grounded in precedent. For more than 100 years the Supreme Court has allowed states to take legal action to prevent the destruction of their air and natural resources." The "Big Six automakers generate 20% of all of the human-made carbon dioxide emissions in the U.S., and at least 30% of such emissions in California." Brown adds, "Under our tripartite system of government, courts have an essential role to play, even in issues as complex as global warming." The issue "is a serious, unavoidable challenge and we need to face it. The path of litigation, first taken up by the auto companies, is not my preference. But a legal cease fire requires that both sides lay down their arms. We should use our considerable joint resources to help fashion a common sense and practical approach. I stand ready to do so."

WSJournal Praises Branson Carbon-Dioxide Contest. In an editorial, the Wall Street Journal (2/12, A14, 2.04M) writes, "Richard Branson's $25 million contest to solicit ways to remove carbon dioxide from the atmosphere has many things to recommend it. Not least that it is anything but climate-change politics as usual." Branson "is plunking down his own money for the prize, rather than asking middle-class taxpayers to pony up, à la the Kyoto Protocol and other top-down schemes favored by environmentalists and European politicians. Who knows whether it will prove possible to reduce existing stocks of CO2 from the atmosphere. We're pretty sure, though, that technology and innovation are far more likely to make it happen than Kyoto-style restrictions on emissions."

Alternative Energy Becoming More Cost-Competitive With Fossil Fuels. In a 3,400-word article, the Wall Street Journal (2/12, Smith, 2.04M) reports, "For years, the big criticism of alternative energy was cost: It

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was too expensive compared with energy based on traditional fuels like coal and natural gas." Now "the equation is showing significant signs of change. Costs are falling for some alternative-energy sources, driven by new technology and renewed development interest. Alternative energy still can't compete with fossil fuels on price. But the margins are narrowing, particularly since oil and gas prices have been rising." The Journal adds, "The math looks even more favorable if you consider the environmental cost of fossil fuels -- which most purely economic calculations don't." The Journal provides "a look at the economics of the various alternative-energy sources -- how much they cost now and what developments could make them more competitive."

Zakaria Argues That It Is Already Too Late To Avert Global Warming. Newsweek's Fareed Zakaria (2/19) writes, "The most inconvenient truth about global warming is that we cannot stop it. Please don't mistake me for a skeptic. I'm fully persuaded by the evidence that climate change is real and serious. … The trouble is, if you accept all these facts and theories about global warming, it is difficult to see how any human response launched today can avert it. The gases that are warming the Earth have built up over hundreds of years. They do not disappear or dissipate easily. Even if the world adopted the most far-reaching plans to combat climate change, most scientists agree that the concentration of greenhouse gases will continue to rise for the next few decades. In other words, global warming is already baked into Earth's future."

DC Court Of Appeals Rules Labor Laws Apply To Tribes. The San Diego Union-Tribune/Copley News Service (2/10, Sweeney) reports, "Indian tribes must comply with federal labor laws, an appeals court ruled (Friday) in a California case that could affect thousands of casino workers across the country." Copley continues, "The decision against one of the state's wealthiest tribes, the San Manuel band of San Bernardino County, also took another bite out of the immunity that tribes have long enjoyed as sovereign governments. … It was unclear how the ruling might affect an impasse between labor and five big Southern California tribes, including Sycuan of El Cajon and Pechanga of Temecula. The stalemate has blocked legislative ratification of expansive new gambling agreements that would authorize 22,500 more slot machines for the tribes." Copley adds, "A three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit concluded that San Manuel operated its thriving casino as a commercial enterprise, rather than a government operation. … 'The principle of tribal sovereignty in American law exists as a matter of respect for Indian communities. It recognizes the independence of these communities,' Janice Rogers Brown, a former California Supreme Court justice, wrote for the court. … 'But tribal sovereignty is not absolute autonomy, permitting a tribe to operate in a commercial capacity without legal restraint,' Brown concluded." Copley notes, "Indian gaming has become a $23 billion industry nationally, with more than 400 casinos in 28 states. California alone has 58 casinos that employ 58,000 workers and gross more than $7 billion a year. Only a handful of California's casinos have labor agreements. … The appeals court ruling allows the National Labor Relations Board to hear allegations that San Manuel 'interfered with, coerced and restrained employees' trying to exercise collective bargaining rights at the tribe's casino, which grosses more than $450 million a year."

FBI/DEA/ATF/USMS:

ATF Officials Who Opposed Former Agency Director Demoted. The Washington Post (2/12, A15, 690K) reports, "Two senior officials at the Bureau of Alcohol, Tobacco, Firearms and Explosives who opposed many questionable management and spending decisions by the agency's former director are being moved to lower-ranking positions effective Thursday, officials said." Deputy Director Edgar A. Domenech, "who also served as acting director last year, is being moved out of ATF headquarters to lead the agency's Washington field office. The assistant director for field operations, Michael Bouchard, will become an assistant to Michael J. Sullivan, a U.S. attorney who is temporarily running ATF." The Post adds, "The transfers are widely seen within ATF as demotions. They come seven months after the sudden departure of Carl J. Truscott, the former director, who clashed with Domenech and other senior executives over spending and management practices."

Drug Underworld Said To Have Created New Type Of American Gangster. The Philadelphia Inquirer (2/11, Anastasia) reported, "When he came to the attention of federal drug agents three years ago, Benjamin Ton, then 30, was an unemployed copy-machine repairman inexplicably living the American dream. … 'It was obvious there was a lot of money coming from somewhere,' said Christopher A. Jakim, the Drug Enforcement Administration agent who supervised the squad working the case. Eight months later, Ton was arrested on charges of heading a $50 million drug operation that in just two years had brought nearly 10 tons of high-quality marijuana and more than 300,000 ecstasy pills to the Philadelphia area from Canada, a quietly growing source for those illegal drugs in the United States." Operating in "close-knit ethnic groups and using language and culture as shields…Asian, Latino and African American mobsters pose a more difficult challenge to law

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enforcement than the overexposed and largely disorganized American Mafia."

"Unraveling" Drug Investigation In DC Raises Questions About Paid Informants. The Washington Post (2/11, C3, Cauvin) reported an undercover narcotics investigation "touted by the government as a significant blow to a notorious haven for drug dealing has been left in tatters after damning revelations about an informant, among them that he was using the same sort of drugs he was buying for the police. The U.S. attorney's office in the District said it has dropped or is preparing to drop charges against 13 of 23 people charged in a five-month investigation in and around the Woodland Terrace public housing complex in Southeast Washington. The cases collapsed less than five months after the arrests were announced." The "unraveling of the cases has renewed questions about how police use paid informants and how prosecutors determine which evidence they must turn over to the defense in the early stages."

Walters Reports Decline In Illegal Drug Use, Unveils Anti-Drug Plan. There are more than 100 media references to John Walters unveiling President Bush's anti-drug plan, with most reports citing the AP story. In Portland, Oregon, the AP (2/10) reported illegal drug use in the United States "has dropped sharply since 2001 but abuse of prescription drugs remains a problem." John Walters "said that President Bush's anti-drug plan for 2007-08 is to reduce prescription drug abuse by 15% over three years. The administration ranks the problem second only to marijuana." Walters "said the data came from a survey done at the University of Michigan for the National Institute For Substance Abuse. The report says about 19.7 million Americans reported using at least one illegal substance in the previous month." In Washington, D.C, Bill Piper, director of affairs for the Drug Policy Alliance, "called the strategy a 'spin on the failure of the war on drugs.'" CBS News, FOX News, KGW-TV in Portland, KOMO-TV in Seattle, the Washington Post, USA Today, Miami Herald, Houston Chronicle, San Jose Mercury News, and Seattle Post Intelligencer are among the news outlets that used the AP story.

The Oregonian (2/10, Denson) reported, "In an interview with The Oregonian Friday morning, Walters said public officials must approach today's teen drug abuse in much the way it approached the epidemic of gun violence that swept America's big cities in the early 1990s. Like gunfire, he said, teen drug use is a preventable public health problem that can't be treated solely by the criminal justice system. Preventing the onset of drug abuse is key to the National Drug Control Strategy released Friday, Walters explained. The White House strategy seeks an extra $7.5 million for nonpunitive drug testing in school districts across the nation and an additional $30 million to blitz the airwaves and the Internet with anti-drug messages aimed at teens."

FBI Warns Wanted Honduran Gang Leader May Be In Texas. The Houston Chronicle (2/12, Carroll, 530K) reports, "A reputed killer and leader of one of the world's most notorious street gangs escaped during a botched custody transfer in Honduras and has been a fugitive for more than a year, the Houston Chronicle has learned. Ever Anibal Rivera Paz, the alleged chief of the Honduran arm of the Mara Salvatrucha gang, was being extradited on charges of plotting a massacre that left 28 people, including six children, dead on Dec. 23, 2004." He "was last seen boarding a deportation flight from Houston to Honduras on Nov. 17, 2005, according to U.S. Immigration and Customs Enforcement records. The FBI fears Rivera Paz may have returned to the United States or may be headed that way, according to a confidential May 2006 FBI bulletin obtained by the Chronicle. 'Officers should be aware that he has threatened to assassinate any officer that attempts to apprehend him,' the bulletin states."

Authorities Say Violence, Corruption Kept Gulf Cartel Leader In Business. The AP (2/12) reports court documents filed when Osiel Cardenas-Guillen, who is facing trial in Houston, "was extradited to the United States last month reveal some of the brutal tactics and corruption that investigators say went into his business moving drugs along the billion-dollar smuggling route from Mexico to Texas. Federal agents say Cardenas-Guillen, who seized the leadership of the [Gulf] cartel from Juan Garcia Abrego when Garcia Abrego was imprisoned in the United States, employed former Mexican special forces soldiers who called themselves the Zetas and tortured, beat and beheaded rivals and police. … 'He authorized the murder of countless rivals. He killed his way up the ladder to lead the Gulf cartel,' Karen Tandy…said after Cardenas-Guillen's extradition last month."

Venezuela Seen As "Hot Spot" For Drug Trafficking. The Miami Herald (2/12) reports last April, Mexican authorities "seized 5.1 tons of cocaine aboard a DC-9 coming from Venezuela. The traffickers had removed the seats in the airplane and packed the drugs in identical suitcases that somehow got past security at Caracas' principal airport, Maiquetía. The case was a watershed, illustrating the brazen attitude with which drug traffickers seemed to be operating in Venezuela and apparent cover they could expect from high-level Venezuelan government officials." The Herald notes that the Venezuelan government "cut relations with the Drug Enforcement Administration last year and has yet to sign an addendum to a bilateral

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cooperation agreement that establishes the guidelines for how U.S. counter-drug officials can operate in Venezuela."

Giuliani Defends Gun Control While Mayor. The AP (2/12) reports Rudy Giuliani "addressed a potentially troublesome issue with conservative voters, saying his policies as mayor to get handguns off the street helped reduce crime in New York." At a news conference Saturday during a swing through California, Giuliani said, "I used gun control as mayor. [But]I understand the Second Amendment. I understand the right to bear arms." The AP adds Giuliani added "what he did as mayor would have no effect on hunting." Giuliani also "spoke in favor of a border fence, saying, 'You have to have secure borders, you have to have a fence, and the fence I think has to be a highly technological one.'"

Giuliani Called "Hottest" 2008 GOP Candidate. NBC Nightly News (2/11, Story 6, 1:30, Harwood, 9.87M) reported, "Rudy Giuliani who is in California this week and then goes to South Carolina is the hottest Republican, also the riskiest because his support for abortion rights could divide the Republican coalition that's been so powerful since Ronald Reagan." Seigenthaler: "Well, Giuliani still hasn't made it official. What would Giuliani's candidacy mean for John McCain?" Harwood: "He would hurt John McCain because he would present another Republican with crossover appeal to Democrats. John McCain is already facing questions about his age and ongoing support for the Iraq war where he keeps siding with Bush. Here's one side of concern in the McCain camp. His formal entry in the race originally scheduled for the fall is now being accelerated and is likely to occur before springtime."

IMMIGRATION:

King Challenges Martinez, McCain On Immigration. GOP Rep. Steve King, ranking member of the immigration subcommittee, writes in the Washington Times (2/12, 88K), "I emphatically disagree with statements Sen. Mel Martinez made recently to the Washington Times ('New RNC chief backs bill with guest-worker plan' Page 1, Feb. 2). Mr. Martinez wants to grant illegal aliens a 'path to citizenship.' This represents nothing less than endorsement of a mass amnesty for many millions of illegal aliens. Americans reject mass amnesty by large margins. Amnesty is an affront to native-born Americans, to legal immigrants, and to the very concept of the rule of law." King adds, "The one segment of voters who Mr. Martinez and Sen. John McCain threaten to alienate is not Hispanics, but the Republicans' law-and-order base. If they manage to do that, Democratic control of Congress won't be just a two-year aberration, but something we will have to live with for many years."

CONGRESS-ADMINISTRATION:

White House Preparing For Wave Of Congressional Investigations. U.S. News and World Report (2/19, Brush, 2.03M) reports that last week House Oversight and Government Reform Committee chairman Rep. Henry Waxman "grilled 29 different witnesses on everything from Iraq reconstruction and military and homeland security contracts to prescription drug pricing. Waxman says he's focusing on waste, fraud, and abuse, and his committee holds unique subpoena power, so these days, Waxman is one of the most feared representatives in Washington. … Elected with a mandate to clean up Washington, congressional Democrats on oversight committees across Capitol Hill are still just revving up; many are hiring staff and deciding what exactly to investigate. Those investigations can take months, and the showdown hearings could be a long way off. But investigations are coming. Lots of them." US News adds, "A real flash point could come if the Bush administration claims executive privilege and withholds information from Democratic investigative committees. … An inkling of that struggle emerged last week when Ambassador Timothy Carney, the new overseer of Iraq reconstruction projects, did not appear before Waxman. The State Department said Carney was working in Iraq, but Waxman left an empty seat for him at the table and declared, 'The chair won't be empty for too long.' Presidential advisers say they'll be relying on new White House counsel Fred Fielding."

White House Report Forecasts Continuing Productivity Growth. The Wall Street Journal (2/12, A6, McKinnon, 2.04M) reports, "President Bush's economic team predicts rapid gains in US productivity can continue for the foreseeable future, as long as rising protectionist sentiment and higher taxes don't get in the way." In the annual Economic Report of the President, "to be released today, Mr. Bush's advisers said productivity increases in the past five years have produced a range of economic benefits including strong overall growth, a solid job market and low inflation. … Administration officials are optimistic they will see more productivity-driven earnings growth in the years ahead. That could help them score some political points with lower-wage workers, who have been falling further behind the well-to-do for years. It could help blunt attacks by Democrats that Bush policies have exacerbated differences between the haves and have-nots." The report "focuses on gains in workers' overall compensation growth, rather than on wages alone. Administration officials have acknowledged real wage growth has lagged behind compensation growth, which includes the rising cost of health-insurance benefits. Most

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economic forecasters, however, doubt the US economy can maintain a 3% productivity pace in the next decade, and there are signs that productivity growth is tapering off."

Bond Markets Await Bernanke's Testimony. The Wall Street Journal (2/12, C7, Reed, 2.04M) reports, "Federal Reserve Chairman Ben Bernanke's semiannual monetary-policy report to Congress could well set the bond market's direction this week, with scope for added volatility if he wavers from the tone of his recent comments. Barring any surprises from Mr. Bernanke's two-day testimony or on the data front, the 10-year yield is expected to stay in a range of 4.7% to 4.95% this week." Bernanke's report to Congress "'certainly has the potential' to set the tone for the market, said Michael Pond, Treasury and inflation-linked strategist for Barclays Capital in New York." Meanwhile, USA Today (2/12, 7B, Kirchhoff, 2.27M) says that even as Bernanke "prepares to update Congress this week on the outlook for the economy, he faces new challenges within the central bank. Fed Governor Susan Bies, 59, a former Tennessee banking executive and economics professor, said Friday she would leave the Fed at the end of March. Bies' decision means Fed Vice Chair Donald Kohn will be the sole member of the seven-person Board of Governors who has been there longer than Bernanke."

Ryan Said To Be Pick For Treasury's International Post. The Wall Street Journal (2/12, 2.04M) reports, "T. Timothy Ryan, a former bank regulator with international experience in the private sector, has emerged as the front-runner to become the Treasury Department's top international-policy adviser, a person familiar with the situation said." Ryan "is managing director of the Global Government Institutions Group at J.P. Morgan Chase. He would succeed Timothy Adams as the Treasury's undersecretary for international affairs. Mr. Ryan declined to comment through a J.P. Morgan spokesman. The Treasury and White House declined to comment."

Specter Renews Call For Televising Supreme Court Proceedings. The Washington Post (2/12, A15, Barnes) reports, "With Supreme Court justices becoming increasingly comfortable in the spotlight, Sen. Arlen Specter says it might finally be time for their close-ups." The Post continues, "Spector (Pa.), joined by two other Republican and three Democratic senators, has refiled his legislation to require the court to televise its proceedings. Although getting the rest of Congress to agree still seems very much a long shot, Specter said there is a big difference between now and last year, when the bill did not reach the Senate floor. … 'I think the frequency with which the justices are appearing on television can be a very significant factor' in changing minds in Congress, Specter said in an interview." The Post adds, "There is no doubt that the once-cloistered justices are making themselves more available to the media, giving on-the-record interviews with newspapers and magazines and popping up on television. Chief Justice John G. Roberts Jr. starred in PBS's recent look at the history of the court. … Specter, former chairman of the Judiciary Committee and sometimes a sharp critic of the court, said the individual justices have been 'extensively televised.' … More substantive arguments -- that cameras would alter the deliberative nature of the court or that lawyers would play to television rather than answer the justices' questions -- are overruled by the importance of increasing the public's knowledge of the court, Specter said."

Agricultural Interests Upset By Bush Farm Bill's Proposed Income Cap. The Christian Science Monitor (2/12, Paulson, 59K) reports, "The Bush administration's recent proposals for the next farm bill…have been winning accolades and criticisms from some surprising quarters. Environmentalists have lauded it as an important step in the right direction, even as the largely Republican agricultural community has met many of its proposals – such as a plan to scrap subsidies for any farmer with an adjusted gross income of more than $200,000 a year – with skepticism. … 'We have some major concerns,' says Mary Kay Thatcher, director of public policy for the American Farm Bureau Federation, which bills itself as 'the voice of agriculture.' 'We're supportive of [conservation, energy, and rural development] getting additional funding, but we don't think you ought to reduce farmers' safety net to do that.' One of the most significant elements of the proposed bill would change the countercyclical program – the means by which the federal government helps farmers in an off year. It would go from one that's price-based to one that's revenue-based." The American Farm Bureau Federation "is skeptical of that shift." Thatcher's "major concerns have to do with the new income limits and payment caps, which would limit payments to a single farmer to $360,000." The Monitor adds, "The new income limit – lowered from the previous limit of a $2.5 million adjusted gross income per farmer per year – would affect about 80,000 farmers, says Chuck Conner, deputy secretary of Agriculture. He says the decision was not a difficult one."

Senate Logjam Unlikely To Ease In The Near Future. Roll Call (2/12, Billings, Stanton) reports, "Senate Democrats and Republicans today will begin competing public relations campaigns designed to secure some stronger political ground heading into the first recess of the 110th Congress. Democrats will spend the coming days trying to increase party momentum under the broad message that the voters put them in charge because they wanted change, and the majority has started to deliver. Republicans, meanwhile,

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will use the week to poke holes in the Democrats' initial stewardship of the chamber, while outlining the specifics of a Congressional agenda they hope to sell to the public in the coming months." Roll Call notes, "The Senate has moved at a slower clip than the House, where Democrats with a 15-seat advantage have passed numerous bills and are set to do this week what the Senate could not — debate a resolution opposing Bush's troop increase. Senate Democrats have a much bigger challenge given they have a narrow two-seat majority and the chamber's rules afford the minority significant power. Democrats and Republicans alike acknowledge that pace is likely to slow even more in the coming weeks as the Senate considers more controversial legislation and the 2008 elections muddy motivations."

Federal Workers See Little Relationship Between Performance, Pay, Survey Says. The Washington Post's (2/12, D1, Barr) "Federal Diary" column reports, "In a government-wide survey, federal employees were presented with this statement: 'Pay raises depend on how well employees perform their jobs.' The responses: 45 percent disagreed with the statement, 22 percent agreed, and 25 percent were neutral." The Post adds that the OPM recently added the query to government-wide surveys "in hopes of better understanding employee attitudes on pay." The "majority of federal employees in the survey are covered by the General Schedule system, where pay, by and large, is dependent on time in the job and not how the employee performs, said John M. Palguta, a vice president at the nonprofit Partnership for Public Service. 'The responses are an accurate reflection for the government as a whole,' he said. 'Pay raises are not heavily dependent on job performance.'" The Post adds that Clay Johnson III, deputy director for management at OMB suggested that one obstacle to improving government performance "is that every employee, from unsatisfactory to outstanding, gets the same annual raise. I think that is an insult to the outstanding employee, and I think that is a miscommunication or an unfair communication to the unsatisfactory employee."

NCLB Hearings Likely To Feature Criticism From Local School Officials. U.S. News and World Report (2/19, Green, 2.03M) reports, "Over the next several weeks, congressional committees will hold hearings on" the No Child Left Behind Act "as they try to decide before it expires whether to reauthorize the act as is, change it, or throw it out. … Both leading Democrats and President George Bush say they are committed to keeping the law-one of only a few big domestic initiatives produced in the past five years. Further, the two sides appear unanimous on what aspects of the law need to be changed-a consensus that will inform a blueprint for reform scheduled for release this week by the bipartisan No Child Left Behind Commission. But talk to the nine school districts that have filed a lawsuit challenging the act as an unfunded mandate or to the many newly elected U.S. representatives who campaigned against the law, and you will hear a different story. Every child may have been tested, the critics say, but the real question is: Has every child been helped?"

Wyden Uses Bush Healthcare Plan As Starting Point For Compromise. U.S. News and World Report's Michael Barone (2/19) writes, "Not many expected George W. Bush to advance a serious healthcare proposal in his State of the Union address, and few expect anyone in Congress to act in response to it. But Bush did, and at least one member of Congress seems interested. More ought to be paying attention. Bush's proposal in a nutshell is to end the preferential tax treatment for employer-provided health insurance. … Bush's point was not lost on Oregon's Democratic Sen. Ron Wyden, who over a long congressional career has specialized in assembling bipartisan coalitions for various reforms. He notes that government single-payer health insurance-the goal of some senior liberal Democrats in Congress-was rejected by the voters of his liberal state by a 4-to-1 margin." Wyden is "looking to make something of a political deal. Republicans would get Bush's standard deduction and a private insurance market in which consumers would have incentives to hold down costs. In return, Democrats would get universal coverage, with subsidies for low earners to pay for coverage."

NYTimes Blasts Bush For Drive To "Slash Domestic Spending." The New York Times (2/12, 1.16M), in an editorial, writes, "The administration long ago sacrificed any meaningful domestic agenda to finance tax cuts for the wealthy and its reckless war in Iraq. The White House's reckless determination to make the tax cuts permanent is now driving it to slash domestic spending in health and other vital programs. Instead of trying to address the underlying problems of escalating health care costs, Mr. Bush's strategy is to cut services or shift more of the bill to states, health care providers and individuals. … The real outrage is that the administration has not proposed comparable reductions in the large overpayments — roughly 12 percent more per patient — made to private managed care plans that enroll Medicare beneficiaries. The budget would also phase out Medicare bad-debt payments, forcing hospitals to swallow beneficiaries' unpaid bills."

NYTimes Urges Renewal Of Appalachian Regional Commission. The New York Times (2/12, 1.16M), in an editorial, notes the Appalachian Regional Commission "is still going strong. Over the decades the

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area's poverty rate has fallen by half and infant mortality by two-thirds. We cite this overlooked bit of hard-knocks progress not just to puncture the canard that government is always the problem, not the solution. … But also to urge renewal of the commission's authority for its unfinished business."

OTHER NEWS:

Bernanke Warns Of Entitlement Spending "Death Spiral." U.S. News and World Report's Mortimer Zuckerman (2/19) writes President Bush "is fond of pointing to the decline in the federal deficit over the past two years, but that's virtually irrelevant to the long term. How many of us realize, for instance, that Uncle Sam is spending almost four times as much on paying interest on borrowed money as on education, transportation, and NASA combined? One person who knows-and it gives him plenty of sleepless nights-is Federal Reserve Chairman Ben Bernanke. He tells us we are in 'the calm before the storm' because Social Security, Medicare, and Medicaid costs now amount to almost half of federal noninterest spending. President Bush has not increased taxes to pay for this expansion of Medicare; in fact, taxes have been cut-repeatedly. Hence, by 2030 the ratio of publicly held federal deficits to overall economic output is likely to triple, from roughly 37 percent today to a mind-boggling 100 percent. This will produce a terrible torque on our economy, since financing deficits means paying out still more in interest, adding still further to the deficit. Bernanke has a not-so-quaint term for this phenomenon. He calls it a 'death spiral.'"

Administration And Congress Urged To Consider Welfare Cuts. Newsweek's Paul Samuelson (2/19) writes, "The welfare state has made budgeting an exercise in futility. Both liberals and conservatives, in their own ways, peddle phony solutions. Cut waste, say conservatives. … For its 2008 budget, the Bush administration brags it would end or sharply reduce 141 programs. But most are microscopic; total savings would be $12 billion, or 0.4 percent of spending. Worse, Congress has previously rejected some of these cuts. … It might help if Americans called welfare programs…by their proper name. … That way, we might ask ourselves who deserves welfare and why."

Saudi Minister Says Oil Market Is In Good Balance. The Wall Street Journal (2/12, A3, House, 2.04M) reports, "The world oil market is in 'much, much better health and balance' now and, if trends hold, there will be no need for further production cuts or increases in supply when members of the Organization of Petroleum Exporting Countries meet next month, Saudi Arabian Oil Minister Ali Naimi said yesterday." Naimi "said the kingdom's production is now 8.5 million to 8.6 million barrels a day, confirming its reduction by one million barrels a day from its output about six months ago. The reduction is part of a push by OPEC to shrink stockpiles of oil that climbed sharply last year as demand growth stumbled." OPEC "is to meet March 15 in Vienna to assess its production policy. 'If you are asking me are we going to take additional cuts or increase supply, I do not know,' said Mr. Naimi, the oil cartel's de facto leader. 'But, most probably if the trend is like what it is like today, with the market getting in much, much better health and balance, there may not be any reason to change."

Italian Insurance Firm Extends Deadline For Holocaust Claims. The New York Times (2/12, Treaster) reports, "Survivors of the Holocaust and their relatives, who have been fighting to compel European insurance companies to pay death benefits for victims of the Nazis, are getting a break from a big Italian insurance company, lawyers for the insurer and policyholders said yesterday." The Times continues, "As part of a proposed class-action settlement, the company, Assicurazoni Generali, has agreed to give heirs of Holocaust victims another 18 months to uncover documentation on unpaid life insurance policies at long-sealed Nazi archives in Bad Arolsen, Germany." The Times adds, "Representatives of several countries, including the United States, have been pushing to open the archives since May. … 'This adds another motivation and a very concrete one to get the archives opened right now,' Paul Shapiro, an executive of the United States Holocaust Memorial Museum, said of the deadline extension." The Times notes, "Staff technicians at the archives are meeting today to discuss progress on scanning more than 50 million pages of Nazi and Allied records of the period. The documents include reports on the arrest and transfer of millions of people to concentration camps as well as on hundreds of thousands of deaths. … A meeting of representatives of the United States and 10 other countries that control the archives has been called for March. Those countries have kept the archives sealed for 62 years, mainly for privacy reasons. … The deadline extension came at the behest of a United States judge in Manhattan who is conducting hearings on the fairness of a settlement reached by Generali and class-action lawyers last fall."

Romney Seen As "Minimally Acceptable" To The Right. New York Magazine (2/12, Heilemann) reports by "all accounts, including his own," Mitt Romney has "been for most of his life a middle-of-the-road Republican of moderate views on issues from abortion to gun control to taxes. But ever since he decided to run for president -- a decision he will make official on February 13 -- he has labored to present himself as a rock-ribbed man of the right."

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But "now, just as Romney seemed to be establishing a foothold, he finds himself increasingly tangled up in his own inconvenient record." That Romney is "still taken seriously illustrates a number of the central dynamics driving the campaign on the Republican side. At a moment when the Democrats, miraculously, have at hand a troika of top-tier candidates -- Clinton, Obama, Edwards -- who are capable of drawing thousands-strong crowds (in early 2007, for heaven's sake) and look like eminently credible winners, the GOP is saddled with a crop of hopefuls at once uninspiring and implausible." At "first glance, he has the appearance of an attractive standard-bearer," but Romney's "drawbacks are as glaring as his assets -- starting with his Mormonism." But his "religion is causing him fewer headaches than his policy gymnasticism. As a challenger to Ted Kennedy in 1994 and in his 2002 statehouse bid, Romney was unequivocally pro-choice ('I believe that abortion should be safe and legal'). Today, he is just as unequivocally pro-life." The "case for Romney's viability, therefore, boils down to this: He's the minimally acceptable man to the right who has a chance of winning."

NBC Nightly News (2/11, Story 6, 1:30, Harwood, 9.87M) reported, "Romney has done very well raising money. He announces in Michigan on Tuesday. He's also switched his position on abortion rights. The question is whether he can he do that effectively enough to keep long-term conservatives like Mike Huckabee and Sam Brownback from consolidating that vote and keep potential threats like Gingrich from jumping into the race."

Obama Implicitly Criticizes Hillary Clinton's 2002 Iraq Vote. NBC Nightly News (2/11, Story 5, :25, Seigenthaler, 9.87M) reported, "Tonight Senator Obama is speaking to students at the University of Illinois in Chicago. And earlier at a campaign stop in Iowa, Senator Obama indirectly criticized Senator Clinton's defense of her Iraq war vote. He said it was possible to see that invading Iraq was a bad idea, even before the war. Obama was not a senator at the time of the vote but says he opposed it from the start."

The Mason City Globe Gazette (2/12, Eby) reports Obama "began the courting of Iowa party activists Sunday with a blistering critique of the war in Iraq. More than 6,000 people who came to hear him at the Iowa State University campus saved their biggest cheers for his criticism of the war." Obama said, "We ended up launching a war that should have never been authorized and should have never been waged and to which we now have spent $400 billion and have seen over 3,000 lives of the bravest young Americans wasted." In an interview, Obama "predicted the war in Iraq will dominate American politics for some time to come and wants the discussion to include creating a broader foreign policy framework." The Globe adds, "On Sunday, two state officials, Attorney General Tom Miller and Treasurer Michael Fitzgerald, threw their support behind the senator's campaign and joined him on stage at the Ames rally."

The Los Angeles Times (2/12, Barabak, 850K) reports in a parenthetical, "(Obama was forced to issue a clarification later Sunday after referring during an Iowa State rally to the 'wasted' lives of more 3,000 U.S. troops killed in Iraq. 'I was upset with myself,' Obama said. 'The sacrifices they are making are unbelievable. I meant to say that those sacrifices have not been honored by the same attention to strategy and diplomacy needed to be successful in Iraq.')"

The Washington Post (2/12, A4, Kornblut, Balz, 690K) reports Obama "challenged his Democratic rivals to lay out specifics for withdrawing U.S. troops from Iraq and declared that the thousands of lives lost so far in the war had been 'wasted.'" Obama "later said he regretted his choice of words, telling an interviewer that he meant the troops' sacrifices 'have not been honored' by an adequate policy. But Obama indicated in his earliest steps on the campaign trail that he considers Iraq a central distinction between himself and the rest of the Democratic field."

The Chicago Tribune (2/12, Parsons, McCormick, 617K) reports a "homecoming for" Sen. Obama "turned into an anti-war rally Sunday evening, as he returned to his home city" of Ames "following the weekend launch of his candidacy for president to find a crowd of 7,300 troubled over the Iraq war." A "vocal crowd of anti-war protesters quickly made the issue the central focus of Obama's evening rally at the University of Illinois at Chicago Pavilion, holding up a sign that read 'Cut the Funding' during his address and chanting loudly as he tried to speak." Obama said, "I'm glad they were there. They feel a sense of urgency about a war that should have never been authorized and a war that should have never been fought." The Tribune adds, "But he said he doesn't want to cut funding for the military personnel who are already serving in Iraq, saying that could mean they don't get the equipment they need."

USA Today (2/12, Keen, 2.27M) reports that at "the final stop of his first campaign trip to Iowa, Illinois Sen. Barack Obama invited a cheering crowd Sunday to help him 'take this country back.'" Obama said, "Ultimately I am an imperfect vessel for your hopes and dreams. I can't do this alone. I'm going to need all of you, and I hope that you guys decide it's something that's worth doing." USA adds Obama "announced his candidacy Saturday at the Old State Capitol in Springfield, Ill., and made four stops this weekend in Iowa, which holds the nation's first presidential caucuses. He campaigns today in New Hampshire, host of the first presidential primary." During "a news conference here, Obama criticized New York Sen. Hillary Rodham Clinton's record on Iraq and health care, underscoring the intensity of the campaign with the first votes almost a year away."

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The Financial Times (2/12, Ward) reports "the scale of Saturday's rally" in Springfield, Illinois – "the crowd was in the thousands despite freezing temperatures – and the frenzied excitement surrounding it showed that Mr Obama is already in possession of that most precious of political commodities: momentum." There were "some concrete proposals amid the rhetoric, including a plan to return combat troops from Iraq by March 2008 and a vow to introduce universal healthcare coverage by the end of his first term. But it was clear that Mr Obama's campaign will rest as much on his promise of a new style of leadership as it will on policy."

Obama Said To Make Clinton Seem "Hawkish" In Comparison. The Weekly Standard's Bill Kristol, on Fox News Sunday (2/11, Wallace) said Obama "says 9/11 was a very important moment, and therefore we have to be tough on terrorists, but the first thing we have to do to be tough on terrorists is to withdraw from Iraq by 2008. That will really send a signal to those terrorists. He's going to run as a dovish candidate. Hillary Clinton will stay more hawkish than he, and I do think that's good for Hillary Clinton."

Obama Quick To Draw Contrasts With Clinton. The Politico (2/12, Smith) reports an "Egged on by an enthusiastic Iowa crowd, Barack Obama took perhaps his most direct shot at Hillary Clinton of the campaign season, echoing and mocking her signature phrase." Obama said, "I'm in it…to win it." But then "he quieted the crowd. 'Hold on,' he said. 'Yes I want to win. But I'm in it to transform the country.'" The Politico adds the "exchange with the overflow crowd in his final event of the day Sunday crystallized an unspoken theme of his announcement speech: Contrasts with Hillary Clinton." The "unspoken contrast was between Clinton's presumed ambition, and perhaps her generation's self-involvement; and Obama's attempt to transform his own campaign for President into a broader movement."

Australian Prime Minister Criticizes Obama On Iraq. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported that in his "first full day as an official candidate, Democratic Senator Barack Obama got a taste of the rough and tumble world of presidential politics. Obama, often criticized for his lack of foreign policy experience, had his plan to withdraw US troops from Iraq by 2008 attacked by an unlikely source, the Prime Minister of Australia, an ally of President Bush." John Howard, Prime Minister of Australia: "If I were running Al Qaeda in Iraq, I would put a circle around March 2008 and pray as many times as possible for a victory not only for Obama, but also for the Democrats." Tapper: "Obama responded at a campaign stop in Ames, Iowa." Sen. Barack Obama: "I think it's flattering that, you know, one of George Bush's allies, on the other side of the world, started attacking me a day after I announced. I take that as a compliment."

The Chicago Tribune (2/12, Parsons, McCormick, 617K) reports, "Obama had harsh words for Australian Prime Minister John Howard, who said that Obama's proposal to withdraw combat troops by March of 2008 would 'just encourage those who want to completely destabilize and destroy Iraq.'" Obama said "that Australia had sent only 1,400 troops to join the effort in Iraq, a fraction of the 140,000 American troops now serving there." Obama said, "I would suggest that he call up another 20,000 Australians and send them to Iraq. Otherwise, it's just a bunch of empty rhetoric."

The AP (2/11) reports Prime Minister Howard "slammed Barack Obama on Sunday over his opposition to the Iraq war." Howard, "a staunch Bush ally who has sent troops to Iraq and faces his own re-election bid later this year, said Obama's proposals would spell disaster for the Middle East." Howard said, "I think that will just encourage those who want to completely destabilize and destroy Iraq, and create chaos and a victory for the terrorists to hang on and hope for an Obama victory." The New York Times (2/12, 1.16M) reports, "In a television interview in Australia, Mr. Howard said the senator's redeployment plan would simply inspire insurgent violence in Iraq."

The AP (2/12, Jackson) reports Obama "laughed off criticism Saturday from Australian Prime Minister John Howard, who said Obama's plans for Iraq 'encourage those who wanted to completely destabilize and destroy Iraq.'" Obama said, "It's flattering that one of George W. Bush's allies feels obliged to attack me."

Depth Of Obama's Appeal To Black Voters Still Unknown. U.S. News and World Report (2/19, Walsh, 2.03M) reports Sen. Barack Obama "already has demonstrated strong appeal to white voters. He comes in second to Senator Clinton in national polls of preferences for the Democratic nomination. And he impresses many as a talented newcomer who, because of his multicultural background, could conceivably redefine America's debate on race-away from a focus on the consequences of slavery toward an emphasis on the benefits of diversity. … Cornell Belcher, Obama's pollster-and an African-American himself-says the Illinois senator represents a fulfillment of the civil rights movement: a black man who overcame prejudice, worked hard, and excelled. 'It's not a wonderful black story; it's a great American story,' Belcher told U.S. News. But questions remain about how Obama will fare in the African-American community, where some, such as columnist Stanley Crouch and author Debra Dickerson, don't think Obama has shared enough of the black experience to truly bond with the community."

Herbert Says Iraq Is Obama's Test Of Leadership. In his New York Times (2/12, 1.16M), Bob Herbert says while Obama "is pushing a plan to bring American combat troops home by March 2008 (and former Senator John Edwards is calling for an immediate withdrawal), Senator Clinton continues to dance on the war issue." The "bottom line is that nothing has changed. … We need to stop pretending that

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there is something sane about continued U.S. involvement in this ruinous war." Sen. Obama's "capacity for leadership will be tested in large part by whether he can get the country to rally around his crucial point — that all further progress on important issues here at home depends on whether we can find the will to extricate ourselves from Iraq."

Obama Said To Offer Little New, Different. The Los Angeles Times (2/12, Barabak, 850K) reports, "Over two days, tens of thousands of people turned out across Illinois and Iowa to see the freshly declared White House hopeful, spilling over city blocks and filling gymnasiums rafter-high with their red, white and blue posters, lusty cheers and wide-eyed fervor." But, "truth be told, there was little that was really new or different about the issues Obama raised in his maiden swing as a formal presidential candidate. Washington gridlock. Poison politics. Overweening special interests. Poverty, poor schools and an exorbitantly expensive health-care system." Obama "offered little in the way of concrete solutions. And most of the proposals he did throw out, such as harnessing technology to bring greater efficiencies to the health-care system, were hardly novel." Obama strategist David Axelrod said, "Every campaign evolves. Of course we'll address specific issues in detail along the way."

Obama Says Press Ignoring Substance. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported Obama "responded to one criticism, that his soaring rhetoric has net yet to be backed up with significant substance. He says that's the fault of the press." Sen. Barrack Obama: "The problem is not that the information isn't out there. The problem is that's not what you've been reporting on. You've been reporting on how I look in a swim suit."

The Wall Street Journal (2/12, A4, Calmes, 2.04M) reports that by Sunday, "sensitive to critics calling for details, he took the offensive during a news conference at the University of Iowa." Obama said, "One of the narratives that's established itself in the mainstream media is this notion that, 'Well, you know, Obama has a pretty good style. He can deliver a pretty good speech, but he seems to prioritize rhetoric over substance.' Now, factually that's incorrect.'" He said "he has 'the most specific plan' on leaving Iraq, gave major speeches on health, education and energy in the two years before he decided to run for president, and has two books giving more 'insights into how I think and how I feel about the issues facing America than any candidate in the field.'"

The Politico (2/12, Smith) reports Obama "used his first news conference after announcing his run for president to accuse the media of ignoring his substantive record and falsely depicting him as a lightweight." Obama's "peevish comment reflected an ambivalent relationship with the national media, rooted in his transformation from an obscure Chicago politician into a bona fide celebrity over just 2 1/2 years." Obama's "pointed riff was unexpected by many in the press. Newsweek's senior White House correspondent, Richard Wolffe, said he took it as both personal and strategic." Wolffe said, "The key term he used is 'mainstream media' – it's that we're the establishment and that he's siding with the people. [But] I was surprised by the edge."

Obama Said To Face Delicate Balance On Race. ABC World News (2/11, story 4, 2:05, Tapper, 8.78M) reported Obama's critics "have questions for the Senator on any number of issues. Including whether his church, here on Chicago's South Side, which espouses a message of black power, is too militant for mainstream Americans to accept. Conversely, there are some African Americans critics, who argue that Obama is not black enough. That was an issue in 2000, when Obama ran for Congress and lost to Congressman Bob Rush, who now supports Barack Obama's presidential bid." Rep. Bobby Rush: "I think that he has to do some intensive work in the black community. I think he's fully capable of doing that. But he can't take the black vote for granted."

Obama Doesn't Expect Litmus Test On Religion. The AP (2/12, Jackson) reports Obama said Sunday "he does not think voters have a litmus test on religion, whether evangelical Christianity or his childhood years in a largely Muslim country." Obama said, "If your name is Barack Hussein Obama, you can expect it, some of that. I think the majority of voters know that I'm a member of the United Church of Christ, and that I take my faith seriously."

Clinton Faces Tough Questions On Iraq Vote. NBC Nightly News (2/11, Story 4, 2:40, Mitchell, 9.87M) reported, "Hillary Clinton has been telling New Hampshire voters that she's the most experienced Democrat running for president. But many of them are asking why then did she vote to authorize the war in Iraq? … How hard is it to explain what happened in 2002? The war vote that keeps coming up?" Sen. Hilary Clinton: "You know, I think it's absolutely fair for people who see what's going on in Iraq, understand how deeply it has damaged America's standing in leadership in the world to have strong feelings and want to talk about that with elected officials and particularly someone running for president. But I think it has to be put into the context of who is best equipped to face the realities, the dangers that we confront globally and restore America's leadership." Mitchell: "Is it a legitimate question that you have this experience in 2002 but didn't vote against it, didn't see the dangers ahead?" Sen. Hilary Clinton: "Well, I think that the issue here is that this President asked for authority which he misused."

ABC World News (2/11, story 5, :20, Muir, 8.78M) reported, "While Senator Obama focused on the Midwest, Hillary Clinton continued her campaigning in New Hampshire. The frontrunner repeatedly faced questions about her vote to

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authorize the war in Iraq. Today, she referred to that conflict as a civil war."

The AP (2/12, Fouhy) reports that from "crowded town hall meetings to smaller gathering at private homes…invariably, the questions returned to Iraq. What would she do to end the conflict if elected president? Would she support cutting funds to stop President Bush's planned increase in troop levels? And, perhaps most importantly, why won't she recant her 2002 vote authorizing the military invasion?" Paul LeBlanc, a Clinton supporter and president of Southern New Hampshire University, said, "She has a very nuanced explanation, and it's a pretty good explanation. But many people want to hear her clearly say that her vote was a mistake." The AP adds that if Clinton "repudiates her vote — buckling to pressure from anti-war activists and two top Democratic rivals, Illinois Sen. Barack Obama and former North Carolina Sen. John Edwards — Clinton opens herself to accusations of flip-flopping. But defending her vote means she'll continue to be dogged by skeptical questions about it as she campaigns in not only the early voting states but around the country."

The New York Times (2/12, Healy, Zeleny, 1.16M) reports Clinton "was challenged on Iraq from corner to corner of New Hampshire this weekend, while Senator Barack Obama drew cheers in Iowa for his opposition to the war." Besides "giving voters a chance to probe the views of two major rivals for the 2008 Democratic presidential nomination, the weekend appearances gave the two campaigns a chance to road test their strategies for dealing with the central issue of Iraq in the primaries and beyond." At "nearly every stop in New Hampshire," Clinton "has been greeted warmly but has been met by skeptical voters asking pointedly about her 2002 vote authorizing the use of force in Iraq. On Sunday in Nashua, one person told her that her explanation 'doesn't fly,' while another asked why she did not simply say that the vote was a mistake." Clinton "stuck to a set of talking points that she and her advisers hope will ultimately overcome the antiwar anger that is particularly strong among Democrats likely to vote in primaries. She took full responsibility for the vote, said she would not vote for military action in Iraq again, and then pivoted quickly to frame Iraq as President Bush's war. This answer was usually met with applause."

USA Today (2/12, Schouten, 2.27M) reports Clinton faced "pointed questions from Democratic activists about her early support for the war in Iraq," but she "refused to characterize her 2002 vote authorizing the invasion as a mistake."

The Washington Post (2/12, A3, Cillizza, 690K) reports Clinton "touted the politics of the possible Sunday during her inaugural visit to New Hampshire as a presidential candidate, a message that found an energetic but not ecstatic reception in town-hall meetings and house parties across the state." Clinton's "unwillingness to offer a rhetorical olive branch to the antiwar left contrasts sharply with the positions taken by her two main rivals for the Democratic nomination," Obama and Edwards. Clinton is "sending a message to primary voters as well as to her opponents that governing -- unlike campaigning -- is about finding common ground and forging compromise, not making difficult promises." The "response to Clinton's approach was mixed."

Long Island Newsday (2/12, Palmer, 414K) reports that in Berlin, New Hampshire, Clinton "was generally well-received by the overflow crowds, although she had to face tough questions about her position on Iraq." Clinton "fielded questions from the audience - most dealing with topics she touched on during her opening remarks - that were largely friendly. But she did take occasional heat for her stance on the war."

The Financial Times (2/12, Kirchgaessner) reports on Clinton's New Hampshire visit under the headline, "Smart Money Is On Clinton As She Homes In On Primary." The Times says, "But even those who appear to adore Ms Clinton take her to task on the biggest issue for many voters: her 2002 vote to authorise President George W. Bush to invade Iraq." But Charlie Cook, editor of the Cook Political Report, says ultimately, Ms Clinton will be able to take the issue of Iraq 'off the table.' The more important question now, he says, is how voters respond to Ms Clinton, who holds a lead in New Hampshire and national polls."

The New York Sun (2/12, Gardiner) reports Sens. Obama and Clinton "banged heads over the Iraq war yesterday, marking their first dustup since the start of the presidential campaign." Obama "took aim at Mrs. Clinton's vote to authorize the war, saying, 'I think the war was a tragic mistake and it never should have been authorized.'" The Sun adds Clinton's vote "is the one issue that has been dogging her thus far in the campaign. Otherwise, enthusiastic crowds have been giving her standing ovations on her proposals covering everything from health care to energy dependency." At Clinton's stop in Keene, "the crowd was mostly wowed, but the decision to insist that President Bush made a mistake on Iraq rather than taking that responsibility is trailing her like a bad odor."

Clinton Says Rove, Gingrich, DeLay Fear Her Candidacy Most. The Politico (2/12, Budoff) reports it was "a roundabout endorsement, to be sure, but Hillary Rodham Clinton Sunday cited none other than White House political adviser Karl Rove to make her case that she is the most electable Democrat in 2008." At a New Hampshire campaign stop, Clinton claimed that she -- and her husband, the former president -- are the Democrats that Rove and other leading Republican handicappers fear most." Clinton said, "I know what Gingrich tells people privately, I know what DeLay tells people privately, I know what Karl Rove tells people privately. I'm the one person they are most afraid of. Bill and I have beaten them before, and we will again." The Politico adds

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Clinton "did not offer support for her claim that Rove believes she is the most formidable Democrat, but former House Republican leaders Newt Gingrich and Tom DeLay have both warned publicly that Republicans are headed for defeat, most likely at Clinton's hands, if the party does not do a better job of organizing itself and presenting a winning message to voters."

Novak Says Many Democrats Oppose "Coronation" For Hillary. In his column, run today in the Washington Post (2/12, A17, 690K), Bob Novak says a "substantial number of" Democratic activists "do not want to participate in a coronation of the former first lady because they still doubt her viability as a presidential candidate. They question both her positions on the issues and her skills on the campaign trail." The "real reason for not desiring a Hillary coronation, as described to me by California Democrats, is resentment of her cautious sidestep rightward over the past six years. They still cannot get over her sponsorship in 2005 of legislation against flag burning. The whispered worry is that Clinton as the presidential nominee would be a loser in a year when the stars seem aligned for a Republican defeat."

Edwards Attempting To Showcase His "Less-Scripted Side." Newsweek (2/19, Darman, 3.12M) reports, "The 'real' John Edwards is not someone America knows well. When he first crossed the national stage, he called himself the 'son of a mill worker,' but he seemed more like a creature spawned in a focus group—attractive, well spoken and safe. Since then, he has weathered enormous hardship…but hardly a wrinkle has crossed his perpetually tanned face. He has spent the better part of five years in one of the most contrived careers known to man: candidate for president of the United States. In recent weeks, however, Edwards has been trying to draw attention to his less-scripted side."

Giuliani's Temper May Haunt Him In Primaries. On Newsweek (2/19, 3.12M), Jonathan Alter writes, "Until recently, discussion about which GOP candidate might be temperamentally unsuited for the presidency has revolved around Sen. John McCain, who has a short fuse. But with former New York mayor Rudy Giuliani now poised to run, questions about the Big T are also hovering over Hizzoner. … New Yorkers…remember his thirst for power and bouts of unwarranted nastiness. After 9/11, the mayor briefly weighed challenging the city constitution that barred a third term. 'He was hellbent on doing it,' says one former aide from this period, who wouldn't be named for fear of retaliation. McCain was among those who talked Giuliani out of it, arguing that he'd be better off going out on top. Other examples of temperamentally questionable behavior go back more than a decade. After Police Commissioner William Bratton's innovative crime-fighting landed him on the cover of Time magazine in 1994, Giuliani sacked him, apparently for getting too much publicity."

Fellow Democrats Raising Funds For Johnson '08 Bid. Roll Call (2/12, Billings, Newmyer) reports that in what "may be the strongest signal yet" that South Dakota Sen. Tim Johnson (D) will run for re-election in 2008, "at least seven of his Democratic Senate colleagues are organizing big-ticket fundraisers in the coming weeks to help him fill his campaign coffers as he continues to recover from emergency brain surgery." Majority Leader Harry Reid, Democratic Senatorial Campaign Committee Chairman Chuck Schumer "and five other prominent Democratic Senators are hosting the D.C. events that begin Wednesday and run through March." Johnson "continues to recover at The George Washington University Hospital, where he has been undergoing rehabilitation since suffering a brain hemorrhage on Dec. 13. The South Dakota Democrat is making major strides, and sources say he possibly could return to work part-time in the coming months." A Democratic operative "with ties to South Dakota politics said the upcoming rash of Johnson fundraisers is a clear indicator that he is preparing to run for re-election and that he understands he cannot afford to waste any time filling his campaign accounts."

Democrats Said To Have Potential For 60 Seat Majority By 2010. In his Roll Call (2/12), Stuart Rothenberg writes, "Democrats probably don't have to worry about losing their Senate majority in 2008, but that doesn't mean next year's elections aren't crucial for them." A strong '08 "could put the party in sight of a 60-seat majority in 2010, and that filibuster-proof majority would change the rules of the game on Capitol Hill." Last year, Democrats "won a stunning 24 of 33 races, which means over the next two Senate cycles they will need to win another 36 seats, out of the 67 that will be up, to give them the magic number of 60. Given the small Democratic classes next year (12) and in 2010 (15), and the fact that Republicans will be defending a total of 40 seats over the two cycles, it's certainly possible that Democrats can net nine seats to get to 60." Five or six "of the GOP's 21 Senate seats up next year already look to be at some risk, and that number could grow if there are key retirements and if President Bush's problems continue to drag down Republican Party numbers."

"Tele-Townhall" Technology Used To Stay In Touch With Constituents. USA Today/AP (2/12, Hananel) reports, "On a recent weeknight, Kansas Rep. Jerry Moran spoke to nearly 10,000 of his constituents at once — from the comfort of his Capitol Hill office. … A 'tele-town hall meeting' lets lawmakers call up to 35,000 households in their district at random by using a special automated dialing

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system. A recorded voice tells those who answer to stay on the line if they want to participate in the meeting. More than 50 members of Congress, including a few senators, have tried the technology over the past year, said Rodney Smith, founder of Washington, D.C.-based Tele-Town Hall LLC."

2008 Presidential Hopefuls Urged To Focus On Budget Deficit. Bill Frenzel, a former Republican representative, Charles Stenholm, a former Democratic representative, William Hoagland, a former Republican staff member in the Senate, and Isabel Sawhill, a former associate director of the Office of Management and Budget in the Clinton administration, write in today's New York Times (2/12, 1.16M), "Festering deficits, a poorly designed tax system, an addiction to oil and uncontrolled entitlement spending are all symptoms of what is wrong with our current politics. Those jockeying for position in the 2008 presidential race should emphasize that deficits matter, that bipartisan solutions are needed and that it is possible to make fiscal progress while improving the tax system, health care and energy security." And "more specifically, they should promise to eliminate the deficit within five years and to set the budget on a sustainable trajectory for the longer term."

WPosts Calls Number Of Uninsured In Maryland "An Embarrassment." The Washington Post (2/12, A16, 690K) editorializes that "in a rich state such as Maryland, the presence of 800,000 people without medical insurance is an embarrassment and a burden on state finances. But a $600 million proposal in the House of Delegates, which would double the cigarette tax to $2 a pack and extend coverage to nearly a third of the uninsured, raises an ever-larger question: How is Maryland to tackle projected annual deficits of well over $1 billion starting next year? And when it comes to health insurance, what can the state afford?"

WSJournal Criticizes Rell's Proposed Tax Increase. The Wall Street Journal (2/12, 2.04M), in an editorial, writes, "After hiding her intentions during last year's campaign, Connecticut Governor M. Jodi Rell wants to thank constituents for electing her with 63% of the vote by socking them with a 10% hike in the personal income tax rate. … The larger danger of a tax increase is its impact on the state's overall economy. Connecticut adopted its income tax in 1991, and it has since ranked last nationally in employment growth while losing tens of thousands of people to other states. Increasing the income tax rate seems an odd way to reverse these trends."

Bush Ancestor Advocated Jewish State In The Nineteenth Century. Newsweek's Christopher Dickey (2/19) in a review of Michael Oren's 'Power, Faith and Fantasy: America in the Middle East, 1776 to the Present,' notes "in 1844 a Biblical scholar and professor of Hebrew at New York University by the name of George Bush wrote an influential tract called 'The Valley of Vision; or, The Dry Bones of Israel Revived,' which advocated 'elevating' the Jews 'to a rank of honorable repute among the nations of the earth' by re-creating the state of Palestine for them. (According to Oren, who spent two days in the genealogical room of the Library of Congress researching family trees, George Bush was a direct forebear of the two presidents with the same name.)"

Gates Responds To Putin Criticism Of US Foreign Policy. NBC Nightly News (2/11, story 3, :20, Seigenthaler, 9.87M) reported, "Secretary of Defense Robert Gates today said he will go to Russia to try to reduce tensions with that country. Speaking at a security conference in Europe, Gates said one Cold War was enough. His comments came a day after Russian President Vladimir Putin attacked the United States for a foreign policy that he said makes the world more dangerous."

The Financial Times (2/12, Sevastopulo, Fidle) reports Gates Sunday "brushed aside a blistering attack on US foreign policy" by Putin, who "lambasted US foreign policy in a theatrical display at a high-profile Munich security conference" Saturday, saying "illegal" unilateral military action had plunged the world into an "abyss of permanent conflicts." In response, the New York Times (2/12, A6, Shanker, 1.16M) says Gates "chose words of velvet, not steel, in offering Washington's fullest response." Gates told attendees of the 43rd Munich Conference on Security Policy that both he and Putin had spent most of their careers in their governments' spy agencies. "And, I guess, old spies have a habit of blunt speaking," Gates said.

The AP (2/12, Baldor) also says "Gates' rebuke of the Russian president relied on humor and some pointed jabs. 'As an old Cold Warrior, one of yesterday's speeches almost filled me with nostalgia for a less complex time. Almost.'"

Meanwhile, the Christian Science Monitor (2/12, Weir, 59K) notes Putin "blasted the US for its militaristic approach to foreign policy, saying its actions were 'nourishing an arms race.'" But "little noticed amid the sharp US and European response to Mr. Putin's comments is Russia's burgeoning military-industrial complex, generally thought to have collapsed with the Soviet Union." The Monitor adds "experts say that Russia is increasingly capable of turning out cutting-edge weaponry and selling it to countries that are shunned by Western suppliers. … Russian defense budgets have been soaring since Putin came to power, buoyed by a rising tide of petroleum income, and are set to jump by 23 percent in 2007 to a post-Soviet high of $32.4 billion. Moscow does arms

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business with over 70 countries, including China, Iran, and Venezuela, and in 2006 exported $6 billion worth of arms."

Putin Seeks Expanded Ties With Saudis. The New York Times (2/12, A8, Fattah, 1.16M) reports Russian President Vladimir Putin arrived Sunday in Riyadh "for a visit intended to expand trade and military links between the nations." The visit "was part of a three-day tour of the Middle East intended to bolster bilateral ties with major Arab countries." The Times notes that Russia "has sought to bolster its military and trade relations with countries in the Middle East and is hoping to win a major order from Saudi Arabia for Russian weapons."

Russian Official Says Chechen Rebels Have Been Defeated. The New York Times (2/12, Chivers, 1.16M) reports, "Russia's defense minister said Sunday that Russia had succeeded in its latest war in Chechnya, defeating separatists and what he called their 'emissaries from 50 states.' 'We have scored a success in Chechnya,' said the defense minister, Sergei B. Ivanov. 'The problem has been solved.'"

More Commentary On Putin. In his Washington Post column (2/12, A17), Fred Hiatt writes, "If any ordinary person predicted trouble ahead for the cocky and seemingly untouchable KGB-regime of…Putin, you might say he ought to have his head examined." But "if the head happened to contain one of the most formidable brains of our era, you might at least listen to the argument. Garry Kasparov, legendary world chess champion and now a leader of Russia's political dissidents, possesses such a brain. And having peered two or three or 10 moves into the future, Kasparov says that Putin's petro-Kremlin autocracy may be more brittle than it seems as it approaches a promised presidential succession next year." Hiatt adds, "Ultimately the regime's vulnerability lies in its basic nature, Kasparov suggests. In the system Putin has created, Kasparov sees elements of feudalism ('local bosses loyal to the top man in exchange for rights to loot the region'), Mussolini-style corporate fascism and old-style KGB brutality. But in the end, 'this is not the geopolitical monster of Soviet times. This is all about money. The government is business. It's about Gazprom, it's about Rosneft.'"

Olmert Withholds Judgment On Palestinian Unity Plan. The Washington Times (2/12, Mitnick, 88K) reports Israel "wouldn't automatically reject the Palestinian unity government accord between Hamas and Fatah, even though it doesn't contain recognition of the Jewish state," Israeli Prime Minister Ehud Olmert said Sunday. During his weekly cabinet meeting, Olmert said, "Israel neither rejects nor accepts the agreements at this stage. Like the international community, we're studying what was achieved and what was said."

Arab States Reaching Out To Israel, American Jews. On its front page, USA Today (2/12, 1A, Slavin, 2.27M) reports, "Arab states, led by Saudi Arabia, are making some of their most public overtures ever to Israel and American Jews in an effort to undercut Iran's growing influence, contain violence in Iraq and Lebanon and push for a Palestinian solution." The high-profile gestures "coincide with Saudi Arabia's lead role last week in brokering a deal for a coalition Palestinian government." In addition to Saudi Arabia, Qatar and the United Arab Emirates have also "stepped up contacts with Israel and pro-Israel Jewish groups in the USA" with "the Bush administration's blessing."

Fallon Seeks To Engage Arab Nations. The Washington Times (2/12, A1, Halloran, 88K) reports on its front page the new commander of US military forces in the Middle East, Adm. William Fallon, "says he will set a high priority on enlisting the help of friendly Arab and Asian nations in the wars in Iraq and Afghanistan, and against the al Qaeda terrorist network led by Osama bin Laden." In an interview with the Times, Adm. Fallon said, "There are a lot of people out there just standing around not doing anything to help us. We need to turn that around. The neighboring nations there have to play a role." Egypt and Saudi Arabia "seemed likely candidates," the Times writes.

Arab States Seek To Boost Military Readiness. Also on its front page, the Washington Times (2/12, A1, Chamberlain, 88K) reports that leaders of Sunni Arab states "are embarking on a military spending spree in an attempt to contain the growing threat from Iran. Alarmed by the progress of Iran's nuclear program and the prospect of a military clash between its Shi'ite regime and the United States," Gulf leaders "intend to use billions of dollars of oil revenue to purchase a huge array of military hardware." Many of the deals, the Times reports, "will be finalized at a massive arms fair scheduled to open in the United Arab Emirates on Sunday."

Sunni, Shiite Divide Widening. The Washington Post (2/12, A1, Shadid, 690K) reports on its front page, "The growing Sunni-Shiite divide is roiling an Arab world as unsettled as at any time in a generation. Fought in speeches, newspaper columns, rumors swirling through cafes and the Internet, and occasional bursts of strife, the conflict is predominantly shaped by politics: a disintegrating Iraq, an ascendant Iran, a sense of Arab powerlessness and a persistent suspicion of American intentions. But the division has begun to seep into the region's social fabric, too. The sectarian fault line has long existed and sometimes ruptured, but never, perhaps, has it been revealed in such a stark, disruptive fashion." While the divide has existed for centuries, the Post says "rarely has the region witnessed so many events, in so brief a time, that have been so widely interpreted through a sectarian lens: the empowering of Iraq's

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Shiite-led government and the bloodletting that has devastated the country; the lack of support by America's Sunni Arab allies -- Egypt, Jordan and Saudi Arabia -- for the Shiite movement Hezbollah in its fight with Israel last summer; and, most decisively, the perception among many Sunni Arabs that Saddam Hussein was lynched by Shiites bent on revenge."

Powell, Former NSC Aide Criticize Bush's Handling Of Iran. Newsweek (2/19, Hirsh, Bahari, 3.12M), in its cover article titled, "Blowup? America's Hidden War With Iran," reports, "The Iranians have reason to feel paranoid. … At least one former White House official contends that some Bush advisers secretly want an excuse to attack Iran. 'They intend to be as provocative as possible and make the Iranians do something [America] would be forced to retaliate for,' says Hillary Mann, the administration's former National Security Council director for Iran and Persian Gulf Affairs. US officials insist they have no intention of provoking or otherwise starting a war with Iran." However, "the fact remains that the longstanding war of words between Washington and Tehran is edging toward something more dangerous. A second Navy carrier group is steaming toward the Persian Gulf, and NEWSWEEK has learned that a third carrier will likely follow." Newsweek goes on to report, "The secret history of the Bush administration's dealings with Iran is one of arrogance, mistrust and failure." Former Secretary of State Colin Powell "thinks Bush simply wasn't prepared to deal with a regime he thought should not be in power. As secretary of State he met fierce resistance to any diplomatic overtures to Iran and its ally Syria. 'My position in the remaining year and a half was that we ought to find ways to restart talks with Iran,' he says of the end of his term. 'But there was a reluctance on the part of the president to do that.' The former secretary of State angrily rejects the administration's characterization of efforts by him and his top aides to deal with Tehran and Damascus as failures. 'I don't like the administration saying, "Powell went, Armitage went...and [they] got nothing." We got plenty,' he says. 'You can't negotiate when you tell the other side, "Give us what a negotiation would produce before the negotiations start'.""

Japanese Media Sees Cheney Decision Not To Meet Official As A "Snub." The AP (2/12) reports Vice President Dick Cheney "will not meet with Japan's defense minister during his trip to the country next week, a decision Japanese media characterized as a snub over the official calling the US-led invasion of Iraq a 'mistake.'" The Kyodo news agency said Cheney "has asked Japan not to schedule any talks with Defense Minister Jumio Kyuma," who lat month criticized the decision to go to war. In Washington, Cheney spokeswoman Lea Anne McBride "said the vice president's schedule had been filled before he received an invitation from Kyuma to meet."

Six-Party Talks Appear To Stall In Beijing. On its front page, the New York Times (2/12, A1, Yardley, Sanger, 1.16M) reports the latest round of six-party talks on Pyongyang's nuclear program "appeared near collapse on Sunday over North Korea's demands for huge shipments of fuel oil and electricity before agreeing to a schedule for turning over its nuclear weapons and fuel." Assistant Secretary Christopher Hill said he and North Korean envoy Kim Kye-gwan held a "lengthy and very frank" meeting on Sunday. But Mr. Hill "seemed much less optimistic that a deal could be struck. Negotiators are planning to end the talks on Monday, and other envoys were pessimistic that any breakthrough would emerge on the final day." The Times notes that "after months of preparation that created unusual optimism within the Bush administration, failure to reach even a preliminary agreement could cast doubt on the prospects of disarming North Korea in the administration's last two years."

The Wall Street Journal (2/12, A6, Ramstad, 2.04M) says the "stakes are high for the US, which, since the North's test of a nuclear device in October, has stepped up its diplomatic efforts to reverse Pyongyang's desire for such weapons. Success with North Korea might help the US persuade another budding nuclear power, Iran, to give up its work, too."

The Financial Times (2/12, Fifield) reports the talks are "teetering on the brink of collapse" after two "tortuous days discussing a single paragraph in a draft agreement that would pave the way for denuclearization." The Washington Post (2/10, A 18, Cody, 690K) also reports briefly on the developments.

LATimes Urges Negotiators To Strike A Deal With Pyongyang. In an editorial, the Los Angeles Times (2/10, 850K) writes, "The United States, and the world, have lived with a dangerous North Korea for half a century and a dangerously unstable North Korea for more than a decade. What the world cannot live with is a dangerously unstable nuclear North Korea. So a true disarmament deal must be eventually struck. And if a taste of fuel oil, like a swig of Kim's favorite cognac, can begin the cycle of mutual concessions that will be required, then the wisest course may be to pour just enough -- and not a drop more -- to keep the North Koreans at the table."

US Seeks To Counter Chavez's Influence In Latin America. The Los Angeles Times (2/10, McDonnell, 850K) reports the Bush administration's "self-proclaimed 'year of engagement' with Latin America kicked off last week with broadsides against Venezuela and Iran, a diplomatic tiff with Argentina and analysts wondering whether it all wasn't a little late in the game." The Times reports that

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Undersecretary of State for political affairs, Nicholas Burns, and Thomas A. Shannon, "the administration's top diplomat for Latin America," as well as Atty. Gen. Alberto R. Gonzales made visits last week to Argentina and Brazil as the President prepares to visit Latin America in March. The moves are "widely seen in South America as an effort to counter the influence of Venezuelan President Hugo Chavez."

Holbrooke Urges Deal Between Turkey, Kurds. Former US ambassador to the United Nations, Richard Holbrooke, writes in the Washington Post (2/12, A17, 690K) that "whatever happens in Iraq, we must try to limit the terrible fallout from the war. The place to start should be with our indispensable NATO ally Turkey…whose relations with the United States have deteriorated dramatically in the past six years." However, the Ambassador says, "Despite centuries of enmity, rapprochement is in the long-term interests of both Turkey and the Kurds of northern Iraq. But such an effort would be controversial and could be undertaken only with strong American encouragement."

G-7 To Analyze "Duplicative" Financial Regulations. The Wall Street Journal (2/12, A2, Solomon, 2.04M) reports, "- Treasury Secretary Henry Paulson said he and other finance ministers in the Group of Seven leading industrial nations are exploring ways to reduce 'duplicative' financial regulations and standards that burden companies doing business globally." Paulson "said the aim is to 'break down artificial barriers' and harmonize regulations and standards so costs and other constraints on multinational companies are reduced."

Many Bolivians In US Alarmed Over Morales' Policies. The Washington Post (2/12, A1, Constable, Brulliard, 690K) analyzes the effect of Evo Morales' leadership on the Bolivian community in the Washington, DC, area. The Post reports, "Greater Washington is home to the largest population of Bolivian immigrants in the United States, with 37 percent of the total. Census figures show that more than 20,000 Bolivian-born immigrants live in the area, but activists and diplomats say the community is more than three times that size. … Most Bolivians here say they initially welcomed Morales's presidency as a change from elitist and military governments, but many say they became indignant and alarmed as he has antagonized domestic opponents and befriended Chavez and Cuba's Fidel Castro."

French Socialist Candidate Unveils Program. The New York Times (2/12, Smith, 1.16M) reports, "France's Socialist presidential candidate, Ségolène Royal, presented her long-awaited presidential program in a two-hour speech on Sunday, hoping to dispel criticism that she is a pretty face without fundamental policies and to reverse a slide in opinion polls." Royal "promised a new kind of French politics based on closer attention to the will of the people through American-style town hall meetings, Internet-based dialogue and national referendums. Her program was studded with promises and proposals meant to address desires filtered from the more than 700,000 people who attended what her campaign organization puts at 6,500 public meetings since November, together with tens of thousands of ideas left by visitors to her Web site." The Wall Street Journal (2/12, A8, Galloni, Gauthier-Villars, 2.04M) and Washington Post (2/12, A12, Moore, 690K), which headlines its story "Falling In Polls, French Socialist Offers Platform," also report the story.

Low Voter Turnout In Portuguese Abortion Referendum. The New York Times (2/12, Sciolino, 1.16M) reports, "Portugal voted decisively in a referendum on Sunday to liberalize its restrictive abortion law, but the result was not considered valid because of low voter turnout." Still, Prime Minister José Sócrates, "a Socialist who supported the liberalization, declared victory and said he would ask Parliament, where his party enjoys a comfortable majority, to change the law." The vote "was 59.25 percent in favor and 40.75 percent opposed, with a turnout of slightly less than 44 percent of the 8.8 million eligible voters. At least 50 percent of eligible voters needed to cast ballots for the results to be legally binding."

US Urged To Join Effort To Provide Drugs To The Developing World. The Washington Post (2/12, A16, 690K), in an editorial, writes, "Currently, drug companies do not have a strong incentive to develop new medications or to increase production capacity to serve low-income countries. There's demand in developing nations for everything from better anti-retrovirals to new malaria medication, but the money isn't there, especially given the fickleness of foreign aid. So manufacturers face the unappealing prospect of investing hundreds of millions into drug development and production plants only to see the money available to buy their product disappear. The solution Italy, Britain, Russia and a few other countries endorsed is in essence a promise to buy medication from any company willing to develop it according to World Health Organization standards and sell it at a certain price. … Notably absent from the agreement so far is America's contribution, even though the plan is a relatively cheap, market-based approach that could eliminate a major killer in the developing world. If the pneumococcus test case produces results, the United States should join similar ventures."

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THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"U.S. Makes Case That Iran Arms Flow Into Iraq."
"Dying Large In China."
"Between Rocks And Hard Times."
"The Battle Scars Of A Private War."
"Grammys Make Nice With The Dixie Chicks."
"In Congress, A Shift Over Fuel Economy."

New York Times:
"Nuclear Talks On North Korea Hit Roadblock."
"U.S. Says Arms Link Iranians To Iraqi Shiites."
"8 Days, 10 Feet And The Snow Isn't Done Yet."
"Believing Scripture But Playing By Science's Rules."
"For Clinton and Obama, Different Tests On Iraq."

Washington Post:
"Obama Joins Race With Goals Set High."
"Putin Hits U.S. Over Unilateral Approach."
"McCain Taps Cash He Sought To Limit."
"Hunting's Crisis of Less Space and Time."
"Jewish Inroads in Muslim Quarter."

Washington Times:
"Iran Arms Iraq Insurgents."
"Congress tackles Global Warming."
"Fallon To Recruit Arab Nations For Help."
"Bellowed Brimestone Raises Raises Ire On Hill."
"Calling To break language Barriers."
"Russian Fur Under Attack."

Detroit Free Press:
"Fight On Gas Mileage Rev Up."
"Creating A Buzz."
"U.S. Mint Tries Again, But Public Is Skeptical."

Atlanta Journal-Constitution:
"U.S.: Bombs Traced To Iran."
""Atlanta, Georgia I'm Bringing This Home To You.'"
"Churches Grieve For Members Who Died In Honduras."
"IPod's New Tune: Teacher's Aide."
"Two-Timing Valentines Give Private Eyes A Field Day."

Houston Chronicle:
"U.S.: Proof Iran Is Arming Shites."
"Race may Crown Area's 1st Patrona."
"A Heroric, And Tragic, End."
"Report On Water Needs Downplays Climate Change."

Story Lineup From Last Night's Network News:
ABC: Iran Supporting Insurgents; Iran's Celebration; Possible Strikes-Iran; Obama's Presidential Bid; Clinton Campaign Trail; Winter Weather-NY; Saving For College; Saving For College.
CBS: Preempted By Golf.
NBC: Iraq-Iranian Weapons; Iran Claims-Democrats; Gates-Russia Trip; Hillary Clinton-New Hampshire; Obama-Iraq; GOP Primary; New York Snow; Starbucks-China; Harvard-Woman President; Airbus A-380; Young Nuns.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Giuliani-CA; Huckabee-South Carolina; Hillary Clinton-NH; Obama-Iowa; Iranian Assistance To Iraqi Insurgents; Harvard-Woman President; Grammy Awards; Gas Prices.
CBS: Grammy Awards; Washington Post-Humvees Bound For Iraq Lacking Armor Upgrade; German Foreign Minster-Missing Germans In Iraq; Gates-Pakistan; WA-Mall Evacuated; Western NY-Heavy Snow; Coco Beach, FL-Fundraiser For NASA Astronaut; St. Louis-Dog Parade; TX-Protests Against Plans For New Coal-Fired Power Plants.
NPR: Iran, EU Talks On Iranian Nuclear Program; Iranian Assistance To Iraqi Insurgents; Sen. Dodd Skeptical Of Evidence Of Iranian Assistance To Iraqi Insurgents; Gates-Moscow Visit; Portuguese Voters Approve Reform To Abortion Laws; CA-National Parks And Marijuana Cultivation; Western NY-Heavy Snow.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the President of Lithuania, Oval Office; remarks at the celebration of African American History Month, East Room.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 1 p.m. Meets for morning business, followed by resumption of debate on the continuing resolution.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Energy Subcommittee. Hearing on recommendations on policies and programs to improve the energy efficiency of buildings, and to expand the role of electric and gas utilities in energy efficiency programs. Kateri Callahan, president, Alliance to Save Energy; Kim Christianson, Energy Program Director, North Dakota Department of Commerce; Jack Hebert, president/CEO, Cold Climate Housing Research Center; James E. Rogers, Chairman, Edison Electric Institute and chairman/president/CEO of Duke Energy; R.K. Stewart, president, American Institute of Architects; and Charles Zimmerman, vice president, Wal-Mart. Location: Room 366, Dirksen.

US House: FLOOR SCHEDULE _ 12:30 p.m. Meets for morning business. At 2 p.m., meets for legislative business.

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Other: PRESIDENT VALDAS ADAMKUS OF LITHUANIA _ Highlights: 10:15 a.m. Meets with President Bush. Oval Office.

SECRETARIES OF STATE _ Winter conference of the National Association of Secretaries of State. Highlights: 8:30 a.m. - 4 p.m. Joint session with the National Association of State Election Directors. 12 p.m. Attorney General Gonzales. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

EDUCATION _ The American Council on Education holds its 89th annual meeting. Highlights: 9 a.m. journalist Ron Suskind 12:15 p.m. Luncheon speaker - Advertising Council CEO Peggy Condon. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

GOVERNMENT ACCOUNTANTS _ The Association of Government Accountants holds its 5th Annual National Leadership Conference. Particiapnts include: Juan C. Zarate, Deputy to the President and Deputy National Security Advisor for Combating Terrorism, National Security Council; and Mark W. Everson, Commissioner, Internal Revenue Service. Location: Reagan Building, 1300 Pennsylvania Ave. NW.

PUBLIC TELEVISON _ The Association of Public Television Stations holds its annual meeting. Highlights: 12 p.m. Awards luncheon honoring Sen. Daniel Inouye. 4 p.m. APTS/PBS Joint Session, with award to John Marshall, III, former President, Kresge Foundation. Speakers PBS CEO Paula Kerger and APTS President John Lawson. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

TERRORISM _ 9 a.m. - 4 p.m. The US Army War College and Womern in International Security host a forum, ``The Roots of Terror: Understanding the Evolving Threat of Global Terrorism.'' Participants: Sara Daly, RAND; Ronnie Edelman, US Department of Justice; C. Christine Fair, US Institute of Peace; Michele Flournoy, Center for Strategic and International Studies; Michael German, American Civil Liberties Union; Lori Helene Gronich, Georgetown University; Matthew Levitt, Washington Institute for Near East Policy; Dalia Mogahed, The Gallup Organization; and David Shinn, George Washington University; Cynthia Storer, University of Maryland. Location: Wyndham Washington Hotel, 1400 M St. NW.

BORDER CROSSINGS _ 10 a.m. Mobilisas Defense ID holds a pen and pad only briefing on the technology and status of the pilot project on the Washington State/British Columbia border crossing to make the borders more secure. Location: National Press Club.

PALESTINIAN UNITY TALKS _ 10 a.m. The Middle East Institute holds a briefing on Palestinian Unity Talks, with Diana Buttu, former legal adviser to PLO leaders Yasser Arafat and Mahmoud Abbas, and Rob Malley of the International Crisis Group. Location: MEI, 1761 N St. NW.

VOA-SOMALI _ 10:30 a.m. The Voice of America launches its new Somali-language broadcast service. Location: Briefing Room, VOA, 330 Independence Ave. SW.

EDWARD BROOKE _ 11 a.m. - 12:15 p.m. Former Massachusetts Senator Edward Brooke, the first African American popularly elected to the U.S. Senate, will be the keynote speaker for the annual Patricia Roberts Harris Lecture. Brooke, a Howard University alumnus, also hosts a book signing of recently published autobiography, ``Bridging the Divide: My Life.'' Location: Howard University Main Campus, Ira Aldridge Theater, 2455 6th St. NW.

AFL-CIO-KOREA _ 12 p.m. The AFL-CIO holds a rally with members of the Korean trade union movement in front of the hotel, where the final round of negotiations of the proposed US-Korea Free Trade Agreement will be held. Location: Outside Washington Court Hotel, 525 New Jersey Ave. NW. (Monday only), Tuesday location - TBA.

RIGA SUMMIT FOLLOWUP _ 12 p.m. Former Spanish President Jose Maria Aznar and former Polish President Aleksander Kwasniewski discuss NATO and the war on terrorism following the Riga Summit, sponsored by Georgetown University. Location: Bunn Center auditorium, on campus.

LOW-INCOME ENERGY _ 1 p.m. State Energy Officials hold a news briefing to release an analysis of the effect of rising home energy prices on low income families and call on the Congress to reject the Presidents Budget for the Low Income Home Energy Assistance Program (LIHEAP). The Presidents Budget for FY'08 of $1.78 billion would cut LIHEAP by $1.38 billion (44%) from the comparable FY 06 appropriation level of $3.2 billion (regular plus supplemental appropriations). Location: National Press Club, Zenger Room.

ECONOMIC REPORT _ 1:30 p.m. The Council of Economic Advisers releasaes the 2007 Economic Report of the President. Location: Indian Treaty Room, Eisenhower EOB.

NATION BUILDING _ 3 p.m. Rand Corp. holds a briefing on a new report, giving a comprehensive step by step guide for nation building. Location: Room 2247, Rayburn.

CELLULOSIC ETHANOL _ 3:30 p.m. The Environmental and Energy Study Institute holds a briefing for House members on ``Cellulosic Ethanol: Not Just a Liquid Fuel.'' Location: Room 485, Russell.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SUNDAY, FEBRUARY 11, 2007 7:45 AM EST**

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HOMELAND RESPONSE:

More Pilots Bringing Guns On Planes. The Los Angeles Times (2/11, Kaye, 850K) reports that "a growing number of U.S. airline pilots are armed, prepared to use lethal force to protect the cockpit. Soon, they will carry badges, bringing them even closer to being bona fide law enforcement officers. … About 8,000 pilots carry government-issued guns on a voluntary basis, or about 8% of the nation's 100,000 pilots, according to the Airline Pilots Security Alliance, a volunteer organization that advocates increased cockpit security. Two years ago, about 3,000 pilots were armed. These pilots, officially known as federal flight deck officers, keep sidearms handy to provide one more layer of security and a last line of defense against hijackers."

WAR NEWS:

Petraeus Takes Charge In Iraq, Saying "Stakes Are Very High." ABC and NBC both led their evening newscasts with stories on the 2008 presidential race; CBS was pre-empted for sports coverage. The most prominent non-political story on both networks was Gen. David Petraeus' assumption of command in Iraq. Reports highlight his abilities, but also note his sober remarks and the gravity of the situation he inherits. Reporters also cited criticism of outgoing Gen. George Casey's emphasis on training Iraqi forces. ABC World News (2/10, story 5, 2:30, Avila, 8.78M) reported Petraeus "became the third commander in the war. … The Iraqis are set to announce another new plan to bring Baghdad under control, including a crackdown on the borders with Iran and Syria."

NBC Nightly News (2/10, story 4, 2:05, Arraf, 9.87M) reported, "The new top general in Iraq didn't paint a rosy picture." Petraeus: "The situation in Iraq is exceedingly challenging; the stakes are very high." Arraf: "President Bush is betting David Petraeus and 20,000 American troops can help turn around an unpopular war. … Casey was applauded by the officers and soldiers he commanded for two and a half years. He has been blamed by some in Congress for what are seen as mistakes in the war, including not asking for more troops sooner."

The Washington Post (2/11, Partlow, 690K) reports Petraeus "said Saturday that the 'rucksack of responsibility' was too heavy to carry alone there and that without

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cooperation between Iraqi and U.S. forces, 'Iraq will be doomed to continued violence and civil strife.'" The "Princeton-educated military man who previously served as the commander of the 101st Airborne Division in the northern city of Mosul, and also led the U.S. military effort to train Iraqi soldiers, takes over" from Casey, who "has been criticized for riding the inchoate Iraqi security forces too hard toward self-sufficiency." On the other hand, Petraeus "is expected to rely on a more visible U.S. presence, sending his troops to live on smaller outposts within embattled Iraqi neighborhoods."

The New York Times (2/11, A16, Cave, 1.16M) reports Petraeus and Casey "spoke at a formal ceremony on a military base outside Baghdad, striking tones of optimism and caution, while hinting at their different approaches to Iraq. For the past two and a half years, General Casey has pushed for a speedy transfer of control to Iraqi security forces so that American troops could withdraw; General Petraeus, an expert in counterinsurgency, has instead supported a more active American role, in line with new White House demands." The Times adds, "Iraqi officials, faced with such relentless violence, seemed unsure of whether a new American commander -- and the new plan -- could stop the bloodshed. Among American military officers," Petraeus is "considered an imaginative leader with a deep understanding of Iraq's problems, culled from two tours here. But for some in Baghdad, his assumption of control looked routine."

The Los Angeles Times (2/11, Susman, 850K) reports that Petraeus gave "a sober assessment of the job he faces and a warning that Iraq will be doomed if 'barbarians' fueling violence across the country are not defeated. ... Casey predicted that Iraqi forces would be ready to take control of the country's security by the end of summer or early fall, a seemingly optimistic view given what appears to be the sluggish start to a much-vaunted, U.S.-Iraqi security plan aimed at bringing violence under control."

The Washington Times/AP (2/11, A1, Frayer, 88K) reports that the "media-savvy" Petraeus "spoke bluntly of the task before him ... The Sunni insurgency broke out during Gen. [Ricardo] Sanchez's command, and the conflict in Iraq took on many of the aspects of a civil war during Gen. Casey's tenure."

Reid Seen As Playing "Stronger Hand" Than McConnell On Iraq. The Washington Post (2/11, A3, Murray, Weisman, 690K) reports that while Senate Minority Leader Mitch McConnell "may be winning procedural battles" in the chamber, Majority Leader Harry Reid, "at least this past week, may have played the stronger hand on the war issue, on which public opinion is clearly on his side. The drama started Monday evening, when McConnell rallied GOP senators to block from the Senate floor a nonbinding resolution opposing President Bush's plan to increase troops in Iraq. But since then, the headlines have been withering, blaming Republicans for sidetracking the debate." Reid "also seemed on shaky ground in the immediate aftermath, appearing to protect Democrats from political controversy at the expense of a war debate." The letter from seven Republicans "vowing to do whatever it takes to get the debate back on track helped to reverse this impression by suggesting buyer's remorse on the Republican side."

More Commentary On Iraq. Retired Gen. William Odom writes in the Washington Post (2/11, B1, 690K) that Congress, if President Bush refuses, must extricate the US from Iraq. Odom writes, "There never has been any right way to invade and transform Iraq. ... First, the assumption that the United States could create a liberal, constitutional democracy in Iraq defies just about everything known by professional students of the topic. ... Second, to expect any Iraqi leader who can hold his country together to be pro-American, or to share American goals, is to abandon common sense." The "first and most critical step is to recognize that fighting on now simply prolongs our losses and blocks the way to a new strategy. ... Second, we must recognize that the United States alone cannot stabilize the Middle East. Third, we must acknowledge that most of our policies are actually destabilizing the region. ... Fourth, we must redefine our purpose. It must be a stable region, not primarily a democratic Iraq."

In the Los Angeles Times (2/11, 850K), former National Security Adviser Zbigniew Brzezinski writes, "If the United States continues to be bogged down in protracted, bloody involvement in Iraq, the final destination on this downhill track is likely to be a head-on conflict with Iran and much of the Islamic world. ... We need a strategy to end the occupation of Iraq and to shape a regional security dialogue." A "public declaration that the U.S. intends to leave is needed to allay fears in the Middle East of a new and enduring American imperial hegemony. ... Second, the United States should announce that it is undertaking talks with Iraqi leaders to jointly set a date by which U.S. military disengagement should be completed. ... Third, the United States should encourage Iraqi leaders to issue an invitation to all neighbors of Iraq and perhaps some other Muslim countries, such as Egypt,

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Morocco, Algeria and Pakistan, to discuss how best to enhance stability in Iraq in conjunction with U.S. military disengagement and to participate eventually in a conference regarding regional stability. ... Fourth, the U.S. should activate a credible and energetic effort to finally reach an Israeli-Palestinian peace."

Lt. Col. Gian Gentile writes in the Washington Post (2/11, B7, 690K), "I learned as a tactical battalion commander in Baghdad's Amiriyah district last year that government legitimacy was exponentially more important than the number of coalition and Iraqi army forces patrolling the streets ... Indeed, legitimacy of the government of Iraq as seen through the eyes of all Iraqis -- Sunnis, Shiites and Kurds -- is the necessary condition for peace based on reconciliation. ... When I spoke to shopkeepers, professionals, imams and others in Amiriyah, I was told that the solution to ending the violence -- both insurgent attacks and sectarian killings -- was an Iraqi government they saw as legitimate. More American troops, more Iraqi troops and more American advisers cannot produce a legitimate government; only the Iraqis can do that. To be sure, a minimum amount of military power is needed in a place such as Amiriyah to maintain order."

Washington Post (2/11, B7, 690K) columnist Jim Hoagland writes, "An increasingly well-beaten path to Capitol Hill by special envoys and other visiting officials attests to the new power that Congress holds in foreign policy. ... The confusion and bickering over competing Senate resolutions to support, oppose or split the difference on Bush's proposed 'surge' of five additional brigades into Iraq illustrate how Washington is rolling rapidly toward the worst of all policy worlds: one in which 535 would-be secretaries of state try to micromanage battlefield tactics on the basis of November's election returns."

Los Angeles Times (2/11, 850K) columnist Jonathan Chait writes, "There is something genuinely bizarre about those remaining supporters of President Bush's strategy in Iraq. It is not just that they are wrong -- being wrong happens to all of us from time to time. It's that they are completely detached from reality. … Trust the commander in chief, don't undermine the troops, withdrawal equals defeat. These aren't arguments to support Bush's strategy, they're generic pro-war arguments. Change a few details and these lines could support Napoleon's invasion of Russia or the Crusader occupation of Jerusalem or almost any war."

New York Times (2/11, WK1, 1.16M) Week In Review contributor Helene Cooper writes, "The blame game on Iraq seems to be reaching a peak. The surest sign is that people inside the Beltway have started to proclaim loudly that they're not looking to assign any blame. ... Washington is already positioning to lay blame if the worst happens. After all, history books are being written right now."

US Iran Policy Said To Emphasize Pressure, Back Off Attack Threat. In a piece entitled "U.S. Keeps Pressure On Iran But Decreases Saber Rattling," the Washington Post (2/11, A18, DeYoung, 690K) analyzes changing tactics in US policy towards Tehran. Administration "statements in recent weeks by" President Bush, and Secretary of State Condoleezza Rice, and Defense Secretary Robert Gates disavowing imminent plans to attack Iran "follow a high-level policy assessment in January that U.S. and multilateral pressure on Tehran, to the surprise of many in the administration, might be showing signs of progress." Updated "talking points distributed to senior policymakers in the administration directed them to actively play down any suggestion of war planning." The Post says this "changed rhetoric also stems from a growing foreign policy 'maturity' within the administration." Post sources "described a new attitude, born of the administration's awareness that the Iraq war has left it with a wide credibility gap at home and abroad and the realization that military action against Iran would strain U.S. capabilities, undercut other goals and possibly explode into a regional conflagration. Internal discussion has also focused on the likelihood that an attack could destroy whatever political plurality exists in Iran by uniting even those opposed to Ahmadinejad in a wave of anti-U.S. nationalism." Notably, however, "some senior administration officials still relish the notion of a direct confrontation," including Vice President Cheney's office.

Iranian Reformers Ask US To Tone Down Rhetoric. The Los Angeles Times (2/11, Murphy, 850K) reports, "Many Iranians say the international dispute over Iran's nuclear program has become a rallying point for a president who otherwise would be facing substantial public dissatisfaction over soaring inflation, rising unemployment and widespread censorship. This has been a source of frustration to Iran's reformists, who dealt the president's party a blow at the polls in local elections in December but complain that the Bush administration's threatening rhetoric has pulled the rug out from under them."

Iraq-"Haunted" Administration Prepares To Reveal Iranian Link To Iraqi Insurgency. The Washington

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Times/AP (2/11, Shrader, 88K) reports, "The Bush administration is haunted by the history of intelligence blunders about Saddam Hussein's supposed weapons of mass destruction as the United States tries to document that Iran is providing lethal help to Iraqi fighters. After weeks of preparation and revisions, U.S. officials are preparing to detail evidence supporting administration claims of Iran's meddlesome and deadly activities. ... No one who has seen the files has suggested the evidence is thin. But senior officials -- gun-shy after the drubbing the administration took for the faulty intelligence leading to the 2003 Iraq invasion -- said they were underwhelmed by the packaging." Nonetheless, anonymous officials "said [the documents] make a compelling case about Iranian actions in Iraq."

Germany's Merkel Says Iran Must Not Get Bomb; Gates To Speak On Sunday. The AP (2/10) reports German Chancellor Angela Merkel said the "international community is determined to prevent Iran from developing a nuclear weapon. Speaking at a weekend gathering of the world's top security officials, expected to include Iranian nuclear negotiator Ali Larijani, Merkel said Tehran needed to accept demands made by the U.N. and the International Atomic Energy Agency." She "emphasized the international community's support for Israel and said there was a unified resolve to prevent Iran from developing nuclear weapons." Secretary of Defense Gates "was expected [on Sunday] to press allies for more troops and aid for a spring offensive in Afghanistan. He delivered the message Friday to a NATO defense minister's meeting in Seville, Spain, but got a lukewarm response."

Departing Marine General Looks Back On Hard Year In Anbar. ABC World News (2/10, story 5, 2:30 Raddatz, 8.78M) reported, "Today, senior officials said this insurgent video has now led the Marine Corps to believe that the helicopter that crashed earlier this week in al Anbar province was shot down." Brigadier Gen. Robert Neller: "I didn't come here to fail. We came here to win. Maybe it will take everybody that's involved in this getting right to the edge of the cliff and looking over the edge." ... Raddatz: "Gen. Neller leaves with a great deal of pride, but also sadness. He lost well over two hundred Marines during his year in al Anbar." Neller says "despite the sacrifice of US troops, in the end, it will not be up to US forces to determine the outcome of this war. It will be up to the Iraqis."

Suicide Bomber Kills 30 Near Tikrit. The AP (2/11) reports, "A suicide truck bomber slammed into a crowd of police lining up for duty Sunday near Tikrit, killing at least 30 people and wounding 50, police said. Minutes later, a roadside bomb struck a car on a highway on the western outskirts of Tikrit, 80 miles north of Baghdad, killing two civilians and wounding two others, police said. ... Insurgents frequently target Iraqi security forces, accusing them of collaborating with the U.S."

Civilian Contract Driver Accidentally Killed By US Forces. The Houston Chronicle (2/11, 530K) reports, "The shooting Monday of a civilian contract truck driver for KBR, a subsidiary of Halliburton, is under investigation by the company and by the U.S. Army. The U.S. military confirmed on Saturday that American forces shot and killed the truck driver at Camp Anaconda, an air base about 42 miles north of Baghdad." Donald Tolfree was "killed Monday in Balad, Iraq, where he was employed as a civilian contractor." KBR spokeswoman Melissa Norcross "did not respond to e-mail queries about why the news about the contract worker's death, and the second worker's injury, was not made public until Saturday."

National Guard Strained By War. NBC Nightly News (2/10, story 6, 2:50, Seigenthaler, 9.87M) reported, "The National Guard under strain: Citizen soldiers for America's first line of defense called upon in times of national emergency, like Hurricane Katrina and the September 11 attacks. But with more than 50,000 Guard troops serving in Iraq and Afghanistan, the Guard is stretched thin and facing challenges here at home." NBC (Corke): "It is the primary mission of the citizen soldier. Safeguarding the homeland in times of need. But a government study suggests that is getting harder to do. A recent report noted major equipment shortages for Guard units in all fifty states no state had two thirds of the equipment it is supposed to have. New Mexico came in last with about a third of its assigned equipment."

Iowa Guardsmen "Proud But Disappointed" By Tour Extension. The Washington Post (2/11, A15, Davenport, 690K) reports, "Army Spec. Jesse Espinosa figured he was down to just six more missions off this base west of Baghdad. .. But all that has to wait. The deployment of his unit, the Iowa National Guard's 1st Battalion, 133rd Infantry Regiment, was recently extended for up to 125 days because of President Bush's decision to temporarily increase

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troop levels in Iraq. Like many of his fellow soldiers, Espinosa, 24, was upset because 'almost every mission we see at least one' roadside bomb, he said. ... instead of six, Espinosa has about 40 more missions to go. ... News of the extension hit many soldiers hard at first. For a few, it has even led to divorce ... soldiers were furious about how they found out about the extended duty: The news came from families back home -- and not the chain of command -- which 'kills morale,' [Lt. Randy] Hartley said."

War's Demands Sap Military Equipment. ABC World News (2/10, story 7, 2:40, Avila, 8.78M) reported, "There have been a lot of stories lately about the human shortage in the US military. Tonight, we take a look at another shortage: a lack of hardware." ABC (Hendren): "The Pentagon has sent about 40% of its military equipment to the war zones of Iraq and Afghanistan. There it is routinely targeted by small arms fire, rocket-propelled grenades, and roadside bombs. … The equipment ends up at repair sites like the Red River Army Depot." Depot commander Col. Douglas Evans: "We're absolutely busting at the seams with work."

Arizona Councilman Protests War By Refusing Pledge Of Allegiance. The New York Times/AP (2/11, A26) reports Mesa, Arizona, City Councilman Tom Rawles "has been receiving threats since he started refusing to recite the Pledge of Allegiance or stand during it at council meetings to protest the war in Iraq." Rawles "has angered fellow council members and constituents in this conservative Phoenix suburb of about 400,000. The police briefly provided him with protection before deciding the threats were no reason for alarm." Rawles "said he did not mind that his stand was angering people."

Gates Seeks More NATO Help In Afghanistan. NBC Nightly News (2/10, story 5, 2:40, Seigenthaler, 9.87M) reported, "In Afghanistan, US troops are bracing for another Taliban offensive." The Pentagon "says it needs more help from America's NATO ally, help that it is not likely to get." NBC (Maceda): "With another offensive around the corner, US Secretary of Defense Robert Gates is determined not to be caught off guard." Gates: "It is important this year we knock that back and bring the situation fully under control." Maceda: "Gates met in Spain with other NATO defense ministers earlier this week appealing for more combat troops for the war in Afghanistan. But he met with resistance." Michael Griffen, Afghan affairs expert: "There seems to be a majority of countries in Europe who…like the idea of NATO but don't think it is winnable or worth expending the money on."

Taliban Attacks Increasing. The New York Times (2/11, A16, Gall, 1.16M) reports that in recent days Taliban insurgents "have stepped up attacks in southern Afghanistan…killing four Afghan policemen in an ambush on Friday night and aiming at NATO troops with the second suicide bombing in a week in what seems to be the opening of the fighting season, officials said Saturday." Taliban forces "who overran the town of Musa Qala last week were also preparing for a fight if government or NATO troops moved against them."

NATO Secretary General Claims Afghanistan On Road To Stability. The AP (2/11, Lekic) reports from the Munich security conference, "NATO Secretary General Jaap de Hoop Scheffer said Saturday he thinks the back of the insurgency in Afghanistan will be 'broken' and that the country will be on the road to a long-term peace by 2009."

No One Hurt In Attack On Red Cross Compound In Peshawar. The New York Times (2/11, A16, 1.16M) reports, "An explosion in the parking compound of the International Committee of the Red Cross headquarters in Peshawar, a northwestern city, damaged four vehicles but hurt no one early Saturday, officials said." The Red Cross "confirmed the attack and lack of casualties," noting that "the office had not received any threats before the attack and would continue its activities in the North-Western Frontier Province, where Peshawar is."

LATimes Concerned By Defense Department Budget Requests. The Los Angeles Times (2/11, 850K) editorializes, "Defense Secretary Robert M. Gates may have been right in his congressional testimony last week when he said that the nation ought to be devoting at least 5% of its GDP to defense, given U.S. commitments. But no national wealth should be diverted to defense contractor fantasies with little value in today's world. Billions are being requested for Cold War relics of questionable use, such as Virginia-class submarines for about $2.5 billion a pop."

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Lam Reflects On Tenure As US Attorney. The San Diego Union-Tribune (2/11, Thornton) reports, "San Diego U.S. Attorney Carol Lam joked yesterday about the travails of juggling family and a high-powered career, confiding the reaction of her four children when she told them she may 'stay home and take care of you for a while' after she leaves her post this week. … 'It was clear from their faces this was their version of hell,' Lam said, getting a big laugh from an audience of mothers and their teenage daughters at a leadership forum at The Academy of Our Lady of Peace in North Park." The Union-Tribune continues, "Lam, 47, is reluctantly leaving her job of 4½ years after being forced out by the Justice Department, which asked for her resignation because of what one official described as 'performance-related' issues. The official said members of Congress complained that Lam didn't prosecute enough immigration cases. … But Lam, best known for going after corrupt politicians such as former Rep. Randy 'Duke' Cunningham, R-Rancho Santa Fe, has become a national hero of sorts to critics of the Bush administration. They say her dismissal and those of six other top federal prosecutors in recent weeks are politically motivated." The Union-Tribune adds, "The normally guarded Lam, known for a tough exterior in public, gave a rare glimpse of her personality and sense of humor at the leadership forum, where a key topic was managing demanding careers and motherhood. … Lam, a political independent, recalled for the audience some of the milestones in her career, such as becoming one of few women in a position of leadership in law enforcement and walking into rooms filled with male FBI and Internal Revenue Service agents. … Lam told the crowd she also was ambivalent over being labeled the first Asian-American and the first woman to become U.S. attorney in San Diego. … On one hand, she was proud to be a trailblazer. But she said she had lived a childhood of privilege and opportunity, and didn't feel she should benefit from affirmative action."

More Commentary On US Attorney Dismissals. The Albany Times Union (2/11) editorializes, "By tradition, U.S. attorneys are confirmed by the Senate and serve throughout the term of the sitting president. But under a change in the law, they can now be appointed by the attorney general -- indefinitely -- without Senate approval, and without showing serious cause for removing the incumbent. … This shocking change in the appointment process has come to light thanks to hearings called by Sen. Charles Schumer, D-N.Y., who suspects the Bush administration has been firing U.S. attorneys either for patronage reasons or because they have pursued politically sensitive investigations." The Times-Union adds, "Until now, the Justice Department had to prove real cause for removal, to ensure that the process was based on merit and not politics. Federal prosecutors, after all, have broad powers to investigate, or not, and those decisions should be based on the facts, regardless of political affiliations. But now it turns out that Attorney General Alberto Gonzales can replace federal prosecutors at will, under powers given to his office in a little noticed section of the USA Patriot Act. And from all appearances, Mr. Gonzales is taking full advantage of that provision. … Some Democrats in the Senate and the House are now proposing to change the law and replace it with a requirement that district courts, not the Justice Department, appoint interim prosecutors. That's the least Congress should do. Had it done its job in the first place, and carefully scrutinized the Patriot Act, there's a good chance this prosecutorial power grab would never have succeeded."

The Seattle Times (2/11) editorializes, "The imbroglio surrounding the forced resignations of at least seven U.S. attorneys from across the country proves the U.S. Senate needs to reclaim its right to vet the president's appointments." The Times continues, "In a bipartisan vote Thursday, the Senate Judiciary Committee approved a measure to do just that, reversing an ill-advised provision inserted last year into the Patriot Act. John McKay, the former U.S. attorney based in Seattle, was among those kicked out. He was first-rate by all accounts, including a glowing Justice Department review seven months ago. That is, except for one: Last week, U.S. Deputy Attorney Paul McNulty testified to the Senate Judiciary Committee that McKay and five other U.S. attorneys were asked to resign for 'performance-related' reasons. … In Seattle, disbelieving elected officials, law-enforcement leaders and judges denounced the insinuation as a load of blarney." The Times adds, "Then there's McNulty's admission that one U.S. attorney in Arkansas was removed solely to make room for a former aide to White House strategist Karl Rove. … Could the motives be that cynical? Disrupt crucial law-enforcement offices to give cronies a line for their résumés? … Whatever the White House's reasons for the firings, Justice Department officials need to get their stories straight and tell the truth about them. … More

importantly, Congress must fix that unwise new Patriot Act provision. This episode proves the need for presidential accountability on U.S. attorney appointments."

DOJ Urged To Appoint New Southern Illinois US Attorney. The Belleville News Democrat (2/11) reports, "When, oh when, will Southern Illinois get its new U.S. attorney? … When Belleville native Phillip J. Green was nominated for the job, we were told the confirmation process would take four to six weeks. That was in June, eight months ago." The Democrat continues, "The five other U.S. attorney candidates nominated by President Bush the same day won confirmation in the Senate months ago. Green's appointment has lingered so long now that a new session of Congress has begun, and the process has to start anew. … But Green has not yet been renominated by the Bush administration. Tasia Scolinos, a spokesman for the U.S. Department of Justice, said they are checking into a complaint against Green: 'The review has not been completed and while we are working to address it as quickly as possible, there is no set timeline.'" The Democrat adds, "An anonymous writer tried to derail Green's appointment with allegations related to a sentencing in Michigan, where Green is an assistant U.S. attorney. But the review shouldn't take this long. The record is clear that Green is an ethical, principled attorney. The chief federal judge in West Michigan told The Grand Rapids Press that Green is 'Mr. Integrity.' … The Bush administration needs to quit dragging its feet. … Southern Illinois needs a permanent U.S. attorney who can aggressively take on crime and corruption. The Southern District has been without one since November 2005. Acting U.S. attorney Randy Massey is doing a fine job in the interim, but he's not likely to start controversial prosecutions. For instance, some people in the legal community think the office is waiting for a new leader to decide whether to prosecute powerful attorney Tom Lakin."

New York US Attorney Vows To Continue Pursuing Public Corruption Cases. The New York Journal News (2/11) reports on an editorial meeting with New York US Attorney Michael Garcia. The News reports, "Strange as it might seem, U.S. Attorney Michael Garcia has other fish to fry besides Jeanine Pirro, whose affairs are still being looked into by federal investigators. He said next to nothing about the former Westchester district attorney during his Editorial Board visit last week - we didn't expect otherwise. He had plenty to say about other matters pertinent to his territory, which includes Westchester, Rockland and Putnam." Garcia is quoted as saying, "We have some of our local partners working on corruption. We are getting a lot of tips and referrals. We're looking at everything that comes in. If we believe there is a risk, we do the research that goes into taking a harder look at it. What I want to get out of public corruption cases is a comfort level where we have taken a hard look at areas of risk." On pursuing sex trafficking cases, Garcia says, "It's a horrible thing. There are a couple of problems with going after traffickers. One, a lot of times you have to rely on the people who are through the door first - local officials with some kind of domestic violence report. The first responders will be local officials because they have to have some kind of tip-off of what's going on. Once you get in the door and determine there is forced prostitution or sex trafficking, getting witnesses is very difficult because there is tremendous distrust from people who have suffered horrible abuse over sometimes very substantial periods of time. It's hard to say how widespread it is because it's hard to get a firm read on it. People are willing to pay such a high price to get into a country, and it's a terrible crime. The good side is that it gets a lot of attention now. More people are looking for it now than they were in the past."

DOJ Probing Fir Force Base Lawyer's Bias Claims. The Macon Telegraph (2/11, Rector) reports from Robins Air Force Base in Georgia, "A Robins Air Force Base lawyer, called a 'guardian angel' by at least one base sexual assault victim, was removed Jan. 10 as special assistant to the U.S. attorney for reasons that she claims have little to do with allegations lodged against her." The Telegraph continues, "Dee Dial contends Air Force officials are trying to destroy her career because she has been too aggressive in prosecuting sexual offenders and declined to testify in a Robins effort to discredit the case of a victim seeking a huge cash settlement. … Dial, who has successfully worked seven sex offender cases in the past three years, has in turn filed a complaint with the Equal Employment Opportunity Commission against the Air Force, alleging reprisals and the creation of a hostile working environment." The Telegraph adds, "The Georgia native said she is terrified of her employer and what could happen to her career. She remains a general attorney in the 78th Air Base Wing judge advocate's office, but is no longer assigned to prosecute Robins cases in U.S. District Court in Macon. … Dial said accusations raised by the base and U.S. Attorney Max Wood in Macon are being investigated by the Department of Justice - accusations of

failing to correct an error in a court document and withholding DNA results from a defense attorney. … A representative from Air Force Materiel Command, the parent agency for Robins, is also investigating issues related to her EEO complaint, Dial said. … The mother of two said she planned to fight the allegations and her removal as special assistant to the U.S. attorney. … U.S. Attorney Wood declined to answer questions about the case."

CRIMINAL LAW:

Contractors Say Pay-To-Play Corruption Rife In Northwest Indiana. The Northwest (IN) Times (2/11, Carlson) reported, "The long-standing political tradition of pay-to-play in Lake County is something federal authorities say remains a political force today and in some cases equates to bribery. 'Here's how it works,' said one source, a contractor who has done business with governments in cities and towns around the county and knows the importance of buying political fund-raising tickets. 'If you do business with the city, and it's campaign time, certain department heads will tell you to purchase tickets,' the source said. 'If you don't, you won't be doing business.'" The Times noted, "Agents from the FBI thought they would discover evidence of just such a scheme going on in Gary in December 2003, when they raided three business offices owned by politically connected businessman Jewell Harris Sr. … One longtime FBI agent, Fred Graessele, stated that the 'sale of tickets' by corrupt officials has become a term 'synonymous with bribe, kickback, and payoff' in Lake County."

Criminals Find Anonymity In Wireless Computer Networks. The Washington Post (2/11, C1, Stockwell) reports, "Detectives arrived last summer at a high-rise apartment building in Arlington County, warrant in hand, to nab a suspected pedophile who had traded child pornography online. It was to be a routine, mostly effortless arrest. .. . But when they pounded on the door, detectives found an elderly woman who, they quickly concluded, had nothing to do with the crime. The real problem was her computer's wireless router, a device sending a signal through her 10-story building and allowing savvy neighbors a free path to the Internet from the privacy of their homes. … Perhaps one of those neighbors, authorities said, was stealthily uploading photographs of nude children. Doing so essentially rendered him or her untraceable." The Post continues, "With nearly 46,000 public access points across the country -- many of them free -- hundreds of thousands of computer users are logging on every day to wireless networks at cafes, hotels, airports and even while sitting on park benches. And although the majority of those people are simply checking their e-mail and surfing the Web, authorities said an increasing number of criminals are taking advantage of the anonymity offered by the wireless signals to commit a raft of serious crimes -- from identity theft to the sexual solicitation of children. … 'We're not sure yet how to combat that,' said Kevin R. West, a federal agent who oversees the computer crimes unit in North Carolina's State Bureau of Investigation. 'Free wireless spots are everywhere, and it makes it easy for people . . . to sit there and do their nefarious acts. The fear is that if we talk about it, people will learn about it and say, 'I can go to a parking lot, and no one will catch me.' But we need to talk about it so that we can figure out how to solve it.' … The way it works is simple: Anyone who has a wireless card installed in his or her computer -- and most new computers are equipped with one -- can access the Internet from any of the public WiFi 'hotspots,' as they're known. In an age of portability and instant gratification, getting online has never been easier -- for law-abiding folks and those with bad intentions. … And in especially dense areas such as the Washington region, some neighborhoods might offer users a dozen or more open wireless signals from which to choose."

SCOTUS Position On Death Penalty Said To Be "Hardening" As Executions Decrease. In a column for the Washington Post (2/11, B2, 690K), Dahlia Lithwick writes, "Public and state support for capital punishment is steadily declining in America just as the resolve to maintain the death penalty seems to be hardening in the one arena where death-penalty policy once had seemed poised to change: the Supreme Court. … The raw numbers of executions and death sentences in the United States have plummeted," and "public support also seems to be faltering. A Gallup poll last year showed that two-thirds of the country still supports capital punishment for murderers, but when given the choice between the death penalty and a life sentence without parole, more people preferred the life prison term (48 percent) to capital punishment (47 percent) for the first time in 20 years. … Somehow, just as the American people are beginning to consider the grave injustices pervading the capital system, several justices seem

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to be staking out strong personal positions on this front in the culture wars."

CIVIL LAW:

Editorial Urges DOJ To Tighten Healthcare Fraud Enforcement. The Longview (TX) News-Journal (2/11) editorializes, "Here's what is so frustrating when we hear excuses about why programs that help people — really help people — face cutbacks when times get tight:" The News-Journal continues, "A Cox News Service story reported Saturday that there is a backlog of cases in which pharmaceutical companies are suspected of defrauding federal and state health care programs of billions of dollars. … The U.S. Justice Department office in charge of pursuing these cases has already recovered $5.3 billion from major drug companies since 1999, but an associate deputy attorney general told a House Committee that there are billions more out there to be recovered. The problem is that his office lacks the manpower to do it in a timely manner." The News-Journal adds, "With the math showing that it costs about $1 in Justice Department expenses to recover $15 in restitution and fines, one might expect higher ranking officials in the Justice Department and White House to figure out it would pay dividends to add to the staff. … The first thing the feds might want to do, however, is send a few folks down to Austin to find out why Texas is so much more proficient at pursuing these cases. … Patrick J. O'Connell, chief of the Texas Attorney General's recently expanded Medicaid task force, pointed out that the state has collected more than $100 million in the same time frame, spending about $5 to $7 million to do so. That's a return even more impressive than the Justice Department's." The News-Journal concludes, "Some people will find the feds' foot-dragging approach most frustrating because it's a waste of taxpayers' money. Although we find that frustrating as well, we are even more concerned about the fact that in the time the backlog has been building, we have frequently heard about needs to scale back public health programs because of budget difficulties. … Waste, fraud and misplaced priorities are all more serious problems than many of those that occupy our lawmakers' time. … People die when they don't get sufficient or timely health care. It's time to begin collecting the money that is due the government and using it to provide the services our neighbors need."

CIVIL RIGHTS:

Mississippi Grand Jury To Probe Till Case. The Jackson Clarion-Ledger (2/11, Mitchell) reports from Greenwood, MS, "A Leflore County grand jury that will be impaneled in March is expected to take up the 1955 abduction and killing of Emmett Till." The Clarion-Ledger continues, "The Emmett Till Justice Campaign is hoping to take out advertisements in a local newspaper before that happens, said president Alvin Sykes of Kansas City. 'We want to encourage grand jurors to listen to the evidence and follow the law. If there is enough evidence, they should indict. If there is not enough evidence, they should not do it. We don't want them to do the same thing the jury did in 1955.' … That's when an all-white jury in Tallahatchie County acquitted Roy Bryant and J.W. Milam in the murder of Till, only to see the two men confess their involvement months later to Look magazine. They since have died of cancer." The Clarion-Ledger adds, "This new grand jury could consider kidnapping charges against Bryant's ex-wife, Carolyn, who has told relatives and the FBI she is innocent. … Having the grand jury decide is 'an idea whose time has come,' said Till's cousin, Wheeler Parker of Chicago, who was with Till when he was abducted. 'I'm not going to rejoice in somebody's downfall. I'm not aggressively trying to pursue someone, but you have to reap what you sow.' … The pursuit of possible charges in the case comes at a time when there's been a renewed focus on crimes of the past. On Jan. 25, reputed Klansman James Seale of Roxie pleaded innocent to federal kidnapping and conspiracy charges in connection with the May 2, 1964, abduction and killings of Henry Hezekiah Dee and Charles Eddie Moore." The Clarion-Ledger notes, "Seale's arrest is the 28th since 1989 in cases resurrected from the civil rights era. If convicted, he could face life in prison. … A bill introduced in Congress last week would create a cold cases unit to track down unpunished killings from the civil rights era. The FBI already is examining 51 killings from that time period, and a Montgomery museum lists 127 racial killings between 1954 and 1968 - a number it concedes could be much higher. … In 2004, the Justice Department opened an investigation into Till's slaying. Less than two years later, the FBI turned over its findings to District Attorney Joyce Chiles of Greenville and recommended prosecutors take a closer look at Carolyn Bryant, the key suspect in the case."

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Delaware Inmate Claims He Was Beaten By Prison Guards. The Wilmington (DE) News Journal (2/11, Williams) reports, "David L. Kalm, a 56-year-old disabled Merchant Marine sailor, says he was nearly beaten to death by prison guards at the Sussex Correctional Institution near Georgetown last October." The Journal continues, "Kalm, who was serving a 60-day sentence for DUI, said two guards wearing black gloves took turns pounding his head into a cinder-block wall until he passed out. … In written reports, the guards said Kalm's injuries were self-inflicted, and Kalm acknowledges an earlier physical confrontation with guards after he refused to be moved to a cellblock where he feared being harmed by other inmates. However, Christiana Hospital medical staff members who examined Kalm concluded that the injuries were suffered during an 'assault.' … 'Anatomically, it could not have been possible' for the injuries to be self-inflicted, said Dr. Irwin Lifrak, a physician who has been an expert witness in several wrongful-death lawsuits. He was asked to review the medical records by an attorney working with Kalm." The Journal adds, "The medical records, which Kalm provided to The News Journal, show that he suffered a concussion, a moderate coma, a broken nose, an eyeball that was oozing blood, two broken ribs, a punctured lung, bruising around an eye, extensive bruising to his face, head and ears, and two pharyngeal tears in his throat. Lifrak and another medical professional say the tears were caused by repeated blows to his neck or by an object such as a nightstick being shoved down his throat. … Last month, the FBI began collecting preliminary information on the incident, and the Department of Correction has begun an internal investigation." The Journal notes, "After the last confrontation with guards, Kalm said, he was denied medical care for 13 hours by a prison system that was found by the U.S. Justice Department late last year to have committed numerous civil rights violations because of inadequate medical care going back years."

Mississippi Voting Rights Trial Has Cost County $25,000 So Far. The Columbus (MS) Commercial Dispatch (2/11, Miller) reports, "More than half of the funds earmarked by the Noxubee County Board of Supervisors for their 2007 budget to cover legal expenses for the county's election commission has been spent. … And though the federal trial in which the Noxubee County Election Commission and Democratic Party Chairman Ike Brown were accused of discriminating against white voters wrapped up in Jackson on Jan. 31, officials said more fees for the case are imminent. … 'We've spent over $25,000 already and we're not at the end of it,' said Janet Abrams, the county's comptroller at Friday's Noxubee County supervisors meeting." The Dispatch adds, "The supervisors allotted $50,000 for the election commission's legal fees in 2007 to cover legal expenses for the precedent-setting voting rights trial. The commission is represented by Clinton attorney, Ellis Turnage. The county isn't however footing the bill to defend Brown, whose attorney is Wil Colom of Columbus. … The board avoided an additional $8,500 bill when Turnage opted not to use the testimony of political scientist Richard Engstrom. Engstrom had been expected to counter the testimony of the Justice Department's expert witness, political science professor Theodore Arrington. … Arrington testified last month Brown and his associates don't maintain practices to prevent 'bias and fraud.' Engstrom has countered that Noxubee County whites lose elections simply because they're in the minority. … Noxubee's supervisors authorized payment of the $8,500 to Turnage for Engstrom's expert testimony at their regular Monday meeting. But hours later, Turnage informed Noxubee Board Attorney Chris Hemphill Engstrom won't be called to testify. … The federal trial pitted the U.S. Justice Department against the Noxubee County Election Commission and Brown, who stands accused of discriminating against and intimidating white voters during the past several elections. This trial marks the first time The Voting Rights Act of 1965 has been used to protect the rights of white voters. … During the non-juried trial, the Justice Department presented evidence of their allegations, including the testimony of more than 40 witnesses before U.S. District Judge Tom Lee."

Kentucky Lawmakers Consider Human Trafficking Legislation. The Louisville (KY) Courier-Journal (2/11, Yetter) reports, "Cases of human trafficking have begun to surface in Kentucky, and advocates argue that the state should join 27 others that have enacted laws against exploiting people for forced labor, domestic work or the sex trade. … 'It is happening here,' said Cori Hash, a legal aid lawyer in Lexington. 'We've seen it. We know the victims are out there.'" The Courier-Journal continues, "A bill filed by Sen. David Boswell, D-Owensboro, would make it a criminal offense to bring people into the state for exploitation. … The measure, Senate Bill 43, also would provide services and help for the victims of human trafficking, often women or

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children." The Courier-Journal adds, "Trafficking victims often come from other counties -- enticed by purported offers of jobs or marriage. Many are laborers or migrant workers, but some are U.S. citizens, often children, forced into prostitution, Hash said. … Congress passed a law banning human trafficking in 2000 to combat what the State Department has said is a growing problem in the United States. It says that as many as 800,000 people a year are trafficked worldwide, with up to 17,500 of those coming to the United States, according to its 2005 Trafficking in Persons Report. .. .The Justice Department, which enforces the federal law, also is urging states to adopt their own laws, said Andrea Bertone, director of HumanTrafficking.org, a Washington resource and information center."

Mississippi County Chafes At DOJ Oversight Of Schools. The Columbus (MS) Commercial Dispatch (2/11, Halbert) reports, "For decades, every move in the public education arena within Lowndes County has been under the scrutiny of the U.S. Department of Justice." The Dispatch continues, From construction to teacher recruitment, the Columbus Municipal School District and Lowndes County School District have had to make decisions with a willingness to change course since a federal court must give its approval. … Administrators say the process is cumbersome and restrictive. … 'The biggest impediment is that all planning and future plans must be approved, and we really don't always know what will happen in terms of population growth or population shifts,' said Dr. Lester Beason, CMSD superintendent of education." The Dispatch adds, "Since a 1970 court judgment declared the two districts discriminatory on the basis of race, the DOJ can step in when desegregation of extracurricular activities, transportation, administrative staff assignment, relative quality of education, faculty assignment, facilities and resources or student assignment may be compromised. … In 1989, the county school board decided to present all new construction projects to the Justice Department for approval to avoid potential litigation. … That process caused the most friction for the county - until the more recent DOJ decision to keep Caledonia and New Hope students and teachers out of their new classrooms until West Lowndes improvements are complete - in the early '90's when planning began for a new high school in New Hope. … But the submission of the proposed project was tedious. Drawings and detailed specifications had to be submitted along with revisions from a bi-racial committee. Two such committees were formed in 1970 - one in each the county and city school districts - as a part of the original desegregation decree, but the county's had lapsed until the new board members were elected. … In addition, the DOJ called members of the community who weren't on the school board and weren't bi-racial committee members to get their input."

Black Leaders Gather For Annual "State Of The Black Union." The Washington Post/AP (2/11, A12, Walker, 690K) reports, "On Saturday, more than 8,000 people" gathered at Virginia's Hampton University "to chart how far they have come. They gathered for the State of the Black Union, an annual traveling town hall that is considered a barometer for black America's ills. … Today's black Americans grapple with political apathy, limited business strength and a lack of motivation, a panel of black leaders said Saturday." Rep. Keith Ellison said, "We need a big idea that unifies us all."

State Funding Of Anti-Abortion Counselors Spurs Controversy. The Los Angeles Times (2/11, Simon, 850K) reports, "In an experiment that's opening a new front in the culture wars, a growing number of states are paying anti-abortion activists to counsel women with unplanned pregnancies. At least eight states -- including Florida, Missouri and Pennsylvania -- use public funds to subsidize crisis pregnancy centers, Christian homes for unwed mothers and other programs explicitly designed to steer women away from abortion. As a condition of the grants, counselors are often barred from referring women to any clinic that provides abortions; in some cases, they may not discuss contraception either. Most states still spend far more money subsidizing comprehensive family planning, but the flow of tax dollars to anti-abortion groups has surged in recent months, as programs took effect in Texas and Minnesota. The trend alarms abortion-rights supporters, who assert that the funds would be better spent -- and would prevent more abortions -- if used to expand access to birth control."

WPost Explores States' Apologies Regarding Slavery. The Washington Post (2/11, B6, 690K), in an editorial, writes, "That slavery was a shameful episode in American history is beyond debate; not so the issue of whether or how states where it flourished for more

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than two centuries should apologize or express remorse for it. In recent weeks the legislatures of Virginia and Maryland, former slave states whose last slaves were freed more than 140 years ago, have grappled with that quandary and more broadly with the question of what symbolic or practical value attaches to an act of public contrition."

ENVIRONMENT:

White House Maintains Bush Has Been Concerned By Global Warming Since 2000. The Los Angeles Times (2/11, Reynolds, Gerstenzang, 850K) reports, "President Bush is widely considered one of the world's most prominent skeptics of global warming. But to hear White House officials tell it, the world's view of him is wrong. In recent days, White House officials have made a special effort to argue that Bush has always been concerned about climate change. Moreover, they say, he has long acknowledged that human activity may be a significant factor." White House officials, "apparently concerned that Bush was not perceived as being on the global warming bandwagon," released an "unusual open letter Wednesday contending that 'climate change has been a top priority since the president's first year in office.'" But "the record isn't quite so clear. … Critics argue that Bush soft-pedaled the issue early in his presidency because of pressure from corporate interests, such as oil companies and operators of coal-fired power plants, that oppose regulation of greenhouse gas emissions."

NYTimes Blasts Bush's Record On Conservation, Environment. The New York Times (2/11, WK11, 1.16M) editorializes, "The choice Mr. Bush faced on the day he took office was between two competing Republican approaches to environmental matters — the callous disregard for the country's natural resources displayed during the Reagan years and the responsible stewardship of those same resources associated with Theodore Roosevelt. Mr. Bush unhesitatingly chose the former. The result was an across-the-board antiregulatory crusade aimed not only at undoing Bill Clinton's environmental legacy but also at weakening bedrock economic law stretching back to Richard Nixon."

WPost Welcomes CDC Guidelines On Flu Pandemic. The Washington Post (2/11, B6, 690K), in an editorial, notes the Centers for Disease Control and Prevention "released interim guidelines detailing what states and localities could do to cope with a pandemic of a dangerous form of influenza -- the sort of outbreak that a mutated form of H5N1 could spark. … Not everyone in the public health world welcomed some of the more extreme guidelines. The CDC's proposal to shut down schools for three months in the case of a severe outbreak is generating resistance from scientists who claim that the tactic is not as effective as the CDC says it is. Others point out that the guidelines, which advise people to avoid crowded spaces such as train cars or offices, do not address the needs of poorer Americans (among others) who must take public transportation or who can't telecommute. As the CDC gathers comment and updates its interim guidelines, it must consider how state and local governments might deal with the potentially massive social costs of school closures and work stoppages."

FBI/DEA/ATF/USMS:

Questions Raised About LAPD's Gang Crackdown. The Los Angeles Times (2/11, Winton, Mcgreevy) reports, "Every few years, an act of gang violence rises above the rest, sparking outrage across Los Angeles and vows to finally conquer the gang problem." The Times continues, "When Karen Toshima was killed by gang crossfire in Westwood Village in 1988, then-Police Chief Daryl F. Gates intensified Operation Hammer. The gang sweeps yielded thousands of arrests but also generated much criticism about mistreatment by officers. … The 1995 killing of 3-year-old Stephanie Kuhen when her family drove onto a dead-end street in Cypress Park resulted in another gang crackdown." The Times adds, "When William J. Bratton became chief in 2002, he was faced with a string of 20 gang shootings — including the death of 14-year-old Clive Jackson. He declared war on gangs, referring to them as domestic terrorists. … Last week, he and Mayor Antonio Villaraigosa declared war again — the inspiration this time the racially motivated killing of Cheryl Green, a 14-year-old African American, by members of a Latino gang in the Harbor Gateway neighborhood. … The new crackdown — targeting 11 gangs — might suggest that the Los Angeles Police Department is trying again where it has failed before." The Times notes, "But it's more complex than that. Though gang crimes jumped 14% in 2006, they are down significantly from the early 1990s and even more compared with the mid-1980s. According to LAPD statistics, there were 7,714 gang

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crimes last year, compared with 10,945 in 1995. … But what some critics of the crackdown find familiar is the race to respond to a killing that garners news media attention and public outrage — an approach they say is not always comprehensive or effective."

IMMIGRATION:

Citrus Crop Freeze Complicates Immigration Debate In California. In his Los Angeles Times (2/11, 850K) column, Gregory Rodriguez writes, "Last month's devastating citrus freeze has put Lindsay, population 11,185, in dire economic straits; but its pragmatic response to the crisis sets an example for the rest of the nation. … One plant is shut down, and the other is running just 20 hours a week. About 60% of the employees are off work." Seeking to "avert an economic meltdown, officials have come up with an innovative plan to not only address joblessness but to keep the workforce from abandoning the town. … The city's elected officials -- all of whom are Republicans -- are seeking federal aid to put the idle labor force to work on local improvement efforts. The fact that a large-yet-undetermined percentage of farm laborers -- particularly pickers -- are illegal immigrants does not deter local officials from seeking aid for them."

CONGRESS-ADMINISTRATION:

Bush Seeks Increased Funding For Merit-Based Pay Programs For Teachers. The Washington Times (2/11, Fagan, 88K) reports on its front page that President Bush "wants more money in the 2008 budget for a fund that encourages performance-based pay systems for teachers -- a request that will no doubt feed into the larger debate on Capitol Hill about how best to attract, create and retain effective teachers. The administration is asking for $199 million for its Teacher Incentive Fund, which was created in 2006. The fund provides financial incentives for teachers and principals who improve student achievement in high-poverty schools and helps to recruit top teachers to these schools." Education Secretary Margaret Spellings "said last week that there is a consensus about using compensation 'to make sure our best teachers are in our most challenging' schools nationwide.'"

Utah Legislature Approves Voucher Plan. The New York Times/AP (2/11, A24) reports the Utah State Legislature "approved one of the broadest school voucher programs in the nation on Friday, allotting up to $3,000 for any public school student to put toward private school tuition. Voucher programs in the handful of other states that have them are generally intended for poor families or students attending schools that have poor academic records. There will be no such restrictions in Utah, which has the largest class sizes in the country and until now has spent less per student than any other state."

Education Department Contractors Protest Background Probes. The New York Times (2/11, A30, Glater, 1.16M) reports, "For about a year, contractors say," the Department of Education "has been requiring employees of the thousands of contractors it hires -- many of them academic researchers…to go through a level of security screening usually reserved for those working with very sensitive information. Katherine McLane, a department spokeswoman, said the scrutiny was warranted because her agency had access to databases with financial data and other information, including names and social security numbers of students or of applicants to colleges or other programs." But the policy "is prompting critics to question when a prudent background investigation becomes an invasion of privacy."

Experts Split In Assessments Of Bush Health Care Cuts. The Washington Post (2/11, A3, Lee, Montgomery, 690K), in an article tilted "Bush's Proposed Health-Care Cuts Get Mixed Reviews," reports, "Depending on whom you ask, the budget that President Bush proposed last week will save or sink Medicare and Medicaid, two popular programs that, along with Social Security, threaten to swamp the federal budget as the baby-boom generation retires." Bush "proposed reducing by $101 billion over five years the spending growth of the two health programs. … One of his most controversial ideas is to charge wealthier seniors higher Medicare premiums." Budget experts "call the plan one of the most significant efforts in years to rein in federal spending on entitlement programs. But health-care providers and advocates for beneficiaries call the proposed cuts arbitrary and say they would exact an unaffordable toll on a big part of the nation's health-care system."

Broder Claims Tax Policy Undercuts Bush Budget. In his Washington Post (2/11, B7, 690K) column, David

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Broder writes, "In some other respects, this budget is an improvement over its predecessors from Bush." Bush "has described, in blunt terms, the dismal financial prospects for Medicare -- premiums will have to increase fivefold to sustain the program unless some way is found to curb health-care inflation." According to Broder, "Bush would be in a stronger position to secure these savings if he were not pretending that he can balance the budget by 2012 while preserving all his tax cuts."

White House Expresses Optimism Over Non-Embryonic Stem Cells. The Washington Times (2/11, Price, 88K) reports on its front page, "The medical, moral and political debate over the need for embryonic stem-cell research remains fierce, with multiple medical reports in the past 18 months describing ways to produce disease-treating stem cells without destroying human embryos." President Bush and others "favor research that involves stem cells from adults and children, which can be obtained without harming the donor. Examples include stem cells taken from bone marrow and other organs and tissue, and from placentas left over from live births." The Times notes that a January White House report on stem-cell research "stated that there should be a way 'to create human pluripotent cells,' meaning flexible cells such as embryonic stem cells, that 'can transform into many or perhaps all of the different cell types in the body in cells derived without embryos.'"

Members Of Congress, Lobbyists Easily Skirt New Ethics Rules. The New York Times (2/11, Kirkpatrick, 1.16M) reports on its front page that the 110th Congress "opened with the passage of new rules intended to curb the influence of lobbyists by prohibiting them from treating lawmakers to meals, trips, stadium box seats or the discounted use of private jets. But it did not take long for lawmakers to find ways to keep having lobbyist-financed fun. … Instead of picking up the lawmaker's tab, lobbyists pay a political fund-raising committee set up by the lawmaker. In turn, the committee pays the legislator's way. Lobbyists and fund-raisers say such trips are becoming increasingly popular, partly as a quirky consequence of the new ethics rules. By barring lobbyists from mingling with a lawmaker or his staff for the cost of a steak dinner, the restrictions have stirred new demand for pricier tickets to social fund-raising events. Lobbyists say that the rules might even increase the volume of contributions flowing to Congress from K Street, where many lobbying firms have their offices."

Johnson Continues To Make Progress. The Los Angeles Times (2/11, 850K) reports Sen. Tim Johnson "is reading news clippings and starting to do some office work from the hospital, almost two months after suffering a life-threatening brain hemorrhage. 'He has requested more contact with office and is looking for updates from staff,' his office said in a statement. Spokeswoman Julianne Fisher said he was starting slowly." Johnson "recently began to read and speak in full sentences, according to doctors' statements."

FDA Commissioner Backs "Incremental" Regulation. The New York Times Magazine (2/11, Solomon) interviews FDA Commissioner Dr. Andrew C. Von Eschenbach. Asked if he takes a "pretty laissez-faire...approach to regulation," Von Eschenback answers, "I wouldn't call it laissez-faire. I would call it incremental."

OTHER NEWS:

Obama Invokes Lincoln As He Formally Enters Presidential Race. Sen. Barack Obama's formal entry into the presidential race led both network news broadcasts that aired Saturday night, and also receives prominent coverage from major newspapers across the country. Reports cast Obama in a favorable light, but suggest that his early honeymoon with the media and the nation is likely to come to an abrupt end now that he is a candidate.

ABC World News (2/10, lead story, 2:30, Avila, 8.78M) said Obama "told the nation today what most have known for weeks: He is running for president. And he did it in bold fashion, choosing Springfield, Illinois -- political home of the man many consider America's greatest president, Abraham Lincoln -- to make the official announcement. Sen. Obama did not stop the comparisons there, directly linking himself to the great uniter." NBC Nightly News (2/10, lead story, 2:35, Seigenthaler, 9.87M) said the "race for president got more interesting today" with Obama's announcement. Obama "pledged today to end the war in Iraq and end gridlock in Washington." NBC (Shamilian): "At the state House where Lincoln called on a divided nation to unite," Obama "pledged to bridge a political divide, offering himself as part of a new generation to build a more hopeful America."

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The Washington Post (2/11, Balz, Kornblut, 690K) says in the lead of its front-page report that Obama invoked "memories of Abraham Lincoln" and challenged "a new generation to help him transform the nation." Obama "presented an ambitious agenda that includes bringing an end to the Iraq war, eliminating poverty, ensuring universal health care and creating energy independence. But he seemed to be trying to transcend traditional political debate by arguing that what the country lacks is not good ideas." He said, "What's stopped us is the failure of leadership, the smallness of our politics -- the ease with which we're distracted by the petty and trivial, our chronic avoidance of tough decisions, our preference for scoring cheap political points instead of rolling up our sleeves and building a working consensus to tackle big problems."

Under the front-page headline "Obama Invokes Lincoln For Run," the Washington Times (2/11, Debose, 88K) says that "like former Vermont Gov. Howard Dean, who sought the Democratic nomination in 2004, Mr. Obama envisions a campaign to be built from the ground up using the Internet -- a grass-roots coalition that will be controlled by voters." Obama said, "This campaign must be the occasion, the vehicle, of your hopes, and your dreams. It will take your time, your energy and your advice to push us forward when we're doing right, and to let us know when we're not." On its Web site, The Hill (2/10, Marre) also says Obama "hopes to launch a broad grassroots campaign that can propel him past Democratic frontrunner Sen. Hillary Clinton." The Los Angeles Times (2/11, Barabak, 850K) says Obama's eyes ware "on history" and his feet "rooted in the frigid Midwest as he pledged a new generation of leadership to end the war in Iraq and banish 'the smallness of our politics.'"

The New York Times (2/11, A35, Nagourney, Zeleny, 1.16M) puts its story inside the A section, and also has the Lincoln link in its lead. The Times says Obama presented himself "as an agent of generational change who could transform a government hobbled by cynicism, petty corruption and 'a smallness of our politics.'" But "for all the excitement on display, Mr. Obama's speech also marked the start of a tough new phase in what until now has been a charmed introduction to national politics. Democrats and Mr. Obama's aides said they were girding for questions about his experience in national politics, his command of policy, a past that has gone largely unexamined by rivals and the news media, and a public persona defined more by his biography and charisma than by how he would seek to use the powers of the presidency."

Roger Simon writes for The Politico (2/10), "The very audacity of it, the very unlikelihood of a black man becoming president of the United States is now the driving force of Barack Obama's campaign." Obama's speech included some "pretty audacious talk. But it was also pretty audacious to announce in Springfield, home of Abraham Lincoln, and in the shadow of the Old State Capitol, where Lincoln gave his 'House Divided' speech in opposition to slavery."

The Washington Post (2/11, A4, Kornblut, 690K) says Obama, "raising questions about his judgment and risking the ire of the national press corps…held fast on his first major campaign decision: to conduct his announcement speech in the frigid outdoors here on Saturday. And so, as much as it was a political story, the Obama event became a weather story. … Even by the standards of the wintry spells in New Hampshire and Iowa that political reporters and candidates ritually confront, it was a brutal morning in the Illinois capital."

The Chicago Tribune (2/11, Parsons, 617K) says in its front-page story that "as Obama departed immediately for Iowa, the raucous crowd and frenzied applause of the morning quickly gave way to difficult questions. Voters at a town hall meeting quizzed Obama about everything from the Iraq war and North Korea to education funding and race relations." The Des Moines Register (2/11, 160K) says Obama told "crowd of about 2,500" in Cedar Rapids, "I want to win. But I don't just want to win. I want to transform this country, and the only way I'm going to do it is if you make this a vehicle for your hopes and dreams." Those at the Cedar Rapids rally "said they've heard that Obama is being called a fresh face, a rock star, a political rocket who has that mysterious political 'X-factor' that makes him a charismatic candidate. They acknowledged Obama is new and wildly popular, but said Iowans have sensitive antenna, and many aren't making up their minds yet."

The AP (2/10), CNN.com (2/10), and Gannett (2/10, Keen) also report on Obama's entry into the race, and in the "Sunday Outlook" section, the Washington Post (2/11, B1, 690K) runs some reminiscences about Obama from those who have known him.

Australian PM Says Al Qaeda In Iraq Would Benefit From Obama Victory. The AP (2/10) reports Australian Prime Minister John Howard "slammed" Obama "over his opposition to the Iraq war." Howard, "a staunch Bush ally who has sent troops to Iraq and faces his own re-election bid later

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this year, said Obama's proposals would spell disaster for the Middle East." Howard told an Australian television network, "I think that will just encourage those who want to completely destabilize and destroy Iraq, and create chaos and a victory for the terrorists to hang on and hope for an Obama victory. If I were running al-Qaeda in Iraq, I would put a circle around March 2008 and be praying as many times as possible for a victory, not only for Obama but also for the Democrats."

Arguments Over Obama's "Blackness" Considered. In a New York Times (2/11, WK11, 1.16M) "Editorial Observer" piece, Brent Staples writes, "The arguments being raised about Mr. Obama's blackness -- or his lack of blackness -- seem positively antique at a time when Americans are moving away from the view of ancestry as a central demographic fact and toward a view that dispenses with those traditional boundaries. Even so, the complaints about Mr. Obama provide an interesting opportunity to examine the passing of the old and the rise of the new. The claim that the candidate isn't really black because his mother is white carries little weight under either system. It makes no sense at all to the young Americans who checked more than one box when identifying themselves by race in the last census. They subscribe to a fluid notion of race and seem perfectly willing to let people describe themselves racially any way they choose. Nor does the charge make sense in the black community itself. That community has historically and eagerly embraced as black anyone and everyone with any African ancestry to speak of. That embrace often included interracial families, who lived in black communities long before they were accepted elsewhere."

More Commentary On Obama. In his New York Times (2/11, WK12, 1.16M) column, Frank Rich writes that "at least one rap" against Obama "can promptly be laid to rest: his lack of experience. If time in the United States Senate is what counts for presidential seasoning, maybe his two years' worth is already too much. Better he get out now, before there's another embarrassing nonvote on a nonbinding measure about what will soon be a four-year-old war." Obama "has introduced his own end-the-war plan that goes beyond a split-the-difference condemnation of the current escalation. His bill sets a beginning (May) and an end (March 31, 2008) for the phased withdrawal of combat troops, along with certain caveats to allow American military flexibility as 'a big, difficult, messy situation' plays out during the endgame. Unlike the more timid Senate war critics, including Hillary Clinton, Mr. Obama has no qualms about embracing a plan with what he unabashedly labels 'a timeline.' But he has no messianic pretensions and is enough of a realist to own up to the fact that his proposal has no present chance of becoming law."

Clinton Faces Questions On Iraq Vote In First New Hampshire Trip Of Campaign.

Following the lead stories on Sen. Barack Obama, both ABC and NBC reported on Sen. Hillary Clinton's first campaign foray to New Hampshire. In a brief item, ABC World News (2/10, story 2, :10, Avila, 8.78M) said the "Democratic front-runner in the early campaign" made her "first visit to New Hampshire in more than a decade. Clinton was directly challenged about her vote to authorize the war in Iraq. She refused to call it a mistake."

NBC Nightly News (2/10, story 2, 2:50, Mitchell, 9.87M) reported that "even in an enthusiastic crowd, people want to know why did she vote for the war in 2002." Clinton: "I've taken responsibility for my vote. The mistakes were made by this President who misled this country and this Congress into a war that should not have been waged." Mitchell: "It is the issue she cannot escape among anti-war New Hampshire Democrats." Unidentified female: "You said if you were president in 2002, you would not have gone into war." Clinton: "Right." Unidentified female: "However, how can you seem to explain the contradiction from your voting to support the invasion in Iraq?" Clinton: "You know, I do not believe that most of us who voted to give the President authority thought he would so misuse the authority we gave him." The Politico (2/10) says Clinton "delivered a similar 25-minute stump speech at both stops, promising to establish universal health care coverage, lower the cost of college tuition and bring U.S. troops home from Iraq."

The Washington Post (2/11, A5, Cillizza, 690K) says Clinton "faced tough questions" over her war authorization vote. The Post says Clinton "must convince Democratic primary voters, who tend to be strongly opposed to the war in Iraq, that her pragmatic approach to ending the conflict is the right one. Complicating that task is that her two main rivals" for the nomination, Obama and John Edwards, "have spoken out strongly against the war." The New York Times (2/11, A34, Healy, 1.16M) also says Clinton "came under criticism at two appearances" for her 2002 vote, "and even refused one man's request that she say that her vote was a mistake. While warmly received overall on this, her first visit to New

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Hampshire since 1996, Mrs. Clinton also sought to inoculate herself from the occasional Democratic antiwar anger." Still, the New Hampshire Union Leader (2/11, DiStaso) reports, "most questioners Clinton faced yesterday were friendly, if not adoring. Only a handful pressed her hard and those who did focused on Iraq." In another story, the New Hampshire Union Leader (2/11, Cousineau) says one man "pressed her on why she 'won't use the power of the purse' to bring American troops home immediately. Mrs. Clinton said she was working to change President Bush's policy."

The Washington Times/AP (2/11) and Newsday (2/11, Palmer) also have stories on the questions Clinton fielded.

Novak Says Spielberg Will Host "Major Fundraiser" For Clinton. In his syndicated column, Robert Novak (2/10) writes, "Democratic sources say Hollywood producer Steven Spielberg, previously listed as a probable supporter of Sen. Barack Obama for President, has agreed to host a major fundraiser" for Clinton. David Geffen and Jeffrey Katzenberg, "Spielberg's colleagues at the DreamWorks film studio, are backing Obama. It was thought that Spielberg was too, but sources say Bill Clinton prevailed on him to help his wife. All three men were generous backers of the former President."

LATimes Says Edwards Blogger Imbroglio Just The Beginning. The Los Angeles Times (2/11, 850K) editorializes that the "conflict" over two bloggers hired by Sen. John Edwards "is likely to be just the opening salvo in a wave of guilt-by-association attacks. By trying to gin up support from the blogosphere, candidates are bringing lots of folks into the campaign who've left long trails of (often intemperate) commentary online. So not only do candidates have to worry about having their own gaffes preserved and promoted on YouTube, they may have to distance themselves from what their employees said before coming onboard. Expect this kind of nuttiness to continue until voters show that they care more about a candidate's thoughts than those of the hired hands."

Fractured Social Conservatives "Holding Out For A Hero." The New York Times (2/11, WK1, Healy, 1.16M) writes, "Having lost Congress and faith, at times, in President Bush, social conservatives are now holding out for a hero in the 2008 Republican presidential campaign. But who? And what kind of hero? Is it the hero of 9/11, Rudolph W. Giuliani, whose support of abortion rights is anything but heroic to social conservatives? Is it the hero against gay marriage in Massachusetts, Mitt Romney, who nevertheless once championed gay rights? Or is it a hero of wartime, John McCain, who has also betrayed them on issues like federal judicial appointments? Eleven months before the first presidential caucuses, social conservatives are in no mood to compromise." But "are any second-tier contenders strong enough to carry the mantle of their idol, Ronald Reagan -- and also, strong enough to win?" The Times says the movement that rose with Reagan "is now fractured over both its messengers and its message," and if its members split between candidates like Sen. Sam Brownback, Rep. Duncan Hunter, and Mike Huckabee, "either Mr. Giuliani or Mr. McCain could slip through the middle…to win the party's nomination next year."

Will Examines New Book's Reappraisal Of Reagan. In his column for the Washington Post (2/11, B7, 690K), George Will writes, "In this winter of their discontents, nostalgia for Ronald Reagan has become for many conservatives a substitute for thinking. This mental paralysis -- gratitude decaying into idolatry -- is sterile: Neither the man nor his moment will recur. Conservatives should face the fact that Reaganism cannot define conservatism. That is one lesson of John Patrick Diggins's new book, 'Ronald Reagan: Fate, Freedom, and the Making of History.'" Diggins "treats Reagan respectfully as an important subject in American intellectual history. The 1980s, he says, thoroughly joined politics to political theory. But he notes that Reagan's theory was radically unlike that of Edmund Burke, the founder of modern conservatism, and very like that of Burke's nemesis, Thomas Paine."

In Presidential Run, McCain Relies On Donors He Once Scorned. On its front page, the Washington Post (2/11, Solomon, 690K) reports, "Just about a year and a half ago, Sen. John McCain went to court to try to curtail the influence of a group to which A. Jerrold Perenchio gave $9 million, saying it was trying to 'evade and violate' new campaign laws with voter ads ahead of the midterm elections." But now, "he is counting on Perenchio, the founder of the Univision Spanish-language media empire, to raise millions of dollars as co-chairman of the Arizona Republican's national finance committee. In his early efforts to secure the support of the Republican establishment he has frequently bucked, McCain has embraced some of the same political-money figures, forces and tactics he pilloried during a 15-year crusade to reduce the influence of big donors,

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fundraisers and lobbyists in elections. That includes enlisting the support of Washington lobbyists as well as key players in the fundraising machine that helped President Bush defeat McCain in the 2000 Republican primaries."

In his syndicated column, Robert Novak (2/10) writes that last week, McCain "personally appealed to an invitation-only meeting of some 50 possible supporters to sell $2,300 tickets for a March 21 reception at Washington's Mandarin Hotel that he considers vital to his campaign." McCain said the "money raised for the dinner would be credited to the March 31 Federal Election Commission report on contributions, which he called 'the invisible primary' to show fund-raising prowess."

McCain Says He Does Not Worry About Iraq Position's Impact On Chances. The St. Petersburg Times (2/11, Adair) interviews McCain about his candidacy and Iraq, asking, "How much is your support of the troop increase hurting your presidential campaign?" McCain: "I have no idea and I don't worry about it." Times: "The polls in New Hampshire show a steady decline. Does that trouble you?" McCain: "There is one poll that shows that. There are other polls that show it just steady. But I don't worry about it. … This is far more important than any political ambitions I might have. I go out to Walter Reed and Bethesda and see kids who have given one heck of a lot more than I could ever contemplate."

Giuliani Praises Bush's War Leadership In Speech To California Republicans. ABC World News (2/10, story 4, 2:20, Avila, 8.78M) reported Rudy Giuliani "made his pitch to Republicans" at the California state GOP convention. Giuliani "has said he's running" for president, "but has not made an official announcement yet. The polls consistently show Mayor Giuliani as one of the country's most popular politicians." The Los Angeles Times (2/11, Finnegan, 850K) says Giuliani "praised President Bush's war leadership on Saturday and mocked supporters of a nonbinding congressional resolution condemning the U.S. troop buildup in Iraq. … Drawing parallels between Iraq and America's Civil War, Giuliani compared Bush's political troubles to Abraham Lincoln's. When the Civil War was unpopular, Giuliani said, Lincoln 'kept his eye ahead.'"

The San Francisco Chronicle (2/11, A20, Marinucci, Wildermuth, 384K) says Giuliani's audience "was primed for a lovefest: Excited Republicans in the hall jumped to their feet and cheered when scores of young volunteers waving 'I (heart) Rudy' signs marched through the room, where the man introduced as 'America's mayor' took the stage to the sound of the Clash tune 'Rudie Can't Fail.' Giuliani regaled the crowd with self-deprecating stories of his days as a federal prosecutor, moved them with recollections of the horror of the Sept. 11 attacks and delivered an inspirational call to action regarding the nation's current problems. His speech was interrupted repeatedly by applause, cheers of 'Rudy! Rudy!' and several standing ovations from the grassroots activists."

Under the headline "Giuliani Announces Candidacy, Or Then Again, Maybe Not," the New York Times (2/11, Perez-Pena, 1.16M) says Giuliani "made it clear Saturday that he was running for president and half-joked that he had just announced. But in keeping with his recent comments, he chose his words coyly and seemed amused by the news media's obsession with his every nudge toward a formal statement." The Washington Post (2/11, A7, Pomfret, 690K) says that when "asked in a subsequent news conference when he would formally announce his candidacy for president, Giuliani quipped: 'If you go back to my speech, I think you'll find one. We'll figure out how to do it in five places so we'll get more attention.'"

Romney, Brownback Address Michigan Republicans. ABC World News (2/10, story 3, :10, Avila, 8.78M) reported Mitt Romney "visited Michigan, a state where his family has deep political roots. On Tuesday, Romney will officially declare he's running for president." The AP (2/10) says Romney "reminded" the nearly 3,000 party activists at the state GOP convention in Grand Rapids that he "grew up sharing the Automotive News each morning with his father, George, who headed American Motors Corp. before becoming Michigan's governor from 1963-69." Sen. Sam Brownback, "who is running as the conservative heart of the party," also addressed the convention and "earned a warm reception with his pledges to protect life and the traditional family."

Romney Speaks To Missouri GOP Crowd. The St. Louis Post-Dispatch (2/11, Mannies, 297K) reports Romney "sought to seal the deal Saturday with many of Missouri's top Republicans by emphasizing his values and vision. His values include requiring that U.S. schools teach only in English, opposing gay marriage, and guarding the nation against the 'Jihadists' who are 'intent in causing our entire collapse.'" Romney "laid out those points, and more, to an

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enthusiastic crowd of Republicans attending the state party's annual Lincoln Day festivities" in Frontenac.

Romney Urged To Study Coolidge's Example. In the Boston Globe (2/11, 413K), Calvin Coolidge biographer David Greenberg writes about the legacy of the 30th president, also a Massachusetts Republican, and says Romney "could do worse than to study his example."

WPost Regrets Merck's Role In Pushing For Mandatory HPV Vaccine. The Washington Post (2/11, B6, 690K), in an editorial, writes, "The debate over requiring girls to receive a shot against a sexually transmitted virus that sometimes causes cervical cancer should be about what's in the best interests of these young women. It should not be about the interests of the maker of the vaccine. Regrettably, the two are being confused thanks to a lobbying effort undertaken across the country by Merck & Co. on behalf of its new product. … We don't disagree either about the efficacy of the vaccine, which the FDA says has been demonstrated in extensive tests, or the argument for its widespread use. There is, though, something unseemly about a company that stands to make billions of dollars driving a debate that already is sensitive because it involves young girls, sex and parental rights."

Brooks Describes "Neopopulism" Among Democrats. In his New York Times (2/11, WK13, 1.16M) column, David Brooks writes, "In the Democratic Party today, neopopulists and economic nationalists are on the rise. The free-traders are on the defensive. The Democratic view of the global economy has grown unremittingly grim. When John Edwards talks about the economy, you think he's running for the Democratic nomination of 1932. … The neopopulist caucus in the Democratic Party is like the anti-immigrant caucus in the Republican Party. Both speak for loud and angry minorities who have been hurt by globalization. But the party that mistakes their experience for the central reality will doom itself for years to come."

New Orleans Columnist Says City Is Alien From Rest Of US. In an op-ed for the Washington Post (2/11, B1, 690K) Lolis Eric Elie of the New Orleans Times-Picayune writes, "Hurricane Katrina confirmed for now, and perhaps forever, the sense that New Orleans is a foreign place attached to the United States by geography, but distant from it in every meaningful way. We are more European, more African, less serious. And we lack the good sense God gave a goose. Why else would we raise our kids among girls gone wild in a hurricane magnet of a city that lies largely below sea level?"

Putin Issues "Unusually Hostile" Broadside Against US. Major media report on Russian President Vladimir Putin's speech in Munich criticizing US national security policy. Under the front-page subtitle, "Rebuke Is Called Unusually Hostile," the Washington Post (2/11, Ricks, Whitlock, 690K) calls the remarks "some of his harshest criticism of the United States since he took office seven years ago," noting Putin "said Saturday that Washington's unilateral, militaristic approach had made the world a more dangerous place than at any time during the Cold War." He "criticized the expansion of NATO, saying the alliance's placement of military forces on Russia's borders reduces 'the level of mutual trust.' He said the U.S. desire to place antimissile systems in Eastern Europe could further upset the international balance of power and embolden the United States in its foreign policy decisions." The Administration "reacted strongly," with NSC spokesman Gordon Johndroe saying, "His accusations are wrong. We expect to continue cooperation with Russia in areas important to the international community such as counterterrorism and reducing the spread and threat of weapons of mass destruction." The Post says that "back-and-forth underscored the recent stark changes in U.S.-Russian relations. The friendship that was struck" between President Bush and Putin in 2001 "has soured as the Kremlin suppressed political opposition at home, used its energy resources to pressure its neighbors and split with the White House over Iraq, Iran and other issues."

Under the headline, "Putin Says U.S. Is Undermining Global Stability," the New York Times (2/11, Shanker, Landler, 1.16M) says he accused the US "of provoking a new nuclear arms race by developing ballistic missile defenses, undermining international institutions and making the Middle East more unstable through its clumsy handling of the Iraq war." Putin "dropped all diplomatic gloss to recite a long list of complaints about American domination of global affairs, including many of the themes that have strained relations between the Kremlin and the United States during his seven-year administration." The "comments were the sternest yet from Mr. Putin."

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On its front page, the Los Angeles Times (2/11, Spiegel, 850K) says Putin "berated" the US, "declaring that Washington's militarism had fostered global instability and forced vulnerable nations to seek nuclear weapons. In harsh language sometimes reminiscent of the Cold War, at other times pleading or mocking, Putin accused the United States of attempting to create a world in which it was free to ignore international law and impose its economic, political and military will." His "litany of accusations was not unfamiliar," but "the tenor of his remarks sent a quiver through the hall. Participants said that, coming after a conciliatory opening speech by German Chancellor Angela Merkel, they were widely resented by the hosts." Analysts "said Putin's remarks appeared timed to take advantage of the Bush administration's weakness as it struggles with Iraq policy and dwindling support at home."

The AP (2/11, Lekic) notes Putin "blamed U.S. policy for inciting other countries to seek nuclear weapons to defend themselves from an 'almost uncontained use of military force' — a stinging attack that underscored growing tensions between" Washington and Moscow. "In what the Russian leader's spokesman acknowledged was his harshest criticism of the United States, Putin attacked Bush's administration for stoking a new arms race by planning to deploy a missile defense system in eastern Europe and for backing a U.N. plan that would grant virtual independence to Serbia's breakaway province of Kosovo." The Washington Times (2/11, Lekic, 88K) runs the AP story on its front page. AFP (2/11) titles its report, "Putin Stuns With Attack On US," while BBC.com (2/10, Watson) titles its coverage, "Putin's Speech: Back To Cold War?"

Putin Departs For Middle East Trip Today. A separate BBC.com (2/11, Eke) item notes Putin "sets off on a tour of the Middle East on Sunday, arriving in Saudi Arabia, then going on to Qatar and Jordan. It is the first time a Russian head of state is to visit these countries, considered allies of the West. Moscow sees them as key to building new economic, political and even military ties with the Arab world."

Six-Party North Korea Talks Continue Today, But Breakthrough Appears Unlikely. The Washington Post (2/11, A17, Cody, 690K) reports, "Despite three days of hard bargaining, North Korean nuclear disarmament talks remained stuck Saturday over the energy aid North Korea would receive in return for closing its main nuclear reactor, diplomats said." That dispute "cast a pall over what had been high hopes that the six-nation talks could produce swift agreement on the first steps toward eliminating North Korea's nuclear weapons and dismantling the nuclear facilities that produce its fissionable material." Discussions will continue today "and perhaps into next week. Assistant Secretary of State Christopher Hill implied that "the stakes are high, because another failure would again raise questions about the utility of the Chinese-sponsored six-party process."

Under the headline, "New Setback In North Korean Nuclear Talks," the New York Times (2/11, Yardley, 1.16M) notes "negotiations" were "stalled on Saturday as disagreements arose about the size and timing of the aid package that would be provided to North Korea in exchange for shutting down the country's nuclear weapons facilities." That "impasse occurred amid rising expectations for an agreement in Beijing" and "in Washington, where Bush administration officials had predicted a major announcement this weekend."

AFP (2/11) says Hill "has expressed impatience over Pyongyang's fixation on a detail in a draft deal that he said could be resolved later." He is quoted saying today, "I think it's time to wrap this up and get going. I hope the other participants will share that view that it's time to get it over with." An analysis piece by the AP (2/11, Herman) discusses Pyongyang's internal deliberations about the future of its nuclear program. "There are divisions between North Korean military and diplomats, a tug-of-war that sends mixed signals to an outside world with little information about the country's internal policy struggles."

Palestinians Market Unity Plan To International Backers. The AP (2/11) notes Palestinian officials "have begun a diplomatic blitz aimed at persuading reticent leaders in the U.S. and Europe to accept their new power-sharing deal and lift painful economic sanctions." Envoys "already have spoken to" Secretary Rice and UN Secretary-General Ban Ki-moon. An aide to President Mahmoud Abbas "said Rice told him she was skeptical that Hamas would abide by the deal, but she would reserve judgment until it was implemented." This week, "they turn their efforts to European leaders, beginning with Germany." Other interlocutors include Russian President Vladimir Putin, EU foreign policy chief Javier Solana and officials in Cairo and Amman. The AP reiterates that "western governments and Israel have only given muted reactions to Thursday's agreement between" Fatah and Hamas, "dashing

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Palestinian hopes that the deal would lead to a quick end to the sanctions. International leaders said they want to study the deal further and see whether it changes the situation on the ground."

NYTimes Says Israeli-Palestinian Peace Requires US Leadership. A New York Times (2/11, A11, 1.16M) editorial says the Hamas-Fatah accord has made an Israeli-Palestinian peace deal "more imaginable — if there is a lot more compromise from Hamas and a lot more diplomatic help from Washington." The "grudging and highly equivocal concession" made by Hamas "will be parsed in various ways by various interested parties for weeks to come. But what really matters is how Hamas acts," including whether Hamas works to end attacks on Israel. For its part, Saudi Arabia "should make clear that continued aid will require clear proof that the new government is reining in terrorism. Whether Hamas is prepared to take that crucial step is doubtful." Noting the need for a coordinated US-Israeli strategy, the Times adds, "Given the current political paralysis in Israel, Washington will have to take the lead in sending this message. That will take more courage than the Bush administration has yet managed to muster."

Jerusalem Violence Ebbs But Tension Remains. The New York Times (2/11, Erlanger, 1.16M) reports, "A few stone-throwing incidents occurred Saturday, but Jerusalem streets were largely quiet a day after the police clashed with Palestinians protesting Israeli construction work near the religious compound known to Muslims as the Noble Sanctuary and to Jews as the Temple Mount." The Times says those "renovations have preoccupied Palestinian and pan-Arab news coverage in the week since the work began," and the "coverage has been full of charges and anxieties that the Israeli work …is a secret preparation to take over the area and rebuild a temple, or at the least is intended to damage the mosque and the Dome of the Rock by undermining their foundations."

The AP (2/11, Copans) says "sporadic Palestinian protests, including a rock-throwing attack on a busload of Canadian tourists, broke out in Jerusalem and the West Bank on Saturday over" the Israeli construction project. "Protests have spread throughout the world as Muslim leaders accused Israel of trying to damage the Islamic shrines. Israel denies the repair work will come anywhere near the holy site." The Washington Times (2/11, Nessman, 88K) runs a slightly different version of the AP story.

Settlers' Designs On Old City Cause Friction. A 2,600-word front-page Washington Post (2/11, Wilson, 690K) feature details efforts by Jewish settlers to purchase and renovate properties in traditionally Arab sections of Jerusalem's Old City. "The Israeli government is funding the first construction of a Jewish settlement in the Old City's Muslim Quarter since taking control of it nearly four decades ago." That "property is at the center of an accelerating campaign by Jewish settler organizations to change the ethnic and physical character of this city's oldest Arab neighborhoods. The Israeli government is financing projects that dovetail with the settlers' goals, which they say are to secure the Old City and an adjacent valley for Israel in any final peace agreement with the Palestinians."

Portuguese Referendum Would Pave Way For Legal Abortions. The front page of today's New York Times (2/11, Sciolino, 1.16M) examines the issues surrounding Portugal's upcoming abortion law referendum. Portugal has one of the EU's "most restrictive abortion laws," and "is also the only member state that has put on trial women who undergo illegal abortions, the health care providers who perform them and even so-called accomplices like husbands or family members. The referendum, if approved, would be the first step toward both legalizing abortion in the first 10 weeks of pregnancy and allowing women to openly seek medical support from the state-run health system."

Bosnian Police Dismissal Review Raises Broader Questions Of UN's Role. The New York Times (2/11, Wood, 1.16M) reports, "Acting against the wishes of the United Nations Security Council, the Bosnian government said Friday that it would review the status of almost 800 federal and local police officers that the United Nations barred from working in 2002." The Times calls the move "a challenge" to the UN, and says officials will look at "whether police officers were unfairly barred from employment, either on the grounds that they might have committed crimes during the 1992-1995 civil war, or on the grounds that they were not properly qualified." The Bosnian government "argues that the review performed by the United Nations was flawed and rushed, and that many officers could not appeal the dismissals." While there is "widespread" public support for the officers, their dismissal "has taken on a broader significance because a number of international

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authorities have backed the government and said mistakes were made by the United Nations during the vetting process."

Relief Experts Prepare, Plan For Transition Following Castro's Death. Under the headline, "After Castro Dies, Will There Be Chaos Or Calm," the Los Angeles Times (2/11, Gold, 850K) reports, "Military leaders, law enforcement officials and aid organizations preparing for the Cuban leader's death are hoping for a calm and measured response on both sides of the Florida Straits. They are well aware, however, that Castro's death could lead to a turbulent series of events — even an international incident, they fear, if … Cuban American leaders in South Florida sail for the island in large numbers." The Times notes the "passion that Castro evokes — passion that could overwhelm even the best planning," and says "officials are unsure whether they should be preparing for chaos or calm, or something in between." Officials in South Florida "believe a composed response to Castro's death is most likely…but upheaval is possible."

"Mismanagement" Of Venezuelan Economy Said To Cause Shortages, Inflation. The Los Angeles Times (2/11, Kraul, 850K) notes a recent Venezuelan raid on a contraband sugar warehouse "showed how President Hugo Chavez's efforts to remake the economy are fraying at the edges." With "double-digit inflation and scarcity" a reality in Caracas, "economists and industry officials describe the raids as the latest in a sequence of hamhanded, politically motivated attempts to rein in market forces beyond Chavez's control. Inflation and the development of a huge underground market in goods including sugar were simply symptoms of mismanagement, they say." While "there is little risk of a financial crisis in the near term," and Chavez maintains "price controls on a variety of goods," the Times says "mismanagement, rampant corruption and scarcities have cut into [retail] operations. At the same time, low prices set by the government have caused manufacturers and other suppliers either to cut production or divert output to an enormous black market." Also, "the flood of cash washing over Venezuela from oil sales has caused demand for all goods — watches and whiskey, detergent and SUVs — to climb, adding inflationary pressure."

Rwandan Leaders Move Carefully To Manage Population Boom. Under the headline "After So Many Deaths, Too Many Births," the New York Times (2/11, WK14, Kinzer, 1.16M) details the conflicting goals of controlling Rwanda's population growth and rebuilding society following the 1994 genocide. After 1994, "it seemed difficult to believe that overpopulation would ever be a problem. Yet Rwanda has long had more people than its meager resources and small area can support." President Paul Kagame has said he is "preparing a sweeping population control program, to be unveiled in the coming months, that would aim to cut Rwanda's birth rate by at least half." The nation's "population has quadrupled over the last half-century," and could "double by 2030. That would almost certainly doom Mr. Kagame's ambitious plan to raise Rwanda from poverty over that same period." Kagame's plan might "include a requirement that everyone who visits a hospital or health center for any reason be counseled on family planning. Women of child-bearing age will be offered free contraceptive devices including Norplant II, a small silicone pin that is inserted beneath the skin and is effective for up to five years. All schools will offer comprehensive sex education courses."

Kristof Says Sudan Is Unique Case Where Divestment Can Succeed. In his column in the New York Times (2/11, 1.16M), Nicholas Kristof asks, "So is your Fidelity account underwriting genocide in Sudan? Is your pension fund helping finance the janjaweed militias that throw babies into bonfires in Darfur and Chad? The answer to both questions is complicated but may be yes, and that's one reason a divestment campaign is gaining strength around America and abroad." Kristof acknowledges "that divestment and economic sanctions generally fail," and historically "have mostly been counterproductive." He is "against economic sanctions in almost every case. But Sudan is an exception, a rare instance where narrowly focused divestment makes practical as well as moral sense. … Pressure on a small number of foreign companies could help get Sudan's attention, and that of its protectors in China, without hurting ordinary people. And Sudan has shown that it can be nudged and embarrassed into behaving better:"

THE BIG PICTURE

Headlines From Today's Front Pages.

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Los Angeles Times:

"Iran Reformists Want U.S. To Tone Down Nuclear Talk."
"States Fund Anti-Abortion Efforts."
"Barack Obama Makes It Official."
"Putin Has Harsh Words For U.S."

New York Times:

"Congress Finds Ways To Avoid Lobbyist Limits."
"Putin Says U.S. Is Undermining Global Stability."
"In Niger, Trees And Crops Turn Back The Desert."
"Troubles Grow For A University Built On Profits."
"Surf's Upscale As Sport Reverses Beach Bum Image."
"Portugal To Vote On Putting End To Abortion Ban."

Washington Post:

"Obama Joins Race With Goals Set High."
"Putin Hits U.S. Over Unilateral Approach."
"McCain Taps Cash He Sought To Limit."
"Hunting's Crisis Of Less Space And Time."
"Jewish Inroads In Muslim Quarter."

Washington Times:

"Putin Hits U.S. Use Of Force."
"Obama Invokes Lincoln For Run."
"Bush Seeks Teacher Merit-Pay Funds."
"Stem-Cell Researchers Look Beyond The Embryo."
"Third U.S. Commander Takes Over In Iraq, Vows Support."

Detroit Free Press:

"Chills, Thrills, And Spills."
"Mich. GOP Gathers In Grand Rapids To Hear Presidential Hopefuls."
"Obama Announces Presidential Campaign, Talks Of Leading New Generation."
"Wallace Paces Pistons To Sixth Straight Win."
"U-M Rallies, Holds On To Beat Minnesota."

Atlanta Journal-Constitution:

"9 Jurors Enough For Death Penalty?"
"Bodies Return From Honduras."
"N.Y. Snowfall Tops 110 Inches."
"Obama Makes It Official."

Dallas Morning News:

"Immigration Raid Devastates Cactus, Texas."
"Dallas Mayor A Thankless Post, But Takers Abound."
"2 Collin County Boys Could Be Tried As Adults."
"Hunt Chosen To Get 2007 Linz Award."
"Texas Seven Escapee Seeks To Hasten Execution."
"Mexia Wants No Part Of Anna Nicole Saga."
"Putin Blasts U.S. At Global Security Summit."
"Vets Showed Patriotism Till The End."

Houston Chronicle:

"Katy Marine Dies In Iraq Copter Crash."
"Honduran Gang Leader May Haunt Houston Streets."
"Astros' $100 Million Slugger Is A Breed Apart."
"Knife-Wielding Man Fatally Shot By Houston Police."
"Mardi Gras Parades Draw Thousands To Galveston."
"TXU Fights For 11 New Coal Plants At $10 Billion Tab."
"Astronaut's Tawdry Tabloid Tale Has Lasting Impact."
"Cancún Turns Hurricane Damage Into Opportunity."

Story Lineup From Last Night's Network News:

ABC: Obama Launches Campaign; Clinton In New Hampshire; Romney In Michigan; Giuliani In California; Petraeus-Iraq; New York Snow; Military Equipment Shortage; College Costs; World's Most Expensive Meal; Los Angeles Galaxy.

CBS: Pre-empted for sports coverage.

NBC: Obama Launches Campaign; Clinton In New Hampshire; Presidential Campaign Analysis; Petraeus-Iraq; Afghanistan-Gates; National Guard Under Strain; Smith Baby; New Orleans Advertising Campaign; New York Snow.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — 7:30 p.m. President and Mrs. Bush participate in Social Dinner in Honor of the Ford's Theatre Abraham Lincoln Bicentennial Celebration. State Dining Room, The White House. 9:15 p.m. President and Mrs. Bush attend entertainment. East Room, The White House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: SECRETARIES OF STATE _ Winter conference of the National Association of Secretaries of State. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: Kay Stimson, 202-624-3528

EDUCATION _ The American Council on Education holds its 89th annual meeting. Location: Omni Shoreham Hotel, 2500 Calvert St. NW Contacts: Tim McDonough, 202-939-9300

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US-KOREA FREE TRADE _ 9:30 a.m. The Korean Alliance Against the Korea-US Free Trade Agreement holds a news conference to discuss the group's demands about negotiations between the United States and Korea. 1 p.m. Group holds march and rally protesting the last round of the Korea-US Free Trade Agreement. Begins at Malcolm X Park, 16th and Euclid streets NW. Location: Washington Court Hotel, 525 New Jersey Ave. NW. Contacts: Young Choe, 347-885-9226

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **SUNDAY, FEBRUARY 11, 2007 7:45 AM EST**

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HOMELAND RESPONSE:

More Pilots Bringing Guns On Planes. The Los Angeles Times (2/11, Kaye, 850K) reports that "a growing number of U.S. airline pilots are armed, prepared to use lethal force to protect the cockpit. Soon, they will carry badges, bringing them even closer to being bona fide law enforcement officers. … About 8,000 pilots carry government-issued guns on a voluntary basis, or about 8% of the nation's 100,000 pilots, according to the Airline Pilots Security Alliance, a volunteer organization that advocates increased cockpit security. Two years ago, about 3,000 pilots were armed. These pilots, officially known as federal flight deck officers, keep sidearms handy to provide one more layer of security and a last line of defense against hijackers."

WAR NEWS:

Petraeus Takes Charge In Iraq, Saying "Stakes Are Very High." ABC and NBC both led their evening newscasts with stories on the 2008 presidential race; CBS was pre-empted for sports coverage. The most prominent non-political story on both networks was Gen. David Petraeus' assumption of command in Iraq. Reports highlight his abilities, but also note his sober remarks and the gravity of the situation he inherits. Reporters also cited criticism of outgoing Gen. George Casey's emphasis on training Iraqi forces. ABC World News (2/10, story 5, 2:30, Avila, 8.78M) reported Petraeus "became the third commander in the war. … The Iraqis are set to announce another new plan to bring Baghdad under control, including a crackdown on the borders with Iran and Syria."

NBC Nightly News (2/10, story 4, 2:05, Arraf, 9.87M) reported, "The new top general in Iraq didn't paint a rosy picture." Petraeus: "The situation in Iraq is exceedingly challenging; the stakes are very high." Arraf: "President Bush is betting David Petraeus and 20,000 American troops can help turn around an unpopular war. … Casey was applauded by the officers and soldiers he commanded for two and a half years. He has been blamed by some in Congress for what are seen as mistakes in the war, including not asking for more troops sooner."

The Washington Post (2/11, Partlow, 690K) reports Petraeus "said Saturday that the 'rucksack of responsibility' was too heavy to carry alone there and that without cooperation between Iraqi and U.S. forces, 'Iraq will be doomed to continued violence and civil strife.'" The "Princeton-educated military man who previously served as the commander of the 101st Airborne Division in the northern city of Mosul, and also led the U.S. military effort to train Iraqi soldiers, takes over" from Casey, who "has been criticized for riding the inchoate Iraqi security forces too hard toward self-sufficiency." On the other hand, Petraeus "is expected to rely on a more visible U.S. presence, sending his troops to live on smaller outposts within embattled Iraqi neighborhoods."

The New York Times (2/11, A16, Cave, 1.16M) reports Petraeus and Casey "spoke at a formal ceremony on a military base outside Baghdad, striking tones of optimism and caution, while hinting at their different approaches to Iraq. For the past two and a half years, General Casey has pushed for a speedy transfer of control to Iraqi security forces so that American troops could withdraw; General Petraeus, an expert in counterinsurgency, has instead supported a more active American role, in line with new White House demands." The Times adds, "Iraqi officials, faced with such relentless violence, seemed unsure of whether a new American commander -- and the new plan -- could stop the bloodshed. Among American military officers," Petraeus is "considered an imaginative leader with a deep understanding of Iraq's problems, culled from two tours here. But for some in Baghdad, his assumption of control looked routine."

The Los Angeles Times (2/11, Susman, 850K) reports that Petraeus gave "a sober assessment of the job he faces and a warning that Iraq will be doomed if 'barbarians' fueling violence across the country are not defeated. ... Casey predicted that Iraqi forces would be ready to take control of the country's security by the end of summer or early fall, a seemingly optimistic view given what appears to be the sluggish start to a much-vaunted, U.S.-Iraqi security plan aimed at bringing violence under control."

The Washington Times/AP (2/11, A1, Frayer, 88K) reports that the "media-savvy" Petraeus "spoke bluntly of the

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task before him ... The Sunni insurgency broke out during Gen. [Ricardo] Sanchez's command, and the conflict in Iraq took on many of the aspects of a civil war during Gen. Casey's tenure."

Reid Seen As Playing "Stronger Hand" Than McConnell On Iraq. The Washington Post (2/11, A3, Murray, Weisman, 690K) reports that while Senate Minority Leader Mitch McConnell "may be winning procedural battles" in the chamber, Majority Leader Harry Reid, "at least this past week, may have played the stronger hand on the war issue, on which public opinion is clearly on his side. The drama started Monday evening, when McConnell rallied GOP senators to block from the Senate floor a nonbinding resolution opposing President Bush's plan to increase troops in Iraq. But since then, the headlines have been withering, blaming Republicans for sidetracking the debate." Reid "also seemed on shaky ground in the immediate aftermath, appearing to protect Democrats from political controversy at the expense of a war debate." The letter from seven Republicans "vowing to do whatever it takes to get the debate back on track helped to reverse this impression by suggesting buyer's remorse on the Republican side."

More Commentary On Iraq. Retired Gen. William Odom writes in the Washington Post (2/11, B1, 690K) that Congress, if President Bush refuses, must extricate the US from Iraq. Odom writes, "There never has been any right way to invade and transform Iraq. ... First, the assumption that the United States could create a liberal, constitutional democracy in Iraq defies just about everything known by professional students of the topic. ... Second, to expect any Iraqi leader who can hold his country together to be pro-American, or to share American goals, is to abandon common sense." The "first and most critical step is to recognize that fighting on now simply prolongs our losses and blocks the way to a new strategy. ... Second, we must recognize that the United States alone cannot stabilize the Middle East. Third, we must acknowledge that most of our policies are actually destabilizing the region. ... Fourth, we must redefine our purpose. It must be a stable region, not primarily a democratic Iraq."

In the Los Angeles Times (2/11, 850K), former National Security Adviser Zbigniew Brzezinski writes, "If the United States continues to be bogged down in protracted, bloody involvement in Iraq, the final destination on this downhill track is likely to be a head-on conflict with Iran and much of the Islamic world. ... We need a strategy to end the occupation of Iraq and to shape a regional security dialogue." A "public declaration that the U.S. intends to leave is needed to allay fears in the Middle East of a new and enduring American imperial hegemony. ... Second, the United States should announce that it is undertaking talks with Iraqi leaders to jointly set a date by which U.S. military disengagement should be completed. ... Third, the United States should encourage Iraqi leaders to issue an invitation to all neighbors of Iraq and perhaps some other Muslim countries, such as Egypt, Morocco, Algeria and Pakistan, to discuss how best to enhance stability in Iraq in conjunction with U.S. military disengagement and to participate eventually in a conference regarding regional stability. ... Fourth, the U.S. should activate a credible and energetic effort to finally reach an Israeli-Palestinian peace."

Lt. Col. Gian Gentile writes in the Washington Post (2/11, B7, 690K), "I learned as a tactical battalion commander in Baghdad's Amiriyah district last year that government legitimacy was exponentially more important than the number of coalition and Iraqi army forces patrolling the streets ... Indeed, legitimacy of the government of Iraq as seen through the eyes of all Iraqis -- Sunnis, Shiites and Kurds -- is the necessary condition for peace based on reconciliation. ... When I spoke to shopkeepers, professionals, imams and others in Amiriyah, I was told that the solution to ending the violence -- both insurgent attacks and sectarian killings -- was an Iraqi government they saw as legitimate. More American troops, more Iraqi troops and more American advisers cannot produce a legitimate government; only the Iraqis can do that. To be sure, a minimum amount of military power is needed in a place such as Amiriyah to maintain order."

Washington Post (2/11, B7, 690K) columnist Jim Hoagland writes, "An increasingly well-beaten path to Capitol Hill by special envoys and other visiting officials attests to the new power that Congress holds in foreign policy. ... The confusion and bickering over competing Senate resolutions to support, oppose or split the difference on Bush's proposed 'surge' of five additional brigades into Iraq illustrate how Washington is rolling rapidly toward the worst of all policy worlds: one in which 535 would-be secretaries of state try to micromanage battlefield tactics on the basis of November's election returns."

Los Angeles Times (2/11, 850K) columnist Jonathan Chait writes, "There is something genuinely bizarre about those remaining supporters of President Bush's strategy in Iraq. It is not just that they are wrong -- being wrong happens to all of us from time to time. It's that they are completely detached from reality. … Trust the commander in chief, don't undermine the troops, withdrawal equals defeat. These aren't arguments to support Bush's strategy, they're generic pro-war arguments. Change a few details and these lines could support Napoleon's invasion of Russia or the Crusader occupation of Jerusalem or almost any war."

New York Times (2/11, WK1, 1.16M) Week In Review contributor Helene Cooper writes, "The blame game on Iraq seems to be reaching a peak. The surest sign is that people inside the Beltway have started to proclaim loudly that they're not looking to assign any blame. ... Washington is already positioning to lay blame if the worst happens. After all, history books are being written right now."

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US Iran Policy Said To Emphasize Pressure, Back Off Attack Threat. In a piece entitled "U.S. Keeps Pressure On Iran But Decreases Saber Rattling," the Washington Post (2/11, A18, DeYoung, 690K) analyzes changing tactics in US policy towards Tehran. Administration "statements in recent weeks by" President Bush, and Secretary of State Condoleezza Rice, and Defense Secretary Robert Gates disavowing imminent plans to attack Iran "follow a high-level policy assessment in January that U.S. and multilateral pressure on Tehran, to the surprise of many in the administration, might be showing signs of progress." Updated "talking points distributed to senior policymakers in the administration directed them to actively play down any suggestion of war planning." The Post says this "changed rhetoric also stems from a growing foreign policy 'maturity' within the administration." Post sources "described a new attitude, born of the administration's awareness that the Iraq war has left it with a wide credibility gap at home and abroad and the realization that military action against Iran would strain U.S. capabilities, undercut other goals and possibly explode into a regional conflagration. Internal discussion has also focused on the likelihood that an attack could destroy whatever political plurality exists in Iran by uniting even those opposed to Ahmadinejad in a wave of anti-U.S. nationalism." Notably, however, "some senior administration officials still relish the notion of a direct confrontation," including Vice President Cheney's office.

Iranian Reformers Ask US To Tone Down Rhetoric. The Los Angeles Times (2/11, Murphy, 850K) reports, "Many Iranians say the international dispute over Iran's nuclear program has become a rallying point for a president who otherwise would be facing substantial public dissatisfaction over soaring inflation, rising unemployment and widespread censorship. This has been a source of frustration to Iran's reformists, who dealt the president's party a blow at the polls in local elections in December but complain that the Bush administration's threatening rhetoric has pulled the rug out from under them."

Iraq-"Haunted" Administration Prepares To Reveal Iranian Link To Iraqi Insurgency. The Washington Times/AP (2/11, Shrader, 88K) reports, "The Bush administration is haunted by the history of intelligence blunders about Saddam Hussein's supposed weapons of mass destruction as the United States tries to document that Iran is providing lethal help to Iraqi fighters. After weeks of preparation and revisions, U.S. officials are preparing to detail evidence supporting administration claims of Iran's meddlesome and deadly activities. ... No one who has seen the files has suggested the evidence is thin. But senior officials -- gun-shy after the drubbing the administration took for the faulty intelligence leading to the 2003 Iraq invasion -- said they were underwhelmed by the packaging." Nonetheless, anonymous officials "said [the documents] make a compelling case about Iranian actions in Iraq."

Germany's Merkel Says Iran Must Not Get Bomb; Gates To Speak On Sunday. The AP (2/10) reports German Chancellor Angela Merkel said the "international community is determined to prevent Iran from developing a nuclear weapon. Speaking at a weekend gathering of the world's top security officials, expected to include Iranian nuclear negotiator Ali Larijani, Merkel said Tehran needed to accept demands made by the U.N. and the International Atomic Energy Agency." She "emphasized the international community's support for Israel and said there was a unified resolve to prevent Iran from developing nuclear weapons." Secretary of Defense Gates "was expected [on Sunday] to press allies for more troops and aid for a spring offensive in Afghanistan. He delivered the message Friday to a NATO defense minister's meeting in Seville, Spain, but got a lukewarm response."

Departing Marine General Looks Back On Hard Year In Anbar. ABC World News (2/10, story 5, 2:30 Raddatz, 8.78M) reported, "Today, senior officials said this insurgent video has now led the Marine Corps to believe that the helicopter that crashed earlier this week in al Anbar province was shot down." Brigadier Gen. Robert Neller: "I didn't come here to fail. We came here to win. Maybe it will take everybody that's involved in this getting right to the edge of the cliff and looking over the edge." ... Raddatz: "Gen. Neller leaves with a great deal of pride, but also sadness. He lost well over two hundred Marines during his year in al Anbar." Neller says "despite the sacrifice of US troops, in the end, it will not be up to US forces to determine the outcome of this war. It will be up to the Iraqis."

Suicide Bomber Kills 30 Near Tikrit. The AP (2/11) reports, "A suicide truck bomber slammed into a crowd of police lining up for duty Sunday near Tikrit, killing at least 30 people and wounding 50, police said. Minutes later, a roadside bomb struck a car on a highway on the western outskirts of Tikrit, 80 miles north of Baghdad, killing two civilians and wounding two others, police said. ... Insurgents frequently target Iraqi security forces, accusing them of collaborating with the U.S."

Civilian Contract Driver Accidentally Killed By US Forces. The Houston Chronicle (2/11, 530K) reports, "The shooting Monday of a civilian contract truck driver for KBR, a subsidiary of Halliburton, is under investigation by the company and by the U.S. Army. The U.S. military confirmed on Saturday that American forces shot and killed the truck driver at Camp Anaconda, an air base about 42 miles north of Baghdad." Donald Tolfree was "killed Monday in Balad, Iraq, where he was employed as a civilian contractor." KBR

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spokeswoman Melissa Norcross "did not respond to e-mail queries about why the news about the contract worker's death, and the second worker's injury, was not made public until Saturday."

National Guard Strained By War. NBC Nightly News (2/10, story 6, 2:50, Seigenthaler, 9.87M) reported, "The National Guard under strain: Citizen soldiers for America's first line of defense called upon in times of national emergency, like Hurricane Katrina and the September 11 attacks. But with more than 50,000 Guard troops serving in Iraq and Afghanistan, the Guard is stretched thin and facing challenges here at home." NBC (Corke): "It is the primary mission of the citizen soldier. Safeguarding the homeland in times of need. But a government study suggests that is getting harder to do. A recent report noted major equipment shortages for Guard units in all fifty states no state had two thirds of the equipment it is supposed to have. New Mexico came in last with about a third of its assigned equipment."

Iowa Guardsmen "Proud But Disappointed" By Tour Extension. The Washington Post (2/11, A15, Davenport, 690K) reports, "Army Spec. Jesse Espinosa figured he was down to just six more missions off this base west of Baghdad. .. But all that has to wait. The deployment of his unit, the Iowa National Guard's 1st Battalion, 133rd Infantry Regiment, was recently extended for up to 125 days because of President Bush's decision to temporarily increase troop levels in Iraq. Like many of his fellow soldiers, Espinosa, 24, was upset because 'almost every mission we see at least one' roadside bomb, he said. ... instead of six, Espinosa has about 40 more missions to go. ... News of the extension hit many soldiers hard at first. For a few, it has even led to divorce ... soldiers were furious about how they found out about the extended duty: The news came from families back home -- and not the chain of command -- which 'kills morale,' [Lt. Randy] Hartley said."

War's Demands Sap Military Equipment. ABC World News (2/10, story 7, 2:40, Avila, 8.78M) reported, "There have been a lot of stories lately about the human shortage in the US military. Tonight, we take a look at another shortage: a lack of hardware." ABC (Hendren): "The Pentagon has sent about 40% of its military equipment to the war zones of Iraq and Afghanistan. There it is routinely targeted by small arms fire, rocket-propelled grenades, and roadside bombs. … The equipment ends up at repair sites like the Red River Army Depot." Depot commander Col. Douglas Evans: "We're absolutely busting at the seams with work."

Arizona Councilman Protests War By Refusing Pledge Of Allegiance. The New York Times/AP (2/11, A26) reports Mesa, Arizona, City Councilman Tom Rawles "has been receiving threats since he started refusing to recite the Pledge of Allegiance or stand during it at council meetings to protest the war in Iraq." Rawles "has angered fellow council members and constituents in this conservative Phoenix suburb of about 400,000. The police briefly provided him with protection before deciding the threats were no reason for alarm." Rawles "said he did not mind that his stand was angering people."

Gates Seeks More NATO Help In Afghanistan. NBC Nightly News (2/10, story 5, 2:40, Seigenthaler, 9.87M) reported, "In Afghanistan, US troops are bracing for another Taliban offensive." The Pentagon "says it needs more help from America's NATO ally, help that it is not likely to get." NBC (Maceda): "With another offensive around the corner, US Secretary of Defense Robert Gates is determined not to be caught off guard." Gates: "It is important this year we knock that back and bring the situation fully under control." Maceda: "Gates met in Spain with other NATO defense ministers earlier this week appealing for more combat troops for the war in Afghanistan. But he met with resistance." Michael Griffen, Afghan affairs expert: "There seems to be a majority of countries in Europe who…like the idea of NATO but don't think it is winnable or worth expending the money on."

Taliban Attacks Increasing. The New York Times (2/11, A16, Gall, 1.16M) reports that in recent days Taliban insurgents "have stepped up attacks in southern Afghanistan…killing four Afghan policemen in an ambush on Friday night and aiming at NATO troops with the second suicide bombing in a week in what seems to be the opening of the fighting season, officials said Saturday." Taliban forces "who overran the town of Musa Qala last week were also preparing for a fight if government or NATO troops moved against them."

NATO Secretary General Claims Afghanistan On Road To Stability. The AP (2/11, Lekic) reports from the Munich security conference, "NATO Secretary General Jaap de Hoop Scheffer said Saturday he thinks the back of the insurgency in Afghanistan will be 'broken' and that the country will be on the road to a long-term peace by 2009."

No One Hurt In Attack On Red Cross Compound In Peshawar. The New York Times (2/11, A16, 1.16M) reports, "An explosion in the parking compound of the International Committee of the Red Cross headquarters in Peshawar, a northwestern city, damaged four vehicles but hurt no one early Saturday, officials said." The Red Cross "confirmed the attack and lack of casualties," noting that "the office had not received any threats before the attack and would continue its activities in the North-Western Frontier Province, where Peshawar is."

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LATimes Concerned By Defense Department Budget Requests. The Los Angeles Times (2/11, 850K) editorializes, "Defense Secretary Robert M. Gates may have been right in his congressional testimony last week when he said that the nation ought to be devoting at least 5% of its GDP to defense, given U.S. commitments. But no national wealth should be diverted to defense contractor fantasies with little value in today's world. Billions are being requested for Cold War relics of questionable use, such as Virginia-class submarines for about $2.5 billion a pop."

DOJ:

Lam Reflects On Tenure As US Attorney. The San Diego Union-Tribune (2/11, Thornton) reports, "San Diego U.S. Attorney Carol Lam joked yesterday about the travails of juggling family and a high-powered career, confiding the reaction of her four children when she told them she may 'stay home and take care of you for a while' after she leaves her post this week. … 'It was clear from their faces this was their version of hell,' Lam said, getting a big laugh from an audience of mothers and their teenage daughters at a leadership forum at The Academy of Our Lady of Peace in North Park." The Union-Tribune continues, "Lam, 47, is reluctantly leaving her job of 4½ years after being forced out by the Justice Department, which asked for her resignation because of what one official described as 'performance-related' issues. The official said members of Congress complained that Lam didn't prosecute enough immigration cases. … But Lam, best known for going after corrupt politicians such as former Rep. Randy 'Duke' Cunningham, R-Rancho Santa Fe, has become a national hero of sorts to critics of the Bush administration. They say her dismissal and those of six other top federal prosecutors in recent weeks are politically motivated." The Union-Tribune adds, "The normally guarded Lam, known for a tough exterior in public, gave a rare glimpse of her personality and sense of humor at the leadership forum, where a key topic was managing demanding careers and motherhood. … Lam, a political independent, recalled for the audience some of the milestones in her career, such as becoming one of few women in a position of leadership in law enforcement and walking into rooms filled with male FBI and Internal Revenue Service agents. … Lam told the crowd she also was ambivalent over being labeled the first Asian-American and the first woman to become U.S. attorney in San Diego. … On one hand, she was proud to be a trailblazer. But she said she had lived a childhood of privilege and opportunity, and didn't feel she should benefit from affirmative action."

More Commentary On US Attorney Dismissals. The Albany Times Union (2/11) editorializes, "By tradition, U.S. attorneys are confirmed by the Senate and serve throughout the term of the sitting president. But under a change in the law, they can now be appointed by the attorney general -- indefinitely -- without Senate approval, and without showing serious cause for removing the incumbent. … This shocking change in the appointment process has come to light thanks to hearings called by Sen. Charles Schumer, D-N.Y., who suspects the Bush administration has been firing U.S. attorneys either for patronage reasons or because they have pursued politically sensitive investigations." The Times-Union adds, "Until now, the Justice Department had to prove real cause for removal, to ensure that the process was based on merit and not politics. Federal prosecutors, after all, have broad powers to investigate, or not, and those decisions should be based on the facts, regardless of political affiliations. But now it turns out that Attorney General Alberto Gonzales can replace federal prosecutors at will, under powers given to his office in a little noticed section of the USA Patriot Act. And from all appearances, Mr. Gonzales is taking full advantage of that provision. … Some Democrats in the Senate and the House are now proposing to change the law and replace it with a requirement that district courts, not the Justice Department, appoint interim prosecutors. That's the least Congress should do. Had it done its job in the first place, and carefully scrutinized the Patriot Act, there's a good chance this prosecutorial power grab would never have succeeded."

The Seattle Times (2/11) editorializes, "The imbroglio surrounding the forced resignations of at least seven U.S. attorneys from across the country proves the U.S. Senate needs to reclaim its right to vet the president's appointments." The Times continues, "In a bipartisan vote Thursday, the Senate Judiciary Committee approved a measure to do just that, reversing an ill-advised provision inserted last year into the Patriot Act. John McKay, the former U.S. attorney based in Seattle, was among those kicked out. He was first-rate by all accounts, including a glowing Justice Department review seven months ago. That is, except for one: Last week, U.S. Deputy Attorney Paul McNulty testified to the Senate Judiciary Committee that McKay and five other U.S. attorneys were asked to resign for 'performance-related' reasons. … In Seattle, disbelieving elected officials, law-enforcement leaders and judges denounced the insinuation as a load of blarney." The Times adds, "Then there's McNulty's admission that one U.S. attorney in Arkansas was removed solely to make room for a former aide to White House strategist Karl Rove. … Could the motives be that cynical? Disrupt crucial law-enforcement offices to give cronies a line for their résumés? … Whatever the White House's reasons for the firings, Justice Department officials need to get their stories straight and tell the truth about them. … More importantly, Congress must fix that unwise new Patriot Act provision. This

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episode proves the need for presidential accountability on U.S. attorney appointments."

DOJ Urged To Appoint New Southern Illinois US Attorney. The Belleville News Democrat (2/11) reports, "When, oh when, will Southern Illinois get its new U.S. attorney? … When Belleville native Phillip J. Green was nominated for the job, we were told the confirmation process would take four to six weeks. That was in June, eight months ago." The Democrat continues, "The five other U.S. attorney candidates nominated by President Bush the same day won confirmation in the Senate months ago. Green's appointment has lingered so long now that a new session of Congress has begun, and the process has to start anew. … But Green has not yet been renominated by the Bush administration. Tasia Scolinos, a spokesman for the U.S. Department of Justice, said they are checking into a complaint against Green: 'The review has not been completed and while we are working to address it as quickly as possible, there is no set timeline.'" The Democrat adds, "An anonymous writer tried to derail Green's appointment with allegations related to a sentencing in Michigan, where Green is an assistant U.S. attorney. But the review shouldn't take this long. The record is clear that Green is an ethical, principled attorney. The chief federal judge in West Michigan told The Grand Rapids Press that Green is 'Mr. Integrity.' … The Bush administration needs to quit dragging its feet. … Southern Illinois needs a permanent U.S. attorney who can aggressively take on crime and corruption. The Southern District has been without one since November 2005. Acting U.S. attorney Randy Massey is doing a fine job in the interim, but he's not likely to start controversial prosecutions. For instance, some people in the legal community think the office is waiting for a new leader to decide whether to prosecute powerful attorney Tom Lakin."

New York US Attorney Vows To Continue Pursuing Public Corruption Cases. The New York Journal News (2/11) reports on an editorial meeting with New York US Attorney Michael Garcia. The News reports, "Strange as it might seem, U.S. Attorney Michael Garcia has other fish to fry besides Jeanine Pirro, whose affairs are still being looked into by federal investigators. He said next to nothing about the former Westchester district attorney during his Editorial Board visit last week - we didn't expect otherwise. He had plenty to say about other matters pertinent to his territory, which includes Westchester, Rockland and Putnam." Garcia is quoted as saying, "We have some of our local partners working on corruption. We are getting a lot of tips and referrals. We're looking at everything that comes in. If we believe there is a risk, we do the research that goes into taking a harder look at it. What I want to get out of public corruption cases is a comfort level where we have taken a hard look at areas of risk." On pursuing sex trafficking cases, Garcia says, "It's a horrible thing. There are a couple of problems with going after traffickers. One, a lot of times you have to rely on the people who are through the door first - local officials with some kind of domestic violence report. The first responders will be local officials because they have to have some kind of tip-off of what's going on. Once you get in the door and determine there is forced prostitution or sex trafficking, getting witnesses is very difficult because there is tremendous distrust from people who have suffered horrible abuse over sometimes very substantial periods of time. It's hard to say how widespread it is because it's hard to get a firm read on it. People are willing to pay such a high price to get into a country, and it's a terrible crime. The good side is that it gets a lot of attention now. More people are looking for it now than they were in the past."

DOJ Probing Fir Force Base Lawyer's Bias Claims. The Macon Telegraph (2/11, Rector) reports from Robins Air Force Base in Georgia, "A Robins Air Force Base lawyer, called a 'guardian angel' by at least one base sexual assault victim, was removed Jan. 10 as special assistant to the U.S. attorney for reasons that she claims have little to do with allegations lodged against her." The Telegraph continues, "Dee Dial contends Air Force officials are trying to destroy her career because she has been too aggressive in prosecuting sexual offenders and declined to testify in a Robins effort to discredit the case of a victim seeking a huge cash settlement. … Dial, who has successfully worked seven sex offender cases in the past three years, has in turn filed a complaint with the Equal Employment Opportunity Commission against the Air Force, alleging reprisals and the creation of a hostile working environment." The Telegraph adds, "The Georgia native said she is terrified of her employer and what could happen to her career. She remains a general attorney in the 78th Air Base Wing judge advocate's office, but is no longer assigned to prosecute Robins cases in U.S. District Court in Macon. … Dial said accusations raised by the base and U.S. Attorney Max Wood in Macon are being investigated by the Department of Justice - accusations of failing to correct an error in a court document and withholding DNA results from a defense attorney. … A representative from Air Force Materiel Command, the parent agency for Robins, is also investigating issues related to her EEO complaint, Dial said. … The mother of two said she planned to fight the allegations and her removal as special assistant to the U.S. attorney. … U.S. Attorney Wood declined to answer questions about the case."

CRIMINAL LAW:

Contractors Say Pay-To-Play Corruption Rife In Northwest Indiana. The Northwest (IN) Times (2/11,

Carlson) reported, "The long-standing political tradition of pay-to-play in Lake County is something federal authorities say remains a political force today and in some cases equates to bribery. 'Here's how it works,' said one source, a contractor who has done business with governments in cities and towns around the county and knows the importance of buying political fund-raising tickets. 'If you do business with the city, and it's campaign time, certain department heads will tell you to purchase tickets,' the source said. 'If you don't, you won't be doing business.'" The Times noted, "Agents from the FBI thought they would discover evidence of just such a scheme going on in Gary in December 2003, when they raided three business offices owned by politically connected businessman Jewell Harris Sr. … One longtime FBI agent, Fred Graessele, stated that the 'sale of tickets' by corrupt officials has become a term 'synonymous with bribe, kickback, and payoff' in Lake County."

Criminals Find Anonymity In Wireless Computer Networks. The Washington Post (2/11, C1, Stockwell) reports, "Detectives arrived last summer at a high-rise apartment building in Arlington County, warrant in hand, to nab a suspected pedophile who had traded child pornography online. It was to be a routine, mostly effortless arrest. .. . But when they pounded on the door, detectives found an elderly woman who, they quickly concluded, had nothing to do with the crime. The real problem was her computer's wireless router, a device sending a signal through her 10-story building and allowing savvy neighbors a free path to the Internet from the privacy of their homes. … Perhaps one of those neighbors, authorities said, was stealthily uploading photographs of nude children. Doing so essentially rendered him or her untraceable." The Post continues, "With nearly 46,000 public access points across the country -- many of them free -- hundreds of thousands of computer users are logging on every day to wireless networks at cafes, hotels, airports and even while sitting on park benches. And although the majority of those people are simply checking their e-mail and surfing the Web, authorities said an increasing number of criminals are taking advantage of the anonymity offered by the wireless signals to commit a raft of serious crimes -- from identity theft to the sexual solicitation of children. … 'We're not sure yet how to combat that,' said Kevin R. West, a federal agent who oversees the computer crimes unit in North Carolina's State Bureau of Investigation. 'Free wireless spots are everywhere, and it makes it easy for people . . . to sit there and do their nefarious acts. The fear is that if we talk about it, people will learn about it and say, 'I can go to a parking lot, and no one will catch me.' But we need to talk about it so that we can figure out how to solve it.' … The way it works is simple: Anyone who has a wireless card installed in his or her computer -- and most new computers are equipped with one -- can access the Internet from any of the public WiFi 'hotspots,' as they're known. In an age of portability and instant gratification, getting online has never been easier -- for law-abiding folks and those with bad intentions. … And in especially dense areas such as the Washington region, some neighborhoods might offer users a dozen or more open wireless signals from which to choose."

SCOTUS Position On Death Penalty Said To Be "Hardening" As Executions Decrease. In a column for the Washington Post (2/11, B2, 690K), Dahlia Lithwick writes, "Public and state support for capital punishment is steadily declining in America just as the resolve to maintain the death penalty seems to be hardening in the one arena where death-penalty policy once had seemed poised to change: the Supreme Court. … The raw numbers of executions and death sentences in the United States have plummeted," and "public support also seems to be faltering. A Gallup poll last year showed that two-thirds of the country still supports capital punishment for murderers, but when given the choice between the death penalty and a life sentence without parole, more people preferred the life prison term (48 percent) to capital punishment (47 percent) for the first time in 20 years. … Somehow, just as the American people are beginning to consider the grave injustices pervading the capital system, several justices seem to be staking out strong personal positions on this front in the culture wars."

CIVIL LAW:

Editorial Urges DOJ To Tighten Healthcare Fraud Enforcement. The Longview (TX) News-Journal (2/11) editorializes, "Here's what is so frustrating when we hear excuses about why programs that help people — really help people — face cutbacks when times get tight:" The News-Journal continues, "A Cox News Service story reported Saturday that there is a backlog of cases in which pharmaceutical companies are suspected of defrauding federal and state health care programs of billions of dollars. … The U.S. Justice Department office in charge of pursuing these cases has already recovered $5.3 billion from major drug companies since 1999, but an associate deputy attorney general told a House Committee that there are billions more out there to be recovered. The problem is that his office lacks the manpower to do it in a timely manner." The News-Journal adds, "With the math showing that it costs about $1 in Justice Department expenses to recover $15 in restitution and fines, one might expect higher ranking officials in the Justice Department and White House to figure out it would pay dividends to add to the staff. … The first thing the feds might

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want to do, however, is send a few folks down to Austin to find out why Texas is so much more proficient at pursuing these cases. … Patrick J. O'Connell, chief of the Texas Attorney General's recently expanded Medicaid task force, pointed out that the state has collected more than $100 million in the same time frame, spending about $5 to $7 million to do so. That's a return even more impressive than the Justice Department's." The News-Journal concludes, "Some people will find the feds' foot-dragging approach most frustrating because it's a waste of taxpayers' money. Although we find that frustrating as well, we are even more concerned about the fact that in the time the backlog has been building, we have frequently heard about needs to scale back public health programs because of budget difficulties. … Waste, fraud and misplaced priorities are all more serious problems than many of those that occupy our lawmakers' time. … People die when they don't get sufficient or timely health care. It's time to begin collecting the money that is due the government and using it to provide the services our neighbors need."

CIVIL RIGHTS:

Mississippi Grand Jury To Probe Till Case. The Jackson Clarion-Ledger (2/11, Mitchell) reports from Greenwood, MS, "A Leflore County grand jury that will be impaneled in March is expected to take up the 1955 abduction and killing of Emmett Till." The Clarion-Ledger continues, "The Emmett Till Justice Campaign is hoping to take out advertisements in a local newspaper before that happens, said president Alvin Sykes of Kansas City. 'We want to encourage grand jurors to listen to the evidence and follow the law. If there is enough evidence, they should indict. If there is not enough evidence, they should not do it. We don't want them to do the same thing the jury did in 1955.' … That's when an all-white jury in Tallahatchie County acquitted Roy Bryant and J.W. Milam in the murder of Till, only to see the two men confess their involvement months later to Look magazine. They since have died of cancer." The Clarion-Ledger adds, "This new grand jury could consider kidnapping charges against Bryant's ex-wife, Carolyn, who has told relatives and the FBI she is innocent. … Having the grand jury decide is 'an idea whose time has come,' said Till's cousin, Wheeler Parker of Chicago, who was with Till when he was abducted. 'I'm not going to rejoice in somebody's downfall. I'm not aggressively trying to pursue someone, but you have to reap what you sow.' … The pursuit of possible charges in the case comes at a time when there's been a renewed focus on crimes of the past. On Jan. 25, reputed Klansman James Seale of Roxie pleaded innocent to federal kidnapping and conspiracy charges in connection with the May 2, 1964, abduction and killings of Henry Hezekiah Dee and Charles Eddie Moore." The Clarion-Ledger notes, "Seale's arrest is the 28th since 1989 in cases resurrected from the civil rights era. If convicted, he could face life in prison. … A bill introduced in Congress last week would create a cold cases unit to track down unpunished killings from the civil rights era. The FBI already is examining 51 killings from that time period, and a Montgomery museum lists 127 racial killings between 1954 and 1968 - a number it concedes could be much higher. … In 2004, the Justice Department opened an investigation into Till's slaying. Less than two years later, the FBI turned over its findings to District Attorney Joyce Chiles of Greenville and recommended prosecutors take a closer look at Carolyn Bryant, the key suspect in the case."

Delaware Inmate Claims He Was Beaten By Prison Guards. The Wilmington (DE) News Journal (2/11, Williams) reports, "David L. Kalm, a 56-year-old disabled Merchant Marine sailor, says he was nearly beaten to death by prison guards at the Sussex Correctional Institution near Georgetown last October." The Journal continues, "Kalm, who was serving a 60-day sentence for DUI, said two guards wearing black gloves took turns pounding his head into a cinder-block wall until he passed out. … In written reports, the guards said Kalm's injuries were self-inflicted, and Kalm acknowledges an earlier physical confrontation with guards after he refused to be moved to a cellblock where he feared being harmed by other inmates. However, Christiana Hospital medical staff members who examined Kalm concluded that the injuries were suffered during an 'assault.' … 'Anatomically, it could not have been possible' for the injuries to be self-inflicted, said Dr. Irwin Lifrak, a physician who has been an expert witness in several wrongful-death lawsuits. He was asked to review the medical records by an attorney working with Kalm." The Journal adds, "The medical records, which Kalm provided to The News Journal, show that he suffered a concussion, a moderate coma, a broken nose, an eyeball that was oozing blood, two broken ribs, a punctured lung, bruising around an eye, extensive bruising to his face, head and ears, and two pharyngeal tears in his throat. Lifrak and another medical professional say the tears were caused by repeated blows to his neck or by an object such as a nightstick being shoved down his throat. … Last month, the FBI began collecting preliminary information on the incident, and the Department of Correction has begun an internal investigation." The Journal notes, "After the last confrontation with guards, Kalm said, he was denied medical care for 13 hours by a prison system that was found by the U.S. Justice Department late last year to have committed numerous civil rights violations because of inadequate medical care going back years."

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Mississippi Voting Rights Trial Has Cost County $25,000 So Far. The Columbus (MS) Commercial Dispatch (2/11, Miller) reports, "More than half of the funds earmarked by the Noxubee County Board of Supervisors for their 2007 budget to cover legal expenses for the county's election commission has been spent. … And though the federal trial in which the Noxubee County Election Commission and Democratic Party Chairman Ike Brown were accused of discriminating against white voters wrapped up in Jackson on Jan. 31, officials said more fees for the case are imminent. … 'We've spent over $25,000 already and we're not at the end of it,' said Janet Abrams, the county's comptroller at Friday's Noxubee County supervisors meeting." The Dispatch adds, "The supervisors allotted $50,000 for the election commission's legal fees in 2007 to cover legal expenses for the precedent-setting voting rights trial. The commission is represented by Clinton attorney, Ellis Turnage. The county isn't however footing the bill to defend Brown, whose attorney is Wil Colom of Columbus. … The board avoided an additional $8,500 bill when Turnage opted not to use the testimony of political scientist Richard Engstrom. Engstrom had been expected to counter the testimony of the Justice Department's expert witness, political science professor Theodore Arrington. … Arrington testified last month Brown and his associates don't maintain practices to prevent 'bias and fraud.' Engstrom has countered that Noxubee County whites lose elections simply because they're in the minority. … Noxubee's supervisors authorized payment of the $8,500 to Turnage for Engstrom's expert testimony at their regular Monday meeting. But hours later, Turnage informed Noxubee Board Attorney Chris Hemphill Engstrom won't be called to testify. … The federal trial pitted the U.S. Justice Department against the Noxubee County Election Commission and Brown, who stands accused of discriminating against and intimidating white voters during the past several elections. This trial marks the first time The Voting Rights Act of 1965 has been used to protect the rights of white voters. … During the non-juried trial, the Justice Department presented evidence of their allegations, including the testimony of more than 40 witnesses before U.S. District Judge Tom Lee."

Kentucky Lawmakers Consider Human Trafficking Legislation. The Louisville (KY) Courier-Journal (2/11, Yetter) reports, "Cases of human trafficking have begun to surface in Kentucky, and advocates argue that the state should join 27 others that have enacted laws against exploiting people for forced labor, domestic work or the sex trade. … 'It is happening here,' said Cori Hash, a legal aid lawyer in Lexington. 'We've seen it. We know the victims are out there.'" The Courier-Journal continues, "A bill filed by Sen. David Boswell, D-Owensboro, would make it a criminal offense to bring people into the state for exploitation. … The measure, Senate Bill 43, also would provide services and help for the victims of human trafficking, often women or children." The Courier-Journal adds, "Trafficking victims often come from other counties -- enticed by purported offers of jobs or marriage. Many are laborers or migrant workers, but some are U.S. citizens, often children, forced into prostitution, Hash said. … Congress passed a law banning human trafficking in 2000 to combat what the State Department has said is a growing problem in the United States. It says that as many as 800,000 people a year are trafficked worldwide, with up to 17,500 of those coming to the United States, according to its 2005 Trafficking in Persons Report. .. .The Justice Department, which enforces the federal law, also is urging states to adopt their own laws, said Andrea Bertone, director of HumanTrafficking.org, a Washington resource and information center."

Mississippi County Chafes At DOJ Oversight Of Schools. The Columbus (MS) Commercial Dispatch (2/11, Halbert) reports, "For decades, every move in the public education arena within Lowndes County has been under the scrutiny of the U.S. Department of Justice." The Dispatch continues, From construction to teacher recruitment, the Columbus Municipal School District and Lowndes County School District have had to make decisions with a willingness to change course since a federal court must give its approval. … Administrators say the process is cumbersome and restrictive. … 'The biggest impediment is that all planning and future plans must be approved, and we really don't always know what will happen in terms of population growth or population shifts,' said Dr. Lester Beason, CMSD superintendent of education." The Dispatch adds, "Since a 1970 court judgment declared the two districts discriminatory on the basis of race, the DOJ can step in when desegregation of extracurricular activities, transportation, administrative staff assignment, relative quality of education, faculty assignment, facilities and resources or student assignment may be compromised. … In 1989, the county school board decided to present all new construction projects to the Justice Department for approval to avoid potential litigation. … That process caused the most friction for the county - until the more recent DOJ decision to keep Caledonia and New Hope students and teachers out of their new classrooms until West Lowndes improvements are complete - in the early '90's when planning began for a new high school in New Hope. … But the submission of the proposed project was tedious. Drawings and detailed specifications had to be submitted along with revisions from a bi-racial committee. Two such committees were formed in 1970 - one in each the county and city school districts - as a part of the original desegregation decree, but the county's

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had lapsed until the new board members were elected. … In addition, the DOJ called members of the community who weren't on the school board and weren't bi-racial committee members to get their input."

Black Leaders Gather For Annual "State Of The Black Union." The Washington Post/AP (2/11, A12, Walker, 690K) reports, "On Saturday, more than 8,000 people" gathered at Virginia's Hampton University "to chart how far they have come. They gathered for the State of the Black Union, an annual traveling town hall that is considered a barometer for black America's ills. … Today's black Americans grapple with political apathy, limited business strength and a lack of motivation, a panel of black leaders said Saturday." Rep. Keith Ellison said, "We need a big idea that unifies us all."

State Funding Of Anti-Abortion Counselors Spurs Controversy. The Los Angeles Times (2/11, Simon, 850K) reports, "In an experiment that's opening a new front in the culture wars, a growing number of states are paying anti-abortion activists to counsel women with unplanned pregnancies. At least eight states -- including Florida, Missouri and Pennsylvania -- use public funds to subsidize crisis pregnancy centers, Christian homes for unwed mothers and other programs explicitly designed to steer women away from abortion. As a condition of the grants, counselors are often barred from referring women to any clinic that provides abortions; in some cases, they may not discuss contraception either. Most states still spend far more money subsidizing comprehensive family planning, but the flow of tax dollars to anti-abortion groups has surged in recent months, as programs took effect in Texas and Minnesota. The trend alarms abortion-rights supporters, who assert that the funds would be better spent -- and would prevent more abortions -- if used to expand access to birth control."

WPost Explores States' Apologies Regarding Slavery. The Washington Post (2/11, B6, 690K), in an editorial, writes, "That slavery was a shameful episode in American history is beyond debate; not so the issue of whether or how states where it flourished for more than two centuries should apologize or express remorse for it. In recent weeks the legislatures of Virginia and Maryland, former slave states whose last slaves were freed more than 140 years ago, have grappled with that quandary and more broadly with the question of what symbolic or practical value attaches to an act of public contrition."

ENVIRONMENT:

White House Maintains Bush Has Been Concerned By Global Warming Since 2000. The Los Angeles Times (2/11, Reynolds, Gerstenzang, 850K) reports, "President Bush is widely considered one of the world's most prominent skeptics of global warming. But to hear White House officials tell it, the world's view of him is wrong. In recent days, White House officials have made a special effort to argue that Bush has always been concerned about climate change. Moreover, they say, he has long acknowledged that human activity may be a significant factor." White House officials, "apparently concerned that Bush was not perceived as being on the global warming bandwagon," released an "unusual open letter Wednesday contending that 'climate change has been a top priority since the president's first year in office.'" But "the record isn't quite so clear. … Critics argue that Bush soft-pedaled the issue early in his presidency because of pressure from corporate interests, such as oil companies and operators of coal-fired power plants, that oppose regulation of greenhouse gas emissions."

NYTimes Blasts Bush's Record On Conservation, Environment. The New York Times (2/11, WK11, 1.16M) editorializes, "The choice Mr. Bush faced on the day he took office was between two competing Republican approaches to environmental matters — the callous disregard for the country's natural resources displayed during the Reagan years and the responsible stewardship of those same resources associated with Theodore Roosevelt. Mr. Bush unhesitatingly chose the former. The result was an across-the-board antiregulatory crusade aimed not only at undoing Bill Clinton's environmental legacy but also at weakening bedrock economic law stretching back to Richard Nixon."

WPost Welcomes CDC Guidelines On Flu Pandemic. The Washington Post (2/11, B6, 690K), in an editorial, notes the Centers for Disease Control and Prevention "released interim guidelines detailing what states and localities could do to cope with a pandemic of a dangerous form of influenza -- the sort of outbreak that a mutated form of H5N1 could spark. … Not everyone in the public health world welcomed some of the more extreme guidelines. The CDC's proposal to shut down schools for three months in the case of a severe outbreak is generating resistance from scientists who claim that the tactic is not as effective as the CDC says it is. Others point out that the guidelines, which advise people to avoid crowded spaces such as train cars or offices, do not address the needs of poorer Americans (among others) who must take public transportation or who can't telecommute. As the CDC

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gathers comment and updates its interim guidelines, it must consider how state and local governments might deal with the potentially massive social costs of school closures and work stoppages."

FBI/DEA/ATF/USMS:

Questions Raised About LAPD's Gang Crackdown. The Los Angeles Times (2/11, Winton, Mcgreevy) reports, "Every few years, an act of gang violence rises above the rest, sparking outrage across Los Angeles and vows to finally conquer the gang problem." The Times continues, "When Karen Toshima was killed by gang crossfire in Westwood Village in 1988, then-Police Chief Daryl F. Gates intensified Operation Hammer. The gang sweeps yielded thousands of arrests but also generated much criticism about mistreatment by officers. … The 1995 killing of 3-year-old Stephanie Kuhen when her family drove onto a dead-end street in Cypress Park resulted in another gang crackdown." The Times adds, "When William J. Bratton became chief in 2002, he was faced with a string of 20 gang shootings — including the death of 14-year-old Clive Jackson. He declared war on gangs, referring to them as domestic terrorists. … Last week, he and Mayor Antonio Villaraigosa declared war again — the inspiration this time the racially motivated killing of Cheryl Green, a 14-year-old African American, by members of a Latino gang in the Harbor Gateway neighborhood. … The new crackdown — targeting 11 gangs — might suggest that the Los Angeles Police Department is trying again where it has failed before." The Times notes, "But it's more complex than that. Though gang crimes jumped 14% in 2006, they are down significantly from the early 1990s and even more compared with the mid-1980s. According to LAPD statistics, there were 7,714 gang crimes last year, compared with 10,945 in 1995. … But what some critics of the crackdown find familiar is the race to respond to a killing that garners news media attention and public outrage — an approach they say is not always comprehensive or effective."

IMMIGRATION:

Citrus Crop Freeze Complicates Immigration Debate In California. In his Los Angeles Times (2/11, 850K) column, Gregory Rodriguez writes, "Last month's devastating citrus freeze has put Lindsay, population 11,185, in dire economic straits; but its pragmatic response to the crisis sets an example for the rest of the nation. … One plant is shut down, and the other is running just 20 hours a week. About 60% of the employees are off work." Seeking to "avert an economic meltdown, officials have come up with an innovative plan to not only address joblessness but to keep the workforce from abandoning the town. … The city's elected officials -- all of whom are Republicans -- are seeking federal aid to put the idle labor force to work on local improvement efforts. The fact that a large-yet-undetermined percentage of farm laborers -- particularly pickers -- are illegal immigrants does not deter local officials from seeking aid for them."

CONGRESS-ADMINISTRATION:

Bush Seeks Increased Funding For Merit-Based Pay Programs For Teachers. The Washington Times (2/11, Fagan, 88K) reports on its front page that President Bush "wants more money in the 2008 budget for a fund that encourages performance-based pay systems for teachers -- a request that will no doubt feed into the larger debate on Capitol Hill about how best to attract, create and retain effective teachers. The administration is asking for $199 million for its Teacher Incentive Fund, which was created in 2006. The fund provides financial incentives for teachers and principals who improve student achievement in high-poverty schools and helps to recruit top teachers to these schools." Education Secretary Margaret Spellings "said last week that there is a consensus about using compensation 'to make sure our best teachers are in our most challenging' schools nationwide.'"

Utah Legislature Approves Voucher Plan. The New York Times/AP (2/11, A24) reports the Utah State Legislature "approved one of the broadest school voucher programs in the nation on Friday, allotting up to $3,000 for any public school student to put toward private school tuition. Voucher programs in the handful of other states that have them are generally intended for poor families or students attending schools that have poor academic records. There will be no such restrictions in Utah, which has the largest class sizes in the country and until now has spent less per student than any other state."

Education Department Contractors Protest Background Probes. The New York Times (2/11, A30, Glater, 1.16M) reports, "For about a year, contractors say," the Department of Education "has been requiring employees of the thousands of contractors it hires -- many of them academic researchers…to go through a level of security screening usually reserved for those working with very sensitive information. Katherine McLane, a department spokeswoman, said the scrutiny was warranted because her agency had access to databases with financial data and other information, including names and social security numbers of students or of applicants to colleges or other programs." But the policy "is prompting critics to question when a prudent background investigation becomes an invasion of privacy."

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Experts Split In Assessments Of Bush Health Care Cuts. The Washington Post (2/11, A3, Lee, Montgomery, 690K), in an article tilted "Bush's Proposed Health-Care Cuts Get Mixed Reviews," reports, "Depending on whom you ask, the budget that President Bush proposed last week will save or sink Medicare and Medicaid, two popular programs that, along with Social Security, threaten to swamp the federal budget as the baby-boom generation retires." Bush "proposed reducing by $101 billion over five years the spending growth of the two health programs. … One of his most controversial ideas is to charge wealthier seniors higher Medicare premiums." Budget experts "call the plan one of the most significant efforts in years to rein in federal spending on entitlement programs. But health-care providers and advocates for beneficiaries call the proposed cuts arbitrary and say they would exact an unaffordable toll on a big part of the nation's health-care system."

Broder Claims Tax Policy Undercuts Bush Budget. In his Washington Post (2/11, B7, 690K) column, David Broder writes, "In some other respects, this budget is an improvement over its predecessors from Bush." Bush "has described, in blunt terms, the dismal financial prospects for Medicare -- premiums will have to increase fivefold to sustain the program unless some way is found to curb health-care inflation." According to Broder, "Bush would be in a stronger position to secure these savings if he were not pretending that he can balance the budget by 2012 while preserving all his tax cuts."

White House Expresses Optimism Over Non-Embryonic Stem Cells. The Washington Times (2/11, Price, 88K) reports on its front page, "The medical, moral and political debate over the need for embryonic stem-cell research remains fierce, with multiple medical reports in the past 18 months describing ways to produce disease-treating stem cells without destroying human embryos." President Bush and others "favor research that involves stem cells from adults and children, which can be obtained without harming the donor. Examples include stem cells taken from bone marrow and other organs and tissue, and from placentas left over from live births." The Times notes that a January White House report on stem-cell research "stated that there should be a way 'to create human pluripotent cells,' meaning flexible cells such as embryonic stem cells, that 'can transform into many or perhaps all of the different cell types in the body in cells derived without embryos.'"

Members Of Congress, Lobbyists Easily Skirt New Ethics Rules. The New York Times (2/11, Kirkpatrick, 1.16M) reports on its front page that the 110th Congress "opened with the passage of new rules intended to curb the influence of lobbyists by prohibiting them from treating lawmakers to meals, trips, stadium box seats or the discounted use of private jets. But it did not take long for lawmakers to find ways to keep having lobbyist-financed fun. … Instead of picking up the lawmaker's tab, lobbyists pay a political fund-raising committee set up by the lawmaker. In turn, the committee pays the legislator's way. Lobbyists and fund-raisers say such trips are becoming increasingly popular, partly as a quirky consequence of the new ethics rules. By barring lobbyists from mingling with a lawmaker or his staff for the cost of a steak dinner, the restrictions have stirred new demand for pricier tickets to social fund-raising events. Lobbyists say that the rules might even increase the volume of contributions flowing to Congress from K Street, where many lobbying firms have their offices."

Johnson Continues To Make Progress. The Los Angeles Times (2/11, 850K) reports Sen. Tim Johnson "is reading news clippings and starting to do some office work from the hospital, almost two months after suffering a life-threatening brain hemorrhage. 'He has requested more contact with office and is looking for updates from staff,' his office said in a statement. Spokeswoman Julianne Fisher said he was starting slowly." Johnson "recently began to read and speak in full sentences, according to doctors' statements."

FDA Commissioner Backs "Incremental" Regulation. The New York Times Magazine (2/11, Solomon) interviews FDA Commissioner Dr. Andrew C. Von Eschenbach. Asked if he takes a "pretty laissez-faire...approach to regulation," Von Eschenback answers, "I wouldn't call it laissez-faire. I would call it incremental."

OTHER NEWS:

Obama Invokes Lincoln As He Formally Enters Presidential Race. Sen. Barack Obama's formal entry into the presidential race led both network news broadcasts that aired Saturday night, and also receives prominent coverage from major newspapers across the country. Reports cast Obama in a favorable light, but suggest that his early honeymoon with the media and the nation is likely to come to an abrupt end now that he is a candidate.

ABC World News (2/10, lead story, 2:30, Avila, 8.78M) said Obama "told the nation today what most have known for weeks: He is running for president. And he did it in bold fashion, choosing Springfield, Illinois -- political home of the man many consider America's greatest president, Abraham Lincoln -- to make the official announcement. Sen. Obama did not stop the comparisons there, directly linking himself to the great uniter." NBC Nightly News (2/10, lead story, 2:35, Seigenthaler, 9.87M) said the "race for president got more

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interesting today" with Obama's announcement. Obama "pledged today to end the war in Iraq and end gridlock in Washington." NBC (Shamilian): "At the state House where Lincoln called on a divided nation to unite," Obama "pledged to bridge a political divide, offering himself as part of a new generation to build a more hopeful America."

The Washington Post (2/11, Balz, Kornblut, 690K) says in the lead of its front-page report that Obama invoked "memories of Abraham Lincoln" and challenged "a new generation to help him transform the nation." Obama "presented an ambitious agenda that includes bringing an end to the Iraq war, eliminating poverty, ensuring universal health care and creating energy independence. But he seemed to be trying to transcend traditional political debate by arguing that what the country lacks is not good ideas." He said, "What's stopped us is the failure of leadership, the smallness of our politics -- the ease with which we're distracted by the petty and trivial, our chronic avoidance of tough decisions, our preference for scoring cheap political points instead of rolling up our sleeves and building a working consensus to tackle big problems."

Under the front-page headline "Obama Invokes Lincoln For Run," the Washington Times (2/11, Debose, 88K) says that "like former Vermont Gov. Howard Dean, who sought the Democratic nomination in 2004, Mr. Obama envisions a campaign to be built from the ground up using the Internet -- a grass-roots coalition that will be controlled by voters." Obama said, "This campaign must be the occasion, the vehicle, of your hopes, and your dreams. It will take your time, your energy and your advice to push us forward when we're doing right, and to let us know when we're not." On its Web site, The Hill (2/10, Marre) also says Obama "hopes to launch a broad grassroots campaign that can propel him past Democratic frontrunner Sen. Hillary Clinton." The Los Angeles Times (2/11, Barabak, 850K) says Obama's eyes ware "on history" and his feet "rooted in the frigid Midwest as he pledged a new generation of leadership to end the war in Iraq and banish 'the smallness of our politics.'"

The New York Times (2/11, A35, Nagourney, Zeleny, 1.16M) puts its story inside the A section, and also has the Lincoln link in its lead. The Times says Obama presented himself "as an agent of generational change who could transform a government hobbled by cynicism, petty corruption and 'a smallness of our politics.'" But "for all the excitement on display, Mr. Obama's speech also marked the start of a tough new phase in what until now has been a charmed introduction to national politics. Democrats and Mr. Obama's aides said they were girding for questions about his experience in national politics, his command of policy, a past that has gone largely unexamined by rivals and the news media, and a public persona defined more by his biography and charisma than by how he would seek to use the powers of the presidency."

Roger Simon writes for The Politico (2/10), "The very audacity of it, the very unlikelihood of a black man becoming president of the United States is now the driving force of Barack Obama's campaign." Obama's speech included some "pretty audacious talk. But it was also pretty audacious to announce in Springfield, home of Abraham Lincoln, and in the shadow of the Old State Capitol, where Lincoln gave his 'House Divided' speech in opposition to slavery."

The Washington Post (2/11, A4, Kornblut, 690K) says Obama, "raising questions about his judgment and risking the ire of the national press corps…held fast on his first major campaign decision: to conduct his announcement speech in the frigid outdoors here on Saturday. And so, as much as it was a political story, the Obama event became a weather story. … Even by the standards of the wintry spells in New Hampshire and Iowa that political reporters and candidates ritually confront, it was a brutal morning in the Illinois capital."

The Chicago Tribune (2/11, Parsons, 617K) says in its front-page story that "as Obama departed immediately for Iowa, the raucous crowd and frenzied applause of the morning quickly gave way to difficult questions. Voters at a town hall meeting quizzed Obama about everything from the Iraq war and North Korea to education funding and race relations." The Des Moines Register (2/11, 160K) says Obama told "crowd of about 2,500" in Cedar Rapids, "I want to win. But I don't just want to win. I want to transform this country, and the only way I'm going to do it is if you make this a vehicle for your hopes and dreams." Those at the Cedar Rapids rally "said they've heard that Obama is being called a fresh face, a rock star, a political rocket who has that mysterious political 'X-factor' that makes him a charismatic candidate. They acknowledged Obama is new and wildly popular, but said Iowans have sensitive antenna, and many aren't making up their minds yet."

The AP (2/10), CNN.com (2/10), and Gannett (2/10, Keen) also report on Obama's entry into the race, and in the "Sunday Outlook" section, the Washington Post (2/11, B1, 690K) runs some reminiscences about Obama from those who have known him.

Australian PM Says Al Qaeda In Iraq Would Benefit From Obama Victory. The AP (2/10) reports Australian Prime Minister John Howard "slammed" Obama "over his opposition to the Iraq war." Howard, "a staunch Bush ally who has sent troops to Iraq and faces his own re-election bid later this year, said Obama's proposals would spell disaster for the Middle East." Howard told an Australian television network, "I think that will just encourage those who want to completely destabilize and destroy Iraq, and create chaos and a victory for the terrorists to hang on and hope for an Obama victory. If I were running al-Qaeda in Iraq, I would put a circle around March 2008 and be praying as many times as possible for a victory, not only for Obama but also for the Democrats."

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Arguments Over Obama's "Blackness" Considered. In a New York Times (2/11, WK11, 1.16M) "Editorial Observer" piece, Brent Staples writes, "The arguments being raised about Mr. Obama's blackness -- or his lack of blackness -- seem positively antique at a time when Americans are moving away from the view of ancestry as a central demographic fact and toward a view that dispenses with those traditional boundaries. Even so, the complaints about Mr. Obama provide an interesting opportunity to examine the passing of the old and the rise of the new. The claim that the candidate isn't really black because his mother is white carries little weight under either system. It makes no sense at all to the young Americans who checked more than one box when identifying themselves by race in the last census. They subscribe to a fluid notion of race and seem perfectly willing to let people describe themselves racially any way they choose. Nor does the charge make sense in the black community itself. That community has historically and eagerly embraced as black anyone and everyone with any African ancestry to speak of. That embrace often included interracial families, who lived in black communities long before they were accepted elsewhere."

More Commentary On Obama. In his New York Times (2/11, WK12, 1.16M) column, Frank Rich writes that "at least one rap" against Obama "can promptly be laid to rest: his lack of experience. If time in the United States Senate is what counts for presidential seasoning, maybe his two years' worth is already too much. Better he get out now, before there's another embarrassing nonvote on a nonbinding measure about what will soon be a four-year-old war." Obama "has introduced his own end-the-war plan that goes beyond a split-the-difference condemnation of the current escalation. His bill sets a beginning (May) and an end (March 31, 2008) for the phased withdrawal of combat troops, along with certain caveats to allow American military flexibility as 'a big, difficult, messy situation' plays out during the endgame. Unlike the more timid Senate war critics, including Hillary Clinton, Mr. Obama has no qualms about embracing a plan with what he unabashedly labels 'a timeline.' But he has no messianic pretensions and is enough of a realist to own up to the fact that his proposal has no present chance of becoming law."

Clinton Faces Questions On Iraq Vote In First New Hampshire Trip Of Campaign. Following the lead stories on Sen. Barack Obama, both ABC and NBC reported on Sen. Hillary Clinton's first campaign foray to New Hampshire. In a brief item, ABC World News (2/10, story 2, :10, Avila, 8.78M) said the "Democratic front-runner in the early campaign" made her "first visit to New Hampshire in more than a decade. Clinton was directly challenged about her vote to authorize the war in Iraq. She refused to call it a mistake."

NBC Nightly News (2/10, story 2, 2:50, Mitchell, 9.87M) reported that "even in an enthusiastic crowd, people want to know why did she vote for the war in 2002." Clinton: "I've taken responsibility for my vote. The mistakes were made by this President who misled this country and this Congress into a war that should not have been waged." Mitchell: "It is the issue she cannot escape among anti-war New Hampshire Democrats." Unidentified female: "You said if you were president in 2002, you would not have gone into war." Clinton: "Right." Unidentified female: "However, how can you seem to explain the contradiction from your voting to support the invasion in Iraq?" Clinton: "You know, I do not believe that most of us who voted to give the President authority thought he would so misuse the authority we gave him." The Politico (2/10) says Clinton "delivered a similar 25-minute stump speech at both stops, promising to establish universal health care coverage, lower the cost of college tuition and bring U.S. troops home from Iraq."

The Washington Post (2/11, A5, Cillizza, 690K) says Clinton "faced tough questions" over her war authorization vote. The Post says Clinton "must convince Democratic primary voters, who tend to be strongly opposed to the war in Iraq, that her pragmatic approach to ending the conflict is the right one. Complicating that task is that her two main rivals" for the nomination, Obama and John Edwards, "have spoken out strongly against the war." The New York Times (2/11, A34, Healy, 1.16M) also says Clinton "came under criticism at two appearances" for her 2002 vote, "and even refused one man's request that she say that her vote was a mistake. While warmly received overall on this, her first visit to New Hampshire since 1996, Mrs. Clinton also sought to inoculate herself from the occasional Democratic antiwar anger." Still, the New Hampshire Union Leader (2/11, DiStaso) reports, "most questioners Clinton faced yesterday were friendly, if not adoring. Only a handful pressed her hard and those who did focused on Iraq." In another story, the New Hampshire Union Leader (2/11, Cousineau) says one man "pressed her on why she 'won't use the power of the purse' to bring American troops home immediately. Mrs. Clinton said she was working to change President Bush's policy."

The Washington Times/AP (2/11) and Newsday (2/11, Palmer) also have stories on the questions Clinton fielded.

Novak Says Spielberg Will Host "Major Fundraiser" For Clinton. In his syndicated column, Robert Novak (2/10) writes, "Democratic sources say Hollywood producer Steven Spielberg, previously listed as a probable supporter of Sen. Barack Obama for President, has agreed to host a major fundraiser" for Clinton. David Geffen and Jeffrey Katzenberg, "Spielberg's colleagues at the DreamWorks film studio, are backing Obama. It was thought that Spielberg was too, but

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sources say Bill Clinton prevailed on him to help his wife. All three men were generous backers of the former President."

LATimes Says Edwards Blogger Imbroglio Just The Beginning. The Los Angeles Times (2/11, 850K) editorializes that the "conflict" over two bloggers hired by Sen. John Edwards "is likely to be just the opening salvo in a wave of guilt-by-association attacks. By trying to gin up support from the blogosphere, candidates are bringing lots of folks into the campaign who've left long trails of (often intemperate) commentary online. So not only do candidates have to worry about having their own gaffes preserved and promoted on YouTube, they may have to distance themselves from what their employees said before coming onboard. Expect this kind of nuttiness to continue until voters show that they care more about a candidate's thoughts than those of the hired hands."

Fractured Social Conservatives "Holding Out For A Hero." The New York Times (2/11, WK1, Healy, 1.16M) writes, "Having lost Congress and faith, at times, in President Bush, social conservatives are now holding out for a hero in the 2008 Republican presidential campaign. But who? And what kind of hero? Is it the hero of 9/11, Rudolph W. Giuliani, whose support of abortion rights is anything but heroic to social conservatives? Is it the hero against gay marriage in Massachusetts, Mitt Romney, who nevertheless once championed gay rights? Or is it a hero of wartime, John McCain, who has also betrayed them on issues like federal judicial appointments? Eleven months before the first presidential caucuses, social conservatives are in no mood to compromise." But "are any second-tier contenders strong enough to carry the mantle of their idol, Ronald Reagan -- and also, strong enough to win?" The Times says the movement that rose with Reagan "is now fractured over both its messengers and its message," and if its members split between candidates like Sen. Sam Brownback, Rep. Duncan Hunter, and Mike Huckabee, "either Mr. Giuliani or Mr. McCain could slip through the middle…to win the party's nomination next year."

Will Examines New Book's Reappraisal Of Reagan. In his column for the Washington Post (2/11, B7, 690K), George Will writes, "In this winter of their discontents, nostalgia for Ronald Reagan has become for many conservatives a substitute for thinking. This mental paralysis -- gratitude decaying into idolatry -- is sterile: Neither the man nor his moment will recur. Conservatives should face the fact that Reaganism cannot define conservatism. That is one lesson of John Patrick Diggins's new book, 'Ronald Reagan: Fate, Freedom, and the Making of History.'" Diggins "treats Reagan respectfully as an important subject in American intellectual history. The 1980s, he says, thoroughly joined politics to political theory. But he notes that Reagan's theory was radically unlike that of Edmund Burke, the founder of modern conservatism, and very like that of Burke's nemesis, Thomas Paine."

In Presidential Run, McCain Relies On Donors He Once Scorned. On its front page, the Washington Post (2/11, Solomon, 690K) reports, "Just about a year and a half ago, Sen. John McCain went to court to try to curtail the influence of a group to which A. Jerrold Perenchio gave $9 million, saying it was trying to 'evade and violate' new campaign laws with voter ads ahead of the midterm elections." But now, "he is counting on Perenchio, the founder of the Univision Spanish-language media empire, to raise millions of dollars as co-chairman of the Arizona Republican's national finance committee. In his early efforts to secure the support of the Republican establishment he has frequently bucked, McCain has embraced some of the same political-money figures, forces and tactics he pilloried during a 15-year crusade to reduce the influence of big donors, fundraisers and lobbyists in elections. That includes enlisting the support of Washington lobbyists as well as key players in the fundraising machine that helped President Bush defeat McCain in the 2000 Republican primaries."

In his syndicated column, Robert Novak (2/10) writes that last week, McCain "personally appealed to an invitation-only meeting of some 50 possible supporters to sell $2,300 tickets for a March 21 reception at Washington's Mandarin Hotel that he considers vital to his campaign." McCain said the "money raised for the dinner would be credited to the March 31 Federal Election Commission report on contributions, which he called 'the invisible primary' to show fund-raising prowess."

McCain Says He Does Not Worry About Iraq Position's Impact On Chances. The St. Petersburg Times (2/11, Adair) interviews McCain about his candidacy and Iraq, asking, "How much is your support of the troop increase hurting your presidential campaign?" McCain: "I have no idea and I don't worry about it." Times: "The polls in New Hampshire show a steady decline. Does that trouble you?" McCain: "There is one poll that shows that. There are other polls that show it just steady. But I don't worry about it. … This is far more important than any political ambitions I might have. I go out to Walter Reed and Bethesda and see kids who have given one heck of a lot more than I could ever contemplate."

Giuliani Praises Bush's War Leadership In Speech To California Republicans. ABC World News (2/10, story 4, 2:20, Avila, 8.78M) reported Rudy Giuliani "made his pitch to Republicans" at the California state GOP convention. Giuliani "has said he's running" for

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president, "but has not made an official announcement yet. The polls consistently show Mayor Giuliani as one of the country's most popular politicians." The Los Angeles Times (2/11, Finnegan, 850K) says Giuliani "praised President Bush's war leadership on Saturday and mocked supporters of a nonbinding congressional resolution condemning the U.S. troop buildup in Iraq. … Drawing parallels between Iraq and America's Civil War, Giuliani compared Bush's political troubles to Abraham Lincoln's. When the Civil War was unpopular, Giuliani said, Lincoln 'kept his eye ahead.'"

The San Francisco Chronicle (2/11, A20, Marinucci, Wildermuth, 384K) says Giuliani's audience "was primed for a lovefest: Excited Republicans in the hall jumped to their feet and cheered when scores of young volunteers waving 'I (heart) Rudy' signs marched through the room, where the man introduced as 'America's mayor' took the stage to the sound of the Clash tune 'Rudie Can't Fail.' Giuliani regaled the crowd with self-deprecating stories of his days as a federal prosecutor, moved them with recollections of the horror of the Sept. 11 attacks and delivered an inspirational call to action regarding the nation's current problems. His speech was interrupted repeatedly by applause, cheers of 'Rudy! Rudy!' and several standing ovations from the grassroots activists."

Under the headline "Giuliani Announces Candidacy, Or Then Again, Maybe Not," the New York Times (2/11, Perez-Pena, 1.16M) says Giuliani "made it clear Saturday that he was running for president and half-joked that he had just announced. But in keeping with his recent comments, he chose his words coyly and seemed amused by the news media's obsession with his every nudge toward a formal statement." The Washington Post (2/11, A7, Pomfret, 690K) says that when "asked in a subsequent news conference when he would formally announce his candidacy for president, Giuliani quipped: 'If you go back to my speech, I think you'll find one. We'll figure out how to do it in five places so we'll get more attention.'"

Romney, Brownback Address Michigan Republicans. ABC World News (2/10, story 3, :10, Avila, 8.78M) reported Mitt Romney "visited Michigan, a state where his family has deep political roots. On Tuesday, Romney will officially declare he's running for president." The AP (2/10) says Romney "reminded" the nearly 3,000 party activists at the state GOP convention in Grand Rapids that he "grew up sharing the Automotive News each morning with his father, George, who headed American Motors Corp. before becoming Michigan's governor from 1963-69." Sen. Sam Brownback, "who is running as the conservative heart of the party," also addressed the convention and "earned a warm reception with his pledges to protect life and the traditional family."

Romney Speaks To Missouri GOP Crowd. The St. Louis Post-Dispatch (2/11, Mannies, 297K) reports Romney "sought to seal the deal Saturday with many of Missouri's top Republicans by emphasizing his values and vision. His values include requiring that U.S. schools teach only in English, opposing gay marriage, and guarding the nation against the 'Jihadists' who are 'intent in causing our entire collapse.'" Romney "laid out those points, and more, to an enthusiastic crowd of Republicans attending the state party's annual Lincoln Day festivities" in Frontenac.

Romney Urged To Study Coolidge's Example. In the Boston Globe (2/11, 413K), Calvin Coolidge biographer David Greenberg writes about the legacy of the 30th president, also a Massachusetts Republican, and says Romney "could do worse than to study his example."

WPost Regrets Merck's Role In Pushing For Mandatory HPV Vaccine. The Washington Post (2/11, B6, 690K), in an editorial, writes, "The debate over requiring girls to receive a shot against a sexually transmitted virus that sometimes causes cervical cancer should be about what's in the best interests of these young women. It should not be about the interests of the maker of the vaccine. Regrettably, the two are being confused thanks to a lobbying effort undertaken across the country by Merck & Co. on behalf of its new product. … We don't disagree either about the efficacy of the vaccine, which the FDA says has been demonstrated in extensive tests, or the argument for its widespread use. There is, though, something unseemly about a company that stands to make billions of dollars driving a debate that already is sensitive because it involves young girls, sex and parental rights."

Brooks Describes "Neopopulism" Among Democrats. In his New York Times (2/11, WK13, 1.16M) column, David Brooks writes, "In the Democratic Party today, neopopulists and economic nationalists are on the rise. The free-traders are on the defensive. The Democratic view of the global economy has grown unremittingly grim. When John Edwards talks about the economy, you think he's running for the Democratic nomination of 1932. … The neopopulist caucus in the Democratic Party is like the anti-immigrant caucus in the Republican Party. Both speak for loud and angry minorities who have been hurt by globalization. But the party that mistakes their experience for the central reality will doom itself for years to come."

New Orleans Columnist Says City Is Alien From Rest Of US. In an op-ed for the Washington Post (2/11, B1, 690K) Lolis Eric Elie of the New Orleans Times-Picayune writes, "Hurricane Katrina confirmed for now, and perhaps forever, the sense that New Orleans is a foreign place

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attached to the United States by geography, but distant from it in every meaningful way. We are more European, more African, less serious. And we lack the good sense God gave a goose. Why else would we raise our kids among girls gone wild in a hurricane magnet of a city that lies largely below sea level?"

Putin Issues "Unusually Hostile" Broadside Against US. Major media report on Russian President Vladimir Putin's speech in Munich criticizing US national security policy. Under the front-page subtitle, "Rebuke Is Called Unusually Hostile," the Washington Post (2/11, Ricks, Whitlock, 690K) calls the remarks "some of his harshest criticism of the United States since he took office seven years ago," noting Putin "said Saturday that Washington's unilateral, militaristic approach had made the world a more dangerous place than at any time during the Cold War." He "criticized the expansion of NATO, saying the alliance's placement of military forces on Russia's borders reduces 'the level of mutual trust.' He said the U.S. desire to place antimissile systems in Eastern Europe could further upset the international balance of power and embolden the United States in its foreign policy decisions." The Administration "reacted strongly," with NSC spokesman Gordon Johndroe saying, "His accusations are wrong. We expect to continue cooperation with Russia in areas important to the international community such as counterterrorism and reducing the spread and threat of weapons of mass destruction." The Post says that "back-and-forth underscored the recent stark changes in U.S.-Russian relations. The friendship that was struck" between President Bush and Putin in 2001 "has soured as the Kremlin suppressed political opposition at home, used its energy resources to pressure its neighbors and split with the White House over Iraq, Iran and other issues."

Under the headline, "Putin Says U.S. Is Undermining Global Stability," the New York Times (2/11, Shanker, Landler, 1.16M) says he accused the US "of provoking a new nuclear arms race by developing ballistic missile defenses, undermining international institutions and making the Middle East more unstable through its clumsy handling of the Iraq war." Putin "dropped all diplomatic gloss to recite a long list of complaints about American domination of global affairs, including many of the themes that have strained relations between the Kremlin and the United States during his seven-year administration." The "comments were the sternest yet from Mr. Putin."

On its front page, the Los Angeles Times (2/11, Spiegel, 850K) says Putin "berated" the US, "declaring that Washington's militarism had fostered global instability and forced vulnerable nations to seek nuclear weapons. In harsh language sometimes reminiscent of the Cold War, at other times pleading or mocking, Putin accused the United States of attempting to create a world in which it was free to ignore international law and impose its economic, political and military will." His "litany of accusations was not unfamiliar," but "the tenor of his remarks sent a quiver through the hall. Participants said that, coming after a conciliatory opening speech by German Chancellor Angela Merkel, they were widely resented by the hosts." Analysts "said Putin's remarks appeared timed to take advantage of the Bush administration's weakness as it struggles with Iraq policy and dwindling support at home."

The AP (2/11, Lekic) notes Putin "blamed U.S. policy for inciting other countries to seek nuclear weapons to defend themselves from an 'almost uncontained use of military force' — a stinging attack that underscored growing tensions between" Washington and Moscow. "In what the Russian leader's spokesman acknowledged was his harshest criticism of the United States, Putin attacked Bush's administration for stoking a new arms race by planning to deploy a missile defense system in eastern Europe and for backing a U.N. plan that would grant virtual independence to Serbia's breakaway province of Kosovo." The Washington Times (2/11, Lekic, 88K) runs the AP story on its front page. AFP (2/11) titles its report, "Putin Stuns With Attack On US," while BBC.com (2/10, Watson) titles its coverage, "Putin's Speech: Back To Cold War?"

Putin Departs For Middle East Trip Today. A separate BBC.com (2/11, Eke) item notes Putin "sets off on a tour of the Middle East on Sunday, arriving in Saudi Arabia, then going on to Qatar and Jordan. It is the first time a Russian head of state is to visit these countries, considered allies of the West. Moscow sees them as key to building new economic, political and even military ties with the Arab world."

Six-Party North Korea Talks Continue Today, But Breakthrough Appears Unlikely. The Washington Post (2/11, A17, Cody, 690K) reports, "Despite three days of hard bargaining, North Korean nuclear disarmament talks remained stuck Saturday over the energy aid North Korea would receive in return for closing its main nuclear reactor, diplomats said." That dispute "cast a pall over what had been high hopes that the six-nation talks could produce swift agreement on the first steps toward eliminating North Korea's nuclear weapons and dismantling the nuclear facilities that produce its fissionable material." Discussions will continue today "and perhaps into next week. Assistant Secretary of State Christopher Hill implied that "the stakes are high, because another failure would again raise questions about the utility of the Chinese-sponsored six-party process."

Under the headline, "New Setback In North Korean Nuclear Talks," the New York Times (2/11, Yardley, 1.16M) notes "negotiations" were "stalled on Saturday as

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disagreements arose about the size and timing of the aid package that would be provided to North Korea in exchange for shutting down the country's nuclear weapons facilities." That "impasse occurred amid rising expectations for an agreement in Beijing" and "in Washington, where Bush administration officials had predicted a major announcement this weekend."

AFP (2/11) says Hill "has expressed impatience over Pyongyang's fixation on a detail in a draft deal that he said could be resolved later." He is quoted saying today, "I think it's time to wrap this up and get going. I hope the other participants will share that view that it's time to get it over with." An analysis piece by the AP (2/11, Herman) discusses Pyongyang's internal deliberations about the future of its nuclear program. "There are divisions between North Korean military and diplomats, a tug-of-war that sends mixed signals to an outside world with little information about the country's internal policy struggles."

Palestinians Market Unity Plan To International Backers. The AP (2/11) notes Palestinian officials "have begun a diplomatic blitz aimed at persuading reticent leaders in the U.S. and Europe to accept their new power-sharing deal and lift painful economic sanctions." Envoys "already have spoken to" Secretary Rice and UN Secretary-General Ban Ki-moon. An aide to President Mahmoud Abbas "said Rice told him she was skeptical that Hamas would abide by the deal, but she would reserve judgment until it was implemented." This week, "they turn their efforts to European leaders, beginning with Germany." Other interlocutors include Russian President Vladimir Putin, EU foreign policy chief Javier Solana and officials in Cairo and Amman. The AP reiterates that "western governments and Israel have only given muted reactions to Thursday's agreement between" Fatah and Hamas, "dashing Palestinian hopes that the deal would lead to a quick end to the sanctions. International leaders said they want to study the deal further and see whether it changes the situation on the ground."

NYTimes Says Israeli-Palestinian Peace Requires US Leadership. A New York Times (2/11, A11, 1.16M) editorial says the Hamas-Fatah accord has made an Israeli-Palestinian peace deal "more imaginable — if there is a lot more compromise from Hamas and a lot more diplomatic help from Washington." The "grudging and highly equivocal concession" made by Hamas "will be parsed in various ways by various interested parties for weeks to come. But what really matters is how Hamas acts," including whether Hamas works to end attacks on Israel. For its part, Saudi Arabia "should make clear that continued aid will require clear proof that the new government is reining in terrorism. Whether Hamas is prepared to take that crucial step is doubtful." Noting the need for a coordinated US-Israeli strategy, the Times adds, "Given the current political paralysis in Israel, Washington will have to take the lead in sending this message. That will take more courage than the Bush administration has yet managed to muster."

Jerusalem Violence Ebbs But Tension Remains. The New York Times (2/11, Erlanger, 1.16M) reports, "A few stone-throwing incidents occurred Saturday, but Jerusalem streets were largely quiet a day after the police clashed with Palestinians protesting Israeli construction work near the religious compound known to Muslims as the Noble Sanctuary and to Jews as the Temple Mount." The Times says those "renovations have preoccupied Palestinian and pan-Arab news coverage in the week since the work began," and the "coverage has been full of charges and anxieties that the Israeli work …is a secret preparation to take over the area and rebuild a temple, or at the least is intended to damage the mosque and the Dome of the Rock by undermining their foundations."

The AP (2/11, Copans) says "sporadic Palestinian protests, including a rock-throwing attack on a busload of Canadian tourists, broke out in Jerusalem and the West Bank on Saturday over" the Israeli construction project. "Protests have spread throughout the world as Muslim leaders accused Israel of trying to damage the Islamic shrines. Israel denies the repair work will come anywhere near the holy site." The Washington Times (2/11, Nessman, 88K) runs a slightly different version of the AP story.

Settlers' Designs On Old City Cause Friction. A 2,600-word front-page Washington Post (2/11, Wilson, 690K) feature details efforts by Jewish settlers to purchase and renovate properties in traditionally Arab sections of Jerusalem's Old City. "The Israeli government is funding the first construction of a Jewish settlement in the Old City's Muslim Quarter since taking control of it nearly four decades ago." That "property is at the center of an accelerating campaign by Jewish settler organizations to change the ethnic and physical character of this city's oldest Arab neighborhoods. The Israeli government is financing projects that dovetail with the settlers' goals, which they say are to secure the Old City and an adjacent valley for Israel in any final peace agreement with the Palestinians."

Portuguese Referendum Would Pave Way For Legal Abortions. The front page of today's New York Times (2/11, Sciolino, 1.16M) examines the issues surrounding Portugal's upcoming abortion law referendum. Portugal has one of the EU's "most restrictive abortion laws," and "is also the only member state that has put on trial women who undergo illegal abortions, the health care providers who perform them and even so-called accomplices like husbands or family members. The referendum, if

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approved, would be the first step toward both legalizing abortion in the first 10 weeks of pregnancy and allowing women to openly seek medical support from the state-run health system."

Bosnian Police Dismissal Review Raises Broader Questions Of UN's Role. The New York Times (2/11, Wood, 1.16M) reports, "Acting against the wishes of the United Nations Security Council, the Bosnian government said Friday that it would review the status of almost 800 federal and local police officers that the United Nations barred from working in 2002." The Times calls the move "a challenge" to the UN, and says officials will look at "whether police officers were unfairly barred from employment, either on the grounds that they might have committed crimes during the 1992-1995 civil war, or on the grounds that they were not properly qualified." The Bosnian government "argues that the review performed by the United Nations was flawed and rushed, and that many officers could not appeal the dismissals." While there is "widespread" public support for the officers, their dismissal "has taken on a broader significance because a number of international authorities have backed the government and said mistakes were made by the United Nations during the vetting process."

Relief Experts Prepare, Plan For Transition Following Castro's Death. Under the headline, "After Castro Dies, Will There Be Chaos Or Calm," the Los Angeles Times (2/11, Gold, 850K) reports, "Military leaders, law enforcement officials and aid organizations preparing for the Cuban leader's death are hoping for a calm and measured response on both sides of the Florida Straits. They are well aware, however, that Castro's death could lead to a turbulent series of events — even an international incident, they fear, if … Cuban American leaders in South Florida sail for the island in large numbers." The Times notes the "passion that Castro evokes — passion that could overwhelm even the best planning," and says "officials are unsure whether they should be preparing for chaos or calm, or something in between." Officials in South Florida "believe a composed response to Castro's death is most likely…but upheaval is possible."

"Mismanagement" Of Venezuelan Economy Said To Cause Shortages, Inflation. The Los Angeles Times (2/11, Kraul, 850K) notes a recent Venezuelan raid on a contraband sugar warehouse "showed how President Hugo Chavez's efforts to remake the economy are fraying at the edges." With "double-digit inflation and scarcity" a reality in Caracas, "economists and industry officials describe the raids as the latest in a sequence of hamhanded, politically motivated attempts to rein in market forces beyond Chavez's control. Inflation and the development of a huge underground market in goods including sugar were simply symptoms of mismanagement, they say." While "there is little risk of a financial crisis in the near term," and Chavez maintains "price controls on a variety of goods," the Times says "mismanagement, rampant corruption and scarcities have cut into [retail] operations. At the same time, low prices set by the government have caused manufacturers and other suppliers either to cut production or divert output to an enormous black market." Also, "the flood of cash washing over Venezuela from oil sales has caused demand for all goods — watches and whiskey, detergent and SUVs — to climb, adding inflationary pressure."

Rwandan Leaders Move Carefully To Manage Population Boom. Under the headline "After So Many Deaths, Too Many Births," the New York Times (2/11, WK14, Kinzer, 1.16M) details the conflicting goals of controlling Rwanda's population growth and rebuilding society following the 1994 genocide. After 1994, "it seemed difficult to believe that overpopulation would ever be a problem. Yet Rwanda has long had more people than its meager resources and small area can support." President Paul Kagame has said he is "preparing a sweeping population control program, to be unveiled in the coming months, that would aim to cut Rwanda's birth rate by at least half." The nation's "population has quadrupled over the last half-century," and could "double by 2030. That would almost certainly doom Mr. Kagame's ambitious plan to raise Rwanda from poverty over that same period." Kagame's plan might "include a requirement that everyone who visits a hospital or health center for any reason be counseled on family planning. Women of child-bearing age will be offered free contraceptive devices including Norplant II, a small silicone pin that is inserted beneath the skin and is effective for up to five years. All schools will offer comprehensive sex education courses."

Kristof Says Sudan Is Unique Case Where Divestment Can Succeed. In his column in the New York Times (2/11, 1.16M), Nicholas Kristof asks, "So is your Fidelity account underwriting genocide in Sudan? Is your pension fund helping finance the janjaweed militias that throw babies into bonfires in Darfur and Chad? The answer to both questions is complicated but may be yes, and that's one reason a divestment campaign is gaining strength around America and abroad." Kristof acknowledges "that divestment and economic sanctions generally fail," and historically "have mostly been counterproductive." He is "against economic sanctions in almost every case. But Sudan is an exception, a rare instance where narrowly focused divestment makes practical as well as moral sense. … Pressure on a small number of foreign companies could help get Sudan's

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attention, and that of its protectors in China, without hurting ordinary people. And Sudan has shown that it can be nudged and embarrassed into behaving better:"

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Iran Reformists Want U.S. To Tone Down Nuclear Talk."
"States Fund Anti-Abortion Efforts."
"Barack Obama Makes It Official."
"Putin Has Harsh Words For U.S."

New York Times:
"Congress Finds Ways To Avoid Lobbyist Limits."
"Putin Says U.S. Is Undermining Global Stability."
"In Niger, Trees And Crops Turn Back The Desert."
"Troubles Grow For A University Built On Profits."
"Surf's Upscale As Sport Reverses Beach Bum Image."
"Portugal To Vote On Putting End To Abortion Ban."

Washington Post:
"Obama Joins Race With Goals Set High."
"Putin Hits U.S. Over Unilateral Approach."
"McCain Taps Cash He Sought To Limit."
"Hunting's Crisis Of Less Space And Time."
"Jewish Inroads In Muslim Quarter."

Washington Times:
"Putin Hits U.S. Use Of Force."
"Obama Invokes Lincoln For Run."
"Bush Seeks Teacher Merit-Pay Funds."
"Stem-Cell Researchers Look Beyond The Embryo."
"Third U.S. Commander Takes Over In Iraq, Vows Support."

Detroit Free Press:
"Chills, Thrills, And Spills."
"Mich. GOP Gathers In Grand Rapids To Hear Presidential Hopefuls."
"Obama Announces Presidential Campaign, Talks Of Leading New Generation."
"Wallace Paces Pistons To Sixth Straight Win."
"U-M Rallies, Holds On To Beat Minnesota."

Atlanta Journal-Constitution:
"9 Jurors Enough For Death Penalty?"
"Bodies Return From Honduras."
"N.Y. Snowfall Tops 110 Inches."
"Obama Makes It Official."

Dallas Morning News:
"Immigration Raid Devastates Cactus, Texas."
"Dallas Mayor A Thankless Post, But Takers Abound."
"2 Collin County Boys Could Be Tried As Adults."
"Hunt Chosen To Get 2007 Linz Award."
"Texas Seven Escapee Seeks To Hasten Execution."
"Mexia Wants No Part Of Anna Nicole Saga."
"Putin Blasts U.S. At Global Security Summit."
"Vets Showed Patriotism Till The End."

Houston Chronicle:
"Katy Marine Dies In Iraq Copter Crash."
"Honduran Gang Leader May Haunt Houston Streets."
"Astros' $100 Million Slugger Is A Breed Apart."
"Knife-Wielding Man Fatally Shot By Houston Police."
"Mardi Gras Parades Draw Thousands To Galveston."
"TXU Fights For 11 New Coal Plants At $10 Billion Tab."
"Astronaut's Tawdry Tabloid Tale Has Lasting Impact."
"Cancún Turns Hurricane Damage Into Opportunity."

Story Lineup From Last Night's Network News:
ABC: Obama Launches Campaign; Clinton In New Hampshire; Romney In Michigan; Giuliani In California; Petraeus-Iraq; New York Snow; Military Equipment Shortage; College Costs; World's Most Expensive Meal; Los Angeles Galaxy.
CBS: Pre-empted for sports coverage.
NBC: Obama Launches Campaign; Clinton In New Hampshire; Presidential Campaign Analysis; Petraeus-Iraq; Afghanistan-Gates; National Guard Under Strain; Smith Baby; New Orleans Advertising Campaign; New York Snow.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — 7:30 p.m. President and Mrs. Bush participate in Social Dinner in Honor of the Ford's Theatre Abraham Lincoln Bicentennial Celebration. State Dining Room, The White House. 9:15 p.m. President and Mrs. Bush attend entertainment. East Room, The White House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: Not in session.

US House: Not in session.

Other: SECRETARIES OF STATE _ Winter conference of the National Association of Secretaries of State. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: Kay Stimson, 202-624-3528

EDUCATION _ The American Council on Education holds its 89th annual meeting. Location: Omni Shoreham Hotel, 2500 Calvert St. NW Contacts: Tim McDonough, 202-939-9300

US-KOREA FREE TRADE _ 9:30 a.m. The Korean Alliance Against the Korea-US Free Trade Agreement holds a news conference to discuss the group's demands about

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negotiations between the United States and Korea. 1 p.m. Group holds march and rally protesting the last round of the Korea-US Free Trade Agreement. Begins at Malcolm X Park, 16th and Euclid streets NW. Location: Washington Court Hotel, 525 New Jersey Ave. NW. Contacts: Young Choe, 347-885-9226

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System Administrator

From: System Administrator
Sent: Monday, February 12, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1207641 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, February 12, 2007 11:35 AM
Subject: JCON BROADCAST, WEEK OF FEBRUARY 12, 2007

JCON BROADCAST, WEEK OF FEBRUARY 12, 2007

1. **Registration Extended for HealthierFeds Physical Activity Challenge**
2. **DOJ Annual Food Drive**
3. **Be a Special Valentine on National Donor Day**
4. **Contract Management for COTRs**
5. **Research Classes Offered By Library Staff**

Registration Extended for HealthierFeds Physical Activity Challenge

It seems like only yesterday we were making our New Year's resolutions, which included becoming more physically active. If you are ready to make good on that promise to yourself, here is great news! The HealthierFeds Physical Activity Challenge can kick start your resolution. It is fun, easy and you are not alone. The entire Federal family is involved and can support you throughout the Challenge. You are halfway there once you register.

In order to complete the 30 minutes a day, 5 days a week for 6 weeks commitment by April 1, 2007, you must register by Tuesday, February 20, 2007. That is a two week extension past the previously announced date. All employees, contractors and their family members are eligible to sign up. To register for the program, visit http://healthierfeds.presidentschallenge.org/. You may use the "contact us" link or contact worklife@opm.gov with any questions, concerns, or help you may need.

DOJ Annual Food Drive

Help make a difference! The Department's annual food drive is being held during the month of February, with drop-off locations in the lobbies of the RFK Main Justice Building (1400 Corridor), National Place Building, Patrick Henry Building, Bicentennial Building, and 20 Massachusetts Avenue Building.

Food collected will benefit the Capital Area Food Bank, the largest non-profit food and nutrition education resource in the area. The Capital Area Food Bank distributes food to more than 750 member programs. Food banks can best use the following items: canned meats, fish, and poultry; peanut butter; canned fruits, vegetables, and soups; and dry pasta.

Your voluntary participation in the food drive can help provide a warm, healthy meal for someone in need. Please give!

Be a Special Valentine on National Donor Day

On February 14, 2007, National Donor Day, communities across the Nation join in celebrating the critical importance of blood, organ, and tissue donations and their ability to save and enhance lives. Currently, more than 94,000 people wait for an organ transplant; without an increase in donors and that number will continue to escalate. Each day, about 77 people receive an organ transplant. However, 19 people die each day waiting for transplants that cannot take place because of the shortage of donated organs.

There are three ways you can help. First, commit to donating blood on a regular basis. The Department, several components, and many field offices hold blood drives throughout the year. Second, volunteer with the National Marrow Donor Program and have blood drawn for tissue-typing. Third, fill out an organ tissue donor card and tell your loved ones of your decision to become an organ and tissue donor. Take time to discuss organ and bone marrow donations with your family.

Make this week the week you commit to supporting this worthwhile effort. Your decision to donate will help bring hope to those in need of life-saving assistance. For more information, visit the Federal government's blood, organ, and tissue donation web site, www.organdonor.gov.

Contract Management For COTRs

Contracting Officer's Technical Representatives (COTRs) are responsible for day-to-day oversight of contractor performance. Program success relies upon the COTR's ability to detect problems and initiate remedies directly or through the Contracting Officer. In order to be appointed a COTR under a DOJ contract, individuals must meet certain qualifications set out in the Justice Acquisition Regulations (JAR). These include completion of a basic commercial or government-sponsored COTR course as well as training in procurement ethics.

For several years, the JMD Procurement Services Staff has facilitated a 3-day COTR course which meets the JAR's requirements. The course is offered approximately every three months and is conducted by Houseman Associates. This course is appropriate for individuals seeking qualifications to be appointed a COTR.

This 3-day course addresses:

- What the COTR should know about a contract and the contractor prior to performance;
- The COTR's basic duties and responsibilities and the system of delegated procurement authority and what it means to the COTR;
- Techniques for technically monitoring quality and schedule requirements and remedies for nonconforming or delinquent performance;

- COTR reviews and input on contractor invoices, special claims, and contract close-out;
- Technical direction of the contractor's work;
- Modifying the contract through the CO and avoiding constructive changes; and,
- Procurement Ethics

This course is designed for personnel seeking COTR training and related certification. The tuition is $345**.** A session is scheduled at 8:30 a.m. – 4:30 p.m., daily, March 27 - 29, at the Department of Justice, 1331 Pennsylvania Ave, National Place Building, Suite 1160. The building is located on F Street between 13th Street and 14th Street at Metro Center Station, Exit 13th Street. This course is limited to 30 participants. Registration is on a "first come first serve" basis. The course will not be given if fewer than 20 participants enroll. Tuition is non-refundable, but participant substitutions may be made, up to 24 hours in advance, in lieu of forfeiting tuition.

Registration will be taken up until Friday, March 23, 2007, by one of the following: Government Purchase Card (preferred), Check, Training Authorization (SF-182), or Purchase Order (OF-347) made out to Houseman & Associates, 4644 Timber Ridge Drive, Dumfries, VA 22026. If a Training Authorization (SF-182) is used, it must be mailed or faxed to Houseman & Associates and include the appropriation fund code, a document/purchase order/requisition number, and all required signatures. Participants may register by telephone (703-440-1801) or fax (703-670-8404), or by Internet (www.housemanandassociates.com). The course number is **TR-02** and the course title is "Contract Management for COTRs."

Each registrant will be provided with a confirmation letter once Houseman and Associates has received the proper paperwork. In addition, a purchase card receipt or invoice will be provided for each payment.

Procurement Services Staff only facilitates the COTR training; therefore, each student should come prepared for class. **Registration and Payment are through Houseman and Associates ONLY, not through Procurement Services Staff.**

For questions, contact Charlotte Rausch, Procurement Services Staff, phone (202-307-1987).

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 12:09 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NATIONAL ASSOCIATION OF SECRETARIES OF STATE 2007 WINTER CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 12, 2007
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TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE NATIONAL ASSOCIATION OF SECRETARIES OF STATE 2007 WINTER CONFERENCE

WASHINGTON, D.C.

Good afternoon.

When I was a boy growing up in Texas, my family didn't have much. We lived in a blue collar neighborhood in a town that was actually called "Humble." There were no car pools, no soccer fields, and no talk of college. Most of the neighbors were Hispanic—as kids we played in the streets and on the banks of a nearby bayou. But on Election Day, people from my neighborhood, from my family, had the same power as every other person from every other neighborhood in America. This fact made an impression on me when I was very young.

Later in life, I was honored to serve as a secretary of state where I was given the opportunity of protecting the voting rights of all eligible Texas voters.

I realized, at that time, that my own respect for voting was not shared by everyone, that there was certain level of apathy among the people. I wanted to appeal to a younger generation, who might be inspired as I was.

One of my favorite memories from that time was appearing at a "Rock the Vote" event in Dallas with popular singer/songwriter Lisa Loeb. It was a great chance for me to learn a little something about what kind of music kids were listening to, and I was moved by the enthusiasm of the young people there – their passion for democracy. It really encouraged me about the future of our nation. My office also produced a Public Service Announcement, aired all over Texas, featuring children telling their parents why it was important for them to vote – how it was important for their future.

We also had kids write essays on voting and democracy for a statewide contest, and the winner of the contest came to Austin.

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Because I felt so strongly about voting rights, it was disappointing in a way that one of the most common questions I would get—including from my children, but also from plenty of adults—was, "What do you do as Secretary of State?"

As it turns out, it's a rare person who really understands what a secretary of state, or a state election official does. People are more likely to be familiar with the roles of a state Attorney General or a state Treasurer or a state Tax Commissioner.

People may be impressed with your title but not quite sure what you do. And yet, in most states you stand guard over the very foundation of all the rights of America's citizens.

What could be more powerful than that?

This right that you protect, every day, has always been rooted in the Constitution, although it required critical amendments, and those would come later: Specifically, the 15th Amendment in 1870, which granted the right to vote to black citizens, and the 19th Amendment in 1920 which extended that essential right to women as well.

Critical as they were, those amendments did not have the power to eradicate racism or sexism – as President Bush has said, "it's a lot easier to change a law than to change a human heart."

More work would be needed. The Voting Rights Act, enacted by Congress 95 years later, bolstered the 15th Amendment. And, still, racism was not dead. Some hearts remained unchanged – but by then we had the essential tools, in government, to help those protected by the 15th amendment and punish those who offended it. And "We the People" became a phrase that truly did reflect the reality of America.

I appreciate the work of this group in applying the Voting Rights Act, and I appreciate your support of the renewal of the Act last year.

Congress used its constitutional authority later to enact another necessary federal law addressing the basic voting rights of our citizens: the Uniformed and Overseas Citizens Absentee Voting Act.

In recent years, with so many uniformed services personnel serving in remote locations such as Iraq and Afghanistan, the Justice Department, in partnership with state election officials, has made it an even higher priority to monitor compliance with this law.

I appreciate all that this group has done, and will do in the future, to protect that right for our men and women in uniform.

As you well know, a more recent federal law, the Help America Vote Act, mandated the use of accessible voting equipment and other election procedures in federal elections. I appreciate that HAVA created a good deal of extra work for Secretaries of State, and I appreciate what a great job you've done under very short deadlines. We understand the challenge of creating and implementing a statewide database.

Similarly, compliance with the National Voter Registration Act has presented some … interesting … challenges for state election officials. The requirement to maintain "accurate and correct voter registration rolls" may sound obvious or simple to voters who rightly demand smooth-running elections, but you and I know that it is anything but simple.

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Maintaining voting registration lists is a role you were meant to play in the structure of elections, and you are all up to the task, but I do appreciate how difficult it can be to make a single good, statewide list out of what may seem like so many different local ones.

In appropriate cases, as you may know, the Department of Justice will initiate litigation to ensure accurate voter registration lists, and I want to make sure that all of you know we do this largely to help you do your jobs. We have the ability to bring some attention to the problem. In some circumstances, that can really help work through whatever the state challenge is. We are then, hopefully, able to file an agreed consent order and resolve the suit. That is, obviously, our first choice for resolving these differences.

When I talk about voting rights to this group, I know that I am preaching to the choir. But I also know your jobs are difficult, and that we can all use reminders, every now and then, about how fortunate we are to be able to play a role in keeping our Constitution, and the founding father's vision, alive for all Americans.

In preparing to speak to you today, I was reminded of the simple words of a President who was one of America's greatest champions of personal liberty before being struck down by an assassin. Ironically, President Lincoln had once said that, "The ballot is stronger than the bullet."

Indeed, as we know all so well, the right to vote is the foundation upon which all rights are held, protected and elevated. It allows every citizen to speak out on and defend all of their other privileges. I like the way the Supreme Court has characterized it: the "preservative of every other right."

Our fellow citizens sometimes take for granted the power of the ballot. They too often forget that it has proven itself, time and time again, to be stronger than the bullet … and that the founding fathers envisioned election day as the birth and re-birth of our government.

That's why it is so important that all of you continue to work hard to encourage your voters to exercise their right to vote. I know that you feel strongly, as I did when I was Secretary of State—as I do now, that to squander that opportunity is to fail to take advantage of living in the greatest nation on earth.

The moment that a vote is cast is a powerful one. It is the best reminder to a citizen that we, the people, hold the power in our country.

A strong election turnout is also the best reminder to public officials that the people are their boss! We don't need to engage in violent revolutions in this country. We hire and fire our government officials through voting – an act both utterly potent and utterly civilized.

People around the world who struggle against corruption and for broader and more transparent voting rights envy the purity and strength of that moment, the moment a vote is cast in a U.S. election.

When they wrote "We, the People," the founders used the perspective of, the voice of, the People. Unfortunately, they left it to later generations to ensure that blacks and women shared in that voice.

That simple preamble actually gained strength over the years and still, today, shows very clearly that the power of this great nation does lie in the hands of the People, and is lent to their representatives via their votes.

The founding fathers felt it was important for states to manage elections – their own as well as elections for federal office. They believed that governments closer to the people are more accountable to the people.

DOJ_NMG_ 0174028

This means that your jobs are really central to the founders' vision, and I think it is extremely important for us to educate the public on the fact that elections are a state-level responsibility. After all, the more it is understood, the more the election process can be appreciated.

Whether it is combating fraud or keeping a good voter-registration database – your purpose is the same, and it is just:

To advance the will of the people … the very premise of American government.

Put another way: Protecting the right to vote and the integrity of elections is absolutely central to preserving what is great about this nation.

I am proud to serve with you when you need the Justice Department, shoulder-to-shoulder.

For example, last year's uniquely challenging and important elections in the hurricane-devastated city of New Orleans were a triumph of state, local and federal cooperation. The challenges were many, the teamwork was outstanding, and the elections were a success. That's the kind of work we know we are capable of, as a team, in every situation.

Databases. Lists. Voting machines that work. Again, this is behind-the scenes work … and I know that it is work that can feel like a burden when the mandate comes from the federal government.

But I hope that, no matter what the workload is for maintaining elections in your state, that you are always inspired by the great purpose of your jobs.

Because fair and democratic elections really do make our country special. This essential right, the right to vote, is also a privilege. It is precious and it actually demands our reverence.

In a speech to the NAACP last summer, shortly before he signed the renewal of the Voting Rights Act, the President told the story of Condoleezza Rice's father, his struggle to register to vote and the pride that came when he finally claimed his full rights as an American citizen to cast his first ballot. This is a clear memory from our national Secretary of State – not a faded entry in a history book. These stories cannot help but inspire all of us.

You stand guard over a system that has provided hope and opportunity to generations of Americans – and, indeed, to people all over the world. As our pursuit of voting rights and protection against election fraud has evolved, our commitment to the founding values of our country must be renewed: liberty, equality, and justice for all should mean more to us each day.

I am proud of the work that you do to ensure that every Election Day rings with the echo of those early American words: "We the people."

We at the Department of Justice, are your partners in making sure the founders' vision lives on – so we will continue to follow your lead. And, please, let us know how we can help get this incredibly important job done.

Thank you again for your service, and may God bless your efforts to keep elections truly open, fair and just.

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DOJ_NMG_ 0174029

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Image not available for this document, ID: 0.7.10316.8107-000002

System Administrator

From: System Administrator
Sent: Monday, February 12, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1207741 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 12, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1207741 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 3:48 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN NEW ORLEANS

Department of Justice

FOR PLANNING PURPOSE ONLY
MONDAY, FEBRUARY 12, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN NEW ORLEANS

WASHINGTON – Attorney General Alberto R. Gonzales will announce Department of Justice grant funding for crime victim assistance and a Family Justice Center at a press conference in New Orleans **TUESDAY, FEBRUARY 13, 2007 at 2:20 p.m. EST**.

WHO: Attorney General Alberto R. Gonzales
Jim Letten, U.S. Attorney for the Eastern District of Louisiana

WHAT: Press Conference

WHEN: **PRESS CONFERENCE**

WHERE: 2:20 P.M. CST
Outdoor Mall
U.S. Attorney's Office
500 Poydras Street
New Orleans, La.
OPEN PRESS

NOTE: The outdoor mall is located between the U.S. Fifth Circuit Court of Appeals Building and the Hale Boggs Federal Building, facing Camp Street. **Pre-set for press conference is 1:30 P.M. CST**. Press inquiries regarding logistics should be directed to Jonathan Block at (202) 353-5328.

# # #

07-082

DOJ_NMG_ 0174034

Image not available for this document, ID: 0.7.10316.8100-000001

Image not available for this document, ID: 0.7.10316.8100-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 4:04 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD TRAINING

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, FEBRUARY 12, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD TRAINING

WASHINGTON, D.C. – Attorney General Alberto R. Gonzales will deliver remarks at a Project Safe Childhood training seminar **TUESDAY, FEBRUARY 13, 2007 at 9:30 A.M. EST.**

WHO: Attorney General Alberto R. Gonzales
Ernie Allen, President and CEO, National Center for Missing and Exploited Children

WHAT: Remarks

WHEN: **TUESDAY, FEBRUARY 13, 2007**
9:30 A.M. EST

WHERE: National Center for Missing and Exploited Children
Jimmy Ryce Law Enforcement Training Center (1st Floor), 699 Prince Street
Alexandria, VA
OPEN PRESS

NOTE: All media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Pre-set will be at 9:00 A.M. All press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

06-083

DOJ_NMG_ 0174037

Image not available for this document, ID: 0.7.10316.8096-000001

Image not available for this document, ID: 0.7.10316.8096-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 4:45 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN NEW ORLEANS

Department of Justice

FOR PLANNING PURPOSE ONLY
MONDAY, FEBRUARY 12, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE IN NEW ORLEANS

WASHINGTON – Attorney General Alberto R. Gonzales will announce Department of Justice grant funding for crime victim assistance and a Family Justice Center at a press conference in New Orleans **TUESDAY, FEBRUARY 13, 2007 at 2:20 p.m. CST.**

WHO: Attorney General Alberto R. Gonzales
Jim Letten, U.S. Attorney for the Eastern District of Louisiana

WHAT: Press Conference

WHEN: **PRESS CONFERENCE**
2:20 P.M. CST

WHERE: Outdoor Mall
U.S. Attorney's Office
500 Poydras Street
New Orleans, La.
OPEN PRESS

NOTE: The outdoor mall is located between the U.S. Fifth Circuit Court of Appeals Building and the Hale Boggs Federal Building, facing Camp Street. **Pre-set for press conference is 1:30 P.M. CST**. Press inquiries regarding logistics should be directed to Jonathan Block at (202) 353-5328.

# # #

07-082

DOJ_NMG_ 0174040

Image not available for this document, ID: 0.7.10316.8093-000001

Image not available for this document, ID: 0.7.10316.8093-000002

System Administrator

From: System Administrator
Sent: Monday, February 12, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1207899 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 4:53 PM
To: USDOJ- Office of Public Affairs
Subject: FORT WASHINGTON MAN SENTENCED FOR TRANSPORTATION AND POSSESSION OF CHILD PORNOGRAPHY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 12, 2007
http://www.usdoj.gov/usao/md/

CONTACT: Vickie E. LeDuc
PHONE: (410) 209-4885
FAX: (410) 962-3091

FORT WASHINGTON MAN SENTENCED FOR TRANSPORTATION AND POSSESSION OF CHILD PORNOGRAPHY

GREENBELT, Md. – Douglas Charles Knight, 48, of Fort Washington, Md., was sentenced today to 63 months in prison, followed by eight years of supervised release for transportation and possession of child pornography, announced U.S. Attorney Rod J. Rosenstein of the District of Maryland.

"Substantial sentences such as the one imposed on Mr. Knight send a clear message that it is a serious crime to collect photographs and video recordings that depict the sexual abuse of children," stated U.S. Attorney Rosenstein.

According to the statement of facts presented at his Nov. 27, 2006 guilty plea, Knight had been looking at child pornography since approximately 1998. He would search for child pornography by accessing Internet bulletin boards where users would post links to sites from which images of child pornography could be downloaded.

During the time that Knight accessed these sites, he viewed and downloaded images depicting the sexual exploitation of prepubescent minors, including minors under the age of 12. Knight collected more than 600 images of child pornography. Some of those images depicted children and prepubescent minors engaged in sadomasochistic conduct, including a video which depicts a prepubescent female with her legs bound and an adult male engaged in sexual intercourse with her.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorney's Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

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U.S. Attorney Rosenstein commended the investigative work performed by the FBI and thanked Assistant U.S. Attorney David I. Salem for handling the case.

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Image not available for this document, ID: 0.7.10316.8094-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 5:02 PM
To: USDOJ- Office of Public Affairs
Subject: LOUISIANA MAN PLEADS GUILTY TO FEDERAL FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 12, 2007
www.usdoj.gov/usao/lam

CONTACT: David R. Dugas
PHONE (225) 389-0443
FAX (225) 389-0561

LOUISIANA MAN PLEADS GUILTY TO FEDERAL FRAUD CHARGE

BATON ROUGE, La. – A Louisiana resident pleaded guilty today in federal court on a charge of fraud related to hurricane disaster relief programs, U.S. Attorney David R. Dugas of the Middle District of Louisiana announced.

Michael D. Reed, 57, of Loranger, La., pleaded guilty today before U.S. District Court Judge Frank J. Polozola to a bill of information charging him with fraud in connection with his obtaining disaster unemployment benefits for alleged losses resulting from Hurricane Katrina. The bill of information charges that from on or about Sept. 20, 2005 to on or about May 10, 2006, Reed defrauded the Louisiana Department of Labor (LDOL) and the Federal Emergency Management Administration (FEMA) by applying for benefits to which he was not entitled under the disaster unemployment assistance program. The case was investigated by the U.S. Department of Labor, Office of Inspector General. As a result of his guilty plea, Reed faces a maximum sentence of ten years in prison, a $250,000 fine, or both.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at eighty-eight.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also

DOJ_NMG_ 0174048

be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, La. 70821-4909.

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DOJ_NMG_ 0174049

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Image not available for this document, ID: 0.7.10316.8090-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 6:21 PM
To: USDOJ- Office of Public Affairs
Subject: ANTI-GANG EFFORT LEADS TO RICO INDICTMENT OF SEVENTEEN ALLEGED MEMBERS OR ASSOCIATES OF THE TEXAS SYNDICATE PRISON GANG

Department of Justice

United States Attorney Donald J. DeGabrielle, Jr.
Southern District of Texas

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 12, 2007
WWW.USDOJ.GOV/USAO/TXS

CONTACT: PUBLIC INFORMATION OFFICE
PHONE: (713) 567-9301
FAX: (713) 718-3415

ANTI-GANG EFFORT LEADS TO RICO INDICTMENT OF SEVENTEEN ALLEGED MEMBERS OR ASSOCIATES OF THE TEXAS SYNDICATE PRISON GANG

HOUSTON – An 11 count indictment charging 17 Houston area men with various murders, armed robberies and drug trafficking to gain or maintain entrance or increase their positions with the Texas Syndicate prison gang has been unsealed, Assistant Attorney General Alice S. Fisher of the Criminal Division, U.S. Attorney Don DeGabrielle of the Southern District of Texas, and FBI Special Agent-in-Charge Roderick Beverly of the Houston Division announced today. Fourteen defendants are charged with conspiracy to violate the Racketeer Influenced Corrupt Organization statute, and face life imprisonment, if convicted.

"Prison gang activities reach far beyond the walls of a prison into the communities in which we live," said U.S. Attorney DeGabrielle. "This indictment represents the continuing cooperative law enforcement efforts in this district to combat this activity and stop the violence."

"In the days following 9/11, many people commented on all law enforcement coming together as one to fight the terrorist threat. In the same light, today's multi-agency initiative shows the willingness and dedication of law enforcement here to work together to achieve maximum results against the prime causes of violent crime," said Special Agent in Charge Roderick Beverly. "It also sends a message to gang members that their violent criminal activity will not be tolerated."

Early this morning, arrest teams comprised of agents of the FBI and officers of the Houston Police Department, the Harris County Sheriff's Office, the Texas Department of Public Safety and the Baytown Police Department arrested the following eight defendants at various locations without incident: Francisco Nuncio, Jr., 34, a.k.a. Frank or Butcher, of Houston; Robbie Lee Danas, 35, a.k.a. Sleepy, of Rosenberg, Texas; George Duran, 39, a.k.a. Porkchop, of Baytown, Texas; Jesus Galvan, Jr., a.k.a. Jesse, a.k.a. Peanut, 40, of Houston; Roberto Garza, a.k.a. Flaco, 33, of Needville, Texas; Johnny Perez, Jr., a.k.a. Payaso, a.k.a. Ki Ki; 35, of Houston; Michael Thaman, a.k.a. Mikeo, 28, of Pasadena, Texas; and Jerry Villarreal, Jr., a.k.a. Craps, 36, of Houston. All eight are expected to appear in federal court later today or tomorrow.

DOJ_NMG_ 0174052

Arrest warrants for the remaining nine defendants were delivered today at various federal and Texas state prison facilities where they are presently in custody along with court orders directing their transfer to federal custody in Houston. The nine awaiting transfer to Houston to answer the charges in the indictment are Michael Almaraz, a.k.a. Little Mike, 27; Frank Cano, a.k.a. Slim, 28; Rene Gonzales, Jr., a.k.a. Slick, a.k.a. Amor Slick, 33; Juan Matamoros, a.k.a. Pudd, 32; Mike Mendoza, a.k.a. Barney, 28; Albert Ortiz, a.k.a. Borrado, 53; Evaristo Torres, a.k.a. Red Dog, age unknown; Willie Valdez, a.k.a. Canoso, 43; and Roberto Ybarra, a.k.a. Little Rob, 27.

The Texas Syndicate, one of the dominant prison gangs in the state of Texas, originated during the 1970's and allegedly operates inside and outside jail and prison facilities as a criminal enterprise with the purpose of enriching the members and associates of the gang through the distribution of narcotics and robberies. It is alleged that members, prospects or potential members, and associates of the prison gang preserve and protect the territory and profits of their illegal enterprise through the use of intimidation, violence, threats of violence, assaults and murders. Bound by a strict set of rules, members of the gang are members for life and subject to strict and harsh discipline, including death, for violating the rules of the gang.

According to the indictment returned by a Houston grand jury on Thursday, Feb. 8, 2007, beginning in August 1999 through February 2006, the defendants were engaged in a pattern of racketeering activity through their membership or association with the Texas Syndicate prison gang, a criminal enterprise, and one or more of the defendants engaged in three murders, two attempted murders, conspiracy to commit murder, five aggravated robberies, or trafficked in cocaine and marijuana, all through and in aid of the criminal enterprise.

The five year investigative effort resulting in the return of this indictment was conducted by the FBI, the Houston Police Department, the Harris County Sheriff's Office, the Texas Department of Public Safety and the Baytown Police Department with assistance from the U.S. Bureau of Prisons and the Texas Department of Criminal Justice. The case is being prosecuted by Assistant U. S. Attorney Tim S. Braley of the Southern District of Texas and Trial Attorney Cynthia Stone of the Criminal Division's Organized Crime and Racketeering Section.

An indictment is a formal accusation of criminal conduct, not evidence. Defendants are presumed innocent unless and until convicted through due process of law.

# # #

DOJ_NMG_ 0174053

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System Administrator

From:	System Administrator
Sent:	Monday, February 12, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1208067 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 12, 2007 6:53 PM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD TRAINING

NOTE: THE ATTORNEY GENERAL WILL DELIVER REMARKS AT 9:20 A.M.

Department of Justice

FOR PLANNING PURPOSES ONLY
MONDAY, FEBRUARY 12, 2006
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT PROJECT SAFE CHILDHOOD TRAINING

WASHINGTON, D.C. – Attorney General Alberto R. Gonzales will deliver remarks at a Project Safe Childhood training seminar **TUESDAY, FEBRUARY 13, 2007 at 9:20 A.M. EST.**

WHO: Attorney General Alberto R. Gonzales
Ernie Allen, President and CEO, National Center for Missing and Exploited Children

WHAT: Remarks

WHEN: **TUESDAY, FEBRUARY 13, 2007**
9:20 A.M. EST

WHERE: National Center for Missing and Exploited Children
Jimmy Ryce Law Enforcement Training Center (1st Floor)
699 Prince Street
Alexandria, VA
OPEN PRESS

NOTE: All media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Pre-set will be at 8:50 A.M. All press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

# # #

06-083

DOJ_NMG_ 0174057

Image not available for this document, ID: 0.7.10316.8076-000001

Image not available for this document, ID: 0.7.10316.8076-000002

System Administrator

From:	System Administrator
Sent:	Monday, February 12, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1208112 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 13, 2007 12:01 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Inver Grove Heights, MN

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 13, 2007 12:01:02 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Inver Grove Heights, MN
Auto forwarded by a Rule

AMBER ALERT:Inver Grove Heights,MN VEHICLE:1998 Green Minivan Chevy Venture TAG:MN GUB014 CHILD:14 Asian/White F SUSPECT:34 W/M 5'7" Hair:Brn CALL 651-450-2527 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3402

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 13, 2007 12:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Inver Grove Heights, MN

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 13, 2007 12:35:02 AM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Inver Grove Heights, MN
Auto forwarded by a Rule

UPDATE AMBER ALERT:Inver Grove Heights,MN VEHICLE:98 Green Minivan Chevy Venture TAG:MN GUB014 CHILD:14 Asian/White F SUSPECT:34 W/M Hair:Brn CALL 651-450-2527 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3402

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1208117 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, February 13, 2007 9:25 AM
Subject: National Woman' Heart Day—REE Comprehensive Heart Screenings (February 16, 2007)

National Woman's Heart Day—FREE Comprehensive Heart Screenings (February 16, 2007)

National Woman's Heart Day Health Fairs provide FREE comprehensive heart screenings annually in cities across the country on the third Friday of February. The Health Fairs are open to women of all ages. In just 10 minutes, attendees can learn about their own particular risks for heart disease, including:

- Cholesterol
- Triglycerides
- Blood Pressure
- Glucose
- Body Mass Index (BMI)
- Height
- Weight
- Waist Circumference

Following the screenings, knowledgeable health professionals take the time to make sure that each woman screened understands her numbers and has identified strategies for reducing her risks. While getting screened, or after speaking with a counselor, attendees can participate in interactive presentations by local fitness and nutrition experts, as well as informative discussions about stress management, relationship building, and how to maintain a healthy lifestyle. The good news is, you can prevent or reduce your risk of heart disease by following a heart healthy lifestyle that includes a good diet, exercise, and medical support, when necessary!

To see if there is a screening location near you, go to http://www.sistertosister.org/ and click on "select your city" at the bottom of the page. If you don't have time to go, then visit the American Heart Association internet site and complete the on line Heart Check Up http://www.goredforwomen.com/hcu/index.aspx . (Men interested in their risk can visit http://www.americanheart.org/presenter.jhtml?identifier=3003499 to complete the AHA online assessment.)

For additional assistance, contact the JMD Employee Assistance Program at 800-626-0385.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 13, 2007 9:34 AM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROJECT SAFE CHILDHOOD TRAINING PROGRAM AT THE NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN HEADQUARTER

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 13, 2007
WWW.USDOJ.GOV

AG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PROJECT SAFE CHILDHOOD TRAINING PROGRAM AT THE NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN HEADQUARTERS

ALEXANDRIA, VIRGINIA

Thank you, Ernie, and hello, everyone.

It always feels good to be here in the company of the dedicated people who work at the National Center for Missing and Exploited Children, and I appreciate the time that many of you are taking, away from your families, to participate in this program.

NCMEC is hosting the first in a series of training programs that we'll be having all over the country. I believe it will prove critical in making this year, the second year of Project Safe Childhood, a very successful one, indeed.

This training is important. And I want to be very clear as to why.

To a pedophile or a sexual predator, our children are prey. The pedophile hunts our children.

It is our responsibility, in law enforcement and as adults, to find the predators first. To bring them to justice before they catch their prey: our kids.

Pedophiles watch our children from the shadows. They lie in wait, studying, planning to ensnare and violate the innocent.

So we must watch them from our vantage point. We must study the predator, and carefully plan our course of action for their capture and prosecution.

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At this training program, you will learn how to best pursue them, to interrupt their sadistic hunt. Together, we can make these hunters feel like they are the hunted.

Because we all pray for, and work for, a day when children in this country are safe from the leering eyes, the insidious stalking, and the unthinkable cruelty that pedophiles inflict upon them.

They Study; We Study

Anyone who has worked on a crimes-against-children case knows that pedophiles aren't your average criminal.

Investigators are often aided by the foolishness of thieves, for example. Rarely so with the pedophile. He is often very smart. He studies his victims. He looks for places where children gather and times where they are vulnerable to attack or enticement. He learns their habits and weaknesses and plans accordingly. Or, if the target is within the predator's own home, as is often and sadly the case, he knows how to conceal the sexual abuse from his neighbors.

As part of your training, you will study the pedophile – his methods, his online tactics – and the tools we have to catch him. You'll learn more about how to look for his hiding places on the internet. More about how to investigate a Cybertipline Lead. New ways to work with digital evidence. And how to use the federal system as another weapon in your arsenal – whether it provides you with a stronger sentence or helps extract a plea.

They Network; We Network

Sexual predators have also developed a network – they encourage and help each other in their twisted goals. This week, we'll work on our network.

Predators have found camaraderie online. In their quest to exploit children, they seek advice from their peers in chat rooms. Tips are shared on how to become a foster parent or where to become a camp counselor. This network enhances their terrifying abilities as individual hunters of children.

As part of your training here, we will work on our camaraderie, our network. You will learn from your peers, and they from you. In fact, our ability to work seamlessly together at the state, local, and federal levels, is the most important part of the arsenal we are building against those who seek to hurt our kids. It's what Project Safe Childhood is all about.

And it's what makes this training program so important and unique. You are here with law-enforcement colleagues from all of those levels. We don't want you to leave without getting to know them and being absolutely convinced that they are part of your team and you a part of theirs.

Through this program, we will increase our traction against the pedophiles by strengthening the family of law enforcement. Think of it this way: we must function like a family to protect American families.

When state and local law enforcement can work as easily and naturally with federal prosecutors as you already do with your district attorneys, Project Safe Childhood will be living up to its goals.

We witnessed a good example of this very recently, at the end of January, when cooperative work by the FBI, the Sioux Falls, South Dakota Police Department, the Bismarck, North Dakota Police Department and the North Dakota Bureau of Criminal Investigation led to a man being charged with traveling across state lines with intent to have illicit sexual conduct with a minor.

In that case, investigators and prosecutors are working seamlessly together to try the case in the appropriate jurisdiction and seeking maximum penalties.

Also in January, in a case where city, county, and federal investigators worked together to build the case, a former nurse pleaded guilty to using a minor in his custody to produce child pornography. While working at the Missouri State Veterans Home, William Price repeatedly drugged a minor victim, and, while she was unconscious, videotaped himself molesting and raping her. The U.S. Attorney said that never before had he encountered anything so "revoltingly sadistic and morally repugnant."

Those cases are strong examples of the immeasurable good that can come from cooperation. We cannot measure how many children have been spared by the incarceration of just those two men.

Constantly expanding our ability to work that way – together, quickly, and effectively – is our tactical goal.

We're doing it because it's the right thing to do. Because it works. And because when I reassure American parents that we are doing everything possible to protect their children, I don't want just a few great examples of cooperation. I want it to be the standard operating procedure for everyone involved in PSC, nationally.

For PSC partners, I want the titles of "state," "federal," and "local" to be just that, mere titles.

I have instructed U.S. Attorneys to put out the welcome mat to all law enforcement. Because to make this initiative work, everyone needs to sit down together and decide which jurisdiction works best for each case.

This conference will prepare you to work most effectively and efficiently with federal prosecutors once you've passed that welcome mat and are sitting at the table, together.

I am deeply grateful for the work you are already doing on Project Safe Childhood, and for the work you will do in the months and years ahead. You are the cavalry of what the President has called the "armies of compassion" – rising up to battle the evils of our society.

Here, today, you will prepare your mounts and load your packs. You will ready yourselves for the righteous pursuit of the criminals who treat children as prey.

I think the President put it very well when he signed the Adam Walsh Act. He said: "Protecting our children is our solemn responsibility. It's what we must do. When a child's life or innocence is taken it is a terrible loss -- it's an act of unforgivable cruelty. Our society has a duty to protect our children from exploitation and danger."

My friends, we have the power to change the battlefield, and specifically, as I said before, turn the tables on the hunters.

The victory of safe childhoods will be our legacy.

***

People often ask me what keeps me up at night. Obviously the threat of a terrorist attack never leaves my mind, and it is the top priority of our government to keep that from happening.

But it is the faces of child victims that haunt my dreams. I can see their eyes, that awful emptiness, as if their young souls are trying to detach themselves from their desecrated bodies.

Like you, I see the victims' images as part of my work. But now they are part of my heart, and I am not going to tire in this fight to protect them.

We must bring pedophiles and predators to justice before they touch one more child.

With the tools of this training in hand, you will be even better prepared than you already are to go out, track these criminals down, and take them off of our streets.

I look forward to the victories ahead. The day when we catch and prosecute the criminal who is buying child pornography and has signed up to be a summer camp counselor… but hasn't yet touched a child.

A day when justice is served before an already-abusive parent invites his daughter's friends over for a slumber party.

A day when we never hear from the people who brag on the Internet about being revolutionaries, fighting for the so-called "sexual rights of children" – as though they are doing kids a favor by sexually molesting and exploiting them.

I want these pedophiles off the streets.

I want them put away for as long as the law will allow.

And I want law enforcement to act as a united front against this threat.

You and I won't tolerate the continued victimization, exploitation and desecration of our children.

I look forward to the day when no one else in this nation will, either.

I want to close with the story of recent PSC case in Oklahoma City, where a man was sentenced to 18 years in federal prison for enticing a 10-year-old girl to engage in sexually explicit conduct and then videotaping the assault.

In an incredible twist of fate, the man's crime was discovered by three teenagers who were committing their own crime – stealing the predator's video camera. After watching the tape in the stolen camera, the three teenagers told their parents what a terrible thing they'd seen. The parents then told local police, and a joint investigation by local, state, and federal investigators was initiated. The rest, as they say, is history. And today, the children of Oklahoma City are safe from a dangerous predator.

I find hope in the unexpected. When even juvenile delinquents are helping to catch pedophiles and predators, we can't help but be inspired to press on in this battle that can be very difficult … but that I believe defines justice.

Thank you again for coming to this program. May God bless and guide your important work, may He protect our children and may He continue to bless this great nation. Thank you.

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Image not available for this document, ID: 0.7.10316.8062-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1211200 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1211205 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 13, 2007 1:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Inver Grove Heights, MN

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 13, 2007 1:01:02 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC;
Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD);
CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG);
BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA;
Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR);
AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM;
BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Inver Grove Heights, MN
Auto forwarded by a Rule

UPDATE AMBER ALERT: Vehicle has been located in Minn.Inver Grove Heights,MN CHILD:14 Asian/White F SUSP:34 W/M Hair:Brn CALL 651-450-2527 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3402

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, February 13, 2007 1:45 PM
Subject: Early Dismissal for February 13, 2007

Early Dismissal for February 13, 2007

Below is a notice from the Director, OPM:

The Federal Government in the Washington, D.C., area will close at 2:00 pm, today, Tuesday, February 13 due to pending inclement weather, except for emergency personnel.

Road conditions are expected to deteriorate later this afternoon and it is essential to get Federal workers home before dark so transportation authorities can treat the roads.

We will continue to monitor weather conditions and announce the status of Government for tomorrow as soon as possible.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1211210 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 13, 2007 3:28 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES ANNOUNCES NEW INITIATIVES FOR LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 13, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL GONZALES ANNOUNCES NEW INITIATIVES FOR LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

WASHINGTON – Attorney General Alberto R. Gonzales announced today a multi-faceted Department of Justice initiative to assist the city of New Orleans in its continued recovery from the damage caused by Hurricane Katrina. The Department will be committing federal resources to support the New Orleans Police Department's (NOPD) efforts to reestablish its local crime laboratory, funding to provide assistance to victims and witnesses of crimes, and a grant to establish a Family Justice Center.

"Following the destruction caused by Hurricane Katrina, the Justice Department has taken unprecedented measures to support state and local law enforcement efforts to rebuild the infrastructure that is critical to fighting crime in New Orleans and surrounding parishes," said Attorney General Alberto R. Gonzales. "Today we are reinforcing our efforts by committing important resources to assist crime victims and local law enforcement officers. The road to recovery is long, but the Justice Department is committed to helping state and local law enforcement establish a safer New Orleans."

The Justice Department is allocating resources to help reestablish the NOPD Crime Lab, which was completely destroyed by Hurricane Katrina. The lack of a permanent and functional crime lab in New Orleans has led to significant delays in the processing and analysis of important evidence such as blood, drugs and ballistics. In the absence of a permanent forensics lab, the NOPD has been using space provided by the Jefferson Parish Sheriff's Office, the St. Tammany Parish Sheriff's Office, and the Louisiana State Police, and services provided by Justice Department agencies whenever possible. Through the assistance and financial support of FEMA, as well as that of the U.S. Attorney's Office and the New Orleans Police and Justice Foundation, the city has acquired the space necessary to establish a single dedicated NOPD crime lab at the University of New Orleans Research and Technology Center. The NOPD will hire additional technicians to assist in processing evidence and clearing the backlog that has built up since Katrina.

The Justice Department has also announced that it will fund two highly trained victim assistance specialists for the next three years. In the wake of Hurricane Katrina, the local criminal justice system has faced many challenges, including the need to provide advice and assistance to victims and witnesses of crimes. The victim specialists will establish a regional victims services committee to lead and coordinate victims assistance

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efforts within Orleans and Jefferson Parishes; provide essential training and outreach to communities and participating local law enforcement offices as well as schools, community centers and faith-based organizations; educate the general population as well as victims about the criminal justice process; and provide essential advice, counseling and services to victims and witnesses served by the local criminal justice system. The specialists will be stationed in the U.S. Attorney's Office for the Eastern District of Louisiana. The funding for the specialists was made possible through the close collaboration of the U.S. Attorney's Office and the Office of Justice Programs.

To provide assistance to victims of domestic violence and sexual assault in New Orleans and the surrounding parishes, the Justice Department is committing up to $3 million to create a comprehensive victim service and support center, where victims can find the services they need in one central location. The Department's Office on Violence Against Women is working with partners in the public and private sectors to identify the most effective way to help victims of domestic abuse and sexual assault crimes in New Orleans, by providing multiple services in a single location, including emergency housing, medical care, counseling, law enforcement assistance, faith-based services, social services and employment assistance, among others.

The Department already has helped 15 communities across the country establish comprehensive domestic violence victim service and support centers through the implementation of the President's Family Justice Center Initiative. The grant announced today will likely be utilized to establish a center that replicates this model.

The initiatives announced today build on previous efforts by the Justice Department to assist New Orleans in rebuilding its law enforcement services post-Katrina. In January 2007, the Justice Department outlined additional law enforcement resources that are acting as a force multiplier to state and local law enforcement officers dedicated to fighting violent crime in New Orleans. The additional federal resources include six Assistant U.S. Attorneys, six additional ATF Special Agents to work with the New Orleans Violent Crime Impact Team, nine additional FBI agents to supplement the New Orleans Violent Gang Safe Streets Task Force, and three additional Deputy U.S. Marshals and an investigative analyst to support the Crescent Star Fugitive Task Force.

Teams of U.S. Department of Justice personnel have been embedded with the NOPD to develop more cases against dangerous individuals for federal prosecution. In the weeks since that initiative began, a total of 24 individuals have been arrested in New Orleans directly related to the joint NOPD/Department of Justice efforts and have been charged via criminal complaint at the outset with serious violations of federal laws, including firearms violations and drug distribution charges. One individual so charged remains wanted by federal authorities. Additionally, 13 of the individuals arrested on these charges have already been indicted by federal grand juries for these serious crimes as the result of swift work by the law enforcement personnel and the federal prosecutors assigned to the U.S. Attorney's Office.

Following Hurricane Katrina, the U.S. Attorney's Office in the Eastern District of Louisiana was a driving force in the creation and continued vitality of the Southeast Louisiana Criminal Justice Recovery Task Force, and the Department has made more than $30 million in grants available to the city of New Orleans and Orleans Parish to help rebuild the criminal justice system. In total, the Department has made available to the state of Louisiana over $61 million in justice assistance grants and Katrina relief law enforcement infrastructure funds.

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Image not available for this document, ID: 0.7.10316.8048-000002

Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 13, 2007 3:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Plummer, ID

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 13, 2007 3:35:01 PM
To: USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR; Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS); ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT); tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert; COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov; Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB; AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov; AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Plummer, ID
Auto forwarded by a Rule

AMBER ALERT:Plummer,ID VEHICLE:Teal Subaru Outback TAG:MT 35-164 CHILD:4 years old White F 3' 56 lbs Hair:Brown SUSPECT:F CALL 208-245-2555 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3422

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From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 13, 2007 4:03 PM
To: USDOJ- Office of Public Affairs
Subject: INDICTMENTS CHARGE DEFENSE CONTRACTOR BRENT WILKES WITH CORRUPTION INVOLVING FORMER CIA EXECUTIVE DIRECTOR KYLE "DUSTY" FOGGO AND FORMER CONGRESSMAN RANDY "DUKE" CUNNINGHAM

Documents attached below.

Department of Justice

United States Attorney Carol C. Lam
Southern District of California

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 13, 2007
http://www.usdoj.gov/usao/cas/

CONTACT: Debbie Hartman
PHONE: (619) 557-5610
FAX: (619) 557-5782

INDICTMENTS CHARGE DEFENSE CONTRACTOR BRENT WILKES WITH CORRUPTION INVOLVING FORMER CIA EXECUTIVE DIRECTOR KYLE "DUSTY" FOGGO AND FORMER CONGRESSMAN RANDY "DUKE" CUNNINGHAM

SAN DIEGO – A federal grand jury handed up two indictments stemming from its probe of San Diego defense contractor Brent R. Wilkes, who is accused of corruption involving former Congressman Randall "Duke" Cunningham and former CIA Executive Director Kyle "Dusty" Foggo, U.S. Attorney Carol C. Lam announced today.

The first indictment charges Wilkes with providing more than $700,000 to Cunningham in return for the former Congressman betraying his public office by influencing the appropriation of funds and the execution of government contracts in ways that would benefit ADCS, Inc; Wilkes's company in Poway, California. This indictment also charges New York-based mortgage banker John T. Michael with obstructing justice by attempting to influence and impede a federal grand jury investigation by, among other things, providing false and misleading testimony regarding Wilkes's role in paying off the $500,000 second mortgage on Cunningham's home in Rancho Santa Fe, Calif.

Wilkes allegedly paid the bribes to Cunningham in the form of cash, checks, meals, limousine service, corporate jet travel, lodging, furnishings, boats and marine equipment, prostitution services, vacations, and entertainment, according to Assistant U.S. Attorneys Sanjay Bhandari, Jason A. Forge and Phillip L.B. Halpern, who are prosecuting the cases. Cunningham failed to disclose any of these benefits on the financial disclosure statements that he filed with the U.S. House of Representatives. In return for receiving these bribes, the indictment alleges that Cunningham used his public office for nearly a decade to influence the awarding of more than $100 million in defense contracts to Wilkes.

The second indictment charges former CIA Executive Director Kyle "Dusty" Foggo and Wilkes with conspiring to defraud the United States and its citizens of the right to defendant Foggo's honest services.

Among other things, the indictment alleges that Foggo used his seniority and influence within the CIA to influence the awarding of contracts to his life-long friend, Brent Wilkes. The indictment alleges that in order to conceal Foggo's conflict of interest and corrupt intent, Wilkes and Foggo carried out their scheme by using shell companies and straw men to conceal Wilkes' role and interest, and to launder the proceeds of their fraud.

According to the indictments, Foggo misrepresented and concealed material facts from CIA officials, including his knowledge of, and role in, attempting to steer contracts to Wilkes, and his receipt of numerous benefits from Wilkes, including tens of thousands of dollars in various meals, gifts, and vacations, and a standing offer of a senior executive position with Wilkes's company, ADCS, Inc. None of these benefits were disclosed by Foggo on the financial disclosure statements that Foggo filed with the CIA. The indictment further alleges that Foggo not only used his position to influence the awarding of CIA contracts, but also used his position to assist Wilkes in obtaining money from other CIA contractors.

"High government positions and powerful connections should not be tickets to corrupt self-enrichment," stated U.S. Attorney Lam, "the public trust is not for sale."

This case is the result of an investigation by the Central Intelligence Agency (CIA) - Office of Inspector General, Defense Criminal Investigative Service (DCIS), Federal Bureau of Investigation (FBI), and Internal Revenue Service - Criminal Investigation Division (IRS-CI). The United States Attorney's Office for the Southern District of California also recognizes the assistance provided by the United States Attorney's Offices for the District of Columbia, the Eastern District of New York, and the Eastern District of Virginia.

The investigation is continuing.

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Image not available for this document, ID: 0.7.10316.8091-000002

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CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY _____ DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

June 2005 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. KYLE DUSTIN FOGGO (1), aka "Dusty" Foggo, BRENT ROGER WILKES (2), Defendants.	Criminal Case No. 07 CR 0329 LAB I N D I C T M E N T Title 18, U.S.C., Sec. 371 - Conspiracy; Title 18, U.S.C., Secs. 1343 and 1346 - Honest Services Wire Fraud; Title 18, U.S.C., Sec. 1957 - Money Laundering; Title 18, U.S.C., Sec. 2 - Aiding and Abetting

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS COMMON TO ALL COUNTS

1. From on or about July 6, 2001 to about November 3, 2004, defendant KYLE DUSTIN FOGGO, aka "Dusty" Foggo, was the senior officer in charge of support operations at an "Overseas Location" of the Central Intelligence Agency ("CIA"), and as such directed the Overseas Location's daily operations supplying equipment to personnel overseas.

2. From on or about November 4, 2004 to about May 12, 2006, defendant FOGGO was the Executive Director of the CIA (then the third-highest position in the CIA), and as such directed the CIA's daily operations.

SB:JAF:PLBH:nlv:San Diego
2/13/07

3. As a CIA employee, defendant FOGGO owed the United States and its citizens his honest services, including his loyal, faithful, disinterested, unbiased service, to be performed free of deceit, undue influence, conflict of interest, self-enrichment, self-dealing, concealment, fraud, and corruption.

4. As a public official, FOGGO had a responsibility to place loyalty to the United States, and its Constitution, laws, and ethical principles, above private gain. Among other things, FOGGO was prohibited from using or permitting the use of his office in a manner intended to coerce or induce another, including a subordinate, to provide any benefit to himself or his friends.

5. From in or about 1993 through in or about 2005, defendant FOGGO completed ethics training approximately eight times, and served approximately two years as a Deputy Ethics Official.

6. At all times material to this indictment, defendant BRENT ROGER WILKES owned and controlled ADCS, Inc. and numerous related entities, including Archer Defense Technologies, Inc., Group W Advisors Inc., Group W Transportation Inc., and Wilkes Corporation, which WILKES ran as a consortium of related companies (hereinafter referred to as "WILKES's companies").

7. From late 2002 on, WILKES's companies' main corporate office was at 13970 Stowe Drive, Poway, California. WILKES's companies also maintained an office located at 14020 Thunderbolt Place, Chantilly, Virginia.

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DOJ_NMG_ 0174087

Count 1

CONSPIRACY

8. Paragraphs 1 through 7 of this Indictment are hereby realleged as if fully set forth herein.

9. Beginning on a date unknown to the Grand Jury, and continuing through in or about April 2005, within the Southern District of California and elsewhere, defendants KYLE DUSTIN FOGGO, aka "Dusty" Foggo, and BRENT ROGER WILKES, did knowingly and intentionally conspire with each other, and with others known and unknown to the Grand Jury, to commit the following offenses against the United States:

a. Honest Services Wire Fraud, in violation of Title 18, United States Code, Sections 1343 and 1346, that is, devising a material scheme to defraud the United States and its citizens of defendant FOGGO's honest services, including their right to his loyal, faithful, disinterested, unbiased service, to be performed free of deceit, undue influence, conflict of interest, self-enrichment, self-dealing, concealment, fraud, and corruption, and in furtherance thereof transmitting and causing to be transmitted in interstate commerce by means of wire communications, certain writings, signs, signals and sounds; and

b. Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, in violation of Title 18, United States Code, Section 1957, that is, knowingly engaging and attempting to engage in monetary transactions by, through, or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a Specified Unlawful Activity, that is, Honest

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Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346.

METHODS AND MEANS

10. The conspirators used the following methods and means, among others, to carry out the objects of the conspiracy:

a. Defendant WILKES and other conspirators provided things of value to defendant FOGGO, and defendant FOGGO accepted these things of value.

b. Defendant FOGGO agreed to be corruptly influenced in his performance of his official duties.

c. The coconspirators misrepresented and concealed material facts in dealings with the CIA and its employees. Such material facts included defendant WILKES's role and interest in CIA contract matters, defendant FOGGO's receipt and expectation of benefits from WILKES and WILKES' companies, and defendant FOGGO's life-long friendship with defendant WILKES.

d. The coconspirators created and used shell companies and straw men to conceal defendant WILKES's financial interest and role in CIA contracts, and to launder money obtained from CIA contracts.

e. Defendant FOGGO used his seniority and influence within the CIA to influence CIA contractors to provide money to defendant WILKES.

f. Defendant FOGGO provided defendant WILKES and other coconspirators with internal government information, including classified information, about the CIA, CIA contractors, and other matters, to help WILKES obtain money from the CIA and CIA contractors; despite the fact that defendant WILKES never had the requisite

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security clearance to receive classified information from defendant FOGGO.

OVERT ACTS

11. In furtherance of the conspiracy and to effect the objects thereof, defendants FOGGO and WILKES committed, and caused to be committed, the following overt acts, among others, within the Southern District of California and elsewhere:

(1) By no later than December 2002, WILKES reserved an office for FOGGO near WILKES's own office in the executive suite of WILKES's companies' new Poway headquarters, and offered FOGGO a high-level, high-paying position in WILKES's companies, an offer which remained open and under consideration by FOGGO at all material times.

(2) On or about May 14, 2003, FOGGO sent WILKES an email stating in part as follows with respect to a certain CIA Contractor with whom FOGGO's Overseas Location had negotiated large contracts (hereinafter, "the CIA Contractor"): "I have been throwing millions at his company for about 18 months - and I'm thinking we should be able to leverage some Wilkes Group contacts."

(3) On or about June 17, 2003, FOGGO introduced WILKES to the CIA Contractor.

(4) On or about July 25, 2003, FOGGO concealed from a subordinate the identity and contact information of an associate (hereinafter, FOGGO's "Water Contact") that FOGGO knew could supply the Overseas Location with bottled water at a much lower price than the Overseas Location had been paying.

(5) On or about August 3, 2003, WILKES paid for FOGGO and his family to join WILKES and his family for a vacation in Scotland. This vacation included over $12,000 in private jet flights,

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over $4,000 for a helicopter ride to a round of golf at Carnoustie, and over $44,000 for a stay at the Pitcastle Estate, which included trout fishing on hill lochs, salmon fishing on the River Tay, clay pigeon shooting, archery, and a seven-person staff.

(6) On or about September 10, 2003, FOGGO sent WILKES an email titled "Scotland and Cigars," stating in part: "I'll work the water thing with [FOGGO's Water Contact] - but you sending a follow-up email is a good idea, I want to insure [sic] that B-connection is not forgotten....Group W is in this deal."

(7) On or about September 17, 2003, FOGGO sent an email to WILKES, stating that FOGGO's Water Contact was ready to work with WILKES, and that WILKES should "work the price" with the Water Contact "and then have a US firm (Group W?) fax to me an offer to sell at X price."

(8) On or about October 22, 2003, WILKES caused one of WILKES' assistants to send an email to a close associate and subordinate of WILKES (hereinafter, "Wilkes Subordinate X"), reminding Wilkes Subordinate X of tasks WILKES had assigned him in connection with the project to supply water to FOGGO's Overseas Location.

(9) In or about December 2003, at a party at WILKES's offices in Poway, WILKES introduced FOGGO to a group of employees as a future executive in WILKES's companies.

(10) In or about December 2003, at the same party, FOGGO told an ADCS employee in human resources that he wanted to "get a profile" on some other ADCS employees.

(11) From on or about December 27, 2003 to January 3, 2004, FOGGO joined WILKES for a vacation at the "Sullivan Estate" in Haleiwa, Hawaii, for which WILKES paid approximately $32,000.

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(12) On or about January 7, 2004, immediately after his Hawaiian vacation with WILKES, FOGGO sent Wilkes Subordinate X an email with a subject line of "Re: Aloha," stating: "Had a great time - no diving, but still fun. I would like the 'President' or 'CEO' of '[entity]' to come visit. Brent told me that was you (smile), so lets [sic] get to it. I'll need to brief you a bit on how we need to play this, but that needs to be face to face, before you meet my people."

(13) On or about January 27, 2004, FOGGO met with WILKES, Wilkes Subordinate X, and the CIA Contractor at CIA headquarters.

(14) On or about January 27, 2004, at the above meeting, FOGGO told Wilkes Subordinate X that FOGGO would get Wilkes Subordinate X a procurement services contract with the CIA.

(15) On or about January 28, 2004, WILKES treated FOGGO to a dinner at the Capital Grille, for which WILKES paid $1,195.96, of which FOGGO's pro rata share was approximately $398.65.

(16) On or about January 28, 2004, the CIA Contractor entered into contracts with WILKES, agreeing to pay a WILKES company $375,000 every three months for lobbying services; to form a joint venture with WILKES to explore non-CIA business; and to pay WILKES (through Group W Advisors, Inc.) 30 percent of the joint venture's net income in 2004, and 20 percent in subsequent years.

(17) On or about January 29, 2004, defendant WILKES (through Group W Advisors, Inc.) received $375,000 from the CIA Contractor.

(18) On or about February 9, 2004, WILKES sent FOGGO an email asking FOGGO to suggest to the CIA Contractor that WILKES was

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playing a role in structuring a prospective CIA contract because doing so, "[d]oesn't cost you anymore but gives me a %."

(19) In or about late February 2004, WILKES and Wilkes Subordinate X traveled separately to FOGGO's Overseas Location to discuss the procurement services contract.

(20) On or about February 26, 2004, FOGGO instructed Wilkes Subordinate X not to tell other CIA employees about the long-standing personal relationship they had through WILKES, and instead to tell CIA employees that Wilkes Subordinate X and FOGGO met in a cigar bar in Washington, D.C.

(21) On or about February 26, 2004, FOGGO introduced Wilkes Subordinate X to lower-level CIA employees as someone who could assist them in procurement activities, and both FOGGO and Wilkes Subordinate X acted as if they were merely arms-length business associates.

(22) On or about February 28, 2004, in a meeting at FOGGO's home, FOGGO, WILKES, and Wilkes Subordinate X agreed that they needed to ensure that any procurement services business obtained from the Overseas Location could not be directly traced back to FOGGO and WILKES's relationship, and that WILKES would therefore take his share of the proceeds through subcontracts.

(23) On or about March 14, 2004, FOGGO sent an email to the CIA Contractor stating that he had discussed the CIA Contractor's recent classified contract proposal with WILKES, and stating further: "I must tell you - I am very pleased that you and Brent are working together."

(24) In or about March 2004, under the company name Archer Defense, which was then a part of ADCS, Wilkes Subordinate X

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caused to be delivered to the Overseas Location a shipment of bottled water, for a price that was marked-up over 60% from the price FOGGO's Water Contact charged.

(25) On or about April 5, 2004, FOGGO filed and certified the truthfulness, completeness, and accuracy of a "Public Financial Disclosure Report" (Form SF-278) for calendar year 2003, which Report called for disclosure of (among other things) all gifts "received from one source totaling more than $285" and agreements or arrangements for future employment, and from which Report FOGGO omitted any mention of (a) the thousands of dollars in benefits he received from WILKES in 2003, or (b) his job offer from WILKES.

(26) On or about April 5, 2004, in an email to a CIA ethics officer, to which email FOGGO attached his 2003 Form SF-278, FOGGO stated in part: "Greetings from [Overseas Location]. Having been the 'Ethic's [sic] Guy' in both the DS&T and the DA, I wish you the best with this annual exercise."

(27) On or about June 11, 2004, while visiting the Overseas Location to negotiate the procurement services contract, Wilkes Subordinate X treated FOGGO to a meal at a restaurant near the Overseas Location, for which Wilkes Subordinate X paid $235.82, of which FOGGO's pro rata share was approximately $117.91.

(28) On or about July 29, 2004, at WILKES's direction, Wilkes Subordinate X formed a new corporation of which he was nominally the only director, officer, or employee, hereinafter "Shell Company No. 1", to receive the procurement services contract from the CIA.

(29) On or about August 19, 2004, FOGGO sent emails to Wilkes Subordinate X, informing him that FOGGO had instructed his

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deputy to "check and push [the procurement contract] along to insure completion" and also stating with regard to Wilkes Subordinate X's request for an advance payment of one-half the total amount of service fees for the procurement contract: "I can help with that. I'll work it."

(30) On or about September 16, 2004, FOGGO sent an email to WILKES regarding concerns that the CIA Contractor had raised about WILKES, stating: "As you know I do have influence with him [the CIA Contractor] and know I could get him to listen . . . that said if this issue is beyond repair in your mind - I am now, have been in the past, and will continue to as long as I breath [sic] - be your partner . . . so what do you want me to do?"

(31) On or about September 20, 2004, effective September 1, 2004, FOGGO caused the Overseas Location to enter into a one-year procurement services contract with Shell Company No. 1, with a firm fixed-price fee of $1,699,904 for services to be provided.

(32) On or about September 23, 2004, FOGGO caused the CIA to wire-transfer to Shell Company No. 1 an $850,000 advance payment on the procurement services contract.

(33) On or about September 24, 2004, Wilkes Subordinate X caused $555,000 to be wire-transferred from Shell Company No. 1 to WILKES's companies.

(34) On or about October 28, 2004, without having received any additional service funds from the CIA, Wilkes Subordinate X caused $150,000 more to be wire-transferred from Shell Company No. 1 to WILKES's companies, bringing WILKES's direct share of the initial $850,000 to $705,000.

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(35) On or about November 20, 2004, WILKES treated FOGGO to a meal at the Serbian Crowne restaurant, for which WILKES paid $773.65, of which FOGGO's pro rata share was approximately $257.88.

(36) On or about November 20, 2004, WILKES gave FOGGO an Ellie Bleu cigar humidor, which Wilkes Subordinate X had purchased for $2,307.38 at WILKES's direction.

(37) On or about November 21, 2004, WILKES treated FOGGO to a meal at the Capital Grille in Tyson's Corner, Virginia, for which WILKES paid $712.15, of which FOGGO's pro rata share was approximately $237.38.

(38) On or about November 22, 2004, WILKES treated FOGGO to a meal at Ruth's Chris Steak House in Fairfax, Virginia, for which WILKES paid $902.33, of which FOGGO's pro rata share was approximately $225.58.

(39) On or about February 28, 2005, Wilkes Subordinate X caused $110,000 to be wire-transferred from Shell Company No. 1 to WILKES's companies.

(40) On or about March 18, 2005, FOGGO sent an email to a bank loan officer stating in part: "I plan to retire in circa 3 years - while I have a big offer from a company in California - I may stay in the area due to my worth to local companies...I guess I can't give you a firm answer - I would bet we will be elsewhere - which leads me to consider renting..."

(41) On or about March 31, 2005, WILKES sent Wilkes Subordinate X an email stating: "I talked to the big guy last night. He will sprinkle some magic dust today that should solve your problem. BRW"

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(42) On March 31, 2005, FOGGO sent an email to the acting head of the Overseas Location inquiring about delays in payments to Shell Company No. 1, resulting in three service fee payments totaling $231,792 to Shell Company No. 1 in less than thirty days.

(43) On or about March 31, 2005, WILKES sent FOGGO an email thanking him for inquiring with the Overseas Location.

(44) On or about April 28, 2005, FOGGO filed and certified the truthfulness, completeness, and accuracy of a "Public Financial Disclosure Report" (Form SF-278) for calendar year 2004, which Report called for disclosure of (among other things) all gifts "received from one source totaling more than $285" and agreements or arrangements for future employment, and from which Report FOGGO omitted any mention of (a) the thousands of dollars in benefits he received from WILKES in 2004, or (b) his job offer from WILKES.

All in violation of Title 18, United States Code, Section 371.

Counts 2 through 8

HONEST SERVICES WIRE FRAUD

12. Paragraphs 1 through 7 and 10 through 11 of this indictment are hereby realleged as if fully set forth herein.

13. Beginning on a date unknown to the Grand Jury, and continuing through in or about April 2005, within the Southern District of California and elsewhere, defendants KYLE DUSTIN FOGGO, aka "Dusty" Foggo, and BRENT ROGER WILKES, devised and intended to devise a material scheme to defraud the United States and its citizens of defendant FOGGO's honest services, including their right to his loyal, faithful, disinterested, unbiased service, to be performed free of deceit, undue influence, conflict of interest, self-enrichment,

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self-dealing, concealment, fraud, and corruption; said scheme more fully described elsewhere in this indictment.

WIRE TRANSMISSIONS IN EXECUTION OF THE SCHEME

14. On or about the dates set forth below (Column "A"), within the Southern District of California and elsewhere, defendants KYLE DUSTIN FOGGO, aka "Dusty" Foggo, and BRENT ROGER WILKES, for the purpose of executing the above-described scheme to defraud, transmitted and caused to be transmitted in interstate commerce by means of wire communications, certain writings, signs, signals and sounds as alleged below (Column "B"):

	(A)	(B)
COUNT	DATE	TRANSMISSION
2	5/14/03	Email (regarding leveraging CIA Contractor to give WILKES business) from defendant FOGGO, outside of California, to defendant WILKES, through San Diego County, California.
3	9/10/03	Email (regarding a potential contract to supply bottled water to the Overseas Location) from defendant FOGGO, outside of California, to defendant WILKES, through San Diego County, California.
4	10/22/03	Email (regarding water supply tasks WILKES assigned to Wilkes Subordinate X), from an assistant to defendant WILKES, through San Diego County, California, to Wilkes Subordinate X, outside of California.
5	1/7/04	Email (regarding how to "play" Wilkes Subordinate X's role in procurement contract with FOGGO's Overseas Location, "before you [Wilkes Subordinate X] meet my people") from defendant FOGGO, outside of California, to Wilkes Subordinate X, through San Diego County, California.
6	2/9/04	Email (regarding FOGGO helping WILKES to obtain money from CIA Contractor) from defendant WILKES, through San Diego County, California to defendant FOGGO, outside of California.

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COUNT	(A) DATE	(B) TRANSMISSION
7	9/16/04	Email (stating that FOGGO would be WILKES's "partner" for as long as FOGGO breathed) from defendant FOGGO outside of California to defendant WILKES, through San Diego County, California.
8	3/31/05	Email (thanking FOGGO for expediting payments to Shell Company No. 1) from defendant WILKES, through San Diego County, California, to defendant FOGGO, outside of California.

All in violation of Title 18, United States Code, Sections 1343 and 1346, and 2.

Counts 9 through 11

MONEY LAUNDERING - UNLAWFUL MONETARY TRANSACTIONS

15. Paragraphs 1 through 7 and 10 through 11 of this indictment are hereby realleged as if fully set forth herein.

16. On or about the dates set forth below (Column "A"), within the Southern District of California and elsewhere, defendants KYLE DUSTIN FOGGO, aka "Dusty" Foggo, and BRENT ROGER WILKES, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000 as set forth below (Column "B"), such property having been derived from a Specified Unlawful Activity, that is, Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346:

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Count	(A) Date	(B) Transaction
9	9/24/04	Wire transfer of $555,000 in government contract funds from the Virginia bank account of Shell Company No. 1 to a San Diego account of defendant WILKES's companies.
10	10/28/04	Wire transfer of $150,000 in government contract funds from the Virginia bank account of Shell Company No. 1 to a San Diego account of defendant WILKES's companies.
11	2/28/05	Wire transfer of $110,000 in government contract funds from the Virginia bank account of Shell Company No. 1 to a San Diego account of defendant WILKES's companies.

All in violation of Title 18, United States Code, Sections 1957 and 2.

DATED: February 13, 2007.

A TRUE BILL:

_____
Foreperson

CAROL C. LAM
United States Attorney

By: _____
SANJAY BHANDARI
Assistant U.S. Attorney

By: _____
JASON A. FORGE
Assistant U.S. Attorney

By: _____
PHILLIP L.B. HALPERN
Assistant U.S. Attorney

I hereby attest and certify on 2.13.07
That the foregoing document is a full, t
copy of the original on file in my office
custody.
CLERK, U.S. DISTRICT C
SOUTHERN DISTRICT OF CA
By _____

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FILED

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CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY _____ DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

June 2005 Grand Jury

'07 CR 0330 LAB

UNITED STATES OF AMERICA, Plaintiff, v. BRENT ROGER WILKES (1), JOHN THOMAS MICHAEL (2), Defendants.	Criminal Case No. _____ I N D I C T M E N T Title 18, U.S.C., Sec. 371 - Conspiracy; Title 18, U.S.C., Secs. 1343 and 1346 - Honest Services Wire Fraud; Title 18, U.S.C., Sec. 201 - Bribery of a Public Official; Title 18, U.S.C., Secs. 1956 and 1957 - Money Laundering; Title 18, U.S.C., Sec. 1503 - Obstruction of Justice; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Sec. 982 - Criminal Forfeiture

The grand jury charges:

INTRODUCTORY ALLEGATIONS

At all times material to this Indictment:

1. Defendant BRENT ROGER WILKES was the President and controlling owner of ADCS, Inc. ("ADCS"), a California corporation. ADCS's corporate offices were located at 13970 Stowe Drive, Poway, California 92064 and 15092 Avenue of Science, San Diego, California 92128, and its federal contracting office was located at 14020 Thunderbolt Place, Suite 200, Chantilly, Virginia 20151.

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2. ADCS's name was derived from the Government acronym for the Automated Document Conversion System Program ("Document Conversion Program"), which was implemented by the Department of Defense ("DoD"). As its name suggests, ADCS's principal business involved the conversion of paper records into electronic form. Due to its business model, the company was entirely dependent on obtaining United States government contracts to ensure its economic viability.

3. In addition to ADCS, defendant WILKES formed a large number of related entities, including but not limited to: Wilkes Corporation; Al Dust Properties Inc.; WBR Equities, LLC. ("WBR Equities"); Group W Advisors Inc.; Group W Events; Group W Holdings Inc.; Group W Media Productions Inc.; Group W Transportation Inc.; Group W Outfitters; ADCS International; ADCS Inc. PAC; Wilkes PAC; and Archer Defense.

4. Among the government contracts secured by ADCS were projects related to: (1) the Document Conversion Program; (2) the Facilities, Infrastructure and Engineering System ("FIRES") program, which was initially operated out of the National Ground Intelligence Center ("NGIC"), and later the Joint Counter-Intelligence Assessment Group ("JCAG") - a DoD intelligence component; (3) the Global Infrastructure Data Capture ("GIDC") Program, which eventually came to be administered by the Counterintelligence Field Activity ("CIFA"); and (4) the Critical Infrastructure Protection Operations Center ("CIPOC").

5. Coconspirator Mitchell John Wade (charged elsewhere) (hereinafter "coconspirator Wade") was the majority owner and president of MZM, Inc. (hereinafter "MZM"), a Nevada corporation. MZM's headquarters were located at 1523 New Hampshire Avenue, N.W., Washington, D.C. 20036.

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6. Beginning in or about July 1998, MZM entered into a contractual agreement to provide consulting services to ADCS. Apart from this consulting agreement, MZM derived its revenues almost entirely as a United States government contractor.

7. Among the numerous government contracts secured by MZM were projects related to the: (1) GIDC; and (2) the Defense Joint Counter-Intelligence Deception Program ("Counterintelligence Deception Program"), which was operated out of JCAG, and later was referred to as the Mission Response Groups ("MRGs") program.

8. Coconspirator Randall Harold Cunningham, aka Randy "Duke" Cunningham (charged elsewhere) (hereinafter "coconspirator Cunningham") was a Member of the United States House of Representatives for Congressional Districts located in San Diego County, within the Southern District of California.

9. At various times, coconspirator Cunningham was a member of the House Appropriations Committee ("HAC") and the House Permanent Select Committee on Intelligence ("HPSCI"). He also served as the Chairman of the House Intelligence Subcommittee on Human Intelligence Analysis and Counterintelligence.

10. Coconspirator No. 3 was the president and controlling officer of a financial company ("Financial Company 'A'") located in Rosedale, New York.

11. Defendant JOHN THOMAS MICHAEL was the president and minority owner of Coastal Capital Corporation ("Coastal Capital"), a New York-based mortgage banker. Coastal Capital's offices are located at 1 Plaza Road, Greenvale, New York 22548. The majority owner of Coastal Capital was a daughter of coconspirator No. 3.

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12. From on or about January 20, 1988, until on or about November 20, 2003, coconspirator Cunningham owned a house located on Mercado Drive in Del Mar, California (the "Del Mar Home"). In or about late November 2003, coconspirator Cunningham sold the Del Mar Home to 1523 New Hampshire Ave., LLC (a Nevada corporation controlled by coconspirator Wade), and purchased a house located on Via del Charro in Rancho Santa Fe, California (the "Rancho Santa Fe Home").

13. From on or about November 30, 2001, until on or about March 8, 2004, coconspirator Cunningham owned a condominium located at 1211 Eads Street South, Unit 2002, Arlington, Virginia (the "Arlington, Virginia condominium").

14. Coconspirator Cunningham was the registered owner of the "Kelly C," a 65-foot yacht and the "Sea Cove," a 33' Chris Craft power boat. Among other locations, he utilized docking facilities at the Capital Yacht Club, 1000 Water Street, SW, Washington, D.C., the Washington Marina, 1300 Maine Avenue, SW, Washington, D.C., and the Gangplank Marina, 600 Water Street, SW, Washington, D.C., for his vessels.

15. Coconspirator Cunningham owned and operated Top Gun Enterprises, Inc., a California corporation based in San Diego County, California. Top Gun Enterprises, Inc.'s business address was P.O. Box 45201, San Diego, California 92145.

16. On or about August 30, 2002, coconspirator Wade became the registered owner of a 42-foot yacht that was then named the "Buoy Toy." From in or about Fall 2002, through in or about Spring 2005, the boat (officially renamed the "Duke-Stir" on January 21, 2003) was docked in coconspirator Cunningham's slip at the Capital Yacht Club, 1000 Water Street, SW, Washington, D.C.

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Count 1

CONSPIRACY

(Defendant WILKES)

17. Beginning at least as early as 1996, and continuing through at least August 12, 2005, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES did knowingly and intentionally conspire and agree with coconspirators Cunningham and Wade, and with others known and unknown to the Grand Jury, to commit the following offenses against the United States:

a. Honest Services Wire Fraud, in violation of Title 18, United States Code, Sections 1343 and 1346, that is, devising a material scheme to defraud the United States and its citizens of their right to coconspirator Cunningham's honest services, including their right to his loyal, faithful, disinterested, unbiased service, to be performed free of deceit, undue influence, conflict of interest, self-enrichment, self-dealing, concealment, fraud, and corruption, and in furtherance thereof, transmitting and causing to be transmitted in interstate commerce by means of wire communications, certain writings, signs, signals and sounds;

b. Bribery of a Public Official, in violation of Title 18, United States Code, Section 201(b)(1)(A), that is, corruptly giving, offering and promising an item of value to coconspirator Cunningham, a Member of the United States Congress, with the intent to influence his official acts;

c. Money Laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i), that is, knowingly conducting and attempting to conduct a financial transaction affecting interstate commerce, knowing that the transaction involved the proceeds of some

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form of unlawful activity, which, in fact, involved Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery of a Public Official in violation of Title 18, United States Code, Section 201(b)(1)(A), and knowing that each transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said Specified Unlawful Activities;

d. Money Laundering, in violation of Title 18, United States Code, Section 1956 (a)(1)(A)(i), that is, knowingly conducting and attempting to conduct a financial transaction affecting interstate commerce, knowing that the transactions involved the proceeds of some form of unlawful activity, which, in fact, involved Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery of a Public Official in violation of Title 18, United States Code, Section 201(b)(1)(A), with the intent to promote the carrying on of said Specified Unlawful Activities; and

e. Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, in violation of Title 18, United States Code, Section 1957, that is, knowingly engaging and attempting to engage in monetary transactions by, through, or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a Specified Unlawful Activity, that is, Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery of a Public Official in violation of Title 18, United States Code, 201(b)(1)(A).

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METHODS AND MEANS OF THE CONSPIRACY

18. In furtherance of this conspiracy, defendant WILKES and coconspirators Cunningham, Wade, and others utilized the following methods and means, among others:

a. Defendant WILKES provided to coconspirator Cunningham more than $700,000 in payments, perquisites, and benefits, including cash, checks, meals, limousine service, corporate jet travel, lodging, furnishings, boats and marine equipment, prostitution services, vacations, and entertainment;

b. Coconspirator Wade provided to coconspirator Cunningham more than $1.3 million in payments, perquisites, and benefits, including cash, checks, meals, travel, lodging, furnishings, antiques, rugs, yacht club fees, boat repairs, moving expenses, cars, and boats;

c. Coconspirator No. 3 provided coconspirator Cunningham with a substantial bribe by purchasing a yacht from Cunningham at an above-market price, which was transmitted, in part, through a $200,000 down payment on Cunningham's Arlington, Virginia condominium;

d. Coconspirator Cunningham agreed to use his public office and to take other official action to influence the United States Congress's authorization and appropriations of funds in a manner that would benefit defendant WILKES (and ADCS) and coconspirator Wade (and MZM);

e. Coconspirator Cunningham agreed to use his public office and to take other official action to influence both the awarding and the execution of government contracts in a manner that would benefit defendant WILKES (and ADCS) and coconspirator Wade (and MZM);

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f. Coconspirator No. 3 and Defendant MICHAEL agreed to allow coconspirator Cunningham to use Coastal Capital and Financial Company "A" to facilitate the payment of bribes;

g. Coconspirator Cunningham attempted to conceal and disguise the improper payments and benefits through various means, including having coconspirator Wade pay for goods and services to be enjoyed by Cunningham, including those described above, and engaging in transactions in which Cunningham sold assets to Wade at above-market prices or purchased assets from Wade at below-market prices;

h. Defendant WILKES attempted to conceal and disguise the bribes to coconspirator Cunningham by having WILKES pay for goods and services to be enjoyed by Cunningham, including those described above, and disguising payments by purporting to purchase a yacht owned by Cunningham, and by purporting to make investments through Financial Company "A";

i. Coconspirator Cunningham also attempted to conceal and disguise the conspiracy by intentionally failing to include the payments, perquisites, and other benefits received from his coconspirators on Financial Disclosure Statements he submitted to the United States House of Representatives;

j. Defendant WILKES also attempted to conceal and disguise the conspiracy by falsely testifying under oath that he had not given gifts to coconspirator Cunningham;

k. Defendant MICHAEL also attempted to conceal and disguise the conspiracy by providing false testimony and documents to the grand jury.

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OVERT ACTS

19. It was further part of this conspiracy, and to effect the objects thereof, defendant WILKES and coconspirators Cunningham, Wade, and others committed, and caused to be committed, the following acts, among others, within the Southern District of California and elsewhere:

1. Beginning at least as early as September 1996, defendant WILKES purchased thousands of dollars in meals for coconspirator Cunningham at The Capital Grille and other restaurants, including but not limited to The Palm, Ozio's, P.F. Chang's, Mr. K's, Serbian Crown Restaurant, and the Confucius Café;

2. On or about September 25, 1996, coconspirator Cunningham informed the Deputy Under Secretary of Defense (Logistics) that he wanted the DoD Document Conversion Program funded;

3. Beginning in or about 1997, defendant WILKES paid Shirlington Limousine for transporting coconspirator Cunningham around Washington, D.C.;

4. On or about July 30, 1997, defendant WILKES directed an ADCS employee to purchase from Coleman Power Sports in Falls Church, Virginia, a 14'6", fiberglass hulled, yellow Sea-Doo Speedster (serial number CECB043L697) costing $11,255 for coconspirator Cunningham's possession and use;

5. On or about April 13, 1998, defendant WILKES caused ADCS to issue a check (no. 3930) in the amount of $721.60 to pay Blue Danube Corporate Support for their services catering a "Congressional" dinner, which included coconspirator Cunningham;

6. On or about May 14, 1998, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure

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Statement for Calendar Year 1997, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

7. On or about May 21, 1998, coconspirator Cunningham wrote the Chairman of the House Appropriations Subcommittee on National Security, requesting a total of $64 million for Document Conversion Programs (fiscal year 1999);

8. On or about August 10, 1998, defendant WILKES threatened a FIRES program manager with Congressional reprisals if he refused to pay ADCS-related invoices (even when it could not be verified that the work had actually been done and/or goods had actually been purchased);

9. On or about August 24, 1998, defendant WILKES directed an ADCS employee to purchase one NEC Versa Model 2780 notebook computer costing $1,499 for coconspirator Cunningham;

10. On or about November 18, 1998, defendant WILKES threatened DoD's Document Conversion Program manager with Congressional reprisal if he did not allocate sufficient funding to ADCS projects, and immediately pay all outstanding ADCS invoices (even when it could not be verified that the work had actually been done and/or the goods had actually been purchased);

11. On or about November 18, 1998, coconspirator Cunningham contacted the Document Conversion Program manager (approximately 30 minutes after defendant WILKES had left the program manager's office) and attempted to pressure him into paying the ADCS-related invoices;

12. In or about late 1998 or early 1999, in Washington, D.C., coconspirator Cunningham called defendant WILKES's cellular phone and (after the phone was handed to the FIRES program manager who

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was in WILKES's suite at the Watergate Hotel) told the program manager that he needed to pay all outstanding ADCS invoices (even though the work had not been performed and/or verified by the government program manager);

13. In or about late 1998 or early 1999, coconspirator Cunningham called the FIRES program manager at his desk at the Red Stone Arsenal in Huntsville, Alabama, and again told him that he needed to pay all outstanding ADCS invoices (even though the work had not been performed and/or verified by the government program manager);

14. On or about February 17, 1999, at coconspirator Cunningham's direction, his staff contacted the DoD program manager and pressured him to allocate additional funds to ADCS;

15. On or about March 1, 1999, in Panama City, Panama, defendant WILKES attempted to intimidate a FIRES program manager by telling him that people disappear in Panama all the time and never make it back home;

16. On or about March 2, 1999, coconspirator Cunningham (after first speaking to defendant WILKES) spoke on the phone to the FIRES program manager (who was in Panama City, Panama) and urged him to pay all outstanding ADCS invoices (even though the work had not been performed and/or verified by the government program manager);

17. On or about March 10, 1999, defendant WILKES paid for limousine services, which included driving coconspirator Cunningham to the Capital Grille;

18. On or about March 10, 1999, defendant WILKES hosted a meal at the Capital Grille where coconspirator Cunningham pressured an Assistant Deputy Under Secretary of Defense to allocate DoD Document Conversion Program funds to ADCS - despite the facts that the

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underlying submission was not timely, the ADCS project was not deemed a priority by DoD, and the project had not been selected by the Document Conversion Integrated Prioritization team ("IPT");

19. On or about April 15, 1999, defendant WILKES caused ADCS to issue a check in the amount of $967.50 to pay Blue Danube Corporate Support for catering a meal held aboard coconspirator Cunningham's yacht, the Kelly C;

20. On or about April 29, 1999, defendant WILKES paid for a meal at the Capital Grille for coconspirator Cunningham and others; using ADCS's American Express credit card to make a payment in the amount of $626.18;

21. On or about May 17, 1999, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 1998, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

22. On or about May 21, 1999, coconspirator Cunningham wrote the Chairman of the Defense Appropriations Subcommittee on National Security, requesting a total of $94 million for the Document Conversion Program (fiscal year 2000) and specifying that the funding was to be used for the NGIC FIRES [Panama Canal] document scanning project, which had been using ADCS as the prime contractor;

23. On or about July 6, 1999, defendant WILKES faxed coconspirator Cunningham "Talking Points" that argued that ADCS needed a total of $15 million from the 1999 fiscal year funds, and that the company needed $10 million immediately;

24. On or about July 19, 1999, coconspirator Cunningham contacted the Principal Deputy Under Secretary of Defense

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(Acquisition, Technology & Logistics) and made it clear that he wanted his constituent (ADCS) to receive more government funds;

25. On or about July 23, 1999, defendant WILKES directed an ADCS employee to purchase from Coleman Power Sports in Falls Church, Virginia, another Sea-Doo Speedster (serial number CECE0317K899) costing $14,496.78 for coconspirator Cunningham's possession and use;

26. On or about August 5, 1999, coconspirator Cunningham met with the Principal Under Secretary of Defense and conveyed his displeasure that Cunningham's constituent (ADCS) was not getting sufficient funding;

27. On or about September 9, 1999, coconspirator Cunningham (along with his Legislative Director) met with the Principal Deputy Under Secretary of Defense and instructed him to divert $4.7 million in fiscal year 1999 funds to ADCS rather than to two DoD programs previously selected by the IPT;

28. On or about September 13, 1999, defendant WILKES purchased an inflatable jet dock for coconspirator Cunningham's possession and use, using a check (no. 3047) drawn on his personal checking account in the amount of $7,101.16;

29. On or about September 29, 1999, defendant WILKES paid for a meal at the Capital Grille for coconspirator Cunningham and others; using ADCS's American Express credit card to make a payment in the amount of $247.15;

30. On or about October 12, 1999, defendant WILKES faxed "Talking Points" to coconspirator Cunningham, which were to be used by the Congressman to argue to the Principal Deputy Under Secretary

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of Defense that ADCS should get $31 million in fiscal year 2000 funding;

31. On or about October 29, 1999, defendant WILKES caused ADCS to issue a check (no. 5547) in the amount of $581.58 to pay Blue Danube Corporate Support for catering a meal at coconspirator Cunningham's yacht club in Washington, D.C.;

32. On or about November 30, 1999, in San Diego, California, defendant WILKES and coconspirator Cunningham met with the Assistant Deputy Under Secretary of Defense and stated that ADCS should receive approximately $31.3 million in fiscal year 2000 funding;

33. On or about December 18, 1999, defendant WILKES paid to fly coconspirator Cunningham and his Chief-of-Staff from San Diego, California to Las Vegas, with an ADCS American Express credit card payment in the amount of $821;

34. On or about December 21, 1999, defendant WILKES paid for a meal at Andre's French Restaurant that included coconspirator Cunningham and his Chief-of-Staff, using WILKES's Diner's Club credit card to make a payment in the amount of $4,043.26;

35. On or about December 21, 1999, defendant Wade paid for coconspirator Cunningham and his Chief-of-Staff's stay at the Four Seasons Hotel in Las Vegas, Nevada;

36. On or about February 3, 2000, at coconspirator Cunningham's direction, his Chief-of-Staff contacted a Colonel with DoD to inquire about how much funding ADCS was going to receive in Fiscal Year 2000;

37. On or about February 4, 2000, at coconspirator Cunningham's direction, his Chief-of-Staff also contacted the

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Assistant Deputy Under Secretary of Defense to inquire about how much funding ADCS was going to receive in Fiscal Year 2000;

38. On or about March 23, 2000, during a hearing held by the HAC's Subcommittee on Defense, coconspirator Cunningham informed the Secretary of the Army that: (1) the Assistant Deputy Under Secretary of Defense should be removed from office because DoD had not released (to ADCS) $4 million that Congress had authorized; and (2) he wanted the $4 million identified and released;

39. On or about April 17, 2000, coconspirator Cunningham wrote the Chairman of the House Armed Services Committee, attaching "a briefing paper on the NGIC data capture effort, now known as the NGIC FIRES Global Infrastructure Data Capture program"; for which he was requesting a total of $16 million (fiscal year 2001);

40. On or about April 20, 2000, defendant WILKES paid for coconspirator Cunningham's ticket and transportation to a Jimmy Buffett concert at the Coors Amphitheater in Chula Vista, California;

41. On or about May 1, 2000, defendant WILKES gave coconspirator Cunningham two personal checks (nos. 1039 and 1040) in the amounts of $70,000 and $30,000, respectively, made payable to "Duke Cunningham," as a bribe, which was disguised as a purchase of Cunningham's yacht, the Kelly C;

42. On or about May 1, 2000, at coconspirator Cunningham's direction, his Legislative Director sent a memo to a House Appropriations Committee staffer indicating that the FIRES and GIDC programs were among the Congressman's highest priorities;

43. On or about May 15, 2000, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 1999, which improperly failed to list all

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payments and benefits received from defendant WILKES and coconspirator Wade;

44. Beginning in August 2000, defendant WILKES paid two charter jet companies thousands of dollars for flying coconspirator Cunningham to various locations in the United States;

45. On or about September 6, 2000, defendant WILKES falsely stated under oath that he had never given coconspirator Cunningham any gifts;

46. From on or about October 31, 2000 through March 29, 2001, defendant WILKES directed an ADCS employee to use a personal checking account to pay $11,116.50 in monthly payments towards a mortgage loan on the Kelly C held by coconspirator Cunningham;

47. On or about November 20, 2000, at coconspirator Cunningham's direction, members of his staff contacted the Assistant Secretary of Defense (C3I) regarding releasing money that was related to the GIDC program;

48. In or about 2001, coconspirator Wade provided coconspirator Cunningham with a Glock 9mm semiautomatic handgun;

49. On or about February 26, 2001, defendant WILKES paid a variety of coconspirator Cunningham's expenses related to a Palm Springs vacation, including his share of a dinner, lodging and golf fees, using two different ADCS American Express credit cards;

50. On or about February 26, 2001, defendant WILKES provided coconspirator Cunningham with the use of WILKES's corporate jet to fly from Palm Springs, California, to San Diego, California; the cost of which was paid using a Group W Transportation check (no. 1021) that included a charge of $3,346 for this flight;

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51. On or about February 26, 2001, defendant WILKES provided coconspirator Cunningham with the use of WILKES's corporate jet to fly from San Diego, California, to Washington, D.C., the cost of which was paid using a Group W Transportation check (no. 1021) that included a charge of $14,044.40 for this flight;

52. On or about February 26, 2001, defendant WILKES catered an in-flight meal for coconspirator Cunningham and other guests that included a cold seafood platter, grilled chicken or filet mignon, a side salad and six bottles of Silver Oak Cabernet, three bottles of Cakebread Chardonnay, and Samuel Adams Beer;

53. On or about March 13, 2001, defendant WILKES directed an ADCS employee to install a GPS navigational system on coconspirator Cunningham's yacht, the Kelly C, which included one NEC Versa SX notebook computer valued at $5,076, and internal mapping software purchased from Maptech for $606.80;

54. In or about April 2001, coconspirator Cunningham summoned a Deputy Assistant Secretary of Defense (Resources) to Cunningham's office and sternly lectured her about the need to allocate more money to ADCS as she was not executing his vision. Subsequently, Cunningham attempted to get the same Deputy Assistant Secretary of Defense fired for not awarding to ADCS all the funds appropriated to the NGIC FIRES program;

55. On or about May 15, 2001, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 2000, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

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56. On or about July 31, 2001, in support of defendant WILKES's request for Congressional appropriations, coconspirator Cunningham wrote the Chair of the Defense Appropriations Subcommittee seeking to maintain the level of funding for his "earmarks";

57. On or about August 19, 2001, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from San Diego, California to Coeur d'Alene, Idaho; the cost of which was paid using a Group W Transportation check (no. 1042) that included a charge of $5,302.07 for this flight;

58. From on or about August 19 through August 22, 2001, defendant WILKES paid thousands of dollars in food, lodging and entertainment expenses for coconspirator Cunningham, including but not limited to a fully automatic machine gun shooting session ($250), golf equipment ($802.24), and room charges at the Coeur d'Alene Resort ($2,286.13); the cost of which was paid using a Group W Advisors check (no. 1025) and an ADCS American Express credit card;

59. On or about August 22, 2001, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from Coeur d'Alene, Idaho to San Diego, California; the cost of which was paid using a Group W Transportation check (no. 1042) that included a charge of $6,185.29 for this flight;

60. On or about October 12, 2001, defendant WILKES provided coconspirator Cunningham with the use of WILKES's corporate jet to fly from Manassas, Virginia to San Diego, California; the cost of which was paid using a Group W Transportation check (no. 1047) that included a charge of $11,954.67 for this flight;

61. On or about October 15, 2001, defendant WILKES provided coconspirator Cunningham with the use of WILKES's corporate jet to fly

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from San Diego, California to Manassas, Virginia; the cost of which was paid using a Group W Transportation check (no. 1047) that included a charge of $9,914.79 for this flight;

62. On or about October 31, 2001, coconspirator Wade gave coconspirator Cunningham an MZM check (no. 2027) in the amount of $50,000 made payable to "Coastal Capital Corp.";

63. On or about November 16, 2001, coconspirator Wade purchased for coconspirator Cunningham three night stands, one leaded glass cabinet, one washstand, one buffet, and four armoires, which were paid for with an MZM check (no. 2056) in the amount of $12,000;

64. On or about November 16, 2001 through May 2005, coconspirator Wade purchased for coconspirator Cunningham more than $50,000 worth of additional antiques, including silver candelabras, glass vases, antique armoires, Persian-style carpets, and custom oak and leaded glass doors;

65. On or about November 20, 2001, defendant WILKES provided coconspirator Cunningham with the use of WILKES's corporate jet to fly from Manassas, Virginia to San Diego, California; the cost of which was paid using a Group W Transportation check (no. 1051) that included a charge of $10,956.60 for this flight;

66. In or about December 2001, Coconspirator No. 3 provided Coastal Capital with $200,000 in order to finance the down payment on Cunningham's Arlington, Virginia condominium;

67. On or about December 3, 2001, Coconspirator No. 3 caused $200,000 to be wired from Coastal Capital's Collateral Account to an escrow account (no. 202995720) in the name of NVA Title, Inc., which was set up to facilitate the purchase of coconspirator Cunningham's Arlington, Virginia condominium;

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68. On or about December 4, 2001, coconspirator Cunningham met with an Assistant Secretary of Defense (C3I) to discuss, among other things: (1) the restoration of GIDC funds for fiscal year 2001; (2) obtaining a dedicated funding line for the GIDC program; and (3) maintaining a minimum of $7 million in the GIDC program;

69. On or about December 10, 2001, defendant MICHAEL caused an MZM check (no. 2027) in the amount of $50,000 to be deposited into Coastal Capital's business account at the North Fork Bank in Bellerose, New York;

70. On or about December 14, 2001, coconspirator Cunningham questioned the Deputy Director of JCAG as to why defendant WILKES was not getting all the funding that was earmarked for the GIDC program;

71. On or about December 20, 2001, defendant MICHAEL issued a Coastal Capital check (no. 32399) in the amount of $50,000, which he made payable to coconspirator "Duke Cunningham";

72. On or about December 27, 2001, in San Diego County, California, coconspirator Cunningham deposited Coastal Capital's check (no. 32399) in the amount of $50,000 into Cunningham's joint bank account at the Union Bank of California;

73. In or about January 2002, defendant WILKES provided coconspirator Cunningham with an Anthrocart computer desk (valued at $738.40) for use in his Arlington, Virginia condominium;

74. On or about January 24, 2002, coconspirator Wade purchased for coconspirator Cunningham a leather sofa and a sleigh-style bed, using MZM's American Express credit card to make a payment in the amount of $6,632;

75. On or about February 5, 2002, coconspirator Wade purchased for coconspirator Cunningham an antique Louis Phillipe

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period commode, and a Restoration period commode, using an MZM check (no. 2251) in the amount of $7,200;

76. On or about March 26, 2002, coconspirator Cunningham sought $7.5 million for the Counterintelligence Deception Program (his number one priority) and $9 million for the GIDC program (his number two priority) from the House Appropriations Committee during the 2003 fiscal year budget process;

77. On or about April 6, 2002, coconspirator Wade gave coconspirator Cunningham a personal check (no. 4609) in the amount of $13,500 toward the purchase of a Rolls Royce, which Cunningham deposited into his personal Congressional Federal Credit Union account in Washington, D.C.;

78. On or about May 15, 2002, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 2001, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

79. On or about August 18, 2002, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from San Diego, California to Coeur d'Alene, Idaho; the cost of which was paid using a Group W Transportation check (no. 1091) that included a charge of $8,768.88 for this flight;

80. From on or about August 18 through August 20, 2002, defendant WILKES paid thousands of dollars in food, lodging and entertainment expenses for coconspirator Cunningham at the Coeur d'Alene Resort, in Coeur d'Alene, Idaho; which were part of a $16,382.20 hotel bill that WILKES paid using a Group W Advisors check (no. 1192);

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81. On or about August 21, 2002, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from Coeur d'Alene, Idaho to San Diego, California; the cost of which was paid using a Group W Transportation check (no. 1091) that included a charge of $8,768.88 for this flight;

82. On or about August 30, 2002, coconspirator Wade purchased the "Duke-Stir" for coconspirator Cunningham's possession and use, by using a $140,000 bank check (no. 6330014624), which had been previously purchased with MZM check (no. 2755);

83. On or about September 6, 2002, defendant WILKES paid for a meal at the Capital Grille for coconspirator Cunningham and others; using ADCS's American Express credit card to make a payment in the amount of $3,144.18;

84. On or about September 11, 2002, defendant WILKES directed an ADCS employee to purchase an additional $693.99 worth of Nobletech software in order to update the GPS navigational system installed on coconspirator Cunningham's yacht, the "Kelly C";

85. On or about September 19, 2002, coconspirator Wade paid $16,867.13 to a marine services company for repairs to coconspirator Cunningham's yacht, the "Kelly C," using an MZM check (no. 2816);

86. On or about October 4, 2002, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from Washington, D.C. ("Dulles"), to San Diego, California; the cost of which was paid for using a Group W Transportation check (no. 1095) that included a charge of $11,774.03 for this flight;

87. On or about October 6, 2002, defendant WILKES provided coconspirator Cunningham and others with the use of WILKES's corporate jet to fly from San Diego, California to Washington, D.C. ("Dulles");

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the cost of which was paid using a Group W Transportation check (no. 1095) that included a charge of $9,975.18 for this flight;

88. On or about November 7, 2002, coconspirator Wade gave coconspirator Cunningham a personal check (no. 4781) in the amount of $7,500 for yacht club fees, which Cunningham deposited into his personal bank account at a Bank of America branch in Virginia;

89. On or about January 13, 2003, coconspirator Wade gave coconspirator Cunningham two MZM checks (nos. 3247 and 3248), in the amounts of $3,000 and $30,000, which Cunningham deposited into his personal bank account at Union Bank of California in San Diego County, California;

90. On or about January 26, 2003, in San Diego, California, defendant WILKES gave coconspirator Cunningham two tickets to WILKES's private box at Qualcomm Stadium for Superbowl XXXVII between the Tampa Bay Buccaneers and the Oakland Raiders;

91. On or about March 28, 2003, coconspirator Cunningham initially sought $17.5 million for the Counterintelligence Deception Program (his number one priority) and $9 million for the GIDC program (his number two priority) from the House Appropriations Committee during the 2004 fiscal year budget process;

92. From on or about April 12 through April 15, 2003, defendant WILKES paid thousands of dollars in food, lodging and entertainment expenses for coconspirator Cunningham to vacation in Key Largo, Florida, including but not limited to a fishing tournament and an all-day diving trip; the cost of which was placed on two Group W Advisors American Express credit cards;

93. On or about May 7, 2003, coconspirator Wade submitted an invoice (no. 001A-2100/03) to the government requesting payment of

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$6,162,000 for supplying approximately $700,000 worth of off-the-shelf computer equipment to CIFA for the GIDC program;

94. On or about May 8, 2003, coconspirator Wade sold coconspirator Cunningham a 1999 GMC Suburban for $10,000, which was well below the vehicle's actual market value;

95. On or about May 8, 2003, defendant WILKES paid for a meal at the Capital Grille for coconspirator Cunningham and others; using ADCS's American Express credit card to make a payment in the amount of $1,001.63;

96. On or about May 14, 2003, coconspirator Wade gave coconspirator Cunningham an MZM check (no. 3652) in the amount of $8,000, which Cunningham deposited into his personal account at the Congressional Federal Credit Union in Washington, D.C.;

97. On or about May 15, 2003, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 2002, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

98. On or about June 2, 2003, coconspirator Wade (as the prime contractor on the GIDC program during the 2003 fiscal year) paid ADCS $5,484,000 (as the subcontractor) for purchasing the approximately $700,000 worth of off-the-shelf computer equipment that was delivered to CIFA as part of the GIDC program;

99. From on or about June 20 through 22, 2003, coconspirator Wade paid $4,631.33 to the Greenbrier Resort for coconspirator Cunningham's lodging, meal and other expenses, using two MZM checks (nos. 3611 and 3909);

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100. On or about July 28, 2003, coconspirator Wade purchased for coconspirator Cunningham two Laser Shot shooting simulators, the cost of which was paid using an MZM check (no. 3956) to Laser Shot, Inc., in the amount of $9,200;

101. From on or about August 15 through 18, 2003, defendant WILKES rented the Hapuna Suite (costing approximately $6,600 per night) at the Hapuna Beach Prince Hotel on the Island of Hawaii for his use along with coconspirator Cunningham and one other guest;

102. On or about August 15, 2003, at approximately 5:00 p.m., defendant WILKES instructed an ADCS employee to obtain two prostitutes for that evening and later provided the employee with $600 in cash to pay for two hours of their services (not including tip);

103. On or about August 15, 2003, at approximately 6:30 p.m., defendant WILKES provided coconspirator Cunningham and assorted other guests with a dinner served on the private lawn outside the Hapuna Suite; which consisted of Seafood Gyozas of Kona Lobster, Shrimp, Scallops, Seared Hawaiian Snapper, "Manoa" Lettuce Leaves, and an open bar featuring fine wines;

104. On or about August 15, 2003, at approximately 11:00 p.m., Prostitutes "A" and "B" and their "driver" arrived at the Hapuna Suite. Pursuant to defendant WILKES's instructions, an ADCS employee escorted the prostitutes into the Suite and paid the driver $600 in cash;

105. On or about August 15, 2003, after approximately 15 minutes in the suite, defendant WILKES and coconspirator Cunningham escorted Prostitutes "A" and "B" upstairs to separate rooms. At approximately midnight, WILKES tipped Prostitute "A" $500 for the services;

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106. On or about August 16, 2003, following a catered breakfast (cost $18 per person), defendant WILKES organized for coconspirator Cunningham and his other guests an all-day dive trip on a chartered boat;

107. On or about August 16, 2003, at approximately 5:00 p.m., defendant WILKES hosted a cocktail party (cost $427.50) for coconspirator Cunningham and his other guests;

108. On or about August 16, 2003, at approximately 6:30 p.m., defendant WILKES provided coconspirator Cunningham and his other guests with dinner (cost: $250 set-up fee, plus $60 per person);

109. On or about August 16, 2003, at approximately 11:00 p.m., defendant WILKES arranged to have Prostitute "A" and Prostitute "C" available for himself and coconspirator Cunningham. Pursuant to Cunningham's request, WILKES arranged for the Congressman to get a different prostitute for the second evening;

110. On or about August 16, 2003, at approximately 11:00 p.m., Prostitutes "A" and "C" and their "driver" arrived at the Hapuna Suite. Pursuant to defendant WILKES's instructions, his employee paid the driver $600 in cash and escorted Prostitute "C" (who had not previously been to the suite) to coconspirator Cunningham's room. At approximately midnight, WILKES again tipped Prostitute "A" $500 for the services;

111. On or about August 17, 2003, following a catered breakfast (cost $21 per person), defendant WILKES organized a golf tournament for coconspirator Cunningham and his other guests ($124 per person) at the Mauna Kea Golf Course;

112. On or about August 17, 2003, at approximately 4:00 p.m., defendant WILKES hosted another cocktail party (cost

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$463.40) and, at approximately 6:30 p.m., provided coconspirator Cunningham and his other guests with another meal (cost: $250 set-up fee, plus $85 per person);

113. On or about August 18, 2003, defendant WILKES hosted a breakfast (cost: $24 per person) for coconspirator Cunningham and his other guests and then provided them with transportation to the airport (cost: $56);

114. On or about August 18, 2003, defendant WILKES directed an ADCS employee to place the $21,159.71 Hapuna Beach Prince Hotel bill on a Group W Advisors American Express credit card;

115. On or about September 14, 2003, coconspirator Wade gave coconspirator Cunningham a personal check (no. 4989) in the amount of $19,025, which Cunningham deposited into his personal bank account at Union Bank of California in San Diego County, California;

116. On or about November 5, 2003, coconspirator Cunningham signed a sales agreement for the sale of his Del Mar Home, which reflected an inflated price of $1.5 million and listed coconspirator Wade as the buyer;

117. On or about November 6, 2003, coconspirator Wade agreed to give coconspirator Cunningham an additional $175,000, which Cunningham subsequently applied toward the purchase of his Rancho Santa Fe Home;

118. On or about November 7, 2003, coconspirator Cunningham signed a second sales agreement for the Del Mar Home, which reflected a further inflated price of $1.675 million and concealed coconspirator Wade's participation by removing his name and listing 1523 New Hampshire Ave., LLC as the buyer;

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119. On or about November 18, 2003, coconspirator Wade gave coconspirator Cunningham a 1523 New Hampshire Ave., LLC check (no. 1027) in the amount of $18,160.98, and authorized a wire transfer (sequence no. 031118003135) in the amount of $1,664,300, which were credited to a Heritage Escrow Company escrow account (no. 21260) in payment for Cunningham's Del Mar Home;

120. On or about November 25, 2003, coconspirator Cunningham caused $1,456,374 (the net proceeds from the sale of his Del Mar Home) to be credited to a Heritage Escrow Company escrow account (no. 21256) set up to purchase his Rancho Santa Fe Home;

121. On or about December 10, 2003, at coconspirator Cunningham's direction, his Legislative Director contacted the Under Secretary of Defense (Intelligence) requesting information as to whether the DoD Comptroller had released $16.15 million in Congressionally authorized GIDC funding;

122. On or about December 31, 2003, coconspirator Wade gave coconspirator Cunningham an MZM check (no. 4704) in the amount of $115,100 made payable to "Top Gun Enterprises, Inc.," which Cunningham deposited into his personal bank account at Union Bank of California in San Diego County, California;

123. On or about January 27, 2004, defendant WILKES paid for a meal at the Capital Grille for coconspirator Cunningham and others; using a Diner's Club Card to make a payment in the amount of $2,009.97;

124. In or about late January early February 2004, at coconspirator Cunningham's direction, his Legislative Director continued to contact members of the Office of the Secretary of Defense

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("OSD") seeking approximately $16 million for MZM as part of the GIDC program;

125. On or about February 24, 2004, coconspirator Cunningham wrote a letter to the Director of the Counterintelligence Field Activity ("CIFA") thanking his "staff for supporting the recent execution of the [CIFA] Collaboration Center Program" and endorsing and supporting the work done by MZM;

126. On or about February 26, 2004, coconspirator Wade paid $11,393.56 to a moving company for the shipment of coconspirator Cunningham's household furnishings from Arlington, Virginia, to his Rancho Santa Fe Home, using MZM's American Express credit card;

127. On or about March 8, 2004, coconspirator Cunningham caused Capitol Title to transfer $328,281.43 representing the proceeds of the sale of his Arlington, Virginia condominium into his bank account at a San Diego branch of the Union Bank of California;

128. On or about March 8, 2004, coconspirator Wade paid approximately $14,653.87 in airfare, lodging and meal expenses while taking coconspirator Cunningham boat shopping in Florida;

129. On or about March 12, 2004, coconspirator Cunningham received the household furnishings shipped to his Rancho Santa Fe Home, which included antiques and other furnishings that Cunningham had sought and received from coconspirator Wade;

130. In or about April 2004, defendant WILKES told coconspirator Cunningham that he needed to receive a $6 million payment from coconspirator Wade (on a GIDC subcontract that MZM gave to ADCS pursuant to Cunningham's direction) before he would send a $500,000 payment to coconspirator No. 3, which was to be used to pay off the second mortgage held on Cunningham's Rancho Santa Fe Home;

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131. In or about May 2004, defendant MICHAEL and coconspirator No. 3 utilized cash proceeds from a fraudulent mortgage obtained through Coastal Capital to pay off coconspirator Cunningham's $500,000 second mortgage on his Rancho Santa Fe Home;

132. On or about May 6, 2004, coconspirator Wade (as the prime contractor on the GIDC program during the 2004 fiscal year) directed MZM to pay ADCS $5,970,000 for purchasing approximately $1,543,576 worth of off-the-shelf computer equipment that MZM delivered to CIFA as part of the GIDC program;

133. On or about May 12, 2004 (the day after the MZM check to ADCS cleared), defendant WILKES directed ADCS's corporate controller to transfer $525,000 from ADCS's main operating account into a business account WILKES maintained in the name of WBR Equities;

134. On or about May 12, 2004, in San Diego, California, defendant WILKES also instructed ADCS's corporate controller to then wire the $525,000 from the WBR Equities account to a bank account in the name of Financial Company "A";

135. On or about May 12, 2004, defendant WILKES directed ADCS's controller to classify the transfer from ADCS to WBR Equities as a "loan" and the wire from WBR Equities to Financial Company "A" as an "investment";

136. On or about May 13, 2004, Coconspirator No. 3 used the $525,000 wire from WBR Equities to recompense defendant MICHAEL and Coconspirator No. 3 for using Coastal Capital's funds to pay off coconspirator Cunningham's second mortgage on his Rancho Santa Fe Home;

137. On or about May 17, 2004, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure

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Statement for Calendar Year 2003, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

138. On or about May 25, 2004, coconspirator Wade paid $2,081.30 related to coconspirator Cunningham's daughter's graduation party using MZM's American Express credit card;

139. In or about June 2004, coconspirator Cunningham initially sought $18 million for the Counterintelligence Deception Program and $1 million for the CIPOC program from the House Appropriations Committee during the 2005 fiscal year budget process;

140. In or about June 2004, coconspirator Wade gave $6,500 in cash to coconspirator Cunningham;

141. On or about June 17, 2004, coconspirator Wade gave coconspirator Cunningham an MZM check (no. 5606) in the amount of $18,000 made payable to "Top Gun Enterprises, Inc./R. Cunningham," which Cunningham deposited into his personal bank account at Union Bank of California in San Diego County, California;

142. On or about August 25, 2004, coconspirator Wade gave coconspirator Cunningham two MZM checks (nos. 6019 and 6023) in the amounts of $171,000 and $329,000, respectively, made payable to "Top Gun Enterprises, Inc. R.H. Cunningham," and endorsed by Cunningham - that were transacted through Financial Company "A," which subsequently assumed the mortgage payment obligations on Cunningham's Rancho Santa Fe Home;

143. On or about September 15, 2004, coconspirator Cunningham sent a letter to the Chairman of the HAC on behalf of coconspirator Wade seeking the Chairman's support in obtaining $16

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million in funding for the Counterintelligence Deception Program during the 2005 conference negotiations;

144. Between on or about November 29, 2004 and June 15, 2005, coconspirator No. 3 paid $28,237.20 to Washington Mutual Bank for monthly mortgage payments on coconspirator Cunningham's Rancho Santa Fe home;

145. On or about January 23, 2005, coconspirator Wade paid $7,936.89 related to coconspirator Cunningham's stay at the Mandarin Oriental in Washington, D.C., using MZM's American Express credit card;

146. On or about March 15, 2005, coconspirator Cunningham sent a letter to the Chairman of the HAC on behalf of coconspirator Wade seeking $25 million in funding for the MRG program during the 2006 budget cycle;

147. On April 27, 2005, coconspirator Cunningham wrote to the Chairman of the House Permanent Select Committee on Intelligence urging his support for, among others, his top priority, the MRG program;

148. On or about May 12, 2005, coconspirator Cunningham filed a United States House of Representatives Financial Disclosure Statement for Calendar Year 2004, which improperly failed to list all payments and benefits received from defendant WILKES and coconspirator Wade;

149. On or about May 16, 2005, in Escondido, California, coconspirator Cunningham received one Indo Herati, one Karaja, one Indo Keshan, and two Cino Kerman rugs with a combined value of approximately $15,200, which coconspirator Wade had paid for with an MZM (check no. 7423); and

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150. On or about August 2, 2005, in San Diego, California, defendant MICHAEL attempted to conceal and disguise the instant conspiracy by testifying falsely in the grand jury.

All in violation of Title 18, United States Code, Section 371.

Counts 2 through 18

Honest Services Wire Fraud

(Defendant WILKES)

20. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

SCHEME TO DEFRAUD

21. Beginning on a date unknown to the Grand Jury, and continuing through on or about August 12, 2005, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES and coconspirators Cunningham and Wade devised and intended to devise a material scheme to defraud the United States and its citizens of their right to coconspirator Cunningham's honest services, including their right to his conscientious, loyal, faithful, disinterested, unbiased service, to be performed free of deceit, undue influence, conflict of interest, self-enrichment, self-dealing, concealment, bribery, fraud, and corruption.

EXECUTION OF HONEST SERVICES WIRE FRAUD SCHEME

22. On or about the dates set forth below (Column "A"), within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES and coconspirators Cunningham, Wade, and others, for the purpose of executing the above-described scheme to defraud, transmitted and caused to be transmitted in interstate commerce by

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means of wire communications, certain writings, signs, signals and sounds as alleged below (Column "B"):

(A) COUNT	(A) DATE	(B) ITEM
2	4/11/02	Golf Confirmation Agreement faxed from Coeur d'Alene Resort in Coeur d'Alene, Idaho, to ADCS in San Diego, California
3	8/2/02	Group Delegate Report reflecting coconspirator Cunningham's arrival date faxed from Coeur d'Alene Resort in Coeur d'Alene, Idaho, to ADCS in San Diego, California
4	3/7/03	Email regarding GIDC and NIMA 2004 appropriation requests sent via electronic mail from ADCS in San Diego, California to coconspirator Cunningham's Legislative Director in Washington, D.C.
5	3/30/03	Email regarding a Congressional authorization for the GIDC program sent via electronic mail from coconspirator Cunningham's Legislative Director in Washington, D.C., to Group W Advisors in San Diego, California
6	3/31/03	Purchase Order with Bill of Materials sent via telefax from coconspirator Wade in Washington, D.C. to defendant WILKES in San Diego, California
7	4/7/03	Email regarding ADCS subcontract with MZM sent via electronic mail from coconspirator Wade in Washington, D.C., to an ADCS employee in Chantilly, Virginia and defendant WILKES in San Diego, California
8	4/17/03	Financial Statement and letter sent via electronic mail from ADCS in San Diego, California with a copy sent to an ADCS employee in Chantilly, Virginia
9	5/2/03	Email regarding ADCS subcontract with MZM sent via electronic mail from defendant WILKES in San Diego, California to coconspirator Wade in Washington, D.C.
10	6/6/03	Email GIDC and NIMA submissions sent via electronic mail from coconspirator Cunningham's Legislative Director to ADCS in San Diego, California

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COUNT	(A) DATE	(B) ITEM
11	8/1/03	A reservation for defendant WILKES at the Hapuna Beach Prince Hotel for three adults (daily room rate $6,000 per night exclusive of taxes) sent via telefax from Mauna Kea Resort in Hawaii to ADCS in San Diego, California
12	2/20/04	GIDC Chronology sent via electronic email from Group W Advisors in San Diego, California to coconspirator Cunningham's Legislative Director in Washington, D.C., with a copy sent to defendant WILKES at ADCS in San Diego, California
13	2/24/04	Email regarding 2005 House Request Forms sent via electronic mail from coconspirator Cunningham's Legislative Director in Washington, D.C., to Group W Advisors in San Diego, California
14	3/17/04	Purchase Order with Bill of Materials sent via telefax from coconspirator Wade in Washington, D.C. to defendant WILKES in San Diego, California
15	3/19/04	House Subcommittee on Defense Appropriations fiscal year 2005 Request Forms sent via electronic mail from Group W Advisors in San Diego, California to coconspirator Cunningham's Legislative Director, with a copy sent to defendant WILKES at ADCS in San Diego, California
16	5/11/04	Fax cover sheet with instructions regarding "the investment you are looking to make" sent via telefax from Financial Company "A" in New York to defendant WILKES in San Diego, California
17	5/12/04	Wire transfer of $525,000 from WBR Equities, LLC. to Financial Company "A"'s account at the North Fork Bank, Bellerose, New York
18	8/9/04	Letter and wiring instructions sent via telefax from defendant WILKES in San Diego, California to Financial Company "A" in New York

All in violation of Title 18, United States Code, Sections 1343, 1346 and 2.

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Count 19

Bribery of a Public Official

(Defendant WILKES)

23. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

24. Beginning no later than September 1996, and continuing through about August 2005, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES, coconspirator Wade, and others did corruptly give, offer and promise items of value to coconspirator Cunningham, a Member of the United States Congress, with the intent to influence his official acts; in violation of Title 18, United States Code, Sections 201(b)(1)(A) and 2.

Counts 20

Money Laundering

(Defendant WILKES)

25. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

26. On or about the date below, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES, coconspirator No. 3, and others, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, knowing that the transaction (listed below) involved the proceeds of some form of unlawful activity, which, in fact, involved the proceeds of a Specified Unlawful Activity, that is, Honest Services Wire Fraud in

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violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery of a Public Official in violation of Title 18, United States Code, Section 201 (b)(1)(A), and knowing that each transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said Specified Unlawful Activities:

Count	Date	Transaction
20	5/12/04	Wire Transfer of $525,000 from WBR Equities in San Diego, California to Financial Company "A" in Rosedale, New York; which was to be used to pay off the second mortgage on Cunningham's Rancho Santa Fe home

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i), and 2.

Counts 21 and 22

Money Laundering

(Defendant WILKES)

27. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

28. On or about the following dates, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES, coconspirator No. 3, and others, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, knowing that the transactions involved the proceeds of some form of unlawful activity, which, in fact, involved the proceeds of a Specified Unlawful Activity, that is, Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery

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of a Public Official in violation of Title 18, United States Code, Section 201(b)(1)(A), with the intent to promote the carrying on of said Specified Unlawful Activities:

Count	Date	Transaction
21	6/4/03	Deposit of $5,484,000 MZM check (no. 3762) into ADCS's corporate Merrill Lynch Bank account
22	5/7/04	Deposit of $5,970,000 MZM check (no. 5470) into ADCS's corporate Merrill Lynch Bank account

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), and 2.

Counts 23 through 25

UNLAWFUL MONETARY TRANSACTIONS

(Defendant WILKES)

29. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

30. On or about the following dates, within the Southern District of California and elsewhere, defendant BRENT ROGER WILKES, coconspirator No. 3, and others, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a Specified Unlawful Activity, that is, Honest Services Wire Fraud in violation of Title 18, United States Code, Sections 1343 and 1346, and Bribery of a Public Official in violation of Title 18, United States Code, Section 201 (b)(1)(A):

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Count	Date	Transaction
23	6/4/03	Deposit of $5,484,000 MZM check (no. 3762) into ADCS's corporate Merrill Lynch Bank account
24	5/7/04	Deposit of $5,970,000 MZM check (no. 5470) into ADCS's corporate Merrill Lynch Bank account
25	5/12/04	Wire Transfer of $525,000 from WBR Equities in San Diego, California to Financial Company "A" in Rosedale, New York; which was to be used to pay off the second mortgage on Cunningham's Rancho Santa Fe home

All in violation of Title 18, United States Codes, Sections 1957, and 2.

Count 26

Obstruction of Justice

(Defendant MICHAEL)

31. The introductory allegations set forth in paragraphs 1 through 16, subparagraphs "a" through "k" of paragraph 18, and paragraph 19 of this Indictment are hereby realleged as if fully set forth herein.

32. Beginning in or about June 2005, a federal grand jury sitting in the Southern District of California was conducting an investigation to determine whether violations of Title 18, United States Code, Sections 201, 1343, 1346, 1956, 1957, among others, had been committed, and to identify the persons who had committed, caused the commission of, and conspired to commit such violations. It was material to the grand jury investigation to determine the source of funds used to: (1) purchase coconspirator Cunningham's Arlington, Virginia condominium; and (2) pay off the mortgages on his Rancho Santa Fe home.

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33. From on or about August 2, 2005 through at least August 12, 2005, in the Southern District of California and elsewhere, defendant JOHN THOMAS MICHAEL did corruptly and with improper purpose endeavor to influence and impede a federal grand jury investigation by knowingly and intentionally doing, among other things, the following: (1) providing false and misleading testimony to the grand jury regarding the source of the down payment for coconspirator Cunningham's purchase of the Arlington Condominium; (2) providing false and misleading testimony to the grand jury concerning Cunningham's $500,000 second mortgage on his Rancho Santa Fe Home, including but not limited to, testimony about the issuance, servicing, sale, and payoff of the mortgage; and (3) causing to be provided to the grand jury, in response to subpoenas, documents that had been altered and created to distort the transactions that the documents purported to reflect.

All in violation of Title 18, United States Code, Sections 1503 and 2.

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FORFEITURE ALLEGATIONS

(Defendants WILKES and MICHAEL)

1. Upon conviction of one or more of the felony offenses alleged in Counts 1 (limited to the objects set forth in paragraphs 17 "a" and "b") through 19 of this Indictment and pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(C), defendants BRENT ROGER WILKES and JOHN THOMAS MICHAEL shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(C), any property constituting or derived from proceeds traceable to said violations, including but not limited to $12,029,000 in United States currency.

2. Upon conviction of one or more of the felony offenses alleged in Counts 20 through 25 of this Indictment, and pursuant to Title 18, United States Code, Section 982(a)(1) and Rule 32.2, Federal Rules of Criminal Procedure, defendant BRENT ROGER WILKES and JOHN THOMAS MICHAEL shall forfeit to the United States all right, title and interest in any and all property involved in the money-laundering activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), and 1957, and all property traceable to such property, including the following: All money or other property that was the subject of each transaction in violation of Sections 1956 and 1957, including but not limited to $12,029,000.

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3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(C), defendants BRENT ROGER WILKES and JOHN THOMAS MICHAEL shall forfeit substitute property, up to the value of the property described in paragraphs 1 and 2 above, if, by any act or omission of the coconspirator, the property described in paragraphs 1 and 2 above, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

DATED: February 13, 2007.

A TRUE BILL:

Foreperson

CAROL C. LAM
United States Attorney

By: _____
SANJAY BHANDARI
Assistant U.S. Attorney

By: _____
PHILLIP L.B. HALPERN
Assistant U.S. Attorney

By: _____
JASON A. FORGE
Assistant U.S. Attorney

I hereby attest and certify on 2-13-07
That the foregoing document is a full, true and correct copy of the original on file in my office and in my legal custody.
CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
By _____ Deputy

DOJ_NMG_ 0174142

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1213859 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 13, 2007 4:58 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT A PRESS CONFERENCE ANNOUNCING NEW INITIATIVES FOR LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 13, 2007
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AG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT A PRESS CONFERENCE ANNOUNCING NEW INITIATIVES FOR LAW ENFORCEMENT EFFORTS IN NEW ORLEANS

NEW ORLEANS, LOUISIANA

Thank you. I am joined on stage today by U.S. Attorney Jim Letten and U.S. Attorney Mary Beth Buchanan, acting director of the Office on Violence Against Women.

I am proud of the work of Jim and his team in the creation and the continuing work of the Southeast Louisiana Criminal Justice Recovery Task Force. Jim's office continues to meet challenge after incredible challenge. Thank you, Jim, for your leadership.

Earlier today I took a tour of Central City. While there have been improvements since my last trip here, much still needs to be accomplished. I also had the pleasure of meeting today with federal prosecutors, state and local law enforcement, and community leaders to hear their perspectives and to thank them for all they have done. These dedicated men and women have taken seriously the charge to raise up this city on their shoulders.

I am proud of our federal law enforcement officers -- including agents from the ATF, DEA, ICE, FBI and U.S. Marshals Service -- who are working alongside their local counterparts and providing resources, new ideas, and critical leadership.

Fighting crime in New Orleans is primarily the responsibility of local and state law enforcement, because the vast majority of crime here –from murders to robberies to petty theft – is not federal in nature. At the federal level, however, we can offer targeted help and resources, and that's what we've done and what we will continue to do. Like other cities around the country, this community can ultimately solve its problems. The federal government is a part of the solution.

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Since Hurricane Katrina hit, the Department of Justice has made more than $30 million in grants to the City of New Orleans and to Orleans Parish. These funds have provided for agents, attorneys, equipment, and infrastructure needed to rebuild the criminal justice system.

I am announcing today that the Department of Justice is allocating additional resources to help the New Orleans Police Department reestablish its crime laboratory. With the assistance and financial support of FEMA, as well as that of the U.S. Attorney's Office, and the New Orleans Police and Justice Foundation, the city has acquired the space necessary to establish a single dedicated NOPD crime lab at the University of New Orleans Research and Technology Center. This lab will be staffed with additional technicians to assist in processing evidence and clearing the backlog that has built up since Katrina.

In addition, the DOJ Office of Justice Programs will provide funding to support two victim assistance specialists for three years. These two positions will assist the New Orleans District Attorney's office in providing crucial services to the victims of crime and helping to make them aware of their rights.

Finally, I am very pleased to announce that the Department of Justice will commit up to $3 million to address domestic violence and sexual assault in the city and surrounding parishes.

Victims of these crimes need a wide range of services in order to heal, such as counseling, police, social services, medical care, employment assistance, and emergency housing. But they often are forced to seek help in a fragmented system of separate agencies offering uncoordinated services. And in New Orleans, many of those services were simply washed away.

The circumstances that lead someone to seek these services are often traumatic…finding help shouldn't compound the problem. We have an opportunity to build, from the ground up, a system where these services are coordinated to help individuals and families resume their lives in dignity and safety.

We are exploring using this funding to help the City of New Orleans create a comprehensive service and support center, modeled after the President's successful Family Justice Center Initiative, where victims of domestic violence and sexual assault can find the services they need in one central location.

We will work with state and local government, and the non-profit community, to determine the best ways to address the specific needs of victims of domestic violence in New Orleans. These groups have done a great job with limited resources, and we will support them in filling a real need in this community—helping victims to rebuild their lives just as we are all seeking to rebuild the city.

I know that crime remains a problem here. I know that services are still not where we need them to be and that progress is never as fast as we would like. The road to recovery is long, but the initiatives I have described today are positive steps down that road. The hard work of the law enforcement community is making a difference, and all of our work will result in a safer New Orleans.

And now I'd be happy to take your questions.

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Image not available for this document, ID: 0.7.10316.8026-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 13, 2007 5:17 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. CITIZEN CHARGED WITH TRAINING TO FIGHT JIHAD IN SOMALIA

Department of Justice

United States Attorney Donald J. DeGabrielle, Jr.
Southern District of Texas

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 13, 2007
WWW.USDOJ.GOV/USAO/TXS

CONTACT: PUBLIC INFORMATION OFFICE
PHONE: (713) 567-9301
FAX: (713) 718-3300

U.S. CITIZEN CHARGED WITH TRAINING TO FIGHT JIHAD IN SOMALIA

HOUSTON—A U.S. citizen has been arrested and charged with receiving training from a foreign terrorist organization and conspiring to use an explosive device outside the United States, Don DeGabrielle, U.S. Attorney for the Southern District of Texas, Kenneth L. Wainstein, Assistant Attorney General for the Justice Department's National Security Division, and Joseph Billy, Assistant Director of the F.B.I. Counterterrorism Division, announced today.

Daniel Joseph Maldonado, a.k.a Daniel Aljughaifi, 28, a former Houston resident, was returned to the United States late last evening from Kenya to face the criminal charges pending in this district. Maldonado was captured by the Kenyan military on January 21, 2007 as he fled to avoid Ethiopian and Somalian forces. Expelled by Kenyan officials, Maldonado was turned over to American authorities over the weekend and flown to Houston accompanied by Special Agents of the F.B.I. He appeared before U.S. Magistrate Judge Calvin Botley this afternoon and has been ordered detained without bond pending a detention hearing set for Tuesday, Feb. 20, 2007 at 2:00 p.m.

“Any who seek to aid terrorists in their mission to threaten our national security will be held to account for such serious criminal conduct,” said U.S. Attorney Don DeGabrielle.

"This case represents the first criminal prosecution of an American suspected of joining forces with Islamic extremist fighters in Somalia. The prosecution of Mr. Maldonado demonstrates the scope of our laws and serves as a warning to others who would travel overseas to wage violent jihad," said Kenneth L. Wainstein, Assistant Attorney General for the Justice Department's National Security Division.

Joseph Billy, Assistant Director of the F.B.I. Counterterrorism Division, said, “The FBI is working closely with our law enforcement and intelligence community partners in this country and around the world to bring all necessary resources to bear to protect Americans and its allies from terrorist attacks.”

According to allegations in the criminal complaint, Maldonado traveled from Houston, Texas to Africa in November 2005 and then on to Somalia on or about December 2006 to join the Islamic Courts Union (ICU)

DOJ_NMG_ 0174148

and elements of Al Qaeda, to fight "jihad" against the Transitional Federal Government to establishment of an independent Islamic State in Somalia. In the fall of 2006, the ICU used suicide bombers and vehicles containing improvised explosive devices to target the leadership of the Transitional Federal Government of Somalia .

While in Somalia, Maldonado was, according to the complaint, provided an AK-47, equipped with military combat uniforms and boots in Mogadishu, and participated in training camps in Kismaayo and Jilib, Somalia. The camps included physical fitness, firearms and explosives training all in preparation to go to the front to fight for the ICU. Al Qaeda members were allegedly present at the training camp. During the course of his training, the complaint alleges Maldonado spoke to an individual about his willingness to become a suicide bomber if he was wounded, and also observed the making and testing of bombs with the group's bomb-maker.

Conspiring to use a destructive device carries a maximum penalty of any term of years up to life imprisonment upon conviction. Receiving military training from a terrorist organization carries a maximum punishment of 10 years imprisonment upon conviction.

The investigation leading to the filing of criminal charges in this case was conducted by the Joint Terrorism Task Force including special agents of the F.B.I. and officers of the Houston Police Department. The case will be prosecuted by Assistant U. S. Attorney Gary Cobe.

A complaint is an accusation of criminal conduct, not evidence. A defendant is presumed innocent unless and until convicted through due process of law.

# # #

DOJ_NMG_ 0174149

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Image not available for this document, ID: 0.7.10316.8035-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 13, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1213975 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, February 13, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1213976 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 14, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1213977 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 14, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1217050 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 14, 2007 10:35 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 14, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, February 14, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

EVENTS/HEARINGS

0:00 A.M. EST United States Marshal Service Director John Clark provided a written statement for the Senate Judiciary Committee hearing on the topic of "Judicial Security and Independence."
Hart Senate Office Building
Room 216
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:00 P.M. EST Melanie Pustay, Deputy Director, Office of Information and Privacy, will testify before the House Oversight and Government Reform Subcommittee on Information Policy, Census, and National Archives on the topic, "The State of FOIA: Assessing Agency Efforts to Meet FOIA Requirements"
Rayburn House Office Building
Room 2154
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

NIGHT DUTY OFFICER

DOJ_NMG_ 0174156

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174157

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Image not available for this document, ID: 0.7.10316.8015-000002

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 14, 2007 10:41 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 14, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, February 14, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a release. (Miller)

EVENTS/HEARINGS

10:00 A.M. EST

United States Marshal Service Director John Clark provided a written statement for the Senate Judiciary Committee hearing on the topic of "Judicial Security and Independence."
Hart Senate Office Building
Room 216
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

2:00 P.M. EST

Melanie Pustay, Deputy Director, Office of Information and Privacy, will testify before the House Oversight and Government Reform Subcommittee on Information Policy, Census, and National Archives on the topic, "The State of FOIA: Assessing Agency Efforts to Meet FOIA Requirements"
Rayburn House Office Building
Room 2154
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Oversight and Government Reform Committee at 202-225-5074.

NIGHT DUTY OFFICER

DOJ_NMG_ 0174160

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174161

Image not available for this document, ID: 0.7.10316.8011-000001

Image not available for this document, ID: 0.7.10316.8011-000002

System Administrator

From: System Administrator
Sent: Wednesday, February 14, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218190 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 14, 2007 1:31 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. ARMY TRANSLATOR PLEADS GUILTY TO UNAUTHORIZED POSSESSION OF CLASSIFIED DOCUMENTS CONCERNING IRAQI INSURGENCY

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 14, 2007
WWW.USDOJ.GOV/USAO/NYE

CONTACT: ROBERT NARDOZA
PHONE: (718) 254-6323
FAX: (718) 254-6479

U.S. ARMY TRANSLATOR PLEADS GUILTY TO UNAUTHORIZED POSSESSION OF CLASSIFIED DOCUMENTS CONCERNING IRAQI INSURGENCY

BROOKLYN, NY – A U.S. Army contract translator pleaded guilty today in federal court in Brooklyn to illegally possessing national defense documents. The defendant, whose true name and identity remains unknown, was indicted on March 30, 2006, following an investigation by the FBI's Joint Terrorism Task Force ("JTTF"). Previously, in November 2005, the defendant was indicted for using a false identity to procure his United States citizenship and to gain access to classified military materials, and he pleaded guilty to those charges on Dec. 20, 2005. When sentenced by United States District Judge Edward R. Korman, the defendant faces a maximum sentence of 60 years of imprisonment on his two convictions.

According to the indictment and court filings by the government, in August 2003 the defendant used a false identity to apply for and gain a position as an Arabic translator for the L-3 Titan Corp., which provides translation services in Iraq for U.S. military personnel. The defendant then used the same false identity fraudulently to obtain "Secret" and then "Top Secret" security clearances. Thereafter, during assignments in Iraq, the defendant took various classified documents from the U.S. Army without authorization. While assigned to an intelligence group in the 82nd Airborne Division of the U.S. Army at Al Taqqadam Air Base, the defendant downloaded a classified document and took hard copies of several other classified documents. The documents detail the 82nd Airborne's mission in Iraq in regard to insurgent activity, such as coordinates of insurgent locations upon which the U.S. Army was preparing to fire in January 2004, and U.S. Army plans for protecting Sunni Iraqis traveling on their pilgrimage (Hajj) to Mecca, Saudi Arabia, in late January 2004. During a later deployment to a U.S. Army base near Najaf, Iraq, the defendant photographed a classified battle map identifying U.S. troop routes used in August 2004 during the bloody battle of Najaf, where the U.S. and Iraqi security forces sustained serious casualties. In September 2005, the JTTF recovered these classified documents during a search of the defendant's Brooklyn apartment. One of the documents remains classified and is not described here.

DOJ_NMG_ 0174165

"Safeguarding military plans and intelligence is vital to the security of our nation," stated U.S. Attorney Mauskopf. "The defendant fraudulently obtained security clearances and then stole classified military information. He will now be held to account for his crimes." Ms. Mauskopf praised the work of the FBI, the New York City Police Department, and U.S. Immigration and Customs Enforcement for spearheading the investigation resulting in the defendant's guilty pleas, and thanked the U.S. Department of Defense for its assistance.

Mark J. Mershon, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office, "The true character of this defendant has been his consistent resort to untruth. He lied to attain his U.S. citizenship. He lied to gain employment with a government contractor. And he lied to obtain security clearances. Through serial deception, an eminently untrustworthy person inveigled his way into a position of trust, and he abused that trust."

Kevin Delli-Colli, Acting Special Agent-in-Charge, U.S. Immigration and Customs Enforcement ("ICE"), New York, stated, "The security of our country is a priority of ICE and the Department of Homeland Security. Today's plea demonstrates our commitment to our nation's security at home and abroad, and we will continue to partner with all law enforcement agencies to this end."

The government's case is being prosecuted by Assistant United States Attorneys John Buretta and Jeffrey Knox.

The Defendant:

First and last name unknown. The defendant has used the following names at various times:

"Abdulhakeem Nour,"
"Abu Hakim,"
"Noureddine Malki,"
"Almaliki Nour" and
"Almalik Nour Eddin"

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DOJ_NMG_ 0174166

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Image not available for this document, ID: 0.7.10316.8010-000002

System Administrator

From: System Administrator
Sent: Wednesday, February 14, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218248 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, February 14, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218249 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Wednesday, February 14, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218250 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 14, 2007 6:55 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
Wednesday, February 14, 2007

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

THURSDAY'S EXPECTED NEWS STORIES:

Deputy Attorney General Participates In Interview With *Denver Post* (OPA)
Deputy Attorney General Paul McNulty today participated in an interview with Andy Vuong of the Denver Post on the Department's corporate fraud prosecution efforts, and the Department's focus on corporate fraud matters looking forward. The Post is writing a series of stories leading up to the fraud trial of former Qwest CEO Joe Nacchio, and will focus part of their coverage on the Department's overall corporate fraud efforts. The stories are expected to run later this month, and in early March.

***Essence Magazine* Inquires Regarding NAACP Request For Investigation (Civil Rights)**
Essence Magazine has inquired about the NAACP's request for an investigation into two incidents regarding black public officials, one which resulted in death. Apparently, Bruce Gordon, head of the NAACP, has personally appealed to the Attorney General to expedite investigations of these matters. (Other members of the media have previously inquired about one incident or the other.)

Talking Points:

- We are aware of the shooting death of Mayor-Elect Washington and the Department is receiving regular updates from the state police on the status of its investigation.
- The FBI has initiated an investigation into the incident in which shots were fired into Mayor Lampkins' home.
- If the evidence in either or both incidents suggests a prosecutable violation of federal civil rights statutes, the Department will take appropriate action.

Media To Publish Stories On Former Assistant Attorney General Wooldridge (ENRD)
Tomorrow, *The New York Times* and *The Washington Post* will run stories about Sue Ellen Wooldridge, former Assistant Attorney General for the Environment and Natural Resources Division, and her shared ownership of a S.C. property with a lobbyist for Conoco Phillips.

- With regard to the purchase of the property in S.C., Sue Ellen went through the proper channels in seeking advice from career ethics staff regarding the purchase of the property. They informed her that the purchase did not raise ethical issues.

- Sue Ellen regularly sought ethical advice from appropriate officials and recused herself from cases where appropriate and where she was advised to do so. She was advised that she need not recuse herself from matters involving Conoco Phillips.

- Conoco Phillips consent decrees were approved through the normal management channels and were presented to Sue Ellen with unanimous recommendations both from ENRD career staff and the staff at the Environmental Protection Agency. Sue Ellen did not play a personal role in any of the settlement discussions, which were conducted by career attorneys.

- Conoco Phillips has been a defendant in numerous cases in which the Department has reached settlements – some of which were approved by the EES chief in his capacity.

U.S. Government Seeks To Permanently Bar Alleged Fraudulent Tax Return Operation (Tax)

The United States filed has filed suit seeking to permanently bar Richard E. Almy and his company, REA Associates, Inc., from preparing federal tax returns, the Justice Department announced today. According to the complaint, filed in the Middle District of Florida, Almy and his company prepared tax returns that claimed overstated, duplicated, and fabricated deductions on their clients' tax returns. An examination by the Internal Revenue Service of 175 tax returns prepared by Almy and his company during 2003 found that all of them required audit adjustments that increased the tax owed.

U.S. Army Translator Pleads Guilty To Unauthorized Possession Of Classified Documents Concerning Iraqi Insurgency (USAO–Eastern District of New York)

A U.S. Army contract translator pleaded guilty today in federal court in Brooklyn to illegally possessing national defense documents. The defendant, whose true name and identity remains unknown, was indicted on March 30, 2006, following an investigation by the FBI's Joint Terrorism Task Force ("JTTF"). Previously, in November 2005, the defendant was indicted for using a false identity to procure his United States citizenship and to gain access to classified military materials, and he pleaded guilty to those charges on Dec. 20, 2005. When sentenced by United States District Judge Edward R. Korman, the defendant faces a maximum sentence of 60 years of imprisonment on his two convictions.

Talking Points:

- Safeguarding military plans and intelligence is vital to the security of our nation.

- The defendant fraudulently obtained security clearances and then stole classified military information. He will now be held to account for his crimes.

THURSDAY'S EXPECTED EVENTS/RELEASES:

9:30 A.M. EST	Assistant Attorney General Regina Schofield of the Office of Justice Programs will testify before the Senate Committee on Indian Affairs at an oversight hearing on the President's fiscal year 2008 budget request for tribal programs. Russell Senate Office Building Room 485 Washington, D.C. **OPEN PRESS**

Press inquiries regarding logistics should be directed to the Senate Committee on Indian Affairs at 202-224-2251.

System Administrator

From: System Administrator
Sent: Wednesday, February 14, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218255 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, February 15, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1218256 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

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You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 15, 2007 9:44 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 15, 2007

Department of Justice

PRESS GUIDANCE
Thursday, February 15, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Tax Division will issue a release on a sentencing matter. (Miller)

EVENTS/HEARINGS

9:30 A.M. EST Assistant Attorney General Regina Schofield of the Office of Justice Programs testified before the Senate Committee on Indian Affairs at an oversight hearing on the President's fiscal year 2008 budget request for tribal programs.

Russell Senate Office Building
Room 485
Washington, D.C.
OPEN PRESS

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174177

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Image not available for this document, ID: 0.7.10316.7918-000002

System Administrator

From:	System Administrator
Sent:	Thursday, February 15, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1221902 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Thursday, February 15, 2007 10:44 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M.; Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/15/07 Civil Division News

Auditors: PBS&J overcharged - PBS&J, where three former employees are accused of embezzlement, has overcharged clients, investigators said.

SoCal doctors charged in alleged $12-million Medicare fraud

Jailed Cuban militant gets new counsel

Hicks a victim of his legal rights: US envoy

Closed pirate radio station appeals case; Lawyers tell court S.F. channel was deprived of due process

Bloomberg Urges More Aid for Those Ailing After 9/11

Tribal health groups in Alaska sue federal health agency

Miami Herald

February 14, 2007

Auditors: PBS&J overcharged - PBS&J, where three former employees are accused of embezzlement, has overcharged clients, investigators said.

BY PATRICK DANNER AND DAN CHRISTENSEN

Engineering firm PBS&J overcharged government clients for several years, auditors investigating embezzlement at the company have found.

PBS&J has attributed some of the millions in overbilling to three former employees who tried to cover up a $36.6 million embezzlement. But in filings with the Securities and Exchange Commission, the firm also admitted to its own overbilling, although it won't say by how much. One big client, the Florida Department of Transportation, estimated that more than half of the approximately $11 million it was overcharged had nothing to do with the embezzlement.

The discovery is part of the fallout from the investigation of a $36.6 million embezzlement scheme that lasted about a dozen years before it was detected in early 2005. The probe was conducted by a team of lawyers and forensic accountants hired by PBS&J, formerly headquartered in Miami but now in Tampa.

PBS&J will say only that refunds for overbilling, whether related to the embezzlement or otherwise, came to $37.1 million through the end of its 2005 fiscal year. The company said it was unaware it was overcharging government clients for years but notified them as soon as it learned of the overbilling.

"If we unknowingly overbilled our clients, we have sought to make restitution for all of our clients from day one," the company said in an e-mailed statement.

PBS&J said the three ex-employees -- who are set to be sentenced Friday -- overstated its overhead rates, which it uses to determine billings on contracts with clients. Overhead includes costs like management salaries, office rent and employee insurance and benefits.

However, former accounting manager Maria M. Garcia, who has pleaded guilty for her part in the embezzlement, said she and her co-defendants mostly used other methods to conceal their thefts. For example, checks from the healthcare-benefit account of PBS&J, a self-insured company, were deposited in a bank account in the name of a bogus PBS&J political action committee. The unauthorized checks were whited out in bank statements.

Attorneys for Garcia said in a court filing that PBS&J is using the embezzlement to hide its own overbilling. They object to PBS&J's attempt to force Garcia to pay $20 million in investigation costs, even though the company acknowledged in the recent SEC filing that its poor accounting controls contributed to overstated overhead rates on government contracts.

"Because of the hornet's nest of corporate criminality which exploded when Maria opened Pandora's Box, there is really no way of knowing whether the paybacks and settlement of claims by PBSJ were due to *their* frauds and corruption of the political process or the defendants," Garcia's attorneys wrote.

Separately, Garcia also has accused PBS&J of illegally reimbursing employees for campaign contributions. Authorities are investigating, but PBS&J has said it doesn't expect to be criminally charged.

Mark Schnapp, an attorney representing PBS&J, said in an e-mailed response: ``We have not yet seen the document [filed by Garcia's attorneys]. However, we think it is high time that Maria accepts responsibility for her conduct."

PBS&J was founded in Miami in 1960. The parent company is known as PBSJ Corp., and about 300 of its 3,900 employees are based in South Florida.

The FDOT has settled with the company. The overhead rates PBS&J set for FDOT were overstated for more than 10 years, the settlement agreement reveals. Two PBS&J divisions also charged double for "general and administrative costs" for at least five years.

Department auditors estimated about 60 percent, or $6.5 million, of the $11 million the agency was overcharged was not related to the embezzlement. PBS&J in November agreed to refund about $12.5 million, which includes about $1.4 million in interest.

But the refund amount likely will go up. PBS&J last week informed the department of overbillings of $411,458 for the current year. In addition, PBS&J found it needed to make $641,000 in adjustments in the agency's favor on other contracts for which the company has not yet been paid. Those figures are preliminary, however.

The transportation department examined figures provided by PBS&J's forensic accountants rather than looking at the company's books itself. Joseph K. Maleszewski, audit director for the inspector general's office at FDOT, said the $12.5 million settlement it negotiated with PBS&J was "our best estimate of the damage done to the department." PBS&J had originally proposed paying about $7.9 million, according to the inspector general's office.

Two other government clients have settled with PBS&J.

The Justice Department accepted nearly $6.5 million on behalf of more than a dozen federal agencies that were "submitted false and fraudulent claims" by PBS&J, a Jan. 24 news release stated. A Justice Department spokesman wouldn't comment. The settlement indicates PBS&J failed to exclude unallowable costs from at least 1999.

In settling with the Florida Transportation Department, PBS&J's president vowed in a letter to implement "a more robust ethics and compliance program." President Todd J. Kenner also promised PBS&J would have an independent auditor certify its overhead audit for 2007 and 2008.

END

AP
Feb. 14, 2007

SoCal doctors charged in alleged $12-million Medicare fraud

LOS ANGELES **-** Doctors and others filed phony Medicare claims that bilked the government out of more than $12 million, according to charges filed Wednesday.

A federal grand jury in Orange County returned indictments accusing 18 people of billing the government for respiratory therapy for Southern California patients - services that either were not needed or never performed, the U.S. attorney's office said in a statement.

The two indictments alleged conspiracy, money laundering and 68 counts of health care fraud against nine doctors and others, including several administrators of board-and-care homes.

Prosecutors contend that the doctors paid people known as "cappers" and board-and-care operators to recruit "elderly, infirm and mentally ill patients" for respiratory therapy.

"The therapists were ordered to entice the residents to undergo the treatments with gifts, such as sodas, candy and doughnuts," federal prosecutors said.

If convicted, the defendants could be sentenced to a maximum of 10 years in federal prison for each count of health care fraud, 20 years for money laundering and five years for conspiracy.

In an unrelated case, a man who posed as a doctor was accused billing Medicare for more than $500,000 in phony or unnecessary services he provided to patients from three counties.

Betros Garabet, 40, of Glendale, was not licensed to practice medicine when he opened a Pomona clinic and he was accused of using another person's doctor's license in order to file Medicare claims for patients brought in from Los Angeles, San Bernardino and Riverside counties, the U.S. attorney's office said.

He hired cappers to recruit Medicare recipients, who were paid kickbacks to go to Garabet's clinic, according to a Feb. 7 indictment.

Garabet and three other people are charged with health care fraud. Garabet remained at large but the others were arrested Wednesday.

One defendant also was charged with making a false statement to the FBI.

Garabet could not immediately be reached for comment. There was no telephone listing for him in Glendale.

END

UPI
February 15, 2007

Jailed Cuban militant gets new counsel

MIAMI, USA (UPI): A Cuban exile militant has hired a leading Miami lawyer who represented fellow Cubans convicted of weapons charges, The Miami Herald reported Tuesday.

Luis Posada Carriles has hired attorney Arturo Hernandez to represent him as he faces charges stemming from how he allegedly sneaked into the United States in 2005.

Hernandez represented Santiago Alvarez and Osvaldo Mitat, who pleaded guilty in September to conspiring to possess illegal weapons.

Posada, who escaped from prison in Venezuela in 1985, is charged in Venezuela with masterminding the bombing of a Cuban jetliner in 1976, killing 73 people. He has denied any involvement in the bombing.

Posada contends he entered the United States across the Mexican border last year, though Cuban officials assert he was smuggled into the country with the help of anti-Castro militants.

Venezuela and Cuba are demanding his extradition to Venezuela. The United States has said it would not turn Posada over to Venezuelan authorities.

END

Australian

February 15, 2007

Hicks a victim of his legal rights: US envoy

Dennis Shanahan, Political editor

THE US Government is itself ``dismayed'' at the five years' incarceration of Australian terror suspect David Hicks, says Washington's man in Canberra.

But US ambassador Robert McCallum has blamed lengthy appeal processes by Guantanamo Bay

inmates as the cause of the extended imprisonment, and defended the detention of terror suspects.

He told the National Press Club in Canberra yesterday that Australians were ``understandably angry at the delay''. ``Australians believe, as Americans believe, that an accused should have a `fair go' through trial under the rule of law,'' he said.

Mr McCallum, a lawyer formerly with the US Justice Department, said the Australian Government had been ``expressing in no uncertain terms'' for years that Hicks should be tried as soon as possible.

``The US understands and shares this dismay at the lengthy delay. But the US has not sought delay,'' he said.

Mr McCallum said the delays were the result of the right of detainees to appeal to the courts about their treatment and classification as ``enemy combatants''. He said al-Qa'ida trained its recruits in what he described as ``lawfare'', where they used democratic systems and judicial processes to their advantage.

``We should all remember that the US provides counsel at government expense for the detainees, and private counsel can also participate in the challenge process and appeals.''

Mr McCallum said the detainees' lawyers were ``zealous advocates'' who had used every legal avenue ``that imaginative and talented attorneys can devise''.

``Rather than abandoning the rule of law, I suggest to you that America is embracing the rule of law in the midst of a war as no nation in history has ever done,'' he said.

Mr McCallum exhaustively argued the circumstances for detaining enemy combatants as long as the conflict continued -- and said the difficulty with the war on terror was that there was no sign of an end.

END

Mercury-Register

February 15, 2007

Closed pirate radio station appeals case; Lawyers tell court S.F. channel was deprived of due process

By Josh Richman, STAFF WRITER

BERKELEY — A San Francisco pirate radio station should have had its day in court before federal officials seized its equipment and shut it down in 2003, its lawyer told a panel of skeptical appeals judges Wednesday.

San Francisco music, local news and public affairs programming on an unlicensed low-power FM frequency for a decade and "interfered with no one," attorney Mark Vermeulen argued, even earning an August 2003 resolution of support from the San Francisco Board of Supervisors.

But federal agents raided the station's studio in October 2003, seizing its broadcasting and transmitting equipment. Federal prosecutors had obtained an arrest warrant for the equipment and then had persuaded a federal judge to sign a writ of entry allowing them to go in to get the equipment. Both documents were obtained without the presence or knowledge of the station's lawyers.

In a special session of the 9th U.S. Circuit Court of Appeals held Wednesday at the University of

California, Berkeley, Boalt Hall School of Law, Vermeulen argued that this deprived the station of its right to due process of law.

He said that even without a Federal Communications Commission broadcasting license — which the station had sought unsuccessfully during its decade on the air — the station still was owed "rigorous procedural safeguards" before being deprived of the equipment that was its means of constitutionally protected free speech, and the public's means of hearing that speech.

Circuit Judge Richard Clifton seemed to doubt Vermeulen's argument from the start.

"I hear your due process argument but I don't believe it goes anyplace. ... There's really nothing to do at this point, is there?" he asked, noting the station indisputably lacked a license and so was subject to having its equipment seized.

Unlike print or online communications, broadcasting over public airwaves is still "inherently limited" and needs "a traffic cop to keep straight who's on what frequency," Clifton said. "It's the FCC, not the court, that's the traffic cop. ... I'm not sure this is anything but an empty exercise."

Senior Circuit Judge Betty Fletcher suggested the station's operators "ought to be lobbying Congress to change the statute." Vermeulen replied that they are, but still deserved a day in court to make their constitutional arguments before their equipment was seized.

Justice Department appellate attorney Eric Feigin argued that another judicial circuit has found there's no due process right under this statute before equipment is seized, and no First Amendment right to broadcast without a license.

Circuit Judge Sandra Ikuta asked Feigin whether there was a real concern that giving the station notice of an impending seizure might have given its operators a chance to move their equipment to some hidden location. He replied the station had moved its equipment at least once during its 10-year lifespan, and for a time even had operated from a camper van.

Vermeulen, in a brief rebuttal, said the risk of station operators hiding their equipment was virtually nil: "These people wanted this fight, and they were above-board about it.

Outside the auditorium serving as the panel's courtroom Wednesday, Vermeulen acknowledged he'd had a tough row to hoe.

"We knew it was going to be difficult — we're asking them to do something that isn't on the books out there yet, but it's based on the Constitution," he said, noting that no matter who prevails when this three-judge panel renders its decision in the coming months, the losing party almost surely will ask for a larger panel's review, and perhaps the U.S. Supreme Court's.

Meanwhile, San Francisco Liberation Radio has gathered new equipment but has refrained from returning to the airwaves "out of respect for the proceedings," Vermeulen said. It provides streaming audio at http://www.liberationradio.net.

END

New York Times

February 14, 2007

Bloomberg Urges More Aid for Those Ailing After 9/11

By ANTHONY DePALMA

Mayor Michael R. Bloomberg called on the federal government yesterday to increase health spending sharply for thousands of people who became ill after the Sept. 11 attack on the World Trade Center, and called for the creation of a special fund to compensate those who are sick.

Mr. Bloomberg said he would lobby the Bush administration for $150 million a year to cover the cost of screening, treating and monitoring rescue workers, business owners, residents and others who might have been affected by the smoke and dust released by the destruction of the twin towers.

The current federal budget proposal includes $25 million for such programs.

At a City Hall news conference yesterday, Mr. Bloomberg said he was hopeful that a Congress controlled by Democrats would respond positively to the city's needs.

Although his past statements about 9/11 health issues have been measured, Mr. Bloomberg yesterday strongly linked the trade center dust that blanketed Lower Manhattan to respiratory, digestive and mental health problems that have been diagnosed in recovery workers and residents.

"What is unclear and can't yet be possibly known are those illnesses that may appear in the future," Mr. Bloomberg said. "But that's not going to stop us from caring for those who are sick today and building the capacity to identify and respond to illnesses that may reveal themselves tomorrow."

Some health care advocates in the city applauded what they saw as a substantial shift in the mayor's position.

"This acceptance of responsibility and willingness to intervene to deal with this major problem facing our city is not something the mayor was willing to do two or three years ago," said Joel A. Shufro, executive director of the New York Committee for Occupational Safety and Health, a workers' rights organization. "This represents a fairly dramatic change that was presaged by the mayor's announcement last fall."

In September, just before the fifth anniversary of the terror attack, Mr. Bloomberg announced $16 million in financing over five years to expand an existing asthma clinic at Bellevue Hospital Center to care for downtown residents and anyone else who might have become ill after being exposed to the ground zero dust.

At the same time, Mr. Bloomberg established a task force to develop the city's first coordinated plan for dealing with 9/11 health problems.

The panel was expected to report in November but asked for more time. The 83-page report was released yesterday, more than five years after doctors first noticed that rescue and recovery workers exposed to the dust — a combination of pulverized concrete and toxic minerals and compounds — were developing persistent respiratory ailments.

"You could say that we should have done it sooner," Mr. Bloomberg said. "But better today than tomorrow."

The mayor said the city's efforts began with a screening program for firefighters immediately after 9/11. A similar program for other rescue workers was established at the Mount Sinai Medical Center in 2002.

Deputy Mayor Edward Skyler, co-chairman of the trade center health panel, said that post-9/11 health care had already had a huge effect on New York and the entire country, costing $393 million a year since 2001.

The panel estimated that nearly 43,000 people exposed to the dust and smoke might seek treatment for symptoms "that a prospective patient may associate with 9/11." The total monitoring and medical cost to the city beginning next year was calculated at around $150 million.

City officials maintain that responsibility for health care costs related to the attack lies with the federal government. They called for reopening the September 11th Victim Compensation Fund of 2001, which

distributed $7 billion to the families of those killed or injured on the day of the attacks.

Kenneth R. Feinberg, who served as special master to that fund until it was closed in 2004, said in a statement that he supported Mr. Bloomberg's proposal and offered to serve as special master again if the fund were reopened.

"It is in everyone's interest to provide public compensation to those harmed by the 9/11 terrorist attacks," Mr. Feinberg said.

Mr. Bloomberg suggested that $1 billion set aside by the federal government in 2003 to create a new insurance company specifically to protect the city against thousands of lawsuits be used to start a new victims' fund.

Mr. Bloomberg said that forgoing endless legal wrangling over lawsuits and using the $1 billion for compensating victims would be a start, but that more money would probably be needed.

He said that in addition to reopening a victims' fund, Congress would have to approve a law protecting the city and its contractors who worked at ground zero from lawsuits charging that the city was negligent and failed to protect workers.

Among several other recommendations made by the health panel, and accepted by the mayor, was a new city position of World Trade Center health coordinator, and an aggressive citywide program encouraging all those affected by the dust to be screened and monitored at existing programs.

END

AP

February 14, 2007

Tribal health groups in Alaska sue federal health agency

ANCHORAGE, Alaska_Forty tribal health organizations in Alaska are part of a nationwide $1 billion lawsuit against a federal agency that provides health care to American Indians and Alaska Natives.

The 334 tribal organizations involved in the suit said the Indian Health Service has knowingly shortchanged them each year since the early 1990s. They are pursuing class - action status for the lawsuit in a federal court in New Mexico.

The massive shortfall has hurt a population facing medical crises that include high rates of diabetes, heart disease, suicide and alcoholism, tribal health advocates said.

"We shouldn't be treated as second-class citizens when it comes to health care," said Dan Winkelman, general counsel for the Yukon-Kuskokwim Health Corp.

The Bethel-based health corporation, providing care to about 30,000 Natives in 50 Southwest Alaska villages, has been underpaid $50 million since 1992, Winkelman said.

As a result, the hospital can't meet the region's "enormous" health care needs, where cancer rates are the highest of any ethnicity in the nation, he said.

The agency disagrees with the tribal organizations over how much in administrative costs the agency must pay for, said Ron Demaray, who oversees contract support costs at the agency's headquarters in Rockville, Md. That includes insurance, building maintenance and auditing services.

Last year, the agency paid the tribal groups about $1.6 billion, Demaray said. Of that, about $264 million covered administrative costs. The tribal groups actually incurred another $70 million in administrative costs, but Congress didn't appropriate that extra money so his agency couldn't pay it, he said.

"(The agency believes) we're contracted to provide what Congress provides to us. Others feel it's an entitlement that should be paid regardless," he said.

The Indian Health Service, through tribal contractors and direct services, provided health care to 1.9 million Alaska Natives and American Indians last year, Demaray said.

END

System Administrator

From:	System Administrator
Sent:	Thursday, February 15, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1221927 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 15, 2007 2:15 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER GENERAL COUNSEL OF MONSTER PLEADS GUILTY TO SECURITIES FRAUD IN CONNECTION WITH BACKDATING OF STOCK OPTIONS

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 15, 2007

CONTACT: YUSILL SCRIBNER
PHONE: (212) 637-2600
http://www.usdoj.gov/usao/nys/
FAX: (212) 637-2611

FORMER GENERAL COUNSEL OF MONSTER PLEADS GUILTY TO SECURITIES FRAUD IN CONNECTION WITH BACKDATING OF STOCK OPTIONS

NEW YORK—Paul J. McNulty, the Deputy Attorney General of the United States, Michael J. Garcia, the U.S. Attorney for the Southern District of New York, and Ron Walker, the Inspector-in-Charge of the New York Division of the U.S. Postal Inspection Service ("USPIS"), announced that Myron Olesnyckyj, former general counsel of recruitment services giant Monster Worldwide, Inc. ("Monster") pleaded guilty today to charges of securities fraud and conspiracy in connection with the backdating of millions of dollars' worth of employee stock option grants at Monster. Olesnyckyj, 45, of New Providence, N.J., pleaded guilty before U.S. District Judge Laura Taylor Swain in Manhattan federal court. According to the information to which Olesnyckyj pleaded:

Between 1996 and 2003, Olesnyckyj conspired with other former senior executives at Monster to systematically backdate stock option grants to Monster employees in an effort to fraudulently suppress Monster's compensation expenses, and falsely inflate its earnings and share price. As a result, Monster's public filings with the Securities and Exchange Commission ("SEC") between 1997 and 2005 fraudulently understated the company's compensation expenses, and inflated its earnings by over three hundred million dollars.

Applicable accounting principles required Monster to increase its compensation expenses, and reduce its earnings accordingly, where employee stock options were issued "in-the-money" -- i.e., issued so as to permit the employee to exercise the option at a price (the "strike price") lower than the fair market value of the company's stock on the date of the grant. The compensation expense required to be recognized was the difference between the strike price and the value of the stock on the actual grant date. In an effort to provide in-the-money options without recording the required corresponding compensation expense, Olesnyckyj and other senior executives at Monster backdated options grants by papering them as if they had been issued on dates in the past on which Monster's stock price had been at a periodic low point. The resulting backdated options were in-the-money as soon as they were issued, but because the options fraudulently appeared to have been issued at the fair market price on a supposed grant date, they appeared not to require a charge to Monster's earnings.

Olesnyckyj and his co-conspirators concealed their options backdating practices from Monster's outside auditors, BDO Siedman, LLP ("BDO"), primarily by failing to maintain a complete set of records regarding the company's option grants and providing BDO with documents falsely identifying the dates on which options were granted by the Compensation Committee.

In substantially the foregoing manner, the co-conspirators backdated every one of Monster's broad-based annual options grants to its employees from 1997 to 2002. During the same period, the co-conspirators also backdated a number of "one-off" grants –- i.e., grants to new employees, or to current employees for the purposes of retention. In fact, new hires at Monster were promised that they would be granted options at the lowest price within the 30 days following their start date. To conceal this practice from Monster's auditors, Olesnyckyj instructed an employee in Monster's Human Resources department, by email, that "No written document should ever state lowest price over next 30 days! The auditor[s] will view that as backdating options and we'll have a charge to earning ..." Olesnyckyj subsequently prepared model language to be used in all of Monster's letters to new hires, which made no reference to granting options at low prices.

None of Monster's backdated, in-the-money options grants were properly accounted for as a compensation expense in Monster's public filings with the SEC. As a result, Monster's publicly-filed financial statements for the years 1997 to 2005 understated the company's expenses, and inflated its earnings by a total of approximately $339,000,000. In 1999 and 2000, years in which Monster reported itself as a profitable company, the company actually lost nearly $40 million.

Olesnyckyj pleaded guilty to one count of conspiracy to commit securities fraud, make false statements in SEC filings, make false statements to auditors, and falsify corporate books and records; and one substantive count of securities fraud. The charges in the Information carry a total maximum penalty of 25 years' imprisonment. Olesnyckyj will be sentenced by Judge Swain at a date to be determined.

Mr. Garcia, a member of the President's Corporate Fraud Task Force, praised the investigative efforts of the USPIS, and thanked the SEC for its assistance in this matter.

"Corporate executives who deliberately skew their books to hide compensation expenses are engaged in fraud against shareholders and investors," said Deputy Attorney General Paul J. McNulty. "The President's Corporate Fraud Task Force is committed to investigating and prosecuting those who backdate executive compensation. These investigations represent the next chapter in the Justice Department's fight against corporate corruption."

"Options backdating is not just a benefit for the employees who get the options. It does real harm to shareholders who are misled about the earnings of the company," said Mr. Garcia.

"This defendant broke the law by backdating stock options at the expense of the company's investors and was caught doing so by postal inspectors, regulators, and the U.S. Attorney's Office," said Mr. Walker.

For information regarding further proceedings in this case, interested parties and victims may, starting later today, consult the following Web site: www.usdoj.gov/usao/nys/victimwitness.hmtl.

Assistant U.S. Attorneys Deirdre McEvoy and Anirudh Bansal are in charge of the prosecution.

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DOJ_NMG_ 0174192

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Image not available for this document, ID: 0.7.10316.7914-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, February 15, 2007 2:23 PM
Subject: NO Heat in the RFK MAIN Justice Building on Sunday, February 18th

NO Heat in the RFK MAIN Justice Building on Sunday, February 18th

Due to repair work being performed in the GSA steam tunnel on Constitution Avenue, there will be no heat in the RFK Main Justice Building on Sunday, February 18th. Justice Building Services will re-energize the building steam system and restart building heating equipment as soon as the repairs are complete. Occupants who plan to work in MAIN on Sunday will need to be prepared for lower than normal room temperatures. If you need more information or have any questions please call Justice Building Services at 514-2186 or 514-1611.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From:	System Administrator
Sent:	Thursday, February 15, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1221987 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, February 15, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1221988 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, February 15, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1221989 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 15, 2007 7:04 PM
To: USDOJ- Office of Public Affairs
Subject: VIRGIN ISLANDS MAN INDICTED ON CHILD PORNOGRAPHY CHARGES

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 15, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

VIRGIN ISLANDS MAN INDICTED ON CHILD PORNOGRAPHY CHARGES

WASHINGTON – A federal grand jury in the District of the Virgin Islands returned an indictment charging a St. Thomas man with five counts of child pornography, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Anthony J. Jenkins for the District of the Virgin Islands announced today.

Bradley Douglas Highbarger is charged with two counts of receiving child pornography, two counts of possessing child pornography, and one count of attempting to distribute child pornography. If convicted on all of the charges, the defendant faces a mandatory minimum sentence of five years and a maximum sentence of 20 years with a $250,000 fine and the possibility of lifetime supervised release.

On July 20, 2006, investigators initially executed two search warrants on Highbarger's residence and computer to investigate suspected crimes involving passport fraud and controlled substances. During the review of the computer evidence, investigators also uncovered still pictures and video depicting child pornography. In or about July 2006, the defendant used peer-to-peer file sharing software to download and then possess child pornography. The defendant also configured the software to allow further distribution of the child pornography to any and all users of the peer-to-peer software program around the world.

The defendant was arrested and detained on the drug and passport fraud offenses on July 20, 2006, and has since been detained in federal custody.

The case is being prosecuted by Trial Attorney Kayla Bakshi of the Criminal Division's Child Exploitation and Obscenity Section and Assistant U.S. Attorney St. Clair Theodore of the U.S. Attorney's office for the District of the Virgin Islands. This case is being investigated by multiple law enforcement agencies including the Immigration and Customs Enforcement Agency, Diplomatic Security Service of the U.S. Department of State, and the Postal Inspection Service.

The charges contained in this indictment are allegations only and the defendant is presumed innocent until convicted at trial.

DOJ_NMG_ 0174199

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

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07-088

DOJ_NMG_ 0174200

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Image not available for this document, ID: 0.7.10316.7902-000002

System Administrator

From:	System Administrator
Sent:	Thursday, February 15, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1222047 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 16, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1222048 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 9:43 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 16, 2007

Department of Justice

PRESS GUIDANCE
Friday, February 16, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a sentencing matter. (Lesch)

The Criminal Division will issue a release on a guilty plea. (Lesch)

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

9:30 A.M. EST U.S. Attorney Patrick Meehan of the Eastern District of Pennsylvania will
National Constitution Center
525 Arch Street
Independence Mall
Philadelphia, Pa.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174205

Image not available for this document, ID: 0.7.10316.7892-000001

Image not available for this document, ID: 0.7.10316.7892-000002

System Administrator

From:	System Administrator
Sent:	Friday, February 16, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1225355 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 10:01 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 16, 2007

Department of Justice

PRESS GUIDANCE
Friday, February 16, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a sentencing matter. (Lesch)

The Criminal Division will issue a release on a guilty plea. (Lesch)

The Civil Rights Division will issue a release on a criminal matter. (Magnuson)

EVENTS/HEARINGS

No events or hearings are scheduled.

NIGHT DUTY OFFICER

Cynthia Magnuson

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174209

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Image not available for this document, ID: 0.7.10316.7889-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 11:43 AM
To: USDOJ- Office of Public Affairs
Subject: U.S. CONTRACTOR SENTENCED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

Department of Justice

FOR IMMEDIATE RELEASE

CRM

FRIDAY, FEBRUARY 16, 2007 (202)

514-2007

WWW.USDOJ.GOV TDD (202)

514-1888

U.S. CONTRACTOR SENTENCED IN CASE INVOLVING BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN AL-HILLAH, IRAQ

WASHINGTON – A U.S. contractor was sentenced to 46 months in prison and ordered to forfeit $3.6 million for his role in a bribery and fraud scheme involving contracts in the reconstruction of Iraq, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Philip Bloom, 67, of Bucharest, Romania, was sentenced today in U.S. District Court in the District of Columbia by the Honorable Colleen Kollar-Kotelly. Bloom was also sentenced to two years of supervised release.

Bloom was arrested at Newark International Airport on Nov. 13, 2005, and pleaded guilty on March 10, 2006, to bribery, money laundering, and conspiracy in connection with a scheme to defraud the Coalition Provisional Authority – South Central Region (CPA-SC) in al-Hillah, Iraq.

"Philip Bloom will now spend 46 months in jail for bribing public officials with cars, computers and jewelry, and laundering money in exchange for more than $8.6 million in contracts during the rebuilding of Iraq," said Assistant Attorney General Fisher. "The Department of Justice is committed to finding and convicting those who squander resources meant for the reconstruction of a nation through theft, fraud and bribery."

Bloom admitted to participating in a complex bribery, fraud and money laundering scheme while seeking contracts for his company, Global Business Group, during the early days of the war in Iraq. From December 2003 through December 2005, Robert Stein, a DOD contract employee and the Comptroller for the CPA-SC; Bruce D. Hopfengardner, a lieutenant colonel in the U.S. Army Reserves; and numerous public officials, including several high-ranking U.S. Army officers, conspired to rig the bids on contracts being awarded by the CPA-SC so that all of the contracts were awarded to Bloom. In return, Bloom provided the

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public officials with over $1 million in cash, SUVs, sports cars, a motorcycle, jewelry, computers, business class airline tickets, liquor, future employment with Bloom, and other items of value.

In addition, Bloom laundered over $2 million in currency that Stein and his co-conspirators stole from the CPA-SC that had been slated to be used for the reconstruction of Iraq. Bloom then used his foreign bank accounts in Iraq, Romania and Switzerland to send the stolen money to Stein, Hopfengardner, and other public officials in return for the awarded contracts. In total, Bloom received over $8.6 million in rigged contracts.

During the course of the conspiracy, Stein and other co-conspirators stole U.S. currency and funneled those funds to Bloom in order to purchase illegal controlled weapons—including assault rifles, silencers, and grenade launchers—which they converted to their own personal use in the United States.

Bloom has cooperated with the government's ongoing investigation.

On Feb. 1, 2007, Colonel Curtis Whiteford, Lt. Cols. Debra Harrison and Michael Wheeler, and civilians Michael Morris and William Driver were charged in a 25-count indictment for related charges including conspiracy, bribery, money laundering and others in connection with this scheme.

On Jan. 29, 2007, co-conspirator Robert Stein was sentenced to nine years in prison for related charges of conspiracy, bribery and money laundering, as well as weapons possession charges, for his role in the same scheme.

On Aug. 25, 2006, co-conspirator Hopfengardner pleaded guilty to related charges of conspiracy to commit wire fraud and money laundering in connection with the same scheme as Bloom and Stein. Hopfengardner is scheduled for a status conference on March 23, 2007.

These cases are being prosecuted by trial attorneys James A. Crowell IV and Ann C. Brickley of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci, and trial attorney Patrick Murphy of the Asset Forfeiture and Money Laundering Section, headed by Section Chief Richard Weber, all of the Criminal Division. These cases are being investigated by the Special Inspector General for Iraq Reconstruction, IRS Criminal Investigations, U.S. Immigration and Customs Enforcement at the Department of Homeland Security (ICE), Army Criminal Investigations Division, the U.S. Department of State Office of Inspector General, and the FBI's Washington Field Office in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The investigation has received substantial assistance from the ICE Cybercrimes Division.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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System Administrator

From: System Administrator
Sent: Friday, February 16, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226004 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 1:18 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER DOD EMPLOYEE PLEADS GUILTY TO CORRUPTION CHARGES WHILE WORKING AT U.S. ARMY HEADQUARTERS EUROPE

Department of Justice

FOR IMMEDIATE RELEASE

CRM

FRIDAY, FEBRUARY 16, 2007 (202)

514-2007

WWW.USDOJ.GOV TDD (202)

514-1888

FORMER DOD EMPLOYEE PLEADS GUILTY TO CORRUPTION CHARGES WHILE WORKING AT U.S. ARMY HEADQUARTERS EUROPE

WASHINGTON – Steven Merkes, a former Department of Defense (DOD) employee, pleaded guilty to accepting illegal gratuities while serving as an operational support planner in the Future Operations Division of the U.S. Army Headquarters, Special Operations Command–Europe (HQSOCEUR), Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

According to plea documents filed in federal court, Merkes served in the U.S. Air Force until January 2005, when he left active duty and began work as a DOD civilian employee. In both the Air Force and in his civilian DOD employment, Merkes served as a logistical planner for the HQSOCEUR in Stuttgart, Germany. In both positions, Merkes' official duties consisted of planning military exercises for U.S. Special Operations forces in the European theater of operations.

In April 2005, Merkes took official acts to benefit Philip Bloom, a U.S. citizen who operated and controlled construction and service companies in Romania and Iraq that did business with the U.S. government. Shortly thereafter, Merkes accepted a job offer and $24,000 from Bloom, knowing that the job and the money were for official acts he had agreed to perform for Bloom.

Merkes pleaded guilty to accepting illegal gratuities which carries a maximum penalty of two years in prison and a fine of $250,000. Sentencing has been set for June 1, 2007.

On March 10, 2006, Bloom, pleaded guilty to unrelated charges of conspiracy, bribery and money laundering. Bloom was sentenced earlier today to 46 months in prison.

This case is being prosecuted by trial attorneys James A. Crowell IV and John P. Pearson of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci, and trial attorney Patrick Murphy of the

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Asset Forfeiture and Money Laundering Section, headed by Section Chief Richard Weber, of the Criminal Division.

These cases are being investigated by the Special Inspector General for Iraq Reconstruction, the Internal Revenue Service (IRS) Criminal Investigation, the U.S. Immigration and Customs Enforcement at the Department of Homeland Security (ICE), U.S. Army Criminal Investigation Division, the U.S. Department of State Office of Inspector General, and the FBI Washington Field Office in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The investigation has received substantial assistance from the ICE Cybercrimes Division.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

# # #

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System Administrator

From:	System Administrator
Sent:	Friday, February 16, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226062 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 4:34 PM
To: USDOJ- Office of Public Affairs
Subject: U.S. ARRESTS WESTCHESTER MAN FOR TERRORISM FINANCING AND PERPETRATING MASSIVE INVESTMENT FRAUD

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 16, 2007
www.usdoj.gov/usao/nys/

CONTACT: YUSILL SCRIBNER
PHONE: (212) 637-2600
FAX: (212) 637-2611

U.S. ARRESTS WESTCHESTER MAN FOR TERRORISM FINANCING AND PERPETRATING MASSIVE INVESTMENT FRAUD

NEW YORK—Michael J. Garcia, the U.S. Attorney for the Southern District of New York, Mark J. Mershon, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and Raymond W. Kelly, the New York City Police Commissioner, announced today the arrest of Abdul Tawala Ibn Ali Alishtari, a/k/a "Michael Mixon," on attempt charges of terrorism financing, material support of terrorism, and international money laundering, as well as additional charges of conspiracy and wire fraud. According to the five-count Indictment, which was unsealed in Manhattan federal court earlier today:

Alishtari, a 53-year-old resident of Ardsley, New York, facilitated the transfer of $152,000 with the intention that it be used in Afghanistan and Pakistan to help train terrorists. Specifically, in the latter half of 2006, Alishtari accepted payment to discreetly transfer these funds, believing that they were earmarked for Pakistan and Afghanistan. Alishtari believed that the funds were being sent abroad to support a terrorism training camp in Afghanistan by funding the purchase of equipment such as night vision goggles. One of these transfers, which is also the subject of the international money laundering charge in the Indictment, relates to Alishtari's transfer of $25,000 from a bank account in New York to a bank account in Montreal, Canada, with the intent that the funds be used to provide material support to terrorists.

From approximately 1998 through 2004, Alishtari committed a massive fraud in which he stole millions of dollars from his victims through the operation of a loan investment program he called the "Flat Electronic Data Interchange" ("FEDI"). FEDI was purportedly a high-yield investment scheme, in which Alishtari falsely promised his investors that, in exchange for their investment, they would receive high, guaranteed rates of return, according to the indictment.

Alishtari was arrested yesterday in New York, New York. If convicted, Alishtari faces a maximum sentence of 95 years' imprisonment. Alishtari is expected to be arraigned on the Indictment this afternoon before United States Magistrate Judge Ronald L. Ellis. The case has been assigned to U.S. District Judge Alvin K. Hellerstein.

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Mr. Garcia praised the efforts of the Joint Terrorism Task Force of the FBI and the New York City Police Department, and thanked the Securities and Exchange Commission for their assistance in the investigation.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Assistant U.S. Attorneys Jonathan S. Kolodner and Anjan Sahni are in charge of the prosecution.

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Alishtari Indictment.pdf

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	INDICTMENT
-v.-	:	07 Cr.
ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon,"	:	
Defendant.	:	

COUNT ONE

(Financing Terrorism)

The Grand Jury charges:

1. From at least in or about June 2006, up to and including in or about December 2006, in the Southern District of New York and elsewhere, ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, and others known and unknown, where the offense did take place in the United States and was directed toward the carrying out of a predicate act outside the United States, and within the United States, the offense and the predicate act were conducted in, and the results thereof affected, interstate and foreign commerce, unlawfully, willfully, and knowingly, directly and indirectly did attempt to provide and collect funds with the intention that such funds be used, and with the knowledge that such funds were to be used, in full and in part, in order to carry out an act intended to cause death and serious bodily injury to a civilian, and to any other person not

taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature and context, was to intimidate a population, and to compel a government and an international organization to do and to abstain from doing any act, to wit, ALISHTARI, in exchange for payment, transferred and concealed the transfer of approximately $152,000 in funds that he believed were being sent to Pakistan and Afghanistan to be used to support a terrorist training camp in Afghanistan by, among other things, funding the purchase of equipment such as nightvision goggles.

(Title 18, United States Code, Sections 2339C & 2.)

COUNT TWO

(Material Support of Terrorism)

The Grand Jury further charges:

2. From at least in or about June 2006, up to and including in or about December 2006, in the Southern District of New York and elsewhere, ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, and others known and unknown, unlawfully and knowingly did attempt to provide "material support or resources," as that term is defined in 18 U.S.C. § 2339A(b), namely, currency, monetary instruments, financial securities, financial services, and expert advice or assistance, and conceal and disguise the nature, location, source, and ownership of

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material support or resources, knowing that they were to be used in preparation for, and in carrying out, a violation of an offense listed in 18 U.S.C. § 2332b(g)(5)(B), to wit, financing terrorism, in violation of 18 U.S.C. § 2339C, to wit, ALISHTARI, in exchange for payment, attempted to transfer and conceal the transfer of approximately $152,000 in funds that he believed were being sent to Pakistan and Afghanistan to be used to support a terrorist training camp in Afghanistan by, among other things, funding the purchase of equipment such as nightvision goggles.

(Title 18, United States Code, Sections 2339A & 2.)

COUNT THREE

(Money Laundering)

The Grand Jury further charges:

3. On or about August 17, 2006, in the Southern District of New York and elsewhere, ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, in an offense involving and affecting interstate and foreign commerce, unlawfully, wilfully and knowingly did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds from a place in the United States to and through a place outside the United States, to wit, ALISHTARI caused the transfer of approximately $25,000 from a bank account in New York to a bank account in Montreal, Canada,

DOJ_NMG_ 0174226

with the intent to promote the carrying on of specified unlawful activity, to wit, providing material support to terrorists in violation of Title 18, United States Code, Section 2339A.

(Title 18, United States Code, Sections 1956(a)(2)(A) and 2.)

COUNT FOUR

(Wire Fraud Conspiracy)

The Grand Jury further charges:

4. From at least in or about 1998, up to and including in or about 2004, in the Southern District of New York and elsewhere, ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Section 1343 of Title 18, United States Code.

5. It was a part and an object of the conspiracy that ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, and others known and unknown, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate

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and foreign commerce, a writing, sign, signal, picture and sound for the purpose of executing such scheme and artifice, to wit, ALISHTARI administered and promoted a fraudulent loan investment program known as the "Flat Electronic Data Interchange" ("FEDI") through which ALISHTARI and others fraudulently obtained millions of dollars in investments from various individuals by falsely promising high, guaranteed rates of return, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

COUNT FIVE

(Wire Fraud)

The Grand Jury further charges:

6. From in or about 1998, up to and including in or about 2004, in the Southern District of New York and elsewhere, ABDUL TAWALA IBN ALI ALISHTARI, a/k/a "Michael Mixon," the defendant, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully and knowingly did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals and sounds for the purpose of executing such scheme and artifice, to wit, ALISHTARI administered and promoted a fraudulent loan

DOJ_NMG_ 0174228

investment program known as FEDI through which ALISHTARI and others fraudulently obtained millions of dollars in investments from various individuals by falsely promising high, guaranteed rates of return.

(Title 18, United States Code, Sections 1343 and 2.)

_____ _____

FOREPERSON MICHAEL J. GARCIA
United States Attorney

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System Administrator

From:	System Administrator
Sent:	Friday, February 16, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226153 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT SOUTHERN BAPTIST CONVENTION CONFERENCE

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, FEBRUARY 16, 2007
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AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT SOUTHERN BAPTIST CONVENTION CONFERENCE

WASHINGTON, D.C. – Attorney General Alberto R. Gonzales will deliver remarks to the Southern Baptist Convention Executive Committee on the Department's First Freedom Project, and hold a media availability immediately following on **TUESDAY, FEBRUARY 20, 2007 at 3:30 P.M. CST.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks and Media Availability

WHEN: **TUESDAY, FEBRUARY 20, 2007**
3:30 P.M. CST

WHERE: The Southern Baptist Convention Building
Bennett Auditorium (Remarks)
Conference Room 222 (Media Availability)
901 Commerce St.
Nashville, Tennessee
OPEN PRESS

NOTE: ALL media MUST PRESENT GOVERNMENT-ISSUED PHOTO ID (such as driver's license) as well as VALID MEDIA CREDENTIALS. Press inquiries regarding logistics should be directed to John Boote at 202-305-5979, or Will Hall at 615-308-3436.

# # #

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From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 6:26 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 19 – FEBRUARY 23, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, FEBRUARY 16, 2007
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(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR FEBRUARY 19 – FEBRUARY 23, 2007

Monday, February 19

9:30 A.M. EST

U.S. Attorney Patrick Meehan of the Eastern District of Pennsylvania will testify before the Senate Judiciary Committee at a field hearing on youth gangs.
National Constitution Center
525 Arch Street
Independence Mall
Philadelphia, Pennsylvania.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at 202-224-5225.

Tuesday, February 20

3:30 P.M. CST

Attorney General Alberto R. Gonzales will deliver remarks to the Southern Baptist Convention Executive Committee on the Department's First Freedom Project, and hold a media availability immediately following his remarks.
The Southern Baptist Convention Building
Bennett Auditorium (Remarks)
Conference Room 222 (Media Availability)
901 Commerce St.
Nashville, Tennessee
OPEN PRESS

Press inquiries regarding logistics should be directed to John Boote at 202-305-5979, or Will Hall at 615-308-3436.

DOJ_NMG_ 0174237

Wednesday, February 21

4:15 P.M. MST Attorney General Alberto R. Gonzales will participate in a media availability at the Federal Bureau of Prisons Supermax prison facility in Florence, Colorado with Sen. Ken Salazar, Sen. Wayne Allard, and Rep. Doug Lamborn.
Supermax Federal Prison Facility
Florence, Colorado
OPEN PRESS

All media outlets planning to attend the media availability **MUST** contact Todd Javernick at 719-784-9464 **NO LATER THAN 10:00 A.M. MST** on Wednesday, February 21 and provide full name and vehicle license plate number. Other press inquiries may be directed to Theresa Pagliocca at 202-532-3486.

Thursday, February 22

8:30 A.M. CST Mary Beth Buchanan, Acting Director of the Office on Violence Against Women will deliver remarks at the opening of the Family Justice Center of St. Joseph County.
711 East Colfax Avenue
South Bend, Indiana
OPEN PRESS

Press inquiries regarding logistics should be directed to Cynthia Magnuson at 202-514-2007.

12:30 P.M. MST Attorney General Alberto R. Gonzales will deliver remarks at the U.S. Air Force Academy's 14th Annual National Character and Leadership Symposium, and participate in a media availability immediately following his remarks.
Arnold Hall
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

All media outlets planning to attend the media availability **MUST** contact Captain Uriah Orland at 719-333-7731 **NO LATER THAN 4:00 P.M. MST** on Wednesday, February 21 and provide full name and affiliation. Other press inquiries may be directed to Theresa Pagliocca at 202-532-3486.

8:00 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks recognizing public safety officers before the Committee of One Hundred in Orlando.
The Citrus Club
255 S. Orange Ave.
Orlando, Florida
OPEN PRESS

Press inquiries regarding logistics should be directed to Andrew Beach at 202-353-5929.

Friday, February 23

Events TBD

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System Administrator

From:	System Administrator
Sent:	Friday, February 16, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226242 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 16, 2007 7:27 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT TO MONITOR ELECTION IN NEW YORK

Department of Justice

FOR IMMEDIATE RELEASE

CRT

FRIDAY, FEBRUARY 16, 2007 (202)

514-2007

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514-1888

JUSTICE DEPARTMENT TO MONITOR ELECTION IN NEW YORK

WASHINGTON - The Justice Department today announced that on Feb. 20, 2007, it will monitor the special election in Richmond County (Staten Island), N.Y., to ensure compliance with the Voting Rights Act. The Department monitors will watch and record activities during voting hours at polling locations in the county. A Civil Rights Division attorney will coordinate the federal activities and maintain contact with local election officials.

Each year, the Justice Department deploys hundreds of federal observers from the Office of Personnel Management, as well as departmental staff, to monitor elections across the country. During calendar year 2004, a record number of 1,463 federal observers and 533 Department personnel were sent to monitor 163 elections in 105 jurisdictions in 29 states. This compares to the 640 federal observers and 103 Department personnel deployed during the entire 2000 presidential calendar year. In 2006, another record was set for the mid-term elections with more than 800 federal observers and Department personnel sent to monitor polling places in 69 jurisdictions in 22 states on Election Day. The Department's election monitoring program also has been very active in non-federal election years. In calendar year 2005, for example, 640 federal observers and 191 Department personnel were sent to monitor 47 elections in 36 jurisdictions in 14 states.

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

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System Administrator

From:	System Administrator
Sent:	Friday, February 16, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226299 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226300 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226301 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226302 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226303 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226304 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 17, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226305 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 17, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226306 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226306 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226307 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226308 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226309 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226310 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 18, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226311 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, February 18, 2007 7:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Galveston, TX

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Sunday, February 18, 2007 7:35:02 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Galveston, TX
Auto forwarded by a Rule

UPDATE AMBER ALERT:Galveston,TX CHI:4Y B/F 3FT 40LB Eye:BRO Hair:BRO COM:16Y B/F 5FT6 250LB Eye:BRO Hair:BRO COMP:16Y B/F 5FT9 198LB Hair:BRO CALL 409-765-3702 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3442

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Sunday, February 18, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226314 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, February 19, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226315 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 19, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226316 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, February 19, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226317 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 19, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226318 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 19, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226319 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 19, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226320 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 19, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226321 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, February 20, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1226322 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Tuesday, February 20, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1233345 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 10:37 AM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REQUIRES MITTAL STEEL TO DIVEST SPARROWS POINT STEEL MILL

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 20, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REQUIRES MITTAL STEEL TO DIVEST SPARROWS POINT STEEL MILL

Divestiture Will Preserve Competition in the Tin Mill Products Industry

WASHINGTON — The Department of Justice today announced that it will require Mittal Steel Company N.V. to divest its Sparrows Point facility located near Baltimore, Md., to remedy the competitive harm arising from Mittal's recent $33 billion acquisition of Arcelor S.A. The Department said the acquisition, as originally proposed, would have substantially lessened competition in the market for tin mill products in the eastern United States.

On Aug. 1, 2006, the Department's Antitrust Division filed a civil lawsuit in U.S. District Court in Washington, D.C., to block Mittal's proposed acquisition of Arcelor. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

To remedy the Department's competitive concerns, the proposed consent decree required Mittal to divest a steel mill that supplied tin mill products to the eastern United States. Mittal's first obligation was to attempt to divest Dofasco Inc., a Canadian company owned by Arcelor. However, the proposed consent decree anticipated the possibility that Mittal might be unable to sell Dofasco because Arcelor had, in an attempt to defeat Mittal's hostile takeover bid, placed legal title to Dofasco into a Dutch foundation, the "Strategic Steel Stichting" (S3). Therefore, in the event the sale of Dofasco could not be carried out as required, the proposed consent decree gave the Department the right to select for divestiture either Mittal Steel's Sparrows Point mill or its Weirton mill, located in Weirton, W.Va.

The Department has determined after a thorough review that, among these two alternate facilities, the divestiture of Sparrows Point will most reliably remedy the anticompetitive effects of the acquisition. The Department said that Sparrows Point is a profitable and diversified facility that has the capacity to produce more than 500,000 tons of tin mill products annually. Sparrows Point currently operates as an integrated facility that produces the steel slabs used in the manufacture of tin mill products and, unlike the Weirton mill, would not have to develop new sources of supply for this critical input upon its separation from Mittal Steel.

DOJ_NMG_ 0174270

"With the divestiture of Sparrows Point, competition in the market for tin mill products in the eastern United States will be preserved," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

Background

Tin mill products are finely rolled steel sheets normally coated with tin or chrome. Tin mill products are used primarily in the manufacture of sanitary food cans and general line cans used for aerosols, paints and other products.

Prior to Mittal's acquisition of Arcelor, two large firms – Mittal and one other integrated steel producer – accounted for more than 74 percent of all tin mill product sales in the eastern United States. Prior to the merger, Arcelor, together with its subsidiary Dofasco, which operates a large integrated mill in Ontario, provided a significant competitive constraint on these two firms. By removing those constraints on anticompetitive pricing, the acquisition likely would have resulted in price increases of tin mill products to can manufacturers and other customers in the eastern United States.

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07-093

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Image not available for this document, ID: 0.7.10316.7518-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Tuesday, February 20, 2007 11:46 AM
Subject: JCON BROADCAST, WEEK OF FEBRUARY 19, 2007

JCON BROADCAST, WEEK OF FEBRUARY 19, 2007

1. **E & D Courts – Temporary Closure**
2. **DOJ African American History Month Celebration**
3. **Research Classes Offered by Library Staff**

E and D Court Closed for Parking Today

Due to the danger of ice melting and falling from the rooftop of MAIN into E and D Court, no parking will be permitted today, Tuesday, February 19th. All E and D Court permit holders are allowed to park in the MAIN Garage, space permitting. If the MAIN garage becomes full, we have limited parking passes available for a commercial parking garage one block from MAIN. These permits are being held at 10th street gate entrance. Both courtyards are expected to be open for parking tomorrow.

DOJ African American History Month Celebration

An event to honor the heritage, culture, and significant contributions of African Americans will be presented at 11:00 a.m., Friday, February 23, 2007, in the Great Hall, Robert F. Kennedy Building. "Pin Points Theatre" of Washington, D.C. will present *"1001 Black Inventions."* The 1001 Black Inventions play features the lives of brilliant men and women; it then takes you into the Twilight Zone, a typical American family attempting to survive in a world without the inventions created by Africans and African Americans.

Established in 1980, Pin Points Theatre is a local theatre company that has garnered many awards, including the DC Mayor's Excellence in Arts Award and endorsements from the Smithsonian Institution. Pin Points Theatre has performed over 3,000 times in the United States, Canada, and Asia.

All employees in the Washington Metropolitan Area are invited to participate in this event. In view of the special significance of this event, we ask supervisors and managers to inform their employees and to grant them reasonable official time to participate.

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Tuesday, February 20, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1233969 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Tuesday, February 20, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1233970 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 3:14 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN PRESS AVAILABILITY AT SUPERMAX PRISON IN FLORENCE, CO.

Department of Justice

FOR PLANNING PURPOSES ONLY
TUESDAY, FEBRUARY 20, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO PARTICIPATE IN PRESS AVAILABILITY AT SUPERMAX PRISON IN FLORENCE, CO.

WASHINGTON – Attorney General Alberto R. Gonzales will participate in a press availability at the Federal Bureau of Prisons Supermax prison facility in Florence, Colo. with Sen. Ken Salazar, Sen. Wayne Allard and Rep. Doug Lamborn on **WEDNESDAY, FEBRUARY 21, 2007, at 4:15 P.M. MST.**

WHO: Attorney General Alberto R. Gonzales
Senator Ken Salazar
Senator Wayne Allard
Representative Doug Lamborn

WHAT: Press Availability

WHEN: 4:15 P.M. MST
Supermax Federal Prison Facility
Florence, Colo.
OPEN PRESS

NOTE: All media outlets planning to attend the media availability **MUST** contact Todd Javernick at (719) 784-9464 **NO LATER THAN 10:00 A.M. MST TOMORROW**, Wednesday, Feb. 21 and provide full name and vehicle license plate number. ALL media must present valid media credentials and government-issued photo ID such as a driver's license. ALL media wishing to cover the media availability MUST ARRIVE NO LATER THAN 3:15 P.M. MST. NO exceptions can be made to these criteria.

# # #

07-098

DOJ_NMG_ 0174278

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Image not available for this document, ID: 0.7.10316.7494-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 3:49 PM
To: USDOJ- Office of Public Affairs
Subject: HIGH-RANKING MEMBER OF COLOMBIAN FARC NARCO-TERRORIST ORGANIZATION CONVICTED ON U.S. DRUG CHARGES

Department of Justice

FOR IMMEDIATE RELEASE

CRM

TUESDAY, FEBRUARY 20, 2007

(202) 514-2008

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HIGH-RANKING MEMBER OF COLOMBIAN FARC NARCO-TERRORIST ORGANIZATION CONVICTED ON U.S. DRUG CHARGES

WASHINGTON – A high-ranking member of the designated foreign terrorist organization Fuerzas Armadas Revolucionarias de Colombia (FARC) has been convicted in U.S. District Court for the District of Columbia on drug charges, Deputy Attorney General Paul J. McNulty announced today.

The jury in Washington, D.C., deliberated four days before returning the guilty verdicts earlier today. Nayibe Rojas Valderama, a/k/a "Sonia," was convicted, along with co-defendants Jose Antonio Celis, a/k/a "Calvo," and Juan Diego Giraldo, a/k/a "Flaco," of narcotics trafficking. They had been indicted for conspiring to import five kilograms or more of cocaine into the United States and conspiring to manufacture and distribute five kilograms or more of cocaine intending and knowing that the cocaine would be unlawfully imported into the United States. The U.S. government is seeking the forfeiture of all assets derived from the alleged violations.

Rojas Valderama was the finance officer of the 14th Front of the FARC, and is the highest-ranking FARC member to be convicted in the United States. She was extradited from Colombia to the United States in March 2005 to stand trial on the U.S. charges. At sentencing, the defendants face a mandatory minimum of ten years in prison or a term of years as determined by the court. Sentencing is scheduled for May 7, 2007 at 9:30 a.m.

"Today's convictions represent a significant victory against the FARC, one of the most dangerous narco-terrorist organizations operating in Colombia. The convictions were made possible by extraordinary cooperation from the Colombian government, our valued partner in the fight to eradicate narcotics trafficking," said Deputy Attorney General McNulty. "This case sends a message to major overseas drug trafficking organizations: We will investigate, prosecute, and punish all those who manufacture and distribute illegal drugs for export to the United States. There is no international safe haven for illegal narcotics traffickers."

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"The FARC is a double evil – they poison the blood of our people with their drugs and spill the blood of their own with guns and machetes bought with drug profits," said Administrator Karen Tandy of the Drug Enforcement Administration. "As a financial officer for the guerilla group, Sonia Valderama was directly responsible for converting drug money to blood money – that is, overseeing the conversion of millions of dollars of cocaine profits from cash to weapons, uniforms and ammunition to arm the most violent terrorists in this hemisphere."

The evidence produced at trial consisted of the testimony of DEA agents, Colombian law enforcement officials and cooperating witnesses, as well as surveillance evidence of videotapes and tape-recorded conversations. The evidence showed that Rojas Valderama oversaw all aspects of the purchasing and production of cocaine in the 14th Front territory, and collected all of the proceeds from the sale of cocaine for the 14th Front. Jose Antonio Celis was a major drug trafficker who arranged for the purchase of large quantities of cocaine from Rojas Valderama and the 14th Front, and coordinated the transhipment of the cocaine from Colombia to Panama, and from Panama into the United States. Antonio Celis conspired with Rojas Valderama and Juan Diego Giraldo to purchase more than 5,000 kilograms of cocaine for shipment to the United States. Diego Giraldo introduced Calis to the 14th Front for the purpose of purchasing cocaine, worked with Rojas Valderama to purchase and transport cocaine, brought equipment for the 14th Front's cocaine production operation, and assisted Rojas Valderama in all aspects of cocaine production and sale.

The FARC, a violent narco-terrorist guerrilla group operating in Colombia, controls large portions of Colombia and finances its violent conflict with the Colombian government by engaging in drug trafficking, augmented by other means including kidnapping and extortion. Drug trafficking is the lifeblood of the FARC because it enables the FARC to acquire weapons, ammunition and equipment necessary to carry on its violent attacks. DEA estimates that the FARC controls approximately 70 percent of the Colombian cocaine trade, and approximately 80 to 90 percent of the cocaine shipped to the United States comes from Colombia. The FARC produces and distributes thousands of kilograms per month for export to the United States and other countries.

A number of FARC members and criminal associates have been charged with terrorism and drug-related crimes in U.S. indictments. In addition to narcotics trafficking and other crimes, the indictments charge the FARC and its members with the kidnapping and murder of U.S. citizens.

The case was prosecuted in the District of Colombia by trial attorneys Ron McNeil, Stephen May and Jim Faulkner from the Narcotic and Dangerous Drug Section of the Criminal Division. The investigation in this case was led by the Drug Enforcement Administration, in close cooperation with Colombian law enforcement.

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07-094

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Image not available for this document, ID: 0.7.10316.7482-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 20, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1234072 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 4:54 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES HIGHLIGHTS JUSTICE DEPARTMENT'S EFFORTS TO PROTECT RELIGIOUS LIBERTY

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 20, 2007
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ATTORNEY GENERAL ALBERTO R. GONZALES HIGHLIGHTS JUSTICE DEPARTMENT'S EFFORTS TO PROTECT RELIGIOUS LIBERTY

WASHINGTON - Attorney General Alberto R. Gonzales announced today the launch of the First Freedom Project, a program spear-headed by the Justice Department's Civil Rights Division that builds on the Department's extensive efforts to strengthen and preserve religious liberty throughout the nation.

"Throughout our history, nothing has defined us as a Nation more than our respect for religious freedom," said Attorney General Alberto R. Gonzales. "It is not confined to the members of one church or the followers of one set of beliefs. Through this initiative, the Justice Department continues its vigorous efforts to enforce protections against religious discrimination."

The First Freedom Project also builds on the Department's extensive record of achievement and commits to even greater enforcement of religious rights for all Americans. Under the First Freedom Project, the Justice Department will:

- Create a Department-wide Religious Freedom Task Force, chaired by Wan J. Kim, Assistant Attorney General for the Civil Rights Division, which will review policies and cases to ensure that religious freedom is being protected.

- Initiate a program of public education to make certain that people know their rights, and to build relationships with religious, civil rights, and community leaders to ensure that religious liberty concerns are brought to our attention.

- Hold a series of regional training seminars for these and other leaders interested in religious liberty. The first will be in Kansas City, Mo., on Mar. 29, 2007, followed by seminars in Tampa, Fla., on April 25, 2007 and Seattle, Wash., on May 10, 2007. Other dates and locations will be announced in the coming months.

- Launch a new Web site, http://www.firstfreedom.gov, with information on the laws we enforce and how to file a complaint.

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- Distribute informational literature to religious organizations, civil rights groups, and community leaders on how to file a complaint.

The Justice Department today also released its *Report on Enforcement of Laws Protecting Religious Freedom: Fiscal Years 2001- 2006*, which illustrates how the Justice Department has increased enforcement of protections against religious discrimination and other laws protecting religious freedom. The report details the Department's efforts in stepping up enforcement of laws against discrimination in education, housing, lending and employment, and other laws protecting religious freedom including bias crime laws and laws protecting houses of worship from abusive zoning practices. A copy of the report is available on the new First Freedom Web site.

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Image not available for this document, ID: 0.7.10316.7486-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 5:09 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE MEETING OF THE EXECUTIVE COMMITTEE OF THE SOUTHERN BAPTIST CONVENTION

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 20, 2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE MEETING OF THE EXECUTIVE COMMITTEE OF THE SOUTHERN BAPTIST CONVENTION

NASHVILLE, TENNESSEE

Good afternoon. Thank you Doctor Chapman.

Most Americans believe in God.

And so they naturally understand and accept the limitations and imperfections that are a part of being human.

Perhaps because of our frailties, most of us yearn for heroes, we are attracted to and inspired by leaders who perform extraordinary deeds or at least inspire others in worthy causes. I believe this is why many Americans share a natural curiosity—a fascination—about the President of the United States, the leader of the most powerful nation in the world. There may be some here who know the President as well or better than I do, but for those who do not, let me just say that there are very few individuals as strong in their faith as George W. Bush.

He is by nature, an optimist, who sees the best in people and who believes in the goodness of men and women to step forward and help their neighbor.

He does the very best that he can in using the majestic power of the Presidency to inspire, to lead…to do. But he also knows that the power of the Presidency is not perfect…that there are limits in his authority to lift up his neighbor, to fight injustice, to secure the dreams of the children of this world. In two years President Bush will probably retire to his ranch in Texas secure in the knowledge that he did his best during extraordinarily difficult times. And I know that his strong faith in God will sustain him during the next chapter of life, like it has over the past six years.

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Those of us in this Administration have confronted many decisions that have tested our faith. It is easy to sit in the sterile environment of a classroom, with the benefit of hindsight, and second guess a decision made in the belief it was necessary to protect America. It is harder to actually make that decision as an initial matter, in real time, with American lives at stake. In such moments you have to believe in what you are doing, you must have courage, you must have faith.

It is indeed a pleasure for me to be here with you, among men and women of faith, who are guided by Scripture, as it says: "Let your light shine before others, so that they may see your good works and give glory to your Father who is in heaven."

Your good works are indeed a tremendous benefit to our society and our Nation, and for that I want to thank you. And you have worked tirelessly to secure religious liberty in the United States and throughout the world.

I am pleased to visit with you today; to tell you a little about some of what we've been doing at the Department. Because sometimes, in the noise and clamor of Washington and the media, some of our most important work can go unnoticed; and it shouldn't.

In the wake of the terrorist attacks of September 11th, our number one priority has been to do all we can to prevent another attack on America. It is an important job, and it is one I take very seriously. But it is not our only job. I am charged by the President with protecting and preserving not only the safety and security of all Americans, but also their rights, liberties and freedoms.

September 11th gave all of us – especially those of us in public service – a common purpose. Since the first plane crashed into the North Tower, we have struggled with an enemy of violent extremists; an enemy that is unafraid to use terror to try to intimidate and threaten the United States. I do not believe they intended merely to kill Americans that day. I believe they also intended to kill our spirit; to change the story of America from one of hope to one of fear…from one of openness to one of suspicion…from one of faith to one of despair.

Like all Americans, I cherish our civil liberties. They are at the very heart of what it means to live in freedom. I am committed to preserving them in everything we do at the Department of Justice.

One of our most cherished freedoms – one we've sacrificed greatly to defend – is our religious liberty.

Nothing defines us more as a Nation – and differentiates us more from the extremists who are our enemies – than our respect for religious freedom.

Our great country was founded on these principles, and many of us today believe it continues to thrive because of, not despite, them.

So I would like to talk with you today about what the Department of Justice has done to protect religious freedom and religious liberty, and what we will be doing in the future. And I'm going to ask for your help as well, because while I am proud of all we have accomplished, I know that there is more to be done.

Today we are releasing our Report on Laws Protecting Religious Freedom, for Fiscal Years 2001 to 2006. This document describes the importance of religious freedom historically in our country and the role assigned to the Department of Justice to protect it.

When we talk about religious freedom, we often refer to it as the First Freedom. It is a fundamental part of our Nation's history, and one of our core principles. In the First Amendment to the Constitution, at the top of the Bill of Rights, the Founders declared that "Congress shall make no law respecting an establishment of

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religion, or prohibiting the free exercise thereof." Before free speech, before freedom of the press, before all of these other crucial rights, we put freedom of religion.

This area of law has not always been given sufficient attention by the federal government, but from its earliest days this administration has worked to increase enforcement of religious freedom laws, including those against religious discrimination. I am very proud of the report we're releasing today, because it describes a legacy of protection unequaled since the passage of the Civil Rights Act of 1964.

Religious liberty is not confined to the members of one church, or the followers of one set of beliefs. It is a universal right that applies to people of all faiths.

The Justice Department takes seriously the protection of this right for all people. So when a city-run senior center in Balch Springs, Texas, told Barney Clark and other members that they could no longer pray before meals, sing Gospel songs, or hold Bible studies, we opened an investigation. Even though each of those activities was voluntary and initiated by the seniors, and no employee of the center was involved, the city mistakenly believed that the separation of church and state required it to ban the activities.

In our view, the center's prohibition on religious speech, while permitting members to engage in other kinds of speech, was a clear violation of the Constitution. And after we began our investigation, the Balch Springs City Council unanimously agreed.

I'm proud of that case, and I am equally proud that we stood in defense of Nashala Hearn, a Muslim girl in the sixth grade in Muskogee, Oklahoma, whose school told her that she could not wear a headscarf required by her faith. Though other students were permitted to wear head coverings for non-religious purposes, Nashala was suspended twice for wearing her headscarf. That's a difficult position for a young student to be in, facing down her school principal and administration. I don't know how I would have reacted when I was in sixth grade. But Nashala stood up for herself, and she had the Department of Justice to back her up.

Much of the work we have done in this area involves not just religious practice, but religious expression in the schools. In one case, we filed a friend of the court brief in a case involving the Frenchtown, New Jersey, school district. The town's elementary school held a talent show, dubbed “Frenchtown Idol,” consisting of songs, skits, and other performances by students. Each student was free to choose his or her own act, subject to a few basic guidelines barring profanity, weapons, alcohol, or drugs. However, when one girl chose to sing a Christian song, “Awesome God,” she was told that it was inappropriate because of its religious content.

Last December, the U.S. District Court agreed with our position that this was not a simple case of a school exercising control over its curriculum—it was an unlawful restriction on individual student speech in an activity designed for student expression. The court found that Frenchtown Idol was not part of the school curriculum, but was, instead, a voluntary after-school event in which students were invited – not required – to participate.

The school had attempted to censor the girl's song choice because they felt it was a “proselytizing song” that “commanded the listener to adhere to the singer’s beliefs.” The court pointed out that many songs encourage someone to believe something, noting that school officials had admitted that students could sing songs that espouse a belief that it is important to take care of the earth, to help poor people, and to lean on friends when they experience hardships. In light of the fact that secular “proselytizing” through songs would be permitted, the court ruled that the school could not discriminate against religious songs that did the same thing.

In each of these cases, and in dozens of others like them, we argued that students, seniors...all citizens…should not be forced to check their religion at the door. It is irrelevant what that religion is; what matters is the right to practice it.

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The Department of Justice has actively pursued cases involving religion not just in access to education and public facilities, but in equal access to housing, lending, and employment as well. Over the past six years, we have had many successes. We've launched scores of investigations involving religious discrimination in education and housing, a sharp and marked increase in the Justice Department's enforcement of these important federal protections. We have fought to maintain and make clear the crucial distinction between improper government speech endorsing religion and constitutionally protected private speech endorsing religion.

Why should it be permissible for an employee standing around the water cooler to declare that 'Tiger Woods is God,' but a firing offense for him to say 'Jesus is Lord'? These are the kinds of contradictions we are trying to address.

In doing so, we have enforced the laws on the books, and we have supported new laws to strengthen religious freedoms.

For example, I don't have to tell you that free exercise of religion is more than just the right to a personal faith. It is also the right to assemble as a church—to gather together to worship as a community of the faithful.

But it is not uncommon for houses of worship to face discrimination from local zoning authorities, who would impose restrictions on the use of their land.

Local laws sometimes exclude religious assemblies while permitting other, secular gatherings in the same spot. They may restrict the ability of churches to build religious schools or expand houses of worship on their property, or force those churches to go through a more burdensome approval process than other non-religious groups.

In response, Congress unanimously enacted the Religious Land Use and Institutionalized Persons Act, and authorized the Department of Justice to bring suits to enforce it. Since 2001 we have reviewed more than a hundred matters under this act and, in the process, we have made great progress in educating towns and cities about these kinds of subtle, but pervasive, forms of religious discrimination.

In one case, we launched an investigation involving the Beaver Assembly of God in Brighton Township, Pennsylvania. When the Assembly of God wanted to expand its church building, which it had outgrown, its zoning application was rejected because it had only three-and-a-quarter acres of land and the Brighton zoning code required houses of worship to have a minimum lot size of five acres. The same zoning code, however, included no such minimum acreage requirement for non-religious uses such as fraternal organizations, assembly halls, and even adult movie theaters and cabarets.

Following a lawsuit by the church and the launch of our investigation, the township amended its zoning ordinance to eliminate the five acre requirement. That's an important signal to other communities to take a close look at their rules and make sure they are complying with the law. And by publicizing these cases, and letting people know we take religious freedom seriously, we can magnify the effect of one investigation a hundredfold.

We also are charged under the Civil Rights Act to protect against discrimination in public and private employment. Included in this, of course, is the requirement that employers make an effort to accommodate the religious practices of their employees. And it also embraces the premise that people deserve to be hired or not hired based on their qualifications, not on their faith.

When the Los Angeles Metropolitan Transit Authority refused to accept applications for bus driver positions unless the applicant indicated that he or she was available to work 24 hours a day, seven days a week,

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we filed suit, arguing that the policy discriminated against Sabbath-observant Christians and Jews. The MTA agreed to change its application policy and to allow drivers to swap assignments with other drivers.

We weren't asking for anything extraordinary, just the kind of reasonable accommodation of religious belief and practice that the law requires.

Not every religious freedom case is about willful intolerance. Sometimes it's a well-meaning city employee or school system that wants to do the right thing, but is afraid. Sometimes it's a person of faith who is so scared of offending anyone that he will err on the side of caution and ban anything that might be considered religious. And in those cases the Department of Justice seeks to gently correct the situation; to steer everybody back to a proper balance of the civil liberties of all citizens.

But sometimes it's about a flat-out bully. A person so filled with hate and intolerance that he will kill to impose his views on others. We see that in the terrorists who would turn the clock back 1400 years in the name of God. And I am afraid that sometimes we see it among our fellow Americans.

We have seen too many churches burned, too many rocks thrown through stained-glass windows, too many swastikas painted on sanctuary walls, too many lives taken. There are fewer of these attacks today, but still too many.

And when faced with that kind of assault, the Department of Justice has responded, and will always respond, with force and conviction.

As part of our ongoing efforts to strengthen and preserve religious liberty in this country, I am unveiling today a new initiative: the First Freedom Project. Under this program, the Department will build on our extensive record of achievement in this area and commit to even greater enforcement of religious rights for all Americans.

- We are creating a Department-wide Religious Freedom Task Force, chaired by the Assistant Attorney General for Civil Rights, to review policies and cases to ensure that religious freedom is being protected.

- We are initiating a program of public education, to make certain that people know their rights, and to build relationships with religious, civil rights, and community leaders to ensure that religious liberty concerns are brought to our attention.

- We will hold a series of regional training seminars for these and other leaders interested in religious liberty. The first will be in Kansas City, Missouri, on March 29, followed by events in Tampa in April, Seattle in May, and others to be announced later.

- We have launched a new website, firstfreedom.gov, with information on the laws we enforce and how to file a complaint.

- And we will be distributing informational literature to religious organizations, civil rights groups, and community leaders on how to file a complaint.

President Bush declared his commitment to this issue last year by saying: "We reject religious discrimination in every form, and we continue our efforts to oppose prejudice and to counter any infringements on religious freedom."

As an important part of our efforts, in 2002 the Department of Justice created the position of Special Counsel for Religious Discrimination. This person, Eric Treene, who is with me here today, is charged with

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enforcing our civil rights laws as they relate to religious liberties. Get to know Eric; he will be your contact on this important new initiative and on all of our efforts in this area.

And make no mistake, I am here to ask the Southern Baptist Convention, and all of you in this room, for your help. The Department of Justice has many tools to protect religious freedoms in this country, and we are using them. But even with all of our passion and our dedication to this cause, we cannot do it alone.

I want you to go back to your communities and help us spread the word about the Department's religious liberty efforts. Visit the website, read the report, learn about what we've been doing, and tell your neighbors. Education and awareness are among our most powerful weapons in combating discrimination. I truly believe that the cases we investigate are often a matter of a misunderstanding of the law, not an intentional violation of it.

If you hear of a situation that you think might be a violation of federal civil rights laws, I want you to contact us so that we can look into it.

I want your input and your ideas about the issues our Religious Liberties Task Force should address. The goal of this task force is a serious one, and I want it to act as a substantive review of where we stand and where we may need to focus more attention.

And, finally, I want to encourage you to attend one of our regional training seminars, and I want you to encourage others to attend as well. These will be valuable educational opportunities for us and for all of our partners.

You know, and I know, that this great Nation of ours is the most diverse and tolerant in the history of the world. We have an unrestrained confidence in the promise of man, strengthened by our trust in a higher power.

Our Founders were men of faith. They understood that, even before their time, this land was settled by pilgrims seeking religious freedom. They understood the importance of a government that respected and protected the "First Freedom." As James Madison wrote in his Memorial and Remonstrance Against Religious Assessments: "The Religion then of every man must be left to the conviction and conscience of every man; and it is the right of every man to exercise it as these may dictate."

I am proud to be a part of an administration, and a Department of Justice, that understands and takes seriously this heritage. And I am so very glad to be here among men and women who understand and share our commitment.

I do not often talk publicly about my faith…but it is important to me…it is part of who I am as a person. Many here have reached an age when you think about your own mortality more and more. I for one believe I will be held to account for my life. Was I the best husband I could be? The best father? The best neighbor? The best public servant? Did I make a positive difference in the lives of others…did I truly live a life worth living? Ultimately God will be the judge and history will tell the story. Whatever the final outcome, I will do my best to work with you and other people of faith to protect our religious freedoms.

And if you leave here today with nothing else, I want you to take with you the story of young Nashala Hearn, who knew that she shouldn't have to choose between her education and her faith. If you know of any Nashalas out there, who find themselves facing down religious intolerance, and who think they're all alone in their fight…you tell them to come talk to me.

Thank you again for your good work. May God bless you all, may He continue to guide and watch over you, and may He continue to bless the United States of America.

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Image not available for this document, ID: 0.7.10316.7485-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 20, 2007 5:50 PM
To: USDOJ- Office of Public Affairs
Subject: SOFTWARE PIRACY RINGLEADER EXTRADITED FROM AUSTRALIA

Department of Justice

FOR IMMEDIATE RELEASE

CRM

TUESDAY, FEBRUARY 20, 2007

(202) 514-2008

WWW.USDOJ.GOV TDD (202)

514-1888

SOFTWARE PIRACY RINGLEADER EXTRADITED FROM AUSTRALIA

WASHINGTON – In one of the first ever extraditions for an intellectual property offense, the leader of one of the oldest and most renowned Internet software piracy groups was arraigned today in U.S. District Court, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg for the Eastern District of Virginia announced today.

Hew Raymond Griffiths, 44, a British national living in Bateau Bay, Australia, appeared today in U.S. District Court in Alexandria, Va., before Magistrate Judge Barry R. Poretz. The defendant was extradited from Australia and is charged with one count of conspiracy to commit criminal copyright infringement and one count of criminal copyright infringement. If convicted on both counts, Griffiths could receive a maximum sentence of 10 years in prison and a $500,000 fine. Prior to his arrival in the United States, he had spent nearly three years incarcerated at a detention center in Australia while fighting his extradition in Australian court.

"Griffiths claimed to be beyond the reach of U.S. law, and today, we have proven otherwise," said Assistant Attorney General Alice Fisher. "This extradition represents the Department of Justice's commitment to protect intellectual property rights from those who violate our laws from the other side of the globe."

"Our agents and prosecutors are working tirelessly to nab intellectual property thieves, even where their crimes transcend international borders," said U.S. Attorney Chuck Rosenberg.

The indictment, which was returned in March 2003, charges Griffiths with violating the criminal copyright laws of the United States as the leader of an organized criminal group known as DrinkOrDie, which had a reputation as one of the oldest security-conscious piracy groups on the Internet. DrinkOrDie was founded in Russia in 1993 and expanded internationally throughout the 1990s. The group was dismantled by the Justice Department and U.S. Immigration and Customs Enforcement as part of Operation Buccaneer in December 2001, with more than 70 raids conducted in the U.S. and five foreign countries, including the United Kingdom, Finland, Norway, Sweden, and Australia. To date, Operation Buccaneer has resulted in 30 felony convictions and 10 convictions of foreign nationals overseas. Prior to its dismantling, DrinkOrDie was estimated to have

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caused the illegal reproduction and distribution of more than $50 million worth of pirated software, movies, games and music.

"Counterfeiting and piracy of intellectual property are global parasites estimated to rob the legitimate world economy of more than $400 billion annually," said Assistant Secretary Julie Myers. "The indictment charges that Griffiths was co-leader of DrinkOrDie, which was part of an underground online community that consisted of individuals and organized groups who used the Internet to engage in the large-scale, illegal distribution of copyright protected software, games, movies and music worth $50 million."

According to the indictment, Griffiths, known by the screen nickname "Bandido," was a longtime leader of DrinkOrDie and an elder in the highest echelons of the underground Internet piracy community, also known as the warez scene. He held leadership roles in several other well-known warez groups, including Razor1911 and RiSC. In an interview published in December 1999 by an online news source, he boasted that he ran all of DrinkOrDie's day-to-day operations and controlled access to more than 20 of the top warez servers worldwide. In fact, Griffiths claimed to reporters that he would never be caught.

According to the indictment, Griffiths oversaw all the illegal operations of DrinkOrDie which specialized in cracking software and distributing the cracked versions over the Internet. Once cracked, these software versions could be copied and used without limitation. Members stockpiled the illegal software on huge Internet computer storage sites that were filled with tens of thousands of individual software, game, movie and music titles worth millions of dollars. The group used encryption and an array of other sophisticated technological security measures to hide their activities from law enforcement.

This case is being prosecuted by Deputy Chief Michael DuBose and trial attorney Jay Prabhu of the Criminal Division's Computer Crime and Intellectual Property Section, and Assistant U.S. Attorney Robert Wiechering of the Eastern District of Virginia.

The charges contained in the indictment are allegations only and the defendant is presumed innocent until convicted at trial.

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Image not available for this document, ID: 0.7.10316.7481-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 20, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1234253 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

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Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1234254 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1237755 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 21, 2007 10:18 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 21, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, February 21, 2007

ATTORNEY GENERAL

4:15 P.M. MST Attorney General Alberto R. Gonzales will participate in a media availability at the Federal Bureau of Prisons Supermax prison facility in Florence, Colorado with Sen. Ken Salazar, Sen. Wayne Allard, and Rep. Doug Lamborn.
Supermax Federal Prison Facility
Florence, Colorado
OPEN PRESS

All media outlets planning to attend the media availability **MUST** contact Todd Javernick at 719-784-9464 **NO LATER THAN 10:00 A.M. MST** today, and provide full name and vehicle license plate number. Other press inquiries may be directed to Theresa Pagliocca at 202-532-3486.

PRESS RELEASES

The Civil Rights Division will issue a release on a sentencing matter. (Magnuson)

The Antitrust Division will issue a release on a criminal matter. (Talamona)

EVENTS/HEARINGS

No public events or hearings are scheduled.

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174307

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Image not available for this document, ID: 0.7.10316.7447-000002

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1238346 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1238347 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 21, 2007 3:47 PM
To: USDOJ- Office of Public Affairs
Subject: VIRGINIA EXECUTIVE AGREES TO PLEAD GUILTY TO BID RIGGING ON CONTRACTS WITH THE U.S. NAVY AND OTHERS AND TO CONSPIRING TO BRIBE A NEW YORK CITY GOVERNMENT EMPLOYEE

A PDF of the Information is attached below.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 21, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

VIRGINIA EXECUTIVE AGREES TO PLEAD GUILTY TO BID RIGGING ON CONTRACTS WITH THE U.S. NAVY AND OTHERS AND TO CONSPIRING TO BRIBE A NEW YORK CITY GOVERNMENT EMPLOYEE

WASHINGTON — The former president of a Clearbrook, Va. marine products company agreed to plead guilty for his participation in two separate conspiracies to rig bids and allocate customers with respect to marine products purchased by the U.S. Navy, the U.S. Coast Guard, and other public and private entities. The executive, Robert Taylor, was also charged for his role in a conspiracy to bribe an employee of the City of New York to win orders for marine products. Taylor has agreed to serve 30 months in prison and pay a $100,000 criminal fine.

Under the plea agreement, which is subject to court approval, Taylor has agreed to cooperate with the Department's ongoing investigation in the marine products industry. He is the second executive to agree to plead guilty in that ongoing investigation.

"Today's charges emphasize our commitment to safeguarding competitive contracts for the U.S. military," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "We will continue to pursue bid-rigging schemes that threaten the competitive process."

According to the three-count felony charge filed today in the U.S. District Court in Norfolk, Va., Taylor participated in a conspiracy between June 2000 and August 2005 to allocate customers and rig bids for contracts of marine foam-filled fenders and buoys. Taylor also participated in a separate conspiracy between December 2000 and May 2003 to allocate customers and rig bids for contracts of plastic marine pilings. In both conspiracies, the conspirators discussed and agreed among themselves which of them would win contracts from the Department of Defense (DOD), the Department of Homeland Security and other federal agencies.

"DOD contractors who engage in illegal bid-rigging and price-fixing schemes are wasting DOD resources and compromising the safety of DOD's most valuable assets," said Geoffrey A. Cherrington, Special

DOJ_NMG_ 0174312

Agent in Charge of the DOD's Defense Criminal Investigative Service (DCIS) in Arlington, Va. "DCIS will persist in its vigilance until this kind of criminal activity is fully prosecuted."

Taylor was also charged for his role in a conspiracy to bribe an employee of the City of New York, which took place between January 2000 and December 2002. The Department said that the objective of the conspiracy was to ensure that Taylor's company received work on a city project to reconstruct Pier 86 in Manhattan. In that conspiracy, Taylor's firm added a "special commission" of 10 percent on purchase orders worth more than $400,000 for work done on the Pier 86 project. The conspirators funneled the special commission to the New York City government employee to influence him in directing orders for plastic marine pilings to Taylor's company, the Department said.

Foam-filled marine fenders are used as a cushion between ships and fixed structures, such as docks, piers, or other ships. Foam-filled buoys are used in a variety of applications, including use as channel markers and navigational aids. Plastic marine pilings are substitutes for traditional wood timber pilings and are often used in port and pier construction projects with foam-filled fenders.

Gerald Thermos, one of Taylor's co-conspirators and president of a California marine products company, pleaded guilty in September 2005 to one count of conspiracy to allocate customers and rig bids for contracts of marine foam-filled fenders and buoys from June 2000 to August 2005.

The bid-rigging charges, violations of the Sherman Act, carry maximum penalties for each count of 10 years in prison, three years of supervised release, and a $1 million fine for an individual. The conspiracy charge carries a maximum penalty of five years in prison, three years of supervised release, and a $250,000 fine for an individual. The maximum fine on each count may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section with the assistance of the DOD's DCIS and the Naval Criminal Investigative Service of the U.S. Navy.

The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force.

Anyone with information concerning bid rigging or other anti-competitive conduct regarding marine fenders, plastic marine pilings, or related products should call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the DOD's Arlington Resident Agency of the DCIS at 703-604-8439.

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IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF VIRGINIA

Norfolk Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 2:06cr _____
	)	
ROBERT B. TAYLOR,	)	15 U.S.C. § 1
(Counts 1-3)	)	Conspiracy to Restrain Trade
	)	(Counts 1-2)
Defendant.	)	
	)	18 U.S.C. § 371
	)	Conspiracy
	)	(Count 3)

CRIMINAL INFORMATION

COUNT ONE

THE UNITED STATES OF AMERICA, THROUGH ITS ATTORNEYS, CHARGES THAT:

DESCRIPTION OF THE OFFENSE

1. Beginning at least as early as June 2000 and continuing until as late as August 2005, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by allocating customers and rigging bids for contracts of foam-filled marine fenders and buoys in the United States and elsewhere. The combination and conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to allocate customers and rig bids for contracts of foam-filled marine fenders and buoys in the United States and elsewhere. The victims of this conspiracy included the U.S. Coast Guard and elements of the Department of Defense, including the U.S. Navy, as well as private companies.

MEANS AND METHODS OF THE CONSPIRACY

3. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

(a) attended meetings and engaged in discussions by telephone, facsimile and electronic mail, regarding the sale of foam-filled marine fenders and buoys sold in the United States and elsewhere;

(b) agreed during those meetings and discussions to allocate jobs and to create and exchange order logs in order to implement and monitor this agreement;

(c) agreed during those meetings and discussions not to compete for one another's customers either by not submitting prices or bids to certain customers, or by submitting intentionally high prices or bids to certain customers;

(d) submitted bids in accordance with the agreements reached;

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(e) sold foam-filled marine fenders and buoys to the U.S. Coast Guard, the U.S. Navy, and others pursuant to those agreements at collusive and noncompetitive prices;

(f) accepted payment for foam-filled marine fender and buoys sold at the collusive and noncompetitive prices; and

(g) authorized or consented to the participation of subordinate employees and/or distributors in the conspiracy.

DEFENDANT AND CO-CONSPIRATORS

4. During the entire period covered by this Information, the defendant was president of a firm located in Clearbrook, Virginia that is engaged in the manufacture and sale of marine products, including foam-filled marine fenders and buoys, and plastic marine pilings. In December 2002, that firm was purchased by a corporation whose ultimate parent entity is located in Trelleborg, Sweden.

5. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

TRADE AND COMMERCE

6. Foam-filled marine fenders are used as a cushion between ships and either fixed structures such as docks or piers, or floating structures such as other ships. Foam-filled buoys are used in a variety of applications including as channel markers and navigational aids. Foam-filled marine fenders and buoys are constructed of an elastomer shell filled with closed-cell polyethylene

DOJ_NMG_ 0174318

foam. During the period covered by this Information, the defendant's firm manufactured and sold foam-filled marine fenders and buoys in the United States and elsewhere.

7. During the period covered by this Information, foam-filled marine fenders and buoys sold by one or more of the conspirator firms, and equipment and supplies necessary to the production and distribution of foam-filled marine fenders and buoys, as well as payments for foam-filled marine fenders and buoys, traveled in interstate and foreign commerce.

8. During the period covered by this Information, the business activities of defendant and his co-conspirators in connection with the production and sale of foam-filled marine fenders and buoys that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

JURISDICTION AND VENUE

9. The combination and conspiracy charged in Count One of this Information was carried out, in part, within the Eastern District of Virginia within the five years preceding the filing of this Information.

(All in violation of Title 15, United States Code, Section 1).

DOJ_NMG_ 0174319

COUNT TWO

THE UNITED STATES OF AMERICA, THROUGH ITS ATTORNEYS, FURTHER CHARGES THAT:

DESCRIPTION OF THE OFFENSE

1. Beginning at least as early as December 2000 and continuing until as late as May 2003, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by allocating customers and rigging bids for contracts of plastic marine pilings in the United States and elsewhere. The combination and conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of continuing agreements, understandings, and concerts of action among the defendant and co-conspirators, the substantial terms of which were to allocate customers and rig bids for contracts of plastic marine pilings in the United States and elsewhere. The victims of this conspiracy included the Department of Defense, including the U.S. Navy, as well as private companies.

MEANS AND METHODS OF THE CONSPIRACY

3. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

DOJ_NMG_ 0174320

(a) attended meetings and engaged in discussions by telephone, facsimile and electronic mail, regarding the sale of plastic marine pilings sold in the United States and elsewhere;

(b) agreed during those meetings and discussions to allocate jobs and to create and exchange order logs in order to implement and monitor this agreement;

(c) agreed during those meetings and discussions not to compete for one another's customers either by not submitting prices or bids to certain customers, or by submitting intentionally high prices or bids to certain customers;

(d) submitted bids in accordance with the agreements reached;

(e) sold plastic marine pilings to the U.S. Coast Guard, the U.S. Navy, and others pursuant to those agreements at collusive and noncompetitive prices;

(f) accepted payment for plastic marine pilings sold at the collusive and noncompetitive prices; and

(g) authorized or consented to the participation of subordinate employees and/or distributors in the conspiracy.

DEFENDANT AND CO-CONSPIRATORS

4. Each and every allegation contained in Paragraphs 4-5 of Count One of this Information is here realleged as if fully set forth in this Count.

TRADE AND COMMERCE

5. Plastic marine pilings are reinforced synthetic pilings, resembling telephone poles, used in commercial dock and pier construction. Plastic marine pilings are substitutes for traditional

DOJ_NMG_ 0174321

wood timber pilings. They are often used in port and pier construction projects with foam-filled marine fenders, which are used as cushions between ships and either fixed structures, such as docks or piers, or floating structures, such as other ships. During the relevant period, the defendant's firm manufactured and sold plastic marine pilings in the United States and elsewhere.

6. During the relevant period, plastic marine pilings sold by one or more of the conspirator firms, and equipment and supplies necessary to the production and distribution of plastic marine pilings, as well as payments for plastic marine pilings, traveled in interstate and foreign commerce.

7. During the relevant period, the business activities of defendant and his co-conspirators in connection with the production and sale of plastic marine pilings that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

JURISDICTION AND VENUE

8. The combination and conspiracy charged in Count Two of this Information was carried out, in part, within the Eastern District of Virginia within the five years preceding the filing of this Information.

(All in violation of Title 15, United States Code, Section 1).

DOJ_NMG_ 0174322

COUNT THREE

THE UNITED STATES OF AMERICA, THROUGH ITS ATTORNEYS, FURTHER CHARGES THAT:

1. Each and every allegation contained in Paragraphs 4-5 of Count One of this Information is here realleged as if fully set forth in this Count.

2. Each and every allegation contained in Paragraph 6 of Count Two of this Information is here realleged as if fully set forth in this Count.

DESCRIPTION OF THE OFFENSE

3. Beginning at least as early as January 2000 and continuing until at least December 2002, the exact dates being unknown to the United States, the defendant and co-conspirators willfully combined, conspired, and agreed with each other to commit an offense against the United States, to wit:

(a) to corruptly give, offer and agree to give anything of value to any person, with intent to influence or reward an agent of a local government, which local government receives federal assistance in excess of $10,000 in a one-year period, in connection with any business, transaction, or series of transactions of such local government involving anything of value of $5,000 or more, in violation of Title 18, United States Code, Section 666 (a)(2).

4. It was an object of the conspiracy that the defendant and co-conspirators corruptly give, offer, or agree to give money with the intent to influence an employee of the New York City Department of Citywide Administrative Services ("DCAS"), an agency of the government of New York City, which local government receives federal assistance in excess of $10,000 in any one year

DOJ_NMG_ 0174323

period, in the awarding of contracts, purchase orders, and/or change orders for plastic marine pilings on a project known as the Reconstruction of Pier 86 in the Borough of Manhattan, New York. The value of the contracts, purchase orders, and/or change orders for plastic marine pilings on the Reconstruction of Pier 86 exceeded $5,000.

MANNER AND MEANS OF THE CONSPIRACY

5. It was a part of the conspiracy that the defendant and co-conspirators added a "special commission" of ten percent to the price charged by the defendant's firm for work on the Reconstruction of Pier 86.

6. It was further part of the conspiracy that defendant and co-conspirators agreed to pay and did pay the "special commission" to a DCAS employee in order to influence the DCAS employee to use his position to direct purchase orders and/or change orders for work on the Reconstruction of Pier 86 to the defendant's firm.

OVERT ACTS

7. In furtherance of the conspiracy, and to effect the illegal objects thereof, the defendant and co-conspirators committed overt acts between January 2000 and December 2002, including the following:

(a) attended meetings, including at least one meeting in the Eastern District of Virginia, and engaged in discussions by telephone, facsimile and electronic mail;

(b) reached agreements to funnel money to a DCAS employee to ensure that the defendant's firm received work on the Reconstruction of Pier 86; and

DOJ_NMG_ 0174324

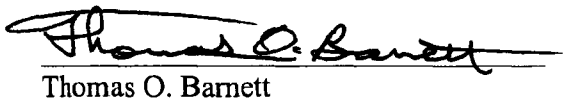
(c) caused the defendant's firm to issue checks to one or more co-conspirators who agreed to funnel the money to the DCAS employee.

JURISDICTION AND VENUE

8. The combination and conspiracy charged in Count Three of this Information was carried out, in part, within the Eastern District of Virginia within the five years preceding the filing of this Information.

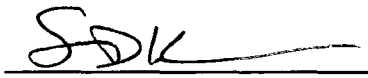
(All in violation of Title 18, United States Code, Section 371).

Dated:



Thomas O. Barnett
Assistant Attorney General

Lisa M. Phelan
Chief, National Criminal Enforcement Section



Scott D. Hammond
Deputy Assistant Attorney General

J. Brady Dugan
Kenneth W. Gaul
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Jon B. Jacobs
Attorneys, Antitrust Division
U.S. Department of Justice
National Criminal Enforcement Section
1401 H Street, NW
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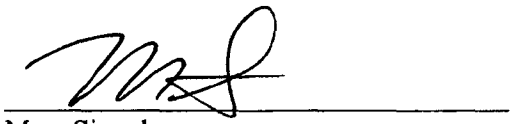
202-514-1953



Marc Siegel
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice

Chuck Rosenberg
United States Attorney for the
Eastern District of Virginia

By: Robert J. Seidel, Jr., Supervisory
Assistant United States Attorney

DOJ_NMG_ 0174325

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1239246 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 21, 2007 4:56 PM
To: USDOJ- Office of Public Affairs
Subject: SECOND OHIO MAN SENTENCED FOR HATE CRIMES

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 21, 2007
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CRT
(202) 514-2007
TDD (202) 514-1888

SECOND OHIO MAN SENTENCED FOR HATE CRIMES

WASHINGTON – Joseph Kuzlik, of Cleveland, Ohio, was sentenced today to 27 months in federal prison and three years of supervised release for committing a racially motivated crime which violated the federally protected civil rights of a Cleveland family. Kuzlik was also ordered to pay restitution of $23,000 to the U.S. Environmental Protection Agency (EPA), $767 to the Ohio EPA, and additional sums to the individual victims who suffered financial losses as a result of the offenses. At the sentencing hearing, Judge Patricia Anne Gaughan said, "The abusive and serious nature of this offense is obvious to anyone with a modicum of decency and morality. I cannot imagine the terror that was inflicted on these victims. A message must be sent loud and clear that this behavior will not be tolerated and will result in a punishment at the high end of the guideline range."

On Nov. 27, 2006, Kuzlik pleaded guilty to conspiring to interfere with the federally protected housing rights of an interracial family because of their race, and for making false statements to federal investigators. Another Cleveland resident, David Frederick, was sentenced on Jan. 17, 2007, to serve 33 months in prison for his role in the crime.

Frederick and Kuzlik engaged in a series of acts intended to threaten and intimidate interracial residents in their neighborhood, including placing toxic mercury on the porch of a family with children for the purpose of intimidating them because one of the parents was African-American. As part of his guilty plea, Kuzlik admitted that he and Frederick were attempting to intimidate the family and drive them from the neighborhood. In order to keep their unlawful actions secret, both Frederick and Kuzlik lied to federal investigators from the EPA, the federal agency initially charged with cleaning up the mercury and investigating the incident.

"Bias-motivated acts of violence are despicable and intolerable, especially when they involve innocent children," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to the vigorous prosecution of these types of federal hate crimes."

Gregory White, U.S. Attorney for the Northern District of Ohio said, "Today's sentence is a fitting conclusion to a joint effort by the FBI, the U.S. EPA, the Ohio EPA, and the Cleveland Police Department, and demonstrates the commitment of both state and federal law enforcement authorities to protecting every citizen's basic right to live in and enjoy his or her own home without fear of racial intimidation."

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The case was prosecuted by Assistant U.S. Attorney Ann C. Rowland and Trial Attorney Kristy L. Parker of the Civil Rights Division.

Prosecuting the perpetrators of bias-motivated crimes is a top priority of the Justice Department. Since 2001, the Civil Rights Division has charged 163 defendants in 103 cases of bias-motivated crimes.

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07-101

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 21, 2007 5:25 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT U.S. AIR FORCE ACADEMY

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, FEBRUARY 21, 2007
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(202) 514-2007
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*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT U.S. AIR FORCE ACADEMY

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the U.S. Air Force Academy's 14th Annual National Character and Leadership Symposium, and participate in a media availability immediately following his remarks on **THURSDAY, FEBRUARY 22, at 12:20 P.M. MST**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks

WHEN: **THURSDAY, FEBRUARY 22, 2007 at 12:20 P.M. MST.**

WHERE: U.S. Air Force Academy
Arnold Hall
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

NOTE: All media outlets planning to attend the media availability **MUST** contact Captain Uriah Orland at 719-333-7731 **NO LATER THAN 10:00 A.M. MST** on Thursday, Feb. 22 and provide full name and affiliation. Media wishing to cover the Attorney General's remarks must arrive no later than 12:00 P.M. MST. Other press inquiries may be directed to Theresa Pagliocca at 202-532-3486.

# # #

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DOJ_NMG_ 0174332

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 21, 2007 5:29 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE THE COMMITTEE OF ONE HUNDRED

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, FEBRUARY 21, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS BEFORE THE COMMITTEE OF ONE HUNDRED

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks before the Committee of One Hundred on **THURSDAY, FEBRUARY 22, 2007 at 8:00 P.M. EST**.

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks

WHEN: 8:00 P.M. EST
The Citrus Club
255 S. Orange Ave.
Orlando, Fla. 32801
OPEN PRESS

NOTE: ALL media wishing to cover the Attorney General's remarks MUST arrive NO LATER THAN 7:30 P.M. EST. All media inquiries should be directed to Andrew Beach at (202) 353-5929.

# # #

07-103

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Image not available for this document, ID: 0.7.10316.7271-000002

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1239390 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 21, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1239391 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, February 22, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1239392 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, February 22, 2007 9:42 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 22, 2007

Department of Justice

PRESS GUIDANCE
Thursday, February 22, 2007

ATTORNEY GENERAL

12:30 P.M. MST Attorney General Alberto R. Gonzales will deliver remarks at the U.S. Air Force Academy's 14th Annual National Character and Leadership Symposium, and participate in a media availability immediately following his remarks.

Arnold Hall
United States Air Force Academy
Colorado Springs, Colorado
OPEN PRESS

All media outlets planning to attend the media availability **MUST** contact Captain Uriah Orland at 719-333-7731 **NO LATER THAN 10:00 A.M. MST** on Thursday, Feb. 22 and provide full name and affiliation. Media wishing to cover the Attorney General's remarks must arrive no later than 12:00 P.M. MST. Other press inquiries may be directed to Theresa Pagliocca at 202-532-3486.

8:00 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks recognizing public safety officers before the Committee of One Hundred in Orlando.
The Citrus Club
Hubbard Dining Room, 18th Floor
255 S. Orange Ave.
Orlando, Florida
OPEN PRESS

ALL media wishing to cover the Attorney General's remarks MUST arrive NO LATER THAN 7:30 P.M. EST. Camera crews covering the event MUST bring their own lighting. All media inquiries should be directed to Andrew Beach at (202) 353-5929.

PRESS RELEASES

The Antitrust Division will issue a release on a criminal matter. (Talamona)

The Office of Violence against Women will issue a release on the opening of a Family Justice Center. (Magnuson)

DOJ_NMG_ 0174341

EVENTS/HEARINGS

8:30 A.M. CST Mary Beth Buchanan, Acting Director of the Office on Violence Against Women delivered remarks at the opening of the Family Justice Center of St. Joseph County.
711 East Colfax Avenue
South Bend, Indiana
OPEN PRESS

NIGHT DUTY OFFICER

Brian Roehrkasse

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174342

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Image not available for this document, ID: 0.7.10316.7252-000002

System Administrator

From:	System Administrator
Sent:	Thursday, February 22, 2007 9:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1243109 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: Miller, Charles S
Sent: Thursday, February 22, 2007 10:36 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M.; Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/22/07 Civil Division News

Microsoft hopeful of win in high court

Group sues US government over medical marijuana claims

Judge denies anti-Castro militant's request for release while deportation is debated

UN panel grills Canada on Arar; Ottawa official denies racial profiling

Algerian pilot falsely accused of training Sept. 11 hijackers loses legal bid for compensation

Celestial solicits testimony supporting radiation bill

Cleared of war profiteering, he fights to restore honor

Opinion: Fighting faith-based spending in court; A Supreme Court case could set the standard for challenging grants that break down the wall between church and state

Editorial: Drop This Case: The Endless Pursuit of the `Los Angeles Eight' Is an Unnecessary Affront to Arab Americans

Seattle Times

February 22, 2007

Microsoft hopeful of win in high court

By Benjamin J. Romano
Seattle Times technology reporter

Microsoft left its first-ever appearance before the U.S. Supreme Court on Wednesday encouraged about its chance of winning a case that could have broader implications for patent protection of software sold overseas.

The attorney for its opponent, AT&T, faced a tough battery of questions from justices seeking to discern the precise nature of software code that is sent to manufacturers abroad for installation on computers.

Microsoft General Counsel Brad Smith said in an interview that "there were probing questions for both sides. But we certainly came away encouraged about our chances for success."

In 2001, AT&T filed a claim charging that part of Microsoft's Windows operating system violated its patent on technology for converting recordings from analog to digital signals.

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Microsoft doesn't dispute that copies of Windows sold in the United States were in violation and has agreed to pay AT&T royalties.

But AT&T also wants money for copies of Windows sold outside the U.S. It cites a 1984 statute aimed at companies shipping components of patented products overseas for assembly, thus avoiding liability for violating U.S. patents.

Microsoft and the Supremes

Never before has Microsoft argued before the U.S. Supreme Court. Surprised?

Wednesday was the first time for the 32-year-old company, and the case pertains to intellectual property, not the company's long-running antitrust saga that reached the U.S. Court of Appeals.

"We've obviously had more than our share of legal issues over the course of that 3 ½ decades," Microsoft General Counsel Brad Smith said.

He added that the focus of this case is symbolic of the company's future.

"While the last decade has probably focused more on antitrust than any single field, I think the next decade is likely to focus more on intellectual property and patent law than any other legal field."

Benjamin J. Romano

The complex case hinges on some very technical distinctions about the software code Microsoft sends — typically on a "golden master disk" — to foreign manufacturers to be copied onto computers.

AT&T argued, and two lower federal courts agreed, that copying the code is tantamount to supplying an actual component, which is what the 1984 statute forbids.

Microsoft, joined by the U.S. government and supported by many of its software rivals, said the code itself is not a component of the final computer until it is copied onto a hard drive or installation disk. Transmitting just the master disk is not a violation, they argued.

Broadly, Microsoft v. AT&T could test how much power the court thinks a U.S. patent holds in other countries.

Justice Stephen Breyer expressed concern that AT&T's argument, which he said could be construed as saying "the transmission purely of information is the transmission of a component," would apply beyond software.

In biology or medicine, for example, the instructions for making a U.S.-patented drug could be sent overseas, and the instructions themselves could be deemed a component under the lower court's ruling.

"Then suddenly it's our patent law and not the foreign patent law that would govern," Justice Breyer said.

Seth Waxman, AT&T's attorney, replied that the 1984 statute "doesn't reach what anybody does overseas." It only applies to the actions of U.S. companies, he said.

Microsoft's Smith said the outcome of the case could have implications regarding where U.S. companies do their research and development in a global economy.

"If the lower court decision were to prevail, it would create an incentive for U.S. companies to move research-and-development jobs offshore, because that would be the only way to avoid the worldwide reach of U.S. patent laws" and liability, Smith said.

Ian Chan Hodges, national director of the American Ingenuity Alliance — a group trying to unite intellectual-property owners and organized labor — said it was ironic Microsoft was sounding the alarm about R&D jobs going overseas considering it has substantial research arms in India, China and elsewhere.

"If they do prevail, I'm not sure exactly how it helps the American technology industry as far as jobs are concerned if U.S. patent holders aren't able to sue American infringers abroad," Chan Hodges said.

The Supreme Court is expected to rule on the case by July.

END

AP

February 22, 2007

Group sues US government over medical marijuana claims

LISA LEFF

Associated Press Writer

OAKLAND, California_Armed with a new study showing the drug can ease pain in some HIV patients, medical-marijuana advocates sued the federal government over its claim that pot has no accepted medical uses.

The lawsuit, filed in federal court Wednesday by Americans for Safe Access, accuses the government of arbitrarily preventing "sick and dying persons from seeking to obtain medicine that could provide them needed and often lifesaving relief."

The Food and Drug Administration's position on medical marijuana "is incorrect, dishonest and a flagrant violation of laws requiring the government to base policy on sound science," Joe Elford, said chief counsel for Americans for Safe Access.

Christina Pearson, a spokeswoman for the Department of Health and Human Services, said the agency does not comment on pending litigation.

California is one of 11 U.S. states that have made marijuana legal for people with a doctor's recommendation. But because the U.S. government does not recognize pot's medical benefits, federal authorities can still arrest patients.

Last week, researchers from the University of California at San Francisco reported in the journal Neurology that a test involving 50 HIV patients showed that those who smoked pot experienced much less pain than those given placebos.

END

AP

February 22, 2007

Judge denies anti-Castro militant's request for release while deportation is debated

ALICIA A. CALDWELL

Associated Press Writer

EL PASO, Texas_A federal judge on Wednesday denied a request by an anti-Fidel Castro activist to be released from jail while immigration officials figure out where to deport him.

U.S. District Judge Philip R. Martinez threw out Luis Posada Carriles' lawsuit after federal prosecutors said immigration officials could not release him because he is in the custody of the U.S. Marshals Service.

Posada, an ex-CIA operative who is suspected of bombing a Cuban jet 31 years ago, left Department of Homeland Security custody after his indictment last month on suspicion of lying in a citizenship application.

Posada, 79, was arrested two years ago on an immigration violation after he reported paying a smuggler to sneak him into Texas from Mexico.

An immigration judge later ordered that Posada be deported but ruled that he could not be sent to Cuba, where he was born, or Venezuela, where he is a naturalized citizen.

Several countries, including Mexico, have declined to allow Posada in. He sued last year, arguing that the U.S. government cannot hold him indefinitely while they look for a country willing to let him move there.

Governments of both countries want Posada sent to Venezuela to stand trial on charges that he was in Caracas when he plotted the deadly 1976 bombing.

Posada, who had a role in the failed Bay of Pigs invasion of Cuba, has denied any wrongdoing.

END

CP

February 22, 2007

UN panel grills Canada on Arar; Ottawa official denies racial profiling

By: LISA SCHLEIN

GENEVA (CP) - Canada has vigorously denied engaging in racial profiling in its fight against terrorism.

A Canadian delegation appearing this week before a UN anti-racism committee has also given assurances that there won't be a repeat of the Maher Arar case. The Syrian-born Canadian software engineer was detained by U.S. authorities in 2002 during a stopover in New York and sent to Syria, where he was imprisoned and tortured on unsubstantiated allegations of terrorist ties. Arar was released without charge after almost a year and sent back to Canada.

A Canadian inquiry has since exonerated him and found that U.S. authorities acted on faulty information from Canada. Prime Minister Stephen Harper has apologized and announced a C$10.5 million compensation package for Arar.

The 18-member UN panel of independent experts brought up the Arar case as it looked over a 79-page report submitted by Canada in a periodic review of whether the country is complying with the International Convention on the Elimination of all Forms of Racial discrimination.

During its session on Canada Tuesday and Wednesday, the committee asked whether Canada's Anti-Terrorism Act could negatively affect ethnic groups and minorities, particularly with racial profiling.

"It is true that various members of Arab communities and Muslims have complained that the Anti-Terrorism Act has given operational agencies such as police licence to engage in racial profiling," said Glenn Gilmour of the Criminal Law Policy Division of the Department of Justice.

But nothing in the legislation "targets any specific ethno-target or religious group," Gilmour said.

The Anti-Terrorism Act is "a balanced package of measures carefully targeting people and activities that pose a threat to the security of Canadians while fully respecting the diversity that is essential to Canadian society."

"This is a struggle against terrorism and not against any community, group or faith."

The committee brought up the example of Arar and asked what steps have been taken to ensure that similar cases of "extraordinary rendition" would not occur again.

Gilmour assured the committee that nothing like this could happen again.

The Canadian delegation noted that Justice Dennis OConnor, who headed the two-year Canadian public inquiry into the Arar case, pointed out that "racial profiling had not been present" although Canada was "not immune from acts of racial discrimination."

But in a brief submitted to the committee, the Canadian branch of Amnesty International said that profiling is not an issue related only to Arar. It noted that the cases of three other Muslim men of Arab origin are under inquiry.

Amnesty International is urging the Canadian government "to rapidly implement the Arar Inquiry recommendations."

Turning to Aboriginal issues, Canada came under fire from the committee for the low quality of life among indigenous communities. Discrimination, poverty, poor health and inadequate education are common problems.

The committee was particularly critical of the discrimination and violence faced by indigenous women.

The Canadian delegation acknowledged the challenges but said the government was taking concrete action to make things better.

But, the most spirited debate was over Canada's decision not to vote for the draft Declaration on the Rights of Indigenous Peoples in the UN Human Right Council.

British expert Patrick Thornberry noted that "Canada was only one of two countries that voted against" the declaration in the 47-member council.

Daniel Watson, a senior assistant deputy minister of Indian and Northern Affairs Canada, retorted that the declaration contains flaws on provisions "dealing with issues such as land, territories and resources and self-government."

"Canada cannot support the declaration in its current form - It should be noted that no Canadian government ever accepted the text in its current form."

He said the draft declaration is now before the UN General Assembly where an African group's proposal to defer consideration passed with Canadian support in late 2006.

"Canada now has the opportunity to associate itself with other states and especially with other indigenous peoples in renegotiating this text," he said.

But Linos Alexander Sicilianos, the Greek committee member, didn't see it that way.

"This draft declaration has been before the sub-commission since 1994 - that's 13 years already."

"My personal view," he said, "is that perhaps your government can be a little bit more flexible in these negotiations so as not to block the adoption of the text which affects some 300 million people in the world."

END

AP

February 22, 2007

Algerian pilot falsely accused of training Sept. 11 hijackers loses legal bid for compensation

LONDON_An Algerian-born pilot wrongly jailed in Britain on accusations that he trained the Sept. 11 hijackers lost a legal bid for compensation Thursday at London's High Court.

Two judges ruled that the government was entitled to exclude Lotfi Raissi from its compensation policy for victims of miscarriages of justice because he had been held on a U.S. extradition warrant.

The judges said the legal proceedings did not fall "in the domestic criminal process."

Raissi, 33, was arrested near London's Heathrow Airport shortly after the 2001 attacks after being indicted by a federal grand jury in Arizona. U.S. prosecutors claimed he offered pilot training to the hijackers.

The United States had sought to extradite Raissi on charges of falsifying applications for a pilot's license _ he allegedly failed to disclose a knee operation _ and other documents.

But a British judge refused to extradite Raissi to face trial and released him after almost five months in custody, claiming there was no evidence to link him with terrorism.

Raissi has claimed the ordeal ruined his life, damaged his reputation and caused lasting psychological damage.

In 2005, the British government told Raissi he was not eligible for compensation, saying its compensation policy did not apply in extradition cases. Government lawyers said Raissi could not claim his case was exceptional because he had never been completely exonerated of the charges and might still be arrested if he went to the United States.

Last year, an appeal hearing granted him the right to challenge that decision.

END

KUAM News (Guam)

February 22, 2007

Celestial solicits testimony supporting radiation bill

by Sabrina Salas Matanane, KUAM News

A public hearing will be held on Resolution 5, introduced by Speaker Mark Forbes. The resolution would request Congresswoman Madeleine Bordallo to amend the Radiation Exposure Compensation Act to include Guam in the list of affected areas with respect to which claims relating to atmospheric nuclear testing shall be allowed.

President of the Pacific Association of Radiation Survivors Robert Celestial has been and advocate for compensation for several years now. He told KUAM News, "If you could come down at the Public Hearing Room at the Legislature, anyone who would like to give testimony of their either their cancer or their leukemia, please come down." Celestial says according to the National Research Council, survivors who lived on Guam between 1946-1962 may qualify for compensation.

Tomorrow's hearing gets underway at 2pm in the afternoon.

END

Providence Journal

February 22, 2007

Cleared of war profiteering, he fights to restore honor

BY JOHN E. MULLIGAN

Journal Washington Bureau

WASHINGTON — Michael J. Battles, a former Rhode Islander recently cleared of charges of war profiteering in Iraq, voiced a sense of exoneration this week — while condemning his accusers and the system that let them bring their high-profile case against his company.

Battles said the dismissal earlier this month of a civil fraud case against him and business partner Scott Custer vindicated "our steadfast belief" that "we never did anything wrong" in executing millions of dollars worth of contracts in the chaotic aftermath of the U.S. invasion of Iraq in 2003.

The West Point graduate and onetime Republican congressional candidate renewed his portrayal of the lawsuit as the attempt of "two disgruntled employees" to exploit the legal system and play "litigation roulette" for personal gain.

Battles, 36, spoke two weeks after a federal judge dismissed a fraud case stemming from the Custer Battles company's $16.8-million contract to provide security at Baghdad International Airport for about a year at the start of the military occupation of Iraq. Earlier, U.S. District Judge T.S. Ellis III had overturned a jury's assessment of $10 million in damages and penalties against Custer Battles in a related case, in which the defendants had been accused of fraudulently inflating their profits on another job in Iraq.

"It will take us a while before the reputational damage can be overturned," said Battles. That was a reference to the harsh and prolonged publicity that attended the case, including the adverse verdict last March after a three-week jury trial in the U.S. District Court for the Eastern District of Virginia. Custer Battles became a symbol of an overall pattern of war profiteering in Iraq.

The case was a civil lawsuit brought against Custer Battles and its cofounders under a federal law typically used by whistleblowers charging fraud against the government. The whistleblowers had worked in Iraq with Custer Battles, a small company that had offices in Virginia and Rhode Island.

Battles and Custer, another former Army officer, were depicted by their accusers in scenes from a modern-day Wild West — an Iraq fraught with prospects for fast money and for violence in the months after the fall of Saddam Hussein in 2003. Battles said such images live on in Google and other Internet search engines, despite the fact that the civil accusations against him and Custer have come to nothing. He said that he and Custer have never been told that they were the target of any criminal investigations.

Last March, the jury accepted the contention of two former Custer Battles associates, William D. "Pete" Baldwin and Robert J. Isaakson, that the firm fraudulently inflated its profits on a rush job to help replace Iraq's currency system. Still in the wings was a possible second trial of charges that Custer Battles used double-billing and other tricks to inflate profits on the airport contract.

In August, however, Judge Ellis threw out most of the March jury verdict. His decision turned on the issue of whether it was the U.S. taxpayer who had actually employed Custer Battles. The company's contract was not with the federal government but rather with the Coalition Provisional Authority (CPA), the U.S.-led international body that ran Iraq for more than a year after the fall of Saddam. His ruling never dealt with whether the company had committed fraud.

Then on Feb. 7, Ellis dismissed the charges stemming from the Baghdad Airport contract. Ellis zeroed in on what he treated as a threshold issue for putting the lawsuit before a jury: allegedly false statements by Custer Battles about how many people were to work on the Baghdad airport security job — a key facet of the contract.

Ellis relied heavily on a sworn statement of Frank D. Hatfield, a high-ranking officer of the Federal Aviation Administration, who acted as Iraq's minister of aviation during the time of the Custer Battles contract.

"The undisputed facts manifestly demonstrate" said Ellis, that the accusers failed to show that Custer Battles lied about staffing levels at the airport. Even if Custer Battles had made such false statements, the whistleblowers couldn't show that the CPA based its award of the airport contract on the number of personnel to be assigned to the work, Ellis said.

Hatfield said Custer Battles won the contract because it submitted the low bid and pledged to meet the CPA's deadline and provide the type of personnel the CPA wanted.

Since the whistleblowers couldn't show false statements, they "cannot establish a fraudulent inducement claim," Ellis said.

Alan M. Grayson, the lawyer for the whistleblowers, said the judge should have let the charges go before a jury. Grayson produced a sworn declaration by a retired Army colonel whose duties in protecting the U.S. force near the airport put him in regular contact with the Custer Battles security operation there. The retired officer, Richard F. Ballard, gave a detailed account of what he called the "slipshod" and "negligent" conduct of Custer Battles employees.

But Custer Battles lawyer Robert T. Rhoad pointed to the detailed statement by the FAA's Hatfield in which he called Custer and Battles "exceptional contractors with a 'can do' attitude."

Hatfield called Custer Battles "one of the finest contractors I have worked with" during 36 years in government.

"These guys do a very good job of throwing everything they can at the wall to see what will stick," Battles said, referring to the whistleblowers. "Then they try to get it in front of a jury."

Battles repeated a line of defense from last year's trial: that accuser Baldwin had been demoted during the course of his employment by Custer Battles. But in his ruling last summer, Judge Ellis left intact the portion of the jury finding that Baldwin had in effect been punished by the company for his attempts to blow the whistle. Battles also said the company severed ties with accuser Isaakson after Isaakson brought his 13-year-old son into occupied Iraq.

Isaakson declined to discuss that charge during last year's trial.

Battles criticized lawyer Grayson as well for "running for Congress on an antiwar agenda" while representing the whistleblowers against Custer Battles. Grayson lost a Democratic primary campaign for the right to challenge a House GOP incumbent in last fall's general election.

Battles ridiculed the whistleblowers' theory that, as a onetime Republican congressional candidate, he enjoyed some kind of special clout with the Bush administration. "I couldn't get out of a Republican primary!" he remarked, referring to his losing campaign in 2002. Fellow veteran David W. Rogers beat Battles and another Republican to become the party's unsuccessful challenger to Rep. Patrick J. Kennedy.

The Pentagon's special inspector general for Iraq, Stuart W. Bowen Jr., has produced a steady stream of audits documenting wasteful and shoddy contracting in Iraq, plus some instances of criminal fraud that have produced guilty pleas.

But the Custer Battles lawsuit is the only case of alleged war profiteering that has gone to trial. It was filed under the False Claims Act, a Civil War-vintage legal tool that Congress updated and sharpened during the defense-contracting boom of the 1980s. The law allows whistleblowers to file civil lawsuits alleging fraud against the taxpayer. Often, the self-styled whistleblowers are employees or associates of the accused and thus have inside knowledge of the transactions that they brand as frauds. The law requires the accuser to show the case for the fraud to the federal government, which then has the option to take part in the lawsuit.

The government declined to join in the Custer Battles case. Battles criticized the False Claims Act.

"It befuddles me and it frustrates me," he said, "that we have a system today where someone can make claims on behalf of another party and that other party [the government] can say, 'No, I don't feel that I was an injured party.' Yet (the whistleblowers) can continue the legal battle and receive significant compensation if they are successful."

END

Los Angeles Times

February 22, 2007

Opinion: Fighting faith-based spending in court; A Supreme Court case could set the standard for challenging grants that break down the wall between church and state.

By Andrew B. Coan

ANDREW B. COAN is a fellow at Stanford Law School. He clerked for the U.S. 7th Circuit Court of Appeals but did not work on the Hein opinion.

SIGNIFICANT constitutional cases don't always arrive at the ball dressed up as such. Sometimes they come in the modest trappings of an obscure technical dispute too dull to capture public attention.

On Wednesday, the U.S. Supreme Court will hear oral arguments in just such a case. Hein vs. Freedom From Religion

Foundation is unlikely to make headlines, but it could deal a sharp blow to the wall of separation between church and state.

The plaintiffs are ordinary citizens who object to their federal tax dollars being used to fund the president's program for "faith-based and community initiatives." In particular, they claim that several conferences sponsored by the program were propaganda vehicles for religion and therefore violated the establishment clause of the 1st Amendment, which forbids government promotion of religion.

The government defendants — "Hein" is Jay F. Hein, director of the White House Office of Faith-Based and Community Initiatives — dispute the plaintiffs' claim about the conferences. But at this stage, the Bush administration is asking the court to throw the case out on grounds that ordinary taxpayers have no legal interest in how the executive branch spends public money.

It seems like the kind of dry, legalistic dispute that only a lawyer could love. But the appearance is deceiving. If the court grants the administration's request, it will eliminate what is often the only effective mechanism for challenging financial support of religion by the executive branch. The effect would be to grant the president and his staff, as well as the vast federal bureaucracy, a license to preach.

The basis for the administration's request is the esoteric doctrine of standing, which determines who has suffered a sufficiently tangible injury to be allowed to bring suit in federal court. Ordinary taxpayers generally cannot sue to challenge the legality of government spending decisions because their contribution to any given expenditure is too small to count as tangible.

For the last 40 years, however, the Supreme Court has consistently given special treatment to taxpayer suits that challenge government spending in support of religion. The justification is simple and compelling. Government spending in support of religion generally does not inflict tangible injury on anyone, so if taxpayers don't have legal standing, no one does. In terms of government spending, the establishment clause would be rendered merely advisory.

That, of course, is how the Bush administration prefers its constitutional constraints.

To be sure, the administration does not advocate the wholesale abolition of taxpayer standing in establishment clause cases. It would allow taxpayers to challenge specific congressional spending programs, but not executive branch spending from general funds. This is hardly a consolation, as the Court of Appeals recognized in rejecting the administration's argument.

Suppose, as the lower court suggested, the secretary of Homeland Security used general executive funds to build a mosque and hire an imam in the belief that such visible support for Islam would reduce the risk of Islamist terrorist attacks against the United States. Would this traducing of the establishment clause not allow taxpayers to sue?

If one accepts the administration's view, it would not. The prospect boggles the mind. Not only would serious violations of the establishment clause go unremedied, but Congress might be encouraged to pad the executive's general funds, with an implicit understanding that the extra money would be available to fund executive branch programs promoting religion.

These results would be deeply inconsistent with the core purpose of the establishment clause: to ensure that no taxpayer is forced to contribute to government support of religion.

Unfortunately, the Supreme Court rarely takes a case to affirm the decision from below. That, together with the recent shoring up of the court's conservative majority, strongly suggest that the administration's position will prevail, despite the threat it poses to the separation of church and state. If it does, everyone at the ball will take notice. But by that time, the party will be over.

END

Washington Post

February 22, 2007

Editorial: Drop This Case: The Endless Pursuit of the `Los Angeles Eight' Is an Unnecessary Affront to Arab Americans

``For the rule of law to prevail, litigation must have a beginning and an end.'' So wrote Judge Bruce Einhorn in a federal case that has become the Jarndyce and Jarndyce of immigration law _ it passed the 20-year mark last month. The saga of the Los Angeles Eight, though their number is now down to two, involves Palestinians whom the government has been seeking to deport for their activities on behalf of the Popular Front for the Liberation of Palestine (PFLP) _ activities such as raising money, holding meetings and distributing magazines in the mid-1980s. Six of the group have since been granted residency status, and the government hasn't moved against them. But two, Khader Hamide and Michel Shehadeh, remain the subject of deportation proceedings, though they were legal permanent residents at the time of their activities. They have never been accused of any terrorist action or criminal violation, and the government concedes that their actions would be constitutionally protected if they were U.S. citizens.

The PFLP is a loathsome group that has carried out terrorist activities. It was an important and legitimate policy change, after the Sept. 11 attacks, to tighten the law to make raising money here for terrorist groups a crime. But that law was not in place when Mr. Hamide and Mr. Shehadeh were allegedly involved with the PFLP; they say they were never members but only distributed its magazine. At this point, if not from the outset, the pursuit of two law-abiding, middle-aged men with roots and families in this country is misplaced and even self-defeating on the part of the government. The case of the Los Angeles Eight has become an unnecessary flash point for Arab Americans convinced that the government is discriminating against them.

In addition, the government's behavior undercuts its argument for deportation. ``A reasonable argument could be made that if Hamide and Shehadeh have engaged in terrorist activity, particularly in the context of today's world, then the government would be prepared to move heaven and Earth _ not to mention some mounds of paper _ to complete the trial and deportation' of them, Judge Einhorn wrote. Instead, the government has delayed presenting its case and ignored court\l "l" orders to turn over potentially exculpatory evidence. ``The repeated actions of the government in not complying with the court's orders have prevented'' the two men ``from obtaining fair hearings and closure in their case,'' Judge Einhorn concluded, calling the government's behavior ``an embarrassment to the rule of law.''

It's well past time for this to end. The government has until the end of the month to appeal the judge's ruling. It should, instead, drop this case, as it should have done years ago.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 22, 2007 10:59 AM
To: USDOJ- Office of Public Affairs
Subject: 15TH FAMILY JUSTICE CENTER OPENS IN SOUTH BEND, INDIANA

Department of Justice

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THURSDAY, FEBRUARY 22, 2007
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15TH FAMILY JUSTICE CENTER OPENS IN SOUTH BEND, INDIANA

Fulfills Goal of President's Family Justice Center Initiative

WASHINGTON - The Family Justice Center of St. Joseph County opened its doors today, the Justice Department and the City of South Bend announced. The center, located in South Bend, Ind., is the final center to be opened under President Bush's Family Justice Center Initiative, and is located in one of 15 communities chosen under the President's Initiative to prevent and respond to violence against women. The President's Family Justice Center Initiative, which was unveiled by President Bush in October 2003 and funded by the Justice Department, is an unprecedented pilot program designed to make a victim's search for assistance more effective by bringing the necessary services together under one roof. The Justice Department's Office on Violence Against Women (OVW) has guided this pilot program with the goal of using these centers as models for how communities should provide coordinated domestic violence services across the country.

"Offering coordinated and centralized services for domestic violence victims is how our communities can better respond to violence against women," said Mary Beth Buchanan, Acting Director of the Office on Violence Against Women. "We hope that these centers will serve as models for other communities to duplicate across the country."

The services in communities designed to help victims of domestic violence are often fragmented and uncoordinated. Centers like the Family Justice Center of St. Joseph County are designed to bring together various components, including victim advocates, law enforcement officers, prosecutors, probation officers, forensic medical professionals, civil legal attorneys, chaplains, and representatives from community-based organizations into one centralized location to better serve victims of abuse.

Through the President's Intiative, the Family Justice Center of St. Joseph County received extensive technical assistance from the original family justice center based in San Diego, Cailf., to aid in the comprehensive development. Additional technical assistance was provided by centers in Indianapolis, Ind. and Hennepin County, Minn. Additionally, the National Network to End Domestic Violence provided the Family Justice Center of St. Joseph County with assistance in technology and victim safety.

More information about the President's Family Justice Center Initiative and other initiatives involving the Office on Violence Against Women is available on OVW's Web site at http://www.usdoj.gov/ovw.

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Thursday, February 22, 2007 11:55 AM
Subject: DOJ African American History Month Celebration 11:00 a.m., Friday, February 23, 2007

DOJ African American History Month Celebration
11:00 a.m., Friday, February 23, 2007

An event to honor the heritage, culture, and significant contributions of African Americans will be presented at 11:00 a.m., Friday, February 23, 2007, in the Great Hall, Robert F. Kennedy Building. "Pin Points Theatre" of Washington, D.C. will present *"1001 Black Inventions."* The 1001 Black Inventions play features the lives of brilliant men and women; it then takes you into the Twilight Zone, a typical American family attempting to survive in a world without the inventions created by Africans and African Americans.

Established in 1980, Pin Points Theatre is a local theatre company that has garnered many awards, including the DC Mayor's Excellence in Arts Award and endorsements from the Smithsonian Institution. Pin Points Theatre has performed over 3,000 times in the United States, Canada, and Asia.

All employees in the Washington Metropolitan Area are invited to participate in this event. In view of the special significance of this event, we ask supervisors and managers to inform their employees and to grant them reasonable official time to participate.

Also, the EEO Staff has developed a new site to provide historical information on special emphasis events – at this point in time – on African American History Month. Please click on the following DOJNet site to enjoy this additional feature:
http://10.173.2.12/jmd/eeos/bhm/index.php.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

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JMD … Serving Justice - Securing Results

System Administrator

From: System Administrator
Sent: Thursday, February 22, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1243999 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 22, 2007 2:58 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. AIR FORCE ACADEMY'S 14TH ANNUAL NATIONAL LEADERSHIP SYMPOSIUM

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 22, 2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE U.S. AIR FORCE ACADEMY'S 14TH ANNUAL NATIONAL LEADERSHIP SYMPOSIUM

COLORADO SPRINGS, COLORADO

Good afternoon.

It is important to study and take the time to appreciate strong leadership and I have been looking forward to our discussion this afternoon. I believe that this nation has been extremely well-served by its leaders at critical moments in our history, and there is much to be learned from the decisions they made, and how they made them.

I'd like to begin today by mentioning a few of the Americans who I believe stand out in our history for their courage, for their steadfast commitment to what they knew to be right and rightly American – men who protected the foundations of our nation and set the stage for what we have evolved to be today: the standard bearer of equality and human dignity … of liberty and justice for all.

With their example as our guiding light, I'll then share with you some thoughts I have about where we are, as a nation, on these critical issues – including observations from my own life and concrete examples of what your government is doing, today, to protect these uniquely American rights.

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First, stories of leadership:

Beyond the solid foundation that was built by our Constitution, strong leadership has often made the difference in determining the direction of our country, and our ability to protect and promote basic human rights and freedoms.

I think you will agree that we cannot talk about leadership and equality without invoking the name and memory of President Abraham Lincoln. He was a man who hated war, but committed his country to the bloodiest of wars rather than lose it to the irreconcilable status of half slave, half free.

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Lincoln was sure, to his core, that this difficult direction was the right one. He was so sure that he held steadfast through criticism, lost battles and massive human casualty. He did not bend, and in fact used all the powers of the presidency that he could to stick to the course. He withstood harsh ridicule for that use of power, but pressed on.

Lincoln pushed the limits. Without Congressional approval, he increased the size of the Army and Navy, spent money on weapons, and suspended the writ of habeas corpus. And by executive fiat, he freed the slaves through an executive proclamation. These actions were controversial. But history has shown that Lincoln's vision and dedication were right and necessary. The risk was absolutely worth taking. Today, Lincoln is considered one of the best and most significant leaders this country has ever known.

At the time when he was making the hard decisions and exercising his leadership to save the union, Lincoln knew that he had many critics. In commenting on that fact, he said, quote, "I desire so to conduct the affairs of this administration that if at the end, when I come to lay down the reins of power, I have lost every other friend on earth, I shall at least have one friend left, and that friend shall be down inside me."

Half a century later, another American President, Woodrow Wilson, would commit the nation to war, face criticism, and remain steadfast. Having spent his first term doing everything he could to avoid war, Wilson delivered a poignant message to the Congress when he ultimately compelled them to commit troops to World War I. He said, quote, "There are, it may be, many months of fiery trial and sacrifice ahead of us. It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts -- for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free."

Wilson believed that the importance of protecting democracy – which is uniquely represented in this world by the United States – was worth great sacrifice. He is remembered as a visionary and a great leader.

Another war-time President, a man who we see today as having been absolutely the right leader at the right time in both national and global history, was Franklin Roosevelt. But at the time of his presidency, many called him "dictator," "warmonger," and even "fascist."

In entering World War II, Roosevelt told Americans that our nation would be the "Arsenal for democracy." He was right. And, indeed, the thought of a world today in which the United States had not lent its forces to defeat Nazi Germany is unimaginable.

The United States, and ultimately the world, are fortunate to have been led during difficult times by men of such conviction, such faith in the founding principles of this great, free nation. We are fortunate that they were not easily swayed by critics – who inevitably have the luxury of voicing their views without risking human lives, without committing soldiers to war or leaving the innocent without protection.

These great, proven leaders could not change course based on complaints. They could not please all constituents all of the time – no public official can. Instead they courageously set course based on conviction and a deep, philosophical understanding of what was right and what was necessary.

As I'm sure this symposium has shown, year after year, the term "leadership" can be defined in so many ways. In this great nation of ours, I believe the most successful leadership has been guided by a deeply-rooted belief in those things that make this country special: Freedom. Equality. Liberty, and justice.

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It is therefore fitting that the theme of this year's symposium is "equality and human dignity." The American commitment to these values is, I believe, unique.

I have seen this commitment deepen visibly, and at times dramatically, over my lifetime.

Equality and human dignity have meant something special to me since I was very young – perhaps because I grew up in a time and a place where those things were not a "given" in every situation.

When I joined the Air Force in 1973, I was welcomed into a community that was a little different from what I had known growing up – because in the Air Force, everyone really was basically treated the same. Equality was real because integrity, service and excellence were the things that were valued most. They are the things that really count in life, and that will save lives in battle. This emphasis on higher values and life-or-death skills leaves no room for petty or bigoted judgments.

I had come to the Air Force from a background that included the uncomfortable knowledge that some folks didn't see me as just "Al Gonzales." They might see me as Hispanic, as "Mexican," or as being different because I was from a certain, poor neighborhood. I knew that some people I encountered in life might miss the other important things about me because of that narrow view.

Playing sports had been an equalizer for me during those younger years. I loved baseball and football. If you were good, and played fair, you could be a star. Your teammates were your brothers, regardless of race.

But things could get complicated at school, socially. I dated a girl in high school whose parents did not like me dating their daughter because I was Mexican. She and I didn't care about our differences, but her parents couldn't see past them.

I remember vowing, at that time, to prove to the girl's parents, someday, that I was just as good as they were.

I think it was important during those times that I held on to the belief that being an American meant having equal opportunity. I knew it was true because I watched my mom and dad and other adults in my neighborhood go to the polls on election days. On that day, they had the same say, the same voice as anyone else in how our state and our country would be run. We had the same vote, the same amount of power to choose our government.

That appreciation of American equality made my heart beat with hope in the classroom – where I studied hard and discovered that America's founders had written that "all men are created equal." My heart also beat with hope on the baseball and football fields – where I played hard and dreamt of being a professional athlete. And it beat with hope in the stands of the stadium at Rice University, where I worked selling Cokes to fans and dreaming that someday I might sit in their seats, cheering for my school's team.

My experiences were not unlike those of so many other American minorities – both the hurtful, challenging times and the times filled with hope.

Many before and after me experienced treatment and racism much, much more harsh than I ever did – utterly unthinkable abuse and violence in far too many cases.

I believe I was fortunate to have been growing up in time when things were getting better in this country. I was eight years old when Dr. King spoke of his dream, and by the time I was in high school, that

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dream was beginning to be realized. The words "all men are created equal" were becoming far truer than the day they were written.

In my final year here at the Academy, I witnessed another moment in the evolution of equality in this nation when the Academy admitted its first female cadets.

I won't pretend that the admittance of women was without controversy here on campus. The women of the class of 1980, unfortunately, weren't welcomed by all. I think some questioned the wisdom of the change and resented the end of a tradition. Like so many women and minorities before them, the first female cadets persevered through a time of difficult social transition and they have made the Academy, and our nation, a better place– women like Brigadier General Susan Desjardins, class of 1980, the first woman to serve as the Academy's Commandant of Cadets. We are proud of Brigadier General Susan Helms, also class of 1980, who was the first woman graduate astronaut, flying on four Space Shuttle missions and serving five months on the International Space Station.

My generation didn't have everything right; our social evolution was sometimes painful. But we did experience more equality than our parents did and because of what I have seen in my lifetime, I continue to be impressed by the evolution of attitudes toward equality from one American generation to the next. Unlike other cultures, intolerance is not often passed down here in the land of the free.

I am speaking broadly, of course. There are terrible exceptions to what I see as a positive trend.

But the evidence of my own life is hard to ignore.

My friends in high school were more open-minded than some of their parents were, for example. And my sons are growing up in a time even better yet, where their race and that of their classmates is so inconsequential that it rarely comes up as a topic. The eyes of my children's generation seem largely colorblind to me.

For this and many other reasons, I believe that this country is living up to its ideals today more than ever before. We are doing our best to heal the wounds of the past. Our commitment to human dignity is unrivaled in the world – and I'll speak more to that fact in a moment.

The progress of true equality in this nation during the course of my lifetime was evident, in a very poignant way, to me just a few weeks ago.

On January 25th, the Department of Justice indicted a former member of the Ku Klux Klan alleged to have participated in the abduction, brutal beating and forcible drowning of two black men – Henry Dee and Charlie Moore – in Mississippi in 1964.

Being part of the Department of Justice on that day was a moment that I will remember as a highlight of my time as a public servant because it was a day that meant so very much to the families of those men who were killed in an act of unbridled racism. The Department's commitment to seeking justice in this decades-old case brought a lot of peace to a family who had suffered greatly in a time of terrible darkness and struggle in our nation's history.

As much as I believe deeply in the American dream – and as much as I know that I, myself, am living proof of that dream – I also know that the dream still needs to be supported and protected, every day. I'm honored to help with that support and protection as Attorney General.

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The murders of Henry Dee and Charlie Moore would not go unanswered today, as they did in the 1960s, when I was a boy. And the Department that I am proud to head doesn't let other offenses to human dignity go unanswered, either.

We work, instead, to protect the American dream every day. We are the passionate defenders of voting rights, working with our partners in state governments to ensure both full access to voting and the integrity of the ballots cast.

We have recently established a Human Trafficking Prosecution Unit within our Civil Rights division because the victims of modern-day slavery desperately need our help in finding freedom in the freest country on earth. We are rescuing the victims and giving them a voice in hopes of putting and end to this heinous practice, where people – most often minority women and children, immigrants and U.S. citizens alike – are forced or coerced into prostitution, labor or illicit sexual activity.

The work we do at the Justice Department to protect children from sexual predators and pedophiles also speaks to America's dedication to protecting human dignity. A child is a human being. Predators and pedophiles treat them like their prey, and this simply cannot be tolerated in a nation of laws designed to elevate human dignity and rights.

I feel strongly that abiding by our nation's laws is central to equality and human dignity as well. That's why the law enforcement community works so hard to reduce violent crime – we know that a young person who lives among criminals, in an environment of fear, cannot take full advantage of the opportunities offered by this great nation. Equality can only be fully enjoyed when we feel safe, and a neighborhood that functions in the shadow of gangs and drugs does not feel safe.

Those who participate in the gang or criminal life are not respectful of those values that this Academy rightly holds up as priorities: integrity, service before self, and excellence. Their actions also disrespect human dignity and flout the blessings of American equality.

Today's topic inevitably reminds us of all these challenges America has faced and will face – in the past, present and future – to uphold that American dream and that ideal of equality. We need to be ever-mindful of this important challenge, and to think of our role in the global community as well.

The United States stands as a shining example to the people of the world because our foundations of freedom are strong, and because we have dealt with our flaws throughout our history. I hope that we have learned from our mistakes … and for the most part, I believe that we have.

The establishment of this great nation has also consistently offered a unique breadth of freedom. From the start, we represented freedom of religion, of association, and of speech. Immigrants to this country could, and can, leave a caste system behind and establish a better future for their family here. That's what my own grandparents did.

Today we are writing the latest chapter that will clarify American dedication to human dignity and equality. We are engaged in an important national conversation about how to ensure civil liberties while we aggressively fight the War on Terror. Our enemies would not have this debate, yet our dedication to human dignity and liberty – things for which they have no respect – ultimately helps protect their human rights.

Some Americans ask why their government is going so far to protect the rights of terrorists or would-be terrorists, while others insist that we aren't offering enough protection. It is a critical and often contentious debate, but I hope all sides agree that America has a unique responsibility to set the global standard for liberty and fair conduct.

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We are a beacon of hope. I travel quite a bit for my job, and I am reminded every time I go abroad of how much the world looks to us as an example.

The world looks to us to set high standards for freedom, and we take that leadership role very seriously.

Other countries sometimes strike a different balance between security and freedom, both in the activities they punish as crimes, and in the procedures with which they do so.

Other nations give terrorists the same rights as every other criminal – car thieves, bank robbers and terrorists are all the same in those courts. As people in this room know, in the United States we have a long-standing tradition of trying those who violate the laws of war in military trials. Our approach is different; that does not mean it is wrong.

In some instances, our allies have adopted or utilized some counterterrorism tools that we have not adopted in the United States because doing so would abridge the civil liberties protected by our constitution.

For example, speaking out in support of past terrorist acts is punishable in several European countries, including Italy, Spain, and France. And after the July 2005 terrorist attacks in London, the United Kingdom passed a law making it a crime to directly or indirectly encourage terrorism, or to disseminate terrorist publications, or to post "terrorist publications" on the Internet. Laws like these contain aspects that would be inconsistent with the First Amendment if adopted in the United States.

Another example: In France, police can hold suspects in custody for up to 96 hours if there are plausible reasons to suspect that the person has been involved in a terrorism offense, or up to six days if there is a serious danger that acts of terrorism are believed to be imminent. Compare this to our country, where there must be a probable cause hearing within 48 hours of a suspect's arrest.

And in the United Kingdom, the arrest or search of a suspected terrorist is allowed if law enforcement "reasonably suspects" the person to be a terrorist or to possess "anything which may constitute evidence that he is a terrorist." This reasonable suspicion standard is a lesser standard than the "probable cause" standard required under the Fourth Amendment of the U.S. Constitution. The terrorism suspect can be detained in the United Kingdom for up to 28 days, and the reviewing official still does not need to find probable cause–only that there are reasonable grounds to believe that detention is necessary to obtain relevant evidence.

In short, there are a variety of approaches to combating terrorism, and each country, including ours, makes choices based on their values and unique legal system.

I'm proud of the American approach, and of the laws that we have established. Our laws are unique … they uniquely protect human rights.

That said, debate is still necessary, and our right to free speech supports that debate.

I believe the vitality of the discussion over treatment of detainees is important. And I believe it is a sign that we are mature as a nation, as a culture and a society, that all sides of the debate agree that to achieve victory at the cost of eroding civil liberties would not really be a victory. We all agree that we cannot change the core identity of our Nation and claim success.

In conclusion, I want to emphasize the fact that, through our laws, our founding principles and our cultural attitudes, this nation celebrates equality and the human spirit every day.

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Public service has taught me that what I hoped was true about our country when I was a young boy, really is true. The United States government really does operate by the philosophy that "all men are created equal." Through the power given to the government by the people, human dignity is protected and civil rights are enforced.

The cadets in this room today will be among the next to take on the responsibility of both protecting and promoting the American ideal of equality, of liberty and justice for all. Do not take this lightly. It is not easy work to maintain the beacon of freedom and hope for the world. And you will inevitably face challenges; each generation does.

But do, do approach the task with pride of self and of country. It is a great nation that happily embraces and supports an Hispanic Attorney General, an African-American Secretary of State and a woman Speaker of the House – when just one generation ago such diverse leadership seemed a far distance into the future.

We are great for our foundations but even greater for our progress. The American dream is real, it lives in our hearts, is protected by our laws and promoted by our greatest leaders. I believe your generation will take the American dream to its highest heights yet.

Thank you again; may God bless you, may he watch over you and guide your discussions and may he continue to bless the United States of America.

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System Administrator

From: System Administrator
Sent: Thursday, February 22, 2007 4:45 PM
To: Gorsuch, Neil M
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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 22, 2007 6:22 PM
To: USDOJ- Office of Public Affairs
Subject: NEW YORK MAN SENTENCED FOR ROLE IN CONNECTION WITH CORRUPTION IN OIL-FOR-FOOD PROGRAM

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 22, 2007
www.usdoj.gov/usao/nys

CONTACT: Yusill Scribner
PHONE: (212) 637-2600
FAX: (212) 637-2611

NEW YORK MAN SENTENCED FOR ROLE IN CONNECTION WITH CORRUPTION IN OIL-FOR-FOOD PROGRAM

NEW YORK—Tongsun Park, 71, a citizen of the Republic of Korea, was sentenced today to 60 months in prison for his role in connection with corruption of the United Nations Oil-for-Food Program, U.S. Attorney Michael J. Garcia of the Southern District of New York announced. On July 13, 2006, Park was found guilty by a jury of conspiring to act in the United States as an unregistered agent of the government of Iraq, specifically to assist the former Iraqi government in the creation of the U.N. Oil-for-Food Program.

Park was sentenced to 60 months in prison, to be followed by three years of supervised release. Park was also ordered to pay a fine of $15,000 and to forfeit $1.2 million to the United States. The funds forfeited in this case, as with other funds recovered in the investigation of corruption in the Oil-for-Food Program, are expected to be remitted to the Development Fund for Iraq.

U.S. Attorney Garcia praised the efforts of the Counterintelligence and Criminal Divisions of the FBI and the U.S. Department of State. He also expressed appreciation to the Independent Inquiry Committee into the U.N. Oil-for-Food Program and the U.N. Office of Legal Affairs for their assistance during the course of the prosecution. Finally, U.S. Attorney Garcia expressed his appreciation for the assistance provided by the current Iraqi Mission to the United Nations.

Assistant U.S. Attorneys Edward C. O'Callaghan, Stephen A. Miller, Michael Farbiarz, and Lisa P. Korologos are in charge of the prosecution.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, February 22, 2007 6:32 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA MAN CONVICTED FOR CHILD EXPLOITATION

Department of Justice

FOR IMMEDIATE RELEASE

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THURSDAY, FEBRUARY 22, 2007

(202) 514-2008

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FLORIDA MAN CONVICTED FOR CHILD EXPLOITATION

WASHINGTON. – Raymond George Bohning, 59, of Hollywood, Fla., entered a guilty plea in U.S. District Court in Ft. Lauderdale, Fla., for preying on children, Assistant Attorney General Alice S. Fisher of the Criminal Division, U.S. Attorney R. Alexander Acosta for the Southern District of Florida, and FBI Special Agent in Charge, Jonathan I. Solomon, announced today.

At a hearing held today before Senior District Judge Jose A. Gonzales, Bohning pleaded guilty to the enticement of a minor to engage in sexual activity, production of images of a child engaging in sexually explicit conduct, distribution of child pornography to a minor to persuade her to engage in sexual conduct, and possession of child pornography.

In November 2003, Bohning traveled from Florida to Birmingham, England, in order to sexually abuse 13 and 15-year-old girls. The father of the 13-year-old girl intercepted a telephone call between his daughter and Bohning upon Bohning's arrival in the United Kingdom in which he discussed his planned sexual activity with her. The young girl's father contacted U.K. law enforcement who notified the FBI in Miami. Bohning was arrested in the U.K. and charged with various offenses including possessing and distributing lewd images of minors. A search of his person and hotel room revealed he was in possession of numerous items including: a laptop computer, Viagra pills, Vaseline petroleum jelly, a teenage pornography magazine, and Polaroid images of a teenager engaging in sexually explicit conduct. Bohning pleaded guilty in the U.K. to possessing and distributing indecent images and publishing an indecent article and was sentenced to 30 months in prison. He was subsequently extradited to the United States for prosecution.

An investigation conducted by the FBI revealed that Bohning had an extensive collection of child pornography images depicting minors being sexually abused, including babies and toddlers. The defendant convinced a 15-year-old girl to engage in sexually explicit conduct in order to produce images which he saved; distributed images to a minor in an effort to persuade her to engage in sexually activity with him; and created a list of 374 individuals' Internet screen or user names, mostly minors whom he catalogued by physical attributes, state or country of residence, and the nature of their sexual experiences.

DOJ_NMG_ 0174377

Bohning faces a mandatory minimum of 15 years in prison and a maximum of 30 years for production of child pornography. The defendant faces a mandatory minimum of five years in prison and a maximum of 30 years for enticing a minor to engage in illegal sexual activity. For distributing child pornography to a minor to induce her to engage in sexual activity, Bohning faces up to 20 years in prison. He also faces up to 10 years in prison for possessing in excess of 600 images of child pornography. Bohning is subject to a fine for each count of up to $250,000 and faces a possible lifetime period of supervised release. A sentencing hearing is currently scheduled for May 11, 2007.

This case is being prosecuted by Assistant U.S. Attorney Robin Waugh for the Southern District of Florida, and Deputy Chief Sherri A. Stephan and trial attorney Bonnie Kane, both of the Child Exploitation and Obscenity Section of the Criminal Division. This case was investigated by FBI Special Agent Catherine Koontz in Miami, and the West Midlands Police Department in the United Kingdom. The analysis of the computer forensic evidence was accomplished by the High Technology Investigative Unit of the Child Exploitation and Obscenity Section.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

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07-107

DOJ_NMG_ 0174378

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Image not available for this document, ID: 0.7.10316.7110-000002

System Administrator

From:	System Administrator
Sent:	Thursday, February 22, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1244177 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Thursday, February 22, 2007 11:00 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1244178 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1244179 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1247144 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Calvert, Chris (CIV)

From: Calvert, Chris (CIV)
Sent: Friday, February 23, 2007 11:42 AM
To: Gorsuch, Neil M
Subject: Not read: RE: OASG weekly

Amber.JMD

From: Amber.JMD
Sent: Friday, February 23, 2007 12:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Bradenton, FL

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, February 23, 2007 12:35:01 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Bradenton, FL
Auto forwarded by a Rule

AMBER ALERT:Bradenton,FL VEH:Red/maroon older pickup trk extended cab CHILD:W/M,14,5',100 Hai:Lt.brn SUSP:HISP/M,30's,5'7 Hai:Drk CALL 941-747-3011 X3596 or 911 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3462

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From:	System Administrator
Sent:	Friday, February 23, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1247148 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1247149 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 23, 2007 4:10 PM
To: USDOJ- Office of Public Affairs
Subject: GEORGIA MAN INDICTED ON CHILD EXPLOITATION CHARGES

Department of Justice

United States Attorney Frank Maxwell Wood
Middle District of Georgia

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 23, 2007
WWW.USDOJ.GOV/USAO/GAM

CONTACT: SUE MCKINNEY
PHONE (478) 621-2602
FAX (478) 621-2604

GEORGIA MAN INDICTED ON CHILD EXPLOITATION CHARGES

MACON, Ga**.** – An Americus, Ga. man was arrested yesterday after being indicted on Feb. 7, 2007, by a federal grand jury charging him with transporting a minor with intent to engage in criminal sexual activity, receipt of child pornography, and possession of child pornography.

The indictment alleges that on or about July 1, 2000, Thomas Conrad Lowery, 47, knowingly transported a minor—who was less than 16 years of age—from Georgia to Canada, for the purpose of engaging in illicit sexual activity. The indictment also alleges that in 2005, he received and attempted to receive, and possessed images of child pornography. The indictment was previously unsealed, but was unsealed today upon Lowery's initial appearance. If convicted, Lowery faces five to 20 years in prison, a fine of up to $250,000, and a lifetime period of supervised release.

An indictment is merely an accusation and the defendant is presumed innocent until proven guilty at trial beyond a reasonable doubt.

The case was investigated by the Georgia Bureau of Investigation (GBI) and Immigration and Customs Enforcement (ICE). The case is being prosecuted by AUSA Leah McEwen of the U.S. Attorney's Office for the Middle District of Georgia and Michael Yoon, Trial Attorney with the Child Exploitation and Obscenity Section of the U.S. Department of Justice.

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DOJ_NMG_ 0174389

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Image not available for this document, ID: 0.7.10316.7058-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, February 23, 2007 4:14 PM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF TREASURY SPECIAL AGENT PLEADS GUILTY TO BANK FRAUD CONSPIRACY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 23, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

DEPARTMENT OF TREASURY SPECIAL AGENT PLEADS GUILTY TO BANK FRAUD CONSPIRACY

WASHINGTON – A Special Agent with the U.S. Department of Treasury Inspector General for Tax Administration (TIGTA) pleaded guilty today to a charge of conspiring to defraud three Jacksonville, Fla., banks of $106,000, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

A seven-count indictment returned by a federal grand jury in Jacksonville on Jan. 10, 2007, charged TIGTA Special Agent John Thomas, Jr. with one count of conspiracy, three counts of bank fraud, and three counts of making false statements on loan and credit applications.

Between March 1999 and August 2000, Thomas conspired with others to fraudulently obtain approximately $106,000 in loan proceeds from three banks in Jacksonville. Thomas obtained a loan from each of the three banks in the name of Zan Tan Man Enterprises, a purported computer service provider. Thomas falsely claimed in loan applications that the company had more than $500,000 in annual revenue, several years of experience, and six to eight employees. The indictment alleges that Zan Tan Man Enterprises was actually a company Thomas created for the purpose of obtaining the three loans and that it had no revenue, no experience in the computer field, and no employees.

The maximum penalty Thomas can receive on the conspiracy count is up to five years in prison and a fine of up to $250,000.

This case is being investigated by the U.S. Secret Service, U.S. Postal Inspection Service, and U.S. Department of Treasury Inspector General for Tax Administration. The prosecution is being handled by Trial Attorneys Kathleen McGovern and Hank Bond Walther of the Fraud Section of the Justice Department's Criminal Division.

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07-108

DOJ_NMG_ 0174392

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Image not available for this document, ID: 0.7.10316.7029-000002

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1247933 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Friday, February 23, 2007 5:34 PM
To: USDOJ- Office of Public Affairs
Subject: FLORIDA ATTORNEY CONVICTED OF WITNESS TAMPERING AND CONSPIRACY TO OBSTRUCT A GRAND JURY

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 23, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FLORIDA ATTORNEY CONVICTED OF WITNESS TAMPERING AND CONSPIRACY TO OBSTRUCT A GRAND JURY

WASHINGTON – A federal jury convicted former Monroe County, Fla., Attorney of conspiring to obstruct a federal grand jury and witness tampering, Assistant Attorney General Alice Fisher of the Criminal Division and U.S. Attorney R. Alexander Acosta Jr. of the Southern District of Florida announced today.

After deliberating for approximately two hours, the jury found James T. Hendrick, 59, of Key West, Fla., guilty on one count of conspiracy, one count of obstruction of justice, and two counts of witness tampering. Hendrick is currently the named partner in the law firm of Morgan and Hendrick located in Key West and formerly served as County Attorney for Monroe County. U.S. District Judge Shelby Highsmith ordered that the defendant be taken into custody immediately and set a sentencing date for May 4, 2007, in Miami.

The charges against Hendrick stem from a May 2004 indictment of former Monroe County Mayor John "Jack" London on charges of tax fraud and making false statements to the FBI. On May 19, 2005, Hendrick was added in a superseding indictment on charges of conspiring to obstruct and tamper with witnesses involved in the grand jury investigation of London. On July 13, 2005, London pleaded guilty to tax fraud and agreed to cooperate in the government's case against Hendrick. However, on Nov. 21, 2006, before trial could commence, London died of natural causes.

At trial, evidence showed that, in 1997, while serving as Monroe County Mayor, London received a $29,000 bribe from Randall Hilliard, a political consultant who had been hired by a real estate developer to assist with obtaining building permits from the Monroe Board of County Commissioners. London used the money to satisfy an outstanding lien against a residential property he owned in Cork, Ireland. In 2002 and 2003, when confronted by agents with the FBI about his receipt of the $29,000 bribe, London misled the investigators regarding the origin of the funds. Beginning in July 2003, and continuing into March 2004, Hendrick acted as a conduit between London and Hilliard to concoct a false story as to the true nature of the bribe payment. Hendrick did so knowing that the false information would be conveyed to a federal grand jury investigating the matter. Hendrick was the Monroe County Attorney at the time of the bribe and until September of 2003.

DOJ_NMG_ 0174396

The case was investigated by the FBI's Key West Resident Agency of the Miami Division and the IRS Criminal Investigations Division of the Miami Field Office. The case was prosecuted by Brenda K. Morris, Principal Deputy Chief of the Public Integrity Section, headed by Acting Section Chief Edward C. Nucci, and Assistant U.S. Attorney Christopher J. Clark of the Southern District of Florida.

# # #

07-110

DOJ_NMG_ 0174397

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Image not available for this document, ID: 0.7.10316.7032-000002

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248127 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Friday, February 23, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248171 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Saturday, February 24, 2007 5:45 AM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248172 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248173 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248174 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248175 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248176 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248176 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Saturday, February 24, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248177 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Sunday, February 25, 2007 1:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Livingston, MT

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Sunday, February 25, 2007 1:35:02 AM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Livingston, MT
Auto forwarded by a Rule

AMBER ALERT:Livingston,MT CHILD:10 White M 4'8" 90lbs Eyes:Blue Hair:Brown CALL 1877AMBERMT or 911 more information at montanaamberalert.com --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3482

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Sunday, February 25, 2007 2:02 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Livingston, MT

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Sunday, February 25, 2007 2:01:02 AM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Livingston, MT
Auto forwarded by a Rule

UPDATE AMBER ALERT:Livingston,MT CHILD:10 White M 4'8" 90lbs Eyes:Blue Hair:Brown CALL 1877AMBERMT or 911 more information at montanaamberalert.com --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3482

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248183 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248184 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Sunday, February 25, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248185 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248186 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248187 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248188 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Sunday, February 25, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248189 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 26, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1248190 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Monday, February 26, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1254980 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 26, 2007 10:31 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 26, 2007

Department of Justice

PRESS GUIDANCE
Monday, February 26, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Civil Rights Division will issue two releases. (Magnuson)

The Tax Division will issue a release on a sentencing matter. (Miller)

EVENTS/HEARINGS

No public events are scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174420

Image not available for this document, ID: 0.7.10316.6756-000001

Image not available for this document, ID: 0.7.10316.6756-000002

From: Miller, Charles S
Sent: Monday, February 26, 2007 10:51 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M.; Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/26/07 Civil Division News

Lawyers launch bid to free Australian from Guantanamo Bay

Press Release: U.S. Government Illegally Censoring Speech at Border, Groups Tell Court

Italian's case against base still in courts; Ex-Aviano employee paid 10,000 euros, but U.S. owes more, lawyer says

Court Urges Review of New York Judge's Immigration Cases That Are on Appeal

Ban on Prison Religious Program Challenged; U.S. Judge Ruled Evangelical Rehabilitation Effort in Iowa Is Unconstitutional

Judge Blocks Maine PUC From Holding Contempt Hearing

'Things got worse' without them; Framed men's relatives recall lives left behind

AGENCE FRANCE PRESSE

February 26, 2007

Lawyers launch bid to free Australian from Guantanamo Bay

SYDNEY, Feb 26, 2007 (AFP) - A team of Australian lawyers Monday launched a court action to force the government to bring home a detainee held in the US military prison at Guantanamo Bay in Cuba.

Lawyers for David Hicks argue that the government has breached its duty by failing to ensure a fair trial for the Muslim convert, who has been held without trial for more than five years.

Government lawyers told a Federal Court judge, however, that while the government may have a moral obligation to assist Australians abroad, there was no legal basis for the case.

Public support for Hicks has been mounting amid criticism that the government has abandoned the Australian citizen to the controversial military prison, and the courtroom was packed with Hicks' supporters.

Dubbed the "Australian Taliban," Hicks was captured in Afghanistan in late 2001. He was alleged to have been fighting with Taliban government forces against US troops who invaded after the September 11, 2001 terror attacks.

DOJ_NMG_ 0174423

He also allegedly received training at camps run by Osama bin Laden's Al-Qaeda.

Hicks' US-appointed military lawyer Major Michael Mori attended Monday's hearing and said knowing he had support in Australia was helping Hicks cope.

"I think the support, and knowing that there are people out there fighting for him, helps him get day by day through the time he sits in that cell by himself, in solitary, 22 hours a day."

US Vice President Dick Cheney said during a visit to Australia Saturday that Hicks was "near the head of the queue" for trial.

He said Prime Minister John Howard, who is facing increasing public disquiet at Hicks' treatment as an election looms later this year, had been "very direct" in pressing for a swift resolution to the case.

Howard's conservative government has resisted pressure to follow Britain's lead in demanding the repatriation of its Guantanamo detainees, but has stepped up pressure on Washington for action ahead of a domestic election in late 2007.

US military prosecutors are poised to charge Hicks, a former kangaroo skinner and ranch hand, with providing material support for terrorism and attempted murder, both charges carrying a possible life sentence.

Several top lawyers have condemned the government's stand on Hicks, and former judge Alastair Nicholson said Monday the prime minister could face war crimes charges for insisting he face trial before a US military commission.

Nicholson said the commission was not a properly constituted court and it could not deliver a fair trial to the terrorism suspect.

He said war crimes legislation clearly made that an offence on the basis that kangaroo courts should not be established to try a regime's enemies.

Judge Brian Tamberlin was expected to rule on whether the Federal Court has jurisdiction to hear the case for Hicks after hearing arguments from both sides.

END

ACLU
February 26, 2007

Press Release: U.S. Government Illegally Censoring Speech at Border, Groups Tell Court

NEW YORK - The American Civil Liberties Union today filed a new motion in federal court seeking to strike down a provision of the Patriot Act that allows the United States government to deny entry to foreign scholars because of their political views. The law, known as the “ideological exclusion” provision, violates the right of Americans to hear constitutionally protected speech, charged the ACLU.

Today’s motion comes in a lawsuit filed in January 2006 by the ACLU and the New York Civil Liberties Union on behalf of the American Academy of Religion, the American Association of University Professors (AAUP) and PEN American Center.

“The Bush administration is using immigration law to stifle speech that is a legitimate and critically necessary part of political and academic debate,” said Jameel Jaffer, Deputy Director of the ACLU’s National Security Program and lead attorney in the case. “It is frankly absurd that foreign scholars are being barred from the country simply because they have criticized U.S. policies in Latin America or the Middle East or taken other political positions that the Bush administration disfavors.”

The groups say that the ideological exclusion provision violates the First Amendment rights of Americans by preventing them from engaging in face-to-face dialogue and debate with foreign scholars whose speech the government disfavors. While the provision is nominally aimed at those who “espouse or endorse terrorist activity,” the provision’s terms are

vague, sweeping and manipulable and could readily be used to exclude foreign scholars who study controversial matters such as terrorism and the concept of "jihad" in Islam, according to the ACLU. In fact, the State Department's Foreign Affairs Manual interprets the provision to apply to those foreign nationals who have voiced "irresponsible expressions of opinion."

The groups are asking the court to declare that the provision is unconstitutional, and are also asking the court to end the government's continued refusal to allow Swiss scholar Tariq Ramadan to return to the United States. The government referenced the provision in 2004 to explain its revocation of a visa that would have permitted Ramadan to take up a tenured teaching post at the University of Notre Dame. When challenged in court, government attorneys failed to produce any evidence showing that Ramadan had endorsed terrorism, and during the course of litigation they abandoned the allegation altogether.

END

Stars and Stripes

February 26, 2007

Italian's case against base still in courts; Ex-Aviano employee paid 10,000 euros, but U.S. owes more, lawyer says

By Kent Harris, Stars and Stripes

PORDENONE, Italy — A former Italian employee of Aviano Air Base has received 10,000 euros from the U.S. government, but says he is owed another 10,000.

And if an agreement on that money isn't worked out before a series of court dates in April, his lawyer, Roberto Russi, said the bill will keep climbing.

Italian courts have consistently ruled in favor of Mauro Martin, who worked at the base from 1975 to 1991, Russi said Saturday.

When Martin was laid off in 1991, the U.S. owed him the equivalent of about 5,000 euros. But instead of paying all the money to him, payments were instead made to creditors. Under Italian law, only 20 percent of such payments can be made to creditors.

Martin took the matter to court and won a series of decisions beginning in 1994. The process then stalled, with Martin left searching for a way to collect.

Italians aren't allowed to go onto U.S. military facilities and seize property in such cases. So Martin and Russi eventually targeted a warehouse outside the base that housed goods sold by the Army and Air Force Exchange Service. About 20,000 euros worth of goods — including mattresses, barbecues, a lawn mower and other items — were set aside in August by a delegation that included Russi and a court representative.

The U.S. Department of Justice, represented by Italian lawyers, objected to that seizure, arguing that AAFES goods were not U.S. government property and were intended to benefit servicemembers and their families.

On Dec. 1, a judge in Pordenone disagreed with that assessment and ruled the goods could legitimately be seized. Following that, Russi said, Martin received a check of about 10,000 euros.

The U.S. side argued that the goods should then be freed up, he says, and it launched appeals with the court on the judge's ruling and the legitimacy of seizing such goods. It also argued that the amount of goods under seizure should be cut in half because of the payment it had made.

Charles Miller, a spokesman for the Justice Department, acknowledged in an e-mail earlier this month that the U.S. had made the payment. But he said it disagreed with the amount of money it owed and other aspects of the case "and so the case remains active."

Russi said he believes the seized goods are still under wraps in the AAFES warehouse but legal action would likely be brought if they're not there.

A three-judge panel in Pordenone heard a U.S. appeal on Feb. 1. Russi said it essentially recommended that the two sides settle their differences before another hearing scheduled for May 17. Other appeals are scheduled for April 3 and 17 and Russi said he's obligated under Italian regulations to increase his bill to his client if those motions go forward.

He said three-quarters of the money already paid to Martin went to the lawyer who originally represented him and won the initial battles of the case. Russi, who has been working on collecting the money for Martin for four years, received the remainder.

Russi said he believes the U.S. is continuing to fight the case — and may decide to appeal rulings to Trieste and Rome as it did originally — in order to avoid setting a precedent in Italy. He said he's aware of doctors who have won rulings against the U.S. military in Vicenza and believes it's likely there are other cases out there.

END

New York Times

February 25, 2007

Court Urges Review of New York Judge's Immigration Cases That Are on Appeal

By RAY RIVERA

In a move that immigration lawyers say is highly unusual, a federal appeals court has recommended that a Justice Department appeals board review all immigration cases still on appeal involving a judge who has been criticized as being hostile to people seeking asylum.

The request came in a ruling on Wednesday by the United States Court of Appeals for the Second Circuit in Manhattan that struck down a decision by Judge Jeffrey S. Chase in the case of a Mauritania native who said he would be persecuted if he was returned to his home country.

The court said Judge Chase's decision to deny asylum contained a "plethora of errors and omissions." The three-judge panel capped off its ruling by saying that "given the court's history with Chase, it may improve judicial efficiency" if the Board of Immigration Appeals "closely re-examined all of his cases" that are still on appeal.

The board is the first level of appeal in immigration cases before they can advance to the federal appellate courts. A phone call to the board's offices in Falls Church, Va., last night was not returned.

Immigration experts say the court's rebuke of Judge Chase highlights the escalating demands on the nation's 218 or so immigration judges, who handle some 350,000 cases a year without the help of law clerks, bailiffs or stenographers. A scarcity of competent immigration lawyers and language barriers only complicate matters.

As further evidence of the pressure, the appeals court issued a temporary notice on Friday that asylum cases would no longer be scheduled for oral arguments unless requested by the parties involved and approved by the court. The court's immigration caseload has expanded in recent years as the Justice Department has curtailed its own appeals process. The court will take public comments before deciding whether to make the change permanent.

"Can you imagine if they said there were no longer going to be oral arguments in criminal cases, civil libertarians would go crazy," said Bryan Lonegan, a lawyer with the Legal Aid Society's immigration unit. "But they're doing this in these asylum cases because the workload is huge."

Lawyers who have worked with Judge Chase say his experience serves almost as a cautionary tale. Before his 1995 appointment, he was chairman of the American Immigration Lawyers Association's National Asylum Reform Task Force. He received awards as a human rights advocate and rallied on behalf of people from China seeking asylum. He even videotaped lessons on asylum for other lawyers.

But in recent years, the Second Circuit has criticized his demeanor in court. Regarding a 1998 hearing involving a man seeking asylum from Bangladesh, the court said, Judge Chase "repeatedly addressed him in an argumentative, sarcastic, impolite and overly hostile manner."

After a stinging Second Circuit decision was published last year in The New York Law Journal, an immigration lawyer described the judge as devastated. "He said, 'I learned my lesson, but some of these cases are still in the pipeline,' " the lawyer, Robert Murtha, told The New York Times last fall.

One of those cases involved Aboubacar Ba, the Mauritania native. After a 2004 hearing, Judge Chase denied Mr. Ba asylum in part because the judge said Mr. Ba failed to apply for asylum within one year of arriving in the United States; his immigration papers showed otherwise.

The appeals court sent the case back to the appeals board, adding: "We note with concern that, based on the transcript, the tone of this proceeding is consistent with previous proceedings that have drawn rebuke from this court."

The panel also pointed to a “disturbing” incident in which the judge appeared to tread on lawyer-client privilege when he asked Mr. Ba if he lied to his attorney: “Yes or no?”

“It is inconceivable,” the panel wrote, that Judge Chase, “as a judge and lawyer, would not know the impropriety of that question.”

Calls to Judge Chase’s home were not returned yesterday; Justice Department rules forbid immigration judges from talking to reporters.

Mr. Chase is one of several immigration judges who have been criticized by the appeals courts in recent years. The nation’s immigration judges are employees of the Justice Department, not the court system.

In fact, Judge Chase has a record of approving asylum requests more often than the average judge. He denied 58 percent of asylum claims, compared with about 62 percent by immigration judges nationally, from 2000 to early 2005, according to the latest data available from Transactional Records Access Clearinghouse at Syracuse University.

Lauris Wren, who runs an asylum clinic at Hofstra University’s School of Law, said the court was “scapegoating Judge Chase instead of addressing” systemwide problems.

Mr. Ba’s lawyer, Thomas V. Massucci, told The Associated Press that he had never heard of a court making such a recommendation. “There are probably hundreds of these cases in the pipeline,” he said.

Mr. Lonegan called the court’s recommendation “extraordinary.”

“I just did an asylum case in front of him maybe six months ago, and he was extremely pleasant,” Mr. Lonegan said, adding that the judge allowed his client to tell his story of persecution for 40 minutes. “I just thought that was terribly decent of him,” Mr. Lonegan said.

END

Washington Post

February 25, 2007

Ban on Prison Religious Program Challenged; U.S. Judge Ruled Evangelical Rehabilitation Effort in Iowa Is Unconstitutional

By Peter Slevin
Washington Post Staff Writer

CHICAGO -- Interested inmates at Newton Correctional Facility in Iowa receive teaching material that declares: "Criminal behavior is a manifestation of an alienation between the self and God. Acceptance of God and Biblical principles results in cure through the power of the Holy Spirit. Transformation happens through an instantaneous miracle; it then builds the prisoner up with familiarity of the Bible."

Rooted in evangelical Christianity and supported by more than $1.5 million in public funds, the method of the rehabilitation program is clear enough. A key question is its constitutionality. A trio of appellate judges, including former Supreme Court Justice Sandra Day O'Connor, is reviewing a lower court's decision that the program violates the separation of church and state.

People on both sides of the dispute say the outcome could influence the future of President Bush's faith-based initiative, which links government and religious institutions in efforts to solve social problems.

"This puts into jeopardy not just faith-based nonprofits in a prison setting," said Mark Earley, president of Virginia-based Prison Fellowship Ministries, whose affiliate, the InnerChange Freedom Initiative, runs the Iowa program. "I think you'd see a precipitous drop in the number of faith-based organizations willing to provide services to governments."

Barry W. Lynn, executive director of Americans United for the Separation of Church and State, which sued to stop the program, said a courthouse defeat for InnerChange "could well be the death knell for these kinds of programs, whether they're funded by state or federal money."

"Americans," Lynn said, "can't be required to submit to any religious indoctrination to get benefits, whether those people are behind bars or on the outside."

U.S. District Judge Robert W. Pratt sided with Americans United, ruling last year that the Iowa program is "pervasively sectarian." He heard testimony from prisoners of other faiths who felt unwelcome in a program that gives advantages to inmates who accept the intensive religious teachings.

Inmates deemed to be making sufficient spiritual progress live in better conditions than the general population, inhabiting cells with wooden doors and using toilets that afford privacy, a jailhouse rarity. They have more access to relatives and outside visitors and can fulfill prison requirements more quickly.

While in the program, prisoners are expected to pray daily, attend worship services and religious gatherings, and participate in weekly revival meetings. Inmates of other religions are asked "to compromise, if not completely abandon, their faiths in order to participate," Pratt ruled, citing "a constant tension" with Roman Catholic inmates.

Pratt ordered InnerChange to close its operations and repay $1.5 million to the Iowa government and prisoners whose telephone surcharges helped fund the program. He said he was careful not to pass judgment on the beliefs of the staff or the effectiveness of the religious approach, although he said he had received no credible data on recidivism rates.

His central concern, Pratt wrote, was whether the program violates the Constitutional prohibition on government showing a preference for any religious denomination.

Iowa "hopes to cure recidivism through state-sponsored prayer and devotion," wrote Pratt, 59, a Clinton appointee. "While such spiritual and emotional 'rewiring' may be possible in the life of an individual and lower the risk of committing other crimes, it cannot be permissible to force taxpayers to fund such an enterprise under the Establishment Clause."

Prison Fellowship's attorneys and witnesses told the judge that the Iowa program, located at the prison about 35 miles from Des Moines, was strictly voluntary and open to inmates of all faiths. They noted that much of the money came from private sources and reported that state money paid only for secular aspects of the program.

Pratt ruled, however, that the overtly religious atmosphere is not "a secondary effect of the program -- it is the program." He noted that the cost of all telephone charges were billed to the state under "nonsectarian items," along with 82 percent of the local director's salary. So, too, were "Jesus is Lord" key chains.

Prison Fellowship, founded in 1976 by Watergate figure Charles Colson, runs six similar programs in Texas, Kansas, Minnesota and Arkansas, and expects to open one soon in Missouri. All are funded privately.

When Americans United filed suit, the programs in Kansas and Minnesota also took government money, but the prison group shifted them to private backing, Earley said, "just to reduce the litigation profile until things could be resolved."

Pratt's ruling is on hold pending appeal.

Among those supporting InnerChange is former attorney general John D. Ashcroft, who wrote shortly before this month's arguments before the 8th Circuit Court of Appeals in St. Louis that high recidivism rates prove that programs such as InnerChange, sometimes called IFI, are needed.

"Neither Judge Pratt nor Americans United offers a better way to stop the revolving door of prisons. They simply want to shut IFI down," Ashcroft wrote in the St. Louis Post Dispatch.

"Judge Pratt's opinion ties the hands of corrections officials who are trying to make our communities safer," Ashcroft wrote.

Anthony R. Picarello Jr., general counsel of the Becket Fund for Religious Liberty, argued the case on behalf of Prison Fellowship. He said that an affirmative ruling by the appellate panel or the Supreme Court -- particularly if the money must be repaid -- would deter faith-based organizations.

"We think Prison Fellowship did it right," Picarello said. "If at the end of the day the court agrees with them and not us, the way to resolve it is to make some clear rules about how to do it right, rather than banish and punish us."

END

Telecommunications Reports

March 1, 2007

Judge Blocks Maine PUC From Holding Contempt Hearing

A federal district judge has granted a motion by the U.S. Justice Department to bar the Maine Public Utilities Commission from holding a contempt hearing against Verizon Maine, Inc., saying the federal government's national security concerns are more compelling than the PUC's countervailing interest in speedy compliance with a commission order.

The PUC was preparing to have Verizon explain why it failed to affirm under oath a number of statements made in two company press releases indicating that the telco did not turn over call details to the National Security Agency, but U.S. District Judge John Woodcock said a state contempt proceeding is an inappropriate forum for resolving a conflict between

the United States and Maine.

"It is painfully obvious that, in making assessments about the impact of its order on national security, the PUC is acting beyond its depth," Judge Woodcock wrote in a 24-page order and opinion enjoining the PUC's three commissioners. "The PUC's statutory area of responsibility and expertise is to 'regulate public utilities'; it is not charged with evaluating threats to national security, investigating the NSA, or holding businesses in contempt when their silence was mandated by the federal government."

In court papers filed in U.S. District Court in Bangor, the DoJ had said the commission had been put on notice months ago that the information being sought after would touch on issues of national security and "cannot be disclosed."

Judge Woodcock said the PUC may in fact be correct in its argument that the federal government is trying to protect an improper relationship with Verizon under the guise of national security and, in doing so, is intruding on the privacy rights of Maine residents, but the judge pointed out that regardless of whether this case is transferred to the Northern District of California or remains in Maine, subsequent litigation will resolve the allegations by requiring discovery of facts underlying the federal government's position under strict protections of judicial oversight.

"The issue is not whether state courts are competent to adjudicate important constitutional issues," Judge Woodcock said. "As the PUC vigorously argues and the court recognizes, 'the United States Supreme Court has repeatedly affirmed its faith in state judicial systems, and has recognized that state tribunals are fully capable of adjudicating difficult federal constitutional issues.' The problem is not, as the PUC implies, the competence of the PUC or the general capability of state courts relative to their federal counterparts. Rather, the issue is the adequacy of the forum, an issue already recognized as problematic by the multidistrict litigation panel."

The court ultimately did not agree that a state PUC contempt hearing could provide similar safeguards to those which few district courts in the country have demonstrated the ability to provide.

END

Boston Globe
February 25, 2007

'Things got worse' without them; Framed men's relatives recall lives left behind

By Shelley Murphy, Globe Staff | February 25, 2007

Looking back, Edward Greco calls them "the wonder years." His family lived in a nice Colonial in Peabody. His father built him a fort in the backyard and was always around for family dinners, homework help, and trips to the beach and ballpark.

Everything changed when Eddie Greco was 10. His father, Louis , a decorated World War II veteran, was arrested for a 1965 gangland murder in Chelsea, wrongfully convicted with three other men and sentenced to death.

"That time there was the most black time of my life," Edward Greco, now 49, recently told a federal judge as he testified about the disintegration of his family while his father sat on death row in the late 1960s. "Things got worse and worse at home."

His mother sank into depression, drank heavily, and became abusive and neglectful, failing to shop for groceries or do laundry . "There was no food in the house," said Edward Greco, who said he survived by eating leftovers from classmates' school lunches. "I had no clean clothes to wear. . . . and some of the pants I can't even button because I'm growing."

Life changed dramatically, too, for the families of the other three men convicted with Greco in state court while FBI documents that might have helped prove their innocence remained buried in the bureau's files.

Joseph Salvati and Peter J. Limone were in their early 30s when they went to prison, each leaving wives struggling to raise four young children. Henry Tameleo , who at 66 was the eldest of the group when he was arrested , left an ailing wife who died at home without him.

On Tuesday, a federal judge will hear final arguments in a civil suit seeking more than $100 million in damages from the government for the false imprisonment of Salvati and Limone, whose convictions in the slaying of Edward "Teddy" Deegan were overturned six years ago, and Greco and Tameleo, both of whom died in prison before they were exonerated.

Lawyers for the four men cited wrongful convictions nationwide in which more than $1 million was awarded per year of imprisonment. By that calculation, the government could be forced to pay at least $112 million.

US District Judge Nancy Gertner is expected to rule next month on whether the FBI is liable for failing to disclose documents during the 1968 trial that indicate the men were framed, and if so, how much the government should pay the men and their families.

US Justice Department lawyers have argued that the FBI is not liable because it had no obligation to share internal documents with state prosecutors or defense lawyers, and that the state prosecuted Salvati, Limone, Greco, and Tameleo after conducting an independent investigation.

However, in January 2001, Superior Court Judge Margaret Hinkle threw out the convictions of Salvati and Limone after reviewing the newly discovered FBI documents, ruling they cast serious doubt on the credibility of Joseph "The Animal" Barboza, a notorious hit man who was recruited by the FBI to testify at the trial.

The documents showed that the FBI knew Barboza may have falsely implicated the four men, while protecting one of Deegan's killers, who was an FBI informant. They also revealed that the FBI was aware of plans to kill Deegan, but failed to stop the slaying.

The judge set Limone free after 33 years in prison. Salvati had been paroled in 1997 after nearly 30 years in prison.

The civil case is being closely watched in Boston. Limone and Tameleo were alleged to be Mafia leaders at the time of Deegan's murder, and Greco and Salvati had minor criminal records. T he case caps a decade of investigation into the FBI's mishandling of informants in Boston while zealously pursuing the Mafia.

The trial, which began in November, dredges up a violent chapter in Boston history when the mob was a powerful presence in New England.

Barboza said during the 1968 trial that Limone offered him $7,500 to kill Deegan, and that Tameleo sanctioned the hit. He also testified that Greco and Salvati were involved in the ambush of Deegan in a Chelsea alley on March 12, 1965.

"It was all a lie," Salvati testified last month, saying he'd never met Deegan and suspected Barboza framed him because of a dispute over $400 he had borrowed from a loan shark to pay bills. At the time, Salvati, 34, worked various jobs as a truck driver, doorman at a North End restaurant, and laborer offloading fishing boats to support his wife and children, then ages 5, 9, 11 and 13.

Greco, then 50, also had run-ins with Barboza. With Limone and Tameleo, he also denied any role in the murder.

After all four men were convicted in 1968, Greco, Limone, and Tameleo were sentenced to die in the electric chair and spent several years on death row before their sentences were reduced to life in prison. Salvati had been sentenced to life in prison. They began their sentences in Walpole State Prison, as MCI-Cedar Junction was known at the time, then were moved to other institutions over the years.

"The first couple of years were real rough," Salvati, now 72, of the North End, told the judge. His children were taunted on the street, he said.

Photographs spanning five decades that were presented during the trial show Limone and Salvati entering prison as dark-haired young men with small children and emerging as gray-haired grandfathers.

The Limone and Salvati children recounted frequent trips to prison, where they would be frisked before entering and frightened by the sound of heavy metal doors clanging behind them. Their fathers missed milestones in their lives, including birthdays, communions, graduations, weddings, and births of their children.

"They could never replace my childhood that they took from me or my father's youth," said Sharon Salvati, who was 11 when her father went to prison and 41 when he came home. She said her mother was "a rock" who kept the family together and never complained , but sometimes she'd hear her quietly crying.

Salvati's wife, Marie, got a job as a Head Start caseworker, took college courses, and worked her way up to director. On weekends, she packed up the children to visit her husband, traveling by train and Greyhound bus.

It was similar for Limone's wife, Olympia "Olly" Limone. A stay-at-home mother with children ages 1, 4, 7, and 8 when her husband was arrested, she sewed drapes and cleaned homes to support her young family.

Greco's wife, Roberta Werner, who divorced him in 1970, testified that he was at the movies with her in Florida when Deegan was killed. She felt depressed and unable to cope after his conviction, she testified, and fled to Nevada, leaving her sons, then 13 and 15, to live with their aunt in Revere.

Werner, who later reconciled with her children and former husband, testified that she felt "terribly ashamed" at leaving them, but thought her sons would fare better in a new town and school where no one knew their father was a convicted murderer.

Life was better for a while, Edward Greco told the judge. He was working an overnight shift, buffing floors at a supermarket, while attending eighth grade, but he had plenty to eat and his aunt was good to him, he said.

But when she died from liver disease his uncle threw him out of the house and at age 17, he said, he was living on the streets and selling drugs .

Edward Greco, who lives in a New Orleans nursing home and is recovering from lung cancer surgery, said he stopped visiting his father because he just could not bear seeing him in prison anymore, recalling how his father would say, "I'm not going to die in here . . . They're going to find out some day that I'm innocent, and I'm going to get out of here. So, don't worry. Just hang on."

But Louis Greco died in prison in 1995, at age 78. Two years after his father's death, Edward Greco said, his brother, Louis Jr., committed suicide by drinking Draino.

Tameleo had three heart attacks in prison before dying in 1985, at 84. His son, Saverio, said he was devastated at not being able to be with his wife of 60 years, Jeannete, when she died in 1979.

END

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JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, February 26, 2007 11:01 AM
Subject: JCON BROADCAST, WEEK OF FEBRUARY 26, 2007

JCON BROADCAST, WEEK OF FEBRUARY 26, 2007

1. **New Additions to the Department of Justice (DOJ) Emergency Preparedness Website**
2. **DOJ Annual Food Drive Extended to March 9th**
3. **Financial Education Workshop: Understanding College Savings Plans or 529 Plans**
4. **Financial Education Workshop: Understanding Your Credit Report**
5. **Research Classes Offered by Library Staff**

New Additions to the Department of Justice (DOJ) Emergency Preparedness Website

Please take a moment to visit the DOJ Emergency Preparedness Website, located on the DOJ Intranet (http://10.173.2.12/jmd/seps/emergency/index.php). The purpose of this site is to provide DOJ employees and their families the most current and accurate information that will assist them in preparing for any type of emergency. The links on the left column provide detailed information regarding overall readiness at home and in the workplace, including DOJ Occupant Emergency Plans (OEP), shelter in place (SIP) information, and Federal Emergency Management Agency guidance. Listed on the right side of the page are contact numbers for regional Federal Protective Service offices around the country, as well as a real-time link to the Federal Government Operational Status website.

The recently updated aspects of the site include:

- The 2007 Robert F. Kennedy OEP with independent links addressing the SIP locations and OEP Team members
- Key Elements of Departmental Influenza Pandemic Operational Plans
- Pandemic Influenza Employee Guide

The ultimate goal of this website is to supply an all-encompassing source of emergency preparedness information for DOJ employees, and to maintain an up-to-date news bulletin of the latest developments involving the Department and its efforts to thwart future terrorist events. Comments or suggestions concerning the site's content or format can be provided through the link in the Feedback Section located at the bottom of the website.

DOJ Annual Food Drive Extended to March 9th

The Department's annual food drive has been extended to March 9th. Drop-off locations are in the RFK Main Justice Building (1400 Corridor), National Place Building, Patrick Henry Building, Bicentennial Building, and 20 Massachusetts Avenue Building.

Food collected will benefit the Capital Area Food Bank, the largest non-profit food and nutrition education resource in the area. The Capital Area Food Bank distributes food to more than 750 member programs. Food banks can best use the following items: canned meats, fish, and poultry; peanut butter; canned fruits, vegetables, and soups; and dry pasta.

Your voluntary participation in the food drive can help provide a warm, healthy meal for someone in need. Please give!

Financial Education Workshop: Understanding College Saving Plans or 529 Plans

The Justice Management Division, Personnel Staff, is hosting a Financial Education Workshop, entitled "Understanding College Savings Plans (529 Plans)" from 11:30 a.m. – 12:30 p.m., on Tuesday, March 6, 2007, Room 1160, National Place Building. It is open to all employees.

This workshop is a wonderful opportunity to learn more about saving for college. Learn from the expert and ask questions. Mr. Laurent Ross, from the Calvert Group, will discuss college savings plans.

This event also meets the requirement of Federal law to educate Federal employees on the need for retirement savings and investment; how to plan for retirement and how to calculate what your retirement investment should be in order to meet retirement goals.

Supervisors are encouraged to grant official time to employees to attend this training program. Sign language interpreters are available upon request.

To register for the seminar, please send your name, component, and phone number to Jamie.A.Higgins@usdoj.gov . Space is limited to the first 50 registrants so please sign-up early!

Financial Education Workshop: Understanding Your Credit Report

The Justice Management Division, Personnel Staff is hosting a Financial Education Workshop, entitled "Understanding Your Credit Report". The workshop will take place from 11:30 a.m. – 12:30 p.m., on Tuesday, March 13, 2007, Room 1160, National Place Building. It is open to all DOJ employees.

During this workshop you will hear from Mary Green, a credit expert from Equifax.

Ms. Green will help you learn about your credit history and score; how to read your credit report and why it is important to check your credit report annually.

This event also meets the requirement of Federal law to educate Federal employees on the need for retirement savings and investment; how to plan for retirement, and how to calculate what your retirement investment should be in order to meet retirement goals.

Supervisors are encouraged to grant official time to employees to attend this training program. Sign language interpreters are available upon request.

To register for the seminar, please send your name, component, and phone number to Jamie.A.Higgins@usdoj.gov . Space is limited to the first 50 registrants so please sign-up early!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From:	System Administrator
Sent:	Monday, February 26, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1255586 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, February 26, 2007 2:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1255587 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

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You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From:	System Administrator
Sent:	Monday, February 26, 2007 4:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1257063 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Monday, February 26, 2007 4:56 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT SUES CINCINNATI LANDLORD FOR SEXUAL HARASSMENT

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 26, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SUES CINCINNATI LANDLORD FOR SEXUAL HARASSMENT

WASHINGTON — The Justice Department today filed a lawsuit against James G. Mitchell, the owner and operator of several rental properties in the Cincinnati, Ohio, metropolitan area, alleging a pattern or practice of sexual harassment of female tenants.

The complaint, filed today in the U.S. District Court for the Southern District of Ohio, alleges that Mitchell subjected female tenants to unwanted verbal sexual advances and unwanted sexual touching, entered the apartments of female tenants without permission or notice, granted and denied tangible housing benefits based on sex, and took adverse action against female tenants when they refused or objected to his sexual advances.

"No woman should be subjected to sexual harassment in her home," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "Landlords should be on notice that the Justice Department will continue to vigorously enforce the federal fair housing laws."

The suit seeks monetary damages to compensate the victims, civil penalties, and a court order barring future discrimination.

Fighting illegal housing discrimination is a top priority of the Justice Department. The Department has filed 217 cases alleging violations of the Fair Housing Act since Jan. 1, 2001, including 24 cases alleging sex discrimination. Furthermore, since Jan. 21, 2001, the Justice Department's Civil Rights Division has filed 15 cases alleging a pattern or practice of sexual harassment by landlords, which is three times as many as the number filed in the preceding six years. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home is not limited to the areas hit by Hurricane Katrina and targets housing discrimination all over the country.

For more information about Operation Home Sweet Home, please visit the Justice Department Web site, http://www.usdoj.gov/fairhousing. The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Individuals who believe that

DOJ_NMG_ 0174439

they may have been victims of housing discrimination can call the Housing Discrimination Tip Line at 1-800-896-7793, email the Department at fairhousing@usdoj.gov, or contact the Department of Housing and Urban Development at 1-800-669-9777. More information about the Civil Rights Division and the laws it enforces can be found at http://www.usdoj.gov/crt.

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07-114

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Image not available for this document, ID: 0.7.10316.6722-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 26, 2007 5:05 PM
To: USDOJ- Office of Public Affairs
Subject: NATIONAL SPEAKER PLEADS GUILTY TO TRANSPORTATING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Robert C. Balfe
Western District of Arkansas

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 26, 2007
WWW.USDOJ.GOV

CONTACT: BILL CROMWELL
PHONE: (479) 494-4052
FAX: (479) 785-2442

NATIONAL SPEAKER PLEADS GUILTY TO TRANSPORTING CHILD PORNOGRAPHY

FAYETVILLE, Ark. – A Pennsylvania man has pleaded guilty to one count of transporting child pornography before the Honorable Jimm Hendren in U.S. District Court in Fayetteville, Ark., the Justice Department announced today.

During his plea, Michael Fortino, of Pittsburgh, admitted that he frequently traveled in interstate commerce as a self-employed author, speaker, and media personality. Fortino has been featured on ABC, CBS, NBC, CNN, Good Morning America, and the Today Show, and has offices in New York and San Francisco. Fortino stated that he traveled, pursuant to his employment, on Nov. 4, 2005, to Fayetteville for a speaking engagement and brought with him his laptop computer. This computer contained images of child pornography that he had previously downloaded from the Internet. Fortino also admitted to the forfeiture allegation against him.

Fortino faces a mandatory minimum of five years in prison and a maximum penalty of 20 years in prison. Fortino also faces a fine of $250,000 and up to a lifetime period of supervised release.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

The case was investigated by the Fayetteville Police Department and the Department of Homeland Security's Immigration and Customs Enforcement offices in both Fayetteville and Pittsburgh. The case was prosecuted by trial attorney Steven Grocki of the Criminal Division's Child Exploitation and Obscenity Section and Assistant U.S. Attorney Kyra Jenner of the U.S. Attorney's Office for the Western District of Arkansas.

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Image not available for this document, ID: 0.7.10316.6721-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, February 26, 2007 5:07 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: NATIONAL SPEAKER PLEADS GUILTY TO TRANSPORTING CHILD PORNOGRAPHY

Department of Justice

United States Attorney Robert C. Balfe
Western District of Arkansas

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 26, 2007
WWW.USDOJ.GOV

CONTACT: BILL CROMWELL
PHONE: (479) 494-4052
FAX: (479) 785-2442

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DOJ_NMG_ 0174448

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Image not available for this document, ID: 0.7.10316.6648-000002

System Administrator

From: System Administrator
Sent: Monday, February 26, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1257211 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.
To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Monday, February 26, 2007 7:04 PM
To: USDOJ- Office of Public Affairs
Subject: DOJ Daily News Wrap

PUBLIC AFFAIRS DAILY NEWS WRAP
February 26, 2007

Contact: Brian Roehrkasse, Deputy Director, Office of Public Affairs (202) 514-2007

TOMORROW'S EXPECTED NEWS STORIES:

Former Congressional Chief of Staff Pleads Guilty to Corruption Charges (Criminal)
William J. Heaton, 28, former chief of staff for Congressman Robert W. Ney, pleaded guilty today in U.S. District Court for the District of Columbia to a one-count information charging him with conspiracy to commit honest services mail and wire fraud. According to court documents, beginning in September 2001, Heaton was employed by former Congressman Ney, serving as the executive assistant for Ney and later as his chief of staff. In Ney's office, Heaton's duties included managing Ney's office personnel and approving on behalf of Ney the staff's receipt and use of tickets to sporting and entertainment events. During his plea, Heaton admitted that he joined a conspiracy with Ney and others beginning in August 2002 and continuing through April 2004, wherein he and Ney corruptly solicited and accepted a stream of things of value from Jack Abramoff, Abramoff's lobbyists, and a foreign businessman, in exchange for agreeing to take and taking official action to benefit Abramoff, his clients, and the foreign businessman.

Talking Points:

- Our citizens are entitled to know that their public servants are making official decisions based upon the best interests of the people they represent and not based upon their own financial interests

- The Justice Department will protect the integrity of our government institutions and processes by continuing to aggressively investigate and prosecute public corruption wherever it is found.

Media Personality Pleads Guilty to Transporting Child Pornography (USAO- Western District of Arkansas)
During his plea, Michael Fortino, of Pittsburgh, pleaded guilty to one count of transporting child pornography, and admitted that he frequently traveled in interstate commerce as a self-employed author, speaker, and media personality. Fortino has been featured on ABC, CBS, NBC, CNN, Good Morning America, and the Today Show, and has offices in New York and San Francisco. Fortino stated that he traveled, pursuant to his employment, on Nov. 4, 2005, to Fayetteville for a

speaking engagement and brought with him his laptop computer. This computer contained images of child pornography that he had previously downloaded from the Internet. Fortino also admitted to the forfeiture allegation against him.

Justice Department Sues Cincinnati Landlord for Sexual Harrassment (Civil Rights)
The Justice Department today filed a lawsuit against James G. Mitchell, the owner and operator of several rental properties in the Cincinnati, Ohio, metropolitan area, alleging a pattern or practice of sexual harassment of female tenants. The complaint, filed today in the U.S. District Court for the Southern District of Ohio, alleges that Mitchell subjected female tenants to unwanted verbal sexual advances and unwanted sexual touching, entered the apartments of female tenants without permission or notice, granted and denied tangible housing benefits based on sex, and took adverse action against female tenants when they refused or objected to his sexual advances.

Press Conference Held on West Virginia Sexual Assault Investigation (FBI)
Gary Wheeler, of the FBI's Wheeling, WV office, participated in a press conference with the Wheeling Sheriff regarding the investigation into the alleged kidnapping and sexual assault of an 11-year-old girl there on Feb. 20. Media were directed to the seeking information poster located at FBI.gov. The victim was released on Feb. 20, and a press release was issued seeking public assistance in identifying the suspect the following day. As of yesterday, more than 214 leads were received on the matter.

Self-Proclaimed CPA Sentenced For Role in Tax and Investment Fraud Scheme (Tax)
Lanny R. White of Orem, Utah was sentenced today in a Salt Lake City federal court in connection with the promotion of a tax and investment fraud scheme, the Justice Department and Internal Revenue Service (IRS) announced. U.S. District Judge Ted Stewart sentenced White to 60 months in prison. In addition, White was ordered to pay more than $5 million in restitution and serve three years of supervised release upon the completion of his term of imprisonment. White pleaded guilty to fraud charges in November 2006.

Federal Court Bars Washington State Woman From Falsely Promoting Corporation Sole Program (Tax)
A federal court in Tacoma, Wash., has permanently barred Rita I. Johnson from falsely promoting her corporation sole program. The civil injunction order, signed by Judge Ronald B. Leighton of the U.S. District Court for the Western District of Washington, requires Johnson to stop making false statements about the tax benefits associated with her program. The injunction also applies to Johnson's business, Equity Preservation Association.

TUESDAY'S EXPECTED EVENTS/RELEASES:

10:00 A.M. EST Mignon Anthony, ATF Director of New Building Projects, will testify before the House Committee on Transportation and Infrastructure Subcommittee on Public Buildings, Economic Development, and Emergency Management on the topic of "GSA Case Study: Efficient Location Policy"
Eckington Place, N.E.

Washington, D.C.

11:30 A.M. EST The Attorney General and FBI Director Mueller will host a press availability with leaders from the NAACP, the National Urban League, and the Southern Poverty Law Center to announce new partnerships aimed at the Civil Rights-Era Cold Case Initiative.

System Administrator

From: System Administrator
Sent: Monday, February 26, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1257260 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
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System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1257261 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, February 27, 2007 8:12 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Tuesday, February 27, 2007
Attachments:	agnb070227.pdf; agnb070227.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **TUESDAY, FEBRUARY 27, 2007 7:45 AM EST**

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TERRORISM NEWS:

Bureau Of Prisons Psychologist Testifies Padilla Fit For Trial. The AP (2/27, Anderson) reported, "Alleged al-Qaida operative Jose Padilla has mild anxiety and personality disorders but is mentally able to stand trial, a prison psychologist said Monday in testimony that contradicted two defense experts." Bureau of Prison's psychologist Rodolfo Buigas "rejected the defense experts' diagnosis that Padilla cannot help with his defense because he suffers from post-traumatic stress disorder. Buigas said Padilla's anxiety and anti-social personality are minor problems." Buigas also "testified that the affidavit Padilla signed alleging mistreatment at the brig was evidence of his mental competence." The New York Times (2/27, 1.16M) ran an edited version of the AP story.

Detention Hearing Held For Toledo Terror Suspects. The Chicago Tribune (2/27, Coen, 617K) reports, "Two Chicago-area cousins linked last week to a terrorism conspiracy traveled to Egypt in 2004 and planned to head to Pakistan for military training, federal prosecutors told a judge Monday." Zubair Ahmed and Khaleel Ahmed "were seeking 'training in jihad,' prosecutors said during a detention hearing on whether Khaleel Ahmed should be kept in custody as he is transferred to Ohio to face the charges. The trip was not a vacation as the Ahmeds have maintained, Assistant U.S. Atty. Vickie Peters said." The Tribune notes, "The judge ruled that there was no way the defense could rebut the argument that Khaleel Ahmed is a danger to the community given the charges, and ordered him held."

Judge Rejects Defense Motion For New Trial In Albany Mosque Case. The AP (2/27, Virtanen)

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reports, "A federal judge has refused to grant a new trial for two leaders of an Albany mosque convicted of conspiring to support terrorism through money laundering in what turned out to be an FBI sting." US District Judge Thomas McAvoy "refused to throw out the Oct. 10 convictions of Yassin Aref, who was imam at the mosque, and Mohammed Hossain, a pizzeria owner who attended Masjid as-Salam. … The nature of the transactions -- where an FBI informant gave Hossain cash and got checks in return, with Aref acting as notary – 'render hollow' defense arguments that it was a legitimate business loan, according to McAvoy." The AP adds, "McAvoy rejected defense arguments that the Albany men didn't know illicit arms money was involved in their transactions, that they clearly didn't support the Pakistani terrorist group Jaish e-Mohammed, or that the case involved entrapment."

Bin Laden's "Spiritual Ambassador" Loses Legal Round In Britain. The Financial Times (2/27, Taut, Correspondent) reports, "Abu Qatada, the Islamic cleric who has been described as Osama bin Laden's 'spiritual ambassador' in Europe, on Monday lost a legal battle against deportation from the UK to Jordan." The Special Immigration Appeals Tribunal "rejected his appeal. 'We have concluded that there is no real risk of persecution of the appellant were he now to be returned with the safeguards and in the circumstances which now apply to him', it ruled"

The New York Times (2/27, Perlez, 1.16M) reports "Qatada's lawyers said they would appeal the decision. Human rights advocates criticized the ruling on the ground that it set a precedent for allowing suspects to be turned over to countries where torture is used to extract evidence." A lawyer for Human Rights Watch, Julia Hall, "said a memorandum of understanding between Britain and Jordan that torture would not be used on terrorism suspects returned to Jordan was an insufficient guarantee."

The Washington Post (2/27, A11, Jordan, 690K) notes "Home Secretary John Reid welcomed the court decision. 'It is our firm belief that these agreements strike the right balance between allowing us to deport individuals who threaten the security of this country and safeguarding the rights of these individuals on their return,' Reid said, referring to the memorandum signed by Jordan." Qatada "has been convicted twice in absentia in Jordan and sentenced to life imprisonment for plotting to bomb Jewish and American sites. He is on the US government list of terrorism suspects. British authorities said he had links to Richard C. Reid, the British citizen who tried to blow up an American jetliner in December 2001 with explosives hidden in his shoes, and Zacarias Moussaoui, who pleaded guilty to conspiring with the Sept. 11 attackers."

NYTimes Praises Canadian Court's Decision On Anti-Terror Law. The New York Times (2/27, 1.16M) editorializes, "The United States was not the only country to respond to the horror of the Sept. 11 terrorist attacks with policies that went much too far in curtailing basic rights and civil liberties in the name of public safety. Now we see that a nation can regain its senses after calm reflection and begin to rein back such excesses, but that heartening news comes from Canada and not the United States." Canada's Supreme Court "has struck down a law that the government used to detain foreign-born terrorism suspects indefinitely…while orders to deport them were reviewed. … Lawmakers have only to look to the Canadian court for easy-to-follow directions back to the high ground on basic human rights and civil liberties."

HOMELAND RESPONSE:

Scholar Sees "Gaping Holes" In Security Against Catastrophic Attack. Lawrence M. Wein, the Paul E. Holden professor of management science at Stanford's Graduate School of Business, in an op-ed in the Wall Street Journal (2/27, A17, 2.04M) wrote, "As Congress revisits homeland security, now is a good time to assess the government's progress in preventing or mitigating another, more catastrophic attack -- 100,000 or more deaths -- from biological, chemical or nuclear threats." Wein takes a detailed look at each area, holding his harshest criticism for the area of nuclear security, where he says "the Bush administration's approach…has been dismal -- essentially amounting to radiation testing of shipping containers that are flagged by the deeply flawed targeting system of US Customs." Wein concludes that the US is "today safer from a smallpox or a botulinum-in-milk attack, but only marginally safer from an anthrax, botulinum-in-food, chemical or nuclear attack. Most of the cost to secure the latter three scenarios can be passed on to consumers, but the federal government needs to lead the way. Let us hope that during the next five years, these gaping holes are fixed so that terrorists are forced to use much less dangerous methods."

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LATimes Urges DHS To Release Palestinians. The Los Angeles Times (2/27, 850K), in an editorial, writes that "for two decades, the U.S. government has been trying to deport two Palestinians living in Southern California -- middle-aged men who have been lawful permanent residents of this country for three decades. The Department of Homeland Security, which must soon make a decision on the matter, should drop the case and allow Khader Hamide and Michel Shehadeh to continue to live their American lives." The men "were arrested at gunpoint at their homes in 1987 for their alleged association with the Popular Front for the Liberation of Palestine, or PFLP, a Marxist-Leninist faction of the Palestine Liberation Organization. The government began proceedings to deport them on the theory that the faction advocated 'world communism through written or printed publications.'"

Hundreds Scramble To Beat Katrina Claim Filing Deadline. The AP (2/27, Kunzelman) reports, "Hundreds of residents scrambled Monday to beat a deadline for filing court claims against the federal government and U.S. Army Corps of Engineers for damage resulting from the failure of levees and flood walls following Hurricane Katrina." The AP continues, "The corps says Thursday at 4 p.m. is the deadline for it to receive the Katrina litigation claims at its Uptown office. Roughly 30,000 residents already had filed a claim as of late last week, but Thursday's deadline surprised many more people whose homes and businesses were damaged or destroyed in the flooding following the storm." The AP adds, "On Friday, lawyers representing thousands of plaintiffs accused federal officials of reneging on an agreement to set Aug. 29, 2007 - the two-year anniversary of Katrina - as the deadline for claims to be filed or else risk exclusion from class-action litigation. … Joe Bruno, one of the plaintiffs' attorneys, said the U.S. Department of Justice stunned his legal team this week by informing them that certain claims must be filed by this week, 18 months after the storm. … On Monday, Bruno asked a federal judge to consider postponing the deadline until after the court decides whether to certify a class action against the corps and federal government." The AP notes, "Bruno asked U.S. District Judge Stanwood Duval to hold a hearing on his request 'because there is much anguish and uncertainty among all Hurricane Katrina victims concerning their rights.' … 'The court can bring a sense of calm by deciding plaintiffs motion right away,' Bruno wrote."

WAR NEWS:

Cheney Unhurt After Attack On Afghan Base. The AP (2/27) reports, "An explosion outside the main US military base in Afghanistan killed 19 people and wounded 11 on Tuesday during a visit by" Vice President Dick Cheney, "though the vice president was apparently not in danger, US and Afghan officials said. The blast happened near the first security gate outside the base at Bagram, killing 19 people, said Khoja Mohammad Qasim Sayedi, chief of the province's public health department." Base spokesman Maj. William Mitchell "said it did not appear the explosion was intended as a threat to the vice president. 'He wasn't near the site of the explosion,' Mitchell said." The Los Angeles Times (2/27, Shafiqullah, King, 850K) also notes the attack this morning.

Cheney Sends Warning To Musharraf. ABC World News (2/26, lead story, 2:15, Gibson, 8.78M) reported last night, "Cheney today made an unannounced visit to Pakistan, to tell that country's president, Pervez Musharraf, that he has to get tough with Al Qaeda." ABC (Karl) added, "Cheney came to deliver a blunt message to Pakistan's President Musharraf" as US officials "are increasingly alarmed by terrorist activities in the tribal areas along the border" with Afghanistan." Similarly, NBC Nightly News (2/26, lead story, 3:00, Williams, 9.87M) said Cheney delivered "an unusually tough message." Later, NBC Nightly News (2/26, story 2, 1:00, Mitchell, 9.87M) said the Administration is "not at all happy that Musharraf seems to be completely now washing his hands of those border areas, but it's not likely that this pressure will work."

ABC World News (2/26, story 2, 2:15, Gibson, 8.78M) reported Monday's meeting "reportedly got quite heated." ABC (Ross) added, "US officials tell ABC News that also in the room with…Cheney was the number two man in the CIA, Deputy Director Steve Kappes, who flew in separately to personally present to Musharraf with what is described to us as compelling evidence of Al Qaeda's resurgent operations."

Fox News' Special Report (2/26, Hume) reported, "Senior Administration officials tell Fox that Cheney delivered a particularly blunt message, that Musharraf has not lived up to commitments made to President Bush to rout out Taliban and al Qaeda fighters," though "publicly White House officials refuse to characterize Cheney's meeting. … Privately, officials could not be more clear. One official called Pakistan's recent counter-terrorism efforts around the border a colossal failure."

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The New York Times (2/27, A9, Sanger, 1.16M) reports that "just hours after" Cheney delivered "a stiff private message" to Musharraf, the Pakistani government "lashed out" with a series of statements insisting that "Pakistan does not accept dictation from any side or any source." The "unusual outburst, later toned down," revealed "the depth of tensions between General Musharraf and Washington."

On its front page, the Washington Post (2/27, A1, Abramowitz, Witte, 690K) says Cheney's visit was "perhaps the strongest indication of Administration concern." The Post also notes the presence of the CIA's Kappes at Monday's meeting, which it calls "a sign of US interest in increasing intelligence operations with Pakistan."

The Financial Times (2/27, Bokhari, Dinmore) reports analysts say Cheney is "in a good position to gain leverage for stronger military co-operation by using threats by Democrats in the US Congress to cut assistance to Pakistan." The Los Angeles Times (2/27, King, 850K) and USA Today (2/27, 8A, 2.27M) also report on Cheney's trip.

Richardson Says Cheney Message Similar To Moves By Clinton Team. New Mexico Gov. Bill Richardson, on MSNBC's Hardball (2/26, Matthews) reported, "For years, Pakistani prime ministers and presidents, in this case Musharraf, have had very little control over their intelligence services. There is a rogue element in their intelligence services that have long had connections with the Taliban, with al Qaeda. … And it is very clear that there is a connection between the growth of the Taliban, the strengthening of al Qaeda, and the fact that Pakistan is not doing enough to stop them. And so I think the vice president is right. You have to lean on Musharraf who is our ally. And what you do not want to do is provoke a situation, even though he is not a great champion of human rights, democracy, et cetera, to have somebody replace him who is less friendly to us, who would cause us real problems, especially if al Qaeda and the Taliban are growing. So you are really caught in a very, very dangerous situation. So the good excuse is, blame the Democratic Congress. Saying, 'look President Musharraf, the Congress, which is Democratic now, will cut off assistance to you, will cut off all kinds of aid unless you change.' And it is a pretty skillful message to give. We used to do the same thing in the Clinton administration, as a Democratic administration with a Republican Congress."

Cheney's Meeting With Karzai Cancelled Due To Weather. The Washington Times/AP (2/27, Graham) reports Vice President Cheney Monday also traveled to Afghanistan to meet with President Hamid Karzai. However, Cheney "had planned to travel to Kabul, likely by military helicopter, but a steady snowfall made the trip unsafe, and it was canceled."

Pakistan Lobbying Senate Against Sanctions. The Hill (2/27, Tiron) reports, "Pakistan's weeks-long lobbying effort to thwart potential security aid sanctions is culminating this week as the Senate takes up its version of the 9/11 Commission recommendations bill, approved by the House in early January. Legislation crafted by the office of House Foreign Affairs Committee Chairman Tom Lantos (D-Calif.) and included in the 9/11 bill has put Pakistan's embassy in Washington on the defensive. Officials there fear such blunt legislation could alter the US-Pakistan relationship." The Hill adds, "The lobbying drive's latest lap coincides with…Cheney's unannounced trip."

Britain Will Send Additional Troops To Afghanistan. The Financial Times (2/27, Fidler) reports, "Britain will send 1,400 more troops into Afghanistan, along with aircraft, to bolster the fight against the Taliban in the south of the country, Des Browne, defence secretary, told parliament yesterday." This "will take the number of UK troops taking part in Nato's Afghanistan mission to 7,700, significantly more than in Iraq. The UK is also sending four more Sea King helicopters, four Harrier GR9 aircraft, and another Hercules C-130 transport aircraft."

Democratic Challenge To Bush's Iraq Policies Runs Into Trouble. The AP (2/27, Davis) reports Senate Majority Leader Harry Reid "said Monday he wanted to delay votes on a measure that would repeal the 2002 war authorization and narrow the mission in Iraq. … The war reauthorization legislation also appears to lack the 60 votes it would need to pass the Senate." The AP portrays Reid's move as "the latest sign of divisions within their ranks over how to proceed," and said it "reflected a new level of disarray in Democratic ranks on Iraq. Swept into power by voters clamoring for an end to the war, Democrats have seen their efforts falter under a reality more complicated than they found on the campaign trail."

Roll Call (2/27, Stanton, Pierce) reports, "Although a number of top Democrats — including presidential hopeful Sen. Joseph Biden (Del.) and Armed Services Chairman Carl Levin (Mich.) — have endorsed the plan and began publicly pushing for it during the Presidents Day recess, it has not yet been presented to the full Democratic Caucus, making it unclear whether Reid could even muster a majority of support

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within his own party. … Several Democratic aides also expressed frustration privately with the decision by Biden and Levin to announce their desire to reauthorize the war during the recess."

Meanwhile, Fox News' Special Report (2/26, lead story, Hume) described Congressional Democrats as "more visibly divided than ever." Fox went on to report, "Right now no Republicans are on board" the authorization modification proposal, "not even harsh war critic" Sen. Chuck Hagel. Democrats "cannot overcome an expected GOP filibuster, and they might not be able to generate a simple majority to 'de- authorize' the war."

In an op-ed for The Hill (2/27) former White House aide Ron Christie writes "congressional Democrats find themselves in real danger of over-reaching. … Cut off funds for the war? Work with the administration to put forth a bipartisan solution? When confronted with the most pressing issue facing the American people today, congressional Democrats appear to be in a quagmire of being unable to put the best interests of the country ahead of their own political aspirations."

House Democratic Leaders Distance Themselves From Murtha. The AP (2/27, Davis) reports House Speaker Nancy Pelosi "said she doesn't support tying war funding to strict training and readiness targets for U.S. troops. The comments distanced her from Rep. John Murtha who has said he wants to use Congress' spending power to force a change in policy in Iraq, by setting strict conditions on war funding."

The Wall Street Journal (2/27, A8, Rogers, 2.04M) reports that "with action needed on a $93.4 billion Iraq-spending request, harping from the sidelines may no longer be enough to satisfy independent voters who looked to Democrats in the 2006 elections to effect real change." Murtha "has been pummeled by Republicans and fellow Democrats eager to bring him down a peg or two. … Fearing the entire bill could collapse, House Appropriations Committee Chairman David Obey has sanctioned the drafting of waivers to the Murtha-backed provisions that would restore more flexibility to the administration. 'They want to end the war, but they want to fund the war,' said Mr. Murtha, frustrated by his party's reluctance to exert its power over spending. Rep. Rahm Emanuel, the Democratic caucus chairman, is cautious about crossing this line and argues any conditions on funding should focus on the Iraq government, not U.S. forces."

Poll Finds Widespread Opposition To "Surge," Support For Timetables. The Washington Post (2/27, A1, Balz, Cohen, 690K), in a front-page story titled, "Majority In Poll Favor Deadline For Iraq Pullout," reports "a majority of Americans now support setting a deadline for withdrawing U.S. forces from" Iraq, and "support putting new conditions on the military that could limit the number of personnel available for duty there, according to a new Washington Post-ABC News poll. Opposition to Bush's plan to send an additional 21,500 troops to Iraq remained strong. Two in three Americans registered their disapproval, with 56 percent saying they strongly object." The Post-ABC poll "found that 53 percent of Americans favored setting a deadline for troop withdrawals. Among those who favored a deadline, 24 percent said they would like to see U.S. forces out within six months and 21 percent called for the withdrawals to be completed within a year. … This is the first time a Post-ABC News poll has found that a majority of Americans supported establishing such a timetable for withdrawal, which has long been resisted by the president and even some Democrats." The Post notes that 56 percent "said the troops should be redeployed to avoid further U.S. casualties, even if the sectarian violence is continuing. … The Post-ABC News poll found that 46 percent of Americans supported restricting funding while a bare majority, 51 percent, opposed doing so."

Lieberman Decries Democrats' "Sniping" On Iraq. Sen. Joseph Lieberman, during an appearance on Fox News' Your World with Neil Cavuto (2/26), said that "on the battlefield in Baghdad, the new plan for success in Iraq is beginning to be implemented. And some of the first signs, I think, are quite positive. But, beyond that, doesn't it make sense to give this general, David Petraeus, who the Senate just confirmed unanimously, the time, with his troops, to see whether this plan can succeed, rather than sniping at their heels and trying to squeeze them with 1,000 different cuts and conditions and resolutions and amendments?"

The Politico (2/27, Budoff) reports Lieberman "broke with the majority of Democratic senators on only five of 52 votes he's cast in the last two months. By this measure, Lieberman is more true-blue than" Sen. Ben Nelson. Sen. Evan Bayh "diverged from the Democratic majority on four votes, yet, like Nelson, never on Iraq. The different perceptions underscore how indelible Iraq has become as the base line for determining party loyalty.

Marshall's Surge Resolution Vote Attributed To Reelection Politics. The Hill (2/27, Youngman) reports Rep.

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Jim Marshall "voted against the House non-binding resolution on the Iraq war" and "stood out as one of only two House Democrats who bucked their party. But that vote could bolster his chances for reelection in 2008, when he will undoubtedly find himself running against the wind as a Democrat in a conservative district. … Marshall narrowly defeated former Rep. Mac Collins (R) last year in a race so close that Collins has yet to concede defeat. Collins is widely expected to challenge Marshall again in 2008, in a district that President Bush won with 61 percent in 2004."

Clark Predicts Iran Will Benefit From New Baghdad Security Effort. Former NATO Commander Gen Wesley Clark, on Fox News' O'Reilly Factor (2/26), contended that "what is actually happening with the surge strategy is the Shiite militia have gone underground and the U.S. troops are going to concentrate against the Sunnis. The actual impact of the surge strategy is likely to be that we deliver total control of Baghdad to the Shias sooner rather than later. … The administration believes it can gain leverage against Iran by being successful in the surge strategy -- that is a fundamentally flawed assumption. And they're postponing dialogue, waiting for the success from the surge strategy."

Pace Warns That US Military Capacity Is Eroding. The AP (2/27, Baldor) reports, "Strained by the demands of wars in Iraq and Afghanistan, there is a significant risk that the US military won't be able to quickly and fully respond to yet another crisis, according to a new report to Congress. The assessment" by JCS chair Gen. Peter Pace "represents a worsening from a year ago, when that risk was rated as moderate. The report is classified, but on Monday senior defense officials, speaking on condition on anonymity, confirmed the decline in overall military readiness. ... top military officials have consistently acknowledged that the repeated and lengthy deployments are straining the Army, Marine Corps and reserve forces and taking a heavy toll on critical warfighting equipment." In an accompanying report, Defense Secretary Gates reported "on steps the Pentagon is taking to address the problem — including new efforts to increase the size of the Army and Marine Corps, and requests for more money to repair and replace equipment."

Iraqi Vice President Injured In Insurgent Attack. ABC World News (2/26, story 3, :35, Gibson, 8.78M) reported on "an especially brazen attack in Iraq today. A bomb went off inside a building, where Iraq Shiite Vice President was speaking. A major security breech. Adel Abdul-Mehdi was not seriously hurt. But ten others were killed."

Meanwhile, the CBS Evening News (2/26, story 5, 2:35, Couric, 7.66M) reported, "There was a suicide attack today at a police station in Ramadi, 70 miles west of Baghdad. 14 Iraqi policemen and civilians were killed. And the death toll from yesterday's university attack in Baghdad is now 41."

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The Los Angeles Times (2/27, Berthelsen, 850K) says "the incident was the most serious of many on a day when attackers appeared to have directly focused their strikes on government and police targets, rather than soft civilian targets such as marketplaces and universities that have been besieged in recent weeks." The ministry bombing "served as a chilling reminder of how far US and Iraqi officials have to go to in order to establish security here -- in the halls of government, not to mention the lawless and bloody streets of the capital -- as attacks continue largely unabated two weeks into a new effort to halt sectarian conflict." USA Today/AP (2/27, 8A) briefly notes the story, while the New York Times (2/27, 1.16M) reports "statements from several offices of the Shiite-led Iraqi government later said the Vice President "was released and had returned to work. The public works minister, Reyad Ghareeb, was seriously wounded, news agencies reported. It was not clear if his wounds were life-threatening."

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USA Today (2/27, 8A, Jervis, 2.27M), in a story titled "Insurgents Aim For Wider-scale Attacks," reports "the number of roadside bombs has dropped by 20% since the security plan began this month, the US military said in a report Monday. Sectarian murders have dropped to their lowest levels in a year, the report said." However, "the scale of recent attacks threatens to overshadow any relative progress. Since the security plan started, insurgents have grabbed headlines with suicide bombs in crowded markets, the downing of US

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helicopters and an assassination attempt Monday against…Abdul-Mahdi."

Iraq Said To Be Enduring Five Simultaneous Wars. The Christian Science Monitor (2/27, Grier, 59K) reports, "Iraq may be not one war, but four or five – an assemblage of different, crosscutting conflicts. … This multiplicity of adversaries makes the US military's job all the harder – in intelligence terms, if nothing else." The Monitor notes that although "US officials in the past have been reluctant to publicly acknowledge changes in the nature of the Iraq war," since Defense Secretary Gates was confirmed "a new specificity has marked the US descriptions of Iraq fighting. At a Feb. 2 press conference with Gen. Peter Pace, chairman of the Joint Chiefs of Staff, Secretary Gates said he thought the words 'civil war' oversimplified Iraq's situation. Gates said there are 'essentially four wars in Iraq.' One is Shiite versus Shiite, principally for control of Basra and other areas in Iraq's oil-rich south. The second is Shiite-versus-Sunni sectarian warfare. Third, in Gates's listing, is the insurgency, the native Sunni anti-US violence. Fourth is Al Qaeda, which both aids and directs the Sunni insurgency and foments Sunni-Shiite violence. To this list the recently released unclassified summary of the National Intelligence Estimate on Iraq adds 'widespread criminally motivated violence.'"

Iraqi Cabinet Approves Landmark Oil Legislation. Fox News' Special Report (2/26, Hume) reported, "In Baghdad today, the Iraqi cabinet approved legislation to manage the country's vast oil industry and divide its wealth among the population." Prime Minister Maliki "said that the measure would be 'another foundation stone in building a new Iraq,' but that remains to be approved by legislatures. White House spokesman Tony snow called the move a key linchpin in Iraq's recovery, because it gives Iraqis a shared economic interest in working together."

NBC Nightly News (2/26, story 3, :30, Williams, 9.87M) said the deal's approval "could be a big step forward. An agreement by the major ethnic and sectarian groups and tentative approval by the parliament of a draft law for distributing all that potential oil money among all Iraqis." ABC World News (2/26, story 3, :35, Gibson, 8.78M) mentioned the development, noting the White House "considers" it "a crucial benchmark for progress in Iraq."

The Los Angeles Times (2/27, Berthelsen, Susman, 850K) says that though the law "must still be approved by Parliament, but because all of Iraq's vested ethnic and regional interests are represented in the Cabinet, the deal was viewed as having overcome a significant hurdle." The agreement "not only will open international investment in Iraq's oil industry -- a bonanza for foreign oil companies -- but will produce revenue for a nation badly in need of cash to finance its reconstruction."

The Washington Post (2/27, A11, Partlow, Londono, 690K) reports, "The draft law calls for oil revenue throughout the country to be deposited in a federal government account and redistributed to Iraq's 18 provinces, most likely on a per capita basis, said Salih, the chairman of the negotiating committee working on the legislation. A secondary piece of legislation will address in more detail the mechanisms of revenue distribution, he added." The law would establish "a Federal Council on Oil and Gas to oversee energy policy and determine procedures for negotiating contracts with oil companies and managing oil exploration and production. The law also would revamp the Iraqi National Oil Co. and give regulatory oversight to the Oil Ministry." The Wall Street Journal (2/27, Hafidh, Cummins, 2.04M) and New York Times (2/27, Wong, 1.16M)run similar reports.

The Financial Times (2/27, Negus) notes Zalmay Khalilzad, US ambassador, "welcomed the approval of the draft, declaring that it was the 'first time since 2003 that all major Iraqi communities have come together on a defining piece of legislation.'"

Talibani Hospitalized. The CBS Evening News (2/26, story 4, :15, Couric, 7.66M) reported that in Iraq "there's concern about the health of that country's president. Jalal Talabiani is in a hospital in Jordan. His doctor said he's in stable condition with a lung inflammation and denies he had a heart attack."

West Point Grad Killed In Iraq Said To Have Been War Opponent. The Washington Post (2/27, A9, Shulman, 690K) reports Capt. Brian Freeman "had been stationed in Iraq, where he worked to bring an 11-year-old Iraqi boy born with a rare heart defect to the United States for lifesaving surgery. … Last week, the boy, Ali, had the surgery. It was successful, but the occasion turned out to be as painful as it was sweet. On Jan. 20…Freeman, 31, was kidnapped from his office by insurgents and later killed." The Post notes Freeman "graduated from West Point in 1999. Then in fall 2005, a shortage of officers prompted a call-up of Brian's reserve section, even though many members had only a few

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months of service remaining. Brian did not support the war in Iraq and had little desire to participate," his wife said. Freeman is quoted as saying that the Iraqis 'didn't want us there," he "cornered Sens. Christopher J. Dodd (D-Conn.) and John F. Kerry (D-Mass.) at a Baghdad helicopter landing zone and told them that the war was going badly."

Medevac Helicopters Credited With Saving Wounded Soldiers' Lives. NBC Nightly News (2/26, story 4, 3:55, Williams, 9.87M) reported, "Tonight here we begin a series of reports from our chief science correspondent Robert Bazell who traveled to Iraq where he received extraordinary access to the daily acts of heroism in American field hospitals there. … Despite the number and severity of the injuries, the dedicated medical staff does a fantastic job. 96% of the wounded who make it to the combat hospital in Iraq survive. A rate far higher than any in US military history. Much of the credit goes to the medics on the front line and in the Medevac helicopters."

Post-Invasion Shipments Of Dollars To Iraq Defended. In an op-ed for the New York Times (2/27, 1.16M) John Taylor, former under secretary of the Treasury, writes, "Earlier this month, the House Committee on Oversight and Government Reform held a hearing that criticized the decision to ship American currency into Iraq just after Saddam Hussein's government fell. As the committee's chairman, Henry Waxman of California, put it in his opening statement, 'Who in their right mind would send 360 tons of cash into a war zone?'" Taylor argues that the currency transfer "was part of a successful financial operation that had been carefully planned months before the invasion. Its aims were to prevent a financial collapse in Iraq, put the financial system on a firm footing and pave the way for a new Iraqi currency. Contrary to the criticism that such currency shipments were ill advised or poorly monitored, this financial plan was carried out with precision and was a complete success."

Columnist Criticizes US "Allies" For Retreating In War On Terror. The Wall Street Journal's (2/27, A16) Bret Stephens writes of recent announcements by several nations to reduce their troop commitments in Iraq and Afghanistan. Stephens says, "A century ago that would have been a mark of martial and national dishonor, of 'letting the side down.' Today, it is a concession to the political reality that most NATO governments cannot muster political support for anything except a 'peace mission' in Afghanistan." He also goes on to criticize "the way some European governments are conducting themselves in the war on terror closer to home," particularly the charges brought against CIA agents in Italy and Germany. Stephens says it is "shameful" that the "same governments that actively colluded with the US to bring the worst terrorist cases to some kind of justice are now bending to the demands of activist prosecutors and the prevailing anti-American mood, and again allowing the US to take the flak for what were often joint operations."

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Feinstein Says Evaluations Show Political Aims Behind US Attorney Dismissals. The Hill (2/27, Schor) reports, "Justice Department performance evaluations released to senators over the weekend further validate concerns that six dismissed U.S. attorneys were asked to resign for political purposes, Sen. Dianne Feinstein (D-Calif.) said yesterday." The Hill continues, "Feinstein forwarded the six evaluations to Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) along with a letter urging floor time for her bill, which would reverse a statutory change last year that allows the Bush administration to indefinitely install federal prosecutors without seeking Senate confirmation. … Several of the fired attorneys were involved in political corruption probes in the months before their departures were sought by Justice, including San Diego's Carol Lam, who secured three indictments in the investigation of former GOP Rep. Randy 'Duke' Cunningham (Calif.). Judiciary Committee Democrats had vowed to subpoena the performance evaluations if the administration did not furnish copies, but the reports only heightened Feinstein's skepticism about Justice's explanation that the dismissed attorneys had performance problems. … 'Indeed, contrary to the department's rationalizations to explain their dismissals, in every case the fired U.S. attorney was judged to have a strategic plan and appropriate priorities to meet the needs of the Department and their districts,' Feinstein wrote in yesterday's letter, reminding leaders of her bill, which is cosponsored by Judiciary ranking member Arlen Specter (R-Pa.)."

More Commentary. In a column distributed by Scripps Howard News Service (2/27), Dale McFeatters

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writes, "Congress clearly didn't take much notice of an obscure provision the Bush administration slipped into the USA Patriot Act last year. But now it seems clear that the measure is being used to conduct a political purge of U.S. attorneys' offices. … So far, at least eight are known to have been forced out by the Justice Department, and there may be others. The departures were facilitated by a provision that allows the president to appoint interim U.S. attorneys for an indefinite period without the usual Senate confirmation." McFeatters adds, "Deputy Attorney General Paul McNulty told a Senate committee that the firings were all for 'performance-related' reasons, although he conceded that the highly respected U.S. attorney in Little Rock, Ark., was forced out so the job could be given to a protege and former aide to White House political adviser Karl Rove. … The 'performance-related' defense began to crumble when the department's internal evaluations started to leak out and it turned out that most of the ousted attorneys had been capable, competent and well regarded." McFeatters concludes, "Democrats on the Senate Judiciary Committee are threatening to summon the dismissed prosecutors to testify and to subpoena their performance evaluations. It would be an opportunity for the eight to rebut a gratuitous slap at their reputations. … Better yet would be to repeal the offending provision. A bill to do that has bipartisan support in the Senate, but is being held up in a procedural wrangle. Let's hope the lawmakers unsnarl the obstacle quickly, because this provision has the potential to give us a badly flawed criminal-justice system."

In a discussion on the PBS News Hour (2/27), Stuart Gerson, who served as assistant attorney general during the first Bush administration and as acting attorney general under President Clinton and is now in private practice in Washington, and Laurie Levenson, who spent eight years as an assistant U.S. attorney in Los Angeles and is now a professor of criminal law at Loyola Law School in Los Angeles, discussed the recent dismissal of US Attorneys. Levinson called the dismissals "quite unusual. Although it's not unusual to have the president put in his own appointees, at this stage of the game, midterm, with interims going in, in their place, that is not business as usual, especially when, all of a sudden, we're hearing it's performance-related, and yet the documentation indicates that it may not be. … Big red flags are going on as to whether they're politicizing these U.S. attorneys' offices or trying to centralize power back in Washington. It's just a question mark, because it's so different from what's been done before." Gerson also said the firings were unusual, but added that "the starting point needs to be, when you're looking at a process that's inherently political, and you're looking at individuals who all of whom have served more than four years, the real question that you need to be asking is: Is there any impedance of ongoing investigations or other initiatives so that the public isn't getting effective law enforcement? And I don't see any evidence of that being the case." Gerson said he believed "perhaps the process was clumsier than it needed to be. … But in the case of at least one of those individuals, who clearly got a favorable report, at least 19 members of Congress felt otherwise, with respect to the level of enforcement of the immigration laws. Now, one can discuss that, but clearly some of the critics of the administration, including Sen. Feinstein, wrote letters to the department, which apparently had influence. … I just don't see any evidence that any case, any investigative initiative has been impaired in any way. Moreover, as I visit U.S. attorneys' offices around the country -- and I do it in connection with my work, sometimes they're my adversaries -- I really don't see any great falloff. … Of course, there are probably some people in some places who are concerned. That's understandable. It's almost always the case. But generally it's business as usual." Levenson said she believed "there is a significant morale issue that's going on here. … Because for the troops -- and they are apolitical, for the most part, who are trying to do the right job -- they have big question marks. Why are their leaders being dismissed?"

Ashcroft Pizza Party Raises Ethics Concerns At DOJ. U.S. News and World Report (2/27, Ragavan) reports, "A pizza luncheon to be hosted this Wednesday by former Attorney General turned consultant John Ashcroft for some of his old political appointees has raised eyebrows in the Justice Department's ethics office, U.S. News has learned. The ethics office, which provides Justice employees with guidance on a wide range of ethics questions, has not instructed invitees not to attend the lunch. … However, it has 'advised invitees to consider the appearance of attending such an event,' Justice Department spokesman Brian Roehrkasse told U.S. News. But Juleanna Glover Weiss, an adviser and spokesperson for his consulting firm, told U.S. News that 'General Ashcroft has abided by the letter and spirit of all post government service ethics restrictions.' Wednesday's lunch, Weiss said, 'is just a small social gathering.'" US News adds, "Executive branch employees must comply with stringent standards of ethical conduct

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pertaining to accepting gifts or items of monetary value from anyone wanting to do official business with their agency, including their old colleagues and bosses. The ethics office has told political appointees at Justice that if they attend the Ashcroft pizza luncheon, it would "count toward the $20/occasion and $50/year limits." … Typically, former government officials must abide by a one-year 'cooling off' period before lobbying or soliciting business from their former agency. But there are longer restrictions when it comes to contacting old colleagues on specific matters. The department did not elaborate on what aspect of Ashcroft's lunch invitation gave the ethics office pause."

CORPORATE SCANDALS:

Judge Dismisses SEC Suit Against Former Citigroup Officials. The Wall Street Journal (2/27, C13, Bray) reports, "A federal judge dismissed a Securities and Exchange Commission lawsuit that accused two former Citigroup Inc. executives of cheating mutual-fund customers out of millions of dollars in savings through the use of an affiliated transfer agent." The Journal continues, "U.S. District Judge Richard C. Casey in Manhattan granted a summary judgment motion by Thomas W. Jones, the former chief executive of Citigroup Asset Management, and Lewis E. Daidone, the former treasurer and chief financial officer of the Smith Barney family of funds. … The SEC had requested civil penalties, a permanent injunction against the men and disgorgement. 'The commission's action for civil penalties and an injunction are time-barred, and its action for disgorgement is not supported by sufficient facts,' the judge said." The Journal adds, "The SEC had alleged that Citigroup's asset-management business took most of the benefit of a discount from using an affiliated transfer agent for itself, rather than passing on that savings to the mutual funds and their customers. The regulator had claimed Jones and Daidone were 'principally responsible' for the alleged scheme. … Citigroup settled the SEC's charges in May 2005 and agreed to pay $208 million to mutual-fund customers allegedly victimized by the transfer-agent arrangements. In settling, the financial-services giant didn't admit or deny wrongdoing."

SEC Claims Blue Bottle Traded On Information Stolen From Computers. The New York Times/Bloomberg (2/27) reports, "An accounting firm in Hong Kong made $2.7 million from illegal insider trades by hacking into computers to view press releases before they were published, the Securities and Exchange Commission said yesterday in a lawsuit." Bloomberg continues, "The S.E.C. sued the company, Blue Bottle, a Hong Kong-chartered firm that says it is based in London, and its chief executive, Matthew Charles Stokes. Blue Bottle made $2.7 million by hacking into computer systems shortly before the release of market-moving information, the S.E.C. said in a complaint filed in Federal District Court in Manhattan. … The suit seeks an injunction barring further wrongdoing as well as the recovery of any illicit trading profits." Bloomberg adds, "The S.E.C. says Blue Bottle made 12 illegal trades this year. In one instance, Blue Bottle bought options to sell shares of BJ's Wholesale Club, at 3:36 p.m. on Jan. 3, the S.E.C. said. The next day, shares in BJ's fell 4 percent after the company said its predicted earnings would fall below expectations. … Blue Bottle made about $12,000 from trading on BJ's, the S.E.C. said. … In another instance cited by the S.E.C., Blue Bottle began buying options to sell Symantec, the maker of computer antivirus software, at 1:03 p.m. on Jan. 12. The next trading day, Symantec said third-quarter earnings in 2007 would be less than forecast, driving shares down by 13 percent."

Review Clears Bristol-Myers Of Securities Law Violations. The New York Times (2/27) reports, "Bristol-Myers Squibb, the drug maker, has been cleared of securities law violations in connection with its botched Plavix patent settlement last year, the company said yesterday in a regulatory filing." The Times continues, "The company said that it has been informed by the United States attorney in Newark, Christopher J. Christie, that a review found no violation of securities laws or breach of an earlier consent order the company had signed with the Securities and Exchange Commission." The Times adds, "The review was done by Frederick Lacey, a former federal judge who had been appointed to oversee operations as part of a deferred prosecution agreement the company signed in 2005. That was meant to settle accusations that it had misled investors through inventory manipulation. … The filing, submitted to the S.E.C. late yesterday, said that Mr. Christie's office had advised the company that the matters had been 'fully remediated' and that he did not intend to take action. … In a statement last night, Bristol-Myers said the decision suggested that the company was on track to bring an end to

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the deferred prosecution agreement in Newark as scheduled on June 15. … 'If the company fulfills its obligations under the deferred prosecution agreement, we expect the U.S. Attorney for the district of New Jersey would dismiss the complaint against the company on June 15,' the company said in a statement. … The decision resolves one potential federal case for Bristol-Myers, which remains under criminal investigation by the Justice Department's antitrust division."

CRIMINAL LAW:

Judge Dismisses Libby Juror Over Exposure To Media Reports. The CBS Evening News (2/26, story 3, :25, Couric, 7.66M) reported that "the judge at Scooter Libby's CIA leak trial sent one of the jurors home today after she admitted seeing or reading coverage of the case over the weekend. A fourth day of deliberations ended today with just 11 jurors. The judge rejected a prosecution request that the dismissed juror be replaced by an alternate. That would have required deliberations to start over from scratch." Fox News' Special Report (2/26, Hume) noted, "The judge…checked with others on the jury to make sure they had not heard anything from that juror or any other source." USA Today (2/27, 5A, Willing, 2.27M) reports, "University of Richmond law professor Carl Tobias said he interpreted Wells' motion as a sign the defense believes deliberations are favoring Libby and that Wells does not wish to break that momentum."

In a widely-distributed story, the AP (2/27, Sniffen) reports that in allowing the 11 jurors to proceed, US District Judge Reggie B. Walton "said he didn't want to 'throw away two and a half days' of discussions the jury has had since getting the case at midday last Wednesday. If an alternate had been seated, the jury would have been required to begin its deliberations over from the beginning." The AP notes, "Walton never disclosed what the juror had seen, but he concluded the exposure was not intentional and resulted from a misunderstanding of his orders. He has ordered jurors to avoid media coverage of the case and to stay off the Internet."

The Los Angeles Times (2/27, Schmitt) reports, "The incident was one of the few signs of life from the jury since it began deliberations Wednesday. Walton called the other jurors into court Monday, and underscored that they should avoid reading or hearing anything about the case during the trial." The Times adds, "Federal court rules permit the judge to move forward with the smaller panel, although the government prosecutor urged him Monday to tap one of two alternate jurors still available for a full 12-member jury. … Special Prosecutor Patrick J. Fitzgerald said the smaller panel put the trial on 'dangerous territory' if another juror were to become ill or be dismissed because of media exposure. … But Walton expressed concern that adding a juror would require the panel to restart deliberations. 'I just don't think it would be appropriate to throw away those 2 1/2 days of deliberations,' he said. 'I don't have anything to suggest that this jury is anything but conscientious and can continue.' … Defense lawyer Theodore V. Wells Jr. supported his move, saying that restarting deliberations would be 'prejudicial to Mr. Libby.'"

CBS News (2/27) reports, "CBS News Justice Department reporter Deridre Hester reports the jurors were reminded to be vigilant about staying away from information about this case. … 'They should continue with their deliberations and I will emphasize again the importance of not having contact with any outside information,' Walton said." CBS News adds, "The woman who was dismissed from the jury is an art history expert and scholar who formerly served as a curator of prints at the Metropolitan Museum of Art. She was also the only juror who did not wear a red T-shirt as part of the jury's Valentine's Day greeting to the court. … 'There is no way to tell which side this helps until, of course, we get a verdict,' says CBS News legal analyst Andrew Cohen. … 'The worst scenario would have been a mistrial because the whole jury was tainted,' Cohen says. 'The second-worst case would have been had the jury been forced to start deliberations from scratch with an alternate juror taking the place of the dismissed one. So while this is a wrinkle, it's actually about the best possible outcome given what happened.' … Cohen warns, however, that 'if Libby is convicted, we may see this little problem emerge again on appeal.'" The New York Times (2/27, Lewis, 1.16M), Wall Street Journal (2/27, Perez, 2.04M) and Washington Post (2/27, A3, Leonnig, Goldstein, 690K) also report on the juror's dismissal.

Former Ney Aide Pleads Guilty To Conspiracy. The AP (2/27, Jordan) reports, "The top aide to convicted former Rep. Bob Ney pleaded guilty Monday to federal conspiracy charges stemming from a congressional bribery scandal that downed his boss." The AP continues, "Smiling nervously at times, William Heaton, 28, acknowledged accepting a golf trip to Scotland, expensive

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meals, and tickets to sporting events between 2002 and 2004 as payoffs for helping clients of disgraced lobbyist Jack Abramoff. … Heaton worked for Ney, R-Ohio, from September 2001 to July 2006, ultimately serving as his chief of staff. … 'You received things of value in exchange for performing functions for Mr. Abramoff and other lobbyists who worked for him, as well as a foreign businessman. Is that correct?' U.S. District Judge Ellen Segal Huvelle asked Heaton during the 20-minute hearing. … 'Yes, your honor,' Heaton replied in a firm voice. He pleaded guilty to one count of federal conspiracy." The AP adds, "He faces a maximum sentence of five years in prison and $250,000 in fines, but probably would serve between 18 and 24 months as outlined under federal sentencing guidelines. No date was set for sentencing. … Heaton has agreed to give the Justice Department information that might be useful in an ongoing investigation that has targeted lobbyists, lawmakers, their aides and members of the Bush administration. … Among other things, Heaton acknowledged accepting trips to New Orleans and Lake George, N.Y., an Adirondack resort village. He also took what Assistant U.S. Attorney James A. Crowell IV and other prosecutors described as thousands of dollars worth of gambling chips from a foreign businessman at a casino during a travel stop in London. The unnamed businessman was hoping to sell U.S.-made airplanes and airplane parts in a foreign country."

The Hill (2/27, Kucinich, Crabtree) notes, "Heaton's plea agreement comes just days before the former lawmaker will report to federal prison in West Virginia for corruption charges. … 'The FBI has made combating public corruption at all levels of government one of its top investigative priorities, because American taxpayers deserve honesty from public officials and employees,' said Assistant Director Chip Burrus of the FBI's Criminal Investigative Division. 'No corrupt public servant is exempt from FBI scrutiny. We will continue to pursue those like Will Heaton who sell their integrity at the public's expense.'"

The Washington Post (2/27, A6, Grimaldi, Leonnig, 690K) reports that Heaton's plea agreement "revealed for the first time that Ney kept some of his ill-gotten gains -- $5,000 in British pounds -- in a safe in his congressional office. Heaton, who worked for Ney from 2001 until last year, admitted that he helped the congressman stash the money and periodically opened the safe at Ney's request so he could get to the cash, prosecutors said." The Post also notes that Burrus said, "No corrupt public servant is exempt from FBI scrutiny. We will continue to pursue those like Will Heaton who sell their integrity at the public's expense."

BetOnSports Founder On The Lam As DOJ Cracks Down On Online Gambling. The Wall Street Journal (2/27, B1, Emshwiller, Sanders) reports, "Gary Kaplan used to throw lavish parties in Costa Rica and plaster the name of his thriving online gambling company on New York City buses. Now, the 48-year-old founder of BetonSports PLC and the multibillion-dollar industry he helped spawn are in reduced circumstances -- the man on the run, the industry in disarray." The Journal continues, "Mr. Kaplan is a fugitive from a racketeering conspiracy and fraud indictment filed last year in a St. Louis federal court charging him with heading a criminal enterprise that illegally took in over $3.5 billion in wagers since 2001. … Several Kaplan colleagues have also been charged, including former BetonSports chief executive David Carruthers, who was arrested at the Dallas-Fort Worth airport in July during a brief stopover on a flight from London to the company's headquarters in San José, Costa Rica. Mr. Carruthers and several others charged in the case have pleaded not guilty and are awaiting trial. Mr. Kaplan's whereabouts are unknown." The Journal adds, "The Kaplan indictment is part of a broader federal crackdown in which several executives from other foreign online gambling operations and credit-card processing companies have been indicted. Last October, Congress passed a law banning almost all forms of online gambling. Recently, the Justice Department served subpoenas for records on investment banks that had helped BetonSports and other online gambling companies raise money through public stock offerings. … Industry observers estimate that online wagering, which had hit about $12 billion annually, is down by as much as 50%. BetonSports has largely closed down operations. Federal authorities estimate that 98% of the company's business came from the U.S."

US Seeks Maximum Five-Year Prison Sentence For Cuban Spy. The AP (2/27, Sainz) reports, "A college professor who pleaded guilty in a federal case involving allegations that he and his wife spied for Cuba should receive the maximum five years in prison because he did 'classic intelligence work' for Fidel Castro's communist government, prosecutors said Monday." Carlos Alvarez and his wife, Elsa, "were set to be sentenced Tuesday. … Carlos Alvarez's lawyers have asked for a sentence of time served, or

a sentence which would allow him to serve his time at home." The AP adds, "In 2005, Carlos Alvarez admitted in FBI interviews to being a 'collaborator' with Cuba's intelligence service beginning in 1977, insisting he was mainly interested in opening dialogue with Cuba's government. His attorneys unsuccessfully tried to have that confession thrown out." WFOR-TV Miami (2/26) notes that Alvarez "may have cut a deal with the Feds, but they don't appear to be ready to give him a break."

The Miami Herald (2/27, Weaver, 286K) reports, "On the eve of the couple's sentencings today, the U.S. attorney's office disclosed for the first time that the FBI obtained material from one of the Alvarezes' home computers showing that rather than reducing their illicit operation in the mid-1990s, they were still actively contacting the Cuban Intelligence Service. … 'Although it was Carlos Alvarez alone who would write and encrypt the reports [on computer disks], the reports would include information gathered by Elsa Alvarez as well,' wrote Assistant U.S. Attorney Matthew Axelrod." However, "Carlos Alvarez's attorney, Steven Chaykin, called the latest filing 'another example of the government overstating the nature of this case.'"

Florida Police Chief Told City Officials About Probe, Despite FBI Instructions. The Miami Herald (2/27, Wright, 286K) reports, "Hollywood Police Chief James Scarberry told as many as eight city officials about a two-year undercover FBI probe into his department, defying FBI instructions and possibly opening himself to prosecution. Word of the FBI investigation somehow reached two of the four veteran officers who were the initial targets of the sting, forcing the FBI to prematurely end the probe and arrest the officers who the feds said were involved." The Herald notes Scarberry "said he was less than thrilled with the idea that more officers in his department might be implicated in wrongdoing, but contends the FBI never told him not to tell anyone else. … Scarberry said he does not believe information was passed to the officers by anyone he told," but "FBI agents were furious that someone leaked information before the investigation was complete, a ranking federal law enforcement source said."

The South Florida Sun-Sentinel (2/27, Blum, Rodriguez, 237K) adds, "As for how word of the investigation leaked, Scarberry said he has 'a hunch.' According to the federal law enforcement official, who spoke on the condition of anonymity, Scarberry and his top deputy were briefed on the investigation about a month ago, around the time federal authorities confronted" Detective Thomas Simcox "and asked him to cooperate. Scarberry and his deputy were told not to discuss the matter with anyone else. … There is currently no formal investigation of the leak, the federal official said, adding the FBI could launch a criminal inquiry if it seemed to be intentional.'

Former Tennessee Lawmaker Completes Jail Term. The AP (2/27) reports, "Former Republican state Rep. Chris Newton…has been freed from a federal prison system halfway house where he finished a one-year sentence in the FBI's 'Tennessee Waltz' bribery sting." Newton "served 9 1/2 months in a minimum-security prison in Atlanta, then another month at a halfway house in Knoxville. He was released Friday but has remaining community service and two years of probation to serve." The AP notes, "Newton is among five current or former state_lawmakers charged with taking bribes from FBI agents who posed as businessmen seeking legislative favors. … The Tennessee Waltz scandal prompted a special session of the Legislature and passage of legislation creating an independent ethics commission for lawmakers."

California Woman Pleads Guilty To Mortgage Fraud Scheme. The AP (2/24) reported, "A woman pleaded guilty Friday to federal mail fraud and money laundering charges for leading a $12 million foreclosure scam that victimized more than 100 Southern California homeowners. As part of a plea deal Martha Rodriguez, 35, of Downey admitted she led the scheme from May 2003 until November 2005 out of her real estate and escrow agencies, the U.S. attorney's office said." The AP noted, "The five allegedly pocketed the loan money from the banks, which were never repaid. The scammed homeowners, meanwhile, lost their property titles, prosecutors said

Minnesota Merchants See Rapid Rise In Counterfeit Credit Cards. The Minneapolis Star Tribune (2/27, Serres, 395K) reports, "Over the past year, Twin Cities law-enforcement officials and retailers have become troubled by a dramatic jump in the sophistication of counterfeit credit cards, which have been linked to tens of thousands of dollars in thefts at local malls and shopping centers. … Financial crimes investigators say neither

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retailers nor credit-card companies are doing enough to stay ahead of the technology used by counterfeiters." The Star Tribune notes, "The Roseville Police Department and the FBI are investigating an organized ring of 20 people who they say stole goods worth more than $250,000 in local electronics stores, primarily by using stolen credit-card numbers and fake IDs. Investigators believe the group sold much of the stolen merchandise online. … Even when Roseville police placed the cards under ultraviolet lights, they still seemed authentic."

High Court Hears Arguments In High-Speed Police Chase Case. ABC World News (2/26, story 9, :20, Gibson, 8.78M) reported, "The Supreme Court heard arguments today, in a case that could set limits on high-speed police chases. It involves a chase that left a 19-year-old driver in Georgia," Victor Harris, "paralyzed. At issue is whether the police tactic of ramming their cars into the cars of fleeing suspects, constitutes reasonable force."

NBC Nightly News (2/26, story 7, 2:20, Pete Williams, 9.87M) reported "Today, a majority of the Supreme Court seemed to agree. Several of the justices who watched the video believed force was justified to stop him. Among conservatives, Justice Scalia said with the Cadillac weaving, it was the scariest chase he'd seen since the movie 'The French Connection.' Among the liberals, Justice Ginsburg said anyone watching the tape must conclude he was endangering others. Civil libertarians were hoping for a decision that would stop police from using force to end high-speed chases but a majority of the court seemed prepared to rule that force is justified to stop speeding drivers, even if they've committed no other crimes."

The New York Times (2/27, Greenhouse, 1.16M) reports, "The question for the court was whether the forcible termination of the chase had been reasonable under the circumstances, or whether a jury should at least be permitted to consider" the claim that Deputy Sheriff Timothy Scott "violated his constitutional rights by unreasonable application of deadly force. At issue were the standards to apply to such a determination." The United States Court of Appeals for the 11th Circuit, "based in Atlanta and not known for being overly solicitous toward criminal defendants, ruled in 2005 that Mr. Harris was entitled to take his suit for damages to a jury. The appeals court refused to give Deputy Scott either summary judgment or immunity, basing its ruling on a series of Supreme Court decisions from the 1980s that set boundaries on the use of deadly police force against fleeing criminal suspects." The Los Angeles Times (2/27, Savage, 850K), Washington Post (2/27, A3, Barnes, 690K) and USA Today (2/27, 3A, Biskupic, 2.27M) run similar reports.

The Legal Times (2/27, Mauro) reports, "Scott claimed he had qualified immunity -- which the 11th U.S. Circuit Court of Appeals denied him. … The qualified-immunity issue was barely mentioned as lawyers for both sides argued over the standards the high court has used in deciding whether police act reasonably when they use deadly force -- and even whether the standard is relevant to what happened to Harris. But what justices kept coming back to was the video of the six-minute chase, taken by dashboard cameras in the police cars involved. The grainy nighttime video, part of the public record in the case, shows the car reaching 90 miles per hour as it sped by other motorists under pursuit by the police." The Times adds, "The video was not shown in the courtroom, but it was evident that most if not all the justices had seen it -- and been affected by it. … On the film, Scott is heard asking for and getting permission to use PIT, or Precision Intervention Technique -- a method whereby police can end a chase with a maneuver that causes a car to spin out and stop. But because of the high speeds involved, Scott ultimately decided to ram Harris' car directly, causing the car to run off the road."

Supreme Court Sidesteps Cases On Immigration, Polygamy, Child Porn. The Wall Street Journal (2/27, Anderson, 2.04M) reports, "The US Supreme Court Monday refused to rehear a worker immigration lawsuit filed against Mohawk Industries Inc., rejecting a renewed appeal a year after sending it back to lower courts." The justices "last year remanded the lawsuit to a federal court so it could determine whether allegations that the company hired illegal immigrants and suppressed worker wages could proceed as a civil racketeering lawsuit."

The New York Times (2/27, Greenhouse, 1.16M), meanwhile, reports "an Arizona man who received a 200-year prison sentence for possessing 20 pornographic images of children failed Monday to persuade the Supreme Court to consider whether the sentence was unconstitutionally excessive. Arizona law imposes a mandatory minimum sentence of 10 years for 'sexual exploitation of a minor,' and it requires that sentences for multiple convictions be served consecutively." And the Christian Science Monitor (2/27, Richey, 59K) says the court also "declined to consider the appeal by a Utah man with three wives who sought to overturn his bigamy conviction by citing the high court's 2003

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landmark ruling on gay rights. The action lets stand a Utah Supreme Court decision upholding the state's bigamy law even though it clashes with some residents' sincerely held religious beliefs."

Seattle Law Enforcement Officials Seek More Federal Anti-Crime Funding. The Seattle Times (2/27, Clarridge) reports, "In a meeting with local law enforcement leaders this morning, U.S. Sen. Maria Cantwell listened to a lot of people -- including Seattle's police chief, the King County sheriff, city officials, federal agents and a few community leaders -- talk about the area's crime problems and what it will take to fix them. … Mostly, the law enforcement officials said, keep federal funding for local law enforcement. … 'Gang membership, gang crime, and gang violence is surging in our state,' said Cantwell. 'Our local law enforcement is doing great work meeting this threat head on, but they need federal support.'" The Times continues, "Cantwell called for the community meeting to hear firsthand about the region's recent rise in gang violence, according to her media representative. … Cantwell, who's hosting several meetings around the state with law enforcement leaders, last month introduced new anti-gang legislation that seeks to provide additional tools to law enforcement officers and prosecutors." The Times adds, "The top brass of the local FBI, DEA and ATF branches said the state has an increasing drug problem, due in part to the ease with which it moves up and down the Interstate-5 corridor."

Former CIA Officer Urges Officials To Rebuff FBI Over DIA Documents Case. The Washington Times (2/27, Gertz, 88K) reports former CIA national intelligence officer for East Asia Robert G. Sutter "refused FBI appeals for help in tracking Chinese spies and urged others via e-mail not to cooperate because of the recent prosecution of former Defense Intelligence Agency analyst Ron Montaperto." Sutter "told a mailing list of current and former government officials that a 2003 FBI 'sting' operation against Montaperto, who was convicted in June of mishandling classified documents, raised fears that he and other officials could be damaged for discussing their contacts with Chinese officials. The FBI and other U.S. counterintelligence agencies are stepping up efforts, including outreach to academics, to counter Chinese intelligence efforts after a string of damaging spy cases over the past five years, U.S. officials said."

More Counterfeit Money Exchanged In 2006. USA Today (2/27, 1B, Hagenbaugh) reports, "The amount of counterfeit money being accepted by consumers and stores in the USA is climbing as crooks are increasingly using inexpensive home computers and printers to produce phony money." USA continues, "About $62 million entered circulation that was later deemed fake in the 2006 fiscal year, which ended Sept. 30. That represents a more than 10% increase from the prior year and a 69% rise from just three years earlier, according to the latest data from the Secret Service obtained by USA TODAY. … Terry Tilka says he sees fake bills about once a week at Rock Island Brewing, a restaurant/bar he owns in Rock Island, Ill., as well as at a dance club he owns. 'It's been worse in the last three or four years than I have ever seen in my 33 years of business,' he says." USA adds, "There has been a noticeable rise in counterfeiting in the past eight months in Pasco County, Fla., says Sgt. Bill Moltzan of the sheriff's office economic crimes unit there. … The crooks are bold. One person who was arrested charged people, including an undercover agent, for a counterfeiting how-to class. One man was arrested after dancers in a strip club realized he was passing out fake bills and called police while the bouncer held the man. A 62-year-old woman known as Grandma was caught this month trying to sell fake money at less than face value. … 'Technology is making it easier for the people trying to do this on their own,' Moltzan says. … Despite the rise, the amount of fake money in circulation is a fraction of 1% of genuine currency, Secret Service spokesman Eric Zahren says. The fact the money was caught suggests security features that have been added starting in 2003, such as colors and watermarks, make it easier to detect fakes, says Dennis Forgue, head of currency at Harlan J. Berk in Chicago."

CIVIL LAW:

Trustee Seeks Probe Of Collins & Aikman Fees. The AP (2/27) reports, "The Justice Department is backing a call by a big creditor of Collins & Aikman Corp. to appoint an examiner to look into more than $100 million in fees charged by professionals in its bankruptcy case." The AP continues, "U.S. Trustee Saul Eisen, a Justice Department employee, said Collins & Aikman investor Third Avenue Value Fund had made "troubling allegations that merit an independent investigation," according to court papers filed

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Friday. … In December, Third Avenue asked for an examiner to look into the fees charged by Collins & Aikman's lawyers and advisers after the company abandoned its plan to reorganize. Third Avenue, which is owed $250 million from the auto supplier, argues the bankruptcy professionals should have cut their hours as soon as it was apparent the company would liquidate." The AP adds, "The trustee says Third Avenue's allegations merit an independent investigation and that the examiner should pay particular attention to decisions made by turnaround firm Kroll Zolfo Cooper LLC, which advised Collins & Aikman during its Chapter 11 case. … The Michigan automotive-parts maker has said the appointment of a fee examiner is unnecessary at this late stage in its bankruptcy case -- Collins & Aikman is about to be broken up and sold -- and would unfairly burden it with additional costs and fees. … Rather, Collins & Aikman wants a committee, which would include a company representative, to look into the professionals' fees. But a committee wouldn't have the same authority as an independent examiner."

Parents Seek Reimbursement For Private School Under IDEA. The AP (2/27) reports the U.S. Supreme Court "Monday agreed to consider whether taxpayers must reimburse parents who enrolled their learning-disabled student in private school after deciding public schools were unable to meet the child's needs. New York City's education department asked the justices to take the case after a federal appeals court said tuition reimbursement is available to the parents under the Individuals With Disabilities Act." The case is Board of Education v. Tom F. on behalf of Gilbert F., 06-637.

Court To Rule Whether Parents Can Represent Child In IDEA Suit. The AP (2/27, Sherman) reports, "Jeff and Sandee Winkelman don't have the money to pay for private schooling for their autistic son, let alone hire a lawyer to sue their public school district. The Winkelmans want the Supreme Court to rule that the main federal special education law gives them the right to go before a federal court to argue that taxpayers should pay for 9-year-old Jacob's private school, even though neither parent is a lawyer." The Individuals With Disabilities in Education Act "gives every child the right to a free appropriate public education" and "parents unhappy with a district's plan can appeal the decision through an administrative process. If they remain dissatisfied, they can file a civil lawsuit. At that point, however, they have to find a lawyer, the 6th U.S. Circuit Court of Appeals ruled in the Winkelmans' case." The Bush administration "and 12 Democratic lawmakers…have sided with the Winkelmans." The case is Jacob Winkelman v. Parma City School District, 05-983.

CIVIL RIGHTS:

Civil Rights Center Gives FBI List Of Suspected Civil Rights Murders. In a widely-distributed story, the AP (2/27, Talbott) reports that the Southern Poverty Law Center has identified 74 deaths in 11 states that "could be racially motivated killings of black men and women between 1952 and 1968. The center…has forwarded the list to the FBI, and the Justice Department is expected to hold a press conference Tuesday to talk about a new database of old civil rights era cases that now could be investigated. Center officials believe the list can be helpful in future investigations." The AP notes, "Researchers developed the list in the late 1980s while identifying 40 victims of racially motivated killings whose names were etched in a memorial. … The center hopes the FBI can help add names that rightfully belong on the memorial." SPLC's Mark Potok said, "We did a lot of research on these names and we're very hopeful that this information will be helpful to the FBI and particularly that it will be helpful to the families of those who were murdered."

DOJ Sues Cincinnati Landlord Alleging Harassment Of Female Tenants. The AP (2/27) reports from Cincinnati, "The U.S. Department of Justice on Monday sued a landlord, accusing him of a pattern of sexual harassment against female tenants over the past nine years." The AP continues, "The lawsuit filed in U.S. District Court here accuses James G. Mitchell, of Cincinnati, of making sexual comments, touching women sexually without permission, entering their apartments without permission or notice, and denying housing on the basis of gender. It also said he retaliated against women who rejected his advances. … It lists at least 53 properties Mitchell owns, some of which have more than one unit. Most are in Cincinnati, with a handful in Fairfield, Hamilton and West Chester." The AP adds, "The lawsuit seeks a court finding that Mitchell has violated the Fair Housing Act, an order forbidding future discrimination and unspecified monetary damages for any woman harassed. … 'No woman should be subjected to

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sexual harassment in her home,' said Wan J. Kim, assistant attorney general for the justice department's Civil Rights Division, in a news release."

Judge Rules Florida Sober House Zoning Ordinance Is Discriminatory. The South Florida Sun-Sentinel (2/27, Franceschina) reports, "A judge ruled Monday that a Boca Raton ordinance that bans so-called sober houses from residential neighborhoods is discriminatory and violates the federal Fair Housing Act." The Sun-Sentinel continues, "The ruling from U.S. District Judge Donald Middlebrooks came in a lawsuit filed by Steve Manko, who operates two apartment buildings - Boca House for men and Awakenings for women - and several homes for recovering alcohol and drug addicts. … Attorneys for Manko and several former Boca House residents said the ruling was victory for recovering addicts, who are considered handicapped and are entitled to housing protections under federal law, but the judge's decision also favored the city in some aspects of the complex litigation. … 'It's a good ruling in that the judge found the city violated the Fair Housing Act. It's not a complete victory, but the judge said at the end of trial it was not going to be a complete victory, but it is a victory,' said Manko's attorney, William Hill. 'The city violates the Fair Housing Act - that should be the headline from this ruling. We've said that all along. They should not have passed this ordinance.'" The Sun-Sentinel adds, "In May 2002, the City Council passed an ordinance that would require the sober houses to move into areas of the city zoned for medical centers and hotels. The ordinance was never enforced because of the threat of litigation. … Manko filed suit in 2003, and in September the U.S. Department of Justice also filed suit against the city alleging the ordinance was discriminatory. That case is still pending. … 'It is a win for us,' said Jim Green, an attorney for the American Civil Liberties Union who represented several former residents of Boca House when the case went to trial last month." The AP (2/27) also reports on the ruling.

Judge Hears Arguments On New York Village's Voting System. The AP (2/27, Fitzgerald) reports from White Plains, NY, "A suburban village that is nearly half Hispanic but is governed mainly by whites asked a federal judge on Monday to let its politics evolve naturally rather than cancel elections and impose a new voting system to give Latinos a greater voice." The AP continues, "Anthony Piscionere, attorney for Port Chester, said 'an organic and natural system is beginning to take hold' to the benefit of Hispanics. Cutting the village into districts to increase the chances of Hispanic representation, as the Department of Justice has asked, 'would be officially segregating the Village of Port Chester forever,' he said." The AP adds, "Piscionere spoke in federal court in White Plains during closing arguments on the government's request for an injunction against village trustee elections scheduled for March 20. The Department of Justice claims that the village's at-large method of electing trustees is unfair to Hispanics and violates the Voting Rights Act, which the village denies. … The Voting Rights Act is often used to oppose at-large voting. In the 1990s, actor Ossie Davis and other black activists went to court to challenge New Rochelle's at-large City Council elections, and the city eventually approved a referendum that changed the system. … Soon after that, a federal judge found that Hempstead's at-large town board system "invidiously excluded blacks from effective participation in the town's political life" and ordered six districts drawn up." The AP notes, "In Port Chester, which has about 28,000 residents, according to the 2000 census, the government is seeking to delay the election until the village accepts or the judge imposes a district system that would include one sector in which a Hispanic candidate could be expected to win. … Port Chester is about 25 miles from New York City, on the Connecticut border in Westchester County. It is governed by a mayor and six trustees. The trustees' three-year terms are staggered so that two are elected each year to represent the entire village. … Regardless of how Judge Stephen Robinson rules on whether the election should be delayed, he plans to hold a separate trial on the main issue -- whether the system discriminates against Hispanics. … Piscionere and Assistant U.S. Attorney David Kennedy agreed that no Hispanic has ever been elected to the six-member Board of Trustees, but they differed on the success rate of candidates favored by Hispanics."

Colorado Task Force Report Outlines Fight Against Human Trafficking. The AP (2/27, Sarche) reports from Denver, "Like domestic violence 30 years ago, human trafficking is poorly understood and hard to identify, but a new task force report represents a 'major step forward' in combating the emerging problem, officials said Monday." The AP continues, "The report, to be delivered to the Legislature on Tuesday, said federal grants and new

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programs are helping law enforcement officers identify victims, and helping victim advocates learn new methods to help them. … 'These people (traffickers) go to the most desolated, desperate areas where families will actually sell children to people they trust,' said Rep. Alice Borodkin, D-Denver, who sponsored the 2005 bill that created the task force. … 'Then when they come in (to the United States), these people are coerced, broken and they're terrified of any law enforcement. They don't know they can't walk out the door,' she said." The AP adds, "The report said authorities in Colorado know of about 30 cases of human trafficking — exploitation of people through force, threats or deception — since 2005. But it also said federal authorities estimate that only 1 percent of victims in the United States have been identified and provided assistance. … State lawmakers have taken initial steps in fighting human trafficking, but the task force was created to help provide guidance to further efforts. … Last year, lawmakers approved a bill to make it a felony to smuggle humans — a crime authorities said can often lead to human trafficking, which was made a felony in separate legislation approved last year." The AP notes, "The Justice Department gave the Salvation Army a grant to set up programs in Denver and several other cities to help raise awareness of human trafficking, educate law enforcement and the public about it and track victims and determine how best to serve their needs. … The task force made several recommendations to expand those efforts statewide to help combat the growing problem. It also recommended enhancing penalties for trafficking in children and change victim-assistance laws to specifically encompass victims of human trafficking."

Justices Take Up Case On Washington State's Primary System. The Wall Street Journal and Washington Post (2/27, 690K) run an AP story reporting, "The Supreme Court said it will consider the constitutionality of a state primary election system in which the top two finishers advance to the general election even if they are from the same party." The justices "will hear arguments in the fall in a case from Washington state over its 'Top 2' primary system, which allows candidates to indicate their party affiliation on the ballot. Lower federal courts agreed with the Washington Democratic and Republican parties that the system infringes on their right to choose their own nominees."

Study Urges Improvements To Iowa Prison. The Des Moines Register (2/27) reports, "The Iowa State Penitentiary at Fort Madison still suffers from security flaws that could make it vulnerable to the type of escape that occurred in November 2005 when two dangerous convicts fled from the maximum-security prison, according to a new federal security audit." The Register continues, "Two consultants from the National Institute of Corrections who spent two days inspecting the Iowa prison in October suggested relocating an electronic alarm system on the prison's walls, adding more razor wire, improving outside lighting and acquiring more digital cameras. … The consultants also recommended acquiring better metal detectors, along with so-called "heartbeat monitors" that can catch inmates hiding in vehicles leaving the prison. … In addition, they suggested that inmates working in the Prison Industries building be required to strip naked and go through metal detectors while headed to and from their job assignments." The Register adds, "The consultants, Stan Czerniak and James Upchurch, were invited to inspect the Fort Madison prison by the Iowa Department of Corrections. Czerniak is assistant director of operations for the Oregon Department of Corrections; Upchurch is bureau chief for security operations with the Florida Deparment of Corrections. … They worked in Iowa under the auspices of the National Institute of Corrections, a federal agency within the U.S. Department of Justice."

LATimes Blasts Pelosi Over Opposition To Redistricting Reform. The Los Angeles Times (2/27, 850K), in an editorial, writes, "The drive to get California politicians out of the business of selecting their own voters by shaping their own districts may be derailed by the speakership of Rep. Nancy Pelosi. Although not long ago it was Republicans who didn't want to risk losing any of their California seats, it's now Pelosi and nervous Democrats who are threatening to scuttle badly needed reform by putting their own interests first. They should back down, and quickly. … Democrats are hedging. Sure, they say, let a citizens commission draw the lines for the Assembly, the state Senate, the state Board of Equalization. But not Congress. Without Congress, though, there is no meaningful reform."

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ANTITRUST:

Experts Optimistic About Regulatory Clearance For TXU Deal. The New York Times (2/27, Krauss, Wald) reports, "The sale of the biggest utility in Texas to private investors faces months of state and federal regulatory hurdles, but experts predict that the broad support for the deal from environmentalists and other important interest groups should help it clear them with ease. … A bigger question, some experts say, is whether the newly formed company will be able to keep all its constituents — consumers and shareholders, growth-oriented politicians and environmentalists — as happy in the years ahead as they appear to be now." The Times continues, "In their official announcement of the merger agreement on Monday, the TXU Corporation and the lead buyers, Kohlberg Kravis Roberts & Company and the Texas Pacific Group, promised a 10 percent rate decrease for consumers while sustaining service to an increasingly energy-hungry Texas. Along with reducing the planned coal-fired plants to 3 from 11, the new owners also vowed to invest more in renewable energy, including solar and wind power. … The agreement was greeted with satisfaction by everyone from Texas officials to national environmentalists, who viewed it as a model for other states and utilities as well as a call to action for Congress to legislate against the spread of traditional coal power and its role in contributing to global warming." The Times adds, "The utility's promises of sustained service, more renewable energy and lower prices should go far in satisfying the Public Utility Commission of Texas, the regulatory body with the power to review purchases and mergers of electric utilities to ensure that they are in the public interest. … The current management of the company has come under criticism from consumer groups and politicians for being too quick to cut off electricity to late payers and not keeping public lighting in downtown Dallas adequately serviced."

The Wall Street Journal (2/27, A3, Smith, Warren, Berman) reports, "Texas regulators have little authority to challenge or block the proposed $32 billion private-equity buyout of utility titan TXU Corp., which could ease the deal's completion despite opposition gearing up in the state. Meanwhile, potential rival bidders considered their options." The Journal continues, "A group led by Kohlberg Kravis Roberts & Co. and Texas Pacific Group announced a proposed acquisition of TXU yesterday, in a deal that includes the assumption of more than $12 billion in debt. The deal, which would be the largest leveraged buyout ever, was made after the prospective buyers negotiated with environmental groups to reduce TXU's debate-stirring plans to build a fleet of coal-fired power plants. … Yesterday, a number of Wall Street banks and potential investors were scrambling to respond to their competitors' headline-grabbing move." The Journal adds, "Blackstone Group was looking at launching a rival bid, potentially with an industry player as its partner, people familiar with the matter said. Given the KKR-Texas Pacific group's huge head start, any Blackstone offer would have to include a higher price and perhaps a different structure. A strategic partner would enable Blackstone to arrange a more creative deal and hence pay more. Blackstone declined to comment. … A slew of other buyout groups were checking with banks about financing, according to people familiar with the matter. Some were signing confidentiality agreements with TXU, which is leading a 50-day "go shop" period to attract a higher bidder, another person familiar with the matter said. … While Wall Street observers said they believed other buyers could raise enough money, they were generally skeptical that a rival could line up the environmental and political cover that KKR and Texas Pacific have secured. Others note though, that a rival bid could promise the same concessions and that the ultimate decision rests with shareholders. In weighing bids, certainty can be almost as important as price. KKR also has had longstanding relations with TXU Chief Executive C.John Wilder, and Texas Pacific, which is incorporated in Texas, is the hometown player."

The Financial Times (2/27, Politi) reports, "TXU on Monday embarked on a campaign to promote a $45bn leveraged buy-out led by Kohlberg Kravis Roberts and Texas Pacific Group amid mounting evidence that the private equity boom has entered a new, more highly politicised era." The Times continues, "Executives at the Texas power company said the deal would bring lower prices for consumers and stronger environmental policies, including a reduction in carbon emissions and more investment in renewable energy. … Under John Wilder, chief executive, TXU has been the target of environmental groups, angered by the company's plans to construct 11 coal-fired plants to meet Texas's growing energy needs. … But in a sign of private equity's increasing awareness that acquiring big companies entails garnering the support of politicians and special interest groups as well as investors, KKR and TPG agreed to scrap

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plans to build eight of those coal plants." The Times notes, "The new owners also agreed to bring in James Baker, former US secretary of state; William Reilly, former Environmental Protection Agency administrator; and Donald Evans, former US commerce secretary, to help oversee the investment."

Buyout Enormous In Size, Complexity. The New York Times (2/27, Sorkin) reports, "Wall Street banks have provided billions of dollars to finance takeovers in the last year, essentially serving as mortgage lenders to deal-hungry private equity firms, which are among the banks' best-paying customers. … Now the lenders have created a new type of loan that has them ponying up part of the down payment on these deals as well. That trend is vividly illustrated in the $45 billion buyout of the Texas energy giant TXU, which was announced yesterday. There are risks in the transaction, as there are in any large buyout, but for the Wall Street banks behind the deal, it could be even riskier." The Times continues, "In an unusual twist that may soon become common, the banks are going one step further than simply providing the debt financing involved in the deal, in this case a daunting $24 billion of debt. … The banks are also lending $1 billion to TXU's buyers, Kohlberg Kravis Roberts & Company and the Texas Pacific Group — not as secured debt, but in the form of equity using the bank's own cash." The Times adds, "Known as an 'equity bridge,' the arrangement allows leveraged buyout firms to buy companies with even less cash upfront. The idea is that the leveraged buyout firms will find other investors to ante up cash after the deal is announced. … These bridges can lead to trouble, however. If the private equity firms cannot find new investors — and it is their job, not the banks', to find them — or if the value of the asset falls sharply, the banks are left holding the bag. … Some have compared the use of the equity bridges to a much more risky version of Michael R. Milken's famous 'highly confident' letters in the 1980s takeover boom, which gave assurances that his firm, Drexel Burnham Lambert, could sell junk bonds to finance deals for its clients. … Investment bankers say that the private equity firms, which have become some of the largest fee payers to Wall Street, put pressure on them to extend an equity bridge in exchange for syndicating the debt, a job that can prove very lucrative."

WSJournal Calls Texas Utilities' Agreement With Environmentalists "Greenmail." The Wall Street Journal (2/27, 2.04M) editorializes, "Call it greenmail for a post-Kyoto world. The private-equity firms that just agreed to buy Texas utility TXU have scored something of a PR coup by getting Environmental Defense and other climate-change activists to fall in line with their purchase plans before the deal was announced. The question is what price shareholders are paying for this act of political correctness. … Judging by media accounts, the price of Environmental Defense's support was an announcement that the new owners would build only three of the 11 coal-fired power plants that TXU has had on the drawing board."

Congressional Hearing To Examine Satellite Radio Merger. The Politico (2/27, Glass) reports, "Up in the sky 22,500 miles above Earth, separate sets of satellites beam hundreds of music, news and sports radio programs to almost 14 million U.S. subscribers in homes, offices and cars. Down on the ground in the nation's capital, a legion of lawyers and lobbyists has launched a multipronged campaign to let them merge." The Politico continues, "The proposal calls for XM Satellite Radio Holdings and Sirius Satellite Radio Inc. to combine their programming. They will try to persuade the U.S. Department of Justice and the Federal Communications Commission to sanction the union and to do it quickly. The initial skirmish will occur Wednesday on Capitol Hill. While Congress cannot block the deal, it could influence the outcome." The Politico adds, "The key issue before the lawmakers is the same one that faces the regulators: What is the scope of the market? If it is satellite radio, as critics allege, a merger would spawn an illegal unregulated monopoly. But Mel Karmazin, Sirius' CEO, will testify that the market should also include the 223 million weekly listeners to about 10,000 AM and FM domestic radio stations, the 219 million Americans with access to the Internet and millions more who own iPods and other hand-held music players. … The projected XM-Sirius merger, announced Feb. 19, will be the first item to come before the newly created House Antitrust Task Force." The Politico notes, "To counter the negative onslaught, XM and Sirius have hired a slew of top-of-the-line investment bankers, law firms and lobbyists. … J.P. Morgan Securities Inc. is handling the financial side for XM and Morgan Stanley for Sirius. Three law firms -- Skadden Arps, Slate, Meagher & Flom LLP, Jones Day and Latham & Watkins LLP -- are acting as legal counsel for XM. Sirius will get by with two: Simpson Thacher & Bartlett LLP and Wiley Rein LLP. … Their task is to persuade both Justice Department trustbusters, led by Thomas Barnett, and a fractured five-member FCC that a combined system will

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serve the public interest. The FCC would have to overturn its decade-old edict that they should remain separate."

XM Narrows Losses In Last Quarter. The Washington Post (2/27, D4, Babington) reports, "Continued growth in subscribers helped XM Satellite Radio Holdings slightly reduce its losses in the last quarter of 2006 from the fourth quarter of 2005, the company said yesterday." The Post continues, "XM, which broadcasts from the District, hopes to merge with rival Sirius Satellite Radio, which is based in New York. Both companies will continue to operate separately as they await regulatory approval from the Federal Communications Commission and Department of Justice, which is expected to take several months. … XM's last-quarter revenue increased by 45 percent, to $257.1 million from $177.1 million in the fourth quarter of 2005. The company narrowed its loss to $263.2 million (90 cents a share) from $270.5 million ($1.22)." The Post adds, "XM finished the year with 7.6 million subscribers, a 29 percent increase over the year before, that was, however, lower than the projections the company made in early 2006. Executives said they hoped to have at least 9 million subscribers, who typically pay $12.95 a month, by the end of this year. … XM reduced its quarterly marketing expenses by more than 25 percent, spending $142 million compared with $196 million, company executives said in a conference call with analysts and reporters. The cost of gaining each new subscriber fell from $141 to $128."

The Financial Times (2/27, Chaffin) reports, "The results came a week after XM announced an $11.4bn merger with Sirius. Analysts and investors have projected $5bn in cost savings that would push the companies toward profitability. … However, the biggest obstacle to the deal will be allaying antitrust concerns at the Justice Department and the Federal Communications Commission. At a Congressional hearing tomorrow, the companies are expected to argue that they are part of an expanding market for portable audio that includes iPods, mobile phones and other devices."

More Commentary. The San Francisco Chronicle (2/27) reports, "Ten years ago, federal regulators sold a pair of satellite radio licenses -- and sternly warned that a competition-chilling merger wouldn't be tolerated. … How quaint that worry seems now. The two operators -- XM and Sirius -- are losing billions of dollars and want to huddle together to stop the bleeding. Meanwhile, HD radio, iPods, Internet broadcasts and other trends have rushed past regulators and redrawn the landscape. There are 90 million people wearing dangling iPod ear-buds, 65 million who listen to free Internet radio and about 14 million satellite-radio subscribers." The Chronicle continues, "It's hard to see a stifling monopoly in the making when the two satellite networks are gasping for air. Consumers, who need defending when choices narrow dramatically, don't need any help on this shift. … In Washington, the Justice Department is judged likely to bless the deal after surveying the larger landscape of audio choices. It's a sensible reading of broadcast reality. … It's the Federal Communications Commission, which laid down the no-merger threat a decade ago, that may stop the deal. The panel shouldn't, even if it risks going back on its guiding words, issued at the dawn of the Internet age." The Chronicle concludes, "A merged satellite market will create a semblance of a monopoly, but only over one slender source of information. If the merged network raises prices or cuts options, unhappy subscribers can turn elsewhere for their entertainment fix. … This infant industry was touted as a major breakthrough way back when. How far away that era seems now when cheaper, handier and more varied choices now abound."

CME-CBOT Deal Faces April 4 Shareholder Vote. The AP (2/27, Thomas) reports, "Shareholders of Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings Inc., the two largest U.S. derivatives exchanges, will vote on CME's proposed $8 billion acquisition of CBOT on April 4." The AP continues, "In a filing with the Securities and Exchange Commission, CME said Monday its meeting on the deal will be held at the W Chicago City Center, while CBOT's Class A shareholders will meet at Union League Club of Chicago." The AP adds, "In addition, a special meeting for Series B-1 and Series B-2 members of CBOT will be held at the Union League Club before the Class A shareholder meeting to approve an amended and restated certificate of incorporation to become effective upon the deal, the filing said. … The SEC filing states CME and CBOT 'enthusiastically support' the combination, which would create the world's largest derivatives exchange. Executives from both exchanges have repeatedly stated they expect the deal, originally announced on Oct. 17, to close midyear. … The deal is still awaiting regulatory approval from the U.S. Department of Justice and the Commodity Futures Trading Commission. Department of Justice spokeswoman Gina Talamona said the investigation is ongoing, but did not say when a decision might be made."

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FTC Clears GE Purchase Of Abbott Unit. The AP (2/27) reports, "Federal antitrust regulators on Monday approved General Electric Co.'s $8.13 billion purchase of Abbott Laboratories' diagnostics business." The AP continues, "The Federal Trade Commission said it has approved the transaction without requiring any changes. … General Electric will acquire Abbott's in vitro diagnostics and point-of-care diagnostics businesses, the companies said when they first announced the transaction in January. The in vitro diagnostic division tests blood and urine samples to diagnose diseases and other conditions." The AP adds, "Abbott expects to receive $6 billion in after-tax cash from the transaction, the company said last month. Abbott plans to use the money to pay down debt and supplement share repurchases. … The two companies said in January that they expected the transaction to close in the first half of 2007."

Caremark Rx Shares Downgraded Amid Bidding War. Market Watch (2/27) reports, "Raymond James downgraded Monday its rating on Caremark Rx Inc. shares on the belief there will be no further bidders for the company beyond fellow pharmacy-benefits manager Express Scripts Inc. on the one hand, and retail pharmacy-chain operator CVS Corp. on the other. … 'Based on our analysis, we believe a [per-share purchase] price in the mid-$60s begins to become dilutive from CVS' perspective,' Raymond James analyst Michael Baker wrote in a research note. He cut his rating on Caremark to market perform from outperform. … 'We do not expect CVS to push the price beyond this point; therefore, upside is modest from current levels, in our opinion.'" Market Watch adds, "Caremark agreed last November to a so-called merger of equals with CVS under which Caremark stockholders would receive 1.67 shares of the combined company for each share they own. … The following month, however, Express Scripts launched a hostile cash-and-stock counterbid for Caremark that at the time carried a 15% premium to the CVS deal. Terms call for Express Scripts to pay $29.25 in cash and 0.426 share of stock for each outstanding Caremark share. … CVS subsequently sweetened its bid with a $2-a-share special dividend, which it then tripled to $6 a share." Market Watch notes, "A judge in Delaware on Friday delayed a shareholder vote on the proposed Caremark-CVS merger for the second time, until at least 20 days after Caremark shareholders are provided with additional information about the deal. Caremark subsequently mailed supplemental disclosures containing the information in question to its shareholders and scheduled the vote for March 16. … The Caremark shareholder vote, analyst Baker noted, will take place after the March 8 deadline for the Federal Trade Commission to make a second information request concerning the Express Scripts bid. … Antitrust questions have been among the top concerns raised in reference to a Caremark-Express Scripts deal. Caremark's the largest PBM in the country on a market-capitalization basis, ahead of Medco Health Solutions Inc. and Express Scripts."

Microsoft Pact With Novell Leaves Linux, Other Open-Source Firms Fuming. The Boston Globe (2/27, Bray) reports, "Last year's surprise partnership between software titan Microsoft Corp. and leading Linux distributor Novell Inc. was supposed to be a kind of peace treaty. Instead, it's brought the open-source software community to the brink of civil war, over a provision that could help Microsoft sue other open-source software companies for patent violations." The Globe continues, "As part of the deal, Novell agreed to compensate Microsoft for features in Linux that Microsoft claims to have patented. Critics say Novell has betrayed other Linux vendors and made it easier for Microsoft to threaten Linux companies with patent infringement suits. … 'Anybody who has not signed a deal now . . . is somehow under a cloud,' said Peter Brown, executive director of the Free Software Foundation, a group that oversees the creation of most Linux code. 'When will Microsoft act against them?' … But for renowned open-source programmer and former Novell employee Jeremy Allison, the deal came at too high a price. Allison helped develop Samba, a popular program that lets Linux computers interact with machines running Windows. In December, Allison quit . 'I left Novell over the deal because I felt it was not consistent with the responsibilities of an open-source company or an open-source programmer,' Allison said. … The deal with Microsoft amounts to a $308 million lifeline for Waltham-based Novell, a company brought to the brink of ruin thanks to years of fierce rivalry with Microsoft. Originally based in Utah, Novell invented the first system to link desktop computers into networks. It grew into the world's third-largest software company, at one time employing 10,000 workers. … But Novell's business was gutted when Microsoft added networking capability to its Windows operating system. Novell then challenged Microsoft with an alternative operating system and office software suite. Both ventures were costly

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failures. Today, Novell has just 4,800 employees, mostly in Utah. Only about 200 are based in the Boston area. Still Novell is one of the biggest technology companies based in Massachusetts.:

FTC OKs Coka-Cola's Purchase Of Fuze Beverage. The Atlanta Journal-Constitution (2/27) reports, "Federal antitrust regulators have approved Coca-Cola's purchase of juice and tea maker Fuze Beverage, according to a notice issued by the Federal Trade Commission Monday." The AJC continues, "The FTC cleared the transaction without requiring any changes to the deal. … Atlanta-based Coca-Cola will buy all Fuze Beverage brands, including the Vitalize, Refresh, Tea and Slenderize lines. The company said Feb. 1 that it expects to close the transaction this year."

Insurers Gird For Battle To Protect Key Antitrust Exemption. The Washington Post (2/27, A13, Birnbaum) reports, "The insurance industry is one of Washington's fiercest and best-funded lobbies, so it rarely gets surprised. But last week several industry representatives privately acknowledged amazement that their most important federal benefit -- an antitrust exemption -- is in danger." The Post continues, "Angry with how insurers have been treating Hurricane Katrina victims and others, the chairman and the ranking Republican on the Senate Judiciary Committee, Sen. Patrick Leahy (D-Vt.) and Sen. Arlen Specter (R-Pa.), as well as Senate Majority Leader Harry Reid (D-Nev.), have joined forces to propose a repeal of the 62-year-old exemption, known as the McCarran-Ferguson Act. … 'This is the big one,' said Carl Parks, senior vice president of the National Association of Mutual Insurance Companies and a leader in the effort to save the exemption. 'We are upset and disappointed.'" The Post adds, "The insurers say they are doing nothing wrong. Yet lawmakers are outraged on behalf of constituents who believe they have not been properly compensated for their property losses. … Sen. Trent Lott (R-Miss.), who lost his house during Katrina and is a co-sponsor of the legislation, has said that even 'the nightmares of FEMA' did not prepare his constituents for their 'abandonment by insurance companies.' … McCarran-Ferguson provides insurers with an exemption from federal antitrust laws so that thousands of companies can exchange and aggregate data on accidents and injuries. They use that information to formulate the rates they charge their customers. … The exemption can operate only if states regulate the insurers, and lately a growing number of lawmakers have complained that some states have failed to do so. Hence the legislation -- and its companion bill in the House -- which would repeal the exemption and impose regulation by the consumer-focused Federal Trade Commission."

EU Efforts To Reform Takeover Law End In Failure. The Financial Times (2/27, Buck) reports, "The European Union's decades-long struggle to abolish 'poison pills' and other barriers to hostile takeovers has ended in failure, the European Commission will conclude on Tuesday." The Times continues, "The commission will also warn it could overhaul the Union's ineffective takeover law earlier than planned. … 'A large number of member states have shown strong reluctance to lift takeover barriers,' the Commission says in a report on the effects of the EU takeover directive. The report finds the vast majority of member states have exploited the law's many loopholes to ensure that takeover defences can be used as extensively as before. … 'The number of member states implementing the directive in a seemingly protectionist way is unexpectedly large,' the report says." The Times adds, "The report's publication comes amid rising concern about protectionism in several European countries, and follows recent controversies over the growing power of hedge funds, private equity groups and other activist investors. … The report's downbeat conclusions also suggest that most EU governments are unconvinced by the Commission's assertion that takeovers offer 'benefits for companies, investors and ultimately the European economy as a whole'. … The EU takeover directive – which was finally adopted in 2004 after more than 14 years of debate – was originally designed to make it harder for companies facing a takeover bid to use poison pill defences, such as issuing new shares or entering into complex joint ventures. It would also have curbed the use of shares with multiple voting rights – another method of keeping suitors at bay. … But strong resistance from countries such as Germany and Sweden and a last-minute change of heart by the European Parliament meant the proposal was watered down."

ENVIRONMENT/INDIAN AFFAIRS:

Five Western Governors Agree To Cut Greenhouse Gas Emissions. The Washington

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Post (2/27, A8, Eilperin, 690K) reports, "Five Western governors agreed yesterday on a plan to cut their states' emissions of gases linked to global warming and to establish a regional carbon-trading system, though they stopped short of saying how drastically they will seek to reduce greenhouse gases." The "governors -- including Republican Arnold Schwarzenegger of California and Democrats from Arizona, Oregon, New Mexico and Washington -- said that within six months they will set a regional target for lower emissions. A year after that, they pledged, they will devise a regional cap-and-trade system allowing polluters to buy and sell greenhouse gas pollution credits." Arizona Gov. Janet Napolitano said, "In the absence of meaningful federal action, it is up to the states to take action to address climate change."

Energy Trade Associations Support Carbon Dioxide Curbs. The Wall Street Journal (2/27, A8, Fialka, 2.04M) reports, "Seeking to shape legislation before Congress, three major energy trade associations have shifted their stances and decided to back mandatory federal curbs on carbon dioxide and other man-made emissions that could accelerate climate change. Joined by the AFL-CIO, the groups say they now plan to use their lobbying clout to stake out positions that favor modest, economy-wide regulations, in hopes of minimizing anticipated energy-price increases and pre-empting state efforts that could result in a patchwork of differing state and regional regulations." The Journal adds, "The shift by the groups, which include the Edison Electric Institute and the American Gas Association, underscores their belief that Congress is in a mood to pass some form of mandatory emissions controls, perhaps before the next election in 2008."

TXU Buyout Seen As Sign Of Wall Street's Increasing Attention To Greenhouse Gases. The CBS Evening News (2/26, lead story, 2:35, Couric, 7.66M) reported, "Today the largest private equity buyout in corporate history was announced by the most powerful players on Wall Street. Several firms have agreed to spend $45 billion to buy Texas electricity producer TXU. If this deal is any indication, it looks as if the Wall Street mantra of greed is good has been replaced by green is good." CBS (Mason) added, "In a stunning turn-about, the new buyers of TXU, the largest power provider in Texas, promised to take a company that had been the enemy of environmentalists and make it go green." The financiers behind the deal "pledged to cancel TXU's plans to build eight new coal-fired plants that would have generated tons of greenhouse gas emissions, reduce carbon emissions by 20% and become the largest buyer of wind power in the country." And "TXU is not alone. Florida Power and Light, Exelon in Chicago, PNM in New Mexico and Duke Energy have all agreed to support global warming legislation."

The Christian Science Monitor (2/27, Scherer, 59K), similarly, reports, "Wall Street now views the color green as something other than money. In the latest sign that global climate change is becoming a major factor for investors, potentially the largest private takeover in the nation's history has environmentalists' fingerprints all over it." TXU's buyers "consulted with environmental groups and agreed to sharply scale back plans to build new coal-fired power plants." The Monitor adds, "Wall Street analysts believe the deal could mean that future takeovers will start to factor in the cost of corporate carbon emissions. This could affect mergers and acquisitions in a broad range of industries, including manufacturing companies, the auto industry, mining companies, and other utilities."

Financial Services Firms Evaluate Market Impact Of Climate Change. The USA Today (2/27, 1B, Shell, Krantz, 2.27M) reports, "In a world abuzz with talk about global warming, climate change is elbowing aside tech and biotech as the major investment theme of the future." Global warming "has emerged as a major market-moving force that represents a generational shift likely to influence how people invest for decades. The world's biggest financial services firms are investing massive amounts of time and brainpower trying to pinpoint what stocks and sectors will benefit -- and be hurt -- by changes in Earth's weather patterns."

Budget Cutbacks Hurt Efforts To Protect Wildlife Refuges. The Los Angeles Times (2/27, Reiterman, 850K) reports the San Luis National Wildlife Refuge Complex, "where tule elk bugle across grassy uplands and migratory waterfowl splash in languid sloughs, has been run for years out of a strip mall 12 miles away, next door to a Sears store." There is "no money to build a visitors center on the 44,000-acre complex that provides recreation for about 90,000 tourists, anglers, hunters and bird watchers each year. Nor is there money to hire a second full-time law enforcement officer for the complex's three far-flung refuges in Merced and Stanislaus counties." The National Wildlife Refuge System, "part of the U.S. Fish and Wildlife Service, was created a century ago to provide a haven for the most imperiled species. But today the mosaic of 547 refuges covering nearly 100 million acres of swamps, islands,

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wetlands, deserts, grasslands and forests is itself jeopardized by budget constraints." Refuge managers "say cutbacks are undermining efforts to protect an array of sensitive species, including red wolves, sandhill cranes, pronghorn antelope, sea turtles and rare butterflies."

Vanishing Honeybees Threaten Crops, Beekeepers' Futures. The New York Times (2/27, Barrionuevo) reports from Visalia, CA, "David Bradshaw has endured countless stings during his life as a beekeeper, but he got the shock of his career when he opened his boxes last month and found half of his 100 million bees missing. … In 24 states throughout the country, beekeepers have gone through similar shocks as their bees have been disappearing inexplicably at an alarming rate, threatening not only their livelihoods but also the production of numerous crops, including California almonds, one of the nation's most profitable." The Times continues, "The sudden mysterious losses are highlighting the critical link that honeybees play in the long chain that gets fruit and vegetables to supermarkets and dinner tables across the country. … Beekeepers have fought regional bee crises before, but this is the first national affliction." The Times adds, "Now, in a mystery worthy of Agatha Christie, bees are flying off in search of pollen and nectar and simply never returning to their colonies. And nobody knows why. Researchers say the bees are presumably dying in the fields, perhaps becoming exhausted or simply disoriented and eventually falling victim to the cold. …. As researchers scramble to find answers to the syndrome they have decided to call 'colony collapse disorder,' growers are becoming openly nervous about the capability of the commercial bee industry to meet the growing demand for bees to pollinate dozens of crops, from almonds to avocados to kiwis. … Along with recent stresses on the bees themselves, as well as on an industry increasingly under consolidation, some fear this disorder may force a breaking point for even large beekeepers."

Reemergence Of Private Toll Roads In US Welcomed. In an op-ed for the Wall Street Journal (2/27, A17, 2.04M) Robert Poole, founder of the Reason Foundation and director of its transportation studies, writes, "Private roads aren't exactly new: In the 19th century, private toll roads provided much of England and America's pre-auto-era highway capacity. … The re-emergence of this model in the U.S. has been driven by a transportation system burdened with pork projects and funded by gas taxes that fail to keep up with construction and maintenance costs, let alone travel demand. From 1980 to 2000 highway travel increased 80% and the number of drivers rose by 30%, but highway capacity grew by just 2%. Woefully short of funds, states are turning to the private sector. But private capital will only invest in projects people or shippers are willing to pay tolls to use. Money is therefore directed to routes and roads most appealing to users, not according to the agendas of pork-happy politicians."

Reservations Receive Federal Funds To Combat Meth. The Billings (MT) Gazette (2/27) reports the Northern Cheyenne and Crow Indian reservations "have received federal funding to bolster their fights against methamphetamine. The Boys & Girls Club of the Northern Cheyenne Nation has received a $15,000 grant to start a pilot program called Meth SMART. The program is to run through June with federal funding from the Office of Justice Programs Prevention Initiative." The Crow Tribe "is anticipating about $100,000 from the Department of Justice." The Crow/Northern Cheyenne Safe Trail Task Force "has an education and prevention component that aims to help keep people off the drug but also gather community support to help law enforcement stop dealing and distribution. The task force is a partnership among the two tribes, the FBI, the Bureau of Indian Affairs Office of Justice Services, the Drug Enforcement Administration and the Colstrip Police Department."

FBI/DEA/ATF/USMS:

Former CIA Officer Urges Officials To Rebuff FBI Over DIA Documents Case. The Washington Times (2/27, Gertz, 88K) reports former CIA national intelligence officer for East Asia Robert G. Sutter "refused FBI appeals for help in tracking Chinese spies and urged others via e-mail not to cooperate because of the recent prosecution of former Defense Intelligence Agency analyst Ron Montaperto." Sutter "told a mailing list of current and former government officials that a 2003 FBI 'sting' operation against Montaperto, who was convicted in June of mishandling classified documents, raised fears that he and other officials could be damaged for discussing their contacts with Chinese officials. The FBI and other U.S. counterintelligence agencies are stepping up efforts, including outreach to

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academics, to counter Chinese intelligence efforts after a string of damaging spy cases over the past five years, U.S. officials said." The Times notes, "FBI spokeswoman Debbie Weierman declined to comment on the FBI's outreach on Chinese intelligence, but she said generally 'we do contact a number of people ... to better know our domain.'"

FBI Uncertain About Sensitive Data On Missing Computers. Government Computer News (2/27, Cranmer) reports, "The FBI has reduced notebook PC losses by 312 percent since 2002, but the bureau has failed to adequately report whether stolen computers contain classified or sensitive data, the Justice Department Office of the Inspector General said in an audit report last week. … 'When losses occur, the FBI must timely report the loss, be able to identify the contents of lost laptops and determine whether the laptop is encrypted,' the bureau's IG said in a follow-up report to a 2002 analysis. 'In addition, the FBI must investigate these losses and thefts, enter required data into the National Crime Information Center and report the losses to the DOJ as required.'" GCN continues, "The IG's 'most troubling' discovery was 'the FBI could not determine in many cases whether the lost or stolen laptop computers contained sensitive or classified information.' … The FBI's data was incomplete, auditors found. Of the 160 notebooks that disappeared between February 2002 and September 2006, employees filed only 152 forms to provide information about whether the notebooks contained sensitive or classified information. This information could include counterintelligence or counterterrorism case information, personal identifying information or classified information on FBI operations, the report said." GCN adds, "The forms revealed that eight missing notebooks contained sensitive classified information, but these forms failed to provide a complete picture of the losses. The auditor said 43 other forms did not state whether the lost notebook contained sensitive or classified information. … 'Without knowing the contents of these lost and stolen laptop computers, it is impossible for the FBI to know the extent of the damage these losses might have had on its operations or on national security,' the audit said. … In addition to the insufficient information reported on these forms, employees reported in a less than timely manner that 38 notebooks were missing — more than 10 days after their disappearances — delaying loss investigations."

Illinois Men Sentenced In Meth-Conspiracy Case. The Mt. Carmel (IL) Daily Republican Register (2/27) reports two men were sentenced after pleading guilty to conspiring to manufacture and distribute 500 grams or more of meth. "Kevin L. Garrett...was sentenced to 30 years imprisonment. … Stewart W. Poore [was sentenced] to 20 years imprisonment." The guilty pleas "resulted from a long-term investigation into the manufacture of methamphetamine in Wayne and White counties. Thus far, that investigation, which began in 2003, has resulted in the federal indictment of 33 individuals in related cases who, in total, were responsible for the manufacture or attempted manufacture of the equivalent of over 400,000 grams of methamphetamine."

Coast Guard Crew Intercepts $14 Million In Drugs During Caribbean Patrol. The AP (2/26) reported the U.S. Coast Guard "says a crew based out of Maine seized $14 million worth of cocaine and heroin during a 54-day patrol in the central Caribbean. Coast Guard officials said the crew of the New England-based cutter Tahoma intercepted a freighter carrying more than a thousand pounds…of cocaine, 66 pounds…of heroin and a machine gun equipped with a silencer. The Coast Guard towed the ship 500 miles to San Juan, Puerto Rico for further inspection and turned the drugs and freighter passengers to the U.S. Drug Enforcement Agency."

Dover, New Hampshire's Foster's Daily Democrat (2/26) reported Coast Guard officials said on Feb. 4 the crew intercepted the freighter. "'The Coast Guard has a proud and successful history of intercepting contraband in the Caribbean,' said Captain James Tunstall, commanding officer for Coast Guard Sector San Juan. 'With the aggressive work of ICE, DEA, FBI, CBP and the U.S. Attorney's Office, the Caribbean Corridor Initiative's collective resources are maximized as we continue our combined aggressive efforts to keep drugs off the streets.'"

Union Says Players Will Choose Whether To Cooperate With MLB Steroids Investigation. The AP (2/27) reports the players' association "will offer advice but said it's the choice of each individual whether to cooperate with former Senate Majority Leader George Mitchell's investigation into steroids use. … Mitchell, hired by commissioner Bud Selig just before the start of the 2006 season, warned baseball owners in January that a lack of cooperation with his investigation into steroid use will

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'significantly increase' the chances of government involvement."

Advocates Urge Oregon Lawmakers To Protect Medical Marijuana Users' Jobs. The AP (2/27) reports medical marijuana advocates "pleaded with lawmakers Monday to enact a bill that would prohibit employers from firing them because of their choice of medication. … The new bill comes just a few weeks after a previous bill was introduced that would allow employers to fire employees who fail drug tests — even if they are a state registered medical marijuana user. That bill is currently being considered by the Business, Transportation and Workforce Development committee. Both measures aim to clarify whether an employer in Oregon has the right to terminate someone's job if they fail a drug test but are a registered medical marijuana user."

The Oregonian (2/26, Har) reported Oregonians "approved the medical use of marijuana in 1998 but didn't spell out how it would intersect with workplace laws, other than to say employers don't need to accommodate users. About 13,000 people in Oregon carry a card allowing them to ingest marijuana to treat severe pain or a 'debilitating medical condition' such as cancer or glaucoma. Employers say they shouldn't have to stub out their drug policies for medical marijuana users, some of whom might be high on the job and putting co-workers at risk."

Hillman Expected To Be Named Massachusetts US Marshal. The Boston Globe (2/27, Phillips) reports, "Former state representative and lieutenant governor candidate Reed V. Hillman is expected to soon land a much-coveted political appointment as US marshal for Massachusetts, leading state GOP sources said." The Globe continues, "The White House is on the verge of announcing that Hillman, 58, a former head of the State Police, will be named to the $130,000-a-year patronage post, which has been vacant for the past 18 months, the sources said. The position was last held by Anthony Dichio, who was dismissed in August 2005 after a Justice Department report found he routinely failed to work full work weeks and had misused his official vehicle." The Globe adds, "Hillman said today that he was unaware of any pending announcement, but confirmed that he would take the job if offered. 'Anything on that will have to come from the White House,' said Hillman, who stepped down as State Police commander in 1999 and then represented Sturbridge in the House of Representatives for six years. 'All I know is that I am in the mix with four others.' … But two leading Massachusetts Republican officials who have followed the appointment process said the White House has decided to give Hillman the job and will make an announcement within days."

IMMIGRATION:

Proposals Would Give Texas Some Of Nation's "Harshest" Immigration Laws. The Los Angeles Times (2/27, Bustillo, 850K) reports, "The Lone Star State has long welcomed Latino immigrants, no matter how they got across the state's 1,200-mile border with Mexico." However, a bipartisan "chorus" in the state is now "pushing some of the harshest immigration-related measures in the United States — laws that would not only deny public services to illegal immigrants but strip their American-born children of benefits as well." The state's shift "comes at a time when many state lawmakers are frustrated that Washington has failed to stop illegal immigration. Few think President Bush's moderate proposals, which include a guest worker program and enhanced border security, will help much, even if they are approved by Congress."

Effort To Bring Down Illegals' Employers Requires Elaborate Probes. The Wall Street Journal (2/27, Newman, 2.04M) reports on the goal at Immigration and Customs Enforcement to, as one immigration official put it, "move up in the organization" when investigating employers of illegals. "In 2005, the Department of Homeland Security announced that instead of imposing small fines for sloppy paperwork, its immigration-enforcement branch would flush out 'egregious' employers and put them in jail. That demands proof and police work -- including undercover informants and secret recordings -- more common to drug busts than immigration audits." The Journal focuses on ICE's case against IFCO Systems North America Inc., the nation's biggest recycler of wooden pallets, where it was easy "to swoop down on those working illegally. To accuse their bosses of a conspiracy, punishable by prison terms of up to 20 years, was a far greater task." And while it remains "unclear whether the US Attorney in Albany, who is supervising the case, will bring charges against higher-level IFCO executives," ICE's "intrusive new style has petrified other companies that rely on foreign labor. 'Everybody thinks these are show trials,' says Amy Peck, an immigration lawyer in Colorado who represents corporate

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clients. 'And at the same time, we're scared to death about what's going on.'"

Many Immigrants Face Long Wait For English Classes. The New York Times (2/27, Santos, 1.16M) reports that an influx of immigrants has led to many "waiting months or even years to get into government-financed English classes, which are often overcrowded and lack textbooks. A survey last year by the National Association of Latino Elected and Appointed Officials found that in 12 states, 60 percent of the free English programs had waiting lists, ranging from a few months in Colorado and Nevada to as long as two years in New Mexico and Massachusetts, where the statewide list has about 16,000 names. The United States Department of Education counted 1.2 million adults enrolled in public English programs in 2005 — about 1 in 10 of the 10.3 million foreign-born residents 16 and older who speak English 'less than very well,' or not at all, according to census figures from the same year." The Times adds that financing for adult education programs "varies widely across the states, which are required to allocate at least one quarter of what was provided by the federal government: Kansas, Nebraska, Oklahoma, South Dakota and Texas spent the minimum in 2003, according to the Education Department, while California and Connecticut each spent about seven times that."

Credit Cards For Illegals Said Not To Constitute A Security Risk. Ruben Navarrette, in a column appearing in USA Today (2/27, 11A, 2.27M) writes that the "fuming" from cable news pundits and callers on talk radio shows over the Bank of America "plan to offer credit cards to people without Social Security numbers or credit histories, characteristics common to illegal immigrants," comes to the surprise of Javier Palomarez, who proposed the idea in 2002 when he was senior vice president of marketing at the bank. Navarrette says the idea is "perfectly legal and logical." Palomarez said the debate at the bank had been over whether "'illegal immigrants were bad credit risks. … And additionally, the idea was, you know, it's still too close to 9/11.' Not this again. Let's not confuse terrorists with immigrants. Here's a tip on how to keep the two groups straight: One wants to do us harm; the other wants to do our cooking, gardening and child care." Navarette adds that though Rep. Tom Tancredo "fears Bank of America might unwittingly give credit to a terrorist," the credit limit of "about $500" makes that unlikely. "The 9/11 hijackers ran through tens of thousands of dollars in planning the attacks."

NYTimes Denounces Game About Illegal Immigration. The New York Times (2/27, 1.16M) writes an editorial denouncing "a game with a name that says it all: 'Catch the Illegal Immigrant.'" The game "is the brainchild of an intern with the College Republican National Committee" and though "Republican Party leaders have tried to distance themselves from the games," they "seem to have done little to stop them." The Times laments the lack of "voices of authority pointing out the nastiness of this game as well as the inherent cruelty of hunting people for sport."

Ousted Minuteman Founder Goes To Court To Regain Control.

The Los Angeles Times (2/27, Delson, 850K) reports, "Jim Gilchrist, the Orange County accountant who gained national recognition as the co-founder of a citizen border patrol group, will ask a judge this afternoon to issue a restraining order in order to regain control of the Minuteman Project. Earlier this month, Gilchrist was removed by his board of directors, which accused the charismatic anti-illegal-immigrant figure of abusing his power. Minuteman Project officials said they will detail their allegations at a press conference later this afternoon. … Gilchrist said he did nothing wrong. His opponents, he said, are motivated by 'a greed for power and a false perception of an endless stream of money.'"

WSJournal Criticizes "Protectionists" For Opposing Mexican Trucks On US Roads.

The Wall Street Journal (2/27, 2.04M), in an editorial, writes, "It's nice the U.S. government is finally getting around to meeting its obligations under a trade pact with Mexico ratified a mere 14 years ago. But even that is too fast for some protectionists. Under the North American Free Trade Agreement, the U.S. was required to lift a ban on Mexican trucks traveling more than 25 miles inside the border. The deadline for doing so was 2000, yet seven years later the ban remains in place. … Last week, the Bush Administration announced a plan to lift the mileage restriction, and unions and their supporters in Congress are predictably crying foul. Rather than acknowledging their protectionist agenda, opponents are raising bogus concerns linked to the supposedly poor 'safety' record of Mexican rigs."

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TAX:

Utah Man Sentenced For Tax Fraud. The AP (2/27) reports from Salt Lake City, "An Orem (UT) accountant who bilked the government out of millions in taxes from money he garnered through phony investment schemes has been sentenced to five years in federal prison, the U.S. Department of Justice said Monday." The AP continues, "Lanny R. White was also ordered by U.S. District Judge Ted Stewart to pay $5 million in restitution and spend three years on supervised probation following his release." The AP adds, "White was indicted in 2003 along with 10 others for promoting and selling a fraudulent trust scheme through six phony investment companies between 1993 and 2004. More than 300 clients were told that placing their assets into the trusts would reduce tax liabilities. … All of the 11 indicted – among them four attorneys, one accountant and a former IRS agent – have pleaded guilty to felony charges including wire and mail fraud." The AP notes, "In a plea agreement White said his actions led to the filing of more than 2,000 false and fraudulent income tax and trust tax returns. White also said he knowingly placed clients money in unsound investments that would never pay returns. … The loss to the government is estimated between $7 million and $10 million."

New Law Provides For Penalties For Faulty Appraisals. The Wall Street Journal (2/27, D3, Dale) reports, "It may soon become trickier to get an item appraised for tax purposes. … The Pension Protection Act, passed in August, puts appraisers in the sights of the Internal Revenue Service by saying they can be penalized for valuations the agency later decides are off the mark." The Journal continues, "The move marks a big change because taxpayers, not appraisers, historically have borne the brunt of a wrong valuation. One result: The cost of getting something appraised may well rise. … Appraisals are used for a number of purposes in tax filings. For instance, noncash assets donated to charity are often appraised so the donor can claim the value as a deduction on his income-tax return and lower his tax bill. … Examples might be an individual who donates to charity a share in a private company that is expected to go public later, or a business that gives a conservation easement to a local government by agreeing not to develop its real estate but to maintain the property for conservation purposes instead." The Journal adds, "Now, the PPA has introduced penalties on appraisers, but they aren't alone in facing the music. Accountants, brokers, estate executors and others may also be slapped because of the broad brush with which it was written. … The rule is beginning to have a chilling effect on appraisers because it raises a host of questions, including which kind of tax -- gift and estate tax, income tax, or both -- is affected, and who may be hit by penalties."

Tennessee Couple Pleads Guilty To Tax Evasion. The Knoxville (TN) News Sentinel (2/27, Satterfield) reports that "a Sevier County (TN) couple who made millions in real estate ventures but insisted they were "living souls" and not U.S. citizens subject to income tax laws dropped their tax protestation convictions Monday and picked up tax evasion convictions instead." The Sentinel continues, "Arnold Ray Schmid and his wife, Kathleen Schmid, pleaded guilty in U.S. District Court to charges that they refused to file income tax returns on money made from their highly profitable cabin rental and property development businesses for at least three years. … In a plea deal brokered between defense attorneys Richard Gaines and Ralph Harwell and federal prosecutor Jay Nanavati, the Schmids are admitting to a negotiated figure of $53,780 as the tax liability owed the government. The actual figure is likely much higher, according to court records." The Sentinel adds, "The deal also will cut the potential prison terms both faced from years to months. As Gaines noted during Monday's hearing before Senior U.S. District Judge Leon Jordan, the couple may already have served, if not the entirety of their respective sentences, then the bulk of them. … It's not as if they didn't earn that pretrial jail time, however. The couple had been allowed free on bond - despite repeated courtroom antics and protests and missed hearings - after their July 2005 arrests on federal tax evasion charges. … But they fled, hiding out for months in the Midwest before the U.S. Marshals Service rounded them up after a probe led by veteran fugitive hunter Deputy U.S. Marshal Becky Gambill. … On Monday, however, Jordan agreed to release them despite their earlier flight. Gaines' contention that the two are senior citizens with health problems who already have spent 10 months in jail was a factor, the judge said. Nanavati, a Washington, D.C.-based U.S. Department of Justice tax evasion prosecution specialist, did not resist the move."

IRS Praised For Offering Tax Relief To Americans Working Overseas. The Wall Street Journal (2/27, 2.04M) editorializes, "It's not often that the

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Internal Revenue Service plays the hero, but these days it's a regular Clark Kent for American expatriates. The agency has issued another round of tax relief for U.S. citizens working abroad hit by Congress's double-taxation laws. Friday's Notice 2007-25 strikes a blow against a provision in last year's omnibus tax bill that cut tax exemptions on housing for Americans working overseas and substantially raised taxes on compensation above $82,500. The move came courtesy of Republican Senator Chuck Grassley, who apparently thinks Americans abroad are living the high life. Congress claims the tax will raise $2.1 billion for Uncle Sam over the next decade. But that doesn't factor in companies that will cut back on U.S. employees in favor of less expensive locals or third-country hires.

CONGRESS-ADMINISTRATION:

Bush Makes Case For Healthcare Plan In Speech To Governors. The AP (2/27, Tanner) reports, "President Bush encouraged governors Monday to support his call for changing the tax code to help more people buy private health care insurance, but did not address their pleas to increase funding for a health care program that insures millions of children of the working poor. Still, governors said they heard words of at least partial compromise from the administration on a budget dispute that dominated private discussions among governors Sunday." Bush, "welcoming the governors after they met privately with several administration officials, did not offer any comments about the children's health program, talking rather about his larger proposals. 'I'm looking forward to working with Congress on health care. I firmly believe... that states are often times the best place to reform systems and work on programs that meet needs,' he said."

The New York Times (2/27, Pear, 1.16M), under the headline "Child Health Care Splits White House And States," says "governors clashed with the White House on Monday over the future of the popular Children's Health Insurance Program, an issue that some members of both parties said was as important as money for the Iraq war." In the session at the White House, when Bush "reported on progress of the war, governors pressed him to provide more money so they could guarantee health insurance for children. In response, administration officials said states should make better use of the money they already had." Gov. Sonny Perdue of Georgia, a Republican, said afterward, "Health care for children ought to be a priority, irrespective of anyone's views on the war." Governors "said the Clinton and Bush administrations had encouraged them to expand children's coverage and had granted waivers allowing them to cover parents and even some childless adults. Having successfully expanded the health insurance programs in their states, some governors now suggest that the Bush administration is pulling the safety net out from under many children."

The AP (2/27) also reports "governors from both parties are opposing…Bush's budget for a health care program that insures millions of children of the working poor, warning that failure to meet its spending needs will inflate the already high number of uninsured. The budget dispute dominated discussions among governors Sunday, who promised to bring the matter to Bush and his Cabinet officials at private meetings Monday." New Jersey Gov. Jon Corzine "warned that the administration's budget promised illusory savings. 'You end up paying for this in other ways -- uncompensated care, emergency rooms,' Corzine said. 'This is pay me now or pay me later.'" Georgia and New Jersey "are two of 14 states that are expected to run out of money for the program before the next budget year begins in October; in Georgia, it could happen as soon as March."

USA Today (2/27, 4A, 2.27M) runs a brief report on Bush's remarks, also focusing on the healthcare issue, while the Washington Times (2/27, Ward, 88K) notes the President also said "he would take on congressional Democrats who hope to hamstring his use of war funds. 'I'm looking forward to a healthy debate. I'm also looking forward to defending, strongly defending the budgets we send up to Congress,' Mr. Bush said." Bush "said he wants to 'make sure those troops who are in harm's way have the resources and that we have the flexibility necessary to ... execute the plan we've laid out.'"

Under the headline "Bush Focuses On Iraq Policy During National Governors Association Meeting," the Baltimore Sun (2/27, Nitkin, 257K) reports Maryland Gov. Martin O'Malley "sat tight-lipped through a White House meeting with…Bush Monday and later criticized the president, saying he spent more time defending the administration's Iraq policy than addressing concerns about health care and immigration raised by the nation's governors." The Sun also reports, "White House spokesman Tony Snow said Monday that the president's health care plan gives states money from a different source -- a proposal called Affordable Choices -- to continue covering wealthier children. 'We believe in flexibility, too,' Snow said." But "many health care

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analysts say the president's budget plan would remove children from the health insurance program because it contains insufficient funds."

Zogby Poll Finds Americans Divided On Healthcare Reform Details. UPI (2/27, Pierce) reports that according to a recent UPI/Zogby poll, "[n]ine out of 10 Americans want healthcare reform, but they are divided over how much, what kind, and who they trust to do it." UPI also notes that "less than one-third" of respondents trust Bush on healthcare, and the "Democratic Congress, at 45 percent, did not have the trust of a majority of voters either." UPI continues, "What that means, many experts say, is that successful reform proposals will reach across the political spectrum to incorporate both government and private-sector reforms." Robert Blendon, Harvard health policy professor: "The momentum for reform is not enough to make something happen. … They're not wedded to the way experts and parties have defined the debate." UPI adds, "While the public will not support purely government-funded reforms, Blendon said, they are also not enthused about Bush's plans to lower costs through tax reforms and greater consumer responsibility."

Bush Launches Fundraising Drive With Event At GOP Governors' Gathering. The AP (2/27, Feller) reports, "Returning to campaign mode…Bush on Monday began his fundraising drive to help Republicans regain the power they lost less than four months ago. 'My political agenda is this: more Republican governors, take back control of the House and the Senate and make sure we keep the White House in 2008,'"Bush told cheering donors at a private reception for the Republican Governors Association." The "annual event raised a record $10.4 million for GOP gubernatorial candidates." Bush "said Republicans belong to 'the party of ideas' and predicted voters would come back if they see results."

House Committees Schedule Hearings On Walter Reed. The Hill (2/27, Kaplan) reports "several" House and Senate committees "will begin oversight hearings into how Walter Reed Army Medical Center subjected wounded soldiers and Marines to bureaucratic indifference and allowed them to live in squalor." Rep. John Murtha, chairman of the Defense Appropriations subcommittee and "a leading critic of the Iraq war, has scheduled a closed hearing on Friday." Rep. John Tierney, an Oversight and Government Reform subcommittee chairman, "announced yesterday that he intended to conduct a field hearing to Walter Reed next Monday."

ABC Ties Woodruff Special To Concerns Over Wounded Vets' Treatment. ABC World News (2/26, story 8, 4:10, Gibson, 8.78M), in a report on the recovery of anchor Bob Woodruff, noted, "the sad reality is, while the medical care in early stages for these troops is magnificent, Bob has found case after case, where follow-up care, treatment after the soldier or Marine returned home, was severely deficient. … At least 23,000 wounded troops have come home. No one knows precisely how many have TBI. Veterans groups say the VA is undermanned and underfunded."

Meanwhile, the Washington Post (2/27, C1, Kurtz, 690K) reports that when Woodruff awoke from a 36-day coma caused by injuries he suffered in Iraq, "he couldn't remember his brothers' names, couldn't even remember that he had twin 6-year-old daughters. The top of the right side of his head was missing, after surgeons were forced to remove part of his skull." USA Today (2/27, 2D, 2.27M) reports, "In an emotional ABC special tonight, To Iraq and Back (10 ET/PT), Woodruff reports on what happened to him, on his recovery and on the severe care crisis facing thousands of injured soldiers who have suffered brain injuries and are now under the care of the U.S. government."

The New York Times (2/27, Stanley, 1.16M) reports in an Arts article that Woodruff "turns the focus to the men and women who return badly wounded from Iraq and Afghanistan and do not heal as thoroughly. ... Mr. Woodruff illustrates quite graphically that some veterans are sent home to recuperate in smaller cities that do not have veterans' hospitals equipped to handle the growing number of those returning with severe traumatic injuries," visiting one veteran who "noticeably" regresses in his small hometown.

Bush Honors Vietnam War Pilot. The CBS Evening News (2/26, story 6, 2:35, Couric, 7.66M) reported, "Today at the White House, President Bush honored an American hero, not from Iraq but from Vietnam. Helicopter pilot Bruce Crandall saved dozens of American lives during one of that war's bloodiest battles. More than four decades later, he finally received the military's highest honor." CBS (Bowen) added, "November, 1965. North Vietnamese forces had American troops surrounded in a bloody fire fight in the Ia Drang Valley. Two gutsy chopper pilots, best friends Bruce Crandall and Ed Freeman, flew into the thick of it. It sounds chaotic. … On the worst day of the fighting, Major Crandall

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and Captain Freeman kept flying. Bringing ammo in and the wounded out. 22 missions in 14 hours for Crandall. … Five years ago, Ed Freeman was awarded the Medal of Honor for his heroism that day in part because Bruce Crandall had campaigned hard for his friend. Though only one man was honored, it was a great day for both. Today was an even better day for these old pals because after years of paperwork delays, Bruce Crandall finally received his own Medal of Honor." Bush was shown saying, "Today the story comes to its rightful conclusion. Bruce Crandall received the honor he always deserved."

USA Today (2/27, Gomez, 2.27M) reports, "The Americans were surrounded by about 2,000 North Vietnamese soldiers and came under intense attack. Crandall and Freeman flew the injured out to a base and returned with troops and ammunition. They kept making trips back and forth even though they were being shot at by enemy fighters, sometimes only 30 yards away." They "flew through a cloud of smoke and a wave of bullets, Bush said. Ground commanders ordered a halt to the airlifts because of the danger, but Crandall kept going, and Freeman joined him."

The New York Times/AP (2/27) runs a brief story on the White House ceremony, and NBC Nightly News (2/26, story 10, 2:25, Faw, 9.87M) reported, "A pilot honored today for his sense of responsibility four decades ago for planting a standard, as the poet said, 'Where a standard never flew.'"

Business Groups Mobilize To Oppose Union Organizing Measure. The Hill (2/27, Snyder) reports the "business and labor lobbies square off this week over a House measure that would make it easier for workers to form unions, which have struggled for years with declining membership." The Democratic-majority House is "expected to pass the Employee Free Choice Act on Thursday — a legislative victory for labor in a body that business interests dominated during the 12-year Republican reign." But House Democrats "and their labor allies face the same problem House Republicans and their big-business friends faced: the Senate filibuster. As a result, the bill has much tougher chances in the Senate than House. The administration is another obstacle. President Bush has indicated he will veto the bill if it arrives on his desk." Still, "business interests are still nervous as they face the new political reality on Capitol Hill. The US Chamber of Commerce, the National Manufacturers Association and other business groups have formed a new coalition to oppose the measure."

Roll Call (2/27, Pierce) reports both House and Senate "are expecting major battles over organized labor this week. And Republicans are planning a fierce push-back on bills they say would hamper homeland security, restrict democracy and lead to the harassment and coercion of average workers." The House "plans to vote Thursday on a bill to relax union organizing rules — allowing a union to form if a majority of workers sign cards authorizing it, rather than the current practice of holding federally supervised, secret-ballot votes." With the "backing of the business community's lobbying juggernaut on K Street, House Republicans say they may not be able to prevent the Employee Free Choice Act from passing that chamber this week, but that their public relations offensive will set the stage for its ultimate demise in the Senate." Chief among "the Republicans' talking points on the bill is that the measure would 'kill private voting rights altogether' and that 'card checks' could allow union organizers to unfairly pressure workers to join, said the House GOP leadership aide."

Labor Bill Seen As Shield From Management During Elections. In a Washington Post op-ed (2/27, A15), Lance Compa of Cornell University's School of Industrial and Labor Relations says the Employee Free Choice Act "has provoked a torrent of crocodile tears from corporate executives." Business spokesmen "shout that the act deprives workers of their right to an election held by the National Labor Relations Board (NLRB). But what companies really prize is management's power to exploit the election procedure to mount aggressive, one-sided attacks on workers' freedom of association."

Will Says Act Would Restrict Employer Speech Rights. In his Washington Post column (2/27, A15), George Will says, "The Employee Free Choice Act would short-circuit the process of persuading workers through a public debate between unions and employers, the winner of which would be determined by workers casting secret ballots. Welcome to the political culture that the McCain-Feingold campaign finance law is shaping. That law, which regulates the quantity, timing and content of political speech, is making it increasingly acceptable for interest groups to attempt to advance their social agendas by limiting their adversaries' speech." Senate Democrats "might not find 60 votes to bring this Orwellian legislation – 'free choice,' indeed -- to a vote. But if it does reach the president's desk, he will veto it. He should have vetoed McCain-Feingold. Its speech restrictions -- applauded as virtuous by the (exempt) media -- have

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legitimized talk about 'drawing lines' to circumscribe the speech rights of entire categories of Americans, in this case employers."

Bush Seen As Likely To Sign Tax Increases. In an op-ed for the Wall Street Journal (2/27, A17, 2.04M) Bear Stearns's chief economist David Malpass writes, "The U.S. tax outlook is unraveling fast. An increasing number of existing tax rates are temporary, and to keep them from rising automatically, Congress and the president will have to agree on new hard-to-pass laws. … Even so, the odds have shifted heavily toward annual tax hikes. Under the guise of budget neutrality, President Bush now seems likely to sign two tax increases in 2007 and another in 2008, each presented by Congress -- deceptively -- as a tax cut. This sets the precedent for similar treatment and much bigger tax hikes in the next administration, whether Republican or Democrat, as it confronts the scheduled 2011 tax increases on income, dividends and capital gains."

Istook Praises President's Budget For Not Requiring Tax Increases. In an op-ed for Roll Call (2/27) former Rep. Ernest Istook writes, "Bush's proposed budget is pivotal, despite efforts to demean it as irrelevant. With one simple pronouncement the president showed that he 'gets it' even if others don't: He embraced the too-long-abandoned goal of balancing the budget without raising taxes. It's been an orphaned issue for many years. … Yet that was the top item in the 'Contract with America' before the Republican majority shifted to less-ambitious objectives. Nor did Bush embrace it during his first six years in office. That opened the door for Democrats to campaign successfully on fiscal discipline. Preservation of the Democrats' new majority may hinge on whether they will embrace balancing the budget without a tax hike — or even accept the goal of balance when spending on entitlements is set to skyrocket as baby boomers age. Bush knew that when he set the bar so high. And Republicans in Congress know they can now voice support for the goal without being in charge of the tough decisions."

FDA Office Of Women's Health Budget Mysteriously Cut. The Washington Post (2/27, A13, Weiss, 690K) reports the Office of Women's Health "within the Food and Drug Administration," which was "at the center of a politically damaging storm over the emergency contraceptive 'Plan B,' just had more than one-quarter of this year's $4 million operating budget quietly removed, insiders say." The office "funds research on male-female biological differences to ensure that women receive the most appropriate drug doses and treatments. It also produces heavily requested health information about menopause, pregnancy, birth control, osteoporosis and other topics." The administration "had requested -- and Congress had budgeted -- $4 million for the office in fiscal 2007, just as they have for several years running." But last week, "word came down that the FDA intends to withhold $1.2 million of that, apparently for use elsewhere in the agency. Because the remaining $2.8 million has already been spent or allocated for salaries and started projects, the office must effectively halt further operations for the rest of the year, according to a high-level agency official with knowledge of the budget plan, who spoke on the condition of anonymity because the official is not authorized to speak publicly."

Lawyer For GSA Administer Seeks Leak Probe Of Agency's IG. Government Executive (2/26, Pulliam) reported, "A private attorney working for the head of the General Services Administration has asked a presidential ethics committee to investigate the agency's inspector general office to see whether employees there leaked sensitive information. Michael Nardotti, a lawyer with the Washington law firm Patton Boggs who is representing GSA Administrator Lurita Doan, wrote in a Jan. 31 letter obtained by Government Executive that 'confidential and protected GSA IG investigative information and documents were leaked to outside sources, 'compromising the IG investigative process and 'extraordinarily' harming Doan. Doan has been the subject of an IG investigation since she allegedly attempted to award a no-bid contract to a friend's firm in July 2006." Government Executive noted, "Nardotti sent the letter to James Burrus, chairman of the integrity committee within the President's Council on Integrity, a group made up of presidentially appointed inspectors general. Burrus is also assistant director of the FBI's Criminal Investigative Division. Burrus said the integrity committee has yet to meet to decide whether to pursue an investigation."

Bush Approval Up Slightly To 36% In ABC/WPost Poll. The Washington Post (2/27, A1, Balz, Cohen, 690K) reports that a new Post/ABC News poll has found President Bush's "overall approval rating stood at 36 percent, up slightly from 33 percent last month. Sixty-two percent disapproved of the way he is handling his job, with 49

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percent of those indicating they strongly disapproved. Approval of his handling of the Iraq war remained near its all-time low. Thirty-one percent said they approved and 67 percent said they disapproved, a slight improvement from December, when 28 percent approved. Bush also received negative marks on the campaign against terrorism (52 percent disapproved) and on his handling of the economy (55 percent disapproved). By wide margins, Americans said they trust Democrats in Congress more than Bush to deal with Iraq, health care, the budget, the economy and terrorism. The Democrats' advantage on health care was 37 percentage points, on the budget 27 points, on Iraq and the economy 20 points and on terrorism 13 points.

Bush Team Said To Have Lost The Public's Trust Regarding Intelligence. The Washington Post (2/27, A1, Balz, Cohen, 690K) reports that the new Post/ABC News poll has found "a majority of Americans now distrust the Bush administration on its handling of intelligence. Thirty-five percent said they can trust the administration to report potential threats from other countries honestly and accurately, and 63 percent said they cannot. The administration has been challenged on the quality of the intelligence underpinning its assertions that Iran is helping insurgents in Iraq. Forty-seven percent of those surveyed said they believed that the administration has solid evidence to support those claims, and 44 percent disagreed. At the same time, 41 percent expressed confidence that the administration will do a good job of handling current tensions with Iran, compared with 58 percent who said they were not confident."

Pelosi Fails To Follow Through On Some Campaign Pledges. The Politico (2/27, Reilly, VandeHei) reports House Speaker Nancy Pelosi "vowed that five-day workweeks would be a hallmark of a harder-working Democratic majority. So far, the House has logged only one. Lawmakers plan to clock three days this week. The speaker has denied Republicans a vote on their proposals during congressional debates -- a tactic she previously declared oppressive and promised to end. Pelosi has opened the floor to a Republican alternative just once. Pelosi set a high standard for herself when she pledged to make this 'the most ethical Congress in history' -- a boast that was the political equivalent of leading with her chin. And some critics have been happy to hit it. She is drawing fire for putting Rep. William Jefferson (D-La.), who had $90,000 in alleged bribe money in his freezer, on the Homeland Security Committee. And The Washington Post reported during the weekend that she is helping chairmen raise money from donors with business before their committees.

Democrats Counting On Hoyer's Consensus-Building Skills. The Washington Post (2/27, A1, Sheridan, 690K), in a front-page profile of House majority leader Rep. Steny Hoyer, reports, "Hoyer seems the very image of the Washington political insider, with his starched white shirts and patrician cap of silver hair. He is known as a pragmatist, skilled at navigating the legislative maze and wooing K Street lobbyists. A workaholic who makes the trains run on time. Yet there is another side: The man who quietly fought for Soviet Bloc dissidents. The husband of a teacher devoted to the poor. The idealist who keeps a bust of Kennedy in his office. The one-time pol from Prince George's County now stands at a historic juncture, as he tries to steer the resurgent Democrats' agenda through Congress. With a record as a moderate consensus-builder, he could be key to keeping the party together and coaxing Republicans to cross the aisle."

SBA Accused Of Improper Loan Distribution. The New York Times (2/27, Nixon, Eaton, 1.16M) reports "federal investigators are looking into accusations" that the Small Business Administration, in an effort to speed up its lending process following criticism over its response to the 2005 Gulf Coast hurricanes, "made thousands of loans without following its own rules to avoid fraud. Current and former employees of the agency have told investigators that agency workers failed to secure proper proof that borrowers owned the houses they were supposed to rebuild or had the required insurance. Caroline Pankove, who worked as a lawyer for the disaster-loan program at the agency from June through December of last year, complained to the agency's managers and its inspector general that employees were improperly pressured to approve loans quickly." However, SBA Administrator Steven C. Preston said agency officials "never pushed for disbursement to be made without the proper documentation." He said the SBA "was trying to empower managers to make case-by-case judgments about loan documentation."

Davis Wants Hearing On "Chronic Deficiencies" At National Guard. The Washington Times (2/27, Seper, 88K) reports Rep. Thomas M. Davis III "has called for a hearing to examine the Defense

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Department's 'chronic deficiencies' in supporting homeland security and civil support missions by the National Guard." His request "comes in the wake of two reports by the Government Accountability Office (GAO) saying that Defense has not adequately addressed Guard equipment and training requirements and that Army units charged with chemical and biological attack response are understaffed and underequipped." Davis said one of those "reports noted that even though 12 of 15 'national planning scenarios' issued by the White House Homeland Security Council involve chemical, biological, radiological, nuclear or high-yield explosive response, the ability of Army chemical and biological units, especially National Guard and Reserve units, to concurrently perform both their original war-fighting chemical and biological defense mission and their homeland-defense mission is doubtful."

Recommendations Urge Limiting Federal Retiree Health Insurance Premium Subsidies. The Washington Post's (2/27, D4, Barr) "Federal Diary" column reports, "Federal retiree health benefits just keep showing up on budget-cutting tables. A 'Budget Options' report from the Congressional Budget Office," includes a recommendation that would reduce the government's subsidy for retiree health-care costs. President Bush proposed a similar policy change in his fiscal 2008 budget, sent to Congress early this month. The CBO and Bush administration proposals would reduce subsidies for premiums for retirees who had relatively short government careers. Federal retirees can now continue in the federal employee health program if they carried insurance during their last five years of service and are eligible to start collecting retirement benefits." But the CBO suggested that "basing retiree health benefits on length of service would 'help bring federal benefits closer to those of private companies. Federal retirees' health benefits are significantly better than those offered by most large private firms, which have been aggressively paring or eliminating retirement benefits for newly hired workers,' the report said."

OTHER NEWS:

Bank Reserves At Lowest Point Since 1990. The Wall Street Journal (2/27, C1, Sidel, Reilly, 2.04M) reports, "As more consumers and companies start having difficulty paying their debts, the funds that banks set aside to cover soured loans stand at the lowest level since at least 1990. The situation is causing consternation among regulators. And as credit quality begins to deteriorate from unusually strong levels, the issue also is causing jitters on Wall Street, where analysts predict the need to boost loan-loss reserves will cut into banking-industry profits this year." However, "the low reserve levels aren't triggering any concern about the financial soundness of the nation's banking system. Bank failures are quite rare. When regulators closed a small bank near Pittsburgh this month, it was the first bank failure since June 2004." Still, "the current level of loan-loss reserves is reigniting a longstanding debate among regulators about how banks calculate the amount of money to put aside for bad loans and the appropriate time to do so. The Financial Accounting Standards Board has recently started to consider whether banks should be required to disclose more information to investors about the way they calculate reserves."

Stocks Down After Greenspan Comments. The Wall Street Journal (2/27, C1, Browning, 2.04M) reports, "Alan Greenspan isn't Federal Reserve chairman any more, but he still can move markets. After Mr. Greenspan told a Hong Kong business conference, via satellite, that a recession is 'possible' later this year, US stocks slumped and bond yields declined, pushing bond prices higher. The Greenspan news, together with a two-month closing high in oil futures, overshadowed investor excitement over the latest massive dump of private money into stocks: the planned $32 billion acquisition of Texas utility TXU by a group of investors." The Dow Jones Industrial Average," down for the fourth consecutive day after hitting four consecutive records, fell 15.22 points, or 0.12%, to 12632.26. … The Standard & Poor's 500-stock index fell 0.13%, or 1.82 points, to 1449.37, up 2.2% this year. The Nasdaq Composite Index declined 0.42%, or 10.58 points, to 2504.52, up 3.7% in 2007."

Gasoline Prices Rise Nine Cents In A Week. ABC World News (2/26, story 5, :20, Gibson, 8.78M) reported, "In other news, gasoline prices are rising again. The government says unleaded regular costs $2.38 a gallon. That's an increase of nine cents in the last week. It's the biggest increase in nearly a year. The result of cold temperatures in the US, driving up the demand for oil."

USA Today (2/27, Healey, 2.27M) says that it is "the fourth consecutive weekly increase and the highest average price in five months, the U.S. Energy Information

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Administration reported Monday. The U.S. average is 12.9 cents more than it was a year ago." The EIA "forecasts monthly averages won't break $2.50 this year, and discounts talk of a third consecutive year when the weekly U.S. average tops $3."

Attorney's Taped Comments Spark Debate Over Maritime Case Venue-Shopping. The Wall Street Journal (2/27, B1, Koppel) reports, "When Texas plaintiffs' lawyer Anthony Buzbee gave a provocative address last year to maritime defense attorneys in Lake Las Vegas, Nev., he says he had no idea that an audience member about 20 feet away from him was taping the speech. … Now, in the ongoing battle between businesses and the lawyers who sue them, his words are coming back to haunt him as pro-industry lobbyists and Texas legislators use the speech to push for limits on where workers may file lawsuits if they're hurt at sea." The Journal continues, "According to a transcript, Mr. Buzbee told the small gathering that he was particularly fond of Starr County, on the western edge of Texas' Rio Grande Valley. 'That venue probably adds about seventy-five percent to the value of the case,' he said. 'You've got an injured Hispanic client, you've got a completely Hispanic jury, and you've got an Hispanic judge. All right. That's how it is.'" The Journal adds, "In other parts of Texas, Mr. Buzbee went on, a plaintiff may have the burden of showing 'here's what the company did wrong, all right? But when you're in Starr County, traditionally, you need to just show that the guy was working, and he was hurt. And that's the hurdle: Just prove that he wasn't hurt at Wal-Mart, buying something on his off time, and traditionally, you win those cases.'" The Journal notes. "To his opponents, this was clear evidence of 'venue shopping,' a pervasive source of controversy in the legal world where one side seeks the friendliest locale to try a case. To Mr. Buzbee, he was just describing the advantages of a uniquely flexible provision in Texas law that allows plaintiffs in maritime cases the convenience of bringing suit in the county where they live. He was also making it clear to frequent courtroom opponents what he saw as the benefits of settling quickly rather than going to trial in places like Starr County. … In the past five years, thanks in part to Mr. Buzbee, there has been a surge in the Rio Grande Valley of lawsuits on behalf of seamen alleging injuries on dredging vessels from Florida to New Jersey to Bahrain. The predominantly Hispanic and relatively poor region in southern Texas has gained a national reputation for large jury verdicts. Mr. Buzbee says he has won several recent dredging verdicts in the Valley, ranging from $450,000 to about $1.4 million, and notes that he has settled many more for confidential amounts. … Congress and various states have passed laws limiting plaintiffs' flexibility to choose favored venues. But 'personal-injury lawyers can still often shop cases as fast as their little legs will carry them,' says Darren McKinney, a spokesman for the pro-business American Tort Reform Association."

Federal Judge Rejects Cap On New York Ferry Crash Awards. The New York Times (2/27, Newman) reports, "A federal judge yesterday rejected New York City's attempt to use an obscure 19th-century maritime law to cap its liability in the 2003 crash of a Staten Island ferry at $14 million." The Times continues, "The ruling exposes the city to tens of millions of dollars in potential damage awards to relatives of those killed and to scores of people injured when the ferry, the Andrew J. Barberi, crashed into a maintenance pier at the St. George Ferry Terminal on Staten Island." The Times adds, "The city had argued that the accident was covered by an 1851 act, aimed at encouraging investment in the shipbuilding industry, that limited a boat owner's liability to the value of the boat minus the repair costs — in this case $14.4 million. The judge ruled, however, that the 1851 law did not apply if the city's managers had been negligent, and he found that they had been. … The city has already paid $27.6 million to settle two-thirds of the 186 damage claims. Of the 11 people killed in the crash, the estates of only two have settled with the city, for $3 million and $450,000." The Times notes, "The amounts of many settlements were held down, lawyers for the plaintiffs said, by the city's argument that if it succeeded in capping the liability, the plaintiffs stood to win relatively little. … The city said it would consider appealing."

In Washington Speech, Schwarzenegger Urges Bipartisanship. McClatchy (2/27, Benson) reports, "Sounding more like a motivational speaker than a politician, California Gov. Arnold Schwarzenegger on Monday urged Democrats and Republicans in Washington to put aside their partisan differences and get to work for the good of the country." Schwarzenegger "told an audience at the National Press Club that Congress and the White House should follow the example of California, where Democrats and Republicans have worked together recently on environmental legislation and infrastructure issues." The

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governor "urged President Bush and Congress to move toward the political center. He also said they should just try to be friendly."

The Washington Times (2/27, Ward, 88K) runs a similar story under the headline "Arnold Pushes 'Centrist' Immigration Approach," in which it says "Schwarzenegger yesterday punctuated a three-day media blitz in the nation's capital -- one in which he said he is open to running for the US Senate -- with a National Press Club speech on how his 'post-partisan' approach can fix the immigration problem. " Said the governor, "It is time that we reintroduce the concept of the mainstream back into the American political life, and the place to start it is immigration." The Times adds, " The Austrian-born former film star said what Mr. Bush and many lawmakers have said: The US should 'secure our borders' and provide 'a guest-worker program and [give] everyone citizenship who is already in the country and meet a certain criteria.'"

Democrats Consider 527 Curbs, Public Funding Of Congressional Races. The Hill (2/27, Bolton) reports, "Senate Democrats are considering placing curbs on soft-money 527 groups amid evidence that they are beginning to lose the political advantage these largely unregulated funds have given them over Republicans. This is a move Democrats had strenuously opposed during the last Congress, when they were believed to benefit from the lion's share of 527 money," but "now there is evidence that more of the money from these groups, named for a clause in the tax code, is flowing to the GOP." Meanwhile, "the second-ranking Senate Democrat, Assistant Majority Leader Dick Durbin (Ill.), is planning to introduce legislation in the next few weeks that would provide public funding for congressional candidates who qualify. … House Speaker Nancy Pelosi (D-Calif.) has weighed in by announcing that she supports public funding of congressional races, an idea that has not received serious consideration since 1993. And influential Democratic chairmen such as Appropriations Chairman David Obey (Wis.) and Financial Services Chairman Barney Frank (Mass.) also support it."

Less Restrictive Voting Requirements Expected To Benefit Democrats. USA Today (2/27, 4A, Wolf, 2.27M) reports, "Proposals designed to make voting easier and ballots more secure are beginning to advance in several states. The proposals range from allowing voters to register until Election Day to expanding the use of absentee ballots and early in-person voting. … The trend follows several years in which states passed tighter restrictions, such as requiring photo identification and proof of citizenship. Opponents of those restrictions, some of which were blocked by court action, are behind the push to bring more voters to the polls." USA Today notes, "The trend toward making it easier to register and vote could help Democrats in 2008, particularly in battleground states that will decide who wins the White House. Minorities and the poor would benefit the most, and they tend to vote for Democrats, says Kimball Brace of Election Data Services, a political consulting firm."

McCain Presidential Hopes Said To Rest On Iraq Progress. USA Today (2/27, Page, 2.27M) reports that "at stake in Iraq is not only President Bush's legacy but also the 70-year-old" Sen. John McCain's "last hope for the White House. In a crowded field of candidates, he is the only full-throated defender of the increase in U.S. troop levels and the war itself." In a "turn that's nearly Shakespearean, McCain — Bush's chief rival for the Republican nomination in 2000 and a critic since then on everything from tax cuts to torture — finds his fate inextricably tied to the fortunes of his onetime adversary and the increasingly unpopular war he is prosecuting." McCain's "unyielding stance on Iraq has bolstered him with Republican regulars but eroded his standing among the independents and crossover Democrats who boosted his presidential bid seven years ago. In a USA TODAY/Gallup Poll taken Thursday through Sunday, one in four independents and two in three Democrats say they're much less likely to support him as a result." Last fall, McCain "and former New York mayor Rudy Giuliani were tied in the lineup of GOP hopefuls in the USA TODAY poll. Now Giuliani leads McCain 40%-24%."

The Washington Times (2/27, Curl, 88K) reports McCain is "playing both sides against the middle as he supports sending more than 21,500 additional troops to Iraq while trying to distance himself from President Bush by labeling the war a 'train wreck.'" But election analysts and pollsters "say the new tack is costing him independent voters, once his strong suit." As McCain "seeks to secure religious and social conservatives by espousing a hard line against homosexual 'marriage' and abortion, independents are abandoning him in droves, a trend election analysts say could be fatal to his 2008 presidential hopes." Pollster John Zogby

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said, "It's almost bipolar. He walks a very thin line here. What made John McCain so popular was the maverick, independent, anti-party establishment, war-hero status. He was popular among independents, Democrats, and not unpopular at all among Republicans. But in the process of redefining himself from the hawkish, pro-surge, hug-the-president McCain, the redefinition has un-defined him."

Warner Endorses McCain. The AP (2/27, Sampson) reports Sen. John W. Warner, "the former chairman of the Armed Services Committee, on Monday endorsed Sen. John McCain for the Republican presidential nomination." Warner "cited McCain's service in the Navy and his familiarity with military issues in a statement backing his longtime friend, who is expected to formally announce his candidacy next month."

Giuliani Cites Philosophy On Taxes As Reason For Joining GOP. The AP (2/27, Sidoti) reports Rudy Giuliani "addressed his Democratic past on Monday and offered one reason for his political conversion — taxes." Speaking at a Hoover Institution event, Giuliani said, "I don't think anything separates us more right now between Republicans and Democrats than how we look at taxes. What we understand as Republicans is that, sure, the government is an important player in this, but we are essentially a private economy. What Democrats really believe ... is that it is essentially a government economy." The AP adds that Giuliani "faces the challenge of winning over conservatives who make up the GOP's base and view him skeptically because of his moderate views on social issues and his past allegiance to the Democratic Party. In 1994, Giuliani endorsed Democratic Gov. Mario Cuomo over Republican challenger George Pataki. Addressing his political about-face, Giuliani said he once was a Democrat, then spent five years as an independent before finding a home with the Republican Party."

Long Island Newsday (2/27, Gordon, 414K) reports Giuliani "defended his lack of hands-on foreign policy experience, telling a conservative audience that his time in City Hall, private business travels and paid speeches abroad helped prepare him to confront overseas threats." Giuliani said, "What makes you think the mayor of New York City doesn't need a foreign policy? It's something that I think I know ... as well as anybody else who's running for president, probably better than a lot." Newsday adds Giuliani "also did a test drive of a series of domestic campaign themes before the group -- saying he would cut taxes, expand school choice and reform entitlement programs -- in a bid to explain his political conversion from Democrat to Republican."

In the Washington Post's "Washington Sketch" column (2/27, A2), Dana Milbank says Giuliani was "charging $100,000 per speech before he announced two weeks ago that he was quitting the motivational lecture circuit. Now he can look forward to a year or more of talks like he gave yesterday to the Hoover Institution in the Willard ballroom -- earning nothing but applause. Had America's Mayor charged the going rate, the 46-minute, 34-second speech would have cost the conservative think tank $2,147.46 per minute." On the other hand, "the value-conscious consumer apparently will have to pay full freight if Giuliani is going to say something controversial. The candidate said not a peep about abortion or gay rights. He skipped any mention of Iraq until a questioner asked him." This "was not a hostile crowd. Though religious conservatives are suspicious about Giuliani, the market conservatives of the Hoover Institution are not."

Oscar Win Prompts Speculation About Gore '08 Run. ABC World News (2/26, story 4, 2:20, Gibson, 8.78M) reported, "There has been a lot of speculation about the political future of former Vice President Al Gore following his star turn at the Academy Awards last night. The documentary, 'An Inconvenient Truth,' which features Gore, talking up the problem of global warming, won an Oscar. Does he want, now, to win something else?" ABC (Weir) added, "A bigger, looser Al Gore now strolls red carpets in Ralph Lauren, gives Grammys to Red Hot Chili Peppers and has Oscar credibility." His "global warming slide show has made $45 million and counting at the box office. Live versions sell out red state arenas faster than rock stars. And he is up for the Nobel Peace Prize. Which leads to the question, will he run again?" Gore: "You know, I don't have plans to do that. Don't have any intention of doing that. I am involved in trying to campaign in a different way to get people to see the reality of this crisis." Weir: "It is a frustrating response for his political fans, both online bloggers and a veteran from the Oval Office." President Jimmy Carter: "I've put so much pressure on Al to run that he's almost gotten aggravated with me." Ross: "Still all the Gore faithful hope all this pop culture love will nudge him into the race. And his former campaign manager believes he can jump in after other Democrats have worn each other down." Donna

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Brazile: "There's an opportunity for Al Gore to get in the race. If one of the top tier candidates stumble and perhaps get out of the race."

The CBS Evening News (2/26, story 2, 2:40, Couric, 7.66M) reported, "Now that Al Gore's documentary on global warming won an Oscar, a lot of people are wondering if he'll use it as a springboard for another presidential run." CBS (Borger) added Gore is "clearly playing it for all its worth because now he's not just another defeated presidential candidate. He's an Oscar-winning environmental evangelist." The "question in Washington is whether his Oscar win may tempt him to try again for the biggest prize. An adviser says Gore isn't thinking about it now." Gore adviser Michael Feldman: "He hasn't completely shut the door but I don't see anything more than that." Borger: "But sources tell us to check back this fall, Katie, and see what happens." Couric: "In other words, Gloria, he may wait around to see if Hillary Clinton or Barack Obama falter and if they do, step in?" Borger: "Absolutely, Katie. He is in no rush. He can write himself a large personal check at this point. I was told today that he could write $50 million very easily. He's a known quantity. One more thing that appeals to these Democratic primary voters, Katie, he has been opposed to the war in Iraq."

USA Today (2/27, Kasindorf, 2.27M) reports Gore "has had a heartwarming February: a big night at the Academy Awards, a Nobel Peace Prize nomination and former president Jimmy Carter's endorsement for the 2008 presidential campaign." But these "dream assets for a politician and the added pressure they're bringing to enter the race are unlikely to sway Gore to jump in, Democrats who know the former vice president said Monday." At the award ceremony, in "pre-planned clowning, Gore had begun to announce a political 'intention' when the band cut him off." If Gore "should decide to run, he'd be in a strong starting position. In a USA TODAY/Gallup Poll of Democratic voters taken Feb. 9-11, Gore trailed only Sens. Hillary Rodham Clinton of New York and Barack Obama of Illinois."

The Politico (2/27, Allen) reports Gore's "triumph at the Oscars is already stoking activists' pleas for him to make a dramatic late entry into the fractious presidential race, and some key strategists insist he could announce as late as September or October and still win the nomination." Former campaign manager Donna Brazile said, "Honestly, this was the inaugural parade we all envisioned. Gore's political stock is hot right now. I don't know if I would cash in now with so many players still on stage. There's no reason to force him to declare tomorrow." The Politico adds Brazile "said the former vice president could wait as late as the time states begin requiring delegate slates and statements of candidacy, since he could raise money quickly and much of the campaigns' budgets are devoted to a long nominating process he would avoid."

The Financial Times (2/27, Luce) reports the "clamour for an Al Gore 2008 presidential candidacy stepped up several decibels yesterday after the evening award of two Oscars" for An Inconvenient Truth. Appearing "twice on stage - first with Leonardo DiCaprio, who portrayed the former vice-president as something close to a modern prophet, and second to accept jointly with Davis Guggenheim, the movie's director, the award for best documentary feature - Mr Gore was by a long way the most adulated celebrity of the evening." Senior Democrats "say Mr Gore could be catapulted into a frontline position, particularly if he waited until September or October when the public is likely to have become saturated with the increasingly tense contest between Mr Obama and Mrs Clinton. Last year's Nobel peace prize was announced on 13 October."

The Washington Times (2/27, Harper, 88K) reports the "Academy Award for 'An Inconvenient Truth' has further cemented Mr. Gore's name to a single issue: global warming. But Mr. Gore's fame could be fleeting because the issue does not resonate with most Americans." Morgan E. Felchner, editor of Campaign & Elections magazine, said, "Winning an Oscar and making a joke in the pop culture arena will definitely raise his profile. Mr. Gore will get attention over the next few weeks as everyone repeats the question, 'Are you going to run?'"

Brazile Says Gore Has Opportunity For Late Entry. In her Roll Call column (2/27), Brazile says Gore is "sticking to his position that he has no intention to run for president. Perhaps I should just take his word and resume flirting with those who have made the decision to run. But something in my gut tells me that there's still a chance Gore will jump in right before the filing deadlines or as the slating of delegates begins — and win both the nomination and the presidency." Brazile added, "I am sure Gore will continue to close the door on running in 2008, but what if someone opens a window? If the current contenders continue to pander and play the old politics of yesterday, the opportunity for a late entry may yet present itself on the road to the White House."

Cohen Says Gore "At Peace With Himself." In his Washington Post column (2/27, A15), Richard Cohen says,

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"Gore -- the son of a senator himself -- was raised for the presidency. But for the moment at least, he is showing all the irritating signs of a man at peace with himself. He abandoned Washington for Nashville. He has made a bundle in his investments, and he has set out to show that there is life after a failed candidacy, a purposeful life in which a man can do some good. His movie and his speeches are -- to paraphrase what Clausewitz said about war -- a continuation of politics by other means. He cannot make war but he can still make a difference."

Gore To Speak At UMBC. The Baltimore Sun (2/27, Henderson, 257K) reports, "Hoping to latch on to the buzz surrounding former Vice President Al Gore's double dose of Oscar, the Annapolis and Anne Arundel Chamber of Commerce said Monday that the Gore eco-friendly train will stop in Baltimore." Gore "will give a 90-minute speech May 8 on the effects of global warming -- the topic that has turned him into a hip wonk" at the University of Maryland Baltimore County campus.

Hillary Clinton Failed To Disclose Family Charity. The Washington Post (2/27, A1, Solomon, Mosk, 690K) reports Sen. Hillary Rodham Clinton and former president Bill Clinton "have operated a family charity since 2001, but she failed to list it on annual Senate financial disclosure reports on five occasions." The Ethics in Government Act "requires members of Congress to disclose positions they hold with any outside entity, including nonprofit foundations. Hillary Clinton has served her family foundation as treasurer and secretary since it was established in December 2001, but none of her ethics reports since then have disclosed that fact." The foundation has "enabled the Clintons to write off more than $5 million from their taxable personal income since 2001, while dispensing $1.25 million in charitable contributions over that period." Clinton's spokesman "said her failure to report the existence of the family foundation and the senator's position as an officer was an oversight. Her office immediately amended her Senate ethics reports to add that information late yesterday after receiving inquiries from The Washington Post."

WPost Praises Clinton For Disclosing Bundlers. The Washington Post (2/27, A14, 690K), in an editorial, praises Sen. Hillary Clinton for deciding "that her presidential campaign will reveal the identities of its major fundraisers, after all. This is welcome news for the conduct of the 2008 race, during which big bundlers -- the well-connected fundraisers who can help collect $100,000, $200,000 or even $1 million in donations -- will be more important than ever." With Clinton's "change of heart, the top-tier contenders of both parties -- Democrats Clinton, Barack Obama and John Edwards, and Republicans John McCain, Rudolph W. Giuliani and Mitt Romney -- have agreed to identify their chief campaign underwriters."

Obama Has Complex Relationship With Illinois Political Establishment. Long Island Newsday/AP (2/27, Bellandi) reports Sen. Barack Obama "piled on the praise last month as he stood beside Chicago Mayor Richard Daley and embraced the mayor's bid for a sixth term." But it "was a switch from a year earlier, when the Illinois senator brushed off questions about endorsing Daley and said reported corruption at Chicago's City Hall gave him 'huge pause.' What happened in the meantime? Obama decided to run for president." The endorsement is "one example of the sometimes complicated relationship between Obama -- who offers himself as an untainted, non-traditional alternative -- and Illinois' sometimes tarnished political establishment." Obama has "maintained relations with important parts of the establishment, from remnants of the legendary Chicago Democratic machine to the city's leading black politicians," but as an "outsider who came to the city as an adult, he doesn't owe his political fortunes to ward bosses and can claim distance from the political corruption for which the city is famous."

Obama Promises Frequent Visits To Ohio. The AP (2/27, Sampson) reports that on "his first campaign trek across Ohio, Democratic presidential contender Barack Obama promised that he'd return — a lot." Obama "raised more than $450,000 at fundraisers in Cincinnati and Columbus on Monday before collecting even more at an appearance in suburban Cleveland." Obama said, "I'm going to be spending a lot of time in Ohio so that people are familiar with me, so that by the time I'm the Democratic nominee they don't feel like I'm just parachuting in but that they've heard me and had a chance to kick the tires and lift the hood." The AP adds that in his "three stops to the state's largest cities, Obama covered a wide range of topics, including ending the war in Iraq — which received the loudest cheer at the Cleveland-area rally — developing universal health care and improving early childhood education."

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Clinton, Obama To Speak At Selma Commemoration. The AP (2/27, Sampson) reports, "Vying for the support of a key Democratic constituency, presidential hopefuls Hillary Rodham Clinton and Barack Obama have signed on to speak at an annual civil rights commemoration in Selma, Ala., on Sunday at the same time and just a few doors down from each other." State Democratic leaders "and event organizers said they couldn't remember a time when two leading presidential candidates spoke at the Bridge Crossing Jubilee, held annually in honor of the 1965 Selma-to-Montgomery voting rights march."

California Fertile Ground For Political Fundraising. The Los Angeles Times (2/27, Morain, 850K) reports that "for politicians, including presidential candidates," California is "where the money is. Last week alone, Democrats Barack Obama, Hillary Rodham Clinton, Christopher Dodd and Joseph Biden made the trek. Republican Sen. John McCain was also here, following his rival, Rudolph W. Giuliani, who had been here the week before, while Republican Mitt Romney will be here next month." Californians "spent at least $502 million on federal campaigns in the last four years, federal campaign records show -- 24 percent more than runner-up New York and about 13 percent of all federal campaign funds raised nationally." Among the top political contributors, over the "past four years, Deborah Rappaport and her husband, venture capitalist Andrew Rappaport, of Woodside, have spent $5.2 million on federal politics, much of it to encourage young people to vote. They held a fund-raiser for White House candidate John Edwards of North Carolina earlier this month, raising more than $100,000." Silicon Valley Democrats Michael and Frances Kieschnick "helped fund a successful campaign in 2006 to elect Democrats as secretaries of state who will oversee balloting in five swing states -- a reaction to perceived bias by Republican officials in Florida and Ohio in the 2000 and 2004 presidential vote counting." Meanwhile, Los Angeles-area developer Rick Caruso "has a goal of raising $1 million for Massachusetts Gov. Romney's bid for the Republican nomination." Californians also "had a significant role in the 2006 fight for control of Congress, donating $6.6 million directly to candidates in the six U.S. Senate races that tipped control to Democrats, campaign records show."

Liberal Activists Emulating Successful Conservative Tactics. The Washington Times (2/27, Pfeiffer, 88K) reports, "Liberal lobbying groups are trying to flex their newfound muscle on K Street after a dozen years in exile, promising to avoid the same tactical mistakes that led to the downfall of, and jail sentences for, some Republicans last year. 'Washington has been congested with conservatives abusing their power for far too long,' said Toby Chaudhuri of the Campaign for America's Future (CAF), a progressive lobbying organization. … Despite their deep ideological differences, CAF and other liberal organizations are trying to emulate some of the tactics used by" Grover Norquist, president of Americans for Tax Reform, "in helping the conservative movement rise to power. For instance, Mr. Norquist hosts the 'Wednesday meetings,' a weekly gathering of conservative activists, strategists and Republican congressional staffers. The CAF now hosts its own biweekly patchwork of ideological allies that they call the 'Tuesday Group.''

Appeals Court Upholds Creation Of California Stem Cell Agency. USA Today (2/27, Weise, 2.27M) reports, "Three years after California passed a $3 billion stem cell initiative, a state appeals court has upheld the creation of the agency that will distribute the money, rebuffing legal challenges from abortion opponents and anti-tax activists. The 1st District Court of Appeal Monday upheld a decision by a lower court judge who had ruled in favor of the California Institute for Regenerative Medicine (CIRM) last year." The agency "was created when 59% of voters passed Proposition 71 in 2004. In addition to creating the institute, the proposition authorized it to sell $3 billion in bonds to fund stem cell research over 10 years." The institute "has not been able to borrow money pending the resolution of the lawsuit. But it has already received loans of $195 million from the state and philanthropic organizations."

Federal Judge Allows Suit Against Career Education's Sanford Brown College To Proceed. The Kansas City Star (2/27) reports, "A lawsuit brought by one of eight former radiography students who sued career school Sanford Brown College in North Kansas City for fraud has been allowed to proceed. Senior U.S. District Judge Scott Wright last week denied the college's motion for summary judgment, finding that there were disputed facts that needed to be resolved by a jury." Sanford Brown "s a subsidiary of publicly traded Career Education Corp." The suit charges that "college admissions representatives lied to

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the plaintiffs about the cost of tuition, the availability of grants and loans, the jobs and starting salaries they could expect to get upon graduating, and the experience and preparedness of the school's instructors." Career Education Corp. is "being investigated by the U.S. Department of Justice after a false-claims lawsuit charged that some of its colleges had obtained federal funds to which they were not entitled." Also "in mid-2005, the U.S. Department of Education imposed a moratorium on new company campuses, saying it was concerned by CEC's 'history of noncompliance' with federal laws governing financial aid."

Over A Dozen States Consider Raising Tobacco Taxes. USA Today (2/27, 1A, Wolf, 2.27M) reports more than "a dozen states are considering higher tobacco taxes this year, most often to help millions of uninsured people get health coverage." Four of "the most closely watched proposals call for tax hikes of $1 per pack or more, an increase attained by only four states in the past. Wisconsin Gov. Jim Doyle wants a $1.25 increase. Iowa, Maine and Maryland are considering $1." The number "of tax hike efforts isn't unusual: 21 states boosted tobacco taxes in 2002 and 17 in 2003 to combat the recession. Many of the new proposals are noteworthy for their size and link to helping some of the nation's nearly 47 million uninsured people."

Despite Power Shift, Barbour Griffith & Rogers Sticks With GOP Hires. The Politico (2/27, Cummings) reports, "Barbour Griffith & Rogers is "bucking the post-midterm trend of bringing in a Democrat." Barbour Griffith & Rogers "was signing on a handful of policy experts last year when many Republican-controlled lobbying shops were scooping up key Democratic aides and operatives. Among the firm's new hired guns: Stephen Rademaker, former Senate Majority Leader Bill Frist's national policy director; Mary Lacey Reuther, a health care expert from the Bush administration; and Celeste Ward, a military operations and Iraq expert who worked at the Pentagon. Sure, they are all Republicans, making them easy fits inside the firm. But the firm's chairman, Ed Rogers, is banking on their depth of knowledge to attract corporations and other interest groups."

2007 Service To America Medal Nominations Due March 8. The Washington Post's (2/27, D4, Barr) "Federal Diary" column reports, "Nominations for the 2007 Service to America Medals, presented annually to honor government employees for their achievements and commitment to federal service, are being accepted at the nonprofit Partnership for Public Service." The Post adds that winners will be selected after the March 8 submission deadline and medals "are presented at a gala dinner, [and] are accompanied by cash prizes -- from $3,000 to $10,000." The Post notes, "Previous medal winners include the Federal Trade Commission team that created the National Do Not Call Registry, a federal scientist leading the effort to prepare for a catastrophic flu pandemic, and an Internal Revenue Service employee responsible for the e-file system that speeds tax refunds."

Halliburton To Sever Ties With KBR. The Wall Street Journal (2/27, A14, Gold, 2.04M) reports, "Halliburton Co. took a decisive step to separate itself from its KBR Inc. unit, which generates a fraction of the company's profit but the lion's shares of headlines and headaches." Halliburton "said it would dispose of its 81% stake in the construction, engineering and government contracting firm by offering Halliburton shareholders the opportunity to trade their Halliburton shares for KBR shares at an unspecified ratio. If the offer isn't fully subscribed, the remaining KBR shares will be distributed through a special dividend to Halliburton owners." The New York Times (2/27, 1.16M) briefly notes the story.

Big Dollar Philanthropy In US Reached Record Levels In 2006. USA Today (2/27, Moore, 2.27M) reports, "The number of individual donations of $100 million or more hit a record in 2006, according to The Chronicle of Philanthropy, which compiles a yearly list of the biggest givers. Last year, there were 21 donations of $100 million or more by individuals to universities, hospitals and charities, compared with 11 in 2005. The biggest gift by far was Warren Buffett's pledge to donate stock in his investment firm Berkshire Hathaway, now worth $43.5 billion, to several groups, including the Bill and Melinda Gates Foundation. Even without this huge donation, the philanthropy of the country's 60 most generous givers hit a record $7 billion in 2006, up from $4.3 billion the year before."

Prominent Pro-Choice Catholic Leader Stepping Down. The New York Times (2/27, Banerjee, 1.16M) profiles Frances Kissling, who "for 25 years, as president of Catholics for a Free Choice…has angered the

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church hierarchy and conservative Catholics by criticizing fundamental teachings on sex. … Though unknown to most lay Catholics, she has inspired and worked with politicians and activists, many Catholic, to speak out in favor of giving women access to abortions and to artificial contraception. On Wednesday, Ms. Kissling, 63, will step down from her post."

WPost, NYTimes Agree On Need For National Standards For High Schools. The Washington Post (2/27, 690K) writes in an editorial that last week's National Assessment of Educational Progress report "revealed a disturbing incongruity between how well schools say students are doing and how well students really are doing." So the "national debate" over the reauthorization of the No Child Left Behind Act "must include a robust discussion of how to improve high schools and create national standards."

The New York Times (2/27, 1.16M) writes that The NAEP scores "mean that many of today's high school seniors will be locked out of the information economy." In reauthorizing NCLB And the Higher Education Act, Congress is urged to "start by getting the board that oversees the National Assessment of Educational Progress testing to create rigorous national standards for crucial subjects." It is also urged to "raise the bar for teacher qualifications" and to require teachers colleges "to turn out higher quality graduates."

US Displays More Baghdad Bombs Said To Be Made In Iran. The New York Times (2/27, A8, Glanz, Oppel, 1.16M) reports in Baghdad on Monday the American military "laid out a display of hundreds of components for assembling deadly roadside bombs, its latest effort to embarrass the country it contends is supplying the material to armed Shiite groups [in Iraq]: Iran." The parts were seized by the US military two days earlier just north of Baghdad.

The Wall Street Journal (2/27, A4, Dreazen, 2.04M) says the weapons cache "raises fears that Shiite Muslim insurgents across Iraq may be able to manufacture large quantities of such weapons on their own." It is also "forcing US officials to reassess their belief that such bombs were being built in Iran and smuggled fully assembled into Iraq."

The Los Angeles Times (2/27, Zucchino, 850K) notes that although it was "the third in two weeks in which US military officials set forth evidence that they said showed Iran's hand in Iraq's violence," in contrast with previous sessions, officers at Monday's briefing "were careful not to accuse the Iranian government of involvement."

Diplomats Agree To Draft New Resolution Sanctioning Iran. The New York Times (2/27, A9, Cooper, 1.16M) reports top officials from the United States, Britain, China, Russia, Germany and France meeting in London Monday said they will begin drafting a new U.N. Security Council resolution "to ratchet up the pressure again." Assistant Secretary McCormack said the US "was willing to join in talks between the Europeans and Iran over the nuclear program, provided that Iran suspended its uranium enrichment activity." However, he warned, "Should they choose not to proceed down that pathway, then there will be consequences. And those consequences will be diplomatic isolation from the rest of the world."

The AP (2/27, Wagner) reports McCormack said the diplomats would hold a telephone conference Thursday, "at which time they hope to be able to hammer out the elements of a U.N. sanctions resolution."

The Washington Post (2/27, A11, Jordan, 690K) says officials at Monday's talks "sought to play down any rising confrontation," because "not all parties agree on the seriousness of the threat from Iran or how best to contain it."

Meanwhile, a US official told the Financial Times (2/27, Dombey, Fidler) that diplomacy on Iran "still has time to work." The unidentified official said, "The genie isn't out of the bottle yet but…they (the Iranians) are working very aggressively to get it out."

Separately, the Financial Times (2/27, Dombey, Fidler) reports Javad Zarif, Iran's outgoing ambassador to the U.N., told a Century Foundation conference in New York that there was "enough on the table already to find a resolution on the nuclear issue," but described the Security Council as "part of the problem," alleging it had been used "as a tool of the US rather than as a genuine way of finding a negotiated deal."

Iran's Pursuit Of Nuclear Power Raises Concerns Over Future. The Christian Science Monitor (2/27, LaFranchi, 59K) reports that while Iran's "mantralike insistence that its pursuit of nuclear technology is an internationally guaranteed" has countries "worried it is seeking a nuclear weapon," the "huge increases in energy demand anticipated across the developing world over the next two decades, coupled with a growing urgency about global warming, have nuclear nonproliferation experts focused on Iran's case for broader and even more unsettling

reasons." Experts are concerned that "if a sense of entitlement to nuclear power and the fuel that makes it possible is allowed to take root," the world "soon could find itself with dozens of nuclear countries with the means to switch from peaceful energy production to building a nuclear arsenal virtually overnight."

Iranian Official Says Iran Not In Violation Of Nuclear Treaty. In a letter to the Wall Street Journal (2/27, 2.04M), M.A. Mohammad, press secretary at the Iran Mission to the United Nations, says "Iran has not violated any of its international obligations by seeking to produce nuclear fuel for its civilian reactors." After "more than 2,200 days of inspection of Iran's nuclear facilities," he says the IAEA has "time and again concluded that there is no evidence of diversion to non-peaceful purposes." This, he continues, "raises a question" about the U.N.'s grounds "to impose sanctions on Iran, while simultaneously ignoring the absence of disarmament and the proliferation threats posed by Israel, which has a huge nuclear arsenal and has refused the slightest inspections by the IAEA." The international community, he concludes, "must seek an immediate end to this outrageous double standard and discrimination against the rights of Iran."

Ahmadinejad Faces Mounting Criticism At Home. The Washington Times/AP (2/27, A1, Dareini) reports on its front page that Iranian President Mahmoud Ahmadinejad "faced a new round of sharp criticism at home Monday" over recent comments that Iran's nuclear program is "an unstoppable train without brakes." Reformers and conservatives "said such tough talk only inflames the West as it considers further sanctions." The criticism came "as new signs have arisen that Iran's supreme leader Ayatollah Ali Khamenei is growing discontented with Ahmadinejad" and "reflects public worries about the course of the country's confrontation" with the US.

Iranian Scholars Denounce Holocaust Conference. The New York Times (2/27, A9, Fathi, 1.16M) reports a group of Iranian "academics, writers and artists has denounced the Holocaust conference held in Tehran late last year, calling it a move that endangered peace and hurt the reputation of Iranian academics." In "a bold gesture," more than 20 academics, writers and artists, "many of whom live outside of Iran, signed a statement that was sent to The New York Times and circulated on the Internet last week, arguing that the gathering was an exercise in propaganda."

Richardson, Clark Encourage Bush To Open Dialogue With Iran. New Mexico Gov. Bill Richardson, on MSNBC's Hardball (2/26, Matthews) said that yesterday at the meeting of the National Governors' Association, he "said to President Bush, 'Mr. President, you did the right thing, finally, with North Korea. You talked to them directly. Why don't you do the same with Iran? Why don't you talk to them?' … He kind of, in a very nice way, said that he said he wasn't going to do it."

On Fox News' O'Reilly Factor (2/26), General Wesley Clark said, "What we need to do is we need to talk directly to the Iranians. Lay it on the line. … We need to talk to them. I tell you the danger is. If we don't talk soon, what they do is they play a game. They've got several different strategies to work on. And what we don't want to have happen is the clock run out and say, 'My goodness we're either going to have to strike them with our military or they're going to have a nuclear weapon.'"

Expert Urges Seeking Changes From Within Iran. Edward Luttwak, author and a senior fellow at the Center for Strategic and International Studies, writes in the Wall Street Journal (2/27, A16, 2.04M) that, "Having crushed Tehran's enemies, the US finds itself under attack by Iran's rulers, who no longer have to worry about defending their own borders and can instead challenge American interests all over the Middle East." But "for some, including the Baker-Hamilton commission, all this is a compelling argument for negotiations." However, Luttwak says "there is a better alternative to détente with a repulsive regime, and that is to be true to the Wilsonian tradition of American foreign policy by encouraging the forces of national liberation within Iran."

German Official Says German Exports To Iran Declining. In a letter to the Wall Street Journal (2/27, 2.04M), Ulrich A. Sante of the German Embassy in Washington says, "Contrary to the impression created by your Feb. 20 editorial 'Europe and the Mullahs,' Germany's trade with Iran as well as its export credit guarantees have declined sharply in the past year." Due to "the federal government having tightened its policies," he said "a further decline by 40% is predicted for 2007."

Palestinian Killed During Israeli Raid. The New York Times (2/27, A9, Myre, 1.16M) reports Israeli troops "searched for militants and weapons in the West Bank city of Nablus for a third day Monday, going door to door and periodically clashing with gunmen and stone-throwing

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youths." One Palestinian man was killed and his son was wounded, "the first fatality since Israel began the operation on Saturday."

Three Frenchmen Killed By Gunmen In Saudi Arabia. The New York Times (2/27, A6, Fattah, 1.16M) reports, "Gunmen killed three French citizens and wounded a fourth near the holy city of Medina in Saudi Arabia early Monday, in a brazen reminder that attacks on foreigners there have not stopped despite an aggressive three-year security crackdown." The Saudi Interior Ministry said eight French citizens came under attack on "a road typically restricted to Muslims about 10 miles from Medina." Two of the victims were identified by colleagues as engineers who worked at Schneider Electric in Riyadh.

The Financial Times (2/27, England) reports Major General Mansour al-Turki, a Saudi interior ministry spokesman, "said it was too early to determine if it was a terrorist act."

Yemeni Reforms Could Lead To Millions In US Aid. The Christian Science Monitor (2/27, Hill, 59K) reports that in 2005 Yemen was dropped from a list of countries hoping for millions in US aid. However, in the beginning of 2006, President Ali Abdullah Saleh "launched an ambitious anticorruption program," and on Feb. 14, the Millennium Challenge Corporation "reinstated Yemen's chance for assistance as a result of an 'aggressive reform effort.'" Now, Yemen "could gain hundreds of millions of dollars in aid, if it can sustain reform momentum."

UN Court Says Bosnia Killings Were Genocide. The New York Times (2/27, A1, Simons, 1.16M) reports on its front page that the International Court of Justice Monday "for the first time called the massacre of Bosnian Muslims at Srebrenica in 1995 an act of genocide, but determined that Serbia itself was not guilty of the enormous crime." Nonetheless, it "faulted" Serbia, saying it "could and should" have prevented the genocide and, in its aftermath, "should have punished the Bosnian Serbs" responsible for the killings. The ruling "appeared to give some satisfaction -- and frustration -- to both sides."

The Washington Post/AP (2/27, A12, Corder) says the ruling "sparked outrage in Bosnia" and "among dozens of war survivors who gathered outside the gates of the International Court of Justice."

Bizarre Killings Of Salvadoran Lawmakers Continues. The Los Angeles Times (2/27, Tobar, Renderos, 850K) reports, "For more than a week, Guatemalans and Salvadorans have been in the grip of a murky and gruesome mystery story" after the "charred bodies of three Salvadoran legislators and their driver were found" on a roadside. Then, on Sunday night, "four officers from a top Guatemalan police unit were slain" in their prison cells "three days after they had been arrested and charged with killing the legislators." Police and government officials in El Salvador and Guatemala said the case "may have exposed an unsettling link between drug traffickers and the security and political elite of the countries."

Negroponte To Play Important Role In Relations With China. The AP (2/27, Gedda) reports, "The State Department has been lacking a diplomatic heavyweight to handle China issues since last summer, and President Bush's choice to fill that role plans to travel to Beijing this week as part of a three-nation East Asia tour." As Deputy Secretary John Negroponte prepares for his first trip since assuming his new post, the AP says, "For the United States, there may be no foreign relationship as important as the one with China. It is a fellow permanent member of the U.N. Security Council, a major trading partner and an important player on such diplomatic problems as North Korea, Iran and Sudan." Negroponte "does not qualify as a China expert, but the same could have been said of his predecessor, Robert Zoellick, who nonetheless was admired around the State Department and beyond for his grasp of the China puzzle." Since he left the Department in July, some China experts "believe the void created by Zoellick's departure has been costly."

China's Communist Party Issues Warning To Media Outlets. The Washington Post (2/27, A10, Cody, 690K) reports, "Communist Party propaganda chiefs have issued a stern new warning to China's broadcast executives, saying news reports and entertainment should promote socialist loyalty and soothe tensions as the country enters a sensitive political season." The new guidelines "reflect a particular desire at senior levels of President Hu Jintao's government to see a picture of harmony and contentedness in the broadcast media as the Chinese legislature prepares to meet next month and the Communist Party gets ready for its 17th national congress in the fall."

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Chinese County Reins In Birth-rate Without One-Child Limit. The Christian Science Monitor (2/27, Ford, 59K) reports, "For the past 21 years," China's Yicheng County has been exempt from the nation's "one-child policy," but its birth-rate is "lower than the national average." The "government-sanctioned Yicheng experiment" is now "under increasingly interested scrutiny from Chinese experts as the 'one-child policy' approaches what appears to be the end of its life."

US Warship To Hunt Pirates Off Somali Coast. The Washington Times (2/27, Pisik, 88K) reports, "A US warship yesterday moved into waters off the coast of Somalia, where pirates have hijacked an empty World Food Program cargo ship." The MV Rozen was "boarded by heavily armed pirates Sunday morning off the coast of Somalia's Puntland region." In response, Somali officials "said they contacted the US military regional command, based in neighboring Djibouti, to request assistance."

Kristof Points To Somaliland As Success Without Foreign Aid. The New York Times' (2/27) Nicholas Kristof writes, "In the north of the carcass of Somalia is the breakaway would-be nation of Somaliland, and it is a remarkable success -- for a country that doesn't exist." The US and other governments, he notes, "don't recognize Somaliland, so the people here get next to zero foreign aid." However, Kristof says "the lesson of Somaliland is simple: the most important single determinant of a poor country's success is not how much aid it receives but how well it is run. If a country adheres to free markets and good political and economic governance, it will generate domestic and foreign investments that dwarf any amount of aid."

Applebaum Lauds Efforts Of Dutch-Somali Lawmaker. The Washington Post's (2/27, A15) Anne Applebaum writes that former Dutch-Somali lawmaker, now author and fellow at the American Enterprise Institute, Ayaan Hirsi Ali, "cannot seem to avoid meeting her detractors." However, Applebaum says that "what seems to rankle Europeans most is the enthusiasm with which Hirsi Ali has adopted their own secularism and the fervor with which she has embraced their own Western values." But "maybe once Europeans get used to the idea -- a Muslim immigrant who embraces Western culture with the excitement of the convert! -- they'll like Hirsi Ali better. And if they're lucky, others will follow in her footsteps."

Columnist Welcomes Cuba's Gay Rights Advances. USA Today (2/27, 11A, 2.27M) columnist DeWayne Wickham writes, "Years before George W. Bush proclaimed his support for a constitutional amendment to ban gay marriages in the United States, the ideologically rigid government of Fidel Castro made a big move in the opposite direction." Wickham notes the irony that "while a country that successive US governments have called a totalitarian state is moving toward expanding the rights of gays and lesbians, the president of the United States -- the world's leading democracy -- wants to restrict their rights."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Russia's Rich And Shameless."
"Gen Y's Ego Trip Takes Wrong Turn."
"America's Birthright Citizenship Questioned."
"L.A. Madam's 'Trick Book' Is Unsealed."
"Presidential Hopefuls Join Gold Rush."
"Afghan Blast Kills 2 During Cheney's Visit."
"Clippers Win, But Lose Livingston To Injury."
"Man Dead In Crash Possibly Using Laptop."
"Boy Held After Classmates Shot With BB Gun."

USA Today:

"Philanthropy Hits Record As Number Of $100 Million Donations Increase."
"McCain Firm On Iraq War Despite Cost To Candidacy."
States Consider Tobacco Tax Hikes."

New York Times:

"Iraqis Reach An Accord On Oil Revenues."
"Child Health Care Splits White House And States."
"Growing Demand For English Lessons Outstrips Supply."
"Explosion Kills 19 Near U.S. Base In Afghanistan."
"Cheney Warns Pakistan To Act Against Terrorists."
"Song Wakens Injured Pride Of Afrikaners."
"Crypt Held Bodies Of Jesus And Family, Film Says."
"Former Olympian Adds A Harrowing Tale To List."
"3 French Sightseers Killed Near Saudi Holy City."

Washington Post:

"Majority In Poll Favor Deadline For Iraq Pullout."
"Run-Up In Home Values Runs Down In Fairfax."

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"Clintons' Charity Not Listed On Senate Disclosure Forms."
"Insurgent Activity Spurs Cheney Trip To Pakistan."
"For Hoyer, A Life Of Quiet Victories, Redefined Purpose."
"In Uganda, 'Last King of Scotland' Generates Blend Of Pride And Pain."

Washington Times:
"Ex-CIA Official Urges Silence After Spy 'Sting.'"
"Virginia GOP Boasts Roads Success."
"CDC Doctor Opposes Law For Vaccine."
"Brides Bound By Traditions."
"Iranian Leader's Rhetoric Criticized."
"McCain Strategy Courts Middle."
"Struggling D.C. Bars Miss The Smokers, Their Cash."

Detroit Free Press:
"Drugs, Cash And 2 Dead Children."
"Michigan Chemical Giant."
"The Plan, Stamps You Can Stick With."
"Controversial Bones To Pick."
"Sheriff's Department To Sell Machine Gun To Highest Bidder."

Atlanta Journal-Constitution:
"TV Film Of Christ's 'Tomb' Isn't Gospel, Experts Say."
"Young Blood At SCLC."
"Nichols Case Stirs Judicial Standoff."
"UGA Turfgrass Snit Is About Green, As In Cash."

Houston Chronicle:
"Cheney Safe After Deadly Blast At Afghan Base."
"Some Parents Fear Cy-Fair Plan Lowers Standards."
"Food Safety Crisis On The Horizon, Experts Warn."
"Dad Tells Fort Bend Jury Son Is Guilty In Murders."
"Eckels Urged To Back High-Profile Successor."
"Al-Qaida Suspect's Wife Died Seeking Better Life."

Story Lineup From Last Night's Network News:
ABC: Al Qaeda-Pakistan; Al Qaeda-Pakistan Analysis; Iraq Violence Continues, Gore Wins Oscar; Gas Prices Up; Winter Weather; Bush-Medal of Honor; Woodruff Return-TBI; SCOTUS-High Speed Chases; Jesus Tomb; Calories-Chain Restaurants.
CBS: TXU Buyout; Gore-Academy Award; Libby Trial; Iraq-Talibani Hospitalized; Iraq Violence; Bush-Vietnam Hero; Heart Disease; Restaurant Entrees-Calories; Academy Awards; Jesus' Tomb.
NBC: Al Qaeda-Pakistan; Al Qaeda-Pakistan Analysis; Iraq-Military Medical Teams; Men Painkillers; Winter Weather, SCOTUS-High Speed Chases; Stamp Rice Increase; Jesus Tomb; Oscars-Queen; Bush-Medal of Honor.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Afghanistan-Suicide Bombing; Cheney-Afghanistan; JetBlue Flight-$100 Vouchers Given Out; Anna Nicole Smith's Lawyer Allows Visit To Smith's Estate By Man Claiming To Be Father Of Smith's Daughter; FL Appeals Court-Anna Nicole Smith's Body; Libby Trial; Tokyo Stock Exchange; MySpace.com Extortion Case; Book By Former Hollywood Madam; Baseball Card Sold For $2.3 Million.
CBS: Afghanistan-Suicide Bombing; Cheney-Afghanistan; Congress-Iraq; Libby Trial; FDA-Bird Flu Vaccine; Stanford University Study On Garlic And Cholesterol; Volkswagen Cars Recalled; Bush Awards Medal Of Honor To Vietnam War Hero.
NPR: Afghanistan-Suicide Bombing; Cheney-Afghanistan; Sri Lanka-Mortar Attack On Helicopters Carrying US Diplomats; CA-Winter Weather In Sierras; Heating Oil Demand Expected To Rise; Oil Prices; Tokyo Stock Exchange; Postage Stamp Increase Recommended; Forever Stamp; Libby Trial.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the President of El Salvador, Oval Office; participates in ceremonial swearing in for the Deputy Secretary of State, State Department; photo opportunity with the Miami HEAT, East Room.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 10 a.m. FLOOR SCHEDULE _ the Senate convenes and will be in a period of morning business until 12:30 p.m. The Senate will recess from 12:30 until 2:15 p.m. At 2:30 p.m., the Senate will proceed to vote on the motion to invoke cloture on the motion to proceed to S. 184, the Rail and Surface Transportation Security bill.

2 p.m. VETERANS AFFAIRS _ Full Committees. Joint hearing on the legislative programs of veterans organizations. Disabled American Veterans. Location: Room 345, Cannon.

9:30 a.m. ARMED SERVICES _ Full Committee. Hearing on worlwide threats to national security. Director of National Intelligence John McConnell; DIA Director Lt. Gen.

Michael Maples; Thomas Fingar, National Intelligence Council. Location: Room 216, Hart.

9:30 a.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Hearing on the need for FDA regulation of tobacco products. Dr. Richard Land, President, The Ethics and Religious Liberty Commission of the Southern Baptist Convention; Matt Myers, President/CEO Campaign for Tobacco Free Kids; Dr. Elmer Huerta, President American Cancer Society; Dr. Greg Connolly, Professor, Harvard School of Public Health; Lisa Shames, GAO; Alan Blum, University of Alabama Center for the Study of Tobacco and Society. Location: Room 430, Dirksen.

10 a.m. COMMERCE, SCIENCE AND TRANSPORTATION _ Surface Transportation and Merchant Marine Infrrastructure, Safety and Security Subcommittee. Hearing on S.294 - Passenger Rail Investment and Improvement Act of 2007. Location: Room 253, Russell.

10 a.m. FINANCE _ Full Committee. Hearing on ``America's Energy Future: Bold Ideas, Practical Solutions.'' Gov. Brian Schweitzer, D-Mont.; Michael A. Aimone, assistant deputy chief of staff for logistics, installations and mission support, Air Force; Dan Arvizu, director, National Renewable Energy Laboratory; Robert Socolow, co-director, Carbon Mitigation Initiative, Princeton University; Dan Reicher, director, Energy and Climate Initiatives, Google Corp. Location: Room 215, Dirksen.

2 p.m. JUDICIARY _ Full Committee. Hearing on ``Strengthening Our Criminal Justice System: The John R. Justice Prosecutors and Defenders Incentive Act of 2007'' Paul A. Logli, state's attorney, Winnebago County and chairman of the board, National District Attorneys Association; Michael P. Judge, chief public defender, Los Angeles County; Jessica A. Bergeman, assistant state's attorney, Cook County State's Attorneys Office, Chicago; George B. Shepherd, Emory University School of Law, Atlanta. Location: Room 226, Dirksen.

2:30 p.m. APPROPRIATIONS _ Full Committee. Hearing on the FY07 supplemental appropriations bill. Defense Secretary Gates, Secretary of State Rice, Joint Chiefs of Staff Chairman Gen. Peter Pace. Location: Room 106, Dirksen.

2:30 p.m. FOREIGN RELATIONS _ Full Committee. Hearing on pending nominations.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for legislative business. Highlights: Suspensions (13 bills): 1) H.Con.Res. 47 - Supporting the goals and ideals of a National Medal of Honor Day to celebrate and honor the recipients of the Medal of Honor. 2) H.R. 755 - Promoting Transparency in Financial Reporting Act of 2007. 3) H.R. 1066 - To increase community development investments by depository institutions, and for other purposes. 4) H.R. 644 - Brownfields Redevelopment Enhancement Act. 5) H.R. 884 - Promoting Anti-terrorism Cooperation through Technology and Science (PACTS) Act. 6) H.Res. 42 - Recognizing Ann Richards' extraordinary contributions to Texas and American public life. 7) H.R. 990 - Pell Grant Equity Act of 2007. 8) H.Res. 126 - Commending the University of Southern California Trojan football team for its victory in the 2007 Rose Bowl. 9) H.Res. 103 - Congratulating the Mount Union College Purple Raiders for winning the 2006 NCAA Division III Football National Championship. 10) H.R. 1129 - To provide for the construction, operation, and maintenance of an arterial road in St. Louis County, Missouri. 11) H.R. 494 - To provide for the conditional conveyance of any interest retained by the United States in St. Joseph Memorial Hall in St. Joseph, Michigan. 12) H.Con.Res. 52 - Supporting the goals and ideals of American Heart Month. 13) H.Con.Res. 74 - Expressing the sense of the Congress regarding the need for additional research into the chronic neurological condition hydrocephalus, and for other purposes.

2 p.m. VETERANS AFFAIRS _ Full Committees. Joint hearing on the legislative programs of veterans organizations. Disabled American Veterans. Location: Room 345, Cannon.

9:30 a.m. APPROPRIATIONS _ Interior, Environment and Related Agencies Subcommittee. Hearing on open space, biodiversity and recreational needs for the next generation. Author Richard Louv; Bruce Stein, NatureServe; Steven McCormick, Nature Conservancy. Location: Room B-308, Rayburn.

10 a.m. NATURAL RESOURCES _ Insular Affairs Subcommittee. Oversight hearing on the FY08 budget for the Office of Insular Affairs. David Cohen, Deputy Assistant Secretary of the Interior for Insular Affairs; Togiola T.A. Tulafono, Governor of American Samoa; and Felix Perez Camacho, Governor of Guam. Location: Room 1324, Longworth.

10 a.m. NATURAL RESOURCES _ National Parks, Forests and Public Lands Subcommittee. Oversight hearing on the FY08 budget for BLM and the Forest Service. Acting BLM Director Jim Hughes; Forest Service Chief Abigail Kimbell. Location: Room 1334, Longworth.

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10 a.m. TRANSPORTATION AND INFRASTRUCTURE _ Economic Development, Public Buildings and Emergency Management Subcommittee. Field hearing on a GSA case study on efficient location policy. David Winstead GSA; Mignon Anthony, BATFE; Bruce Bashuk, North of Massachusetts Ave. Business Improvement District. Location: Hearing Room 3, FERC, 888 1st St. NE.

10:45 a.m. APPROPRIATIONS _ Interior, Environment and Related Agencies Subcommittee. Hearing on successes and challenges for water and air quality and water infrastructure. Daniel Greenbaum, Health Effects Institute; Tracy Mehan, former EPA assistant administrator; Jeanette Ann Brown, American Society of Engineers. Location: Room B-308, Rayburn.

1:30 p.m. APPROPRIATIONS _ Legislative Branch Subcommittee. Hearing on long-range funding requirements for the Office of the Architect of the Capitol. Acting Architect of the Capitol Stephen Ayers. Location: Room H-144, Capitol.

2 p.m. APPROPRIATIONS _ Labor HHS, Education and Related Agencies Subcommittee. Hearing on the FY08 HHS budget. Secretary Leavitt. Location: Room 2359, Rayburn.

2 p.m. APPROPRIATIONS _ Homeland Security Subcommittee. Hearing on the secure border initiative. W. Ralph Basham, commissioner, Customs and Border Patrol; Gregory Giddens, SBInet; David Aguilar, chief, Border Patrol; Jayson Ahern, Customs and Border Protection; Richard Stana, GAO; Randolph Hite, GAO. Location: Room 2358, Rayburn.

2 p.m. EDUCATION AND LABOR _ Health Families and Communities Subcommittee. Hearing on service and volunteering in America. Thomas Daigle, AmeriCorps volunteer; David Eisner, Corporation for National and Community Service; David Edelman, AmeriCorps NCCC volunteer; John Gomperts, Experience Corps; George H. Moore, Community Progress Council, York, Pa. Location: Room 2175, Rayburn.

2 p.m. NATURAL RESOURCES _ Fisheries, Wildlife and Oceans Subcommittee. Oversight hearing on the FY08 budget for NOAA and FWS. NOAA Administrator Conrad Lautenbacher; Fish and Wildlife Service Director H. Dale Hall. Location: Room 1334, Longworth.

2 p.m. NATURAL RESOURCES _ Energy and Mineral Resources Subcommittee. Hearing on the FY08 budget for the Minerals Management Service, BLM, Energy and Minerals programs, Office of Surface Mining Reclamation and Enforcement, others. Johnnie Burton, Director, MMS; Jim Hughes, Acting Director, BLM; Mark Myers, Director, USGS; Brent Wahlquist, Acting Director, OSMa; Fredrick Norbury, Forest Service. Location: Room 1324, Longworth.

5 p.m. RULES _ Full Committee. Meeting to consider rules for floor debate. Location: Room H-313, Capitol.

Other: PRESIDENT ELIAS ANTONIO SACA OF EL SALVADOR _ Highlights: 9:10 a.m. Meets with President Bush. Oval Office.

GOVERNORS _ The National Governors Association holds its Winter Meeting. Highlights: 8 a.m. Western Governors Association meeting. Agenda includes public lands management with Deputy Interior Secretary Lynn Scarlett at 8:15 a.m.Sen. Byron Dorgan discussing energy and climate change legislation at 8:30 a.m. Manitoba Premier Gary Doer discusses the Western Hemisphere Trade Initative at 9:10 a.m. Gov. Mike Rounds discusses the farm bill at 9:20 a.m. Event contact: Karen Deike, 303-618-0573. Salon D. 10 a.m. Plenary session with Sen. Lamar Alexander on competitiveness. 11:45 a.m. Closing news conference. Location: JW Marriott, 1331 Pennsylvania Ave, NW, unless otherwise noted.

CLEAN ENERGY-JOBS _ The Apollo Alliance holds a summit to discuss the movement for clean energy and good jobs. Highlights: 12:30 p.m. Sen. Hillary Clinton. Room G-50, Dirksen. Location: Hotel Washington, 515 15th St. NW.

ANTI-HUNGER CONFERENCE _ The Food Research and Action Center and America's Second harvest hold the 2007 National Anti-Hunger Policy Conference. Highlights: 8 a.m. Sen. Tom Harkin. Room G-50, Dirksen.

CREDIT UNIONS _ The Credit Union National Association holds its Governmental Affairs Conference. Highlights: 8:30 a.m. Sen. Joseph Lieberman. 8:50 a.m. House Minority Whip Roy Blunt. 9:30 a.m. Rep. Rob Bishop. 9:45 a.m. Rep. Paul Kanjorski. 10 a.m. House Majority Leader Steny Hoyer. 10:15 a.m. House Majority Whip James Clyburn. 10:30 a.m. U.S. Treasurer Anna Escobedo Cabral. 10:45 a.m. Rep. Spencer Bachus. 1 p.m. Rep. Barney Frank. 1:30 p.m. Rep. Edward Royce. 1:45 p.m. Sen. Christopher Dodd. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW.

AMERICAN INDIANS _ The National Congress of American Indians holds its 110th Congress Executive Council ``Tribal Nations Legislative Summit.'' Highlights: 9:05 a.m. HUD Secretary Jackson. 9:25 a.m. Sen. Lisa Murkowski. 9:45 a.m. Rep. Frank Pallone. 10:20 a.m. President Mike

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Jackson of the Quechan Indian Nation. 2:15 p.m. Rep. Tom Cole. 2:45 p.m. VA Secretary Nicholson. 3:05 p.m. Sen. Jon Tester. Location: Wyndham Hotel, 1400 M St. NW.

CHILD WELFARE _ The Child Welfare League of America holds its annual advocacy conference. Highlights: 1:45 p.m. Media photo op as members depart buses for lobbying on Capitol Hill. Corner of Independence Ave. and 1st St. SW. 7 p.m. Awards dinner, with Sen. Charles Grassley and Rep. Jim McDermott, others. Location: Washington Marriott Wardman Park, 2660 Woodley Road NW.

CUBA _ The American Enterprise Institute holds a conference, ``Moving toward a Free Cuba." Highlights: 9 a.m. Commerce Secretary Gutierrez. 10 a.m. Panel I, ``From Dictatorship to Democracy," with Georges Fauriol, International Republican Institute; and Jose Antonio Font, American Capital Partners, LLC. 11:45 a.m. Luncheon speaker - Caleb McCarry, Cuba Transition Coordinator, Department of State. 1 p.m. Panel, ``Transforming Cuban Society," with Frank Calzon, Center for a Free Cuba, and Orlando Gutierrez-Boronat, Cuban Democratic Directorate. John Sanbrailo, Pan American Development Organization. 2:15 p.m. Panel, ``Transforming the Cuban Economy," with John Andersen, Department of Commerce; Juan Belt, USAID; Ralph Galliano, Institute for the Study of U.S.-Cuba Policy. Location: 12th floor, AEI, 1150 17th St. NW.

HOMELAND SECURITY _ 8:15 a.m. Department of Homeland Security Chief Human Capital Officer Marta Brito Pirez and Chief Learning Officer Dr. George Tanner will deliver remarks on the Department of Homeland Security Learning and Development Strategy at the Homeland Defense and Security Education Summit. Location: George Mason University, Student Union Building II, 4400 University Drive, Fairfax, Va.

CONGRESS-HEALTH CARE _ 8:30 a.m. - 10:30 a.m. Edelman and National Journal co-host an interactive breakfast forum, ``Where Does the 110th Congress Stand on Health Care Priorities and What Does the Future Hold?," with Representatives Pete Stark and Frank Pallone, as well as top Democratic and Republican Congressional staff representing the pioneers of health care legislation. Location: Washington Court Hotel, Ballroom II/III (Lower Level), 525 New Jersey Ave. NW.

UNAPPROVED DRUGS ACCESS _ 9 a.m. The Food and Drug Law Institute holds a symposium on whether terminally ill patients should be allowed access to drugs not approved by the FDA. Panelists include Scott Gottlieb, Deputy Commissioner for Policy, FDA; Richard Cooper, former FDA General Counsel; Arthur Caplan, Director, Center for Bioethics, University of Pennsylvania; Frank Palumbo, Director, Center for Drugs and Public Policy, University of Maryland School of Pharmacy; Scott Ballenger, who represents the Abigail Alliance; others. Location: Madison Hotel, 1177 15th St. NW.

AFGHANISTAN _ 9:30 a.m. The Wilson International Center for Scholars holds a forum on recent efforts to integrate security and development in Afghanistan. Candace Karp - Special Assistant to the President of Afghanistans Senior Economic Advisor; Alonzo Fulgham - Chief Operating Officer, USAID, and former Director, USAID Mission in Afghanistan; Alexander Their - Senior Rule of Law Advisor, Rule of Law Program, US Institute of Peace; and Michael Lund - Consulting Program Manager, Woodrow Wilson Project on Leadership and Building State Capacity, and Senior Associate for Conflict and Peacebuilding, Management Systems International, Inc. Location: Flom Auditorium, Wilson Center, Reagan Trade Building.

DEMOCRATS-IRAQ _ 10 a.m. Democratic Senators Evan Bayh, Mark Pryor, and Sherrod Brown will join Democratic Governors Association Chair Kansas Gov. Kathleen Sebelius to call for a change of course in Iraq and the end to an escalation policy in Iraq. Location: Room S-207, Capitol.

ISRAELI SOLDIERS _ 10:30 a.m. Family members of kidnapped Israeli soldiers and members of Congress hold a news conference to call for the release of the soldiers. Location: West Front, grassy area, Capitol.

CRAWFORD _ 11 a.m. Scheduled sentencing before Magistrate Deborah Robinson of former FDA Commissioner Lester Crawford on charges he lied about his stock holdings. Location: Courtroom 4, U.S. District Court, 3rd St. and Constitution Ave. NW.

HEALTH INSURANCE-CHILDREN _ 11 a.m. Senator Gordon Smith will be joined by Ron Pollack of Families USA and Karen Ignagni of America's Health Insurance Plans (AHIP) for a ``Pen and Pad" briefing to make an announcement about the State Children's Health Insurance Program (SCHIP). Location: Senate Press Gallery.

MEDICARE-BUDGET _ 11 a.m. The Advanced Medical Technology Association holds a media roundtable on the challenges for the medical industry, including possible Medicare cuts and budget balancing actions. Location: AdvaMed, Suite 800, 701 Pennsylvania Ave. NW.

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PENTAGON TRAINING _ 11 a.m. The Pentagon holds a media roundtable to discuss training preparation and readiness for the five brigades going to Iraq, with Maj. Gen. Richard Formica (USA), Director of Force Management; Brig. Gen. (P) Charles Anderson (USA), Director Force Modernization, BG(P); Thomas Maffey (USA), Director of Training and Brig. Gen. Joseph Dunford (USMC), Director of Operations Division. Location: Pentagon Conference Center, PLC2, Pentagon.

STEEL _ 11 a.m. Treasury Undersecretary for Domestic Finance Robert Steel makes remarks. Location: Cash Room, main Treasury.

FBI-CIVIL RIGHTS _ 11:30 a.m. Attorney General Alberto R. Gonzales and FBI Director Robert S. Mueller will will hold a press conference on a civil rights matter. Other participants: Wan J. Kim, Assistant Attorney General for the Civil Rights Division; John H. Jackson, Chief Policy Officer, NAACP; Stephanie Jones, Executive Director, National Urban League; and Richard Cohen, President and CEO, Southern Poverty Law Center. Location: Department of Justice, 7th Floor Conference Center, 950 Pennsylvania Ave. NW.

UNIONS _ 11:30 a.m. The Regional Reporters Association and the AFL-CIO hold a conference call on the Employee Free Choice Act which is set for a House vote on March 1. Contacts: Caren Benjamin, 202-637-5018.

US-CANADA _ 11:30 a.m. The US Chamber of Commerce holds a press conference and luncheon on the state of US-Canadian affairs with Rep. Louise Slaughter, D-N.Y., and four Canadian premiers: Dalton McGuinty of Ontario; Jean Charest of Qubec; Shawn Graham of New Brunswick; and Gary Doer of Manitoba. Location: U.S. Chamber of Commerce, 1615 H St. NW.

REALTORS-KING DONATION _ 12 p.m. The National Association of Realtors will announce a major contribution to the Washington, DC Martin Luther King, Jr. National Memorial Project Foundation. Participants include: Senator Edward M. Kennedy; Congressman James E. Clyburn; Congressman John Lewis; Pat Vredevoogd Combs, President, National Association of Realtors; and Harry E. Johnson, Sr., President and CEO, Washington, D.C. Martin Luther King, Jr. National Memorial Project Foundation, Inc. Location: Room HC-7, Capitol.

HOYER _ 12:15 p.m. House Majority Leader Rep. Steny Hoyer holds a pen and pad only briefing. Location: Room H-107, Capitol.

CLINTON-ENERGY INDEPENDENCE _ 12:30 p.m. Sen. Hillary Rodham Clinton, D-N.Y., will deliver an address to the Apollo Alliance outlining her plan for a Strategic Energy Fund to promote energy independence and create 21st century jobs. Senator Clinton will be reintroducing her proposal in the Senate. Location: Room G-50, Dirksen Senate Office Building.

NAPOLITANO _ 12:30 p.m. Arizona Governor Janet Napolitano addresses a National Press Club luncheon. Topics: immigration, border security. Location: National Press Club.

PUERTO RICO _ 12:30 p.m. Rep. Nydia Velazquez, others, and the Governor of Puerto Rico, Anibal Acevedo-Vila, introduce the Puerto Rico Self-Determination Act of 2007. Location: Room 2360, Rayburn.

RICHARDSON _ 12:30 p.m. New Mexico Gov. Bill Richardson speaks at the quarterly meeting of the Latino Leaders Luncheon series. Location: Capital Hilton, 16th and K Sts. NW.

BIOFUELS _ 12:30 p.m. - 2 p.m. The Agriculture Section of the Women in International Trade hosts a you to a brownbag lunch on ``International Trade and the Emerging Biofuels Market,'' with biofuels expert Mark Palmer, others. Location: Steptoe & Johnson, 1330 Connecticut Ave. NW, The Conference Center.

US-KOREA _ 1 p.m. The Economic Policy Institute holds a discussion on the implications for the proposed US-Korea Free Trade Agreement, with Bruce Campbell of the Canadian Center for Policy Alternatives, Carlos Salas of El Colegio de Tlaxcala and Institute of Labor Studies, Robert Scott of the institute, others. Location: Room 340, Cannon.

IOWA _ 2 p.m. Media availability following the meeting with Sens. Charles Grassley and Tom Harkin, Gov. Chet Culver and the congressional delegation. Location: Room S-120, Capitol

KIDS-CAR SAFETY _ 2:15 p.m. Sens. Hillary Rodham Clinton, D-N.Y., and John Sununu, R-N.H., join Janette Fennell, President, KIDS AND CARS; Jackie Gillan, Vice President, Advocates for Highway and Auto Safety; Sally Greenberg, Senior Counsel, Consumers Union, others, for a news conference to call upon Congress to immediately pass the Cameron Gulbransen KIDS AND CARS Safety Act of 2007 and to release new data on non-traffic child fatality trends. Location: Room 342, Dirksen Senate Office Building.

GOP LEADERSHIP _ 3 p.m. House Republican Conference Chairman Adam Putnam and Republican Whip

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Roy Blunt will hold a weekly pen-and-pad session. Location: Room HC-9, Capitol.

LULAC HONORS _ 4 p.m. - 7 p.m. The League of United Latin American Citizens (LULAC) hosts its 78th anniversary with a legislative and awards gala. Awardees: Former President Bill Clinton; Secretary of Labor Elaine Chao; Senate Majority Leader Harry Reid; and Rep. Hilda Solis, D-Calif. Location: JW Marriott, 1331 Pennsylvania Ave. NW.

IRAQ-TROOPS _ 4:30 p.m. Appealforredress.org holds a telephone briefing on its efforts to end the Iraq war and to urge Congress for efforts to protect troops being sent to Iraq without adequate training. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: Callin number: 800-909-7113; passcode: active duty.

JACKSON _ 6 p.m. Deputy Homeland Security Secretary Michael Jackson speaks at the Vigil of Lights ceremony honoring U.S. Customs and Border Protection officers who have died in the line of duty. Location: National Law Enforcement Officers Memorial, 5th and E Sts. NW.

NAVAJO OFFICE _ 6 p.m. Democratic National Committee Chairman Howard Dean speaks at the opening of the Navajo Nation's Washington Office. Location: Suite 1010, 750 1st St. SE.

RIDGE _ 7 p.m. Former Homeland Security Secretary Tom Ridge discusses the future of homeland security and whether the government is communicating honestly with the public, sponsored by George Washington University. Location: Morton Auditorium, 805 21st St. NW.

DURBIN _ 7:30 p.m. Georgetown University sponsors a discussion with Sen. Richard Durbin on ``Human Rights and the Law.'' Location: McDonough Hall, 600 New Jersey Ave. NW.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: **THE ATTORNEY GENERAL AND SENIOR STAFF**

DATE: **TUESDAY, FEBRUARY 27, 2007 7:45 AM EST**

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TERRORISM NEWS:

Bureau Of Prisons Psychologist Testifies Padilla Fit For Trial. The AP (2/27, Anderson) reported, "Alleged al-Qaida operative Jose Padilla has mild anxiety and personality disorders but is mentally able to stand trial, a prison psychologist said Monday in testimony that contradicted two defense experts." Bureau of Prison's psychologist Rodolfo Buigas "rejected the defense experts' diagnosis that Padilla cannot help with his defense because he suffers from post-traumatic stress disorder. Buigas said Padilla's anxiety and anti-social personality are minor problems." Buigas also "testified that the affidavit Padilla signed alleging mistreatment at the brig was evidence of his mental competence." The New York Times (2/27, 1.16M) ran an edited version of the AP story.

Detention Hearing Held For Toledo Terror Suspects. The Chicago Tribune (2/27, Coen, 617K) reports, "Two Chicago-area cousins linked last week to a terrorism conspiracy traveled to Egypt in 2004 and planned to head to Pakistan for military training, federal prosecutors told a judge Monday." Zubair Ahmed and Khaleel Ahmed "were seeking 'training in jihad,' prosecutors said during a detention hearing on whether Khaleel Ahmed should be kept in custody as he is transferred to Ohio to face the charges. The trip was not a vacation as the Ahmeds have maintained, Assistant U.S. Atty. Vickie Peters said." The Tribune notes, "The judge ruled that there was no way the defense could rebut the argument that Khaleel Ahmed is a danger to the community given the charges, and ordered him held."

Judge Rejects Defense Motion For New Trial In Albany Mosque Case. The AP (2/27, Virtanen) reports, "A federal judge has refused to grant a new trial for two leaders of an Albany mosque convicted of conspiring to support terrorism through money laundering in what turned out to be an FBI sting." US District Judge Thomas McAvoy "refused to throw out the Oct. 10 convictions of Yassin Aref, who was imam at the mosque, and Mohammed Hossain, a pizzeria owner who attended Masjid as-Salam. … The nature of the transactions -- where an FBI informant gave Hossain cash and got checks in return, with Aref acting as notary – 'render hollow' defense arguments that it was a legitimate business loan, according to McAvoy." The AP adds, "McAvoy rejected defense arguments that the Albany men didn't know illicit arms money was involved in their transactions, that they clearly didn't support the Pakistani terrorist group Jaish e-Mohammed, or that the case involved entrapment."

Bin Laden's "Spiritual Ambassador" Loses Legal Round In Britain. The Financial Times (2/27, Taut, Correspondent) reports, "Abu Qatada, the Islamic cleric who has been described as Osama bin Laden's 'spiritual ambassador' in Europe, on Monday lost a legal battle against deportation from the UK to Jordan." The Special Immigration Appeals Tribunal "rejected his appeal. 'We have concluded that there is no real risk of persecution of the appellant were he now to be returned with the safeguards and in the circumstances which now apply to him', it ruled"

The New York Times (2/27, Perlez, 1.16M) reports "Qatada's lawyers said they would appeal the decision. Human rights advocates criticized the ruling on the ground that it set a precedent for allowing suspects to be turned over to countries where torture is used to extract evidence." A lawyer for Human Rights Watch, Julia Hall, "said a memorandum of understanding between Britain and Jordan that torture would not be used on terrorism suspects returned to Jordan was an insufficient guarantee."

The Washington Post (2/27, A11, Jordan, 690K) notes "Home Secretary John Reid welcomed the court decision. 'It is our firm belief that these agreements strike the right balance between allowing us to deport individuals who threaten the security of this country and safeguarding the rights of these individuals on their return,' Reid said, referring to the memorandum signed by Jordan." Qatada "has been convicted twice in absentia in Jordan and sentenced to life imprisonment for plotting to bomb Jewish and American sites. He is on the US government list of terrorism suspects. British authorities said he had links to Richard C. Reid, the British citizen who tried to blow up an American jetliner in December 2001 with explosives hidden in his shoes, and Zacarias Moussaoui, who pleaded guilty to conspiring with the Sept. 11 attackers."

NYTimes Praises Canadian Court's Decision On Anti-Terror Law. The New York Times (2/27, 1.16M) editorializes, "The United States was not the only country to respond to the horror of the Sept. 11 terrorist attacks with policies that went much too far in curtailing basic rights and civil liberties in the name of public safety. Now we see that a nation can regain its senses after calm reflection

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and begin to rein back such excesses, but that heartening news comes from Canada and not the United States." Canada's Supreme Court "has struck down a law that the government used to detain foreign-born terrorism suspects indefinitely…while orders to deport them were reviewed. … Lawmakers have only to look to the Canadian court for easy-to-follow directions back to the high ground on basic human rights and civil liberties."

HOMELAND RESPONSE:

Scholar Sees "Gaping Holes" In Security Against Catastrophic Attack. Lawrence M. Wein, the Paul E. Holden professor of management science at Stanford's Graduate School of Business, in an op-ed in the Wall Street Journal (2/27, A17, 2.04M) wrote, "As Congress revisits homeland security, now is a good time to assess the government's progress in preventing or mitigating another, more catastrophic attack -- 100,000 or more deaths -- from biological, chemical or nuclear threats." Wein takes a detailed look at each area, holding his harshest criticism for the area of nuclear security, where he says "the Bush administration's approach…has been dismal -- essentially amounting to radiation testing of shipping containers that are flagged by the deeply flawed targeting system of US Customs." Wein concludes that the US is "today safer from a smallpox or a botulinum-in-milk attack, but only marginally safer from an anthrax, botulinum-in-food, chemical or nuclear attack. Most of the cost to secure the latter three scenarios can be passed on to consumers, but the federal government needs to lead the way. Let us hope that during the next five years, these gaping holes are fixed so that terrorists are forced to use much less dangerous methods."

LATimes Urges DHS To Release Palestinians. The Los Angeles Times (2/27, 850K), in an editorial, writes that "for two decades, the U.S. government has been trying to deport two Palestinians living in Southern California -- middle-aged men who have been lawful permanent residents of this country for three decades. The Department of Homeland Security, which must soon make a decision on the matter, should drop the case and allow Khader Hamide and Michel Shehadeh to continue to live their American lives." The men "were arrested at gunpoint at their homes in 1987 for their alleged association with the Popular Front for the Liberation of Palestine, or PFLP, a Marxist-Leninist faction of the Palestine Liberation Organization. The government began proceedings to deport them on the theory that the faction advocated 'world communism through written or printed publications.'"

Hundreds Scramble To Beat Katrina Claim Filing Deadline. The AP (2/27, Kunzelman) reports, "Hundreds of residents scrambled Monday to beat a deadline for filing court claims against the federal government and U.S. Army Corps of Engineers for damage resulting from the failure of levees and flood walls following Hurricane Katrina." The AP continues, "The corps says Thursday at 4 p.m. is the deadline for it to receive the Katrina litigation claims at its Uptown office. Roughly 30,000 residents already had filed a claim as of late last week, but Thursday's deadline surprised many more people whose homes and businesses were damaged or destroyed in the flooding following the storm." The AP adds, "On Friday, lawyers representing thousands of plaintiffs accused federal officials of reneging on an agreement to set Aug. 29, 2007 - the two-year anniversary of Katrina - as the deadline for claims to be filed or else risk exclusion from class-action litigation. … Joe Bruno, one of the plaintiffs' attorneys, said the U.S. Department of Justice stunned his legal team this week by informing them that certain claims must be filed by this week, 18 months after the storm. … On Monday, Bruno asked a federal judge to consider postponing the deadline until after the court decides whether to certify a class action against the corps and federal government." The AP notes, "Bruno asked U.S. District Judge Stanwood Duval to hold a hearing on his request 'because there is much anguish and uncertainty among all Hurricane Katrina victims concerning their rights.' … 'The court can bring a sense of calm by deciding plaintiffs motion right away,' Bruno wrote."

WAR NEWS:

Cheney Unhurt After Attack On Afghan Base. The AP (2/27) reports, "An explosion outside the main US military base in Afghanistan killed 19 people and wounded 11 on Tuesday during a visit by" Vice President Dick Cheney, "though the vice president was apparently not in danger, US and Afghan officials said. The blast happened near the first security gate outside the base at Bagram, killing 19 people, said Khoja Mohammad Qasim Sayedi, chief of the province's public health department." Base spokesman Maj. William Mitchell "said it did not appear the explosion was intended as a threat to the vice president. 'He wasn't near the site of the explosion,' Mitchell said." The Los Angeles Times (2/27, Shafiqullah, King, 850K) also notes the attack this morning.

Cheney Sends Warning To Musharraf. ABC World News (2/26, lead story, 2:15, Gibson, 8.78M) reported last night, "Cheney today made an unannounced visit to Pakistan, to tell that country's president, Pervez Musharraf, that he has to get tough with Al Qaeda." ABC (Karl) added, "Cheney came to deliver a blunt message to Pakistan's President

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Musharraf" as US officials "are increasingly alarmed by terrorist activities in the tribal areas along the border" with Afghanistan." Similarly, NBC Nightly News (2/26, lead story, 3:00, Williams, 9.87M) said Cheney delivered "an unusually tough message." Later, NBC Nightly News (2/26, story 2, 1:00, Mitchell, 9.87M) said the Administration is "not at all happy that Musharraf seems to be completely now washing his hands of those border areas, but it's not likely that this pressure will work."

ABC World News (2/26, story 2, 2:15, Gibson, 8.78M) reported Monday's meeting "reportedly got quite heated." ABC (Ross) added, "US officials tell ABC News that also in the room with…Cheney was the number two man in the CIA, Deputy Director Steve Kappes, who flew in separately to personally present to Musharraf with what is described to us as compelling evidence of Al Qaeda's resurgent operations."

Fox News' Special Report (2/26, Hume) reported, "Senior Administration officials tell Fox that Cheney delivered a particularly blunt message, that Musharraf has not lived up to commitments made to President Bush to rout out Taliban and al Qaeda fighters," though "publicly White House officials refuse to characterize Cheney's meeting. … Privately, officials could not be more clear. One official called Pakistan's recent counter-terrorism efforts around the border a colossal failure."

The New York Times (2/27, A9, Sanger, 1.16M) reports that "just hours after" Cheney delivered "a stiff private message" to Musharraf, the Pakistani government "lashed out" with a series of statements insisting that "Pakistan does not accept dictation from any side or any source." The "unusual outburst, later toned down," revealed "the depth of tensions between General Musharraf and Washington."

On its front page, the Washington Post (2/27, A1, Abramowitz, Witte, 690K) says Cheney's visit was "perhaps the strongest indication of Administration concern." The Post also notes the presence of the CIA's Kappes at Monday's meeting, which it calls "a sign of US interest in increasing intelligence operations with Pakistan."

The Financial Times (2/27, Bokhari, Dinmore) reports analysts say Cheney is "in a good position to gain leverage for stronger military co-operation by using threats by Democrats in the US Congress to cut assistance to Pakistan." The Los Angeles Times (2/27, King, 850K) and USA Today (2/27, 8A, 2.27M) also report on Cheney's trip.

Richardson Says Cheney Message Similar To Moves By Clinton Team. New Mexico Gov. Bill Richardson, on MSNBC's Hardball (2/26, Matthews) reported, "For years, Pakistani prime ministers and presidents, in this case Musharraf, have had very little control over their intelligence services. There is a rogue element in their intelligence services that have long had connections with the Taliban, with al Qaeda. … And it is very clear that there is a connection between the growth of the Taliban, the strengthening of al Qaeda, and the fact that Pakistan is not doing enough to stop them. And so I think the vice president is right. You have to lean on Musharraf who is our ally. And what you do not want to do is provoke a situation, even though he is not a great champion of human rights, democracy, et cetera, to have somebody replace him who is less friendly to us, who would cause us real problems, especially if al Qaeda and the Taliban are growing. So you are really caught in a very, very dangerous situation. So the good excuse is, blame the Democratic Congress. Saying, 'look President Musharraf, the Congress, which is Democratic now, will cut off assistance to you, will cut off all kinds of aid unless you change.' And it is a pretty skillful message to give. We used to do the same thing in the Clinton administration, as a Democratic administration with a Republican Congress."

Cheney's Meeting With Karzai Cancelled Due To Weather. The Washington Times/AP (2/27, Graham) reports Vice President Cheney Monday also traveled to Afghanistan to meet with President Hamid Karzai. However, Cheney "had planned to travel to Kabul, likely by military helicopter, but a steady snowfall made the trip unsafe, and it was canceled."

Pakistan Lobbying Senate Against Sanctions. The Hill (2/27, Tiron) reports, "Pakistan's weeks-long lobbying effort to thwart potential security aid sanctions is culminating this week as the Senate takes up its version of the 9/11 Commission recommendations bill, approved by the House in early January. Legislation crafted by the office of House Foreign Affairs Committee Chairman Tom Lantos (D-Calif.) and included in the 9/11 bill has put Pakistan's embassy in Washington on the defensive. Officials there fear such blunt legislation could alter the US-Pakistan relationship." The Hill adds, "The lobbying drive's latest lap coincides with…Cheney's unannounced trip."

Britain Will Send Additional Troops To Afghanistan. The Financial Times (2/27, Fidler) reports, "Britain will send 1,400 more troops into Afghanistan, along with aircraft, to bolster the fight against the Taliban in the south of the country, Des Browne, defence secretary, told parliament yesterday." This "will take the number of UK troops taking part in Nato's Afghanistan mission to 7,700, significantly more than in Iraq. The UK is also sending four more Sea King helicopters, four Harrier GR9 aircraft, and another Hercules C-130 transport aircraft."

Democratic Challenge To Bush's Iraq Policies Runs Into Trouble.

The AP (2/27, Davis) reports Senate Majority Leader Harry Reid "said Monday he wanted to delay votes on a measure that would repeal the 2002 war authorization and narrow the mission in Iraq. … The war reauthorization legislation also appears to lack the 60 votes it would need to pass the Senate." The AP portrays Reid's move as "the latest sign of divisions within their ranks over

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how to proceed," and said it "reflected a new level of disarray in Democratic ranks on Iraq. Swept into power by voters clamoring for an end to the war, Democrats have seen their efforts falter under a reality more complicated than they found on the campaign trail."

Roll Call (2/27, Stanton, Pierce) reports, "Although a number of top Democrats — including presidential hopeful Sen. Joseph Biden (Del.) and Armed Services Chairman Carl Levin (Mich.) — have endorsed the plan and began publicly pushing for it during the Presidents Day recess, it has not yet been presented to the full Democratic Caucus, making it unclear whether Reid could even muster a majority of support within his own party. … Several Democratic aides also expressed frustration privately with the decision by Biden and Levin to announce their desire to reauthorize the war during the recess."

Meanwhile, Fox News' Special Report (2/26, lead story, Hume) described Congressional Democrats as "more visibly divided than ever." Fox went on to report, "Right now no Republicans are on board" the authorization modification proposal, "not even harsh war critic" Sen. Chuck Hagel. Democrats "cannot overcome an expected GOP filibuster, and they might not be able to generate a simple majority to 'de- authorize' the war."

In an op-ed for The Hill (2/27) former White House aide Ron Christie writes "congressional Democrats find themselves in real danger of over-reaching. … Cut off funds for the war? Work with the administration to put forth a bipartisan solution? When confronted with the most pressing issue facing the American people today, congressional Democrats appear to be in a quagmire of being unable to put the best interests of the country ahead of their own political aspirations."

House Democratic Leaders Distance Themselves From Murtha. The AP (2/27, Davis) reports House Speaker Nancy Pelosi "said she doesn't support tying war funding to strict training and readiness targets for U.S. troops. The comments distanced her from Rep. John Murtha who has said he wants to use Congress' spending power to force a change in policy in Iraq, by setting strict conditions on war funding."

The Wall Street Journal (2/27, A8, Rogers, 2.04M) reports that "with action needed on a $93.4 billion Iraq-spending request, harping from the sidelines may no longer be enough to satisfy independent voters who looked to Democrats in the 2006 elections to effect real change." Murtha "has been pummeled by Republicans and fellow Democrats eager to bring him down a peg or two. … Fearing the entire bill could collapse, House Appropriations Committee Chairman David Obey has sanctioned the drafting of waivers to the Murtha-backed provisions that would restore more flexibility to the administration. 'They want to end the war, but they want to fund the war,' said Mr. Murtha, frustrated by his party's reluctance to exert its power over spending. Rep. Rahm Emanuel, the Democratic caucus chairman, is cautious about crossing this line and argues any conditions on funding should focus on the Iraq government, not U.S. forces."

Poll Finds Widespread Opposition To "Surge," Support For Timetables. The Washington Post (2/27, A1, Balz, Cohen, 690K), in a front-page story titled, "Majority In Poll Favor Deadline For Iraq Pullout," reports "a majority of Americans now support setting a deadline for withdrawing U.S. forces from" Iraq, and "support putting new conditions on the military that could limit the number of personnel available for duty there, according to a new Washington Post-ABC News poll. Opposition to Bush's plan to send an additional 21,500 troops to Iraq remained strong. Two in three Americans registered their disapproval, with 56 percent saying they strongly object." The Post-ABC poll "found that 53 percent of Americans favored setting a deadline for troop withdrawals. Among those who favored a deadline, 24 percent said they would like to see U.S. forces out within six months and 21 percent called for the withdrawals to be completed within a year. … This is the first time a Post-ABC News poll has found that a majority of Americans supported establishing such a timetable for withdrawal, which has long been resisted by the president and even some Democrats." The Post notes that 56 percent "said the troops should be redeployed to avoid further U.S. casualties, even if the sectarian violence is continuing. … The Post-ABC News poll found that 46 percent of Americans supported restricting funding while a bare majority, 51 percent, opposed doing so."

Lieberman Decries Democrats' "Sniping" On Iraq. Sen. Joseph Lieberman, during an appearance on Fox News' Your World with Neil Cavuto (2/26), said that "on the battlefield in Baghdad, the new plan for success in Iraq is beginning to be implemented. And some of the first signs, I think, are quite positive. But, beyond that, doesn't it make sense to give this general, David Petraeus, who the Senate just confirmed unanimously, the time, with his troops, to see whether this plan can succeed, rather than sniping at their heels and trying to squeeze them with 1,000 different cuts and conditions and resolutions and amendments?"

The Politico (2/27, Budoff) reports Lieberman "broke with the majority of Democratic senators on only five of 52 votes he's cast in the last two months. By this measure, Lieberman is more true-blue than" Sen. Ben Nelson. Sen. Evan Bayh "diverged from the Democratic majority on four votes, yet, like Nelson, never on Iraq. The different perceptions underscore how indelible Iraq has become as the base line for determining party loyalty.

Marshall's Surge Resolution Vote Attributed To Reelection Politics. The Hill (2/27, Youngman) reports Rep. Jim Marshall "voted against the House non-binding resolution on the Iraq war" and "stood out as one of only two House

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Democrats who bucked their party. But that vote could bolster his chances for reelection in 2008, when he will undoubtedly find himself running against the wind as a Democrat in a conservative district. … Marshall narrowly defeated former Rep. Mac Collins (R) last year in a race so close that Collins has yet to concede defeat. Collins is widely expected to challenge Marshall again in 2008, in a district that President Bush won with 61 percent in 2004."

Clark Predicts Iran Will Benefit From New Baghdad Security Effort. Former NATO Commander Gen Wesley Clark, on Fox News' O'Reilly Factor (2/26), contended that "what is actually happening with the surge strategy is the Shiite militia have gone underground and the U.S. troops are going to concentrate against the Sunnis. The actual impact of the surge strategy is likely to be that we deliver total control of Baghdad to the Shias sooner rather than later. … The administration believes it can gain leverage against Iran by being successful in the surge strategy -- that is a fundamentally flawed assumption. And they're postponing dialogue, waiting for the success from the surge strategy."

Pace Warns That US Military Capacity Is Eroding. The AP (2/27, Baldor) reports, "Strained by the demands of wars in Iraq and Afghanistan, there is a significant risk that the US military won't be able to quickly and fully respond to yet another crisis, according to a new report to Congress. The assessment" by JCS chair Gen. Peter Pace "represents a worsening from a year ago, when that risk was rated as moderate. The report is classified, but on Monday senior defense officials, speaking on condition on anonymity, confirmed the decline in overall military readiness. ... top military officials have consistently acknowledged that the repeated and lengthy deployments are straining the Army, Marine Corps and reserve forces and taking a heavy toll on critical warfighting equipment." In an accompanying report, Defense Secretary Gates reported "on steps the Pentagon is taking to address the problem — including new efforts to increase the size of the Army and Marine Corps, and requests for more money to repair and replace equipment."

Iraqi Vice President Injured In Insurgent Attack. ABC World News (2/26, story 3, :35, Gibson, 8.78M) reported on "an especially brazen attack in Iraq today. A bomb went off inside a building, where Iraq Shiite Vice President was speaking. A major security breech. Adel Abdul-Mehdi was not seriously hurt. But ten others were killed."

Meanwhile, the CBS Evening News (2/26, story 5, 2:35, Couric, 7.66M) reported, "There was a suicide attack today at a police station in Ramadi, 70 miles west of Baghdad. 14 Iraqi policemen and civilians were killed. And the death toll from yesterday's university attack in Baghdad is now 41."

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The Los Angeles Times (2/27, Berthelsen, 850K) says "the incident was the most serious of many on a day when attackers appeared to have directly focused their strikes on government and police targets, rather than soft civilian targets such as marketplaces and universities that have been besieged in recent weeks." The ministry bombing "served as a chilling reminder of how far US and Iraqi officials have to go to in order to establish security here -- in the halls of government, not to mention the lawless and bloody streets of the capital -- as attacks continue largely unabated two weeks into a new effort to halt sectarian conflict." USA Today/AP (2/27, 8A) briefly notes the story, while the New York Times (2/27, 1.16M) reports "statements from several offices of the Shiite-led Iraqi government later said the Vice President "was released and had returned to work. The public works minister, Reyad Ghareeb, was seriously wounded, news agencies reported. It was not clear if his wounds were life-threatening."

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USA Today (2/27, 8A, Jervis, 2.27M), in a story titled "Insurgents Aim For Wider-scale Attacks," reports "the number of roadside bombs has dropped by 20% since the security plan began this month, the US military said in a report Monday. Sectarian murders have dropped to their lowest levels in a year, the report said." However, "the scale of recent attacks threatens to overshadow any relative progress. Since the security plan started, insurgents have grabbed headlines with suicide bombs in crowded markets, the downing of US helicopters and an assassination attempt Monday against…Abdul-Mahdi."

Iraq Said To Be Enduring Five Simultaneous Wars. The Christian Science Monitor (2/27, Grier, 59K) reports, "Iraq may be not one war, but four or five – an assemblage of different, crosscutting conflicts. … This multiplicity of adversaries makes the US military's job all the harder – in intelligence terms, if nothing else." The Monitor notes that although "US officials in the past have been reluctant to publicly acknowledge changes in the nature of the Iraq war," since Defense Secretary Gates was confirmed "a new specificity has marked the US descriptions of Iraq fighting. At a Feb. 2 press conference with Gen. Peter Pace, chairman of the Joint Chiefs of Staff, Secretary Gates said he thought the words 'civil war' oversimplified Iraq's situation. Gates said

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there are 'essentially four wars in Iraq.' One is Shiite versus Shiite, principally for control of Basra and other areas in Iraq's oil-rich south. The second is Shiite-versus-Sunni sectarian warfare. Third, in Gates's listing, is the insurgency, the native Sunni anti-US violence. Fourth is Al Qaeda, which both aids and directs the Sunni insurgency and foments Sunni-Shiite violence. To this list the recently released unclassified summary of the National Intelligence Estimate on Iraq adds 'widespread criminally motivated violence.'"

Iraqi Cabinet Approves Landmark Oil Legislation. Fox News' Special Report (2/26, Hume) reported, "In Baghdad today, the Iraqi cabinet approved legislation to manage the country's vast oil industry and divide its wealth among the population." Prime Minister Maliki "said that the measure would be 'another foundation stone in building a new Iraq,' but that remains to be approved by legislatures. White House spokesman Tony snow called the move a key linchpin in Iraq's recovery, because it gives Iraqis a shared economic interest in working together."

NBC Nightly News (2/26, story 3, :30, Williams, 9.87M) said the deal's approval "could be a big step forward. An agreement by the major ethnic and sectarian groups and tentative approval by the parliament of a draft law for distributing all that potential oil money among all Iraqis." ABC World News (2/26, story 3, :35, Gibson, 8.78M) mentioned the development, noting the White House "considers" it "a crucial benchmark for progress in Iraq."

The Los Angeles Times (2/27, Berthelsen, Susman, 850K) says that though the law "must still be approved by Parliament, but because all of Iraq's vested ethnic and regional interests are represented in the Cabinet, the deal was viewed as having overcome a significant hurdle." The agreement "not only will open international investment in Iraq's oil industry -- a bonanza for foreign oil companies -- but will produce revenue for a nation badly in need of cash to finance its reconstruction."

The Washington Post (2/27, A11, Partlow, Londono, 690K) reports, "The draft law calls for oil revenue throughout the country to be deposited in a federal government account and redistributed to Iraq's 18 provinces, most likely on a per capita basis, said Salih, the chairman of the negotiating committee working on the legislation. A secondary piece of legislation will address in more detail the mechanisms of revenue distribution, he added." The law would establish "a Federal Council on Oil and Gas to oversee energy policy and determine procedures for negotiating contracts with oil companies and managing oil exploration and production. The law also would revamp the Iraqi National Oil Co. and give regulatory oversight to the Oil Ministry." The Wall Street Journal (2/27, Hafidh, Cummins, 2.04M) and New York Times (2/27, Wong, 1.16M)run similar reports.

The Financial Times (2/27, Negus) notes Zalmay Khalilzad, US ambassador, "welcomed the approval of the draft, declaring that it was the 'first time since 2003 that all major Iraqi communities have come together on a defining piece of legislation.'"

Talibani Hospitalized. The CBS Evening News (2/26, story 4, :15, Couric, 7.66M) reported that in Iraq "there's concern about the health of that country's president. Jalal Talabiani is in a hospital in Jordan. His doctor said he's in stable condition with a lung inflammation and denies he had a heart attack."

West Point Grad Killed In Iraq Said To Have Been War Opponent. The Washington Post (2/27, A9, Shulman, 690K) reports Capt. Brian Freeman "had been stationed in Iraq, where he worked to bring an 11-year-old Iraqi boy born with a rare heart defect to the United States for lifesaving surgery. … Last week, the boy, Ali, had the surgery. It was successful, but the occasion turned out to be as painful as it was sweet. On Jan. 20…Freeman, 31, was kidnapped from his office by insurgents and later killed." The Post notes Freeman "graduated from West Point in 1999. Then in fall 2005, a shortage of officers prompted a call-up of Brian's reserve section, even though many members had only a few months of service remaining. Brian did not support the war in Iraq and had little desire to participate," his wife said. Freeman is quoted as saying that the Iraqis 'didn't want us there," he "cornered Sens. Christopher J. Dodd (D-Conn.) and John F. Kerry (D-Mass.) at a Baghdad helicopter landing zone and told them that the war was going badly."

Medevac Helicopters Credited With Saving Wounded Soldiers' Lives. NBC Nightly News (2/26, story 4, 3:55, Williams, 9.87M) reported, "Tonight here we begin a series of reports from our chief science correspondent Robert Bazell who traveled to Iraq where he received extraordinary access to the daily acts of heroism in American field hospitals there. … Despite the number and severity of the injuries, the dedicated medical staff does a fantastic job. 96% of the wounded who make it to the combat hospital in Iraq survive. A rate far higher than any in US military history. Much of the credit goes to the medics on the front line and in the Medevac helicopters."

Post-Invasion Shipments Of Dollars To Iraq Defended. In an op-ed for the New York Times (2/27, 1.16M) John Taylor, former under secretary of the Treasury, writes, "Earlier this month, the House Committee on Oversight and Government Reform held a hearing that criticized the decision to ship American currency into Iraq just after Saddam Hussein's government fell. As the committee's chairman, Henry Waxman of California, put it in his opening

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statement, 'Who in their right mind would send 360 tons of cash into a war zone?'" Taylor argues that the currency transfer "was part of a successful financial operation that had been carefully planned months before the invasion. Its aims were to prevent a financial collapse in Iraq, put the financial system on a firm footing and pave the way for a new Iraqi currency. Contrary to the criticism that such currency shipments were ill advised or poorly monitored, this financial plan was carried out with precision and was a complete success."

Columnist Criticizes US "Allies" For Retreating In War On Terror. The Wall Street Journal's (2/27, A16) Bret Stephens writes of recent announcements by several nations to reduce their troop commitments in Iraq and Afghanistan. Stephens says, "A century ago that would have been a mark of martial and national dishonor, of 'letting the side down.' Today, it is a concession to the political reality that most NATO governments cannot muster political support for anything except a 'peace mission' in Afghanistan." He also goes on to criticize "the way some European governments are conducting themselves in the war on terror closer to home," particularly the charges brought against CIA agents in Italy and Germany. Stephens says it is "shameful" that the "same governments that actively colluded with the US to bring the worst terrorist cases to some kind of justice are now bending to the demands of activist prosecutors and the prevailing anti-American mood, and again allowing the US to take the flak for what were often joint operations."

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Feinstein Says Evaluations Show Political Aims Behind US Attorney Dismissals. The Hill (2/27, Schor) reports, "Justice Department performance evaluations released to senators over the weekend further validate concerns that six dismissed U.S. attorneys were asked to resign for political purposes, Sen. Dianne Feinstein (D-Calif.) said yesterday." The Hill continues, "Feinstein forwarded the six evaluations to Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) along with a letter urging floor time for her bill, which would reverse a statutory change last year that allows the Bush administration to indefinitely install federal prosecutors without seeking Senate confirmation. … Several of the fired attorneys were involved in political corruption probes in the months before their departures were sought by Justice, including San Diego's Carol Lam, who secured three indictments in the investigation of former GOP Rep. Randy 'Duke' Cunningham (Calif.). Judiciary Committee Democrats had vowed to subpoena the performance evaluations if the administration did not furnish copies, but the reports only heightened Feinstein's skepticism about Justice's explanation that the dismissed attorneys had performance problems. … 'Indeed, contrary to the department's rationalizations to explain their dismissals, in every case the fired U.S. attorney was judged to have a strategic plan and appropriate priorities to meet the needs of the Department and their districts,' Feinstein wrote in yesterday's letter, reminding leaders of her bill, which is cosponsored by Judiciary ranking member Arlen Specter (R-Pa.)."

More Commentary. In a column distributed by Scripps Howard News Service (2/27), Dale McFeatters writes, "Congress clearly didn't take much notice of an obscure provision the Bush administration slipped into the USA Patriot Act last year. But now it seems clear that the measure is being used to conduct a political purge of U.S. attorneys' offices. … So far, at least eight are known to have been forced out by the Justice Department, and there may be others. The departures were facilitated by a provision that allows the president to appoint interim U.S. attorneys for an indefinite period without the usual Senate confirmation." McFeatters adds, "Deputy Attorney General Paul McNulty told a Senate committee that the firings were all for 'performance-related' reasons, although he conceded that the highly respected U.S. attorney in Little Rock, Ark., was forced out so the job could be given to a protege and former aide to White House political adviser Karl Rove. … The 'performance-related' defense began to crumble when the department's internal evaluations started to leak out and it turned out that most of the ousted attorneys had been capable, competent and well regarded." McFeatters concludes, "Democrats on the Senate Judiciary Committee are threatening to summon the dismissed prosecutors to testify and to subpoena their performance evaluations. It would be an opportunity for the eight to rebut a gratuitous slap at their reputations. … Better yet would be to repeal the offending provision. A bill to do that has bipartisan support in the Senate, but is being held up in a procedural wrangle. Let's hope the lawmakers unsnarl the obstacle quickly, because this provision has the potential to give us a badly flawed criminal-justice system."

In a discussion on the PBS News Hour (2/27), Stuart Gerson, who served as assistant attorney general during the first Bush administration and as acting attorney general under President Clinton and is now in private practice in Washington, and Laurie Levenson, who spent eight years as an assistant U.S. attorney in Los Angeles and is now a professor of criminal law at Loyola Law School in Los Angeles, discussed the recent dismissal of US Attorneys. Levinson called the dismissals "quite unusual. Although it's not unusual to have the president put in his own appointees, at this stage of the game, midterm, with interims going in, in their place, that is not business as usual, especially when, all of a sudden, we're hearing it's performance-related, and yet

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the documentation indicates that it may not be. … Big red flags are going on as to whether they're politicizing these U.S. attorneys' offices or trying to centralize power back in Washington. It's just a question mark, because it's so different from what's been done before." Gerson also said the firings were unusual, but added that "the starting point needs to be, when you're looking at a process that's inherently political, and you're looking at individuals who all of whom have served more than four years, the real question that you need to be asking is: Is there any impedance of ongoing investigations or other initiatives so that the public isn't getting effective law enforcement? And I don't see any evidence of that being the case." Gerson said he believed "perhaps the process was clumsier than it needed to be. … But in the case of at least one of those individuals, who clearly got a favorable report, at least 19 members of Congress felt otherwise, with respect to the level of enforcement of the immigration laws. Now, one can discuss that, but clearly some of the critics of the administration, including Sen. Feinstein, wrote letters to the department, which apparently had influence. … I just don't see any evidence that any case, any investigative initiative has been impaired in any way. Moreover, as I visit U.S. attorneys' offices around the country -- and I do it in connection with my work, sometimes they're my adversaries -- I really don't see any great falloff. … Of course, there are probably some people in some places who are concerned. That's understandable. It's almost always the case. But generally it's business as usual." Levenson said she believed "there is a significant morale issue that's going on here. … Because for the troops -- and they are apolitical, for the most part, who are trying to do the right job -- they have big question marks. Why are their leaders being dismissed?"

Ashcroft Pizza Party Raises Ethics Concerns At DOJ. U.S. News and World Report (2/27, Ragavan) reports, "A pizza luncheon to be hosted this Wednesday by former Attorney General turned consultant John Ashcroft for some of his old political appointees has raised eyebrows in the Justice Department's ethics office, U.S. News has learned. The ethics office, which provides Justice employees with guidance on a wide range of ethics questions, has not instructed invitees not to attend the lunch. … However, it has 'advised invitees to consider the appearance of attending such an event,' Justice Department spokesman Brian Roehrkasse told U.S. News. But Juleanna Glover Weiss, an adviser and spokesperson for his consulting firm, told U.S. News that 'General Ashcroft has abided by the letter and spirit of all post government service ethics restrictions.' Wednesday's lunch, Weiss said, 'is just a small social gathering.'" US News adds, "Executive branch employees must comply with stringent standards of ethical conduct pertaining to accepting gifts or items of monetary value from anyone wanting to do official business with their agency, including their old colleagues and bosses. The ethics office has told political appointees at Justice that if they attend the Ashcroft pizza luncheon, it would "count toward the $20/occasion and $50/year limits." … Typically, former government officials must abide by a one-year 'cooling off' period before lobbying or soliciting business from their former agency. But there are longer restrictions when it comes to contacting old colleagues on specific matters. The department did not elaborate on what aspect of Ashcroft's lunch invitation gave the ethics office pause."

CORPORATE SCANDALS:

Judge Dismisses SEC Suit Against Former Citigroup Officials. The Wall Street Journal (2/27, C13, Bray) reports, "A federal judge dismissed a Securities and Exchange Commission lawsuit that accused two former Citigroup Inc. executives of cheating mutual-fund customers out of millions of dollars in savings through the use of an affiliated transfer agent." The Journal continues, "U.S. District Judge Richard C. Casey in Manhattan granted a summary judgment motion by Thomas W. Jones, the former chief executive of Citigroup Asset Management, and Lewis E. Daidone, the former treasurer and chief financial officer of the Smith Barney family of funds. … The SEC had requested civil penalties, a permanent injunction against the men and disgorgement. 'The commission's action for civil penalties and an injunction are time-barred, and its action for disgorgement is not supported by sufficient facts,' the judge said." The Journal adds, "The SEC had alleged that Citigroup's asset-management business took most of the benefit of a discount from using an affiliated transfer agent for itself, rather than passing on that savings to the mutual funds and their customers. The regulator had claimed Jones and Daidone were 'principally responsible' for the alleged scheme. … Citigroup settled the SEC's charges in May 2005 and agreed to pay $208 million to mutual-fund customers allegedly victimized by the transfer-agent arrangements. In settling, the financial-services giant didn't admit or deny wrongdoing."

SEC Claims Blue Bottle Traded On Information Stolen From Computers. The New York Times/Bloomberg (2/27) reports, "An accounting firm in Hong Kong made $2.7 million from illegal insider trades by hacking into computers to view press releases before they were published, the Securities and Exchange Commission said yesterday in a lawsuit." Bloomberg continues, "The S.E.C. sued the company, Blue Bottle, a Hong Kong-chartered firm that says it is based in London, and its chief executive, Matthew Charles Stokes. Blue Bottle made $2.7 million by hacking into computer systems shortly before the release of

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market-moving information, the S.E.C. said in a complaint filed in Federal District Court in Manhattan. … The suit seeks an injunction barring further wrongdoing as well as the recovery of any illicit trading profits." Bloomberg adds, "The S.E.C. says Blue Bottle made 12 illegal trades this year. In one instance, Blue Bottle bought options to sell shares of BJ's Wholesale Club, at 3:36 p.m. on Jan. 3, the S.E.C. said. The next day, shares in BJ's fell 4 percent after the company said its predicted earnings would fall below expectations. … Blue Bottle made about $12,000 from trading on BJ's, the S.E.C. said. … In another instance cited by the S.E.C., Blue Bottle began buying options to sell Symantec, the maker of computer antivirus software, at 1:03 p.m. on Jan. 12. The next trading day, Symantec said third-quarter earnings in 2007 would be less than forecast, driving shares down by 13 percent."

Review Clears Bristol-Myers Of Securities Law Violations. The New York Times (2/27) reports, "Bristol-Myers Squibb, the drug maker, has been cleared of securities law violations in connection with its botched Plavix patent settlement last year, the company said yesterday in a regulatory filing." The Times continues, "The company said that it has been informed by the United States attorney in Newark, Christopher J. Christie, that a review found no violation of securities laws or breach of an earlier consent order the company had signed with the Securities and Exchange Commission." The Times adds, "The review was done by Frederick Lacey, a former federal judge who had been appointed to oversee operations as part of a deferred prosecution agreement the company signed in 2005. That was meant to settle accusations that it had misled investors through inventory manipulation. … The filing, submitted to the S.E.C. late yesterday, said that Mr. Christie's office had advised the company that the matters had been 'fully remediated' and that he did not intend to take action. … In a statement last night, Bristol-Myers said the decision suggested that the company was on track to bring an end to the deferred prosecution agreement in Newark as scheduled on June 15. … 'If the company fulfills its obligations under the deferred prosecution agreement, we expect the U.S. Attorney for the district of New Jersey would dismiss the complaint against the company on June 15,' the company said in a statement. … The decision resolves one potential federal case for Bristol-Myers, which remains under criminal investigation by the Justice Department's antitrust division."

CRIMINAL LAW:

Judge Dismisses Libby Juror Over Exposure To Media Reports. The CBS Evening News (2/26, story 3, :25, Couric, 7.66M) reported that "the judge at Scooter Libby's CIA leak trial sent one of the jurors home today after she admitted seeing or reading coverage of the case over the weekend. A fourth day of deliberations ended today with just 11 jurors. The judge rejected a prosecution request that the dismissed juror be replaced by an alternate. That would have required deliberations to start over from scratch." Fox News' Special Report (2/26, Hume) noted, "The judge…checked with others on the jury to make sure they had not heard anything from that juror or any other source." USA Today (2/27, 5A, Willing, 2.27M) reports, "University of Richmond law professor Carl Tobias said he interpreted Wells' motion as a sign the defense believes deliberations are favoring Libby and that Wells does not wish to break that momentum."

In a widely-distributed story, the AP (2/27, Sniffen) reports that in allowing the 11 jurors to proceed, US District Judge Reggie B. Walton "said he didn't want to 'throw away two and a half days' of discussions the jury has had since getting the case at midday last Wednesday. If an alternate had been seated, the jury would have been required to begin its deliberations over from the beginning." The AP notes, "Walton never disclosed what the juror had seen, but he concluded the exposure was not intentional and resulted from a misunderstanding of his orders. He has ordered jurors to avoid media coverage of the case and to stay off the Internet."

The Los Angeles Times (2/27, Schmitt) reports, "The incident was one of the few signs of life from the jury since it began deliberations Wednesday. Walton called the other jurors into court Monday, and underscored that they should avoid reading or hearing anything about the case during the trial." The Times adds, "Federal court rules permit the judge to move forward with the smaller panel, although the government prosecutor urged him Monday to tap one of two alternate jurors still available for a full 12-member jury. … Special Prosecutor Patrick J. Fitzgerald said the smaller panel put the trial on 'dangerous territory' if another juror were to become ill or be dismissed because of media exposure. … But Walton expressed concern that adding a juror would require the panel to restart deliberations. 'I just don't think it would be appropriate to throw away those 2 1/2 days of deliberations,' he said. 'I don't have anything to suggest that this jury is anything but conscientious and can continue.' … Defense lawyer Theodore V. Wells Jr. supported his move, saying that restarting deliberations would be 'prejudicial to Mr. Libby.'"

CBS News (2/27) reports, "CBS News Justice Department reporter Deridre Hester reports the jurors were reminded to be vigilant about staying away from information about this case. … 'They should continue with their deliberations and I will emphasize again the importance of not having contact with any outside information,' Walton said." CBS News adds, "The woman who was dismissed from the jury is an art history expert and scholar who formerly served

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as a curator of prints at the Metropolitan Museum of Art. She was also the only juror who did not wear a red T-shirt as part of the jury's Valentine's Day greeting to the court. … 'There is no way to tell which side this helps until, of course, we get a verdict,' says CBS News legal analyst Andrew Cohen. … 'The worst scenario would have been a mistrial because the whole jury was tainted,' Cohen says. 'The second-worst case would have been had the jury been forced to start deliberations from scratch with an alternate juror taking the place of the dismissed one. So while this is a wrinkle, it's actually about the best possible outcome given what happened.' … Cohen warns, however, that 'if Libby is convicted, we may see this little problem emerge again on appeal.'" The New York Times (2/27, Lewis, 1.16M), Wall Street Journal (2/27, Perez, 2.04M) and Washington Post (2/27, A3, Leonnig, Goldstein, 690K) also report on the juror's dismissal.

Former Ney Aide Pleads Guilty To Conspiracy. The AP (2/27, Jordan) reports, "The top aide to convicted former Rep. Bob Ney pleaded guilty Monday to federal conspiracy charges stemming from a congressional bribery scandal that downed his boss." The AP continues, "Smiling nervously at times, William Heaton, 28, acknowledged accepting a golf trip to Scotland, expensive meals, and tickets to sporting events between 2002 and 2004 as payoffs for helping clients of disgraced lobbyist Jack Abramoff. … Heaton worked for Ney, R-Ohio, from September 2001 to July 2006, ultimately serving as his chief of staff. … 'You received things of value in exchange for performing functions for Mr. Abramoff and other lobbyists who worked for him, as well as a foreign businessman. Is that correct?' U.S. District Judge Ellen Segal Huvelle asked Heaton during the 20-minute hearing. … 'Yes, your honor,' Heaton replied in a firm voice. He pleaded guilty to one count of federal conspiracy." The AP adds, "He faces a maximum sentence of five years in prison and $250,000 in fines, but probably would serve between 18 and 24 months as outlined under federal sentencing guidelines. No date was set for sentencing. … Heaton has agreed to give the Justice Department information that might be useful in an ongoing investigation that has targeted lobbyists, lawmakers, their aides and members of the Bush administration. … Among other things, Heaton acknowledged accepting trips to New Orleans and Lake George, N.Y., an Adirondack resort village. He also took what Assistant U.S. Attorney James A. Crowell IV and other prosecutors described as thousands of dollars worth of gambling chips from a foreign businessman at a casino during a travel stop in London. The unnamed businessman was hoping to sell U.S.-made airplanes and airplane parts in a foreign country."

The Hill (2/27, Kucinich, Crabtree) notes, "Heaton's plea agreement comes just days before the former lawmaker will report to federal prison in West Virginia for corruption charges. … 'The FBI has made combating public corruption at all levels of government one of its top investigative priorities, because American taxpayers deserve honesty from public officials and employees,' said Assistant Director Chip Burrus of the FBI's Criminal Investigative Division. 'No corrupt public servant is exempt from FBI scrutiny. We will continue to pursue those like Will Heaton who sell their integrity at the public's expense.'"

The Washington Post (2/27, A6, Grimaldi, Leonnig, 690K) reports that Heaton's plea agreement "revealed for the first time that Ney kept some of his ill-gotten gains -- $5,000 in British pounds -- in a safe in his congressional office. Heaton, who worked for Ney from 2001 until last year, admitted that he helped the congressman stash the money and periodically opened the safe at Ney's request so he could get to the cash, prosecutors said." The Post also notes that Burrus said, "No corrupt public servant is exempt from FBI scrutiny. We will continue to pursue those like Will Heaton who sell their integrity at the public's expense."

BetOnSports Founder On The Lam As DOJ Cracks Down On Online Gambling. The Wall Street Journal (2/27, B1, Emshwiller, Sanders) reports, "Gary Kaplan used to throw lavish parties in Costa Rica and plaster the name of his thriving online gambling company on New York City buses. Now, the 48-year-old founder of BetonSports PLC and the multibillion-dollar industry he helped spawn are in reduced circumstances -- the man on the run, the industry in disarray." The Journal continues, "Mr. Kaplan is a fugitive from a racketeering conspiracy and fraud indictment filed last year in a St. Louis federal court charging him with heading a criminal enterprise that illegally took in over $3.5 billion in wagers since 2001. … Several Kaplan colleagues have also been charged, including former BetonSports chief executive David Carruthers, who was arrested at the Dallas-Fort Worth airport in July during a brief stopover on a flight from London to the company's headquarters in San José, Costa Rica. Mr. Carruthers and several others charged in the case have pleaded not guilty and are awaiting trial. Mr. Kaplan's whereabouts are unknown." The Journal adds, "The Kaplan indictment is part of a broader federal crackdown in which several executives from other foreign online gambling operations and credit-card processing companies have been indicted. Last October, Congress passed a law banning almost all forms of online gambling. Recently, the Justice Department served subpoenas for records on investment banks that had helped BetonSports and other online gambling companies raise money through public stock offerings. … Industry observers estimate that online wagering, which had hit about $12 billion annually, is down by as much as 50%. BetonSports has

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largely closed down operations. Federal authorities estimate that 98% of the company's business came from the U.S."

US Seeks Maximum Five-Year Prison Sentence For Cuban Spy. The AP (2/27, Sainz) reports, "A college professor who pleaded guilty in a federal case involving allegations that he and his wife spied for Cuba should receive the maximum five years in prison because he did 'classic intelligence work' for Fidel Castro's communist government, prosecutors said Monday." Carlos Alvarez and his wife, Elsa, "were set to be sentenced Tuesday. … Carlos Alvarez's lawyers have asked for a sentence of time served, or a sentence which would allow him to serve his time at home." The AP adds, "In 2005, Carlos Alvarez admitted in FBI interviews to being a 'collaborator' with Cuba's intelligence service beginning in 1977, insisting he was mainly interested in opening dialogue with Cuba's government. His attorneys unsuccessfully tried to have that confession thrown out." WFOR-TV Miami (2/26) notes that Alvarez "may have cut a deal with the Feds, but they don't appear to be ready to give him a break."

The Miami Herald (2/27, Weaver, 286K) reports, "On the eve of the couple's sentencings today, the U.S. attorney's office disclosed for the first time that the FBI obtained material from one of the Alvarezes' home computers showing that rather than reducing their illicit operation in the mid-1990s, they were still actively contacting the Cuban Intelligence Service. … 'Although it was Carlos Alvarez alone who would write and encrypt the reports [on computer disks], the reports would include information gathered by Elsa Alvarez as well,' wrote Assistant U.S. Attorney Matthew Axelrod." However, "Carlos Alvarez's attorney, Steven Chaykin, called the latest filing 'another example of the government overstating the nature of this case.'"

Florida Police Chief Told City Officials About Probe, Despite FBI Instructions. The Miami Herald (2/27, Wright, 286K) reports, "Hollywood Police Chief James Scarberry told as many as eight city officials about a two-year undercover FBI probe into his department, defying FBI instructions and possibly opening himself to prosecution. Word of the FBI investigation somehow reached two of the four veteran officers who were the initial targets of the sting, forcing the FBI to prematurely end the probe and arrest the officers who the feds said were involved." The Herald notes Scarberry "said he was less than thrilled with the idea that more officers in his department might be implicated in wrongdoing, but contends the FBI never told him not to tell anyone else. … Scarberry said he does not believe information was passed to the officers by anyone he told," but "FBI agents were furious that someone leaked information before the investigation was complete, a ranking federal law enforcement source said."

The South Florida Sun-Sentinel (2/27, Blum, Rodriguez, 237K) adds, "As for how word of the investigation leaked, Scarberry said he has 'a hunch.' According to the federal law enforcement official, who spoke on the condition of anonymity, Scarberry and his top deputy were briefed on the investigation about a month ago, around the time federal authorities confronted" Detective Thomas Simcox "and asked him to cooperate. Scarberry and his deputy were told not to discuss the matter with anyone else. … There is currently no formal investigation of the leak, the federal official said, adding the FBI could launch a criminal inquiry if it seemed to be intentional.'

Former Tennessee Lawmaker Completes Jail Term. The AP (2/27) reports, "Former Republican state Rep. Chris Newton…has been freed from a federal prison system halfway house where he finished a one-year sentence in the FBI's 'Tennessee Waltz' bribery sting." Newton "served 9 1/2 months in a minimum-security prison in Atlanta, then another month at a halfway house in Knoxville. He was released Friday but has remaining community service and two years of probation to serve." The AP notes, "Newton is among five current or former state_lawmakers charged with taking bribes from FBI agents who posed as businessmen seeking legislative favors. … The Tennessee Waltz scandal prompted a special session of the Legislature and passage of legislation creating an independent ethics commission for lawmakers."

California Woman Pleads Guilty To Mortgage Fraud Scheme. The AP (2/24) reported, "A woman pleaded guilty Friday to federal mail fraud and money laundering charges for leading a $12 million foreclosure scam that victimized more than 100 Southern California homeowners. As part of a plea deal Martha Rodriguez, 35, of Downey admitted she led the scheme from May 2003 until November 2005 out of her real estate and escrow agencies, the U.S. attorney's office said." The AP noted, "The five allegedly pocketed the loan money from the banks, which were never repaid. The scammed homeowners, meanwhile, lost their property titles, prosecutors said

Minnesota Merchants See Rapid Rise In Counterfeit Credit Cards. The Minneapolis Star Tribune (2/27, Serres, 395K) reports, "Over the past year, Twin Cities law-enforcement officials and retailers have become troubled by a dramatic jump in the sophistication of counterfeit credit cards, which have been linked to tens of thousands of dollars in thefts at local malls and shopping centers. … Financial crimes investigators say neither

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retailers nor credit-card companies are doing enough to stay ahead of the technology used by counterfeiters." The Star Tribune notes, "The Roseville Police Department and the FBI are investigating an organized ring of 20 people who they say stole goods worth more than $250,000 in local electronics stores, primarily by using stolen credit-card numbers and fake IDs. Investigators believe the group sold much of the stolen merchandise online. … Even when Roseville police placed the cards under ultraviolet lights, they still seemed authentic."

High Court Hears Arguments In High-Speed Police Chase Case. ABC World News (2/26, story 9, :20, Gibson, 8.78M) reported, "The Supreme Court heard arguments today, in a case that could set limits on high-speed police chases. It involves a chase that left a 19-year-old driver in Georgia," Victor Harris, "paralyzed. At issue is whether the police tactic of ramming their cars into the cars of fleeing suspects, constitutes reasonable force."

NBC Nightly News (2/26, story 7, 2:20, Pete Williams, 9.87M) reported "Today, a majority of the Supreme Court seemed to agree. Several of the justices who watched the video believed force was justified to stop him. Among conservatives, Justice Scalia said with the Cadillac weaving, it was the scariest chase he'd seen since the movie 'The French Connection.' Among the liberals, Justice Ginsburg said anyone watching the tape must conclude he was endangering others. Civil libertarians were hoping for a decision that would stop police from using force to end high-speed chases but a majority of the court seemed prepared to rule that force is justified to stop speeding drivers, even if they've committed no other crimes."

The New York Times (2/27, Greenhouse, 1.16M) reports, "The question for the court was whether the forcible termination of the chase had been reasonable under the circumstances, or whether a jury should at least be permitted to consider" the claim that Deputy Sheriff Timothy Scott "violated his constitutional rights by unreasonable application of deadly force. At issue were the standards to apply to such a determination." The United States Court of Appeals for the 11th Circuit, "based in Atlanta and not known for being overly solicitous toward criminal defendants, ruled in 2005 that Mr. Harris was entitled to take his suit for damages to a jury. The appeals court refused to give Deputy Scott either summary judgment or immunity, basing its ruling on a series of Supreme Court decisions from the 1980s that set boundaries on the use of deadly police force against fleeing criminal suspects." The Los Angeles Times (2/27, Savage, 850K), Washington Post (2/27, A3, Barnes, 690K) and USA Today (2/27, 3A, Biskupic, 2.27M) run similar reports.

The Legal Times (2/27, Mauro) reports, "Scott claimed he had qualified immunity -- which the 11th U.S. Circuit Court of Appeals denied him. … The qualified-immunity issue was barely mentioned as lawyers for both sides argued over the standards the high court has used in deciding whether police act reasonably when they use deadly force -- and even whether the standard is relevant to what happened to Harris. But what justices kept coming back to was the video of the six-minute chase, taken by dashboard cameras in the police cars involved. The grainy nighttime video, part of the public record in the case, shows the car reaching 90 miles per hour as it sped by other motorists under pursuit by the police." The Times adds, "The video was not shown in the courtroom, but it was evident that most if not all the justices had seen it -- and been affected by it. … On the film, Scott is heard asking for and getting permission to use PIT, or Precision Intervention Technique -- a method whereby police can end a chase with a maneuver that causes a car to spin out and stop. But because of the high speeds involved, Scott ultimately decided to ram Harris' car directly, causing the car to run off the road."

Supreme Court Sidesteps Cases On Immigration, Polygamy, Child Porn. The Wall Street Journal (2/27, Anderson, 2.04M) reports, "The US Supreme Court Monday refused to rehear a worker immigration lawsuit filed against Mohawk Industries Inc., rejecting a renewed appeal a year after sending it back to lower courts." The justices "last year remanded the lawsuit to a federal court so it could determine whether allegations that the company hired illegal immigrants and suppressed worker wages could proceed as a civil racketeering lawsuit."

The New York Times (2/27, Greenhouse, 1.16M), meanwhile, reports "an Arizona man who received a 200-year prison sentence for possessing 20 pornographic images of children failed Monday to persuade the Supreme Court to consider whether the sentence was unconstitutionally excessive. Arizona law imposes a mandatory minimum sentence of 10 years for 'sexual exploitation of a minor,' and it requires that sentences for multiple convictions be served consecutively." And the Christian Science Monitor (2/27, Richey, 59K) says the court also "declined to consider the appeal by a Utah man with three wives who sought to overturn his bigamy conviction by citing the high court's 2003 landmark ruling on gay rights. The action lets stand a Utah Supreme Court decision upholding the state's bigamy law even though it clashes with some residents' sincerely held religious beliefs."

Seattle Law Enforcement Officials Seek More Federal Anti-Crime Funding. The Seattle Times (2/27, Clarridge) reports, "In a meeting with local law enforcement leaders this morning, U.S. Sen. Maria Cantwell listened to a lot of people -- including Seattle's police chief, the King County sheriff, city officials, federal agents and a few

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community leaders -- talk about the area's crime problems and what it will take to fix them. … Mostly, the law enforcement officials said, keep federal funding for local law enforcement. … 'Gang membership, gang crime, and gang violence is surging in our state,' said Cantwell. 'Our local law enforcement is doing great work meeting this threat head on, but they need federal support.'" The Times continues, "Cantwell called for the community meeting to hear firsthand about the region's recent rise in gang violence, according to her media representative. … Cantwell, who's hosting several meetings around the state with law enforcement leaders, last month introduced new anti-gang legislation that seeks to provide additional tools to law enforcement officers and prosecutors." The Times adds, "The top brass of the local FBI, DEA and ATF branches said the state has an increasing drug problem, due in part to the ease with which it moves up and down the Interstate-5 corridor."

Former CIA Officer Urges Officials To Rebuff FBI Over DIA Documents Case. The Washington Times (2/27, Gertz, 88K) reports former CIA national intelligence officer for East Asia Robert G. Sutter "refused FBI appeals for help in tracking Chinese spies and urged others via e-mail not to cooperate because of the recent prosecution of former Defense Intelligence Agency analyst Ron Montaperto." Sutter "told a mailing list of current and former government officials that a 2003 FBI 'sting' operation against Montaperto, who was convicted in June of mishandling classified documents, raised fears that he and other officials could be damaged for discussing their contacts with Chinese officials. The FBI and other U.S. counterintelligence agencies are stepping up efforts, including outreach to academics, to counter Chinese intelligence efforts after a string of damaging spy cases over the past five years, U.S. officials said."

More Counterfeit Money Exchanged In 2006. USA Today (2/27, 1B, Hagenbaugh) reports, "The amount of counterfeit money being accepted by consumers and stores in the USA is climbing as crooks are increasingly using inexpensive home computers and printers to produce phony money." USA continues, "About $62 million entered circulation that was later deemed fake in the 2006 fiscal year, which ended Sept. 30. That represents a more than 10% increase from the prior year and a 69% rise from just three years earlier, according to the latest data from the Secret Service obtained by USA TODAY. … Terry Tilka says he sees fake bills about once a week at Rock Island Brewing, a restaurant/bar he owns in Rock Island, Ill., as well as at a dance club he owns. 'It's been worse in the last three or four years than I have ever seen in my 33 years of business,' he says." USA adds, "There has been a noticeable rise in counterfeiting in the past eight months in Pasco County, Fla., says Sgt. Bill Moltzan of the sheriff's office economic crimes unit there. … The crooks are bold. One person who was arrested charged people, including an undercover agent, for a counterfeiting how-to class. One man was arrested after dancers in a strip club realized he was passing out fake bills and called police while the bouncer held the man. A 62-year-old woman known as Grandma was caught this month trying to sell fake money at less than face value. … 'Technology is making it easier for the people trying to do this on their own,' Moltzan says. … Despite the rise, the amount of fake money in circulation is a fraction of 1% of genuine currency, Secret Service spokesman Eric Zahren says. The fact the money was caught suggests security features that have been added starting in 2003, such as colors and watermarks, make it easier to detect fakes, says Dennis Forgue, head of currency at Harlan J. Berk in Chicago."

CIVIL LAW:

Trustee Seeks Probe Of Collins & Aikman Fees. The AP (2/27) reports, "The Justice Department is backing a call by a big creditor of Collins & Aikman Corp. to appoint an examiner to look into more than $100 million in fees charged by professionals in its bankruptcy case." The AP continues, "U.S. Trustee Saul Eisen, a Justice Department employee, said Collins & Aikman investor Third Avenue Value Fund had made "troubling allegations that merit an independent investigation," according to court papers filed Friday. … In December, Third Avenue asked for an examiner to look into the fees charged by Collins & Aikman's lawyers and advisers after the company abandoned its plan to reorganize. Third Avenue, which is owed $250 million from the auto supplier, argues the bankruptcy professionals should have cut their hours as soon as it was apparent the company would liquidate." The AP adds, "The trustee says Third Avenue's allegations merit an independent investigation and that the examiner should pay particular attention to decisions made by turnaround firm Kroll Zolfo Cooper LLC, which advised Collins & Aikman during its Chapter 11 case. … The Michigan automotive-parts maker has said the appointment of a fee examiner is unnecessary at this late stage in its bankruptcy case -- Collins & Aikman is about to be broken up and sold -- and would unfairly burden it with additional costs and fees. … Rather, Collins & Aikman wants a committee, which would include a company representative, to look into the professionals' fees. But a committee wouldn't have the same authority as an independent examiner."

Parents Seek Reimbursement For Private School Under IDEA. The AP (2/27) reports the U.S. Supreme Court "Monday agreed to consider whether taxpayers must reimburse parents who enrolled their learning-disabled student in private school after deciding

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public schools were unable to meet the child's needs. New York City's education department asked the justices to take the case after a federal appeals court said tuition reimbursement is available to the parents under the Individuals With Disabilities Act." The case is Board of Education v. Tom F. on behalf of Gilbert F., 06-637.

Court To Rule Whether Parents Can Represent Child In IDEA Suit. The AP (2/27, Sherman) reports, "Jeff and Sandee Winkelman don't have the money to pay for private schooling for their autistic son, let alone hire a lawyer to sue their public school district. The Winkelmans want the Supreme Court to rule that the main federal special education law gives them the right to go before a federal court to argue that taxpayers should pay for 9-year-old Jacob's private school, even though neither parent is a lawyer." The Individuals With Disabilities in Education Act "gives every child the right to a free appropriate public education" and "parents unhappy with a district's plan can appeal the decision through an administrative process. If they remain dissatisfied, they can file a civil lawsuit. At that point, however, they have to find a lawyer, the 6th U.S. Circuit Court of Appeals ruled in the Winkelmans' case." The Bush administration "and 12 Democratic lawmakers…have sided with the Winkelmans." The case is Jacob Winkelman v. Parma City School District, 05-983.

CIVIL RIGHTS:

Civil Rights Center Gives FBI List Of Suspected Civil Rights Murders. In a widely-distributed story, the AP (2/27, Talbott) reports that the Southern Poverty Law Center has identified 74 deaths in 11 states that "could be racially motivated killings of black men and women between 1952 and 1968. The center…has forwarded the list to the FBI, and the Justice Department is expected to hold a press conference Tuesday to talk about a new database of old civil rights era cases that now could be investigated. Center officials believe the list can be helpful in future investigations." The AP notes, "Researchers developed the list in the late 1980s while identifying 40 victims of racially motivated killings whose names were etched in a memorial. … The center hopes the FBI can help add names that rightfully belong on the memorial." SPLC's Mark Potok said, "We did a lot of research on these names and we're very hopeful that this information will be helpful to the FBI and particularly that it will be helpful to the families of those who were murdered."

DOJ Sues Cincinnati Landlord Alleging Harassment Of Female Tenants. The AP (2/27) reports from Cincinnati, "The U.S. Department of Justice on Monday sued a landlord, accusing him of a pattern of sexual harassment against female tenants over the past nine years." The AP continues, "The lawsuit filed in U.S. District Court here accuses James G. Mitchell, of Cincinnati, of making sexual comments, touching women sexually without permission, entering their apartments without permission or notice, and denying housing on the basis of gender. It also said he retaliated against women who rejected his advances. … It lists at least 53 properties Mitchell owns, some of which have more than one unit. Most are in Cincinnati, with a handful in Fairfield, Hamilton and West Chester." The AP adds, "The lawsuit seeks a court finding that Mitchell has violated the Fair Housing Act, an order forbidding future discrimination and unspecified monetary damages for any woman harassed. … 'No woman should be subjected to sexual harassment in her home,' said Wan J. Kim, assistant attorney general for the justice department's Civil Rights Division, in a news release."

Judge Rules Florida Sober House Zoning Ordinance Is Discriminatory. The South Florida Sun-Sentinel (2/27, Franceschina) reports, "A judge ruled Monday that a Boca Raton ordinance that bans so-called sober houses from residential neighborhoods is discriminatory and violates the federal Fair Housing Act." The Sun-Sentinel continues, "The ruling from U.S. District Judge Donald Middlebrooks came in a lawsuit filed by Steve Manko, who operates two apartment buildings - Boca House for men and Awakenings for women - and several homes for recovering alcohol and drug addicts. … Attorneys for Manko and several former Boca House residents said the ruling was victory for recovering addicts, who are considered handicapped and are entitled to housing protections under federal law, but the judge's decision also favored the city in some aspects of the complex litigation. … 'It's a good ruling in that the judge found the city violated the Fair Housing Act. It's not a complete victory, but the judge said at the end of trial it was not going to be a complete victory, but it is a victory,' said Manko's attorney, William Hill. 'The city violates the Fair Housing Act - that should be the headline from this ruling. We've said that all along. They should not have passed this ordinance.'" The Sun-Sentinel adds, "In May 2002, the City Council passed an ordinance that would require the sober houses to move into areas of the city zoned for medical centers and hotels. The ordinance was never enforced because of the threat of litigation. … Manko filed suit in 2003, and in September the U.S. Department of Justice also filed suit against the city alleging the ordinance was discriminatory. That case is still pending. … 'It is a win for us,' said Jim Green, an attorney for the American Civil Liberties Union who represented several former residents of

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Boca House when the case went to trial last month." The AP (2/27) also reports on the ruling.

Judge Hears Arguments On New York Village's Voting System. The AP (2/27, Fitzgerald) reports from White Plains, NY, "A suburban village that is nearly half Hispanic but is governed mainly by whites asked a federal judge on Monday to let its politics evolve naturally rather than cancel elections and impose a new voting system to give Latinos a greater voice." The AP continues, "Anthony Piscionere, attorney for Port Chester, said 'an organic and natural system is beginning to take hold' to the benefit of Hispanics. Cutting the village into districts to increase the chances of Hispanic representation, as the Department of Justice has asked, 'would be officially segregating the Village of Port Chester forever,' he said." The AP adds, "Piscionere spoke in federal court in White Plains during closing arguments on the government's request for an injunction against village trustee elections scheduled for March 20. The Department of Justice claims that the village's at-large method of electing trustees is unfair to Hispanics and violates the Voting Rights Act, which the village denies. … The Voting Rights Act is often used to oppose at-large voting. In the 1990s, actor Ossie Davis and other black activists went to court to challenge New Rochelle's at-large City Council elections, and the city eventually approved a referendum that changed the system. … Soon after that, a federal judge found that Hempstead's at-large town board system "invidiously excluded blacks from effective participation in the town's political life" and ordered six districts drawn up." The AP notes, "In Port Chester, which has about 28,000 residents, according to the 2000 census, the government is seeking to delay the election until the village accepts or the judge imposes a district system that would include one sector in which a Hispanic candidate could be expected to win. … Port Chester is about 25 miles from New York City, on the Connecticut border in Westchester County. It is governed by a mayor and six trustees. The trustees' three-year terms are staggered so that two are elected each year to represent the entire village. … Regardless of how Judge Stephen Robinson rules on whether the election should be delayed, he plans to hold a separate trial on the main issue -- whether the system discriminates against Hispanics. … Piscionere and Assistant U.S. Attorney David Kennedy agreed that no Hispanic has ever been elected to the six-member Board of Trustees, but they differed on the success rate of candidates favored by Hispanics."

Colorado Task Force Report Outlines Fight Against Human Trafficking. The AP (2/27, Sarche) reports from Denver, "Like domestic violence 30 years ago, human trafficking is poorly understood and hard to identify, but a new task force report represents a 'major step forward' in combating the emerging problem, officials said Monday." The AP continues, "The report, to be delivered to the Legislature on Tuesday, said federal grants and new programs are helping law enforcement officers identify victims, and helping victim advocates learn new methods to help them. … 'These people (traffickers) go to the most desolated, desperate areas where families will actually sell children to people they trust,' said Rep. Alice Borodkin, D-Denver, who sponsored the 2005 bill that created the task force. … 'Then when they come in (to the United States), these people are coerced, broken and they're terrified of any law enforcement. They don't know they can't walk out the door,' she said." The AP adds, "The report said authorities in Colorado know of about 30 cases of human trafficking — exploitation of people through force, threats or deception — since 2005. But it also said federal authorities estimate that only 1 percent of victims in the United States have been identified and provided assistance. … State lawmakers have taken initial steps in fighting human trafficking, but the task force was created to help provide guidance to further efforts. … Last year, lawmakers approved a bill to make it a felony to smuggle humans — a crime authorities said can often lead to human trafficking, which was made a felony in separate legislation approved last year." The AP notes, "The Justice Department gave the Salvation Army a grant to set up programs in Denver and several other cities to help raise awareness of human trafficking, educate law enforcement and the public about it and track victims and determine how best to serve their needs. … The task force made several recommendations to expand those efforts statewide to help combat the growing problem. It also recommended enhancing penalties for trafficking in children and change victim-assistance laws to specifically encompass victims of human trafficking."

Justices Take Up Case On Washington State's Primary System. The Wall Street Journal and Washington Post (2/27, 690K) run an AP story reporting, "The Supreme Court said it will consider the constitutionality of a state primary election system in which the top two finishers advance to the general election even if they are from the same party." The justices "will hear arguments in the fall in a case from Washington state over its 'Top 2' primary system, which allows candidates to indicate their party affiliation on the ballot. Lower federal courts agreed with the Washington Democratic and Republican parties that the system infringes on their right to choose their own nominees."

Study Urges Improvements To Iowa Prison. The Des Moines Register (2/27) reports, "The Iowa State Penitentiary at Fort Madison still suffers from security flaws that could make it vulnerable to the type of escape that

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occurred in November 2005 when two dangerous convicts fled from the maximum-security prison, according to a new federal security audit." The Register continues, "Two consultants from the National Institute of Corrections who spent two days inspecting the Iowa prison in October suggested relocating an electronic alarm system on the prison's walls, adding more razor wire, improving outside lighting and acquiring more digital cameras. … The consultants also recommended acquiring better metal detectors, along with so-called "heartbeat monitors" that can catch inmates hiding in vehicles leaving the prison. … In addition, they suggested that inmates working in the Prison Industries building be required to strip naked and go through metal detectors while headed to and from their job assignments." The Register adds, "The consultants, Stan Czerniak and James Upchurch, were invited to inspect the Fort Madison prison by the Iowa Department of Corrections. Czerniak is assistant director of operations for the Oregon Department of Corrections; Upchurch is bureau chief for security operations with the Florida Deparment of Corrections. … They worked in Iowa under the auspices of the National Institute of Corrections, a federal agency within the U.S. Department of Justice."

LATimes Blasts Pelosi Over Opposition To Redistricting Reform. The Los Angeles Times (2/27, 850K), in an editorial, writes, "The drive to get California politicians out of the business of selecting their own voters by shaping their own districts may be derailed by the speakership of Rep. Nancy Pelosi. Although not long ago it was Republicans who didn't want to risk losing any of their California seats, it's now Pelosi and nervous Democrats who are threatening to scuttle badly needed reform by putting their own interests first. They should back down, and quickly. … Democrats are hedging. Sure, they say, let a citizens commission draw the lines for the Assembly, the state Senate, the state Board of Equalization. But not Congress. Without Congress, though, there is no meaningful reform."

ANTITRUST:

Experts Optimistic About Regulatory Clearance For TXU Deal. The New York Times (2/27, Krauss, Wald) reports, "The sale of the biggest utility in Texas to private investors faces months of state and federal regulatory hurdles, but experts predict that the broad support for the deal from environmentalists and other important interest groups should help it clear them with ease. … A bigger question, some experts say, is whether the newly formed company will be able to keep all its constituents — consumers and shareholders, growth-oriented politicians and environmentalists — as happy in the years ahead as they appear to be now." The Times continues, "In their official announcement of the merger agreement on Monday, the TXU Corporation and the lead buyers, Kohlberg Kravis Roberts & Company and the Texas Pacific Group, promised a 10 percent rate decrease for consumers while sustaining service to an increasingly energy-hungry Texas. Along with reducing the planned coal-fired plants to 3 from 11, the new owners also vowed to invest more in renewable energy, including solar and wind power. … The agreement was greeted with satisfaction by everyone from Texas officials to national environmentalists, who viewed it as a model for other states and utilities as well as a call to action for Congress to legislate against the spread of traditional coal power and its role in contributing to global warming." The Times adds, "The utility's promises of sustained service, more renewable energy and lower prices should go far in satisfying the Public Utility Commission of Texas, the regulatory body with the power to review purchases and mergers of electric utilities to ensure that they are in the public interest. … The current management of the company has come under criticism from consumer groups and politicians for being too quick to cut off electricity to late payers and not keeping public lighting in downtown Dallas adequately serviced."

The Wall Street Journal (2/27, A3, Smith, Warren, Berman) reports, "Texas regulators have little authority to challenge or block the proposed $32 billion private-equity buyout of utility titan TXU Corp., which could ease the deal's completion despite opposition gearing up in the state. Meanwhile, potential rival bidders considered their options." The Journal continues, "A group led by Kohlberg Kravis Roberts & Co. and Texas Pacific Group announced a proposed acquisition of TXU yesterday, in a deal that includes the assumption of more than $12 billion in debt. The deal, which would be the largest leveraged buyout ever, was made after the prospective buyers negotiated with environmental groups to reduce TXU's debate-stirring plans to build a fleet of coal-fired power plants. … Yesterday, a number of Wall Street banks and potential investors were scrambling to respond to their competitors' headline-grabbing move." The Journal adds, "Blackstone Group was looking at launching a rival bid, potentially with an industry player as its partner, people familiar with the matter said. Given the KKR-Texas Pacific group's huge head start, any Blackstone offer would have to include a higher price and perhaps a different structure. A strategic partner would enable Blackstone to arrange a more creative deal and hence pay more. Blackstone declined to comment. … A slew of other buyout groups were checking with banks about financing, according to people familiar with the matter. Some were signing confidentiality agreements with TXU, which is leading a 50-day "go shop" period to attract a higher bidder, another person familiar with the matter said. … While Wall Street observers said they believed other buyers could raise enough

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money, they were generally skeptical that a rival could line up the environmental and political cover that KKR and Texas Pacific have secured. Others note though, that a rival bid could promise the same concessions and that the ultimate decision rests with shareholders. In weighing bids, certainty can be almost as important as price. KKR also has had longstanding relations with TXU Chief Executive C.John Wilder, and Texas Pacific, which is incorporated in Texas, is the hometown player."

The Financial Times (2/27, Politi) reports, "TXU on Monday embarked on a campaign to promote a $45bn leveraged buy-out led by Kohlberg Kravis Roberts and Texas Pacific Group amid mounting evidence that the private equity boom has entered a new, more highly politicised era." The Times continues, "Executives at the Texas power company said the deal would bring lower prices for consumers and stronger environmental policies, including a reduction in carbon emissions and more investment in renewable energy. … Under John Wilder, chief executive, TXU has been the target of environmental groups, angered by the company's plans to construct 11 coal-fired plants to meet Texas's growing energy needs. … But in a sign of private equity's increasing awareness that acquiring big companies entails garnering the support of politicians and special interest groups as well as investors, KKR and TPG agreed to scrap plans to build eight of those coal plants." The Times notes, "The new owners also agreed to bring in James Baker, former US secretary of state; William Reilly, former Environmental Protection Agency administrator; and Donald Evans, former US commerce secretary, to help oversee the investment."

Buyout Enormous In Size, Complexity. The New York Times (2/27, Sorkin) reports, "Wall Street banks have provided billions of dollars to finance takeovers in the last year, essentially serving as mortgage lenders to deal-hungry private equity firms, which are among the banks' best-paying customers. … Now the lenders have created a new type of loan that has them ponying up part of the down payment on these deals as well. That trend is vividly illustrated in the $45 billion buyout of the Texas energy giant TXU, which was announced yesterday. There are risks in the transaction, as there are in any large buyout, but for the Wall Street banks behind the deal, it could be even riskier." The Times continues, "In an unusual twist that may soon become common, the banks are going one step further than simply providing the debt financing involved in the deal, in this case a daunting $24 billion of debt. … The banks are also lending $1 billion to TXU's buyers, Kohlberg Kravis Roberts & Company and the Texas Pacific Group — not as secured debt, but in the form of equity using the bank's own cash." The Times adds, "Known as an 'equity bridge,' the arrangement allows leveraged buyout firms to buy companies with even less cash upfront. The idea is that the leveraged buyout firms will find other investors to ante up cash after the deal is announced. … These bridges can lead to trouble, however. If the private equity firms cannot find new investors — and it is their job, not the banks', to find them — or if the value of the asset falls sharply, the banks are left holding the bag. … Some have compared the use of the equity bridges to a much more risky version of Michael R. Milken's famous 'highly confident' letters in the 1980s takeover boom, which gave assurances that his firm, Drexel Burnham Lambert, could sell junk bonds to finance deals for its clients. … Investment bankers say that the private equity firms, which have become some of the largest fee payers to Wall Street, put pressure on them to extend an equity bridge in exchange for syndicating the debt, a job that can prove very lucrative."

WSJournal Calls Texas Utilities' Agreement With Environmentalists "Greenmail." The Wall Street Journal (2/27, 2.04M) editorializes, "Call it greenmail for a post-Kyoto world. The private-equity firms that just agreed to buy Texas utility TXU have scored something of a PR coup by getting Environmental Defense and other climate-change activists to fall in line with their purchase plans before the deal was announced. The question is what price shareholders are paying for this act of political correctness. … Judging by media accounts, the price of Environmental Defense's support was an announcement that the new owners would build only three of the 11 coal-fired power plants that TXU has had on the drawing board."

Congressional Hearing To Examine Satellite Radio Merger. The Politico (2/27, Glass) reports, "Up in the sky 22,500 miles above Earth, separate sets of satellites beam hundreds of music, news and sports radio programs to almost 14 million U.S. subscribers in homes, offices and cars. Down on the ground in the nation's capital, a legion of lawyers and lobbyists has launched a multipronged campaign to let them merge." The Politico continues, "The proposal calls for XM Satellite Radio Holdings and Sirius Satellite Radio Inc. to combine their programming. They will try to persuade the U.S. Department of Justice and the Federal Communications Commission to sanction the union and to do it quickly. The initial skirmish will occur Wednesday on Capitol Hill. While Congress cannot block the deal, it could influence the outcome." The Politico adds, "The key issue before the lawmakers is the same one that faces the regulators: What is the scope of the market? If it is satellite radio, as critics allege, a merger would spawn an illegal unregulated monopoly. But Mel Karmazin, Sirius' CEO, will testify that the market should also include the 223 million weekly listeners to about 10,000 AM and FM domestic radio stations, the 219 million Americans with access to the Internet and millions more who own iPods and other hand-held music players. … The projected XM-Sirius merger, announced Feb. 19, will be

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the first item to come before the newly created House Antitrust Task Force." The Politico notes, "To counter the negative onslaught, XM and Sirius have hired a slew of top-of-the-line investment bankers, law firms and lobbyists. … J.P. Morgan Securities Inc. is handling the financial side for XM and Morgan Stanley for Sirius. Three law firms -- Skadden Arps, Slate, Meagher & Flom LLP, Jones Day and Latham & Watkins LLP -- are acting as legal counsel for XM. Sirius will get by with two: Simpson Thacher & Bartlett LLP and Wiley Rein LLP. … Their task is to persuade both Justice Department trustbusters, led by Thomas Barnett, and a fractured five-member FCC that a combined system will serve the public interest. The FCC would have to overturn its decade-old edict that they should remain separate."

XM Narrows Losses In Last Quarter. The Washington Post (2/27, D4, Babington) reports, "Continued growth in subscribers helped XM Satellite Radio Holdings slightly reduce its losses in the last quarter of 2006 from the fourth quarter of 2005, the company said yesterday." The Post continues, "XM, which broadcasts from the District, hopes to merge with rival Sirius Satellite Radio, which is based in New York. Both companies will continue to operate separately as they await regulatory approval from the Federal Communications Commission and Department of Justice, which is expected to take several months. … XM's last-quarter revenue increased by 45 percent, to $257.1 million from $177.1 million in the fourth quarter of 2005. The company narrowed its loss to $263.2 million (90 cents a share) from $270.5 million ($1.22)." The Post adds, "XM finished the year with 7.6 million subscribers, a 29 percent increase over the year before, that was, however, lower than the projections the company made in early 2006. Executives said they hoped to have at least 9 million subscribers, who typically pay $12.95 a month, by the end of this year. … XM reduced its quarterly marketing expenses by more than 25 percent, spending $142 million compared with $196 million, company executives said in a conference call with analysts and reporters. The cost of gaining each new subscriber fell from $141 to $128."

The Financial Times (2/27, Chaffin) reports, "The results came a week after XM announced an $11.4bn merger with Sirius. Analysts and investors have projected $5bn in cost savings that would push the companies toward profitability. … However, the biggest obstacle to the deal will be allaying antitrust concerns at the Justice Department and the Federal Communications Commission. At a Congressional hearing tomorrow, the companies are expected to argue that they are part of an expanding market for portable audio that includes iPods, mobile phones and other devices."

More Commentary. The San Francisco Chronicle (2/27) reports, "Ten years ago, federal regulators sold a pair of satellite radio licenses -- and sternly warned that a competition-chilling merger wouldn't be tolerated. … How quaint that worry seems now. The two operators -- XM and Sirius -- are losing billions of dollars and want to huddle together to stop the bleeding. Meanwhile, HD radio, iPods, Internet broadcasts and other trends have rushed past regulators and redrawn the landscape. There are 90 million people wearing dangling iPod ear-buds, 65 million who listen to free Internet radio and about 14 million satellite-radio subscribers." The Chronicle continues, "It's hard to see a stifling monopoly in the making when the two satellite networks are gasping for air. Consumers, who need defending when choices narrow dramatically, don't need any help on this shift. … In Washington, the Justice Department is judged likely to bless the deal after surveying the larger landscape of audio choices. It's a sensible reading of broadcast reality. … It's the Federal Communications Commission, which laid down the no-merger threat a decade ago, that may stop the deal. The panel shouldn't, even if it risks going back on its guiding words, issued at the dawn of the Internet age." The Chronicle concludes, "A merged satellite market will create a semblance of a monopoly, but only over one slender source of information. If the merged network raises prices or cuts options, unhappy subscribers can turn elsewhere for their entertainment fix. … This infant industry was touted as a major breakthrough way back when. How far away that era seems now when cheaper, handier and more varied choices now abound."

CME-CBOT Deal Faces April 4 Shareholder Vote. The AP (2/27, Thomas) reports, "Shareholders of Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings Inc., the two largest U.S. derivatives exchanges, will vote on CME's proposed $8 billion acquisition of CBOT on April 4." The AP continues, "In a filing with the Securities and Exchange Commission, CME said Monday its meeting on the deal will be held at the W Chicago City Center, while CBOT's Class A shareholders will meet at Union League Club of Chicago." The AP adds, "In addition, a special meeting for Series B-1 and Series B-2 members of CBOT will be held at the Union League Club before the Class A shareholder meeting to approve an amended and restated certificate of incorporation to become effective upon the deal, the filing said. … The SEC filing states CME and CBOT 'enthusiastically support' the combination, which would create the world's largest derivatives exchange. Executives from both exchanges have repeatedly stated they expect the deal, originally announced on Oct. 17, to close midyear. … The deal is still awaiting regulatory approval from the U.S. Department of Justice and the Commodity Futures Trading Commission. Department of Justice spokeswoman Gina Talamona said the investigation is ongoing, but did not say when a decision might be made."

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FTC Clears GE Purchase Of Abbott Unit. The AP (2/27) reports, "Federal antitrust regulators on Monday approved General Electric Co.'s $8.13 billion purchase of Abbott Laboratories' diagnostics business." The AP continues, "The Federal Trade Commission said it has approved the transaction without requiring any changes. … General Electric will acquire Abbott's in vitro diagnostics and point-of-care diagnostics businesses, the companies said when they first announced the transaction in January. The in vitro diagnostic division tests blood and urine samples to diagnose diseases and other conditions." The AP adds, "Abbott expects to receive $6 billion in after-tax cash from the transaction, the company said last month. Abbott plans to use the money to pay down debt and supplement share repurchases. … The two companies said in January that they expected the transaction to close in the first half of 2007."

Caremark Rx Shares Downgraded Amid Bidding War. Market Watch (2/27) reports, "Raymond James downgraded Monday its rating on Caremark Rx Inc. shares on the belief there will be no further bidders for the company beyond fellow pharmacy-benefits manager Express Scripts Inc. on the one hand, and retail pharmacy-chain operator CVS Corp. on the other. … 'Based on our analysis, we believe a [per-share purchase] price in the mid-$60s begins to become dilutive from CVS' perspective,' Raymond James analyst Michael Baker wrote in a research note. He cut his rating on Caremark to market perform from outperform. … 'We do not expect CVS to push the price beyond this point; therefore, upside is modest from current levels, in our opinion.'" Market Watch adds, "Caremark agreed last November to a so-called merger of equals with CVS under which Caremark stockholders would receive 1.67 shares of the combined company for each share they own. … The following month, however, Express Scripts launched a hostile cash-and-stock counterbid for Caremark that at the time carried a 15% premium to the CVS deal. Terms call for Express Scripts to pay $29.25 in cash and 0.426 share of stock for each outstanding Caremark share. … CVS subsequently sweetened its bid with a $2-a-share special dividend, which it then tripled to $6 a share." Market Watch notes, "A judge in Delaware on Friday delayed a shareholder vote on the proposed Caremark-CVS merger for the second time, until at least 20 days after Caremark shareholders are provided with additional information about the deal. Caremark subsequently mailed supplemental disclosures containing the information in question to its shareholders and scheduled the vote for March 16. … The Caremark shareholder vote, analyst Baker noted, will take place after the March 8 deadline for the Federal Trade Commission to make a second information request concerning the Express Scripts bid. … Antitrust questions have been among the top concerns raised in reference to a Caremark-Express Scripts deal. Caremark's the largest PBM in the country on a market-capitalization basis, ahead of Medco Health Solutions Inc. and Express Scripts."

Microsoft Pact With Novell Leaves Linux, Other Open-Source Firms Fuming. The Boston Globe (2/27, Bray) reports, "Last year's surprise partnership between software titan Microsoft Corp. and leading Linux distributor Novell Inc. was supposed to be a kind of peace treaty. Instead, it's brought the open-source software community to the brink of civil war, over a provision that could help Microsoft sue other open-source software companies for patent violations." The Globe continues, "As part of the deal, Novell agreed to compensate Microsoft for features in Linux that Microsoft claims to have patented. Critics say Novell has betrayed other Linux vendors and made it easier for Microsoft to threaten Linux companies with patent infringement suits. … 'Anybody who has not signed a deal now . . . is somehow under a cloud,' said Peter Brown, executive director of the Free Software Foundation, a group that oversees the creation of most Linux code. 'When will Microsoft act against them?' … But for renowned open-source programmer and former Novell employee Jeremy Allison, the deal came at too high a price. Allison helped develop Samba, a popular program that lets Linux computers interact with machines running Windows. In December, Allison quit . 'I left Novell over the deal because I felt it was not consistent with the responsibilities of an open-source company or an open-source programmer,' Allison said. … The deal with Microsoft amounts to a $308 million lifeline for Waltham-based Novell, a company brought to the brink of ruin thanks to years of fierce rivalry with Microsoft. Originally based in Utah, Novell invented the first system to link desktop computers into networks. It grew into the world's third-largest software company, at one time employing 10,000 workers. … But Novell's business was gutted when Microsoft added networking capability to its Windows operating system. Novell then challenged Microsoft with an alternative operating system and office software suite. Both ventures were costly failures. Today, Novell has just 4,800 employees, mostly in Utah. Only about 200 are based in the Boston area. Still Novell is one of the biggest technology companies based in Massachusetts.:

FTC OKs Coka-Cola's Purchase Of Fuze Beverage. The Atlanta Journal-Constitution (2/27) reports, "Federal antitrust regulators have approved Coca-Cola's purchase of juice and tea maker Fuze Beverage, according to a notice issued by the Federal Trade Commission Monday." The AJC continues, "The FTC cleared the transaction without

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requiring any changes to the deal. … Atlanta-based Coca-Cola will buy all Fuze Beverage brands, including the Vitalize, Refresh, Tea and Slenderize lines. The company said Feb. 1 that it expects to close the transaction this year."

Insurers Gird For Battle To Protect Key Antitrust Exemption. The Washington Post (2/27, A13, Birnbaum) reports, "The insurance industry is one of Washington's fiercest and best-funded lobbies, so it rarely gets surprised. But last week several industry representatives privately acknowledged amazement that their most important federal benefit -- an antitrust exemption -- is in danger." The Post continues, "Angry with how insurers have been treating Hurricane Katrina victims and others, the chairman and the ranking Republican on the Senate Judiciary Committee, Sen. Patrick Leahy (D-Vt.) and Sen. Arlen Specter (R-Pa.), as well as Senate Majority Leader Harry Reid (D-Nev.), have joined forces to propose a repeal of the 62-year-old exemption, known as the McCarran-Ferguson Act. … 'This is the big one,' said Carl Parks, senior vice president of the National Association of Mutual Insurance Companies and a leader in the effort to save the exemption. 'We are upset and disappointed.'" The Post adds, "The insurers say they are doing nothing wrong. Yet lawmakers are outraged on behalf of constituents who believe they have not been properly compensated for their property losses. … Sen. Trent Lott (R-Miss.), who lost his house during Katrina and is a co-sponsor of the legislation, has said that even 'the nightmares of FEMA' did not prepare his constituents for their 'abandonment by insurance companies.' … McCarran-Ferguson provides insurers with an exemption from federal antitrust laws so that thousands of companies can exchange and aggregate data on accidents and injuries. They use that information to formulate the rates they charge their customers. … The exemption can operate only if states regulate the insurers, and lately a growing number of lawmakers have complained that some states have failed to do so. Hence the legislation -- and its companion bill in the House -- which would repeal the exemption and impose regulation by the consumer-focused Federal Trade Commission."

EU Efforts To Reform Takeover Law End In Failure. The Financial Times (2/27, Buck) reports, "The European Union's decades-long struggle to abolish 'poison pills' and other barriers to hostile takeovers has ended in failure, the European Commission will conclude on Tuesday." The Times continues, "The commission will also warn it could overhaul the Union's ineffective takeover law earlier than planned. … 'A large number of member states have shown strong reluctance to lift takeover barriers,' the Commission says in a report on the effects of the EU takeover directive. The report finds the vast majority of member states have exploited the law's many loopholes to ensure that takeover defences can be used as extensively as before. … 'The number of member states implementing the directive in a seemingly protectionist way is unexpectedly large,' the report says." The Times adds, "The report's publication comes amid rising concern about protectionism in several European countries, and follows recent controversies over the growing power of hedge funds, private equity groups and other activist investors. … The report's downbeat conclusions also suggest that most EU governments are unconvinced by the Commission's assertion that takeovers offer 'benefits for companies, investors and ultimately the European economy as a whole'. … The EU takeover directive – which was finally adopted in 2004 after more than 14 years of debate – was originally designed to make it harder for companies facing a takeover bid to use poison pill defences, such as issuing new shares or entering into complex joint ventures. It would also have curbed the use of shares with multiple voting rights – another method of keeping suitors at bay. … But strong resistance from countries such as Germany and Sweden and a last-minute change of heart by the European Parliament meant the proposal was watered down."

ENVIRONMENT/INDIAN AFFAIRS:

Five Western Governors Agree To Cut Greenhouse Gas Emissions. The Washington Post (2/27, A8, Eilperin, 690K) reports, "Five Western governors agreed yesterday on a plan to cut their states' emissions of gases linked to global warming and to establish a regional carbon-trading system, though they stopped short of saying how drastically they will seek to reduce greenhouse gases." The "governors -- including Republican Arnold Schwarzenegger of California and Democrats from Arizona, Oregon, New Mexico and Washington -- said that within six months they will set a regional target for lower emissions. A year after that, they pledged, they will devise a regional cap-and-trade system allowing polluters to buy and sell greenhouse gas pollution credits." Arizona Gov. Janet Napolitano said, "In the absence of meaningful federal action, it is up to the states to take action to address climate change."

Energy Trade Associations Support Carbon Dioxide Curbs. The Wall Street Journal (2/27, A8, Fialka, 2.04M) reports, "Seeking to shape legislation before Congress, three major energy trade associations have shifted their stances and decided to back mandatory federal curbs on carbon dioxide and other man-made emissions that could accelerate climate change. Joined by the AFL-CIO, the groups say they now plan to use their lobbying clout to stake out positions that favor modest, economy-wide regulations, in hopes of

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minimizing anticipated energy-price increases and pre-empting state efforts that could result in a patchwork of differing state and regional regulations." The Journal adds, "The shift by the groups, which include the Edison Electric Institute and the American Gas Association, underscores their belief that Congress is in a mood to pass some form of mandatory emissions controls, perhaps before the next election in 2008."

TXU Buyout Seen As Sign Of Wall Street's Increasing Attention To Greenhouse Gases. The CBS Evening News (2/26, lead story, 2:35, Couric, 7.66M) reported, "Today the largest private equity buyout in corporate history was announced by the most powerful players on Wall Street. Several firms have agreed to spend $45 billion to buy Texas electricity producer TXU. If this deal is any indication, it looks as if the Wall Street mantra of greed is good has been replaced by green is good." CBS (Mason) added, "In a stunning turn-about, the new buyers of TXU, the largest power provider in Texas, promised to take a company that had been the enemy of environmentalists and make it go green." The financiers behind the deal "pledged to cancel TXU's plans to build eight new coal-fired plants that would have generated tons of greenhouse gas emissions, reduce carbon emissions by 20% and become the largest buyer of wind power in the country." And "TXU is not alone. Florida Power and Light, Exelon in Chicago, PNM in New Mexico and Duke Energy have all agreed to support global warming legislation."

The Christian Science Monitor (2/27, Scherer, 59K), similarly, reports, "Wall Street now views the color green as something other than money. In the latest sign that global climate change is becoming a major factor for investors, potentially the largest private takeover in the nation's history has environmentalists' fingerprints all over it." TXU's buyers "consulted with environmental groups and agreed to sharply scale back plans to build new coal-fired power plants." The Monitor adds, "Wall Street analysts believe the deal could mean that future takeovers will start to factor in the cost of corporate carbon emissions. This could affect mergers and acquisitions in a broad range of industries, including manufacturing companies, the auto industry, mining companies, and other utilities."

Financial Services Firms Evaluate Market Impact Of Climate Change. The USA Today (2/27, 1B, Shell, Krantz, 2.27M) reports, "In a world abuzz with talk about global warming, climate change is elbowing aside tech and biotech as the major investment theme of the future." Global warming "has emerged as a major market-moving force that represents a generational shift likely to influence how people invest for decades. The world's biggest financial services firms are investing massive amounts of time and brainpower trying to pinpoint what stocks and sectors will benefit -- and be hurt -- by changes in Earth's weather patterns."

Budget Cutbacks Hurt Efforts To Protect Wildlife Refuges. The Los Angeles Times (2/27, Reiterman, 850K) reports the San Luis National Wildlife Refuge Complex, "where tule elk bugle across grassy uplands and migratory waterfowl splash in languid sloughs, has been run for years out of a strip mall 12 miles away, next door to a Sears store." There is "no money to build a visitors center on the 44,000-acre complex that provides recreation for about 90,000 tourists, anglers, hunters and bird watchers each year. Nor is there money to hire a second full-time law enforcement officer for the complex's three far-flung refuges in Merced and Stanislaus counties." The National Wildlife Refuge System, "part of the U.S. Fish and Wildlife Service, was created a century ago to provide a haven for the most imperiled species. But today the mosaic of 547 refuges covering nearly 100 million acres of swamps, islands, wetlands, deserts, grasslands and forests is itself jeopardized by budget constraints." Refuge managers "say cutbacks are undermining efforts to protect an array of sensitive species, including red wolves, sandhill cranes, pronghorn antelope, sea turtles and rare butterflies."

Vanishing Honeybees Threaten Crops, Beekeepers' Futures. The New York Times (2/27, Barrionuevo) reports from Visalia, CA, "David Bradshaw has endured countless stings during his life as a beekeeper, but he got the shock of his career when he opened his boxes last month and found half of his 100 million bees missing. … In 24 states throughout the country, beekeepers have gone through similar shocks as their bees have been disappearing inexplicably at an alarming rate, threatening not only their livelihoods but also the production of numerous crops, including California almonds, one of the nation's most profitable." The Times continues, "The sudden mysterious losses are highlighting the critical link that honeybees play in the long chain that gets fruit and vegetables to supermarkets and dinner tables across the country. … Beekeepers have fought regional bee crises before, but this is the first national affliction." The Times adds, "Now, in a mystery worthy of Agatha Christie, bees are flying off in search of pollen and nectar and simply never returning to their colonies. And nobody knows why. Researchers say the bees are presumably dying in the fields, perhaps becoming exhausted or simply disoriented and eventually falling victim to the cold. …. As researchers scramble to find answers to the syndrome they have decided to call 'colony collapse disorder,' growers are becoming openly nervous about the capability of the commercial bee industry to meet the growing demand for bees to pollinate dozens of crops, from almonds to avocados to kiwis. … Along with recent stresses on the bees themselves, as well as on an industry increasingly under

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consolidation, some fear this disorder may force a breaking point for even large beekeepers."

Reemergence Of Private Toll Roads In US Welcomed. In an op-ed for the Wall Street Journal (2/27, A17, 2.04M) Robert Poole, founder of the Reason Foundation and director of its transportation studies, writes, "Private roads aren't exactly new: In the 19th century, private toll roads provided much of England and America's pre-auto-era highway capacity. … The re-emergence of this model in the U.S. has been driven by a transportation system burdened with pork projects and funded by gas taxes that fail to keep up with construction and maintenance costs, let alone travel demand. From 1980 to 2000 highway travel increased 80% and the number of drivers rose by 30%, but highway capacity grew by just 2%. Woefully short of funds, states are turning to the private sector. But private capital will only invest in projects people or shippers are willing to pay tolls to use. Money is therefore directed to routes and roads most appealing to users, not according to the agendas of pork-happy politicians."

Reservations Receive Federal Funds To Combat Meth. The Billings (MT) Gazette (2/27) reports the Northern Cheyenne and Crow Indian reservations "have received federal funding to bolster their fights against methamphetamine. The Boys & Girls Club of the Northern Cheyenne Nation has received a $15,000 grant to start a pilot program called Meth SMART. The program is to run through June with federal funding from the Office of Justice Programs Prevention Initiative." The Crow Tribe "is anticipating about $100,000 from the Department of Justice." The Crow/Northern Cheyenne Safe Trail Task Force "has an education and prevention component that aims to help keep people off the drug but also gather community support to help law enforcement stop dealing and distribution. The task force is a partnership among the two tribes, the FBI, the Bureau of Indian Affairs Office of Justice Services, the Drug Enforcement Administration and the Colstrip Police Department."

FBI/DEA/ATF/USMS:

Former CIA Officer Urges Officials To Rebuff FBI Over DIA Documents Case. The Washington Times (2/27, Gertz, 88K) reports former CIA national intelligence officer for East Asia Robert G. Sutter "refused FBI appeals for help in tracking Chinese spies and urged others via e-mail not to cooperate because of the recent prosecution of former Defense Intelligence Agency analyst Ron Montaperto." Sutter "told a mailing list of current and former government officials that a 2003 FBI 'sting' operation against Montaperto, who was convicted in June of mishandling classified documents, raised fears that he and other officials could be damaged for discussing their contacts with Chinese officials. The FBI and other U.S. counterintelligence agencies are stepping up efforts, including outreach to academics, to counter Chinese intelligence efforts after a string of damaging spy cases over the past five years, U.S. officials said." The Times notes, "FBI spokeswoman Debbie Weierman declined to comment on the FBI's outreach on Chinese intelligence, but she said generally 'we do contact a number of people ... to better know our domain.'"

FBI Uncertain About Sensitive Data On Missing Computers. Government Computer News (2/27, Cranmer) reports, "The FBI has reduced notebook PC losses by 312 percent since 2002, but the bureau has failed to adequately report whether stolen computers contain classified or sensitive data, the Justice Department Office of the Inspector General said in an audit report last week. … 'When losses occur, the FBI must timely report the loss, be able to identify the contents of lost laptops and determine whether the laptop is encrypted,' the bureau's IG said in a follow-up report to a 2002 analysis. 'In addition, the FBI must investigate these losses and thefts, enter required data into the National Crime Information Center and report the losses to the DOJ as required.'" GCN continues, "The IG's 'most troubling' discovery was 'the FBI could not determine in many cases whether the lost or stolen laptop computers contained sensitive or classified information.' … The FBI's data was incomplete, auditors found. Of the 160 notebooks that disappeared between February 2002 and September 2006, employees filed only 152 forms to provide information about whether the notebooks contained sensitive or classified information. This information could include counterintelligence or counterterrorism case information, personal identifying information or classified information on FBI operations, the report said." GCN adds, "The forms revealed that eight missing notebooks contained sensitive classified information, but these forms failed to provide a complete picture of the losses. The auditor said 43 other forms did not state whether the lost notebook contained sensitive or classified information. … 'Without knowing the contents of these lost and stolen laptop computers, it is impossible for the FBI to know the extent of the damage these losses might have had on its operations or on national security,' the audit said. … In addition to the insufficient information reported on these forms, employees reported in a less than timely manner that 38 notebooks were missing — more than 10 days after their disappearances — delaying loss investigations."

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Illinois Men Sentenced In Meth-Conspiracy Case. The Mt. Carmel (IL) Daily Republican Register (2/27) reports two men were sentenced after pleading guilty to conspiring to manufacture and distribute 500 grams or more of meth. "Kevin L. Garrett...was sentenced to 30 years imprisonment. … Stewart W. Poore [was sentenced] to 20 years imprisonment." The guilty pleas "resulted from a long-term investigation into the manufacture of methamphetamine in Wayne and White counties. Thus far, that investigation, which began in 2003, has resulted in the federal indictment of 33 individuals in related cases who, in total, were responsible for the manufacture or attempted manufacture of the equivalent of over 400,000 grams of methamphetamine."

Coast Guard Crew Intercepts $14 Million In Drugs During Caribbean Patrol. The AP (2/26) reported the U.S. Coast Guard "says a crew based out of Maine seized $14 million worth of cocaine and heroin during a 54-day patrol in the central Caribbean. Coast Guard officials said the crew of the New England-based cutter Tahoma intercepted a freighter carrying more than a thousand pounds…of cocaine, 66 pounds…of heroin and a machine gun equipped with a silencer. The Coast Guard towed the ship 500 miles to San Juan, Puerto Rico for further inspection and turned the drugs and freighter passengers to the U.S. Drug Enforcement Agency."

Dover, New Hampshire's Foster's Daily Democrat (2/26) reported Coast Guard officials said on Feb. 4 the crew intercepted the freighter. "'The Coast Guard has a proud and successful history of intercepting contraband in the Caribbean,' said Captain James Tunstall, commanding officer for Coast Guard Sector San Juan. 'With the aggressive work of ICE, DEA, FBI, CBP and the U.S. Attorney's Office, the Caribbean Corridor Initiative's collective resources are maximized as we continue our combined aggressive efforts to keep drugs off the streets.'"

Union Says Players Will Choose Whether To Cooperate With MLB Steroids Investigation. The AP (2/27) reports the players' association "will offer advice but said it's the choice of each individual whether to cooperate with former Senate Majority Leader George Mitchell's investigation into steroids use. … Mitchell, hired by commissioner Bud Selig just before the start of the 2006 season, warned baseball owners in January that a lack of cooperation with his investigation into steroid use will 'significantly increase' the chances of government involvement."

Advocates Urge Oregon Lawmakers To Protect Medical Marijuana Users' Jobs. The AP (2/27) reports medical marijuana advocates "pleaded with lawmakers Monday to enact a bill that would prohibit employers from firing them because of their choice of medication. … The new bill comes just a few weeks after a previous bill was introduced that would allow employers to fire employees who fail drug tests — even if they are a state registered medical marijuana user. That bill is currently being considered by the Business, Transportation and Workforce Development committee. Both measures aim to clarify whether an employer in Oregon has the right to terminate someone's job if they fail a drug test but are a registered medical marijuana user."

The Oregonian (2/26, Har) reported Oregonians "approved the medical use of marijuana in 1998 but didn't spell out how it would intersect with workplace laws, other than to say employers don't need to accommodate users. About 13,000 people in Oregon carry a card allowing them to ingest marijuana to treat severe pain or a 'debilitating medical condition' such as cancer or glaucoma. Employers say they shouldn't have to stub out their drug policies for medical marijuana users, some of whom might be high on the job and putting co-workers at risk."

Hillman Expected To Be Named Massachusetts US Marshal. The Boston Globe (2/27, Phillips) reports, "Former state representative and lieutenant governor candidate Reed V. Hillman is expected to soon land a much-coveted political appointment as US marshal for Massachusetts, leading state GOP sources said." The Globe continues, "The White House is on the verge of announcing that Hillman, 58, a former head of the State Police, will be named to the $130,000-a-year patronage post, which has been vacant for the past 18 months, the sources said. The position was last held by Anthony Dichio, who was dismissed in August 2005 after a Justice Department report found he routinely failed to work full work weeks and had misused his official vehicle." The Globe adds, "Hillman said today that he was unaware of any pending announcement, but confirmed that he would take the job if offered. 'Anything on that will have to come from the White House,' said Hillman, who stepped down as State Police commander in 1999 and then represented Sturbridge in the House of Representatives for six years. 'All I know is that I am in the mix with four others.' … But two leading Massachusetts Republican officials who have followed the appointment process said the White House has decided to give Hillman the job and will make an announcement within days."

IMMIGRATION:

Proposals Would Give Texas Some Of Nation's "Harshest" Immigration Laws. The Los Angeles Times (2/27, Bustillo, 850K) reports, "The Lone Star State

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has long welcomed Latino immigrants, no matter how they got across the state's 1,200-mile border with Mexico." However, a bipartisan "chorus" in the state is now "pushing some of the harshest immigration-related measures in the United States — laws that would not only deny public services to illegal immigrants but strip their American-born children of benefits as well." The state's shift "comes at a time when many state lawmakers are frustrated that Washington has failed to stop illegal immigration. Few think President Bush's moderate proposals, which include a guest worker program and enhanced border security, will help much, even if they are approved by Congress."

Effort To Bring Down Illegals' Employers Requires Elaborate Probes. The Wall Street Journal (2/27, Newman, 2.04M) reports on the goal at Immigration and Customs Enforcement to, as one immigration official put it, "move up in the organization" when investigating employers of illegals. "In 2005, the Department of Homeland Security announced that instead of imposing small fines for sloppy paperwork, its immigration-enforcement branch would flush out 'egregious' employers and put them in jail. That demands proof and police work -- including undercover informants and secret recordings -- more common to drug busts than immigration audits." The Journal focuses on ICE's case against IFCO Systems North America Inc., the nation's biggest recycler of wooden pallets, where it was easy "to swoop down on those working illegally. To accuse their bosses of a conspiracy, punishable by prison terms of up to 20 years, was a far greater task." And while it remains "unclear whether the US Attorney in Albany, who is supervising the case, will bring charges against higher-level IFCO executives," ICE's "intrusive new style has petrified other companies that rely on foreign labor. 'Everybody thinks these are show trials,' says Amy Peck, an immigration lawyer in Colorado who represents corporate clients. 'And at the same time, we're scared to death about what's going on.'"

Many Immigrants Face Long Wait For English Classes. The New York Times (2/27, Santos, 1.16M) reports that an influx of immigrants has led to many "waiting months or even years to get into government-financed English classes, which are often overcrowded and lack textbooks. A survey last year by the National Association of Latino Elected and Appointed Officials found that in 12 states, 60 percent of the free English programs had waiting lists, ranging from a few months in Colorado and Nevada to as long as two years in New Mexico and Massachusetts, where the statewide list has about 16,000 names. The United States Department of Education counted 1.2 million adults enrolled in public English programs in 2005 — about 1 in 10 of the 10.3 million foreign-born residents 16 and older who speak English 'less than very well,' or not at all, according to census figures from the same year." The Times adds that financing for adult education programs "varies widely across the states, which are required to allocate at least one quarter of what was provided by the federal government: Kansas, Nebraska, Oklahoma, South Dakota and Texas spent the minimum in 2003, according to the Education Department, while California and Connecticut each spent about seven times that."

Credit Cards For Illegals Said Not To Constitute A Security Risk. Ruben Navarrette, in a column appearing in USA Today (2/27, 11A, 2.27M) writes that the "fuming" from cable news pundits and callers on talk radio shows over the Bank of America "plan to offer credit cards to people without Social Security numbers or credit histories, characteristics common to illegal immigrants," comes to the surprise of Javier Palomarez, who proposed the idea in 2002 when he was senior vice president of marketing at the bank. Navarrette says the idea is "perfectly legal and logical." Palomarez said the debate at the bank had been over whether "'illegal immigrants were bad credit risks. … And additionally, the idea was, you know, it's still too close to 9/11.' Not this again. Let's not confuse terrorists with immigrants. Here's a tip on how to keep the two groups straight: One wants to do us harm; the other wants to do our cooking, gardening and child care." Navarette adds that though Rep. Tom Tancredo "fears Bank of America might unwittingly give credit to a terrorist," the credit limit of "about $500" makes that unlikely. "The 9/11 hijackers ran through tens of thousands of dollars in planning the attacks."

NYTimes Denounces Game About Illegal Immigration. The New York Times (2/27, 1.16M) writes an editorial denouncing "a game with a name that says it all: 'Catch the Illegal Immigrant.'" The game "is the brainchild of an intern with the College Republican National Committee" and though "Republican Party leaders have tried to distance themselves from the games," they "seem to have done little to stop them." The Times laments the lack of "voices of authority pointing out the nastiness of this game as well as the inherent cruelty of hunting people for sport."

Ousted Minuteman Founder Goes To Court To Regain Control. The Los Angeles Times (2/27, Delson, 850K) reports, "Jim Gilchrist, the Orange County accountant who gained national recognition as the co-founder of a citizen border patrol group, will ask a judge this afternoon to issue a restraining order in order to regain control of the Minuteman Project. Earlier this month, Gilchrist was removed by his board of directors, which accused the charismatic anti-illegal-immigrant figure of abusing his power. Minuteman Project officials said they will detail their allegations at a press conference later this afternoon. … Gilchrist said he did nothing wrong. His opponents, he said, are motivated by 'a greed for power and a false perception of an endless stream of money.'"

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WSJournal Criticizes "Protectionists" For Opposing Mexican Trucks On US Roads. The Wall Street Journal (2/27, 2.04M), in an editorial, writes, "It's nice the U.S. government is finally getting around to meeting its obligations under a trade pact with Mexico ratified a mere 14 years ago. But even that is too fast for some protectionists. Under the North American Free Trade Agreement, the U.S. was required to lift a ban on Mexican trucks traveling more than 25 miles inside the border. The deadline for doing so was 2000, yet seven years later the ban remains in place. … Last week, the Bush Administration announced a plan to lift the mileage restriction, and unions and their supporters in Congress are predictably crying foul. Rather than acknowledging their protectionist agenda, opponents are raising bogus concerns linked to the supposedly poor 'safety' record of Mexican rigs."

TAX:

Utah Man Sentenced For Tax Fraud. The AP (2/27) reports from Salt Lake City, "An Orem (UT) accountant who bilked the government out of millions in taxes from money he garnered through phony investment schemes has been sentenced to five years in federal prison, the U.S. Department of Justice said Monday." The AP continues, "Lanny R. White was also ordered by U.S. District Judge Ted Stewart to pay $5 million in restitution and spend three years on supervised probation following his release." The AP adds, "White was indicted in 2003 along with 10 others for promoting and selling a fraudulent trust scheme through six phony investment companies between 1993 and 2004. More than 300 clients were told that placing their assets into the trusts would reduce tax liabilities. … All of the 11 indicted – among them four attorneys, one accountant and a former IRS agent – have pleaded guilty to felony charges including wire and mail fraud." The AP notes, "In a plea agreement White said his actions led to the filing of more than 2,000 false and fraudulent income tax and trust tax returns. White also said he knowingly placed clients money in unsound investments that would never pay returns. … The loss to the government is estimated between $7 million and $10 million."

New Law Provides For Penalties For Faulty Appraisals. The Wall Street Journal (2/27, D3, Dale) reports, "It may soon become trickier to get an item appraised for tax purposes. … The Pension Protection Act, passed in August, puts appraisers in the sights of the Internal Revenue Service by saying they can be penalized for valuations the agency later decides are off the mark." The Journal continues, "The move marks a big change because taxpayers, not appraisers, historically have borne the brunt of a wrong valuation. One result: The cost of getting something appraised may well rise. … Appraisals are used for a number of purposes in tax filings. For instance, noncash assets donated to charity are often appraised so the donor can claim the value as a deduction on his income-tax return and lower his tax bill. … Examples might be an individual who donates to charity a share in a private company that is expected to go public later, or a business that gives a conservation easement to a local government by agreeing not to develop its real estate but to maintain the property for conservation purposes instead." The Journal adds, "Now, the PPA has introduced penalties on appraisers, but they aren't alone in facing the music. Accountants, brokers, estate executors and others may also be slapped because of the broad brush with which it was written. … The rule is beginning to have a chilling effect on appraisers because it raises a host of questions, including which kind of tax -- gift and estate tax, income tax, or both -- is affected, and who may be hit by penalties."

Tennessee Couple Pleads Guilty To Tax Evasion. The Knoxville (TN) News Sentinel (2/27, Satterfield) reports that "a Sevier County (TN) couple who made millions in real estate ventures but insisted they were "living souls" and not U.S. citizens subject to income tax laws dropped their tax protestation convictions Monday and picked up tax evasion convictions instead." The Sentinel continues, "Arnold Ray Schmid and his wife, Kathleen Schmid, pleaded guilty in U.S. District Court to charges that they refused to file income tax returns on money made from their highly profitable cabin rental and property development businesses for at least three years. … In a plea deal brokered between defense attorneys Richard Gaines and Ralph Harwell and federal prosecutor Jay Nanavati, the Schmids are admitting to a negotiated figure of $53,780 as the tax liability owed the government. The actual figure is likely much higher, according to court records." The Sentinel adds, "The deal also will cut the potential prison terms both faced from years to months. As Gaines noted during Monday's hearing before Senior U.S. District Judge Leon Jordan, the couple may already have served, if not the entirety of their respective sentences, then the bulk of them. … It's not as if they didn't earn that pretrial jail time, however. The couple had been allowed free on bond - despite repeated courtroom antics and protests and missed hearings - after their July 2005 arrests on federal tax evasion charges. … But they fled, hiding out for months in the Midwest before the U.S. Marshals Service rounded them up after a probe led by veteran fugitive hunter Deputy U.S. Marshal Becky Gambill. … On Monday, however, Jordan agreed to release them despite their earlier flight. Gaines' contention that the two are senior citizens with health problems who already have spent 10 months in jail was a factor, the judge said. Nanavati, a Washington, D.C.-

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based U.S. Department of Justice tax evasion prosecution specialist, did not resist the move."

IRS Praised For Offering Tax Relief To Americans Working Overseas. The Wall Street Journal (2/27, 2.04M) editorializes, "It's not often that the Internal Revenue Service plays the hero, but these days it's a regular Clark Kent for American expatriates. The agency has issued another round of tax relief for U.S. citizens working abroad hit by Congress's double-taxation laws. Friday's Notice 2007-25 strikes a blow against a provision in last year's omnibus tax bill that cut tax exemptions on housing for Americans working overseas and substantially raised taxes on compensation above $82,500. The move came courtesy of Republican Senator Chuck Grassley, who apparently thinks Americans abroad are living the high life. Congress claims the tax will raise $2.1 billion for Uncle Sam over the next decade. But that doesn't factor in companies that will cut back on U.S. employees in favor of less expensive locals or third-country hires.

CONGRESS-ADMINISTRATION:

Bush Makes Case For Healthcare Plan In Speech To Governors. The AP (2/27, Tanner) reports, "President Bush encouraged governors Monday to support his call for changing the tax code to help more people buy private health care insurance, but did not address their pleas to increase funding for a health care program that insures millions of children of the working poor. Still, governors said they heard words of at least partial compromise from the administration on a budget dispute that dominated private discussions among governors Sunday." Bush, "welcoming the governors after they met privately with several administration officials, did not offer any comments about the children's health program, talking rather about his larger proposals. 'I'm looking forward to working with Congress on health care. I firmly believe... that states are often times the best place to reform systems and work on programs that meet needs,' he said."

The New York Times (2/27, Pear, 1.16M), under the headline "Child Health Care Splits White House And States," says "governors clashed with the White House on Monday over the future of the popular Children's Health Insurance Program, an issue that some members of both parties said was as important as money for the Iraq war." In the session at the White House, when Bush "reported on progress of the war, governors pressed him to provide more money so they could guarantee health insurance for children. In response, administration officials said states should make better use of the money they already had." Gov. Sonny Perdue of Georgia, a Republican, said afterward, "Health care for children ought to be a priority, irrespective of anyone's views on the war." Governors "said the Clinton and Bush administrations had encouraged them to expand children's coverage and had granted waivers allowing them to cover parents and even some childless adults. Having successfully expanded the health insurance programs in their states, some governors now suggest that the Bush administration is pulling the safety net out from under many children."

The AP (2/27) also reports "governors from both parties are opposing…Bush's budget for a health care program that insures millions of children of the working poor, warning that failure to meet its spending needs will inflate the already high number of uninsured. The budget dispute dominated discussions among governors Sunday, who promised to bring the matter to Bush and his Cabinet officials at private meetings Monday." New Jersey Gov. Jon Corzine "warned that the administration's budget promised illusory savings. 'You end up paying for this in other ways -- uncompensated care, emergency rooms,' Corzine said. 'This is pay me now or pay me later.'" Georgia and New Jersey "are two of 14 states that are expected to run out of money for the program before the next budget year begins in October; in Georgia, it could happen as soon as March."

USA Today (2/27, 4A, 2.27M) runs a brief report on Bush's remarks, also focusing on the healthcare issue, while the Washington Times (2/27, Ward, 88K) notes the President also said "he would take on congressional Democrats who hope to hamstring his use of war funds. 'I'm looking forward to a healthy debate. I'm also looking forward to defending, strongly defending the budgets we send up to Congress,' Mr. Bush said." Bush "said he wants to 'make sure those troops who are in harm's way have the resources and that we have the flexibility necessary to ... execute the plan we've laid out.'"

Under the headline "Bush Focuses On Iraq Policy During National Governors Association Meeting," the Baltimore Sun (2/27, Nitkin, 257K) reports Maryland Gov. Martin O'Malley "sat tight-lipped through a White House meeting with…Bush Monday and later criticized the president, saying he spent more time defending the administration's Iraq policy than addressing concerns about health care and immigration raised by the nation's governors." The Sun also reports, "White House spokesman Tony Snow said Monday that the president's health care plan gives states money from a different source -- a proposal called Affordable Choices -- to continue covering wealthier children. 'We believe in flexibility, too,' Snow said." But "many health care analysts say the president's budget plan would remove children from the health insurance program because it contains insufficient funds."

Zogby Poll Finds Americans Divided On Healthcare Reform Details. UPI (2/27, Pierce) reports that according to a recent UPI/Zogby poll, "[n]ine out of 10 Americans want healthcare reform, but they are divided over how much, what

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kind, and who they trust to do it." UPI also notes that "less than one-third" of respondents trust Bush on healthcare, and the "Democratic Congress, at 45 percent, did not have the trust of a majority of voters either." UPI continues, "What that means, many experts say, is that successful reform proposals will reach across the political spectrum to incorporate both government and private-sector reforms." Robert Blendon, Harvard health policy professor: "The momentum for reform is not enough to make something happen. … They're not wedded to the way experts and parties have defined the debate." UPI adds, "While the public will not support purely government-funded reforms, Blendon said, they are also not enthused about Bush's plans to lower costs through tax reforms and greater consumer responsibility."

Bush Launches Fundraising Drive With Event At GOP Governors' Gathering. The AP (2/27, Feller) reports, "Returning to campaign mode…Bush on Monday began his fundraising drive to help Republicans regain the power they lost less than four months ago. 'My political agenda is this: more Republican governors, take back control of the House and the Senate and make sure we keep the White House in 2008,'"Bush told cheering donors at a private reception for the Republican Governors Association." The "annual event raised a record $10.4 million for GOP gubernatorial candidates." Bush "said Republicans belong to 'the party of ideas' and predicted voters would come back if they see results."

House Committees Schedule Hearings On Walter Reed. The Hill (2/27, Kaplan) reports "several" House and Senate committees "will begin oversight hearings into how Walter Reed Army Medical Center subjected wounded soldiers and Marines to bureaucratic indifference and allowed them to live in squalor." Rep. John Murtha, chairman of the Defense Appropriations subcommittee and "a leading critic of the Iraq war, has scheduled a closed hearing on Friday." Rep. John Tierney, an Oversight and Government Reform subcommittee chairman, "announced yesterday that he intended to conduct a field hearing to Walter Reed next Monday."

ABC Ties Woodruff Special To Concerns Over Wounded Vets' Treatment. ABC World News (2/26, story 8, 4:10, Gibson, 8.78M), in a report on the recovery of anchor Bob Woodruff, noted, "the sad reality is, while the medical care in early stages for these troops is magnificent, Bob has found case after case, where follow-up care, treatment after the soldier or Marine returned home, was severely deficient. … At least 23,000 wounded troops have come home. No one knows precisely how many have TBI. Veterans groups say the VA is undermanned and underfunded."

Meanwhile, the Washington Post (2/27, C1, Kurtz, 690K) reports that when Woodruff awoke from a 36-day coma caused by injuries he suffered in Iraq, "he couldn't remember his brothers' names, couldn't even remember that he had twin 6-year-old daughters. The top of the right side of his head was missing, after surgeons were forced to remove part of his skull." USA Today (2/27, 2D, 2.27M) reports, "In an emotional ABC special tonight, To Iraq and Back (10 ET/PT), Woodruff reports on what happened to him, on his recovery and on the severe care crisis facing thousands of injured soldiers who have suffered brain injuries and are now under the care of the U.S. government."

The New York Times (2/27, Stanley, 1.16M) reports in an Arts article that Woodruff "turns the focus to the men and women who return badly wounded from Iraq and Afghanistan and do not heal as thoroughly. ... Mr. Woodruff illustrates quite graphically that some veterans are sent home to recuperate in smaller cities that do not have veterans' hospitals equipped to handle the growing number of those returning with severe traumatic injuries," visiting one veteran who "noticeably" regresses in his small hometown.

Bush Honors Vietnam War Pilot. The CBS Evening News (2/26, story 6, 2:35, Couric, 7.66M) reported, "Today at the White House, President Bush honored an American hero, not from Iraq but from Vietnam. Helicopter pilot Bruce Crandall saved dozens of American lives during one of that war's bloodiest battles. More than four decades later, he finally received the military's highest honor." CBS (Bowen) added, "November, 1965. North Vietnamese forces had American troops surrounded in a bloody fire fight in the Ia Drang Valley. Two gutsy chopper pilots, best friends Bruce Crandall and Ed Freeman, flew into the thick of it. It sounds chaotic. … On the worst day of the fighting, Major Crandall and Captain Freeman kept flying. Bringing ammo in and the wounded out. 22 missions in 14 hours for Crandall. … Five years ago, Ed Freeman was awarded the Medal of Honor for his heroism that day in part because Bruce Crandall had campaigned hard for his friend. Though only one man was honored, it was a great day for both. Today was an even better day for these old pals because after years of paperwork delays, Bruce Crandall finally received his own Medal of Honor." Bush was shown saying, "Today the story comes to its rightful conclusion. Bruce Crandall received the honor he always deserved."

USA Today (2/27, Gomez, 2.27M) reports, "The Americans were surrounded by about 2,000 North Vietnamese soldiers and came under intense attack. Crandall and Freeman flew the injured out to a base and returned with troops and ammunition. They kept making trips back and forth even though they were being shot at by enemy fighters, sometimes only 30 yards away." They "flew through a cloud of smoke and a wave of bullets, Bush said. Ground commanders ordered a halt to the airlifts because of the danger, but Crandall kept going, and Freeman joined him."

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The New York Times/AP (2/27) runs a brief story on the White House ceremony, and NBC Nightly News (2/26, story 10, 2:25, Faw, 9.87M) reported, "A pilot honored today for his sense of responsibility four decades ago for planting a standard, as the poet said, 'Where a standard never flew.'"

Business Groups Mobilize To Oppose Union Organizing Measure. The Hill (2/27, Snyder) reports the "business and labor lobbies square off this week over a House measure that would make it easier for workers to form unions, which have struggled for years with declining membership." The Democratic-majority House is "expected to pass the Employee Free Choice Act on Thursday — a legislative victory for labor in a body that business interests dominated during the 12-year Republican reign." But House Democrats "and their labor allies face the same problem House Republicans and their big-business friends faced: the Senate filibuster. As a result, the bill has much tougher chances in the Senate than House. The administration is another obstacle. President Bush has indicated he will veto the bill if it arrives on his desk." Still, "business interests are still nervous as they face the new political reality on Capitol Hill. The US Chamber of Commerce, the National Manufacturers Association and other business groups have formed a new coalition to oppose the measure."

Roll Call (2/27, Pierce) reports both House and Senate "are expecting major battles over organized labor this week. And Republicans are planning a fierce push-back on bills they say would hamper homeland security, restrict democracy and lead to the harassment and coercion of average workers." The House "plans to vote Thursday on a bill to relax union organizing rules — allowing a union to form if a majority of workers sign cards authorizing it, rather than the current practice of holding federally supervised, secret-ballot votes." With the "backing of the business community's lobbying juggernaut on K Street, House Republicans say they may not be able to prevent the Employee Free Choice Act from passing that chamber this week, but that their public relations offensive will set the stage for its ultimate demise in the Senate." Chief among "the Republicans' talking points on the bill is that the measure would 'kill private voting rights altogether' and that 'card checks' could allow union organizers to unfairly pressure workers to join, said the House GOP leadership aide."

Labor Bill Seen As Shield From Management During Elections. In a Washington Post op-ed (2/27, A15), Lance Compa of Cornell University's School of Industrial and Labor Relations says the Employee Free Choice Act "has provoked a torrent of crocodile tears from corporate executives." Business spokesmen "shout that the act deprives workers of their right to an election held by the National Labor Relations Board (NLRB). But what companies really prize is management's power to exploit the election procedure to mount aggressive, one-sided attacks on workers' freedom of association."

Will Says Act Would Restrict Employer Speech Rights. In his Washington Post column (2/27, A15), George Will says, "The Employee Free Choice Act would short-circuit the process of persuading workers through a public debate between unions and employers, the winner of which would be determined by workers casting secret ballots. Welcome to the political culture that the McCain-Feingold campaign finance law is shaping. That law, which regulates the quantity, timing and content of political speech, is making it increasingly acceptable for interest groups to attempt to advance their social agendas by limiting their adversaries' speech." Senate Democrats "might not find 60 votes to bring this Orwellian legislation – 'free choice,' indeed -- to a vote. But if it does reach the president's desk, he will veto it. He should have vetoed McCain-Feingold. Its speech restrictions -- applauded as virtuous by the (exempt) media -- have legitimized talk about 'drawing lines' to circumscribe the speech rights of entire categories of Americans, in this case employers."

Bush Seen As Likely To Sign Tax Increases. In an op-ed for the Wall Street Journal (2/27, A17, 2.04M) Bear Stearns's chief economist David Malpass writes, "The U.S. tax outlook is unraveling fast. An increasing number of existing tax rates are temporary, and to keep them from rising automatically, Congress and the president will have to agree on new hard-to-pass laws. … Even so, the odds have shifted heavily toward annual tax hikes. Under the guise of budget neutrality, President Bush now seems likely to sign two tax increases in 2007 and another in 2008, each presented by Congress -- deceptively -- as a tax cut. This sets the precedent for similar treatment and much bigger tax hikes in the next administration, whether Republican or Democrat, as it confronts the scheduled 2011 tax increases on income, dividends and capital gains."

Istook Praises President's Budget For Not Requiring Tax Increases. In an op-ed for Roll Call (2/27) former Rep. Ernest Istook writes, "Bush's proposed budget is pivotal, despite efforts to demean it as irrelevant. With one simple pronouncement the president showed that he 'gets it' even if others don't: He embraced the too-long-abandoned goal of balancing the budget without raising taxes. It's been an orphaned issue for many years. … Yet that was the top item in the 'Contract with America' before the Republican majority shifted to less-ambitious objectives. Nor did Bush embrace it during his first six years in office. That opened the door for Democrats to campaign successfully on fiscal discipline. Preservation of the Democrats' new majority may hinge on whether they will embrace balancing the budget without a tax hike — or even accept the goal of balance when

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spending on entitlements is set to skyrocket as baby boomers age. Bush knew that when he set the bar so high. And Republicans in Congress know they can now voice support for the goal without being in charge of the tough decisions."

FDA Office Of Women's Health Budget Mysteriously Cut. The Washington Post (2/27, A13, Weiss, 690K) reports the Office of Women's Health "within the Food and Drug Administration," which was "at the center of a politically damaging storm over the emergency contraceptive 'Plan B,' just had more than one-quarter of this year's $4 million operating budget quietly removed, insiders say." The office "funds research on male-female biological differences to ensure that women receive the most appropriate drug doses and treatments. It also produces heavily requested health information about menopause, pregnancy, birth control, osteoporosis and other topics." The administration "had requested -- and Congress had budgeted -- $4 million for the office in fiscal 2007, just as they have for several years running." But last week, "word came down that the FDA intends to withhold $1.2 million of that, apparently for use elsewhere in the agency. Because the remaining $2.8 million has already been spent or allocated for salaries and started projects, the office must effectively halt further operations for the rest of the year, according to a high-level agency official with knowledge of the budget plan, who spoke on the condition of anonymity because the official is not authorized to speak publicly."

Lawyer For GSA Administer Seeks Leak Probe Of Agency's IG. Government Executive (2/26, Pulliam) reported, "A private attorney working for the head of the General Services Administration has asked a presidential ethics committee to investigate the agency's inspector general office to see whether employees there leaked sensitive information. Michael Nardotti, a lawyer with the Washington law firm Patton Boggs who is representing GSA Administrator Lurita Doan, wrote in a Jan. 31 letter obtained by Government Executive that 'confidential and protected GSA IG investigative information and documents were leaked to outside sources, 'compromising the IG investigative process and 'extraordinarily' harming Doan. Doan has been the subject of an IG investigation since she allegedly attempted to award a no-bid contract to a friend's firm in July 2006." Government Executive noted, "Nardotti sent the letter to James Burrus, chairman of the integrity committee within the President's Council on Integrity, a group made up of presidentially appointed inspectors general. Burrus is also assistant director of the FBI's Criminal Investigative Division. Burrus said the integrity committee has yet to meet to decide whether to pursue an investigation."

Bush Approval Up Slightly To 36% In ABC/WPost Poll. The Washington Post (2/27, A1, Balz, Cohen, 690K) reports that a new Post/ABC News poll has found President Bush's "overall approval rating stood at 36 percent, up slightly from 33 percent last month. Sixty-two percent disapproved of the way he is handling his job, with 49 percent of those indicating they strongly disapproved. Approval of his handling of the Iraq war remained near its all-time low. Thirty-one percent said they approved and 67 percent said they disapproved, a slight improvement from December, when 28 percent approved. Bush also received negative marks on the campaign against terrorism (52 percent disapproved) and on his handling of the economy (55 percent disapproved). By wide margins, Americans said they trust Democrats in Congress more than Bush to deal with Iraq, health care, the budget, the economy and terrorism. The Democrats' advantage on health care was 37 percentage points, on the budget 27 points, on Iraq and the economy 20 points and on terrorism 13 points.

Bush Team Said To Have Lost The Public's Trust Regarding Intelligence. The Washington Post (2/27, A1, Balz, Cohen, 690K) reports that the new Post/ABC News poll has found "a majority of Americans now distrust the Bush administration on its handling of intelligence. Thirty-five percent said they can trust the administration to report potential threats from other countries honestly and accurately, and 63 percent said they cannot. The administration has been challenged on the quality of the intelligence underpinning its assertions that Iran is helping insurgents in Iraq. Forty-seven percent of those surveyed said they believed that the administration has solid evidence to support those claims, and 44 percent disagreed. At the same time, 41 percent expressed confidence that the administration will do a good job of handling current tensions with Iran, compared with 58 percent who said they were not confident."

Pelosi Fails To Follow Through On Some Campaign Pledges. The Politico (2/27, Reilly, VandeHei) reports House Speaker Nancy Pelosi "vowed that five-day workweeks would be a hallmark of a harder-working Democratic majority. So far, the House has logged only one. Lawmakers plan to clock three days this week. The speaker has denied Republicans a vote on their proposals during congressional debates -- a tactic she previously declared oppressive and promised to end. Pelosi has opened the floor to a Republican alternative just once. Pelosi set a high standard for herself when she pledged to make this 'the most ethical Congress in history' -- a boast that was the political equivalent of leading with her chin. And some critics have been happy to hit it. She is drawing fire for putting Rep. William Jefferson (D-La.), who had $90,000 in alleged bribe money in his freezer, on the Homeland Security Committee.

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And The Washington Post reported during the weekend that she is helping chairmen raise money from donors with business before their committees.

Democrats Counting On Hoyer's Consensus-Building Skills. The Washington Post (2/27, A1, Sheridan, 690K), in a front-page profile of House majority leader Rep. Steny Hoyer, reports, "Hoyer seems the very image of the Washington political insider, with his starched white shirts and patrician cap of silver hair. He is known as a pragmatist, skilled at navigating the legislative maze and wooing K Street lobbyists. A workaholic who makes the trains run on time. Yet there is another side: The man who quietly fought for Soviet Bloc dissidents. The husband of a teacher devoted to the poor. The idealist who keeps a bust of Kennedy in his office. The one-time pol from Prince George's County now stands at a historic juncture, as he tries to steer the resurgent Democrats' agenda through Congress. With a record as a moderate consensus-builder, he could be key to keeping the party together and coaxing Republicans to cross the aisle."

SBA Accused Of Improper Loan Distribution. The New York Times (2/27, Nixon, Eaton, 1.16M) reports "federal investigators are looking into accusations" that the Small Business Administration, in an effort to speed up its lending process following criticism over its response to the 2005 Gulf Coast hurricanes, "made thousands of loans without following its own rules to avoid fraud. Current and former employees of the agency have told investigators that agency workers failed to secure proper proof that borrowers owned the houses they were supposed to rebuild or had the required insurance. Caroline Pankove, who worked as a lawyer for the disaster-loan program at the agency from June through December of last year, complained to the agency's managers and its inspector general that employees were improperly pressured to approve loans quickly." However, SBA Administrator Steven C. Preston said agency officials "never pushed for disbursement to be made without the proper documentation." He said the SBA "was trying to empower managers to make case-by-case judgments about loan documentation."

Davis Wants Hearing On "Chronic Deficiencies" At National Guard. The Washington Times (2/27, Seper, 88K) reports Rep. Thomas M. Davis III "has called for a hearing to examine the Defense Department's 'chronic deficiencies' in supporting homeland security and civil support missions by the National Guard." His request "comes in the wake of two reports by the Government Accountability Office (GAO) saying that Defense has not adequately addressed Guard equipment and training requirements and that Army units charged with chemical and biological attack response are understaffed and underequipped." Davis said one of those "reports noted that even though 12 of 15 'national planning scenarios' issued by the White House Homeland Security Council involve chemical, biological, radiological, nuclear or high-yield explosive response, the ability of Army chemical and biological units, especially National Guard and Reserve units, to concurrently perform both their original war-fighting chemical and biological defense mission and their homeland-defense mission is doubtful."

Recommendations Urge Limiting Federal Retiree Health Insurance Premium Subsidies. The Washington Post's (2/27, D4, Barr) "Federal Diary" column reports, "Federal retiree health benefits just keep showing up on budget-cutting tables. A 'Budget Options' report from the Congressional Budget Office," includes a recommendation that would reduce the government's subsidy for retiree health-care costs. President Bush proposed a similar policy change in his fiscal 2008 budget, sent to Congress early this month. The CBO and Bush administration proposals would reduce subsidies for premiums for retirees who had relatively short government careers. Federal retirees can now continue in the federal employee health program if they carried insurance during their last five years of service and are eligible to start collecting retirement benefits." But the CBO suggested that "basing retiree health benefits on length of service would 'help bring federal benefits closer to those of private companies. Federal retirees' health benefits are significantly better than those offered by most large private firms, which have been aggressively paring or eliminating retirement benefits for newly hired workers,' the report said."

OTHER NEWS:

Bank Reserves At Lowest Point Since 1990. The Wall Street Journal (2/27, C1, Sidel, Reilly, 2.04M) reports, "As more consumers and companies start having difficulty paying their debts, the funds that banks set aside to cover soured loans stand at the lowest level since at least 1990. The situation is causing consternation among regulators. And as credit quality begins to deteriorate from unusually strong levels, the issue also is causing jitters on Wall Street, where analysts predict the need to boost loan-loss reserves will cut into banking-industry profits this year." However, "the low reserve levels aren't triggering any concern about the financial soundness of the nation's banking system. Bank failures are quite rare. When regulators closed a small bank near Pittsburgh this month, it was the first bank failure since June 2004." Still, "the current level of loan-loss reserves is reigniting a longstanding debate among regulators

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about how banks calculate the amount of money to put aside for bad loans and the appropriate time to do so. The Financial Accounting Standards Board has recently started to consider whether banks should be required to disclose more information to investors about the way they calculate reserves."

Stocks Down After Greenspan Comments. The Wall Street Journal (2/27, C1, Browning, 2.04M) reports, "Alan Greenspan isn't Federal Reserve chairman any more, but he still can move markets. After Mr. Greenspan told a Hong Kong business conference, via satellite, that a recession is 'possible' later this year, US stocks slumped and bond yields declined, pushing bond prices higher. The Greenspan news, together with a two-month closing high in oil futures, overshadowed investor excitement over the latest massive dump of private money into stocks: the planned $32 billion acquisition of Texas utility TXU by a group of investors." The Dow Jones Industrial Average," down for the fourth consecutive day after hitting four consecutive records, fell 15.22 points, or 0.12%, to 12632.26. … The Standard & Poor's 500-stock index fell 0.13%, or 1.82 points, to 1449.37, up 2.2% this year. The Nasdaq Composite Index declined 0.42%, or 10.58 points, to 2504.52, up 3.7% in 2007."

Gasoline Prices Rise Nine Cents In A Week. ABC World News (2/26, story 5, :20, Gibson, 8.78M) reported, "In other news, gasoline prices are rising again. The government says unleaded regular costs $2.38 a gallon. That's an increase of nine cents in the last week. It's the biggest increase in nearly a year. The result of cold temperatures in the US, driving up the demand for oil."

USA Today (2/27, Healey, 2.27M) says that it is "the fourth consecutive weekly increase and the highest average price in five months, the U.S. Energy Information Administration reported Monday. The U.S. average is 12.9 cents more than it was a year ago." The EIA "forecasts monthly averages won't break $2.50 this year, and discounts talk of a third consecutive year when the weekly U.S. average tops $3."

Attorney's Taped Comments Spark Debate Over Maritime Case Venue-Shopping. The Wall Street Journal (2/27, B1, Koppel) reports, "When Texas plaintiffs' lawyer Anthony Buzbee gave a provocative address last year to maritime defense attorneys in Lake Las Vegas, Nev., he says he had no idea that an audience member about 20 feet away from him was taping the speech. … Now, in the ongoing battle between businesses and the lawyers who sue them, his words are coming back to haunt him as pro-industry lobbyists and Texas legislators use the speech to push for limits on where workers may file lawsuits if they're hurt at sea." The Journal continues, "According to a transcript, Mr. Buzbee told the small gathering that he was particularly fond of Starr County, on the western edge of Texas' Rio Grande Valley. 'That venue probably adds about seventy-five percent to the value of the case,' he said. 'You've got an injured Hispanic client, you've got a completely Hispanic jury, and you've got an Hispanic judge. All right. That's how it is.'" The Journal adds, "In other parts of Texas, Mr. Buzbee went on, a plaintiff may have the burden of showing 'here's what the company did wrong, all right? But when you're in Starr County, traditionally, you need to just show that the guy was working, and he was hurt. And that's the hurdle: Just prove that he wasn't hurt at Wal-Mart, buying something on his off time, and traditionally, you win those cases.'" The Journal notes. "To his opponents, this was clear evidence of 'venue shopping,' a pervasive source of controversy in the legal world where one side seeks the friendliest locale to try a case. To Mr. Buzbee, he was just describing the advantages of a uniquely flexible provision in Texas law that allows plaintiffs in maritime cases the convenience of bringing suit in the county where they live. He was also making it clear to frequent courtroom opponents what he saw as the benefits of settling quickly rather than going to trial in places like Starr County. … In the past five years, thanks in part to Mr. Buzbee, there has been a surge in the Rio Grande Valley of lawsuits on behalf of seamen alleging injuries on dredging vessels from Florida to New Jersey to Bahrain. The predominantly Hispanic and relatively poor region in southern Texas has gained a national reputation for large jury verdicts. Mr. Buzbee says he has won several recent dredging verdicts in the Valley, ranging from $450,000 to about $1.4 million, and notes that he has settled many more for confidential amounts. … Congress and various states have passed laws limiting plaintiffs' flexibility to choose favored venues. But 'personal-injury lawyers can still often shop cases as fast as their little legs will carry them,' says Darren McKinney, a spokesman for the pro-business American Tort Reform Association."

Federal Judge Rejects Cap On New York Ferry Crash Awards. The New York Times (2/27, Newman) reports, "A federal judge yesterday rejected New York City's attempt to use an obscure 19th-century maritime law to cap its liability in the 2003 crash of a Staten Island ferry at $14 million." The Times continues, "The ruling exposes the city to tens of millions of dollars in potential damage awards to relatives of those killed and to scores of people injured when the ferry, the Andrew J. Barberi, crashed into a maintenance pier at the St. George Ferry Terminal on Staten Island." The Times adds, "The city had argued that the accident was covered by an 1851 act, aimed at encouraging investment in the shipbuilding industry, that limited a boat owner's liability to the value of the boat minus the repair costs — in this case $14.4 million. The judge ruled, however, that the 1851 law did

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not apply if the city's managers had been negligent, and he found that they had been. … The city has already paid $27.6 million to settle two-thirds of the 186 damage claims. Of the 11 people killed in the crash, the estates of only two have settled with the city, for $3 million and $450,000." The Times notes, "The amounts of many settlements were held down, lawyers for the plaintiffs said, by the city's argument that if it succeeded in capping the liability, the plaintiffs stood to win relatively little. … The city said it would consider appealing."

In Washington Speech, Schwarzenegger Urges Bipartisanship. McClatchy (2/27, Benson) reports, "Sounding more like a motivational speaker than a politician, California Gov. Arnold Schwarzenegger on Monday urged Democrats and Republicans in Washington to put aside their partisan differences and get to work for the good of the country." Schwarzenegger "told an audience at the National Press Club that Congress and the White House should follow the example of California, where Democrats and Republicans have worked together recently on environmental legislation and infrastructure issues." The governor "urged President Bush and Congress to move toward the political center. He also said they should just try to be friendly."

The Washington Times (2/27, Ward, 88K) runs a similar story under the headline "Arnold Pushes 'Centrist' Immigration Approach," in which it says "Schwarzenegger yesterday punctuated a three-day media blitz in the nation's capital -- one in which he said he is open to running for the US Senate -- with a National Press Club speech on how his 'post-partisan' approach can fix the immigration problem. " Said the governor, "It is time that we reintroduce the concept of the mainstream back into the American political life, and the place to start it is immigration." The Times adds, " The Austrian-born former film star said what Mr. Bush and many lawmakers have said: The US should 'secure our borders' and provide 'a guest-worker program and [give] everyone citizenship who is already in the country and meet a certain criteria.'"

Democrats Consider 527 Curbs, Public Funding Of Congressional Races. The Hill (2/27, Bolton) reports, "Senate Democrats are considering placing curbs on soft-money 527 groups amid evidence that they are beginning to lose the political advantage these largely unregulated funds have given them over Republicans. This is a move Democrats had strenuously opposed during the last Congress, when they were believed to benefit from the lion's share of 527 money," but "now there is evidence that more of the money from these groups, named for a clause in the tax code, is flowing to the GOP." Meanwhile, "the second-ranking Senate Democrat, Assistant Majority Leader Dick Durbin (Ill.), is planning to introduce legislation in the next few weeks that would provide public funding for congressional candidates who qualify. … House Speaker Nancy Pelosi (D-Calif.) has weighed in by announcing that she supports public funding of congressional races, an idea that has not received serious consideration since 1993. And influential Democratic chairmen such as Appropriations Chairman David Obey (Wis.) and Financial Services Chairman Barney Frank (Mass.) also support it."

Less Restrictive Voting Requirements Expected To Benefit Democrats. USA Today (2/27, 4A, Wolf, 2.27M) reports, "Proposals designed to make voting easier and ballots more secure are beginning to advance in several states. The proposals range from allowing voters to register until Election Day to expanding the use of absentee ballots and early in-person voting. … The trend follows several years in which states passed tighter restrictions, such as requiring photo identification and proof of citizenship. Opponents of those restrictions, some of which were blocked by court action, are behind the push to bring more voters to the polls." USA Today notes, "The trend toward making it easier to register and vote could help Democrats in 2008, particularly in battleground states that will decide who wins the White House. Minorities and the poor would benefit the most, and they tend to vote for Democrats, says Kimball Brace of Election Data Services, a political consulting firm."

McCain Presidential Hopes Said To Rest On Iraq Progress. USA Today (2/27, Page, 2.27M) reports that "at stake in Iraq is not only President Bush's legacy but also the 70-year-old" Sen. John McCain's "last hope for the White House. In a crowded field of candidates, he is the only full-throated defender of the increase in U.S. troop levels and the war itself." In a "turn that's nearly Shakespearean, McCain — Bush's chief rival for the Republican nomination in 2000 and a critic since then on everything from tax cuts to torture — finds his fate inextricably tied to the fortunes of his onetime adversary and the increasingly unpopular war he is prosecuting." McCain's "unyielding stance on Iraq has bolstered him with Republican regulars but eroded his standing among the independents and crossover Democrats who boosted his presidential bid seven years ago. In a USA TODAY/Gallup Poll taken Thursday through Sunday, one in four independents and two in three Democrats say they're much less likely to support him as a result." Last fall, McCain "and former New York mayor Rudy Giuliani were tied in the lineup of GOP hopefuls in the USA TODAY poll. Now Giuliani leads McCain 40%-24%."

The Washington Times (2/27, Curl, 88K) reports McCain is "playing both sides against the middle as he supports sending more than 21,500 additional troops to Iraq while trying to distance himself from President Bush by

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labeling the war a 'train wreck.'" But election analysts and pollsters "say the new tack is costing him independent voters, once his strong suit." As McCain "seeks to secure religious and social conservatives by espousing a hard line against homosexual 'marriage' and abortion, independents are abandoning him in droves, a trend election analysts say could be fatal to his 2008 presidential hopes." Pollster John Zogby said, "It's almost bipolar. He walks a very thin line here. What made John McCain so popular was the maverick, independent, anti-party establishment, war-hero status. He was popular among independents, Democrats, and not unpopular at all among Republicans. But in the process of redefining himself from the hawkish, pro-surge, hug-the-president McCain, the redefinition has un-defined him."

Warner Endorses McCain. The AP (2/27, Sampson) reports Sen. John W. Warner, "the former chairman of the Armed Services Committee, on Monday endorsed Sen. John McCain for the Republican presidential nomination." Warner "cited McCain's service in the Navy and his familiarity with military issues in a statement backing his longtime friend, who is expected to formally announce his candidacy next month."

Giuliani Cites Philosophy On Taxes As Reason For Joining GOP. The AP (2/27, Sidoti) reports Rudy Giuliani "addressed his Democratic past on Monday and offered one reason for his political conversion — taxes." Speaking at a Hoover Institution event, Giuliani said, "I don't think anything separates us more right now between Republicans and Democrats than how we look at taxes. What we understand as Republicans is that, sure, the government is an important player in this, but we are essentially a private economy. What Democrats really believe ... is that it is essentially a government economy." The AP adds that Giuliani "faces the challenge of winning over conservatives who make up the GOP's base and view him skeptically because of his moderate views on social issues and his past allegiance to the Democratic Party. In 1994, Giuliani endorsed Democratic Gov. Mario Cuomo over Republican challenger George Pataki. Addressing his political about-face, Giuliani said he once was a Democrat, then spent five years as an independent before finding a home with the Republican Party."

Long Island Newsday (2/27, Gordon, 414K) reports Giuliani "defended his lack of hands-on foreign policy experience, telling a conservative audience that his time in City Hall, private business travels and paid speeches abroad helped prepare him to confront overseas threats." Giuliani said, "What makes you think the mayor of New York City doesn't need a foreign policy? It's something that I think I know ... as well as anybody else who's running for president, probably better than a lot." Newsday adds Giuliani "also did a test drive of a series of domestic campaign themes before the group -- saying he would cut taxes, expand school choice and reform entitlement programs -- in a bid to explain his political conversion from Democrat to Republican."

In the Washington Post's "Washington Sketch" column (2/27, A2), Dana Milbank says Giuliani was "charging $100,000 per speech before he announced two weeks ago that he was quitting the motivational lecture circuit. Now he can look forward to a year or more of talks like he gave yesterday to the Hoover Institution in the Willard ballroom -- earning nothing but applause. Had America's Mayor charged the going rate, the 46-minute, 34-second speech would have cost the conservative think tank $2,147.46 per minute." On the other hand, "the value-conscious consumer apparently will have to pay full freight if Giuliani is going to say something controversial. The candidate said not a peep about abortion or gay rights. He skipped any mention of Iraq until a questioner asked him." This "was not a hostile crowd. Though religious conservatives are suspicious about Giuliani, the market conservatives of the Hoover Institution are not."

Oscar Win Prompts Speculation About Gore '08 Run. ABC World News (2/26, story 4, 2:20, Gibson, 8.78M) reported, "There has been a lot of speculation about the political future of former Vice President Al Gore following his star turn at the Academy Awards last night. The documentary, 'An Inconvenient Truth,' which features Gore, talking up the problem of global warming, won an Oscar. Does he want, now, to win something else?" ABC (Weir) added, "A bigger, looser Al Gore now strolls red carpets in Ralph Lauren, gives Grammys to Red Hot Chili Peppers and has Oscar credibility." His "global warming slide show has made $45 million and counting at the box office. Live versions sell out red state arenas faster than rock stars. And he is up for the Nobel Peace Prize. Which leads to the question, will he run again?" Gore: "You know, I don't have plans to do that. Don't have any intention of doing that. I am involved in trying to campaign in a different way to get people to see the reality of this crisis." Weir: "It is a frustrating response for his political fans, both online bloggers and a veteran from the Oval Office." President Jimmy Carter: "I've put so much pressure on Al to run that he's almost gotten aggravated with me." Ross: "Still all the Gore faithful hope all this pop culture love will nudge him into the race. And his former campaign manager believes he can jump in after other Democrats have worn each other down." Donna Brazile: "There's an opportunity for Al Gore to get in the race. If one of the top tier candidates stumble and perhaps get out of the race."

The CBS Evening News (2/26, story 2, 2:40, Couric, 7.66M) reported, "Now that Al Gore's documentary on global warming won an Oscar, a lot of people are wondering if he'll use it as a springboard for another presidential run." CBS

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(Borger) added Gore is "clearly playing it for all its worth because now he's not just another defeated presidential candidate. He's an Oscar-winning environmental evangelist." The "question in Washington is whether his Oscar win may tempt him to try again for the biggest prize. An adviser says Gore isn't thinking about it now." Gore adviser Michael Feldman: "He hasn't completely shut the door but I don't see anything more than that." Borger: "But sources tell us to check back this fall, Katie, and see what happens." Couric: "In other words, Gloria, he may wait around to see if Hillary Clinton or Barack Obama falter and if they do, step in?" Borger: "Absolutely, Katie. He is in no rush. He can write himself a large personal check at this point. I was told today that he could write $50 million very easily. He's a known quantity. One more thing that appeals to these Democratic primary voters, Katie, he has been opposed to the war in Iraq."

USA Today (2/27, Kasindorf, 2.27M) reports Gore "has had a heartwarming February: a big night at the Academy Awards, a Nobel Peace Prize nomination and former president Jimmy Carter's endorsement for the 2008 presidential campaign." But these "dream assets for a politician and the added pressure they're bringing to enter the race are unlikely to sway Gore to jump in, Democrats who know the former vice president said Monday." At the award ceremony, in "pre-planned clowning, Gore had begun to announce a political 'intention' when the band cut him off." If Gore "should decide to run, he'd be in a strong starting position. In a USA TODAY/Gallup Poll of Democratic voters taken Feb. 9-11, Gore trailed only Sens. Hillary Rodham Clinton of New York and Barack Obama of Illinois."

The Politico (2/27, Allen) reports Gore's "triumph at the Oscars is already stoking activists' pleas for him to make a dramatic late entry into the fractious presidential race, and some key strategists insist he could announce as late as September or October and still win the nomination." Former campaign manager Donna Brazile said, "Honestly, this was the inaugural parade we all envisioned. Gore's political stock is hot right now. I don't know if I would cash in now with so many players still on stage. There's no reason to force him to declare tomorrow." The Politico adds Brazile "said the former vice president could wait as late as the time states begin requiring delegate slates and statements of candidacy, since he could raise money quickly and much of the campaigns' budgets are devoted to a long nominating process he would avoid."

The Financial Times (2/27, Luce) reports the "clamour for an Al Gore 2008 presidential candidacy stepped up several decibels yesterday after the evening award of two Oscars" for An Inconvenient Truth. Appearing "twice on stage - first with Leonardo DiCaprio, who portrayed the former vice-president as something close to a modern prophet, and second to accept jointly with Davis Guggenheim, the movie's director, the award for best documentary feature - Mr Gore was by a long way the most adulated celebrity of the evening." Senior Democrats "say Mr Gore could be catapulted into a frontline position, particularly if he waited until September or October when the public is likely to have become saturated with the increasingly tense contest between Mr Obama and Mrs Clinton. Last year's Nobel peace prize was announced on 13 October."

The Washington Times (2/27, Harper, 88K) reports the "Academy Award for 'An Inconvenient Truth' has further cemented Mr. Gore's name to a single issue: global warming. But Mr. Gore's fame could be fleeting because the issue does not resonate with most Americans." Morgan E. Felchner, editor of Campaign & Elections magazine, said, "Winning an Oscar and making a joke in the pop culture arena will definitely raise his profile. Mr. Gore will get attention over the next few weeks as everyone repeats the question, 'Are you going to run?'"

Brazile Says Gore Has Opportunity For Late Entry. In her Roll Call column (2/27), Brazile says Gore is "sticking to his position that he has no intention to run for president. Perhaps I should just take his word and resume flirting with those who have made the decision to run. But something in my gut tells me that there's still a chance Gore will jump in right before the filing deadlines or as the slating of delegates begins — and win both the nomination and the presidency." Brazile added, "I am sure Gore will continue to close the door on running in 2008, but what if someone opens a window? If the current contenders continue to pander and play the old politics of yesterday, the opportunity for a late entry may yet present itself on the road to the White House."

Cohen Says Gore "At Peace With Himself." In his Washington Post column (2/27, A15), Richard Cohen says, "Gore -- the son of a senator himself -- was raised for the presidency. But for the moment at least, he is showing all the irritating signs of a man at peace with himself. He abandoned Washington for Nashville. He has made a bundle in his investments, and he has set out to show that there is life after a failed candidacy, a purposeful life in which a man can do some good. His movie and his speeches are -- to paraphrase what Clausewitz said about war -- a continuation of politics by other means. He cannot make war but he can still make a difference."

Gore To Speak At UMBC. The Baltimore Sun (2/27, Henderson, 257K) reports, "Hoping to latch on to the buzz surrounding former Vice President Al Gore's double dose of Oscar, the Annapolis and Anne Arundel Chamber of Commerce said Monday that the Gore eco-friendly train will stop in Baltimore." Gore "will give a 90-minute speech May 8 on the effects of global warming -- the topic that has turned him into a hip wonk" at the University of Maryland Baltimore County campus.

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Hillary Clinton Failed To Disclose Family Charity. The Washington Post (2/27, A1, Solomon, Mosk, 690K) reports Sen. Hillary Rodham Clinton and former president Bill Clinton "have operated a family charity since 2001, but she failed to list it on annual Senate financial disclosure reports on five occasions." The Ethics in Government Act "requires members of Congress to disclose positions they hold with any outside entity, including nonprofit foundations. Hillary Clinton has served her family foundation as treasurer and secretary since it was established in December 2001, but none of her ethics reports since then have disclosed that fact." The foundation has "enabled the Clintons to write off more than $5 million from their taxable personal income since 2001, while dispensing $1.25 million in charitable contributions over that period." Clinton's spokesman "said her failure to report the existence of the family foundation and the senator's position as an officer was an oversight. Her office immediately amended her Senate ethics reports to add that information late yesterday after receiving inquiries from The Washington Post."

WPost Praises Clinton For Disclosing Bundlers. The Washington Post (2/27, A14, 690K), in an editorial, praises Sen. Hillary Clinton for deciding "that her presidential campaign will reveal the identities of its major fundraisers, after all. This is welcome news for the conduct of the 2008 race, during which big bundlers -- the well-connected fundraisers who can help collect $100,000, $200,000 or even $1 million in donations -- will be more important than ever." With Clinton's "change of heart, the top-tier contenders of both parties -- Democrats Clinton, Barack Obama and John Edwards, and Republicans John McCain, Rudolph W. Giuliani and Mitt Romney -- have agreed to identify their chief campaign underwriters."

Obama Has Complex Relationship With Illinois Political Establishment. Long Island Newsday/AP (2/27, Bellandi) reports Sen. Barack Obama "piled on the praise last month as he stood beside Chicago Mayor Richard Daley and embraced the mayor's bid for a sixth term." But it "was a switch from a year earlier, when the Illinois senator brushed off questions about endorsing Daley and said reported corruption at Chicago's City Hall gave him 'huge pause.' What happened in the meantime? Obama decided to run for president." The endorsement is "one example of the sometimes complicated relationship between Obama -- who offers himself as an untainted, non-traditional alternative -- and Illinois' sometimes tarnished political establishment." Obama has "maintained relations with important parts of the establishment, from remnants of the legendary Chicago Democratic machine to the city's leading black politicians," but as an "outsider who came to the city as an adult, he doesn't owe his political fortunes to ward bosses and can claim distance from the political corruption for which the city is famous."

Obama Promises Frequent Visits To Ohio. The AP (2/27, Sampson) reports that on "his first campaign trek across Ohio, Democratic presidential contender Barack Obama promised that he'd return — a lot." Obama "raised more than $450,000 at fundraisers in Cincinnati and Columbus on Monday before collecting even more at an appearance in suburban Cleveland." Obama said, "I'm going to be spending a lot of time in Ohio so that people are familiar with me, so that by the time I'm the Democratic nominee they don't feel like I'm just parachuting in but that they've heard me and had a chance to kick the tires and lift the hood." The AP adds that in his "three stops to the state's largest cities, Obama covered a wide range of topics, including ending the war in Iraq — which received the loudest cheer at the Cleveland-area rally — developing universal health care and improving early childhood education."

Clinton, Obama To Speak At Selma Commemoration. The AP (2/27, Sampson) reports, "Vying for the support of a key Democratic constituency, presidential hopefuls Hillary Rodham Clinton and Barack Obama have signed on to speak at an annual civil rights commemoration in Selma, Ala., on Sunday at the same time and just a few doors down from each other." State Democratic leaders "and event organizers said they couldn't remember a time when two leading presidential candidates spoke at the Bridge Crossing Jubilee, held annually in honor of the 1965 Selma-to-Montgomery voting rights march."

California Fertile Ground For Political Fundraising. The Los Angeles Times (2/27, Morain, 850K) reports that "for politicians, including presidential candidates," California is "where the money is. Last week alone, Democrats Barack Obama, Hillary Rodham Clinton, Christopher Dodd and Joseph Biden made the trek. Republican Sen. John McCain was also here, following his rival, Rudolph W. Giuliani, who had been here the week before, while Republican Mitt Romney will be here next month." Californians "spent at least $502 million on federal campaigns in the last four years, federal campaign records show -- 24 percent more than runner-up New York and about 13 percent of all federal campaign funds raised nationally." Among the top political contributors, over the "past four years, Deborah Rappaport and her husband, venture capitalist Andrew Rappaport, of Woodside, have spent $5.2 million on federal politics, much of it to encourage young people to vote. They held a fund-raiser for White House candidate John Edwards of North Carolina earlier this month, raising more than $100,000." Silicon Valley Democrats Michael and Frances Kieschnick "helped fund a successful campaign in

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2006 to elect Democrats as secretaries of state who will oversee balloting in five swing states -- a reaction to perceived bias by Republican officials in Florida and Ohio in the 2000 and 2004 presidential vote counting." Meanwhile, Los Angeles-area developer Rick Caruso "has a goal of raising $1 million for Massachusetts Gov. Romney's bid for the Republican nomination." Californians also "had a significant role in the 2006 fight for control of Congress, donating $6.6 million directly to candidates in the six U.S. Senate races that tipped control to Democrats, campaign records show."

Liberal Activists Emulating Successful Conservative Tactics. The Washington Times (2/27, Pfeiffer, 88K) reports, "Liberal lobbying groups are trying to flex their newfound muscle on K Street after a dozen years in exile, promising to avoid the same tactical mistakes that led to the downfall of, and jail sentences for, some Republicans last year. 'Washington has been congested with conservatives abusing their power for far too long,' said Toby Chaudhuri of the Campaign for America's Future (CAF), a progressive lobbying organization. … Despite their deep ideological differences, CAF and other liberal organizations are trying to emulate some of the tactics used by" Grover Norquist, president of Americans for Tax Reform, "in helping the conservative movement rise to power. For instance, Mr. Norquist hosts the 'Wednesday meetings,' a weekly gathering of conservative activists, strategists and Republican congressional staffers. The CAF now hosts its own biweekly patchwork of ideological allies that they call the 'Tuesday Group.''

Appeals Court Upholds Creation Of California Stem Cell Agency. USA Today (2/27, Weise, 2.27M) reports, "Three years after California passed a $3 billion stem cell initiative, a state appeals court has upheld the creation of the agency that will distribute the money, rebuffing legal challenges from abortion opponents and anti-tax activists. The 1st District Court of Appeal Monday upheld a decision by a lower court judge who had ruled in favor of the California Institute for Regenerative Medicine (CIRM) last year." The agency "was created when 59% of voters passed Proposition 71 in 2004. In addition to creating the institute, the proposition authorized it to sell $3 billion in bonds to fund stem cell research over 10 years." The institute "has not been able to borrow money pending the resolution of the lawsuit. But it has already received loans of $195 million from the state and philanthropic organizations."

Federal Judge Allows Suit Against Career Education's Sanford Brown College To Proceed. The Kansas City Star (2/27) reports, "A lawsuit brought by one of eight former radiography students who sued career school Sanford Brown College in North Kansas City for fraud has been allowed to proceed. Senior U.S. District Judge Scott Wright last week denied the college's motion for summary judgment, finding that there were disputed facts that needed to be resolved by a jury." Sanford Brown "s a subsidiary of publicly traded Career Education Corp." The suit charges that "college admissions representatives lied to the plaintiffs about the cost of tuition, the availability of grants and loans, the jobs and starting salaries they could expect to get upon graduating, and the experience and preparedness of the school's instructors." Career Education Corp. is "being investigated by the U.S. Department of Justice after a false-claims lawsuit charged that some of its colleges had obtained federal funds to which they were not entitled." Also "in mid-2005, the U.S. Department of Education imposed a moratorium on new company campuses, saying it was concerned by CEC's 'history of noncompliance' with federal laws governing financial aid."

Over A Dozen States Consider Raising Tobacco Taxes. USA Today (2/27, 1A, Wolf, 2.27M) reports more than "a dozen states are considering higher tobacco taxes this year, most often to help millions of uninsured people get health coverage." Four of "the most closely watched proposals call for tax hikes of $1 per pack or more, an increase attained by only four states in the past. Wisconsin Gov. Jim Doyle wants a $1.25 increase. Iowa, Maine and Maryland are considering $1." The number "of tax hike efforts isn't unusual: 21 states boosted tobacco taxes in 2002 and 17 in 2003 to combat the recession. Many of the new proposals are noteworthy for their size and link to helping some of the nation's nearly 47 million uninsured people."

Despite Power Shift, Barbour Griffith & Rogers Sticks With GOP Hires. The Politico (2/27, Cummings) reports, "Barbour Griffith & Rogers is "bucking the post-midterm trend of bringing in a Democrat." Barbour Griffith & Rogers "was signing on a handful of policy experts last year when many Republican-controlled lobbying shops were scooping up key Democratic aides and operatives. Among the firm's new hired guns: Stephen Rademaker, former Senate Majority Leader Bill Frist's national policy director; Mary Lacey Reuther, a health care expert from the Bush administration; and Celeste Ward, a military operations and Iraq expert who worked at the Pentagon. Sure, they are all Republicans, making them easy fits inside the firm. But the firm's chairman, Ed Rogers, is banking on their depth of knowledge to attract corporations and other interest groups."

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2007 Service To America Medal Nominations Due March 8. The Washington Post's (2/27, D4, Barr) "Federal Diary" column reports, "Nominations for the 2007 Service to America Medals, presented annually to honor government employees for their achievements and commitment to federal service, are being accepted at the nonprofit Partnership for Public Service." The Post adds that winners will be selected after the March 8 submission deadline and medals "are presented at a gala dinner, [and] are accompanied by cash prizes -- from $3,000 to $10,000." The Post notes, "Previous medal winners include the Federal Trade Commission team that created the National Do Not Call Registry, a federal scientist leading the effort to prepare for a catastrophic flu pandemic, and an Internal Revenue Service employee responsible for the e-file system that speeds tax refunds."

Halliburton To Sever Ties With KBR. The Wall Street Journal (2/27, A14, Gold, 2.04M) reports, "Halliburton Co. took a decisive step to separate itself from its KBR Inc. unit, which generates a fraction of the company's profit but the lion's shares of headlines and headaches." Halliburton "said it would dispose of its 81% stake in the construction, engineering and government contracting firm by offering Halliburton shareholders the opportunity to trade their Halliburton shares for KBR shares at an unspecified ratio. If the offer isn't fully subscribed, the remaining KBR shares will be distributed through a special dividend to Halliburton owners." The New York Times (2/27, 1.16M) briefly notes the story.

Big Dollar Philanthropy In US Reached Record Levels In 2006. USA Today (2/27, Moore, 2.27M) reports, "The number of individual donations of $100 million or more hit a record in 2006, according to The Chronicle of Philanthropy, which compiles a yearly list of the biggest givers. Last year, there were 21 donations of $100 million or more by individuals to universities, hospitals and charities, compared with 11 in 2005. The biggest gift by far was Warren Buffett's pledge to donate stock in his investment firm Berkshire Hathaway, now worth $43.5 billion, to several groups, including the Bill and Melinda Gates Foundation. Even without this huge donation, the philanthropy of the country's 60 most generous givers hit a record $7 billion in 2006, up from $4.3 billion the year before."

Prominent Pro-Choice Catholic Leader Stepping Down. The New York Times (2/27, Banerjee, 1.16M) profiles Frances Kissling, who "for 25 years, as president of Catholics for a Free Choice…has angered the church hierarchy and conservative Catholics by criticizing fundamental teachings on sex. … Though unknown to most lay Catholics, she has inspired and worked with politicians and activists, many Catholic, to speak out in favor of giving women access to abortions and to artificial contraception. On Wednesday, Ms. Kissling, 63, will step down from her post."

WPost, NYTimes Agree On Need For National Standards For High Schools. The Washington Post (2/27, 690K) writes in an editorial that last week's National Assessment of Educational Progress report "revealed a disturbing incongruity between how well schools say students are doing and how well students really are doing." So the "national debate" over the reauthorization of the No Child Left Behind Act "must include a robust discussion of how to improve high schools and create national standards."

The New York Times (2/27, 1.16M) writes that The NAEP scores "mean that many of today's high school seniors will be locked out of the information economy." In reauthorizing NCLB And the Higher Education Act, Congress is urged to "start by getting the board that oversees the National Assessment of Educational Progress testing to create rigorous national standards for crucial subjects." It is also urged to "raise the bar for teacher qualifications" and to require teachers colleges "to turn out higher quality graduates."

US Displays More Baghdad Bombs Said To Be Made In Iran. The New York Times (2/27, A8, Glanz, Oppel, 1.16M) reports in Baghdad on Monday the American military "laid out a display of hundreds of components for assembling deadly roadside bombs, its latest effort to embarrass the country it contends is supplying the material to armed Shiite groups [in Iraq]: Iran." The parts were seized by the US military two days earlier just north of Baghdad.

The Wall Street Journal (2/27, A4, Dreazen, 2.04M) says the weapons cache "raises fears that Shiite Muslim insurgents across Iraq may be able to manufacture large quantities of such weapons on their own." It is also "forcing US officials to reassess their belief that such bombs were being built in Iran and smuggled fully assembled into Iraq."

The Los Angeles Times (2/27, Zucchino, 850K) notes that although it was "the third in two weeks in which US military officials set forth evidence that they said showed Iran's hand in Iraq's violence," in contrast with previous sessions, officers at Monday's briefing "were careful not to accuse the Iranian government of involvement."

Diplomats Agree To Draft New Resolution Sanctioning Iran. The New York Times (2/27, A9, Cooper, 1.16M) reports top officials from the United States, Britain, China, Russia, Germany and France meeting in London Monday said they will begin drafting a new U.N. Security Council resolution "to ratchet up the pressure again." Assistant Secretary McCormack said the US "was willing to

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join in talks between the Europeans and Iran over the nuclear program, provided that Iran suspended its uranium enrichment activity." However, he warned, "Should they choose not to proceed down that pathway, then there will be consequences. And those consequences will be diplomatic isolation from the rest of the world."

The AP (2/27, Wagner) reports McCormack said the diplomats would hold a telephone conference Thursday, "at which time they hope to be able to hammer out the elements of a U.N. sanctions resolution."

The Washington Post (2/27, A11, Jordan, 690K) says officials at Monday's talks "sought to play down any rising confrontation," because "not all parties agree on the seriousness of the threat from Iran or how best to contain it."

Meanwhile, a US official told the Financial Times (2/27, Dombey, Fidler) that diplomacy on Iran "still has time to work." The unidentified official said, "The genie isn't out of the bottle yet but…they (the Iranians) are working very aggressively to get it out."

Separately, the Financial Times (2/27, Dombey, Fidler) reports Javad Zarif, Iran's outgoing ambassador to the U.N., told a Century Foundation conference in New York that there was "enough on the table already to find a resolution on the nuclear issue," but described the Security Council as "part of the problem," alleging it had been used "as a tool of the US rather than as a genuine way of finding a negotiated deal."

Iran's Pursuit Of Nuclear Power Raises Concerns Over Future. The Christian Science Monitor (2/27, LaFranchi, 59K) reports that while Iran's "mantralike insistence that its pursuit of nuclear technology is an internationally guaranteed" has countries "worried it is seeking a nuclear weapon," the "huge increases in energy demand anticipated across the developing world over the next two decades, coupled with a growing urgency about global warming, have nuclear nonproliferation experts focused on Iran's case for broader and even more unsettling reasons." Experts are concerned that "if a sense of entitlement to nuclear power and the fuel that makes it possible is allowed to take root," the world "soon could find itself with dozens of nuclear countries with the means to switch from peaceful energy production to building a nuclear arsenal virtually overnight."

Iranian Official Says Iran Not In Violation Of Nuclear Treaty. In a letter to the Wall Street Journal (2/27, 2.04M), M.A. Mohammad, press secretary at the Iran Mission to the United Nations, says "Iran has not violated any of its international obligations by seeking to produce nuclear fuel for its civilian reactors." After "more than 2,200 days of inspection of Iran's nuclear facilities," he says the IAEA has "time and again concluded that there is no evidence of diversion to non-peaceful purposes." This, he continues, "raises a question" about the U.N.'s grounds "to impose sanctions on Iran, while simultaneously ignoring the absence of disarmament and the proliferation threats posed by Israel, which has a huge nuclear arsenal and has refused the slightest inspections by the IAEA." The international community, he concludes, "must seek an immediate end to this outrageous double standard and discrimination against the rights of Iran."

Ahmadinejad Faces Mounting Criticism At Home. The Washington Times/AP (2/27, A1, Dareini) reports on its front page that Iranian President Mahmoud Ahmadinejad "faced a new round of sharp criticism at home Monday" over recent comments that Iran's nuclear program is "an unstoppable train without brakes." Reformers and conservatives "said such tough talk only inflames the West as it considers further sanctions." The criticism came "as new signs have arisen that Iran's supreme leader Ayatollah Ali Khamenei is growing discontented with Ahmadinejad" and "reflects public worries about the course of the country's confrontation" with the US.

Iranian Scholars Denounce Holocaust Conference. The New York Times (2/27, A9, Fathi, 1.16M) reports a group of Iranian "academics, writers and artists has denounced the Holocaust conference held in Tehran late last year, calling it a move that endangered peace and hurt the reputation of Iranian academics." In "a bold gesture," more than 20 academics, writers and artists, "many of whom live outside of Iran, signed a statement that was sent to The New York Times and circulated on the Internet last week, arguing that the gathering was an exercise in propaganda."

Richardson, Clark Encourage Bush To Open Dialogue With Iran. New Mexico Gov. Bill Richardson, on MSNBC's Hardball (2/26, Matthews) said that yesterday at the meeting of the National Governors' Association, he "said to President Bush, 'Mr. President, you did the right thing, finally, with North Korea. You talked to them directly. Why don't you do the same with Iran? Why don't you talk to them?' … He kind of, in a very nice way, said that he said he wasn't going to do it."

On Fox News' O'Reilly Factor (2/26), General Wesley Clark said, "What we need to do is we need to talk directly to the Iranians. Lay it on the line. … We need to talk to them. I tell you the danger is. If we don't talk soon, what they do is they play a game. They've got several different strategies to work on. And what we don't want to have happen is the clock run out and say, 'My goodness we're either going to have to strike them with our military or they're going to have a nuclear weapon.'"

Expert Urges Seeking Changes From Within Iran. Edward Luttwak, author and a senior fellow at the Center for Strategic and International Studies, writes in the Wall Street Journal (2/27, A16, 2.04M) that, "Having crushed Tehran's enemies, the US finds itself under attack by Iran's rulers, who no longer have to worry about defending their own borders and can instead challenge American interests all over the

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Middle East." But "for some, including the Baker-Hamilton commission, all this is a compelling argument for negotiations." However, Luttwak says "there is a better alternative to détente with a repulsive regime, and that is to be true to the Wilsonian tradition of American foreign policy by encouraging the forces of national liberation within Iran."

German Official Says German Exports To Iran Declining. In a letter to the Wall Street Journal (2/27, 2.04M), Ulrich A. Sante of the German Embassy in Washington says, "Contrary to the impression created by your Feb. 20 editorial 'Europe and the Mullahs,' Germany's trade with Iran as well as its export credit guarantees have declined sharply in the past year." Due to "the federal government having tightened its policies," he said "a further decline by 40% is predicted for 2007."

Palestinian Killed During Israeli Raid. The New York Times (2/27, A9, Myre, 1.16M) reports Israeli troops "searched for militants and weapons in the West Bank city of Nablus for a third day Monday, going door to door and periodically clashing with gunmen and stone-throwing youths." One Palestinian man was killed and his son was wounded, "the first fatality since Israel began the operation on Saturday."

Three Frenchmen Killed By Gunmen In Saudi Arabia. The New York Times (2/27, A6, Fattah, 1.16M) reports, "Gunmen killed three French citizens and wounded a fourth near the holy city of Medina in Saudi Arabia early Monday, in a brazen reminder that attacks on foreigners there have not stopped despite an aggressive three-year security crackdown." The Saudi Interior Ministry said eight French citizens came under attack on "a road typically restricted to Muslims about 10 miles from Medina." Two of the victims were identified by colleagues as engineers who worked at Schneider Electric in Riyadh.

The Financial Times (2/27, England) reports Major General Mansour al-Turki, a Saudi interior ministry spokesman, "said it was too early to determine if it was a terrorist act."

Yemeni Reforms Could Lead To Millions In US Aid. The Christian Science Monitor (2/27, Hill, 59K) reports that in 2005 Yemen was dropped from a list of countries hoping for millions in US aid. However, in the beginning of 2006, President Ali Abdullah Saleh "launched an ambitious anticorruption program," and on Feb. 14, the Millennium Challenge Corporation "reinstated Yemen's chance for assistance as a result of an 'aggressive reform effort.'" Now, Yemen "could gain hundreds of millions of dollars in aid, if it can sustain reform momentum."

UN Court Says Bosnia Killings Were Genocide. The New York Times (2/27, A1, Simons, 1.16M) reports on its front page that the International Court of Justice Monday "for the first time called the massacre of Bosnian Muslims at Srebrenica in 1995 an act of genocide, but determined that Serbia itself was not guilty of the enormous crime." Nonetheless, it "faulted" Serbia, saying it "could and should" have prevented the genocide and, in its aftermath, "should have punished the Bosnian Serbs" responsible for the killings. The ruling "appeared to give some satisfaction -- and frustration -- to both sides."

The Washington Post/AP (2/27, A12, Corder) says the ruling "sparked outrage in Bosnia" and "among dozens of war survivors who gathered outside the gates of the International Court of Justice."

Bizarre Killings Of Salvadoran Lawmakers Continues. The Los Angeles Times (2/27, Tobar, Renderos, 850K) reports, "For more than a week, Guatemalans and Salvadorans have been in the grip of a murky and gruesome mystery story" after the "charred bodies of three Salvadoran legislators and their driver were found" on a roadside. Then, on Sunday night, "four officers from a top Guatemalan police unit were slain" in their prison cells "three days after they had been arrested and charged with killing the legislators." Police and government officials in El Salvador and Guatemala said the case "may have exposed an unsettling link between drug traffickers and the security and political elite of the countries."

Negroponte To Play Important Role In Relations With China. The AP (2/27, Gedda) reports, "The State Department has been lacking a diplomatic heavyweight to handle China issues since last summer, and President Bush's choice to fill that role plans to travel to Beijing this week as part of a three-nation East Asia tour." As Deputy Secretary John Negroponte prepares for his first trip since assuming his new post, the AP says, "For the United States, there may be no foreign relationship as important as the one with China. It is a fellow permanent member of the U.N. Security Council, a major trading partner and an important player on such diplomatic problems as North Korea, Iran and Sudan." Negroponte "does not qualify as a China expert, but the same could have been said of his predecessor, Robert Zoellick, who nonetheless was admired around the State Department and beyond for his grasp of the China puzzle." Since he left the Department in July, some China experts "believe the void created by Zoellick's departure has been costly."

China's Communist Party Issues Warning To Media Outlets. The Washington Post (2/27, A10, Cody, 690K) reports, "Communist Party propaganda chiefs have issued a

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stern new warning to China's broadcast executives, saying news reports and entertainment should promote socialist loyalty and soothe tensions as the country enters a sensitive political season." The new guidelines "reflect a particular desire at senior levels of President Hu Jintao's government to see a picture of harmony and contentedness in the broadcast media as the Chinese legislature prepares to meet next month and the Communist Party gets ready for its 17th national congress in the fall."

Chinese County Reins In Birth-rate Without One-Child Limit. The Christian Science Monitor (2/27, Ford, 59K) reports, "For the past 21 years," China's Yicheng County has been exempt from the nation's "one-child policy," but its birth-rate is "lower than the national average." The "government-sanctioned Yicheng experiment" is now "under increasingly interested scrutiny from Chinese experts as the 'one-child policy' approaches what appears to be the end of its life."

US Warship To Hunt Pirates Off Somali Coast. The Washington Times (2/27, Pisik, 88K) reports, "A US warship yesterday moved into waters off the coast of Somalia, where pirates have hijacked an empty World Food Program cargo ship." The MV Rozen was "boarded by heavily armed pirates Sunday morning off the coast of Somalia's Puntland region." In response, Somali officials "said they contacted the US military regional command, based in neighboring Djibouti, to request assistance."

Kristof Points To Somaliland As Success Without Foreign Aid. The New York Times' (2/27) Nicholas Kristof writes, "In the north of the carcass of Somalia is the breakaway would-be nation of Somaliland, and it is a remarkable success -- for a country that doesn't exist." The US and other governments, he notes, "don't recognize Somaliland, so the people here get next to zero foreign aid." However, Kristof says "the lesson of Somaliland is simple: the most important single determinant of a poor country's success is not how much aid it receives but how well it is run. If a country adheres to free markets and good political and economic governance, it will generate domestic and foreign investments that dwarf any amount of aid."

Applebaum Lauds Efforts Of Dutch-Somali Lawmaker. The Washington Post's (2/27, A15) Anne Applebaum writes that former Dutch-Somali lawmaker, now author and fellow at the American Enterprise Institute, Ayaan Hirsi Ali, "cannot seem to avoid meeting her detractors." However, Applebaum says that "what seems to rankle Europeans most is the enthusiasm with which Hirsi Ali has adopted their own secularism and the fervor with which she has embraced their own Western values." But "maybe once Europeans get used to the idea -- a Muslim immigrant who embraces Western culture with the excitement of the convert! -- they'll like Hirsi Ali better. And if they're lucky, others will follow in her footsteps."

Columnist Welcomes Cuba's Gay Rights Advances. USA Today (2/27, 11A, 2.27M) columnist DeWayne Wickham writes, "Years before George W. Bush proclaimed his support for a constitutional amendment to ban gay marriages in the United States, the ideologically rigid government of Fidel Castro made a big move in the opposite direction." Wickham notes the irony that "while a country that successive US governments have called a totalitarian state is moving toward expanding the rights of gays and lesbians, the president of the United States -- the world's leading democracy -- wants to restrict their rights."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Russia's Rich And Shameless."
"Gen Y's Ego Trip Takes Wrong Turn."
"America's Birthright Citizenship Questioned."
"L.A. Madam's 'Trick Book' Is Unsealed."
"Presidential Hopefuls Join Gold Rush."
"Afghan Blast Kills 2 During Cheney's Visit."
"Clippers Win, But Lose Livingston To Injury."
"Man Dead In Crash Possibly Using Laptop."
"Boy Held After Classmates Shot With BB Gun."

USA Today:
"Philanthropy Hits Record As Number Of $100 Million Donations Increase."
"McCain Firm On Iraq War Despite Cost To Candidacy."
States Consider Tobacco Tax Hikes."

New York Times:
"Iraqis Reach An Accord On Oil Revenues."
"Child Health Care Splits White House And States."
"Growing Demand For English Lessons Outstrips Supply."
"Explosion Kills 19 Near U.S. Base In Afghanistan."
"Cheney Warns Pakistan To Act Against Terrorists."
"Song Wakens Injured Pride Of Afrikaners."
"Crypt Held Bodies Of Jesus And Family, Film Says."
"Former Olympian Adds A Harrowing Tale To List."
"3 French Sightseers Killed Near Saudi Holy City."

Washington Post:
"Majority In Poll Favor Deadline For Iraq Pullout."
"Run-Up In Home Values Runs Down In Fairfax."
"Clintons' Charity Not Listed On Senate Disclosure Forms."
"Insurgent Activity Spurs Cheney Trip To Pakistan."
"For Hoyer, A Life Of Quiet Victories, Redefined Purpose."
"In Uganda, 'Last King of Scotland' Generates Blend Of Pride And Pain."

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Washington Times:
"Ex-CIA Official Urges Silence After Spy 'Sting.'"
"Virginia GOP Boasts Roads Success."
"CDC Doctor Opposes Law For Vaccine."
"Brides Bound By Traditions."
"Iranian Leader's Rhetoric Criticized."
"McCain Strategy Courts Middle."
"Struggling D.C. Bars Miss The Smokers, Their Cash."

Detroit Free Press:
"Drugs, Cash And 2 Dead Children."
"Michigan Chemical Giant."
"The Plan, Stamps You Can Stick With."
"Controversial Bones To Pick."
"Sheriff's Department To Sell Machine Gun To Highest Bidder."

Atlanta Journal-Constitution:
"TV Film Of Christ's 'Tomb' Isn't Gospel, Experts Say."
"Young Blood At SCLC."
"Nichols Case Stirs Judicial Standoff."
"UGA Turfgrass Snit Is About Green, As In Cash."

Houston Chronicle:
"Cheney Safe After Deadly Blast At Afghan Base."
"Some Parents Fear Cy-Fair Plan Lowers Standards."
"Food Safety Crisis On The Horizon, Experts Warn."
"Dad Tells Fort Bend Jury Son Is Guilty In Murders."
"Eckels Urged To Back High-Profile Successor."
"Al-Qaida Suspect's Wife Died Seeking Better Life."

Story Lineup From Last Night's Network News:
ABC: Al Qaeda-Pakistan; Al Qaeda-Pakistan Analysis; Iraq Violence Continues, Gore Wins Oscar; Gas Prices Up; Winter Weather; Bush-Medal of Honor; Woodruff Return-TBI; SCOTUS-High Speed Chases; Jesus Tomb; Calories-Chain Restaurants.
CBS: TXU Buyout; Gore-Academy Award; Libby Trial; Iraq-Talibani Hospitalized; Iraq Violence; Bush-Vietnam Hero; Heart Disease; Restaurant Entrees-Calories; Academy Awards; Jesus' Tomb.
NBC: Al Qaeda-Pakistan; Al Qaeda-Pakistan Analysis; Iraq-Military Medical Teams; Men Painkillers; Winter Weather, SCOTUS-High Speed Chases; Stamp Rice Increase; Jesus Tomb; Oscars-Queen; Bush-Medal of Honor.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Afghanistan-Suicide Bombing; Cheney-Afghanistan; JetBlue Flight-$100 Vouchers Given Out; Anna Nicole Smith's Lawyer Allows Visit To Smith's Estate By Man Claiming To Be Father Of Smith's Daughter; FL Appeals Court-Anna Nicole Smith's Body; Libby Trial; Tokyo Stock Exchange; MySpace.com Extortion Case; Book By Former Hollywood Madam; Baseball Card Sold For $2.3 Million.
CBS: Afghanistan-Suicide Bombing; Cheney-Afghanistan; Congress-Iraq; Libby Trial; FDA-Bird Flu Vaccine; Stanford University Study On Garlic And Cholesterol; Volkswagen Cars Recalled; Bush Awards Medal Of Honor To Vietnam War Hero.
NPR: Afghanistan-Suicide Bombing; Cheney-Afghanistan; Sri Lanka-Mortar Attack On Helicopters Carrying US Diplomats; CA-Winter Weather In Sierras; Heating Oil Demand Expected To Rise; Oil Prices; Tokyo Stock Exchange; Postage Stamp Increase Recommended; Forever Stamp; Libby Trial.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the President of El Salvador, Oval Office; participates in ceremonial swearing in for the Deputy Secretary of State, State Department; photo opportunity with the Miami HEAT, East Room.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 10 a.m. FLOOR SCHEDULE _ the Senate convenes and will be in a period of morning business until 12:30 p.m. The Senate will recess from 12:30 until 2:15 p.m. At 2:30 p.m., the Senate will proceed to vote on the motion to invoke cloture on the motion to proceed to S. 184, the Rail and Surface Transportation Security bill.

2 p.m. VETERANS AFFAIRS _ Full Committees. Joint hearing on the legislative programs of veterans organizations. Disabled American Veterans. Location: Room 345, Cannon.

9:30 a.m. ARMED SERVICES _ Full Committee. Hearing on worlwide threats to national security. Director of National Intelligence John McConnell; DIA Director Lt. Gen. Michael Maples; Thomas Fingar, National Intelligence Council. Location: Room 216, Hart.

9:30 a.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Hearing on the need for FDA regulation of tobacco products. Dr. Richard Land, President, The Ethics and Religious Liberty Commission of the Southern Baptist Convention; Matt Myers, President/CEO Campaign for Tobacco Free Kids; Dr. Elmer Huerta, President American Cancer Society; Dr. Greg Connolly, Professor, Harvard School of Public Health; Lisa Shames, GAO; Alan Blum, University of Alabama Center for the Study of Tobacco and Society. Location: Room 430, Dirksen.

10 a.m. COMMERCE, SCIENCE AND TRANSPORTATION _ Surface Transportation and Merchant Marine Infrrastructure, Safety and Security Subcommittee. Hearing on S.294 - Passenger Rail Investment and Improvement Act of 2007. Location: Room 253, Russell.

DOJ_NMG_ 0174554

10 a.m. FINANCE _ Full Committee. Hearing on ``America's Energy Future: Bold Ideas, Practical Solutions.'' Gov. Brian Schweitzer, D-Mont.; Michael A. Aimone, assistant deputy chief of staff for logistics, installations and mission support, Air Force; Dan Arvizu, director, National Renewable Energy Laboratory; Robert Socolow, co-director, Carbon Mitigation Initiative, Princeton University; Dan Reicher, director, Energy and Climate Initiatives, Google Corp. Location: Room 215, Dirksen.

2 p.m. JUDICIARY _ Full Committee. Hearing on ``Strengthening Our Criminal Justice System: The John R. Justice Prosecutors and Defenders Incentive Act of 2007'' Paul A. Logli, state's attorney, Winnebago County and chairman of the board, National District Attorneys Association; Michael P. Judge, chief public defender, Los Angeles County; Jessica A. Bergeman, assistant state's attorney, Cook County State's Attorneys Office, Chicago; George B. Shepherd, Emory University School of Law, Atlanta. Location: Room 226, Dirksen.

2:30 p.m. APPROPRIATIONS _ Full Committee. Hearing on the FY07 supplemental appropriations bill. Defense Secretary Gates, Secretary of State Rice, Joint Chiefs of Staff Chairman Gen. Peter Pace. Location: Room 106, Dirksen.

2:30 p.m. FOREIGN RELATIONS _ Full Committee. Hearing on pending nominations.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for legislative business. Highlights: Suspensions (13 bills): 1) H.Con.Res. 47 - Supporting the goals and ideals of a National Medal of Honor Day to celebrate and honor the recipients of the Medal of Honor. 2) H.R. 755 - Promoting Transparency in Financial Reporting Act of 2007. 3) H.R. 1066 - To increase community development investments by depository institutions, and for other purposes. 4) H.R. 644 - Brownfields Redevelopment Enhancement Act. 5) H.R. 884 - Promoting Anti-terrorism Cooperation through Technology and Science (PACTS) Act. 6) H.Res. 42 - Recognizing Ann Richards' extraordinary contributions to Texas and American public life. 7) H.R. 990 - Pell Grant Equity Act of 2007. 8) H.Res. 126 - Commending the University of Southern California Trojan football team for its victory in the 2007 Rose Bowl. 9) H.Res. 103 - Congratulating the Mount Union College Purple Raiders for winning the 2006 NCAA Division III Football National Championship. 10) H.R. 1129 - To provide for the construction, operation, and maintenance of an arterial road in St. Louis County, Missouri. 11) H.R. 494 - To provide for the conditional conveyance of any interest retained by the United States in St. Joseph Memorial Hall in St. Joseph, Michigan. 12) H.Con.Res. 52 - Supporting the goals and ideals of American Heart Month. 13) H.Con.Res. 74 - Expressing the sense of the Congress regarding the need for additional research into the chronic neurological condition hydrocephalus, and for other purposes.

2 p.m. VETERANS AFFAIRS _ Full Committees. Joint hearing on the legislative programs of veterans organizations. Disabled American Veterans. Location: Room 345, Cannon.

9:30 a.m. APPROPRIATIONS _ Interior, Environment and Related Agencies Subcommittee. Hearing on open space, biodiversity and recreational needs for the next generation. Author Richard Louv; Bruce Stein, NatureServe; Steven McCormick, Nature Conservancy. Location: Room B-308, Rayburn.

10 a.m. NATURAL RESOURCES _ Insular Affairs Subcommittee. Oversight hearing on the FY08 budget for the Office of Insular Affairs. David Cohen, Deputy Assistant Secretary of the Interior for Insular Affairs; Togiola T.A. Tulafono, Governor of American Samoa; and Felix Perez Camacho, Governor of Guam. Location: Room 1324, Longworth.

10 a.m. NATURAL RESOURCES _ National Parks, Forests and Public Lands Subcommittee. Oversight hearing on the FY08 budget for BLM and the Forest Service. Acting BLM Director Jim Hughes; Forest Service Chief Abigail Kimbell. Location: Room 1334, Longworth.

10 a.m. TRANSPORTATION AND INFRASTRUCTURE _ Economic Development, Public Buildings and Emergency Management Subcommittee. Field hearing on a GSA case study on efficient location policy. David Winstead GSA; Mignon Anthony, BATFE; Bruce Bashuk, North of Massachusetts Ave. Business Improvement District. Location: Hearing Room 3, FERC, 888 1st St. NE.

10:45 a.m. APPROPRIATIONS _ Interior, Environment and Related Agencies Subcommittee. Hearing on successes and challenges for water and air quality and water infrastructure. Daniel Greenbaum, Health Effects Institute; Tracy Mehan, former EPA assistant administrator; Jeanette Ann Brown, American Society of Engineers. Location: Room B-308, Rayburn.

1:30 p.m. APPROPRIATIONS _ Legislative Branch Subcommittee. Hearing on long-range funding requirements for the Office of the Architect of the Capitol. Acting Architect of the Capitol Stephen Ayers. Location: Room H-144, Capitol.

2 p.m. APPROPRIATIONS _ Labor HHS, Education and Related Agencies Subcommittee. Hearing on the FY08 HHS budget. Secretary Leavitt. Location: Room 2359, Rayburn.

2 p.m. APPROPRIATIONS _ Homeland Security Subcommittee. Hearing on the secure border initiative. W. Ralph Basham, commissioner, Customs and Border Patrol; Gregory Giddens, SBInet; David Aguilar, chief, Border Patrol; Jayson Ahern, Customs and Border Protection; Richard Stana, GAO; Randolph Hite, GAO. Location: Room 2358, Rayburn.

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2 p.m. EDUCATION AND LABOR _ Health Families and Communities Subcommittee. Hearing on service and volunteering in America. Thomas Daigle, AmeriCorps volunteer; David Eisner, Corporation for National and Community Service; David Edelman, AmeriCorps NCCC volunteer; John Gomperts, Experience Corps; George H. Moore, Community Progress Council, York, Pa. Location: Room 2175, Rayburn.

2 p.m. NATURAL RESOURCES _ Fisheries, Wildlife and Oceans Subcommittee. Oversight hearing on the FY08 budget for NOAA and FWS. NOAA Administrator Conrad Lautenbacher; Fish and Wildlife Service Director H. Dale Hall. Location: Room 1334, Longworth.

2 p.m. NATURAL RESOURCES _ Energy and Mineral Resources Subcommittee. Hearing on the FY08 budget for the Minerals Management Service, BLM, Energy and Minerals programs, Office of Surface Mining Reclamation and Enforcement, others. Johnnie Burton, Director, MMS; Jim Hughes, Acting Director, BLM; Mark Myers, Director, USGS; Brent Wahlquist, Acting Director, OSMa; Fredrick Norbury, Forest Service. Location: Room 1324, Longworth.

5 p.m. RULES _ Full Committee. Meeting to consider rules for floor debate. Location: Room H-313, Capitol.

Other: PRESIDENT ELIAS ANTONIO SACA OF EL SALVADOR _ Highlights: 9:10 a.m. Meets with President Bush. Oval Office.

GOVERNORS _ The National Governors Association holds its Winter Meeting. Highlights: 8 a.m. Western Governors Association meeting. Agenda includes public lands management with Deputy Interior Secretary Lynn Scarlett at 8:15 a.m.Sen. Byron Dorgan discussing energy and climate change legislation at 8:30 a.m. Manitoba Premier Gary Doer discusses the Western Hemisphere Trade Initative at 9:10 a.m. Gov. Mike Rounds discusses the farm bill at 9:20 a.m. Event contact: Karen Deike, 303-618-0573. Salon D. 10 a.m. Plenary session with Sen. Lamar Alexander on competitiveness. 11:45 a.m. Closing news conference. Location: JW Marriott, 1331 Pennsylvania Ave, NW, unless otherwise noted.

CLEAN ENERGY-JOBS _ The Apollo Alliance holds a summit to discuss the movement for clean energy and good jobs. Highlights: 12:30 p.m. Sen. Hillary Clinton. Room G-50, Dirksen. Location: Hotel Washington, 515 15th St. NW.

ANTI-HUNGER CONFERENCE _ The Food Research and Action Center and America's Second harvest hold the 2007 National Anti-Hunger Policy Conference. Highlights: 8 a.m. Sen. Tom Harkin. Room G-50, Dirksen.

CREDIT UNIONS _ The Credit Union National Association holds its Governmental Affairs Conference. Highlights: 8:30 a.m. Sen. Joseph Lieberman. 8:50 a.m. House Minority Whip Roy Blunt. 9:30 a.m. Rep. Rob Bishop. 9:45 a.m. Rep. Paul Kanjorski. 10 a.m. House Majority Leader Steny Hoyer. 10:15 a.m. House Majority Whip James Clyburn. 10:30 a.m. U.S. Treasurer Anna Escobedo Cabral. 10:45 a.m. Rep. Spencer Bachus. 1 p.m. Rep. Barney Frank. 1:30 p.m. Rep. Edward Royce. 1:45 p.m. Sen. Christopher Dodd. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW.

AMERICAN INDIANS _ The National Congress of American Indians holds its 110th Congress Executive Council ``Tribal Nations Legislative Summit.'' Highlights: 9:05 a.m. HUD Secretary Jackson. 9:25 a.m. Sen. Lisa Murkowski. 9:45 a.m. Rep. Frank Pallone. 10:20 a.m. President Mike Jackson of the Quechan Indian Nation. 2:15 p.m. Rep. Tom Cole. 2:45 p.m. VA Secretary Nicholson. 3:05 p.m. Sen. Jon Tester. Location: Wyndham Hotel, 1400 M St. NW.

CHILD WELFARE _ The Child Welfare League of America holds its annual advocacy conference. Highlights: 1:45 p.m. Media photo op as members depart buses for lobbying on Capitol Hill. Corner of Independence Ave. and 1st St. SW. 7 p.m. Awards dinner, with Sen. Charles Grassley and Rep. Jim McDermott, others. Location: Washington Marriott Wardman Park, 2660 Woodley Road NW.

CUBA _ The American Enterprise Institute holds a conference, ``Moving toward a Free Cuba.'' Highlights: 9 a.m. Commerce Secretary Gutierrez. 10 a.m. Panel I, ``From Dictatorship to Democracy,'' with Georges Fauriol, International Republican Institute; and Jose Antonio Font, American Capital Partners, LLC. 11:45 a.m. Luncheon speaker - Caleb McCarry, Cuba Transition Coordinator, Department of State. 1 p.m. Panel, ``Transforming Cuban Society,'' with Frank Calzon, Center for a Free Cuba, and Orlando Gutierrez-Boronat, Cuban Democratic Directorate. John Sanbrailo, Pan American Development Organization. 2:15 p.m. Panel, ``Transforming the Cuban Economy,'' with John Andersen, Department of Commerce; Juan Belt, USAID; Ralph Galliano, Institute for the Study of U.S.-Cuba Policy. Location: 12th floor, AEI, 1150 17th St. NW.

HOMELAND SECURITY _ 8:15 a.m. Department of Homeland Security Chief Human Capital Officer Marta Brito Pirez and Chief Learning Officer Dr. George Tanner will deliver remarks on the Department of Homeland Security Learning and Development Strategy at the Homeland Defense and Security Education Summit. Location: George Mason University, Student Union Building II, 4400 University Drive, Fairfax, Va.

CONGRESS-HEALTH CARE _ 8:30 a.m. - 10:30 a.m. Edelman and National Journal co-host an interactive breakfast forum, ``Where Does the 110th Congress Stand on Health Care Priorities and What Does the Future Hold?,'' with Representatives Pete Stark and Frank Pallone, as well as top Democratic and Republican Congressional staff representing the pioneers of health care legislation. Location: Washington

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Court Hotel, Ballroom II/III (Lower Level), 525 New Jersey Ave. NW.

UNAPPROVED DRUGS ACCESS _ 9 a.m. The Food and Drug Law Institute holds a symposium on whether terminally ill patients should be allowed access to drugs not approved by the FDA. Panelists include Scott Gottlieb, Deputy Commissioner for Policy, FDA; Richard Cooper, former FDA General Counsel; Arthur Caplan, Director, Center for Bioethics, University of Pennsylvania; Frank Palumbo, Director, Center for Drugs and Public Policy, University of Maryland School of Pharmacy; Scott Ballenger, who represents the Abigail Alliance; others. Location: Madison Hotel, 1177 15th St. NW.

AFGHANISTAN _ 9:30 a.m. The Wilson International Center for Scholars holds a forum on recent efforts to integrate security and development in Afghanistan. Candace Karp - Special Assistant to the President of Afghanistans Senior Economic Advisor; Alonzo Fulgham - Chief Operating Officer, USAID, and former Director, USAID Mission in Afghanistan; Alexander Their - Senior Rule of Law Advisor, Rule of Law Program, US Institute of Peace; and Michael Lund - Consulting Program Manager, Woodrow Wilson Project on Leadership and Building State Capacity, and Senior Associate for Conflict and Peacebuilding, Management Systems International, Inc. Location: Flom Auditorium, Wilson Center, Reagan Trade Building.

DEMOCRATS-IRAQ _ 10 a.m. Democratic Senators Evan Bayh, Mark Pryor, and Sherrod Brown will join Democratic Governors Association Chair Kansas Gov. Kathleen Sebelius to call for a change of course in Iraq and the end to an escalation policy in Iraq. Location: Room S-207, Capitol.

ISRAELI SOLDIERS _ 10:30 a.m. Family members of kidnapped Israeli soldiers and members of Congress hold a news conference to call for the release of the soldiers. Location: West Front, grassy area, Capitol.

CRAWFORD _ 11 a.m. Scheduled sentencing before Magistrate Deborah Robinson of former FDA Commissioner Lester Crawford on charges he lied about his stock holdings. Location: Courtroom 4, U.S. District Court, 3rd St. and Constitution Ave. NW.

HEALTH INSURANCE-CHILDREN _ 11 a.m. Senator Gordon Smith will be joined by Ron Pollack of Families USA and Karen Ignagni of America's Health Insurance Plans (AHIP) for a ``Pen and Pad'' briefing to make an announcement about the State Children's Health Insurance Program (SCHIP). Location: Senate Press Gallery.

MEDICARE-BUDGET _ 11 a.m. The Advanced Medical Technology Association holds a media roundtable on the challenges for the medical industry, including possible Medicare cuts and budget balancing actions. Location: AdvaMed, Suite 800, 701 Pennsylvania Ave. NW.

PENTAGON TRAINING _ 11 a.m. The Pentagon holds a media roundtable to discuss training preparation and readiness for the five brigades going to Iraq, with Maj. Gen. Richard Formica (USA), Director of Force Management; Brig. Gen. (P) Charles Anderson (USA), Director Force Modernization, BG(P); Thomas Maffey (USA), Director of Training and Brig. Gen. Joseph Dunford (USMC), Director of Operations Division. Location: Pentagon Conference Center, PLC2, Pentagon.

STEEL _ 11 a.m. Treasury Undersecretary for Domestic Finance Robert Steel makes remarks. Location: Cash Room, main Treasury.

FBI-CIVIL RIGHTS _ 11:30 a.m. Attorney General Alberto R. Gonzales and FBI Director Robert S. Mueller will will hold a press conference on a civil rights matter. Other participants: Wan J. Kim, Assistant Attorney General for the Civil Rights Division; John H. Jackson, Chief Policy Officer, NAACP; Stephanie Jones, Executive Director, National Urban League; and Richard Cohen, President and CEO, Southern Poverty Law Center. Location: Department of Justice, 7th Floor Conference Center, 950 Pennsylvania Ave. NW.

UNIONS _ 11:30 a.m. The Regional Reporters Association and the AFL-CIO hold a conference call on the Employee Free Choice Act which is set for a House vote on March 1. Contacts: Caren Benjamin, 202-637-5018.

US-CANADA _ 11:30 a.m. The US Chamber of Commerce holds a press conference and luncheon on the state of US-Canadian affairs with Rep. Louise Slaughter, D-N.Y., and four Canadian premiers: Dalton McGuinty of Ontario; Jean Charest of Qubec; Shawn Graham of New Brunswick; and Gary Doer of Manitoba. Location: U.S. Chamber of Commerce, 1615 H St. NW.

REALTORS-KING DONATION _ 12 p.m. The National Association of Realtors will announce a major contribution to the Washington, DC Martin Luther King, Jr. National Memorial Project Foundation. Participants include: Senator Edward M. Kennedy; Congressman James E. Clyburn; Congressman John Lewis; Pat Vredevoogd Combs, President, National Association of Realtors; and Harry E. Johnson, Sr., President and CEO, Washington, D.C. Martin Luther King, Jr. National Memorial Project Foundation, Inc. Location: Room HC-7, Capitol.

HOYER _ 12:15 p.m. House Majority Leader Rep. Steny Hoyer holds a pen and pad only briefing. Location: Room H-107, Capitol.

CLINTON-ENERGY INDEPENDENCE _ 12:30 p.m. Sen. Hillary Rodham Clinton, D-N.Y., will deliver an address to the Apollo Alliance outlining her plan for a Strategic Energy Fund to promote energy independence and create 21st century jobs. Senator Clinton will be reintroducing her proposal in the Senate. Location: Room G-50, Dirksen Senate Office Building.

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NAPOLITANO _ 12:30 p.m. Arizona Governor Janet Napolitano addresses a National Press Club luncheon. Topics: immigration, border security. Location: National Press Club.

PUERTO RICO _ 12:30 p.m. Rep. Nydia Velazquez, others, and the Governor of Puerto Rico, Anibal Acevedo-Vila, introduce the Puerto Rico Self-Determination Act of 2007. Location: Room 2360, Rayburn.

RICHARDSON _ 12:30 p.m. New Mexico Gov. Bill Richardson speaks at the quarterly meeting of the Latino Leaders Luncheon series. Location: Capital Hilton, 16th and K Sts. NW.

BIOFUELS _ 12:30 p.m. - 2 p.m. The Agriculture Section of the Women in International Trade hosts a you to a brownbag lunch on ``International Trade and the Emerging Biofuels Market,'' with biofuels expert Mark Palmer, others. Location: Steptoe & Johnson, 1330 Connecticut Ave. NW, The Conference Center.

US-KOREA _ 1 p.m. The Economic Policy Institute holds a discussion on the implications for the proposed US-Korea Free Trade Agreement, with Bruce Campbell of the Canadian Center for Policy Alternatives, Carlos Salas of El Colegio de Tlaxcala and Institute of Labor Studies, Robert Scott of the institute, others. Location: Room 340, Cannon.

IOWA _ 2 p.m. Media availability following the meeting with Sens. Charles Grassley and Tom Harkin, Gov. Chet Culver and the congressional delegation. Location: Room S-120, Capitol

KIDS-CAR SAFETY _ 2:15 p.m. Sens. Hillary Rodham Clinton, D-N.Y., and John Sununu, R-N.H., join Janette Fennell, President, KIDS AND CARS; Jackie Gillan, Vice President, Advocates for Highway and Auto Safety; Sally Greenberg, Senior Counsel, Consumers Union, others, for a news conference to call upon Congress to immediately pass the Cameron Gulbransen KIDS AND CARS Safety Act of 2007 and to release new data on non-traffic child fatality trends. Location: Room 342, Dirksen Senate Office Building.

GOP LEADERSHIP _ 3 p.m. House Republican Conference Chairman Adam Putnam and Republican Whip Roy Blunt will hold a weekly pen-and-pad session. Location: Room HC-9, Capitol.

LULAC HONORS _ 4 p.m. - 7 p.m. The League of United Latin American Citizens (LULAC) hosts its 78th anniversary with a legislative and awards gala. Awardees: Former President Bill Clinton; Secretary of Labor Elaine Chao; Senate Majority Leader Harry Reid; and Rep. Hilda Solis, D-Calif. Location: JW Marriott, 1331 Pennsylvania Ave. NW.

IRAQ-TROOPS _ 4:30 p.m. Appealforredress.org holds a telephone briefing on its efforts to end the Iraq war and to urge Congress for efforts to protect troops being sent to Iraq without adequate training. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: Callin number: 800-909-7113; passcode: active duty.

JACKSON _ 6 p.m. Deputy Homeland Security Secretary Michael Jackson speaks at the Vigil of Lights ceremony honoring U.S. Customs and Border Protection officers who have died in the line of duty. Location: National Law Enforcement Officers Memorial, 5th and E Sts. NW.

NAVAJO OFFICE _ 6 p.m. Democratic National Committee Chairman Howard Dean speaks at the opening of the Navajo Nation's Washington Office. Location: Suite 1010, 750 1st St. SE.

RIDGE _ 7 p.m. Former Homeland Security Secretary Tom Ridge discusses the future of homeland security and whether the government is communicating honestly with the public, sponsored by George Washington University. Location: Morton Auditorium, 805 21st St. NW.

DURBIN _ 7:30 p.m. Georgetown University sponsors a discussion with Sen. Richard Durbin on ``Human Rights and the Law.'' Location: McDonough Hall, 600 New Jersey Ave. NW.

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System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1260487 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, February 27, 2007 10:15 AM
To: Ablin, Erik; Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M.; Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Fischer, Gerard (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 2/27/07 Civil Division News

Hundreds scramble to beat deadline for filing Katrina claim

Justices Enter Church-State Fray

Hicks won't be coming home - Government rejects repatriation

Op-Ed: Testing the line between despotism and a free society

Editorial: And then there were two - The federal government should end its decades-long fight against the last members of the 'L.A. 8.'

AP

February 27, 2007

Hundreds scramble to beat deadline for filing Katrina claim

NEW ORLEANS_Hundreds of residents scrambled today to beat a deadline for filing court claims against the federal government and U-S Army Corps of Engineers for damage resulting from the failure of levees and flood walls following Hurricane Katrina.

The corps says Thursday at 4 p-m is the deadline for it to receive the Katrina litigation claims at its Uptown office. Roughly 30-thousand residents already had filed a claim as of late last week, but Thursday's deadline surprised many more people whose homes and businesses were damaged or destroyed in the flooding following the storm.

On Friday, lawyers representing thousands of plaintiffs accused federal\l "l" officials of reneging on an agreement to set August 29th, 2007 -- the two-year anniversary of Katrina -- as the deadline for claims to be filed or else risk exclusion from class\l "l"-action\l "l" litigation.

Joe Bruno, one of the plaintiffs' attorneys, said the U-S Department of Justice stunned his legal team by informing them that certain claims must be filed by this week, 18 months after the storm.

Today, Bruno asked a federal judge to consider postponing the deadline until after the court decides whether to certify a class action against the corps and federal government. Duval didn't immediately rule.

The failure of the levees has spawned a mountain of litigation in Louisiana.

Earlier this month, a legal team led by Bruno sued the federal government and corps, alleging flooding during Katrina was the fault of a corps decision to allow dredging of the 17th Street Canal.

Duval has allowed to go forward a suit charging the corps with liability for flooding of eastern New Orleans and St. Bernard Parish from the Mississippi River-Gulf Outlet. The ship channel connects New Orleans' inner harbor with the Gulf of Mexico.

END

The National Law Journal
02-27-2007

Justices Enter Church-State Fray

Marcia Coyle

The newly constituted Roberts Court gets its first opportunity to wade into the politically sensitive area of church-state separation in a case involving President Bush's controversial Faith-Based and Community Initiative.

The arguments that U.S. Supreme Court justices will hear on Wednesday will not focus on the merits of the broad constitutional attack leveled in 2004 against the White House program, an initiative designed to increase religious groups' involvement in providing social services.

Instead, the arguments will target the key to the courthouse door -- standing to sue -- or, in this case, the ability of taxpayers to challenge the Executive Branch's expenditure of money in ways that allegedly violate the First Amendment's establishment clause. *Hein v. Freedom from Religion Foundation*, No. 06-157.

But to the numerous interest groups that have lined up on the side of the Bush administration or its opponent, the Freedom from Religion Foundation, this case is more than an examination of the technical requirements for standing to sue.

The *Hein* case has "far broader implications" and "epitomizes the culture clash" between those who want to eliminate the separation of church and state and those who seek to maintain it, said Judith E. Schaeffer, associate legal director of People for the American Way Foundation, an amicus party opposing the government.

Groups such as Pat Robertson's American Center for Law & Justice are "trying to close the courthouse door to taxpayers when government forces them to subsidize religion," she said. "They see this case as a

vehicle for an end to separation of church and state."

But this "sky is falling" claim is "nothing more than a red herring," countered Benjamin W. Bull, executive vice president and chief counsel to Alliance Defense Fund, which filed an amicus brief supporting the government.

"Neither my client nor the government is arguing to do away with lawsuits to enforce the establishment clause," said Bull. The high court, he said, needs to return to traditional notions of standing by reversing a 38-year-old precedent which created special standing for taxpayers to challenge federal expenditures that may violate the establishment clause: *Flast v. Cohen*, 392 U.S. 83 (1968).

"Flast is the battleground here, not *Hein*," said Bull. "This case is about whether *Flast* will survive. Down with *Flast*!"

The Supreme Court announced a general rule against taxpayer standing to challenge federal expenditures in 1923 in *Frothingham v. Mellon*, 262 U.S. 447. But the Warren Court created an exception to the general rule with *Flast*, a challenge to congressional appropriation of funds for the purchase of textbooks for parochial schools.

The Court based the exception on the history of the establishment clause and the founders' desire to protect taxpayers from being compelled to support any religious faith.

Flast requires the taxpayer to show "a logical nexus between the status asserted and the claim sought to be adjudicated." And the claim must be made against exercises of congressional power under the taxing and spending clause of Article I of the Constitution.

There have been two key rulings applying *Flast* in the ensuing years. In *Valley Forge Christian College v. Americans United for Separation of Church and State*, the Court denied taxpayer standing in a challenge to the executive branch's transfer of government-owned land to a religious college because the executive's authority arose under Article IV, not Article I.

In *Bowen v. Kendrick*, the Court approved taxpayer standing to challenge executive branch decisions about spending federal appropriations for programs under the Adolescent Family Life Act.

CLOSER TO WHICH CASE?

Religion clause scholar Ira Lupu of George Washington University National Law Center said the question in *Hein* is whether the taxpayer plaintiffs are more like those in *Flast* and *Bowen* or closer to those in the *Valley Forge* case.

In its original complaint, the Freedom from Religion Foundation charged that the White House and other departments had spent appropriated funds to hold a series of conferences that -- although assertedly neutral between religious and nonreligious organizations -- in fact were designed to give a preference to religious organizations with respect to awards of federal grants. The district court found no standing to sue, but the 7th U.S. Circuit Court of Appeals reversed in an opinion by Judge Richard Posner.

In the high court, Solicitor General Paul Clement contends that the Court's precedents "have consistently cabined taxpayer standing, permitting only Establishment Clause challenges to Congress's exercise of its legislative taxing and spending power through direct appropriations to fund the activities of churches and other sectarian institutions."

The taxpayers in this case, he argues in his brief, do not complain that Congress exceeded its tax and spend authority, and so do not allege any direct dollars-and-cents injury that could support taxpayer standing under *Flast*. The challenge here is to an executive branch expenditure of generally appropriated funds that did not go outside of the government to assist any religious group, he said.

Finding taxpayer standing here, the government says, "would transform the doctrine of taxpayer standing into a roving license for any one of the more than 180 million taxpayers in the United States to challenge

any action of the Executive Branch that offends that individual's own view of the Establishment Clause's proscription."

But his opponent, high court veteran Andrew Pincus of the Washington office of Chicago-based Mayer, Brown Rowe & Maw, counters that this case falls squarely within *Flast* and *Bowen*, and the government's position is "sharply inconsistent" with the history on which *Flast* relied.

"The framers were well aware of the potential for abuse of executive power in the area of religion, which included coerced payment of funds that were used by the monarch to aid religion," said Pincus. "There simply is no basis for concluding that they were less concerned about exercises of executive discretion than about the actions of Congress."

The injury to taxpayers in both situations, he explained, is the very injury targeted by the establishment clause and *Flast* -- expenditures for the support of religion by funds exacted from taxpayers. The government's approach, added Pincus, would result in "an exclusion of staggering proportions, exempting a broad range of unconstitutional expenditures."

And, he said, "The whole idea there is some flood of litigation to be stopped or that upholding standing will lead to floodgates is just not there."

Richard Katskee, assistant legal director of Americans United for Separation of Church and State, agreed, noting that a survey of federal appellate courts by his group and a law firm found fewer than 24 cases in which appellate courts granted taxpayer standing to bring establishment clause claims in the last 38 years.

George Washington's Lupu said two potentially very large issues lurk in the wake of a decision in *Hein*. If the justices expand or contract federal taxpayer standing, it may have implications for suits by state and local taxpayers as well. If the decision limits taxpayer standing, it may affect the standing of those who challenge government-sponsored religious expression on the basis of exposure to that expression, for example, in religious display cases.

If *Flast* is overturned, as sought by some groups, Lupu said, "I think it would be almost impossible" to challenge federal grants in support of religion.

END

Daily Telegraph (Sydney, Australia)

February 27, 2007

Hicks won't be coming home - Government rejects repatriation

BRAD CLIFTON

LEGAL bid to repatriate Australian terror suspect David Hicks should be abandoned as it had ``no reasonable prospects of success'', the Federal Court heard yesterday.

Lawyers for 31-year-old Hicks, who has spent the past five years in detention at Guantanamo Bay, Cuba, are seeking orders they hope could lead to his return to Australia.

The case against Attorney-General Philip Ruddock and Foreign Minister Alexander Downer seeks a declaration from the judge that may force the Government to convince US authorities to allow Hicks to be brought back to his homeland.

But, in an application to the court yesterday, counsel for the Government Solicitor-General David Bennett QC argued there was no legal basis for the application. Mr Bennett said the Government had no legal obligation to protect citizens abroad and that the case should be struck out as it had little hope of success.

A large group of Hicks' supporters, including former Guantanamo Bay inmate Mamdouh Habib, was present to hear the legal argument.

Also at court was Hicks' US military-appointed lawyer Major Michael Mori.

Outside court Major Mori said he would report back to Hicks about the progress of the hearing when they next met.

``I came to see and hear the hearing, so when I go back and see David next time at Guantanamo I can give him a report on what happened,'' he said.

``Obviously it has a direct bearing on his freedom.''

Major Mori said Hicks was buoyed by a growing level of support for his situation from people in Australia.

Also at court to hear the argument was entrepreneur Dick Smith, who has provided tens of thousands of dollars towards Hicks' legal fight.

Smith, who made it clear he was not a supporter of Hicks, said he was merely angry that a fellow Australian was seemingly going to be denied a fair trial.

``I'm not a supporter of David Hicks but I am a supporter of Australians being treated fairly and it gets me incredibly angry when I find out that no American can be tried by military commission, because it's against their law, but an Australian can be tried,'' Mr Smith said.

``We are no different to the Americans. We are as good as them, we are not second-rate citizens and we will be treated just like an American citizen would be treated.''

END

Boston Globe
February 27, 2007

Op-Ed: Testing the line between despotism and a free society

By Scot Lehigh, Globe Columnist

HABEAS CORPUS is now headed back to the US Supreme Court, in a case that will prove a fundamental test of US justice.

Will the Roberts court uphold one of the oldest and most basic rights in the US Constitution -- that of a prisoner to go to court to challenge his imprisonment?

The issue could also test the courage of the new Congress. Will the Democratic majority wage a determined fight to re-establish what has been a basic guarantee of procedural rights?

Last week, the United States Court of Appeals for the District of Columbia Circuit framed the coming struggle by upholding the new Military Commissions Act, which strips those detainees of habeas rights. The Bush administration pressured Congress into passing that statue after the Supreme Court twice ruled

that detainees at Guantanamo had habeas rights under US law.

The Constitution makes clear the importance the founders attached to habeas, saying: "The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it."

The writ itself traces back to the Magna Carta; among its guarantees is the assurance that no free man could be "imprisoned or dispossessed . . . except by the lawful judgment of his peers or by the law of the land."

"Of all the rights in the Constitution, habeas corpus is probably the single most fundamental," says civil libertarian Harvey Silverglate. "It is the line between despotism and a free society. If the government can simply scoop you up and throw you in prison, never to be seen again, it's a sign that a crucial corner had been turned ."

If habeas rights are denied, that's essentially what will have happened to most of the detainees at Guantanamo; they will have disappeared into a black hole in the US legal system.

The Bush administration has framed the question as a matter of whether enemies of the US deserve American justice. The real issue is whether it's legitimate to imprison someone indefinitely without granting him a judicial hearing to challenge the basis of that incarceration.

"Habeas is not a 'get out of jail free' card," notes Jennifer Daskal, US advocacy director for Human Rights Watch. "It merely allows an independent check to ensure that detentions are lawful and that the US is detaining the right people."

Although Congress never explicitly suspended the constitutional guarantee of habeas, the appeals court sidestepped that matter by asserting that the detainees, as noncitizens held outside US territory, didn't have habeas rights in the first place.

If the high court rejects that reasoning, a key question then becomes, does the Military Commissions Act provide an adequate and effective substitute for habeas?

It's hard to see how. Already designated "unlawful enemy combatants," the vast majority of the 395 or so imprisoned there are entitled only to a yearly review of their status by a military panel.

"It is based on secret evidence, you don't have a lawyer, and there is no right to present evidence," notes Jonathan Hafetz, counsel at the Brennan Center for Justice at New York University School of Law. All of which makes it hard to believe the Supreme Court will concur with the appeals court -- the more so since, in her dissent, Judge Judith Rogers revealed gaping holes in the majority argument.

In Congress, an effort to restore habeas is underway.

And though a compliant Republican Congress rolled over last year, with Democrats in control, some lawmakers now appear ready to fight. Taking the lead is Democratic Senator Patrick Leahy of Vermont, chairman of the Senate Judiciary Committee, who has joined with former chairman Arlen Specter, a Republican from Pennsylvania, on legislation to restore habeas rights.

Although they currently count a majority of senators on their side, the two are working to maximize their tally, to send a message to the White House.

To avoid a filibuster or a veto, however, a statutory reassertion of habeas would probably have to be attached to must-pass legislation like the Department of Defense authorization.

It is a battle worth waging, certainly.

"This is having a horrendous impact on our standing around the world," says Daskal. "It is an easy target for America-haters to point to the policy of picking people up without process, holding them in what is

essentially a black hole, and denying them access to the courts."

And besides, it's long past time we started living up to our own Constitution.

END

Los Angeles Times

February 27, 2007

Editorial: And then there were two - The federal government should end its decades-long fight against the last members of the 'L.A. 8.'

FOR TWO DECADES, the U.S. government has been trying to deport two Palestinians living in Southern California -- middle-aged men who have been lawful permanent residents of this country for three decades. The Department of Homeland Security, which must soon make a decision on the matter, should drop the case and allow Khader Hamide and Michel Shehadeh to continue to live their American lives.

The two men are the remnant, for legal purposes, of the "L.A. 8." That was the term used to describe seven Palestinian men and a Kenyan woman who were arrested at gunpoint at their homes in 1987 for their alleged association with the Popular Front for the Liberation of Palestine, or PFLP, a Marxist-Leninist faction of the Palestine Liberation Organization. The government began proceedings to deport them on the theory that the faction advocated "world communism through written or printed publications."

Hamide and Shehadeh were originally slated for deportation under the McCarran-Walter Act, a noxious Cold War law that was substantially overturned in 1988. "The government is trying to stifle certain ideas from entering our society through certain aliens through its immigration power," wrote the federal judge at the time.

Undaunted, the government filed charges against Hamide and Shehadeh, accusing them of ties with "an organization that advocates or teaches the duty or necessity or propriety of the unlawful assaulting or killing of government officials." The deportation effort was later justified under a provision of the Patriot Act enacted after 9/11.

Throughout the tortuous litigation, the government argued that the L.A. 8 provided support that found its way to the PFLP and its terrorist activities, while the members of the L.A. 8 insisted that they raised funds only for the building of hospitals and other humanitarian purposes.

In terminating the deportation proceedings last month, federal immigration Judge Bruce J. Einhorn embraced neither of these conflicting narratives. Instead, he cited the government's refusal to comply with his order seeking any evidence that had the potential to exonerate the men and emphasized that the case had lingered so long as to violate due process. He referred to the case as "a festering wound" on Hamide and Shehadeh and said it was "an embarrassment to the rule of law."

The judge's prose may be purple, but his conclusion is correct. Hamide and Shehadeh are well-integrated members of the community. They have not been convicted of any crime. The government's unrelenting effort to deport them smacks of bureaucratic face-saving. Einhorn has offered the government a graceful exit from this litigation -- and the government should take it.

END

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 10:28 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 27, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, February 27, 2007

ATTORNEY GENERAL

11:30 A.M. EST Attorney General Alberto R. Gonzales and FBI Director Robert S. Mueller III will hold a press conference on a civil rights matter.
Department of Justice
7th Floor Conference Center
950 Pennsylvania Ave, N.W.
Washington, D.C.
OPEN PRESS

PRESS RELEASES

The Civil Rights Division will issue a release on an ADA matter. (Magnuson)

The Tax Division will issue a release on a civil matter. (Miller)

EVENTS/HEARINGS

10:00 A.M. EST Mignon Anthony, ATF Director of New Building Projects, is testifying before the House Committee on Transportation and Infrastructure Subcommittee on Public Buildings, Economic Development, and Emergency Management on the topic of "GSA Case Study: Efficient Location Policy"
Eckington Place, N.E.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Committee on Transportation and Infrastructure at 202-225-9446.

NIGHT DUTY OFFICER

Jaclyn Lesch

DOJ_NMG_ 0174567

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.6641-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 12:22 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PRESS CONFERENCE ON CIVIL RIGHTS COLD CASES

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 27, 2007
WWW.USDOJ.GOV

AG
(202) 514-2008
TDD (202) 514-1888

PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE PRESS CONFERENCE ON CIVIL RIGHTS COLD CASES

WASHINGTON, D.C.

Good morning. I am joined today by FBI Director Bob Mueller, John Jackson of the National Association for the Advancement of Colored People, Richard Cohen of the Southern Poverty Law Center, Stephanie Jones of the National Urban League, and Assistant Attorney General for Civil Rights Wan Kim.

One month ago I stood before you and announced an indictment in the abduction and murders of two African-American men in 1964. That indictment came as part of the Department of Justice's efforts to focus on cold cases from the civil rights era.

In 2006, the FBI began its Cold Case Initiative to identify and investigate murders committed during our Nation's Civil Rights era. It is noteworthy as Black History Month concludes that we announce the next phase of this initiative: a more formal partnership with these groups to identify possible additional cases for investigation and to solicit their help. They have already provided us with valuable information from their files and we are committed to following, and will follow, those and future leads wherever they take us. We know that not every case will be resolved. In some cases the perpetrators may already be dead. In some cases we may find no federal jurisdiction. But these unsolved crimes remain on our radar, and through these expanded lines of communication we hope we can bring closure to some of these cases.

If we are to succeed we must work as a team, and the help of our partners will be crucial as we continue to search for the evidence to help us close these cases. Their dedication to this cause has been tireless, and we are proud to work with them on this. As we saw in the case last month, new information – sometimes an innocuous small bit of information -- can be crucial to breaking these decades-old cases. A secret harbored for many years can be the piece of evidence we need to make our case.

I would like to thank Director Mueller for the leadership role played by the FBI, and Assistant Attorney General Kim for the persistence and dedication of his staff in the Civil Rights Division. This effort is a

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testament to the best traditions of public service and a sign of just how seriously the Department of Justice takes the enforcement of our civil rights laws.

Much time has passed on these crimes; the wounds they left are deep, and many of them still have not healed. But we are committed to re-examining these cases and doing all we can to bring justice to the criminals who may have avoided punishment for so long.

To those individuals who committed these crimes, and who have lived with their guilty consciences for these many years, our message should be clear: You have not gotten away with anything. We are still on your trail.

Now we will hear from Director Mueller.

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Image not available for this document, ID: 0.7.10316.6621-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1261137 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 2:17 PM
To: USDOJ- Office of Public Affairs
Subject: GEORGIA MAN SENTENCED TO FEDERAL PRISON FOR MATERIAL SUPPORT OF FOREIGN TERRORIST GROUP

Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 27, 2007
www.usdoj.gov/usao/gan

CONTACT: Patrick Crosby
PHONE: (404) 581-6016
FAX: (404) 581-6160

GEORGIA MAN SENTENCED TO FEDERAL PRISON FOR MATERIAL SUPPORT OF FOREIGN TERRORIST GROUP

ROME, Ga. – Mohamed Shorbagi, 42, of the Rome, Georgia, area was sentenced today to serve seven years and eight months in federal prison, by U.S. District Judge Harold L. Murphy, on a charge of providing material support to Hamas, a foreign terrorist organization, U.S. Attorney David E. Nahmias of the Northern District of Georgia announced today. Shorbagi's sentence was reduced from 15 years in prison because of the substantial cooperation he has provided in other terrorism-related investigations and prosecutions.

"There are three important points to make about this case," said U.S. Attorney Nahmias. "First, this case illustrates that people who illegally support foreign terrorist organizations may be found anywhere in the United States, even in quiet and pleasant places like Rome, Georgia. Second, we will use every lawful tool to ferret out terrorism and those who provide material support to it, regardless of where they live or how they try to hide their criminal activities. Finally, defendants who are willing to cooperate fully and truthfully in our efforts to protect national security and bring other criminals to justice may earn substantial sentence reductions from federal courts."

Shorbagi pleaded guilty to a criminal information that was unsealed along with the plea agreement on Oct. 13, 2006. The criminal information and plea agreement had been filed and placed under seal on Aug. 28, 2006. Shorbagi was sentenced to seven years and eight months in federal prison to be followed by three years of supervised release and ordered to pay restitution of $610,454. Shorbagi also agreed to pay full restitution to the victims of fraud crimes he had committed, which the government agreed not to charge in consideration of his cooperation.

U.S. Attorney Nahmias noted that Hamas is a terrorist organization operating primarily in the West Bank and Gaza Strip, which has engaged in numerous terrorist attacks aimed at Israeli military personnel, police officers and civilians. Hamas attacks have murdered numerous innocent people, including American citizens, and have undermined the Israeli-Palestinian peace process. Federal law makes it a serious felony to provide any material support or resources to a designated foreign terrorist organization.

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According to U.S. Attorney Nahmias and information presented in court, on Oct. 8, 1997, the United States formally designated Hamas as a foreign terrorist organization. After that date, and continuing until Dec. 4, 2001, Shorbagi provided financial support to Hamas and conspired with unnamed others to provide such material support. He did so knowing that Hamas had been designated as a foreign terrorist organization and that Hamas engaged in terrorist activity. Shorbagi provided the support through donations to the "Holy Land Foundation for Relief and Development" (HLF), knowing that some or all of the money was in fact destined for Hamas. Shorbagi knew that money provided to HLF was actually funneled to Hamas in part because he was a Georgia representative for HLF and he had attended HLF meetings at which high-level Hamas officials made presentations condemning Israel. Shorbagi also had hosted high-level Hamas officials at the Rome, Ga., mosque at which he served as imam.

This case was investigated by special agents of the FBI and U.S. Immigration and Customs Enforcement (ICE), with assistance from the Internal Revenue Service Criminal Investigation and the Floyd County Police Department.

Assistant U.S. Attorney Kim Dammers prosecuted the case.

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System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

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JCON System Maintenance (JMD/SMO JCON)

From: JCON System Maintenance (JMD/SMO JCON)
Sent: Tuesday, February 27, 2007 4:34 PM
Subject: Emergency Server Maintenance

Emergency Server Maintenance

When: Saturday, March 3, 2007, 10:00 PM until Sunday, March 4, 6:00 AM

Event: Emergency Server Maintenance

Unavailable Services:

Customers located in RFK Main Justice Building
Outlook (Email and Calendar)
BlackBerry Service (BlackBerry Pin to Pin available)

All other customers
BlackBerry Service (BlackBerry Pin to Pin available)

Required Action: Please Shutdown and Power off your workstation before leaving. To power off your desktop:
1. Save documents you are currently working on and close those applications.
2. Press Ctrl/Alt/Del.
3. Point your cursor to "Shut Down" and click the left button.
4. Choose the "Shutdown and Power off option. This will log your workstation out of the JMD/SMO JCON network and power off the desktop.

Check the Intranet, DOJNet, at http://10.173.2.12/ for additional information of Department wide interest, including an archive of selected JCON Broadcasts.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 4:36 PM
To: USDOJ- Office of Public Affairs
Subject: TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING PARTNERSHIP ON CIVIL RIGHTS ERA CASES

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 27, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

TRANSCRIPT OF PRESS CONFERENCE ANNOUNCING PARTNERSHIP ON CIVIL RIGHTS ERA CASES

WASHINGTON, D.C.

11:36 A.M. EST

ATTORNEY GENERAL GONZALES: Good morning. I am joined today by FBI director Bob Mueller, John Jackson of the NAACP, Richard Cohen of the Southern Poverty Law Center, Stephanie Jones of the National Urban League and Assistant Attorney General for the Civil Rights Division, Wan Kim.

One month ago I stood before you and announced an indictment in the abduction and murder of two African-American men in 1964. That indictment came as part of the Department of Justice=s efforts to focus on cold cases from the civil rights era.

In 2006, the FBI began its cold case initiative to identify and investigate the murders committed during our nation=s civil rights era. It=s noteworthy as Black History Month concludes that we announce the next phase of this initiative, a more formal partnership with these groups to identify possible additional cases for investigation and to solicit their help. They have already provided us with valuable information from their files, and we are committed to following and will follow those and future leads wherever they take us.

We know that not every case will be resolved. In some cases, the perpetrators may already be dead. In some cases we may find no federal jurisdiction. But these unsolved crimes remain on our radar, and through these expanded lines of communication we hope we can bring closure to some of these cases.

If we are to succeed, we must work as a team, and the help of our partners will be crucial as we continue to search for the evidence to help us close these cases. Their dedication to this cause has been tireless, and we are proud to work with them on this.

As we saw in the case last month, new information -- sometimes, an innocuous, small bit of information can be crucial to breaking these decades old cases. A secret harbored for many years can be the piece of evidence we

need to make our case.

I=d like to thank Director Mueller for the leadership role played by the FBI and Assistant Attorney General Kim for persistence and dedication of his staff in the Civil Rights Division. This effort is a testament to the best traditions of public service and a sign of just how seriously the Department of Justice takes the enforcement of our civil rights laws.

Much time has passed on these crimes. The wounds they left are deep, and many of them still have not healed. But we are committed to reexamining these cases and doing all we can to bring justice to the criminals who may have avoided punishment for so long.

And to those individuals who committed those crimes and have lived with their guilty consciences for these many years, our message should be clear: You have not gotten away with anything; we are still on your trail.

Now we will hear from Director Mueller. Bob.

MR. MUELLER: Good afternoon. The FBI and the Justice Department exist to bring justice to the oppressed and to bring truth to light. This is a mission that is shared by our community partners such as the NAACP, the Southern Poverty Law Center and the National Urban League. And so we have joined together forming these new partnerships to combat an old scourge.

As you know all too well, many murders during the civil rights era were not fully investigated, were covered up or were misidentified as an accidental death or disappearance. Many trails ran cold and many cases were effectively closed. But for the victims and their parents, children, siblings, friends, the wounds are never closed.

The families and friends of the victims never lost hope. And breakthroughs in investigations, technology and conscience have affirmed that hope. We saw this just last month with the indictment of James Seale, a former member of the Klu Klux Klan, for the kidnapping and the murder of Henry Dee and Charlie Moore back in 1964.

Today we have forensic analysis and technology that were nonexistent 40 years ago. Witnesses who were once terrified to speak out are now stepping forward. And groups like those here today have carried the flame year after year, have continued to gather information and have kept the memories of the dead alive.

A year ago, the FBI began a nationwide initiative to identify these cold cases. We asked our 56 field offices to reexamine their unsolved civil rights cases and determine which ones could still be viable for prosecution. Since this initiative began, we have been provided with information regarding nearly a hundred such cases. Each will need to be assessed for its investigative and legal viability, but the cases in which we can move forward we will move forward.

In too many instances, the truth has been hidden for too long. Many individuals have, quite literally, gotten away with murder. We cannot turn back the clock. We cannot right these wrongs. But we can try to bring a measure of justice to those who remain.

We know that some memories may fade, some evidence may be lost and some witnesses may pass away. We know that no matter how much work we devote to an investigation, we may not always get the result that we=re hoping for, but in other cases we will.

In 2001, Thomas Blanton and Bobby Frank Cherry were convicted of murder for the 1963 bombing of the 16th Street Baptist Church in Birmingham. In 2003, Ernest Avants was convicted for the 1966 murder of Ben

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Chester White. And in 2005, Edgar Ray Emmett was convicted for his role in the deaths of three civil rights workers in Mississippi in 1964. These successes have restored our hope and renewed our resolve.

Justice has been delayed, but we are determined that justice will not be denied. We=ll do everything we can to close these cases and to close this dark chapter in our nation=s history.

As Black History Month ends, we are reminded that protecting the civil rights of all Americans is one of the FBI=s highest missions, whether the violations occurred four days ago or forty years ago. We look forward to working with each of our partners represented here and with the Department of Justice to bring the truth to light and to close these cases and to heal these past wounds.

Let me now turn it over to John Jackson from the NAACP. John.

MR. JACKSON: Good afternoon. On behalf of our chairman, Julian Bond, our president and CEO, Bruce Gordon, the NAACP is happy to stand in partnership with Attorney General Gonzales, Director Mueller, and our coalition partners from the National Urban League and the Southern Poverty Law Center who gave us our chairman, Chairman Julian Bond -- loaned him to us, who was also the first president of the Southern Poverty Law Center, a member of their board today. But we=re happy to stand in partnership with all of these entities to begin to address the continuance of the work of many of our civil rights soldiers.

The NAACP was formed in 1909 in a small apartment in Manhattan. And on any given day you could drive past that particular building and see a flag hanging outside of the window that said, AToday a man was lynched.@ And we did this as a way to highlight the significance of individual lives, the significance of those who fought to make America what it is today.

We stand today in partnership to do the same, to remember the significance of a Lloyd Gaines, who in 1939 fought to desegregate the University of Missouri. And the NAACP, because Mr. Gaines=s life was threatened, ushered him to Chicago. And one day in 1939, he walked into a U.S. Post Office and he=s never to have been seen again.

We do this highlighting the significance of Harry and Harriet T. Moore, who in 1951 -- advocates who fought across the state of Florida to push for teacher quality and teacher equity, individuals who on Christmas Eve got into their bed and 10 minutes later their home exploded.

We do this as an opportunity not only to highlight those individuals who fought to make democracy work in our country, but also to provide a platform, a platform to undergird the importance of the issues that they gave their lives and livelihoods to address.

So we stand here in partnership. We offer the resources of our 2,200 units across the country in communities and hamlets, individuals who have been on the case for many years, in hopes that we, yes, will work to solve many of these cases, but also to highlight the importance of the individuals and the work that they dedicated their lives to. Today this is a great partnership.

And I want to bring now to the podium Stephanie Jones from the National Urban League.

MS. JONES: Thank you John. On behalf of the National Urban League and the urban league movement, I=d like to thank Attorney General Gonzales and Director Mueller for this -- for bringing us into this initiative and working with us and our communities, with the NAACP, with the Southern Poverty Law Center and the National Urban League.

The history of lynchings and racial violence in this country has left a stain on the fabric of our country, and it is

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up to all of us to work to eradicate that stain. And one of the ways to do it is to work together to bring justice both for those who have been harmed by this and those who have perpetrated the harms.

And while many years have passed since many of these activities took place, it sends an important message that our federal government is still working very hard to bring justice and to help to, as I said, eradicate this stain. The National Urban League movement and the National League national office pledges to work closely with the Justice Department and with the FBI to provide resources, to provide a bully pulpit, to work with our 102 affiliates across the country to help provide whatever is needed at the community level and at the national level to help with this important endeavor.

As Dr. Martin Luther King said, Athe arch of the moral universe is long, but it bends towards justice.@ And through this initiative, we are all helping to bend the arch closer to the justice that we all seek and that we all deserve. So we thank the FBI and the Justice Department and all of the partners and look forward to working together in this important initiative. Thank you.

And now I bring forward Richard Cohen with the Southern Poverty Law Center.

MR. COHEN: Thank you, Stephanie. Good morning. Good afternoon. My name is Richard Cohen. I=m the president of the Southern Poverty Law Center.

We=re an organization based in Montgomery, Alabama, the birthplace of the civil rights movement. It=s a great, great honor to be here today with Attorney General Gonzales, FBI Director Mueller, other distinguished guests, because this is a very important announcement, especially important to the Southern Poverty Law Center.

In 1989, the Center built the Civil Rights Memorial. The memorial honors 40 persons who lost their lives to those who would stand in the way of progress towards the ideals for which our country stands. At the time that we built the memorial many of the persons who had killed the persons who were named on it had not been brought to justice.

For this reason, the memorial was a reminder not just of sacrifices during the civil rights era but of the injustices during that time. Fortunately, since the dedication of the memorial there has been a renewed interest in the old civil rights cases. And since that time, six persons have been convicted for deaths chronicled on the memorial.

The FBI, the Department of Justice play key roles in all of these successful prosecutions, and for this we thank them.

But the truth is that much more remains to be done. The murder cases from the civil rights era still cry out for justice. Other cases cry out for a full investigation. Now, with today=s announcement, there is renewed hope that these cries will be answered.

As Stephanie reminded us, Dr. King talked about the moral arch of the universe bending towards justice. And I think we can all say today that, thanks to this new initiative, our country is once again proving that Dr. King was a true, true prophet.

Again, I=d like to thank the FBI, director Mueller, Attorney General Gonzales for all of their work and the work of their colleagues.

I think Attorney General Gonzales is going to take some questions.

ATTORNEY GENERAL GONZALES: For my colleagues on the stage, I=m sure we=d be happy to take

questions. Any questions?

QUESTION: Mr. Attorney General, how many cases are we talking about here that the Bureau and the Justice Department are going to be undertaking? And how many of those will have federal jurisdiction?

ATTORNEY GENERAL GONZALES: We don=t know. That=s the short answer to your question. We don=t know how many cases yet. Part of this effort is to try to get as much information as we can about particular cases. And we=ll be working with our partners, who will share their information with us.

This is a plea to the community. If you have information about a case, please come forward and share that information with us so that we can bring people to justice. And as to whether or not we=ll have jurisdiction, it=s hard to predict. We=ll have to work up these cases, and we=ll try as hard as we can to find jurisdiction.

If there is federal jurisdiction, we=ll prosecute the cases. But even if there=s not federal jurisdiction, hopefully by doing our work we can then perhaps help prepare a case for prosecution at the state or local level.

And so it=s too early to tell. I can=t promise you any result following this initiative. What I can promise you is our commitment to do everything we can to bring to justice these individuals.

QUESTION: Is there a universe of cases that the government will be looking at to determine whether or not something can be opened or reinvigorated or might have federal jurisdiction?

ATTORNEY GENERAL GONZALES: Well, we=ve done some work. As part of the initiative, we asked the FBI field offices to look at the cases, the files, at the ones that appeared to be the most promising. And so there have been sort of a list of prioritized cases that have been developed, and obviously we=ll look at those first.

QUESTION: How many are on that list?

ATTORNEY GENERAL GONZALES: I don=t know the specific numbers or whether or not -- Bob.

DIRECTOR MUELLER: The universe is approximately 100 cases that we=ll be looking at. There=s approximately 100 cases in the universe, but they all differ, and we=ll have to do a triage in terms of which are the most likely cases and which we can make most progress.

QUESTION: Attorney General, can you give us some idea of how many of these cases have been sort of, for want of a better term, sitting around in the files and how many of them are -- you=re just learning about with your new partnership here?

ATTORNEY GENERAL GONZALES: I=m going to ask Bob to come back. He may have a better idea about how many cases, how many files are in our offices.

I don=t want to characterize them as just sitting around. Obviously there=s been some work done on them, and we=ve now directed the folks in the field to go back and look at these files and see -- is there something there, some new bit of information that may be helpful? And so again this is a commitment to this effort to bring people to justice.

And Bob, I don=t know if you have any information about --

DIRECTOR MUELLER: I think the judge is right in terms of -- we went out to every one of our field offices and looked at closed civil rights cases and have a universe of those cases that we are looking at, and with new techniques, the possibility of new witnesses, take a fresh look at what has traditionally been called a cold case, a

case that has not been solved immediately after the murder.

There may have been periodic investigation over the years in any particular case, but what we want to do is give a thorough look at each one of these cases to determine if there are leads that we can follow, new witnesses, new technologies that may help us solve one or more of them.

QUESTION: I guess what I was wondering is, you say in your statement that some of these cases were initially misidentified as accidental death. Would they still be in the FBI files or are you just -- is it as the result of some of these groups, Southern Poverty Law Center and so forth, coming forward and saying, hey, you may not have thought of this as a potential murder, but you should look at this, too?

DIRECTOR MUELLER: A combination of each of those. I mean it may well be that we had some belief that it was not accurately reported before and so we=re looking at it again, but we=ve had a number of cases in which the family members or Southern Poverty Law Center or NAACP or another organization, Urban League, will come forward with information that it has gleaned that has helped us out in investigations. So a variety of the above.

QUESTION: Of the 100 cases, I wondered if you made any assessment yet as to how many of those you can move forward on and if you could provide any details on what those --

DIRECTOR MUELLER: I can say we=ve got an initial set of, I would say, approximately a dozen that we=ve identified that we are going to focus on at the outset. That does not mean that we=re not looking at the other cases as well, but we=ve done an initial look at this universe of cases and know that there are at least, almost a dozen, 10 to 12 that we can take some additional activity on now.

QUESTION: How far back do they go?

DIRECTOR MUELLER: Thirty, forty years.

QUESTION: And they=re all murder cases?

DIRECTOR MUELLER: I=m not certain on that. I=m pretty certain most of them are homicides, but I=d have to get back to you on that.

QUESTION: You mentioned that some of the witnesses now are less hesitant to talk than they were years ago. Why is that? And do you see the success in past cases as giving witnesses more cover, if you will, to come forward?

ATTORNEY GENERAL GONZALES: I think that every time you have a case -- and we=ve had some successful prosecutions in connection with these kinds of cases, but every time we move forward with a prosecution, I think that does encourage people to step forward.

And these are -- I want to emphasize, these are very, very difficult cases to make and we need as much help as we can to prosecute these cases. And that=s why it is so significant that these groups have been willing to come forward and share information with us. And this really is a plea for help for people in the communities to come forward. They may have a bit of information that may seen totally innocent but may be extremely helpful in moving forward with the case.

QUESTION: General Gonzales, of the dozen cases, does that include cases that you=re already working on, that the FBI and the Justice Department are already working on, like the Moore case and Emmett Till? And what are the other ones that you=re --

DIRECTOR MUELLER: I=d have to get back to you on specifically what is in that universe. Out of that hundred -- in other words, we go out to the 56 field offices, we have 100. And I=m not certain whether Emmett Till and others known to us are included in that. I=d have to get back to you on that.

QUESTION: Okay. And the second question is, Congress was trying to establish a special task force to open these cases. Is this -- it seems to me that this was the intent, this is what Congress wanted to do. Have you moved ahead before Congress passed legislation to do this? Is this what=s happened here?

ATTORNEY GENERAL GONZALES: Well, we did this because we thought it was the right thing to do. Obviously if Congress wants to pass legislation to provide additional tools, that would be something that we=d have to look at and be happy to support, I=m assuming. And so -- but no, the reason we did this is because we were prepared to do it.

And this is something that was -- again, this initiative began a year ago, and we now have the recent commitment by these groups to provide us more information. And that=s why we=re having this conference today.

Yes, sir.

DIRECTOR MUELLER: Let me just add something to that. Also, as the judge said at the start a year, year-and-a-half-ago, and the credit goes to the Civil Rights Division, Department of Justice and the FBI Criminal Division who believe that this was an initiative that was worthy of undertaking and allocated the resources, started the process. And it was not done, necessarily, with an eye on what Congress might or might not do, although we need all the support that we can get from Congress.

QUESTION: Is there a chance that you can release the list of the 12 cases you have now? I understood there might be a report today that would have actually identified cases for investigation.

ATTORNEY GENERAL GONZALES: I don=t know that we would be prepared to do that. Obviously, we know these cases are of great historical interest. To the extent that we can share information, that would obviously be something that we would consider, but we don=t want to do anything that might in any way jeopardize the success of the investigation.

QUESTION: How would it jeopardize it if you made public just what case you=re working on?

ATTORNEY GENERAL GONZALES: Again, it would be something that we would consider.

QUESTION: Mr. Attorney General, does this number of 100 cases surprise you? This is sort of larger, I think, than anybody had thought the number of unsolved cases from that era. Is it larger than you thought? And secondly, why do you think it=s taken so long for this to happen?

ATTORNEY GENERAL GONZALES: Well, I don=t -- in terms of -- I -- there were a number, unfortunately too large a number, of people that were killed during the civil rights era, thousands. And I think that quite frankly we=ve gotten better at doing investigations. The technology is better. And in terms of why it took so long, I don=t know why it took so long, Pete. I can only look at where we=re at today, what=s possible today, what resources we have available today, what partners we have today. And based on that, we=re in a position to move forward on this initiative.

And again, no promises about the outcome, but we feel that we have an obligation to do this. Bob indicated how important this is to us. It is important to us. It=s important to me personally, quite frankly. I think we

have an obligation to look very hard at these cases. And if we can bring a case, we=re going to do that. If we can=t bring a case, but perhaps it can be brought at the state or local level, we=ll try to facilitate that as well.

QUESTION: Is it possible to tell us where in the country some of these 12 cases are? And the second part question is directed to some of the people in the civil rights groups behind you, and that is, we=ve known about these murders for some time. Can you tell us what your organizations have done in the past 40 years to try and spur the Justice Department to action?

DIRECTOR MUELLER: Let me answer the first part of the question, in terms of, I would say, anywhere from 10 to 12 cases that we=re looking at initially. But as I say, the universe is a lot larger than that.

And let me make the point also that we didn=t just start yesterday. In my remarks, I mentioned three cases, recent cases, over the last four or five years, which are -- some would call them ancient cases, but cases from long ago which we have successfully investigated and successfully prosecuted. So what is different now is a comprehensive look at these cases, not that we haven=t brought these cases in the past, not that we haven=t brought these cases successfully in the past despite their age.

And as for the second part of the question, I=ll turn it over to my partners here.

MR. COHEN: Back in 1987, we had a case of a lynching of black man in Mobile, Alabama. His name was Michael Donald. And an all-white jury in Mobile returned a verdict of $7 million on behalf of the family. Of course, the Klan didn=t have $7 million, but we took everything that they had, including their national headquarters.

Our founder at the time later was giving a speech in Mobile, talking about the youth who had been killed, and said that his name would be remembered, Michael Donald=s name would be remembered with Emmett Till, with Medgar Evers, and the other persons who had lost their lives to racial injustice. People came up to him afterwards and said, I kind of remember that name, Evers, but who is that Till character, and who is that Moore person? And I think we realized that, at the time, some names had been forgotten, names where justice had not been achieved.

So what we did, in response to your question, was to build the Civil Rights Memorial, to try to rekindle interest in some of these cases. And I think the assumption had been for many years, and sometimes the words associated with it, cold cases, I think the assumption had been that the cases were cold. But I think because of the hard work of journalists, the hard work of Justice Department and state prosecutors, that some of those cold cases turned out to have a few burning embers, and leads were pursued.

And we hope that some of the cases that are today still considered cold turn out to have some burning embers, such as a famous case, for example, in 1959, that=s on the memorial, Mack Charles Parker. He was taken out of jail and lynched by eight people, including the jailer, a former deputy sheriff and a preacher. No one was ever arrested for that crime. There are other names of activists, NAACP activists, who were shot, and no arrests were even made. Are these cold cases or are these cases that embers are still burning?

Should these cases have been looked at earlier? Absolutely. Is that a reason not to look at them now? Absolutely not. So that=s what we have tried to do, and that=s what I hope the Justice Department and state prosecutors continue to do to try to see if there are a few burning embers.

QUESTION: Mr. Cohen, how many cases, cold cases has your group identified that could be reopened or reinvigorated or that authorities should take a second look at?

MR. COHEN: Well, on the memorial, there are 40 cases. And in 13 of them there have never even been

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arrests. And many, many others there were incredible miscarriages of justice, people who were convicted of minor charges and served just a few days. Is the federal jurisdiction possible in some of those cases? I don=t know the answer to that.

We=ve turned over also a list of an additional 76 suspicious homicides, suspicious deaths. How many of those were persons killed by those bent on kind of holding back progress? I don=t know the answer. Cases, for example, Thomas Brewer, a man killed in Georgia in 1956. He was a local NAACP activist who was shot seven times outside his office by a white politician. There was no indictment ever brought. The case of Sam Quinn from Centreville, Mississippi, 1959, he was shot in the back shortly after joining the NAACP, criticized often in his hometown as being uppity by local whites. Sylvester Maxwell, a case in Canton, Mississippi in 1963, whose body was found castrated and mutilated. Medgar Evers, the NAACP field secretary who later was assassinated himself saw it as a probable lynching; no arrests and frankly I have no idea whether an investigation was even conducted.

There are a lot of, I think, stones to turn over. I think it would be wrong to give families false hope, but I think it would be right to say to them that people still care and that groups like ours, groups like the NAACP, the Urban League and others, will do whatever we can to help the process. And I know that the Justice Department and state prosecutors are different today than they were in 1963.

QUESTION: Are those 76 cases that Mr. Cohen was talking about part of that universe of 100 or are they --

DIRECTOR MUELLER: I=d have to check on that. I=m not certain.

ATTORNEY GENERAL GONZALES: Okay. Thank you.

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Image not available for this document, ID: 0.7.10316.6630-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1261262 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

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See client Help for more information.

Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 27, 2007 5:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell City, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 27, 2007 5:35:01 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Howell City, MI
Auto forwarded by a Rule

AMBER ALERT:Howell City,MI CHILD:16YR WHITE F 5FT3 125LB Eyes:BROWN Hair:BROWN
SUSPECT:31YRS WHITE F 5FT2 116LB Eyes:BROWN Hair:BROWN CALL 517-546-4711 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId
=3483

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 6:28 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT RELEASES NEW AMERICANS WITH DISABILITIES ACT TECHNICAL ASSISTANCE MATERIALS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 27, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT RELEASES NEW AMERICANS WITH DISABILITIES ACT TECHNICAL ASSISTANCE MATERIALS

WASHINGTON – The Department of Justice today released new technical assistance materials to help state and local governments comply with the Americans with Disabilities Act (ADA). The materials are part of the "ADA Best Practices Tool Kit for State and Local Governments," a project announced by Attorney General Alberto R. Gonzales in October 2006.

"In our work with state and local governments throughout the country, we see many common problems with ADA compliance," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Department is issuing the Tool Kit to help state and local government officials gain a better understanding of how to ensure equal access to government programs and services for all of their citizens with a disability."

The Tool Kit is a commonsense guide to achieving ADA compliance. Chapters 3 and 4 of the Tool Kit, released today, address the ADA requirement of ensuring effective communications for people with disabilities. "People who are deaf or hard of hearing, those who are blind or have low vision, and individuals with other types of disabilities are entitled to equal access to state and local government programs, services and activities," added Assistant Attorney General Kim. "These new chapters of the Tool Kit contain practical guidance, including checklists and action steps, that state, county and city officials can use to identify and resolve ADA compliance issues in government agencies and programs across the country, including public hospitals, courts, law enforcement agencies, 9-1-1 emergency communication systems, and recreation programs."

During the past six years, through its Project Civic Access initiative, the Civil Rights Division has worked cooperatively with city and county officials to improve access for more than 2 million people with disabilities. The Department has reached 152 agreements that improve access for people with disabilities to city and county office buildings, courts, polling places, emergency shelters, museums, parks, law enforcement and corrections facilities, and websites.

The Tool Kit and other ADA materials are available on the Department's ADA Web site at http://www.ada.gov.

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Image not available for this document, ID: 0.7.10316.6603-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, February 27, 2007 6:34 PM
To: USDOJ- Office of Public Affairs
Subject: MANAGERS OF IFCO SYSTEMS ENTER GUILTY PLEAS RELATING TO EMPLOYMENT OF ILLEGAL ALIENS

Department of Justice

United States Attorney Glenn T. Suddaby
Northern District of New York

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 27, 2007
WWW.USDOJ.GOV/USAO/NYN

CONTACT: Glenn Suddaby
PHONE: (315) 448-0672
FAX: (315) 448-0689

MANAGERS OF IFCO SYSTEMS ENTER GUILTY PLEAS RELATING TO EMPLOYMENT OF ILLEGAL ALIENS

ALBANY, N.Y. — Five current and former managers from the Pallet Management Division of IFCO Systems North America have entered guilty pleas, U.S. Attorney Glenn T. Suddaby of the Northern District of New York announced today. The defendants pled guilty to felony and misdemeanor offenses relating to the employment of illegal alien workers.

The following defendants pled guilty today: Robert Belvin, 43, of Stuart, Fla.; James Rice, 37, of Houston; Michael Ames, 44, of Shrewsbury, Mass.; Dario Salzano, 36, of Amsterdam, N.Y.; and Scott Dodge, 44, of Elmira, N.Y. Charges remain pending against three other managers and the investigation is continuing.

The guilty pleas stem from the investigation of illegal employment-related practices at IFCO plants nationwide. On April 19, 2006, agents arrested seven current and former managers and executed search warrants at nine IFCO facilities, including the Houston headquarters of the company. At the same time, a worksite enforcement action was conducted at over 40 IFCO plants nationally. U.S. Immigration and Customs Enforcement (ICE) was able to detain nearly 1,200 illegal aliens working at the plants at the time.

The managers pleading guilty today admitted conduct which primarily related to unlawful practices involving IFCO's plants in Albany, N.Y.; Westborough, Mass; Knoxville, Tenn.; Cincinnati, Ohio; and Houston, Texas. These practices included hiring unauthorized aliens, manipulating the identities of alien workers on employee paperwork, interstate transport of aliens for work purposes, housing alien workers in residences secured by IFCO, transporting the alien workers to and from work on a daily basis, providing the alien workers financial support in addition to pay, assisting alien workers in cashing checks, and helping some alien workers obtain fraudulent identification documents. The management practices also included submitting on behalf of alien workers tax withholding information which significantly overstated exemptions to increase net pay and failing to pay legal overtime rates to piece-rate alien workers. The managers claimed that supervisors were aware of many of these practices and that the practices were not unusual at IFCO.

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The criminal investigation is being conducted by ICE; the New York State Police, Upstate New York Regional Intelligence Center (UNYRIC) and Special Investigation Unit; the Social Security Administration, Office of Inspector General; the Internal Revenue Service, Criminal Investigation; and the U.S. Department of Labor, Wage and Hour Division. The Guilderland Town Police Department and Schenectady Police Department also provided assistance during the investigation.

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Image not available for this document, ID: 0.7.10316.6605-000002

System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 6:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1261374 KB.
Mailbox size limits:

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Amber.JMD

From: Amber.JMD
Sent: Tuesday, February 27, 2007 7:01 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Howell City, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, February 27, 2007 7:01:01 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Howell City, MI
Auto forwarded by a Rule

UPDATE AMBER ALERT:Howell City,MI VEH:Whi Ford Exp MI ASL2324 CHILD:16 W/F 5FT3 125LB Eye:BRO Hair:BRO SUS:31 W/F 5FT2 116LB Eye:BRO Hair:BRO CALL 517-546-4711 --- http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3483

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System Administrator

From: System Administrator
Sent: Tuesday, February 27, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1261377 KB.
Mailbox size limits:

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System Administrator

From: System Administrator
Sent: Wednesday, February 28, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1261378 KB.
Mailbox size limits:

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System Administrator

From: System Administrator
Sent: Wednesday, February 28, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1264845 KB.
Mailbox size limits:

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See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 28, 2007 9:56 AM
To: USDOJ- Office of Public Affairs
Subject: FW: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 28, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, February 28, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No press releases expected.

EVENTS/HEARINGS

10:00 A.M. EST Solicitor General Paul Clement will present arguments on behalf of the United States in *Hein v. Freedom From Religion*.
United States Supreme Court
One First Street, N.E.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Supreme Court Public Information Office at 202-479-3211, or to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.6586-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Wednesday, February 28, 2007 12:16 PM
Subject: JCON Broadcast: Privacy Resources Intranet Site

Privacy and Civil Liberties Office Launches Privacy Resources Intranet Site

Wondering what the definition of Personally Identifiable Information is? Need to find the Department's Privacy Impact Assessment Manual or your component's Privacy Act System of Records Notices? Come visit the Privacy Resources for Employees page on DOJNET at http://10.173.2.12/privacy_resources/index.php. There are also links to OMB resources and DOJ orders related to privacy issues. You can also contact the PCLO through this site with your privacy questions. We will be periodically updating the site with new information so make sure to visit the site regularly.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

System Administrator

From:	System Administrator
Sent:	Wednesday, February 28, 2007 12:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1265503 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 28, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1265504 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 28, 2007 4:32 PM
To: USDOJ- Office of Public Affairs
Subject: INVESTIGATION OF MAJOR MEXICAN DRUG TRAFFICKING ORGANIZATION RESULTS IN HUNDREDS OF ARRESTS NATIONWIDE

A copy of the indictment against 19 of the defendants is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 28, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

INVESTIGATION OF MAJOR MEXICAN DRUG TRAFFICKING ORGANIZATION RESULTS IN HUNDREDS OF ARRESTS NATIONWIDE

$45 Million in Cash and 18 Tons of Illegal Drugs Seized in "Operation Imperial Emperor"

SAN DIEGO – A long-term investigation into a Mexican drug trafficking organization and its U.S.-based distribution cells has resulted in the arrest of more than 400 individuals nationwide, including the arrest of more than 66 individuals this morning in California, Arizona, New York and Illinois, Attorney General Alberto R. Gonzales announced today at a press conference in San Diego.

The multi-agency law enforcement effort, called "Operation Imperial Emperor" targeted the Mexico-based Victor Emilio Cazares-Gastellum, a.k.a. "Victor Emilio Cazares-Salazar," drug trafficking organization, which has been responsible for supplying multi-ton quantities of cocaine, as well as large amounts of methamphetamine and marijuana, monthly to distribution cells throughout the United States. The organization has also laundered millions of dollars generated from this illegal activity.

The 20-month investigation, which was led by the Drug Enforcement Administration (DEA), has thus far resulted in the seizure of approximately $45.2 million in U.S. currency, 27,229 pounds of marijuana, 9,512 pounds of cocaine, 705 pounds of methamphetamine, 227 pounds of pure methamphetamine or "ice," and 11 pounds of heroin. The investigation has also netted $6.1 million in property and assets, as well as roughly 100 weapons and 94 vehicles.

This morning, federal or state charges were unsealed against 139 defendants in the Southern District of California, the Central District of California, the Northern District of California, the District of Arizona, the Northern District of Illinois, and the Southern District of New York. More than 66 of these defendants were arrested today, bringing the total number of arrests during the course of this long-term investigation to more than 400.

"Today's actions deal a significant blow to the Victor Emilio Cazares-Gastellum drug trafficking organization, whose members are accused of importing and distributing multi-ton quantities of cocaine and

other illicit drugs to communities across the country on a monthly basis," said Attorney General Gonzales. "These arrests demonstrate what can be achieved when domestic and international law enforcement partners team up against a common foe."

According to court papers unsealed today in various federal jurisdictions, the Mexico-based Victor Emilio Cazares-Gastellum organization contracted the transportation of narcotics to the United States by land, air and sea. Metric ton shipments were transported out of Colombia and Venezuela, through Central America to Mexico, by tractor trailer, non-commercial vehicles, and aircraft. Once in Mexico, the narcotics were transported into the United States through various points of entry on the Southwest border.

After arriving in the United States, the drug shipments would be broken down further in cities like Los Angeles and San Diego for subsequent transportation to and distribution in locations around the country, including Nevada, Arizona, New York, New Jersey, Ohio, Colorado, Georgia, Alabama, Arkansas, Kentucky, Connecticut, Massachusetts, Maryland, Texas, Missouri, Oklahoma, Illinois, Kansas, Florida, Georgia, North Carolina, Washington and Oregon.

"The Cazares-Gastellum drug empire that rose to such heights of power in only two years, fell today at the hands of DEA and our partners," said DEA Administrator Karen P. Tandy. "This sprawling drug domain, headquartered in Mexico, penetrated deep into all corners of this country. Today we ripped out this empire's U.S. infrastructure from its commanders and transportation coordinators to its local distribution cells across the country, stripped it of $45 million in cash, and tossed it into the dustbin of history."

"This operation is an example of strong cooperation among multiple international, federal, state and local law enforcement agencies that dismantled a major drug trafficking enterprise operating between the U.S. and Mexico. Despite efforts to conceal their criminal activities, law enforcement prevailed and will continue to pursue criminal enterprises threatening the safety and security of our communities," said Robert. S. Mueller III, Director of the Federal Bureau of Investigation.

The federal prosecutions in connection with today's arrests are being handled by U.S. Attorneys for the Southern District of California, Central District of California, District of Arizona, Northern District of Illinois, and Southern District of New York. Additionally, local prosecutions will occur in the states of California, Arizona and Illinois.

This investigation involved the combined efforts of federal, state and local law enforcement nationwide through the Organized Crime Drug Enforcement Task Force (OCDETF). More than 100 federal, state, local and foreign law enforcement agencies contributed investigative and prosecutorial resources to Operation Imperial Emperor.

The investigative efforts were coordinated by the multi-agency Special Operations Division, comprised of agents and analysts from the DEA, FBI, ICE, Internal Revenue Service, U.S. Customs and Border Protection, as well as attorneys from the Criminal Division's Narcotic and Dangerous Drug Section.

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FILED
2007 FEB 23 PM 3:01
CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY _____ DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

January 2006 Grand Jury

'07 CR 0449 WQH

UNITED STATES OF AMERICA, Plaintiff, v. VICTOR EMILIO CAZARES-GASTELLUM (1), aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO (2), aka Chama, aka Shrek, CARLOS CUEVAS JR. (3), aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ (4), aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR (5), aka Pariente, aka Chino, CARLOS VALLE-CASTORENA (6), aka Carrocero, aka Pintor,	Criminal Case No. _____ I N D I C T M E N T Title 21, U.S.C., Secs. 846 and 841(a)(1) - Conspiracy to Import a Controlled Substance; Title 21 U.S.C., Secs. 952, 960 and 963 - Conspiracy to Distribute a Controlled Substance; Title 21, U.S.C., Secs. 848(a) and (b) - Continuing Criminal Enterprise; Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Launder Monetary Instruments; Title 21, U.S.C., Sec. 841(a)(1) - Distribution of a Controlled Substance; Title 21, U.S.C., Secs. 952 and 960 - Importation of a Controlled Substance; Title 21, U.S.C., Sec. 841(a)(1) - Possession with Intent to Distribute a Controlled Substance; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 21, U.S.C., Sec. 853 - Criminal Forfeiture

MLK/OBG:jla:San Diego
2/23/07

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MIGUEL ANGEL CARDENAS GARCIA (7), aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA (8), aka Conchi, LUIS EDUARDO ALVAREZ (9), aka Lalo, KARLO HUMBERTO ARMENTA-OCAMPO (10), aka Pescador, GILBERT VASQUEZ-CHAVEZ (11), aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA (12), aka Russo, ROSARIO GARCIA-CARDENAS (13), aka Chayo, GASPAR PUENTES HERRERA (14), aka Casper, ARTURO GUARDADO-CHAIDEZ (15), ELISA VALENZUELA PENA (16), aka Melissa, TONY RAMOS (17), aka Antonio Ramos Amezcua, ARTURO FLORES MEDINA (18), ROBERTO DANIEL LOPEZ (19),

Defendants.

The grand jury charges:

Count 1

CONSPIRACY TO IMPORT CONTROLLED SUBSTANCES

1. At all times relevant to this indictment:

a. VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, is the head of a large-scale distribution organization (Cazares Organization) that sends metric ton-quantities of cocaine from Mexico into the United States. The Cazares Organization was the primary source-of-supply for cocaine imported and distributed by

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CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and his associates, referred to herein as the "Cuevas Cell."

b. JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, was the son-in-law of VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo. JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, acted as a liaison between his father-in-law and the Cuevas Cell. Additionally, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, himself exported marijuana and multi-pound quantities of methamphetamine to the United States from Mexico through the assistance of the Cuevas Cell.

c. CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, was the head of a narcotics transportation cell, referred to as the Cuevas Cell, operating from Imperial County, California. As the head of the Cuevas Cell, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, employed multiple individuals to assist with importing narcotics from Mexico to the United States, and then transporting the narcotics to other domestic locations. Although primarily employed to import and transport narcotics by VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, the Cuevas Cell engaged in similar narcotics-related business with other unidentified narcotics suppliers located in Mexico.

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d. SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, was a member of the Cuevas Cell who acted at the direction of CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro. SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, primarily acted as a manager/supervisor and managed the narcotic load-vehicle coordinators employed by the Cuevas Cell.

2. At various times material to this indictment:

a. SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, was a member of a narcotics-trafficking organization (the "Cuevas Cell") whose activities involved packaging cocaine for transportation and secreting cocaine within load-vehicles. SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, also assisted the Cuevas Cell by locating a source of supply for cocaine within Mexico.

b. CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, was a member of the Cuevas Cell whose primary responsibility consisted of loading vehicles with narcotics for future transportation by other members of the Cuevas Cell.

c. MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles. MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, also acted as a load-vehicle coordinator with the responsibility of locating drivers for narcotic-laden vehicles.

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d. JOSE ISMAEL URQUIZA, aka Conchi, was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles. Additionally, JOSE ISMAEL URQUIZA, aka Conchi, was often tasked by either CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, with purchasing new cellular phones for members of the Cuevas Cell, which were subsequently used by various members of the cell to facilitate their drug trafficking activities.

e. LUIS EDUARDO ALVAREZ, aka Lalo, was a member of the Cuevas Cell who was responsible for recruiting and handling drivers who transported narcotics on behalf of the Cuevas Cell.

f. GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, was a member of the Cuevas Cell who was primarily responsible for driving narcotic-laden vehicles and returning narcotics proceeds on behalf of the Cuevas Cell. GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, was also responsible for recruiting drivers of narcotic-laden vehicles for the Cuevas Cell.

g. OCTAVIO AMEZCUA, aka Russo, was a member of the Cuevas Cell whose primary responsibility consisted of overseeing the importation and transportation of marijuana for the Cuevas Cell. OCTAVIO AMEZCUA, aka Russo, also assisted with storing vehicles used by the Cuevas Cell to transport narcotics.

h. ROSARIO GARCIA-CARDENAS, aka Chayo, was a narcotics load-vehicle driver for the Cuevas Cell.

i. GASPAR PUENTES HERRERA, aka Casper, was a marijuana stash house operator for the Cuevas Cell and was occasionally a narcotics load-vehicle driver.

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j. ARTURO GUARDADO-CHAIDEZ was a member of the Cuevas Cell who coordinated marijuana loads imported from Mexico. ARTURO GUARDADO-CHAIDEZ was also involved in the packaging of methamphetamine that was imported by the Cuevas Cell on October 11, 2006.

k. KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, was employed by the Cuevas Cell as a load-vehicle coordinator, responsible for locating drivers for narcotic-laden vehicles.

l. ELISA VALENZUELA PENA, aka Melissa, was employed by CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, to locate tractor-trailer drivers to transport narcotics on behalf of the Cuevas Cell. Additionally, ELISA VALENZUELA PENA, aka Melissa, transported narcotics proceeds for the Cuevas Cell.

m. ROBERTO DANIEL LOPEZ was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles.

n. TONY RAMOS, aka Antonio Ramos Amezcua, was a narcotics load-vehicle driver for the Cuevas Cell.

o. ARTURO FLORES MEDINA, was a narcotics load-vehicle driver for the Cuevas Cell.

3. Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin,

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SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally conspire and agree with each other and with others known and unknown to the grand jury, to import 5 kilograms and more of cocaine, a Schedule II Controlled Substance, 50 grams and more of methamphetamine, a Schedule II Controlled Substance, and 1,000 kilograms and more of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952, 960, and 963.

METHOD AND MEANS

As part of and to facilitate the charged conspiracy, the conspirators, both named and unnamed, did utilize the following method and means, among others:

4. VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, sent metric ton-quantities of cocaine to Mexicali, Mexico, to be exported to the United States through the assistance of the Cuevas Cell and other unidentified narcotics transportation organizations;

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5. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and other individuals within the Cuevas Cell delegated to do so, would locate and purchase used vehicles with which to transport narcotics;

6. As a method of concealing the narcotics within vehicles purchased by the Cuevas Cell, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, would send the vehicles to be outfitted by other co-conspirators with secret compartments;

7. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, arranged for narcotics obtained from within Mexico to be packaged by various co-conspirators in Mexico and then loaded into vehicles for transportation across the United States-Mexico border and then to other domestic locations;

8. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, at the direction of CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, would contact various co-conspirators and task these individuals with locating drivers for the narcotic-laden vehicles;

9. In order to protect against law enforcement detection, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or others at his direction, would employ individuals to act as a scout or "lookout" for narcotic-laden vehicles;

10. Defendants, along with other co-conspirators, discussed narcotics-related activity in person and over communications equipment, using various codes to disguise their identities and the meaning of their conversation.

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Count 2

CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES

1. Paragraphs 1-2 and 4-10 of Count 1 of this Indictment are realleged and incorporated by reference as though fully set out herein.

2. Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally conspire and agree with each other and with others known and unknown to the grand jury, to distribute 5 kilograms and more of cocaine, a Schedule II Controlled Substance, 50 grams and more of methamphetamine, a Schedule II Controlled Substance, and 1,000 kilograms and more of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

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Count 3

CONTINUING CRIMINAL ENTERPRISE

Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, did knowingly and intentionally engage in a continuing criminal enterprise by violating various provisions of the Controlled Substances Act (Title 21, United States Code, Sections 841, 846, 952, 960 and 963), the felony offenses alleged in Counts 1, 2, 9, 16 of the Indictment, which offenses were part of a continuing series of violations of said Act involving more than 150 kilograms of cocaine and more than 1.5 kilograms of methamphetamine (actual) and were undertaken by defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, in concert with at least five other persons with respect to whom defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, occupied a position of principal administrator,

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organizer and leader, and from which such continuing series of violations defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, obtained substantial income and resources; in violation of Title 21, United States Code, Section 848(b).

Count 4

CONSPIRACY TO LAUNDER MONEY

Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, and ELISA VALENZUELA PENA, aka Melissa, did knowingly and intentionally agree and conspire with each other, and with other persons known and unknown to the grand jury, to knowingly and willfully transfer and transmit funds to a place outside the United States from a place inside the United States with the intent to promote the carrying on of specified unlawful activity, that is, the importation, distribution and possession with the intent to distribute controlled

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substances; in violation of Title 18, United States Code, Section 1956(a)(2)(A); all in violation of Title 18, United States Code, Section 1956(h).

Count 5

DISTRIBUTION OF A CONTROLLED SUBSTANCE

On or about March 2, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and LUIS EDUARDO ALVAREZ, aka Lalo, did knowingly and intentionally distribute 5 kilograms and more, to wit: approximately 207 kilograms (455 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

Count 6

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about April 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, ROSARIO GARCIA-CARDENAS, aka Chayo, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 31 kilograms (68 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 7

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about April 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, ROSARIO GARCIA-CARDENAS, aka Chayo, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally possess, with intent to distribute 5 kilograms and more, to wit: approximately 31 kilograms (68 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

Count 8

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about May 30, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, and GASPAR PUENTES HERRERA, aka Casper, aka Gasparin, did knowingly and intentionally import approximately 74 kilograms (162 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 9

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about June 7, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, JOSE ISMAEL URQUIZA, aka Conchi, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, LUIS EDUARDO ALVAREZ, aka Lalo, and ARTURO FLORES MEDINA, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 174 kilograms (383 pounds) of cocaine, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 10

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about July 8, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, did knowingly and intentionally import approximately 64 kilograms (140 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 11

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about August 8, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, (charged elsewhere) did knowingly and intentionally import 5 kilograms and more, to wit: approximately 51 kilograms (112 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 12

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about August 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, LUIS EDUARDO ALVAREZ, aka Lalo, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, JOSE ISMAEL URQUIZA, aka Conchi, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 45 kilograms (99 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 13

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about September 15, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GASPAR PUENTES HERRERA, aka Casper, OCTAVIO AMEZCUA, aka Russo, and ARTURO GUARDADO-CHAIDEZ, did knowingly and intentionally import approximately 38 kilograms (85 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 14

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about September 15, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GASPAR PUENTES HERRERA, aka Casper, OCTAVIO AMEZCUA, aka Russo, and ARTURO GUARDADO-CHAIDEZ, did knowingly and intentionally possess, with intent to distribute, approximately 38 kilograms (85 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

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Count 15

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about October 6, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, JOSE ISMAEL URQUIZA, aka Conchi, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 21 kilograms (46 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 16

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about October 10, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, JOSE ISMAEL URQUIZA, aka Conchi, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally possess, with intent to distribute, 50 grams and more, to wit: approximately 33 kilograms (73 pounds) of ice methamphetamine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

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Count 17

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about November 26, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and OCTAVIO AMEZCUA, aka Russo, did knowingly and intentionally possess, with intent to distribute, 100 kilograms and more, to wit: approximately 325 kilograms (715 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

Drug Trafficking Forfeiture

The allegations contained in Counts 1 through 3 are realleged and by reference are fully incorporated herein to allege forfeiture to the United States of America pursuant to the provisions of Title 21, United States Code, Section 853.

1. As a result of the commission of the felony offenses alleged in Counts 1 through 3, a violation punishable by imprisonment for more than one year, and pursuant to Title 21, United States Code, Section 853(a)(1), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO

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ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, shall, upon conviction, forfeit to the United States all their rights, title, and interest in all property constituting, and derived from, any proceeds the defendants obtained, directly or indirectly, as the result of the commission of the violations alleged in Counts 1 through 3 of this Indictment, including but not limited to $38,162,500.00 in United States currency and all interest and proceeds traceable thereto.

2. Also as a result of the commission of the felony offense alleged in Counts 1 through 3, a violation punishable by imprisonment for more than one year, and pursuant to Title 21, United States Code, Section 853(a)(2), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ELISA

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VALENZUELA PENA, aka Melissa, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, shall, upon conviction, forfeit to the United States all their rights, title, and interest in all property used and intended to be used in any manner or part to commit or to facilitate the commission of the violation alleged in Counts 1 through 3 of this indictment, including but not limited to the following:

a. 336 Jackrabbit Drive, El Centro, CA 92243, and all appurtenances affixed thereto. The real property is more particularly described as:

APN No. 054-527-21

Lot 26, Countryside Subdivision Unit No. 5, in the city of El Centro, County of Imperial, state of California, According to map on file in book 22, page 47 of final maps on file in the office of the County Recorder of Imperial County.

3. If any of the forfeitable property referred to above, as a result of any act or omission of the defendants,

a. cannot be located upon the existence of due diligence;

b. has been transferred or sold to or deposited with a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeited property.

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Money Laundering Forfeiture

The allegations contained in Count 4 are realleged and by reference are fully incorporated herein to allege forfeiture to the United States of America pursuant to the provisions of Title 21, United States Code, Section 853.

1. As a result of the commission of the felony offense alleged in Count 4, said violation being punishable by imprisonment for more than one year, and pursuant to Title 18, United States Code, Section 982(a)(1), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, and ELISA VALENZUELA PENA, aka Melissa, shall, upon conviction, forfeit to the United States all rights, title and interest in any and all property involved in such offense, and any property traceable to such property, including but not limited to $1,953,225.00 in United States currency and all interest and proceeds traceable thereto.

All in violation of Title 18, United States Code, Section 982.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendants -

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

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e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendants up to the value of the said property listed above as being subject to forfeiture.

DATED: February 23, 2007.

A TRUE BILL:

_____
Foreperson

KAREN P. HEWITT
United States Attorney

By: _____
MICHAEL F. KAPLAN
Assistant U.S. Attorney

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Image not available for this document, ID: 0.7.10316.6522-000003

System Administrator

From: System Administrator
Sent: Wednesday, February 28, 2007 4:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1266514 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Wednesday, February 28, 2007 5:42 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: INVESTIGATION OF MAJOR MEXICAN DRUG TRAFFICKING ORGANIZATION RESULTS IN HUNDREDS OF ARRESTS NATIONWIDE

CORRECTED: THERE WERE NO ARRESTS IN NEW YORK TODAY IN CONNECTION WITH THIS CASE.

A copy of the indictment against 19 of the defendants is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 28, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

INVESTIGATION OF MAJOR MEXICAN DRUG TRAFFICKING ORGANIZATION RESULTS IN HUNDREDS OF ARRESTS NATIONWIDE

$45 Million in Cash and 18 Tons of Illegal Drugs Seized in "Operation Imperial Emperor"

SAN DIEGO – A long-term investigation into a Mexican drug trafficking organization and its U.S.-based distribution cells has resulted in the arrest of more than 400 individuals nationwide, including the arrest of more than 66 individuals this morning in California, Arizona and Illinois, Attorney General Alberto R. Gonzales announced today at a press conference in San Diego.

The multi-agency law enforcement effort, called "Operation Imperial Emperor" targeted the Mexico-based Victor Emilio Cazares-Gastellum, a.k.a. "Victor Emilio Cazares-Salazar," drug trafficking organization, which has been responsible for supplying multi-ton quantities of cocaine, as well as large amounts of methamphetamine and marijuana, monthly to distribution cells throughout the United States. The organization has also laundered millions of dollars generated from this illegal activity.

The 20-month investigation, which was led by the Drug Enforcement Administration (DEA), has thus far resulted in the seizure of approximately $45.2 million in U.S. currency, 27,229 pounds of marijuana, 9,512 pounds of cocaine, 705 pounds of methamphetamine, 227 pounds of pure methamphetamine or "ice," and 11 pounds of heroin. The investigation has also netted $6.1 million in property and assets, as well as roughly 100 weapons and 94 vehicles.

This morning, federal or state charges were unsealed against 139 defendants in the Southern District of California, the Central District of California, the Northern District of California, the District of Arizona, the Northern District of Illinois, and the Southern District of New York. More than 66 of these defendants were arrested today, bringing the total number of arrests during the course of this long-term investigation to more than 400.

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"Today's actions deal a significant blow to the Victor Emilio Cazares-Gastellum drug trafficking organization, whose members are accused of importing and distributing multi-ton quantities of cocaine and other illicit drugs to communities across the country on a monthly basis," said Attorney General Gonzales. "These arrests demonstrate what can be achieved when domestic and international law enforcement partners team up against a common foe."

According to court papers unsealed today in various federal jurisdictions, the Mexico-based Victor Emilio Cazares-Gastellum organization contracted the transportation of narcotics to the United States by land, air and sea. Metric ton shipments were transported out of Colombia and Venezuela, through Central America to Mexico, by tractor trailer, non-commercial vehicles, and aircraft. Once in Mexico, the narcotics were transported into the United States through various points of entry on the Southwest border.

After arriving in the United States, the drug shipments would be broken down further in cities like Los Angeles and San Diego for subsequent transportation to and distribution in locations around the country, including Nevada, Arizona, New York, New Jersey, Ohio, Colorado, Georgia, Alabama, Arkansas, Kentucky, Connecticut, Massachusetts, Maryland, Texas, Missouri, Oklahoma, Illinois, Kansas, Florida, Georgia, North Carolina, Washington and Oregon.

"The Cazares-Gastellum drug empire that rose to such heights of power in only two years, fell today at the hands of DEA and our partners," said DEA Administrator Karen P. Tandy. "This sprawling drug domain, headquartered in Mexico, penetrated deep into all corners of this country. Today we ripped out this empire's U.S. infrastructure from its commanders and transportation coordinators to its local distribution cells across the country, stripped it of $45 million in cash, and tossed it into the dustbin of history."

"This operation is an example of strong cooperation among multiple international, federal, state and local law enforcement agencies that dismantled a major drug trafficking enterprise operating between the U.S. and Mexico. Despite efforts to conceal their criminal activities, law enforcement prevailed and will continue to pursue criminal enterprises threatening the safety and security of our communities," said Robert. S. Mueller III, Director of the Federal Bureau of Investigation.

The federal prosecutions in connection with today's arrests are being handled by U.S. Attorneys for the Southern District of California, Central District of California, District of Arizona and Northern District of Illinois. Additionally, local prosecutions will occur in the states of California, Arizona and Illinois.

This investigation involved the combined efforts of federal, state and local law enforcement nationwide through the Organized Crime Drug Enforcement Task Force (OCDETF). More than 100 federal, state, local and foreign law enforcement agencies contributed investigative and prosecutorial resources to Operation Imperial Emperor.

The investigative efforts were coordinated by the multi-agency Special Operations Division, comprised of agents and analysts from the DEA, FBI, ICE, Internal Revenue Service, U.S. Customs and Border Protection, as well as attorneys from the Criminal Division's Narcotic and Dangerous Drug Section.

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FILED

2007 FEB 23 PM 3:01

CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY _____ DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

January 2006 Grand Jury

'07 CR 0449 WQH

UNITED STATES OF AMERICA, Plaintiff, v. VICTOR EMILIO CAZARES-GASTELLUM (1), aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO (2), aka Chama, aka Shrek, CARLOS CUEVAS JR. (3), aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ (4), aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR (5), aka Pariente, aka Chino, CARLOS VALLE-CASTORENA (6), aka Carrocero, aka Pintor,	Criminal Case No. _____ I N D I C T M E N T Title 21, U.S.C., Secs. 846 and 841(a)(1) - Conspiracy to Import a Controlled Substance; Title 21 U.S.C., Secs. 952, 960 and 963 - Conspiracy to Distribute a Controlled Substance; Title 21, U.S.C., Secs. 848(a) and (b) - Continuing Criminal Enterprise; Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Launder Monetary Instruments; Title 21, U.S.C., Sec. 841(a)(1) - Distribution of a Controlled Substance; Title 21, U.S.C., Secs. 952 and 960 - Importation of a Controlled Substance; Title 21, U.S.C., Sec. 841(a)(1) - Possession with Intent to Distribute a Controlled Substance; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 21, U.S.C., Sec. 853 - Criminal Forfeiture

MLK/OBG:jla:San Diego
2/23/07

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MIGUEL ANGEL CARDENAS GARCIA (7),
aka Mickey Mouse,
aka Mike,
JOSE ISMAEL URQUIZA (8),
aka Conchi,
LUIS EDUARDO ALVAREZ (9),
aka Lalo,
KARLO HUMBERTO ARMENTA-OCAMPO (10),
aka Pescador,
GILBERT VASQUEZ-CHAVEZ (11),
aka Vaca,
aka Luis Miguel,
aka Gil,
OCTAVIO AMEZCUA (12),
aka Russo,
ROSARIO GARCIA-CARDENAS (13),
aka Chayo,
GASPAR PUENTES HERRERA (14),
aka Casper,
ARTURO GUARDADO-CHAIDEZ (15),
ELISA VALENZUELA PENA (16),
aka Melissa,
TONY RAMOS (17),
aka Antonio Ramos Amezcua,
ARTURO FLORES MEDINA (18),
ROBERTO DANIEL LOPEZ (19),

Defendants.

The grand jury charges:

Count 1

CONSPIRACY TO IMPORT CONTROLLED SUBSTANCES

1. At all times relevant to this indictment:

a. VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, is the head of a large-scale distribution organization (Cazares Organization) that sends metric ton-quantities of cocaine from Mexico into the United States. The Cazares Organization was the primary source-of-supply for cocaine imported and distributed by

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CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and his associates, referred to herein as the "Cuevas Cell."

b. JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, was the son-in-law of VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo. JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, acted as a liaison between his father-in-law and the Cuevas Cell. Additionally, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, himself exported marijuana and multi-pound quantities of methamphetamine to the United States from Mexico through the assistance of the Cuevas Cell.

c. CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, was the head of a narcotics transportation cell, referred to as the Cuevas Cell, operating from Imperial County, California. As the head of the Cuevas Cell, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, employed multiple individuals to assist with importing narcotics from Mexico to the United States, and then transporting the narcotics to other domestic locations. Although primarily employed to import and transport narcotics by VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, the Cuevas Cell engaged in similar narcotics-related business with other unidentified narcotics suppliers located in Mexico.

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d. SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, was a member of the Cuevas Cell who acted at the direction of CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro. SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, primarily acted as a manager/supervisor and managed the narcotic load-vehicle coordinators employed by the Cuevas Cell.

2. At various times material to this indictment:

a. SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, was a member of a narcotics-trafficking organization (the "Cuevas Cell") whose activities involved packaging cocaine for transportation and secreting cocaine within load-vehicles. SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, also assisted the Cuevas Cell by locating a source of supply for cocaine within Mexico.

b. CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, was a member of the Cuevas Cell whose primary responsibility consisted of loading vehicles with narcotics for future transportation by other members of the Cuevas Cell.

c. MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles. MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, also acted as a load-vehicle coordinator with the responsibility of locating drivers for narcotic-laden vehicles.

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d. JOSE ISMAEL URQUIZA, aka Conchi, was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles. Additionally, JOSE ISMAEL URQUIZA, aka Conchi, was often tasked by either CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, with purchasing new cellular phones for members of the Cuevas Cell, which were subsequently used by various members of the cell to facilitate their drug trafficking activities.

e. LUIS EDUARDO ALVAREZ, aka Lalo, was a member of the Cuevas Cell who was responsible for recruiting and handling drivers who transported narcotics on behalf of the Cuevas Cell.

f. GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, was a member of the Cuevas Cell who was primarily responsible for driving narcotic-laden vehicles and returning narcotics proceeds on behalf of the Cuevas Cell. GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, was also responsible for recruiting drivers of narcotic-laden vehicles for the Cuevas Cell.

g. OCTAVIO AMEZCUA, aka Russo, was a member of the Cuevas Cell whose primary responsibility consisted of overseeing the importation and transportation of marijuana for the Cuevas Cell. OCTAVIO AMEZCUA, aka Russo, also assisted with storing vehicles used by the Cuevas Cell to transport narcotics.

h. ROSARIO GARCIA-CARDENAS, aka Chayo, was a narcotics load-vehicle driver for the Cuevas Cell.

i. GASPAR PUENTES HERRERA, aka Casper, was a marijuana stash house operator for the Cuevas Cell and was occasionally a narcotics load-vehicle driver.

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j. ARTURO GUARDADO-CHAIDEZ was a member of the Cuevas Cell who coordinated marijuana loads imported from Mexico. ARTURO GUARDADO-CHAIDEZ was also involved in the packaging of methamphetamine that was imported by the Cuevas Cell on October 11, 2006.

k. KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, was employed by the Cuevas Cell as a load-vehicle coordinator, responsible for locating drivers for narcotic-laden vehicles.

l. ELISA VALENZUELA PENA, aka Melissa, was employed by CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, to locate tractor-trailer drivers to transport narcotics on behalf of the Cuevas Cell. Additionally, ELISA VALENZUELA PENA, aka Melissa, transported narcotics proceeds for the Cuevas Cell.

m. ROBERTO DANIEL LOPEZ was a member of the Cuevas Cell who acted as a "lookout" or guide for drivers of narcotic-laden vehicles.

n. TONY RAMOS, aka Antonio Ramos Amezcua, was a narcotics load-vehicle driver for the Cuevas Cell.

o. ARTURO FLORES MEDINA, was a narcotics load-vehicle driver for the Cuevas Cell.

3. Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin,

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SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally conspire and agree with each other and with others known and unknown to the grand jury, to import 5 kilograms and more of cocaine, a Schedule II Controlled Substance, 50 grams and more of methamphetamine, a Schedule II Controlled Substance, and 1,000 kilograms and more of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952, 960, and 963.

METHOD AND MEANS

As part of and to facilitate the charged conspiracy, the conspirators, both named and unnamed, did utilize the following method and means, among others:

4. VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, sent metric ton-quantities of cocaine to Mexicali, Mexico, to be exported to the United States through the assistance of the Cuevas Cell and other unidentified narcotics transportation organizations;

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5. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and other individuals within the Cuevas Cell delegated to do so, would locate and purchase used vehicles with which to transport narcotics;

6. As a method of concealing the narcotics within vehicles purchased by the Cuevas Cell, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, would send the vehicles to be outfitted by other co-conspirators with secret compartments;

7. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, arranged for narcotics obtained from within Mexico to be packaged by various co-conspirators in Mexico and then loaded into vehicles for transportation across the United States-Mexico border and then to other domestic locations;

8. Defendant CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, at the direction of CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, would contact various co-conspirators and task these individuals with locating drivers for the narcotic-laden vehicles;

9. In order to protect against law enforcement detection, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, or others at his direction, would employ individuals to act as a scout or "lookout" for narcotic-laden vehicles;

10. Defendants, along with other co-conspirators, discussed narcotics-related activity in person and over communications equipment, using various codes to disguise their identities and the meaning of their conversation.

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Count 2

CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES

1. Paragraphs 1-2 and 4-10 of Count 1 of this Indictment are realleged and incorporated by reference as though fully set out herein.

2. Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally conspire and agree with each other and with others known and unknown to the grand jury, to distribute 5 kilograms and more of cocaine, a Schedule II Controlled Substance, 50 grams and more of methamphetamine, a Schedule II Controlled Substance, and 1,000 kilograms and more of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

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Count 3

CONTINUING CRIMINAL ENTERPRISE

Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, did knowingly and intentionally engage in a continuing criminal enterprise by violating various provisions of the Controlled Substances Act (Title 21, United States Code, Sections 841, 846, 952, 960 and 963), the felony offenses alleged in Counts 1, 2, 9, 16 of the Indictment, which offenses were part of a continuing series of violations of said Act involving more than 150 kilograms of cocaine and more than 1.5 kilograms of methamphetamine (actual) and were undertaken by defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, in concert with at least five other persons with respect to whom defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, occupied a position of principal administrator,

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organizer and leader, and from which such continuing series of violations defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, obtained substantial income and resources; in violation of Title 21, United States Code, Section 848(b).

Count 4

CONSPIRACY TO LAUNDER MONEY

Beginning on a date unknown to the grand jury and continuing up to and including February 28, 2007, within the Southern District of California, and elsewhere, defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, and ELISA VALENZUELA PENA, aka Melissa, did knowingly and intentionally agree and conspire with each other, and with other persons known and unknown to the grand jury, to knowingly and willfully transfer and transmit funds to a place outside the United States from a place inside the United States with the intent to promote the carrying on of specified unlawful activity, that is, the importation, distribution and possession with the intent to distribute controlled

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substances; in violation of Title 18, United States Code, Section 1956(a)(2)(A); all in violation of Title 18, United States Code, Section 1956(h).

Count 5

DISTRIBUTION OF A CONTROLLED SUBSTANCE

On or about March 2, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and LUIS EDUARDO ALVAREZ, aka Lalo, did knowingly and intentionally distribute 5 kilograms and more, to wit: approximately 207 kilograms (455 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

Count 6

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about April 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, ROSARIO GARCIA-CARDENAS, aka Chayo, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 31 kilograms (68 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 7

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about April 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SANTOS FABIAN ROCHA-SALAZAR, aka Pariente, aka Chino, ROSARIO GARCIA-CARDENAS, aka Chayo, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally possess, with intent to distribute 5 kilograms and more, to wit: approximately 31 kilograms (68 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

Count 8

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about May 30, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, and GASPAR PUENTES HERRERA, aka Casper, aka Gasparin, did knowingly and intentionally import approximately 74 kilograms (162 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 9

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about June 7, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, JOSE ISMAEL URQUIZA, aka Conchi, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, LUIS EDUARDO ALVAREZ, aka Lalo, and ARTURO FLORES MEDINA, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 174 kilograms (383 pounds) of cocaine, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 10

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about July 8, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, did knowingly and intentionally import approximately 64 kilograms (140 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 11

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about August 8, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, (charged elsewhere) did knowingly and intentionally import 5 kilograms and more, to wit: approximately 51 kilograms (112 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 12

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about August 28, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, LUIS EDUARDO ALVAREZ, aka Lalo, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, JOSE ISMAEL URQUIZA, aka Conchi, and ROBERTO DANIEL LOPEZ, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 45 kilograms (99 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

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Count 13

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about September 15, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GASPAR PUENTES HERRERA, aka Casper, OCTAVIO AMEZCUA, aka Russo, and ARTURO GUARDADO-CHAIDEZ, did knowingly and intentionally import approximately 38 kilograms (85 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 14

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about September 15, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GASPAR PUENTES HERRERA, aka Casper, OCTAVIO AMEZCUA, aka Russo, and ARTURO GUARDADO-CHAIDEZ, did knowingly and intentionally possess, with intent to distribute, approximately 38 kilograms (85 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

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Count 15

IMPORTATION OF A CONTROLLED SUBSTANCE

On or about October 6, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, JOSE ISMAEL URQUIZA, aka Conchi, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally import 5 kilograms and more, to wit: approximately 21 kilograms (46 pounds) of cocaine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Sections 952 and 960, and Title 18, United States Code, Section 2.

Count 16

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about October 10, 2006, within the Southern District of California, defendants JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, JOSE ISMAEL URQUIZA, aka Conchi, and MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, did knowingly and intentionally possess, with intent to distribute, 50 grams and more, to wit: approximately 33 kilograms (73 pounds) of ice methamphetamine, a Schedule II Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

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Count 17

POSSESSION WITH INTENT TO DISTRIBUTE A CONTROLLED SUBSTANCE

On or about November 26, 2006, within the Southern District of California, defendants CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, and OCTAVIO AMEZCUA, aka Russo, did knowingly and intentionally possess, with intent to distribute, 100 kilograms and more, to wit: approximately 325 kilograms (715 pounds) of marijuana, a Schedule I Controlled Substance; in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

Drug Trafficking Forfeiture

The allegations contained in Counts 1 through 3 are realleged and by reference are fully incorporated herein to allege forfeiture to the United States of America pursuant to the provisions of Title 21, United States Code, Section 853.

1. As a result of the commission of the felony offenses alleged in Counts 1 through 3, a violation punishable by imprisonment for more than one year, and pursuant to Title 21, United States Code, Section 853(a)(1), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO

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ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, shall, upon conviction, forfeit to the United States all their rights, title, and interest in all property constituting, and derived from, any proceeds the defendants obtained, directly or indirectly, as the result of the commission of the violations alleged in Counts 1 through 3 of this Indictment, including but not limited to $38,162,500.00 in United States currency and all interest and proceeds traceable thereto.

2. Also as a result of the commission of the felony offense alleged in Counts 1 through 3, a violation punishable by imprisonment for more than one year, and pursuant to Title 21, United States Code, Section 853(a)(2), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, SANTOS FABIAN ROCHA SALAZAR, aka Pariente, aka Chino, CARLOS VALLE-CASTORENA, aka Carrocero, aka Pintor, MIGUEL ANGEL CARDENAS GARCIA, aka Mickey Mouse, aka Mike, JOSE ISMAEL URQUIZA, aka Conchi, LUIS EDUARDO ALVAREZ, aka Lalo, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, OCTAVIO AMEZCUA, aka Russo, ROSARIO GARCIA-CARDENAS, aka Chayo, GASPAR PUENTES HERRERA, aka Casper, ARTURO GUARDADO-CHAIDEZ, KARLO HUMBERTO ARMENTA-OCAMPO, aka Pescador, ELISA

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VALENZUELA PENA, aka Melissa, ARTURO FLORES MEDINA, TONY RAMOS, aka Antonio Ramos-Amezcua, and ROBERTO DANIEL LOPEZ, shall, upon conviction, forfeit to the United States all their rights, title, and interest in all property used and intended to be used in any manner or part to commit or to facilitate the commission of the violation alleged in Counts 1 through 3 of this indictment, including but not limited to the following:

a. 336 Jackrabbit Drive, El Centro, CA 92243, and all appurtenances affixed thereto. The real property is more particularly described as:

APN No. 054-527-21

Lot 26, Countryside Subdivision Unit No. 5, in the city of El Centro, County of Imperial, state of California, According to map on file in book 22, page 47 of final maps on file in the office of the County Recorder of Imperial County.

3. If any of the forfeitable property referred to above, as a result of any act or omission of the defendants,

a. cannot be located upon the existence of due diligence;

b. has been transferred or sold to or deposited with a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeited property.

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Money Laundering Forfeiture

The allegations contained in Count 4 are realleged and by reference are fully incorporated herein to allege forfeiture to the United States of America pursuant to the provisions of Title 21, United States Code, Section 853.

1. As a result of the commission of the felony offense alleged in Count 4, said violation being punishable by imprisonment for more than one year, and pursuant to Title 18, United States Code, Section 982(a)(1), defendants VICTOR EMILIO CAZARES-GASTELLUM, aka Victor Emilio Cazares-Salazar, aka Licenciado, aka Lic, aka El Señor, aka El Viejo, JOSE OSCAR DEL CASTILLO-GALLARDO, aka Chama, aka Shrek, CARLOS CUEVAS JR., aka Charlie, aka Sapo, aka Negro, SERGIO KAISER-CHAVEZ, aka Zepi, aka Cepillin, GILBERT VASQUEZ-CHAVEZ, aka Vaca, aka Luis Miguel, aka Gil, and ELISA VALENZUELA PENA, aka Melissa, shall, upon conviction, forfeit to the United States all rights, title and interest in any and all property involved in such offense, and any property traceable to such property, including but not limited to $1,953,225.00 in United States currency and all interest and proceeds traceable thereto.

All in violation of Title 18, United States Code, Section 982.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendants -

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

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e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendants up to the value of the said property listed above as being subject to forfeiture.

DATED: February 23, 2007.

A TRUE BILL:

_____
Foreperson

KAREN P. HEWITT
United States Attorney

By: _____
MICHAEL F. KAPLAN
Assistant U.S. Attorney

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Image not available for this document, ID: 0.7.10316.6518-000003

System Administrator

From:	System Administrator
Sent:	Wednesday, February 28, 2007 6:45 PM
To:	Gorsuch, Neil M
Subject:	Your mailbox is over its size limit
Importance:	High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1267524 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Wednesday, February 28, 2007 11:00 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1267525 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, March 01, 2007 5:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1267526 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).

Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.

You must empty the Deleted Items folder after deleting items or the space will not be freed.

See client Help for more information.

System Administrator

From: System Administrator
Sent: Thursday, March 01, 2007 9:45 AM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1271100 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 10:17 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR FEBRUARY 29, 2007

Department of Justice

PRESS GUIDANCE
Thursday, March 1, 2007

ATTORNEY GENERAL

12:30 P.M. PST

Attorney General Alberto R. Gonzales will deliver remarks at the American Bar Association White Collar Crime National Institute Luncheon on the Department's efforts in combating corporate fraud.
San Diego Marriot Hotel & Marina
San Diego Ballroom
333 West Harbor Drive
San Diego, Calif.
OPEN PRESS

Questions regarding logistics should be directed to Jonathan Block at (202) 353-5328.

PRESS RELEASES

No press releases expected.

EVENTS/HEARINGS

9:15 A.M. EST

Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, is participating in a panel discussion as part of the Conference Board's 2007 Antitrust Conference. The panel is entitled, "New Directions in Competition Policy: What Lies Ahead?"
The Conference Board
InterContinental The Barclay Hotel
111 East 48th Street
New York, N.Y. 10017
OPEN PRESS

Press inquiries regarding logistics should be directed to Carol Courter at the Conference Board at 212-339-0232.

NIGHT DUTY OFFICER

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Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.6468-000002

System Administrator

From: System Administrator
Sent: Thursday, March 01, 2007 12:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1271691 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

USDOJ- Office of Public Affairs

From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 2:15 PM
To: USDOJ- Office of Public Affairs
Subject: ROBERT W. NEY BEGINS SERVICE OF SENTENCE

U. S. Department of Justice

Federal Bureau of Prisons

Federal Correctional Institution

Post Office Box 1000

Morgantown, WV 26507

FOR IMMEDIATE RELEASE:

March 1, 2007

CONTACT:
Veronica Fernandez
Public Information Officer
(304) 296-4416

Robert W. Ney Begins Service of Sentence

On March 1, 2007, at approximately 10:22 A.M., Robert W. Ney, Register Number 28882-016, surrendered to the Federal Correctional Institution

(FCI) at Morgantown, West Virginia, for service of his federal sentence. He was sentenced in United States District Court, District of Columbia, to a 30-month

sentence for Conspiracy and False Statements. FCI Morgantown is a minimum security level institution with approximately 1300 inmates. It is located three

miles south of Morgantown near the West Virginia/Southwest Pennsylvania border.

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System Administrator

From: System Administrator
Sent: Thursday, March 01, 2007 2:45 PM
To: Gorsuch, Neil M
Subject: Your mailbox is over its size limit
Importance: High

Your mailbox has exceeded one or more size limits set by your administrator.
Your mailbox size is 1272127 KB.
Mailbox size limits:

You will receive a warning when your mailbox reaches 500000 KB.

You cannot send mail when your mailbox reaches 1000000 KB.You may not be able to send or receive new mail until you reduce your mailbox size.

To make more space available, delete any items that you are no longer using or move them to your personal folder file (.pst).
Items in all of your mailbox folders including the Deleted Items and Sent Items folders count against your size limit.
You must empty the Deleted Items folder after deleting items or the space will not be freed.
See client Help for more information.

From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 3:33 PM
To: USDOJ- Office of Public Affairs
Subject: MICHAEL J. DEVLIN INDICTED ON FEDERAL CHILD PORNOGRAPHY CHARGES

Department of Justice

United States Attorney Catherine L. Hanaway
Eastern District of Missouri

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 1, 2007
www.usdoj.gov/usao/moe

CONTACT: Jan Diltz
Phone (314) 539-7719
Fax (314) 539-2309

MICHAEL J. DEVLIN INDICTED ON FEDERAL CHILD PORNOGRAPHY CHARGES

ST. LOUIS – Michael J. Devlin has been indicted on federal charges of production of child pornography and transportation of a minor for a criminal sex act, U.S. Attorney Catherine L. Hanaway of the Eastern District of Missouri announced today.

Devlin, 41, of Kirkwood, Mo., was indicted by a federal grand jury earlier today on four felony counts of production of child pornography and two felony counts of transportation of a minor for a criminal sex act.

U.S. Attorney Hanaway was joined in today's announcement by FBI Assistant Special Agent in Charge Steve Gomez; Kirkwood Police Lieutenant Bob Kosan; Washington County Prosecuting Attorney John Rupp; Franklin County Prosecuting Attorney Bob Parks; and Franklin County Sheriff Gary Toelke.

"These federal charges are the result of the joint federal, state and local investigation of the recent abductions," said U.S. Attorney Hanaway. "We will continue to work with state prosecutors to ensure that Mr. Devlin spends the rest of his life in prison."

The indictment alleges that between October 2002 and July 2003, Devlin photographed a minor engaging in sexually explicit conduct. Additionally, the indictment charges that between July 2003 and January 2007, Devlin videotaped a minor engaging in sexually explicit conduct. In February 2004, Devlin allegedly took a minor to Illinois with the intent to engage in criminal sexual assault. Devlin is also charged with taking a minor to Arizona between June 20 and July 3, 2004, with the intent to engage in sexual assault.

If convicted on the first pornography count, the defendant could receive 10 to 20 years in prison and/or fines up to $250,000. Counts two, three and four each carry a penalty range of 15 to 30 years in prison and/or fines of up to $250,000. Counts five and six, transportation for purpose of criminal sex acts, carry a range of five years to 30 years prison and/or fines up to $250,000, per count.

This case is being brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales announced Project Safe Childhood, a nationwide initiative designed to protect children

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from online exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

U.S. Attorney Hanaway commended the work on the case by the FBI, the Missouri Internet Crimes Against Children Task Force, the Regional Computer Crimes Education and Enforcement Group, the St. Louis County Police, and Assistant U.S. Attorneys Carrie Costantin and Reginald Harris, who are handling the case for the U.S. Attorney's Office.

The charges set forth in an indictment are merely accusations, and each defendant is presumed innocent until and unless proven guilty.

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Image not available for this document, ID: 0.7.10316.6402-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 3:57 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE AMERICAN BAR ASSOCIATION WHITE COLLAR CRIME CONFERENCE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY MARCH 1, 2007
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE AMERICAN BAR ASSOCIATION WHITE COLLAR CRIME CONFERENCE

SAN DIEGO, CALIFORNIA

Good afternoon, and thank you for having me here today.

I want to talk to you today about the Department of Justice's overall efforts in white collar enforcement. Who, how, and when we prosecute in the white collar and corporate fraud arena is the constant subject of news stories and commentary.

Some say we are doing too much. Some say we are doing too little.

Others say we have it just about right on corporate fraud. These are the brilliant people that advise me on my speeches.

I. Freedom and Integrity in American Business

The interests of business are aligned with the interests of law enforcement: both want to create a free and fair marketplace. The overwhelming majority of Americans – and the overwhelming majority of businesses – want to play by the rules. By rooting out corruption and fraud the Department of Justice is leveling the playing field for companies and individuals who play by the rules.

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I want to be clear today that our job at the Justice Department is to prosecute criminal activity, to enforce the law, *not* to deter business risk-taking within the marketplace. Such risk-taking is essential for innovation and growth, and in this country one should never be considered a criminal for taking lawful chances.

There are two things that American business has always needed, and will always need, to remain highly competitive: freedom and integrity.

So much of our economic success, as a nation, is due to the amount of innovation that comes from the American private sector. Innovation bred by open markets and an unfettered business environment. The more our economy operates as a truly free market, and the less encumbered it is by government, the more it seems to soar.

That said, a free market cannot mean a free-for-all. Without limits, the essential element of *fairness* is lost. A free market cannot include the freedom to cheat, to defraud, or to steal. Rules and enforcement are needed to protect the playing field itself and ensure fair competition.

The importance of integrity in the marketplace is not lost on investors. The markets want and reward reliability, integrity, and transparency in American companies. Investing, after all, is itself a measure of trust. Investors don't put their money into companies – or markets – that they do not trust.

This has been a repeated lesson of history, most recently in the corporate fraud scandals of 2001 and 2002. Looking back, we all saw how the markets responded to fraud. They responded dramatically and negatively.

The market's reaction was a simple and telling reminder that fraud is bad for business. For that reason, prosecution of white collar cases is important to me.

Our efforts in this area promote integrity and transparency in the marketplace, which in turn helps to bring investment dollars to the United States; create an environment for economic growth; and enhance opportunities for entrepreneurs and small business owners – all of which leads to the creation of jobs and makes the American Dream a real possibility for all Americans.

II. The Department of Justice's Commitment to Combating White Collar Crime

Some have asked whether the Department of Justice remains committed to combating white collar crime. The answer is yes. As Attorney General, protecting the integrity of business and government is a top priority of mine. I am proud of our prosecutors' and investigators' strong record of enforcement in this area. We will continue to pursue these cases in the field and from Main Justice.

By doing so, we are working to ensure that our corporate boardrooms are places of integrity, where the interests of shareholders are protected, not places of business deception.

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Corporate America has changed in some measure as a result of highly-visible prosecutions and the new lines drawn by Sarbanes-Oxley. Boards have been restructured and reinvigorated. And audit committees have stepped up efforts to monitor and self-police the accounting practices of companies. Corporate responsibility is on the rise. There are many positive signs, including a 38 percent decline in 2006 in class action lawsuits involving securities issues, as recently reported by Stanford Law School.

Most of you are familiar with the efforts of the Department of Justice's Corporate Fraud Task Force. Established in 2002, the Corporate Fraud Task Force has obtained over 1,100 convictions as of the end of last year. These are numbers not only of quantity, but of quality. Corporate fraud prosecutions are not easy. They are time and resource intensive. They are complex and take time to do the right way. And they are tough to litigate. They are some of the toughest cases we handle.

Some of these cases involve accounting fraud of the type we saw in the Enron and WorldCom cases. Last December, for example, the Department obtained guilty verdicts against four senior executives of Enterasys Networks, Inc. for accounting fraud after a five-week trial in Concord, New Hampshire.

We are also staying on top of emerging trends. For example, in the area of backdating stock options the Department has recently taken guilty pleas from two executives of Comverse Technology, Inc., including its general counsel and CFO. And just last month, the general counsel of the recruiting firm Monster, Inc., pleaded guilty to charges of conspiracy and fraud arising from his involvement in a scheme to backdate options.

III. Other DOJ Domestic Efforts to Preserve Market Integrity

Our efforts at the Department of Justice to preserve the freedom and integrity of our marketplace go far beyond traditional corporate fraud.

We are protecting American business and consumers from a wide array of abuses, such as intellectual property crimes, cybercrime, health care fraud, procurement fraud, and anti-competitive activities.

For example, we are protecting investments in innovation by protecting intellectual property rights. From movies and music to business software, pharmaceuticals, and other hard goods, intellectual property is the engine of our economy. And where IP is stolen, business suffers.

At the Department, we have increased the resources devoted to protecting IP and correspondingly have increased prosecutions in this area. But in addition to prosecutions, we are also conducting outreach to prevent IP crimes from occurring in the first place.

We are also bringing significant cases. Just last week, in one of the first ever extraditions for an intellectual property offense, the leader of one of the oldest and most renowned Internet software piracy groups was extradited to the United States from Australia.

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The indictment against this individual, Raymond Griffiths, charges him with violating the criminal copyright laws of the United States as the leader of an organized criminal group known as DrinkOrDie, one of the oldest software piracy groups on the Internet.

Prior to its dismantling, DrinkOrDie was estimated to have caused the illegal reproduction and distribution of more than $50 million worth of pirated software, movies, games and music.

Our Antitrust Division is also preserving the integrity of the marketplace and protecting fair competition by prosecuting cartels that try to fix prices, rig bids, and allocate markets. The division operates on the philosophy that the activity of cartels has no plausible justification – that it is a direct assault on the competitive process and as such undermines the very foundation of our free market.

For example, we recently prosecuted four companies for fixing prices on the world's most commonly used semiconductor memory product for computers. These companies were fined over $700 million – the second largest amount of fines ever imposed in a single U.S. criminal antitrust investigation.

Other components of the Justice Department are hard at work as well. Our Civil Division, for example, has recently been cracking down on business opportunity scammers.

Often referred to as "biz ops," these are companies that exploit the dreams of would-be entrepreneurs by selling phony franchise businesses like candy vending machines, Internet kiosks, DVD rental machines and other income-generating products with promises of great profits from great locations. In the last two years, we have obtained 57 felony convictions in biz ops cases.

By protecting new entrepreneurs from fraud, we are helping to create an environment that is friendly to America's small and growing businesses, which are the lifeblood of our economy.

In our Tax Division, prosecutions during the past year have run the gamut from individual taxpayers to corporate entities who have not played by the rules by failing to comply with the tax laws.

Finally, we are combating environmental crime to level the playing field for those companies that play by the rules and to preserve the environment for the benefit of American business and the American people.

The Justice Department's corporate environmental prosecution efforts have included some high-profile cases which, like most other white collar prosecutions, were committed for financial gain.

IV. Domestic and International Corruption

The Department is concerned not only with corruption of our market place, but corruption within our government itself.

We have a strong record of prosecuting public corruption cases during my tenure as Attorney General. As evidence of that commitment, we have added resources to this fight. Last year alone, the FBI added some 200

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new agents to public corruption squads in field offices across the nation. We have followed the evidence in these cases wherever it has led us, and have secured a number of significant convictions and sentences.

We are also working to combat corruption around the world. For example, we prosecute violations of the Foreign Corrupt Practices Act, which prohibits U.S. companies and interests from bribing foreign officials to obtain or retain business.

The Department has substantially increased its focus and attention on this important law, and we are getting results.

On February 6, 2007, three subsidiaries of Vetco International Ltd. pleaded guilty to violating the anti-bribery provisions of the FCPA by paying approximately $2.1 million in corrupt payments to Nigerian government officials over a two-year period. As part of the plea and deferred prosecution agreements, the three subsidiaries paid a total of $26 million in criminal fines, the largest criminal fine to date in an FCPA prosecution by the Justice Department.

And late last year, we brought two other major corporate FCPA cases, Statoil and Schnitzer Steel. Statoil, a Norwegian oil and gas company, made payments to the tune of $5.2 million to an Iranian oil official in exchange for assistance in obtaining valuable oil and gas contracts. To resolve this matter, Statoil has acknowledged its criminal conduct, agreed to a $10.5 million criminal penalty and other sanctions.

The Schnitzer Steel case involved illegal payments by Schnitzer to both government-owned and private customers in South Korea and China to induce them to purchase scrap metal. In this case, however, the parent company's cooperation with the investigation was critical to its ability to obtain a deferred prosecution agreement, and resulted in a Department recommendation that the company's subsidiary pay a criminal fine well below what it would otherwise have received.

Our efforts to combat global corruption are not only focused on law enforcement, but also on providing assistance to our foreign law enforcement partners.

Meeting and working with my counterparts overseas is a part of my job as Attorney General. And I've had the opportunity to gain familiarity with different legal systems and different approaches to law enforcement.

And two things are apparent to me when I look back on that interaction. First, I've seen what happens in countries where corruption and fraud is unchecked: capital flight, unemployment, breakdown in provision of basic services, and, sometimes, civil unrest.

And second, I am inspired by those moments when my counterparts in another country asks for my advice, when they say, essentially, "is there a way that U.S. law enforcement can help us do our jobs better."

And that call for legal assistance from the Department is one that we have answered, including anti-fraud and anti-corruption efforts. We send Justice Department employees to help train policemen, prosecutors and

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judges in countries around the world. And that includes Assistant U.S. Attorneys and FBI agents who have chosen to serve in Iraq and Afghanistan.

The Department is active in this area because we know that stronger global anti-corruption laws are essential to the integrity of global business markets. A transparent environment in the U.S. is best complemented by a similar type of business environment in other countries. Comparable anti-corruption laws make for a level playing field, which is so important for a thriving global economy.

V. McNulty Memo

As you know, we revised our corporate charging guidance earlier this year. Many of you were among those engaged in a dialogue with the Department that served as part of the backdrop for those changes. I know from my own days in private practice the importance of the attorney-client privilege. I believe the McNulty memo strikes the right balance in this area.

Given a chance to work, the new guidance to our prosecutors will achieve several goals. First, it will continue a level of transparency and consistency in our charging policy so that business leaders and their lawyers are aware of the factors that we focus on when evaluating whether to charge the corporate entity with criminal conduct.

Second, by articulating more fully those limited circumstances in which we think waiver of a privilege will play a part in that evaluation, and by giving greater guidance on how and when our prosecutors may seek waivers, we believe the guidance will assure those in the legal and business community that privilege waivers will not be sought without internal process within the Department, and will not be sought without need. When sought, waivers will be limited in scope to what is needed.

VI. Conclusion

The United States is the economic envy of the world – and we are dedicated to keeping things that way. That means we'll stand fast by the laws that keep the markets clean, but it also means we'll stay cognizant of the private sector's need for the oxygen that feeds innovation.

And it is important to view our enforcement efforts in that light. The efforts of the Department have helped encourage the flow of investment into our country, which benefits American businesses. Our offensive against all types of white collar crime has enhanced the international view of American companies as reliable and transparent. In other words, as good investments.

Government can create an environment for prosperity or jobs; it cannot create prosperity or jobs by itself. That's what American business does– and we appreciate what that means to the American people.

Thank you again for having me here today.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 5:49 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH OWNERS OF ARLINGTON PARK RACECOURSE

Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 1, 2007
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(202) 514-2007
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JUSTICE DEPARTMENT REACHES FAIR HOUSING ACT SETTLEMENT WITH OWNERS OF ARLINGTON PARK RACECOURSE

WASHINGTON – The Justice Department today reached a settlement with the owners of the Arlington Park Racecourse in Arlington Heights, Ill., resolving claims that the owners violated the provisions of the federal Fair Housing Act that prohibit discrimination on the basis of familial status. The racecourse owners, Arlington Park LLC and Churchill Downs Inc., were sued by the Justice Department in September 2005.

"The Fair Housing Act ensures that families are protected from discrimination when looking for a place to live," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department's efforts to vigorously enforce the federal fair housing laws will continue to provide fairness in housing markets, so parents, unfettered by unlawful discrimination, can fairly search for homes in which to shelter their families."

"The Fair Housing Act promises equal treatment for families with children," said Gary Shapiro, First Assistant U.S. Attorney for the Northern District of Illinois. "And we are committed to the vigorous enforcement of this important law."

The racecourse owners operate a thoroughbred horse racing facility with on-site housing for individuals who work with the racehorses. In 2004, HOPE Fair Housing Center, a fair housing advocacy organization based in Wheaton, Ill., filed a complaint with the Department of Housing and Urban Development (HUD) alleging that the owners had a policy in place which restricted families from living in six residential buildings on the track's "Backstretch," in violation of the Fair Housing Act. At the time HOPE filed its complaint, five of the six buildings had private bathrooms and air conditioning, and these five buildings were the only residential buildings on the Backstretch that had these amenities. Upon receiving HOPE's complaint, HUD conducted an investigation which found that the owners were discriminating on the basis of familial status. The case was referred to the Justice Department for action, and the lawsuit was subsequently filed against the owners.

Under the terms of the settlement, which was approved today by the federal court, Arlington Park and Churchill Downs will construct new housing units that will be available to Backstretch workers with families; adopt a non-discriminatory policy for the buildings where families with children had previously been excluded from dwelling; pay $10,000 in a civil penalty, and pay $160,000 in damages and other relief to resolve HOPE's

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claims. Under the new policy, the owners will be able to restrict the dwellings in the six buildings to licensed workers only, but may not exclude residents merely because they have children.

Since HOPE filed its complaint with HUD in 2004, the owners have constructed 96 new units of housing with air conditioning and private bathrooms and made these units available to Backstretch workers with families.

Fighting illegal housing discrimination is a top priority of the Justice Department. In February 2006, Attorney General Alberto R. Gonzales announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home is not limited to the areas hit by Hurricane Katrina and targets housing discrimination all over the country.

More information about Operation Home Sweet Home is available at the Justice Department Web site at http://www.usdoj.gov/fairhousing. Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line (1-800-896-7743), email the Justice Department at fairhousing@usdoj.gov, or contact the U.S. Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability and familial status. Since Jan. 1, 2001, the Justice Department's Civil Rights Division has filed 218 cases to enforce the Fair Housing Act, 42 of which have alleged discrimination based on familial status. More information about the Civil Rights Division and the laws it enforces is available at http://www.usdoj.gov/crt.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 6:03 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT MCGEORGE SCHOOL OF LAW

Department of Justice

FOR PLANNING PURPOSES ONLY
WEDNESDAY, FEBRUARY 28, 2007
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*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT MCGEORGE SCHOOL OF LAW

WASHINGTON – Attorney General Alberto R. Gonzales will deliver remarks at the McGeorge School of Law on the Department's efforts to prevent terrorism, **FRIDAY, MARCH 2, at 1:00 P.M. PST.**

WHO: Attorney General Alberto R. Gonzales

WHAT: Remarks

WHEN: **FRIDAY, MARCH 2, 2007**
1:00 P.M. PST

WHERE: University of the Pacific
McGeorge School of Law
3200 5th Avenue
Sacramento, California
OPEN PRESS

NOTE: All Media must present government-issued photo I.D. (such as driver's license) as well as valid media credentials. Media should arrive no later than 12:30 P.M. PST., Friday, March 2, and provide full name and affiliation. Press inquiries regarding logistics should be directed to Kiahna Sellers at (202) 353-5310.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 6:09 PM
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Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO DELIVER REMARKS AT MCGEORGE SCHOOL OF LAW

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07-021

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From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 6:14 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT AND ENVIRONMENTAL PROTECTION AGENCY ANNOUNCE SETTLEMENT TO CLEAN UP LI TUNGSTEN SUPERFUND SITE IN NASSAU COUNTY, NEW YORK

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 1, 2007
www.usdoj.gov/usao/nys

CONTACT: Yusill Scribner
PHONE: (212) 637-2600
FAX: (212) 637-0053

UBS EXECUTIVE AND FORMER MORGAN STANLEY LAWYER AMONG 13 CHARGED IN MASSIVE INSIDER TRADING SCHEMES

Trading on Tips About UBS Research Analyst Upgrades and Downgrades and About Morgan Stanley Client Merger Deals Netted Defendants More than $8 million

NEW YORK – Ten indictments and criminal informations charging 13 defendants with participating in two massive insider trading schemes and two separate briberies were unsealed today, announced U.S. Attorney Michael J. Garcia of the Southern District of New York and Assistant Director-in-Charge Mark J. Mershon of the New York Office of the FBI. Mithchel Guttenberg, an executive director and institutional client manager at UBS Securities LLC (UBS), and Randi Collotta, a former in-house attorney at Morgan Stanley and Co. (Morgan Stanley), were charged along with 11 others for illegally gaining over $8 million in illegal profits in the securities industry.

Four of the 13 defendants have pleaded guilty to conspiracy, securities fraud, and commercial bribery charges, according to the charging documents.

Wall Street professionals and others repeatedly traded on material, nonpublic information based on tips by insiders at UBS and Morgan Stanley, earning millions of dollars in illegal profits for themselves and for hedge funds with which they were affiliated. Two registered representatives of Assent LLC, a broker-dealer with offices in New York and New Jersey, accepted tens of thousands of dollars to conceal the UBS insider trading scheme. Finally, a broker at Banc of America Securities LLC allocated shares from initial public offerings and secondary offerings to a hedge fund in exchange for cash kickbacks.

The UBS Insider Trading Scheme

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Guttenberg, an institutional client manager in UBS's equity research department sold material, nonpublic information regarding upcoming upgrades and downgrades in UBS analysts' securities recommendations to seasoned investors David Tavdy and Erik Franklin.

As the charging documents allege, investors regularly relied on UBS analysts' ratings of public companies' securities. As a result, changes in UBS analysts' recommendations regarding a particular company's securities were material to investors and often had a direct effect on the trading price of that company's stock.

Prior to public release, UBS analysts' upgrades and downgrades must be reviewed by the UBS Investment Review Committee (IRC). Guttenberg was a member of the IRC and was entrusted with UBS inside information.

Guttenberg sold the UBS inside information for hundreds of thousands of dollars to Tavdy and Franklin, who used the information to earn in excess of $4 million each. Tavdy and Franklin executed the profitable transactions in various brokerage accounts under their control, and Franklin also traded on behalf of hedge funds Lyford Cay Capital, Chelsea Capital and Q Capital Investment Partners L.P. with which Franklin was associated.

In addition to Tavdy and Franklin, the following individuals traded on the UBS inside information:

- Mark Lenowitz, who worked with Tavdy at the Chelsey Capital and Q Capital hedge funds and who obtained the UBS inside information from Franklin;

- Ken Okada and Robert Babcock, two former registered representatives at Bear Stearns & Co. who obtained the UBS inside information by observing Franklin's trading in Bear Stearns accounts; and

- David Glass, the operator of a trading firm called Jasper Capital, through which Tavdy also executed trades based on the UBS inside information.

The Morgan Stanley Insider Trading Scheme

The charging documents allege that Randi Collotta was an attorney in the global compliance division of Morgan Stanley. Moreover, Morgan Stanley provided financial services and investment banking advice and services to clients in connection with potential and actual corporate merger and acquisition transactions. In the course of that work, Morgan Stanley personnel, including Collotta, had access to material nonpublic information.

In violation of her duties to Morgan Stanley and its clients, Collotta provided material, nonpublic information regarding certain public companies' planned merger and acquisition activities including information concerning the Morgan Stanley deals to her husband, Christopher Collotta, and an associate Marc Jurman.

Jurman traded on this inside information, and passed it on to Babcock, who himself both traded on that information and passed it to Franklin and Okada, who also traded on that information. Hundreds of thousands of dollars in profits from the scheme were passed from Franklin to Babcock to Jurman to the Collottas.

The Assent Bribery Scheme

Assent LLC was a brokerage firm that maintained the Jasper Capital account through which Tavdy and Glass executed trades based on the UBS inside information. The charging documents allege that in August

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2006, Samuel W. Childs Jr., and Laurence McKeever, two brokers at Assent LLC, agreed to conceal Tavdy and Glass's trading, based on the UBS inside information from higher-level management at Assent, in exchange for payments from Glass and Tavdy. The charging documents allege that, as part of this deal, Glass agreed to pay approximately $100,000 to Childs and approximately $50,000 to McKeever, and that Glass delivered a total of $30,000 to both Childs and McKeever in $10,000 installments between August and November 2006.

The Banc of America Securities Kickback Scheme

Between late 2005 and October 2006, Paul Risolli, a registered representative at Banc of America Securities, allocated shares of initial public offerings and secondary offerings to Q Capital, Franklin's hedge fund, in exchange for cash kickbacks. Q Capital earned at least $160,000 in profits by selling shares from the allocations on the secondary market; Franklin paid Risolli at least $9,500 as part of the scheme.

U.S. Attorney Garcia, a member of President Bush's Corporate Fraud Task Force, praised the efforts of the FBI and thanked the SEC for its assistance in the investigation. U.S. Attorney Garcia also noted that the investigation is continuing. Assistant U.S. Attorney Andrew Fish is in charge of the prosecutions.

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From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 6:18 PM
To: USDOJ- Office of Public Affairs
Subject: UBS EXECUTIVE AND FORMER MORGAN STANLEY LAWYER AMONG 13 CHARGED IN MASSIVE INSIDER TRADING SCHEMES

Department of Justice

United States Attorney Michael J. Garcia
Southern District of New York

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 1, 2007
www.usdoj.gov/usao/nys

CONTACT: Yusill Scribner
PHONE: (212) 637-2600
FAX: (212) 637-0053

UBS EXECUTIVE AND FORMER MORGAN STANLEY LAWYER AMONG 13 CHARGED IN MASSIVE INSIDER TRADING SCHEMES

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NEW YORK – Ten indictments and criminal informations charging 13 defendants with participating in two massive insider trading schemes and two separate briberies were unsealed today, announced U.S. Attorney Michael J. Garcia of the Southern District of New York and Assistant Director-in-Charge Mark J. Mershon of the New York Office of the FBI. Mithchel Guttenberg, an executive director and institutional client manager at UBS Securities LLC (UBS), and Randi Collotta, a former in-house attorney at Morgan Stanley and Co. (Morgan Stanley), were charged along with 11 others for illegally gaining over $8 million in illegal profits in the securities industry.

Four of the 13 defendants have pleaded guilty to conspiracy, securities fraud, and commercial bribery charges, according to the charging documents.

Wall Street professionals and others repeatedly traded on material, nonpublic information based on tips by insiders at UBS and Morgan Stanley, earning millions of dollars in illegal profits for themselves and for hedge funds with which they were affiliated. Two registered representatives of Assent LLC, a broker-dealer with offices in New York and New Jersey, accepted tens of thousands of dollars to conceal the UBS insider trading scheme. Finally, a broker at Banc of America Securities LLC allocated shares from initial public offerings and secondary offerings to a hedge fund in exchange for cash kickbacks.

The UBS Insider Trading Scheme

DOJ_NMG_ 0174709

Guttenberg, an institutional client manager in UBS's equity research department sold material, nonpublic information regarding upcoming upgrades and downgrades in UBS analysts' securities recommendations to seasoned investors David Tavdy and Erik Franklin.

As the charging documents allege, investors regularly relied on UBS analysts' ratings of public companies' securities. As a result, changes in UBS analysts' recommendations regarding a particular company's securities were material to investors and often had a direct effect on the trading price of that company's stock.

Prior to public release, UBS analysts' upgrades and downgrades must be reviewed by the UBS Investment Review Committee (IRC). Guttenberg was a member of the IRC and was entrusted with UBS inside information.

Guttenberg sold the UBS inside information for hundreds of thousands of dollars to Tavdy and Franklin, who used the information to earn in excess of $4 million each. Tavdy and Franklin executed the profitable transactions in various brokerage accounts under their control, and Franklin also traded on behalf of hedge funds Lyford Cay Capital, Chelsea Capital and Q Capital Investment Partners L.P. with which Franklin was associated.

In addition to Tavdy and Franklin, the following individuals traded on the UBS inside information:

- Mark Lenowitz, who worked with Tavdy at the Chelsey Capital and Q Capital hedge funds and who obtained the UBS inside information from Franklin;

- Ken Okada and Robert Babcock, two former registered representatives at Bear Stearns & Co. who obtained the UBS inside information by observing Franklin's trading in Bear Stearns accounts; and

- David Glass, the operator of a trading firm called Jasper Capital, through which Tavdy also executed trades based on the UBS inside information.

The Morgan Stanley Insider Trading Scheme

The charging documents allege that Randi Collotta was an attorney in the global compliance division of Morgan Stanley. Moreover, Morgan Stanley provided financial services and investment banking advice and services to clients in connection with potential and actual corporate merger and acquisition transactions. In the course of that work, Morgan Stanley personnel, including Collotta, had access to material nonpublic information.

In violation of her duties to Morgan Stanley and its clients, Collotta provided material, nonpublic information regarding certain public companies' planned merger and acquisition activities including information concerning the Morgan Stanley deals to her husband, Christopher Collotta, and an associate Marc Jurman.

Jurman traded on this inside information, and passed it on to Babcock, who himself both traded on that information and passed it to Franklin and Okada, who also traded on that information. Hundreds of thousands of dollars in profits from the scheme were passed from Franklin to Babcock to Jurman to the Collottas.

The Assent Bribery Scheme

Assent LLC was a brokerage firm that maintained the Jasper Capital account through which Tavdy and Glass executed trades based on the UBS inside information. The charging documents allege that in August

DOJ_NMG_ 0174710

2006, Samuel W. Childs Jr., and Laurence McKeever, two brokers at Assent LLC, agreed to conceal Tavdy and Glass's trading, based on the UBS inside information from higher-level management at Assent, in exchange for payments from Glass and Tavdy. The charging documents allege that, as part of this deal, Glass agreed to pay approximately $100,000 to Childs and approximately $50,000 to McKeever, and that Glass delivered a total of $30,000 to both Childs and McKeever in $10,000 installments between August and November 2006.

The Banc of America Securities Kickback Scheme

Between late 2005 and October 2006, Paul Risolli, a registered representative at Banc of America Securities, allocated shares of initial public offerings and secondary offerings to Q Capital, Franklin's hedge fund, in exchange for cash kickbacks. Q Capital earned at least $160,000 in profits by selling shares from the allocations on the secondary market; Franklin paid Risolli at least $9,500 as part of the scheme.

U.S. Attorney Garcia, a member of President Bush's Corporate Fraud Task Force, praised the efforts of the FBI and thanked the SEC for its assistance in the investigation. U.S. Attorney Garcia also noted that the investigation is continuing. Assistant U.S. Attorney Andrew Fish is in charge of the prosecutions.

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DOJ_NMG_ 0174711

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Image not available for this document, ID: 0.7.10316.6368-000002

From: USDOJ- Office of Public Affairs
Sent: Thursday, March 01, 2007 6:59 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR GANG PREVENTION CENTER IN LOS ANGELES

Department of Justice

FOR PLANNING PURPOSES ONLY
THURSDAY, MARCH 1, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR GANG PREVENTION CENTER IN LOS ANGELES

WASHINGTON – Attorney General Alberto R. Gonzales will tour Homeboy Silkscreening, part of a gang prevention center, with Los Angeles Mayor Antonio Villaraigosa on **FRIDAY, MARCH 2, 2007, AT 9:30 A.M. PST** and hold a media availability immediately following.

WHO: Attorney General Alberto R. Gonzales
Mayor Antonio Villaraigosa
Father Gregory Boyle, Founder, Homeboy Industries

WHAT: Tour and Media Availability

WHEN: **FRIDAY, MARCH 2, 2007**
9:30 A.M. PST

WHERE: Homeboy Silkscreening
1320 South Santa Fe Ave.
Los Angeles, California
POOL COVERAGE (Tour)
OPEN PRESS (Media Availability)

NOTE: All Media must present government-issued photo I.D. (such as driver's license) as well as valid media credentials. Media should arrive no later than 9:30 A.M. PST., for the media availability, and provide full name and affiliation. Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-5748 or Matt Szabo at (213) 448-4198.

# # #

07-022

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DOJ_NMG_ 0174715

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Image not available for this document, ID: 0.7.10316.6371-000002

Amber.JMD

From: Amber.JMD
Sent: Friday, March 02, 2007 8:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Almont, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, March 02, 2007 8:35:01 AM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Almont, MI
Auto forwarded by a Rule

AMBER ALERT:Almont,MI [redacted] CALL 586-307-9412 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3502

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 10:57 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON MARCH 7 AND MARCH 8

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

DEPARTMENT OF JUSTICE/FEDERAL TRADE COMMISSION HEARINGS ON SINGLE-FIRM CONDUCT TO CONTINUE ON MARCH 7 AND MARCH 8

Sessions on March 7 and March 8 to Focus on Monopoly Power

WASHINGTON — The Department of Justice's Antitrust Division and the Federal Trade Commission (FTC) today announced that the latest in a series of joint public hearings designed to examine the implications of single-firm conduct under the antitrust laws will take place on March 7 and March 8 in Washington, D.C. These hearings have been examining whether and when specific types of single-firm conduct may violate Section 2 of the Sherman Act (which prohibits monopolization and attempted monopolization) by harming competition and consumer welfare and when they are procompetitive and lawful. The hearings will continue during the coming months.

The panels on March 7 and March 8 will explore different methods of evaluating monopoly power in single-firm conduct cases, including issues relating to market definition, the use of direct evidence, single-firm markets, and technology markets. The sessions will be held at the FTC's Conference Center at 601 New Jersey Ave., N.W., Washington, D.C., Conference Room C.

Further information is provided below:

March 7, 2007 Sessions

Session 1 (9:30 A.M.–12:30 P.M.):

Andrew I. Gavil is a professor of law at the Howard University School of Law.

DOJ_NMG_ 0174719

Richard J. Gilbert is a professor of economics and chair of the Berkeley Competition Policy Center at the University of California, Berkeley, and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Michael L. Katz holds the Sarin Chair in Strategy and Leadership at the Haas School of Business and is also a professor of economics at the University of California, Berkeley, and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Philip B. Nelson is a principal at Economists Inc. and a former Assistant Director for Competition Analysis at the Federal Trade Commission.

Joseph J. Simons is a partner at Paul, Weiss, Rifkind, Wharton & Garrison LLP and a former Director for the Bureau of Competition at the Federal Trade Commission.

Lawrence J. White is the Arthur E. Imperatore professor of economics at the Leonard N. Stern School of Business at New York University and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Session 2 (2:00 P.M.–4:30 P.M.):

Simon Bishop is a partner and co-founder of RBB Economics.

Thomas G. Krattenmaker is of counsel at Wilson Sonsini Goodrich & Rosati.

Miguel de la Mano is a member of the chief economist team at the Directorate General for Competition of the European Commission.

Joe Sims is a partner at Jones Day and a former Deputy Assistant Attorney General at the Department of Justice's Antitrust Division.

Irwin M. Stelzer is the director of economic policy studies and a senior fellow at the Hudson Institute.

March 8, 2007 Session

Session 3 (9:30 A.M.–12:00 P.M.):

Andrew Chin is an associate professor at the University of North Carolina School of Law.

Robert H. Lande is the Venable professor of law at the University of Baltimore School of Law.

Richard Schmalensee is the John C. Head III dean and professor of economics and management at the Sloan School of Management at the Massachusetts Institute of Technology.

Alan H. Silberman is a partner at Sonnenschein Nath & Rosenthal LLP.

Michael A. Williams is a director at the ERS Group.

The public and press are invited to attend all of the hearings. Seating will be on a first-come, first-served basis. Interested parties may submit written comments to the Antitrust Division and the FTC.

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Further information about these hearings will be posted on the Antitrust Division's Web site at http://www.usdoj.gov/atr/public/hearings/single_firm/sfchearing.htm and on the FTC's Web site at http://www.ftc.gov/os/sectiontwohearings/index.htm. Individuals seeking more information on the hearings should contact Gail Kursh, Deputy Chief, Legal Policy Section, Antitrust Division, at singlefirmconduct@usdoj.gov or Patricia Schultheiss, FTC, at section2hearings2@ftc.gov.

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07-124

DOJ_NMG_ 0174721

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From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 11:02 AM
To: USDOJ- Office of Public Affairs
Subject: UPDATED: ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR GANG PREVENTION CENTER IN LOS ANGELES

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, MARCH 2, 2007
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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO TOUR GANG PREVENTION CENTER IN LOS ANGELES

WASHINGTON – Attorney General Alberto R. Gonzales will tour Homeboy Silkscreening, part of a gang prevention center, with Los Angeles Mayor Antonio Villaraigosa on **FRIDAY, MARCH 2, 2007, AT 9:30 A.M. PST** and hold a media availability immediately following.

WHO: Attorney General Alberto R. Gonzales
Mayor Antonio Villaraigosa
Father Gregory Boyle, Founder, Homeboy Industries

WHAT: Tour and Media Availability

WHEN: **FRIDAY, MARCH 2, 2007**
9:30 A.M. PST

WHERE: Homeboy Silkscreening
1320 South Santa Fe Ave.
Los Angeles, California
POOL COVERAGE (Tour)
OPEN PRESS (Media Availability)

NOTE: All Media must present government-issued photo I.D. (such as driver's license) as well as valid media credentials. Media should arrive no later than 9:30 A.M. PST., for the media availability, and provide full name and affiliation. Press inquiries regarding logistics should be directed to Theresa Pagliocca at (202) 532-3486 or Matt Szabo at (213) 448-4198.

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DOJ_NMG_ 0174723

Image not available for this document, ID: 0.7.10316.6338-000001

Image not available for this document, ID: 0.7.10316.6338-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 11:33 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR MARCH 2, 2007

Department of Justice

PRESS GUIDANCE
Friday, March 2, 2007

ATTORNEY GENERAL

9:30 A.M. PST Attorney General Alberto R. Gonzales will tour Homeboy Silkscreening, part of a gang prevention center, with Los Angeles Mayor Antonio Villaraigosa, and hold a media availability immediately following.

Homeboy Silkscreening
1320 South Santa Fe Ave.
Los Angeles, California
POOL COVERAGE (Tour)
OPEN PRESS (Media Availability)

Press inquiries regarding logistics should be directed to Theresa Pagliocca at 202-532-5748 or Matt Szabo at 213-978-0741.

1:00 P.M. PST Attorney General Alberto R. Gonzales will deliver remarks at the McGeorge School of Law on the Department's efforts to prevent terrorism.

University of the Pacific
McGeorge School of Law
3200 5th Avenue
Sacramento, California
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

2:30 P.M. PST Attorney General Alberto R. Gonzales and U.S. Attorney McGregor W. Scott of the Eastern District of California will hold a press conference on Project Safechildhood.

United States Court House
501 I Street, Suite 10-100
Sacramento, California
OPEN PRESS

Press inquiries regarding logistics should be directed to Rosemary Shaul at (916) 554-2700.

DOJ_NMG_ 0174727

PRESS RELEASES

The Office of Public Affairs will issue a release on the Attorney General's event in Sacramento on Prject Safe Childhood. (Roehrkasse)

The Office of Public Affairs will issue a release on the Attorney General's event in Los Angeles on efforts to combat gangs. (Roehrkasse)

The Antitrust Division will issue a release regarding a Section 2 Hearing. (Talamona)

The Civil Rights Division will issue a release. (Magnuson)

EVENTS/HEARINGS

No public events are scheduled.

NIGHT DUTY OFFICER

Jaclyn Lesch

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174728

Image not available for this document, ID: 0.7.10316.6348-000001

Image not available for this document, ID: 0.7.10316.6348-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 11:47 AM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON PROJECT SAFE CHILDHOOD

Department of Justice

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FRIDAY, MARCH 2, 2007
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(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON PROJECT SAFE CHILDHOOD

SACRAMENTO – Attorney General Alberto R. Gonzales and U.S. Attorney McGregor W. Scott of the Eastern District of California will hold a press conference, **FRIDAY, MARCH 2, 2007, AT 2:30 P.M. PST.**

WHO: Attorney General Alberto R. Gonzales
McGregor Scott, U.S. Attorney, Eastern District of California
Rosario Marin, Secretary of State and Consumer Services, State of California
Elliott Troshinsky, President and General Manager, KCRA-TV

WHAT: Press Conference

WHEN: **FRIDAY, MARCH 2, 2007**
2:30 P.M. PST.

WHERE: United States Court House
501 I Street, Suite 10-100
Sacramento, California
OPEN PRESS

NOTE: **All Media must present government-issued photo I.D. (such as driver's license) as well as valid media credentials.** Media should arrive no later than 1:45 p.m. PST., Friday, March 2, and provide full name and affiliation. Camera staff will be inspected by the Court Security personnel when arriving on the first floor of the courthouse. Camera staff will be escorted to Room 1450 by U.S. Attorney personnel. Press inquiries regarding logistics should be directed to Rosemary Shaul at (916) 554-2700.

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DOJ_NMG_ 0174731

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Image not available for this document, ID: 0.7.10316.6319-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 12:11 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER DEPARTMENT OF DEFENSE OFFICIAL PLEADS GUILTY TO STEALING OVER $100,000 IN DOD INTELLIGENCE FUNDS

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER DEPARTMENT OF DEFENSE OFFICIAL PLEADS GUILTY TO STEALING OVER $100,000 IN DOD INTELLIGENCE FUNDS

WASHINGTON – A former Department of Defense (DOD) official pleaded guilty in U.S. District Court for the District of Columbia to one count of theft and embezzlement of public money, Assistant Attorney General Alice S. Fisher for the Criminal Division announced today.

John Taylor was a civilian DOD employee who worked as an intelligence contingency funds officer and admitted today that he stole over $100,000 in intelligence contingency funds from DOD. He was assigned to the 500th Military Intelligence Brigade as part of the U.S. Army Intelligence and Security Command at Camp Zama, Japan, which is located approximately 25 miles southwest of Tokyo. In this role, Taylor was responsible for budgeting, disbursing and accounting for intelligence contingency funds, funds reserved for the official duties of government intelligence agents. Taylor was also required to manage classified bank accounts and supervise agents engaged in classified intelligence-gathering activity.

As part of his plea, Taylor admitted that, from 2003 through January 2006, he used his official position to steal at least $106,000 in DOD funds designated for intelligence-related activities. Taylor embezzled the money by withdrawing cash from a government bank account whose funds were intended for intelligence agents. To conceal his acts, Taylor falsified DOD accounting vouchers and forms.

Theft or embezzlement from the United States carries a maximum penalty of 10 years in prison and a $250,000 fine. Sentencing was set for June 8, 2007.

The case is being prosecuted by James A. Crowell IV and John P. Pearson of the Public Integrity Section, which is headed by Acting Section Chief Edward C. Nucci. The case was investigated by the FBI and the Criminal Investigation Division of the U.S. Army, in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other

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government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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Image not available for this document, ID: 0.7.10316.6325-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 12:42 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES HIGHLIGHTS DEPARTMENT EFFORTS TO FIGHT GANG VIOLENCE IN LOS ANGELES

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL GONZALES HIGHLIGHTS DEPARTMENT EFFORTS TO FIGHT GANG VIOLENCE IN LOS ANGELES

LOS ANGELES – Attorney General Alberto R. Gonzales today joined Los Angeles Mayor Antonio Villaraigosa in highlighting the collaboration between the Department of Justice and the City of Los Angeles to curb the threat of violent gang crime in the city.

As with many other areas of the country, the Department and its components have partnered with state and local law enforcement in the Los Angeles area to form key partnerships and task forces aimed at actively investigating and prosecuting gang crime, preventing youth from becoming involved in gangs, and providing support to former gang members who are re-entering society.

"I am concerned about the gang problem in Los Angeles and applaud the strong coordination between federal law enforcement and our state and local partners to tackle this challenge," said Attorney General Gonzales. "Enforcing the law in this area is important, but keeping kids out of gangs in the first place is the goal of all goals when it comes to combating gang violence."

During his visit to Los Angeles, the Attorney General joined Mayor Villaraigosa in touring Homeboy Industries, a gang prevention facility located in East Los Angeles that receives support from a Gang Reduction Program (GRP) grant through the Department's Office of Juvenile Justice and Delinquency Prevention (OJJDP). Homeboy Industries provides job opportunities, training and counseling to former and would-be gang members throughout Los Angeles County. The funding for Homeboy Industries is part of a GRP grant aimed at addressing gang issues in the Boyle Heights area of Los Angeles, which is led by the Mayor's office with assistance from federal and local law enforcement representatives.

Because many of the violent gangs in the Los Angeles area also have a presence in foreign countries, including Mexico, Guatemala, Honduras and El Salvador, the Department sponsored an International Chiefs of Police Summit on Transnational Gangs in Los Angeles in February. The summit brought together law enforcement officials from California and Central America to discuss and develop joint enforcement, information sharing, and intervention strategies aimed at addressing their common gang problems. A follow-up conference is scheduled for April in El Salvador.

DOJ_NMG_ 0174738

Other successful partnerships between the Department, and state and local officials in the Los Angeles area include the following:

- FBI, DEA, and ATF are assisting the Los Angeles Police Department (LAPD) in two of LAPD's Gang Enforcement Initiatives for 2007 by identifying, targeting and investigating the most active and violent gangs and gang members in the city. As part of this effort, the FBI recently announced that it will be sending a team of agents to work in the LAPD's South Bureau, an area of the city with a particularly serious gang violence problem.

- Last year, the Department selected a neighborhood in the Watts area of Los Angeles as one of six sites nationwide to participate in the Attorney General's Comprehensive Anti-Gang Program. As part of the program, the area will receive $2.5 million in grant funds to enhance enforcement, prevention and prisoner re-entry efforts. Of this amount, $1.5 million will go directly to support prevention and re-entry programs designed with input from local citizens, community organizations, and parole and probation officials.

- The Department provides funding to four Weed and Seed sites in the Los Angeles area. These sites couple enforcement with gang prevention programs ranging from gang resistance education for elementary school students to summer job programs for teens.

- In conjunction with the Department of Housing and Urban Development, the Department helps fund a Public Housing Safety Initiative in the Jordan Downs housing development in Watts. The initiative includes a community policing model to enhance the relationship between police and residents, and a coalition of social service providers who refer residents to a variety of social services, including childcare, tutoring, English as a Second Language classes, job training, and placement programs.

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Image not available for this document, ID: 0.7.10316.6309-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 1:51 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON PROJECT SAFE CHILDHOOD

NOTE: THE ATTORNEY GENERAL'S EVENT TODAY AT MCGEORGE LAW SCHOOL IS CLOSED PRESS

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

*********MEDIA ADVISORY*********

ATTORNEY GENERAL ALBERTO R. GONZALES TO HOLD PRESS CONFERENCE ON PROJECT SAFE CHILDHOOD

SACRAMENTO – Attorney General Alberto R. Gonzales and U.S. Attorney McGregor W. Scott of the Eastern District of California will hold a press conference, **FRIDAY, MARCH 2, 2007, AT 2:30 P.M. PST.**

WHO: Attorney General Alberto R. Gonzales
McGregor Scott, U.S. Attorney, Eastern District of California
Rosario Marin, Secretary of State and Consumer Services, State of California
Elliott Troshinsky, President and General Manager, KCRA-TV

WHAT: Press Conference

WHEN: **FRIDAY, MARCH 2, 2007**
2:30 P.M. PST.

WHERE: United States Court House
501 I Street, Suite 10-100
Sacramento, California
OPEN PRESS

NOTE: **All Media must present government-issued photo I.D. (such as driver's license) as well as valid media credentials.** Media should arrive no later than 1:45 p.m. PST., Friday, March 2, and provide full name and affiliation. Camera staff will be inspected by the Court Security personnel when arriving on the first floor of the courthouse. Camera staff will be escorted to Room 1450 by U.S. Attorney personnel. Press inquiries regarding logistics should be directed to Rosemary Shaul at (916) 554-2700.

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DOJ_NMG_ 0174743

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Image not available for this document, ID: 0.7.10316.6304-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 4:12 PM
To: USDOJ- Office of Public Affairs
Subject: NEW YORK CITY MAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, March 2, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

NEW YORK CITY MAN PLEADS GUILTY TO HUMAN TRAFFICKING CHARGE

WASHINGTON - A Queens, N.Y., man was sentenced to serve 38 months in prison for attempting to recruit a Korean woman whom he believed to be a minor to work as a prostitute, the Justice Department announced today. Do Hyup Bae was also ordered to forfeit $50,000 to the government for his role in the trafficking scheme.

Bae previously pleaded guilty on Jan. 12, 2007, to charges relating to the operation of a network of over 25 Korean-owned brothels that were located throughout the northeastern part of the United States, including New York, Massachusetts, Rhode Island, Connecticut, Pennsylvania, Maryland, Virginia and the District of Columbia. Several of these brothels were located in Queens, N.Y.

"This case illustrates the indecency, complexity and scope of human trafficking operations," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to investigating and prosecuting those who would profit from the systematic abuse of others."

According to the superseding indictment, the brothels, which were operated under the cover of legitimate businesses, typically employed between two and eight prostitutes, the majority of whom were Korean nationals who had entered the country on tourist visas.

The prosecution of individuals involved in human trafficking is a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, compared to the previous six years.

The case was investigated by special agents of the Federal Bureau of Investigation and U.S. Bureau of Immigration and Customs Enforcement. This case is being prosecuted by Trial Attorney Solette Magnelli of the Civil Rights Division and Assistant U.S. Attorney Pamela Chen of the Eastern District of New York.

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07-126

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From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 4:53 PM
To: USDOJ- Office of Public Affairs
Subject: ACCUSED SEX TRAFFICKER ARRAIGNED IN FEDERAL COURT

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

ACCUSED SEX TRAFFICKER ARRAIGNED IN FEDERAL COURT

WASHINGTON — Consuelo Carreto-Valencia, an accused sex trafficker extradited to the United States from Mexico in January, was arraigned today in federal court on a 27-count indictment charging her with multiple counts of sex trafficking and related crimes, the Justice Department and Department of Homeland Security announced.

Carreto-Valencia was extradited to the United States on Jan. 20, 2007. She was arraigned before U.S. Magistrate Judge Lois Bloom in Brooklyn, N.Y. The case has been assigned to U.S. District Judge Frederic Block.

Carreto-Valencia, her two sons, and three other defendants were indicted on Nov. 16, 2004, on charges of conspiracy, sex trafficking, forced labor, violations of the Mann Act, and immigration-related offenses. Together with her sons, Josue Flores Carreto and Gerardo Flores Carreto, and other family members, Carreto-Valencia operated a network based in San Miguel Tenancingo, Tlaxcala, Mexico that trafficked young women into forced prostitution in Mexico and New York City.

According to the indictment, male members of the Carreto family lured young, uneducated women and girls from impoverished areas of Mexico into romantic relationships and later, through a combination of deception, coercion, threats, and sexual and physical violence, forced the young women to work as prostitutes in Mexico and New York City. As part of this operation, Carreto-Valencia confined some of the women at her home in San Miguel Tenancingo, Mexico. She also collected the proceeds and profits received from the sex trafficking business in Mexico and in the United States.

An indictment is merely an accusation, and the defendants are presumed innocent until proven guilty.

The Carreto prosecution represents one of the largest sex trafficking cases to date brought under the provisions of the Trafficking Victims Protection Act. On April 5, 2005, Carreto-Valencia's sons, Josue and Gerardo Flores Carreto, pleaded guilty to all 27 counts of the indictment. On April 27, 2006, they were each sentenced to 50-year terms of imprisonment. A third defendant, Daniel Perez Alonso, who also pleaded guilty, received a 25-year sentence. The case is part of the Justice Department's human trafficking initiative, which is one of its highest priorities.

DOJ_NMG_ 0174749

"Sex trafficking is a heinous crime that ruins lives and robs victims of their dignity," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department will continue to vigorously seek out and prosecute those who forcibly deny freedom in the freest country in the world."

"Human trafficking is a crime of the cruelest exploitation. The Carreto criminal organization subjected its victims to physical abuse and prostitution and turned them into virtual slaves," said Julie L. Myers, assistant secretary of Homeland Security for Immigration and Customs Enforcement. "Carreto Valencia's extradition from Mexico sends a clear message that these crimes will not be tolerated and those who engage in this criminal activity cannot evade prosecution."

"Human traffickers prey on the hopes and dreams of their vulnerable victims, only to lure them into sexual slavery," stated U.S. Attorney Roslynn Mauskopf. "This extradition opens another chapter in our continuing effort to vigorously prosecute those who seek to buy and sell human beings."

The case is being prosecuted by Hilary Axam of the Civil Rights Division for the Department of Justice and Assistant U.S. Attorneys Pamela Chen and Monica E. Ryan.

# # #

07-126

DOJ_NMG_ 0174750

Image not available for this document, ID: 0.7.10316.6299-000001

Image not available for this document, ID: 0.7.10316.6299-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 5:09 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: NEW YORK CITY MAN SENTENCED ON HUMAN TRAFFICKING CHARGE

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

NEW YORK CITY MAN SENTENCED ON HUMAN TRAFFICKING CHARGE

WASHINGTON - A Queens, N.Y., man was sentenced to serve 38 months in prison for attempting to recruit a Korean woman whom he believed to be a minor to work as a prostitute, the Justice Department announced today. Do Hyup Bae was also ordered to forfeit $50,000 to the government for his role in the trafficking scheme.

Bae previously pleaded guilty on Jan. 12, 2007, to charges relating to the operation of a network of over 25 Korean-owned brothels that were located throughout the northeastern part of the United States, including New York, Massachusetts, Rhode Island, Connecticut, Pennsylvania, Maryland, Virginia and the District of Columbia. Several of these brothels were located in Queens, N.Y.

"This case illustrates the indecency, complexity and scope of human trafficking operations," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "The Justice Department is committed to investigating and prosecuting those who would profit from the systematic abuse of others."

According to the superseding indictment, the brothels, which were operated under the cover of legitimate businesses, typically employed between two and eight prostitutes, the majority of whom were Korean nationals who had entered the country on tourist visas.

The prosecution of individuals involved in human trafficking is a top priority of the Justice Department. In the last six fiscal years, the Civil Rights Division, in conjunction with U.S. Attorneys' Offices, has increased by six-fold the number of human trafficking cases filed in court, compared to the previous six years.

The case was investigated by special agents of the Federal Bureau of Investigation and U.S. Bureau of Immigration and Customs Enforcement. This case is being prosecuted by Trial Attorney Solette Magnelli of the Civil Rights Division and Assistant U.S. Attorney Pamela Chen of the Eastern District of New York.

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07-126

DOJ_NMG_ 0174753

DOJ_NMG_ 0174754

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Image not available for this document, ID: 0.7.10316.6297-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 5:45 PM
To: USDOJ- Office of Public Affairs
Subject: ATTORNEY GENERAL GONZALES HIGHLIGHTS DEPARTMENT EFFORTS TO COMBAT SEXUAL ABUSE AND EXPLOITATION OF CHILDREN IN SACRAMENTO

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

AG
(202) 514-2007
TDD (202) 514-1888

ATTORNEY GENERAL GONZALES HIGHLIGHTS DEPARTMENT EFFORTS TO COMBAT SEXUAL ABUSE AND EXPLOITATION OF CHILDREN IN SACRAMENTO

Child Exploitation Indictments and Convictions Increase for the Eastern District California

SACRAMENTO, Calif. – Attorney General Alberto R. Gonzales today joined members of the Sacramento Project Safe Childhood initiative, to highlight the ongoing efforts of federal, state and local law enforcement, as well as community leaders, in combating the sexual abuse and exploitation of children.

Attorney General Gonzales was joined in today's announcement by California Secretary for State and Consumer Services Rosario Marin, U.S. Attorney McGregor Scott for the Eastern District of California and President and General Manager of KCRA-TV Elliott Troshinsky.

"The sexual abuse and exploitation of children is one of the most horrific crimes plaguing our nation today," said Attorney General Alberto R. Gonzales. "Preventing, investigating and prosecuting sexual predators who target the most vulnerable members of our society is a top priority of the Department of Justice. I'm encouraged by the efforts of the men and women of the Eastern District of California for their tireless dedication to the protection of our children."

Launched in May 2006, Project Safe Childhood is a nationwide initiative designed to protect children from sexual exploitation and abuse. Led by the U.S. Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims.

In the last six months, indictments in child exploitation cases prosecuted in the Eastern District of California have increased by 28 percent. Between July 1, 2006 and Dec. 31, 2006, federal prosecutors in Sacramento and Fresno indicted 51 child exploitation cases, 14 more than during the previous six month period.

Last year, the Department of Justice prosecuted 1,543 cases involving the sexual exploitation or abuse of children. Over the past two fiscal years, the Eastern District of California has indicted more people for child pornography, molestation and related crimes than any other federal district in the country. In 2006, the Eastern District of California led the nation with 71 child exploitation case indictments, including cases involving

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Internet crimes against children, child pornography crimes, interstate travel for the purpose of having unlawful sex with a minor, and sex trafficking of minors.

Federal law enforcement agencies have also coordinated district-wide sweeps with local law enforcement as a part of Project Safe Childhood. The first such effort, Operation Valley Predator, was conducted in October 2006 and targeted child pornography traffickers and sex registrants throughout the 34 counties of the Eastern District of California. In all, about 80 local, state and federal law enforcement agencies participated in the operation, which involved 508 searches and 135 arrests for offenses ranging from the possession or distribution of child pornography to failing to comply with sex registration requirements.

"Federal, state and local authorities in our region share an unwavering resolve to target those who would prey on our children," stated U.S. Attorney Scott. "No single issue has coalesced law enforcement, educators, parents and community partners more than preventing the sexual exploitation of our children."

Since the implementation of Project Safe Childhood, three additional prosecutors have been assigned to handle Internet crimes against children cases in the Eastern District of California. Additionally, the U.S. Attorney's office has partnered with federal, state and local law enforcement, as well as community leaders and non-government organizations, to develop prevention efforts and increase public awareness of these crimes.

As part of the Eastern District of California's prevention efforts, KCRA-TV, Sacramento's NBC affiliate, has partnered with the U.S. Attorney's Office to help organize and promote community outreach forums to schools, parents and community groups. In addition to preparing news reports on a variety of topics relating to Internet crimes against children, KCRA has committed part of its Web site to the issue of Internet safety, providing links to Internet safety programs so that parents can receive more information about how to keep children safe online.

Project Safe Childhood partners for the Eastern District of California include the California District Attorney's Association; numerous county district attorneys; the Sacramento County Sheriff and Sacramento Police Departments; County Probation Offices; the Sacramento, Nevada, and Stanislaus County Offices of Education; the FBI; U.S. Immigration and Customs Enforcement (ICE); the U.S. Postal Inspection Service; the U.S. Marshals Service; U.S. Secret Service; numerous police and sheriffs' offices throughout the Eastern District; the California Department of Consumer Affairs' Coalition for Children's Internet Safety; the California Department of Justice; the California Highway Patrol; the California Department of Corrections and Rehabilitation; and the State Parole Office.

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07-129

DOJ_NMG_ 0174758

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Image not available for this document, ID: 0.7.10316.6287-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 6:37 PM
To: USDOJ- Office of Public Affairs
Subject: COURT HALTS ELECTION IN VILLAGE OF PORT CHESTER, N.Y.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

COURT HALTS ELECTION IN VILLAGE OF PORT CHESTER, N.Y.

WASHINGTON—A federal judge in White Plains, N.Y., granted a government motion today to enjoin the upcoming March 2007 elections for the Village of Port Chester, N.Y., the Justice Department announced.

The United States filed a complaint on Dec. 15, 2006, alleging that Port Chester's at-large system of electing its governing Board of Trustees diluted the voting strength of the Village's Hispanic citizens, in violation of Section 2 of the Voting Rights Act of 1965. The same day, the United States filed a motion to enjoin Port Chester from using its at-large election system on March 20, 2007, to elect two new trustees.

According to papers filed by the United States, the 2000 census shows that almost half of Port Chester's residents, and 22% of Port Chester's citizens of voting age, were Hispanic. By July 2006, the number of Hispanic citizens of voting age had increased to about 28%. Despite these figures, no Hispanic has ever been elected to Port Chester's municipal legislature, the six-member Board of Trustees. Indeed, no Hispanic has ever been elected to any public office in Port Chester, despite the fact that Hispanic candidates have run for office six times – twice for the Board of Trustees, and four times for the Port Chester Board of Education, which manages a school system that is overwhelmingly Hispanic.

"We are extremely pleased with today's Court ruling, which confirms that Port Chester's election system illegally dilutes the voting rights of its Hispanic citizens," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "This decision is an important victory for all the residents of Port Chester, and particularly its Hispanic citizens, as we look forward to implementing a fair election plan that is consistent with federal law. The Civil Rights Division will continue to aggressively enforce the protections of the Voting Rights Act across the country."

U.S. Attorney Michael J. Garcia stated: "In bringing this suit, the Justice Department sought to vindicate the voting rights of minority citizens in the Village of Port Chester. I am pleased that Judge Robinson, in granting the preliminary injunction, found that the United States is 'likely to succeed on the merits of its claim that the Village of Port Chester's system for electing its Board of Trustees violates Section 2 of the Voting Rights Act.'"

Assistant U.S. Attorney David J. Kennedy and Department of Justice Trial Attorneys Avner Shapiro and Timothy F. Mellett are handling the case.

DOJ_NMG_ 0174761

Additional information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at www.usdoj.gov/crt/voting/index.htm.

# # #

07-130

DOJ_NMG_ 0174762

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Image not available for this document, ID: 0.7.10316.6290-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 6:55 PM
To: USDOJ- Office of Public Affairs
Subject: CORRECTED: COURT HALTS ELECTION IN VILLAGE OF PORT CHESTER, N.Y.

Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2008
TDD (202) 514-1888

COURT HALTS ELECTION IN VILLAGE OF PORT CHESTER, N.Y.

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"We are extremely pleased with today's Court ruling enjoining the use of Port Chester's election system in the upcoming municipal elections," said Wan J. Kim, Assistant Attorney General for the Civil Rights Division. "It is an important victory for all of Port Chester's voters, and especially for its Hispanic voters who have not been able to participate on an equal basis in the electoral process. The Civil Rights Division will continue to aggressively enforce the protections of the Voting Rights Act across the country."

U.S. Attorney Michael J. Garcia stated: "In bringing this suit, the Justice Department sought to vindicate the voting rights of minority citizens in the Village of Port Chester. I am pleased that Judge Robinson, in granting the preliminary injunction, found that the United States is 'likely to succeed on the merits of its claim that the Village of Port Chester's system for electing its Board of Trustees violates Section 2 of the Voting Rights Act.'"

Assistant U.S. Attorney David J. Kennedy and Department of Justice Trial Attorneys Avner Shapiro and Timothy F. Mellett are handling the case.

DOJ_NMG_ 0174765

Additional information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at www.usdoj.gov/crt/voting/index.htm.

# # #

07-130

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Image not available for this document, ID: 0.7.10316.6286-000001

Image not available for this document, ID: 0.7.10316.6286-000002

From: USDOJ- Office of Public Affairs
Sent: Friday, March 02, 2007 7:21 PM
To: USDOJ- Office of Public Affairs
Subject: THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR MARCH 5 – MARCH 9, 2007

Department of Justice

FOR PLANNING PURPOSES ONLY
FRIDAY, MARCH 2, 2007
WWW.USDOJ.GOV

OPA
(202) 514-2008
TDD (202) 514-1888

*********MEDIA ADVISORY*********

THE WEEK AHEAD FOR THE DEPARTMENT OF JUSTICE FOR MARCH 5 – MARCH 9, 2007

Monday, March 5

12:15 P.M. EST

Cybele Daley, Deputy Assistant Attorney General for the Office of Justice Programs (OJP) will deliver remarks on OJP priorities at the National Association of Attorneys General Spring Meeting.
Fairmont Hotel
Ballroom
2401 M Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Tuesday, March 6

2:00 P.M. EST

William Moschella, Principal Associate Deputy Attorney General, will testify before the House Judiciary Subcommittee on Commercial and Administrative Law on H.R. 580, Restoring Checks and Balances in the Confirmation Process of U.S. Attorneys
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at [redacted].

Wednesday, March 7

2:00 P.M. EST Thomas Barnett, Assistant Attorney General for the Antitrust Division, will testify before the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights at an Oversight Hearing on Antitrust Enforcement Agenda.
Location TBD
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at [redacted].

Thursday, March 8

9:30 A.M. EST Barry Sabin, Deputy Assistant Attorney General for the Criminal Division, will testify before the House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security on the McNulty Memorandum and Protecting Attorney-Client Privilege
Location TBD
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at [redacted].

9:30 A.M. EST C. Frederick Beckner III, Deputy Assistant Attorney General for the Civil Division, will testify before the Senate Indian Affairs Committee on the Indian Health Care Improvement Act.
Russell Senate Office Building
Room 485
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Indian Affairs Committee at [redacted].

10:00 A.M. EST Alexander Acosta, U.S. Attorney for the Southern District of Florida, will testify before the House Ways and Means Subcommittee on Health and Subcommittee on Oversight on Medicare and Health Care Fraud.
Location TBD
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Ways and Means Subcommittee on Health at [redacted], or the House Ways and Means Committee on Oversight at [redacted].

11:15 A.M. EST Solicitor General Paul Clement will be a panelist on Georgetown University's Corporate Counsel Institute panel on Supreme Court Review and Preview.
Gerogetown University Law Center
Hart Auditorium
600 New Jersey Ave N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

DOJ_NMG_ 0174770

12:00 P.M. EST Deputy Attorney General Paul J. McNulty will be the keynote speaker for 11th Annual Corporate Counsel Institute Luncheon.
Hyatt Regency Hotel on Capitol Hill
400 New Jersey Avenue, N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

Friday, March 9

1:30 P.M. EST Attorney General Alberto R. Gonzales will deliver remarks at the Annual Conference for the International Association of Privacy Professionals on the Department's efforts to protect information privacy.
Renaissance Hotel
Grand Ballroom
999 Ninth St., N.W.
Washington, DC
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

12:00 P.M. MST Matt McKeown, Acting Assistant Attorney General for the Department's Environmental and Natural Resources Division, will be a panelist at the American Bar Association Section of Environment, Energy, and Resources 36th Annual Conference on Environmental Law.
Keystone Resort and Conference Center
0633 Tennis Club Road
Keystone, Colorado
OPEN PRESS

Media wishing to attend should contact [redacted] of American Bar Association Media Relations at [redacted].

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Image not available for this document, ID: 0.7.10316.6284-000002

Amber.JMD

From: Amber.JMD
Sent: Friday, March 02, 2007 10:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Plainwell, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Friday, March 02, 2007 10:35:01 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Plainwell, MI
Auto forwarded by a Rule

AMBER ALERT:Plainwell,MI [redacted] CALL 269-673-3899 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3522

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

Amber.JMD

From: Amber.JMD
Sent: Monday, March 05, 2007 7:35 AM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Detroit, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, March 05, 2007 7:35:01 AM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Detroit, MI
Auto forwarded by a Rule

AMBER ALERT:Detroit,MI [redacted] CALL 313-596-5300 or 911 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3542

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, March 05, 2007 9:46 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR MARCH 5, 2007

Department of Justice

PRESS GUIDANCE
Monday, March 05, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

No releases are scheduled.

EVENTS/HEARINGS

12:15 P.M. EST Cybele Daley, Deputy Assistant Attorney General for the Office of Justice Programs (OJP) will deliver remarks on OJP priorities at the National Association of Attorneys General Spring Meeting.
Fairmont Hotel
Ballroom
2401 M Street N.W.
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Office of Public Affairs at 202-514-2007.

NIGHT DUTY OFFICER

Erik Ablin

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

DOJ_NMG_ 0174776

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Image not available for this document, ID: 0.7.10316.6157-000002

JCON Broadcast (JMDJCON)

From: JCON Broadcast (JMDJCON)
Sent: Monday, March 05, 2007 10:06 AM
Subject: JCON BROADCAST, WEEK OF MARCH 5, 2007

JCON BROADCAST, WEEK OF MARCH 5, 2007

1. **DOJ Food Drive Ends March 9th**
2. **Support Group for Employees With Family Members Serving in the Military in Iraq and/or Afghanistan**
3. **Research Classes Offered by Library Staff**

DOJ Food Drive Ends March 9th

It's not too late to give! However, the Department's annual food drive will end this Friday, March 9th.

Food collected will benefit the Capital Area Food Bank, the largest non-profit food and nutrition education resource in the area. The Capital Area Food Bank distributes food to more than 750 member programs. Food banks can best use the following items: canned meats, fish, and poultry; peanut butter; canned fruits, vegetables, and soups; and dry pasta. Drop-off locations are in the RFK Main Justice Building (1400 Corridor), National Place Building, Patrick Henry Building, Bicentennial Building, and 20 Massachusetts Avenue Building.

Your voluntary participation in the food drive can help provide a warm, healthy meal for someone in need.

Support Group For Employees With Family Members Serving in the Military in Iraq and/or Afghanistan

The Employee Assistance Program (EAP) of the Executive Office for United States Attorneys (EOUSA) has been approached about sponsoring a support group for employees whose wife, husband, sons, daughters (or other family members) are currently serving in the military in Iraq and/or Afghanistan.

The first meeting of this support group is scheduled for Noon, Friday, March 9th in the EOUSA EAP office, Bicentennial Building, 600 E Street, NW, Room 6800. If you would be interested in attending this group, or if you have any questions, please contact the EOUSA EAP at 202-514-1036. All are welcome!

Research Classes Offered By Library Staff

The DOJ Libraries offer training sessions tailored to your research needs. Expand your knowledge of legislative histories, company information, expert witnesses, public records, searching the web, online newspapers, journals, and more. The sessions are open to all DOJ staff. Please see the current class list at: http://10.173.2.12/jmd/lib/training/currentclasses.htm.

Check the Intranet, DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

JMD … Serving Justice - Securing Results

From: USDOJ- Office of Public Affairs
Sent: Monday, March 05, 2007 2:25 PM
To: USDOJ- Office of Public Affairs
Subject: LOUISIANA RESIDENT PLEADS GUILTY TO FEDERAL FRAUD CHARGE

Department of Justice

United States Attorney David R. Dugas
MiddleDistrict of Louisiana

FOR IMMEDIATE RELEASE
MONDAY, MARCH 5, 2007
www.usdoj.gov/usao/lam

CONTACT: David R. Dugas
PHONE: (225) 389-0443
FAX: (225) 389-0561

LOUISIANA RESIDENT PLEADS GUILTY TO FEDERAL FRAUD CHARGE

BATON ROUGE, La. – Betty R. Martin, 41, of Port Allen, La., pleaded guilty in federal court on a charge of fraud related to hurricane disaster relief programs, U.S. Attorney David R. Dugas announced today.

Martin pleaded guilty today before U.S. District Court Judge Frank J. Polozola to count one of an indictment charging her with making a false and fraudulent claim for disaster relief benefits. The case was investigated by the FBI, the Office of Inspector General, and the West Baton Rouge Parish Sheriff's Office. As a result of her guilty plea, Martin faces a maximum sentence of up to five years in prison and a $250,000 fine. As part of the plea agreement, the U.S. Attorney's Office will dismiss count two of the indictment when Martin is sentenced.

The number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds stands at 89.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact U.S. Attorney David R. Dugas of the Middle District of Louisiana, or First Assistant U.S. Attorney Lyman Thornton at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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DOJ_NMG_ 0174781

DOJ_NMG_ 0174782

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Image not available for this document, ID: 0.7.10316.6062-000002

Amber.JMD

From: Amber.JMD
Sent: Monday, March 5, 2007 3:35 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Everett, WA

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Monday, March 05, 2007 3:35:02 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Everett, WA
Auto forwarded by a Rule

AMBER ALERT:Everett,WA VEHICLE: [redacted] CALL 425-407-3970 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3562

THIS IS AN AUTOMATED MESSAGE -- PLEASE DO NOT REPLY!

From: USDOJ- Office of Public Affairs
Sent: Monday, March 05, 2007 5:09 PM
To: USDOJ- Office of Public Affairs
Subject: MS-13 MEMBER PLEADS GUILTY TO RACKETEERING CONSPIRACY

Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
MONDAY, MARCH 5, 2007
http://www.usdoj.gov/usao/md/

CONTACT: Vickie E. Leduc
PHONE: (410) 209-4885
FAX: (410) 962-3091

MS-13 MEMBER PLEADS GUILTY TO RACKETEERING CONSPIRACY

GREENBELT, Md. — Lisbeth Delcid, also known as "Lil Truca," or "Lil Trucha," 22, of Woodbridge, Va., pleaded guilty today to conspiracy to conduct and participate in racketeering enterprise activities of an MS-13 gang, announced U.S. Attorney Rod J. Rosenstein for the District of Maryland.

According to the statement of facts provided to the court as part of the plea agreement, La Mara Salvatrucha, also known as the MS-13 gang (MS-13), is a gang composed primarily of immigrants or descendants of immigrants from El Salvador, with members operating throughout Prince George's County and Montgomery County, Md. MS-13 is a national and international criminal organization with approximately 10,000 members.

MS-13 is organized in "cliques," including, the Sailors Locos Salvatruchos Westside (Sailors), the Teclas Locos Salvatruchos (TLS), and the Langley Park Salvatruchos (LPS). Delcid was a member of the Sailors clique. The MS-13 cliques work together cooperatively to commit acts of violence.

Beginning in 2003 and continuing through April 5, 2006, Delcid attended various MS-13 meetings and paid dues to the gang. Delcid began associating with MS-13 while attending high school. Delcid gave money to the gang to support other gang and Sailors clique members who were incarcerated for gang violence.

In January 2006, Delcid admitted to a Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) agent and a Prince George's Police detective that she had a relationship with a leader for the TLS clique. After the leader was incarcerated in 2005, Delcid maintained regular contact with him, depositing money in his commissary account at the jail. Additionally Delcid received letters from the incarcerated leader regarding gang activities, as well as letters sent to her for the express purpose of redistributing information to TLS clique members. Delcid was aware that MS-13 members planned to kill "chavalas," or rival gang members. Delcid's repeated assistance in communicating instructions to TLS members furthered the objectives of MS-13, including locating, attacking and killing rival gang members.

DOJ_NMG_ 0174786

Delcid faces a maximum sentence of life in prison. U.S. District Judge Deborah K. Chasanow has scheduled sentencing for June 18, 2007. Delcid had been on bond, but after entry of the guilty plea she was placed in custody.

U.S. Attorney Rod J. Rosenstein praised the investigative work performed by the ATF; the FBI, the Prince George's County Police Department; U.S. Immigration and Customs Enforcement (ICE); the Montgomery County Police Department; the Howard County Police Department; the Maryland National Capital Park Police; the Maryland State Police; and the Fairfax County, Virginia Police Department. U.S. Attorney Rosenstein thanked Assistant U.S. Attorneys James M. Trusty and Chan Park, and Trial Attorney David Jaffe, a prosecutor for the Justice Department's Gang Squad, who are prosecuting the case.

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DOJ_NMG_ 0174787

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Image not available for this document, ID: 0.7.10316.6047-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, March 05, 2007 5:25 PM
To: USDOJ- Office of Public Affairs
Subject: JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN CALIFORNIA

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MARCH 5, 2007
WWW.USDOJ.GOV

CRT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT TO MONITOR ELECTIONS IN CALIFORNIA

WASHINGTON - The Justice Department today announced that on March 6, 2007, it will monitor municipal elections in Azusa, Gardena, Paramount, and Rosemead, Calif., to ensure compliance with the Voting Rights Act.

Under the Voting Rights Act, the Justice Department is authorized to ask the Office of Personnel Management to send federal observers to areas that are specially covered in the Act itself or by a federal court order. Federal observers will be assigned to monitor polling place activities in Azusa, Paramount and Rosemead pursuant to federal court orders entered in 2005.

The observers will watch and record activities during voting hours at polling locations in these cities. Civil Rights Division attorneys will coordinate the federal activities and maintain contact with local election officials.

In addition, Justice Department personnel will monitor polling place activities in Gardena. A Civil Rights Division attorney will coordinate the federal activities and maintain contact with local election officials.

Each of the monitored cities has an obligation to provide all election information, ballots, and voting assistance information in one or more minority languages pursuant to Section 203 of the Voting Rights Act. The observers and monitors will gather information concerning compliance.

Each year, the Justice Department deploys hundreds of federal observers from the Office of Personnel Management, as well as departmental staff, to monitor elections across the country. During calendar year 2004, a record 1,463 federal observers and 533 Department personnel were sent to monitor 163 elections in 105 jurisdictions in 29 states. This compares to the 640 federal observers and 103 Department personnel deployed during the entire 2000 presidential calendar year. In 2006, another record was set for the mid-term elections with more than 800 federal observers and Department personnel sent to monitor polling places in 69 jurisdictions in 22 states on Election Day. The Department's election monitoring program also has been very active in non-federal election years. In calendar year 2005, for example, 640 federal observers and 191 Department personnel were sent to monitor 47 elections in 36 jurisdictions in 14 states.

DOJ_NMG_ 0174790

To file complaints about discriminatory voting practices, including acts of harassment or intimidation, voters may call the Voting Section of the Justice Department's Civil Rights Division at 1-800-253-3931.

More information about the Voting Rights Act and other federal voting laws is available on the Department of Justice Web site at http://www.usdoj.gov/crt/voting/index.htm.

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07-131

DOJ_NMG_ 0174791

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Image not available for this document, ID: 0.7.10316.6044-000002

From: USDOJ- Office of Public Affairs
Sent: Monday, March 05, 2007 6:27 PM
To: USDOJ- Office of Public Affairs
Subject: TWO SPRINGFIELD MEN SENTENCED FOR TRADING CHILD PORN

Department of Justice

United States Attorney Rodger A. Heaton
Central District of Illinois

FOR IMMEDIATE RELEASE
MONDAY, MARCH 5, 2007
www.usdoj.gov/usao/ilc/

CONTACT: Sharon Paul
PHONE: (217) 492-4450
FAX: (217) 492-4512

TWO SPRINGFIELD MEN SENTENCED FOR TRADING CHILD PORN

Worldwide Internet 'Chat Room' Used to Trade Graphic Images

Springfield, Ill. - Two Springfield, Ill. men who traded thousands of graphic images of child pornography via a private international Internet chat room were sentenced today. Billy Joe Bowser, 34, was sentenced to the statutory maximum sentence of 20 years in prison and Anthony Adams, 49, was sentenced to 19 and a half years, U.S. Attorney Rodger A. Heaton of the Central District of Illinois announced today. Bowser and Adams each pled guilty in October 2006 to receiving, possessing and transporting child pornography.

The charges were the result of an international investigation led by U.S. Immigration and Customs Enforcement (ICE) and the FBI into Internet-based child pornography using a chat room known as "Kiddypics & Kiddyvids." The chat room was hosted on the Internet through the WinMX software program that also allowed users to engage in "peer-to-peer" file sharing.

"Trading or collecting images of child pornography is not a victimless crime," stated U.S. Attorney Heaton. "Each photo represents an assault on the innocence of an actual child. They are images of graphic physical and sexual abuse of real kids – in this case, some as young as toddlers. Anyone who seeks the perceived anonymity of the Internet to trade in images of these horrific crimes deserves the kind of lengthy sentences imposed here today."

The investigation found that Bowser had more than 80,000 images of child pornography in his computer collection. These graphic images involved children younger than two years-old engaged in sex with adult males as well as pornographic images of children reflecting violence and bondage. Bowser was charged with his wife, Melissa Bowser, 27, in February 2006. Sentencing for Melissa Bowser is scheduled for March 23, 2007.

On Adams' computer, investigators found more than 29,000 similar images of child pornography involving violence, bondage and children under two years of age engaged in sexual acts with adult males.

DOJ_NMG_ 0174794

U.S. Attorney Heaton commended the investigative work performed by the Springfield Computer Crimes Task Force, a multi-agency group dedicated to the investigation and prosecution of computer crime, and thanked First Assistant U.S. Attorney John Childress, who prosecuted the cases.

The case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

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DOJ_NMG_ 0174795

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Image not available for this document, ID: 0.7.10316.6032-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, March 06, 2007 10:04 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR MARCH 6, 2007

Department of Justice

PRESS GUIDANCE
Tuesday, March 06, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a sentencing matter.

The Antitrust Division will make available the Microsoft Joint Status Report.

The Tax Division will issue a release.

EVENTS/HEARINGS

2:00 P.M. EST William Moschella, Principal Associate Deputy Attorney General, will testify before the House Judiciary Subcommittee on Commercial and Administrative Law on H.R. 580, Restoring Checks and Balances in the Confirmation Process of U.S. Attorneys
Rayburn House Office Building
Room 2141
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the House Judiciary Committee at [redacted].

NIGHT DUTY OFFICER

Erik Ablin

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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Image not available for this document, ID: 0.7.10316.5960-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, March 06, 2007 2:05 PM
To: USDOJ- Office of Public Affairs
Subject: PREPARED OPENING STATEMENT OF WILLIAM E. MOSCHELLA, PRINCIPAL ASSOCIATE DEPUTY ATTORNEY GENERAL, BEFORE THE HOUSE JUDICIARY SUBCOMMITTEE ON COMMERCIAL AND ADMINISTRATIVE LAW ON H.R. 580, RESTORING CHECKS AND BALANCES IN THE CONFIRMATION PROCESS OF U.S. AT

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 6, 2006
WWW.USDOJ.GOV

OPA
(202) 514-2007
TDD (202) 514-1888

PREPARED OPENING STATEMENT OF WILLIAM E. MOSCHELLA, PRINCIPAL ASSOCIATE DEPUTY ATTORNEY GENERAL,
BEFORE THE HOUSE JUDICIARY SUBCOMMITTEE ON COMMERCIAL AND ADMINISTRATIVE LAW ON H.R. 580,
RESTORING CHECKS AND BALANCES IN THE CONFIRMATION PROCESS OF U.S. ATTORNEYS

WASHINGTON, D.C.

Madam Chairman, Mr. Cannon, and Members of the Subcommittee, I appreciate the opportunity to testify today.

Let me begin by stating clearly that the Department of Justice appreciates the public service that was rendered by the seven U.S. Attorneys who were asked to resign last December. Each is a talented lawyer who served as U.S. Attorney for more than four years, and we have no doubt they will achieve success in their future endeavors – just like the 40 or so other U.S. Attorneys who have resigned for various reasons over the last six years.

Let me also stress that one of the Attorney General's most important responsibilities is to manage the Department of Justice. Part of managing the Department is ensuring that the Administration's priorities and policies are carried out consistently and uniformly. Individuals who have the high privilege of serving as presidential appointees have an obligation to carry out the Administration's priorities and policies.

U.S. Attorneys in the field (as well as Assistant Attorneys General here in Washington) are duty bound not only to make prosecutorial decisions, but also to implement and further the Administration and Department's priorities and policy decisions. In carrying out these responsibilities they serve at the pleasure of the President and report to the Attorney General. If a judgment is made that they are not executing their responsibilities in a manner that furthers the management and policy goals of departmental leadership, then it is appropriate that they be asked to resign so that they can be replaced by other individuals who will.

DOJ_NMG_ 0174801

To be clear, it was for reasons related to policy, priorities and management – what has been referred to broadly as "performance-related" reasons – that these U.S. Attorneys were asked to resign. I want to emphasize that the Department – out of respect for the U.S. Attorneys at issue – would have preferred not to talk at all about those reasons, but disclosures in the press and requests for information from Congress altered those best laid plans. In hindsight, perhaps this situation could have been handled better. These U.S. Attorneys could have been informed at the time they were asked to resign about the reasons for the decision. Unfortunately, our failure to provide reasons to these individual U.S. Attorneys has only served to fuel wild and inaccurate speculation about our motives, and that is unfortunate because faith and confidence in our justice system is more important than any one individual.

That said, the Department stands by the decisions. It is clear that after closed door briefings with House and Senate members and staff, some agree with the reasons that form the basis for our decisions and some disagree – such is the nature of subjective judgments. Just because you might disagree with a decision, does not mean it was made for improper political reasons – there were appropriate reasons for each decision.

One troubling allegation is that certain of these U.S. Attorneys were asked to resign because of actions they took or didn't take relating to public corruption cases. These charges are dangerous, baseless and irresponsible. This Administration has never removed a U.S. Attorney to retaliate against them or interfere with or inappropriately influence a public corruption case. Not once.

The Attorney General and the Director of the FBI have made public corruption a high priority. Integrity in government and trust in our public officials and institutions is paramount. Without question, the Department's record is one of great accomplishment that is unmatched in recent memory. The Department has not pulled any punches or shown any political favoritism. Public corruption investigations are neither rushed nor delayed for improper purposes.

Some, particularly in the other body, claim that the Department's reasons for asking these U.S. Attorneys to resign was to make way for preselected Republican lawyers to be appointed and circumvent Senate confirmation. The facts, however, prove otherwise. After the seven U.S. Attorneys were asked to resign last December, the Administration immediately began consulting with home-state Senators and other home-state political leaders about possible candidates for nomination. Indeed, the facts are that since March 9, 2006, the date the Attorney General's new appointment authority went into effect, the Administration has nominated 16 individuals to serve as U.S. Attorney and 12 have been confirmed. Furthermore, 18 vacancies have arisen since March 9, 2006. Of those 18 vacancies, the Administration (1) has nominated candidates for six of them (and of those six, the Senate has confirmed three); (2) has interviewed candidates for eight of them; and (3) is working to identify candidates for the remaining four of them. Let me repeat what has been said many times before and what the record reflects: the Administration is committed to having a Senate-confirmed U.S. Attorney in every single federal district.

In conclusion, let me make three points: First, although the Department stands by the decision to ask these U.S. Attorneys to resign, it would have been much better to have addressed the relevant issues up front with each of them. Second, the Department has not asked anyone to resign to influence any public corruption case – and would never do so. Third, the Administration at no time intended to circumvent the confirmation process.

I would be happy to take your questions.

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Image not available for this document, ID: 0.7.10316.5962-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, March 06, 2007 3:22 PM
To: USDOJ- Office of Public Affairs
Subject: NEW BEDFORD MANUFACTURER AND MANAGERS ARRESTED ON CHARGES OF CONSPIRING TO ENCOURAGE ILLEGAL ALIENS TO RESIDE IN U.S. THROUGH HIRING

Department of Justice

United States Attorney Michael J. Sullivan
District of Massachusetts

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 6, 2007
www.usdoj.gov/usao/ma

CONTACT: Samantha Martin
PHONE: (617) 748-3139
FAX: (617) 748-3992

NEW BEDFORD MANUFACTURER AND MANAGERS ARRESTED ON CHARGES OF CONSPIRING TO ENCOURAGE ILLEGAL ALIENS TO RESIDE IN U.S. THROUGH HIRING

ICE to Process Hundreds for Removal

BOSTON – The owner and three managers of Michael Bianco, Inc. (MBI) were arrested by federal authorities this morning in connection with alleged hiring of illegal aliens. Another individual was arrested on charges that he provided fraudulent identification documents to workers at the factory, U.S. Attorney Michael J. Sullivan of the District of Massachusetts and Assistant Secretary of Homeland Security for Immigration and Custom Enforcement (ICE) Julie L. Myers announced today.

Following the arrests, criminal complaints were unsealed today charging MBI owner Francesco Insolia, 50, of Pembroke, Mass.; payroll manager, Ana Figueroa, 40, of New Bedford, Mass.; plant manager, Dilla Costa, 55, of New Bedford; and office manager, Gloria Melo, 41, of Fall River, Mass., with conspiring to encourage or induce illegal aliens to reside in the United States and conspiring to hire illegal aliens. Luis Torres, 45, of New Bedford, was charged in a separate complaint with the knowing transfer of fraudulent identification documents.

As a result of today's arrests and search warrant, hundreds of MBI employees will be interviewed carefully to determine their alienage and immigration status. Aliens who are unlawfully in the United States will be charged administratively and placed in removal proceedings.

"It is understandable that many from around the globe would want to come to live, work and raise families here in the greatest democracy in the world," stated U.S. Attorney Sullivan. "However, this must be done in compliance with U.S. immigration laws—not in violation of them. Employer accountability is essential to ensuring the integrity of the nations immigration system and knowingly hiring illegal immigrants is a violation of law, plain and simple, and those responsible will be prosecuted."

DOJ_NMG_ 0174805

"Unlawful employment is a powerful magnet driving illegal immigration," stated Assistant Secretary Myers. "Egregious hiring practices, widespread use of fraudulent documents, and blatant disregard for the rule of law made this case a priority for ICE."

According to affidavits filed in support of the complaints and search warrant, MBI was established by Insolia in 1985 and specializes in the manufacture of handbags and other fine leather goods. Between 2001 and 2003, MBI won a number of Department of Defense contracts worth a total of approximately $10 million to manufacture certain products for the U.S. military. In 2004, MBI received another defense contract worth approximately $82 million. As a result of these defense contracts, from 2001, MBI began to substantially increase its workforce. It is alleged that from 2001 through 2003, MBI had approximately 85 employees. According to the affidavits, it is alleged that MBI presently maintains a workforce of more than 500 employees.

Based on information provided to law enforcement by a cooperating witness as well as an undercover investigation in which an ICE agent posed as an illegal alien and obtained work at MBI, it is alleged that Insolia and other MBI employees working on his behalf have knowingly and actively been hiring illegal aliens to fill their expanding workforce. It is alleged that although MBI requires all prospective employees to produce proof of their identity and their eligibility to work, the company is aware that many employees have obtained fraudulent alien registration cards—commonly known as green cards—and Social Security cards. It is alleged that MBI management has even instructed prospective employees, including the undercover ICE agent, on how to obtain such fraudulent documents.

According to the affidavits, the undercover ICE agent informed several MBI management level employees, including Insolia, that she had come to the United States illegally from Mexico without papers. Figueroa was one of two managers who informed the undercover ICE agent as to how she could purchase a fraudulent Social Security card. According to the affidavits, after beginning work at MBI the undercover ICE agent met separately with Melo and Insolia and explained that she had come from Mexico without papers. Insolia agreed to give her a $150 advance on her pay despite understanding she had no papers.

According to the affidavits in December 2005, when word reached MBI that ICE officials were conducting an investigation at a nearby New Bedford company, Costa announced over the loud speaker that Insolia had stated all MBI employees were free to leave the building. After the announcement, approximately 75 employees ran and hid—some in their vehicles and others in boxes on the third floor at MBI.

It is alleged that Insolia continues to maintain a workforce of which the majority are illegal aliens. It is further alleged that he intentionally seeks out illegal aliens because they are more desperate to find employment, and are thus more likely to endure severe workplace conditions he has imposed.

According to the affidavits, since 2002 the Social Security Administration (SSA) has been sending MBI no match correspondence informing the company that many of the Social Security numbers (SSNs) that MBI was supplying the SSA on employees' W-2 forms were fraudulent or invalid—oftentimes belonging to adolescents born sometime between 1991 and the present or belonging to individuals who were deceased.

If convicted, Insolia, Figueroa, Costa and Melo each face a maximum sentence of six months in prison, and a $3,000 fine for each illegal alien hired by MBI on the conspiracy to hire illegal aliens charge; and 10 years in prison, to be followed by three years of supervised release and a $250,000 fine on the conspiracy to encourage illegal aliens to reside in the United States charge. Torres faces a maximum sentence of 15 years in prison, to be followed by three years of supervised release, and a $250,000 fine.

The investigation is continuing.

DOJ_NMG_ 0174806

ICE has created a 24-hour toll-free hotline for family members of the illegal aliens who have been arrested to field questions about their locations and about the removal process. The phone number is: 866-341-3858.

The case is being investigated by ICE, with assistance from the SSA's Office of Inspector General, the Department of Defense's Criminal Investigative Service, the Massachusetts Insurance Fraud Bureau, and the U.S. Postal Inspection Service. Public safety assistance was provided by the New Bedford Police Department and the U.S. Coast Guard. It is being prosecuted by Assistant U.S. Attorney Donald Cabell in Sullivan's Criminal Division.

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Image not available for this document, ID: 0.7.10316.5956-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, March 06, 2007 3:24 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER LONG ISLAND TEACHER AND ELEMENTARY SCHOOL PRINCIPAL ARRESTED FOR CHILD EXPLOITATION AND ENTICEMENT

Department of Justice

United States Attorney Roslynn R. Mauskopf
Eastern District of New York

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 6, 2007
www.usdoj.gov/usao/nye

CONTACT: Robert Nardoza
PHONE: (718) 254-6323
FAX: (718) 254-6479

FORMER LONG ISLAND TEACHER AND ELEMENTARY SCHOOL PRINCIPAL ARRESTED FOR CHILD EXPLOITATION AND ENTICEMENT

Indictment Charges Defendant Traveled from New York to Nebraska Engage in Sexual Activity with a Minor

CENTRAL ISLIP, N.Y. — Suffolk County resident John Monetti, 38, a former Long Island school teacher and elementary school principal, was arrested this morning on federal charges relating to child exploitation, announced U.S. Attorney Roslynn R. Mauskopf for the Eastern District of New York and U.S. Attorney Joe W. Stecher for the District of Nebraska.

The complaint filed in the Eastern District of New York requests Monetti's removal to face an indictment in the District of Nebraska, charging Monetti with sexual exploitation of a juvenile, travel with intent to engage in a sexual act with a juvenile, and computer enticement of a minor. The indictment alleges that, starting in December 2005, Monetti began communicating over the Internet with a then 15-year-old minor female in Nebraska to persuade her to engage in sexual activity. According to the indictment, in May 2006, Monetti traveled from New York to Nebraska, where he engaged in sexual activity with the minor.

Monetti was arrested in Washington County, Neb., on May 29, 2006, when local sheriff's deputies found Monetti in a rental van along with the 15-year-old minor whom he had met over the Internet. Monetti was charged in state court and released on bail in June 2006. The state charges remain pending. At the time of his arrest in Nebraska, Monetti was employed as a substitute teacher in the Commack School District on Long Island. Monetti previously worked as a principal at the Dickinson Avenue Elementary School in the Northport-East Northport School District on Long Island, and at the William Floyd Elementary School in the William Floyd School District.

"Protection of children is of the utmost importance, and child predators should be on notice that we will devote all available resources to bring them to justice," stated U.S. Attorney Mauskopf. U.S. Attorney Mauskopf extended her appreciation to the U.S. Immigration and Customs Enforcement (ICE) and the participating local law enforcement agencies for their assistance in the case.

DOJ_NMG_ 0174810

U.S. Attorney Stecher stated, "The indictment was the result of the cooperative efforts of several law enforcement agencies, including ICE, the Washington County Sheriff's Office, the Washington County Attorney's Office, the Nebraska State Patrol, and the U.S. Attorney's Office for the Eastern District of New York. We appreciate the coordinated response from all agencies that have participated in this investigation."

This arrest results from Project Safe Childhood, a nationwide initiative started in February 2006 by Attorney General Alberto R. Gonzales which is designed to protect children from on-line exploitation and abuse. Led by the U.S. Attorneys' Offices, Project Safe Childhood marshals federal, state, and local resources to better investigate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit http://www.projectsafechildhood.gov/.

If convicted of the charges, Monetti faces a mandatory minimum sentence of 15 years in prison on the charge of sexual exploitation of a juvenile, a maximum sentence of 30 years in prison for each count, a life term of supervised release, and a $250,000 fine for each count.

Monetti's removal from New York to Nebraska is being handled by Assistant U.S. Attorney Allen L. Bode of the Office of the U.S. Attorney for the Eastern District of New York. The Nebraska indictment is being prosecuted by Assistant U.S. Attorney Michael Norris.

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DOJ_NMG_ 0174811

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Image not available for this document, ID: 0.7.10316.5952-000002

From: JCON Broadcast (JMD\SMO JCON)
Sent: Tuesday, March 06, 2007 4:17 PM
Subject: Daylight Saving Time Patch and Internet Browsing for SMO/JMD JCON BlackBerry

Daylight Saving Time Patch and Internet Browsing for SMO/JMD JCON BlackBerry

Daylight Saving Time (DST) will start this year on March 11, 2007 (four weeks earlier than previously observed) and end on November 4, 2007 (one week later than previously observed) as a result of the U.S. Energy Policy Act of 2005. Due to this change, computer systems (including the BlackBerry) may experience problems with determining the correct time. You will receive an additional message soon concerning patch updates to your Outlook Calendar.

A patch will be pushed wirelessly to SMO/JMD BlackBerries starting Tuesday, March 6, 2007 at 6:00 pm. Your upgrade will occur sometime within the next couple of days. When it occurs your Blackberry will present this message to you:

"Time zone information has been updated. Reset device now (1 of 4) Yes or No"

This message indicates you have four opportunities to accept when the patch will be implemented on your Blackberry. When you accept, the Blackberry will re-boot itself. This re-boot may last only a few minutes but could take up to 30 minutes to complete. If you do not accept, after the fourth query the Blackberry will automatically re-boot itself and apply the patch.

An exciting new benefit for you is that this patch will also give you the capability for Internet browsing on your Blackberry. You will see two new icons for Internet browsing:

Internet Browser

BlackBerry Browser

Both icons will work during the patch phase. Later a change will be made so that only the Blackberry Browser will work.

If at anytime during the upgrade process you require assistance, contact the SMO/JMD JCON Helpdesk at 202-616-7100.

Check DOJNET, at http://10.173.2.12/ for additional information of Department-wide interest.

THIS MESSAGE IS SENT FROM AN UNATTENDED ID. DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE JCON HELPDESK AT 616-7100.

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Image not available for this document, ID: 0.7.10316.5943-000002

From: USDOJ- Office of Public Affairs
Sent: Tuesday, March 06, 2007 4:48 PM
To: USDOJ- Office of Public Affairs
Subject: FORMER ARMY OFFICIAL AND VIRGINIA-BASED DEFENSE CONTRACTOR SENTENCED FOR HONEST SERVICES WIRE FRAUD AND BRIBERY CONVICTIONS

Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 6, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

FORMER ARMY OFFICIAL AND VIRGINIA-BASED DEFENSE CONTRACTOR SENTENCED FOR HONEST SERVICES WIRE FRAUD AND BRIBERY CONVICTIONS

WASHINGTON – Kenneth N. Harvey, 51, and Michael G. Kronstein, 45, were sentenced today in Charlottesville, Va., for their involvement in a bribery and honest services wire fraud scheme, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

U.S. District Judge Norman K. Moon for the Western District of Virginia sentenced Kronstein and Harvey to 70 months and 72 months in prison, respectively. Both defendants have also been sentenced to three years of supervised release and jointly ordered to pay more than $383,000 in restitution.

On December 12, 2006, a federal jury in the Western District of Virginia in Charlottesville convicted Harvey and Kronstein of two counts each of honest services wire fraud, and one count each of bribery.

According to the evidence introduced at trial, from 1998 through May 18, 2001, Harvey was the Chief of the Acquisition Logistics and Field Support Branch within the U.S. Army, Intelligence and Security Command (INSCOM) at Fort Belvoir, Va. In this position, Harvey was responsible for recommending the award, modification, and payment of maintenance and logistics contracts in support of INSCOM missions throughout the globe. Kronstein was the owner and Chief Executive Officer of Program Contract Services Inc. (PCS), a private company he founded to receive government contracts.

At trial, the evidence showed that, in November 1998, Harvey recommended that INSCOM award a sole-source, multi-million dollar maintenance and logistics contract to PCS. Following the contract award, Harvey recommended various modifications to the contract, many of which increased the total contract payout to Kronstein's company. Harvey also reviewed and approved payments to PCS, which resulted in the U.S. Army paying PCS more than $4.7 million dollars. In exchange for these acts, Kronstein caused payments totaling more than $40,000 to be made to Harvey's spouse and third parties for Harvey's benefit. Ultimately, Kronstein offered Harvey a position of employment with PCS at the same time Harvey oversaw a final modification to the contract. Harvey and Kronstein concealed these payments and employment offers from Harvey's superiors at INSCOM.

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This case was prosecuted by trial attorneys Erin Aslan and M. Kendall Day, with the assistance of Senior Counsel William J. Corcoran, all of the Public Integrity Section, headed by Acting Chief Edward C. Nucci. This case was investigated by the U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit, Washington Metro Fraud Resident Agency, and the U.S. Department of Defense, Office of Inspector General, Defense Criminal Investigative Service.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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Amber.JMD

From: Amber.JMD
Sent: Tuesday, March 6, 2007 6:02 PM
To: All JMD Employees; All SMO Employees
Subject: FW: [Amber Alert] AMBER Alert: Kentwood, MI

From: Amberalert-doj@usdoj.gov[SMTP:AMBERALERT-DOJ@USDOJ.GOV]
Sent: Tuesday, March 06, 2007 6:01:02 PM
To: Amber Alerts; USAEO-AmberAlert@usa.doj.gov; AmberAlert ATR;
Amber AlertUSPC; Amber.JMD; CRS, AmberAlert (CRS);
ENRD, Amber-Alerts (ENRD); CRT, amber-alerts (CRT);
tax, amber-alerts (TAX); OIG, AmberAlert (OIG); BOP Amber Alert;
COPSAmberAlert; Amberalert USMS; AmberAlert OPA; Civ-Amber@usdoj.gov;
Yun, Jun B; EOIR, AmberAlert (EOIR); AmberAlert USTP; AmberAlert USNCB;
AmberAlert (NDIC); AmberAlertCRM; BROADCAST; ambertalert@dea.usdoj.gov;
AmberAlert-DOJ
Cc: Garcia, Linda S; Wahl, Nicole
Subject: [Amber Alert] AMBER Alert: Kentwood, MI
Auto forwarded by a Rule

AMBER ALERT:Kentwood,MI VEH[redacted]CALL 616-698-6580 ---
http://www.missingkids.com/missingkids/servlet/AmberExternalFCServlet?act=retAmberCase&amberId=3582

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 9:57 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEE ARRESTED FOR EMBEZZLEMENT SCHEME

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
WWW.USDOJ.GOV

CRM
202) 514-2008
TDD (202) 514-1888

DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEE ARRESTED FOR EMBEZZLEMENT SCHEME

WASHINGTON – Jesse D. Lane, Jr., a Department of Defense (DOD) civilian employee, was arrested in Seattle, Wash., after being indicted by a grand jury in the Central District of California on one count of conspiracy, nine counts of honest services wire fraud, and one count obstruction of justice, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

According to court filings, Lane and his co-conspirators were members of the 223rd Finance Detachment, a unit of the California National Guard that processes pay for Army National Guard members, and were deployed together to Iraq and Kuwait from March 2004 until February 2005, when they returned to their home drilling post in Compton, Calif. Beginning in March 2005, and continuing through December 2005, Lane accessed a DOD pay-processing computer system and inputted over $320,000 in unauthorized DOD pay and entitlements for himself and his co-conspirators. In return, Lane's co-conspirators kicked back at least $150,000 of the money they received to Lane.

Lane faces a maximum penalty of five years in prison for conspiracy, 20 years in prison for honest services wire fraud, 10 years for obstruction of justice, three years of supervised release, and a fine of $250,000. He presently remains released on bond.

On Nov. 13, 2006, Lane's co-conspirators Jennifer Anjakos of Chula Vista, Calif., Lomeli Chavez of Oceanside, Calif., and Derryl Hollier and Luis Lopez of Los Angeles, each pleaded guilty to one count of conspiracy to commit wire fraud on related charges arising from this scheme in the U.S. District Court for the Central District of California in Los Angeles. Their sentencing has been scheduled for April 30, 2007.

These cases are being prosecuted by trial attorneys James A. Crowell IV and John P. Pearson of the Public Integrity Section of the Criminal Division, which is headed by Acting Section Chief Edward C. Nucci. These cases are being investigated by the Army Criminal Investigations Division, Internal Revenue Service Criminal Investigation, and the FBI in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The prosecution has received assistance from the California National Guard.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

The details contained in an indictment are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

# # #

07-133

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UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

February 2007 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. JESSE D. LANE, JR., Defendant.	CR No. I N D I C T M E N T [18 U.S.C. § 371: Conspiracy; 18 U.S.C. §§ 1343 and 1346: Honest Services Wire Fraud; 18 U.S.C. § 1512(b)(3): Obstruction of Justice; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to Be Done]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

At all times relevant to this indictment:

1. Defendant JESSE D. LANE, JR. (defendant LANE) was a member of the California Army National Guard (the Guard). Defendant LANE was assigned to the 223rd Finance Detachment (the 223rd), a pay processing unit based in Compton, California.

2. From in or about March 2004 until in or about February 2005, along with the other members of his Guard unit, including co-conspirators Jennifer Anjakos, Carlos Chavez, Derryl Hollier,

COPY

and Luis Lopez, defendant LANE was activated and deployed to the State of Kuwait and the Republic of Iraq in support of Operation Iraqi Freedom.

3. Guard members activated to federal status were paid with funds from the Department of Defense (DoD), an agency of the United States government. These payments included a Basic Allowance for Housing (BAH), which was an allowance to offset housing costs when government-provided housing was unavailable.

4. Both before and after his deployment, defendant LANE worked full time in the United States Payment and Fiscal Office (USPFO), a Guard center located in San Luis Obispo, California. The USPFO was primarily staffed by Department of Defense employees, including civilians and members of the military forces detailed to the USPFO, as well as DoD contractors and subcontractors, who were responsible for the management, accounting, and expenditure of DoD funds. The United States Army and the California Army National Guard were components of the DoD.

5. While working at the USPFO, and while stationed in Kuwait, the defendant had access to the computer systems that allowed users to input pay for Guard members.

6. Inputting Guard members' pay into these computer systems caused the Defense Finance and Accounting Service (DFAS), a DoD component located in Indianapolis, Indiana, to automatically transfer funds into the member's personal bank account by interstate wire transmission.

7. As a member of the Guard detailed to the USPFO,

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defendant LANE owed the United States, and specifically the DoD, a duty of honest services performed free from deceit, favoritism, bias, self-enrichment, self-dealing, conflict of interest, and concealment. DoD and Guard policy strictly prohibited soldiers and Guard members from inputting pay for themselves or for members of their own units.

THE CONSPIRACY AND ITS OBJECTS

8. Beginning in or about February 2005 and continuing until in or about April 2006, in the Central District of California and elsewhere, the defendant JESSE D. LANE, JR. did knowingly and willfully combine, conspire, confederate, and agree with Jennifer Anjakos, Carlos Chavez, Derryl Hollier, and Luis Lopez, and others known and unknown to the Grand Jury:

(a) to defraud the United States of money and property totaling approximately $320,000; and

(b) to defraud the United States of the honest, loyal, and faithful services of Defendant JESSE D. LANE, JR. and of its right have Department of Defense programs administered honestly, fairly, and free from deceit, favoritism, bias, self-dealing, and concealment; and

(c) to commit an offense against the United States, namely, wire fraud, in violation of Title 18 United States Code, Section 1343, by devising a scheme and artifice to defraud the United States of its money and property, and to obtain money and property by means of materially false and

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fraudulent pretenses and representations and material omissions; and

(d) to commit an offense against the United States, namely, honest services wire fraud, in violation of Title 18, United States Code, Sections 1343 and 1346, by devising a scheme and artifice to deprive the United States of its right to the honest and faithful services of defendant LANE, performed free from deceit, favoritism, bias, self-enrichment, self-dealing, conflict of interest, and concealment.

MANNER AND MEANS OF THE CONSPIRACY

9. It was a part of the conspiracy that defendant LANE, Anjakos, Chavez, Hollier, and Lopez, would, among other things, do the following:

a. Defendant LANE would and did create and upload at least two fraudulent BAH pay adjustments for himself, which caused international wire transmissions from his post in Kuwait to DFAS in Indiana.

b. Defendant LANE would and did create and upload at least 53 fraudulent BAH pay adjustments for himself, Anjakos, Chavez, Hollier, and Lopez, which caused interstate wire transmissions from the USPFO in California to DFAS in Indiana.

c. The fraudulent adjustments would and did cause DFAS in Indiana to send wire transfers totaling at least $323,227 into the California and Texas based bank accounts of defendant LANE, Anjakos, Chavez, Hollier, and Lopez. These payments were in

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addition to the BAH payments defendant LANE, Anjakos, Chavez, Hollier, and Lopez were already receiving for their deployments to Iraq.

d. As set forth below in TABLE A, to carry out the conspiracy, Anjakos, Chavez, Hollier, and Lopez would and did transmit approximately 50% of the funds they received back to defendant LANE using cash and check deposits and wire transfers, resulting in defendant LANE receiving at least $131,242 from the co-conspirators and a total of at least $157,382 from the scheme:

TABLE A: AMOUNTS RECEIVED

Recipient	Amount of Fraudulent Pay LANE Caused to be Transferred to Recipient	Number of Transfers Caused by LANE	Amount Recipient Transferred Back to LANE
Anjakos	$86,557	16	$42,310
Chavez	$29,107	5	$14,425
Hollier	$114,558	19	$47,220
LANE	$26,140	5	N/A
Lopez	$66,865	10	$27,287
TOTAL	$323,227	55	$131,242

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OVERT ACTS

In furtherance of the conspiracy, and in order to accomplish its objects, the defendant JESSE D. LANE, JR. and his co-conspirators committed the following overt acts, among others, in the Central District of California, and elsewhere:

10. As detailed below in TABLE B, from on or about April 4, 2005, through on or about October 13, 2005, defendant LANE created 16 fraudulent pay adjustments for co-conspirator Jennifer Anjakos, which caused interstate wire transmissions from California to DFAS in Indiana and caused DFAS to transfer by interstate wire a total of $86,557 in overpayments into Anjakos's USAA Federal Savings Bank account in Texas:

TABLE B: TRANSFERS BENEFITTING ANJAKOS

OVERT ACT	DATE OF PAY INPUT BY LANE	AMOUNT OVERPAID
10(a)	April 4, 2005	$7,650
10(b)	April 26, 2005	$3,780
10(c)	May 10, 2005	$2,050
10(d)	May 24, 2005	$4,000
10(e)	June 9, 2005	$5,500
10(f)	June 23, 2005	$5,335
10(g)	July 7, 2005	$6,196

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10(h)	July 28, 2005	$4,634
10(i)	August 8, 2005	$734
10(j)	August 11, 2005	$4,568
10(k)	August 25, 2005	$5,874
10(l)	September 13, 2005	$6,708
10(m)	September 19, 2005	$7,250
10(n)	September 27, 2005	$7,733
10(o)	October 7, 2005	$6,855
10(p)	October 13, 2005	$7,690

11. As detailed below in TABLE C, from on or about May 17, 2005, through on or about July 6, 2005, defendant LANE created five fraudulent pay adjustments for co-conspirator Carlos Chavez, which caused interstate wire transmissions from California to DFAS in Indiana and caused DFAS to transfer by interstate wire a total of $29,107 in overpayments into Chavez's Washington Mutual bank account in California:

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TABLE C: TRANSFERS BENEFITTING CHAVEZ

OVERT ACT	DATE OF PAY INPUT BY LANE	AMOUNT OVERPAID
11(a)	May 17, 2005	$6,050
11(b)	May 31, 2005	$6,305
11(c)	June 9, 2005	$6,500
11(d)	June 17, 2005	$5,500
11(e)	July 6, 2005	$4,752

12. As detailed below in TABLE D, from on or about April 5, 2005 through on or about October 6, 2005, defendant LANE created 19 fraudulent pay adjustments for co-conspirator Derryl Hollier, which caused interstate wire transmissions from California to DFAS in Indiana and caused DFAS to transfer by interstate wire a total of $114,558 in overpayments into Hollier's Washington Mutual bank account in California:

TABLE D: TRANSFERS BENEFITTING HOLLIER

OVERT ACT	DATE OF PAY INPUT BY LANE	AMOUNT OVERPAID
12(a)	April 5, 2005	$7,150
12(b)	April 14, 2005	$7,203
12(c)	April 26, 2005	$5,500

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12(d)	April 26, 2005	$6,500
12(e)	May 10, 2005	$6,400
12(f)	May 24, 2005	$5,250
12(g)	June 9, 2005	$5,240
12(h)	June 17, 2005	$5,500
12(i)	July 1, 2005	$5,275
12(j)	July 7, 2005	$5,075
12(k)	July 29, 2005	$5,988
12(l)	August 8, 2005	$2,764
12(m)	August 23, 2005	$6,374
12(n)	August 25, 2005	$6,325
12(o)	August 31, 2005	$5,680
12(p)	September 13, 2005	$6,670
12(q)	September 20, 2005	$7,250

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12(r)	September 27, 2005	$7,533
12(s)	October 6, 2005	$6,855

13. As detailed below in TABLE E, from on or about August 8, 2005, through on or about October 13, 2005, defendant LANE created ten fraudulent pay adjustments for co-conspirator Luis Lopez, which caused interstate wire transmissions from California to DFAS in Indiana and caused DFAS to transfer by interstate wire a total of $66,865 in overpayments into Lopez's Washington Mutual bank account in California:

TABLE E: TRANSFERS BENEFITTING LOPEZ

OVERT ACT	DATE OF PAY INPUT BY LANE	AMOUNT OVERPAID
13(a)	August 8, 2005	$5,840
13(b)	August 23, 2005	$6,354
13(c)	August 25, 2005	$6,235
13(d)	August 31, 2005	$5,640
13(e)	September 13, 2005	$6,760
13(f)	September 16, 2005	$6,708
13(g)	September 20, 2005	$7,250

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13(h)	September 27, 2005	$7,533
13(i)	October 6, 2005	$6,855
13(j)	October 13, 2005	$7,690

14. As detailed below, from on or about February 1, 2005, through on or about July 28, 2005, defendant LANE created five fraudulent pay adjustments for himself, which caused interstate wire transmissions from California to DFAS in Indiana and caused DFAS to transfer by interstate wire a total of $26,140 in overpayments into the defendant's Bank of America bank account in California, both the inputs and the wire transfers into the bank account being overt acts:

TABLE F: TRANSFERS BENEFITTING LANE

OVERT ACT	DATE OF PAY INPUT BY LANE	AMOUNT OVERPAID
14(a)	February 1, 2005	$4,000
14(b)	February 17, 2005	$3,526
14(c)	March 15, 2005	$5,468
14(d)	March 28, 2005	$7,635
14(e)	July 28, 2005	$5,511

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15. On or about June 17, 2005 co-conspirator Anjakos transferred approximately $2,750 to defendant LANE through a wire transfer into LANE's bank account.

16. On or about May 25, 2005, co-conspirator Chavez transferred approximately $3,015 to defendant LANE through a cash deposit into LANE'S bank account.

17. On or about September 23, 2005, co-conspirator Lopez transferred approximately $3,300 to defendant LANE through a cash deposit into LANE'S bank account.

18. On or about September 20, 2005, co-conspirator Hollier transferred approximately $3,300 to defendant LANE through a cash deposit into LANE'S bank account.

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COUNTS TWO THROUGH TEN

[18 U.S.C. §§ 1343, 1346, 2]

19. All allegations in paragraphs 1-7 and 9-18 are re-incorporated and re-alleged herein.

THE WIRE FRAUD SCHEME

20. Beginning in or about February 2005 and continuing until in or about April 2006, in the Central District of California and elsewhere, the defendant JESSE D. LANE, JR. together with Jennifer Anjakos, Carlos Chavez, Derryl Hollier, and Luis Lopez, having devised and intended to devise a scheme and artifice to defraud the United States of its money and property by means of false and fraudulent pretenses and representations and material omissions, and to deprive the United States of its right to the honest and faithful services of defendant LANE, performed free from deceit, favoritism, bias, self-enrichment, self-dealing, conflict of interest, and concealment, did transmit and cause to be transmitted in interstate and foreign commerce financial wire transfers for the purpose of executing said scheme and artifice to defraud.

PURPOSE OF THE SCHEME

21. The purpose of the scheme was for defendant LANE, along with Anjakos, Chavez, Hollier, and Lopez, to enrich themselves by stealing, converting, and taking by fraud money from the DoD by and through defendant LANE's falsification of pay and entitlement funding requests for the benefit of Anjakos, Chavez, Hollier, and Lopez, in return for their kicking back approximately 50% of the money they received back to defendant

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LANE.

22. The purpose of the scheme was also for defendant LANE, along with Anjakos, Chavez, Hollier, and Lopez, to deprive the United States of its right to defendant LANE's honest services, performed free from deceit, favoritism, bias, self-enrichment, self-dealing, conflict of interest, and concealment, by having LANE input fraudulent pay adjustments for himself and others in the Guard, and having Anjakos, Chavez, Hollier, and Lopez provide LANE with kickbacks totaling approximately 50% of the funds they received from LANE's fraudulent pay inputs.

MANNER AND MEANS OF THE SCHEME

23. Paragraph Nine of Count One of this Indictment is re-alleged as if set forth in full.

WIRE COMMUNICATIONS

24. On or about the dates set forth below in TABLE G, defendant LANE, having devised and intended to devise the above-described scheme and artifice to defraud, did knowingly transmit and cause to be transmitted by means of wire in interstate commerce a financial wire transfer by DFAS in Indiana to the bank accounts of Anjakos, Chavez, Lopez, Hollier, and defendant LANE in California and Texas, for the purpose of executing and attempting to execute the said scheme and artifice to defraud:

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TABLE G: INTERSTATE WIRE COMMUNICATIONS CAUSED BY DEFENDANT LANE

Count	Date of Interstate Wire Transfer	Description of Interstate Wire Transfer	Amount
Two	June 17, 2005	DFAS wire transfer from Indiana into Anjakos's Texas bank account	$5,500
Three	May 25, 2005	DFAS wire transfer from Indiana into Chavez's California bank account	$6,033
Four	September 20, 2005	DFAS wire transfer from Indiana into Hollier California bank account	$6,670
Five	September 22, 2005	DFAS wire transfer from Indiana into Lopez's California bank account	$6,708
Six	February 9, 2005	DFAS wire transfer from Indiana into LANE's California bank account	$4,000
Seven	February 25, 2005	DFAS wire transfer from Indiana into LANE's California bank account	$3,526
Eight	March 23, 2005	DFAS wire transfer from Indiana into LANE's California bank account	$5,468
Nine	April 6, 2005	DFAS wire transfer from Indiana into LANE's California bank account	$7,635
Ten	August 5, 2005	DFAS wire transfer from Indiana into LANE's California bank account	$5,511

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COUNT ELEVEN

18 U.S.C. § 1512(b)(3)

25. On or about April 17, 2006, in the Central District of California and elsewhere, the defendant JESSE D. LANE, JR. did corruptly persuade and attempt to persuade another person, and engaged in misleading conduct toward another person, with the intent to cause and induce another person to hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the commission of a federal offense; that is, defendant LANE attempted to persuade co-conspirator Chavez to tell agents of the Federal Bureau of Investigation that Chavez was entitled to the additional payments, when he in fact knew that Chavez was not entitled to the payments.

A True Bill.

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Grand Jury Foreperson

EDWARD C. NUCCI
Acting Chief, Public Integrity Section

JAMES A. CROWELL IV
Trial Attorney
Public Integrity Section

JOHN P. PEARSON
Trial Attorney
Public Integrity Section

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 9:58 AM
To: USDOJ- Office of Public Affairs
Subject: DEPARTMENT OF JUSTICE PRESS GUIDANCE FOR MARCH 7, 2007

Department of Justice

PRESS GUIDANCE
Wednesday, March 07, 2007

ATTORNEY GENERAL

No public events are scheduled.

PRESS RELEASES

The Criminal Division will issue a release on a procurement fraud indictment.

The Criminal Division will issue a release on Operation FALCON-Baltimore.

EVENTS/HEARINGS

2:15 P.M. EST Thomas Barnett, Assistant Attorney General for the Antitrust Division, will testify before the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights at an Oversight Hearing on Antitrust Enforcement Agenda.
Dirksen Senate Office Building
Room 226
Washington, D.C.
OPEN PRESS

Press inquiries regarding logistics should be directed to the Senate Judiciary Committee at [redacted].

NIGHT DUTY OFFICER

Erik Ablin

Department of Justice
Public Affairs Office (202) 514-2007
After Hours (202) 514-2000

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 11:28 AM
To: USDOJ- Office of Public Affairs
Subject: BALTIMORE FUGITIVE SWEEP RESULTS IN NEARLY 200 ARRESTS

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
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BALTIMORE FUGITIVE SWEEP RESULTS IN NEARLY 200 ARRESTS

"Operation FALCON" Is Largest-Ever Fugitive Operation Conducted in Baltimore Area

BALTIMORE – The largest sweep of its kind ever conducted in Baltimore has resulted in hundreds of violent criminal arrests, Assistant Attorney General Alice S. Fisher of the Criminal Division, U.S. Attorney Rod J. Rosenstein of the District of Maryland, and U.S. Marshal Johnny Hughes announced today.

A five-day law enforcement sweep called "Operation FALCON (Federal and Local Cops Organized Nationally)–Baltimore" targeted violent offenders and fugitives who had prior arrests or convictions for violent crimes and has resulted in 195 arrests in Baltimore City, Baltimore and Harford Counties, Md., and in New Jersey. From February 26 through March 2, 2007, more than 160 law enforcement officers from 28 federal, state and local law enforcement agencies worked side by side in teams throughout Baltimore apprehending fugitives.

Of the 195 fugitives apprehended in the operation, six were arrested on warrants for murder or attempted murder; 86 were arrested for robbery, assault, or other violent crimes; six were arrested for sex offenses; and more than 25 were arrested for narcotics offenses. Over 80% of the fugitives arrested were wanted for violent crimes or had prior convictions or arrests for violent crimes. As part of the arrests announced today, more than 323 cases have now been closed. In addition, Operation FALCON-Baltimore also resulted in at least 24 gang-related arrests and the arrests of four of Baltimore's Most Wanted fugitives.

"A significant number of dangerous criminals have been removed from the streets of Maryland because of the unified effort by federal, state, and local law enforcement during Operation FALCON-Baltimore," said Assistant Attorney General Fisher. "By targeting violent offenders, we have acted to address both the recent spike in violent crime in Baltimore as well as the perceived growth of gang related offenses in this community. Operation FALCON-Baltimore was responsible for the arrests of hundreds of offenders including gang members, sex offenders, narcotics traffickers and other violent criminals. This represents the latest example of the Attorney General's commitment to combating violent crime in America's major cities. But it most certainly is not the last."

"Together with our law enforcement partners we have taken another step to make Baltimore more safe by removing violent criminals from our streets," said U.S. Attorney Rosenstein. "Operation FALCON-

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Baltimore is just the latest example of the efforts of federal, state and local law enforcement agencies teaming together to reduce crime by removing and exiling criminals from our community. I am grateful to the Department of Justice and to our law enforcement partners for their invaluable assistance in planning and executing this remarkable roundup of dangerous fugitives."

Fugitives who have been arrested include the following:

- Don Armstead, 31: Armstead was wanted on a warrant for attempted murder, assault, armed robbery, reckless endangerment, and malicious destruction of property. An Operation FALCON-Baltimore team located him hiding in the attic of a house and arrested him without incident.

- Nicoma Nordine, 29: Nordine, a suspected gang member, was apprehended by an Operation FALCON-Baltimore team on a federal warrant for being a felon in possession of a firearm.

- Corey Parker, 31: Parker was wanted on a warrant for attempted murder, assault, armed robbery, reckless endangerment, and malicious destruction of property. An Operation FALCON-Baltimore team apprehended him as he attempted to flee through the rear of the residence where he was found.

In addition, Operation FALCON-Baltimore also included an extensive operation to debrief arrestees to gather intelligence relating to gang activity and other violent crime in Baltimore. This intelligence-gathering function provided federal and local law enforcement officers with significant leads in ongoing violent crime and gang-related investigations. Operation FALCON-Baltimore teams assisted other law enforcement operations in particular areas of the city which have recently been plagued by incidents of violent crime.

"In just one week, we have made the streets of Baltimore safer and put dangerous felons on notice," said U.S. Marshals Service Director John Clark. "Our network of law enforcement is stronger and more organized than ever before. Nearly 200 fugitives, from gang members to sexual predators, found out the hard way what happens when we pool our resources and tackle a problem together."

In addition to the arrests made during the operation, 128 other warrants were cleared, mostly involving fugitives located in prisons in Maryland or other jurisdictions. A number of the arrested fugitives are being referred to the U.S. Attorney's Office for the District of Maryland for federal prosecution.

This initiative is based on the national Operation FALCON within the U.S. Marshals Service. The operation utilizes federal, state and local law enforcement resources to pursue outstanding felony warrants. The Marshals Service has conducted three national FALCON operations since 2005, leading to the arrest of more than 30,000 fugitives.

The U.S. Marshals Service is commended for their leadership in planning and executing Operation FALCON-Baltimore, as well as all of the participating agencies, including the Criminal Division's National Gang Targeting, Enforcement, and Coordination Center (GangTECC), the Baltimore City Police Department, Baltimore City State's Attorney's Office, ATF, DEA, FBI, DOJ's National Gang Intelligence Center, the Criminal Division's Gang Squad, Alexandria City Sheriff's Office, Anne Arundel County Police Department, Anne Arundel County Sheriff's Office, Baltimore City Sheriff's Office, Baltimore County Police Department, Department of Housing and Urban Development - OIG, Fairfax County Police Department, High Intensity Drug Trafficking Area Task Force, Howard County Police Department, Howard County Sheriff's Office, Maryland Division of Parole and Probation, Maryland State Police, Metropolitan Washington Airports Authority Police Department, Montgomery County Sheriff's Office, Prince George's County Sheriff's Office, Prince William County Police Department, Social Security Administration - OIG, State Department Diplomatic Security Service, U.S. Immigration and Customs Enforcement, U.S. Postal Inspection Service, U.S. Secret Service, Washington, D.C. Metropolitan Police Department, and Washington, D.C. Department of Corrections.

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Baltimore EXILE is a joint effort by the Baltimore City State's Attorney's Office, the Baltimore City Police Department, the Maryland Division of Parole and Probation, the Governor's Office of Crime Control and Prevention, the U.S. Marshals Service, ATF, DEA's High Intensity Drug Trafficking Area Task Force, FBI, U.S. Immigration and Customs Enforcement, and the U.S. Attorney's Office.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 12:25 PM
To: USDOJ- Office of Public Affairs
Subject: GULFPORT WOMAN FOUND GUILTY OF KATRINA FRAUD

Department of Justice

United States Attorney Dunn Lampton
Southern District of Mississippi

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
www.usdoj.gov/usao/mss

CONTACT: Sheila Wilbanks
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GULFPORT WOMAN FOUND GUILTY OF KATRINA FRAUD

GULFPORT, Miss – Rose M. Crosby, of Gulfport, Miss. was found guilty in U.S. District Court on Tuesday of five counts of fraud against the Federal Emergency Management Agency (FEMA), U.S. Attorney Dunn Lampton announced today. Crosby was remanded into the custody of the U.S. Marshal immediately after the verdict.

Crosby was found guilty of making a false statement to FEMA for Hurricane Katrina disaster assistance funds, filing a false claim with FEMA, theft of government funds by fraudulently obtaining FEMA assistance, and two counts of mail fraud. According to the indictment, Crosby received $4,358 from FEMA by utilizing an address where she no longer lived, and claiming hurricane damage at that address. At the time Hurricane Katrina hit the Mississippi Gulf Coast, Crosby was living with friends in Biloxi, Miss., and sustained no damages.

Assistant U.S. Attorneys J. Scott Gilbert and Annette Williams prosecuted the case. Crosby is scheduled to be sentenced before U.S. District Judge Louis Guirola on June 4, 2007. The maximum sentence is 20 years in prison and a $250,000 fine.

In September, 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General for the Criminal Division, Alice S. Fisher, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of U.S. Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 Federal and State law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

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If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 12:32 PM
To: USDOJ- Office of Public Affairs
Subject: ISLAMIC CHARITY AND FIVE INDIVIDUALS INDICTED FOR MONEY LAUNDERING, THEFT OF PUBLIC FUNDS, IRAQI SANCTIONS VIOLATIONS AND OBSTRUCTING TAX LAWS

A copy of the indictment is attached.

Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
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NSD
(202) 514-2007
TDD (202) 514-1888

ISLAMIC CHARITY AND FIVE INDIVIDUALS INDICTED FOR MONEY LAUNDERING, THEFT OF PUBLIC FUNDS, IRAQI SANCTIONS VIOLATIONS AND OBSTRUCTING TAX LAWS

WASHINGTON – The U.S. branch of an international Islamic charity and five of its officers, employees or associates have been indicted for illegally transferring funds to Iraq, laundering money, stealing federal funds, and obstructing tax laws by, among other things, falsely denying that a procurement agent of Osama bin Laden had been an employee of the charity, Assistant Attorney General for National Security Kenneth L. Wainstein, U.S. Attorney for the Western District of Missouri Bradley J. Schlozman, and Assistant Director of the FBI's Counterterrorism Division Joseph Billy announced today.

The charity named in the 33-count indictment is the Islamic American Relief Agency (IARA), formerly known as the Islamic African Relief Agency-USA. IARA is an Islamic charitable organization headquartered in Columbia, Mo., that was officially formed in 1985 and closed in October 2004, when it was identified by the U.S. Treasury Department as a specially designated global terrorist organization.

Also charged in the indictment are Mubarak Hamed, 50, of Columbia, Mo., a naturalized U.S. citizen from Sudan who served as executive director of IARA; Ali Mohamed Bagegni, 53, formerly of Columbia, Mo. and currently of Iowa City, Iowa, a naturalized U.S. citizen born in Libya and a former member of IARA's board of directors; Ahmad Mustafa, 54, of Columbia, Mo., a citizen of Iraq and a former fund-raiser for IARA; Khalid Al-Sudanee, 55, a citizen and resident of Jordan and the regional director of the Middle East office of the Islamic African Relief Agency (also known as the Islamic Relief Agency, or ISRA); and Abdel Azim El-Siddiq, 50, of Palos Heights, Ill., a naturalized U.S. citizen born in Sudan and formerly vice president for international operations for IARA.

"Today's indictment paints an alarming picture of theft, money laundering, and fraud by the U.S. branch of an international charitable organization. These charges demonstrate our resolve to thoroughly investigate and prosecute any charities that abuse their tax-exempt status to engage in wide-ranging criminal activity," said Assistant Attorney General Wainstein.

"The FBI will continue to work closely with our law enforcement and intelligence community partners to ensure charitable donations are not misused for criminal purposes," said Assistant Director Joseph Billy, Counterterrorism Division, Federal Bureau of Investigation

The indictment, which was returned under seal by a federal grand jury in Kansas City, Mo., on Tuesday, March 6, 2007, was unsealed and made public today upon the arrest and initial court appearance of several co-defendants.

Transfer of Funds to Iraq

Count One of the federal indictment alleges that IARA, Hamed, Bagegni, Mustafa and Al-Sudanee participated in a conspiracy to violate the International Emergency Economic Powers Act and the Iraqi Sanctions Regulations by transferring more than $1.4 million to Iraq from March 1991 to May 2003.

According to the indictment, the defendants decided in March 1991 to provide financial support to persons and organizations located inside Iraq and used IARA's tax exempt status to solicit donations from the public for that purpose. They allegedly engaged the services of Al-Sudanee to transfer funds originating in the United States to Iraq. After funds were transferred from IARA's bank accounts in the Western District of Missouri to ISRA's bank accounts in Amman, Jordan, the indictment alleges, Al-Sudanee then transferred those funds to Iraq.

During the course of the conspiracy, Hamed, in response to an inquiry by the Department of Treasury's Office of Foreign Assets Control (OFAC) as to whether IARA was violating the Iraq sanctions, attempted to deceive OFAC by stating that IARA was attempting to aid only those Iraqi people living outside of Iraq.

Counts Two through 12 of the federal indictment allege 11 separate instances in which IARA, Hamed, Bagegni and Al-Sudanee, aided and abetted by each other, transferred funds from the United States to Iraq, by and through Amman, Jordan. Count 13 of the federal indictment alleges that IARA, Hamed, Bagegni, Mustafa and Al-Sudanee participated in a conspiracy to commit money laundering by transferring funds overseas with the intent to promote unlawful activity, that is, violating the Iraq sanctions.

Counts 14 through 24 of the federal indictment allege 11 separate instances in which IARA, Hamed, Bagegni and Al-Sudanee, aided and abetted by each other, committed money laundering by transferring funds overseas in order to violate the Iraq sanctions.

Theft of Federal Program Funds

Counts 25 through 27 of the federal indictment allege that, beginning in January 1997, IARA, Hamed and Bagegni entered into a series of agreements with the U.S. Agency for International Development (USAID) for relief projects in Mali, Africa. At the time USAID terminated those agreements in December 1999, the amount of money involved totaled approximately $2 million. IARA had allegedly failed to fully fund the matching contributions required to receive USAID funds.

Subsequent to the agreements' terminations, the indictment alleges, IARA, Hamed and Bagegni, without authorization, retained approximately $84,922 of USAID money and failed to return the funds to USAID as called for by the agreements. Instead, the defendants allegedly spent $50,000 from those funds to hire an individual to advocate for IARA's removal from a Senate Finance Committee list of organizations suspected of being involved in supporting international terrorism.

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Count 28 of the federal indictment alleges that IARA, Hamed, Bagegni and Al-Siddiq participated in a conspiracy to engage in money laundering that began in March 2004 and continued to the date of this indictment.

Counts 29 through 31 of the federal indictment allege three separate instances between June 30 and Nov. 16, 2004, in which IARA, Hamed, Bagegni and Al-Siddiq engaged in money laundering by transferring the proceeds of unlawful activity, that is, the theft of public funds alleged in Counts 25 through 27, knowing that the transfers were designed to conceal the nature, source and ownership of the proceeds.

Obstructing the Administration of Internal Revenue Laws

Count 32 of the indictment alleges that IARA and Hamed corruptly endeavored to obstruct and impede the due administration of the Internal Revenue laws. The defendants allegedly misused IARA's status as a tax-exempt charitable organization to solicit contributions for projects in Iraq, representing that they were legitimate charitable contributions, and transferred those funds to Iraq in violation of law.

In order to avoid IRS detection of the fact that IARA was engaged in violations of Iraq sanctions and to continue to misuse IARA's tax-exempt status to raise funds, the indictment alleges, the defendants filed IRS Forms 990, Returns of Tax-Exempt Organization, which intentionally omitted IARA's transactions with Iraq and failed to disclose relevant requested information regarding the control, history and affiliations of IARA.

The indictment alleges that the defendants made false public statements in order to avoid IRS detection of IARA activities not in furtherance of its purported charitable mission. According to the indictment, a person acting on behalf of IARA falsely claimed during a nationally-televised interview on Nov. 6, 2001, that Ziyad Khaleel – a then-publicly identified associate and procurement agent of Osama bin Laden – had never been an employee of IARA. It was widely reported that Khaleel (now deceased) helped obtain satellite phones for al-Qaida that were used by Osama bin Laden to coordinate the attacks on the U.S. embassies in Kenya and Tanzania. In fact, the indictment says, Khaleel had been an employee of IARA.

Additionally, the indictment alleges, the defendants used funds received from charitable contributions for personal expenses not permitted by the IRS. The defendants allegedly established a $47,000 contingency fund from the contributions raised for IARA and used $20,000 of this fund to pay attorney fees and post bond for a person (not identified in the indictment) concerning immigration charges. The use of tax-exempt contributions for personal legal expenses is prohibited.

The indictment also alleges that the defendants made false statements to agents and officials of the United States government. Hamed allegedly made a false statement during an interview with federal law enforcement agents, when he claimed that he applied for a job with IARA. That statement was false, the indictment says, because Hamed was actually transferred by the Islamic African Relief Agency, located in Khartoum, Sudan, to work in the IARA office in Columbia, Mo.

Forfeiture

Count 33 of the federal indictment is a forfeiture count, which would require IARA, Hamed, Begegni, Al-Sudanee and Mustafa to forfeit to the government $1,375,712, which represents the sum of monies involved in the international financial transactions used to promote the unlawful activity alleged in Counts 13 through 24. It would also require IARA, Hamed and Al-Siddiq to forfeit $46,350, which represents the sum of monies involved in the financial transactions used to conceal the nature, source and ownership of the proceeds of unlawful activity as alleged in Counts 28 through 31.

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The charges contained in this indictment are simply accusations and the defendants are presumed innocent unless and until proven guilty. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Assistant U.S. Attorneys Nathan F. Garrett and Anthony P. Gonzalez, in conjunction with trial attorneys Corey J. Smith, National Security Division of the U.S. Department of Justice, and Steven M. Mohlhenrich, Tax Division of the U.S. Department of Justice. It was investigated by U.S. AID-Office of Inspector General, the Federal Bureau of Investigation, IRS-Criminal Investigation and U.S. Immigration and Customs Enforcement.

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07-135

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IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,	No. _____
Plaintiff,	**COUNT ONE:**
	Defendants 1, 2, 3, 4, and 5
v.	**18 U.S.C. § 371**
	(Conspiracy to Violate the International
ISLAMIC AMERICAN RELIEF AGENCY, a/k/a Islamic African Relief Agency-USA, a/k/a IARA, (1)	Emergency Economic Powers Act and the Iraqi Sanctions Regulations)
	NMT 5 years imprisonment
MUBARAK HAMED, (2) [DOB: XX/XX/1956],	NMT $250,000 fine
	NMT 3 years TSR
	Class D Felony
ALI MOHAMED BAGEGNI, (3) [DOB: XX/XX/1954],	**COUNTS TWO through TWELVE:**
	Defendants 1, 2, 3, and 5
AHMAD MUSTAFA, (4) [DOB: XX/XX/1952],	**50 U.S.C. §§ 1701 – 1706**
	18 U.S.C. § 2
	31 C.F.R. § 575.210
KHALID AL-SUDANEE, (5) [DOB: XX/XX/1951],	(Violations of the International Emergency Economic Powers Act and the Iraqi Sanctions Regulations)
and	
	NMT 12 years imprisonment
ABDEL AZIM EL-SIDDIQ, (6) [DOB: XX/XX/1957],	NMT $1,000,000 fine
	NMT 3 years TSR
	Class C Felony
Defendants.	
	COUNT THIRTEEN:
	Defendants 1, 2, 3, 4, and 5
	18 U.S.C. § 1956(h)
	(Conspiracy to Commit Money Laundering)
	NMT 20 years imprisonment
	NMT $500,000 fine
	NMT 5 years TSR
	Class B Felony

) **COUNTS FOURTEEN through**
) **TWENTY-FOUR:**
) **Defendants 1, 2, 3, and 5**
) **18 U.S.C. §§ 1956(a)(2)(A) and 2**
) (Money Laundering)
)
) NMT 20 years imprisonment
) NMT $500,000 fine
) NMT 5 years TSR
) Class B Felony
)
) **COUNT TWENTY-FIVE through**
) **TWENTY-SEVEN:**
) **Defendants 1, 2, and 3**
) **18 U.S.C. §§ 641 and 2**
) (Theft of Public Money)
)
) NMT 10 years imprisonment
) NMT $250,000 fine
) NMT 3 years TSR
) Class C Felony
)
) **COUNT TWENTY-EIGHT:**
) **Defendants 1, 2, 3, and 6**
) **18 U.S.C. § 1956(h)**
) (Conspiracy to Commit Money
) Laundering)
)
) NMT 20 years imprisonment
) NMT $500,000 fine
) NMT 5 years TSR
) Class B Felony

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) **COUNTS TWENTY-NINE through**
) **THIRTY-ONE:**
) **Defendants 1, 2, 3, and 6**
) **18 U.S.C. §§ 1956(a)(1)(B)(i) and 2**
) (Money Laundering)
)
) NMT 20 years imprisonment
) NMT $500,000 fine
) NMT 5 years TSR
) Class B Felony
)
) **COUNT THIRTY-TWO:**
) **Defendants 1 and 2**
) **26 U.S.C. § 7212(a)**
) (Obstructing or Impeding Administration
) of Internal Revenue Laws)
)
) NMT 3 years imprisonment
) NMT $250,000/$500,000 fine
) NMT 1 year TSR
) Class E Felony
)
) $100 Special Assessment on Each Count
)
) **COUNT THIRTY-THREE:**
) **Defendants 1, 2, 3, 4, 5, and 6**
) **18 U.S.C. §§ 982(a)(1) and (b)(1)**
) (Forfeiture)

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Summary of Charges:

DEFENDANT	COUNTS
ISLAMIC AMERICAN RELIEF AGENCY, (1)	1 - 33
MUBARAK HAMED, (2)	1 - 33
ALI MOHAMED BAGEGNI, (3)	1 - 31, and 33
AHMAD MUSTAFA, (4)	1, 13, and 33
KHALID AL-SUDANEE, (5)	1 - 24, and 33
ABDEL AZIM EL-SIDDIQ, (6)	28-31, and 33

The Grand Jury charges:

Introduction

At all times material herein:

1. The defendant ISLAMIC AMERICAN RELIEF AGENCY, hereinafter referred to as "IARA," a/k/a Islamic African Relief Agency-USA, was an Islamic charitable organization incorporated under Missouri law in 1985. On its application for tax-exempt status, the organization stated: "The primary purpose in forming the organization was to raise funds in the United States that could be donated abroad to assist in the famine crises in Africa, particularly in the Sudan region. The organization raises its funds in the United States primarily through personal contacts of the organization with other foreigners living in the U.S." According to the defendant IARA's website (as of May 10, 2004), "The Islamic American Relief Agency is an American non-profit organization established in 1985 and dedicated to the empowerment of disadvantaged people everywhere through

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relief and participatory development programs emphasizing human dignity, self-reliance, and social justice." One of the purposes of the defendant IARA's website was to solicit donations from the general public for advertised projects and programs.

2. On or about August 27, 1987, the defendant IARA applied for recognition of tax exemption under Section 501(c)(3) of the Internal Revenue Code (Title 26, United States Code). On April 21, 1989, the defendant IARA was granted tax-exempt status. In addition to affecting the organization's tax liability, the tax-exempt designation allowed all contributions made to the organization to be deducted from the donors' adjusted gross income.

3. On its Form 1023, Application for Recognition of Exemption, dated August 27, 1987, the defendant IARA stated that it "is an affiliate of the African Relief Agency of Khartoum, Sudan, although the Agency in Khartoum exercises no authority or control over the organization [IARA]."

4. The defendant IARA's Articles of Incorporation describe it as "Islamic African Relief Agency United States Affiliate" and include the purpose of "effecting the Objectives and Means of the Islamic African Relief Agency as set forth in its Constitution." The Articles of Incorporation further provided that in the event of the defendant IARA's dissolution, the Islamic African Relief Agency (Sudan), among others, should receive its assets.

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5. On April 18, 1990, Dr. Abdallah Sulayman Al-Awad, Agency General Director of the Islamic African Relief Agency, Khartoum, Sudan, sent a letter to the defendant IARA's then-office manager, Muhammad Ahmad Ibrahim Al-Bashir, advising the defendant IARA that the Islamic African Relief Agency headquarters in Khartoum, Sudan, had decided to transfer Mubarak Hamad [the defendant MUBARAK HAMED] to the "US office as deputy to the office manager - starting the beginning of October 1990 A.D." The letter continued by stating, ". . . I request that you kindly start in the proceedings of his entry to the US, providing that he enters and lives on a student visa until he receives the permanent work visa."

6. In 1998, during correspondence with the Treasury Department, the defendant IARA described the Islamic African Relief Agency as its "partner in Sudan."

7. On May 25, 2000, the Islamic African Relief Agency-USA legally changed its name to the Islamic American Relief Agency (the defendant IARA).

8. The defendant IARA provided a large amount of its financial aid through the offices of the Islamic Relief Agency (ISRA), located throughout the world, including Amman, Jordan.

9. ISRA is the international identity of the Islamic African Relief Agency headquartered in Khartoum, Sudan. ISRA's publications and correspondence confirm the merged identity by referring to itself by both names.

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COUNT ONE

(Conspiracy to Violate the International Emergency Economic Powers Act and the Iraqi Sanctions Regulations)

10. The allegations of paragraphs one (1) through nine (9) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

11. Under the International Emergency Economic Powers Act (Title 50, United States Code, Sections 1701 through 1706) (IEEPA), the President of the United States has the authority to deal with unusual or extraordinary threats to the national security and foreign policy of the United States. This authority includes investigating, regulating and prohibiting any transaction, including transfers of credit or payments, involving any interest of a foreign country or national thereof related to a Presidentially declared national emergency. The President's formal directives in this regard are issued through Executive Orders which have the force and effect of law.

12. On or about August 2, 1990, under the authority of IEEPA, and following Iraq's invasion into Kuwait, President George H. W. Bush issued Executive Order 12722, which declared a national emergency with respect to Iraq. According to the directive, the policies and actions of the Government of Iraq constituted an unusual and extraordinary threat to the national security and foreign policy interests of the United States. On or about August 9, 1990, the President issued Executive Order 12724, which proscribed specific conduct related to the national security concerns and empowered the Secretary of

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Treasury to promulgate regulations and take other action necessary to fully realize the purposes of the relevant Executive Orders.

13. Pursuant to this authority, the Secretary of Treasury issued the Iraqi Sanctions Regulations, Title 31, Code of Federal Regulations, Section 575. These Executive Orders and regulations, which are administered and enforced by the Department of Treasury's Office of Foreign Assets Control (OFAC), prohibited, among other things: (a) the unauthorized transfer, direct or indirect, of funds or other financial or economic resources to the Government of Iraq or to any person in Iraq; (b) the unauthorized export of goods, technology or services from the United States to a third country that were intended for further shipment to Iraq; (c) any transaction for the purpose of, or which had the effect of, evading or avoiding the Iraqi Sanctions Regulations; and (d) any conspiracy formed for the purpose of engaging in a transaction prohibited by the regulations.

14. The regulations did, however, provide for the registration and licensing of Non-Governmental Organizations (NGOs) engaged in humanitarian activities in Iraq, as well as individual transactions; all of which were reviewed on a case by case basis by OFAC. If approved, the NGO or other applicant would receive a license from OFAC containing strict guidance on the nature and extent of the approved activities. None of the defendants ever received a license from OFAC authorizing money or other items to be delivered, directly or indirectly, into Iraq.

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15. The President renewed the declared national emergency regarding Iraq by the yearly reissuance of the relevant Executive Orders. Effective May 23, 2003, subsequent to the ouster of Ba'ath party and the regime of then-President Saddam Hussein, OFAC issued a General License which suspended most economic sanctions against Iraq, including those described herein.

16. The defendant MUBARAK HAMED was the executive director for the defendant IARA beginning in at least 1992, continuing until the organization's closure in October 2004.

17. The defendant ALI BAGEGNI was a member of the defendant IARA's board of directors beginning in at least 1992, continuing until the organization's closure in October 2004.

18. The defendant KHALID AL-SUDANEE is the regional director of ISRA's Middle East office, located in Amman, Jordan.

19. The defendant AHMAD MUSTAFA was a fund-raiser for the defendant IARA from approximately July 1996 until the organization's closure in October 2004. The defendant AHMAD MUSTAFA, a native of Iraq, concentrated his efforts in raising funds for Iraq.

20. Beginning in or around March 1991 and continuing until in or around May 2003, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, KHALID AL-SUDANEE, ALI BAGEGNI, AHMAD

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MUSTAFA and others known and unknown to the Grand Jury, knowingly and willfully conspired, confederated and agreed to violate Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, by transferring and causing to be transferred, funds, from the United States to Iraq, by and through Amman, Jordan, which transfers were subject to Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, in violation of Title 50, United States Code, Sections 1701 through 1706; and Title 31, Code of Federal Regulations, Section 575.210.

Manner and Means

21. In furtherance of the conspiracy, beginning in or around March 1991, the defendant IARA, by and through its board of directors, including the defendant ALI BAGEGNI, authorized the provision of financial support to persons and organizations located inside Iraq.

22. During the course and in furtherance of the conspiracy, and in order to generate money for Iraq, the defendants, including the defendant AHMAD MUSTAFA, used the defendant IARA's tax-exempt status to solicit donations from the public by representing that the donors' contributions were tax deductible.

23. During the course and in furtherance of the conspiracy, and in order to encourage donations for Iraq, the defendants, by and through the approval of the defendant IARA's board of directors, produced publications which described and lauded contributions going to Iraq.

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24. During the course and in furtherance of the conspiracy, and in order to document the contributions to Iraq, the defendants maintained internal accounting classifications which detailed the nature and amount of contributions being made to Iraq.

25. During the course and in furtherance of the conspiracy, the defendants engaged the services of the defendant KHALID AL-SUDANEE, regional director of ISRA's Middle East office, to transfer, by electronic and other means, funds or other items, originating in the United States, to Iraq. As part of his duties, and in order to facilitate the transactions and identify recipients, the defendant KHALID AL-SUDANEE met with Iraqi military and other government officials.

26. During the course and in furtherance of the conspiracy, the defendants MUBARAK HAMED, ALI BAGEGNI and AHMAD MUSTAFA, transferred and caused to be transferred, funds, from the defendant IARA's bank accounts in the Western District of Missouri, to ISRA's bank accounts in Amman, Jordan.

27. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE, by and in agreement with the other defendants, transferred and caused to be transferred, monies received from the defendant IARA's bank accounts in the United States, to Iraq.

28. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE authored and maintained internal reports and financial

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schedules detailing monies received from the defendant IARA in the United States and expended in Iraq.

29. During the course and in furtherance of the conspiracy, the defendant KHALID AL-SUDANEE forwarded periodic status reports to the defendant IARA describing the conditions and needs in Iraq, and detailing the expenditure of the defendant IARA's funds in Iraq.

30. During the course and in furtherance of the conspiracy, the defendant IARA's board of directors reviewed and approved the defendant IARA's annual reports which described the defendant IARA's activities in Iraq and encouraged continued donations in order to facilitate the defendant IARA's on-going efforts within Iraq.

31. During the course and in furtherance of the conspiracy, the defendant MUBARAK HAMED, in response to an inquiry by OFAC as to whether the defendant IARA was violating the Iraqi sanctions, attempted to deceive OFAC by stating that the defendant IARA was attempting to aid and assist Iraqi people living outside of Iraq.

32. At no time, did any of the defendants, IARA, MUBARAK HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE, receive a license or other authorization from OFAC to transfer or cause to be transferred, monies or other items, into Iraq.

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Overt Acts

33. During the course and in furtherance of the conspiracy, and in order to accomplish its purposes, on or about the dates, and in the amounts, set forth below, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE committed, and caused to be committed, the following overt acts, in addition to those acts detailed within the Manner and Means section above, and others, by participating in transactions or negotiations involving the transfer and attempted transfer of funds and other items from the United States to Amman, Jordan, for ultimate distribution to Iraq, in violation of Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations:

OVERT ACTS	DATE OF TRANSFER	APPROXIMATE AMOUNT
1	04/10/91	$ 15,542.50
2	08/26/91	$ 19,200.00
3	03/26/92	$ 15,000.00
4	07/28/92	$ 4,742.50
5	06/11/93	$ 6,981.00
6	05/31/95	$ 4,120.00
7	07/26/96	$ 10,000.00
8	11/20/96	"Medical Supplies"
9	12/10/96	$ 14,529.00
10	01/28/97	$ 41,700.00
11	03/31/97	$ 51,500.00

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OVERT ACTS	DATE OF TRANSFER	APPROXIMATE AMOUNT
12	01/29/98	$ 50,000.00
13	01/04/00	$ 30,000.00
14	01/14/00	$ 50,000.00
15	02/07/01	$ 50,000.00
16	07/19/01	$ 50,000.00
17	05/24/02	$ 5,776.00
18	08/29/02	$ 4,829.00

In violation of Title 18, United States Code, Section 371 (Title 50, United States Code, Sections 1701-1706; Title 31, Code of Federal Regulations, Section 575.210).

COUNTS TWO through TWELVE

(Violations of the International Emergency Economic Powers Act and Iraqi Sanctions)

34. The allegations of paragraphs one (1) through eighteen (18) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

35. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and KHALID AL-SUDANEE, aided and abetted by each other, knowingly and willfully violated Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations, by participating in transactions involving the transfer and attempted transfer of funds from the United States to Iraq, by and through Amman,

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Jordan, which funds were subject to Executive Orders 12722 and 12724, and the Iraqi Sanctions Regulations:

COUNT	DATE OF TRANSFER	APPROXIMATE AMOUNT
2	12/09/99	$ 8,801.00
3	01/04/00	$ 30,000.00
4	01/14/00	$ 50,000.00
5	02/08/00	$ 75,000.00
6	05/12/00	$ 58,995.60
7	10/31/00	$ 60,000.00
8	02/14/01	$ 50,000.00
9	07/19/01	$ 50,000.00
10	12/18/01	$ 40,974.09
11	05/24/02	$ 5,776.00
12	08/29/02	$ 4,829.80

In violation of Title 50, United States Code, Sections 1701-1706; Title 31, Code of Federal Regulations, Section 575.210; and Title 18, United States Code, Section 2.

COUNT THIRTEEN

(Conspiracy to Commit Money Laundering)

36. The allegations of paragraphs one (1) through nineteen (19) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

37. Beginning in or about March 1991 and continuing until in or about May 2003, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK

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HAMED, ALI BAGEGNI, AHMAD MUSTAFA and KHALID AL-SUDANEE did conspire and agree with one another, and with others known and unknown to the Grand Jury, to knowingly transport, transmit and transfer, and attempt to transport, transmit and transfer a monetary instrument and funds from a place in the United States to a place outside the United States with the intent to promote the carrying on of specified unlawful activity, that is, knowingly and willfully transferring and attempting to transfer funds or other financial or economic resources to Iraq, by and through Amman, Jordan, in violation of Title 50, United States Code, Sections 1701 through 1706 (IEEPA), and punishable under Section 206 of IEEPA (also known as Title 50, United States Code, Section 1705(b)).

In violation of Title 18, United States Code, Section 1956(h).

COUNTS FOURTEEN through TWENTY-FOUR
(Money Laundering)

38. The allegations of paragraphs one (1) through eighteen (18) and paragraphs twenty-one (21) through thirty-three (33) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

39. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and KHALID AL-SUDANEE, aided and abetted by each other, did knowingly transfer and attempt to transfer funds, in the form of wire transfers, from a place in the United States to a place outside the United States with the intent to

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promote the carrying on of specified unlawful activity, that is, knowingly and willfully transferring and attempting to transfer funds or other financial or economic resources to Iraq, by and through Amman, Jordan, in violation of Title 50, United States Code, Sections 1701 through 1706 (IEEPA), and punishable under Section 206 of IEEPA (also known as Title 50, United States Code, Section 1705(b)):

COUNT	DATE OF WIRE TRANSFER	APPROXIMATE AMOUNT
14	12/09/99	$ 8,801.00
15	01/04/00	$ 30,000.00
16	01/14/00	$ 50,000.00
17	02/08/00	$ 75,000.00
18	05/12/00	$ 58,995.60
19	10/31/00	$ 60,000.00
20	02/14/01	$ 50,000.00
21	07/19/01	$ 50,000.00
22	12/18/01	$ 40,974.09
23	05/24/02	$ 5,776.00
24	08/29/02	$ 4,829.80

In violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2.

COUNTS TWENTY-FIVE through TWENTY-SEVEN
(Theft of Public Money)

40. The allegations of paragraphs one (1) through seven (7) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

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41. Beginning on or about January 1, 1997, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others, entered into a series of written cooperative agreements with the United States Agency for International Development (USAID) for relief projects in Mali, Africa. The agreements were terminated by USAID on or about December 19, 1999. At the time of termination, the amount of money involved in the cooperative agreements totaled approximately $2,000,000.00.

42. By the terms of each cooperative agreement, the defendant IARA could not co-mingle USAID program funds with other money and was required to separately track USAID contributions to the program. The defendant IARA opened special and exclusive accounts for each project which detailed the financial transactions related to the respective cooperative agreement. Additionally, the defendant IARA was obligated by the terms of the agreements to provide a specified percentage of matching funds, ranging from approximately 13% - 26% of USAID applied funds. The defendant IARA failed to fully fund the required percentage of matching contributions.

43. Subsequent to the termination of the agreements, the defendant IARA was authorized to request and expend USAID funds to pay for outstanding invoices obligated during the existence of the agreements and specifically related to projects authorized within the terms of the agreements.

44. After all outstanding invoices were satisfied, the defendants IARA, MUBARAK HAMED and ALI BAGEGNI, without authorization, retained

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approximately $84,922.00 of USAID money and failed to return the unexpended funds to USAID as called for by the terms and rules related to the agreements.

45. On or about January 14, 2004, the defendant IARA was included on a Senate Finance Committee list (hereinafter "the list") targeting the activities of Section 501(c)(3) organizations suspected of being involved in supporting international terrorism.

46. In or about April 2004, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others known and unknown to the Grand Jury, hired an individual to advocate for the defendant IARA's removal from the list by gathering information and meeting with individuals and agencies of the United States Government.

47. On or about the dates, and in the approximate amounts, set forth below, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and others known and unknown to the Grand Jury, aided and abetted by each other, did knowingly and without authority, convert for their use and the use of another, money of USAID, a department or agency of the United States, that is, by providing payments derived from USAID funds to another in support of contracted efforts aimed at altering the defendant IARA's status before the United States Senate Finance Committee:

COUNT	DATE	APPROXIMATE AMOUNT
25	05/27/04	$ 25,000.00
26	08/26/04	$ 12,500.00
27	08/26/04	$ 12,500.00

In violation of Title 18, United States Code, Sections 641 and 2.

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COUNT TWENTY-EIGHT
(Conspiracy to Commit Money Laundering)

48. The allegations of paragraphs one (1) through seven (7) and forty-one (41) through forty-six (46) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

49. The defendant ABDEL AZIM EL-SIDDIQ was a fundraiser for the defendant IARA and has been described by the organization as its vice-president for international operations. The defendant ABDEL AZIM EL-SIDDIQ had signatory authority on some of the defendant IARA's bank accounts.

50. Beginning in or about March 2004, and continuing through the date of this Indictment, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI and ABDEL AZIM EL-SIDDIQ did conspire and agree with one another, and with others known and unknown to the Grand Jury, to knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the transfer and attempted transfer of funds which involved the proceeds of specified unlawful activity, that is, Theft of Public Money, as set forth in Counts Twenty-Five (25) through Twenty-Seven (27) of this Indictment, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, source

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and ownership of the proceeds, and that while conducting such financial transaction, knew that the funds represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(h).

COUNTS TWENTY-NINE through THIRTY-ONE
(Money Laundering)

51. The allegations of paragraphs one (1) through seven (7) and forty-one (41) through forty-six (46) of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

52. On or about the dates, and in the approximate amounts, set forth below, in the Western District of Missouri, and elsewhere, the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, ABDEL AZIM EL-SIDDIQ and others known and unknown to the Grand Jury, aided and abetted by each other, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the transfer and attempted transfer of funds which involved the proceeds of specified unlawful activity, that is, Theft of Public Money, as set forth in Counts Twenty-Five (25) through Twenty-Seven (27) of this Indictment, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, source and ownership of the proceeds, and that while conducting such financial transaction, knew that the funds represented the proceeds of some form of unlawful activity:

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COUNT	DATE OF TRANSFER	APPROXIMATE AMOUNT
29	06/30/04	$ 18,337.00
30	09/07/04	$ 23,000.00
31	11/16/04	$ 1,350.00

In violation of Title 18, United States Code, Sections 1956 (a)(1)(B)(i) and 2.

COUNT THIRTY-TWO

(Corrupt Endeavor to Obstruct or Impede the Due Administration of the Internal Revenue Laws)

General Allegations

53. The allegations of paragraphs one (1) through nine (9) and eleven (11) through nineteen (19) are hereby re-alleged and incorporated by reference as though fully set forth herein.

54. The Internal Revenue Service (hereinafter "IRS") is the federal agency whose mission it is to oversee the operation of organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In accomplishing this mission, the IRS primarily relies upon information reported annually by each tax-exempt organization on IRS Forms 990, Return of Organization Exempt from Income Tax, detailing the organization's income, expenses and activities during the calender or tax year. Additionally, in determining an organization's entitlement to tax-exempt status, the IRS utilizes information provided by tax-exempt organizations in response to specific IRS inquiries, information provided by other federal and state agencies, and members of the public.

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55. Beginning in or before June 1998, and continuing until on or about October 13, 2004, the defendants IARA and MUBARAK HAMED endeavored to obstruct and impede the due administration of the Internal Revenue laws, to wit: the IRS oversight of organizations exempt from income tax. The object of the defendants' endeavor was to use the defendant IARA's tax-exempt status to solicit funds, representing that they were legitimate charitable contributions, and to misuse part of those funds by transferring those funds to Iraq, a purpose prohibited by law, and for other purposes not in furtherance of the defendant IARA's purported charitable mission.

56. To continue to use IARA's tax-exempt status to raise funds, and to avoid IRS detection of their activities not in furtherance of their purported charitable mission, the defendants IARA and MUBARAK HAMED filed IRS Forms 990 which intentionally omitted their transactions with Iraq and failed to disclose relevant requested information regarding the control, history and affiliations of the defendant IARA, they made false public statements, and they made false statements to agents and officials of the United States Government.

Statutory Allegations

57. Beginning in or before June 1998, and continuing until on or about October 13, 2004, in the Western District of Missouri, and elsewhere, the defendants IARA and MUBARAK HAMED corruptly endeavored to obstruct and impede the due administration of the Internal Revenue laws by:

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(a) From in or before June 1998 and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED solicited donations through various means, including pamphlets, flyers, newsletters, and personal correspondence (hereinafter "solicitations"), improperly requesting contributions to pay for projects in Iraq. Most of these solicitations specifically referenced the defendant IARA's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (Title 26, United States Code) by including the statement, "Make your tax-deductible donation to: IARA - USA," or words to that effect. Additionally, the solicitations sometimes specifically referenced the tax identification number assigned to the defendant IARA by the IRS, which was 43-1439368;

(b) From in or before June 1998, and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED improperly accepted monetary contributions specifically designated for projects in Iraq;

(c) From on or before June 1998, and continuing until on or about May 23, 2003, the defendants IARA and MUBARAK HAMED used funds received as charitable contributions to engage in the prohibited transactions with Iraq alleged in Counts Two (2) through Twelve (12) and Fourteen (14) through Twenty-Four (24) of this Indictment;

(d) On or about December 15, 2001, the defendants IARA and MUBARAK HAMED improperly diverted $47,000.00, funded from charitable

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contributions, for use as a contingency fund. The defendants attempted to conceal the diversion of the $47,000.00 through the purchase of eleven (11) cashiers checks in the names of various IARA employees, without the knowledge or permission of those employees. The defendants then improperly disbursed $20,000.00 of this fund to pay attorney fees and post bond for an individual identified by the initials A.M., concerning immigration charges;

(e) On or about the dates set forth below, the defendants IARA and MUBARAK HAMED filed IRS Forms 990, Return of Organization Exempt From Income Tax, for the calendar tax years set forth below:

DATE FORM 990 FILED	CALENDAR TAX YEAR
06/29/98	1997
08/10/99	1998
07/14/00	1999
05/22/01	2000
08/16/02	2001
08/14/03	2002
08/18/04	2003

Each of the IRS Forms 990 listed above was false and misleading in that:

(1) In Part III, Statement of Program Service Accomplishments, of each IRS Form 990 listed above, on which they were required to detail all of their

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exempt purpose expenses, the defendants knowingly failed to disclose the fact that they provided funds for projects and persons in Iraq during each calendar year set forth above;

(2) Question 76 of each IRS Form 990 listed above asked: "Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity." On each IRS Form 990 listed above, the defendants falsely answered "no" to question 76, and failed to disclose the improper and illegal activities set forth in this Count of the Indictment;

(3) Question 80a of each IRS Form 990 listed above asked: "Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?" On each IRS Form 990 listed above, the defendants falsely answered "no" to question 80a, and failed to disclose their relationships to the Islamic Relief Agency (ISRA), also known as the Islamic African Relief Agency, headquartered in Khartoum, Sudan, and to the ISRA branch office located in Amman, Jordan;

(f) On or about November 6, 2001, a person acting on behalf of the defendant IARA, engaged in a television interview via satellite transmission from Columbia, Missouri, to Atlanta, Georgia, wherein he falsely and publicly claimed that Ziyad Khaleel, a then publicly identified associate and procurement agent of Osama Bin

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Laden, had never been an employee of the defendant IARA, when in fact, as the defendants then and there well knew and believed, he had been;

(g) On or about August 17, 2001, in response to two OFAC demands to furnish information regarding transactions with nations then subject to United States sanctions, the defendants IARA and MUBARAK HAMED sent a letter to OFAC that contained the following statement denying that the defendant IARA had violated the Iraqi sanctions: "Iraq: IARA-USA did not export merchandise to Iraq. None of our staff has paid an official visit to Iraq. IARA-USA is trying to help the Iraqi people outside Iraq." The defendants then and there well knew and believed that this statement was false, misleading, and omitted material facts;

(h) On or about October 13, 2004, during an interview with agents of the IRS, the defendant MUBARAK HAMED falsely stated that he had applied for a job with the defendant IARA, and did not disclose that on or about April 18, 1990, the defendant MUBARAK HAMED had been transferred by the Islamic African Relief Agency, located in Khartoum, Sudan, to the defendant IARA's office in Columbia, Missouri; and

(i) On or about October 13, 2004, during an interview with agents of the IRS, the defendants IARA and MUBARAK HAMED falsely stated that they had not transferred funds to Iraq while the sanctions were still in effect, and that funds were only used for Iraqi refugees located in Jordan. However, the defendants then and there well

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knew and believed the statement was false, in that they had transferred funds to Iraq while the sanctions were in effect.

In violation of Title 26, United States Code, Section 7212(a).

COUNT THIRTY-THREE
(Forfeiture)

58. A defendant who is convicted of one or more of the money laundering or monetary transaction offenses in violation of Title 18, United States Code, Section 1956, alleged in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment, shall forfeit to the United States of America, all property, real and personal, involved in the money laundering and monetary transaction offenses, and all property traceable to such property, as well as all property used in any manner or part to commit or to facilitate the commission of those violations, including but not limited to the following:

(a) Defendants IARA, MUBARAK HAMED, ALI BAGEGNI, KHALID AL-SUDANEE and AHMAD MUSTAFA shall forfeit approximately $1,375,712.00 in United States currency. That sum represents the sum of monies involved in the international financial transactions used to promote the carrying on of specified unlawful activity as set forth in Counts Thirteen (13) through Twenty-Four (24), for which the defendants are jointly and severally liable; and

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(b) Defendants IARA, MUBARAK HAMED, ALI BAGEGNI and ABDEL AZIM EL-SIDDIQ shall forfeit approximately $46,350.00 in United States currency. That sum represents the sum of monies involved in the financial transactions used to conceal the nature, source and ownership of the proceeds of specified unlawful activity as set forth in Counts Twenty-Eight (28) through Thirty-One (31), for which the defendants are jointly and severally liable.

59. By virtue of the commission of one or more of the felony offenses charged in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment by the defendants IARA, MUBARAK HAMED, ALI BAGEGNI, KHALID AL-SUDANEE and ABDEL AZIM EL-SIDDIQ, any and all interests which the defendants have in the above described sums are vested in the United States and are hereby forfeited to the United States pursuant to Title 18, United States Code, Section 982(a)(1).

60. In the event that any property, real or personal, involved in the offenses and described in Counts Thirteen (13) through Twenty-Four (24) and Twenty-Eight (28) through Thirty-One (31) of this Indictment, or any property traceable to such property, as a result of any act or omission of the defendants:

(a) cannot be located upon exercise of due diligence;

(b) has been transferred or sold to, or deposited with a third party;

(c) has been placed beyond the jurisdiction of the court;

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(d) has been substantially diminished in value; or

(e) has been co-mingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of said defendants up to the value of the above property.

A TRUE BILL.

_____ _____

DATE FOREPERSON OF THE SPECIAL GRAND JURY

_____ _____

Nathan F. Garrett #46500
Assistant United States Attorney
Western District of Missouri

Anthony P. Gonzalez #29922
Assistant United States Attorney
Western District of Missouri

_____ _____

Steven M. Mohlhenrich
Trial Attorney
Tax Division
United States Department of Justice

Corey J. Smith
Trial Attorney
National Security Division
United States Department of Justice

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Image not available for this document, ID: 0.7.10316.5925-000003

From: USDOJ- Office of Public Affairs
Sent: Wednesday, March 07, 2007 1:50 PM
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Subject: ALABAMA PHOTOGRAPHER PLEADS GUILTY TO CHILD PORNOGRAPHY CHARGES

Department of Justice

United States Attorney Alice H. Martin
Northern District of Alabama

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
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ALABAMA PHOTOGRAPHER PLEADS GUILTY TO CHILD PORNOGRAPHY CHARGES

BIRMINGHAM, Ala. – Jeff Pierson, 44, of Brookwood, Ala., has pleaded guilty today in U.S. District Court to charges of conspiracy and mailing, transporting or shipping child pornography. Pierson was charged in October 2005 in a two-count criminal information.

Pierson promoted himself as a child modeling photographer. When parents would leave their child with Pierson for a photography session, he would dress the children in adult lingerie, and in sexually explicit poses, photograph them, and subsequently sell those images to a "child modeling" website in Florida for Internet posting. Many of the parents were unaware of the images being taken of their children, and some had signed over temporary legal custody of their child to Pierson during the modeling session.

"As a supplier of these images to a commercial website, Pierson exploited these young Alabama females to line his pockets with money," stated U.S. Attorney Martin. "Pierson is now cooperating with our investigation. We will use every available resource fostered by Project Safe Childhood to protect children from sexual abuse and exploitation."

Along with the information filed against Pierson in September 2006, Marc Evan Greenberg, 42, and Jeffrey Robert Libman, 39, and Webe Web Corporation, all of the Ft. Lauderdale, Fla., area were indicted on charges of conspiring to use minors to engage in sexually explicit conduct for the purpose of producing visual depictions and knowingly transporting visual depictions of minors engaging in sexually explicit conduct. The Florida "Child Modeling" website, and their photographers, represented itself to be a promoter of models ages seven through 16. Webe Web also promoted subscriptions to these model sites through free subscription advertisements and hosted discussion boards or groups which were devoted to each child model. Most of the members of discussion boards or groups were adult men who were not affiliated with the modeling industry.

"Parents should be diligent to ensure they know the individuals with whom they conduct business when the safety of their children is at risk," stated Carmen S. Adams, FBI Special Agent in Charge, Birmingham Field Division.

The indictment of Greenberg and Libman states that Pierson is a photographer who spoke with Libman about this business venture in 2002, and in 2003 produced visual depictions of minors engaged in sexually explicit conduct, and transmitted those images to Greenberg, Libman and Webe Web Corporation for a profit.

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Pierson, in fact, was a photographer of children and operated a business in the Birmingham area known as BSM or Beautiful Super Models.

Pierson admitted to the charges of conspiracy and mailing or transporting child pornography. According to the plea agreement, in early 2003, the FBI's Birmingham Field Office received several complaints from the public and other law enforcement agencies about child modeling websites. Callers stated that the websites were child pornography and featured at least one child from the Birmingham area. An investigation into the complaints revealed that photos featuring a lascivious (clothed) exhibition of genitals or pubic area of young girls were taken by Pierson and submitted to Webe Web for Internet viewing. Some of the props and clothing outfits worn by the young girls had logos or messages which showed the girls as sex objects. Pierson was a major supplier of images of child models and grossed about $270,000 from his photos on the website.

Conspiracy and mailing, transporting or shipping child pornography carries a minimum sentence of five years in prison and a maximum of 20 years in prison, a fine of $250,000, along with a possible lifetime period of supervised release. A sentencing date will be set by the court for a future date and time. Pierson will remain on bond in accordance with bond restrictions imposed by the court. Greenburg and Libman are currently awaiting trial, and remain free under bond conditions also imposed by the court.

"The U.S. Postal Inspection Service continues to be the lead agency in investigating anyone suspected of using the U.S. Mail to sexually exploit our children, the most vulnerable members of our society. We will not stop until we bring these criminals to justice," stated Martin D. Phanco, Inspector-in-Charge, U.S. Postal Inspection Service. "The mission of the U.S. Postal Inspection Service is to protect the U.S. Postal Service, its employees and its customers from criminal attack, and to protect the nation's mail system from criminal misuse. We will continue to remain steadfast in our fight against the exploitation of children."

The investigation of this case was conducted by the FBI and the U.S. Postal Inspection Service. This case is being prosecuted by Assistant U.S. Attorney James Phillips of the Northern District of Alabama, and trial attorney Jennifer Toritto Leonardo of the Criminal Division's Child Exploitation Obscenity Section.

In February 2006, Attorney General Alberto R. Gonzales created Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorney's Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

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From: USDOJ- Office of Public Affairs
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Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
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(202) 514-2008
TDD (202) 514-1888

JURY CONVICTS VIRGIN ISLANDS MAN OF RECEIPT AND POSSESSION OF CHILD PORNOGRAPHY

WASHINGTON – A federal jury convicted a St. Croix, V.I., man of two counts of child pornography, Assistant Attorney General Alice S. Fisher of the Criminal Division, U.S. Attorney Anthony J. Jenkins for the District of the Virgin Islands, and Special Agent in Charge Manuel Oyola-Torres of the U.S. Immigration and Customs Enforcement Agency (ICE), announced today.

After five hours of deliberation, the 12-person jury in St. Croix convicted Charles Stephano, 67, of receiving and possessing over 500 images of child pornography. He is currently being held in the custody of the U.S. Marshals.

The evidence presented at trial, which began Tuesday, Feb. 21, 2007, included testimony from 16 witnesses, including an employee of the computer repair shop where Stephano took his personal computer for repairs and a computer forensic examiner. The examiner found evidence that Stephano had knowingly obtained child pornography images from publicly available Internet websites and possessed them in the Internet cache of his computer. Printed images from some of the websites were discovered by law enforcement during their search of Stephano's home. Two law enforcement officers personally identified two of the victims depicted in the more than 350 child pornography images received and possessed by Stephano.

Stephano faces a mandatory minimum sentence of five years in prison and a maximum sentence of 20 years with a $250,000 fine and the possibility of lifetime supervised release. Stephano's sentencing has been set for July 12, 2007.

This case was investigated by ICE agents in St. Croix. This case is being prosecuted by trial attorney Jill Trumbull-Harris of the Child Exploitation and Obscenity Section of the Criminal Division, and Assistant U.S. Attorney Denise Hinds of the District of the Virgin Islands, St. Croix office. The computer forensic examination and accompanying expert testimony were provided by Shannon Perkins of the High Technology Investigative Unit of the Criminal Division.

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From: USDOJ- Office of Public Affairs
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To: USDOJ- Office of Public Affairs
Subject: FOUR INDICTED IN BATON ROUGE ON CHARGES OF FRAUD RELATED TO HURRICANE KATRINA

Department of Justice

United States Attorney David R. Dugas
Middle District of Louisiana

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
www.usdoj.gov/usao/lam

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FOUR INDICTED IN BATON ROUGE ON CHARGES OF FRAUD RELATED TO HURRICANE KATRINA

BATON ROUGE, La. – Four Louisiana residents were indicted in federal court on charges of conspiracy, wire fraud, mail fraud, access device fraud, illegal use of Social Security numbers and aggravated identity theft related to a hurricane disaster relief program, U.S. Attorney David R. Dugas announced today.

Latasha Whitfield, 30; Lakeitha Wright, 22; Domoneik Whitfield, 21, and Toni Whitfield, 42, all residents of Zachary, La., were charged in a 41-count indictment by a federal grand jury in connection with an alleged conspiracy to obtain disaster unemployment benefit cards for alleged losses resulting from Hurricane Katrina.

The indictment claims that from at least Nov. 4, 2005, and continuing through on or about June 25, 2006, the defendants knowingly conspired with each other and others to file and cause to be filed at least 50 false and fraudulent Disaster Unemployment Assistance (DUA) claims with the Louisiana Department of Labor (LDOL), fraudulently seeking DUA payments of over $120,000. It is further alleged that, as part of the conspiracy, the defendants falsely represented that Social Security

numbers listed on the fraudulent DUA claims were those which had been assigned by the Commissioner of Social Security to the claimants.

DUA provides financial assistance to individuals whose employment has been lost or interrupted as a result of a major disaster declared by the President of the United States. The LDOL administers the DUA program for the State of Louisiana, the funding for which comes from federal funds provided by the Federal Emergency Management Administration (FEMA). The defendants were charged as follows:

Latasha Whitfield is charged with one count of conspiracy, eight counts of wire fraud, 11 counts of mail fraud, one count of access device fraud, seven counts of illegal use of Social Security numbers, and one count of aggravated identify theft.

Lakeitha Wright is charged with one count of conspiracy, four counts of wire fraud, eight counts of mail fraud, one count of access device fraud, and one count of illegal use of Social Security numbers.

Domoneik Whitfield is charged with one count of conspiracy, four counts of wire fraud, six counts of mail fraud, one count of access device fraud, and two counts of illegal use of Social Security numbers.

Toni Whitfield is charged with one count of conspiracy, two counts of wire fraud, two counts of mail fraud, and one count of access device fraud.

Today's indictment brings the total number of individuals who have been charged in the Middle District of Louisiana with violations related to hurricane disaster relief funds to 93.

The charges resulted from an investigation conducted by the U.S. Department of Labor, Office of Inspector General; the Social Security Administration, Office of Inspector General; the U.S. Postal Inspection Service; the Federal Bureau of Investigation; the Louisiana State Police; and the Zachary, Louisiana, Police Department. The case is being prosecuted by Assistant U.S. Attorney Ian F. Hipwell.

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In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys and others.

For further information, contact David R. Dugas, U.S. Attorney for the Middle District of Louisiana, or Lyman Thornton, First Assistant U.S. Attorney, at 225-389-0443. Anyone suspecting criminal activity involving disaster assistance programs can make an anonymous report by calling the toll-free Hurricane Relief Fraud Hotline, 1-866-720-5721, 24 hours a day, seven days a week, until further notice. Information can also be emailed to the Hurricane Katrina Fraud Task Force at HKFTF@leo.gov or sent by surface mail, with as many details as possible, to Hurricane Katrina Fraud Task Force, Baton Rouge, LA 70821-4909.

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Sent: Wednesday, March 07, 2007 5:33 PM
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Subject: TWO HURRICANE EVACUEES FACE FEDERAL CHARGES FOR DEFRAUDING FEMA OF APPROXIMATELY $50,000

Department of Justice

United States Attorney Richard B. Roper
Northern District of Texas

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 7, 2007
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TWO HURRICANE EVACUEES FACE FEDERAL CHARGES FOR DEFRAUDING FEMA OF APPROXIMATELY $50,000

DALLAS – A federal grand jury returned an indictment today charging Kenyara T. Batiste and Michael B. Harris with offenses related to a scheme they ran to defraud the Federal Emergency Management Association (FEMA) of approximately $50,000 in Disaster Unemployment Assistance (DUA) funds, U.S. Attorney Richard B. Roper of the Northern District of Texas announced today. Batiste and Harris temporarily resided in Dallas following their evacuation from New Orleans, La., following Hurricane Katrina.

Batiste, 25, is charged with 13 counts of theft of public money and five counts of aggravated identity theft. Harris, 26, is charged with two counts of theft of public money and one count of aggravated identity theft.

Batiste and Harris were arrested in New Orleans last month on charges in a sealed criminal complaint filed in January in the Northern District of Texas. Batiste was released on bond and Harris is in custody in Orleans Parish, La., on other charges.

Under FEMA's DUA program, FEMA provided benefits to persons whose employment or self-employment was lost or interrupted as a direct result of a declared disaster. Although FEMA funded the DUA program, each state administered the program locally, with oversight duties retained by the U.S. Department of Labor, Employment Training and Administration, and the U.S. Department of Labor, Office of Inspector General.

The indictment alleges that beginning in November 2005 and continuing through July 2006, Kenyara T. Batiste stole approximately $44,000 in DUA funds, and from September 2005 through June 2006 and Michael B. Harris stole approximately $6,600 in DUA funds. To accomplish the theft, both Batiste and Harris used the names and Social Security numbers of other people.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force – chaired by Assistant

Attorney General Alice S. Fisher of the Criminal Division – includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office and the Executive Office for U.S. Attorneys, among others.

An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. Each count of theft of public money carries a maximum statutory sentence of 10 years in prison and a $250,000 fine; each count of aggravated identity theft carries a maximum statutory sentence of two years in prison, consecutive to any other sentence imposed, and a $250,000 fine.

U.S. Attorney Roper praised the investigative efforts in this case of the Department of Labor, Office of Inspector General and the Louisiana Department of Labor. The case is being prosecuted by Assistant U.S. Attorney Tammy Reno.

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